

RESOLUTION No. 31321

A RESOLUTION of the City Council, the Mayor concurring, requesting that the City Attorney petition the Superior Court of King County to impose a trusteeship over the Seattle Indian Services Commission in order to effectuate the conveyance of the Pearl Warren Building and the Leschi Center to the Seattle Indian Health Board with the intent of preserving the assets for the community served.

*Nick Licata*

pass 3-0 NL, SC, TR 9/28/11 (UH)

Introduced: Sept. 12, 2011	By: Licata
Referred:	To: Housing, Human Services, Health, and Culture
Referred:	To:
Reported:	
Passed: 10-3-11	Signed: Oct. 12, 2011
Filed: Oct. 12, 2011	Published: title

10-3-11 Adopted 9-0

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RESOLUTION 31321

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4 petition the Superior Court of King County to impose a trusteeship over the Seattle Indian  
5 Services Commission in order to effectuate the conveyance of the Pearl Warren Building  
6 and the Leschi Center to the Seattle Indian Health Board with the intent of preserving the  
7 assets for the community served.

8 WHEREAS, The Seattle Indian Services Commission ("Commission") is a public corporation  
9 created pursuant to Chapter 3.110 of the Seattle Municipal Code in 1972 to provide  
10 effective, comprehensive, and coordinated planning services, activities, and programs to  
11 meet the unique needs of the many Native American residents of Seattle; and

12 WHEREAS, the Commission owns the Pearl Warren Building ("Building") and the Leschi  
13 Center (collectively, the "Properties"), both financed with municipal bonds guaranteed by  
14 the City of Seattle ("City"); and

15 WHEREAS, debt outstanding on the Properties currently exceeds \$6,000,000; and

16 WHEREAS, since it was built, the Building has suffered from water infiltration and as a  
17 consequence has sustained damage estimated at \$2,500,000; and

18 WHEREAS, the Seattle Indian Health Board ("Board"), a non-profit corporation, is the only  
19 tenant in the Building and the primary tenant in the Leschi Center, and is currently the  
20 sole source of revenue to the Commission to pay the debt service on the Properties; and

21 WHEREAS, after repeated requests to the Commission to repair the Building, the Board, on  
22 December 16, 2009, gave notice to the Commission of termination of its lease due to  
23 detailed breaches of the lease but to date has forbore from so terminating; and

24 WHEREAS, the Commission does not have the resources necessary to correct the problems with  
25 the Building; and

26 WHEREAS, if the Board leaves the Building and ceases to pay rent, the Commission will be  
27 unable to pay the debt service on the Building and the City will be obliged, as the bond  
28 guarantor, to make the payment; and

WHEREAS, the City is not in a position to assume the financial responsibility for the Building;  
and



1 WHEREAS, the Board offered to assume all financial responsibility for the Properties and to  
2 repair the Building in exchange for title to said Properties and the Commission rejected  
that offer; and

3 WHEREAS, the City believes that with title to the Properties, the Board will be able to secure  
4 the funding necessary to repair the damage to the Building and will be able to continue to  
carry out its mission at that location; and

5 WHEREAS, the City intends to preserve the Properties for the public good and to ensure their  
6 use for the purposes originally intended for as long as possible and believes that this can  
7 best be accomplished by conveying the Properties to the Board; and

8 WHEREAS, the City believes that delay will result in continued deterioration of the Building  
and its income-producing potential; and

9 WHEREAS, the City believes that intervention, as contemplated by SMC 3.110.440 is not  
10 feasible under the circumstances since it would not authorize the City to convey the  
11 Properties and that trusteeship would be required in any event, and also; NOW,  
THEREFORE,

12  
13 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**  
14 **MAYOR CONCURRING, THAT:**

15  
16 Section 1. The City Attorney is requested to petition the King County Superior Court to  
17 impose a trusteeship over the Seattle Indian Services Commission, as contemplated in Seattle  
18 Municipal Code, Section 3.110.450. The primary purpose of the trusteeship shall be to cause the  
19 transfer of ownership of the Pearl Warren Building and the Leschi Center from the Commission  
20 to the Board.

21  
22 Adopted by the City Council the 3<sup>rd</sup> day of October, 2011, and  
23 signed by me in open session in authentication of its adoption this 3<sup>rd</sup> day  
24 of October, 2011.

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



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THE MAYOR CONCURRING:



Michael McGinn, Mayor

Filed by me this 12<sup>th</sup> day of October, 2011.



*for*

Monica Martinez Simmons, City Clerk

(Seal)



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
LEG	Tony Kilduff	N/A

**Legislation Title:**

A RESOLUTION of the City Council, the Mayor concurring, requesting that the City Attorney petition the Superior Court of King County to impose a trusteeship over the Seattle Indian Services Commission in order to effectuate the conveyance of the Pearl Warren Building and the Leschi Center to the Seattle Indian Health Board with the intent of preserving the assets for the community served.

**Summary of the Legislation:**

This resolution requests that the Executive attempt to negotiate the transfer of the ownership of the Pearl Warren and Leschi Center buildings from the Seattle Indian Services Commission ("Commission") to the Seattle Indian Health Board ("Health Board")

**Background:**

The Commission was created by the City in 1972 as a public corporation pursuant to Chapter 3.110 of the Seattle Municipal to provide effective, comprehensive, and coordinated planning services, activities, and programs to meet the unique needs of the many Native American residents of Seattle. The City subsequently guaranteed debt the Commission issued to acquire the Leschi Center and build Pearl Warren Building. Since it was built the Pearl Warren has suffered water infiltration problems that the Commission has not been able to deal with effectively. The resulting accumulated damage will cost approximately \$2.5 million to repair. The Commission is not in a position to make those repairs.

The sole source of revenue to pay the debt service on the Pearl Warren is the rent the Commission receives from the Health Board. Because of the poor state of the building and its continued deterioration the Health has put the Commission on notice that it intends to void its lease. If it does so, the City would be required to pay the \$435,000 debt service to avoid default by the Commission with the consequent impact on the City's bond rating.

The Health Board has proposed that it be granted the two buildings. Although the Pearl Warren is negative equity between it and the Leschi Center there is sufficient positive equity for the Health Board, which is a private non-profit in good standing, to secure funding to make the necessary repairs to the Pearl Warren. It also agrees to pay the debt service and assume all responsibility for both buildings.

Please check one of the following:

**This legislation does not have any financial implications.**

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)



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**STATE OF WASHINGTON – KING COUNTY**

--SS.

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277514  
CITY OF SEATTLE, CLERKS OFFICE

No. 31212,312,319,321,326

**Affidavit of Publication**

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

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

CT:TITLE ONLY RESOLUTION

was published on

10/20/11

The amount of the fee charged for the foregoing publication is the sum of \$ 75.08, which amount has been paid in full.



Affidavit of Publication

  
\_\_\_\_\_  
Subscribed and sworn to before me on  
10/20/11   
\_\_\_\_\_  
Notary public for the State of Washington,  
residing in Seattle

## State of Washington, King County

### City of Seattle

#### Title Only Resolution

The full text of the following legislation, passed by the City Council on October 3, 2011, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

#### RESOLUTION NO. 31212

A RESOLUTION concerning the City's retention of email; reaffirming the City's commitment to managing the preservation and destruction of public records in accordance with State records law and the City's approved records retention schedules; and requesting modification to the City's email system.

#### RESOLUTION NO. 31312

A RESOLUTION adopting new climate protection and adaptation goals for Seattle and outlining the process for updating the Seattle Climate Action Plan to provide a roadmap for achieving those goals.

#### RESOLUTION NO. 31319

A RESOLUTION granting conceptual approval to construct, maintain, and operate a pedestrian skybridge in the mid-block portion of the alley between 5th Avenue and 6th Avenue, south of Lenora Street, as proposed by the Hammer Company and Clise, Inc.

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#### RESOLUTION NO. 31326

A RESOLUTION adopting a Sustainable Buildings and Sites Policy for municipal facilities, requesting City departments to undertake work related to implementation, and superseding Resolution 30121 which endorsed the 2000 Sustainable Building Policy.

Date of publication in the Seattle Daily Journal of Commerce, October 20, 2011.

10/20(277514)