

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
City Finance / City Light	Kristi Beattie Kirsty Grainger	Saroja Reddy Greg Shiring

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the electric system of The City of Seattle; adopting a system or plan of additions and betterments to and extensions of the existing municipal light and electric power generation, transmission, and distribution system of the City; authorizing the issuance and sale of municipal light and power revenue bonds for the purposes of providing funds to pay part of the cost of carrying out that system or plan, providing for the reserve fund requirement (if necessary), and paying the costs of issuance of the bonds; providing parameters for the Bond Sale Terms including conditions, covenants, and other sale terms; describing the lien of the bonds and authorizing their issuance as either senior lien parity bonds or junior lien bonds; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: This legislation provides the legal authorization to issue up to \$300 million of bonds in 2025 to fund a portion of capital expenditures for Seattle City Light’s system outlined in the proposed 2025-2030 Capital Improvement Plan (CIP). This legislation also authorizes up to \$200 million of borrowing for potential debt optimization, for a total issuance of bonds in a maximum aggregate principal amount not to exceed \$500 million. Debt optimization involves replacing high interest debt with low interest debt to reduce overall interest costs – without increasing the debt burden or extending the term of outstanding debt.

Although the budget, capital plan and rates make specific assumptions about the use of debt financing for a certain share of the capital program, separate authorization for the issuance of bonds is technically required.

A City Light bond sale is anticipated to occur in mid-2025. The bond proceeds combined with internally generated funds will support City Light’s capital program for about one year. The bond proceeds will also be used to make a deposit to the bond reserve fund and to pay issuance costs. As described in the legislation, bonds would have a maximum maturity of 40 years.

Major projects supported by the bond issue include the replacement of overhead and underground distribution equipment (including the accelerated pole replacement program), and other distribution related projects such as overhead and underground service connection work for Medium General Service customers. For further information about City Light’s capital projects, please see the 2025-2030 CIP.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?

Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

4. OTHER IMPLICATIONS

a. **Please describe how this legislation may affect any departments besides the originating department.**

This legislation affects the Office of City Finance, which coordinates the issuance of the bonds, and City Light which is responsible for managing the bond proceeds and implementing the major projects supported by the bond issue.

b. **Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

No.

c. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

i. **How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

N/A.

ii. **Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

N/A.

iii. **What is the Language Access Plan for any communications to the public?**

N/A.

d. **Climate Change Implications**

i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

N/A

ii. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

N/A.

- e. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A.

5. CHECKLIST

- Is a public hearing required?**
- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**
- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

6. ATTACHMENTS

Summary Attachments: None