

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

a. Legislation Title: AN ORDINANCE relating to The City of Seattle’s Myrtle reservoir radio-transmitter facility; authorizing the Director of Finance and Administrative Services to execute a lease with King County for its use of part of the radio-transmitter facility for the new, regional Puget Sound Emergency Radio Network; declaring the part of the facility leased for King County’s use to be surplus to the City’s utility needs; and ratifying and confirming certain prior acts.

b. Summary and background of the Legislation:

Summary: The Department of Finance and Administrative Services (“**FAS**”) seeks authority to enter into a lease with King County (the “**County**”). The lease will govern the Puget Sound Emergency Radio Network’s (“**PSERN**”)s use of part of the property on which the City’s Myrtle reservoir radio-transmitter facility (the “**Myrtle Transmitter**”) is situated. PSERN will use the property to construct a new, 140-foot monopole (which will accommodate both PSERN and City of Seattle antennae) and a small communications building. The Myrtle Transmitter is adjacent to Seattle Public Utilities’ Myrtle Reservoir but is leased to FAS pursuant to an interdepartmental agreement. The FAS/PSERN lease is thus technically a sub-lease, and it has an initial term of twenty-five years with options to extend for three (3) additional five-year terms. PSERN will pay FAS \$20,000 in annual land rent, subject to annual 2% escalations beginning in 2020.

Background: In 2015, voters approved a ballot measure authorizing the funding of a new, upgraded, regional public safety emergency radio network - PSERN. The network is being implemented through the Puget Sound Emergency Radio Network Implementation Period Interlocal Cooperation Agreement (“**PSERN Agreement**”), by and among the County, the City of Seattle (“**City**”), and other King County cities. The City is a signatory to the PSERN Agreement pursuant to Ordinance 124687 which authorized the City’s Department of Information Technology to enter into an interlocal agreement governing the formation of PSERN. Under the PSERN Agreement, the County is the lead agency for the financing, procurement, contracting and implementation of PSERN. Upon implementation of the PSERN network, the signatories to the PSERN Agreement will establish a jointly-governed entity to manage and operate PSERN.

Under the PSERN Agreement, the City agreed to make available for PSERN’s use certain City-owned sites, including the Myrtle Transmitter site, for the installation and operation of PSERN equipment.

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? X Yes No

Budget program(s) affected:				
Appropriation change (\$):	General Fund \$		Other \$	
	2019	2020	2019	2020
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2019	2020	2019	2020
			\$20,000	\$20,000
Positions affected:	No. of Positions		Total FTE Change	
	2019	2020	2019	2020

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?
 No.

c. Is there financial cost or other impacts of *not* implementing the legislation?
 Absent the passage of this legislation, the County and Motorola would be forced to find another location suitable for the installation of the PSERN monopole and the facility to support its operation, which could result in additional cost to the PSERN signatories, delay the implementation of PSERN, and/or potentially expose the City to a claim of breach of the PSERN Agreement.

Furthermore, in the absence of the \$20,000 in annual land rent from PSERN for its use of the Myrtle Transmitter (an estimated \$580,000 in rent over the twenty-five-year term of the lease, taking into account the agreement’s provision providing for 2.0% annual rent increases), FAS would have no third-party revenue to offset its annual land rent to Seattle Public Utilities for the Myrtle Transmitter (currently this amount is \$21,102).

3.d. Appropriations

___ This legislation adds, changes, or deletes appropriations.

3.e. Revenues/Reimbursements

X This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2019 Revenue	2020 Estimated Revenue
Finance and Administrative Services Fund - 50300	FAS	PSERN rent payment	\$20,000	\$20,000
TOTAL				

Is this change one-time or ongoing?

Ongoing for the duration of the twenty-five-year term of lease. The actual rent payment due from PSERN will increase by 2% (compounded) per year beginning in 2020.

Revenue/Reimbursement Notes:

None.

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?

Yes. A public hearing will be held concurrently with the committee meeting taking up this legislation.

b. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

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. See Attachment A to this fiscal note for a depiction of the approximate location of the Myrtle Transmitter site.

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?

None and no. This legislation concerns a piece of property.

- f. 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).**

Not applicable.

List attachments/exhibits below:

Summary Attachment A – Depiction of the approximate location of the Myrtle Transmitter