

2012 Seattle City Council Statement of Legislative Intent

Ready for Notebook

Tab	Action	Option	Version
58	1	A	2

Budget Action Title: Report from FAS on major maintenance of mutual and offsetting benefit lease properties.

Councilmembers: Burgess; Conlin; Godden

Staff Analyst: Ketil Freeman

Date		Total	SB	BH	SC	TR	JG	NL	RC	TB	MO
	Yes										
	No										
	Abstain										
	Absent										

Statement of Legislative Intent:

The Council requests that the Department of Finance and Administrative Services provide two reports to the Council related to major maintenance of the City's mutual and offsetting benefit (MOB) properties.

The first report, which shall be provided by March 31st, shall estimate the cost of repairs needed to building systems, including roofs, to maintain MOB properties in a tenantable condition and shall set out options for funding repairs including, but not limited to, an assessment of eligibility and availability of American Recovery and Reinvestment Act retrofit funds and uncommitted real estate excise tax revenue.

The second report, which shall be provided by June 30th, shall present a review of the present MOB situation, policies for MOB leases, and options for MOB facilities, including disposition of the property to current tenants or entities that would ensure that the buildings continue to be leased to organizations providing a public benefit. This report shall be developed with input from current tenants and shall be informed by a survey of current MOB tenants to assess their ability to pay the lesser of fair market rent or standard City rent for similar facilities.

Background:

MOB properties are buildings owned by the City and leased to tenants who provide some public service. Tenants pay fair market rent, which is divided into cash rent and service rent. Cash rent is paid in cash. Service rent is delivered in the form of services provided to the community. Examples of services provided as rent include reduced cost medical care, nutrition education, meals for the elderly, operation of foodbanks, social service referrals, and transitional housing for homeless teen mothers.

The proposed budget appropriates \$1.9 million from the insurance settlement for the 2010 Sunny Jim fire for major maintenance of six mutual and offsetting benefit buildings. Lessees of these properties include: 1) the Central Area Motivation Program, 2) the Central Area Senior Center, 3) the Northwest Senior Center, 4) the Southeast Health Clinic, 5) the South Park Community Service Center, and 6) the Teen Mother Center.

Major maintenance proposed by the Department of Finance and Administrative Services (FAS) would be limited to roof replacement for each building. However, in addition to roof replacement, systems in many of these buildings also need other major maintenance. FAS has not estimated the cost of those additional repairs. The estimated cost by facility for roof replacement only, prioritized in order of deteriorated condition, is set out in the table below.

Facility Name/ (Organization)	Estimate
SE Health Clinic	\$ 485,000
Central Area Senior Center (Senior Services)	\$ 455,000
South Park Community Service Center (SPARC)	\$ 275,000
Central Area Motivation Program (CAMP)	\$ 315,000
Teen Mother Center (Goodwill Missionary Baptist Church)	\$ 105,000
Northwest Senior Center in Ballard (Senior Services)	\$ 265,000
Subtotal:	\$ 1,900,000

Source: FAS

Leases for these buildings are governed by the *Rules Governing the City's Mutual and Offsetting Benefit (MOB) Properties* (MOB Lease Rules), which were most recently amended by the Council through Resolution 27712 in 1988. These rules state that the City "shall be responsible for all normal repairs to **roofs**, walls, and foundations" (Emphasis Added).¹ However, the MOB Lease Rules clearly contemplate that cash rent will cover some major maintenance.

Specifically, under the MOB Lease Rules, cash rent should be a portion of the fair market rental value determined by an appraisal performed every five years and should cover the amortized major maintenance costs over a 40 year life cycle.² Additionally, after the third year of an initial lease, the MOB Lease Rules require that cash rent covers 50% of administrative and major maintenance costs. The remainder of the administrative and major maintenance costs are to be made up through General Fund support.³ In 2010 the Council increased the General Fund support for major maintenance of MOB facilities from \$200,000 annually to \$350,000 annually. FAS estimates that with the increase and with rent from tenants, the ongoing annual needed City support for major maintenance is about \$129,000 more than is currently provided.

Central Staff reviewed the leases for the above facilities. The oldest lease, to the Central Area Senior Center, dates to 1974. The City entered into the most recent lease, to the Goodwill Development Association for the Teen Mother Center, in 2008. Many of these leases do not appear to be consistent with MOB Lease Rules. For example, cash rents payable under the older leases do not

¹ *Rules Governing the City's Mutual and Offsetting Benefit (MOB) Properties*. Section V.H.

² Ibid at Section IX.A and IX.B.1.

³ Id. at Section IX.8.

appear to be based on recent appraisals of fair market rent and in one newer lease the City has elected to charge only service rent.

These discrepancies reflect decisions made by previous administrations and Councils that the value of services provided by the current tenants are sufficient to cover fair market rent. However, those decisions may have compounded the challenge of adequately maintaining these City-owned buildings.

Responsible Council Committee(s): Finance and Budget

Date Due to Council: March 31 (First Report)
June 30 (Second Report)

2012 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
58	2	A	1

Budget Action Title: Impose a proviso on spending in FAS to limit expenditures on roof repair for mutual and offsetting benefit properties to \$500,000 until authorized by future ordinance.

Councilmembers: Burgess; Clark; Conlin; Rasmussen

Staff Analyst: Ketil Freeman

Council Bill or Resolution:

Date		Total	SB	BH	SC	TR	JG	NL	RC	TB	MO
	Yes										
	No										
	Abstain										
	Absent										

Budget Action description:

This action would impose a proviso on the Facility Services BCL in the Department of Finance and Administrative Services (FAS) to limit spending on roof replacement of mutual and offsetting benefit (MOB) properties to \$500,000 until further spending is authorized by future ordinance.

Council would authorize future expenditure based on the report requested in Statement of Legislative Intent 58-1-A, which requests that FAS estimate the cost of repairs needed to building systems, including roofs, to maintain MOB properties in a tenantable condition and set out options for funding repairs including, but not limited to, an assessment of eligibility and availability of American Recovery and Reinvestment Act retrofit funds and uncommitted real estate excise tax revenue. That report would be submitted to Council by March 31st.

Limiting expenditures to \$500,000 would provide FAS with sufficient appropriation authority to assess MOB properties and prepare bid estimates for roof replacement in advance of the summer construction season.

Background:

The proposed budget appropriates \$1.9 million from the insurance settlement for the 2010 Sunny Jim fire for major maintenance of six mutual and offsetting benefit buildings. Lessees of these properties include: 1) the Central Area Motivation Program, 2) the Central Area Senior Center, 3) the Northwest Senior Center, 4) the Southeast Health Clinic, 5) the South Park Community Service Center, and 6) the Teen Mother Center.

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Northwest Senior Center in Ballard (Senior Services)	\$ 265,000
Subtotal:	\$ 1,900,000

This green sheet would adopt the following budget proviso:

“No more than \$500,000 appropriated in the 2012 budget for the Department of Finance and Administrative Services’ Facility Services BCL may be spent for replacing roofs of mutual and offsetting benefit properties until authorized by future ordinance. Council anticipates that such authority will not be granted until the first report requested in Statement of Legislative Intent 58-1-A is provided to Council.”

ORDINANCE No. 112740

COUNCIL BILL No. 105278

AN ORDINANCE relating to the Department of Administrative Services; authorizing the establishment of Mutual and Offsetting Benefit (MOB) lease agreements with Senior Services and Centers

Law Department

The City of Seattle--Legislative

REPORT OF COMMITTEE

Honorable President:

Your Committee on Parks and Public

to which was referred the within Council Bill No. 105278
report that we have considered the same and respectfully recom

D. Pers

COMPTROLLER FILE No. _____

Introduced: DEC 16 1985	By: EXECUTIVE REQUEST
Referred: DEC 16 1985	To: <u>City Operations</u>
Referred:	To:
Referred:	To:
Reported: MAR 10 1986	Second Reading: MAR 10 1986
Third Reading: MAR 10 1986	Signed: MAR 10 1986
Presented to Mayor: MAR 11 1986	Approved: MAR 20 1986
Returned to City Clerk: MAR 20 1986	Published:
Vetoed by Mayor:	Veto Published:
Passed over Veto: <u>OK</u>	Veto Sustained:

REC'D CMB MAR 11 1986

Stanley Williams

Committee Chair

Law Department

The City of Seattle--Legislative Department

REPORT OF COMMITTEE

Date Reported
and Adopted

Honorable President:

Your Committee on Parks and Public Grounds

to which was referred the within Council Bill No. 155278
report that we have considered the same and respectfully recommend that the same:

Do Pass

Janette Williams

Committee Chair

REC'D OMB MAR 11 1988

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ORDINANCE 112740

AN ORDINANCE relating to the Department of Administrative Services; authorizing the establishment of Mutual and Offsetting Benefit (MOB) lease agreements with Senior Services and Centers.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Mayor is authorized to execute and the City Comptroller to attest for and on behalf of the City of Seattle, two Mutual and Offsetting Benefit (MOB) lease agreements, substantially in the form of Exhibits "A" and "B", attached hereto and identified as "Lease Agreement", with Senior Services and Centers for lease of the buildings commonly known as the Central Area Senior Center, 500 30th Avenue South, and the Greenwood Senior Center, 525 North 85th Street, to operate programs for senior citizens.

Section 2. The consideration for the leases will be fair market rental value as determined by a current real property appraisal. However, as MOB tenants, Senior Services and Centers will pay only a portion of the fair market rent in the form of cash, while the remainder will be paid for by providing a predetermined amount of services to the public for the City.

Section 3. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

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(To be used for all Ordinances except Emergency.)

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Section 4. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 10th day of March, 1986,
and signed by me in open session in authentication of its passage this 10th day of
March, 1986.
President _____ of the City Council.

Approved by me this 20th day of

March, 1986.
Charles Roper
Mayor.

Filed by me this 20th day of March, 1986.

Norman J. Brooks
Attest: _____
City Comptroller and City Clerk.

(SEAL)

Published _____

By Theresa Dunbar
Deputy Clerk.

112740

MUTUAL AND OFFSETTING BENEFITLEASE AGREEMENTPART A - SIGNATURE FORMPARTIES

THIS LEASE AGREEMENT is entered into by and between THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Lessor, (hereinafter referred to as the "City") and Senior Services and Centers, Inc. a nonprofit corporation organized under the laws of Washington and authorized to do business in the State of Washington, as Lessee (hereinafter referred to as "Lessee").

PREMISES

The City hereby leases to the Lessee and the Lessee hereby leases from the City all of the structure located on the following property:

The north $\frac{1}{2}$ of Lot 2, and the east 60 feet of Lot 3, EXCEPT the south 110 feet of said portion of Lot 3, Block 19, Osner's Second Addition to the City of Seattle, as recorded in Volume 12 of Plats, page 3, records of King County, Washington;

the street address for which is 525 North 85th Street, (hereinafter referred to as the "Premises").

USE/PURPOSE

The Premises shall be used and occupied only for the following purpose(s):

Operating a Senior Citizen Center (also known as the Greenwood Senior Center) and associated programs.

TERM

The term of this lease begins January 1, 1983 and expires December 31, 1986, unless terminated earlier pursuant to the terms and conditions hereof.

RENT

In consideration for this Lease, the Lessee shall pay to the City or provide for the City's benefit, for the use and occupancy of the Premises, the following monthly rent: One Thousand Three Hundred Eighty Four and 17/100 Dollars (\$1,384.17), of which a portion, as further described in Part B, Subsection 9.A, hereof, shall be in the form of legal tender of the United States of America or negotiable instruments payable in the same and acceptable to the Director of Administrative Services. Any non-monetary portion of the rent shall be in the form of in-kind services that shall be agreed upon prior to the providing of the same. The services to be provided as a portion of any month's rent shall be described in the annual supplement(s) comprising Part C, hereof.

The "fair market improvements value" of the property of which the Premises form a part is One Hundred Sixty Six Thousand One Hundred Dollars (\$166,100.00), which figure shall be used in the computation of the minimum monetary portion of the rent payable during the first year of the term hereof, and following the annual adjustment provided for in Part B, Subsection 9.C, hereof, for the succeeding years of the term of this Lease.

Under no circumstances shall in-kind services in excess of the value the Lessee becomes obligated to provide in any particular year be usable as an offset to the minimum monetary rental due and payable for any year of the Lease term, or as an offset to any services to be provided by the Lessee in any succeeding year of the Lease term.

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INSURANCE

The Lessee shall secure and maintain insurance to protect the City from liability as more fully described in Part B, Subsection 4 of this Lease, which insurance shall provide the following minimum coverage:

\$ 500,000.00 Bodily injury, per person.
\$ 500,000.00 Bodily injury, per occurrence.
\$1,000,000.00 Property damage, per occurrence.

UTILITIES

Notwithstanding the provisions in the first sentence of Part B, Section 3. Utilities, the City, at its sole expense, shall provide the following:

None

The City shall not be responsible for any costs incurred in modifying the systems therefor that are occasioned by the Lessee's requirements.

AGREEMENT CONTENTS

This lease consists of this Part A - Signature Form, plus Part B - General Terms and Conditions, Addendum I prohibiting discrimination, and the annual supplements hereto that comprise Part C - Description of M.O.B. Lessee's Services in Lieu of Cash Rental, all of which, by this reference, are incorporated herein. This Lease embodies the entire agreement of the parties hereto. There are no other understandings or agreements, written or oral, between the parties relating to the subject matter hereof.

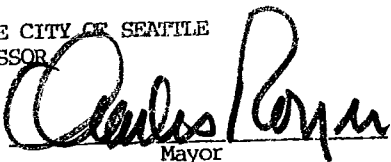
EFFECTUATION OF AGREEMENT

In order to be effective, this Lease must be (1) signed by an authorized representative of the Lessee and returned to the City at the address set forth below, accompanied by any required evidence of insurance, and (2) signed by the Mayor pursuant to ordinance authority.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures below:

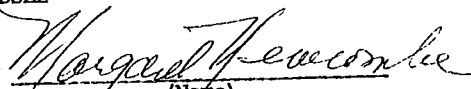
THE CITY OF SEATTLE
LESSOR

By


Mayor

Senior Services and Centers, Inc.
LESSEE

By

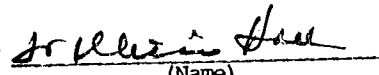

(Name)
President,
BOARD OF TRUSTEES
(Title)

ATTEST:

By


City Comptroller

By


(Name)
Vice-President
BOARD OF TRUSTEES
(Title)

City's address for all
communications:

Property Management Section
Department of Administrative Services
Fifth Floor
400 Yesler Building
Seattle, WA 98104

(until otherwise notified)
L.M.1.1-2

Lessee's address for all
communications:

SENIOR SERVICES AND CENTERS
160' Second Avenue, Suite 800
Seattle, WA 98101

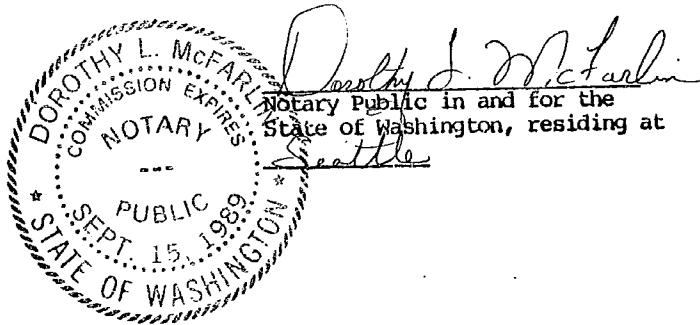
(until otherwise notified)

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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 28th day of April, 1986, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared CHARLES ROYER and TIM HILL, to me personally known to be the Mayor and City Comptroller, respectively, of THE CITY OF SEATTLE, a municipal corporation, that executed the foregoing instrument and acknowledged to me that they signed and sealed the same as the free and voluntary act and deed of said municipal corporation and an oath stated that they were authorized to execute said instrument and that the seal affixed is the seal of said municipal corporation.

WHITNESS my hand and official seal the day and year in this certificate first above written.



STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 5th day of October, 1983, before me personally appeared Margaret Newcombe to me and William Hall known to be President of the Vice President corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand the day and year first above written.

Doris L. Dickstein
Notary Public in and for the
State of Washington, residing at
Seattle

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MUTUAL AND OFFSETTING BENEFIT

LEASE AGREEMENT

PART B - GENERAL TERMS AND CONDITIONS

1. LIMITATION ON USE/PURPOSE

Notwithstanding any other provision herein, the Lessee shall not enter into any sublease of the Premises or any portion thereof or any assignment of any interest in this Agreement, whether long or short term in nature, or engage in any activity with respect to or on the Premises other than that expressly authorized herein, without obtaining the prior explicit written authorization therefor from the City.

2. POSSESSION

In the event of the inability of the City to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this Lease, neither the City nor any of the City's officers, employees, or agents shall be liable for any damage caused thereby, nor shall this Lease thereby become void or voidable, nor shall the term herein specified be in any way extended, but in such event, the Lessee shall not be liable for any rent until such time as the City can deliver possession.

3. UTILITIES

The Lessee, at the Lessee's sole expense, shall provide or shall otherwise pay for, when due, all costs for providing all utilities and other services on or to the Premises including but not limited to elevator service, electricity, gas, water, telephone, sewer, garbage, heating, janitorial, security, and grounds keeping, and shall also pay all charges for utility installation and modifications thereto occasioned by the Lessee's requirements. The City shall not be liable for any injury, loss or damage caused by or resulting from any interruption or failure of said services due to any causes whatsoever except the City's negligence. The Lessee shall not be entitled to an offset, reduction, or return of rental as a result of any interruption or failure of said services.

4. LIABILITY

A. Indemnity: The Lessee shall indemnify and hold the City harmless from any and all losses, claims, actions, damages and expenses arising out of or resulting from any occurrence in or on the Premises. In the event that any suit based upon such losses, claims, actions, damages, or expenses is brought against the City, the Lessee, upon notice of the commencement thereof, shall defend the same at its sole cost and expense; and if final judgment be adverse to the City, or the City and the Lessee jointly, the Lessee shall promptly satisfy the same. The liability described in this subsection shall not be diminished by the fact, if it be a fact, that any such death, injury, damage, loss, cost or expense may have been contributed to, or may be alleged to have been contributed to, in part, by an act or omission of the City, its officers, employees or agents; Provided, that nothing contained in this subsection shall be construed as requiring the Lessee to indemnify the City against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole act or omission of the City, its employees, officers, or agents.

B. Insurance: The Lessee shall secure and maintain during the full term of this Agreement, at no expense to the City, insurance by one or more companies authorized to do business in the State of Washington, as follows:

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(1) A policy of fire and extended coverage, vandalism, malicious mischief, and special extended coverage insurance providing coverage of not less than eighty percent (80%) of the full replacement value of the Premises, including improvements made thereto, and the contents, with no allowance for depreciation, under which policy the City shall be named as an additional insured, as follows:

"The City of Seattle is an additional insured for all coverages provided by this policy of insurance and shall be fully and completely protected by this policy for any claim, suit, damage or loss of any sort sustained by any person, organization, or corporation and arising out of a covered occurrence under this policy. The coverages provided by this policy to the City or any other named insured shall not be terminated, reduced or otherwise changed in any respect without providing written notice thereof to The City of Seattle, Department of Administrative Services, Property Management Section, 400 Yesler Building, Fifth Floor, Seattle, WA 98104, at least thirty (30) days prior to the effective date thereof."

All losses under the policy shall be adjusted jointly by the Lessee and the City. Any loss paid under such insurance to the Lessee shall be held by the Lessee in trust for application to the cost of rebuilding, repairing, replacing, or restoring the Premises; and the City shall be paid such portion of the insurance proceeds as is equal to the true value of the Premises including all improvements made thereto as of the expiration or termination date specified in Part A, hereof, whichever is earlier (excluding removable trade fixtures and personal property), assuming no damage or loss other than normal wear and tear had occurred. Such payment shall be made to the City within seven (7) days after receipt by the Lessee of the insurance proceeds.

(2) A primary policy of general comprehensive liability insurance, under which (a) the City shall be named as an additional insured in the following manner:

"The City of Seattle is an additional insured for all coverages provided by this policy of insurance and shall be fully and completely protected by this policy for any claim, suit, injury, death, damage or loss of any sort sustained by any person, organization or corporation in connection with activity upon or use or occupancy of the Premises, as well as any activity performed by the principal insured therein.

"The coverages provided by this policy to the City, or any other named insured, shall not be terminated, reduced or otherwise changed in any respect without providing written notice thereof to The City of Seattle, Department of Administrative Services, Property Management Section, 400 Yesler Building, Fifth Floor, Seattle, WA 98104; at least thirty (30) days prior to the effective date thereof."

(b) Liability limits shall be at least the amounts set forth in Part A of this Lease; Provided, that in the event the Director of Administrative Services deems such insurance to be inadequate to fully protect the Lessee and the City, the Lessee shall increase said liability limits to such amounts as the Director of Administrative Services shall deem reasonably adequate to provide said protection, which increase shall be completed within sixty (60) days after the date of notice that the Lessee's insurance is deemed to be inadequate.

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(c) Coverage shall include, but not be limited to, the following types (described in insurance industry terminology):

- (1) Premises Operations Liability;
- (2) Blanket Contractual Liability;
- (3) Broad Form Property Damage;
- (4) Independent Contractor;
- (5) Automobile Liability for owned, leased, hired or non-owned, if there will be any use of vehicles on the Premises by or on behalf of the Lessee;
- (6) Products and/or Completed Operations;
- (7) Personal Injury, Coverages A, B, and C (Exclusion "C" to be removed)..

C. Contractor's Insurance and Bond: The Lessee shall require each contractor used by the Lessee to perform any demolition or construction work in connection with any improvement, alteration, or addition to be made to the Premises, to secure and maintain, at no cost to the City, the following:

(1) A contract bond or performance bond payable to the Lessee and the City in the full and just sum of the total amount of the contract, conditioned that all the provisions of the contract shall be faithfully performed by the contractor, or the surety if so required, and indemnifying the Lessee and the City against any direct or indirect damages that shall be suffered or claimed for injuries to persons or property during the carrying out of the work of the contract, and conditioned as required by law for the payment of all laborers, mechanics, subcontractors and materialmen, and all persons who shall supply such person or persons or subcontractors with provisions or supplies for the carrying on of such work.

(2) A policy of primary comprehensive general liability and automobile liability insurance with \$1,000,000 Combined Single Limits per occurrence and annual aggregate, providing the following coverages:

- Premises/Operations Liability (N & C);
- Owners and Contractors Protective Liability;
- Products and Completed Operations Liability;
- Blanket Contractual Liability;
- Broad Form Property Damage Liability;
- Personal Injury, including coverages A, B, and C;
- Stop Gap or Employers Contingent Liability;
- Explosion, collapse, underground damage (referred to as "X, C, U");
- Automobile Liability, including coverage for owned, non-owned, leased or hired vehicles.

and under which insurance The City of Seattle shall be named an additional insured in the same manner as that specified in Subsection 4.B(2) (a), hereof.

D. Evidence of Insurance: A copy of such policy(ies) and all endorsements thereto or other evidence to the reasonable satisfaction of the Director of Administrative Services that the Lessee has secured and is maintaining insurance as required by this section shall be delivered to the Property Management Section at the address specified in Part A, hereof, on or before the effective date of this Lease, and shall be delivered thereafter within five (5) City business days after the Lessee's receipt of

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a written request therefor, for review by the City Attorney and the City's Risk Manager, and filing with the City Clerk. In the event that the "ACORD" form of a Certificate of Insurance is submitted, it will be returned for correction if it does not comply with the following:

The wording at top of form: "This certificate is issued as a matter of information only and confers no rights upon the certificate holder." - Shall be deleted in its entirety.

The wording at bottom of form: "Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail thirty (30) days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company." - Shall be changed to read - "Should any of the above described policies be cancelled, reduced as to coverage, or otherwise changed before the expiration date thereof, the issuing company will provide written notice of such action to the below named certificate holder/City of Seattle at least thirty (30) days prior to the effective date of such change or cancellation."

E. Assumption of Risk: The placement and storage of personal property on said Premises shall be the responsibility, and at the sole risk, of the Lessee.

F. Adjustments of Claims: The Lessee shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of the Lessee under this Lease. The Lessee shall ensure that all such claims, whether processed by the Lessee or Lessee's insurer, either directly or by means of an agent, will be handled by a person with a permanent office in the Seattle area.

G. Termination upon Lessee's Failure to Comply with Requirements: Notwithstanding any provision herein to the contrary, the failure of the Lessee to comply with the provisions of this section shall subject this Lease to immediate termination without notice and without recourse by any person in order to protect the public interest.

5. USES AND CARE OF PREMISES

A. General Condition: The Premises shall at all times be kept in a neat, clean, safe and sanitary condition, and kept and used in accordance with the laws of the State of Washington and Charter and ordinances of The City of Seattle, and in accordance with all authorized rules and regulations of the Health Officer, Fire Marshal, Director of Construction and Land Use and other appropriate officers of The City of Seattle at the sole cost and expense of the Lessee. The Lessee shall not permit any waste, damage, or injury to the Premises; use or permit on said Premises anything that will increase the rate of fire insurance thereon; maintain anything on the Premises that may be dangerous to life or limb; overload the floors; permit any objectionable noise or odor to escape or to be emitted from said Premises; permit anything to come done upon said Premises that in any way will tend to create a nuisance or, in the event of multiple occupancy, to disturb any other tenants of the building; or to use or permit the use of said Premises for lodging or sleeping purposes.

B. Maintenance-Repairs: The Premises have been inspected by both parties and are accepted by Lessee in their existing condition as of the commencement date of this Lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession. All normal repairs to roof, walls and foundations, existing utility connections to and from the Premises and major electrical, plumbing, and heating systems necessary to maintain the Premises in a tenantable condition shall be done by or under the direction of the City and at the City's expense, except repair work necessitated by an act or omission of the Lessee, or any of the Lessee's officers, employees, agents or invitees, which repairs shall be made at the sole expense of the Lessee. All other maintenance and repairs to the Premises shall be the responsibility and at the sole expense of the Lessee; Provided, that such maintenance and repairs shall be subject to the prior written approval of and shall be undertaken at the direction of the City.

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C. Alterations:

(1) The Lessee shall not make, or cause to be made, any alteration, addition or improvement in said Premises without first obtaining the written consent of the Director of Administrative Services for such work. All alterations, additions and improvements made shall be at the sole cost and expense of the Lessee, and shall become the property of the City, and unless otherwise agreed in writing by the Director of Administrative Services, shall remain in and be surrendered with the Premises as a part thereof at the expiration or termination of this Lease, without disturbance, molestation or injury.

(2) The City reserves an unqualified right to make alterations to the Premises or to the building in which the Premises are situated (a) where conditions deemed by the Director of Administrative Services to constitute an emergency exist, or (b) in order to correct Code-deficiencies. The City also reserves the right to make general alterations to the Premises or to the building in which the Premises are situated where such general alterations will not unreasonably interfere with the ordinary operation of the Premises by the Lessee.

D. Access: The City reserves for itself, its officers, employees, agents and contractors, free access to said Premises at all reasonable times for the purposes of inspecting, cleaning, or making repairs, additions or alterations to the Premises or any other property owned by or under the control of City, but this right shall not be construed as an agreement on the part of the City to make said inspections, clean or make repairs, additions or alterations. The Lessee shall have reasonable access to other property of the City where necessary to provide utility services to or make repairs, alterations, additions, or improvements to the Premises; all of the Lessee's work on such other City property shall be at the Lessee's sole expense.

E. Signs: The Lessee shall not display, inscribe, paint or affix to any part of the Premises any sign except such as shall have been approved in writing by the Director of Administrative Services prior to such placement. The City shall have the right to place and maintain "For Rent" signs in conspicuous places on said Premises and to show the Premises to prospective tenants during the thirty (30) days prior to the expiration of this lease.

F. Keys: Any change in locks must be requested, in writing, by the Lessee and approved by the Director of Administrative Services prior to installation. Said lock change shall be at the sole expense of the Lessee. If a lock change is approved, Lessee shall provide the Director of Administrative Services with one (1) key for each lock changed immediately after such change has been completed.

G. Equipment; Personal Property: Special purpose equipment and all major appliances such as dishwashers, stoves, refrigerators, washers, and dryers located on the Premises shall be maintained and repaired by the Lessee at no cost to the City.

6. DAMAGE OR DESTRUCTION

In the event the Premises are damaged by fire, earthquake, act of war, or other extraordinary casualty, to such an extent as to render the same untenable in whole or in substantial part thereof, or are destroyed, it shall be optional with the City to repair or rebuild the same; and within forty-eight (48) hours after the happening of any such event, the Lessee shall give the City or City's agent notice thereof. The City shall have not more than sixty (60) days after the date of such notification to notify the Lessee of the City's intentions to repair or rebuild said Premises, or any part so damaged. If the City elects to repair or rebuild said Premises, the City shall prosecute the work of such repairing or rebuilding without unreasonable delay, in accordance with the then existing City procedures, and during such period the rent for said Premises shall be abated in the same ratio that the portion of the Premises rendered for the time being unfit for occupancy bears to the whole of the Premises; upon the completion of said rebuilding, the Lessee shall immediately reoccupy the Premises and pay the rent as aforesaid. In the event the building in which the Premises are located shall be substantially destroyed or damaged even though the

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Premises shall not be damaged thereby, if in the opinion of the Director of Administrative Services it shall not be practical to repair or rebuild, then it shall be optional with the City to terminate this Lease by providing notice of termination to the Lessee within sixty (60) days after such damage or destruction has been determined to be irreparable. If the City fails to give the Lessee timely notice of the City's intentions, as provided in this section the Lessee shall have the right to declare this Lease terminated by providing notice to the City of such termination prior to the effective date thereof.

