



TO: T.C. Broadnax, City Manager
FROM: Andy Cherullo, Director, Finance Department
COPY: City Council and City Clerk
SUBJECT: Request for Ordinance Tacoma Police Facilities Internal Note Extension –
November 26, 2013
DATE: November 15, 2013

SUMMARY:

Request to extend the Tacoma Police Facilities Internal note of \$4.2M an additional five years to November 28, 2018.

BACKGROUND:

In 2002, Tacoma Voters approved \$34.3 million in bonds to construct a Tacoma Police Headquarters and four neighborhood substations. Due to major escalations in the cost of construction to complete the headquarters and the bids for the substations, which came in much higher than anticipated, additional funding was required to complete the headquarters and four neighborhood substations.

In October 2005, the City Council passed Ordinance 27415 to provide additional funding of \$4,200,000 by issuance of an Internal Note. The Internal note provided additional funding for the police headquarters and four neighborhood substations. Repayment of the note was secured by the sale of City-owned property located at 21st Street and Jefferson Avenue. The sale of the property has not materialized. It has been determined that a later sale would be advantageous to the City and that the note due date should be extended for an additional five years from November 28, 2013 to November 28, 2018.

ISSUE:

The Internal Note is due on November 28, 2013 and the sale of the property that secures the internal note has not materialized.

ALTERNATIVES:

No other alternatives.

RECOMMENDATION:

To approve the Internal Note extension for an additional five years to November 28, 2018 or until the property that is securing the note has been sold.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
3216 - 2002 Police Facility Bond	806000	6611000	\$102,375
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
0010 - General Fund	806000	6311010	\$74,500
3216 - 2002 Police Facility Bond	806000	4300000	\$27,875
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$102,375

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. FIN