

# Parking Garage Operations Fund

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## Department Overview

The Parking Garage Operations Fund pays the operating and debt service costs for the Pacific Place Garage with garage revenue receipts. The garage is located between Sixth and Seventh Avenues and Pike and Olive Streets in downtown Seattle. The City took over responsibility for the garage in November 1998.

In 2016, via Ordinance 125074, the City Council authorized the sale of the Pacific Place Garage. Proceeds from the sale will fund the defeasance of the outstanding debt for the garage in 2017, with the remainder of the proceeds deposited in the new Garage Disposition Proceeds Fund (37000) to be used for capital expenditures in accordance with Internal Revenue Service (IRS) rules.

## Budget Snapshot

Department Support	2015 Actual	2016 Adopted	2017 Adopted	2018 Endorsed
Other Funding - Operating	\$8,772,446	\$9,715,574	\$11,800,000	\$0
<b>Total Operations</b>	<b>\$8,772,446</b>	<b>\$9,715,574</b>	<b>\$11,800,000</b>	<b>\$0</b>
<b>Total Appropriations</b>	<b>\$8,772,446</b>	<b>\$9,715,574</b>	<b>\$11,800,000</b>	<b>\$0</b>
Full-time Equivalent Total*	0.00	0.00	0.00	0.00

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.

# Parking Garage Operations Fund

## Budget Overview

The 2017 Adopted and 2018 Endorsed Budget eliminates the budget in the Parking Garage Operations Fund to reflect the sale of the Pacific Place Garage in 2016. The proceeds from the sale will fund the defeasance of the outstanding bonds through the Bond Interest and Redemption Fund. The remaining proceeds will be deposited in the new Garage Disposition Proceeds Fund (37000) created with Ordinance 125075.

The proceeds from the garage sale are restricted by Section 148 of the IRS tax code to be used for qualified capital purchases, the same restrictions as tax-exempt bonds. The 2016 revised budget and the 2017 Adopted Budget appropriate all net proceeds anticipated from the sale of the Pacific Place Garage out of the new Disposition Proceeds Fund. Proceeds must be spent within approximately one year of the sale of the garage.

The final sale price of the Pacific Place Garage was \$87 million, with net proceeds to the City of \$21.2 million after defeasance of the outstanding bonds (\$52.5 million), transactions costs (\$1.8 million) and repayment of the interfund loan in the Parking Garage Operating Fund (\$11.5 million).

The repayment of the interfund loan is included in the 2016 revised budget, including \$10 million of appropriation approved in Ordinance 125076 for General Fund fleet purchases as part of a fund swap and \$1.5 million proposed in the 2016 fourth quarter supplemental budget. The interfund loan is the accumulation of an operating deficit, due primarily to increasing debt service payments on the parking garage.

The \$21.2 million of net proceeds from the sale are allocated to qualified capital projects in the 2016 revised budget and the 2017 Adopted Budget. The 2016 revised budget includes third quarter supplemental appropriations of \$5.2 million for the Seattle Police Department Data Analytics Platform project, and \$4.2 million for the Seattle Department of Transportation (SDOT); including \$700,000 for the Seawall project and \$3.5 million for parking pay stations.

### City Council Changes to the Proposed Budget

The 2017 Adopted Budget appropriates the remainder of the net proceeds, including \$8 million for the Lander Street Project, \$1 million for the Seattle IT Accela CIP project, \$1.4 million for the SDOT Arterial Major Maintenance project and \$1.4 million for the Seawall project.

Additional detail on these projects can be found in the 2017-2022 Adopted Capital Improvement Program.

## Parking Garage Operations Fund

### Incremental Budget Changes

#### Parking Garage Operations Fund

	2017		2018	
	Budget	FTE	Budget	FTE
<b>Total 2016 Adopted Budget</b>	<b>\$ 9,715,574</b>	<b>0.00</b>	<b>\$ 9,715,574</b>	<b>0.00</b>
<b>Proposed Technical Changes</b>				
Remove Appropriation from Parking Garage Operations Fund to Reflect Sale	-\$ 9,715,574	0.00	-\$ 9,715,574	0.00
<b>Council Changes</b>				
Appropriation of Garage Proceeds for Qualified Capital Purchases	\$ 11,800,000	0.00	\$ 0	0.00
<b>Total Incremental Changes</b>	<b>\$ 2,084,426</b>	<b>0.00</b>	<b>-\$ 9,715,574</b>	<b>0.00</b>
<b>2017 Adopted/2018 Endorsed Budget</b>	<b>\$ 11,800,000</b>	<b>0.00</b>	<b>\$ 0</b>	<b>0.00</b>

### Descriptions of Incremental Budget Changes

#### Proposed Technical Changes

##### **Remove Appropriation from Parking Garage Operations Fund to Reflect Sale - (\$9,715,574)**

This item eliminates appropriations out of the Parking Garage Operations Fund to reflect the sale of the Pacific Place Garage in 2016. The City no longer operates the garage and is no longer required to make debt service payments or incur operational expenditures.