Notwithstanding any other provision herein, no party to this Lease shall be liable in damages to any other party for termination of this Lease in the manner described in this section, because of the damage or destruction of the Premises or the building in which the Premises form a part.

7. SUSPENSION OF LESSEE'S OPERATIONS AND OBLIGATIONS TO PAY RENT

In the event any City inspection, repair, alteration, addition, or improvement work necessitates the temporary suspension of the Lessee's business or operations in, on or from the Premises for a period of thirty (30) days or less, the City shall notify the Lessee of such necessity and the anticipated beginning and ending dates of such suspension. The rent due the City shall be prorated during each month in which the Lessee's business or operations are required by the City to be suspended pursuant to this section, and the obligation of the Lessee to pay such prorated rent shall be cancelled during the period that the Lessee's business or operations are suspended. Such cancellation of the obligation to pay rent shall constitute the totality of relief provided hereunder, and the Lessee waives all claims for damages and for any injury to and interference with its operations or business and losses occasioned by any such suspension.

8. COMPLIANCE WITH LAW

A. General Requirement: The Lessee, at its sole cost and expense, shall perform and comply with all applicable laws of the United States and the State of Washington; the Charter and ordinances of The City of Seattle; and rules, regulations, orders, and directives of their administrative agencies and the officers thereof.

B. Licenses and Similar Authorizations: The Lessee, at no expense to the City, shall secure and maintain in full force and effect during the term of this Agreement, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

C. Taxes: The Lessee shall pay, before delinquency, all taxes, levies, and assessments arising from its activities on or occupancy of the Premises, including, but not limited to taxes arising out of the activity or business conducted on the Premises such as the rental or sale of goods or services; taxes levied on its property, equipment, and improvements on the Premises; and taxes on the Lessee's interest in this Agreement and any leasehold interest deemed to have been created thereby under Ch. 82.29A RCW. In the event the State of Washington makes any demand upon the City for payment of leasehold excise taxes resulting from the Lessee's occupation of the Premises or withholds funds due to the City to enforce collection of leasehold excise taxes, the Lessee shall, at its sole expense, contest such action and indemnify the City for all sums expended by, or withheld by the State from, the City in connection with such taxation.

D. Nondiscrimination and Affirmative Action.

(1) The Lessee agrees to and shall comply with all Federal, State and local laws and ordinances prohibiting discrimination with regard to race, color, national origin, ancestry, creed, religion, political ideology, sex, sexual orientation, marital status, or the presence of any sensory, mental or physical handicap.

(2) In the event the Lessee has three (3) or more employees, the following provision shall be deemed a part of this lease:

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"During the performance of this Lease, the Lessee agrees as follows:

"The Lessee will not discriminate against any employee or applicant for employment because of creed, religion, race, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental, or physical handicap unless based upon a bona fide occupational qualification. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during the employment without regard to their creed, religion, race, color, sex, national origin or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause. The Lessee will take affirmative action to ensure that all of its employees, agents and subcontractors adhere to these provisions; Provided, nothing herein shall prevent an employer from giving preference in employment to members of his/her immediate family.

"The Lessee will, upon the request of the Director (as used herein, Director means the Director of the City's Human Rights Department, or his/her designee) furnish to the Director on such form as may be provided therefor, a report of the affirmative action taken by the Lessee in implementing the terms of this provision, and will permit access to the Lessee's records of employment, employment advertisements, application forms, other pertinent data and records requested by the Director for the purpose of investigation to determine compliance with this provision.

"If, upon investigation, the Director determines that there is a probable cause to believe that the Lessee has failed to comply with any of the terms of this provision, the Lessee shall be so notified in writing. The contracting authority shall give the Lessee an opportunity to be heard after ten (10) days' notice. If the contracting authority concurs in the findings of the Director, it may suspend or terminate this Lease and evict the Lessee in accordance with law.

"Failure to comply with any of the terms of this provision shall be a material breach of this Lease."

The foregoing provision will be inserted in all subleases entered into under this Lease.

(3) Women's and Minority Business Enterprise Utilization:

(a) Reference: The provisions of Seattle Ordinance 109113 (Women's and Minority Business Enterprise Utilization Ordinance), as amended, are hereby incorporated by reference and made a part hereof as if fully set forth herein.

(b) Compliance: During the term of this Agreement, the Lessee shall:

1. Continue to make every effort to utilize MBEs and WBES;

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2. Require every subcontractor utilized by the Lessee for work in fulfillment of the Lessee's obligations under this Lease, to make every effort to utilize WBEs and MBES; and

3. Maintain records reasonably necessary for monitoring compliance with the provisions of Ordinance 109113, as amended.

Any substitutions for or other failure to utilize the WBEs or MBES projected for use in this Lease on the commitment forms must be approved in writing by the Seattle Human Rights Department and the Director of Administrative Services.

Inasmuch as the Seattle Human Rights Department is authorized and empowered by Ordinance 109113 to monitor compliance with the Lessee's Women's and Minority enterprise utilization commitment during the term of this Lease, the Lessee shall furnish to such department within a reasonable time after a request has been made for the same, whatever reports or other information is reasonably necessary to determine compliance.

The failure of the Lessee to comply with applicable provisions of the Women's and Minority Business Enterprise Ordinance (Seattle Municipal Code Ch. 20.46 - Ordinance 109113, as amended) shall be a material breach of contract.

9. RENT CALCULATION AND PAYMENT PROCEDURE

A. That portion of the annual rent to be paid in legal tender of the United States of America shall at least equal the sum of (a) two and one half percent (2½) of the cost of one position of "Real Property Agent" or its successor, as computed in Part B, Subsection 9.B, hereof, plus (b) two and one-half percent (2.5%) of the then-current fair market improvements value of the property of which the Premises form a part (as specified in Part A, hereof, and as adjusted in accordance with Part B, Subsection 9.C, hereof) all multiplied by a fraction in which the numerator equals the particular year of the Lease for which such computation is to be made and rent is to be paid and the denominator equals the total number of years in the Lease term (e.g., 2/5 for the second year of a five year term). In any year when the Lessee receives Community Development Block Grant (CDBG) funds for maintenance and/or repairs to the Premises, the then current fair market improvements value will be reduced by the amount of the CDBG, prior to the calculation of the major maintenance costs.

B. "Costs of a Real Property Agent's position": The cost of a Real Property Agent's position shall be computed by multiplying the sum of 1343 chargeable hours by the then-prevailing hourly rate for such position or its successor, as published in the Department of Administrative Services' annual Rate & Services Directory or its successor; Provided, that the City reserves the right to modify, annually or more frequently, such rate or the number of chargeable hours as deemed appropriate by the Director of Administrative Services; Provided, further, that under no circumstances shall the Lessee be charged a higher rate than that established for City departments that desire to obtain property management services from the Department of Administrative Services or its successor.

C. "Fair Market Improvements Value": For the first year of the Lease term, the fair market improvements value of the property of which the Premises forms a part shall be the most recent City-appraised value of such property. For the second and following years of the Lease term, such value shall be adjusted upwards by multiplying the preceding year's value by the sum of 100% and the percentage increase (if any) in construction costs associated with the type of building of which the Premises forms a part, as indicated by the BOECKH Index for the preceding year; Provided, that in the event the aforementioned index is discontinued, the parties hereto shall select another, similar index that reflects increases in building maintenance and construction costs.

D. Time and Place of Payment: The annual minimum monetary rental calculated as described in Part A and Part B, Subsections 9B & C, hereof, shall be prorated and paid on a monthly basis, in advance, on or before the first day of every month, without separate invoice from the City. All such payments shall be delivered or mailed to the City Treasurer, c/o Property Management Section addressed as specified for notices, pursuant to Section 14, hereof. In-kind services in lieu of monetary rent shall be provided according to the schedule included in the annual supplements(s) comprising Part C, hereof.

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E. Delinquent Rent: Monetary rent shall be delinquent if not paid on or by the date specified in Part B, Subsection 9D, hereof. Delinquent monetary rent shall bear interest at a rate of Fifteen Percent (15%) per annum from the date of delinquency until paid. Services to be provided in lieu of monetary rent shall be delinquent if not provided according to the schedule(s) included in the appropriate annual supplement comprising a portion in Part C, hereof.

10. TERMINATION

A. For Breach by Lessee: In the event that the Lessee defaults in the performance of any of the terms, provisions, covenants and conditions to be kept, observed and performed by the Lessee, and such default is not corrected within thirty (30) days after the receipt of notice thereof from the City, or such shorter period as may be reasonable under the circumstances; or if the Lessee shall abandon, desert, vacate or remove from the Premises; or if the Lessee shall file a petition in bankruptcy; or if the Lessee shall be adjudicated as bankrupt after the filing of an involuntary petition in bankruptcy; or if the Lessee shall take or receive the advantage or benefit of any insolvency; or if the Lessee shall enter into an agreement of composition with the Lessee's creditors; then, in such event, the City, at its option at any time thereafter, may terminate this Lease together with all of the estate, right, and title thereby granted to or vested in the Lessee, by giving notice of such election at least twenty (20) days prior to the effective date thereof, and as of such effective date, this Lease and all of the estate, right, title and interest thereby granted to or vested in the Lessee shall then cease and terminate, and the City may re-enter the Premises using such force as may be required. Notwithstanding such re-entry by the City and anything to the contrary in this Lease, the liability of the Lessee for the rent provided for herein for the balance of the term of this Lease shall not be extinguished. The Director of Administrative Services shall have the right to determine on the City's behalf the existence of any default in performance or other breach or violation of the terms and conditions hereof on the part of the Lessee.

B. For Breach by City: The City shall not be in breach of any obligation to perform under this Lease unless the City fails to perform such obligation within a reasonable time, which time shall not extend more than thirty (30) days after notice by the Lessee to the City specifying the particular obligation that the City has failed to perform; Provided, however, that if the nature of the City's obligation is such that more than thirty (30) days are reasonably required for performance, then the City shall not be in breach if the City commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

C. Upon Notice by Lessee: This Lease may be terminated by the Lessee, without cause, by providing notice of such termination to the City not less than sixty (60) days prior to the effective date thereof.

11. SURRENDER OF PREMISES

Upon the expiration or termination of this Lease, including any extensions thereof, whichever is earlier, the Lessee shall quit and surrender said Premises and all keys thereto, without notice and in as good condition as received at commencement of the term, except for changes due to ordinary wear and tear, damage or destruction by fire or other casualty or circumstances uncontrollable by the Lessee, and alterations, additions, and improvements made with the consent of the Director of Administrative Services. On or before the termination or expiration date, whichever is earlier, the Lessee shall remove all furniture, equipment, supplies and other materials owned and controlled by Lessee.

12. WAIVER OF DEFAULT

The City does not waive full compliance with the terms and conditions of this Lease by acceptance of rent. No waiver of default by either party of any of the terms, covenants and conditions hereof shall be construed or operate as a waiver of any subsequent default of any of the terms, covenants and conditions hereon.

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13. AMENDMENTS

The parties hereto expressly reserve the right to amend this Lease, from time to time, as may be necessary; Provided, that no alteration or modification of the terms or conditions hereof shall be valid and binding unless made in writing and signed by an authorized representative of each of the parties hereto.

14. NOTICES

All notices to be given by either of the parties hereto to the other party, shall be in writing and may either be delivered personally or may be deposited in the United States Mail, postage prepaid, addressed as specified in Part A hereof, or to such other respective address as the receiving party shall have designated in writing. Notices sent by mail shall be deemed to have been given when properly mailed; the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

15. NO RELATIONSHIP

In no event shall the City be construed or held to have become in any way or for any purpose a partner, associate, or joint venturer of the Lessee or any party associated with the Lessee in the conduct of the Lessee's business or otherwise. This Lease does not constitute the Lessee the agent or legal representative of the City for any purposes whatsoever.

16. DIRECTOR OF ADMINISTRATIVE SERVICES

The term "Director of Administrative Services" as used throughout this Agreement in regard to permission, warrant, consent, approval, rights, interpretation, and discretionary matters shall mean the Director of Administrative Services or his designee; Provided, that the action of the Director of Administrative Services pursuant to or in implementation of this Lease does not constitute any official action by any other City Department or official that may be required by law, ordinance, rule or regulation before the Lessee may rightfully commence, suspend, enlarge, or terminate any particular undertaking or may obtain or exercise any particular right or privilege under this Lease. Decisions to be made by the Director of Administrative Services shall be left to his/her reasonable discretion. Any approval, consent, or permission of the Director of Administrative Services required by this Lease shall not be unreasonably withheld.

17. ADJUDICATION

This Lease shall be construed under all of the applicable laws, statutes, ordinances, rules and regulations of the United States, the State of Washington and The City of Seattle. In the case of a dispute between the parties, jurisdiction over such dispute shall be with the Superior Court of King County, Washington.

18. BINDING EFFECT

This Lease shall be binding upon the heirs, successors, assigns and all other parties legally empowered with signatory rights of any or all of the parties hereto.

19. INVALIDITY OF PROVISIONS

Should any term, provision, condition or other portion of this Lease be held to be inoperative, invalid or void, the same shall not affect any other term, provision, condition or other portion of this Lease, and the remainder of this Lease shall be effective as if such term, provision, condition or portion had not been contained herein.

MOB.B.1

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**MUTUAL AND OFFSETTING LEASE AGREEMENT
PART C - - CONTRACT EXHIBIT
STATEMENT OF GOALS**

The goal of the Mutual and Offsetting Lease Agreement is to document that participants of the Greenwood Senior Center will provide sufficient hours of service to the center and, therefore, to the community to offset the monetary rental due and payable for each year of the Lease term.

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**CONTRACT EXHIBIT
PROGRAM PERFORMANCE STANDARDS**

In 1983, Greenwood Senior Center will provide a minimum of 4,300 hours of volunteer service to the seniors of the Greenwood community.

<u>Category of Service</u>	<u>Frequency</u>
Harmonica Class	1/wk
Pinochle Class	1/wk
Weaving Class	1/wk
Knitting/Crochet Class	1/wk
Quiltmaking Class	1/wk
Bowling Class	1/wk
Arts/Crafts Class	1/wk
Ceramics Class	1/wk
Bridge Class	1/wk
Exercise Class	1/wk
Bus Trips	1/mo
Nursing Services	5/wk
Legal Assistance	5/mo
Income Tax Assistance	1/wk
Boutique/Gift Shop	5/wk
Sunday Social	1/mo
History Classes	2/wk
Tri-Chem Class	1/wk
Uke Strummers Class	1/wk
Mixed Chorus	1/wk
French Class	1/wk
Painting Class	1/wk
Foot Care/Podiatrist	1/mo
Attorney	1/wk
Hearing Screening	1/mo
Current Events	1/wk
Postal Alert Program	
Holiday Dinners	
Visitation of Sick	

Per the accepted formula for market value of volunteer service (\$3.35 per hour), Volunteers will provide the equivalent of \$14,387.04 of service to the community in 1983.

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CONTRACT EXHIBIT

Budget

BASIS FOR COMPUTATION OF UNIT COST

Unit: A unit is equal to one hour of volunteer service provided by participants at the Greenwood Senior Center.

Each hour of service will be computed at the rate of \$3.35 per hour (minimum wage).

Unit: Volunteer service is defined as assistance in the following areas: socialization, recreation and education; health and nutrition; administration; and maintenance of the facility and grounds.

APPROVED QUARTERLY PROJECT SPENDING RATE

The approved quarterly services delivery rate shall be established at \$3,596.76, and may exceed that amount by a maximum of 10% in the first three quarters without prior approval of the City. The annual amount of the delivered services usable as offset to rent is \$14,387.04

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112740

MUTUAL AND OFFSETTING BENEFIT

LEASE AGREEMENT

PART A - SIGNATURE FORM

PARTIES

THIS LEASE AGREEMENT is entered into by and between THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Lessor, (hereinafter referred to as the "City") and Senior Services and Centers, Inc. a non-profit corporation organized under the laws of Washington and authorized to do business in the State of Washington, as Lessee (hereinafter referred to as "Lessee").

PREMISES

The City hereby leases to the Lessee and the Lessee hereby leases from the City all of the structure located on the following property:

Lots 1 through 4, inclusive, and Lots 11 through 14, inclusive, Block 21, Burke's Second Addition to the City of Seattle, as recorded in volume 1 of Plats, page 248, records of King County, Washington;

the street address for which is 500 30th Avenue South, (hereinafter referred to as the "Premises").

USE/PURPOSE

The Premises shall be used and occupied only for the following purpose(s):

Operating a Senior Citizen Center (also known as the Central Area Senior Center) as associated programs.

TERM

The term of this lease begins January 1, 1983 and expires December 31, 1986, unless terminated earlier pursuant to the terms and conditions hereof.

RENT

In consideration for this Lease, the Lessee shall pay to the City or provide for the City's benefit, for the use and occupancy of the Premises, the following monthly rent: Two Thousand Five Hundred Thirty and No/100 Dollars (\$2,530.00), of which a portion, as further described in Part B, Subsection 9.A, hereof, shall be in the form of legal tender of the United States of America or negotiable instruments payable in the same and acceptable to the Director of Administrative Services. Any non-monetary portion of the rent shall be in the form of in-kind services that shall be agreed upon prior to the providing of the same. The services to be provided as a portion of any month's rent shall be described in the annual supplement(s) comprising Part C, hereof.

The "fair market improvements value" of the property of which the Premises form a part is Three Hundred Three Thousand Six Hundred and No/100 Dollars (\$303,600.00), which figure shall be used in the computation of the minimum monetary portion of the rent payable during the first year of the term hereof, and following the annual adjustment provided for in Part B, Subsection 9.C, hereof, for the succeeding years of the term of this Lease.

Under no circumstances shall in-kind services in excess of the value the Lessee becomes obligated to provide in any particular year be usable as an offset to the minimum monetary rental due and payable for any year of the Lease term, or as an offset to any services to be provided by the Lessee in any succeeding year of the Lease term.

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INSURANCE

The Lessee shall secure and maintain insurance to protect the City from liability as more fully described in Part B, Subsection 4 of this Lease, which insurance shall provide the following minimum coverage:

\$ 500,000.00 Bodily injury, per person.
\$ 500,000.00 Bodily injury, per occurrence.
\$1,000,000.00 Property damage, per occurrence.

UTILITIES

Notwithstanding the provisions in the first sentence of Part B. Section 3. Utilities, the City, at its sole expense, shall provide the following:

None

The City shall not be responsible for any costs incurred in modifying the systems therefor that are occasioned by the Lessee's requirements.

AGREEMENT CONTENTS

This lease consists of this Part A - Signature Form, plus Part B - General Terms and Conditions, Addendum I prohibiting discrimination, and the annual supplements hereto that comprise Part C - Description of M.O.B. Lessee's Services in Lieu of Cash Rental, all of which, by this reference, are incorporated herein. This Lease embodies the entire agreement of the parties hereto. There are no other understandings or agreements, written or oral, between the parties relating to the subject matter hereof.

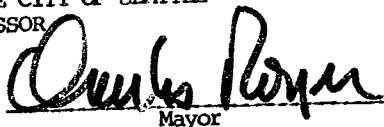
EFFECTUATION OF AGREEMENT

In order to be effective, this Lease must be (1) signed by an authorized representative of the Lessee and returned to the City at the address set forth below, accompanied by any required evidence of insurance, and (2) signed by the Mayor pursuant to ordinance authority.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures below:

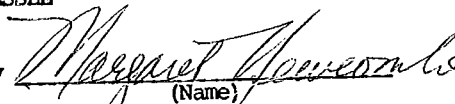
THE CITY OF SEATTLE
LESSOR

By


Mayor

Senior Services and Centers, Inc.
LESSEE

By

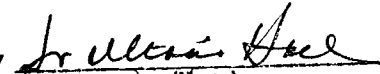

(Name)
President
Board of Trustees
(Title)

ATTEST:

By


City Comptroller

By


(Name)
Vice-President
Board of Trustees
(Title)

City's address for all
communications:

Property Management Section
Department of Administrative Services
Fifth Floor
400 Yesler Building
Seattle, WA 98104

(until otherwise notified)
L.M.2.1-2

Lessee's address for all
communications:

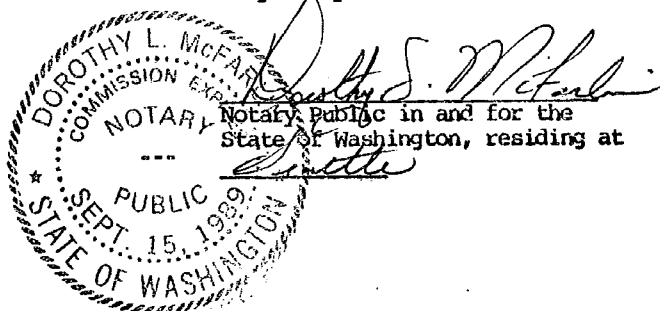
SENIOR SERVICES AND CENTERS
1601 Second Avenue
Seattle, WA 98101

(until otherwise notified)

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

THIS IS TO CERTIFY that on this 28th day of April, 1986, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared CHARLES ROYER and ~~THOMAS~~ ^{with wife, Brooks}, to me personally known to be the Mayor and City Comptroller, respectively, of THE CITY OF SEATTLE, a municipal corporation, that executed the foregoing instrument and acknowledged to me that they signed and sealed the same as the free and voluntary act and deed of said municipal corporation and an oath stated that they were authorized to execute said instrument and that the seal affixed is the seal of said municipal corporation.

WHITNESS my hand and official seal the day and year in this certificate first above written.



STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this 5th day of October, 1983, before me personally appeared Margaret Newcombe and William Hall to me known to be President and Vice President of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand the day and year first above written.

Dorothy L. McFarland
Notary Public in and for the
State of Washington, residing at
Seattle

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MUTUAL AND OFFSETTING BENEFIT

LEASE AGREEMENT

PART B - GENERAL TERMS AND CONDITIONS

1. LIMITATION ON USE/PURPOSE

Notwithstanding any other provision herein, the Lessee shall not enter into any sublease of the Premises or any portion thereof or any assignment of any interest in this Agreement, whether long or short term in nature, or engage in any activity with respect to or on the Premises other than that expressly authorized herein, without obtaining the prior explicit written authorization therefor from the City.

2. POSSESSION

In the event of the inability of the City to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this Lease, neither the City nor any of the City's officers, employees, or agents shall be liable for any damage caused thereby, nor shall this Lease thereby become void or voidable, nor shall the term herein specified be in any way extended, but in such event, the Lessee shall not be liable for any rent until such time as the City can deliver possession.

3. UTILITIES

The Lessee, at the Lessee's sole expense, shall provide or shall otherwise pay for, when due, all costs for providing all utilities and other services on or to the Premises including but not limited to elevator service, electricity, gas, water, telephone, sewer, garbage, heating, janitorial, security, and grounds keeping, and shall also pay all charges for utility installation and modifications thereto occasioned by the Lessee's requirements. The City shall not be liable for any injury, loss or damage caused by or resulting from any interruption or failure of said services due to any causes whatsoever except the City's negligence. The Lessee shall not be entitled to an offset, reduction, or return of rental as a result of any interruption or failure of said services.

4. LIABILITY

A. Indemnity: The Lessee shall indemnify and hold the City harmless from any and all losses, claims, actions, damages and expenses arising out of or resulting from any occurrence in or on the Premises. In the event that any suit based upon such losses, claims, actions, damages, or expenses is brought against the City, the Lessee, upon notice of the commencement thereof, shall defend the same at its sole cost and expense; and if final judgment be adverse to the City, or the City and the Lessee jointly, the Lessee shall promptly satisfy the same. The liability described in this subsection shall not be diminished by the fact, if it be a fact, that any such death, injury, damage, loss, cost or expense may have been contributed to, or may be alleged to have been contributed to, in part, by an act or omission of the City, its officers, employees or agents; Provided, that nothing contained in this subsection shall be construed as requiring the Lessee to indemnify the City against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole act or omission of the City, its employees, officers, or agents.

B. Insurance: The Lessee shall secure and maintain during the full term of this Agreement, at no expense to the City, insurance by one or more companies authorized to do business in the State of Washington, as follows:

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(1) A policy of fire and extended coverage, vandalism, malicious mischief, and special extended coverage insurance providing coverage of not less than eighty percent (80%) of the full replacement value of the Premises, including improvements made thereto, and the contents, with no allowance for depreciation, under which policy the City shall be named as an additional insured, as follows:

"The City of Seattle is an additional insured for all coverages provided by this policy of insurance and shall be fully and completely protected by this policy for any claim, suit, damage or loss of any sort sustained by any person, organization, or corporation and arising out of a covered occurrence under this policy. The coverages provided by this policy to the City or any other named insured shall not be terminated, reduced or otherwise changed in any respect without providing written notice thereof to The City of Seattle, Department of Administrative Services, Property Management Section, 400 Yesler Building, Fifth Floor, Seattle, WA 98104, at least thirty (30) days prior to the effective date thereof."

All losses under the policy shall be adjusted jointly by the Lessee and the City. Any loss paid under such insurance to the Lessee shall be held by the Lessee in trust for application to the cost of rebuilding, repairing, replacing, or restoring the Premises; and the City shall be paid such portion of the insurance proceeds as is equal to the true value of the Premises including all improvements made thereto as of the expiration or termination date specified in Part A, hereof, whichever is earlier (excluding removable trade fixtures and personal property), assuming no damage or loss other than normal wear and tear had occurred. Such payment shall be made to the City within seven (7) days after receipt by the Lessee of the insurance proceeds.

(2) A primary policy of general comprehensive liability insurance, under which (a) the City shall be named as an additional insured in the following manner:

"The City of Seattle is an additional insured for all coverages provided by this policy of insurance and shall be fully and completely protected by this policy for any claim, suit, injury, death, damage or loss of any sort sustained by any person, organization or corporation in connection with activity upon or use or occupancy of the Premises, as well as any activity performed by the principal insured therein.

"The coverages provided by this policy to the City, or any other named insured, shall not be terminated, reduced or otherwise changed in any respect without providing written notice thereof to The City of Seattle, Department of Administrative Services, Property Management Section, 400 Yesler Building, Fifth Floor, Seattle, WA 98104; at least thirty (30) days prior to the effective date thereof."

(b) Liability limits shall be at least the amounts set forth in Part A of this Lease; Provided, that in the event the Director of Administrative Services deems such insurance to be inadequate to fully protect the Lessee and the City, the Lessee shall increase said liability limits to such amounts as the Director of Administrative Services shall deem reasonably adequate to provide said protection, which increase shall be completed within sixty (60) days after the date of notice that the Lessee's insurance is deemed to be inadequate.

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(c) Coverage shall include, but not be limited to, the following types (described in insurance industry terminology):

- (1) Premises Operations Liability;
- (2) Blanket Contractual Liability;
- (3) Broad Form Property Damage;
- (4) Independent Contractor;
- (5) Automobile Liability for owned, leased, hired or non-owned, if there will be any use of vehicles on the Premises by or on behalf of the Lessee;
- (6) Products and/or Completed Operations;
- (7) Personal Injury, Coverages A, B, and C (Exclusion "C" to be removed)..

C. Contractor's Insurance and Bond: The Lessee shall require each contractor used by the Lessee to perform any demolition or construction work in connection with any improvement, alteration, or addition to be made to the Premises, to secure and maintain, at no cost to the City, the following:

(1) A contract bond or performance bond payable to the Lessee and the City in the full and just sum of the total amount of the contract, conditioned that all the provisions of the contract shall be faithfully performed by the contractor, or the surety if so required, and indemnifying the Lessee and the City against any direct or indirect damages that shall be suffered or claimed for injuries to persons or property during the carrying out of the work of the contract, and conditioned as required by law for the payment of all laborers, mechanics, subcontractors and materialmen, and all persons who shall supply such person or persons or subcontractors with provisions or supplies for the carrying on of such work.

(2) A policy of primary comprehensive general liability and automobile liability insurance with \$1,000,000 Combined Single Limits per occurrence and annual aggregate, providing the following coverages:

- Premises/Operations Liability (N & C);
- Owners and Contractors Protective Liability;
- Products and Completed Operations Liability;
- Blanket Contractual Liability;
- Broad Form Property Damage Liability;
- Personal Injury, including coverages A, B, and C;
- Stop Gap or Employers Contingent Liability;
- Explosion, collapse, underground damage (referred to as "X, C, U");
- Automobile Liability, including coverage for owned, non-owned, leased or hired vehicles.

and under which insurance The City of Seattle shall be named an additional insured in the same manner as that specified in Subsection 4.B(2) (a), hereof.

D. Evidence of Insurance: A copy of such policy(ies) and all endorsements thereto or other evidence to the reasonable satisfaction of the Director of Administrative Services that the Lessee has secured and is maintaining insurance as required by this section shall be delivered to the Property Management Section at the address specified in Part A, hereof, on or before the effective date of this Lease, and shall be delivered thereafter within five (5) City business days after the Lessee's receipt of

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a written request therefor, for review by the City Attorney and the City's Risk Manager, and filing with the City Clerk. In the event that the "ACORD" form of a Certificate of Insurance is submitted, it will be returned for correction if it does not comply with the following:

The wording at top of form: "This certificate is issued as a matter of information only and confers no rights upon the certificate holder." - Shall be deleted in its entirety.

The wording at bottom of form: "Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail thirty (30) days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company." - Shall be changed to read - "Should any of the above described policies be cancelled, reduced as to coverage, or otherwise changed before the expiration date thereof, the issuing company will provide written notice of such action to the below named certificate holder/City of Seattle at least thirty (30) days prior to the effective date of such change or cancellation."

