

Ordinance No. 123132

Council Bill No. 116659

AN ORDINANCE relating to the Lake Union Park Armory; authorizing the Superintendent of Parks and Recreation to enter into a development agreement and lease to allow the Museum of History and Industry to redevelop and use the Lake Union Armory Building for a new regional history museum.

CF No. \_\_\_\_\_

Date Introduced:	<u>9.21.09</u>		
Date 1st Referred:		To: (committee) <u>Parks + Seattle Center</u>	
Date Re - Referred:		To: (committee)	
Date Re - Referred:		To: (committee)	
Date of Final Passage:	<u>10-19-09</u>	Full Council Vote: <u>9-0</u>	
Date Presented to Mayor:	<u>10-20-09</u>	Date Approved: <u>10-27-09</u>	
Date Returned to City Clerk:	<u>10-27-09</u>	Date Published:	T.O. <u>5</u> F.T. _____
Date Vetoed by Mayor:		Date Veto Published:	
Date Passed Over Veto:		Veto Sustained:	

# The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: [Signature]  
Councilmember

## Committee Action:

10-9-09 Pass 2-0 TR, RC

10-19-09 Passed 9-0

This file is complete and ready for presentation to Full Council. Committee: \_\_\_\_\_  
(initial/date)

*Law Department*

Law Dept. Review      OMP Review      City Clerk Review      Electronic Copy Loaded      Indexed



ORDINANCE 123132

AN ORDINANCE relating to the Lake Union Park Armory; authorizing the Superintendent of Parks and Recreation to enter into a development agreement and lease to allow the Museum of History and Industry to redevelop and use the Lake Union Armory Building for a new regional history museum.

WHEREAS, since 1914, the Historical Society of Seattle and King County, a Washington nonprofit corporation doing business as the Museum of History and Industry ("MOHAI"), has been collecting, preserving and presenting the history of the Pacific Northwest, and its exhibits and programs generate broad public appreciation for our region's diverse cultural, social and economic history; and

WHEREAS, MOHAI has grown to become the largest private heritage organization in the State of Washington, attracting to its facility more than 60,000 visitors annually from the Northwest and beyond; and

WHEREAS, MOHAI and the City have had a successful relationship since 1948 when MOHAI constructed and then donated to the City the first phase of its facility at McCurdy Park in the Montlake neighborhood (the "Montlake Location"), establishing a pattern that would be followed in each of four successive expansions of its museum, curatorial, educational and administrative facilities at the Montlake Location; and

WHEREAS, MOHAI has since successfully operated its museum and related facilities in the Montlake Location; however, MOHAI began to explore other options for its facilities based on concerns about the long-term viability of the Montlake Location as MOHAI's permanent home, particularly given its location adjacent to SR 520 and the increasing likelihood that eventual expansion of SR 520 would require MOHAI's relocation; and

WHEREAS, in pursuit of a new permanent home, MOHAI in 2003 purchased a commercial condominium unit within the expanded Washington State Convention and Trade Center (the "WSCTC Property") in downtown Seattle for the purpose of constructing and operating a new regional history museum at that location; and

WHEREAS, the City provided funds toward the purchase of MOHAI's WSCTC Property and, under a series of agreements between the City and MOHAI, acquired a restrictive covenant on and an easement for the use of the WSCTC Property for public museum purposes; and

WHEREAS, with the City's acquisition of the former U.S. Naval Reserve Armory (the "Armory Building") at South Lake Union; its subsequent investment in basic restoration of the Armory Building structure; the construction of the City's new Lake Union Park; and the continuing redevelopment of the South Lake Union neighborhood, the City Department of Parks and Recreation invited MOHAI to engage with it in evaluating establishment of



the new MOHAI regional history museum in the Armory Building rather than at MOHAI's WSCTC Property; and

WHEREAS, maritime heritage is one of the strengths of MOHAI's collection and MOHAI enjoys a meaningful and collaborative relationship with several maritime heritage organizations, many of which already are resident at South Lake Union; and

WHEREAS, after preliminary due diligence, the MOHAI Board of Trustees resolved that it favored the concept of establishing its primary public venue at the Armory Building in lieu of developing the WSCTC Property; and

WHEREAS, the Washington State Convention and Trade Center (the "WSCTC") independently determined that it would prefer to acquire MOHAI's WSCTC Property for its own expansion purposes and offered to do so; and

WHEREAS, due diligence on the Armory Building option for a new regional history museum was sufficiently encouraging to MOHAI that MOHAI determined to sell the WSCTC Property to the WSCTC; and

WHEREAS, the City concurred that the Armory Building project showed sufficient promise that it agreed, through Ordinance Number 122471, to release its restrictions and security interest in the WSCTC Property to facilitate its sale to the WSCTC, on condition that MOHAI reserve One Million Dollars (\$1,000,000) plus accrued interest from its sale proceeds for capital costs associated with the development of a new MOHAI museum to be located elsewhere within the city; and

