

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 Washington State Department of Transportation on behalf of the Seattle Department of Transportation; and ratifying and confirming certain prior acts.

Summary and background of the Legislation:

This legislation will authorize a lease of property near the I-5 and I-90 interchange, referred to as the “Royal Brougham Property”, by the City from the Washington State Department of Transportation (WSDOT).

The space is currently being used by the Seattle Department of Transportation (SDOT) for equipment storage and parking. This space is not developed and is beneath a freeway overpass. SDOT initially began to restore and occupy the space in 2017, actions which were supported and encouraged by WSDOT. It is beneficial to both the City and WSDOT if the space is fully utilized. It is unlikely that SDOT would be able to identify an alternate site which is as centrally situated and large as this site, for this lease rate.

The lease authorizes SDOT’s use of the space retroactive to April 1, 2017, for a six-year lease term, with two (2) five-year extension options. The lease provides rent offsets in the period from the initiation of the lease in 2017 through the end of 2020, in recognition of the expense the City incurred to rehabilitate and improve the space, which rent offset therefore allows rent payments of \$14,900 per month beginning 1/1/2021. The monthly rent increases each year by two percent (2%). The lease payments will be made by FAS, which will charge SDOT through the Schedule 3 space rent allocation. FAS will request budget authority for the pass-through payment in the mid-year supplemental budget. SDOT has sufficient budget appropriation in the 2022 Budget for all rent due to date, which will be paid in a lump sum total, as well as monthly payments for additional rent owed in 2022. Appropriations for the 2023 rent due will be included in the SDOT 2023 base budget.

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 accrued lease payments, in addition to monthly payments in 2022, will be paid by the Seattle Department of Transportation (SDOT) out of existing budget in the Transportation Fund (13000). This fund which has sufficient appropriation in the 2022 Budget for these payments. Future budgets should reflect the lease cost obligations for SDOT.

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

Not implementing the legislation would limit the Seattle Department of Transportation's use of this space for equipment storage. The space is ideally situated; it is a large, centrally located and otherwise unused parcel of land underneath a freeway overpass. Without activation of the site, it may require additional City and WSDOT resources to prevent alternative use. In addition, SDOT may have to seek alternate space which would likely be more expensive to lease, smaller and in a less central location.

4. OTHER IMPLICATIONS

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

This legislation will affect the Seattle Department of Transportation (SDOT), the department which has been occupying the space and which has invested some resource in restoring and rehabilitating the property.

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.

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. There was an encampment, supported by City services, on this site from late 2016 to spring of 2017, which is, in part, why the City has performed restoration work on the site for WSDOT. The residents of the encampment were relocated in 2017 after outreach. This site is

dangerous to access, noisy, subject to exhaust and vehicle emissions, and lies in a depression which fills with water in rainy conditions.

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 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 – WSDOT Royal Brougham Occupied by SDOT