

Ordinance No. 123408

Council Bill No. 116955

AN ORDINANCE relating to the redevelopment of the Lake Union Armory Building; amending the Armory Project Development Agreement between The City of Seattle and the Museum of History and Industry ("MOHAI"); accepting an offer from the Washington State Department of Transportation to acquire the MOHAI facility and ancillary improvements at McCurdy Park; authorizing the Superintendent of Parks and Recreation to execute a deed for such improvements and to take other related actions; creating a new budget control level and increasing appropriations in connection therewith; and superseding the requirements of Ordinance 118477 to the extent necessary to carry out the purposes of this ordinance; all by a three-fourths vote of the City Council.

Related Legislation File:

Date Introduced and Referred: <u>Sept. 7, 2010</u>	To: (committee): <u>Parks and Seattle Center</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>9.27.10</u>	Date Presented to Mayor: <u>9.28.10</u>
Date Signed by Mayor: <u>Returned Unsigned by Mayor</u>	Date Returned to City Clerk: <u>Oct. 7, 2010</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text <input type="checkbox"/>	Date Passed Over Veto:
Date Veto Published:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: Sg Bagshaw

Committee Action:

Date	Recommendation	Vote
<u>9/16/10</u>	<u>APPROVE AS AMENDED</u>	<u>6-0-1 (M.O. ABSTAIN)</u>
		<u>BH, TB, TR</u>
		<u>JG, RC, SB</u>

This file is complete and ready for presentation to Full Council. SgB

Full Council Action:

Date	Decision	Vote
<u>9.27.10</u>	<u>Passed</u>	<u>8-0</u>
		<u>Excused: TR</u>

Law Department



Michael McGinn
Mayor
City of Seattle

FILED
CITY OF SEATTLE

2010 OCT 28 PM 1: 20

CITY CLERK

October 27, 2010

Revised Letter

Honorable Richard Conlin, President
Seattle City Council
600 4th Avenue, 2nd Floor
Seattle, WA 98124

Dear Council President Conlin,

I've decided to transmit Council Bill No. 116955 back to you without my signature.

I continue to believe that providing \$47 million to MOHAI, in addition to a \$300,000 yearly operating subsidy plus the loss of event revenue, is too rich a deal to be giving to one non-profit organization in this City. To justify their need for the money, MOHAI significantly expanded the scope of the project beyond what has previously been communicated to the City. We understand that council took a different position.

There remains the question of how best to spend the loan that Council has secured from MOHAI. This is short-term money which will have to be paid back to MOHAI in the near future.

In reviewing the forecasts for City revenue, it's clear that our financial difficulties will remain for several years. Revenue projections for 2013 and 2014 remain tight. Because of this, this short-term infusion of money should not be used for non-sustainable expenditures. Rather, it is my hope that Council can look to advancing known capital projects, of which we have many. Spending in this manner would ensure that we maintain a balanced budget and can move forward with the hope that future budgets will remain balanced.

I'd be happy to discuss these ideas with you further.

Sincerely,

Michael McGinn
Mayor, City of Seattle

MM/jmc



City of Seattle
Name of Department

FILED
CITY OF SEATTLE

2010 OCT 15 AM 8:51

CITY CLERK

October 15, 2010

Honorable Richard Conlin, President
Seattle City Council.
600 4th Avenue, 2nd Floor
Seattle, WA 98124

Dear Council President Conlin,

I've decided to transmit Council Bill No. 116955 back to you without my signature.

I continue to believe that providing \$47 million to MOHAI, in addition to a \$300,000 yearly operating subsidy plus the loss of event revenue, is too rich a deal to be giving to one non-profit organization in this City. To justify their need for the money, HOHAI significantly expanded the scope of the project beyond what has previously been communicated to the City. We understand that council took a different position.

There remains the question of how best to spend the loan that Council has secured from MOHAI. This is short-term money which will have to be paid back to MOHAI in the near future.

In reviewing the forecasts for City revenue, it's clear that our financial difficulties will remain for several years. Revenue projections for 2013 and 2014 remain tight. Because of this, this short-term infusion of money should not be used for non-sustainable expenditures. Rather, it is my hope that Council can look to advancing known capital projects, of which we have many. Spending in this manner would ensure that we maintain a balanced budget and can move forward with the hope that future budgets will remain balanced.

I'd be happy to discuss these ideas with further.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael McGinn".

Michael McGinn
Mayor, City of Seattle

Individual Name, Title
Department Name
000 0th Avenue
PO Box 00000
Seattle, WA 00000-0000

Tel (206) 000-0000
Fax (206) 000-0000
TDD (206) 000-0000
first.last@seattle.gov

(Department-specific message area.)

ORDINANCE 123408

1
2
3 AN ORDINANCE relating to the redevelopment of the Lake Union Armory Building; amending
4 the Armory Project Development Agreement between The City of Seattle and the
5 Museum of History and Industry ("MOHAI"); accepting an offer from the Washington
6 State Department of Transportation to acquire the MOHAI facility and ancillary
7 improvements at McCurdy Park; authorizing the Superintendent of Parks and Recreation
8 to execute a deed for such improvements and to take other related actions; creating a new
9 budget control level and increasing appropriations in connection therewith; and
10 superseding the requirements of Ordinance 118477 to the extent necessary to carry out the
11 purposes of this ordinance; all by a three-fourths vote of the City Council.

12 WHEREAS, the Washington State Department of Transportation ("WSDOT") notified the City
13 that the SR 520 bridge replacement project requires the demolition of certain facilities in
14 McCurdy Park that MOHAI constructed and has used for more than 50 years to operate
15 its regional history museum (the "MOHAI Facilities"); and

16 WHEREAS, pursuant to Ordinance 123132, the City and MOHAI entered into a Project
17 Development Agreement ("Agreement") allowing MOHAI to develop and use the Lake
18 Union Armory building ("Armory") for a new regional history museum and authorizing
19 MOHAI to negotiate with WSDOT for the value of the MOHAI Facilities; and

20 WHEREAS, the City has agreed to pay those proceeds to MOHAI to use for capital purposes
21 associated with replacing the functions and facilities at its Montlake location, including
22 but not limited to the Armory project; and

23 WHEREAS, now the scope and nature of the City property interests that WSDOT is likely to
24 acquire for its SR 520 project have changed as the project has evolved, and the City and
25 MOHAI desire to clarify allocation of the proceeds that the City may eventually receive
26 from WSDOT for certain McCurdy Park property interests; and

27 WHEREAS, the Agreement also includes a detailed timeline for MOHAI's satisfaction of certain
28 preconditions for taking control of the Armory that needs to be adjusted to accommodate
the needs of both parties for an orderly transition; and

WHEREAS, Ordinance 123132 also authorized execution of a lease of the Armory location to
MOHAI provided certain conditions are met, which lease contains provisions relating to
future Armory operating support that need to be adjusted; and

WHEREAS, WSDOT has presented an offer to acquire the MOHAI Facilities that MOHAI
recommends accepting and as the Agreement requires, the Mayor has reviewed and
consented to the City's accepting this offer; and

WHEREAS, City Council authorization is also required to accept the WSDOT offer and to
convey title to the MOHAI Facilities; and

WHEREAS, the City desires that the MOHAI Facilities remain open and usable for park and
recreation purposes for as long as possible and to that end desires that the Superintendent
of Parks and Recreation negotiate and enter into short-term agreements with WSDOT and



1 MOHAI delineating the rights of the parties with respect to interim use of the MOHAI
2 Facilities; NOW, THEREFORE,

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

4
5 Section 1. The Superintendent of Parks and Recreation or his designee
6 (“Superintendent”) is hereby authorized to execute an amendment to Section 5.5 of the
7 December 17, 2009, Project Development Agreement by and between the City and MOHAI,
8 substantially in the form of Attachment 1 hereto.

9 Section 2. The City Council hereby confirms the amendment to Exhibit G to the
10 Agreement (“Agreement Regarding Assignment of Acquisition/Condemnation Proceeds by and
11 between the City and the Historical Society of Seattle and King County, a Washington nonprofit
12 corporation doing business as the Museum of History and Industry”), executed by the
13 Superintendent and attached to this Ordinance as Attachment 2.

14 Section 3. Before executing any lease with MOHAI for the Armory land or building as
15 authorized under the conditions of Section 2 of Ordinance 123132, Section 6.5.1 of Attachment 2
16 or 3 of such ordinance, whichever may be applicable, shall be amended to read substantially as
17 provided in Attachment 3 to this Ordinance.

18 Section 4. The Superintendent is further authorized, for and on behalf of The City of
19 Seattle, to execute, deliver, perform, administer and enforce an agreement with WSDOT and
20 MOHAI substantially in the form of Attachment 4 hereto (the “Settlement Agreement”), pursuant
21 to which WSDOT will pay the City \$40 million in two annual installments of \$20 million, each,
22 as compensation for the conveyance of the MOHAI Facilities described therein.

23 Section 5. Upon execution of the Settlement Agreement and receipt of the first
24 installment of the funds described in Section 4, the Superintendent is authorized, for and on
25 behalf of the City, to deliver to WSDOT an executed quit claim deed for the MOHAI Facilities in
26 substantially the form of Attachment 5 hereto.
27
28



Section 6. The 2010 Adopted Budget is amended with the creation of the following new budget control level added to Amendment A of Ordinance 123177 as follows:

Fund	Department	BCL Code	BCL Name	BCL Purpose
Cumulative Reserve Subfund - Unrestricted (00164)	Cumulative Reserve Subfund	KMOHAI	MOHAI Replacement Facilities	The purpose of the MOHAI Replacement Facilities BCL is to replace the functions and facilities of the Museum of History and Industry's (MOHAI) Montlake location, including but not limited to those facilities and functions included in MOHAI's proposed project at the Lake Union Armory. The City intends to use the proceeds it receives from the Washington State Department of Transportation's purchase of the city-owned MOHAI facility at Montlake to contract with MOHAI to replace those functions and facilities.

Section 7. The funds described in Section 4, when received, shall be deposited in the receiving fund identified below.

Department	Source	Purpose	Amount	Receiving Fund
Cumulative Reserve Subfund	Washington State Department of Transportation	McCurdy Park property sale	\$40 Million	Cumulative Reserve Subfund - Unrestricted (00164)

Section 8. In order to pay for necessary costs and expenses for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time the 2010 Budget was adopted, the appropriation for the following item in the 2010 Budget is



1 increased from the fund shown, as follows; provided, however, that no funds shall be expended
2 until the City has received the same from WSDOT.

3

Fund	Department	Budget Control Level	Amount
Cumulative Reserve Subfund - Unrestricted (00164)	Cumulative Reserve Subfund	MOHAI Replacement Facilities (KMOHAI)	\$40 Million

4
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7

8 Unspent funds so appropriated shall carry forward to subsequent fiscal years until they are
9 exhausted or abandoned by ordinance.

10 Section 9. Contingent upon execution of the Settlement Agreement and the
11 determination of the Finance Director that MOHAI has timely access to sufficient funds to fully
12 fund the Project as defined in the Development Agreement and, when reasonably needed, the
13 Armory museum exhibitry, the City shall pay the funds described in Section 4 to MOHAI as soon
14 as practicable after such funds are received by the City. MOHAI may request such determination
15 of the Finance Director as soon as it has sufficient funds available. Following issuance of the
16 Director's determination, MOHAI may receive and begin to expend such funds for the purposes
17 authorized under the Development Agreement before it issues its notice to proceed, Section 4.2
18 (d) of the Development Agreement notwithstanding.

19 Section 10. The Mayor or the Superintendent is further authorized and directed, for and
20 on behalf of the City, to make technical, conforming, or otherwise nonmaterial changes to the
21 Settlement Agreement or deed, and to execute, deliver, record, administer and perform such
22 ancillary agreements as may be reasonably necessary or appropriate to carry out the intent of this
23 ordinance.

24 Section 11. The requirements of Ordinance 118477 adopting Initiative 42, regarding
25 exchanges of land held for park and recreation purposes, are hereby superseded to the extent
26 deemed necessary to carry out the purposes of this ordinance.
27
28



1 Section 12. This ordinance shall take effect and be in force 30 days from and after its
2 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
3 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 20th day of September, 2010, and
5 signed by me in open session in authentication of its passage this

6
7 27th day of September, 2010.

