

July 19, 2019

MEMORANDUM

To: Members of the Civil Rights, Utilities, Economic Development & Arts Committee
From: Asha Venkataraman
Subject: Council Bill 119583: Proviso Lift for Town Hall Capital Funds

The Civil Rights, Utilities, Economic Development, and Arts (CRUEDA) Committee plans to discuss and vote on Council Bill (CB) 119583 on Tuesday, July 23. This bill would lift a proviso imposed in the 2019 Adopted Budget ([Green Sheet 2-5-B-1](#)) on \$150,000 of admissions tax in the Office of Arts and Culture (Arts) Cultural Space Budget Summary Level (BSL) to be spent on renovations for Town Hall. The proviso prohibited the expenditure of these funds until Council passed a future ordinance, and it noted that Council did not intend to pass such an ordinance until the Executive shared negotiated contracts detailing the public benefits Town Hall would deliver in exchange for the City's funding. Councilmember Herbold's office, in conjunction with Arts, negotiated a new set of public benefits with Town Hall. Lifting the proviso will allow Arts to execute the negotiated contract, which is attached to the fiscal note for CB 119583. This memorandum (1) outlines state restrictions on gifting public funds; (2) describes previous contracts for funding the Town Hall renovation; and (3) describes the public benefits negotiated in the contract.

Arts Awards and Public Benefits

The Washington State Constitution prohibits gifts of public funds. As a result, Arts contracts with arts and cultural organizations to provide funding for construction or renovation in exchange for public benefits to city residents. Arts has defined public benefits in the context of arts and culture as "events/presentations, rehearsals/previews, planning/research, meetings/consultations, workshops, scholarships, educational/interpretive programs, archives or discounted/free use of facilities/equipment targeting a broad segment of the city."

Historical Funding and Public Benefits for Town Hall

Council appropriated funding for Town Hall in the 2016, 2017, and 2019 Adopted Budgets and negotiated separate sets of public benefits for each funding contract. In 2016, the City provided \$500,000 in exchange for Town Hall providing over 100,000 deeply discounted or free tickets to the public per year; offering heavily subsidized rental rates and production/marketing support to about 100 non-profit presenters per year; creating programming in neighborhoods throughout the City, which will include using neighborhood advisory boards to help curate the programming, with the aim of shifting underserved audiences to co-creators of programming.

In 2017, the City provided \$350,000 in exchange for Town Hall committing to providing its Arts and Culture event series free of charge to persons age 22 and under once programming resumes at the renovated building. Town Hall also conducted outreach to make

underrepresented and marginalized communities aware of the free tickets, and actively invited such communities to take advantage of the tickets. The program is to continue for five years, at which point Town Hall will reevaluate whether to continue the program voluntarily.

Contract for Approval in CB 119583

Arts plans to provide an additional \$100,000 to complete Town Hall’s renovation, which includes upgrading building systems such as the electrical, plumbing, seismic, security, and energy systems. In exchange, Town Hall plans to continue its focus on race and equity by providing up to 50 hours per year of free use of the Reading Room by City departments, 501c3 and other community-based organizations and community groups for programming related to race and equity. Town Hall describes the Reading Room as an “intimate, flexible and full-featured meeting (cap. 40) and presentation (cap. 70) space.” Town Hall plans to advertise the offer through Town Hall’s communications platforms and public announcements to regional equity facilitators, City departments, and other organizations.

cc: Kirstan Arestad, Central Staff Director
Erik Sund, Supervising Analyst