



Legislation Details (With Text)

File #: 2020-0424 **Version:** 2

Type: Ordinance **Status:** Passed

File created: 12/8/2020 **In control:** Budget and Fiscal Management Committee

On agenda: **Final action:** 12/15/2020

Enactment date: 12/21/2020 **Enactment #:** 19218

Title: AN ORDINANCE related to the loan agreement between King County and Pacific Science Center Foundation; and adding a new section to K.C.C. chapter 4A.200.

Sponsors: Jeanne Kohl-Welles

Indexes: Agreement

Code sections:

Attachments: 1. Ordinance 19218, 2. 2020-0424 Amendment 1, 3. 2020-0424 Title Amendment 1, 4. A. Loan Agreement by and between King County and Pacific Science Center Foundation, dated 12/15/2020, 5. A. Loan Agreement by and between King County and Pacific Science Center Foundation

Date	Ver.	Action By	Action	Result
12/15/2020	1	Metropolitan King County Council	Passed as Amended	Pass
12/8/2020	1	Metropolitan King County Council	Introduced and Referred	

AN ORDINANCE related to the loan agreement between King County and Pacific Science Center Foundation; and adding a new section to K.C.C. chapter 4A.200.

STATEMENT OF FACTS:

1. RCW 82.32.558 allows for a local sales and use tax deferral for construction of a new arena located at the Seattle Center in the city of Seattle. Under the statute, once the new arena, Climate Pledge Arena, is operationally complete, the deferred local sales and use taxes begin to become due to the state of Washington and must be paid to the state over the course of eight years.
2. Under RCW 82.32.559, fifty percent of those deferred local sales and use taxes ("deferred tax payments") have been designated for use by Pacific Science Center Foundation ("Pacific Science Center") for capital improvements specified in the statute.

3. County Ordinance 17402, enacted in 2012, indicated its willingness to support development and construction of new cultural or civic institutions with countywide benefit.
4. Pacific Science Center has sought the county's assistance in accelerating the payments it will ultimately receive from the state of Washington.
5. Pacific Science Center serves the King County population through educational program focused on its mission of curiosity, discovery, experimentation and critical thinking.
6. Some of Pacific Science Center's programming includes:
 - a. high-quality science education experiences at the physical campus in Seattle, the Mercer Slough Environmental Education Center in Bellevue and as the largest provider, through outreach programming, of informal science learning in the state, annually reaching more than seventy-four thousand King County students through field trips to its facilities, visits to classrooms and community centers, summer camps at seven locations throughout King County, winter and spring break camps and youth development programs, as well as providing those services to an additional ninety-six thousand students across the state;
 - b. programs that expand access to science, such as more than \$450,000 in free or subsidized access to hands-on STEM learning in 2019 for one thousand nine hundred seventy-nine King County families and fifteen thousand five hundred twenty-seven King County youth through programs including access memberships, financial aid for science camps, field trips, Science on Wheels and high-school development programs and an additional \$750,000 in free and subsidized programming to students and families across the state;
 - c. enhancement and diversification of the state's STEM workforce pipeline through the Discovery Corps, a youth development program that engages teens in a paid, multiyear career ladder program building leadership skills and interest in STEM careers and science education, with recruitment priorities of teens from communities historically underrepresented in STEM,

including youth of color, women and youth from low-income families. One-hundred percent of Discovery Corp participants graduate from high school. A longitudinal study has confirmed that ninety-six percent of Discovery Corps alumni between 2006 and 2012 continued on to higher education, with nearly half pursuing a degree in science, computer science or engineering, or education and at the time of survey, with ultimately forty-three percent of those were employed in such fields; and

d. as a tourist destination, Pacific Science Center has served more than seven hundred fifty thousand people each year onsite and through outreach programs, providing tourists and King County residents with access to unique STEM experiences, including the only opportunity in the state to experience a Tropical Butterfly House, the largest domed laser theater in the world and one of three planetarium experiences and five IMAX experiences in King County. As confirmed by the Arts & Economic Prosperity Calculator, provided by Americans for the Arts, during 2019, that all yielded \$2,019,358 in local government revenue and \$29,719,189 in household income in the county.

7. Before the onset of the COVID-19 pandemic, Pacific Science Center had further expanded its reach through programming such as:

a. during the previous twelve months, nearly one million people benefitted from Pacific Science Center's programming at the Seattle Center campus, the Mercer Slough Environmental Education Center in Bellevue and in schools, libraries and community centers across the state;

b. Science on Wheels was on track to serve one hundred fifteen thousand students in schools, libraries and community centers statewide during the 2019-20 school year, including fifty-nine thousand in low-income Title I schools. Science on Wheels was also developing a new computer science curriculum;

c. more than forty-two thousand students and chaperones were scheduled to visit Pacific

Science Center on field trips during the 2019-20 school year, including more than nine thousand from Title I schools with visits possible due to financial aid provided by Pacific Science Center;

d. four thousand three hundred families receiving public assistance, experiencing homelessness or in foster care were benefitting from free or deeply discounted Family and Youth Access memberships;

e. one hundred fifteen youth from low-income families had received a free week of science camp during the summer of 2019;

f. one hundred thirteen high school students were active in Pacific Science Center's teen development programs; and

g. for the first time in nearly a decade, Pacific Science Center had no bank debt, had a positive cash position and had a clear path to economic sustainability.

8. COVID-19 has had a devastating impact on Pacific Science Center's operations and financial health as the facilities have been closed to the public since March 2020. Revenues have fallen to near zero and more than three hundred employees have been laid off.

9. Onsite operations will remain very limited during the course of the COVID-19 pandemic; and as a result Pacific Science Center's work depends on financial support from the community.

10. A loan from the county would enable Pacific Science Center immediately to start making capital improvements instead of waiting to receive the deferred tax payments.

11. Acceleration of the deferred tax payments through a loan from King County will enable Pacific Science Center to make investments in the facilities, technology and infrastructure that are necessary for continued service to the youth and families in King County, including in low-income communities and Title I schools.

12. The county has an interest in supporting Pacific Science Center because of the benefits it provides for King County youth, particularly low-income youth and youth of color.

13. The county also has an interest in supporting Pacific Science Center because of the employment and economic benefits it provides for King County residents.

14. The county has provided financial support for Pacific Science Center during the COVID-19 pandemic through the use of federal coronavirus relief funds, and seeks to provide additional support through the loan agreement.

15. The county is willing to provide a loan to Pacific Science Center to be repaid from deferred tax payments, Pacific Science Center will receive.

16. It is anticipated that the loan will be supported by an interfund loan approved by the executive finance committee.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The council finds and determines it is appropriate and in the best interest of the residents of King County to provide a loan to Pacific Science Center Foundation for capital improvements that will provide for youth educational programming related to discovery, experimentation and critical thinking in the sciences. The improvements when completed will enable Pacific Science Center Foundation to provide additional programming and services to low income residents in King County.

SECTION 2. The executive is hereby authorized to execute the loan agreement, substantially in the same form as Attachment A to this ordinance, and any additional necessary instruments to effectuate a loan between King County and Pacific Science Center Foundation.

NEW SECTION. SECTION 3. There is hereby added to K.C.C. chapter 4A.200 a new section to read as follows:

- A. There is hereby created the Pacific Science Center fund.
- B. The fund shall be a first-tier fund. It is a special revenue fund.
- C. The director of the department of the executive services shall be the manager of the fund.
- D. The fund's revenue sources may include, but are not limited to, proceeds from interfund transfers

and general fund transfers.

E. The fund shall provide for the distribution of revenues to and receipts of revenues from Pacific Science Center Foundation consistent with a council-approved loan agreement.