E. Assumption of Risk: The placement and storage of personal property on said Premises shall be the responsibility, and at the sole risk, of the Lessee.

F. Adjustments of Claims: The Lessee shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of the Lessee under this Lease. The Lessee shall ensure that all such claims, whether processed by the Lessee or Lessee's insurer, either directly or by means of an agent, will be handled by a person with a permanent office in the Seattle area.

G. Termination upon Lessee's Failure to Comply with Requirements: Notwithstanding any provision herein to the contrary, the failure of the Lessee to comply with the provisions of this section shall subject this Lease to immediate termination without notice and without recourse by any person in order to protect the public interest.

5. USES AND CARE OF PREMISES

A. General Condition: The Premises shall at all times be kept in a neat, clean, safe and sanitary condition, and kept and used in accordance with the laws of the State of Washington and Charter and ordinances of The City of Seattle, and in accordance with all authorized rules and regulations of the Health Officer, Fire Marshal, Director of Construction and Land Use and other appropriate officers of The City of Seattle at the sole cost and expense of the Lessee. The Lessee shall not permit any waste, damage, or injury to the Premises; use or permit on said Premises anything that will increase the rate of fire insurance thereon; maintain anything on the Premises that may be dangerous to life or limb; overload the floors; permit any objectionable noise or odor to escape or to be emitted from said Premises; permit anything to come done upon said Premises that in any way will tend to create a nuisance or, in the event of multiple occupancy, to disturb any other tenants of the building; or to use or permit the use of said Premises for lodging or sleeping purposes.

B. Maintenance-Repairs: The Premises have been inspected by both parties and are accepted by Lessee in their existing condition as of the commencement date of this Lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession. All normal repairs to roof, walls and foundations, existing utility connections to and from the Premises and major electrical, plumbing, and heating systems necessary to maintain the Premises in a tenantable condition shall be done by or under the direction of the City and at the City's expense, except repair work necessitated by an act or omission of the Lessee, or any of the Lessee's officers, employees, agents or invitees, which repairs shall be made at the sole expense of the Lessee. All other maintenance and repairs to the Premises shall be the responsibility and at the sole expense of the Lessee; Provided, that such maintenance and repairs shall be subject to the prior written approval of and shall be undertaken at the direction of the City.

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C. Alterations:

(1) The Lessee shall not make, or cause to be made, any alteration, addition or improvement in said Premises without first obtaining the written consent of the Director of Administrative Services for such work. All alterations, additions and improvements made shall be at the sole cost and expense of the Lessee, and shall become the property of the City, and unless otherwise agreed in writing by the Director of Administrative Services, shall remain in and be surrendered with the Premises as a part thereof at the expiration or termination of this Lease, without disturbance, molestation or injury.

(2) The City reserves an unqualified right to make alterations to the Premises or to the building in which the Premises are situated (a) where conditions deemed by the Director of Administrative Services to constitute an emergency exist, or (b) in order to correct Code-deficiencies. The City also reserves the right to make general alterations to the Premises or to the building in which the Premises are situated where such general alterations will not unreasonably interfere with the ordinary operation of the Premises by the Lessee.

D. Access: The City reserves for itself, its officers, employees, agents and contractors, free access to said Premises at all reasonable times for the purposes of inspecting, cleaning, or making repairs, additions or alterations to the Premises or any other property owned by or under the control of City, but this right shall not be construed as an agreement on the part of the City to make said inspections, clean or make repairs, additions or alterations. The Lessee shall have reasonable access to other property of the City where necessary to provide utility services to or make repairs, alterations, additions, or improvements to the Premises; all of the Lessee's work on such other City property shall be at the Lessee's sole expense.

E. Signs: The Lessee shall not display, inscribe, paint or affix to any part of the Premises any sign except such as shall have been approved in writing by the Director of Administrative Services prior to such placement. The City shall have the right to place and maintain "For Rent" signs in conspicuous places on said Premises and to show the Premises to prospective tenants during the thirty (30) days prior to the expiration of this lease.

F. Key: Any change in locks must be requested, in writing, by the Lessee and approved by the Director of Administrative Services prior to installation. Said lock change shall be at the sole expense of the Lessee. If a lock change is approved, Lessee shall provide the Director of Administrative Services with one (1) key for each lock changed immediately after such change has been completed.

G. Equipment; Personal Property: Special purpose equipment and all major appliances such as dishwashers, stoves, refrigerators, washers, and dryers located on the Premises shall be maintained and repaired by the Lessee at no cost to the City.

6. DAMAGE OR DESTRUCTION

In the event the Premises are damaged by fire, earthquake, act of war, or other extraordinary casualty, to such an extent as to render the same untenable in whole or in substantial part thereof, or are destroyed, it shall be optional with the City to repair or rebuild the same; and within forty-eight (48) hours after the happening of any such event, the Lessee shall give the City or City's agent notice thereof. The City shall have not more than sixty (60) days after the date of such notification to notify the Lessee of the City's intentions to repair or rebuild said Premises, or any part so damaged. If the City elects to repair or rebuild said Premises, the City shall prosecute the work of such repairing or rebuilding without unreasonable delay, in accordance with the then existing City procedures, and during such period the rent for said Premises shall be abated in the same ratio that the portion of the Premises rendered for the time being unfit for occupancy bears to the whole of the Premises; upon the completion of said rebuilding, the Lessee shall immediately reoccupy the Premises and pay the rent as aforesaid. In the event the building in which the Premises are located shall be substantially destroyed or damaged even though the

Premises shall not be damaged thereby, if in the opinion of the Director of Administrative Services it shall not be practical to repair or rebuild, then it shall be optional with the City to terminate this Lease by providing notice of termination to the Lessee within sixty (60) days after such damage or destruction has been determined to be irreparable. If the City fails to give the Lessee timely notice of the City's intentions, as provided in this section the Lessee shall have the right to declare this Lease terminated by providing notice to the City of such termination prior to the effective date thereof.

Notwithstanding any other provision herein, no party to this Lease shall be liable in damages to any other party for termination of this Lease in the manner described in this section, because of the damage or destruction of the Premises or the building in which the Premises form a part.

7. SUSPENSION OF LESSEE'S OPERATIONS AND OBLIGATIONS TO PAY RENT

In the event any City inspection, repair, alteration, addition, or improvement work necessitates the temporary suspension of the Lessee's business or operations in, on or from the Premises for a period of thirty (30) days or less, the City shall notify the Lessee of such necessity and the anticipated beginning and ending dates of such suspension. The rent due the City shall be prorated during each month in which the Lessee's business or operations are required by the City to be suspended pursuant to this section, and the obligation of the Lessee to pay such prorated rent shall be cancelled during the period that the Lessee's business or operations are suspended. Such cancellation of the obligation to pay rent shall constitute the totality of relief provided hereunder, and the Lessee waives all claims for damages and for any injury to and interference with its operations or business and losses occasioned by any such suspension.

8. COMPLIANCE WITH LAW

A. General Requirement: The Lessee, at its sole cost and expense, shall perform and comply with all applicable laws of the United States and the State of Washington; the Charter and ordinances of The City of Seattle; and rules, regulations, orders, and directives of their administrative agencies and the officers thereof.

B. Licenses and Similar Authorizations: The Lessee, at no expense to the City, shall secure and maintain in full force and effect during the term of this Agreement, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

C. Taxes: The Lessee shall pay, before delinquency, all taxes, levies, and assessments arising from its activities on or occupancy of the Premises, including, but not limited to taxes arising out of the activity or business conducted on the Premises such as the rental or sale of goods or services; taxes levied on its property, equipment, and improvements on the Premises; and taxes on the Lessee's interest in this Agreement and any leasehold interest deemed to have been created thereby under Ch. 82.29A RCW. In the event the State of Washington makes any demand upon the City for payment of leasehold excise taxes resulting from the Lessee's occupation of the Premises or withholds funds due to the City to enforce collection of leasehold excise taxes, the Lessee shall, at its sole expense, contest such action and indemnify the City for all sums expended by, or withheld by the State from, the City in connection with such taxation.

D. Nondiscrimination and Affirmative Action.

(1) The Lessee agrees to and shall comply with all Federal, State and local laws and ordinances prohibiting discrimination with regard to race, color, national origin, ancestry, creed, religion, political ideology, sex, sexual orientation, marital status, or the presence of any sensory, mental or physical handicap.

(2) In the event the Lessee has three (3) or more employees, the following provision shall be deemed a part of this lease:

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"During the performance of this Lease, the Lessee agrees as follows:

"The Lessee will not discriminate against any employee or applicant for employment because of creed, religion, race, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental, or physical handicap unless based upon a bona fide occupational qualification. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during the employment without regard to their creed, religion, race, color, sex, national origin or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause. The Lessee will take affirmative action to ensure that all of its employees, agents and subcontractors adhere to these provisions; Provided, nothing herein shall prevent an employer from giving preference in employment to members of his/her immediate family.

"The Lessee will, upon the request of the Director (as used herein, Director means the Director of the City's Human Rights Department, or his/her designee) furnish to the Director on such form as may be provided therefor, a report of the affirmative action taken by the Lessee in implementing the terms of this provision, and will permit access to the Lessee's records of employment, employment advertisements, application forms, other pertinent data and records requested by the Director for the purpose of investigation to determine compliance with this provision.

"If, upon investigation, the Director determines that there is a probable cause to believe that the Lessee has failed to comply with any of the terms of this provision, the Lessee shall be so notified in writing. The contracting authority shall give the Lessee an opportunity to be heard after ten (10) days' notice. If the contracting authority concurs in the findings of the Director, it may suspend or terminate this Lease and evict the Lessee in accordance with law.

"Failure to comply with any of the terms of this provision shall be a material breach of this Lease."

The foregoing provision will be inserted in all subleases entered into under this Lease.

(3) Women's and Minority Business Enterprise Utilization:

(a) Reference: The provisions of Seattle Ordinance 109113 (Women's and Minority Business Enterprise Utilization Ordinance), as amended, are hereby incorporated by reference and made a part hereof as if fully set forth herein.

(b) Compliance: During the term of this Agreement, the Lessee shall:

1. Continue to make every effort to utilize MBEs and WBES;

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2. Require every subcontractor utilized by the Lessee for work in fulfillment of the Lessee's obligations under this Lease, to make every effort to utilize WBEs and MBEs; and

3. Maintain records reasonably necessary for monitoring compliance with the provisions of Ordinance 109113, as amended.

Any substitutions for or other failure to utilize the WBEs or MBEs projected for use in this Lease on the commitment forms must be approved in writing by the Seattle Human Rights Department and the Director of Administrative Services.

Inasmuch as the Seattle Human Rights Department is authorized and empowered by Ordinance 109113 to monitor compliance with the Lessee's Women's and Minority enterprise utilization commitment during the term of this Lease, the Lessee shall furnish to such department within a reasonable time after a request has been made for the same, whatever reports or other information is reasonably necessary to determine compliance.

The failure of the Lessee to comply with applicable provisions of the Women's and Minority Business Enterprise Ordinance (Seattle Municipal Code Ch. 20.46 - Ordinance 109113, as amended) shall be a material breach of contract.

9. RENT CALCULATION AND PAYMENT PROCEDURE

A. That portion of the annual rent to be paid in legal tender of the United States of America shall at least equal the sum of (a) two and one half percent (2½) of the cost of one position of "Real Property Agent" or its successor, as computed in Part B, Subsection 9.B, hereof, plus (b) two and one-half percent (2.5%) of the then-current fair market improvements value of the property of which the Premises form a part (as specified in Part A, hereof, and as adjusted in accordance with Part B, Subsection 9.C, hereof) all multiplied by a fraction in which the numerator equals the particular year of the Lease for which such computation is to be made and rent is to be paid and the denominator equals the total number of years in the Lease term (e.g., 2/5 for the second year of a five year term). In any year when the Lessee receives Community Development Block Grant (CDBG) funds for maintenance and/or repairs to the Premises, the then current fair market improvements value will be reduced by the amount of the CDBG, prior to the calculation of the major maintenance costs.

B. "Costs of a Real Property Agent's position": The cost of a Real Property Agent's position shall be computed by multiplying the sum of 1343 chargeable hours by the then-prevailing hourly rate for such position or its successor, as published in the Department of Administrative Services' annual Rate & Services Directory or its successor; Provided, that the City reserves the right to modify, annually or more frequently, such rate or the number of chargeable hours as deemed appropriate by the Director of Administrative Services; Provided, further, that under no circumstances shall the Lessee be charged a higher rate than that established for City departments that desire to obtain property management services from the Department of Administrative Services or its successor.

C. "Fair Market Improvements Value": For the first year of the Lease term, the fair market improvements value of the property of which the Premises forms a part shall be the most recent City-appraised value of such property. For the second and following years of the Lease term, such value shall be adjusted upwards by multiplying the preceding year's value by the sum of 100% and the percentage increase (if any) in construction costs associated with the type of building of which the Premises forms a part, as indicated by the BOCKH Index for the preceding year; Provided, that in the event the aforementioned index is discontinued, the parties hereto shall select another, similar index that reflects increases in building maintenance and construction costs.

D. Time and Place of Payment: The annual minimum monetary rental calculated as described in Part A and Part B, Subsections 9B & C, hereof, shall be prorated and paid on a monthly basis, in advance, on or before the first day of every month, without separate invoice from the City. All such payments shall be delivered or mailed to the City Treasurer, c/o Property Management Section addressed as specified for notices, pursuant to Section 14, hereof. In-kind services in lieu of monetary rent shall be provided according to the schedule included in the annual supplements(s) comprising Part C, hereof.

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E. Delinquent Rent: Monetary rent shall be delinquent if not paid on or by the date specified in Part B, Subsection 9D, hereof. Delinquent monetary rent shall bear interest at a rate of Fifteen Percent (15%) per annum from the date of delinquency until paid. Services to be provided in lieu of monetary rent shall be delinquent if not provided according to the schedule(s) included in the appropriate annual supplement comprising a portion in Part C, hereof.

10. TERMINATION

A. For Breach by Lessee: In the event that the Lessee defaults in the performance of any of the terms, provisions, covenants and conditions to be kept, observed and performed by the Lessee, and such default is not corrected within thirty (30) days after the receipt of notice thereof from the City, or such shorter period as may be reasonable under the circumstances; or if the Lessee shall abandon, desert, vacate or remove from the Premises; or if the Lessee shall file a petition in bankruptcy; or if the Lessee shall be adjudicated as bankrupt after the filing of an involuntary petition in bankruptcy; or if the Lessee shall take or receive the advantage or benefit of any insolvency; or if the Lessee shall enter into an agreement of composition with the Lessee's creditors; then, in such event, the City, at its option at any time thereafter, may terminate this Lease together with all of the estate, right, and title thereby granted to or vested in the Lessee, by giving notice of such election at least twenty (20) days prior to the effective date thereof, and as of such effective date, this Lease and all of the estate, right, title and interest thereby granted to or vested in the Lessee shall then cease and terminate, and the City may re-enter the Premises using such force as may be required. Notwithstanding such re-entry by the City and anything to the contrary in this Lease, the liability of the Lessee for the rent provided for herein for the balance of the term of this Lease shall not be extinguished. The Director of Administrative Services shall have the right to determine on the City's behalf the existence of any default in performance or other breach or violation of the terms and conditions hereof on the part of the Lessee.

B. For Breach by City: The City shall not be in breach of any obligation to perform under this Lease unless the City fails to perform such obligation within a reasonable time, which time shall not extend more than thirty (30) days after notice by the Lessee to the City specifying the particular obligation that the City has failed to perform; Provided, however, that if the nature of the City's obligation is such that more than thirty (30) days are reasonably required for performance, then the City shall not be in breach if the City commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

C. Upon Notice by Lessee: This Lease may be terminated by the Lessee, without cause, by providing notice of such termination to the City not less than sixty (60) days prior to the effective date thereof.

11. SURRENDER OF PREMISES

Upon the expiration or termination of this Lease, including any extensions thereof, whichever is earlier, the Lessee shall quit and surrender said Premises and all keys thereto, without notice and in as good condition as received at commencement of the term, except for changes due to ordinary wear and tear, damage or destruction by fire or other casualty or circumstances uncontrollable by the Lessee, and alterations, additions, and improvements made with the consent of the Director of Administrative Services. On or before the termination or expiration date, whichever is earlier, the Lessee shall remove all furniture, equipment, supplies and other materials owned and controlled by Lessee.

12. WAIVER OF DEFAULT

The City does not waive full compliance with the terms and conditions of this Lease by acceptance of rent. No waiver of default by either party of any of the terms, covenants and conditions hereof shall be construed or operate as a waiver of any subsequent default of any of the terms, covenants and conditions hereon.

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13. AMENDMENTS

The parties hereto expressly reserve the right to amend this Lease, from time to time, as may be necessary; Provided, that no alteration or modification of the terms or conditions hereof shall be valid and binding unless made in writing and signed by an authorized representative of each of the parties hereto.

14. NOTICES

All notices to be given by either of the parties hereto to the other party, shall be in writing and may either be delivered personally or may be deposited in the United States Mail, postage prepaid, addressed as specified in Part A hereof, or to such other respective address as the receiving party shall have designated in writing. Notices sent by mail shall be deemed to have been given when properly mailed; the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

15. NO RELATIONSHIP

In no event shall the City be construed or held to have become in any way or for any purpose a partner, associate, or joint venturer of the Lessee or any party associated with the Lessee in the conduct of the Lessee's business or otherwise. This Lease does not constitute the Lessee the agent or legal representative of the City for any purposes whatsoever.

16. DIRECTOR OF ADMINISTRATIVE SERVICES

The term "Director of Administrative Services" as used throughout this Agreement in regard to permission, warrant, consent, approval, rights, interpretation, and discretionary matters shall mean the Director of Administrative Services or his designee; Provided, that the action of the Director of Administrative Services pursuant to or in implementation of this Lease does not constitute any official action by any other City Department or official that may be required by law, ordinance, rule or regulation before the Lessee may rightfully commence, suspend, enlarge, or terminate any particular undertaking or may obtain or exercise any particular right or privilege under this Lease. Decisions to be made by the Director of Administrative Services shall be left to his/her reasonable discretion. Any approval, consent, or permission of the Director of Administrative Services required by this Lease shall not be unreasonably withheld.

17. ADJUDICATION

This Lease shall be construed under all of the applicable laws, statutes, ordinances, rules and regulations of the United States, the State of Washington and the City of Seattle. In the case of a dispute between the parties, jurisdiction over such dispute shall be with the Superior Court of King County, Washington.

18. BINDING EFFECT

This Lease shall be binding upon the heirs, successors, assigns and all other parties legally empowered with signatory rights of any or all of the parties hereto.

19. INVALIDITY OF PROVISIONS

Should any term, provision, condition or other portion of this Lease be held to be inoperative, invalid or void, the same shall not affect any other term, provision, condition or other portion of this Lease, and the remainder of this Lease shall be effective as if such term, provision, condition or portion had not been contained herein.

MOB.B.1

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

Eff. Date 11/21/80

**MUTUAL AND OFFSETTING LEASE AGREEMENT
PART C - - CONTRACT EXHIBIT
STATEMENT OF GOALS**

The goal of the Mutual and Offsetting Lease Agreement is to document that members of the Central Area Senior Center will provide sufficient hours of service to the center and, therefore, to the community to offset the monetary rental due and payable for each year of the Lease term.

**CONTRACT EXHIBIT
PROGRAM PERFORMANCE STANDARDS**

Based on the amount of Volunteer services provided thus far in 1983, it is projected that the Central Area Senior Center will provide a minimum of 8,000 hours of services to the Seniors of Central and Southeast Seattle.

<u>Category</u>	<u>Frequency</u>
Bridge Class	3 times weekly
Macrame Class	1/wk
Nutrition (Meals and Education)	5/wk
Food Cooperative	3/wk
Lapidary Class	3/wk
Gift Shop	5/wk
Bazaar (Annual Fundraising Event)	Variable (including year-long preparation and event)
Thrift Shop	1/wk
Newsletter	1/mo
Aerobics	2/wk
Sewing Room	5/wk
Nursing Service (Blood Pressure)	2/wk
Painting Class	1/wk
Bowling	1/wk
Quilting	Occasional
Bible Group	1/wk
Receptionists	5/wk
Guitar Class	1/wk
Transportation	Occasional
Entertainment	Occasional
Dramatics	1/wk
Dancing	1/wk
Photography	1/wk
Oral History	2/wk
Choral	1/wk
Visitation (Sick)	Occasional
Clerical	Occasional
Table Pool	5/wk
Grounds Maintenance	Occasional
Thanksgiving Dinner (including Food Preparation, Serving, Transportation)	1/yr
Foster Grandparent	2/wk
Special Events (Pancake Breakfasts, Plant Sale, Luncheons, Dinner Theatre, Senior Week, Rock-A-Thon, Hydro Races)	Occasional

Per the accepted formula for market value of Volunteer service (\$3.35) per hour), Volunteers will provide at least \$26,762.04 of services to the Seniors of these communities.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

CONTRACT EXHIBIT

Budget

BASIS FOR COMPUTATION OF UNIT COST

Unit: A unit is equal to one hour of volunteer service provided by participants at the Central Area Senior Center.
Each hour of service will be computed at the rate of \$3.35 per hour (minimum wage).

Unit: Volunteer service is defined as assistance in the following areas: socialization, recreation, and education; health and nutritional administration; and maintenance of the facility and grounds.

APPROVED QUARTERLY PROJECT SPENDING RATE

The approved quarterly services delivery rate shall be established at \$6,690.51, and may exceed that amount by a maximum of 10% in the first three quarters without prior approval of the City. The annual amount of the delivered services usable as offset to rent is \$26,762.04.

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REC'D OMB DEC 22 1983

825291

**Your
Seattle**
Department of Administrative Services



Frank Doolittle, Director
Charles Royer, Mayor

December 14, 1983

City Council
City of Seattle

VIA: Mayor Royer

ATTENTION: Gary Zarker, Budget Director

Honorable Members:

SUBJECT: Legislative Request - Mutual and Offsetting Benefit Lease
Agreements - Greenwood and Central Area Senior Centers

The Department of Administrative Services (DAS), as lead agency in negotiating and administering Mutual and Offsetting Benefit (MOB) lease agreements, hereby requests enactment of the necessary legislation to authorize the Mayor to execute two MOB leases with Senior Services and Centers.

Senior Services and Centers is the administrative agency which operates the Central Area and Greenwood Senior Centers. They are a nonprofit corporation which provides social, recreation, educational, health and nutritional programs for senior citizens at these two facilities. They have occupied the facilities under various MOB leases since 1978. These lease agreements will establish their occupancy under the new MOB rules in effect this year. In 1983 they will be required to pay \$182.25 in cash each month for the Greenwood Senior Center and \$299.83 per month for the Central Area Senior Center. These amounts are equal to 40 percent of the City's administrative and maintenance costs for these facilities.

There are two basic premises in the establishment of MOB leases. First, that the City will be better able to provide useful and appropriate community services through the purchase of services from MOB agencies and, second, the agencies will be better able to provide the services because a substantial part of the fair market rent for which they are responsible is offset by the value of those services. The services provided by the senior centers to offset the fair market rent in 1983 will amount to \$2,230.17 per month for the Central Area Senior Center and \$1,198.92 per month for the Greenwood Senior Center.

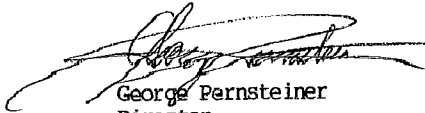
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City Council
Legislative Request - MOB Lease Agreements for
Greenwood and Central Area Senior Centers
December 14, 1983
Page 2

It is this department's recommendation that the attached legislation is in acceptable form and we respectfully request that it be approved providing the authorization for the execution of two MOB lease agreements with Senior Services and Centers.

If you have any questions regarding this matter, please contact Warren Eckstrom of our Property Management Section at 5164.

Sincerely,



George Pernsteiner
Director

GP:we:bcm

Attachments

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE
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THE CITY OF SEATTLE

LAW DEPARTMENT

MUNICIPAL BUILDING - SEATTLE, WASHINGTON 98104

AREA CODE 206 TELEPHONE 625-2402

DOUGLAS N. JEWETT, CITY ATTORNEY

December 13, 1985

Honorable Members
City Council
The City of Seattle

Re: "Mutual and Offsetting Benefit" Lease Agreements

Dear Councilmembers:

In late 1983, this office received four proposed ordinances requesting authorization to execute "Mutual and Offsetting Benefit" lease agreements with Senior Services and Centers, Inc. (for the Central Area and Greenwood Senior Centers), Country Doctor Clinic, First AME Child Development Center, and Central Area Citizens Committee, Inc. (for C.A.M.P.). In the course of our review of the above-mentioned lease agreements, we discovered inadequate descriptions of the in-kind services to be provided to the City by the various lessees and other problems associated with such documents.

To resolve those problems, the staff of the Department of Human Resources and the Department of Administrative Services were contacted. Through the efforts of D.H.R., D.A.S., and Law Department staff work the past several years, these problems have been resolved in negotiations with the various lessees. Our concerns regarding the ability of these subject leases to withstand review by the State Auditor have now been satisfied and we are assured by Department of Human Resources staff that documentation of the provided in-kind services is available.

We transmit herewith to you the following leases together with proposed legislation authorizing their execution on behalf of the City:

- * with Senior Services and Centers, Inc. for
500-30th Ave. So. (Central Area Senior Center)
and 525 No. 85th St. (Greenwood Senior Center)
- * with Country Doctor Clinic for a portion of
the building at 402-15th Ave. E.

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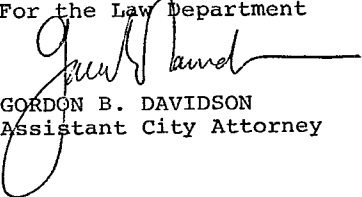
LAW DEPARTMENT--THE CITY OF SEATTLE

Honorable Members
City Council
Page 2
December 13, 1985

- * with the First AME Child Development Center
for a portion of the building at 172-20th Ave.
- * with Central Area Citizens Committee, Inc.
for 722-18th Ave.

Sincerely yours,

For the Law Department


GORDON B. DAVIDSON
Assistant City Attorney

GBD:bb

encs.

cc: Robert Liston, HRD
Warren Ekstrom, DAS
Mary Wing, DAS

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE
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City of Seattle

Executive Department-Office of Management and Budget

Gary Zarker, Director
Charles Royer, Mayor



December 27, 1983

COPY OF WRITING RECEIVED

DEC 23 1983

Honorable Douglas Jewett
City Attorney
City of Seattle

Douglas N. Jewett
CITY ATTORNEY

Dear Mr. Jewett:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING
DEPARTMENT: Administrative Services

SUBJECT: M.O.B. leases with the Greenwood and Central Area Senior Centers

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation directly to your office for review and drafting.

After reviewing this request and drafting appropriate legislation:

- (X) File the legislation with the City Clerk for formal introduction to the City Council as an Executive Request.
- () Do not file with City Council but return the proposed legislation to OMB for our review. Return to _____.

Sincerely,

Charles Royer
Mayor

By

George Pernsteiner

GARY ZARKER
Budget Director

GZ/KC/na

Enclosure

cc: George Pernsteiner, Director, DAS

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

City of Seattle

ORDINANCE 112740

AN ORDINANCE relating to the Department of Administrative Services; authorizing the establishment of Mutual and Offsetting Benefit (MOB) lease agreements with Senior Services and Centers.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Mayor is authorized to execute and the City Comptroller to attest for and on behalf of the City of Seattle, two Mutual and Offsetting Benefit (MOB) lease agreements, substantially in the form of Exhibits "A" and "B", attached hereto and identified as "Lease Agreement", with Senior Services and Centers for lease of the buildings commonly known as the Central Area Senior Center, 500 30th Avenue South, and the Greenwood Senior Center, 525 North 85th Street, to operate programs for senior citizens.

Section 2. The consideration for the leases will be fair market rental value as determined by a current real property appraisal. However, as MOB tenants, Senior Services and Centers will pay only a portion of the fair market rent in the form of cash, while the remainder will be paid for by providing a predetermined amount of services to the public for the City.

Section 3. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 4. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 10th day of March, 1986,
and signed by me in open session in authentication of its passage this 10th day of March, 1986.

Approved by me this 20th day of March, 1986.
Charles R. Berner
Mayor.

Filed by me this 20th day of March, 1986.

Norward J. Brooks
Attest: City Comptroller and City Clerk.

(SEAL)

By: J. F. Anderson
Deputy Clerk.

Publication ordered by NORWARD J. BROOKS,
Comptroller and City Clerk.

Date of official publication in Daily Journal of Commerce, Seattle, March 25, 1986. (C-153-X)

C-153-X

Affidavit of Publication

STATE OF WASHINGTON
KING COUNTY—SS.

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
Ordinance No. 112740

.....
was published on March 25, 1986

.....
Subscribed and sworn to before me on

March 25, 1986

.....
Notary Public for the State of Washington,
residing in Seattle.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE
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MOB Lease

Central Area Senior Center

January 1, 1992 - December 31, 1996


MUTUAL AND OFFSETTING BENEFIT LEASE AGREEMENT - PART C

SCOPE OF SERVICES

The Central Area Senior Center shall provide the following services to the City as Mutual and Offsetting Benefits in lieu of payment of the full cash rent for the City-owned office space leased under this agreement. These services will augment the Center's programs offered to elderly persons in the Central Area of Seattle.

