May 7, 2019

The Honorable Rod Dembowski

Chair, King County Council

Room 1200

C O U R T H O U S E

Dear Councilmember Dembowski:

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 for our innovation and advancements in everything from aerospace to software. I’m pleased to transmit for Council consideration an ordinance that would create the Building 4Equity program, which builds on the County’s Building 4Culture program. This new program would be a partnership between King County and 4Culture to establish a new arts, culture, heritage, and preservation capital funding program of $20 million to organizations across the county. The proposed program is also an equitable investment in our region’s future to help ensure that local arts, cultural, and heritage organizations have the ability to continue to enrich our communities.

Investing in arts, culture, and heritage supports King County’s economic development objectives. An economic impact study conducted in 2014 estimated that arts and culture in the Puget Sound region resulted annually in $2.4 billion in economic activity, 35,376 jobs, $996 million in labor income, and $105 million in tax revenue. Much of the spending was by visitors from outside of the area.

Building 4Equity 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 an agreement between King County and 4Culture that advances up to $20 million of lodging tax revenues to 4Culture for the Building 4Equity program. The advance will gradually be repaid once lodging tax revenues flow to King County and 4Culture starting in 2021.

This legislative package includes authorization to enter into an agreement between King County and 4Culture to implement the program, and three supporting technical pieces: an appropriations ordinance, a code change to support the administration of the agreement, and legislation that creates the lodging tax fund.

The agreement between 4Culture and King County establishes the mechanism for advancing lodging tax revenues to 4Culture and sets the repayment schedule. One of the ordinances in this package authorizes the Executive to enter into the Agreement for Implementation of the Building 4Equity Program by and between King County and 4Culture. This agreement addresses the responsibilities of both parties for funding and operating the program.

The appropriations ordinance authorizes the County to transfer funds from the lodging tax fund to the Cultural Development Fund and eventually to 4Culture.  4Culture will enter into grant agreements with the organizations whose projects are selected and will distribute funds as projects proceed. The code change allows the County to withhold future lodging tax revenue per the advance agreement. The ordinance creating the lodging tax fund sets up the accounting structure for this advance and for the future tracking of lodging tax revenues and disbursements.

The legislation furthers the goals of the King County Equity and Social Justice Strategic Plan by ensuring that investments are made equitably across the county, to organizations that contribute to the life of our communities, and to those that have been historically left out of traditional grant-making processes.

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. This legislation will help King County and 4Culture promote culturally healthy, vibrant, and equitable arts infrastructure to all residents of the county.

If you have questions regarding this legislation, please contact Brian J. Carter, Executive Director, 4Culture, at (206) 263-1586.

Sincerely,

Dow Constantine

King County Executive

Enclosures

cc:    King County Councilmembers

ATTN:  Carolyn Busch, Chief of Staff

Melani Pedroza, Clerk of the Council

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

Brian J. Carter, Executive Director, 4Culture