



Legislation Text

File #: 2003-0369, **Version:** 1

Clerk 07/25/2003

A MOTION requesting the King County executive to explore the viability of using leveraged leasing to monetize county assets as a means of realizing financial value and thereby assisting with the county's fiscal shortfall.

WHEREAS, King County's total 2003 budget is \$3.14 billion, and

WHEREAS, the county's 2003 current expense (CX) fund budget is \$489 million, and

WHEREAS, the CX fund is experiencing a fiscal shortfall that is the result of declining revenue growth and increasing governmental expenses, and

WHEREAS, King County is aggressively reviewing CX expenditures for reductions and researching additional sources of revenue, and

WHEREAS, King County reduced the CX fund budget by \$41 million in 2002, \$52 million in 2003 and faces continuing current expense fund deficits of \$21 million in 2004 and another \$21 million in 2005, for a total of \$135 million over four years, and

WHEREAS, leveraged leasing is a financial transaction that would allow King County to monetize existing assets to capture financial value from those assets, and

WHEREAS the capture of financial value from existing assets can potentially assist the county in maintaining current programs without cost to the taxpayers, and

WHEREAS, the council and the executive consistently search for ways in which to continue to provide needed services without revenue increases, and

WHEREAS, leveraged leasing is a type of financial transaction used by King County Metro Transit in

the past and is currently being used by municipalities in other parts of the United States;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

The executive is requested to immediately begin to explore the viability of leveraged leasing as a means to monetize county assets and provide additional means of continuing needed county programs without raising taxes or other revenues. The executive is requested to complete the due diligence work as outlined in Exhibit A to this motion. The executive is further requested to provide a report by September 1, 2003, on the results of the due diligence work and with an update of the county's participation in leveraged leasing programs, including an estimate of the amount that could be realized through participation in these programs. The report should be filed in the form of fifteen copies with the clerk of the council, who will retain the original and will forward copies

to each councilmember and to the lead staff of the budget and fiscal management committee or its successor.