Services

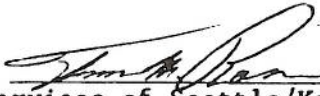
1. Volunteer Hours--Central Area Senior Center staff will train and organize volunteers who will donate their time to assist in the operation of a variety of Center programs. The Center is open from 9:00 a.m.-5:00 p.m., Monday-Friday. Center programs which will benefit from the volunteer services may include but not be limited to:
 - a. Craft and hobby classes and activities including macramé, lapidary, sewing, painting, quilting, music, drama, photography, choral and oral history.
 - b. Nutrition program, including assistance with the regular senior nutrition program, nutrition education and Center food cooperative.
 - c. Health and health maintenance, including health education, foot care, blood pressure clinics, exercise and aerobics.
 - d. Transportation for participants to Center activities or other essential transportation needs.
 - e. Assistance in planning, development, publicity and operation of holiday and other special social programming at the Center.

Approved 
Senior Services of Seattle/King Co
April 1, 1992

MOB Lease
Central Area Senior Center
January 1, 1992 - December 31, 1996

MUTUAL AND OFFSETTING BENEFIT LEASE AGREEMENT - PART C
PROGRAM PERFORMANCE STANDARDS

<u>PERFORMANCE STANDARD</u>	<u>PLAN MONTHLY</u>	<u>PLAN QUARTERLY</u>	<u>PLAN ANNUALLY</u>
Number of Volunteer Hours	824	2,472	8,176

Approved 
Senior Services of Seattle/King Co
April 1, 1992

MOB Lease
Central Area Senior Center
January 1, 1992 - December 31, 1996

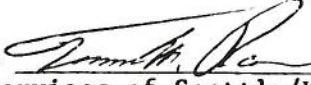
MUTUAL AND OFFSETTING BENEFIT LEASE AGREEMENT - PART C

BUDGET

The budget is based on the following:

	<u>Annual Total Budget</u>
9,893 volunteer hours calculated on the basis of minimum wage of \$4.25 per hour	\$42,044.00

Therefore, under the terms of Part C of this Agreement, the Central Area Senior Center will document 9,893 donated volunteer hours per year for a total of Forty-Two Thousand Forty-Four Dollars and No Cents (\$42,044.00) per year.

Approved 
Senior Services of Seattle/King Co
April 1, 1992

MOB Lease
Central Area Senior Center
January 1, 1992 - December 31, 1996

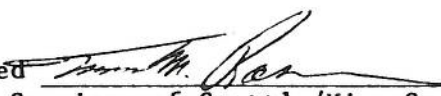
MUTUAL AND OFFSETTING BENEFIT LEASE AGREEMENT - PART C

REPORTING REQUIREMENTS

1. A Quarterly Activity Report (Attachment #1) will be filled out by the Agency and submitted to the City. This report will be submitted within ten (10) working days of the close of each quarter. Two copies of the report are required.

Quarterly reports will contain data showing performance for the quarter and cumulative performance for each year of the Lease Agreement.

2. The Quarterly Activity Report will be submitted to Seattle Department of Housing and Human Services, Alaska Building, 618 Second Avenue, Sixth Floor, Seattle, Washington 98104; Attention: Robert Liston.
3. Failure to submit Quarterly Activity Reports may be grounds for eviction.

Approved 
Senior Services of Seattle/King Co
April 1, 1992

MOB Lease
Central Area Senior Center
January 1, 1992 - December 31, 1996

ATTACHMENT #

1992 - 1996

QUARTERLY ACTIVITY REPORT

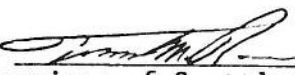
Contractor's Name/Program: Central Area Senior Center - Mutual and Offsetting Benefit Lease

Person Completing Form: _____ Phone: 447-7816

Program Address: 500 30th Avenue South, Seattle, WA 98144

Contract Period: 1/1/92 - 12/31/96 Reporting Interval: _____

PROGRAM ACTIVITY ITEMS	PERFORMANCE FOR CURRENT REPORTING INTERVAL			CUMULATIVE THRU END OF PREVIOUS QUARTER	PERFORMANCE FOR ANNUAL REPORTING PERIOD		
	ACTUAL PERFOR- MANCE	PLANNED PERFOR- MANCE	% OF PLANNED PERFOR- MANCE		ACTUAL TO DATE	TOTAL PLANNED	% OF TOTAL PLANNED
Volunteer hours in support of Senior Center programs		2,474				9,893	

Approved 
Senior Services of Seattle/King Co
April 1, 1992

5721 (GENERAL)

COMPTROLLER
FILE NUMBER

282550

C.B. NO. 70948

REQUEST
OF

DEPT. OF HUMAN RESOURCES FOR AUTHORIZATION
OF A CONTRACT WITH THE STATE FOR "REFERENDUM
29" FUNDS TO AID IN ACQUISITION AND REMODEL-
ING "SUNRISE HOUSE" FOR THE CENTRAL AREA
SENIOR CITIZENS' CENTER.

(AMOUNT: \$185,000.00)

10/28 - grant + prepare

11/6/75 grant + prepare begin

11/25/75 B.P.G. Grant

11/26/75 Grant

FILED OCTOBER 21, 1975

C. G. ERLANDSON
COMPTROLLER AND CITY CLERK

[Signature] DEPUTY

ACTION OF THE COUNCIL

REFERRED

OCTOBER 27, 1975

REFERRED

REFERRED

REPORTED

DEC 1 1975

RE-REFERRED

REPORTED

TO

PARKS & PUBLIC GROUNDS
FINANCE

TO

TO

DISPOSITION

GRANTED

TO

DISPOSITION

REPORT OF COMMITTEE

Mr. President: PARKS & PUBLIC GROUNDS FINANCE Committee
Your REQUEST

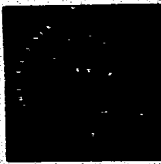
to which was referred the within.....
would respectfully report that we have considered the same and respectfully recommend that.....

THE SAME BE GRANTED

John R. Miller
CHAIRMAN

D. Hill

CHAIRMAN



SEATTLE CITY COUNCIL

OCT 15 PM 4:14

OFFICE OF THE MAYOR—CITY OF SEATTLE

Wes Uhlman, Mayor

October 15, 1975

The City Council
The City of Seattle

Honorable Members:

The attached letter from Department of Human Resources
Re: contract with State DSHS for Referendum 29 for Central Area Senior Center.
has been reviewed by the Office of Management and Budget. We
concur with the recommendation contained therein and recommend
that the same be adopted.

Sincerely,

Wes Uhlman
Mayor

by

Walter R. Hundley
Budget Director

WRH: VJ:mr
Attachments

cc: Mayor's Office

**Your
Seattle
Department of Human Resources**

Curtis M. Green, Jr., Director
Wes Uhlman, Mayor



October 1, 1975

RECEIVED

OCT 3 1975

OFFICE OF MANAGEMENT
& BUDGET

Mayor Wes Uhlman
City of Seattle
1200 Municipal Building
Seattle, Washington, 98104

Attn. Walter R. Hundley, Budget Director

RE: Request for legislation authorizing execution of a contract
with State DSHS for Referendum 29 funds for Central Area
Senior Center.

This is a request for legislation for authority to execute a
contract with the Washington State Department of Social and
Health Services for \$185,000 in Referendum 29 funds to aid in
the acquisition and remodeling of the "Sunrise House" for the
Central Area Senior Citizen's Center.

These funds were appropriated by Ordinance #104597, however this
ordinance did not authorize the Mayor to execute the contract.
The attached draft ordinance is to authorize execution of such
a contract.

Thank you for your attention to this matter.

Sincerely,

Curtis M. Green, Jr.
Director

cc: Ted Best, AAA
Cheryl Cobbs, AAA
OPP

CMG: *KCS*
RCS/BL/b

DRAFT ORDINANCE

AN ORDINANCE authorizing execution of a contract with the Washington State Department of Social and Health Services to aid in the acquisition and remodeling of the "Sunrise House" for the Central Area Senior Center.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1 That the Mayor is hereby authorized for and on behalf of the City of Seattle to execute a contract with the State of Washington Department of Social and Health Services for Referendum 29 funds in the amount of One Hundred Eighty Five Thousand Dollars (\$185,000) to aid in the purchase and remodeling of the "Sunrise House" for use as a Senior Citizen's Center in the Central Area of the City; and the Mayor is further authorized to submit such other documents and assurances as may be required by said Department of Social and Health Services in connection with such a contract, all as contemplated in Resolution 24790 and Ordinance 104597.

TIME AND DATE STAMP

SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY
THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

John R. Miller

FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO:

for P.D.
Finance

[Signature]

PRESIDENT'S SIGNATURE

4T 79 (GENERAL)

COMPTROLLER
FILE NUMBER 281146

C.B. NO. 9631 REQUEST Ord 104597
OF

SUPT. OF BUILDINGS, ET AL., FOR LEGISLA-
TION AUTHORIZING APPLICATION FOR STATE
GRANT ASSISTANCE FOR ACQUISITION OF SUN-
RISE HOUSE FOR A CENTRAL AREA SENIOR CENTER;
NEGOTIATION FOR AND ACQUISITION OF SAID FACILI-
TY; AND FOR APPROPRIATIONS AND AUTHORITY FOR
REMODELING WORK, ETC.

4/8/75 - P&G - grant prep legis
4/12/75 - Fin - grant + prep legis
6/5/75 Fin - grant

FILED MARCH 11, 1975

C. G. ERLANDSON
COMPTROLLER AND CITY CLERK

BY D. F. Fenton DEPUTY

ACTION OF THE COUNCIL

REFERRED	TO
MARCH 17, 1975	PARKS & PUBLIC GROUNDS FINANCE
REFERRED	TO
REFERRED	TO
REPORTED	DISPOSITION
JUN 9 1975	GRANTED
RE-REFERRED	TO
REPORTED	DISPOSITION

REPORT OF COMMITTEE

Mr. President:

Your..... PARKS & PUBLIC GROUNDS

FINANCE

.....Committee

to which was referred the within..... REQUEST

would respectfully report that we have considered the same and respectfully recommend that.....

THE SAME BE GRANTED

J. H. Hill

CHAIRMAN

John R. Miller

CHAIRMAN

Your
Seattle

Department of Human Resources

Curtis M. Green, Jr., Director
Wes Uhlman, Mayor



May 28, 1975

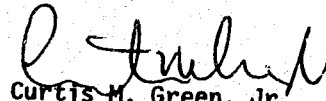
Honorable Sam Smith
President, Seattle City Council
Municipal Building
Seattle, Washington 98104

Dear Councilman Smith:

Attached is a notice of award from the State Department of Social and Health Services for a maximum of \$185,000 in Referendum 29 funds for the purchase and remodeling of a facility for the Central Area Senior Center.

This award clears the way for Council action on C.B. 96317 which is presently being held in the Finance Committee. Passage of the ordinance will allow the Department of Human Resources and the Building Department to negotiate a contract with the State of Washington DSHS. Also, this will allow the City to proceed with the acquisition and remodeling of Sunrise House so that this splendid building may become the badly needed new site for activities for Central Area Senior Citizens.

Sincerely,


Curtis M. Green, Jr.
Director

CMG:RS:rlv

cc: Councilman Tim Hill

Attachment

RECEIVED
MAY 27 1975
Dept. of Human Resources

State of
Washington
Department
of Social & Health
Services



May 22, 1975

Honorable Wesley Uhlman
Mayor, City of Seattle
Municipal Building
Seattle, Washington 98104


Dear Mayor Uhlman:

It is my pleasure, on behalf of the Department of Social and Health Services, to inform you that your application on behalf of the City of Seattle for a maximum of \$185,000 in Referendum 29 Funds for the acquisition and remodeling of a facility for use as a senior citizen center has been approved.

Distribution of the state general obligation bond funds will be made according to terms of a negotiated disbursement contract. You will be contacted by a representative of our Administrative Services Division to begin negotiation of a disbursement contract.

Congratulations and my best wishes for a successful project.

Sincerely,


CHARLES R. MORRIS
Secretary

cc: Curtis M. Green, Jr.
Director, Department of Human Resources ✓

DANIEL J. EVANS, Governor CHARLES R. MORRIS, Secretary
P. O. Box 1788, Olympia, Washington 98504, Telephone (206) 753-3395

Your City, Seattle

Executive Department-Office of Management and Budget

Walter R. Hundley, Director
Wes Uhlman, Mayor



April 2, 1975

The City Council
The City of Seattle

Honorable Members:

The attached letter from the Superintendent of Buildings requests that Ordinance authority be provided to acquire the Sunrise House located at 30th Avenue South and South King Street. This facility is intended to be used as a senior center in Seattle's Central Area. The acquisition costs for the property are \$210,000; an additional \$60,000 is required for architects' fees, engineers' fees, and renovation of the structure for a total capital expenditure of \$270,000.

The Department of Human Resources, for the City of Seattle, has applied for \$185,000 of Referendum 29 funds. The 50% match required for these funds will be met (1) with the \$85,000 of General Revenue Sharing Funds allocated for this purpose plus (2) a \$100,000 in-kind contribution from the present owner of Sunrise House which is derived as follows: the current value of the facility has been determined by an independent appraiser, and verified by the Building Department, to be \$300,000; the owner will sell the facility to the City for \$200,000.

The State Office of Community Development has approved the Ref. 29 grant application for this facility. On March 26, the application was forwarded to the State Office of Program Planning/Fiscal Management and the DSHS Planning and Research Division for final review and approval. It is anticipated that formal notification of grant award will take place within the next 30 days. Don Custer, Chairman of the Referendum 29 Committee, anticipates no further delay in funding for Sunrise House.

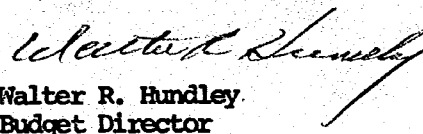
No award of funding has yet been made. There is one possible problem area: two bills are currently before the legislature which would reduce local match requirements. This change could jeopardize the City's Sunrise House application. However, it is not likely that this will happen.

This request for legislation has been submitted to the Council prior to receipt of the notification of award in the interests of shortening the length of time before the Central Area senior citizens can move into their new facility. I recommend that the Council Committee grant and recommend that legislation be prepared for an appropriation for this project from the Emergency Fund, reimbursable from Referendum 29 funds, and from General Revenue Sharing, but that no final action be taken until after the City receives notification that the Referendum 29 funds have been awarded.

Letter to City Council
April 2, 1975
Page two

With regard to the request that authority be granted the Superintendent of Buildings to negotiate a lease agreement for the City, as represented by DHR, for the period of escrow closing, I recommend that these additional costs not be incurred. It is my understanding that the Central Area Senior Center can remain in its present location at 2017 South Jackson for a few more months until the Sunrise House becomes the property of the City of Seattle.

Sincerely,


Walter R. Hundley
Budget Director

WRH:VJ:mr

cc: Bill McMillan, Building Dept.
Curt Green, Dept. of Human Resources

CITY COUNCIL TRANSMITTAL

SEATTLE CITY COUNCIL

C. F. # 281146

TO:

John Harris
Corp. Counsel

'75 APR 30 PM 4:41

Date Sent:

4/10/75

Reply Requested By:

4/17/75

FROM:

Tim Hall Chm.
Finance Committee

Subject: Req of Supt of Buildings for
auth. of state grant for Acquisition
of Sunnyside House for a Central
Area Senior Center

ACTION
— required —

Review and Return File With Your Answer to Sender

Review and Answer Petitioner, Return File and Copy of Answer to Sender

Review and Make Recommendations, Return File and Recommendations to Sender
() In Duplicate

X Prepare Legislation and Return File to Sender

Additional Information:

Please prepare legislation in time for introduction the
week of April 21.

R. M. Y.

Signature

April 25, 1975

Sunrise House/Newhaven

Pioneer National Title Insurance Co.
719 Second Avenue
Seattle, Washington 98104

Attn: W. W. Walker

Gentlemen:

The City of Seattle has completed negotiations in the above titled project and now desires to make use of your services as escrow agent. Enclosed is an option in the amount of \$300,000.00 for the sale of real estate covering the property described therein and signed by the President and Secretary/Treasurer of the Sunrise House/Newhaven. Sunrise House/Newhaven may be contacted through their attorney, William R. Thomas, Suite 1520, 1411 Fourth Avenue Building, Seattle, Washington 98101, telephone 623-5344. The address of the subject property is 500 30th Avenue South, Seattle, Washington 98144.

The City is to be furnished a standard form owner's policy of title insurance. In addition to the purchase price as set forth in the option, we will pay the following: State Revenue Stamps, Total Escrow Fee, Title Insurance Premium and Recording and Filing Fee. Full or part year property taxes paid prior to the City acquisition date should be prorated but the moneys will not be rebated by the City. Prepaid property tax rebated can be obtained by the former owner directly from the County to whom they were paid. As part of the escrow we ask that you furnish any owner who may so require the necessary documentation to enable them to obtain the rebate.

Closing is contingent upon the City receiving supplementary grant monies from the State of Washington for this project and adopting an ordinance authorizing the purchase. The legal department is presently preparing legislation authorizing the grant application by the City and purchase contingent upon receipt of the monies from the Referendum 29 Bond funds.

April 25, 1975

By prior agreement between the grantor and the City, one-third of the purchase price is to be a gift consideration. City policy requires that all consideration be shown on face of the document. Please contact Mr. William R. Thomas, counsel for the grantor, as to the specific wording required to satisfy the Internal Revenue Service requirements and maintain the grantor's tax exempt status.

If you have any questions, please call R. Lloyd Hoagland, Property Agent, at 583-5754.

Very truly yours,

ALFRED PETTY, P.E.
Superintendent of Buildings

By
ROBERT L. SNYDER
City Architect

W.S.M.
WSM:mc

Encl.

cc: William R. Thomas

**Your
Seattle
Department of Human Resources**

Curtis M. Green, Jr., Director
Wes Uhlman, Mayor



January 24, 1975

Charles R. Morris, Secretary
D.S.H.S. Planning and Research Division
P. O. Box 1788, Mail Stop 15-1
Olympia, Washington 98504

RE: Proposal and Application for Referendum 29
Funds in the Amount of \$185,000

Dear Mr. Morris:

I am forwarding our proposal and application for Referendum 29 Funds in the amount of \$185,000. These funds will enable the City to acquire and develop the Central Area Senior Service Center at the site of Sunrise House and will allow the City to carry out a municipal program for senior citizens.

We look forward to your favorable review and early reply.


Sincerely,

Curtis M. Green, Jr.
Director, Department of Human Resources

CMG:RCS:mh

Attachments

cc: Ted Best

FORM R-29	Washington Department of Social & Health Services 	REFERENDUM 29 FUNDING APPLICATION	RETURN TO: Referendum 29 Program DSHS Planning & Research P. O. Box 1788 Olympia, Washington 98504 (Mail Stop 15-1)
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For DSHS Use only →	Application Number:	Clearinghouse Identifier:
---------------------	---------------------	---------------------------

(See "Instructions" On Reverse Side of Page)

1. Name of Applicant Agency City of Seattle/Dept. of Human Resources		2. Department or Division Division on Aging	
3. Street Address or Box Number 313 1/2 1st Avenue South			4. County King
5. City Seattle	6. Zip Code 98104	7. Telephone: Area Code/Number/Extension (206) 583-6513	
8. Contact Person Curt Green		9. Title or Position Director	
10. Mailing Address same as above			11. County
12. City	13. Zip Code	14. Telephone: Area Code/Number/Extension	
15. Project Title Central Area Senior Center			
16. Project Location (Street Address, if any, or attach Legal Description of Property) 500 30th Avenue South			
17. City Seattle	18. County King	19. Zip Code 98144	
20. Applicant is: (Check most applicable box)			
a <input type="checkbox"/> State of Washington c <input type="checkbox"/> County e <input type="checkbox"/> Indian Tribe b <input type="checkbox"/> State Agency d <input checked="" type="checkbox"/> City or Town f <input type="checkbox"/> Taxing District			
21. Ownership of Project Site (IS <input type="checkbox"/>) (WILL BE <input checked="" type="checkbox"/>) Held By: (Check one box on each line)			
a <input checked="" type="checkbox"/> Applicant Agency b <input type="checkbox"/> Operating Agency c <input type="checkbox"/> Other Agency If other than "Applicant Agency" is checked above, please identify Agency:			
22. Fee Title Ownership of Project Site Will be Acquired by: (Omit this item if applicant already owns site) (Check one box)			
a <input type="checkbox"/> Eminent Domain b <input type="checkbox"/> Condemnation c <input checked="" type="checkbox"/> Purchase d <input type="checkbox"/> Other If "Other" was checked above, please explain:			
23. If Applicant Neither Owns Nor Plans to Acquire Project Site, Please Explain Situation: (Attach separate sheet if necessary)			
N/A			
24. If Site is Now Privately Owned, What is the Projected Date of Acquisition by Agency?			
Month: <u>May</u> Year: <u>1975</u>			
25. Is Demolition of Existing Structure(s) Required for Project?			
a <input type="checkbox"/> Yes b <input checked="" type="checkbox"/> No			

(See "Instructions" on reverse side of page.)

26. What type of facility is proposed? (Check all appropriate boxes)

- a ☐ Juvenile Rehabilitation
 b ☐ Developmental Disabilities
 c ☐ Interim/Crisis
 d ☐ Diagnostic
 e ☐ Probation/Parole
 f ☐ Vocational Rehabilitation

- g ☐ Group Home
 h ☐ Jail
 i ☐ Mobile Unit
 j ☐ Public Health
 k ☐ Sheltered Workshop
 l ☐ Multi-Service

- m ☐ Mental Health
 n ☐ Work Release
 o ☐ Day Care
 p ☐ Half-Way House
 q ☐ Mental Retardation
 r ☐ Drug Abuse

s ☒ OTHER (Please specify):

Senior Center

27. Will applicant agency occupy/use facility?

7 Yes ☒ No

28. Will other public or private agencies occupy/use facility?

☒ Yes ☐ No

29. Which agencies other than the applicant will occupy/use facility? (Please indicate whether listed agencies are public or private organizations)

Name of Agency	Public	Private
a Central Area Senior Center	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b	<input type="checkbox"/>	<input type="checkbox"/>
c	<input type="checkbox"/>	<input type="checkbox"/>
d	<input type="checkbox"/>	<input type="checkbox"/>

(Attach separate sheet if necessary.)

30. ATTACH LEASE AGREEMENT OR LETTER OF UNDERSTANDING BETWEEN APPLICANT AND EACH OCCUPYING/USING AGENCY LISTED IN ITEM 29 ABOVE. Be sure documents submitted clearly set forth the term (time length) of occupancy or usage and the consideration (rental charges, payments, exchange of services, etc.) for such occupancy or usage. Attachment "A"

31. Which agency will be responsible for the maintenance (repairs, utility costs, janitorial services, security, etc.) of the facility? (Check most appropriate box)

- a ☐ Applicant b ☐ Owner c ☐ Occupant d ☒ Other

If "Other" was checked above, please specify: Senior Services and Centers, the operating agency, will have direct responsibility for maintenance of the facility. The City of Seattle and United Way will provide funding support.

32. From what source(s) will operating funds be derived? (Check all appropriate boxes)

- a ☐ Rental charges
 b ☐ Client fees
 c ☒ Local tax revenues
 d ☐ Revenue sharing funds

- e ☐ Federal grants
 f ☐ State grants
 g ☒ United Way's grants
 h ☒ Local community contributions

- i ☒ Donations: funds
 j ☒ Donations: services
 k ☐ Sale of Products
 l ☐ Sale of Services

m ☐ OTHER (Please specify):

33. Which agency would maintain facility in event legally responsible agency fails to perform as agreed? (Please specify):

City of Seattle

34. ATTACH COPY OF MAINTENANCE AGREEMENT, IF ANY EXISTS, FOR PROPOSED FACILITY. Be sure documents set forth any penalty or recourse available to applicant in event of default. None available at the present time

(See "Instructions" on reverse side of page.)

35. What is the total population of the area for which the applicant agency has jurisdiction? 530,831
36. What is the total population of the service or catchment area of the proposed facility? 48,922

37. To what extent will the client population(s) be served by the proposed facility?

Client Category	Est. total existing client pop.	Est. no. clients served 1st yr. of opns.	% of client pop. served 1st yr.	Est. client capacity or maximum load	% of client pop. served at capacity	Year maximum capacity will be attained
a Elderly, age 60 & over	10,121	500	3%	1,000	6%	1976
b _____	_____	_____	_____	_____	_____	_____
c _____	_____	_____	_____	_____	_____	_____
d _____	_____	_____	_____	_____	_____	_____

(Attach separate sheet if necessary.)

38. List source(s) of data used to complete Item 37 above:

- a 1970 Census
- b Senior Services and Centers statistical data
- c Central Area Senior Center statistical data
- d _____

(Attach separate sheet if necessary.)

39. ATTACH MAP CLEARLY INDICATING LOCATION OF PROPOSED FACILITY IN RELATION TO CLIENT POPULATION(S) TO BE SERVED. (See "Instructions" on reverse side of page.) Attach. "B"

40. Is proposed facility readily accessible by public transportation?
a ☒ Yes b ☐ No
41. Is it anticipated most clients will travel to and from facility by private auto?
a ☐ Yes b ☒ No

41a. If "No" boxes in both Item 40 and Item 41 above were checked, please specify how majority of clients will gain access to facility services:

N/A

42. What portion of total and client populations is comprised of racial minority persons?

43. Is applicant agency required by Federal law to file an Affirmative Action Plan?

- a
- ☒
- Yes b
- ☐
- No

44. If "Yes" box was checked in Item 43 above, what is status of Affirmative Action Plan?

- a
- ☒
- Implemented b
- ☐
- Approved
-
- c
- ☐
- Completed d
- ☐
- Being Prepared

Minority Group	Est. total number	% of service area pop.	% of client pop.
Black	37,868	43.6	19
Indian	4,123	2.0	1.1
Asian-American	22,077	7.0	8.1
Spanish Surname	10,835	.3	.2
Other:	unavailable	_____	_____

45. Will client or minority populations be afforded opportunities to participate in planning processes for the proposed facility and its location? a ☒ Yes b ☐ No

R-29 (DSHS)	REFERENDUM 29 FUNDING APPLICATION	PAGE 4
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(See "Instructions" on reverse side of page.)

IF PROPOSED FACILITY IS TO BE CONSTRUCTED, OR IF FACILITY IS AN EXISTING STRUCTURE TO BE REMODELED OR IMPROVED, COMPLETE ITEMS 46 THROUGH 60. IF PROPOSED FACILITY IS A MOBILE UNIT, OMIT THIS SECTION AND COMPLETE ITEMS 61 THROUGH 68. COMPLETE BOTH SECTIONS IF BOTH A STRUCTURE AND A MOBILE UNIT ARE INVOLVED.

46. ATTACH SITE OR PLOT PLAN TO SCALE AND INDICATING LOCATION AND SIZE OF SITE AND POSITIONING OF PROPOSED FACILITY ON SITE. (COMPASS DIRECTIONS AND ADJACENT ROADWAYS SHOULD BE NOTED.) Attachment "C"

47. WHAT IS TOTAL AREA OF SITE? 57,720 Square Feet	48. WHAT IS TOTAL AREA OF GROUND SPACE REQUIRED FOR FACILITY STRUCTURE? 8,880 Square Feet
---	--

49. TOTAL FLOOR SPACE OF STRUCTURE: 2 Number of Floors 12,305 Total Square Feet	50. NUMBER OF ON-SITE PARKING SPACES FOR STAFF, CLIENTS, AND VISITORS: 18 Stalls/Spaces
---	--

51. IS SITE ADJACENT (WITHIN 200 FEET OR LESS) TO A LAKE, STREAM, WATERWAY, OR OTHER SHORTLINE OR DOES SITE CONTAIN A SHORTLINE? a <input type="checkbox"/> Yes b <input checked="" type="checkbox"/> No	52. IS AN ENVIRONMENTAL IMPACT STATEMENT REQUIRED FOR FACILITY OR PROJECT? a <input type="checkbox"/> Yes b <input checked="" type="checkbox"/> No
---	---

53. WHAT IS THE LOCAL ZONING CLASSIFICATION OF THE SITE? RD 5000	54. WHAT IS THE STATE FIRE RATING FOR THE FIRE PROTECTION DISTRICT IN WHICH THE SITE IS LOCATED? Class 2
---	--

55. TO WHAT BUILDING CODE FIRE STANDARD WILL FACILITY BE CONSTRUCTED OR REMODELED? Type V Construction I-R	56. IN WHAT FIRE PROTECTION DISTRICT IS SITE LOCATED? Seattle
---	--

57. DOES FACILITY/PROJECT REQUIRE RE-ZONING, VARIANCES, CONDITIONAL USE PERMITS, OR OTHER EXCEPTIONS OR EXEMPTIONS FROM LOCAL CODES OR ORDINANCES?

IF "YES" BOX IS CHECKED, EXPLAIN: a ☐ Yes b ☒ No

(Attach additional sheet(s) if necessary.)

58. DO SITE CONDITIONS PRESENT ANY UNUSUAL PROBLEMS OR SITUATIONS AFFECTING THE COSTS OF CONSTRUCTION OR REMODELING?

IF "YES" BOX IS CHECKED, EXPLAIN: a ☐ Yes b ☒ No

(Attach additional sheet(s) if necessary.)

59. ATTACH ONE COMPLETE SET OF BUILDING OR REMODEL PLANS TO INCLUDE ARCHITECTURAL, ENGINEERING, ELECTRICAL, MECHANICAL, PARKING AND LANDSCAPE PLANS. (Architectural plans must include exterior elevation drawings or scaled perspective drawings of structure(s) for which funding is sought in whole or in part.) Attachment "D"

60. INDICATE TARGET DATES FOR THE FOLLOWING:		
a. Completion of all drawings, plans, and specifications	Month	Day
b. Advertising for bids	Aug	1
c. Opening of bids	Aug	15
d. Awarding of contract(s)	Aug	20
e. Starting date for construction or remodeling	Sept.	3
f. Completion of project <input checked="" type="checkbox"/> or occupancy date <input type="checkbox"/>	Sept.	17
(Check appropriate box)	March	17
		1975
		1975
		1975
		1975
		1976

(See "Instructions" on reverse side of page.)

