



Legislation Details (With Text)

File #: CB 120396 **Version:** 2 **Name:** CB 120396
Type: Ordinance (Ord) **Status:** Passed
In control: City Clerk

On agenda: 8/16/2022

Final Action: 8/18/2022 **Ord. No.** Ord 126653

Title: AN ORDINANCE relating to the financing of the Aquarium Expansion project; creating a fund for depositing proceeds of tax-exempt limited tax general obligation bonds in 2023; authorizing the loan of funds in the amount of \$20,000,000 from the REET I Capital Projects Fund to the 2023 Multipurpose LTGO Bond Fund for continuing the work on the "Ocean Pavilion" Aquarium expansion; amending Ordinance 126490, which adopted the 2022 Budget, including the 2022-2027 Capital Improvement Program (CIP); changing appropriations to Seattle Parks and Recreation; and revising project allocations and spending plans for certain projects in the 2022-2027 CIP; all by a 3/4 vote of the City Council.

Sponsors: Teresa Mosqueda

Indexes:

Attachments: 1. Att A - Aquarium Expansion - Project Page, 2. Summary and Fiscal Note, 3. Amendment A, 4. Presentation, 5. Central Staff Memo, 6. Signed Ordinance 126653, 7. Affidavit of Publication

Date	Ver.	Action By	Action	Result
8/18/2022	2	City Clerk	attested by City Clerk	
8/18/2022	2	Mayor	returned	
8/18/2022	2	Mayor	Signed	
8/18/2022	2	City Clerk	submitted for Mayor's signature	
8/16/2022	1	City Council	passed as amended	Pass
8/11/2022	1	Finance and Housing Committee	pass	Pass
8/9/2022	1	City Council	referred	
8/1/2022	1	Council President's Office	sent for review	
7/27/2022	1	City Clerk	sent for review	
7/27/2022	1	Mayor	Mayor's leg transmitted to Council	

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the financing of the Aquarium Expansion project; creating a fund for depositing proceeds of tax-exempt limited tax general obligation bonds in 2023; authorizing the loan of funds in the amount of \$20,000,000 from the REET I Capital Projects Fund to the 2023 Multipurpose LTGO Bond Fund for continuing the work on the "Ocean Pavilion" Aquarium expansion; amending Ordinance 126490, which adopted the 2022 Budget, including the 2022-2027 Capital Improvement Program (CIP); changing appropriations to Seattle Parks and Recreation; and revising project allocations and spending

plans for certain projects in the 2022-2027 CIP; all by a 3/4 vote of the City Council.

WHEREAS, The City of Seattle (“City”) owns the Seattle Aquarium facility (“Aquarium”), located on Piers 59 and 60 along the Seattle Central Waterfront (“Waterfront”) and recognizes the importance of the Aquarium for its national and regional standing for scientific research, marine conservation education, civic engagement, and value as a visitor destination. The Seattle Aquarium Society (SEAS) has managed aspects of the Aquarium operations since the 1980s under a series of agreements with the City’s Parks and Recreation Department (SPR), and SEAS assumed full management responsibility in 2010; and

WHEREAS, in 2009, the City Council passed Ordinance 123205, authorizing SPR to enter into a long-term agreement with SEAS to operate and manage the Aquarium. The Operations and Management Agreement (OMA) required SEAS to prepare a master plan to guide investments in the physical development of the Aquarium and further required that the SEAS Master Plan be approved by the City Council by resolution. Under the OMA, new capital improvements that SEAS develops will be owned by the City, with SEAS owning all animals and maintaining and operating the facility, including providing animal care and programming of the Aquarium. The OMA requires SEAS to coordinate its planning and development of a future Master Plan with the Committee on Central Waterfront Partnerships, and the Waterfront Planning parameters developed by the City Council. Further, the OMA requires that the Master Plan be consistent with the City’s adopted Alaskan Way and Seawall Replacement Program, especially as it concerns the seawall replacement component of the program and the redesign of adjacent public spaces at Waterfront Park and Piers 62/63; and

WHEREAS, in 2019, the City Council passed Ordinance 126015, authorizing a funding agreement and a construction agreement between the City of Seattle and SEAS to provide up to \$34 million for a new aquarium facility to be known as the Ocean Pavilion. Both the Funding Agreement and Construction Agreement have been executed by the City and SEAS; and

WHEREAS, construction of the Ocean Pavilion is expected to increase the Aquarium’s attendance to 1.2

million visitors a year, and the City believes an expanded Aquarium facility will better serve the needs of City residents and visitors and will be a significant draw to anchor the north end of the future Waterfront Park; and

WHEREAS, due to the COVID-19 pandemic and subsequent regional and nationwide economic conditions, fundraising for the Ocean Pavilion by SEAS has lagged behind initial estimates, creating funding constraints for SEAS; and

