

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
FAS	Hillary Hamilton 684-0421	George Dugdale 733-9297
SPU	Bob Gambill 684-5969	

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of Finance and Administrative Services, on behalf of Seattle Public Utilities, to negotiate and execute a real property lease amendment with Georgetown LLC, for materials yard space at 5821 First Ave South; and ratifying and confirming certain prior acts.

**Summary and background of the Legislation:**

The City has been leasing approximately 53,000 square feet of yard space for materials storage at 5821 First Ave South since 2006 as authorized by Ordinance 122019. The current site is leased from Georgetown LLC in a seven-year lease with one seven-year extension, expiring in February 2020. Seattle Public Utilities (SPU) Water Operations uses the space to store materials needed for water line excavation, repair and construction. The location is centrally located to serve the southern half of Seattle. A site search is underway for a permanent, City-owned location.

SPU is continuing to search for a permanent materials yard that meets operational and affordability criteria. Extending the existing lease will allow SPU further time to identify and explore other property options, while maintaining core Water Operations service delivery. Georgetown LLC reduced the lease rate at the first renewal and has proposed a modest lease rate reduction for an additional third term.

Council action is required as the Department of Finance and Administrative Services' (FAS) authority under Seattle Municipal Code Section 3.127.020 is limited to negotiating and executing leases, for and on behalf of the City, that do not exceed five years and that do not lease more than 18,000 square feet of yard space. This legislation authorizes the Director of Finance and Administrative Services to execute a lease amendment that provides two additional five-year extensions for the use of materials yard space located at 5821 First Ave South.

**2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?** \_\_\_ Yes \_\_\_x\_ No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?** \_\_\_ Yes \_\_\_x\_ No

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

The costs of not implementing this lease could impact SPU Water Operations leaving SPU without a viable materials yard for storage of necessary construction materials. The City will pay about \$132,500 each year under this lease. FAS will administer the lease and SPU will reimburse FAS for the costs in a manner typical of most City leases.

**Is there financial cost or other impacts of *not* implementing the legislation?**

If this lease amendment is not approved, the lease will terminate in February 2020. SPU Water Operations would be without a viable materials yard for storage in South Seattle, negatively impacting core service delivery.

#### **4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

This legislation will allow the continued use of a property by SPU as an integral part of SPU Water Operations repair, maintenance and construction functions.

**b. Is a public hearing required for this legislation? No.**

**c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

This legislation does not involve purchase of real estate. The City is the sole tenant of the property and has initiated the proposed action.

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? No.**

**e. Does this legislation affect a piece of property?**

This legislation relates to amendment of a lease of a private property for yard space. Attachment 1 provides a map showing the location of the property.

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

This legislation extends the lease for an existing materials storage yard. The proposed lease extension is not anticipated to have any impact on vulnerable or historically disadvantaged communities.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

N/A

**List attachments/exhibits below:**

Summary Attachment 1 – Map of Property Location