WHEREAS, through Resolutions 30917, 31011 and 31092, the City Council encouraged the Department of Parks and Recreation to pursue the MOHAI project at the Armory Building, developed a framework for jointly determining the feasibility of developing the Armory Building into MOHAI's new regional history museum, and subsequently established principles to inform the negotiation of project agreements; and

WHEREAS, MOHAI, in consultation with the United States Navy's Real Estate Contracting Officer, has confirmed that MOHAI's proposed use of the Armory Building is consistent with deed restrictions designed to protect the building's historic character and ensure that it remained in public use; and

WHEREAS, MOHAI's redevelopment of the Armory Building and its anticipated collaboration with other maritime heritage organizations to form a Maritime Heritage Partnership at Lake Union Park will create a unique heritage experience at the park for the benefit of a broad cross section of the public and will symbolize and reinforce the ongoing revitalization of the South Lake Union neighborhood; and

WHEREAS, MOHAI is presently investigating the feasibility of obtaining historic rehabilitation tax credit financing for the rehabilitation of the Armory Building, which financing would



1 require that ownership of the Armory Building be conveyed, and the underlying land  
2 leased, to a for-profit entity that MOHAI would create and control; and

3 WHEREAS, ownership of the Armory Building would revert to the City at the termination of the  
4 ground lease; and

5 WHEREAS, the City and MOHAI have determined that various documents, including a project  
6 development agreement addressing the funding, design, and construction of the project  
7 and a long-term lease of the site to be occupied by MOHAI's museum are necessary and  
8 appropriate for memorializing the relationship between the City and MOHAI for  
9 undertaking the Armory Building museum project; NOW, THEREFORE,

10 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

11 Section 1. The Superintendent or his designee is authorized to execute a development  
12 agreement, substantially in the form of Attachment 1 hereto, that will allow MOHAI to renovate  
13 the Armory Building for museum purposes.

14 Section 2. If MOHAI has received the approval of the National Parks Service for the  
15 proposed renovation of the Armory Building, a firm commitment from a tax credit investor to  
16 utilize the Historic Rehabilitation Tax Credits, and has determined that it will utilize Historic  
17 Rehabilitation Tax Credits to finance a portion of the project, then the Superintendent is further  
18 authorized to execute and record a quitclaim deed for the Armory Building substantially in the  
19 form of Exhibit B to Attachment 1, that will convey ownership of the Armory Building to  
20 MOHAI or its for-profit affiliate on the condition that it be used solely for museum and museum-  
21 related purposes, together with a lease of the underlying real property substantially in the form of  
22 Attachment 2 hereto. If MOHAI elects not to utilize Historic Rehabilitation Tax Credits to  
23 finance the construction of the project, then the Superintendent is authorized to execute and  
24 record a lease of the Armory Building to MOHAI substantially in the form of Attachment 3  
25 hereto.  
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1           Section 3. The Superintendent, or his designee, is further authorized and directed, for and  
2 on behalf of the City, to make technical, conforming or otherwise nonmaterial changes to the  
3 Agreement, and to execute, deliver, record, administer and perform such ancillary agreements or  
4 documents or to take such other actions as in their judgment may be necessary, appropriate or  
5 desirable in order to carry out the terms and provisions of, and complete the transactions  
6 contemplated by, this ordinance.  
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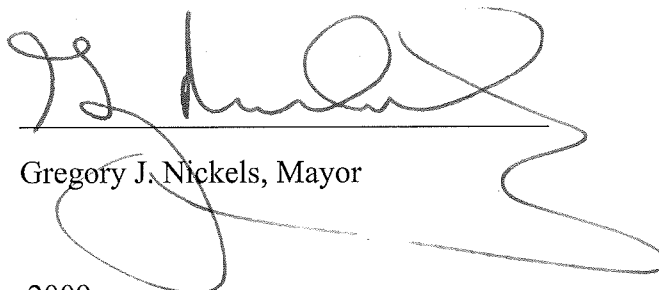
8           Section 4. This ordinance shall take effect and be in force thirty (30) days from and after its  
9 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after  
10 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.  
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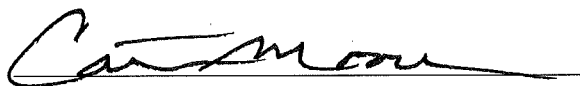
Passed by the City Council the 19<sup>th</sup> day of October, 2009, and signed by me in open session in authentication of its passage this 19<sup>th</sup> day of October, 2009.

  
President \_\_\_\_\_ of the City Council

Approved by me this 27<sup>th</sup> day of October, 2009.

  
Gregory J. Nickels, Mayor

Filed by me this 27<sup>th</sup> day of October, 2009.

  
City Clerk

(Seal)

Attachment 1: PROJECT DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF SEATTLE, A WASHINGTON MUNICIPAL CORPORATION AND HISTORICAL SOCIETY OF SEATTLE AND KING COUNTY, A WASHINGTON NONPROFIT CORPORATION.

