

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	Executive Contact/Phone:
Parks and Recreation	Cheryl Fraser 684-7187	Michael McVicker 684-5360

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent of Parks and Recreation to enter into a Concession Agreement with EarthCorps to occupy and use a portion of Building 30 at Warren G. Magnuson Park for general office purposes.

Summary and background of the Legislation: The proposed Council Bill authorizes the Superintendent of Parks and Recreation to execute for and on behalf of the Department of Parks and Recreation (DPR) a ten-year concession agreement with EarthCorps to complete the necessary upgrades and occupy a section of Building 30 at Warren G. Magnuson Park to use for general office space. EarthCorps is a nonprofit organization whose mission is to educate people on environmental issues and solutions through hands-on restoration projects throughout the Puget Sound area. The proposed legislation also authorizes options to extend the initial term of the agreement for two additional five-year terms. EarthCorps will provide up to \$485,000 in tenant improvements to upgrade the space (energy efficient windows and modernized building systems) which will result in decreased utility costs to DPR. Additionally, beginning in 2018, EarthCorps will pay the City \$15.00 per square foot per year for 7,114 square feet, increasing by \$1.00 per square foot annually thereafter. The amount of rent will be offset by the amount of tenant improvements invested and potentially, a 5% rent offset for providing certain public benefits. This legislation will generate \$1,387,230 in total value and \$832,869 in revenue, after offsets, between 2018 and 2027 to DPR.

Building 30 is a historic building in Warren G. Magnuson Park. EarthCorps is one of the earliest groups to lease space at Warren G. Magnuson Park and has continuously occupied space in Building 30 since 2000. This agreement will put in place a long-term agreement that provides stability and predictability for both the City and EarthCorps and will ensure the continued full use of Building 30.

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? ___ Yes X No

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?
EarthCorps will make an investment of \$485,000 (energy efficient windows and

modernized building systems) resulting in decreased utility costs to DPR and the improvements will become City property. In addition, this agreement provides \$1,387,230 in total value to DPR with EarthCorps continuing to pay rent for the space and generating revenue after offsets of \$832,869 between 2018 and 2027.

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

If the legislation is not approved, the improvements to Building 30 (energy efficient windows and modernized building systems) will not be made and no City funding mechanism for these improvements has been identified. Additionally, if this legislation is not implemented, the space in Building 30 occupied by EarthCorps may become vacant, leading to loss of rental revenue until another user is found. Given that the City is restricted by the original USA deed to lease space only to groups pursuing a “parks purpose” mission, the vacancy may be difficult to fill.

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?

No, .

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 renting space in Building 30 at Warren G. Magnuson Park. A map and floorplan is included 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?

EarthCorps brings together young adults from the US and countries around the world for leadership training in Seattle. These young leaders leave EarthCorps with the tools and skills required to tackle issues such as climate change, pollution, and ecological degradation in order to create a better world for all of us.

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 further the mutually-beneficial relationship

between DPR and EarthCorps as the missions of both entities continue to align. Additionally, this legislation will allow EarthCorps to complete the renovation of a section of Building 30 in Warren G. Magnuson Park and will continuously generate revenue to offset the cost of debt service on Building 30 to DPR.

Other Issues: DPR is not aware of any other significant issues.

List attachments/exhibits below:

Summary Exhibit A – Warren G. Magnuson Park Map and Premises Floorplans