

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Finance and Administrative Services	Karen Gruen	Caleb Wagenaar

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the Seattle Department of Finance and Administrative Services (FAS); authorizing the acquisition of real property identified in King County Records as Parcel Number 766620-2390, commonly known as the Bakun Building, from the Washington State Department of Transportation; authorizing acceptance and recording of deeds for general municipal purposes including, but not limited to, the acquisition of the Bakun Building property, and ratifying and confirming certain prior acts.

**Summary and Background of the Legislation:**

This legislation authorizes the acquisition of real property by the City of Seattle from the Washington State Department of Transportation (WSDOT) at 1426 Alaskan Way, known as the “Bakun Building” (the “Property”). WSDOT has surplused the Property and has offered to sell the Property to the City for \$8,668,000. An appraisal obtained by FAS indicates that the WSDOT offer price is fair.

The Property contains a 16,129 SF building on a 4,372 SF lot. The building was constructed in 1925, and has been used historically as a produce warehouse, sausage manufacturing facility, as office space for an architecture firm, and finally by WSDOT as the Alaskan Way Viaduct replacement project field office. The Property was surplused by WSDOT and has been vacant for several years. The Property is zoned for Pike Market Mixed (PMM)-85, with an easement purchased by the condo association to the east of the property that limits the height of any future development to 10 feet from the existing roofline (limiting height to approximately 45 feet). In addition, the City of Seattle owns 908 SF of right-of-way beneath the existing footprint of the building.

The Seattle Department of Transportation (SDOT) has an outstanding commitment to the Muckleshoot Tribe to provide up to 10,000 SF of building space for long-term use as a Tribal Interpretive Center on the waterfront, which is a requirement of the Elliott Bay Seawall Project (EBSP) permitting (see attachment Elliott Bay Seawall Project Memorandum of Agreement). The Muckleshoot Tribe has agreed that this Property is suitable for the Interpretive Center (see attachment EBSP MOA Amendment). Additionally, the Bakun Building has been identified by the Office of Waterfront and Civic Projects (OWCP) team as an ideal candidate to house the City’s waterfront operations.

The 2023 budget includes a \$13 million capital project to acquire the building and to provide tenant improvements to support city staff space needs, as well as a \$500,000 ongoing earmark in the General Fund for FAS operations & maintenance costs. OWCP and FAS have

negotiated and signed a purchase and sale agreement with WSDOT with a closing date no later than June 30, 2023, contingent on Council approval by ordinance.

As the future owner and operator of the Property, FAS is developing a schedule and project plan for needed renovations to the building and interior spaces. FAS believes that it will be simplest and least disruptive to make renovations following acquisition and prior to tenant occupancy, with completion likely in late 2024 or early 2025. Needed renovations include roof replacement, elevator repair, HVAC system replacement, potential seismic upgrades, and tenant improvements. OWCP, Seattle Center, and the Office of Intergovernmental Affairs will continue to coordinate with the Muckleshoot Tribe on building renovation status and timeline.

**2. CAPITAL IMPROVEMENT PROGRAM**

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

This project already exists within the 2023-2028 Adopted CIP budget:

<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>	<b>Total Project Cost Through 2028:</b>
Waterfront Operations and Tribal Interpretive Center	MC-FA-OWMAINT	1426 Alaskan Way	2023	2024	\$13,000,000

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**       Yes  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?**

Yes. Once the building is operational, additional funding for the ongoing operations and maintenance will be needed. Those funds are likely not needed until the capital project is underway. Ongoing operations & maintenance funding for the Waterfront Operations and Tribal Interpretive Center was appropriated in Finance General in the 2023 Adopted Budget by Council Budget Action FG-002-A-001-2023.

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

If the City does not purchase the property, the City will forfeit due diligence costs and other expenses related to the purchase of the property.

Not implementing the legislation will impact OWCP’s time frame for securing an operations center and would prevent SDOT from meeting its obligation to provide building space to the Muckleshoot Tribe for a Tribal Interpretive Center as required under the Elliott Bay Seawall Project Memorandum of Agreement.

#### 4. OTHER IMPLICATIONS

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

This legislation will affect OWCP and Seattle Center, as the purchase of the property is, in part, for the opening of a waterfront operations center, which will be managed by Seattle Center. This legislation will also affect SDOT through meeting its outstanding commitment to the Muckleshoot Tribe to provide a Tribal Interpretive Center on the waterfront, which is a requirement of the Elliott Bay Seawall Project Memorandum of Agreement.

**b. Is a public hearing required for this legislation?**

No, however, pending executive approval and City Council authorization, a 30-day comment period is required before the Ordinance will become effective.

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

No publication is required for this legislation.

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

This legislation affects a piece of property. A site plan 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?**

The purpose of this legislation is to acquire a property, with approximately 7,300 square feet of building space to be leased, rent free, to the Muckleshoot Indian Tribe. The Muckleshoot Indians inhabited the Seattle Waterfront and surrounding region for thousands of years prior to the arrival of American and European settlers to the shores of Puget Sound, who actively displaced and eventually banished indigenous people from living within the Seattle city limits. SDOT's commitment to the Muckleshoot Tribe to provide a Tribal Interpretive Center on the waterfront helps to correct a great historical injustice by recognizing Seattle's original people and their right to occupy their ancestral lands. The central location on the waterfront for the Tribal Interpretive Center would help to introduce the history and culture of Seattle's indigenous peoples to a wider audience of residents and tourists who may otherwise be unable to access the Muckleshoot reservation.

Additionally, this project recognizes that the Muckleshoot Tribe is a successor in interest to tribes and bands that were parties to the Treaty of Point Elliott, 12 Stat. 927, and Treaty of Medicine Creek, 10 Stat. 1132, in which indigenous signatories reserved the right to fish at usual and accustomed grounds and stations. SDOT and the Tribe have a mutual interest in recognizing the Tribe's presence on the Seattle Waterfront and this project's potential impact on the exercise of the Tribe's treaty rights. SDOT and the Tribe have reached an agreement to provide a non-exclusive means for the Tribe's fishers to resolve potential claims against SDOT for damage to fishing gear, lost fishing time and for net moves.

**f. Climate Change Implications**

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

This building will be renovated and restored to City requirement for building code. In addition, FAS will include decarbonization efforts in the initial renovation of the building, to help meet City of Seattle facility emission targets and leverage the construction process as building systems are rehabilitated.

**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 legislation is not expected to have an impact on the Seattle’s resiliency to climate change, aside from the renovations and decarbonization efforts described above.

**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 will help OWCP’s ability to serve its primary function along the waterfront and meet SDOT’s commitment to the Muckleshoot Tribe under the Elliott Bay Seawall Project Memorandum of Agreement, who will once again have a fixed presence on the waterfront.

**Summary Attachments (if any):**

Summary Attachment 1 - Bakun Building Site Map

Summary Attachment 2 - Memorandum of Agreement for the Elliott Bay Seawall Project between the City of Seattle Department of Transportation and the Muckleshoot Indian Tribe

Summary Attachment 3 - Amendment No. 2 to the Memorandum of Agreement for the Elliott Bay Seawall Project between the City of Seattle Department of Transportation and the Muckleshoot Indian Tribe

Summary Attachment 4 - Waterfront Operations and Tribal Interpretive Center CIP Project Page

Summary Attachment 5 - 2023 Seattle City Council Budget Action FG-002-A-001-2023