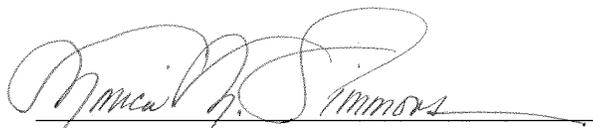
8
9
10 
11 President _____ of the City Council

12 Approved by me this ____ day of _____, 2010.

13
14 Returned Unsigned by Mayor

15 _____
16 Michael McGinn, Mayor

17 Filed by me this 7th day of October, 2010.

18
19 
20 City Clerk

21 (Seal)

22 Attachment 1: Amendment to Project Development Agreement by and between the City and MOHAI.

23 Attachment 2: Amendment to Agreement Regarding Assignment of Acquisition/Condemnation Proceeds
24 by and between the City and the Historical Society of Seattle and King County, a Washington nonprofit
25 corporation doing business as the Museum of History and Industry.

26 Attachment 3: Amendatory language for Section 6.5.1 of Armory leases.

27 Attachment 4: Form of Settlement Agreement.

28 Attachment 5: Form of Quit Claim Deed.



Attachment 1

**AMENDMENT TO
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**

This Agreement, dated _____, 2010, between The City of Seattle and the Historical Society of Seattle and King County amends that certain Project Development Agreement between the parties dated December 17, 2009.

WHEREAS, pursuant to Ordinance 123132, the City and MOHAI entered into a Project Development Agreement ("Agreement") allowing MOHAI to develop and use the Lake Union Armory building for a new regional history museum; and

WHEREAS, as the project has progressed, it has become apparent that time frames for certain actions contained in the Agreement require adjusting for the mutual convenience of the parties; and

WHEREAS, the parties wish to clarify the Agreement to more accurately reflect current conditions;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties agree to amend Section 5.5 of the Agreement as follows:

Section 5.5 Project Commencement Actions Timeline; Notice to Proceed.

5.5.1 Project Commencement Actions Timeline. The Lease shall take effect and, if MOHAI has secured a firm commitment from a tax credit investor on terms reasonably acceptable to MOHAI, the Armory Building shall be conveyed to the Tax Credit Entity (the "Project Commencement Actions") upon completion of the following process and timeline:

(a) After Council approval of one or more City ordinances approving and authorizing execution of this Agreement and the Lease, and consenting to one or more settlements with WSDOT regarding its acquisition of some or all of the property interests in Montlake Location, including the MOHAI facility and other improvements and the MOHAI use area, and authorizing provision to MOHAI of the proceeds from such acquisition as provided in the Condemnation Agreement, MOHAI may notify the City of the date it has determined as the Project Commencement Date. MOHAI shall provide such notification no earlier than October 10, 2010, and no later than three (3) months prior to the determined Project Commencement Date.



(b) MOHAI's notification to the City of the Project Commencement Date shall be accompanied by a comprehensive Project update including information sufficient to enable the Superintendent and Finance Director to begin review of MOHAI's progress toward satisfying the preconditions to MOHAI's issuance of its Notice to Proceed, as provided in Section 5.5.2.

(c) Upon receipt of MOHAI's notification, the City shall promptly notify current Armory Building tenants that such tenants may be required to vacate Armory Building premises occupied by them not later than one (1) week prior to the Project Commencement Date.

(d) No later than two (2) months prior to the Project Commencement Date, MOHAI shall confirm its determination of the Project Commencement Date and provide the City with any additional information relevant to the City's review of MOHAI's progress toward satisfying the preconditions to MOHAI's issuance of its Notice to Proceed, as provided in Section 5.5.2, specifically including current information on MOHAI's fundraising efforts. Upon receipt of such confirmation, the City shall provide a final notification to current Armory Building tenants that such tenants are to vacate Armory Building premises occupied by them not later than one (1) week prior to the Project Commencement Date. As soon as practical following receipt of such confirmation and completion of their review of MOHAI's additional information, the Superintendent and Finance Director shall provide their respective concurrences or determination required under Section 5.5.2 or, if any such are being withheld, work with MOHAI to address any concerns in order to preserve the Project Commencement Date. The Superintendent and Finance Director shall provide their respective concurrences and determination as soon as possible after resolving any such concerns.

(e) As tenants vacate Armory Building premises, the Parks Department will remove any remaining personal property. One (1) week prior to the Project Commencement Date, representatives of MOHAI and the Parks Department will: (i) inspect the premises to confirm they are free and clear of tenants and tenants' and the Parks Department's personal property; and (ii) confirm arrangements for final cleaning of the Armory Building by the Parks Department and final inspection by MOHAI and the Parks Department prior to the Project Commencement Date. Representatives of MOHAI and the Parks Department also will inspect the construction staging area adjacent to the Armory Building to be subject to a construction easement under the Lease to confirm its pre-construction condition and establish the standard for restoration by MOHAI following completion of construction.

(f) Upon the Project Commencement Date, assuming the Superintendent and Finance Director have provided their respective concurrences and determination required under Section 5.5.2, the Project Commencement Actions shall occur.

(g) If, for any reason, any or all of the Project Commencement Actions identified in this Section 5.5.1 do not occur on the Project Commencement Date, the Development Agreement Parties shall work to resolve any impediments to such actions and



establish the earliest possible mutually acceptable future date or dates on which any such remaining actions may take place.

5.5.2 MOHAI may issue its Notice to Proceed to its general contractor after January 10, 2011, upon receipt of the following:

(a) Concurrence by the Superintendent that the Project component of the Final Capital Budget is sufficient to complete the Final Project Design, based on his/her review of the most recent project cost estimates provided by MOHAI;

(b) The determination of the Finance Director, based on his/her review of the status of MOHAI's fundraising efforts against its Fundraising Plan, that MOHAI has timely access to sufficient funds from all available sources, including the City and other City-related funding identified in Section 4.2, as well as additional funding from private individuals, corporations, and foundations and public sources other than the City, to fully fund the Project (approximately \$30,200,000) and, when reasonably needed, consistent with the current Project Timeline, exhibitry (approximately \$15,200,000); and

(c) Concurrence by the Superintendent and the Finance Director that (i) MOHAI's general contractor has agreed to a guaranteed maximum price for construction of the Project as represented in the Final Project Design and consistent with the Project component of the Final Capital Budget; and (ii) MOHAI's contract with its general contractor provides for the requirements for construction under Sections 5.2 and 5.7.

City:

CITY OF SEATTLE, a Washington
municipal corporation

By: _____
Name: _____
Title: _____

Approved as to form:

City of Seattle Assistant City Attorney

MOHAI:



HISTORICAL SOCIETY OF SEATTLE
AND KING COUNTY, a Washington
nonprofit corporation

By: _____
Name: _____
Title: _____



**AMENDMENT TO AGREEMENT REGARDING ASSIGNMENT OF
ACQUISITION/CONDEMNATION PROCEEDS**

This Amendment to the June 16, 2009 Agreement Regarding Assignment of Acquisition/Condemnation Proceeds by and between The City of Seattle ("City") and the Historical Society of Seattle and King County ("MOHAI"), is effective as of the last date set forth below.

RECITALS

The following facts and circumstances form the background of this Amendment:

A. On June 16, 2009, the parties executed an Agreement Regarding Assignment of Acquisition/Condemnation Proceeds (the "Agreement") that authorized MOHAI to negotiate with the Washington State Department of Transportation ("WSDOT") for proceeds from WSDOT's anticipated acquisition of certain City and MOHAI property as a consequence of the planned reconstruction of the SR 520 bridge (the "SR 520 Project").

B. At the time the Agreement was executed, the parties anticipated that WSDOT would be acquiring, among other interests, temporary construction easements in what the Agreement refers to as the MOHAI Use Area. WSDOT's plans for the SR 520 project have evolved and WSDOT now plans to acquire the MOHAI Use Area in fee or almost entirely in fee.

C. In order to meet the Agreement's intent with respect to the assignment of proceeds from WSDOT's property acquisition, the parties desire to amend the Agreement as provided below.

Therefore, for good and valuable consideration, receipt of which hereby acknowledged, the parties hereby amend Section 1 of the Agreement as follows:



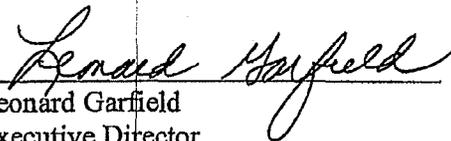
1. Conditional Assignment. The City hereby assigns to MOHAI, subject to review and approval by the City as provided in Section 6, compensation that the City receives from WSDOT for the following:
 - (a) All compensation paid by WSDOT to the City for the MOHAI Facility and Other Improvements; and
 - (b) 40% but not to exceed \$7 million of all compensation paid by WSDOT to the City for any real property interest in the land in the MOHAI Use Area.
2. All other provisions of the Agreement shall remain in full force and effect.

CITY OF SEATTLE DEPARTMENT OF
PARKS AND RECREATION

By 
Christopher M. Williams
Acting Superintendent

Date 6/22/10

MUSEUM OF HISTORY & INDUSTRY

By 
Leonard Garfield
Executive Director

Date 6/21/10

K:\2032595\00003\20126_BG\A20126A265A

Attachment 3

**AMENDATORY LANGUAGE FOR SECTION 6.5.1 OF ATTACHMENTS 2 AND
3 OF ORDINANCE 123132 – ARMORY LEASE
BY AND BETWEEN THE CITY OF SEATTLE,
A WASHINGTON MUNICIPAL CORPORATION
AND HISTORICAL SOCIETY OF SEATTLE AND KING COUNTY,
A WASHINGTON NONPROFIT CORPORATION**

If the parties intend to enter into a Ground Lease (Attachment 2 to Ordinance 123132), the Ground Lease shall be amended before execution to read as follows:

6.5 Operating Support.

6.5.1 Beginning in the year that MOHAI (or Ground Tenant) obtains an occupancy permit for the Museum, City will contribute on an annual basis during the Term the amount of Three Hundred Thousand Dollars (\$300,000) to MOHAI (or, at MOHAI's direction, to Ground Tenant) to be used to help defray the costs of operating, maintaining, and repairing the Armory Building (the "Support Payments"). For the year in which the occupancy permit is issued, payment shall be made within 30 days of the date the occupancy permit is issued; thereafter, payment shall be made by April 1 of each year. Payments shall be prorated to reflect partial years' occupancy. MOHAI shall separately account for the Support Payments and shall use them solely to pay operating and maintenance expenses for the Armory Building. MOHAI shall keep complete and accurate records and books of account with respect to all expenditures from the Support Payments account and shall provide City with copies of relevant records reasonably promptly upon City request.



If the parties intend to enter into a lease for the Armory Building and Land, (Attachment 3 to Ordinance 123132) the lease shall be amended before execution to read as follows:

6.5 Operating Support.

6.5.1 Beginning in the year that MOHAI obtains an occupancy permit for the Museum, City will contribute on an annual basis each year during the Term the amount of Three Hundred Thousand Dollars (\$300,000) to MOHAI to be used to help defray the costs of operating, maintaining, and repairing the Armory Building (the "Support Payments"). For the year in which the occupancy permit is issued, payment shall be made within 30 days of the date the occupancy permit is issued; thereafter, payment shall be made by April 1 of each year. Payments shall be prorated to reflect partial years' occupancy. MOHAI shall separately account for the Support Payments and shall use them solely to pay operating and maintenance expenses for the Armory Building. MOHAI shall keep complete and accurate records and books of account with respect to all expenditures from the Support Payments account and shall provide City with copies of relevant records reasonably promptly upon City request.



Attachment 4
SETTLEMENT AGREEMENT

PARTIES

The City of Seattle ("CITY"), a Washington municipal corporation
State of Washington, acting through the Washington Department of Transportation ("WSDOT")
Historical Society of Seattle and King County, a Washington nonprofit corporation doing
business as the Museum of History and Industry ("MOHAI")

SUBJECT PROPERTY Building only located on the following described land ("Land"):

Assessor's Tax Parcel Numbers: 212504-9048-07, 411610-0015-04, 560500-0450-03 & 560500-0646-08

WSDOT parcel number: 1-22190

Abbreviated legal description: L3, Blk 11-A, Supplemental Map of Lake Washington Shorelands, NW¼ S21, T25N, R4E, W.M., Blks 9, 10 & 11, Lake Washington Shorelands, L11, B4 Montlake Park, Tract of land designated as "Park" on the Plat of Montlake Park

The Subject Property is more particularly described in Exhibit A and does not include the Land referenced above on which the Subject Property is located.

RECITALS

A. WSDOT needs to acquire the Subject Property, including any after acquired interest therein located upon the Land for the SR 520 Bridge Replacement and HOV project.