70. Complete the following facility/project financial breakdown:

If unable to complete this page as part of original R-29 form submittal, see page 8 and follow instructions thereon.

DO NOT
WRITE IN
THIS SPACE

Facility/Project Expense Category "A"	Estimated cost, Bid Price, or Market Value "B"	Column "B" Totals "C"	Column "C" Total "D"
A. PLANNING:			
Architect's Fees	\$ 4,400		
Engineer's Fees	1,000		
Consultant Fees	5,000		
Other Expenses: (Specify)			
TOTAL PLANNING EXPENSES	\$ 10,400		
B. ACQUISITION: Mobile Unit			
Unit or Vehicle Basic Cost	\$		
Optional Equipment Costs			
Non-vehicular Fixed Equipment Costs			
Other Costs/Expenses: (Specify)			
TOTAL MOBILE UNIT EXPENSES	\$ N/A		
C. ACQUISITION: Site/Structure			
Purchase Cost or Value:			
Site	\$ (300,000)		
Existing Structure \$	300,000		
TOTAL SITE/STRUCTURE COSTS \$	4,000		
Appraisal Fees	1,000		
Legal Fees	2,500		
Tax or "In Lieu of Tax" Costs	2,500		
Other Costs/Expenses: (Specify)			
Title & Escrow	2,500		
TOTAL SITE/STRUCTURE ACQUISITION EXPENSES	\$ 310,000		
D. CONSTRUCTION/IMPROVEMENT:			
Demolition/Removal	\$ 9,100		
Grading/Excavation	-0-		
Foundation/Piling	-0-		
Concrete/Paving/Walls/Walks	5,600		
Framing/Rough Carpentry	3,000		
Electrical Wiring/Fixtures	3,500		
Heating/Cooling	500		
Plumbing	4,000		
Drywall/Plaster	1,600		
Finish Carpentry/Trim	3,500		
Millwork/Cabinets	1,500		
Carpeting/Floorcovering/Laminates	1,200		
Glass/Sash	-0-		
Painting/Decorating	800		
Roofing/Gutter/Downspout	-0-		
Landscaping	3,200		
Fixed Equipment	-0-		
Other Expenses: (Specify)			
Contingency	4,500		
Taxes & Administration	3,100		
Contractors Profit	4,500		
TOTAL CONSTRUCT/IMPROVEMENT EXPENSES	\$ 49,600		
E. TOTAL PLANNING, ACQUISITION, CONSTRUCTION, AND IMPROVEMENT EXPENSES	\$ 370,000		

(See "Instructions" on reverse side of page.)


71. What is the appraised value of the site real estate? <u>\$ 9,000</u> *Land only	72. What is the appraised value of site improvements (including structures)? <u>\$ 344,032</u>
---	--

73. Complete the following breakdown indicating the projected and available sources of funding for the proposed facility: (List figures to the nearest whole dollar amount)				
FUNDS SOURCE (See instructions before completing.)	TOTAL AMOUNT	STATUS: On Hand/Approved/Pending		
Donations/Contributions of Cash Funds	\$ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"In Kind" Contributions at Market Value	<u>100,000</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local Agency Tax Revenue Funds	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local Agency Bond Funds	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donations or Contributions Other than Cash	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Revenue Sharing" Funds of Local Agency	<u>85,000</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Federal Grant/Loan Funds: (Specify Type)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Funds: (Specify)	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SUB-TOTAL (Add all listed figures)	\$ 185,000			
Referendum 29 Funds Requested	\$ 185,000			
TOTAL FACILITY/PROJECT FUNDS REQUIRED \$ 370,000				
(*Listed figure should agree with figure listed in Item 70E on page 6 of form.)				

74. What percentage of total facility/project costs would be paid with requested Referendum 29 funds? <u>50</u> %	75. Is sufficient local funding available to start project while Referendum 29 application is being considered? a <input type="checkbox"/> Yes b <input checked="" type="checkbox"/> No
---	--

76. Is Referendum 29 amount REQUIRED in "lump sum" payment? If so, by what date? a <input checked="" type="checkbox"/> Yes b <input type="checkbox"/> No Date: <u>April 1</u> , 197 <u>5</u>
--

77. If Referendum 29 amount may be paid in installments, complete the following "cash flow" estimates for quarterly payments: N/A				
AMOUNT PAYABLE	% of TOTAL GRANT	STATE FIS- CAL QUARTER*	MONTH	YEAR
\$ _____	_____ %	_____	_____	197_____
\$ _____	_____ %	_____	_____	197_____
\$ _____	_____ %	_____	_____	197_____
\$ _____	_____ %	_____	_____	197_____
TOTAL \$	100	(*First quarter begins July 1.)		

80. Complete the following statement and affix agency or notary's seal:	
(SEAL)	I hereby certify that the information provided in this application is true and complete to the best of my personal knowledge and belief. signature <u></u> typed name <u>Wes Onimab, Mayor</u> title or position _____ date _____ city _____

WF1-573



WASHINGTON FUTURE FUNDING QUESTIONNAIRE

WASHINGTON FUTURE PROGRAM
Office of Program Planning and Fiscal Management
Olympia, Washington 98504

(1a) APPLICANT (name & address) City of Seattle/Dept. of Human Resources 313 1/2 1st Avenue South, Seattle, WA 98104		(1b) PROJECT CONTACT (name & title) Curt Green, Director	(1c) TELEPHONE No. (206) 583-6000
(2a) PROJECT PERIOD August 1, 1975 - March 17, 1976		(2b) TOTAL COST OF PROJECT \$ 370,000.00	
(3a) PROJECT LOCATION 500 30th Avenue South	(3b) MUNICIPALITY Seattle	(3c) COUNTY King	(3d) LEGISLATIVE DIST. 37
(4) FUNDING PERCENTAGE:			
FEDERAL %		LOCAL 50 %	WASHINGTON FUTURE 50 %
(5) HAVE YOU COMPLETED AND ATTACHED THE LOCAL FISCAL CONDITION REPORT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		(6) Washington Future Number:	
(7) THIS PROJECT CONFORMS TO THE COMPREHENSIVE PLAN FOR: <input checked="" type="checkbox"/> LOCAL <input type="checkbox"/> REGIONAL <input type="checkbox"/> OR STATE		(8) DURING THE CONSTRUCTION PERIOD INDICATE THE AVERAGE WORK FORCE Six	
(9) WHAT IS THE RESULT OF THE ENVIRONMENTAL IMPACT STATEMENT?			

N/A

(10) IS THIS PROJECT THE RESULT OF A FEDERAL OR STATE STATUTORY REQUIREMENT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	(11) WILL THE NECESSARY FUNDS FOR OPERATING THE COMPLETED PROJECT BE AVAILABLE? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO										
(12) PROJECT BENEFIT MEASURE The completion of this project will insure the provision of needed social/recreational, health, casework, information and referral and nutrition services to at least 500 elderly persons, age 60 and over in Seattle's Central Area.											
(13) CHECK THE FOLLOWING ITEMS THAT HAVE BEEN COMPLETED TO DATE FOR THE PROJECT: <table border="0"><tr><td><input checked="" type="checkbox"/> PLAN DESIGNED</td><td><input type="checkbox"/> PLAN APPROVED</td><td><input type="checkbox"/> ENGINEERING COMPLETED</td></tr><tr><td><input type="checkbox"/> PLAN AUTHORIZED</td><td><input type="checkbox"/> PRELIMINARY ENGINEERING APPROVED</td><td><input type="checkbox"/> ENGINEERING APPROVED AND ACCEPTED</td></tr><tr><td><input type="checkbox"/> PLAN COMPLETED</td><td><input type="checkbox"/> ENGINEERING AUTHORIZED</td><td></td></tr></table>		<input checked="" type="checkbox"/> PLAN DESIGNED	<input type="checkbox"/> PLAN APPROVED	<input type="checkbox"/> ENGINEERING COMPLETED	<input type="checkbox"/> PLAN AUTHORIZED	<input type="checkbox"/> PRELIMINARY ENGINEERING APPROVED	<input type="checkbox"/> ENGINEERING APPROVED AND ACCEPTED	<input type="checkbox"/> PLAN COMPLETED	<input type="checkbox"/> ENGINEERING AUTHORIZED		
<input checked="" type="checkbox"/> PLAN DESIGNED	<input type="checkbox"/> PLAN APPROVED	<input type="checkbox"/> ENGINEERING COMPLETED									
<input type="checkbox"/> PLAN AUTHORIZED	<input type="checkbox"/> PRELIMINARY ENGINEERING APPROVED	<input type="checkbox"/> ENGINEERING APPROVED AND ACCEPTED									
<input type="checkbox"/> PLAN COMPLETED	<input type="checkbox"/> ENGINEERING AUTHORIZED										
(14) IDENTIFY ORGANIZATIONAL AND CITIZEN SUPPORT FOR THIS PROJECT. Senior Services and Centers, Seattle-King County Planning Council on Aging, United Way of King County, Seattle Urban League, Yesler Atlantic Neighborhood Improvement Project, Central Area School Council, Seattle Housing Development, Central Seattle Community Council Federation, N.A.A.C.P., Leschi Golden Age Club, Cherry Hill Baptist Church, First AME Church											
(15) DOES THIS PROJECT PROVIDE THE FOLLOWING: <table border="0"><tr><td><input type="checkbox"/> URBAN EXPANSION</td><td><input checked="" type="checkbox"/> SERVE THE UNDERPRIVILEGED OR HANDICAPPED</td></tr><tr><td><input type="checkbox"/> NEW OPPORTUNITY FOR INDUSTRIAL DEVELOPMENT</td><td><input type="checkbox"/> SAVE HISTORICAL SITES</td></tr><tr><td><input type="checkbox"/> PRESERVE NATURAL SITES</td><td><input type="checkbox"/> PROVIDE ADDITIONAL RECREATIONAL AREAS</td></tr><tr><td><input type="checkbox"/> ELIMINATE OR REDUCE LOCAL NUISANCE CONDITION</td><td><input type="checkbox"/> PROTECT THE NATURAL ENVIRONMENT</td></tr><tr><td><input checked="" type="checkbox"/> PROVIDE YEAR-ROUND USE OF SITE</td><td></td></tr></table>		<input type="checkbox"/> URBAN EXPANSION	<input checked="" type="checkbox"/> SERVE THE UNDERPRIVILEGED OR HANDICAPPED	<input type="checkbox"/> NEW OPPORTUNITY FOR INDUSTRIAL DEVELOPMENT	<input type="checkbox"/> SAVE HISTORICAL SITES	<input type="checkbox"/> PRESERVE NATURAL SITES	<input type="checkbox"/> PROVIDE ADDITIONAL RECREATIONAL AREAS	<input type="checkbox"/> ELIMINATE OR REDUCE LOCAL NUISANCE CONDITION	<input type="checkbox"/> PROTECT THE NATURAL ENVIRONMENT	<input checked="" type="checkbox"/> PROVIDE YEAR-ROUND USE OF SITE	
<input type="checkbox"/> URBAN EXPANSION	<input checked="" type="checkbox"/> SERVE THE UNDERPRIVILEGED OR HANDICAPPED										
<input type="checkbox"/> NEW OPPORTUNITY FOR INDUSTRIAL DEVELOPMENT	<input type="checkbox"/> SAVE HISTORICAL SITES										
<input type="checkbox"/> PRESERVE NATURAL SITES	<input type="checkbox"/> PROVIDE ADDITIONAL RECREATIONAL AREAS										
<input type="checkbox"/> ELIMINATE OR REDUCE LOCAL NUISANCE CONDITION	<input type="checkbox"/> PROTECT THE NATURAL ENVIRONMENT										
<input checked="" type="checkbox"/> PROVIDE YEAR-ROUND USE OF SITE											
(16) DOES THIS PROJECT SATISFY AGRICULTURAL OR INDUSTRIAL WATER DEMANDS? N/A <input type="checkbox"/> YES <input type="checkbox"/> NO											

(17) DESCRIBE THE MULTI-PURPOSE POTENTIAL OF THIS PROJECT AND ATTACH A COPY OF THE PROPOSAL.
This project will combine current senior center activities with the Title VII Nutrition Project's daily meal program. Additionally, a part-time social worker and nurse will be provided by Senior Services and Centers. This program will be an integral part of the comprehensive planning, coordination and service delivery system developed by the Area Agency on Aging for Seattle-King County.

WASHINGTON FUTURE USE ONLY

**Your
Seattle
Department of Human Resources**



Curtis M. Green, Jr., Director
Wes Uhlman, Mayor

January 21, 1975

Referendum 29 Section
DSHS Planning & Research Division
P.O. Box 1788 Mail Stop 15-1
Olympia, Washington 98504

Gentlemen:

This is to advise you that it is the City of Seattle's intent to enter into an interim use lease agreement and negotiate for and acquire the Central Area Senior Center at the site of Sunrise House located at 500 30th Avenue South, Seattle. This will be contingent upon the City receiving Referendum 29 funds from the State of Washington.

Legislation is presently being requested from the City Council for the purpose of authorizing the City to develop the Central Area Senior Center, but this is also contingent on the approval of the Referendum 29 funds by the State.

As soon as we are advised by the State on the allocation of funds for this purpose, the City will take the necessary steps to enter into contract for the development of this project.

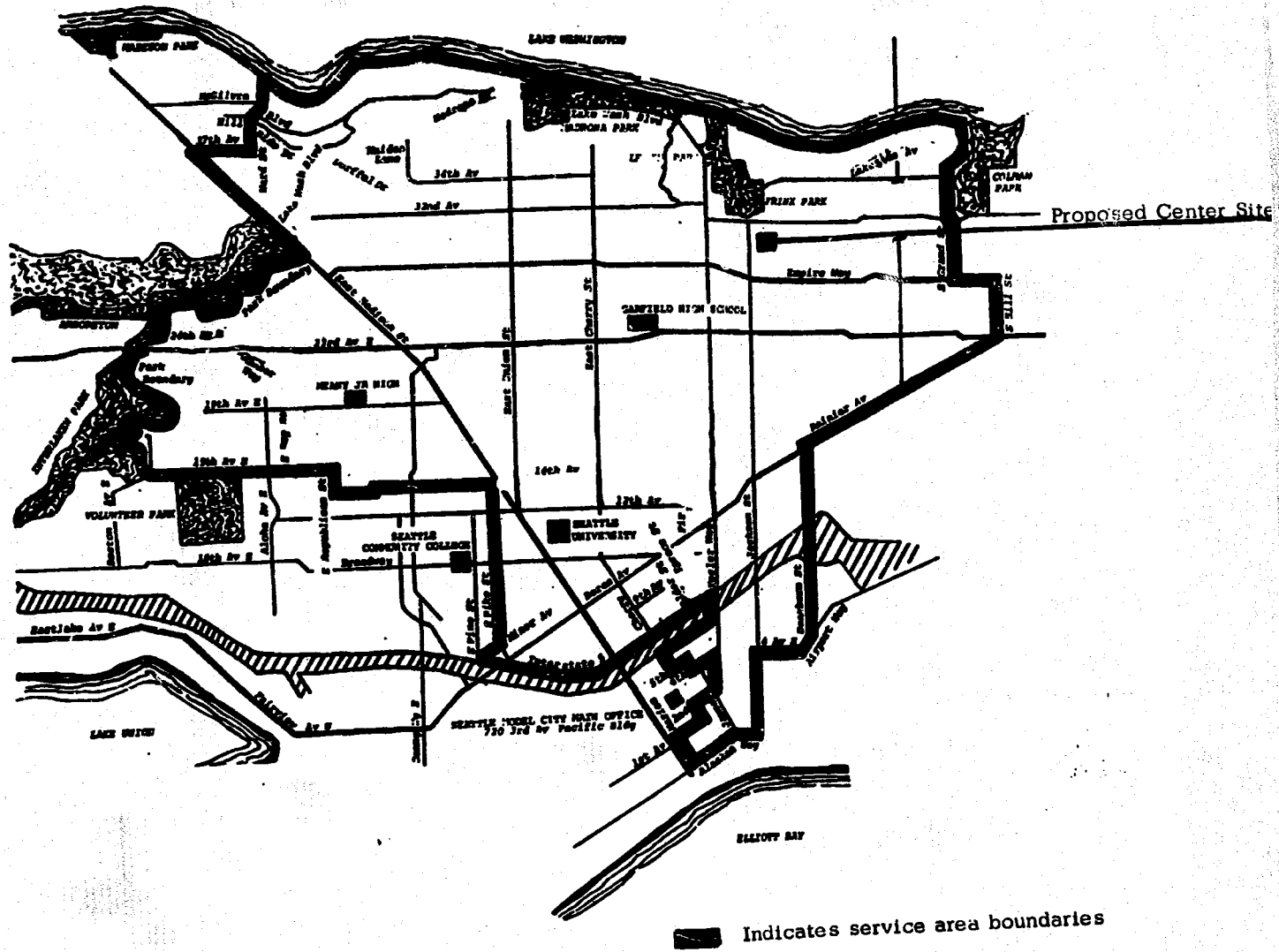
Sincerely,

Curtis M. Green, Jr.
Director,
Dept. of Human Resources

125
CMG:RS:TE:rh

cc: Ted Best
Cheryl Cobbs

ATTACHMENT "B"



City of Seattle - STANDARD OPERATING PROCEDURE NO. 100-014

Section 1 - Title of Program: Central Area Senior Center

Section 2 - Statement of Objectives:

The Department of Human Resources/Area Agency on Aging has applied for Referendum 29 funds to purchase and renovate the Sunrise House facility located at 30th Avenue South and South King Streets in order to establish a permanent senior center in Seattle's Central Area. The present center, located at 2017 South Jackson Street will be demolished in the near future. Additionally, space limitations at this facility have made it impossible to provide a full range of needed services to the elderly.

The target population includes those elderly persons, age 60 and over who reside within the boundaries of the Garfield/Madrona District. This area contains 10,121 persons who are 60 and over. Of this group, 2,112 are low income elderly. The Garfield/Madrona District also contains the highest concentration of minority persons in Seattle-King County.

Completion of this project will insure the provision of needed health, social/recreational, casework, information and referral and nutritional services to at least 500 elderly persons during the first year of operation. This project will combine current senior center activities with the Title VII Nutrition Project's daily meal program and will be an integral part of the comprehensive planning, coordination and service delivery system developed by the Area Agency on Aging for Seattle-King County.

The following objectives have been established for the Central Area Senior Center:

1. To overcome social isolation by serving as a meeting place for elderly neighborhood residents, age 60 and over in Seattle's Central Area.
2. To develop a community of older persons responsible for working towards a comprehensive program of services for all elderly in the Central Area.
3. To establish a health maintenance and education program which will include: foot care clinics, blood pressure checks, health care counseling and health education classes.
4. To provide skilled social work counseling which will enable the target population to maintain their independence.
5. To provide socialization/recreational activities for elderly neighborhood residents in Seattle's Central Area.
6. To contribute toward better nutrition for the elderly through incorporation of the Central Area Senior Center and the Central Area Title VII Nutrition Program.

Section 3 - Fiscal Requirements:

The Central Area Senior Center currently receives funding from a General Fund allocation of \$16,371 and matching funds in the amount of \$10,000 which are provided by United Way. The Area Agency on Aging sub-contracts with Senior

Services and Centers for operation of the center and administers the general fund monies allocated for this purpose. The current contract period is from January 1 - December 31, 1975.

The City has committed general fund monies to this project for a three year period (1975 - 1977) based on matching funds provided through United Way. The City's commitment to fund the center will decrease over this period as United Way increases its funding commitment.

Referendum 29 funds in the amount of \$185,000 have been requested to purchase and renovate Sunrise House. These funds will be matched by general revenue sharing monies in the amount of \$85,000 and a \$100,000 in-kind contribution based on the actual value of this facility. Ordinance authority has been requested to appropriate \$185,000 from the Emergency Fund and \$85,000 from the General Revenue Sharing Fund to acquire and renovate this facility. The Emergency Fund appropriation would be reimbursed upon receipt of Referendum 29 funds or such other funds as may become available. (See detailed budget attached) Both Referendum 29 and General Revenue Sharing funds are "one-time only" grants specifically earmarked for purchase and remodeling costs.

Section 4 - Personnel Requirements:

A full-time Director and part-time Secretary are funded through utilization of General Fund monies. United Way provides funding support for a part-time Social Worker and Nurse. No new staff will be hired.

Section 5 - Facility and Equipment Requirements:

Ordinance authority is being requested to enable the Superintendent of Buildings to negotiate for and acquire the Sunrise House facility as a general municipal property. Maintenance and upkeep will be the responsibility of the sub-contracting agency, Senior Services and Centers.

Additional authority is needed for an interim lease agreement to allow occupancy and use by the senior center during the period of escrow closing and of subsequent design and remodeling.

No equipment will be acquired through utilization of these funds.

Section 6 - Evaluation Criteria and Reporting:

The Superintendent of Buildings will initiate and supervise the purchase and remodeling of Sunrise House, including all design and construction activity, review by the Seattle Design Commission, advertising for bids, awarding of contracts through the Board of Public Works and all other administrative and supervisory activity related thereto before and during construction to completion and final acceptance.

As stated earlier, the Department of Human Resources/Area Agency on Aging currently sub-contracts with Senior Services and Centers for the operation of the Central Area Senior Center. This contract includes a negotiated evaluation plan consisting of a statement of program objectives, performance standards for measuring accomplishments of objectives and reporting requirements delineating necessary data collection for tracking actual program activities.

Section 7 - Alternatives:

In June of 1974, two consultants were hired to investigate the feasibility of all alternatives for a senior center in the Central Area. The consultants' report and a similar report issued by the Seattle-King County Planning Council on Aging recommended the purchase of Sunrise House over all other alternatives.

Failure to provide necessary authorization for funding would severely jeopardize

-3-

ardize the establishment of a permanent senior center in the Central Area.

CENTRAL AREA SENIOR CENTER - Sunrise House Purchase and Renovation Budget

	<u>GRS</u>	<u>REF. 29</u>	<u>IN-KIND</u>	<u>TOTALS</u>
<u>Planning:</u>				
Architects Fee	-0-	\$ 4,400.00	-0-	\$ 4,400.00
Engineers Fee	-0-	\$ 1,000.00	-0-	\$ 1,000.00
Consultant Fees	\$ 5,000.00	-0-	-0-	\$ 5,000.00
TOTAL PLANNING EXPENSES	\$ 5,000.00	\$ 5,400.00	-0-	\$10,400.00
<u>Acquisition:</u>				
Site & Structure	\$80,000.00	\$120,000.00	\$100,000.00	\$300,000.00
Appraisal Fees	-0-	\$ 4,000.00	-0-	\$ 4,000.00
Legal Fees	-0-	\$ 1,000.00	-0-	\$ 1,000.00
Tax Costs	-0-	\$ 2,500.00	-0-	\$ 2,500.00
Title & Escrow	-0-	\$ 2,500.00	-0-	\$ 2,500.00
TOTAL ACQUISITION COSTS:	\$80,000.00	\$130,000.00	\$100,000.00	\$310,000.00
<u>Construction/Improvement:</u>				
Demolition/Removal	-0-	\$ 9,100.00	-0-	\$ 9,100.00
Concrete/Paving/Walls	-0-	\$ 5,600.00	-0-	\$ 5,600.00
Framing/Rough Carpen	-0-	\$ 3,000.00	-0-	\$ 3,000.00
Electrical/Wiring	-0-	\$ 3,500.00	-0-	\$ 3,500.00
Heating/Cooling	-0-	\$ 500.00	-0-	\$ 500.00
Plumbing	-0-	\$ 4,000.00	-0-	\$ 4,000.00
Drywall/Plaste	-0-	\$ 1,600.00	-0-	\$ 1,600.00
Finish Carpent	-0-	\$ 3,500.00	-0-	\$ 3,500.00
Millwork/Cabine	-0-	\$ 1,500.00	-0-	\$ 1,500.00
Carpeting/Floorcovering	-0-	\$ 1,200.00	-0-	\$ 1,200.00
Painting/Decorating	-0-	\$ 800.00	-0-	\$ 800.00
Landscaping	-0-	\$ 3,200.00	-0-	\$ 3,200.00
Contingency	-0-	\$ 4,500.00	-0-	\$ 4,500.00
Taxes & Administration	-0-	\$ 3,100.00	-0-	\$ 3,100.00
Contractors Profit	-0-	\$ 4,500.00	-0-	\$ 4,500.00
TOTAL CONSTR/IMPROV.COSTS:	-0-	\$49,600.00	-0-	\$ 49,600.00
 TOTAL BUDGET:	 \$85,000.00	 \$285,000.00	 \$100,000.00	 \$370,000.00

FISCAL IMPACT QUESTIONNAIRE

DATE: 3-14-75

COMMITTEE(S): PP+G / FIN

C.F.# 281146

OMB REVIEW? Yes No X

Needs OMB Review and SOP 100-014 form

alB



CITY OF SEATTLE

DEPARTMENT OF BUILDINGS

ALFRED PETTY, P.E. Superintendent

MEMBER, BOARD OF PUBLIC WORKS

MEMBER, PLANNING COMMISSION

Wes Uhlman, Mayor

February 26, 1975

IN RE: Sunrise House

City Council
City of Seattle

Via Mayor Uhlman

Honorable Members:

Numerous public hearings over the past year have resolved the major problems surrounding establishment of a Central Area Senior Center. In order to facilitate permanent establishment of the center without undue delay, we are recommending purchase of the site and structure of the privately-owned Sunrise House at 30th Avenue South and South King Street. We are therefor requesting ordinance authority for the Department of Human Resources to apply for and receive in the name of the City monies in the form of a grant of State of Washington Referendum 29 Bond Funds intended for use in this kind of project. Contingent upon State approval of the application, we ask that ordinance authority also be provided for the Superintendent of Buildings to negotiate for and acquire as a general municipal property the Sunrise House ownership in an amount not to exceed \$200,000.

To allow occupancy and use by the senior center during the period of escrow closing and of subsequent design and remodeling, additional authority is needed for the Superintendent of Buildings to negotiate for an interim use lease agreement for the City as represented by the Department of Human Resources and Senior Services and Centers, their contract operator. The lease would be consummated with the present owners of Sunrise House at a negotiated figure which, in the judgment of the Superintendent of Buildings, is a reasonable market rental. Finally, your legislation should provide authorization for the Superintendent of Buildings, contingent upon successful completion of acquisition of the property, to initiate and supervise remodeling of the structure, including all design and construction activity, which shall consist of selection and retention of an architect to prepare plans, review by the Seattle Design Commission, advertising for bids, awarding of contracts through the Board of Public Works and all other administrative and supervisory activity related thereto before and during construction to completion and final acceptance.


February 26, 1975

For the above-stated purposes, we ask that the sum of \$185,000 be appropriated from the Emergency Fund and as much as may be available of the General Revenue Sharing Fund allocation of \$85,000 designated for this purpose. Ordinance 103099 previously appropriated \$5,000 of the revenue sharing monies for preliminary studies. The \$3,500 of unencumbered funds presently remaining in that ordinance should be reauthorized within this new proposed appropriation, making an approximate total of \$268,500 available to complete the project. The Emergency Fund appropriation would be reimbursed by the Referendum 29 funding or such other funds as may become available.

All monies in excess of those actually spent for acquisition and leasing should be authorized and available for payment of necessary remodeling and other expenses incidental to establishment of the Center at the selected site. All of the required ordinances should authorize the Mayor and City Comptroller to execute those documents, contracts, agreements or reports and perform such other tasks as may be necessary to complete establishment of the Central Area Senior Center at the proposed Sunrise House location. Your early action on the project will be appreciated. If you have any questions, contact Mr. W. S. McMillan, Administrator of Real Property, 583-5754.

Very truly yours,


ALFRED PETTY, P.E.
Superintendent of Buildings


CURTIS M. GREEN, JR.
Director
Dept. of Human Resources

WSM:mc

TIME AND DATE STAMP

SPONSORSHIP

THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY
THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

John R. Miller

FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO: PPG

Fin.

[Signature]

PRESIDENT'S SIGNATURE



City of Seattle Legislative Information Service

Information retrieved on June 23, 2014 7:17 AM

Clerk File Number: 311072

City Council Changes to the 2011-2012 Proposed Budget and the 2011-2016 Proposed Capital Improvement Program.

Status: Filed

Date of Full Council action: November 22, 2010

Note: Budget documents are also available in the City Clerk's Office [Budget Database](#)

Vote: 9-0

Date Filed with the City Clerk: October 4, 2010

Date introduced/referred to committee: October 4, 2010

Committee: Budget

Sponsor: Godden

Index Terms: CAPITAL-IMPROVEMENT-PROGRAM, BUDGET, LEGISLATIVE-POWERS

References/Related Documents: [Ordinance 123442](#) (introduced as C.B. 116997)

Text

[Clerk's Note: All linked documents are PDFs requiring Adobe Reader or equivalent program to view.]

