

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
LEG	Nina Park	

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the regulation of after-hours nightlife lounges; creating a license for the operation of after-hours nightlife lounges; and adding a new Chapter 6.550 to the Seattle Municipal Code.

Summary and Background of the Legislation:

Seattle has experienced 38 nightlife shootings this year, including 15 between the hours of 2 a.m. and 5 a.m. In August 2024, these shootings made up 11 percent of all shootings in the city. Over the past decade, there have been dozens of shootings and homicides that have occurred in connection with after-hours nightlife lounges that operate between the hours of 2 a.m. and 5 a.m.

This legislation would create a new business license regulatory structure for after-hours nightlife lounges. It would not apply to bars or nightclubs that close at 2 a.m. or before. It would not apply to businesses that are principally restaurants.

To obtain a license, an applicant would have to pay a \$250 fee and demonstrate that their establishment has all other applicable permits and licenses. After-hours nightlife lounges would be required to maintain security on their premises and cooperate with police and other inspectors. If there are serious security incidents connected to the after-hours nightlife establishment, the Director of FAS would be able to revoke the license. Violation of the licensing requirement would be a civil citation for a first offense and a criminal misdemeanor for any subsequent offense.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?

☐ Yes ☒ No

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill.
Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

Project Name:	Master Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2029:

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City?

☒ Yes ☐ No

If there are no projected changes to expenditures, revenues, or positions, please delete the table below.

Expenditure Change (\$); General Fund	2024	2025 est.	2026 est.	2027 est.	2028 est.
Expenditure Change (\$); Other Funds	2024	2025 est.	2026 est.	2027 est.	2028 est.

Revenue Change (\$); General Fund	2024	2025 est.	2026 est.	2027 est.	2028 est.
		\$2,500	\$1,250	\$1,250	\$1,250
Revenue Change (\$); Other Funds	2024	2025 est.	2026 est.	2027 est.	2028 est.

Number of Positions	2024	2025 est.	2026 est.	2027 est.	2028 est.
Total FTE Change	2024	2025 est.	2026 est.	2027 est.	2028 est.

If there are no changes to expenditures, revenues, or positions, please delete Sections 3.a, 3.b, and 3.c and answer the questions in Section 4.

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept	Budget Control Level Name/Number*	2024 Appropriation Change	2025 Estimated Appropriation Change
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

3.b. Revenues/Reimbursements

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

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept	Revenue Source	2024 Revenue	2025 Estimated Revenue
TOTAL				

Revenue/Reimbursement Notes:

3.c. Positions

☐ This legislation adds, changes, or deletes positions.

Total Regular Positions Created, Modified, or Abrogated through This Legislation, Including FTE Impact:

Position # for Existing Positions	Position Title & Department*	Fund Name & Number	Program & BCL	PT/FT	2024 Positions	2024 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

* List each position separately.

Position Notes:

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.

It is anticipated that up to ten applicants would apply for an After-Hours Nightlife Lounge license in the first year. After that, we anticipate up to five applicants per year. Those applications would generate some minimal licensing revenue for FAS.

FAS would have some minimal costs associated with administering this program, principally connected to reviewing license applications. The City Joint Enforcement Team currently conducts inspections at many of these locations so no need is anticipated for additional FAS staffing connected to inspections and compliance. This is a relatively small licensing program which is likely to have under 20 total licensees at any given time which is why the administrative costs are expected to be absorbed with existing FAS staffing.

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.

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

SPD, SFD and other departments currently spend a significant amount of time responding to incidents associated with unregulated after-hours nightlife lounges. Those responses have significant costs. Not implementing this legislation would mean continuing police and fire responses to several dozen serious public safety incidents per year.

4. OTHER IMPLICATIONS

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

The costs of not regulating after-hours nightlife lounges are currently borne by SPD and SFD, who must respond to the regular public safety tragedies at these locations.

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.

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.**

Virtually all of the people shot at or killed in connection with current after-hours nightlife lounges are people of color, including Donnie Chin, Nadia Kassa, Jonathan Bishu, Trevis Bellard, and Francisco Escatell, among many others. Many but not all after-hours nightlife lounges are owned 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.**

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

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.**

N/A

- 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.
- 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?

5. CHECKLIST

Please click the appropriate box if any of these questions apply to this legislation.

- ☐ **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?**
If yes, please review requirements in Resolution 31203 for applicability and complete and attach “Additional risk analysis and fiscal analysis for non-utility partner projects” form.

6. ATTACHMENTS

Summary Attachments: