

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Parks and Recreation (DPR)	Suzanne Simmons, 684-8003	Jeff Muhm, 684-8049

Legislation Title:

AN ORDINANCE relating to the Seattle Department of Parks and Recreation; authorizing the Superintendent to enter into a lease agreement with the Tiny Tots Development Center for the purpose of providing day care services and community programs to the public at the Hutchinson Community Center.

Summary of the Legislation: The proposed legislation authorizes the Superintendent of Parks and Recreation to enter into a five year lease agreement with Tiny Tots Development Center (TTDC). Under the terms of the lease agreement, TTDC will operate the Hutchinson Community Center (Center) as a day care and community program facility open to, and available for public use. In addition to children’s day care services, community programs to be offered include culturally relevant programs and enrichment activities such as nutrition, arts, gardening, literacy education and technology exploration. The proposed agreement includes an option to extend the lease for another five years at the mutual consent of both parties.

Background: DPR owns the Hutchinson Community Center, which previously housed childcare and school-aged programs that were operated by the Associated Recreation Council (ARC). ARC moved its childcare/school-aged programs to the Hutchinson Community Center after the Rainier Beach Community Center was closed for demolition. Program enrollment declined after the move and the programs were canceled. The building currently sits vacant and has been unused for 3 years due to budget reductions. The Center is a field house, located south of the Rainier Beach Community Center at 5801 South Pilgrim Street, next door to Emerson Elementary School. The building consists of one level with two program spaces, two restrooms, a kitchen, and one storage area. It is approximately 2,000 square feet and generally in satisfactory condition. In February 2013, Parks conducted an RFP process for operation of the Hutchinson Community Center. The Tiny Tots Development Center was selected as the winning proposer. Parks is proposing this legislation to execute a long-term agreement with TTDC that will ensure that the facility will be operated, activated, and programmed for the next five years.

X **This legislation has financial implications.**

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
Parks and Recreation Fund (10200)	Parks and Recreation	Income from Concession Fee Payments	\$0	\$36,000
TOTAL			\$0	\$36,000

Revenue/Reimbursement Notes: This lease requires TTDC to pay \$36,000 annually for the term of the lease. In 2013, the expected payment is \$0 in anticipation that the lease agreement will not be fully executed in time for the organization to begin operations at the Center and start bringing in revenue before the end of 2013. In 2014 the payment to Parks will be \$36,000 for the full year. In addition, TTDC must demonstrate the level of benefits provided to the public on an annual basis. TTDC will provide in-kind maintenance services and some capital investments to the facility.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

No short term or long term financial commitment from the City is required as a result of this legislation.

b) What is the financial cost of not implementing the legislation?

Parks would forego \$180,000 in revenue during the first five year term of the lease. There would also be the loss of the program services that will be provided to the public. It would be costly for Parks to begin operating and maintaining the facility. There are currently no funds available in the Parks budget to do so.

c) Does this legislation affect any departments besides the originating department?

No.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

Another organization could be sought to operate the facility. However, as a result of the RFP process, at this time there are none known that have the qualifications to provide the same programs and services as provided in this lease with TTDC.

e) Is a public hearing required for this legislation? No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? No.

g) Does this legislation affect a piece of property? Yes. See Attachment B, Map.

h) Other Issues: None.

List attachments to the fiscal note below:

Suzanne Simmons
DPR Hutchinson CC Lease 2013 FISC
June 25, 2013
Version #2

Attachment A: Contract Summary – Tiny Tots Development Center
Attachment B: Map – Hutchinson Community Center

Charles Ng/Suzanne Simmons
DPR Hutchinson CC Lease FISC ATT A
October 9, 2013
Version #3

Attachment A to FISC
Seattle Department of Parks and Recreation

CONTRACT SUMMARY

Contracting Party/ Lessee/ Concessionaire/Other: Tiny Tots Development Center

Contract Title and Contract Type: Lease Agreement

Non-Profit **or For Profit**

New **or Renewal (or extension of existing Lease)**

Premises: Hutchinson Community Center

Term of Lease: 5 years + 5 year renewal option

Purpose of Lease (description of license): Tiny Tots Development Center is authorized to lease the building from Parks in order to provide day care and community programs and services.

Rent: \$36,000 annually for the term of agreement.

Adjustments to Rent (if any): Not applicable.

Public Benefit (e.g., description of permitted use): Tiny Tots Development Center will provide on-site building management and deliver day care and community programs and services to the public.

Maintenance: Seattle Parks and Recreation is responsible for major maintenance, including exterior walls and roof, surrounding park and parking lots. The Tiny Tots Development Center is responsible for routine interior maintenance.

Other Pertinent Information: Tiny Tots Development Center was selected in February 2013 as the winning proposer for an RFP issued by Parks for the operation, programming and maintenance of the Hutchinson Community Center.

EXHIBIT B to Attachment 1
Hutchinson Community Center & Playfield
5801 South Pilgrim Street
Seattle, Washington 98118

 Park Boundary

