

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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** 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

1. Legislation Title:

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent of Parks and Recreation to execute an amended and restated lease between the City of Seattle and Oiselle Running, Inc. to occupy and use a portion of Building 11 at Warren G. Magnuson Park for general office purposes; and superseding the requirements of Ordinance 118477 for the purposes of this ordinance.

2. Summary and background of the Legislation:

The proposed Council Bill authorizes the Superintendent of Parks and Recreation (“Superintendent”) to execute for and on behalf of the City an amendment to an existing five-year lease agreement with Oiselle Running, Inc. (Oiselle) This amendment changes the Effective and Commencement dates of the original agreement and increases the rental rate of the amended agreement.

- **Background:** Building 11 is an historic building in the North shore area of Magnuson Park. In 2014, the City retained the services of CBRE to act as the City’s broker in marketing the second floor of Building 11. Oiselle is one of the groups the City successfully negotiated a lease with to fill most of the second floor of Building 11. When Oiselle sought permits from the Seattle Department of Constructions and Inspections to begin its tenant improvements, the permits were denied because seismic upgrades had not been completed for Building 11. Department of Parks and Recreation was not previously aware of the seismic upgrade requirement. The Oiselle tenant improvement build-out was delayed and the City expedited completion of the seismic upgrades. The project is now complete and Oiselle is ready to occupy the space and begin its planned build-out.

2. CAPITAL IMPROVEMENT PROGRAM

a. Does this legislation create, fund, or amend a CIP Project? ___ Yes ___X___ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

a. Does this legislation amend the Adopted Budget? X Yes ___ No

Budget program(s) affected:	Partnerships – Departmentwide/PO-BR - 31000			
Appropriation change (\$):	General Fund \$		Other \$	
	2018	2019	2018	2019

	N/A	N/A	N/A	N/A
Estimated Revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2018	2019	2018	2019
	N/A		N/A	26,579
Positions affected:	No. of Positions		Total FTE Change	
	2018	2019	2018	2019
	N/A	N/A	N/A	N/A

b. 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?
No.

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

DPR would forfeit the full revenue benefit of the contract if it chooses not to implement this legislation.

3.d. Appropriations

 This legislation adds, changes, or deletes appropriations.

3.e. Revenues/Reimbursements

 X This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2018 Revenue	2019 Estimated Revenue
Park & Recreation Fund 10200	Parks & Recreation	Rent revenue from rental of Building 11 at Magnuson Park – PRE02 Magnuson Park	N/A	26,579
TOTAL				26,579

Revenue/Reimbursement Notes:

The lease amendment authorized by this ordinance will continue to generate revenue beyond 2019, with payments and improvements through the initial term of the lease being made according to the following table. 2019 revenue reflects 4 months of rent, and 2024 reflects 4 months of rent, due to the rent commencement date set for August 29, 2018.

	2019	2020	2021	2022	2023	2024	Total
Rent	\$59,065	\$176,878	\$182,800	\$188,722	\$194,644	\$65,539	\$867,648
Less TIA	(\$32,486)	(\$97,283)	(\$28,432)	\$0	\$0	\$0	(\$158,200)
Revenue to Parks	\$26,579	\$79,595	\$154,368	\$188,722	\$194,644	\$65,539	\$709,448
Less O&M	(\$6,785)	(\$27,582)	(\$28,961)	(\$30,409)	(\$31,929)	(\$33,526)	(\$159,192)

Net Revenue	\$19,794	\$52,013	\$125,408	\$158,313	\$162,715	\$32,014	\$550,256
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3.f. Positions

_____ This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

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

No

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?

Yes. All information available about the premises and property has been supplied to tenant, including hazardous materials report from the U.S. Navy, the former owner of the property.

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?

Yes – this legislation concerns a portion of Building 11 (7777 62nd Ave. NE) in Magnuson Park. A map of the floor plan is attached as Exhibit A.

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?

Parks and Recreation is not aware of any such implications.

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).

The main purpose of this legislation is to amend key dates in a lease that will lead to completing the renovation of a section of Building 11 in Magnuson Park, and to generate revenue to offset the cost of debt service to Parks and Recreation.

List attachments/exhibits below:

Summary Exhibit A – Oiselle Floor Plan