

2023 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
FAS	907	A	002-2023

Budget Action Title: Reduce \$12.1 million REET I (2023), add \$13.4 million LTGO Bonds (2023), and add \$1.3 million REET I (2024) for Bakun Building in FAS

Ongoing: No Has Budget Proviso: No

Has CIP Amendment: Yes Has Attachment: Yes

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Eric McConaghy

Council Bill or Resolution:

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	SN
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Summary of Dollar Effect

See the following pages for detailed technical information

	2023 Increase (Decrease)	2024 Increase (Decrease)
Other Funds		
REET I Capital Fund (30010)		
Revenues	\$0	\$0
Expenditures	\$(12,062,700)	\$1,263,921
Net Balance Effect	\$12,062,700	\$(1,263,921)
2023 LTGO Taxable Bond Fund (37110)		
Revenues	\$13,390,000	\$0
Expenditures	\$13,390,000	\$0
Net Balance Effect	\$0	\$0
Total Budget Balance Effect	\$12,062,700	\$(1,263,921)

Budget Action Description:

This Council Budget Action (CBA) would reduce \$13 million Real Estate Excise Tax I (REET I) in 2023 support and replace the reduction by adding \$13 million Limited Tax General Obligation (LTGO) bond proceeds in 2023 in the Department of Finance and Administrative Services (FAS) for the purchase of

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the Bakun Building on Alaskan Way South.

This CBA would also add \$937,000 REET I in 2023 to pay debt service on the 2023 LTGO bonds. The net reduction in REET I in 2023 would consequently be \$12.1 million. The increase in REET I appropriation in 2024 would be \$1.3 million to pay debt service on the LTGO bonds.

This CBA would also amend FAS' corresponding 2023-2028 Capital Improvement Program (CIP) Waterfront Operations and Tribal Interpretive Center project (MC-FA-OWMAINT) as shown on Attachment A. Additionally, this CBA would add a new FAS CIP project, Waterfront Operations and Tribal Interpretive Center - Debt Service (MC-FA-OWMAINTDS), shown on Attachment B. Finally, this CBA would increase revenue from the 2023 LTGO bond proceeds and related appropriation in FAS to cover the cost of issuance for the bonds. This CBA relies on the approval of CBA FAS-502-C-001-2023.

The 2023-2028 Proposed CIP includes \$13 million in REET I funding in 2023 for FAS to acquire and rehabilitate the building located at 1426 Alaskan Way South near the Pike Street Hillclimb for a new Waterfront Operations and Tribal Interpretive Center. The Washington State Department of Transportation (WSDOT) owns this building, known as the Integrus (or Bakun) Building.

The Office of the Waterfront and Civic Projects (OWCP) proposes the purchase and transformation of the building, in part, to fulfill a provision of the City's Memorandum of Agreement (MOA) with the Muckleshoot Tribe related to the permitting of the construction of the Elliot Bay Seawall project. The MOA states that the City will provide the Muckleshoot Tribe with 10,000 square feet in a building along the Waterfront for a Tribal Interpretive Center rent free. The proposed budget states that the Tribe has indicated their interest in the space and that it could fulfill the agreement.

OWCP also proposes to use a portion of the space in the acquired building to house an operations center for maintenance and operations of the Waterfront Park. The proposed appropriation authority for the purchase of the building would require future Council action to authorize the purchase.

The revenue forecast adopted by the Forecast Council on November 2, 2022, projects a reduction in anticipated revenues compared to the revenue forecast that was used to develop the Mayor's 2023-2024 Proposed Budget. This updated forecast reduces the resources available to balance the 2023-2024 Proposed Budget, requiring a reduction in proposed expenditures. This CBA would help address the decreased revenues and support other Council priorities.

Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Add debt service for LTGO bonds paid for with REET I		0	0	FAS - FA000	FAS - BC-FA-GOVTFAC - General Government Facilities - General	30010 - REET I Capital Fund	2023	\$0	\$937,300
2	Add debt service for LTGO bonds paid for with REET I		0	0	FAS - FA000	FAS - BC-FA-GOVTFAC - General Government Facilities - General	30010 - REET I Capital Fund	2024	\$0	\$1,263,921
3	Reduce REET I in 2023 for acquisition of Bakun Building from WSDOT		0	0	FAS - FA000	FAS - BC-FA-GOVTFAC - General Government Facilities - General	30010 - REET I Capital Fund	2023	\$0	\$(13,000,000)
4	Add LTGO Bond 2023 support for the acquisition of the Bakun Building from		0	0	FAS - FA000	FAS - BC-FA-GOVTFAC - General Government Facilities - General	37110 - 2023 LTGO Taxable Bond Fund	2023	\$0	\$13,000,000

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	WSDOT									
5	Increase appropriation for cost of debt issuance		0	0	FAS - FA000	FAS - BO-FA-DEBTISS-L - Debt Issuance Cost - LTGO	37110 - 2023 LTGO Taxable Bond Fund	2023	\$0	\$390,000
6	Increase revenue from 2023 LTGO bonds		0	0	FAS - FA000	FAS - BC-FA-GOVTFAC - General Government Facilities - General	37110 - 2023 LTGO Taxable Bond Fund	2023	\$13,000,000	\$0
7	Increase revenue from bond issuance		0	0	FAS - FA000	FAS - BO-FA-DEBTISS-L - Debt Issuance Cost - LTGO	37110 - 2023 LTGO Taxable Bond Fund	2023	\$390,000	\$0