

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
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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: A RESOLUTION stating the Seattle City Council’s opposition to the Keystone XL Pipeline, and requesting the Department of Finance and Administrative Services to investigate ways to establish contracting criteria to prioritize the City’s goals to avoid contracting with financial institutions that provide it with project-level loans or other financial services.

Summary and background of the Legislation: This resolution states the Seattle City Council’s opposition to the Keystone XL Pipeline, and requesting the Department of Finance and Administrative Services avoid contracting with financial institutions that provide it with project level loans or other financial services.

In the December 2011 resolution 31346, the City of Seattle resolved that “Climate change is not an abstract problem for the future or one that will only affect far-distant places but rather climate change is happening now, we are causing it, and the longer we wait to act, the more we lose and the more difficult the problem will be to solve.” President Trump announced on Friday March 24 that his State Department issued TransCanada the federal permit to build the Keystone XL pipeline, which could transport over 800,000 barrels of tar sands oil a day from Alberta, Canada to the Gulf of Mexico.

Financial institutions such as JP Morgan Chase, CitiBank, Wells Fargo, Bank of Montreal, Scotia Bank, ATB Financial, Bank of Tokyo, Barclays, Credit Suisse, HSBC, National Bank, Royal Bank of Canada, TD Bank, Credit Agricole, Desjardins, Deutsche Bank, Mizuho and Sumimoto Mitsui Banking Corporation have provided financial services to TransCanada.

In February 2017 ordinance 125257, the City of Seattle established policies to prioritize City business with “partners who are committed to engaging in fair business practices.

2. CAPITAL IMPROVEMENT PROGRAM

_____ This legislation creates, funds, or amends a CIP Project.
 (If box is checked, please attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page.)

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Cost:

3. SUMMARY OF FINANCIAL IMPLICATIONS

Please check one:

- This legislation has direct financial implications.** (If the legislation has direct fiscal impacts (appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the “Other Implications” section.)
- This legislation does not have direct financial implications.**
 (Please skip to “Other Implications” section at the end of the document and answer questions a-i.)

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2015	2016	2015	2016
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2015	2016	2015	2016
Positions affected:	No. of Positions		Total FTE Change	
	2015	2016	2015	2016
Other departments affected:				

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues)

Fund Name and number	Dept	Budget Control Level Name/#*	2015 Appropriation Change	2016 Estimated Appropriation Change
TOTAL				

**See budget book to obtain the appropriate Budget Control Level for your department.*
 (This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not complete supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.)

Appropriations Notes:

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Positions)

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
TOTAL				

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?)

Revenue/Reimbursement Notes:

3.c. Positions

This legislation adds, changes, or deletes positions.
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications)

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2015 Positions	2015 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

* List each position separately

(This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.)

Position Notes:

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

(If yes, explain here.)

There may be times in the future when the bank with the least expensive services, lowest interest-rate loans, or greatest returns on investments would not win future bids from the City of Seattle if that bank were heavily invested in the Keystone XL pipeline. In these scenarios, there would be a financial impact—large or small—on the City, that could only be calculated when

comparing the actual bids. In the event that every financial institution bidding on certain City contracts is invested in the pipeline, FAS may only be able to meet some of the requests in this resolution, despite their best efforts. That would not change Council's intent expressed in this resolution, or the powerful and timely statement it makes on Seattle's values.

b) Is there financial cost or other impacts of not implementing the legislation?

(Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.)

There are incalculable externalized costs to banking with institutions that do not consider the social impacts of their investments. There are externalized costs associated with climate change that can be attributed to investments in fossil fuel infrastructure such as the Keystone XL pipeline. There are externalized costs when an oil pipeline leaks, polluting water supplies. By considering social justice in selecting which financial institution the City banks with, Seattle could indirectly protect Seattleites from significant monetary and human costs.

c) Does this legislation affect any departments besides the originating department?

(If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of the proposed legislation.)

No

d) Is a public hearing required for this legislation?

(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)

No

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

(For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.)

No

f) Does this legislation affect a piece of property?

(If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.)

No

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

(If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities.)

This resolution could have substantial implications for the principles of the Race and Social Justice Initiative, particularly in conjunction with social movements advocating the boycott of

specific financial institutions. If, as a result of this resolution, Seattle stops banking with financial institutions invested in the Keystone XL pipeline, and if other cities and institutions do the same, then TransCanada may find it difficult to fund the pipeline, and may choose to abandon the project. This resolution could also have similar impacts on the policies of financial institutions in the context of other mass movements in the future.

- h) If this legislation includes a new initiative or a major programmatic expansion:
What are the long-term and measurable goals of the program? Please describe how
this legislation would help achieve the program's desired goals.**
(This answer should highlight measureable outputs and outcomes.)

- i) Other Issues:**

List attachments/exhibits below: