

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
SDOT	Bill LaBorde	Aaron Blumenthal

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Seattle Department of Transportation; authorizing the Director of Transportation to execute and record a Leasehold Deed of Trust reflecting Cultural Space Agency’s leasehold estate rights created through the agreement it executed with the City of Seattle as authorized under Ordinance 126916; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: The Seattle Department of Transportation (SDOT) has operated and maintained King Street Station on behalf of the City since the department completed a major seismic and historic restoration of the building after the City acquired it from BNSF in 2008. In 2019, SDOT entered a 30-year lease agreement with the Office of Arts & Culture to house its offices and exhibit space on the third floor of the Station. In 2021 Cultural Space Agency (CSA), a City chartered Public Development Authority with a mission of securing long-term, affordable cultural space, entered a lease agreement with the Seattle Department of Transportation (SDOT), allowing multiple arts organizations to operate out of the second floor and provide the City with lease income to cover the cost of permanent capital improvements as well as ongoing operations and maintenance costs.

Upon CSA’s completion of the second floor tenant improvements, the City Council passed Ordinance 126916 authorizing SDOT to execute a 30-year lease with CSA in consideration of its capital investments and ongoing lease payments. Since then, the Washington State Department of Commerce has awarded a \$485,000 grant to CSA to support its operations on the 2nd floor, conditioned on the City providing a Deed of Trust in order for CSA prove its Leasehold Estate property interest in the building, which is also necessary for CSA to purchase title insurance as required under the grant agreement with Commerce. This legislation would allow the SDOT Director to execute the Deed of Trust with CSA and record it with the County Assessor.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ☐ Yes ☒ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? ☐ Yes ☒ No

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

No

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

N/A

Please describe any financial costs or other impacts of *not* implementing the legislation.

There are no costs to the City of Seattle in either implementing or not implementing this legislation. The underlying Department of Commerce may further CSA's financial security in a way that supports CSA's tenancy and lease payments to the City.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.

The Seattle Office of Arts & Culture has formal and informal partnerships with CSA and its tenants that reside in the same building. Their co-tenancy within the two upper floors of King Street Station helps reinforce King Street Station unique status as both a regional arts hub and train station.

b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.

Yes, King Street Station, Seattle's 120-year-old passenger rail station that was acquired by the City in 2008 and then rehabilitated and restored between 2010 and 2013. No environmental analysis was required in support of this legislation or the previous tenant improvement project.

c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.

CSA was chartered in part to support Black and Indigenous arts organizations. A majority of the arts organizations housed by CSA within King Street Station are focused on training artists of color and supporting the creation and performance of art produced by people of color.

- ii. **Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

N/A

- iii. **What is the Language Access Plan for any communications to the public?**

N/A

d. Climate Change Implications

- i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

King Street Station is located within a major regional transit hub, served by low or no emissions intercity rail, commuter rail, light rail, streetcar and multiple regional and local bus routes.

- ii. **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.**

N/A

- e. **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)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A

5. CHECKLIST

- ☐ **Is a public hearing required?**
- ☐ **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**
- ☐ **If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
- ☐ **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

6. ATTACHMENTS

Summary Attachments:

Summary Attachment A – King Street Station Area Map