

SUMMARY and FISCAL NOTE

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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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 with the 2724 6th Ave South, Limited Partnership (LP) on behalf of the Seattle Police Department; and ratifying and confirming certain prior acts.

Summary and background of the Legislation:

This legislation will authorize a lease of property at 2724 6th Avenue South, referred to as the “6th Ave S Property”, by the City from the 2724 6th Ave South, LP (“Landlord”).

The space is needed by the Seattle Police Department (SPD) for overflow vehicle evidence storage. A December 2020 report by the Office of the Inspector General recommended that SPD take “steps to address capacity issues...at the vehicle storage facility, which is at 100 percent capacity.” To help alleviate capacity issues, the City Council allocated \$500,000 for evidence storage capacity in one-time funds to the Department of Finance and Administrative Services (FAS) in CB 120112, the Mid-Year Supplemental Budget. SPD, in consultation with FAS, believes that the 2724 6th Ave S Property is suitable in location, security and size to alleviate the immediate capacity issues for vehicular evidence storage.

The lease authorizes SPD’s use of the space effective January 1, 2023, for a five-year lease term, with two (2) five-year extension options. The lease specifies rent payments of \$12,454 per month beginning 1/1/2023, plus a share of operating costs. The monthly rent increases each year by three percent (3%). The lease payments will be made from the Finance and Administrative Services Fund. FAS has negotiated an option to terminate the lease after 30 months, once FAS projects that the \$500,000 one-time funding allocated for this purpose will be exhausted, unless additional funding can be secured.

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?

Costs associated with monthly payments in 2023, will be paid by FAS from the one-time funds allocated by City Council and budget authority given for \$500,000 in 2022. This fund has sufficient appropriation in the 2022 Budget for these payments. FAS will request a budget carryforward for the unspent funds into 2023, and 2024 to make annual lease payments.

Months	Monthly Base Rent	Estimated Monthly Operating Costs	Estimated Monthly Total	Estimated Annual Total	Cumulative Total*
Year 1: 2023	12,454	3,700	16,154	193,848	193,848
Year 2: 2024	12,828	3,800	16,628	199,531	393,379
Year 3: 2025	13,212	3,900	17,112	205,349	598,729
Year 4: 2026	13,609	4,000	17,609	211,306	810,035
Year 5: 2027	14,017	4,100	18,117	217,405	1,027,440

* In mid-2025, the initial \$500,000 allocated for this purpose will be exhausted. FAS and SPD will work together to request ongoing funding for the remainder of the lease term unless alternate space is found that meets SPD’s requirements.

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

If SPD does not lease additional space for storage of vehicular evidence, the department will be forced to divert vehicle evidence for viable criminal cases to alternate, less secure storage locations. The current vehicle processing room is regularly at capacity and cannot accommodate additional vehicles.

Similarly, if ongoing funding is not secured to continue the lease in future years, the department will, once again, be forced to store vehicular evidence in less secure locations whenever the SPD vehicle processing room is at full capacity.

4. OTHER IMPLICATIONS

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

This legislation will affect the SPD. The Office of the Inspector General identified that SPD has capacity issues for vehicular evidence storage.

b. Is a public hearing required for this legislation?

No public hearing is required.

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

No publication of this legislation is required.

d. Does this legislation affect a piece of property?

This legislation affects a piece of property, and a map is attached. The map shows the proximity of the leased site to the Airport Way Center, where similar SPD operations are located.

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 is not expected to have implications for the Race and Social Justice Initiative.

f. Climate Change Implications

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

It is not anticipated that carbon emissions will change.

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 action will not impact the ability of the City to respond to climate change.

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 does not include any new initiative or major programmatic expansion.

List attachments/exhibits below:

Summary Exhibit A – Map of 2724 6th Ave S Property