

SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|-------------------------------------|-----------------------------|----------------------------|
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* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the transfer of City property located at 722 18th Avenue, Seattle, Washington; authorizing the conveyance of the property to Byrd Barr Place, a Washington non-profit corporation, consistent with the intent of Resolution 31856 and to provide for the continued delivery of social services; making findings of fact about the consideration for the transfer; authorizing acceptance of a negative easement restricting future development of the property; superseding Resolution 31837 for the purposes of this ordinance; and authorizing the Director of the Department of Finance and Administrative Services or designee to execute and deliver documents necessary to carry out the conveyance of such property on the terms and conditions of this ordinance.

Summary and background of the Legislation: For many years, the City has contemplated conveying title to certain senior centers/community centers, each to its non-profit operator, so long as the operator demonstrates the capacity to own and operate the property. The City is now prepared to move forward with the transfer of title on one such property to its non-profit operator, Byrd Barr Place (BBP), pursuant to City Council Resolution # 31856 for Mutual and Offsetting Benefit Properties.

In 1967, the City leased former Fire Station 23, located at 722 18th Avenue (“Former Fire Station 23”) to the Seattle-King County Economic Opportunity Board, Inc. for use as a multi-purpose neighborhood facility by its delegate agency, the Central Area Citizens’ Committee (“CACC”), a Washington non-profit corporation, d/b/a Central Area Motivation Program. In 1976, the City designated former Fire Station 23 as a historic landmark. Then, in 1988, the City entered into a long-term, mutual and offsetting benefit lease with CACC, pursuant to which CACC paid de minimis cash rent in exchange for its promise to use former Fire Station 23 for the delivery of social services which converted to a month to month lease in 1992. CACC, now known as Byrd Barr Place, continues in possession of former Fire Station 23, out of which it delivers social services.

Pursuant to the 2019 *Memorandum of Agreement Implementing Criteria for Initiating Transfer of Mutually Offsetting Facilities to Tenants*, by and amongst six City of Seattle departments and offices (FAS, OPCD, DON, OED, OH and HSD), an interdepartmental team within the City of Seattle has determined that the proposed new property owner, BBP – in all material respects – meets the transfer criteria established by the City for transferring property to tenants who have been operating properties under mutually and offsetting benefit lease agreements.

FAS and Byrd Barr Place have entered into an agreement regarding the consideration, terms and conditions for the City’s conveyance of former Fire Station 23 to Byrd Barr Place, subject to the City Council’s authorization.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

| Appropriation change (\$): | General Fund \$ | | Other \$ | |
|--------------------------------|-------------------------|------|------------------------|-----------|
| | 2020 | 2021 | 2020 | 2021 |
| | 0 | | | -\$32,000 |
| Estimated revenue change (\$): | Revenue to General Fund | | Revenue to Other Funds | |
| | 2020 | 2021 | 2020 | 2021 |
| | \$0 | | | -\$4,699 |
| Positions affected: | No. of Positions | | Total FTE Change | |
| | 2020 | 2021 | 2020 | 2021 |
| | 0 | 0 | 0 | 0 |

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?

Conveying title to its nonprofit operator in exchange for a commitment to furnish needed social services or a combination of social services and affordable housing means that the City will forego the monetary value of these properties in its citywide real estate holdings. In 2020, the King County Assessor assigned a value of \$2.7 million to former Fire Station 23.

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

The financial impact of not conveying title to the property is that the City would continue to receive modest revenue from rent, but also still be responsible for the cost of major maintenance expenses. For example, the City spent approximately \$39,000 in 2018 and \$26,000 in 2019 on corrective and preventative maintenance for former Fire Station 23. For 2020 and 2021, those costs are estimated to be roughly \$32,000.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

| Fund Name and number | Dept | Budget Control Level Name/#* | 2020 Appropriation Change | 2021 Estimated Appropriation Change |
|-----------------------------|------|------------------------------|---------------------------|-------------------------------------|
| Facility Operations - 50300 | FAS | Space Rent - PO-FA-SPACERENT | \$0 | - \$32,000 |
| TOTAL | | | \$0 | - \$32,000 |

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

Is this change one-time or ongoing?

This change would be ongoing.

Appropriations Notes:

The reduced appropriation reflects a best estimate of annual maintenance costs in 2021 and subsequent years for the facility, since that will no longer be the responsibility of the City.

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 | 2020 Revenue | 2021 Estimated Revenue |
|-----------------------------|------|----------------|--------------|------------------------|
| Facility Operations - 50300 | FAS | Annual Rent | \$0 | -\$4,699.44 |
| TOTAL | | | \$ 0 | -\$4,699.44 |

Is this change one-time or ongoing?

This change would be ongoing.

Revenue/Reimbursement Notes:

The reduced revenue reflects the loss of rent in 2021, presuming changes go into effect year end 2020.

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

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

Yes. Representatives from six other departments and offices have participated in an interdepartmental team tasked with overseeing the disposition of Mutual and Offsetting Benefit (MOB) properties.

b. Is a public hearing required for this legislation?

No.

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

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

No. However, pursuant to Washington Administrative Code section 197-11-800(5)(b), the disposition of property requires the making of a threshold determination under the State Environmental Policy Act (SEPA). In the case of this property, the threshold determination resulted in a determination of non-significance. A notice of such determination was published in *The Daily Journal of Commerce*.

e. Does this legislation affect a piece of property?

Yes. See Summary Attachment A – Property Map for Former Fire Station 23.

f. 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 impact of the legislation is limited to vesting title to the property in its non-profit operator, with no disruption to the ongoing delivery of social services.

However, a key tenet of MOB property transfers is that by putting control of each property that much closer to the property's clients, the legislation will ultimately benefit the local community for each property.

Byrd Barr Place has historically served the local African American community, other communities of color, and low-income communities in the Central District. Transferring this property is a community priority and this transfer is aligned with City priorities such as

community wealth building and community ownership. Overall, the MOB property transfer process is rooted in the Race and Social Justice Initiative's goals.

No language access plan was prepared as much of the outreach for the disposition of this property pre-dates the 2017 Executive Order implementing the requirements for a language access plan.

- 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).**

Not a new initiative. City Council Resolution # 31856 for Mutual and Offsetting Benefit Properties dates from November 2018.

List attachments/exhibits below:

Summary Attachment A – Property Map for Former Fire Station 23