B. The CITY and MOHAI are entitled to just compensation for the acquisition of the Subject Property.

C. The CITY and MOHAI executed an Agreement Regarding Assignment of Acquisition/Condemnation Proceeds on June 16, 2009, (the "CITY/MOHAI Agreement"), regarding WSDOT's impending acquisition/condemnation of the Subject Property. Included in the CITY/MOHAI Agreement is the provision that the Seattle City Council, by ordinance, must approve of any settlement and transfer to WSDOT of the Subject Property.

D. After WSDOT and MOHAI engaged independent appraisers to value the Subject Property, WSDOT and MOHAI exchanged appraisals and have negotiated an agreed upon figure of value for the acquisition of the Subject Property.

AGREEMENT

NOW, THEREFORE, WSDOT, CITY, and MOHAI agree as follows:

1. Settlement Amount. The Parties agree to the amount of Forty Million Dollars (\$40,000,000) in full and final settlement of WSDOT's taking and/or damaging of the Subject Property consisting of the building only located on the Land as more particularly described in

Exhibit "A," a copy of which is attached to and made part of this Settlement Agreement. The Subject Property does not include the Museum Personal Property as more particularly described in Exhibit "A", a copy of which is attached to and made a part of this Settlement Agreement or the Land on which the Subject Property is located.

2. Payment of Just Compensation; Installment Payments. The sum of \$40,000,000 ("Just Compensation") will be paid by WSDOT for the taking or damaging of the Subject Property in two equal payments of \$20,000,000 each. The first payment will be made by WSDOT to CITY on August 1, 2010, or as soon as possible after legislation approving this Settlement Agreement has been enacted by the City Council and become effective (the "Closing Date") at the Closing described in Section 3 below, and the second payment will be made by WSDOT to CITY on or before August 1, 2011.

3. Form of Payment. WSDOT's acquisition of the Subject Property (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Settlement Agreement shall be made at the offices of K&L Gates LLP in Seattle, Washington, on the Closing Date. Closing shall occur when each of the following conditions has been satisfied: (a) the CITY has executed and delivered a WSDOT Voucher ("Voucher"); (b) CITY, MOHAI, State of Washington, Department of Natural Resources, and The Arboretum Foundation have each executed and delivered quitclaim deeds to the Subject Property in favor of WSDOT, and (c) WSDOT has delivered a warrant payable to CITY or immediately available funds for delivery or disbursement to CITY on the Closing Date in the amount of \$20,000,000. All documents shall be deemed delivered on the date that the first payment of \$20,000,000 by warrant or immediately available funds has been tendered by WSDOT for delivery or disbursement to the CITY. The provisions of the Voucher have no relevance to the determination of land value for the Land on which the Subject Property is located that will be acquired by WSDOT at a future date. The Parties further acknowledge and agree that nothing in this Settlement Agreement or any other agreement has limited or shall be construed to limit the determination of just compensation for the Land on which the Subject Property is located; provided, however, that WSDOT shall not be required to provide compensation for improvements located in the MOHAI Use Area when it purchases the Land; and provided, further, that the City and MOHAI acknowledge and agree that the State's payment for acquisition of the MOHAI building satisfies all applicable 4(f) and 6(f) obligations, if any, with respect to the MOHAI building.

4. Distribution of Payments. The CITY and MOHAI agree that in accordance with the CITY/MOHAI Agreement, WSDOT shall pay the entire sum of \$40,000,000 to the CITY for transfer to MOHAI for the acquisition of the Subject Property.

5. Fees and Costs. The Parties agree that WSDOT's payment of \$40,000,000 on the terms and conditions set forth herein includes all fees and costs, including attorney fees, statutory allowance fees, and appraisal costs incurred by the Parties in connection with the acquisition of the Subject Property. Such payment is intended as just compensation for the taking of the Subject Property only and does not include any relocation assistance payments to which MOHAI may be entitled under federal and state relocation laws, including, but not limited to RCW Chapter 8.26 and implementing rules and regulations.

6. Occupancy of Subject Property; Interest. As part of the overall consideration for the Parties' willingness to enter into this Settlement Agreement: (a) CITY does hereby grant WSDOT a non-revocable license to maintain the Subject Property on the Land until the earlier of December 31, 2012, or the date that WSDOT acquires title to the Land; (b) Pursuant to the provisions of Section 8 of this Settlement Agreement, WSDOT agrees to enter into a lease agreement with MOHAI, which lease will confirm the right of MOHAI to remain in occupancy of the Subject Property without charge from the date of execution of this Settlement Agreement until December 31, 2012, or such other period as MOHAI and WSDOT may agree, in consideration that WSDOT shall not be liable for the payment of any interest on the \$40,000,000; provided WSDOT makes its payments in a timely manner, and (c) Nothing contained in this Settlement Agreement grants WSDOT any right to use or occupy all or any portion of the Subject Property until after December 31, 2012, or expiration of the WSDOT lease with MOHAI described in Section 8 below, whichever is later, nor any right to use or occupy all or any portion of the Land on which the Subject Property is located until such time as WSDOT purchases the Land.

7. Quitclaim Deeds. The CITY and MOHAI each agree that it shall execute a quitclaim deed to the Subject Property described in Exhibit "A" to WSDOT, and the CITY shall execute the Voucher and a W-9 form. The transfer of the Subject Property is made on an "AS IS" condition and except as expressly provided herein, neither CITY nor MOHAI has any obligation to make repairs, replacements, or improvements to the Subject Property. Subject to the limitation set forth in Section 8 below, MOHAI agrees to maintain the interior of the Subject Property in good condition and shall comply with all federal, state and local laws, ordinances, and regulations applicable to its use of the Subject Property as a museum. Subject to the limitation set forth in Section 8 below, CITY agrees to maintain the structural components of the Subject Property in good condition. Neither CITY nor MOHAI shall commit or allow to be committed any waste upon the Subject Property nor allow any public or private nuisance. Neither CITY nor MOHAI makes any representations or warranties whatsoever with respect to the physical condition of the Subject Property, the presence or absence of hazardous substances within the Subject Property or other physical characteristics of the Subject Property or the suitability of the Subject Property for WSDOT's intended purposes. Such Quitclaim Deed shall be expressly subject to the right of MOHAI under the lease with WSDOT described in Section 8 below.

8. Continued Occupancy of Subject Property by MOHAI. As part of the consideration for this Settlement Agreement, WSDOT agrees that MOHAI has the right to continued occupancy of the Subject Property for use as a museum for no additional consideration, for a term that expires no earlier than December 31, 2012, or such other period as MOHAI and WSDOT may agree. MOHAI and WSDOT shall enter into a lease agreement which confirms the terms of this Section 8 and contains such additional terms and conditions consistent with this Settlement Agreement as MOHAI and WSDOT may mutually negotiate in good faith regarding WSDOT's interim lease of the Subject Property to MOHAI for continued use as a museum, including without limitation the requirements that: (a) MOHAI maintain its existing commercial liability insurance during the term of such lease which shall name WSDOT as an additional insured; (b) mutual indemnification provisions consistent with Section 9 below; and (c) provisions for the disposition of Museum Personal Property upon expiration of the lease

term. MOHAI shall use commercially reasonable efforts to complete its removal of the Museum Personal Property from the Subject Property no later than expiration of the lease term. The Parties understand and agree that due to the unique size and configuration of certain of the artifacts which constitute part of the Museum Personal Property, the removal of the Museum Personal Property may result in damage to the Subject Property. MOHAI shall have the right to remove windows or demolish walls or other portions of the Subject Property to the extent necessary to remove the Museum Personal Property from the Land, but shall have no obligation to repair any damage caused by such removal so long as MOHAI exercised reasonable care in removing the Museum Personal Property. Any Museum Personal Property which has not been removed from the Subject Property within ninety (90) days following expiration of the lease term shall, unless the Parties agree otherwise, be deemed to have been abandoned by MOHAI and may thereafter be sold or disposed of by WSDOT in its discretion and without cost to MOHAI or the CITY. Since WSDOT intends to demolish the Subject Property upon expiration of the lease term, none of the Parties to this Settlement Agreement shall have any obligation to repair or restore the Subject Property in the event of any damage or destruction thereto.

9. Indemnification. Each Party to this Settlement Agreement agrees to protect, defend, indemnify, and hold the other Parties harmless from any and all claims, demands, suits, losses, damages, or costs (collectively, "claims") arising out of or resulting from the negligence or willful misconduct of the indemnifying Party's officers, officials or employees acting within the scope of their employment or office or breach by such Party of its obligations under this Settlement Agreement to the maximum extent permitted by law including RCW 4.24.115, as now enacted or hereinafter amended; provided, however, that no Party shall be obligated to indemnify any other Party with respect to any claim to the extent caused by or resulting from the negligence, willful misconduct, or breach of this Settlement Agreement by such other Party's officers, officials, or employees.

10. Land. The Parties acknowledge and agree that this settlement does not include the acquisition of any land on which the Subject Property is located, and does not affect any rights or interests in the land underneath or adjacent to the Subject Property.

11. Governing Law; Venue. This Settlement Agreement shall be governed by and construed in accordance with Washington law. Except as otherwise required by applicable law, any action under this Settlement Agreement shall be brought in King County Superior Court.

12. Notices. All notices, requests, and other communications shall be in writing and shall be deemed given on the business day on which the same have been transmitted by facsimile or electronic mail with a telephone call by sender immediately to follow transmittal and an affirmative confirmation of receipt from recipient, whether verbal or electronic, or on the business day following the day on which the same have been sent using same day or overnight delivery via a commercial messenger or courier service that guarantees next day delivery.

If to WSDOT: Washington State Department of Transportation
Real Estate Services Division
PO Box 47338
243 Israel Road SE

Tumwater, WA 98501
Attn: Real Estate Services Program Administrator
Fax: 360-705-6811
Telephone: 360-705-7307
Email: palazzm@wsdot.wa.gov

cc: Bryce E. Brown Jr.
Office of the Attorney General
PO Box 40113
7141 Cleanwater Dr SW
Olympia, WA 98504
Telephone: 360-753-4962
Fax: 360-586-6847
Email: bryceb@atg.wa.gov

If to the CITY: City of Seattle Department of Parks and Recreation
100 Dexter Avenue N
Seattle, WA 98109
Attn: Superintendent
Telephone: 206-684-8022
Email: Christopher.Williams@seattle.gov

cc: Ms: Helaine Honig
Assistant City Attorney
City Attorney's Office - Seattle
PO Box 94769
Seattle, WA 98124-4769
Telephone: (206) 684-8222
Email: helaine.honig@seattle.gov

If to MOHAI: Museum of History & Industry
2700 24th Avenue E
Seattle, WA 98112-2099
Attn: Executive Director
Telephone: 206-324-1126
Fax: 206-324-1346
Email: leonard.garfield@seattlehistory.org

cc: Bart J Freedman
K&L Gates LLP
925 4th Avenue, Suite 2900
Seattle, WA 98104-1158
Telephone: (206) 370-7655
Email: bart.freedman@klgates.com

The Parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, requests, or other communications shall be sent.

13. Entire Agreement. This Settlement Agreement contains the entire agreement of the Parties and supersedes any prior written or oral agreements with respect to the matters described herein.

14. Severability. Every provision of this Settlement Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purpose of this Settlement Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Settlement Agreement that are valid.

15. Counterparts. This Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which shall constitute but one original.

16. Time is of the Essence. Time is of the essence in the performance of each Party's obligations under this Settlement Agreement.

17. Attorney's Fees. If any Party engages an attorney in connection with enforcing the terms of this Settlement Agreement, whether or not a legal proceeding is commenced, the substantially prevailing party is entitled to recover from the other Party or Parties, all of its reasonable attorneys' fees and costs incurred in connection therewith, whether at trial, on appeal, in any bankruptcy proceedings, or in any mediation or arbitration proceeding.

18. Authority. By execution of this Settlement Agreement, each Party hereto represents that it has the authority to enter into and perform its obligations under this Settlement Agreement.

This Settlement Agreement shall be deemed effective on the last date written below.

WASHINGTON STATE DEPARTMENT
TRANSPORTATION

THE CITY OF SEATTLE

By _____

By _____

Date _____

Approved as to Form

Bryce E. Brown Jr.
Senior Assistant Attorney General

[signatures continued on following page]
HISTORICAL SOCIETY OF SEATTLE
AND KING COUNTY

By _____

Date _____

Approved as to Form

Date _____

Approved as to Form

STATE OF WASHINGTON)
) ss
County of _____)

On this _____ day of _____ before me personally appeared _____, to me known to be the _____, for the State of Washington, acting by and through its Department of Transportation and that he/she executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said State of Washington for the uses and purposes therein set forth, and on oath states that he/she is authorized to execute said instrument.

