# Legislation Details (With Text)

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| **File #:** | CB 119858 **Version:** 2 | **Name:** | CB 119858 |
| **Type:** | Ordinance (Ord) | **Status:** | Passed |
| | | **In control:** | City Clerk |
| **On agenda:** | 9/8/2020 | | |
| **Final Action:** | 9/11/2020 | **Ord. No.** | Ord 126161 |

**Title:** AN ORDINANCE relating to the financing of the West Seattle Bridge Immediate Response project; creating a fund for depositing proceeds of taxable limited tax general obligation bonds in 2021; authorizing the loan of funds in the amount of $50,000,000 from the Construction and Inspections Fund and $20,000,000 from the REET II Capital Projects Fund to the 2021 LTGO Taxable Bond Fund for early phases of work on the bridge repair and replacement project; amending Ordinance 126000, which adopted the 2020 Budget, including the 2020-2025 Capital Improvement Program (CIP); changing appropriations to the Seattle Department of Transportation; and revising project allocations and spending plans for certain projects in the 2020-2025 CIP.

**Sponsors:** Alex Pedersen, Lisa Herbold

**Indexes:**

**Attachments:** 1. Att A - West Seattle Bridge Immediate Response, 2. Summary and Fiscal Note, 3. Proposed Amendment (added; 8/17/20), 4. Presentation, 5. Signed Ordinance 126161, 6. Affidavit of Publication

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 9/11/2020 | 2 | City Clerk | attested by City Clerk | |
| 9/11/2020 | 2 | Mayor | returned | |
| 9/11/2020 | 2 | Mayor | Signed | |
| 9/11/2020 | 2 | City Clerk | submitted for Mayor's signature | |
| 9/8/2020 | 2 | City Council | passed | Pass |
| 8/19/2020 | 1 | Transportation and Utilities Committee | pass as amended | Pass |
| 8/10/2020 | 1 | City Council | referred | |
| 8/6/2020 | 1 | City Council | sent for review | |
| 7/29/2020 | 1 | City Clerk | sent for review | |
| 7/28/2020 | 1 | Mayor | Mayor's leg transmitted to Council | |

## CITY OF SEATTLE

## ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the financing of the West Seattle Bridge Immediate Response project; creating a fund for depositing proceeds of taxable limited tax general obligation bonds in 2021; authorizing the loan of funds in the amount of $50,000,000 from the Construction and Inspections Fund and $20,000,000 from the REET II Capital Projects Fund to the 2021 LTGO Taxable Bond Fund for early phases of work on the bridge repair and replacement project; amending Ordinance 126000, which adopted the 2020 Budget, including the 2020-2025 Capital Improvement Program (CIP); changing

appropriations to the Seattle Department of Transportation; and revising project allocations and spending plans for certain projects in the 2020-2025 CIP.

WHEREAS, after regular inspection revealed accelerated and abnormal cracking of the concrete structure of the West Seattle High-Rise Bridge, The City of Seattle ("City") made the decision to close the bridge to all vehicle traffic March 23, 2020; and

WHERAS, work to stabilize the bridge is underway, as well as studies to determine the practical and financial feasibility of repairing the bridge, weighing factors including cost to repair, durability and load and traffic capacity of a repaired bridge; and

WHEREAS, the City has established a Technical Advisory Panel (TAP) to independently assess these studies and make recommendations on the best options for repair and/or replacement; and

WHEREAS, a Community Task Force made up of representatives of neighborhoods, businesses, the Duwamish Tribe, the Port of Seattle, elected officials, and others impacted by the bridge closure will provide community input on TAP recommendations and weigh options for financing repair or replacement and priorities for mitigating traffic impacts during the extended closure of the bridge; and

WHEREAS, funds must be appropriated in 2020 to cover expenditures related to broad community engagement efforts and early work on the Reconnect West Seattle multimodal strategy; capital delivery components include emergency repairs and bridge stabilization work that may include shoring and/or controlled removal, and analysis and design of bridge replacement options; and Spokane Swing (Low) Bridge repairs and enhancement; 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 Construction and Inspections Fund to support a primary interfund loan of up to $50 million through December 31, 2021, and still meet regular budgeted operating needs; and

