



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

July 28, 2015

Motion 14406

Proposed No. 2015-0288.3

Sponsors Upthegrove, Phillips, McDermott
and Hague

1 A MOTION approving a partnership between King County
2 and 4Culture to create a bond financed arts, cultural,
3 heritage and preservation capital program to build,
4 maintain, expand, preserve and improve new and existing
5 cultural facilities.

6 WHEREAS, rapid population growth in King County will necessitate building
7 new schools, affordable and market rate housing, and improved public transportation
8 options, and

9 WHEREAS, equally important is the building of new gathering places, sites
10 where our diverse histories can be interpreted and shared, and public cultural spaces, and
11 the preservation of historic structures that create community identity, encourage strong
12 social connections and further opportunity for entertainment, education and interactions,
13 and

14 WHEREAS, civic institutions, such as history and art museums, public galleries,
15 community cultural organizations, performing art centers and arts councils, play a central
16 role in our economy, and benefit local businesses, residents and tourists, and

17 WHEREAS, arts, culture and heritage make this region an attractive place for new
18 businesses that bring with them new jobs, as arts and heritage businesses add almost two
19 billion dollars in business activity, seven hundred ninety-eight million dollars in labor

20 income and over twenty-nine thousand five hundred jobs to the central Puget Sound
21 region, and

22 WHEREAS, opportunities for cultural expression are an important element of
23 equity and a tool for communities seeking to address the needs of new demographics, and
24 artists and historians can devise and carry out creative community-building neighborhood
25 programs, and

26 WHEREAS, the last significant construction of arts, cultural and heritage
27 infrastructure was in the 1990s, at the height of the dot.com bubble, and facilities built in
28 that era are now in need of major system upgrades or replacement, and

29 WHEREAS, many arts, cultural and heritage capital and building campaigns were
30 suspended during the recession and are now beginning again with the improved
31 economy, and the current significant increase in development activity around the region
32 makes preservation of historic structures an immediate imperative, and

33 WHEREAS, suburban communities are now recognizing the role arts, cultural
34 and heritage facilities and historic preservation play in creating a sense of place and
35 enhancing social connections that are vital to our increasingly diverse population, and

36 WHEREAS, the cost of construction of arts, cultural and heritage facilities is less
37 now than it will be in the future and an investment by King County in partnership with
38 4Culture today will accelerate the construction of these facilities to meet the needs of
39 King County's growing and increasingly diverse population, and

40 WHEREAS, 4Culture is receiving adequate revenue from 2015 lodging taxes to
41 pay bond debt service for five years from 2016 through 2020, and beginning in 2021
42 King County will begin receiving twenty-five percent of the lodging taxes generated

43 every year in King County for use in supporting tourism-related facilities, enabling the
44 County to pay debt service on the bonds beginning in 2021;

45 NOW, THEREFORE, BE IT MOVED by the Council of King County:

46 A. 4Culture and King County will work together as partners on an arts, cultural,
47 heritage and preservation capital program that will invite arts, heritage and preservation
48 non-profit organizations, local public agencies and owners of designated historic
49 structures within King County to participate in a competitive application process for
50 capital project support, as described in Attachment A to this motion, to be provided by
51 the sale of bonds.

52 B. The facilities funding program will involve two months of outreach and
53 technical support for applicants during summer 2015, with a deadline in September, and
54 will result in proposals for capital projects of every budget size, location and discipline.

55 C.1. To ensure review pools of similar-sized capital proposals for arts, cultural
56 and heritage projects, applicants will compete for funding in three categories based on
57 aggregate project budget size:

- 58 a. projects with budget over ten million dollars;
- 59 b. projects with budgets between one and ten million dollars; and
- 60 c. projects with budgets less than one million dollars.

61 2. In addition, preservation projects will be reviewed as a fourth category,
62 including the establishment of a preservation action fund to be able to quickly address
63 threatened historic structures.

64 D.1. Because it is anticipated that funds requested will exceed funds available,
65 4Culture will convene citizen peer panels to review the applications and make

66 recommendations to the King County executive and the King County council about
67 which projects to support and at what levels.

68 2. Projects will be evaluated based on the overarching criteria of excellence,
69 feasibility and community impact. A guiding principle of the selection process will be
70 diversity in geography, discipline, budget size and ethnicity. Preference will be given to
71 projects that are able to leverage funds from other financial partners and that generate
72 economic opportunities, including tourism.