Exhibits to Attachment 1:

Exhibit A – June, 2009 Design Development Documents

Exhibit B – Form of Quit Claim Deed

Exhibit C – Form of Joinder Agreement



Exhibit D – Project Timeline

Exhibit E – Capital Budget

Exhibit F – City Improvements to Lake Union Park

Exhibit G – Agreement Regarding Assignment of Acquisition/Condemnation Proceeds

Exhibit H – Fundraising Plan

Exhibit I – Montlake Exterior Artifacts

Attachment 2: GROUND LEASE FOR THE ARMORY BUILDING SITE BY AND BETWEEN CITY OF SEATTLE, A WASHINGTON MUNICIPAL CORPORATION, AS LANDLORD, \_\_\_\_\_, A WASHINGTON \_\_\_\_\_, AS GROUND TENANT AND HISTORICAL SOCIETY OF SEATTLE AND KING COUNTY, A WASHINGTON NONPROFIT CORPORATION, AS MOHAI.

Exhibits to Attachment 2:

Exhibit A - Legal Description and Depiction of Premises

Exhibit B - Legal Description of Portions of Lake Union Park

Exhibit C - Depiction of Easements

Exhibit D - Depiction of Public Use Area

Exhibit E - MOHAI Public Benefits

Attachment 3: ALTERNATE GROUND LEASE FOR THE ARMORY BUILDING SITE BY AND BETWEEN CITY OF SEATTLE, A WASHINGTON MUNICIPAL CORPORATION, AS LANDLORD, \_\_\_\_\_, A WASHINGTON \_\_\_\_\_, AS GROUND TENANT AND HISTORICAL SOCIETY OF SEATTLE AND KING COUNTY, A WASHINGTON NONPROFIT CORPORATION, AS MOHAI.

Exhibits to Attachment 3:



1  
2 Exhibit A - Legal Description and Depiction of Premises

3 Exhibit B - Legal Description of Portions of Lake Union Park

4 Exhibit C - Depiction of Easements

5 Exhibit D - Depiction of Public Use Area

6 Exhibit E - MOHAI Public Benefits  
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[Clerk's Note: Because of its size, the PDF of Ordinance 123132 has been divided for electronic display and downloading. All linked files are PDF documents requiring Adobe Reader or equivalent program to view.]

[Attachment 1](#), including Exhibits and executed copy of Joinder Agreement (9.84 MB)

[Attachment 2](#), including Exhibits (6.12 MB)

[Attachment 3](#), including Exhibits (6.8 MB)

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**STATE OF WASHINGTON – KING COUNTY**

--SS.

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246496  
CITY OF SEATTLE, CLERKS OFFICE

No.

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

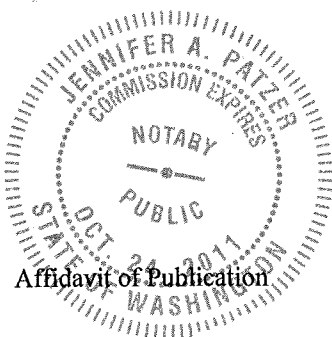
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123132-133,135&138

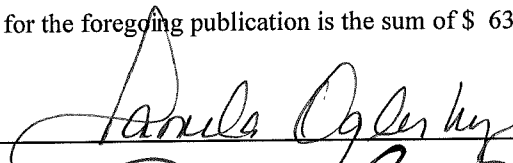
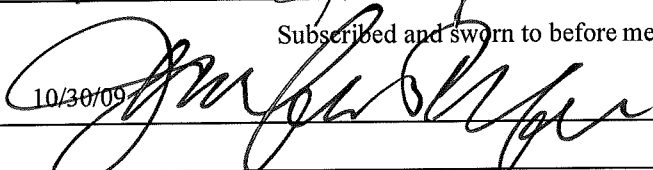
was published on

10/30/09

The amount of the fee charged for the foregoing publication is the sum of \$ 63.68, which amount has been paid in full.



Affidavit of Publication

  
\_\_\_\_\_  
Subscribed and sworn to before me on  
10/30/09   
\_\_\_\_\_  
Notary public for the State of Washington,  
residing in Seattle

## State of Washington, King County

### City of Seattle

#### TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on October 19, 2009, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

#### ORDINANCE NO. 123138

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

#### ORDINANCE NO. 123135

AN ORDINANCE relating to the use of premises under the jurisdiction of the Department of Parks and Recreation; authorizing the Superintendent of Seattle Parks and Recreation to enter into an agreement with the King County Ferry District for construction of a floating dock and use of a portion of real property at Seacrest Park for operation of the Elliott Bay Water Taxi.

#### ORDINANCE NO. 123133

AN ORDINANCE relating to the SR 99 Alaskan Way Viaduct and Seawall Replacement Program; stating the City's policy with respect to an alternative for replacing the present Viaduct and Seawall, and related work; and authorizing execution of a Memorandum of Agreement between the State of Washington and the City of Seattle.

#### ORDINANCE NO. 123132

AN ORDINANCE relating to the Lake Union Park Armory; authorizing the Superintendent of Parks and Recreation to enter into a development agreement and lease to allow the Museum of History and Industry to redevelop and use the Lake Union Armory Building for a new regional history museum.

Publication ordered by the City Clerk

Date of publication in the Seattle Daily Journal of Commerce, October 30, 2009.

10/30(246496)