GIVEN under my hand and official seal the day and year last above written.

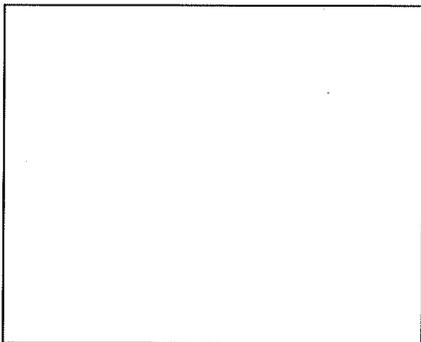
(SEAL)

Notary Public in and for the State of Washington,
residing at _____
My commission expires _____

STATE OF WASHINGTON _____)
) ss.
COUNTY OF KING _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of The City of Seattle to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



Notary Public
Print Name _____
My commission expires _____

(Use this space for notarial stamp/seal)

EXHIBIT A

62,216 square foot 2 story museum building and all associated appurtenances including but not limited to; building casework, Boomtown facades, seating, stage and sound equipment in the auditorium, window and floor coverings, general interior lighting, signs and exterior lighting and approximately 1,000 square foot canopy only, together with any after acquired interest of the CITY and MOHAI therein.

BUT expressly excluding the Japanese Maple (Heritage Tree) and all exhibitry and artifacts accessioned to the museum collection and their associated cases, attachments, hangers, braces, supports, bases and/or foundations; their associated signage and interpretive graphics; their associated lighting and power and/or data connections; and their associated environmental or security monitoring equipment, and all furniture, office equipment, computers, chairs, tables, and other personal property owned by MOHAI and located in the museum building or on the "MOHAI Use Area", but not constituting an object which is part of the museum collection (collectively, the "Museum Personal Property").

The Subject Property does not include the land on which the museum building is located or any site improvements within the "MOHAI Use Area" including, but not limited to walkways, driveways, paving, 133 parking stalls, and associated landscaping, which will be included in any subsequent acquisition of the Land by WSDOT for no additional consideration.

After Recording Return To:
State of Washington
Department of Transportation
Real Estate Services Office
PO Box 47338
Olympia, WA 98504-7338

QUIT CLAIM DEED

GRANTOR: THE CITY OF SEATTLE

GRANTEE: STATE OF WASHINGTON, DEPARTMENT OF
TRANSPORTATION

Legal Description: Building only located on the following described land: L 1 & 3, Blk
11-A, Supplemental Map of Lake Washington Shorelands,
NW¼ S21, T25N, R4E, W.M., Blks 9, 10 & 11, Lake Washington
Shorelands, L11, B4 Montlake Park

Additional legal on pages Exhibits A and B of document

Assessor's Property Tax Parcel Account Number(s): Building only located within
portions of 212504-9048-07,
411610-0015-04, 560500-0450-03
& 560500-0646-08.



QUITCLAIM DEED

State Route 520

The Grantor, **The City of Seattle, Department of Parks and Recreation**, for and in consideration of the terms and conditions set forth in that certain Settlement Agreement dated July __, 2010, by and among The City of Seattle, the State of Washington, acting through its Department of Transportation and the Historical Society of Seattle and King County ("MOHAI") (the "Settlement Agreement"), conveys and quitclaims to the **State of Washington, acting by and through its Department of Transportation**, the building including any after acquired interest of Grantor to said building as more particularly described in Exhibit A attached hereto and by this reference incorporated herein (the "Building"), which Building is located on certain real estate situated in King County, in the State of Washington and more particularly described in Exhibit B attached hereto and by this reference incorporated herein (the "Land"). The Building does not include the Museum Personal Property (as defined on Exhibit A) or the Land on which the Building is located as more particularly described on Exhibit B.

The State of Washington acknowledges that pursuant to the provisions of the Settlement Agreement, by its acceptance of this Quitclaim Deed, it is accepting the transfer of the Building on an "AS IS" basis and in its current condition and state of repair and except to the extent set forth in the Settlement Agreement, Grantor has no obligation to make any repairs, replacements, or improvements to the Building. Grantor does not make any representations or warranties whatsoever with respect to the physical condition of the Building, the presence or absence of hazardous substances within the Building or other physical characteristics of the Building or the suitability of the Building for the State of Washington's intended purposes.

This Quitclaim Deed is expressly subject to the rights of MOHAI to remain in occupancy of the Building conveyed hereby until December 31, 2012, or such other period as the State of Washington and MOHAI may agree pursuant to the terms of that certain lease between the State of Washington and MOHAI identified in the Settlement Agreement. The City of Seattle, MOHAI, and the State of Washington Department of Transportation shall execute and record a Memorandum of Lease Termination upon termination of the lease.

Dated: _____, _____

THE CITY OF SEATTLE
Department of Parks and Recreation

By: _____
Name: _____



Its _____

Approved as to Form:

Assistant City Attorney

Accepted and Approved this _____ day
of _____, 2010

STATE OF WASHINGTON
Department of Transportation

By: _____
Mike Palazzo, Real Estate Services
Program Administrator

Date: _____

Reviewed as to Form:

By: _____
Bryce E. Brown
Assistant Attorney General



STATE OF WASHINGTON)
) ss
County of _____)

On this _____ day of _____ before me personally appeared _____, to me known to be the _____, for The City of Seattle, acting by and through its Department of Parks and Recreation, and that he/she executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said City of Seattle, for the uses and purposes therein set forth, and on oath states that he/she is authorized to execute said instrument.

GIVEN under my hand and official seal the day and year last above written.

(SEAL)

Notary Public in and for the State of
Washington, residing at _____
My commission expires _____

STATE OF WASHINGTON)
) ss
County of _____)

On this _____ day of _____ before me personally appeared _____, to me known to be the _____, for the State of Washington, acting by and through its Department of Transportation and that he/she executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said State of Washington for the uses and purposes therein set forth, and on oath states that he/she is authorized to execute said instrument.

GIVEN under my hand and official seal the day and year last above written.

(SEAL)

Notary Public in and for the State of
Washington, residing at _____
My commission expires _____



EXHIBIT A

62,216 square foot 2 story museum building and all associated appurtenances including but not limited to; building casework, Boomtown facades, seating, stage and sound equipment in the auditorium, window and floor coverings, general interior lighting, signs and exterior lighting and approximately 1,000 square foot canopy only, together with any after acquired interest of City and MOHAI therein.

BUT expressly excluding the Japanese Maple (Heritage Tree) and all exhibitry and artifacts accessioned to the museum collection and their associated cases, attachments, hangers, braces, supports, bases and/or foundations; their associated signage and interpretive graphics; their associated lighting and power and/or data connections; and their associated environmental or security monitoring equipment, and all furniture, office equipment, computers, chairs, tables, and other personal property owned by MOHAI and located in the museum building, but not constituting an object which is part of the museum collection (collectively, the "Museum Personal Property").

The Building does not include the land on which the museum building is located or any site improvements within the "MOHAI Use Area" including, but not limited to walkways, driveways, paving, 133 parking stalls and associated landscaping, which will be included in any subsequent acquisition of the Land by the State of Washington, Department of Transportation for no additional consideration.



EXHIBIT B

Parcel A:

Lot 1, Block 11-A, Supplemental Map of Lake Washington Shorelands, as shown on the official map of said shore lands filed in the Office of the Commissioner of Public Lands at Olympia, Washington, September 15, 1916;

TOGETHER WITH that portion of the North 618 feet of the Government Lot 1, Section 21, Township 25 North, Range 4 East, W.M., in King County, Washington lying East of Montlake Park and West of shoreline;

EXCEPT that portion conveyed to the State of Washington by deed recorded as Recording No. 5447962.

Parcel B:

Beginning at the meander comer between Sections 16 and 21 in Township 25 North, Range 4 E. W.M. in King County, Washington; thence South 89°42'46" East, 157.031 feet to the Inner Harbor Line as shown on Lake Washington Shorelands, as surveyed and established pursuant to Chapter 150, Session Laws of 1917 of the State of Washington and the TRUE POINT OF BEGINNING; thence South 89°42'46" East, 250.000 feet; thence South 0°17'13.9" West, 100.000 feet; thence South 89°42'46.1" East, 303.012 feet; thence South 213.083 feet; thence Westerly 364.16 feet, more or less, to the Northwest corner of Lot 1, Block 11-A of said Lake Washington Shorelands; thence South 46°49'30.6" West, 443.176 feet; thence North 89°42'49.4" West, 232.247 feet; thence North 0°16'19.3" East, 617.933 feet to the true point of beginning.

Parcel C:

Lot 3, Block 11-A, Supplemental Map of Lake Washington Shorelands, as shown on the official map of said shorelands filed in the Office of Commissioner of Public Lands at Olympia, Washington, September 15, 1916;

EXCEPT that portion thereof condemned for highway in Superior Court Cause Number 597685 and/or conveyed to the State of Washington by deeds recorded under Recording Numbers 5538441 and 5538444.



Parcel D:

That portion of the Old Canal right-of-way (Canal Reserve) in the Northeast quarter of the Northwest quarter of Section 21, Township 25 North, Range 4 East, W.M., in King County, Washington, described as follows:

Beginning at the Southwest corner of Lot 11, Block 4, Montlake Park, an Addition to the City of Seattle, according to the plat thereof recorded in Volume 18, page 20; thence on the South line of said Addition, the said line also being the North line of the Canal Reserve, South 89°42'49.4" East 400 feet; thence South 0°17'10.6" West 120 feet; thence North 89°42'49." West 400 feet; thence North 0°17'10.6" East 120 feet to the place of beginning;

EXCEPT any portion in Lot 3, Block 11-A, Supplemental Map of Lake Washington Shorelands, as shown on the official map of said shorelands filed in the Office of Commissioner of Public Lands at Olympia, Washington, September 15, 1916;

AND EXCEPT that portion thereof condemned for highway in Superior Court Cause Number 597685 and/or conveyed to the State of Washington by deeds recorded under Recording Numbers 5538441 and 5538444.

Parcel E:

That portion of the Old Canal right-of-way (Canal Reserve) in the Northeast quarter of Section 21, Township 25 North, Range 4 East, W.M., in King County, Washington, lying Northerly of Primary State Highway No. 1, now known as State Route 520, as established by Superior Court Cause Number 597685 and Deeds recorded under Recording Numbers 5538441 and 5538444;

AND lying Southerly of the following described parcel:

Beginning at the Southwest corner of Lot 11, Block 4, Montlake Park, an Addition to the City of Seattle, according to the plat thereof recorded in Volume 18, page 20; thence on the South line of said Addition, the said line also being the North line of the Canal Reserve, South 89°42'49.4" East 400 feet; thence South 0°17'10.6" West 120 feet; thence North 89°42'49." West 400 feet; thence North 0°17'10.6" East 120 feet to the place of beginning;

Parcel F:

Lot 11, Block 4, Montlake Park, according to the plat thereof recorded in Volume 18 of Plats, page 20, in King County, Washington.



Parcel G:

A tract of land delineated on and designated "Park" in the plat of Montlake Park, according to the plat thereof recorded in Volume 18 of Plats, page 20, in King County, Washington, and lying Easterly of Blocks 4 and 6 and East Park Drive as shown on the face of said plat.

Parcel H:

Blocks 9, 10 and 11 of Lake Washington Shorelands, as shown on the official map of said shorelands filed in the Office of Commissioner of Public Lands at Olympia, Washington, March 21, 1908.



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Parks and Recreation	Nathan Torgelson/684-0343	Jennifer Devore/615-1328

Legislation Title:

AN ORDINANCE relating to the redevelopment of the Lake Union Armory Building; amending the Armory Project Development Agreement between The City of Seattle and the Museum of History and Industry ("MOHAI"); accepting an offer from the Washington State Department of Transportation to acquire the MOHAI facility and ancillary improvements at McCurdy Park; authorizing the Superintendent of Parks and Recreation to execute a deed for such improvements and to take other related actions; creating a new budget control level and increasing appropriations in connection therewith; and superseding the requirements of Ordinance 118477 to the extent necessary to carry out the purposes of this ordinance; all by a three-fourths vote of the City Council.

