

## SUMMARY and FISCAL NOTE\*

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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**

**Legislation Title:** AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of the Department of Finance and Administrative Services or the Director’s designee to negotiate and execute a real property lease renewal with the United States Army for The City of Seattle’s continued interim use and occupancy of 33.95 acres at the Fort Lawton Army Reserve Center; and ratifying and confirming certain prior acts.

#### **Summary and background of the Legislation:**

This legislation authorizes the Department of Finance and Administrative Services (FAS) Director to execute a one-year lease agreement with four one-year extensions on behalf of the City of Seattle (City) for the Fort Lawton Army Reserve Center, located adjacent to Discovery Park in the Magnolia neighborhood in Seattle, Washington, while the City of Seattle’s application to the US Department of Housing and Urban Development (HUD) for approval of its redevelopment plan remains under review.

The leased property at Fort Lawton Army Reserve Center consists of two large office buildings (Leisy Hall – 66,401 sq. ft. and Harvey Hall – 37,248 sq. ft.) and four storage buildings totaling approximately 22,700 sq. ft. The lease is for the entire 33.95-acre site (buildings and associated land). In 2017, the Army and City signed a five-year lease that runs through December 31, 2021. This lease allows the City to use the property on an interim basis and pursue approval of its long-term redevelopment plan in accordance with the Defense Base Realignment and Closure (BRAC) Act. The City of Seattle does not pay a fee to the U.S. Army, but is responsible for all holding and caretaker costs associated with the property (e.g., annual stormwater assessments, grounds maintenance costs, utility costs, security costs, and property/liability insurance costs). The annual caretaker costs for the Fort Lawton property are covered equally by Parks and the Office of Housing.

### **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?**

Yes. The City will be responsible for annual operating and maintenance costs of the leased area, which are expected to be approximately \$700,000 per year, including an approximately \$430,000 increase. In 2021, onetime operating costs will be an additional \$300,000 to address long term deferred maintenance issues as well as an increase to operational costs of \$145,000. The costs will be covered by the Office of Housing (OH) and the Department of Parks and Recreation (Parks), which both have an interest in preserving the opportunity to acquire the property for affordable housing and parks/open space. These costs will be included in a 2021 Supplemental Budget this fall.

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

Yes. If legislation is not implemented and the City of Seattle does not extend the lease agreement, the Army may move forward with the process to initiate a public sale of the Fort Lawton Army Reserve Center and the City will lose its opportunity to acquire the property and implement its long-term redevelopment and reuse plan.

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

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

Yes, in addition to the Office of Housing (OH), this legislation affects the Department of Parks and Recreation (Parks) and any other departments that may lease storage space at the site. FAS will administer and manage the lease agreement and will charge the caretaker costs to the appropriate departments and entities.

**b. Is a public hearing required for this legislation?**

No public hearing is required for this legislation although significant outreach has been conducted as a part of the City's approved 2019 Fort Lawton Redevelopment Plan.

**c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No publication of notice is required for this legislation.

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

Yes, this legislation affects a piece of property. A map is attached.

**e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

This legislation does not immediately affect vulnerable or historically disadvantaged communities. It will allow for future City actions that will help provide various communities across Seattle with expanded affordable housing and parks and recreation opportunities.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

This legislation is unlikely to increase or decrease carbon emissions as it is a continuation of an existing property lease.

**2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

This legislation will unlikely affect Seattle's resiliency or ability to adapt to climate change, as it is an extension of an existing property lease. Future actions related to this legislation may increase Seattle's resiliency in that acreage will be added to the City's parklands and affordable housing opportunities will be expanded on site.

**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).**

This legislation will not result in any new initiative or programmatic expansion as it is a renewal of an existing property lease. It does enable future long-term redevelopment plan activities and actions by the City to provide additional parks and open space as well as expanded affordable housing options.

**List attachments/exhibits below:**

Summary Attachment A – Map of Ft. Lawton Reserve