#### Council Changes

##### **Appropriation of Garage Proceeds for Qualified Capital Purchases - \$11,800,000**

The 2017 Adopted and 2018 Endorsed Budget appropriates the entire net proceed amount anticipated from the sale of the Pacific Place Garage out of the new Garage Disposition Proceeds Fund for a variety of capital purchases, including \$8 million for the SDOT Lander Street Project, \$1 million for the Seattle IT Accela CIP project, \$1.4 million for the SDOT Arterial Major Maintenance project and \$1.4 million for the Seawall project. Additional detail on each of these projects can be found in the 2017-2022 Adopted Capital Improvement Program.

# Parking Garage Operations Fund

## City Council Provisos

*There are no Council provisos.*

## Expenditure Overview

Appropriations	Summit Code	2015 Actual	2016 Adopted	2017 Adopted	2018 Endorsed
Capital Purchases Budget Control Level	37000-A2002	0	0	11,800,000	0
Pacific Place Garage Budget Control Level	46011	8,772,446	9,715,574	0	0
<b>Department Total</b>		<b>8,772,446</b>	<b>9,715,574</b>	<b>11,800,000</b>	<b>0</b>

<b>Department Full-time Equivalents Total*</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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*\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here.*

## Revenue Overview

### 2017 Estimated Revenues

Summit Code	Source	2015 Actual	2016 Adopted	2017 Adopted	2018 Endorsed
379100	Use of (Contribution to) Fund Balance (Disposition Proceeds Fund)	0	0	11,800,000	0
	<b>Total Garage Disposition Proceeds</b>	<b>0</b>	<b>0</b>	<b>11,800,000</b>	<b>0</b>
379100	Use of (Contribution to) Fund Balance	577,188	1,640,574	0	0
	<b>Total Use of (Contribution to) Fund Balance</b>	<b>577,188</b>	<b>1,640,574</b>	<b>0</b>	<b>0</b>
462300	Parking Garage Revenue	8,195,258	8,075,000	0	0
	<b>Total Parking Garage Revenue</b>	<b>8,195,258</b>	<b>8,075,000</b>	<b>0</b>	<b>0</b>
	<b>Total Revenues</b>	<b>8,195,258</b>	<b>8,075,000</b>	<b>0</b>	<b>0</b>
	<b>Total Resources</b>	<b>8,772,446</b>	<b>9,715,574</b>	<b>11,800,000</b>	<b>0</b>

## Parking Garage Operations Fund

### Appropriations By Budget Control Level (BCL) and Program

#### Capital Purchases Budget Control Level

The purpose of the Capital Purchases Budget Control Level is to ensure that the proceeds from the sale of the Pacific Place Garage are used in accordance with federal regulations regarding the disposition of assets originally financed with tax exempt bonds.

	2015	2016	2017	2018
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Capital Purchases	0	0	11,800,000	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>11,800,000</b>	<b>0</b>

#### Pacific Place Garage Budget Control Level

The purpose of the Pacific Place Garage Budget Control Level is to pay for the City's expenses to operate the Pacific Place Garage, which is located between Sixth and Seventh Avenues and Pine and Olive Streets in downtown Seattle.

	2015	2016	2017	2018
<b>Program Expenditures</b>	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Pacific Place Garage	8,772,446	9,715,574	0	0
<b>Total</b>	<b>8,772,446</b>	<b>9,715,574</b>	<b>0</b>	<b>0</b>

### Parking Garage Operations Fund Table

#### Parking Garage Operations Fund (46010)

	2015	2016	2016	2017	2018
	<b>Actuals</b>	<b>Adopted</b>	<b>Revised</b>	<b>Adopted</b>	<b>Endorsed</b>
<b>Beginning Fund Balance</b>	<b>-6,457,000</b>	<b>-8,174,614</b>	<b>-7,544,188</b>	<b>0</b>	<b>0</b>
Accounting and Technical Adjustments	-510,000	13,400	0	0	0
Plus: Actual and Estimated Revenues	8,195,258	8,075,000	8,075,000	0	0
Less: Actual and Budgeted Expenditures	8,772,446	9,715,574	530,812	0	0
<b>Ending Fund Balance</b>	<b>-7,544,188</b>	<b>-9,801,788</b>	<b>0</b>	<b>0</b>	<b>0</b>
			0		
<b>Total Reserves</b>			<b>0</b>		
<b>Ending Unreserved Fund Balance</b>	<b>-7,544,188</b>	<b>-9,801,788</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Parking Garage Operations Fund

### Garage Disposition Proceeds Fund

	2015	2016	2016	2017	2018
	Actuals	Adopted	Revised	Adopted	Endorsed
<b>Beginning Fund Balance</b>	-	-	-	<b>11,800,000</b>	-
Plus: Actual and Estimated Revenue		-	32,700,000	-	-
Less: Interfund Loan Repayment		-	11,500,000	-	-
Less: Capital Projects			5,200,000	9,000,000	
Less: Transfer to Operating funds for eligible capital expenditures			4,200,000	2,800,000	
<b>Ending Fund Balance</b>	-	-	<b>11,800,000</b>	-	-
<b>Ending Unreserved Fund Balance</b>	-	-	<b>11,800,000</b>	-	-