73 3. 4Culture will convene three separate citizen peer review panels in October.
74 Every written proposal will be evaluated, and every applicant will have an opportunity to
75 discuss their project with a panel. Recommendations and award amounts will be
76 reviewed by 4Culture community advisory committees and bond counsel, and approved

77 by the 4Culture Board, and then will be forwarded to the King County Executive and
78 Council for final approval by ordinance before the end of 2015.
79

Motion 14406 was introduced on 7/20/2015 and passed as amended by the Metropolitan King County Council on 7/27/2015, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.
Upthegrove
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Building for Culture Program Description, dated July 22, 2015



BUILDING FOR CULTURE PROGRAM

P R O G R A M D E S C R I P T I O N

The arts enrich our lives and make our communities strong. Arts, cultural and heritage organizations in King County provide gathering places, sites where our diverse histories can be interpreted and shared, public cultural spaces that attract residents and tourists alike, and a window into our region's past through the preservation of historic structures. They strengthen the local economy, contribute to vibrant communities, and promote tourism.

The **Building For Culture Program** is a partnership between King County and 4Culture to provide much-needed capital funding for arts, cultural and heritage organizations, as well as funding for the preservation of landmark structures. The program is meant to be an investment in our region's future to help ensure that local arts, cultural, and heritage organizations have the ability to continue to serve our local communities.

The program will be funded by approximately \$20 million in King County bonds backed by hotel-motel tax collections. The final amount may be adjusted based on revised revenue forecasts. 4Culture and King County will share debt service payments. The program includes:

- ▶ **Arts, Cultural & Heritage Program.** This fund is open to King County-based nonprofit arts, heritage and cultural organizations and eligible public agencies, with at least a two-year operating history, tax-exempt status, and demonstrated long-term site control.

Allowable expenses include real estate transaction costs, purchase of materials, contracted labor, design development, construction drawings, and fees for acquisition, construction, or remodeling projects. The minimum request size is \$10,000. Eligible organizations may apply in one of three categories as described below based on the size of the project's overall budget. As a goal, the program will seek to award up to the corresponding level of support based on project size. The percentages are not intended to act as a cap on the award but provide guidance when determining award allocations.

- (1) budget greater than \$10 million, up to 5% of project costs;
- (2) budget between \$1 million-\$10 million, up to 10% of project costs; and
- (3) budget up to \$1 million, up to 25% of project costs.

- ▶ **Preservation Program.** This fund is open to King County-based landmark property owners of record, including nonprofit organizations, eligible public agencies, businesses, and private individuals, including approved leaseholders with a minimum 10-year lease and buyers with a signed purchase and sale agreement.

Allowable expenses include real estate transaction costs, purchase of materials, contracted labor, design development, construction drawings, and fees for acquisition, stabilization, rehabilitation or restoration of landmark properties designated as an official City or County Landmark and/or listed in the National Register of Historic Places, or a contributing property located in a City, County, or National Register historic district, or considered eligible for designation by the appropriate preservation agency. Funding through this program requires a one-to-one cash match and the minimum project budget, including match, is \$60,000. Funding awards will range from \$30,000 to \$250,000.

- ▶ **Preservation Action Fund.** This fund provides direct investment into the acquisition, stabilization, and redevelopment of significant but endangered historic properties throughout King County. This targeted, project-based fund will be managed by King County Preservation Program, 4Culture, and Washington Trust for Historic Preservation through the establishment of a Preservation Action Fund Advisory Committee. Only properties outside the City of Seattle will be eligible. The fund will be managed for sustainability.

All projects to be funded through the Arts, Cultural, Heritage & Preservation Capital Program should be underway and close to shovel-ready. In most cases, funds must be spent within 36 months of grant award.

Projects applying for funding in the first two categories will be evaluated by three independent peer panels, based on project size, composed of arts, heritage, and preservation professionals, and other community representatives. Projects will be scored based on project excellence, feasibility, and community impact. Following the review panel, funding recommendations will be forwarded to 4Culture Advisory Committees, the 4Culture Board, and the King County Council for final approval.

Application deadline for the first two categories is September 9, 2015.