

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the issuance and sale of limited tax general obligation bonds to pay or reimburse all or part of the costs of various elements of the City’s capital improvement program and for other City purposes approved by ordinance and to pay the costs of issuance of the bonds; providing parameters for the bond sale terms including conditions, covenants, and other sale terms; creating the 2023 Multipurpose LTGO Bond Fund (Taxable) and the Enhanced Facility Fee Reserve Fund; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: This legislation provides the legal authorization to issue up to \$114.6 million of Limited Tax General Obligation (LTGO) Bonds, as assumed in the 2023-2024 Proposed Budget and the Proposed 2023-2028 Capital Improvement Program (CIP), and includes approximately \$20 million of financing to provide financing support for development of the Ocean Pavilion expansion of the Aquarium facility, for which the City is to be reimbursed through an Enhanced Facility Fee payable under the Operations and Management Agreement with the Seattle Aquarium Society, pursuant to Ordinance 126655.

Although the Budget and CIP make specific assumptions about the use of debt financing for a certain share of the CIP, separate authorization for the issuance of bonds is technically required.

This bond sale is anticipated to occur in mid-2023. The bond proceeds will support a share of the City’s general government capital program for about 12 months. The bond sizing is based on the proposed budget and current cash-flow projections. The bond proceeds will be used to pay or reimburse all or part of the costs of the projects supported by the bond issuance (which may include capitalized interest and the financing of an Enhanced Facility Fee Reserve if necessary), and pay issuance costs.

The City’s CIP identifies debt financing for certain projects and the City’s budget appropriates the associated debt service. The following table provides details of this bond issue.

2023 Multipurpose GO Bond Issuance - in \$1,000s							
Description	Approximate Project Fund Deposit	Approx. Par Amount (1)	Max. Term	Approx. Rate	Debt Service	Debt Service	Debt Service Funding Source
					Proposed 2023	Estimated 2024	
Fire Station 31	17,000	17,510	20	5.50%	963	1,465	REET I
Seattle Municipal Tower Elevator Rehab	3,167	3,262	10	5.00%	163	422	FAS Rates
Human Capital Management System	18,185	18,730	8	4.75%	890	2,869	FAS Rates
Drive Clean Seattle Fleet Electric Vehicle Infrastructure	3,000	3,090	7	4.75%	147	529	Payroll Expense Tax
Data and Telephone Infrastructure	15,644	16,113	8	4.75%	765	2,468	IT Rates
Computing Services Architecture	5,910	6,087	8	4.75%	289	932	IT Rates
Criminal Justice Information System Projects	12,996	13,386	8	4.75%	636	2,050	General Fund
Alaskan Way Main Corridor	713	734	20	5.50%	40	61	Commercial Parking Tax
Overlook Walk and East-West Connections Project	6,237	6,424	20	5.50%	353	538	Commercial Parking Tax
Aquarium Expansion	4,000	4,120	20	5.50%	227	345	REET II
Aquarium Expansion - Enhanced Facility	20,000	20,600	7	4.75%	979	3,528	Park and Rec Fund
Aquarium Expansion - EF Fee Reserve	4,338	4,468	7	6.25%	279	808	Park and Rec Fund
Total 2023 Bonds	111,189	114,525			5,731	16,015	

(1) Includes 3% for costs of issuance and pricing adjustments.

2. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
 City Finance and various operating departments with projects being financed by this bond issue.
- b. **Is a public hearing required for this legislation?**
 No.
- c. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
 No.
- d. **Does this legislation affect a piece of property?**
 No.
- e. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**
 N/A.
- f. **Climate Change Implications**
 - 1. **Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**
 No.
 - 2. **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.

- g. 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)?**

N/A.

Summary Attachments: None