• **Summary of the Legislation:**

This legislation accepts funds from the Washington State Department of Transportation (WSDOT) to acquire the Museum of History and Industry (MOHAI) building at McCurdy Park for \$40 million, creates a new Budget Control Level in the Cumulative Reserve Subfund, and increases appropriations to reflect that the first payment of \$20 million will come to the City in 2010. The second payment of \$20 million will come to the City in 2011 and be included in the 2011 budget. This settlement does not include acquisition of the underlying land, as it will be acquired at a future date.

This legislation also authorizes the Superintendent of Department of Parks and Recreation (DPR) to make several changes to the Project Development Agreement and the lease agreements between MOHAI and the City for the former Naval Reserve Armory in Lake Union Park ("Armory"). These changes involve the allocation of future land proceeds between the City and MOHAI, the timing of certain notices, and clarification of when the City's operation and maintenance payments for the Armory begin.

• **Background:**

WSDOT needs to acquire and demolish the MOHAI facility in McCurdy Park for its SR 520 bridge replacement project. Consequently, MOHAI will need to relocate from McCurdy Park to allow the State to construct this essential public facility.

Pursuant to Ordinance 123132 adopted by the City Council in October 2009, the City and MOHAI entered into a Project Development Agreement ("Agreement") allowing MOHAI to develop and use the Armory for a new regional history museum and authorizing MOHAI to negotiate with WSDOT for the value of the MOHAI facilities.

In November 2009, WSDOT offered \$21.95 million for the MOHAI building and associated site improvements. WSDOT came to a cost approach conclusion for the value of the



building and improvements, looking at the replacement cost for the building, site work, exhibits and interior improvements plus soft costs, and then subtracting accrued depreciation due to the age of the building. MOHAI engaged architects, engineers, and developers to more precisely develop the costs for replacing MOHAI's functions and facilities at McCurdy Park, and its legal counsel argued that the documented replacement value of \$54 million was the proper measure of damages, arguing among other things, that the MOHAI facility is a special purpose public property, uniquely suited to its current use as a museum, and that the value must reflect the costs of constructing a functionally equivalent replacement facility. In February 2010, MOHAI's lawyers made a counter-offer to WSDOT of \$40.35 million, based on a market theory of valuation using a 25% depreciation factor. The parties ultimately agreed on a settlement of \$40 million. MOHAI recommends accepting this offer. As the Agreement requires, City Council approval is required to accept the WSDOT offer and to convey title to the MOHAI facilities.

The ordinance would also allow the following:

- Because the negotiations with the State took longer than anticipated and because the City wishes to keep its staff in the Armory through 2010, the timelines for MOHAI's taking control of the Armory need to be adjusted to accommodate the needs of both parties. The original Agreement required MOHAI to give six months' notice to the City before it intended to start the project. The proposed ordinance would decrease the notice provision from six months to *three*. This is still enough time for DPR to review MOHAI's final design and budget, for the City Finance Director to review MOHAI's funding plan, and for DPR to make preparations to move existing DPR employees from the Armory Building. The City's settlement with WSDOT makes it very likely that there are sufficient resources to undertake the renovation of the Armory Building. The amendment also changes the earliest date MOHAI can take control of the Armory from January 3 to January 10, 2011. This allows staff located in the Armory to remain in that building through 2010.
- The ordinance would allow the City to pay MOHAI the WSDOT funds contingent upon execution of the Settlement Agreement and the determination of the Finance Director that MOHAI has timely access to sufficient funds to fully fund the Project and the Armory Museum exhibitry, all as defined in the Development Agreement. The current Agreement only allows payment after MOHAI has issued a notice to proceed to a construction contractor.
- The ordinance would confirm an amendment to Exhibit G to the MOHAI Development Agreement ("Agreement Regarding Assignment of Acquisition/Condemnation Proceeds by and between the City and MOHAI"), executed by the Superintendent and attached to the Ordinance as Attachment 2. Originally, the City agreed to assign MOHAI compensation the City received from WSDOT for any temporary use of the "MOHAI Use Area" at McCurdy Park and preserved the value of the underlying land for the City. WSDOT now intends to purchase the entire MOHAI Use Area. Exhibit G addresses this change and allocates the proceeds that the City may eventually receive from WSDOT for the McCurdy Park lands that comprise the MOHAI Use Area. Under the amended Agreement Regarding Assignment of Acquisition/Condemnation Proceeds, the City will assign 40% of all compensation paid by WSDOT to the City for the real property interest

of the land, to a maximum of \$7 million. In 2009 DPR assigned MOHAI authority to negotiate a settlement with WSDOT on DPR's behalf, and it is anticipated that the property interest negotiations will begin in 2011.

- The Ordinance would state that before executing any lease with MOHAI for the Armory land or building as authorized under Section 2 of Ordinance 123132, Section 6.5.1 of the appropriate form of lease shall be clarified to state that annual DPR payments to MOHAI for the costs of operating, maintaining, and repairing the Armory Building shall not begin until 30 days after the date the certificate of occupancy is issued by the City for the museum; thereafter, payment shall be made by April 1 of each year.

- *Please check one of the following:*

 This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

 X **This legislation has financial implications.** (Please complete all relevant sections that follow.)

Appropriations:

Fund Name and Number	Department	Budget Control Level	2010 Appropriation	2011 Anticipated Appropriation
Cumulative Reserve Subfund - Unrestricted (00164)	Cumulative Reserve Subfund	KMOHAI	\$20 million	\$20 million
TOTAL			\$20 million	\$20 million

Notes

Anticipated Revenue/Reimbursement: Resulting From This Legislation:

Fund Name and Number	Department	Revenue Source	2010 Revenue	2011 Revenue
TOTAL			N/A	N/A

Notes: There will be a loss of approximately \$152,000 in revenue annually to DPR due to the loss of rental revenue for the Lake Union Armory. However, this revenue change will be accounted for in the 2011-2012 budget.



Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: N/A

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2010 Positions	2010 FTE	2011 Positions*	2011 FTE*
TOTAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- **Do positions sunset in the future?** N/A

Spending/Cash Flow:

Fund Name & #	Department	Budget Control Level*	2010 Expenditures	2011 Anticipated Expenditures
Cumulative Reserve Subfund - Unrestricted (00164)	Cumulative Reserve Subfund	KMOHAI	\$20 million	\$20 million
TOTAL			\$20 million	\$20 million

Notes:

- **What is the financial cost of not implementing the legislation?** MOHAI would not be able to access the \$40 million from WSDOT for the building replacement value, nor would it be able to access a portion of the land value. The City would retain responsibility for operating and maintaining the Armory. Currently, building maintenance costs are offset by revenues from short-term rentals and other special events. Because DPR staff could stay in the Armory, DPR would not be required to rent additional space elsewhere, which would save in relocation costs and renovation (tenant improvement) costs.
- **Does this legislation affect any departments besides the originating department?** No
- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** There are none.
- **Is the legislation subject to public hearing requirements?** No. There was a CLEAN hearing for the original development and lease agreement and ordinance in 2009.
- **Other Issues** None
- **List attachments to the fiscal note below:** None



**Legislative Department
Office of City Clerk
Memorandum**

Date: October 8, 2010
To: Councilmembers
From: Emilia M. Sanchez, Council Clerk *EMS*
Subject: Mayor's Return of Council Bill No. 116955, Unsigned

On October 7, 2010, the Mayor returned to the City Clerk Council Bill No. 116955, relating to an agreement with MOHAI, without his signature. This Bill was passed by the Full Council on September 27, 2010.

The absence of the Mayor's signature indicates neither his approval nor disapproval of the Council Bill, as addressed in Seattle Municipal Code 1.04.020 and City Charter Article IV, Section 12. However, a Bill returned by the Mayor unsigned is considered "approved" for purposes of the Bill becoming an Ordinance, and therefore, law, within the City of Seattle. The effective date of this Ordinance is 30 days after it was returned (October 7) to the City Clerk.

Attachment 4
SETTLEMENT AGREEMENT

PARTIES

The City of Seattle ("CITY"), a Washington municipal corporation
State of Washington, acting through the Washington Department of Transportation ("WSDOT")
Historical Society of Seattle and King County, a Washington nonprofit corporation doing
business as the Museum of History and Industry ("MOHAI")

SUBJECT PROPERTY Building only located on the following described land ("Land"):

Assessor's Tax Parcel Numbers: 212504-9048-07, 411610-0015-04, 560500-0450-03 & 560500-0646-08

WSDOT parcel number: 1-22190

Abbreviated legal description: L3, Blk 11-A, Supplemental Map of Lake Washington
Shorelands, NW¼ S21, T25N, R4E, W.M., Blks 9, 10 & 11, Lake Washington
Shorelands, L11, B4 Montlake Park, Tract of land designated as "Park" on the Plat of
Montlake Park

The Subject Property is more particularly described in Exhibit A and does not include the Land referenced above on which the Subject Property is located.

RECITALS

A. WSDOT needs to acquire the Subject Property, including any after acquired interest therein located upon the Land for the SR 520 Bridge Replacement and HOV project.

B. The CITY and MOHAI are entitled to just compensation for the acquisition of the Subject Property.

C. The CITY and MOHAI executed an Agreement Regarding Assignment of Acquisition/Condemnation Proceeds on June 16, 2009, (the "CITY/MOHAI Agreement"), regarding WSDOT's impending acquisition/condemnation of the Subject Property. Included in the CITY/MOHAI Agreement is the provision that the Seattle City Council, by ordinance, must approve of any settlement and transfer to WSDOT of the Subject Property.

D. After WSDOT and MOHAI engaged independent appraisers to value the Subject Property, WSDOT and MOHAI exchanged appraisals and have negotiated an agreed upon figure of value for the acquisition of the Subject Property.

AGREEMENT

NOW, THEREFORE, WSDOT, CITY, and MOHAI agree as follows:

1. Settlement Amount. The Parties agree to the amount of Forty Million Dollars (\$40,000,000) in full and final settlement of WSDOT's taking and/or damaging of the Subject Property consisting of the building only located on the Land as more particularly described in Exhibit "A," a copy of which is attached to and made part of this Settlement Agreement. The

THIS VERSION IS NOT ADOPTED
Returned Unsigned
by Mayor



Subject Property does not include the Museum Personal Property as more particularly described in Exhibit "A", a copy of which is attached to and made a part of this Settlement Agreement or the Land on which the Subject Property is located.

2. Payment of Just Compensation; Installment Payments. The sum of \$40,000,000 ("Just Compensation") will be paid by WSDOT for the taking or damaging of the Subject Property in two equal payments of \$20,000,000 each. The first payment will be made by WSDOT to CITY on August 1, 2010, or as soon as possible after legislation approving this Settlement Agreement has been enacted by the City Council and become effective (the "Closing Date") at the Closing described in Section 3 below, and the second payment will be made by WSDOT to CITY on or before August 1, 2011.

3. Form of Payment. WSDOT's acquisition of the Subject Property (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Settlement Agreement shall be made at the offices of K&L Gates LLP in Seattle, Washington, on the Closing Date. Closing shall occur when each of the following conditions has been satisfied: (a) the CITY has executed and delivered a WSDOT Voucher ("Voucher"); (b) CITY, MOHAI, State of Washington, Department of Natural Resources, and The Arboretum Foundation have each executed and delivered quitclaim deeds to the Subject Property in favor of WSDOT, and (c) WSDOT has delivered a warrant payable to CITY or immediately available funds for delivery or disbursement to CITY on the Closing Date in the amount of \$20,000,000. All documents shall be deemed delivered on the date that the first payment of \$20,000,000 by warrant or immediately available funds has been tendered by WSDOT for delivery or disbursement to the CITY. The provisions of the Voucher have no relevance to the determination of land value for the Land on which the Subject Property is located that will be acquired by WSDOT at a future date. The Parties further acknowledge and agree that nothing in this Settlement Agreement or any other agreement has limited or shall be construed to limit the determination of just compensation for the Land on which the Subject Property is located; provided, however, that WSDOT shall not be required to provide compensation for improvements located in the MOHAI Use Area when it purchases the Land.

4. Distribution of Payments. The CITY and MOHAI agree that in accordance with the CITY/MOHAI Agreement, WSDOT shall pay the entire sum of \$40,000,000 to the CITY for transfer to MOHAI for the acquisition of the Subject Property.

