October 29, 2015

The Honorable Larry Phillips

Chair, King County Council

Room 1200

C O U R T H O U S E

Dear Councilmember Phillips:

One measure of our quality of life is the strength of the arts and heritage that spur creativity and fuel the imagination – qualities that helped build a local economy envied throughout for our innovation and advancements in everything from aerospace to software. I’m pleased to transmit for Council consideration an ordinance that would build upon Council’s adopted Motion 14406 which passed my proposed Building For Culture program. This program is a partnership between King County and 4Culture to establish a new arts, cultural, heritage & preservation capital funding program. This program is an unprecedented investment in much needed capital funding for projects across the County. The program is also an investment in our region’s future to help ensure the local arts, cultural, and heritage organizations have the ability to continue to serve our communities.

Investing in arts, culture and heritage supports King County’s economic development objectives. An economic impact study conducted in 2009 estimated that arts and culture in King County resulted annually in $1.75 billion in economic activity, 29,165 jobs, $798 million in labor income, and $78 million in tax revenue. Much of the spending was by visitors from outside of the area.

Building For Culture will invest in facilities that are in need of renovation and major system upgrades and will also preserve regional landmarks and historic properties.  This program is made possible by King County hotel motel tax revenues that are now available on a one-time basis to 4Culture as a result of early debt retirement originally used to finance stadium improvements.  Those tax revenues will permanently flow to King County and 4Culture starting in 2021.  The program will be funded by a sale of King County limited tax general obligation bonds and debt service payments will be made by 4Culture through 2020, and then by King County beginning in 2021.

This legislative package includes three components.  The bond ordinance authorizes the County to issue one or more series of limited tax general obligation (LTGO) bonds up to $29,000,000.  The bonds will provide financing for the proposed capital projects, the costs of issuing the bonds including the cost of developing the project recommendations.

The appropriations ordinance authorizes the County to transfer funds to 4Culture.  4Culture will enter into grant agreements with the selected projects and distribute funds as projects proceed.

The final ordinance authorizes the Executive to enter into the Agreement for Implementation of the Building for Culture Program by and between King County and 4Culture.  This agreement addresses the responsibilities of both parties for financing, administering, and monitoring the program, as well as identifies the specific capital projects that will be funded.

Funding recommendations from three independent 4Culture panels have been incorporated into this proposal.  If this legislative package is approved, 4Culture will begin to work with grantees to enter into grant award agreements and the county will prepare to sell bonds in the first quarter of 2016.

Thank you for your consideration of this request, which is consistent with the economic growth and built environment goal in King County’s Strategic Plan. In particular, this program will help preserve the unique character of our communities and provide funding for organizations that are a significant contributor to the regional economy.

If you have questions regarding this legislation, please have your staff call Jim Kelly, Executive Director, 4Culture, at 206-263-1614.

Sincerely,

Dow Constantine

King County Executive

Enclosures

cc:    King County Councilmembers

ATTN:  Carolyn Busch, Chief of Staff

Anne Noris, Clerk of the Council

Carrie S. Cihak, Chief of Policy Development, King County Executive Office

Sung Yang, Chief of Staff, King County Executive Office

Dwight Dively, Director, Office of Performance, Strategy and Budget

Jim Kelly, Executive Director, 4Culture