

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
FAS	Matt Courtois / 206-684-4924	Jennifer Breeze / 206-256-5972

*\* 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 authorizing the Director of Finance and Administrative Services to execute a fifth amendment to the Lease and Concession Agreement between The City of Seattle and BH Music Center for Benaroya Hall.

**Summary and Background of the Legislation:**

The legislation amends The City of Seattle’s (“City”) Lease and Concession Agreement with Benaroya Hall Music Center (“BHMC”) which manages Benaroya Hall, a City owned property. The legislation authorizes a fifth amendment to the Lease and Concession Agreement. The primary purpose of the legislation is to redirect funding into the building by eliminating a portion BHMC’s required concession payments beginning in 2022 and increasing the amount BHMC is required to put into funding Benaroya Hall’s capital improvements. Overall, the legislation makes four major changes to the Lease and Concession Agreement as amended:

1. Eliminate the base concession payments to the City (currently \$760,000 annually) beginning 2022 to the end of the initial lease term in 2037. The \$760,000 payments are not included in the City’s 2022 or 2023 Proposed Budget.
2. Increase BHMC’s required annual contribution to the Capital Renewal Fund by \$760,000, to a total of \$935,000, beginning 2022 through the end of the term of Lease in 2037. The funding that BHMC contributes to the BHMC Capital Renewal Fund must be used on Benaroya Hall capital needs consistent with the BHMC long-term capital plan.
3. Memorialize abatement of concession payments that were deferred in 2020 and 2021 due to COVID economic downturn, totaling \$1,627,650.
4. Requires BHMC to report to the City annually with a requirement that a minimum of \$1.2 million in public benefits are provided as public benefit rent starting in 2023. Public benefits are based on the value of discounted tickets and community services (educational activities, community centered events, and other programs that are approved by the Director of Finance) that BHMC provides.

**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?**

No

**Are there financial costs or other impacts of *not* implementing the legislation?**

Yes, by not implementing the legislation, Benaroya Hall's backlog of needed capital projects will increase, and major maintenance will continue to be deferred. Currently, BHMC has a reported backlog of roughly \$20 million in capital projects that are needed to maintain the City owned facility in working condition. Projects include repair and replacement of elevators, HCAV systems, and other critical items.

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

No

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

Yes, Benaroya Hall is a City owned facility and 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?**

Yes, the proposal increases racial equity and supports historically disadvantaged communities by amending the existing BHMC Lease and Concession Agreement to adjust the rent due to the City to be tied to BHMC meeting a minimum public benefit requirement each year.

This requires BHMC to provide a minimum amount of benefits to the community. These benefits include the cost of discounted tickets and community events hosted and supported by BHMC. The requirement also requires BHMC to report on the community benefits to the City on an annual basis.

**f. Climate Change Implications**

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

No

- 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.**

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)?**

No

**Summary Attachments:**

Summary Attachment A - Map of Facility