

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
OWCP	Dorinda Costa 5-0765	Caleb Wagenaar 3-9228

** 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 Central Waterfront Project; authorizing a funding agreement and a future construction agreement between The City of Seattle and the Seattle Aquarium Society for a new aquarium facility to be known as the Ocean Pavilion; finding that the funding and construction agreements authorized by this ordinance meet the intent and purpose of the project development agreement and comprehensive funding plan described under Ordinance 125630; and amending Ordinance 125630 accordingly.

Summary and background of the Legislation:

In 2008, City Council passed Resolution 31080, which established principles to guide development of an agreement between the City and SEAS for long-term lease, management and operations of the Seattle Aquarium. This Resolution included a principle that all future phases of Aquarium development be consistent with the City’s plans for the Central Waterfront.

In 2013, Council authorized the City enter into an agreement with SEAS to provide \$1 million of funding for design and engineering of the Aquarium Expansion project (Ordinance 124121). In 2014 and 2015, SEAS developed a master plan for improvements to the Aquarium, which included a new on-land Ocean Pavilion. The new Ocean Pavilion building would take the place of the previously considered expansion over water south of Pier 59.

In 2015, City Council approved the master plan for the purpose of advancing design to provide review and analysis to allow environmental review of the project. In 2015, City Council also authorized an amendment to the funding MOU to increase the City’s maximum reimbursement to SEAS for engineering, design and consultant services to \$1.8 million (Ordinance 124908).

Following these Council actions, the City and SEAS worked to develop an integrated concept design for the Ocean Pavilion and the Overlook Walk. This integrated design would provide additional public open space and other public benefits.

In 2018, City Council adopted Ordinance 125630, authorizing a new memorandum of understanding between the City and SEAS to supersede and replace the 2013 MOU. The 2018 MOU increased the maximum amount of City funding for design and development of the Ocean Pavilion project from \$1.8 million to \$4.7 million to reimburse up to 50% of the SEAS eligible design, engineering and consultant services for the Ocean Pavilion project, conditioned upon inclusion of waterfront related elements. It also identified that the City’s financial reimbursement to the total cost of the Ocean Pavilion project would be \$34 million,

which budgeted in Seattle Parks and Recreation capital project MC-PR-21007 in the Adopted 2019-2024 CIP.

The MOU also provided that if the 60% design development and detailed cost estimates for the Ocean Pavilion were approved by the parties, the City and SEAS would negotiate a Project Development Agreement (“PDA”) to address project scope, funding, construction and coordination.

The City and SEAS have been engaged in a coordinated and integrated design process to develop 60% design and detailed cost estimates for the Ocean Pavilion and the Overlook Walk. These milestones will be completed this fall.

This legislation authorizes the City to enter into a funding agreement for the remainder of the City’s \$34 million commitment to help fund development of the Ocean Pavilion, particularly the public waterfront related elements. Providing this financial commitment now will assist SEAS in their fundraising from private individuals, corporations, foundations and government sources other than the City.

The funding agreement provides that once the parties execute the construction agreement, SEAS can utilize City funds for construction before SEAS has an obligation to use funding from other sources. The funding agreement also states that the City’s funding commitment is conditioned on the overall scope of the project as identified in the agreement and that if the overall project budget was to be significantly reduced, the City reserves the right to adjust the City’s financial commitment. In the funding agreement SEAS accepts the responsibility for any cost overruns and that the City’s obligation to reimburse SEAS for project-related costs shall not exceed the committed funding of \$34 million.

The legislation also authorizes the City to negotiate a future construction agreement that includes the terms for construction outlined in the Funding MOU. These terms include the City’s standard contracting and social equity requirements, including: (a) payment of prevailing wages and reporting; (b) Community Workforce Agreement; (c) Women and Minority Business Inclusion and Social Equity Plan; (d) retainage; and (e) the City’s acceptable work site policy, as well as a requirement for the 1% for Arts program for the City’s financial contribution. The City is restricted from spending funds on construction until the construction agreement is executed.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes 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?

This legislation commits the City to provide SEAS a total of \$34 million to fund design and construction of the Aquarium Ocean Pavilion. After construction the new facility will be owned by the City of Seattle, with Seattle Parks and Recreation responsible for long-term capital maintenance of the building shell, structural elements and other elements consistent with the long-term O&M agreement.

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

This legislation provides a financial commitment from the City towards construction of the Ocean Pavilion. This commitment will assist SEAS in securing funding from private individuals, corporations, foundations and government sources other than the City. If this legislation is not implemented it may reduce SEAS's ability to raise funds and delay the project which is integrated with the City's Overlook Walk project.

4. OTHER IMPLICATIONS

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

Yes. Seattle Parks and Recreation will own the capital improvements built by SEAS and will be responsible for long-term capital maintenance of the building shell, structural elements and other elements consistent with the long-term O&M agreement.

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?

No, not directly, however the Ocean Pavilion project will be constructed on property owned by the City and currently controlled by SDOT. Exhibit A of the Funding Agreement depicts the anticipated site boundaries.

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? What is the Language Access plan for any communications to the public?

No.

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: