#26

Rebecca Salinas
DPR Center for Wooden Boats Lease Amend 2011 ORD
October 25, 2011
Version # 1

# ORDINANCE _____

AN ORDINANCE authorizing the Superintendent of the Department of Parks and Recreation to amend the Ground Lease between the City of Seattle and the Center for Wooden Boats for development, operation and maintenance of an Education Center in Lake Union Park.

WHEREAS, pursuant to Ordinance 123207 (December 2009), the Department of Parks and Recreation and the Center for Wooden Boats (CWB) entered into a Ground Lease setting forth the terms and conditions under which CWB may develop, operate and maintain an education center in Lake Union Park; and

WHEREAS, under the Ground Lease, CWB is prevented from taking possession of the leased property until execution of a use agreement between the City and the State of Washington, Department of Natural Resources, allowing the City to use a portion of State-owned property for Lake Union Park; and

WHEREAS, the City/State property use agreement has not yet been executed; and

WHEREAS, CWB has found the contingency preventing CWB from taking possession of the leased premises has impeded their fundraising efforts and believe that removing the contingency will create positive momentum and increase their likelihood of success obtaining contributions to the education center campaign; NOW, THEREFORE,

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

Section 1. The Superintendent of the Department of Parks and Recreation is authorized to execute, for and on behalf of the City of Seattle, an amendment to the Ground Lease with the Center for Wooden Boats in substantially the form described in Attachment 1 hereto.

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

Passed by the City Council the ____ day of _____, 2011, and signed by me in open session in authentication of its passage this _____ day of _____, 2011.

_____

President _____of the City Council

Approved by me this ____ day of _____, 2011.

_____

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2011.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Attachment 1: Amendment to Ground Lease between the City of Seattle and the Center for Wooden Boats

# AMENDMENT TO GROUND LEASE

This Amendment to the September 7, 2011, Ground Lease by and between **THE CITY OF SEATTLE ("City")**, a Washington municipal corporation, and **CENTER FOR WOODEN BOATS ("CWB")**, a Washington not-for-profit corporation, is effective as of _____, 2011 (the "**Effective Date**").

Recitals

1. On or about September 7, 2011, the parties executed a 25-year Ground Lease ("Lease") pursuant to which CWB was granted the right to use the leased area in Lake Union Park for developing an education center.

2. Under the Lease, CWB is prevented from taking possession of the leased premises until execution of a use agreement between the City and the State of Washington, Department of Natural Resources, allowing the City to utilize a portion of State-owned property in the vicinity of Lake Union Park and formerly under CWB's control, for park purposes.

3. For reasons beyond CWB's control, that use agreement has not yet been executed although the City has expanded Lake Union Park into the affected area and that area is now open for general public access.

4. It is in the parties' mutual best interests to allow CWB to move forward with development of its education center although the SubArea B use agreement has not yet been executed inasmuch as the fundamental purposes of that agreement have been effectuated.

Agreement

For good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree to amend the Lease as follows:

1. Possession Date. Section 1.3 of the Agreement is amended to delete clause (ii).

2. Waterway #4 Agreement. Section 3.3 is deleted in its entirety.

All other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures with the intent to be bound by the terms hereof as of the Effective Date.

City:

THE CITY OF SEATTLE

By its Department of Parks and Recreation

By: _____
Name: _____
Its Acting Superintendent

Lessee:

Center for Wooden Boats

By: _____
Name: _____
Its: _____

STATE OF WASHINGTON )
) ss.
COUNTY OF KING )

On this ___ day of _____, 2011, before me personally appeared _____, to me known to be the Acting Superintendent of The City of Seattle, Department of Parks and Recreation, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said party, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument on behalf of said party.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

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

STATE OF WASHINGTON )
) ss.
COUNTY OF _____ )

On this ___ day of _____, 2011, before me personally appeared _____, to me known to be the _____ of Center for Wooden Boats, the Washington not-for-profit corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said not-for-profit corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument on behalf of said not-for-profit corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

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

Form revised: July 12, 2011

# FISCAL NOTE FOR NON-CAPITAL PROJECTS

| Department: | Contact Person/Phone: | CBO Analyst/Phone: |
|---|---|---|
| Department of Parks and Recreation | Rebecca Salinas/ 684-7279 | Amy Williams/ 233-2651 |

**Legislation Title:** AN ORDINANCE authorizing the Superintendent of the Department of Parks and Recreation to amend the Ground Lease between the City of Seattle and the Center for Wooden Boats for development, operation and maintenance of an Education Center in Lake Union Park.

**Summary of the Legislation:** The proposed legislation amends a ground lease between the City and the Center for Wooden Boats (CWB). The Lease requires that the City and State have a signed agreement in place regarding a portion of Lake Union Park owned by the Department of Natural Resources (DNR) prior to allowing CWB to take possession of the parcel of City-owned property to build an education center. This requirement is proving to be an obstacle to CWB's fundraising efforts for the project. Therefore, this legislation amends the ground lease by removing the requirement as a way to help improve CWB's ability to raise funds for the project.

**Background**: Lake Union Park was constructed on City-owned property and a portion of DNR-owned property located in Waterway #4. Per the initial agreement with DNR, the two parties needed to sign a property use agreement requiring the property be used for park purposes only. Now that Lake Union Park is complete, the City and DNR are in the process of developing that agreement, which is expected to be ready for consideration by the Executive and City Council in 2012.

As part of the Lake Union Park project, the City authorized a ground lease with the Center for Wooden Boats in 2009, granting CWB the right to develop an education center at Lake Union Park (Ordinance 123207), on City-owned property. However, the lease requires a signed and approved property use agreement between the City and DNR regarding the DNR property before CWB can take possession and begin construction of the education center. This legislation removes this restriction so that CWB can keep the education center project on track.

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

**Other Implications:**

a) **Does the legislation have indirect financial implications, or long-term implications?**
The City does not have the resources to develop, operate and manage a boating education center on its own, so without CWB, there would be no education center at Lake Union Park.

b) **What is the financial cost of not implementing the legislation?**
There will be no financial cost to the City if CWB does not get possession of the site.

c) **Does this legislation affect any departments besides the originating department?**
No.

d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
An alternative to the legislation would be to wait until the City/State agreement is finalized, delaying CWB's possession of the property. However, this would continue to delay the development of the education center.

e) **Is a public hearing required for this legislation?**
No.

f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.

g) **Does this legislation affect a piece of property?**
Yes, map is attached.

h) **Other Issues:**
None

**List attachments to the fiscal note below:**

Attachment A: Contract Summary
Attachment B: Map

Attachment A
**Seattle Department of Parks and Recreation**

# CONTRACT SUMMARY

October 25, 2011

**Name of Contracting Party/ Lessee/ Concessionaire/ Other:** Center for Wooden Boats (CWB)

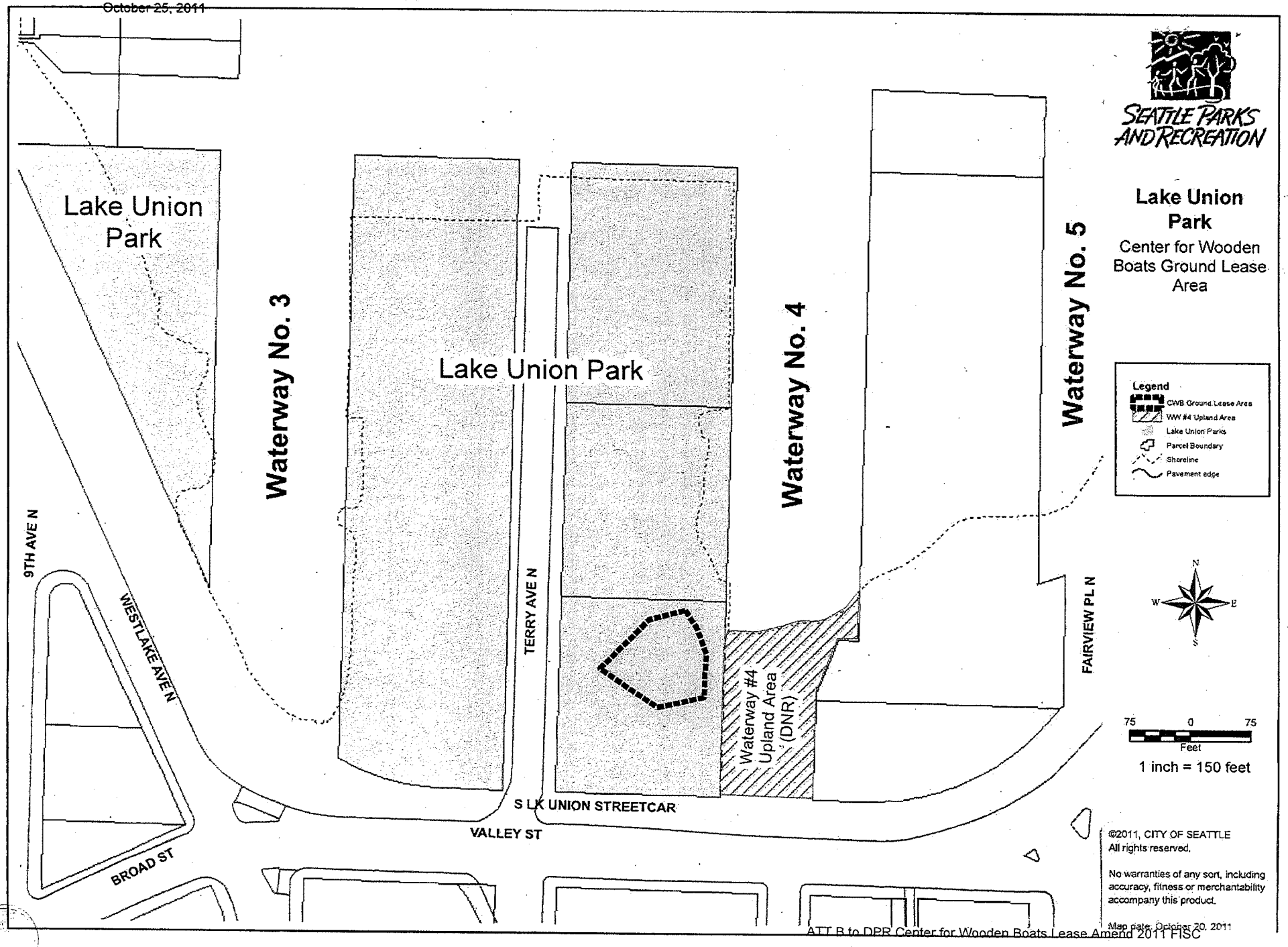
**Contract Type:** Lease Amendment

**Non-Profit** _X_ or **For Profit** ____

**Term of Original Agreement:** Twenty-five years beginning with the date of receipt of a Certificate of Occupancy for the proposed education center.

**Purpose of Amendment:** The current lease includes a contingency requiring an executed property use agreement between the City and the State Department of Natural Resources regarding DNR-owned property *before* CWB gains possession of the City-owned education center site. The proposed amendment removes this contingency, which CWB has found to be impeding their education center fundraising efforts.

**Brief description, overview, history, general terms and other pertinent info:** The original ground lease requires the City to obtain the right to use a portion of State-owned property before CWB is allowed to take possession of the City-owned education center site. This agreement has not been executed, but is expected to be ready for City Council consideration in the first half of 2012. Removing the contingency requiring finalization of the City/State agreement will help CWB move forward with fundraising and promotion of the education center, as major donors have been hesitant to give without evidence that CWB has possession of the property.


SEATTLE PARKS AND RECREATION
Lake Union Park
Center for Wooden Boats Ground Lease Area
Legend
CWB Ground Lease Area
WW #4 Upland Area
Lake Union Parks
Parcel Boundary
Shoreline
Pavement edge
Lake Union Park
Lake Union Park
Waterway No. 3
Waterway No. 4
Waterway No. 5
Waterway #4 Upland Area (DNR)
9TH AVE N
WESTLAKE AVE N
BROAD ST
TERRY AVE N
S LK UNION STREETCAR
VALLEY ST
FAIRVIEW PL N
N
W
E
S
75
0
75
Feet
1 inch = 150 feet
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All rights reserved.
No warranties of any sort, including accuracy, fitness or merchantability accompany this product.
Map date: October 20, 2011

**City of Seattle**
Office of the Mayor

November 8, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to submit the attached proposed Council Bill authorizing the Superintendent of Parks and Recreation (DPR) to amend the ground lease between the City and the Center for Wooden Boats (CWB) for development of an education center in Lake Union Park. The Education Center will provide a valuable teaching component to the historic small craft activities currently operated by CWB at Lake Union.

In 2009, the City approved an ordinance authorizing a ground lease with CWB to develop the education center in Lake Union Park. Before CWB can get possession of the property, the lease requires that the City and the State Department of Natural Resources (DNR) have a signed property use agreement requiring the park be used for park purposes only. The City/State agreement has not yet been executed, preventing CWB's possession of the education center site. This legislation amends the agreement with CWB by removing the requirement for an executed City/State agreement before CWB can gain control of the education center property. DPR expects the State/City agreement to come to the City Council for consideration in 2012.

CWB has found that their fundraising efforts for the education center have been hindered by not yet having legal control of the property. By amending the lease, CWB can ramp up fundraising efforts and move forward with the development of this highly beneficial project.

Thank you for your consideration of this legislation. Should you have questions, please contact Rebecca Salinas at 684-7279.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
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