5. Fees and Costs. The Parties agree that WSDOT's payment of \$40,000,000 on the terms and conditions set forth herein includes all fees and costs, including attorney fees, statutory allowance fees, and appraisal costs incurred by the Parties in connection with the acquisition of the Subject Property. Such payment is intended as just compensation for the taking of the Subject Property only and does not include any relocation assistance payments to which MOHAI may be entitled under federal and state relocation laws, including, but not limited to RCW Chapter 8.26 and implementing rules and regulations.

6. Occupancy of Subject Property; Interest. As part of the overall consideration for the Parties' willingness to enter into this Settlement Agreement: (a) CITY does hereby grant WSDOT a non-revocable license to maintain the Subject Property on the Land until the earlier of December 31, 2012, or the date that WSDOT acquires title to the Land; (b) Pursuant to the

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provisions of Section 8 of this Settlement Agreement, WSDOT agrees to enter into a lease agreement with MOHAI, which lease will confirm the right of MOHAI to remain in occupancy of the Subject Property without charge from the date of execution of this Settlement Agreement until December 31, 2012, or such other period as MOHAI and WSDOT may agree, in consideration that WSDOT shall not be liable for the payment of any interest on the \$40,000,000; provided WSDOT makes its payments in a timely manner, and (c) Nothing contained in this Settlement Agreement grants WSDOT any right to use or occupy all or any portion of the Subject Property until after December 31, 2012, or expiration of the WSDOT lease with MOHAI described in Section 8 below, whichever is later, nor any right to use or occupy all or any portion of the Land on which the Subject Property is located until such time as WSDOT purchases the Land.

7. Quitclaim Deeds. The CITY and MOHAI each agree that it shall execute a quitclaim deed to the Subject Property described in Exhibit "A" to WSDOT, and the CITY shall execute the Voucher and a W-9 form. The transfer of the Subject Property is made on an "AS IS" condition and except as expressly provided herein, neither CITY nor MOHAI has any obligation to make repairs, replacements, or improvements to the Subject Property. Subject to the limitation set forth in Section 8 below, MOHAI agrees to maintain the interior of the Subject Property in good condition and shall comply with all federal, state and local laws, ordinances, and regulations applicable to its use of the Subject Property as a museum. Subject to the limitation set forth in Section 8 below, CITY agrees to maintain the structural components of the Subject Property in good condition. Neither CITY nor MOHAI shall commit or allow to be committed any waste upon the Subject Property nor allow any public or private nuisance. Neither CITY nor MOHAI makes any representations or warranties whatsoever with respect to the physical condition of the Subject Property, the presence or absence of hazardous substances within the Subject Property or other physical characteristics of the Subject Property or the suitability of the Subject Property for WSDOT's intended purposes. Such Quitclaim Deed shall be expressly subject to the right of MOHAI under the lease with WSDOT described in Section 8 below.

8. Continued Occupancy of Subject Property by MOHAI. As part of the consideration for this Settlement Agreement, WSDOT agrees that MOHAI has the right to continued occupancy of the Subject Property for use as a museum for no additional consideration, for a term that expires no earlier than December 31, 2012, or such other period as MOHAI and WSDOT may agree. MOHAI and WSDOT shall enter into a lease agreement which confirms the terms of this Section 8 and contains such additional terms and conditions consistent with this Settlement Agreement as MOHAI and WSDOT may mutually negotiate in good faith regarding WSDOT's interim lease of the Subject Property to MOHAI for continued use as a museum, including without limitation the requirements that: (a) MOHAI maintain its existing commercial liability insurance during the term of such lease which shall name WSDOT as an additional insured; (b) mutual indemnification provisions consistent with Section 9 below; and (c) provisions for the disposition of Museum Personal Property upon expiration of the lease term. MOHAI shall use commercially reasonable efforts to complete its removal of the Museum Personal Property from the Subject Property no later than expiration of the lease term. The Parties understand and agree that due to the unique size and configuration of certain of the artifacts which constitute part of the Museum Personal Property, the removal of the Museum Personal Property may result in damage to the Subject Property. MOHAI shall have the right to

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remove windows or demolish walls or other portions of the Subject Property to the extent necessary to remove the Museum Personal Property from the Land, but shall have no obligation to repair any damage caused by such removal so long as MOHAI exercised reasonable care in removing the Museum Personal Property. Any Museum Personal Property which has not been removed from the Subject Property within ninety (90) days following expiration of the lease term shall, unless the Parties agree otherwise, be deemed to have been abandoned by MOHAI and may thereafter be sold or disposed of by WSDOT in its discretion and without cost to MOHAI or the CITY. Since WSDOT intends to demolish the Subject Property upon expiration of the lease term, none of the Parties to this Settlement Agreement shall have any obligation to repair or restore the Subject Property in the event of any damage or destruction thereto.

9. Indemnification. Each Party to this Settlement Agreement agrees to protect, defend, indemnify, and hold the other Parties harmless from any and all claims, demands, suits, losses, damages, or costs (collectively, "claims") arising out of or resulting from the negligence or willful misconduct of the indemnifying Party's officers, officials or employees acting within the scope of their employment or office or breach by such Party of its obligations under this Settlement Agreement to the maximum extent permitted by law including RCW 4.24.115, as now enacted or hereinafter amended; provided, however, that no Party shall be obligated to indemnify any other Party with respect to any claim to the extent caused by or resulting from the negligence, willful misconduct, or breach of this Settlement Agreement by such other Party's officers, officials, or employees.

10. Land. The Parties acknowledge and agree that this settlement does not include the acquisition of any land on which the Subject Property is located, and does not affect any rights or interests in the land underneath or adjacent to the Subject Property.

11. Governing Law; Venue. This Settlement Agreement shall be governed by and construed in accordance with Washington law. Except as otherwise required by applicable law, any action under this Settlement Agreement shall be brought in King County Superior Court.

12. Notices. All notices, requests, and other communications shall be in writing and shall be deemed given on the business day on which the same have been transmitted by facsimile or electronic mail with a telephone call by sender immediately to follow transmittal and an affirmative confirmation of receipt from recipient, whether verbal or electronic, or on the business day following the day on which the same have been sent using same day or overnight delivery via a commercial messenger or courier service that guarantees next day delivery.

If to WSDOT: Washington State Department of Transportation
Real Estate Services Division
PO Box 47338
243 Israel Road SE
Tumwater, WA 98501
Attn: Real Estate Services Program Administrator
Fax: 360-705-6811
Telephone: 360-705-7307
Email: palazzm@wsdot.wa.gov

THIS VERSION IS NOT ADOPTED



cc: Bryce E. Brown Jr.
Office of the Attorney General
PO Box 40113
7141 Cleanwater Dr SW
Olympia, WA 98504
Telephone: 360-753-4962
Fax: 360-586-6847
Email: bryceb@atg.wa.gov

If to the CITY:

City of Seattle Department of Parks and Recreation
100 Dexter Avenue N
Seattle, WA 98109
Attn: Superintendent
Telephone: 206-684-8022
Email: Christopher.Williams@seattle.gov

cc: Ms. Helaine Honig
Assistant City Attorney
City Attorney's Office - Seattle
PO Box 94769
Seattle, WA 98124-4769
Telephone: (206) 684-8222
Email: helaine.honig@seattle.gov

If to MOHAI:

Museum of History & Industry
2700 24th Avenue E
Seattle, WA 98112-2099
Attn: Executive Director
Telephone: 206-324-1126
Fax: 206-324-1346
Email: leonard.garfield@seattlehistory.org

cc: Bart J Freedman
K&L Gates LLP
925 4th Avenue, Suite 2900
Seattle, WA 98104-1158
Telephone: (206) 370-7655
Email: bart.freedman@klgates.com

The Parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, requests, or other communications shall be sent.

13. Entire Agreement. This Settlement Agreement contains the entire agreement of the Parties and supersedes any prior written or oral agreements with respect to the matters described herein.

THIS VERSION IS NOT ADOPTED



14. Severability. Every provision of this Settlement Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purpose of this Settlement Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Settlement Agreement that are valid.

15. Counterparts. This Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which shall constitute but one original.

16. Time is of the Essence. Time is of the essence in the performance of each Party's obligations under this Settlement Agreement.

17. Attorney's Fees. If any Party engages an attorney in connection with enforcing the terms of this Settlement Agreement, whether or not a legal proceeding is commenced, the substantially prevailing party is entitled to recover from the other Party or Parties, all of its reasonable attorneys' fees and costs incurred in connection therewith, whether at trial, on appeal, in any bankruptcy proceedings, or in any mediation or arbitration proceeding.

18. Authority. By execution of this Settlement Agreement, each Party hereto represents that it has the authority to enter into and perform its obligations under this Settlement Agreement.

This Settlement Agreement shall be deemed effective on the last date written below.

WASHINGTON STATE DEPARTMENT
TRANSPORTATION

THE CITY OF SEATTLE

By _____

By _____

Date _____

Date _____

Approved as to Form

Approved as to Form

Bryce E. Brown Jr.
Senior Assistant Attorney General

[signatures continued on following page]

THIS VERSION IS NOT ADOPTED



HISTORICAL SOCIETY OF SEATTLE
AND KING COUNTY

By _____

Date _____

Approved as to Form

THIS VERSION IS NOT ADOPTED



STATE OF WASHINGTON)
) ss
County of _____)

On this _____ day of _____ before me personally appeared _____, to me known to be the _____, for the State of Washington, acting by and through its Department of Transportation and that he/she executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said State of Washington for the uses and purposes therein set forth, and on oath states that he/she is authorized to execute said instrument.

GIVEN under my hand and official seal the day and year last above written.

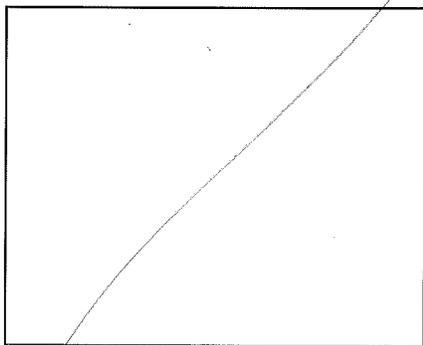
(SEAL)

Notary Public in and for the State of Washington,
residing at _____
My commission expires _____

STATE OF WASHINGTON _____)
) ss.
COUNTY OF KING _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of The City of Seattle to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____



(Use this space for notarial stamp/seal)

Notary Public
Print Name _____
My commission expires _____

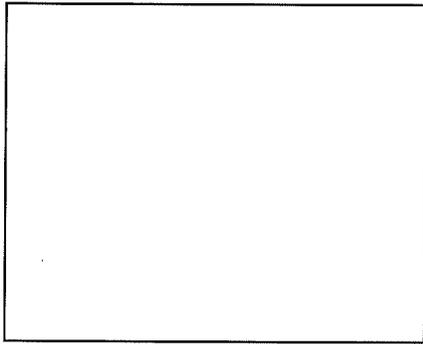
THIS VERSION IS NOT ADOPTED



STATE OF WASHINGTON _____)
) ss.
COUNTY OF KING _____)

I certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that he/she signed this instrument,
on oath stated that he/she was authorized to execute the instrument and acknowledged it as the
_____ of the Historical Society of Seattle and King
County to be the free and voluntary act of such party for the uses and purposes mentioned in the
instrument.

Dated: _____



(Use this space for notarial stamp/seal)
K:\2032595\00007\20399_DRS\20399A249Y

Notary Public
Print Name _____
My commission expires _____

THIS VERSION IS NOT ADOPTED



EXHIBIT A

62,216 square foot 2 story museum building and all associated appurtenances including but not limited to; building casework, Boomtown facades, seating, stage and sound equipment in the auditorium, window and floor coverings, general interior lighting, signs and exterior lighting and approximately 1,000 square foot canopy only, together with any after acquired interest of the CITY and MOHAI therein.

BUT expressly excluding the Japanese Maple (Heritage Tree) and all exhibitry and artifacts accessioned to the museum collection and their associated cases, attachments, hangers, braces, supports, bases and/or foundations; their associated signage and interpretive graphics; their associated lighting and power and/or data connections; and their associated environmental or security monitoring equipment, and all furniture, office equipment, computers, chairs, tables, and other personal property owned by MOHAI and located in the museum building or on the "MOHAI Use Area", but not constituting an object which is part of the museum collection (collectively, the "Museum Personal Property").

The Subject Property does not include the land on which the museum building is located or any site improvements within the "MOHAI Use Area" including, but not limited to walkways, driveways, paving, 133 parking stalls, and associated landscaping, which will be included in any subsequent acquisition of the Land by WSDOT for no additional consideration.