Table of contents

Summaries and Reports for Information Purposes Only:

Section 1 - Summary Tables and Sheets * [General Subfund Fund Table](#) (.12 MB)

* [Expenditure Summaries \(General Subfund and Total Funds\)](#) (1.07 MB)

* [General Subfund Revenues](#) (1.08 MB)

* Department and Fund Budgets

- [Section 1 Pages 14-80](#) (8.69 MB)

- [Section 1 Pages 81-171](#) (12.7 MB)

* [City Council Position Changes by Department](#) (.96 MB)

Section 2

* [Vote Records Report](#) (1.87 MB)

* [City Council Balance Sheet](#) (3.47 MB)

City Council Changes:

* Green Sheets and Statements of Legislative Intent Approved by the Budget Committee

- [Tabs 1-24](#) (12.9 MB)

- [Tabs 26-79](#) (10.0 MB)
- [Tabs 80-126](#) (13.9 MB)
- [Tabs 127-end](#) (19.4 MB)

* Some Green Sheets impose budget provisos, which, as described in Section 1(b) of the ordinance introduced as C.B. 116997, restrict expenditure allowances shown in Attachment A to the ordinance introduced as C.B. 116997. Some Green Sheets modify revenue estimates in the 2011-2012 Proposed Budget, as described in Section 1(f) of the ordinance introduced as C.B. 116997. Some Green Sheets modify the 2011- 2016 Proposed Capital Improvement Program (CIP), as described in Section 2 of the ordinance introduced as C.B. 116997. In case of conflicting actions approved by the Budget Committee contained in this C.F., the action taken later controls.

* Statements of Legislative Intent (SLIs) state the Council's intent but do not modify the proposed budget, revenue estimates, position modifications, or CIP. The City Council anticipates adopting SLIs by resolution in early 2011. In the case of conflict between the version of a SLI in this C.F. and the version approved by resolution, the latter controls.



Mutual and Offsetting Benefit Lease Policy
FAS Response to SLI 58-1-A-2 Part II
August 15, 2013

Summary

This memorandum provides the Department of Finance and Administrative Services (FAS') response to part two of SLI 58-1-A-2, which was adopted by the City Council as part of the 2012 budget process. The SLI requested two reports, the first of which was transmitted to the Council on April 2, 2012 summarizing cost and funding options to complete needed repairs at City-owned buildings that have Mutual and Offsetting Benefit (MOB) tenant leases. The second part of the SLI called for "...a review of the present MOB situation, policies for MOB leases, and options for MOB facilities, including disposition of the property to current tenants or entities that would ensure that the buildings continue to be leased to organizations providing a public benefit. This report shall be developed with input from current tenants and be informed by a survey of current MOB tenants to assess their ability to pay the lesser of fair market rent or standard City rent for similar facilities." The following responds to the Council's direction by summarizing future ownership and management options for MOB tenants and facilities, assessments of current MOB tenants' ability to pay standard City rent, and tenant input obtained during our study.

Background

The City owns six buildings that house private non-profits with Mutual and Offsetting Benefit (MOB) leases, thereby allowing the tenants to pay the City rent, in whole or in part, through the public services they provide. The majority of non-profits have occupied their respective buildings for more than 35 years. With the exception of the SE Health Clinic, which was built with County bond funds in the late 1980s, these buildings were City-owned facilities that either became surplus in the 1960s or 1970s, or that the City had acquired during the same time period for the specific purpose of having private non-profits provide social services in order to meet emerging needs. The last time the City updated its MOB policies in the late 1980s, it was managing nine MOB leases. As organizations and needs changed, several tenants moved to other buildings or ceased operations. Most recently, Goodwill Development Association disbanded its Teen Parents program at the City's MOB facility at 322 18th Avenue after the City's Human Services Department (HSD) terminated its contract in June 2012. The City's remaining six MOB leases are at facilities that house the Central Area, Greenwood, and Northwest Senior Centers; South Park Neighborhood Service Center; Centerstone (Formerly Central Area Motivation Program); and the Southeast Seattle Health Clinic.

Table 1 lists the City's current MOB tenants, when they (or their predecessor organizations) first began using the facility, what public services they provide and a short description of how the City acquired the properties.

Mutual and Offsetting Benefit Lease Policy
FAS Response to SLI 58-1-A-2 Part II
August 15, 2013

Table 1: Current MOB Tenants

Tenant	Facility Name	Start date	Services provided	How City acquired property
Centerstone (Formerly CAMP)	Former Fire Station 23	1967	Energy assistance, Food bank, Youth programs.	1909 fire station converted to community use with HUD and model cities funds.
Senior Services	NW Senior Center	1973	Senior Programs, Social Work, Legal Consultations, Financial Assistance, Health Care, Meals on Wheels.	Purchased with model cities funds.
SPARC	South Park Neighborhood Center	1973	Food Bank, Meal Programs.	Former Fire Station 26 converted to community use with model cities funds.
Central Area Senior Center	Central Area Senior Center	1975	Senior Programs, Hot meals, Physical Activities, Wellness and Services, Arts and Crafts.	Acquired nursing home with Referendum 29 Funds, gifts, Federal funds and converted to senior center.
Phinney Neighborhood Association	Greenwood Senior Center	1978	Senior Programs, Meals, Health, Legal, Beauty, and community meetings.	Purchased medical clinic with Ref. 29 funds, CDBG and converted to senior center.
Neighborcare	SE Health Clinic	1990	Health and dental care for low-income.	Built with County bond funds. Tenant shares facility with Public Health – Seattle King County.

Although these tenants have occupied City-owned facilities for many years, most are on month-to-month rental status with leases that expired in the mid-1990s.

Table 2 summarizes the current status of leases for each of the MOB facilities.

Mutual and Offsetting Benefit Lease Policy
FAS Response to SLI 58-1-A-2 Part II
August 15, 2013

Table 2: Status of Current Leases with MOB tenants

Tenant	Start Date Current Lease	Current Lease Status	Current Monthly Cash Rent	Current Monthly Services Rent
Centerstone	1992	month-to-month	\$392	\$3,192
Central Area Senior Center	1992	month-to-month	\$246	\$3,503
Greenwood Senior Center	1987	month-to-month	N/A	\$2,342
Northwest Senior Center	1973	Annual	N/A	N/A
SE Health Clinic	1990	month-to-month	\$1,100	\$5,926
SPARC	1992	month-to-month	\$283	\$1,176

Present MOB situation

FAS currently owns six buildings that it leases to non-profit tenants through MOB leases. Facilities with MOB leases include three senior centers (Central Area, Greenwood and Northwest), a neighborhood service center in South Park, a community based non-profit in the Central Area focused on moving people from poverty to self-sufficiency, and a health clinic in Southeast Seattle. Because MOB tenant's rent does not cover full maintenance costs, the City has had to utilize other resources to keep its MOB buildings in good repair.

In its 2012 proposed budget, FAS included \$1.9 million in unprogrammed funds from a property insurance settlement to repair and replace roofs at a number of MOB facilities. During budget deliberations, the City Council issued SLI 58-1-A-2 requesting the Executive to identify all other non-roof related repairs needed to maintain the facilities in a tenantable condition. FAS subsequently hired ARC architects to identify and provide cost estimates for other critical repairs. In addition to the \$1.9 million, ARC identified \$312,000 in critical non-roof repairs.

FAS completed roof repairs at the SE Health clinic in August 2012. Work on the other facilities was deferred for the 2012 building season pending the outcome of this second report. Currently, FAS staff are in the process of completing design documents for roof replacement projects to allow for a shorter execution timeline at each location where the City decides to move forward with the work.

Table 3 below summarizes the total cost of needed repairs by property.

Mutual and Offsetting Benefit Lease Policy
FAS Response to SLI 58-1-A-2 Part II
August 15, 2013

Table 3: Planned Major Maintenance Repairs to MOB facilities

Facility Name	Address	Tenant	Re-Roof \$	Other Repair \$	Status of work
Central Area Senior Center	500 30th Ave S	Central Area Senior Center	455,000	64,000	Design underway
Centerstone	722 18th Ave S	Centerstone	315,000	132,000	Design underway
Greenwood Senior Center	525 N 85th St	Phinney Neighborhood Association			Excluded due to plan to redevelop property
Northwest Senior Center	5431 32nd Ave NW	Senior Services	265,000	41,000	Design underway
SE Health Clinic	4400 37th Ave S	Neighborcare	485,000		Completed August 2012
South Park Neighborhood Center	8201 10th Ave S	SPARC	275,000	44,000	Design underway
Teen Parent Home	339 22nd Ave E	Vacant	105,000	31,000	Work deferred until disposition decision
Total			1.9M	312,000	

The current situation has created several challenges for both the City and its tenants. From the City's perspective, cash rents have not increased commensurate with the costs of maintaining the facilities and the expired leases contain antiquated provisions that do not align well with current operating conditions or practices. From the tenants' perspective, not having site control through long-term leases impedes their ability to get external funding for facility improvements. Furthermore, the service levels MOB tenants currently receive from FAS, which historically had exceeded lease minimums, have declined in recent years due to ongoing budget constraints.

As a result of the recent economic downturn and significant budget reductions, FAS has been forced to reduce services system wide, including service levels provided to MOB. Currently, FAS staff provide only the level of maintenance called for in its MOB tenant leases, which is generally limited to maintaining the external and structural portions of the buildings (roofs, exterior walls, structural members and foundations) and major

Mutual and Offsetting Benefit Lease Policy
FAS Response to SLI 58-1-A-2 Part II
August 15, 2013

systems. In each case, tenants have assumed additional maintenance responsibilities; however, some tenants have deferred maintenance items due to their own budget constraints. Further, although FAS has recently provided clear direction on what maintenance activities it will or will not perform, the antiquated language of the leases does not provide guidance on how to address “new” issues, such as mandatory ADA improvements.

The gap between cash rent received from MOB tenants and the City’s Schedule 2 rate as identified in Table 4 below has been offset, in part, by annual General Subfund appropriations of \$350,000. The City has maintained the facilities within available resources by reducing services and deferring maintenance.

Table 4: Annual Gap between Cash Rent and Schedule 2 rent for MOB facilities

Tenant	Annual Cash Rent	2013 Schedule 2 Annual Rate	Cash rent to Cost Gap	Additional Information
Centerstone	\$4,699	\$98,439	(\$93,740)	
Central Area Senior Center	\$2,957	\$152,908	(\$149,951)	
Greenwood Senior Center	\$ -	\$81,886	(\$81,886)	
Northwest Senior Center	\$ -	\$74,925	(\$74,925)	Lease says City shall make no repairs. Tenant paid \$19,000 in 2012 to make repairs and deferred some maintenance.
SE Health Clinic	\$13,194	\$74,676	(\$61,482)	
SPARC	\$3,390	\$51,989	(\$48,599)	
Total	\$24,240	\$534,822	(\$510,582)	

Policies for MOB leases

Since the City first began leasing its buildings to non-profit tenants for services in exchange for partial lieu of rent, it has struggled with the level of support it should provide to these facilities. City staff have tried to juggle their stewardship responsibility to maintain these buildings, their desire to adhere to state law prohibiting the gift of public funds, and their support of the community services provided by the tenants who occupy these facilities. Although the pressure of maintaining its MOB buildings without an adequate rent stream has proven challenging, public officials have found it extremely

Mutual and Offsetting Benefit Lease Policy
FAS Response to SLI 58-1-A-2 Part II
August 15, 2013

difficult to raise rents or develop other successful models to manage these properties, short of transitioning out of ownership of them.

The City received no cash rent from its earliest MOB leases. In 1968, the City entered into a month-to-month lease with CAMP (now Centerstone) through which CAMP assumed responsibility for utilities and janitorial services and the City assumed major maintenance responsibilities for the facility. In 1973, the City entered into a lease with Senior Services for the Northwest Senior Center that also collected no cash rent. This original one-year lease had a provision for automatic annual renewals that remain in effect today. The Northwest Senior Center lease expressly prohibits the City from making repairs to the structure of the building, including roofing, walls, foundations and existing connections to and from the premises

By the late 1970s, the Council began formulating policies for non-profit tenants in City-owned buildings. Through [Resolution 25410](#), which was adopted as part of the 1977 budget process, the Council stated its intent that non-profit tenants in City-owned properties be required to sign a lease with the City to use their respective properties. The Council also made it clear that leases should specify that the City, through its former Building Department, was responsible for performing major maintenance and short-term capital maintenance on MOB facilities. Tenants were expected to pay for non-capital repairs through a rental assessment of one percent of the value of the property; however, the City's Building Department was authorized, at its option, to allow non-profit tenants to perform their own non-capital repairs in lieu of the one percent rent. This new policy was quickly met with resistance from Senior Center tenants who felt the new charges placed an undue hardship on their programs. In response, the Council adopted [Resolution 25609](#) as part of the 1978 budget process, which committed 1978 CDBG funds to cover the costs of short-term repairs to senior centers.

In 1980, as a partial response to a 1979 report by the City Auditor that found the Building Department was not reviewing MOB leases in a timely manner, nor evicting MOB tenants for non-payment of rent or failing to negotiate renewals, the City Council directed the Building Department's successor, the Department of Administrative Services (DAS) to establish cash rents sufficient to cover the City's administrative charges and major maintenance costs, and to collect service rents sufficient to ensure that the total rent equaled the fair market rent of the property. The [policy](#) also requested that the Executive monitor services provided by MOB tenants.

Over the next several years, MOB leases were revised to conform to the new policies, but by 1988, the City Council revised this policy because the cash requirements were compromising the MOB tenants' ability to provide services. The last update, which was the [1988 MOB policy](#), included a calculation of the City's annualized long-term costs for administration and maintenance. The policy called for tenants to pay progressively more of this annual cost, ramping up from 20% in the first year to 50% in the final year, and 50% for subsequent renewals. Funds for the remaining percentage of the annual cost are supposed to be appropriated from the General Fund through the adopted budget each

Mutual and Offsetting Benefit Lease Policy
FAS Response to SLI 58-1-A-2 Part II
August 15, 2013

year. Services provided by the tenant in lieu of rent were to make up the difference between fair market rent and the cash rent paid by the tenant.

Although the 1988 policy has not been updated and is therefore still in effect, current practices deviate from the policy guidance established at that time. Because the City has not renewed MOB leases in recent years but instead allowed them to operate on month-to-month status, the actual cash collected from rents is significantly less than 50 percent of the City's administrative and major maintenance costs. Even if leases were renewed and formulas updated, the City would not be collecting enough money to cover 50 percent of the costs, because the actual costs to maintain these buildings is significantly higher today than the dollars allocated by formula due to the low fair market value of the improvements on most of these properties and years of deferred maintenance.

It should be noted that, with the exception of Neighborcare, the City supports each of its MOB tenant agencies directly through contracts with the Human Services Department (HSD). As shown in Table 5 below, current contracts range in value from a little more than \$23,000 per year (SPARC) to more than \$100,000 per year (CASC). HSD measures contract compliance based on hours of operation and number of activities. The MOB leases measure service rent by the number of volunteer hours multiplied by the minimum wage for many of the same activities.

Table 5: Human Services Department (HSD) Contracts with MOB Tenants

Program	2013 HSD Contract \$	Clients	Hours of Operation	Health activities #	Other Activities #	Support Group Activities #	Office/ Home visits #
Central Area Senior Center	\$103,753	900	2,100	96	180	60	
Greenwood Senior Center	\$60,989	1,100	2,100	270	260	40	
Northwest Senior Center	\$38,679	2,500	2,300	154	240		50
SPARC Senior Program	\$23,284	75	600	90			40
Centerstone Food Bank	\$35,607						

SLI Response Methodology

As part of the 2012 budget process, the Council requested the Executive to explore whether the MOB tenants could pay the lesser of fair market rent or the City's Schedule 2 rate. The Schedule 2 rate is the annual amount per square foot that City departments pay

Mutual and Offsetting Benefit Lease Policy
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for space (office and warehouse) outside the downtown core and is based upon the actual cost to manage and maintain the entire Schedule 2 portfolio. Schedule 2 provides a complete suite of maintenance services to all aspects of the facility, a much higher level than what is required by the current MOB leases. To establish fair market rent, FAS hired Chiles and Company to provide a Broker's Opinion of Value for each MOB facility.

Chiles and Company determined highest and best use for each facility and sought out comparables to establish both potential purchase price and fair market rent. Some of these MOB facilities possess attributes, such as location, zoning, or historical designation that limit their marketability. Tables 6 and 7 show the MOB property values and fair market rent based on Chiles and Company's assessment. Note that these values are now more than six months old and, if the City were interested in selling any of these properties on the open market, FAS would go through a formal appraisal process before completing any transactions.

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Table 6: Value of MOB Buildings

	Land Assessed Value \$000	Improvement Assessed Value \$000	Total Assessed Value \$000	Broker Opinion of Value \$000	Expansion or development potential
Centerstone	998	428	1,426	2,400	Limited due to zoning and historic landmark status.
Central Area Senior Center	2,304	848	3,152	1,500	Zoning allows up to 10 single family view houses on site.
Greenwood Senior Center	1,759	173	1,932	1,000	Zoning allows additional height and uses.
Northwest Senior Center	1,082	500	1,582	1,000	Zoning allows additional height and uses.
Southeast Clinic	1,875	3,936	5,811	4,350	Zoning allows for additional uses and additional height. Site area is fully utilized in current configuration.
SPARC	100	533	633	500	Limited due to zoning and potential landmark status.
Teen Parent Home	244	316	560	500	Extra lot could be sold, or additional home built.

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Table7: Calculation of Fair Market Rent

Tenant	Rentable Sq ft	Fair Market Rent /Sq ft	Fair Market Rent per month
Centerstone	17,200	\$18.00	\$25,800
Central Area Senior Center	11,073	\$15.00	\$13,841
Greenwood Senior Center	9,211	\$12.00	\$9,211
Northwest Senior Center	8,428	\$16.00	\$11,237
SE Health Clinic	8,400	\$12.00	\$8,400
SPARC	5,848	\$10.00	\$4,873
Total	60,160		\$73,363

In each case, despite all value reductions related to specific facilities, the City's Schedule 2 rent was less than the fair market rent. However, as is apparent in Table 8 below, the gap between Schedule 2 rent and the amounts MOB tenants are currently paying each month is substantial.

Table 8: Current gap between Cash Rent and Lesser of Fair Market Rent and Schedule 2 Rent

Tenant	Monthly Fair Market Rent	Monthly Cash Rent	2013 Schedule 2 Monthly Rate	Monthly Cash Rent to Schedule 2 Gap
Centerstone	\$25,800	\$392	\$8,203	(\$7,812)
Central Area Senior Center	\$13,841	\$246	\$12,742	(\$12,496)
Greenwood Senior Center	\$9,211	\$0	\$6,824	(\$6,824)
Northwest Senior Center	\$11,237	\$0	\$6,244	(\$6,244)
SE Health Clinic	\$8,400	\$1,100	\$6,223	(\$5,124)
SPARC	\$4,873	\$283	\$4,332	(\$4,050)
Total	73,363	\$2,020	\$44,569	(\$42,549)

FAS staff met with each MOB tenant to discuss the Council's SLI, share the results of Chiles and Company's assessment, and solicit their responses to the question of whether they could pay the lesser of Schedule 2 or fair market rent. As a group, MOB tenants perceive any rent increases as a cut in City support which will have a direct impact on their ability to provide services to targeted populations. See Appendix A for tenant

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responses. As discussed in the next section, while tenants would balk at paying substantially more rent, several are interested in acquiring the properties they currently occupy through transfer or sale.

Options for Moving Forward

FAS staff believe the City's current approach to MOB's is not sustainable because the existing methodology for calculating cash rent does not adequately cover the City's facility maintenance costs and MOBs tenants have limited ability to absorb a larger share of the rent without needing to cut services to targeted populations. Although the status quo is unsustainable, each facility has a range of options as illustrated by Table 9 below. As mentioned above FAS has discussed these options with each organization.

Table 9: Options

Tenant	Option 1 Revise Lease and Subsidize Rent	Option 2 Turn Maintenance over to Tenant	Option 3 Transfer Property to Tenant	Option 4 Sell Property to Tenant	Option 5 Terminate Lease
Centerstone	√			√	
Central Area Senior Center	√		√		
Greenwood Senior Center	√		√		
Northwest Senior Center	√	√			
SE Health Clinic	√			√	
SPARC*	√				√

*SPARC has sent the City a letter saying it wishes to terminate lease at the end of 2013, although it has indicated a willingness to continue operating the building if it receives sufficient support.

Option 1 – Revise Leases and subsidize

Each facility could remain within the City's inventory, provided funds were available for the ongoing maintenance of the structural and major mechanical portions of the buildings. If this option were pursued, the City would enter into new long-term leases with each MOB tenant to establish monthly cash rents agreed to by the parties. This cash rent amount could be set at a modest level at the beginning of the lease term and then increase over time. Any deficiency between the cash rent and the cost to maintain would need to be funded through a General Subfund subsidy to ensure adequate funds to

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properly maintain the facilities that remain. As described in Option 2 below, FAS recommends that any subsidy be part of the provider's contract for services with HSD.

Option 2 – Revise leases and turn all maintenance over to tenant

An alternative to providing a General Subfund subsidy to cover FAS's costs to perform ongoing maintenance of the structural and mechanical portions of the buildings is to allow the tenant to take over these responsibilities as part of its long-term lease. This is currently the arrangement that the City has with the Northwest Senior Center through its existing lease. This approach could save money for the tenants as they may be able to procure maintenance and repair services at a lower cost than the City, however, there is a risk to the City that maintenance on its buildings will be deferred, creating additional problems in the future.

In our discussions with the Northwest Senior Center, staff indicated that they would like to renegotiate their lease and have the City provide maintenance, preferably with a reduction in rent, in exchange for services similar to other MOB tenants. In 2012, Northwest Senior Center spent an unbudgeted \$19,000 on maintenance and had to defer some items. Other tenants have varying degrees of interest and capacity to assume maintenance responsibilities. Neighborcare, for example, manages multiple properties including several that it owns, and would be well-positioned to do its own maintenance. However, the SE Clinic operated by Neighborcare shares a building with the Seattle/King County Department of Health, and the Department of Health pays the City Schedule 2 rent to maintain its share of the building. This makes it awkward, but not intractable, for Neighborcare to provide maintenance services.

Option 3 – Transfer properties to existing private non-profits

In general, the City cannot transfer property to a non-profit without adequate consideration because it would be considered to be a gift of public funds, which is prohibited by the Washington State Constitution. There are specific exceptions, including one that applies to two MOB facilities owned by the City -- the Greenwood and Central Area Senior Centers.

In 1972, the State issued \$25 million in bonds to fund facilities for social services, adult and juvenile correction or detention, child welfare, day care, drug abuse and alcoholism treatment, mental health, public health, developmental disabilities, and vocational rehabilitation, as codified in RCW 43.83D. In 2006, the Washington State legislature passed a bill which amended RCW 43.83D.120 to allow facilities purchased with Referendum 29 funds to be transferred to certain non-profits without further consideration as long as the deed transferring the property includes a provision for immediate reversion back to the public ownership if the nonprofit ceases to use the property for the intended purposes. The law also allows the nonprofit to sell the property transferred if certain conditions are met.

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Both Greenwood Senior Center and CASC were acquired in part with Referendum 29 funds and the tenants in each of those facilities are interested in taking ownership through the mechanism provided in RCW 43.83D.120.

Option 4 – Sell property through a negotiated sale to the tenant or third party non-profit.

Both Neighborcare and Centerstone have indicated a desire to purchase the properties they currently occupy. Neighborcare shares the SE Clinic building with Seattle/King County Public Health, which has a lease through 2017 with the City at Schedule 2 rates. Any sale to Neighborcare would require provisions for long-term continued use of a portion of the building by Seattle/King County Public Health. Neither SPARC nor NWSC are interested in acquiring the properties they lease. NWSC's long-term plan is to find an alternative location for the senior center.

Option 5 - Terminate lease, dispose of building

Unless a decision is made to stop delivering services provided by a particular MOB tenant, selling any of the facilities would require obtaining replacement space on the open market. This option may make sense in the case of SPARC due to an interest by SPARC's leadership to cease operation of the building. For the other locations, however, we do not consider this to be a viable option as the fair market rent for replacement space would exceed the cost to maintain the buildings currently housing each program.

SPARC has indicated its desire to sever its lease if it is unable to secure \$50,000 per year of additional funding from the City to continue to operate the building. FAS and HSD have explored options to move senior programs to other locations in South Park and believe there may be capacity to operate these programs in other close-by locations. If this lease were terminated, the City could explore turning the facility over to another non-profit or selling it through a negotiated sale or on the open market.

FAS Recommendations

Due to the strong ties each MOB operation has to its community and the value of the services provided, it is safe to assume that the mission of each of the MOB tenants will continue for the foreseeable future. Because of this, as well as the fact that ownership would provide the operators with more flexibility moving forward, we recommend transferring facilities to the MOB tenant organizations where feasible.

In the case of the Greenwood and Central Area Senior Centers, this transfer may be made without consideration under RCW 43.83D.120 (See Option 3 above). We recommend this option so long as the organizations demonstrate an ability to maintain the facilities on an ongoing basis. The Phinney Neighborhood Association owns and successfully operates facilities of its own and therefore has proven its ability to be good stewards of the Greenwood Service Center. The Central Area Senior Center is a younger organization and therefore additional research is required to ensure this is a viable option.

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Both Centerstone and Neighborcare Health (a tenant at the SE Health Clinic) have voiced an interest in purchasing the buildings they occupy, and we recommend entering into negotiations to achieve sale terms agreeable to both the City and the tenant organizations. Any transfer to Neighborcare Health will require provisions for the long-term occupancy of a portion of the facility by the other major tenant in that building --Seattle/King County Public Health. This may be accomplished through a long-term lease between Seattle/King County Public Health and Neighborcare.

Neither NW Senior Center nor SPARC have expressed an interest in acquiring the buildings they occupy. For NW Senior Center, we recommend entering into a new, long-term lease that provides for major maintenance to be performed by the City to ensure the long-term health of the facility. As reflected in its response to FAS' inquiries, SPARC's leadership voiced its desire to focus on its core mission of economic development and to no longer engage in the management of the facility (see attached Appendix). Upon reviewing the human services delivered at the SPARC facility and other public buildings in the area, we believe it may be possible to provide most, if not all of SPARC's services from other nearby facilities. Additional investigation will be required, however, should this prove feasible we recommend closing the SPARC building and disposing of the property through the City's disposition process.

Based on current subsidies provided from the General Subfund, the City could save about \$275,000 each year in avoided operation and maintenance costs by implementing these recommendations:

	Rent Subsidy	Comment
Transfer Property		
Centerstone	-	Sell property
Central Area Senior Center	-	Transfer at no cost per RCW
Greenwood Senior Center	-	Transfer at no cost per RCW
SE Health Clinic	-	Sell property
Provide Rent Subsidy		
Northwest Senior Center	74,928	Maintain current programs.
SPARC	-	Transfer programs to other facilities.
	74,928	
Existing General Subfund Subsidy:	(350,000)	
Financial Savings to General Subfund:	(275,072)	
Note: Rent subsidy shown is 2013 Schedule 2 rate.		

Ongoing Management of Facilities Retained by the City

For facilities that remain in the City's inventory, there are two issues to consider: 1) how the facility will be maintained going forward and 2) who will pay for it. With regard to the first issue, we believe that FAS's Facility Operations Division is in the best position to either maintain the facilities directly if provided adequate funding, or oversee the maintenance of the facilities if that maintenance is performed by the tenant. With regard to paying for maintenance, if the cash rent provided by the tenant is not sufficient to

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cover maintenance costs and the City provides a subsidy, we recommend that the City budget Schedule 2 rent directly in HSD's budget for payment to FAS and that HSD contract with the MOB service provider for services for an amount equal to the rent subsidy.

FAS staff believes this change is in the best interest of both the City and its service providers. First, it aligns responsibilities with the core competencies of each department. HSD is in the best position to ensure the City is receiving services that would meet the requirements of a subsidy and would be furthering its policy objectives, while FAS is better suited to maintaining facilities. Second, this option provides more transparency regarding the amount of support the City is providing to support desired social services.

We believe there might be additional potential benefits to service providers because HSD provides direct support through existing contracts with all but one of the current MOB service providers. Where there are existing contracts, the rent subsidy could be folded into HSD's current contract. This would likely reduce duplicative record keeping and reporting for the service provider who now has to report on one set of measures to HSD to meet its contract requirements and separately to FAS on another set of outcomes to meet its MOB requirements. A single point of contact and a single contract is likely to provide efficiencies.

ATTACHMENTS: TENANT RESPONSES

- Attachment 1: Central Area Senior Center Response
- Attachment 2: Centerstone (CAMP) Response
- Attachment 3: Neighborcare Response
- Attachment 4: Northwest Senior Center Response
- Attachment 5: Phinney Neighborhood Assoc. (Greenwood Senior Center)
Response
- Attachment 6: SPARC Response

Joyce, Kyle

From: Cynthia Andrews [cynthiiaa@seniorservices.org]
Sent: Tuesday, December 04, 2012 4:40 PM
To: Joyce, Kyle
Subject: Central's response

Dear Kyle,

Thank you for meeting on November 15, 2012 to discuss our current lease and options. This letter is in response to your request addressing the rent and property issues for The Central Area Senior Center (The Central).

The Central Area Senior Center contributes \$246.38 monthly for rental fees for the space located at 500 30th Ave. South. The City of Seattle's fair market rental estimate increase would raise the rate 30 times to \$7483.50. This has a deleterious effect on the The Central's bottomline and its ability to serve over 16,000 seniors annually. It is difficult to provide a dollar amount to the services we provide, but there is no agency in the city of Seattle that attends to the critical and diverse population served at The Central. To cover this \$86,000 annual increase, the special needs and intergenerational programs such as our Kinship program, Seattle Cares mentoring program and our Mother and me programs could no longer be sponsored free of charge at the Central. Finally, civic organizations such as Tabor 100, Alpha Kappa Alpha, Inc. and the Greater Seattle Chapter of Links Inc. and other local groups such as neighborhood block watches could no longer be hosted at theno or low cost due to the shortfall. All of these services address the needs of African American Elders as well as serves a broader community in Seattle and King County. Central is unique for its diverse membership as well as the volunteers that work to keep this agency moving forward. Thus far, ther has been over 3650 volunteer hours served in 2012.