WHEREAS, SEAS has requested an additional \$20 million of financial support in 2022 and 2023 to allow construction of the Ocean Pavilion to advance on pace with the City's Waterfront Program, while allowing SEAS additional time to advance their philanthropic campaign; and

WHEREAS, in negotiating an additional \$20 million of financial support, the Parties understand and agree that this funding shall be the City's final contribution to the Ocean Pavilion; and

WHEREAS, the design of the Ocean Pavilion and the City's Overlook Walk project are integrated in order to maximize benefits to the public and minimize construction impacts and duration for all parties; and

WHEREAS, as part of the public benefits established in the earlier Funding Agreement, the design of the Ocean Pavilion provides for public access and open space amenities as part of the roof, elevator, and exterior stair connections to the Waterfront, which shall be open and maintained as available to the public by SEAS; and

WHEREAS, it will be efficient and in the public interest to have the Ocean Pavilion building infrastructure, exhibits and public access amenities all constructed as one project to be delivered by SEAS; and

WHEREAS, Seattle Municipal Code subsection 5.06.030.C requires City Council approval by ordinance of any interfund loan for a duration of 90 days or more; and

WHEREAS, in the normal course of business the City may temporarily lend cash between funds to maintain required balances; and

WHEREAS, the Director of Finance and the City Budget Director have determined that this interfund loan

request is consistent with the Debt Management Policies adopted by Resolution 31553; and

WHEREAS, there is sufficient cash in the REET I Capital Projects Fund to support an interfund loan of up to

\$20 million through December 31, 2023, and still meet regular budgeted operating needs; and

WHEREAS, funds loaned by the REET I Capital Projects Fund to the 2023 Multipurpose LTGO Bond Fund for

bridge financing of the Aquarium Expansion project are anticipated to be repaid from proceeds from the

sale of tax-exempt LTGO Bonds, which is expected to be finalized in 2023; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new 2023 Multipurpose LTGO Bond Fund is created in the City Treasury, into which the principal proceeds and any premium received from the sale and delivery of limited tax general obligation bonds in 2023 shall be deposited for the purpose of paying all or part of the costs of various elements of the City's capital improvement program and other City purposes approved by ordinance. The Fund shall receive earnings on its positive balances and pay interest on its negative balances. The Director of Finance is authorized to create other Accounts or Subaccounts as may be needed.

Section 2. The Director of Finance is authorized to make a non-revolving loan of up to \$20 million principal and interest outstanding from the REET I Capital Projects Fund to the 2023 Multipurpose LTGO Bond Fund, created by Section 1 of this ordinance, to provide bridge financing for expenditures related to the Aquarium Expansion project (MC-PR-21006) that will be financed by authorized, tax-exempt limited tax general obligation (LTGO) bond proceeds. The loan is to be repaid no later than December 31, 2023, with interest on the loan at the rate of return of the City's Consolidated Cash Pool. The entire principal and interest amount of the loan drawn is intended to be repaid with proceeds from the future sale of tax-exempt LTGO bonds issued in 2023.

Section 3. The Director of Finance may effectuate the loan authorized in Section 2 of this ordinance by transferring cash from the REET I Capital Projects Fund to the 2023 Multipurpose LTGO Bond Fund, or by carrying the 2023 Multipurpose LTGO Bond Fund in a negative cash position, in an amount not to exceed \$20

million until no later than December 31, 2023, or until repayment with proceeds from the sale of tax-exempt LTGO bonds in 2023, whichever is earlier. The Director of Finance is further authorized to establish, and modify if necessary from time to time, a repayment plan and schedule.

Section 4. Appropriations in the 2022 Adopted Budget and project allocations in the 2022-2027 Adopted Capital Improvement Program (CIP) for the following items are increased as follows:

Item	Dept	Fund	Budget Summary Level/BCL Code	CIP Project Name/ID	CIP Project Appropriation Change
4.1	Seattle Parks and Recreation	2023 Multipurpose LTGO Bond Fund (37100)	Building for the Future (37100-BC-PR-2000)	Aquarium Expansion (MC-PR-21006)	\$20,000,000
Net Change					\$20,000,000

These modifications shall operate for the purposes of decreasing or increasing the bases for the limit imposed by subsection 4(c) of Ordinance 126490.

The CIP Project page for this program is attached to this ordinance as Attachment A.

Section 5. The provisions of Sections 1, 2, 3 and 4 of this ordinance are contingent upon the execution of the amendments to the Ocean Pavilion Funding Agreement and the Seattle Aquarium Operations and Management Agreement authorized in Section 1 of the ordinance introduced as Council Bill 120397.

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2022, and signed by me in open session in authentication of its passage this _____ day of _____, 2022.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2022.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2022.

Elizabeth M. Adkisson, Interim City Clerk

(Seal)

Attachments:
Attachment A - Aquarium Expansion - CIP Project Page