THIS VERSION IS NOT ADOPTED

**AMENDMENT TO
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**

FILED
CITY OF SEATTLE
2010 DEC 16 AM 10:22
CITY CLERK

This Agreement, dated November 17, 2010, between The City of Seattle and the Historical Society of Seattle and King County amends that certain Project Development Agreement between the parties dated December 17, 2009.

WHEREAS, pursuant to Ordinance 123132, the City and MOHAI entered into a Project Development Agreement ("Agreement") allowing MOHAI to develop and use the Lake Union Armory building for a new regional history museum; and

WHEREAS, as the project has progressed, it has become apparent that time frames for certain actions contained in the Agreement require adjusting for the mutual convenience of the parties; and

WHEREAS, the parties wish to clarify the Agreement to more accurately reflect current conditions;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties agree to amend Section 5.5 of the Agreement as follows:

Section 5.5 Project Commencement Actions Timeline; Notice to Proceed.

5.5.1 Project Commencement Actions Timeline. The Lease shall take effect and, if MOHAI has secured a firm commitment from a tax credit investor on terms reasonably acceptable to MOHAI, the Armory Building shall be conveyed to the Tax Credit Entity (the "Project Commencement Actions") upon completion of the following process and timeline:

(a) After Council approval of one or more City ordinances approving and authorizing execution of this Agreement and the Lease, and consenting to one or more settlements with WSDOT regarding its acquisition of some or all of the property interests in Montlake Location, including the MOHAI facility and other improvements and the MOHAI use area, and authorizing provision to MOHAI of the proceeds from such acquisition as provided in the Condemnation Agreement, MOHAI may notify the City of the date it has determined as the Project Commencement Date. MOHAI shall provide such notification no earlier than October 10, 2010, and no later than three (3) months prior to the determined Project Commencement Date.

(b) MOHAI's notification to the City of the Project Commencement Date shall be accompanied by a comprehensive Project update including information sufficient to enable the Superintendent and Finance Director to begin review of MOHAI's progress toward

satisfying the preconditions to MOHAI's issuance of its Notice to Proceed, as provided in Section 5.5.2.

(c) Upon receipt of MOHAI's notification, the City shall promptly notify current Armory Building tenants that such tenants may be required to vacate Armory Building premises occupied by them not later than one (1) week prior to the Project Commencement Date.

(d) No later than two (2) months prior to the Project Commencement Date, MOHAI shall confirm its determination of the Project Commencement Date and provide the City with any additional information relevant to the City's review of MOHAI's progress toward satisfying the preconditions to MOHAI's issuance of its Notice to Proceed, as provided in Section 5.5.2, specifically including current information on MOHAI's fundraising efforts. Upon receipt of such confirmation, the City shall provide a final notification to current Armory Building tenants that such tenants are to vacate Armory Building premises occupied by them not later than one (1) week prior to the Project Commencement Date. As soon as practical following receipt of such confirmation and completion of their review of MOHAI's additional information, the Superintendent and Finance Director shall provide their respective concurrences or determination required under Section 5.5.2 or, if any such are being withheld, work with MOHAI to address any concerns in order to preserve the Project Commencement Date. The Superintendent and Finance Director shall provide their respective concurrences and determination as soon as possible after resolving any such concerns.

(e) As tenants vacate Armory Building premises, the Parks Department will remove any remaining personal property. One (1) week prior to the Project Commencement Date, representatives of MOHAI and the Parks Department will: (i) inspect the premises to confirm they are free and clear of tenants and tenants' and the Parks Department's personal property; and (ii) confirm arrangements for final cleaning of the Armory Building by the Parks Department and final inspection by MOHAI and the Parks Department prior to the Project Commencement Date. Representatives of MOHAI and the Parks Department also will inspect the construction staging area adjacent to the Armory Building to be subject to a construction easement under the Lease to confirm its pre-construction condition and establish the standard for restoration by MOHAI following completion of construction.

(f) Upon the Project Commencement Date, assuming the Superintendent and Finance Director have provided their respective concurrences and determination required under Section 5.5.2, the Project Commencement Actions shall occur.

(g) If, for any reason, any or all of the Project Commencement Actions identified in this Section 5.5.1 do not occur on the Project Commencement Date, the Development Agreement Parties shall work to resolve any impediments to such actions and establish the earliest possible mutually acceptable future date or dates on which any such remaining actions may take place.

5.5.2 MOHAI may issue its Notice to Proceed to its general contractor after January 10, 2011, upon receipt of the following:

(a) Concurrence by the Superintendent that the Project component of the Final Capital Budget is sufficient to complete the Final Project Design, based on his/her review of the most recent project cost estimates provided by MOHAI;

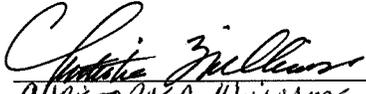
(b) The determination of the Finance Director, based on his/her review of the status of MOHAI's fundraising efforts against its Fundraising Plan, that MOHAI has timely access to sufficient funds from all available sources, including the City and other City-related funding identified in Section 4.2, as well as additional funding from private individuals, corporations, and foundations and public sources other than the City, to fully fund the Project (approximately \$30,200,000) and, when reasonably needed, consistent with the current Project Timeline, exhibitry (approximately \$15,200,000); and

(c) Concurrence by the Superintendent and the Finance Director that (i) MOHAI's general contractor has agreed to a guaranteed maximum price for construction of the Project as represented in the Final Project Design and consistent with the Project component of the Final Capital Budget; and (ii) MOHAI's contract with its general contractor provides for the requirements for construction under Sections 5.2 and 5.7.

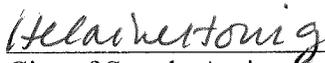
City:

CITY OF SEATTLE, a Washington
municipal corporation

By:


Name: CHRISTOPHER WILLIAMS
Title: ACTING SUPERINTENDENT

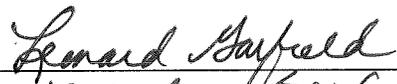
Approved as to form:


City of Seattle Assistant City Attorney

MOHAI:

HISTORICAL SOCIETY OF SEATTLE
AND KING COUNTY, a Washington
nonprofit corporation

By:


Name: Leonard Garfield
Title: Executive Director

SETTLEMENT AGREEMENT

FILED
CITY OF SEATTLE
2010 DEC 16 AM 10:22
CITY CLERK

PARTIES

The City of Seattle ("CITY"), a Washington municipal corporation
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Historical Society of Seattle and King County, a Washington nonprofit corporation doing
business as the Museum of History and Industry ("MOHAI")

SUBJECT PROPERTY Building only located on the following described land ("Land"):

Assessor's Tax Parcel Numbers: 212504-9048-07, 411610-0015-04, 560500-0450-03 & 560500-0646-08

WSDOT parcel number: 1-22190

Abbreviated legal description: L3, Blk 11-A, Supplemental Map of Lake Washington
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Shorelands, L11, B4 Montlake Park, Tract of land designated as "Park" on the Plat of
Montlake Park

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RECITALS

A. WSDOT needs to acquire the Subject Property, including any after acquired interest therein located upon the Land for the SR 520 Bridge Replacement and HOV project.

B. The CITY and MOHAI are entitled to just compensation for the acquisition of the Subject Property.

C. The CITY and MOHAI executed an Agreement Regarding Assignment of Acquisition/Condemnation Proceeds on June 16, 2009, (the "CITY/MOHAI Agreement"), regarding WSDOT's impending acquisition/condemnation of the Subject Property. Included in the CITY/MOHAI Agreement is the provision that the Seattle City Council, by ordinance, must approve of any settlement and transfer to WSDOT of the Subject Property.

D. After WSDOT and MOHAI engaged independent appraisers to value the Subject Property, WSDOT and MOHAI exchanged appraisals and have negotiated an agreed upon figure of value for the acquisition of the Subject Property.

AGREEMENT

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in Exhibit "A", a copy of which is attached to and made a part of this Settlement Agreement or the Land on which the Subject Property is located.

2. Payment of Just Compensation; Installment Payments. The sum of \$40,000,000 ("Just Compensation") will be paid by WSDOT for the taking or damaging of the Subject Property in two equal payments of \$20,000,000 each. The first payment will be made by WSDOT to CITY on August 1, 2010, or as soon as possible after legislation approving this Settlement Agreement has been enacted by the City Council and become effective (the "Closing Date") at the Closing described in Section 3 below, and the second payment will be made by WSDOT to CITY on or before August 1, 2011.

3. Form of Payment. WSDOT's acquisition of the Subject Property (the "Closing") shall be held and delivery of all items to be made at the Closing under the terms of this Settlement Agreement shall be made at the offices of K&L Gates LLP in Seattle, Washington, on the Closing Date. Closing shall occur when each of the following conditions has been satisfied: (a) the CITY has executed and delivered a WSDOT Voucher ("Voucher"); (b) CITY, MOHAI, State of Washington, Department of Natural Resources, and The Arboretum Foundation have each executed and delivered quitclaim deeds to the Subject Property in favor of WSDOT, and (c) WSDOT has delivered a warrant payable to CITY or immediately available funds for delivery or disbursement to CITY on the Closing Date in the amount of \$20,000,000. All documents shall be deemed delivered on the date that the first payment of \$20,000,000 by warrant or immediately available funds has been tendered by WSDOT for delivery or disbursement to the CITY. The provisions of the Voucher have no relevance to the determination of land value for the Land on which the Subject Property is located that will be acquired by WSDOT at a future date. The Parties further acknowledge and agree that nothing in this Settlement Agreement or any other agreement has limited or shall be construed to limit the determination of just compensation for the Land on which the Subject Property is located; provided, however, that WSDOT shall not be required to provide compensation for improvements located in the MOHAI Use Area when it purchases the Land; and provided, further, that the City and MOHAI acknowledge and agree that the State's payment for acquisition of the MOHAI building satisfies all applicable 4(f) and 6(f) obligations, if any, with respect to the MOHAI building.

4. Distribution of Payments. The CITY and MOHAI agree that in accordance with the CITY/MOHAI Agreement, WSDOT shall pay the entire sum of \$40,000,000 to the CITY for transfer to MOHAI for the acquisition of the Subject Property.

5. Fees and Costs. The Parties agree that WSDOT's payment of \$40,000,000 on the terms and conditions set forth herein includes all fees and costs, including attorney fees, statutory allowance fees, and appraisal costs incurred by the Parties in connection with the acquisition of the Subject Property. Such payment is intended as just compensation for the taking of the Subject Property only and does not include any relocation assistance payments to which MOHAI may be entitled under federal and state relocation laws, including, but not limited to RCW Chapter 8.26 and implementing rules and regulations.

6. Occupancy of Subject Property; Interest. As part of the overall consideration for the Parties' willingness to enter into this Settlement Agreement: (a) CITY does hereby grant WSDOT a non-revocable license to maintain the Subject Property on the Land until the earlier of

December 31, 2012, or the date that WSDOT acquires title to the Land; (b) Pursuant to the provisions of Section 8 of this Settlement Agreement, WSDOT agrees to enter into a lease agreement with MOHAI, which lease will confirm the right of MOHAI to remain in occupancy of the Subject Property without charge from the date of execution of this Settlement Agreement until December 31, 2012, or such other period as MOHAI and WSDOT may agree, in consideration that WSDOT shall not be liable for the payment of any interest on the \$40,000,000; provided WSDOT makes its payments in a timely manner, and (c) Nothing contained in this Settlement Agreement grants WSDOT any right to use or occupy all or any portion of the Subject Property until after December 31, 2012, or expiration of the WSDOT lease with MOHAI described in Section 8 below, whichever is later, nor any right to use or occupy all or any portion of the Land on which the Subject Property is located until such time as WSDOT purchases the Land.

7. Quitclaim Deeds. The CITY and MOHAI each agree that it shall execute a quitclaim deed to the Subject Property described in Exhibit "A" to WSDOT, and the CITY shall execute the Voucher and a W-9 form. The transfer of the Subject Property is made on an "AS IS" condition and except as expressly provided herein, neither CITY nor MOHAI has any obligation to make repairs, replacements, or improvements to the Subject Property. Subject to the limitation set forth in Section 8 below, MOHAI agrees to maintain the interior of the Subject Property in good condition and shall comply with all federal, state and local laws, ordinances, and regulations applicable to its use of the Subject Property as a museum. Subject to the limitation set forth in Section 8 below, CITY agrees to maintain the structural components of the Subject Property in good condition. Neither CITY nor MOHAI shall commit or allow to be committed any waste upon the Subject Property nor allow any public or private nuisance. Neither CITY nor MOHAI makes any representations or warranties whatsoever with respect to the physical condition of the Subject Property, the presence or absence of hazardous substances within the Subject Property or other physical characteristics of the Subject Property or the suitability of the Subject Property for WSDOT's intended purposes. Such Quitclaim Deed shall be expressly subject to the right of MOHAI under the lease with WSDOT described in Section 8 below.