Our current services include Activities include exercise programs, computer classes, guitar lessons, card clubs, dance classes, language classes, recreational trips, and much more. We also specialize in health and wellness programs with an emphasis on diabetes management. Cafe Central, CASC's in-house kitchen, serves up hot meals five days a week including special meals like Soul Food Tuesdays and monthly Birthday Lunches.

Since 1972, there has been a very solid interest and yearning in the African American Community to own this property. Today, there is even a stronger desire to acquire the location. Aligning ourselves with the Neighborhood Plan, we want to build The Central Intergenerational community that continues our African American Heritage but yet serves our entire community. We believe it is important to create a unique sense of place, building on historical strengths and fabric which is woven by all who live here. It would be most beneficial for the community if The Central was to receive ownership of this property. There will be a renewed sense of trust, protection and accountability to maintain, fund and services at this location.

The Central has recently been awarded a Large Neighborhood Matching Grant for design and planning of a new facility at this location. Our goal to ensure this facility remains intact to provide even more services for our current elders, our neighbors and surrounding communities. Our future plan is to build a facility that houses the following: (all *starred programs are currently)

1. A Senior Center which provides education, meals, activities, wellness programs and resource services.*
2. A Specialized health and wellness program for African American Elders*
3. A Community Technology Center open to the entire community*
4. Counseling, educational and activity services for youth aging out of the foster care system

5. After school care for grades K-8
6. A Child Development Center
7. A Kinship Caregiver Center that provides information, assistance and referrals for relatives caring for children*
8. The Urban Green Center that provides education, information and assistance with green energy concepts
9. Youth Mentoring*
10. Café Central is a congregate meal site and café for all ages*
11. Community conference and meeting spaces*

In 2011, the City of Seattle spent approximately \$39,000 in maintenance costs for The Central's facility. This year the cost has significantly decreased to \$13,000 attributable to The Central's being responsible for most all maintenance.

I would like to continue the conversation about property transfer in the very near future. I believe The Central can remain on its own and build towards a brighter tomorrow for our community.

Sincerely,

Cynthia Andrews, Executive Director

Cynthia Andrews, Executive Director

THE CENTRAL - Central Area Senior Center

500 30th ave S

Seattle, Wa 98144

206-434-2230 cell

206-726-4926 office

206-32-9928 fax

www.centralareaseniorcenter.org



A bit of fragrance always clings to the hand that gives you roses.

~Proverb~

Our Mission: The Central Area Senior Center is a non-profit organization that provides physical, emotional and spiritual resources in a multicultural, intergenerational environment, fostering the well being of older adults, their families and the greater community.



November 29, 2012

Kyle Joyce
Department of Finance and Administrative Services
PO Box 94689

Dear Mr. Joyce,

Thank you for meeting with us at Centerstone on November 15th to review current MOB policies and suggested changes to the rental agreement.

After careful review of the information in the Council SLI and the other documents you provided, we want to start by saying how much we appreciate the clear message that your department is committed to working with us to come to a fair and equitable agreement.

We realize that our current rent of \$3,191.75, with 10% of it in cash and the remainder provided as services, which benefit city of Seattle residents, has long been outdated. We are happy to move forward with a discussion resulting in an increase in rent, but due to our tight budgetary constraints, it's imperative that we don't sacrifice our level of service to those living in poverty in Seattle. We suggest that a building rent value should be decided and the services that Centerstone provides to the community should be taken into account for a revised discount to that amount.

In 2011, we provided the following services:

Food Bank

Food given to residents of local area (@\$1.50/lb)	\$1,628,314
Individual Served	87,194
Volunteer Hours Provided	10,474

Energy Assistance

# of Clients given grants to help with energy costs	12,458
Amount distributed in grants	\$4,024,081
Hours of Energy Conservation Education Provided	3,114

Also, in addition to the services we offer, Centerstone has leveraged available private and public funds to make approximately \$150,000 of repairs and upgrades to the building over recent years including: new carpeting, refinishing existing flooring, adding updated room dividers, repainting, bathroom remodel, conference room and kitchen remodel, replacing inefficient freezers in the food bank and removal of various defunct hardware and fixtures.



Based on our conversation and the figures provided, we'd be interested in continuing the current limited services maintenance arrangement that seems to cost somewhere in the \$15K/ year range. With that amount, our revised calculations for 'Updated Rent with 50% of Admin and Maintenance Costs' as outlined in the Rent Calculations spreadsheet, we would be able to afford an increase based on the numbers below.

Updated Rent per 50% of Recent Administrative and Maintenance Costs

Estimated Maintenance Costs (2011)	\$15,000
Monthly Maintenance Cash Rent at 50%	\$625
Property Management Specialist (loaded at 5%, 50%)	<u>\$267</u>
Total Monthly Cash Rent	\$892
Service Rent	\$24,908

We realize this is a process of both sides agreeing to all aspects of a revised lease, we are happy to work further on the details. Please contact us at your convenience to let us know what next steps would be.

Thank you,

Andrea Caupain
Chief Executive Officer



ADMINISTRATIVE OFFICE

905 Spruce Street, Suite 300, Seattle, WA 98104 • 206-461-6935 • 206-461-8382 (Fax)

www.neighborcare.org

December 31, 2012

Kyle Joyce
Department of Finance and Administrative Services
City of Seattle
7000 5th Avenue, Suite 5200
P.O. Box 94689
Seattle, WA 98124-4689

Dear Mr. Joyce:

In the meeting that you, Jan Oscherwitz and I had on December 7th you requested that I provide a written response to you concerning the continuation of the mutually and offsetting benefit (MOB) lease arrangement that Neighborcare Health enjoys at the City-owned facility housing our Rainier Park Medical Clinic.

As you described, the reason for your investigation is that the City Council adopted a Statement of Legislative Intent (SLI) in 2011 which called for a review of the present MOB lease terms. You indicated that it is the City's desire to see MOB lease rates increased to the "standard City rent," which is \$8.89 per square foot in 2013 (although you clarified that it would not be the City's intent to impose this increase during 2013). You also presented me with a copy of the summary presented to Council with the Department of Finance and Administrative Services' response to the portion of the SLI dealing with identification of non-roof related repairs needed to maintain the six MOB buildings, including the Southeast Health Clinic.

Lastly, we reviewed the terms of the existing lease, in particular Section 5.B dealing with maintenance-repairs. You noted that the City is now forced to observe this section in a strict manner, whereas in years gone by the City may have paid for maintenance issues that were beyond its obligation. (I noted that Neighborcare Health has recently made more than \$30,000 in investments in the building.)

The following points are in response to your request:

1. Proposal to increase rent to standard City rate. Neighborcare currently leases 9,203 square feet of the SE Health Clinic facility (including the 775 square feet of pharmacy space previously held by Public Health, Seattle-King County). At the \$8.89 per foot rate, this would amount to an increase in our rental cost of more than \$67,000 per year. Keeping in mind that Neighborcare Health is currently experiencing an operating deficit, a rent increase of this magnitude would represent a financial hardship, and would no doubt represent a loss in uncompensated services afforded to low income City residents.

2. Description of current services provided. Through November 30, 2012, our Rainier Park Medical Clinic had provided 17,229 visits to its overwhelmingly low-income patient population. The dollar value of the uncompensated care provided to uninsured patients approached \$400,000. We are happy to provide a complete year-end reporting of services provided to Seattle City residents at your request.
3. Condition of the SE Health Clinic building. After the SLI was adopted we were hopeful that the study you would commission to comply with the first set of questions concerning condition of the existing building would be sufficient to answer questions we had about the underlying condition of the building. In fact, the review of this particular building by ARC Architects was very cursory, and as a result we contracted separately for a much more extensive review of the building. The conclusion reached by ARC architects, as described in the summary report presented to Council, is that no capital construction costs are needed for repairs. The study that we have conducted refutes this and we will be sharing the conclusions with you in the near future. The need for capital investment in the building, including issues related to the integrity of the building envelope, is substantial.
4. Neighborcare Health interest in assuming ownership of the building. As you know, we have expressed interest in ownership of the building for some time now. We appreciate the predicament that the City is in with this and other MOB leases—that they represent an unfunded mandate placed on your department, and there has been very little capital appropriated to deal with building maintenance issues. This has led to deterioration in the condition and appearance of the building that is problematic for us as lessee. We would like to aggressively explore transfer of ownership of the building to Neighborcare Health, and our understanding is that your department is receptive to this. We understand that a key issue is satisfying the concerns from Public Health, Seattle-King County that their long term space needs will be met. We will be addressing this concern and other points as part of an overall proposal in the near future.

We greatly value the support we have received from the City of Seattle, including your department. We look forward to continuing the dialogue about potential transfer of the building to Neighborcare Health, a true win/win deal in our view.

Please let me know if you have further questions.

Sincerely,



Mark Secord
CEO

cc. Jerry DeGriek, Mayor's office

**Ballard Northwest
Senior Center**



"A Place Where Friends Meet"

**5429 32nd Ave., NW
Seattle, WA 98107**

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(206) 297-0558**

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Dear Kyle,

Ballard NW Senior Center appreciates the opportunity to provide information to the Department of Facilities and Administrative Services for the SLI report to the Seattle City Council. We would like to thank Kyle Joyce and Jan Oscherwitz for their informative explanation of the current MOB Lease situation and the next steps in the process. Ballard NW wants to work with the city to reach an agreement that is fair to all concerned. The center understands the city's needs and believes the city will take into consideration the center's magnitude of programs and services providing a public benefit to the elders in our catchment area.

As the only senior center in the northwest community. We provide services to seniors in the Ballard, Magnolia, Queen Anne, Fremont, Sunset Hill, Olympic Manor, Blue Ridge, Carkeek Park and north to approximately 145th.

The center served 3,548 individual community seniors in 2012 and the volume of service was 59,312. The mission of the center is "promoting the well being of older adults". We are a place "Where Friends Meet Friends". Ballard NW is a full service senior center that provides health and wellness services, nutrition, social services, social work, legal and financial advice, educational opportunities, socialization and volunteer services among other programs to the elders in these and surrounding communities. Here are comments from some of our participants:

"I love the lunch program, truly good food and there is always laughter and good cheer. It isn't only the food it is getting out and being with people".

"The computer lab is a great way to stay in touch with my grandkids, that is important, they need my good influence".

"Exercise is so important to your health. The variety of classes is wonderful. Great teachers and everyone is so positive. Laughter yoga is the best!"

"The social worker is very good, his classes and groups bring new perspectives to our lives".

"This is the friendliest center, everyone is welcome. I knew I was home when I walked through the door".

Our center has a small staff, 2 full time and 2 part time, to serve the needs of these participants. Volunteers are extremely important to the successful operation of the center. We are thankful for the 451 volunteers who provided 26,885 hours of service to the center in 2012. These volunteers make the center successful. Please see the yearly volunteer hour reports attached. At the current minimum wage these hours of service would be valued at \$247,073.15. After adjusting several positions to reflect their higher rates we calculate that these services would be valued at \$261,300.00. The preventive services we provide keep seniors independent and valuable members of the community. Without our quality services, the government and other entities (dental, footcare, mental and physical health services, nutrition, exercise and social providers and programs etc.) would have to begin or greatly expand services at a enormous expense to accomplish what the center already provides. According to the Chiles and Company report the highest and best use for the property is to remain a senior center for the foreseeable future.

The center's budget for 2012 was \$286,328.00. As of November 30th the center had a deficit \$19,216.85. The majority of the deficit is the result of an estimated \$21,000.00 spent in building maintenance costs (final 2012 figures are not yet available). Until later in 2011 the city had generously provided many maintenance services to the building. The center budget did not provide for the cessation of these services. The building requires additional maintenance work; (See City of Seattle report Response to Legislative Intent 58-1-A-Z- Northwest Senior Center).

In regards to the center's ability to pay the Fair Market Rent of \$8,400.00 per month or the City Adjusted Rate of \$5,677.00 per month with the current expected deficit of \$20,000.00, (year end figures are not yet available), we at this time are unable to pay either amount due in large part to the extra maintenance fees we incurred for elevator, electrical, sewer, plumbing, carpentry and door work. With the calculation of volunteer hours provided, see above information, that these services provided to the community it would make a service rent deduction applicable. The budget for 2013 is \$329,546.00. Much of this additional amount is to cover the need for increased maintenance costs. We want to work with the city to find a reasonable solution that will meet both our needs. We appreciate the several options you presented and we have supplied the figures as you asked. We hope this will provide background to open the communication for the best solution.

As we look to the future we are preparing for augmented services and programs to meet the increased number of citizens becoming seniors and needing what we provide. The Ballard NW Senior Center plays a vital role in the life of the community and with 2013 our 40th year of service we look forward to another 40 years of service.

Thank you for the opportunity to provide some information. Please contact me for any additional information or to further our discussions. Please visit us here at any time to see all that the center provides.

Best Regards



Carlye Teel
Director



Phinney Neighborhood Association Response to FAS's Request for Information on the MOB Lease December 20, 2012

OVERVIEW OF THE PHINNEY NEIGHBORHOOD ASSOCIATION

Since 1980, the Phinney Neighborhood Association (PNA) [www.phinneycenter.org] has been dedicated to building community with a wide variety of programs and services that serve people of all ages and interests. *PNA's mission is to build, engage and support our diverse community through programs, services and activities that connect neighbors and foster civic engagement.* Programs include four preschools, a before and after school child care program, two hot meal programs, a senior center and aging in place village, a computer lab, an art gallery, a tool lending library, a community education program and countless special events that bring neighbors together. PNA programs, events and activities, offered at five sites, annually serve more than 20,000 people from throughout the Puget Sound area. The PNA is a membership organization and currently has 2,500 household members and 275 business members. The organization has a \$2.5 million annual budget, is financially stable and has ended 4 of the last 5 years with a surplus budget.

SERVICES PROVIDED AT THE GREENWOOD SENIOR CENTER

The PNA's Greenwood Senior Center (GSC) has been serving northwest Seattle neighborhoods since 1974, first as an independent nonprofit, then as part of Senior Services, and since 2006 as a program of the PNA. GSC is a community gathering place focused on positive aging, providing a broad spectrum of services, including health and wellness, nutrition, and social, recreational and educational activities. The GSC's mission is to provide programs and services which offer seniors the opportunity to enhance their physical fitness, mental stimulation and emotional well-being and to support seniors in their efforts to preserve traditions, embrace change and maintain independence. GSC is a hub for services to the elders living in northwest Seattle.

In 2011, GSC served 1,100 individuals with 22,000 visits. Examples of the types of services offered include: a daily lunch program, 9 support groups, 50 classes and numerous social activities offered each month, an early stage memory loss enrichment program and our newest program, the PNA Village, focuses on seniors aging in place in their homes.

In 2011, 120 volunteers provided almost 5,000 hours of service at the senior center, doing a variety of jobs including: staffing the front desk, doing data entry, supporting early stage memory loss programs, preparing meals for the daily lunch program, helping out at events, participating on the fundraising committee, organizing field trips and much more.

CURRENT MOB LEASE WITH THE CITY OF SEATTLE

The City of Seattle purchased the property at 525 N. 85th Street in Greenwood in 1978 and since that time, the GSC has operated out of this facility under a Mutually Operating Benefit Lease (MOB). The original lease expired in 2003 and we have been operating without a lease on a month-to-month basis since this time. PNA pays rent in in-kind services to the community but does not pay any cash rent. The eastern portion of the parking lot is a 3,000 square foot separate parcel, owned by the PNA.

Since 2010, the PNA has been in conversation with City staff from FAS, Office of Housing and HSD, to potentially move forward with a partnership to build affordable housing for seniors and rebuild the senior center on the ground floor at the current location. Although we have met multiple times and worked hard to get an agreement to move forward, conversations stalled earlier this year. At our meeting with FAS in November of this year, we were informed the City is no longer interested in pursuing a redevelopment of this site.

PNA'S ABILITY TO PAY RENT

At our meeting with FAS on November 14, 2012, we were asked about our ability to pay the lesser of fair market rent or standard rent. Fair Market Rent for this property was calculated to be \$9,211 per month and City Facilities Standard Rent was \$6,225 per month. *PNA has no ability to pay \$6,225 per month in rent and would have to close the senior center.* PNA would be able to pay the \$573 per month required by the status quo MOB policy rent. A change in policy that requires additional cash rent may be possible, but we would need to explore new revenue options or expense reductions in order to pay the rent.

PNA'S INTEREST IN OBTAINING THE PROPERTY FROM THE CITY

PNA is extremely interested in pursuing a transfer of the property with the City in 2013 and was excited to learn of this potential opportunity, given the sources of funds used to purchase the property. At its November, 2012 meeting, the PNA Board of Directors passed a motion directing the PNA Executive Director to explore the opportunity to transfer the property with the City. We are hopeful that after doing our due diligence, we will want to pursue the opportunity to have the property transferred to our organization.

The PNA recently completed a strategic framework for 2013-2015 that will provide guidance to the organization for the next three years. One of the key priorities identified was stewardship of our sites. Having stable and affordable homes for all PNA programs is critically important for us to meet our mission to build community. This is perfect timing for us to be discussing a potential transfer of the property to the PNA.

The Board, staff and communities of the PNA are very excited by the opportunity to own the GSC property and look forward to working with the City of Seattle to explore the transfer of the property. We have the interest, the experience and the capacity to take on ownership of the property from the City and continue to provide services to our seniors and their families in northwest Seattle.

PNA'S ABILITY TO MANAGE THE PROPERTY IF OWNERSHIP IS TRANSFERRED

As a tenant of the property for the past seven years, PNA has the experience and the capacity to continue managing the property as an owner. As the City has reduced its maintenance support over the last several years, the PNA has filled the gap, providing regular maintenance and repairs on the facility. We had a 30+ year history of managing the Phinney Center as a renter, until we purchased the campus from the Seattle School District in 2009. We have a proven track record in managing aging buildings effectively and efficiently in a cost effective manner. Staff are experienced, and we have a wealth of volunteers in the community who work side-by-side with us on projects, whether it is designing a new handrail to improve accessibility, or create a landscaping plan to suit our needs.

The PNA made a significant decision in 2008 to enter into a long-term capital campaign to purchase and renovate the Phinney Center campus, and have been extremely successful in our campaign to date. We raised \$6.5 million (thanks in great part to the City of Seattle's support!!), and have been able to do the following: purchase the campus, complete major repairs and capital projects, including repairing the boiler and putting a new roof on the Brick Building, repairing sewer lines, and most recently in the Blue Building, installing an elevator, completing major seismic improvements and building a new entry way and community plaza in the Blue Building. We anticipate having approximately \$600,000 in the capital campaign account at the end of this phase of the campaign. We also have a secured line of credit for \$250,000, which we have not had to draw on, but is available through 2014. We have broad based community support, with over \$1 million raised directly from the hundreds of donors from our community during this campaign. The community has shown its support of the PNA in this campaign and we are confident that this support will continue in the future.

In 2011, the Mayor and City Council generously supported several of the MOB sites by making much needed investments in the infrastructure. Unfortunately, the Greenwood Senior Center property was not included in the investments. We know why this happened – the PNA and the City were in conversation about potentially redeveloping the property into affordable housing with a senior center on the ground floor. However, now that we are not moving forward in this direction with the City, we respectfully request that the City consider making a similar investment at the GSC as it did with the other MOB sites. As we consider taking on the property, we do have some concerns about the condition of the property. Our most immediate challenge is the fact we operate a senior center in a non-accessible site. We simply cannot serve all of our community because people aren't able to travel from one floor of the building to another, and the parking lot is also extremely unfriendly to anyone with mobility challenges. If the City were to invest even a modest amount of \$100,000, it would allow us to make great strides towards full accessibility. There are also some deferred maintenance projects, like removing a tree that has been determined to be a hazard, and other maintenance that we would like assistance with. We are prepared to tackle the long-term maintenance of the site but having the City make this one-time investment will facilitate this to happen much more quickly.

FOR MORE INFORMATION

Contact Lee Harper, PNA Executive Director, 206.783.2244 or leeh@phinneycenter.org

Response to Facilities and Administrative Services

December 17, 2012

Re: SPARC/Seattle Mutually Offsetting Benefit Agreement

This document is in response to a meeting held on December 3rd, 2012 between representatives of the South Park Area Redevelopment Committee (SPARC) and representatives of the City of Seattle's Department of Finance and Administrative Services (FAS). The meeting was held in the conference room of the South Park Neighborhood Center (SPNC) and the meeting attendees were: Dagmar Cronn ~ President of SPARC; Marty Oppenheimer ~ SPARC Board-member; Bill Pease ~ ex-officio SPARC Board-member & SPNC building manager; Kyle Joyce ~ FAS; Jan Oscherwitz ~ FAS.

As per the request of the FAS representatives, this response is due 14 days after the initial meeting and, as such, may contain some numerical errors and quite possibly some misinterpretations of the position of the City of Seattle vis-à-vis negotiations towards an updated Mutually Offsetting Benefits Agreement (MOB).

First and foremost, SPARC would like to thank Mayor Mike McGinn, and the Seattle City Council for allocating and approving 1.9 million dollars to address major maintenance issues for 6 of the MOB buildings (including the SPNC). Our review of the April 2nd, 2012 memorandum from FAS to City Council members Burgess, Conlin and Godden addressing the needed repairs to the SPNC shows us that our maintenance concerns are not only well founded, but corroborated by independent sources. The South Park Neighborhood Center serves over 1500 needy clients every week, and that level of service takes a heavy toll on the physical structure of the building.

Since 1972, SPARC has partnered with the City of Seattle to manage the SPNC and provide much-needed services to the underserved population of South Park. At the time of the original agreement, the mutually offsetting benefit agreement required SPARC to pay nominal cash rent, manage and pay the day-to-day operations of the SPNC, and provide volunteer hours in lieu of the remainder of City-level rent. The building logged 13,300 hours of volunteer work in 2011 and will log larger hours for 2012. That total is about the same as other Seattle senior centers that receive City funds for staffing and other expenses. South Park receives \$6,600 per year from the City to operate the South Park Senior's Program and no other funding for the building. The MOB agreement, in effect, relieves the City of the costs of providing necessary social services, and shifts that burden (and the operational costs of the building) solely unto a struggling non-profit run by volunteers. Over the years the budget for programming has dried up, and SPARC has been expected to make up the difference. SPARC receives rents from non-profits and others that pays about two thirds of the operating costs for the building (not counting any costs borne by Facilities). In addition, over the past 5 years, the position of the City has been to cut maintenance services to the MOB facilities to the point where SPARC was informed that FAS was only required to maintain the exterior of the building and *major* interior structural issues. As of the current fiscal year, SPARC is running a deficit of \$12,000 in operating costs to maintain the MOB with Seattle. Even the least increase of cash rent to the City of \$666 per month presented by FAS, up from \$283 dollars per month, would increase the annual deficit by another \$4,600 per year.

SPARC has persisted in finding additional funding to offset the deficits in building operations for years. Unfortunately, finding those additional funds year after year has robbed all possible SPARC income for any other purpose to benefit the neighborhood. Other than a small stipend for a ¼ FTE building manager (paid for by SPARC), there is no paid staff to see to the work of operating the building. Because of these difficulties, the stress has worn down the volunteers who have struggled together to keep the doors of the Center open.

As a 501(c)(3) non-profit, SPARC can legally operate at a loss, but given the fact that SPARC was originally incorporated as a redevelopment organization, we feel that not only have we strayed from our original intent of economic and neighborhood development, we have been sidelined by our MOB with the City.

It is the current intent of the South Park Redevelopment Committee Board to end our month-to-month MOB agreement with the City of Seattle at the close of fiscal year 2013. (The MOB agreement has not been renewed for about 20 years.) SPARC will continue to manage the building for the upcoming year (2013) as it would create an undue hardship on all parties if we were to end our service earlier. SPARC will be returning to the neighborhood intermediary role that the South Park leadership has determined it should re-assume. The neighborhood will benefit from the long-range vision, the strategies for obtaining the resources to bring about those visions, and the advocacy for the neighborhood that have always been SPARC's primary purpose.

That being said, it is by no means either implied or intended, that the South Park Neighborhood Center should close its doors and end its programs. SPARC will advocate vociferously for all of the current programming to continue beyond the cessation of the current MOB agreement. The South Park neighborhood continues to have a population with great needs, and is still one of the most chronically underserved neighborhoods in the Metro Seattle area.

To that end, SPARC pledges to work vigorously with the City of Seattle in the effort to find a new management structure that will satisfy the needs of the FAS and simultaneously satisfy the needs of the South Park community.

On behalf of the SPARC Board,

A handwritten signature in cursive script, reading "Dagmar Cronn".

Dagmar Cronn—President, South Park Area Redevelopment Committee

May 18, 2012

To: Government Performance & Finance Committee

From: Peter Harris, Central Staff

Re: SLI and Proviso on Mutual & Offsetting Benefit Properties

Introduction

Last fall the Council took two budget actions related to Mutual & Offsetting Benefit properties, which are buildings owned by the City and leased to tenants who provide a public service in lieu of some rent. The proposed budget included \$1.9 million to replace roofs on six of these buildings. The Council approved this budget, but placed a proviso on \$1.4 million of this amount pending the first of two reports called for by a Statement of Legislative Intent (SLI). Copies of the SLI and the Green Sheet placing the proviso are attached.

You received the first SLI report in early April. On May 31, the Committee will be briefed on this report and will discuss and possibly vote on an ordinance that would remove the proviso and allow the roof repairs to proceed as planned.

First I will summarize the SLI and the Executive's first report in response. Then I will summarize the proposed ordinance to remove the proviso.

SLI

The SLI asked a simple question and a complex one. The simple question was whether it would be wise to spend \$1.9 million to repair the roofs on these buildings without knowing the cost of any other critical repairs the buildings might soon require. If the latter cost was large, the total cost might be more than the buildings are worth.

The first SLI report estimates that the total cost of other critical repairs to these six buildings is \$312,000, ranging from \$0 for the Southeast Health Clinic building to \$132,000 for the Central Area Motivation Program building. A copy of the report is attached.

The report says the Executive will look for the additional \$312,000 in the 2013 Proposed Budget. This implies that the Executive believes the total repairs are justified – that is, it is not only worthwhile to spend \$1.9 million to maintain these buildings, it is also worth \$2.2 million.

The more complex question in the SLI is how to resolve the apparent discrepancies between policy and practice in the leases on these properties – in particular, differences between the cash rent required by policy and the actual cash rents paid under at least some of the leases. See the SLI for a discussion of this question. This question will be addressed in the second SLI report, due June 30.

Proposed ordinance to remove the proviso

The proposed ordinance that will be before the Committee on May 31 would remove the proviso on \$1.4 million of the \$1.9 million budgeted for roof repairs. If the Council agrees that it is worthwhile to spend a total of \$2.2 million to repair these buildings, it makes sense to remove the proviso.

Because roof repairs depend on weather, it may not be feasible to complete the repairs in 2012. Accordingly the proposed ordinance would allow any unspent funds to be carried over for this same purpose to 2013.

Conclusion

If you have any questions, please let me know.



City of Seattle

Mike McGinn, Mayor

Department of Finance & Administrative Services

Fred Podesta, Director

MEMORANDUM

Date: April 2, 2012

To: Councilmember Tim Burgess, Chair,
Government Performance and Finance Committee
Councilmember Nick Licata
Councilmember Sally Clark
Councilmember Mike O'Brien

Via: Beth Goldberg, City Budget Director

From: Fred Podesta, Director
Department of Finance and Administrative Services

Subject: **Response to Statement of Legislative Intent 58-1-A-2
Report from FAS on Major Maintenance of Mutual and Offsetting Benefit
(MOB) Lease Properties**

Summary

This memorandum summarizes the findings of recent Mutual and Offsetting Benefit (MOB) building assessments conducted in response to Statement of Legislative Intent (SLI) 58-1-A-2, which was adopted by the City Council as part of its 2012 budget process. The SLI requests two reports and specifically states: "The first report, which shall be provided by March 31st, shall estimate the cost of repairs needed to building systems, including roofs, to maintain MOB properties in a tenantable condition and shall set out options for funding repairs, including, but not limited to, an assessment of eligibility and availability of American Recovery and Reinvestment Act retrofit funds and uncommitted real estate excise tax revenue." I have provided a more detailed account of the findings in the report attached to this summary. The second report called for by the SLI, which focuses on MOB leases and options for MOB facilities, will be provided by June 30, 2012.

Background

The Department of Finance and Administrative Services' (FAS') 2012 Proposed Budget included \$1.9 million to re-roof six City-owned buildings that house tenants operating under MOB arrangements with the City. These tenants include the Northwest Senior Center, South Park Area Redevelopment Committee (SPARC), Teen Parent Home, Central Area Senior Center (CASC), Central Area Motivation Program (CAMP), and Southeast Health Clinic. During its 2012 budget deliberations, the City Council issued SLI 58-1-A-2, directing the Executive to identify all other non-roof-related repairs needed to maintain these six MOB facilities in a tenantable condition.

FAS subsequently hired ARC Architects to assess the six buildings, identify what critical repairs would be needed, and provide cost estimates for each. For the purpose of the assessment, critical repairs were defined as items that if left unresolved would:

- Cause immediate vacation of the building or area of building;
- Cause an emergency project to be undertaken;
- Result in hazardous egress or other life safety issues; or
- Result in flagrant ADA violations (e.g., lack of access to entry, lack of compliant restroom, etc.)

