



Legislation Text

File #: CB 120691, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the financing of the Central Waterfront Improvement Program; amending Ordinance 123761 to extend the duration of the existing interfund loan to the Central Waterfront Improvement Fund; and increasing the amount of the existing interfund loan.

WHEREAS, in 2010, the Department of Transportation conducted a preliminary feasibility analysis of special benefits for various program elements of the Alaskan Way Viaduct and Seawall Replacement Program, which supports a potential range of special benefits for a future Local Improvement District; and

WHEREAS, a loan of \$2.4 million to the Central Waterfront Improvement Fund was authorized in 2011 by Ordinance 123761 and increased to \$13.7 million in 2012 by Ordinance 124033, and the Mayor and Council anticipated revising the legislation to increase the amount of that loan to accommodate future years' spending; and

WHEREAS, Ordinance 124345 increased the interfund loan from \$13.7 million to \$31.225 million; and

WHEREAS, Ordinance 125188 amended the expiration date of the interfund loan to the Central Waterfront Improvement Fund to December 31, 2019; and

WHEREAS, Ordinance 125990 amended the expiration date of the interfund loan to the Central Waterfront Improvement Fund to December 31, 2023 and decreased the interfund loan from \$31.225 million to \$12.225 million; and

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

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

required balances; and

WHEREAS, in January 2019, Ordinance 125760, the City Council (“Council”) of The City of Seattle (“City”) established Local Improvement District No. 6751 of the City (interchangeably, “LID 6751” or the “Waterfront LID”), created the Local Improvement District No. 6751 Fund (“Waterfront LID Fund”) and authorized Interim Financing (including interfund loans) to pay for the costs of the LID Improvements in the anticipation of the issuance of LID Bonds; and

WHEREAS, funds loaned to the Central Waterfront Improvement Fund were previously used for costs eligible to be repaid with future LID Bond proceeds (LID-eligible costs) and used for costs which are ineligible to be repaid with future LID Bond proceeds (all other costs); and

WHEREAS, the City has kept a detailed record of the spending of funds loaned to the Central Waterfront Improvement Fund and can segregate LID-eligible costs from all other costs. LID-eligible costs are anticipated to be paid with LID bond proceeds and all other costs are anticipated to be repaid from LTGO bond proceeds, philanthropic contributions, and reimbursements from private utilities; and

WHEREAS, funds loaned to the Central Waterfront Improvement Fund in 2020 were no longer intended to be used for LID-eligible costs. An additional 2020 interfund loan of \$19 million to the Local Improvement District No. 6751 Fund was used for LID-eligible costs. The creation of the 2020 interfund loan for LID -eligible costs resulted in the reduction of the amount of funds loaned to the Central Waterfront Improvement Fund from \$31.225 million to \$12.225 million; and

WHEREAS, the primary revenue source for the Central Waterfront Improvement Fund is philanthropic donations collected from private donors by Friends of the Waterfront Seattle and transferred to the City, and the timing of donations have been updated to reflect anticipated changes in collection dates related to the COVID-19 pandemic and other economic conditions which have impacted fund raising, necessitating the need for an interfund loan to bridge cash flow needs for the Waterfront projects currently under construction; and

WHEREAS, Friends of the Waterfront Seattle has provided updated philanthropic donation timelines to the City that meet the original commitment of \$110 million in total donations by the end of 2025; 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 Project Fund to support an interfund loan of up to \$20,300,000 through December 31, 2025 and still meet regular budgeted operating needs; NOW,

THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Sections 5 and 7 of Ordinance 123761, last amended by Ordinance 125990, are amended as follows:

Section 5. The Director of Finance is authorized to make a revolving loan of up to ~~(((\$12,225,000~~)) \$20,300,000 of principal and interest outstanding from the REET I Capital Project Fund to the Central Waterfront Improvement Fund, to provide financing for central waterfront improvements. The loan is to be repaid no later than ~~((December 31, 2023))~~ December 31, 2025, 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 ~~((LTGO bond proceeds, LID bond proceeds,))~~ philanthropic contributions, and reimbursements from private utilities.

* * *

Section 7. The Director of Finance may effectuate the loan authorized in Section 5 of this ordinance by transferring cash from the REET I Capital Project Fund to the Central Waterfront Improvement Fund, or by carrying the Transportation Fund in a negative cash position, in an amount not to exceed ~~(((\$12,225,000))~~ \$20,300,000, until no later than ~~((December 31, 2023))~~ December 31, 2025. The Director of Finance is further authorized to establish, and modify if necessary, from time to time, a repayment plan and schedule.

Section 2. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 3. 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 the City Council the _____ day of _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Scheereen Dedman, City Clerk

(Seal)