

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Parks and Recreation	Joanne Orsucci	Alex Rouse

1. BILL SUMMARY

Legislation Title: AN ORDINANCE authorizing the Superintendent of Seattle Parks and Recreation (SPR) to enter into a Concession Agreement with Magnuson Brewing, LLC, to occupy and use a portion of the North Shore Recreation Area at Warren G. Magnuson Park to provide food and beverage concessions.

Summary and Background of the Legislation: The proposed Council Bill authorizes the Superintendent of SPR to execute for and on behalf of SPR a ten-year Concession Agreement with Magnuson Brewing, LLC, to occupy and use a portion of the Magnuson Northshore Recreation Area (specifically Building 20 and that portion of Building 11 currently in use as Magnuson Café & Brewing offices and storage, specifically room 157A) at Warren G. Magnuson Park to provide full-service lunch and dinner concession, brewery operations, and custodial maintenance of certain common areas, including the first-floor public restrooms within Building 11.

The proposed legislation also authorizes an option to extend the initial term of the agreement for one additional five-year term after the initial extension. As a component of the proposed legislation, Magnuson Brewing, LLC, will develop and update a Tenant Improvement Plan that includes anticipated projects, estimated costs, project timelines and potential funding sources in anticipation of the City’s plans for decarbonization of municipal buildings. This decarbonization effort is to be completed by the end of June 2033 and is eligible for offsets to the Concession Fee of up to \$190,000 over the Initial Term of the Agreement. In total, this legislation will generate for SPR up to \$969,223 in total value and \$779,223 in revenue after offsets between 2025 and 2035; the single extended term, if exercised, carries an additional value and revenue of \$769,467 between 2035 and 2040.

Building 11 is an historic building in Warren G. Magnuson Park. Magnuson Brewing, LLC, has occupied its current premises at Warren G. Magnuson Park since 2018 via public-private partnership and has provided valuable contributions to the character of the Park not only through its tenancy, but also through its investment and transformative capital projects. Through this successful public-private partnership, SPR and Magnuson Brewing, LLC, have mutually benefitted through the restoration of the historic property, increased park activation and public safety, increased vehicle and pedestrian traffic to the North Shore, and high-quality food service in an otherwise underserved neighborhood for this sector. This agreement will put in place a long-term agreement that provides stability and predictability for both the City and Magnuson Brewing, LLC, and will ensure the expanded use of Building 11.

Note that while this legislation authorizes the concession agreement and subsequent collection of concession fees, it does not result in material financial changes to SPR's 2025 Adopted Budget which already assumes revenues from this facility.

2. CAPITAL IMPROVEMENT PROGRAM

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

☐ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City?

No

Notes: SPR does not anticipate that the new concession agreement with Magnuson Brewing, LLC will have significant financial impacts on the 2025 Adopted Budget beyond those already described, as the budget already assumes concession revenues at this facility.

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.

If the legislation is not adopted and implemented, City would lose Concession Fee revenue for premises beginning in August 2025 and continuing until another tenant could be identified through RFP process to occupy premises.

Please describe how this legislation may affect any City departments other than the originating department.

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?

No.

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

No.

c. Does this legislation affect a piece of property?

Yes, the legislation will authorize a property agreement for long-term tenant occupancy of Buildings 11 and 20 at Warren G. Magnuson Park. These buildings were connected through architectural features added prior to SPR ownership and are served by a unified set of utility infrastructure; the subject premises would include the entirety of Building 20 and Room 157A in Building 11, as well as certain common area spaces within Building 11 and an external deck seating area located on the east side of Building 20. A map and diagram of the interior and exterior premises is included as Summary Attachment A.

d. 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.

This legislation maintains the presence of the only full-service lunch and dinner concession and/or restaurant located within Warren G. Magnuson Park and the surrounding area. Along major arterials, it is 0.7 miles (13-minute walk) south on Sand Point Way NE to Pagliacci Pizza; 1.6 miles (42-minute walk) west on NE 65th St to stores and restaurants on 35th Ave NE; and infeasibly far traveling north along Sand Point Way NE to reach restaurants and grocery stores. Magnuson Café & Brewing provides a nearby, affordable and high-quality option for residents of Mercy Housing, Solid Ground, and the Low Income Housing Institute, as well as employees of Magnuson Park, NOAA, and other Sand Point area employees, in an area of NE Seattle otherwise lacking in restaurant amenities. (Walking estimates from Google Maps.)

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?

e. 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.

The property agreement at issue and attached to this legislation includes a tenant improvement project to decarbonize the restaurant and brewery areas of the subject premises to comply with EO #2021-09 through conversion of the equipment and

premises from natural gas utility to fully electric utility by mid-2033. This project will be funded by the tenant with partial fee offset provided by SPR.

- 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.**

See above.

- f. 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

- g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

N/A

5. ATTACHMENTS

Summary Attachments:

Summary Attachment A – Property Map and Floor Plan