

2016 Seattle City Council Green Sheet

Ready for Notebook

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16	1	A	1

Budget Action Title: Add \$1,896,900 GSF to OED and impose a budget proviso to fund pre-development costs of the Southeast Seattle Economic Opportunity Center

Has CIP Amendment: No Has Budget Proviso: Yes

Councilmembers: Burgess; Harrell; Okamoto

Staff Analyst: Asha Venkataraman

Council Bill or Resolution:

Date		Total	SB	BH	JO	TR	NL	TB	JG	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

Summary of Dollar Effect

See the following pages for detailed technical information

	2015 Increase (Decrease)	2016 Increase (Decrease)
General Subfund		
<i>General Subfund Revenues</i>	\$0	\$0
<i>General Subfund Expenditures</i>	<u>\$0</u>	<u>\$1,896,900</u>
<i>Net Balance Effect</i>	\$0	(\$1,896,900)
Total Budget Balance Effect	\$0	(\$1,896,900)

Budget Action description:

This green sheet would add \$1,896,900 GSF to the Office of Economic Development (OED) to fund pre-development costs in 2016, including costs of acquiring and holding the land, as well as design and permitting costs associated with future construction, for an Economic Opportunity Center. This green sheet also imposes the following budget proviso:

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“Of the appropriation in the 2016 budget for the Office of Economic Development, Office of Economic Development BCL, \$1,896,900 is appropriated solely for funding the pre-development costs for a future economic opportunity center to be located in southeast Seattle and may be spent for no other purpose.”

The EOC is intended to be a culturally competent place where Seattle residents can access a variety of services and opportunities from a transit oriented location near the Sound Transit Othello Station in Southeast Seattle. These services may include:

- A post-secondary educational facility connected to job development and services
- Business services connected to affordable commercial space
- A multi-cultural office facility
- Workforce housing rentals and ownership
- Early childhood education and training
- Employment services

At this stage in the planning, the City plans to contribute funding to another entity to pay for pre-development costs. An estimate for pre-development costs drafted by Homesight is replicated below for 2016 and 2017. The total pre-development costs are \$5.1 million, with \$3.3 million to be spent in 2016 and \$1.8 million spent in 2017. Of the \$3.3 million in costs for 2016, \$2.7 million consists of acquisition and holding costs, and \$675,000 consists of design and permitting costs. The \$1,896,900 would cover some of the 2016 costs, with the remainder being covered by state capital funds.

Homesight Pre-development Pro Forma – Draft (dated 8/24/15)

Cost	2016	2017	Total
Acquisition and Holding			
Land ¹	\$2,300,000		
Environmental Remediation	0		
Insurance	\$7,000		
Utilities	0		
Appraisal	\$10,000		
Legal-acquisition	\$15,000		
Property Tax	\$21,500	\$21,500	
Environmental Survey	\$18,000		
Land/Topo Survey	\$10,000		
Geotech Survey	\$10,000		
Closing Costs	\$15,000		
Community Engagement	\$25,000		
Pre-Dev. Support (Comm. Partners)	\$25,000	\$25,000	
Project Management ²	\$75,000	\$75,000	
Finance Consultant	\$50,000	\$25,000	

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Capital Campaign	\$65,000	\$35,000	
Subtotal Acquisition and Holding	\$2,646,500	\$181,500	\$2,828,000
Design and Permitting			
Land use permits	\$49,000	\$147,000	
Building Permits	0	\$175,000	
Infrastructure Permits and Fees		\$300,000	
Impact Fees	0		
Reproduction Expenses	0	\$12,000	
Architect	\$425,000	\$425,000	
Structural Engineer		\$200,000	
Civil Engineer	\$20,000	\$30,000	
Geotech Engineer	\$20,000	\$10,000	
Envelope Consultant	0		
Acoustical Consultant	0		
Wetlands Biologist	0		
Traffic Engineer	0		
Landscape Architect	0	\$60,000	
Project Soft Cost Contingency	\$161,400	\$322,800	
Subtotal Design and Permitting	\$675,000	\$1,701,800	\$2,377,200
Total Pre-Development Cost	\$3,321,900	\$1,863,300	\$5,185,200
State Capital Funds¹	\$1,350,000		\$1,350,000
State Capital Funds²	\$75,000	\$75,000	\$150,000
Currently Unfunded	\$1,896,900	\$1,788,300	\$3,685,200

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Budget Action Transactions

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Increase OED appropriation for economic opportunity center pre-development costs				OED	Office of Economic Development	X1D00	00100	2016		\$1,896,900