WHEREAS, there is sufficient cash in the REET II Capital Projects Fund to support a secondary interfund loan of up to $20 million through December 31, 2021, and still meet regular budgeted capital needs; and

WHEREAS, funds loaned by the Construction and Inspections Fund and the REET II Capital Projects Fund to the 2021 LTGO Taxable Bond Fund for bridge financing of the design of the West Seattle Bridge project are anticipated to be repaid from proceeds from the sale of LTGO Bonds, which is expected to be finalized in 2021; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. A new 2021 LTGO Taxable Bond Fund (36810) 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 2021 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 $50 million principal and interest outstanding from the Construction and Inspections Fund to the 2021 LTGO Taxable Bond Fund, created by Section 1 of this ordinance, to provide bridge financing for expenditures related to the West Seattle Bridge Immediate Response project (MC-TR-C110) that will be financed by authorized, taxable limited tax general obligation (LTGO) bond proceeds. The loan is to be repaid no later than December 31, 2021, 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 taxable LTGO bonds issued in 2021.

Section 3. The Director of Finance may effectuate the loan authorized in Section 2 of this ordinance by transferring cash from the Construction and Inspections Fund to the 2021 LTGO Taxable Bond Fund, or by carrying the 2021 LTGO Taxable Bond Fund in a negative cash position, in an amount not to exceed $50 million until no later than December 31, 2021, or until repayment with proceeds from the sale of taxable LTGO bonds in 2021, 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. The Director of Finance is authorized to make a non-revolving loan of up to $20 million principal and interest outstanding from the Real Estate Excise Tax (REET) II Capital Projects Fund (30020) to the 2021 LTGO Taxable Bond Fund, created by Section 1 of this ordinance, to provide bridge financing for expenditures related to the West Seattle Bridge Immediate Response project (MC-TR-C110) that will be financed by authorized, taxable limited tax general obligation (LTGO) bond proceeds. The loan is to be repaid no later than December 31, 2021, 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 taxable LTGO bonds issued in 2021.

Section 5. The Director of Finance may effectuate the loan authorized in Section 4 of this ordinance by transferring cash from the REET II Capital Projects Fund to the 2021 LTGO Taxable Bond Fund, or by carrying the 2021 LTGO Taxable Bond Fund in a negative cash position, in an amount not to exceed $20 million until no later than December 31, 2021, or until repayment with proceeds from the sale of taxable LTGO bonds in 2021, 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 6. The West Seattle Bridge Immediate Response (MC-TR-C110) project is substituted in the 2020-2025 Adopted Capital Improvement Program as described in Attachment A to this ordinance.

Section 7. Appropriations in the 2020 Adopted Budget and project allocations in the 2020-2025 Adopted Capital Improvement Program for the following items are increased as follows:

| Item | Dept | Fund | Budget Summary Level/BCL Code | Additional Budget Appropriation | CIP Project Name | 2020 CIP Allocation (in $000's) |
|---|---|---|---|---|---|---|
| 7.1 | SDOT | 2021 LTGO Taxable Bond Fund (36810) | Major Projects (13000 BC-TR-19002) | $70,000,000 | West Seattle Bridge Immediate Response (MC-TR-C110) | $70,000 |
| **Net Change** | | | | **$70,000,000** | | **$70,000** |

These modifications shall operate for the purposes of decreasing or increasing the bases for the limit imposed by subsection 4(c) of Ordinance 126000.

Section 8. 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 _____, 2020, and signed by me in open session in authentication of its passage this _____ day of _____, 2020.

_____

President _____ of the City Council

Approved by me this _____ day of _____, 2020.

_____

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2020.

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Monica Martinez Simmons, City Clerk

(Seal)

Attachments:
Attachment A - West Seattle Bridge Immediate Response - CIP Project Page