8. Continued Occupancy of Subject Property by MOHAI. As part of the consideration for this Settlement Agreement, WSDOT agrees that MOHAI has the right to continued occupancy of the Subject Property for use as a museum for no additional consideration, for a term that expires no earlier than December 31, 2012, or such other period as MOHAI and WSDOT may agree. MOHAI and WSDOT shall enter into a lease agreement which confirms the terms of this Section 8 and contains such additional terms and conditions consistent with this Settlement Agreement as MOHAI and WSDOT may mutually negotiate in good faith regarding WSDOT's interim lease of the Subject Property to MOHAI for continued use as a museum, including without limitation the requirements that: (a) MOHAI maintain its existing commercial liability insurance during the term of such lease which shall name WSDOT as an additional insured; (b) mutual indemnification provisions consistent with Section 9 below; and (c) provisions for the disposition of Museum Personal Property upon expiration of the lease term. MOHAI shall use commercially reasonable efforts to complete its removal of the Museum Personal Property from the Subject Property no later than expiration of the lease term. The Parties understand and agree that due to the unique size and configuration of certain of the artifacts which constitute part of the Museum Personal Property, the removal of the Museum

Personal Property may result in damage to the Subject Property. MOHAI shall have the right to remove windows or demolish walls or other portions of the Subject Property to the extent necessary to remove the Museum Personal Property from the Land, but shall have no obligation to repair any damage caused by such removal so long as MOHAI exercised reasonable care in removing the Museum Personal Property. Any Museum Personal Property which has not been removed from the Subject Property within ninety (90) days following expiration of the lease term shall, unless the Parties agree otherwise, be deemed to have been abandoned by MOHAI and may thereafter be sold or disposed of by WSDOT in its discretion and without cost to MOHAI or the CITY. Since WSDOT intends to demolish the Subject Property upon expiration of the lease term, none of the Parties to this Settlement Agreement shall have any obligation to repair or restore the Subject Property in the event of any damage or destruction thereto.

9. Indemnification. Each Party to this Settlement Agreement agrees to protect, defend, indemnify, and hold the other Parties harmless from any and all claims, demands, suits, losses, damages, or costs (collectively, "claims") arising out of or resulting from the negligence or willful misconduct of the indemnifying Party's officers, officials or employees acting within the scope of their employment or office or breach by such Party of its obligations under this Settlement Agreement to the maximum extent permitted by law including RCW 4.24.115, as now enacted or hereinafter amended; provided, however, that no Party shall be obligated to indemnify any other Party with respect to any claim to the extent caused by or resulting from the negligence, willful misconduct, or breach of this Settlement Agreement by such other Party's officers, officials, or employees.

10. Land. The Parties acknowledge and agree that this settlement does not include the acquisition of any land on which the Subject Property is located, and does not affect any rights or interests in the land underneath or adjacent to the Subject Property.

11. Governing Law; Venue. This Settlement Agreement shall be governed by and construed in accordance with Washington law. Except as otherwise required by applicable law, any action under this Settlement Agreement shall be brought in King County Superior Court.

12. Notices. All notices, requests, and other communications shall be in writing and shall be deemed given on the business day on which the same have been transmitted by facsimile or electronic mail with a telephone call by sender immediately to follow transmittal and an affirmative confirmation of receipt from recipient, whether verbal or electronic, or on the business day following the day on which the same have been sent using same day or overnight delivery via a commercial messenger or courier service that guarantees next day delivery.

If to WSDOT: Washington State Department of Transportation
Real Estate Services Division
PO Box 47338
243 Israel Road SE
Tumwater, WA 98501
Attn: Real Estate Services Program Administrator
Fax: 360-705-6811
Telephone: 360-705-7307
Email: palazzm@wsdot.wa.gov

cc: Bryce E. Brown Jr.
Office of the Attorney General
PO Box 40113
7141 Cleanwater Dr SW
Olympia, WA 98504
Telephone: 360-753-4962
Fax: 360-586-6847
Email: bryceb@atg.wa.gov

If to the CITY: City of Seattle Department of Parks and Recreation
100 Dexter Avenue N
Seattle, WA 98109
Attn: Superintendent
Telephone: 206-684-8022
Email: Christopher.Williams@seattle.gov

cc: Helaine Honig
Assistant City Attorney
City Attorney's Office - Seattle
PO Box 94769
Seattle, WA 98124-4769
Telephone: (206) 684-8222
Email: helaine.honig@seattle.gov

If to MOHAI: Museum of History & Industry
2700 24th Avenue E
Seattle, WA 98112-2099
Attn: Executive Director
Telephone: 206-324-1126
Fax: 206-324-1346
Email: leonard.garfield@seattlehistory.org

cc: Bart J. Freedman
K&L Gates LLP
925 4th Avenue, Suite 2900
Seattle, WA 98104-1158
Telephone: (206) 370-7655
Email: bart.freedman@klgates.com

The Parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, requests, or other communications shall be sent.

13. Entire Agreement. This Settlement Agreement contains the entire agreement of the Parties and supersedes any prior written or oral agreements with respect to the matters described herein.

14. Severability. Every provision of this Settlement Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purpose of this Settlement Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Settlement Agreement that are valid.

15. Counterparts. This Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which shall constitute but one original.

16. Time is of the Essence. Time is of the essence in the performance of each Party's obligations under this Settlement Agreement.

17. Attorney's Fees. If any Party engages an attorney in connection with enforcing the terms of this Settlement Agreement, whether or not a legal proceeding is commenced, the substantially prevailing party is entitled to recover from the other Party or Parties, all of its reasonable attorneys' fees and costs incurred in connection therewith, whether at trial, on appeal, in any bankruptcy proceedings, or in any mediation or arbitration proceeding.

18. Authority. By execution of this Settlement Agreement, each Party hereto represents that it has the authority to enter into and perform its obligations under this Settlement Agreement.

This Settlement Agreement shall be deemed effective on the last date written below.

WASHINGTON STATE DEPARTMENT
OF TRANSPORTATION

THE CITY OF SEATTLE

By 

By 

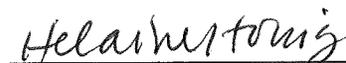
Date 12-2-2010

Date November 17, 2010

Approved as to Form

Approved as to Form





Bryce E. Brown Jr.
Senior Assistant Attorney General

[signatures continued on following page]

HISTORICAL SOCIETY OF SEATTLE
AND KING COUNTY

By Edward Gayfield

Date 11/15/10

STATE OF WASHINGTON)
) ss.
County of Thurston)

On this 2nd day of December, 2010 before me personally appeared David Dye, to me known to be the Deputy Secretary of Transportation for the State of Washington, acting by and through its Department of Transportation and that he/she executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said State of Washington for the uses and purposes therein set forth, and on oath states that he/she is authorized to execute said instrument.

GIVEN under my hand and official seal the day and year last above written.

(SEAL)

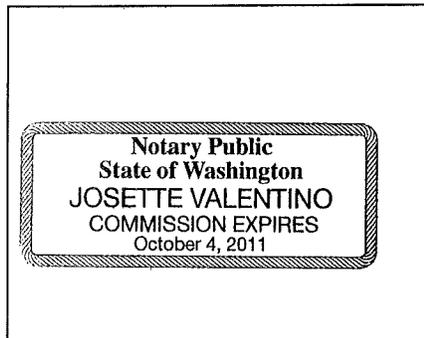


Patrick Sullivan
Notary Public in and for the State of Washington,
residing at Olympia, WA
My commission expires 6/24/14

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that CHRISTOPHER WILLIAMS is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the SEATTLE PARKS RECREATION ACTIVE SUPERINTENDENT of The City of Seattle to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 11/17/10



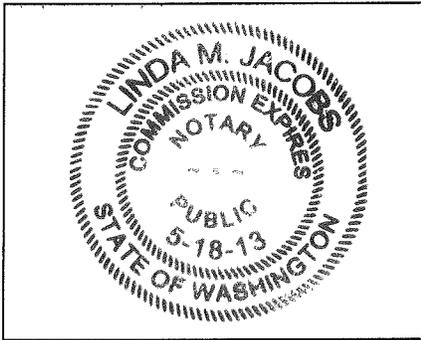
Josette Valentino
JOSETTE VALENTINO
Notary Public
Print Name JOSETTE VALENTINO
My commission expires 10/4/11

(Use this space for notarial stamp/seal)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Leonard Garfield
is the person who appeared before me, and said person acknowledged that he/~~she~~ signed this instrument,
on oath stated that he/~~she~~ was authorized to execute the instrument and acknowledged it as the
Executive Director of the Historical Society of Seattle and King
County to be the free and voluntary act of such party for the uses and purposes mentioned in the
instrument.

Dated: 11/15/2010



(Use this space for notarial stamp/seal)

Linda M. Jacobs
Notary Public
Print Name Linda M. Jacobs
My commission expires 5/18/13

EXHIBIT A

62,216 square foot 2 story museum building and all associated appurtenances including but not limited to; building casework, Boomtown facades, seating, stage and sound equipment in the auditorium, window and floor coverings, general interior lighting, signs and exterior lighting and approximately 1,000 square foot canopy only, together with any after acquired interest of the CITY and MOHAI therein.

BUT expressly excluding the Japanese Maple (Heritage Tree) and all exhibitry and artifacts accessioned to the museum collection and their associated cases, attachments, hangers, braces, supports, bases and/or foundations; their associated signage and interpretive graphics; their associated lighting and power and/or data connections; and their associated environmental or security monitoring equipment, and all furniture, office equipment, computers, chairs, tables, and other personal property owned by MOHAI and located in the museum building or on the "MOHAI Use Area", but not constituting an object which is part of the museum collection (collectively, the "Museum Personal Property").

The Subject Property does not include the land on which the museum building is located or any site improvements within the "MOHAI Use Area" including, but not limited to walkways, driveways, paving, 133 parking stalls, and associated landscaping, which will be included in any subsequent acquisition of the Land by WSDOT for no additional consideration.

STATE OF WASHINGTON – KING COUNTY

--SS.

261694
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

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 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

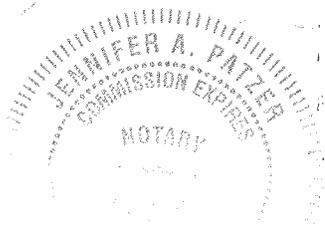
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123408,10,12-13

was published on

10/14/10

The amount of the fee charged for the foregoing publication is the sum of \$ 81.90, which amount has been paid in full.



Affidavit of Publication

[Signature]

Subscribed and sworn to before me on
10/14/10 *[Signature]*

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 September 27, 2010, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 123408

AN ORDINANCE relating to the redevelopment of the Lake Union Armory Building; amending the Armory Project Development Agreement between The City of Seattle and the Museum of History and Industry ("MOHAI"); accepting an offer from the Washington State Department of Transportation to acquire the MOHAI facility and ancillary improvements at McCurdy Park; authorizing the Superintendent of Parks and Recreation to execute a deed for such improvements and to take other related actions; creating a new budget control level and increasing appropriations in connection therewith; and superseding the requirements of Ordinance 118477 to the extent necessary to carry out the purposes of this ordinance; all by a three-fourths vote of the City Council.

ORDINANCE NO. 123410

AN ORDINANCE relating to Conservation Futures Levy proceeds; authorizing the Mayor to amend the Interlocal Cooperation Agreement between the City of Seattle and King County as authorized by City of Seattle Ordinance 114978; and authorizing the deposit of 2010 allocations from King County Conservation Futures Levy proceeds into the City of Seattle's 2000 Parks Levy Fund, Cumulative Reserve Fund and 2009 Multi-purpose LTGO Fund.

ORDINANCE NO. 123412

AN ORDINANCE relating to the Department of Parks and Recreation, authorizing the Superintendent to enter into an agreement with the Seattle Chinese Garden Society for an easement and public benefits at Knowing the Spring Courtyard and additional phases of the Seattle Chinese Garden.

ORDINANCE NO. 123413

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

Publication ordered by the City Clerk
Date of publication in the Seattle Daily
Journal of Commerce, October 14, 2010.
10/14(261694)