

## 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**

- a. **Legislation Title:** AN ORDINANCE relating to the financing of the Mercer West project; amending Ordinance 124904 to extend the term of an interfund loan.
- b. **Summary and background of the Legislation:** This legislation extends the expiration date of the Mercer West interfund loan from December 31, 2017 to December 31, 2019. This legislation also changes the source of the lending fund from the City’s Consolidated Cash Pool to the Revenue Stabilization Fund, otherwise known as the “Rainy Day Fund.”

The loan of up to \$26,300,000 was originally authorized by Ordinance 124904 in November 2015. The loan is to be repaid from the sale of surplus property at 800/816 Mercer Street, also known as the “Teardrop” or “Megablock”.

Sale of the property has been delayed due to the process to secure a street vacation for Broad Street. The street vacation will allow creation of two developable parcels.

### **2. CAPITAL IMPROVEMENT PROGRAM**

- a. **Does this legislation create, fund, or amend a CIP Project?** \_\_\_ Yes  X  No

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

- a. **Does this legislation amend the Adopted Budget?** \_\_\_ Yes  X  No
- b. **Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**  
Yes. The Transportation Operating Fund would end in a negative cash position for greater than the allowed 90 days.
- c. **Is there financial cost or other impacts of *not* implementing the legislation?**  
Yes. The Transportation Operating Fund would end in a negative cash position for greater than the allowed 90 days.

#### 4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**  
Yes. FAS-Finance.
- b. **Is a public hearing required for this legislation?**  
No.
- c. **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**  
No.
- d. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No.
- e. **Does this legislation affect a piece of property?**  
Yes. The surplus property at 800/816 Mercer Street will be sold to pay back the Interfund Loan. This is consistent with the funding plan that has been approved in previous Capital Improvement Programs.
- f. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**  
No.
- 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
- h. **Other Issues:** The highest anticipated value of the property is without any restrictions on the sale. The use for the site for anything other than its highest and best use could cause the property to have a lower than anticipated sales price. A lessening of value could jeopardize the ability of the property to generate enough dollars to repay the Interfund loan.

**List attachments/exhibits below:**

Attachment A: Interfund Loan Calculation  
Attachment B: Map of Property