Non-essential and/or upgrades to existing systems that would extend the life of the asset were not included in the condition assessments. Examples of these types of upgrades would include replacing single pane windows or providing new lenses for light fixtures.

Based on ARC's assessments, we have determined that each of the City's six MOB buildings has one major system failure – the roof – and that other required repairs, such as HVAC and electrical systems that are beyond their useful lives or do not meet current safety standards, will be considerably less expensive to fix. As a result, we believe that a total of \$312,000 would cover critical, non-roof repairs for all six buildings. The building-specific summaries below outline the needed repairs, their respective total costs, and the time that will be required to complete them.

Northwest Senior Center

The majority of the repairs needed at the Northwest Senior Center (located at 5431 32nd Avenue NE) relate to its heating system. The boiler will need to be replaced within the next few years as well as several radiators on the second floor. Beyond these items, several thresholds need to be rebuilt to remove tripping hazards, and some minor electrical work is required to comply with current electrical safety standards. The total project duration for these repairs is approximately six months.

Construction Costs:	\$ 31,000
<u>Design/Permitting/WSST:</u>	<u>\$ 10,000</u>
Total Cost of Critical, non-roof Repairs:	\$ 41,000
Total Cost of Re-roof:	\$ 265,000

South Park Area Redevelopment Committee (SPARC)

Similar to the NW Senior Center, the largest repair needed at SPARC (located 8201 10th Avenue South) relates to the heating system—a rooftop unit that will need to be replaced in the next few years. Beyond the HVAC system, there are accessibility and exiting issues that must be resolved in order to provide safe egress, and some minor electrical work that must be addressed to meet fire safety standards. The total project duration for these repairs is approximately six months.

Construction Costs:	\$ 33,000
<u>Design/Permitting/WSST:</u>	<u>\$ 11,000</u>
Total Cost of Critical, non-roof Repairs:	\$ 44,000
Total Cost of Re-roof:	\$275,000

Teen Parent Home

The Teen Parent Home, located 339 22nd Avenue E, will need a new gas furnace within the next few years. Outside of the furnace, there are some minor egress repairs and one signage issue that need to be addressed. The total project duration for these repairs is approximately two months.

Construction Costs:	\$ 23,000
<u>Design/Permitting/WSST:</u>	<u>\$ 8,000</u>
Total Cost of Critical, non-roof Repairs:	\$ 31,000
Total Cost of Re-roof:	\$105,000

Central Area Senior Center (CASC)

The majority of the repairs needed at the CASC building, which is located at 500 30th Avenue South, are electrical in nature. These electrical repairs range from replacing original (1959) panels that lack short circuit ratings, to replacing exterior pathway lighting that no longer operates. Beyond these items, several accessibility and life/safety issues need to be resolved in order to provide safe egress and comply with life/safety codes. The total project duration for these repairs is approximately six months.

Construction Costs:	\$ 48,000
<u>Design/Permitting/WSST:</u>	<u>\$ 16,000</u>
Total Cost of Critical, non-roof Repairs:	\$ 64,000
Total Cost of Re-roof:	\$455,000

Central Area Motivation Program (CAMP)

The CAMP building, located at 722 18th Avenue, requires the most work of any of the other MOB facilities. The majority of repairs are electrical, involve the replacement of multiple unrated panels and the need to resolve code violations. Beyond these items, there are minor life/safety issues that need to be resolved in order to protect the tenants from unnecessary hazards. The total project duration for these repairs is approximately six months.

Construction Costs:	\$ 99,000
<u>Design/Permitting/WSST:</u>	<u>\$ 33,000</u>
Total Cost of Critical, non-roof Repairs:	\$132,000
Total Cost of Re-roof:	\$315,000

Southeast Health Clinic

ARC Architects and FAS staff determined no necessary repairs were evident at the Southeast Health Clinic (4400 37th Avenue South), due to the building's relative age (it was built in 1989) and recent upgrades made to its HVAC and plumbing systems. The building's roof is in very poor condition, however, and documents for the roof replacement project are ready to bid. Should funding be made available by June 1, 2012, roof construction could be completed within the 2012 summer weather window.

Construction Costs:	N/A
Total Cost of Re-Roof:	\$485,000

Burgess via Goldberg/Podesta
Response to Statement of Legislative Intent 58-1-A-2
March 31, 2012
Page 4

Cost Summary

	Critical, Non-Roof Repairs	Re-Roof
NW Senior Center	\$41,000	\$265,000
SPARC	\$44,000	\$275,000
Teen Parent Home	\$31,000	\$105,000
CASC	\$64,000	\$455,000
CAMP	\$132,000	\$315,000
SE Health Clinic	\$0	\$485,000
Total Cost	\$312,000	\$1,900,000


Funding Options

FAS staff investigated the potential use of ARRA funding for these projects, but discovered it has been fully programmed and is therefore not available for this purpose. Other funding sources for capital improvements needed to make the MOB properties tenantable could come from REET I, General Fund and/or a combination of those, as well as debt financing.

While FAS cannot identify any current pools of uncommitted, available funding to make these repairs in 2012, we will continue to research the issue within the contexts of Part II of the SLI and the 2013-2014 Proposed Budget.

I hope you have found this information helpful. If you have questions or would like to be briefed on this matter, don't hesitate to call me at 386-0041.

Attachment: MOB Facility Assessments Report

A light blue map of Seattle, Washington, showing the city's outline and major water bodies. Five black dots mark the locations of various facilities. The dots are located in the northwest, northeast, and south-central parts of the city. The text labels for these facilities are placed next to their respective dots.

Northwest Senior Center
5431 32nd Ave NW

Teen Parent Home
339 22nd Ave E

Central Area Motivation Program (CAMP)
722 18th Ave

Central Area Senior Center (CASC)
500 30th Ave S

South Park Area Redevelopment Committee (SPARC)
8201 10th Ave S

CITY OF
SEATTLE
FACILITY
ASSESSMENTS

**OWNER**

City of Seattle
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04

Summary

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Northwest Senior Center

Facility Assessment Inventory

Architectural Assessment

Structural Assessment

Mechanical Assessment

Electrical Assessment

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South Park Area Redevelopment Committee (SPARC)

Facility Assessment Inventory

Architectural Assessment

Mechanical Assessment

Electrical Assessment

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Teen Parent Home

Facility Assessment Inventory

Architectural Assessment

Mechanical Assessment

Electrical Assessment

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Central Area Senior Center (CASC)

Facility Assessment Inventory

Architectural Assessment

Mechanical Assessment

Electrical Assessment

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Central Area Motivation Program (CAMP)

Facility Assessment Inventory

Architectural Assessment

Mechanical Assessment

Electrical Assessment

INTRODUCTION

The objective of this document is to provide construction cost estimates for specific repairs at (5) five mutual and offsetting benefit (MOB) properties owned by the City of Seattle. The repairs considered were identified based on the direction given by Statement of Legislative Intent (SLI) #2012-58-1-A-2.

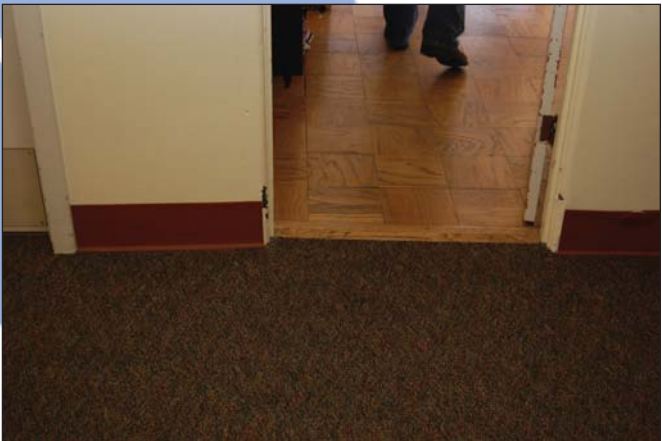
The Department of Finance and Administrative Services (FAS) contracted with ARC Architects and its consultant team to prepare this report. FAS staff and the consultant team toured each building, with and without on-site staff, in order to compile the following report.

PROCESS

There are five full assessments with their own section in this report. A non-intensive structural assessment was completed for the NWSC in Ballard but it did not reveal any immediate need for repairs. Photos of most conditions were recorded and are on file, but only an example of items photographed are included. For each facility, background information about building use, size- an approximate year built and location is included. Within each section is a detailed list of items suggested for repair by discipline (architectural, electrical and mechanical):

- Items are enumerated in spreadsheet form and color coded to the plans
- Estimates, exclude soft costs (taxes and escalation), but are calculated to sub-contractor pricing in today's dollars and totaled with general contractor and design contingency mark-ups of 20 and 15 percent .

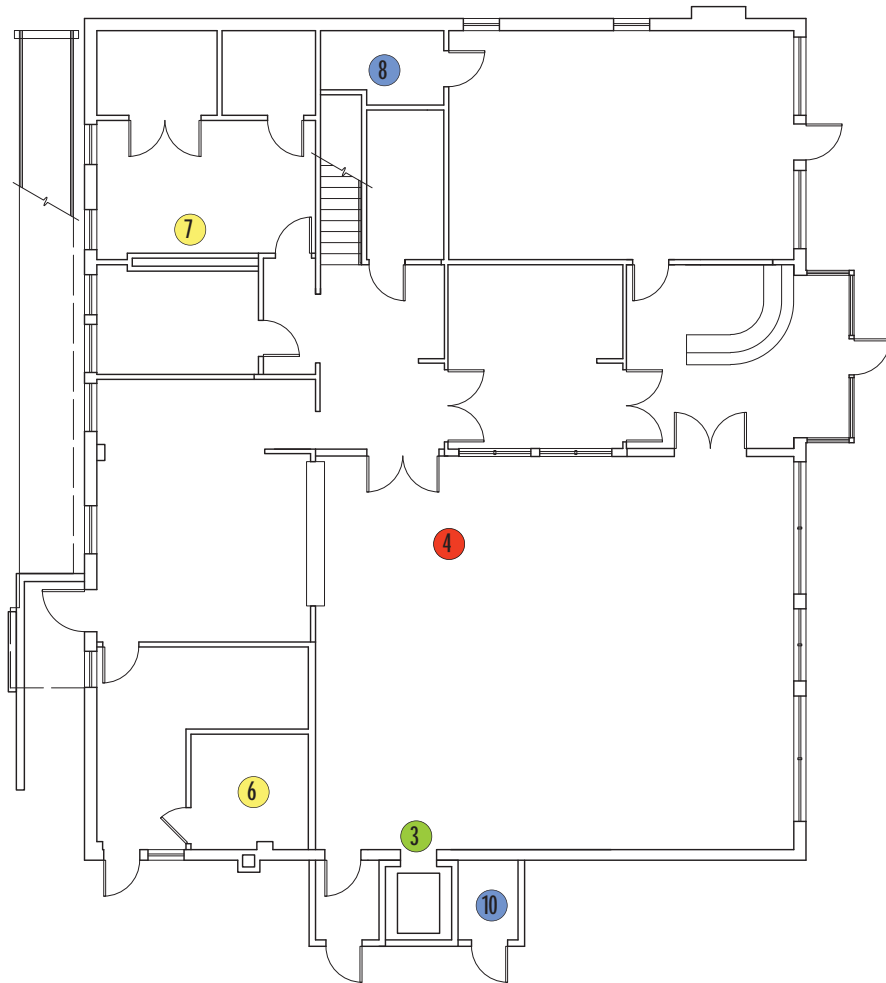
Northwest Senior Center
5431 32nd Ave NW



The Northwest Senior Center is affiliated with Senior Services, the most comprehensive non-profit corporation serving older adults in the state of WA. The building (circa early 1970's) is a two story, partial basement structure of approximately 8,400 SF located at 5431 32 Ave. NW. It provides office and support space for this organization's mission. The high-level facility assessment for this building was conducted as an escorted walking tour of the facility. The tour took place on January 23rd, 2012 with ARC and their consultants.



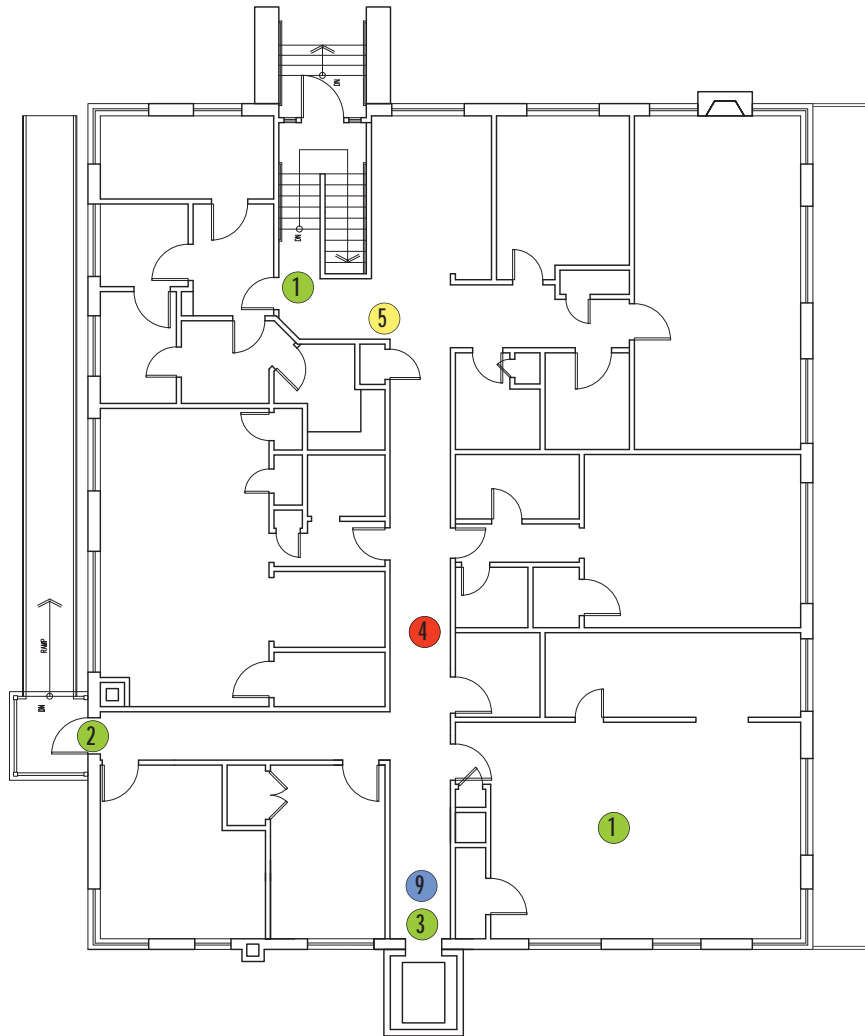
Northwest Senior Center	
Repair / Maintenance	Estimate
Architectural	
1 Replace loose parquet wood floor tile; door threshold too high - 10 sf	\$750
2 Install panic hardware on this exit way door	\$250
3 Secure firemen override keys for elevator - currently left in 2nd floor override	\$0
Structural	
4 No observable threat to life/safety issues. No corrections necessary at this time.	
Mechanical	
5 Replace (3) non functional radiators on second floor	\$1,500
6 Boiler is 25 years old and nearing end of life. Budgetting for future replacement should be considered.	\$15,000
7 Provide duct smoke detector in (2) ventilation air handling units for shutdown	\$3,000
Electrical	
8 Remove abandoned 120/240V fused breaker pullman panel - no short circuit rating	\$1,200
9 Provide smoke detector outside elevator on 2nd floor in existing j-box	\$480
10 Provide smoke detector in elevator machine room	\$480
Subtotal	\$22,660
GC Mark-Ups; General Conditions, Bonding & Insurance, OH&P 20%	\$4,532
Estimating Contingency 15%	\$4,079
TOTAL COST ESTIMATE FOR NWSC	\$31,271



GROUND FLOOR PLAN
SCALE: 1/16" = 1'-0"

PLAN LEGEND

- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment



SECOND FLOOR PLAN
SCALE: 1/16" = 1'-0"

PLAN LEGEND

- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment



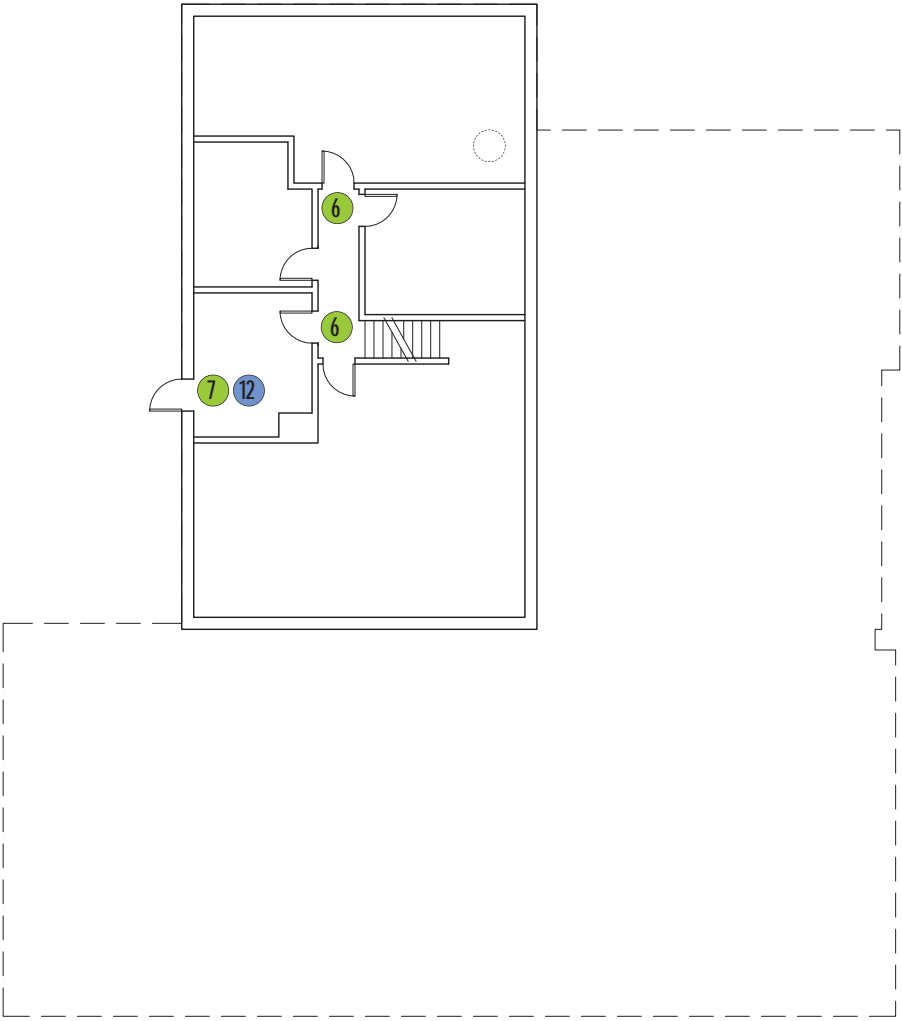
South Park Area Redevelopment Committee (SPARC)
8201 10th Ave S

The South Park Area Redevelopment Committee is a not-for-profit corporation currently operating the South Park Neighborhood Center, located at 8201 10th Ave. South. The building (circa early-mid 20th century with an addition early 1980's) is a one story, partial basement structure of approximately 5,200 SF that provides office and support space for this organization's mission. Additionally, it houses over a dozen organizations, including the South Park Senior Program, Providence Regina House Food and Clothing Bank and the South Park Information and Resource Center. The high-level facility assessment for this building was conducted as an escorted walking tour of the facility. The tour took place on January 23rd, 2012 with ARC and their consultants.







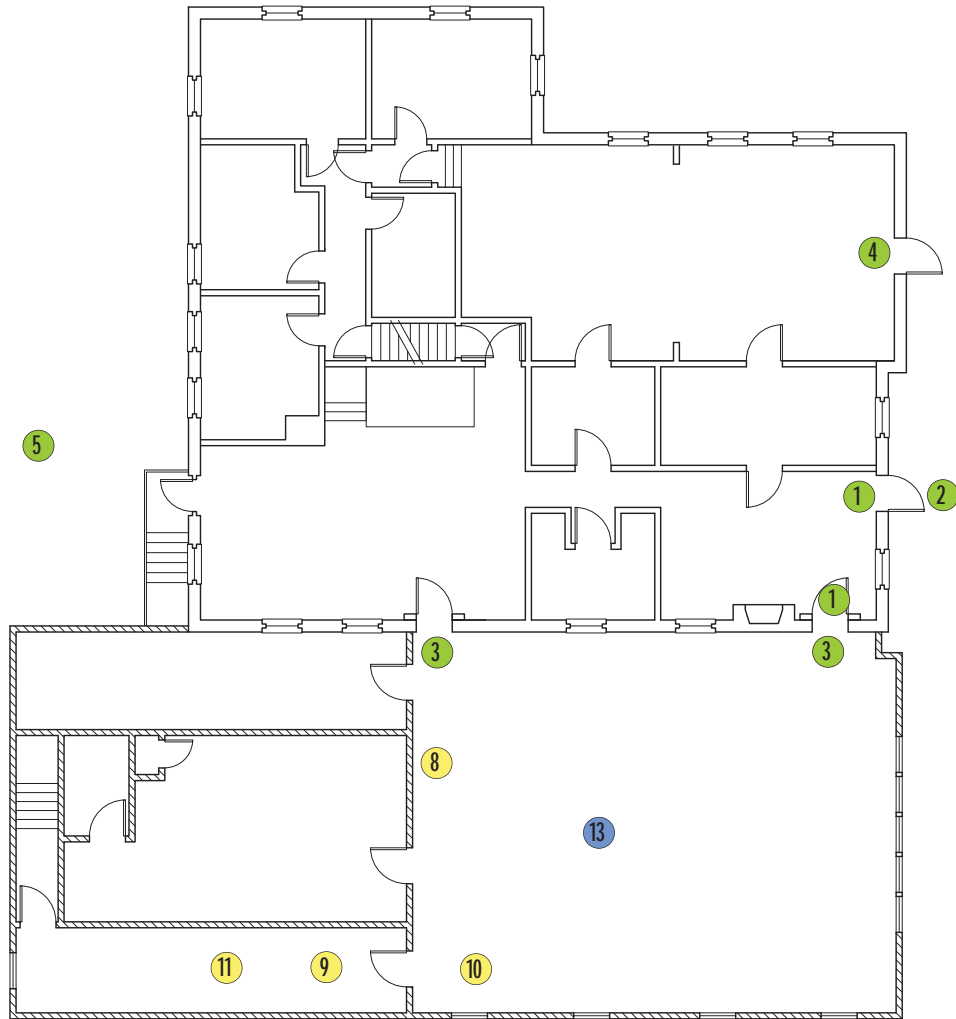
South Park Area Redevelopment Committee

Repair / Maintenance		Estimate
Architectural		
1 VCT flooring missing tiles		\$200
2 Door pull too high for ADA accessibility; push side clearance lacking		\$450
3 Panic hardware and closers missing; door width not wide enough		\$3,000
4 Exit signage needed above door; threshold at exterior not accessible for WC		\$225
5 ADA parking stall provided but no accessible route to building		\$600
6 Exit signage needed above door		\$300
7 Panic hardware necessary OR accessible window and light well needed for egress		\$250
Structural		
Not Assessed		
Mechanical		
8 Replace multi-purpose room gas furnace		\$15,000
9 Cap return duct in greenhouse, rebalance return ductwork		\$500
10 Remove transfer grill in greenhouse, infill wall		\$500
11 Provide electric unit heater and thermostat for greenhouse		\$600
Electrical		
12 Replace heat detector		\$600
13 Flush floor 120V outlets - remove wiring and outlet, fill with concrete		\$1,440
	Subtotal	\$23,665
	GC Mark-Ups; General Conditions, Bonding & Insurance, OH&P 20%	\$4,733
	Estimating Contingency 15%	\$4,260
TOTAL COST ESTIMATE FOR SPARC		\$32,658



 BASEMENT FLOOR PLAN
SCALE: 1/16" = 1'-0"

- PLAN LEGEND
-  Architectural Assessment
 -  Structural Assessment
 -  Mechanical Assessment
 -  Electrical Assessment



GROUND FLOOR PLAN
SCALE: 1/16" = 1'-0"

PLAN LEGEND

- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment

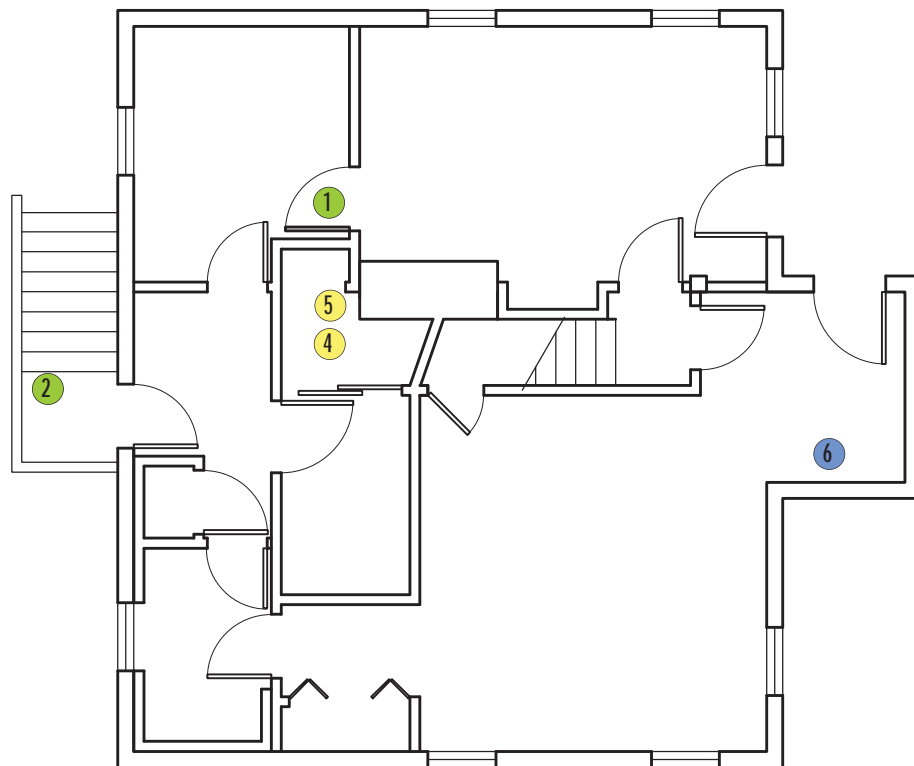


Teen Parent Home
339 22nd Ave E

The Teen Parent Home Center is a facility leased to the Goodwill Development Association. The building (circa early 1920's) is a three story (former single family residence) day lit basement structure of approximately 2,880 SF located at 339 22nd Ave. East. It provides office and support space for this organization's mission. The high-level facility assessment for this building was conducted as an escorted walking tour of the facility. The tour took place on February 2nd, 2012 with ARC and their consultants. This facility has a NFPA-R13 (residential) fire suppression system.



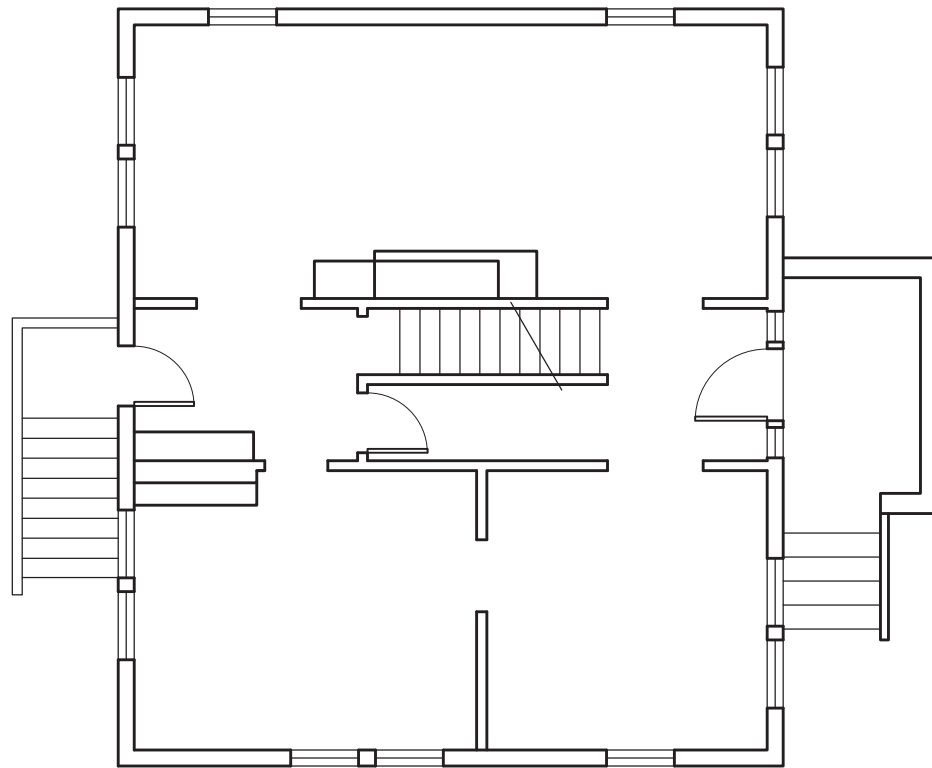
Teen Parent Home	
Repair / Maintenance	Estimate
Architectural	
1 Signage for fire alarm control panel	\$200
2 Handrail replacement necessary (5 LF)	\$200
3 Add handrail (25 LF)	\$750
Structural	
Not Assessed	
Mechanical	
4 Furnace is 25 years old and nearing end of life. Budgeting for future replacement	\$15,000
5 Provide flex pipe gas connection to furnace	\$200
Electrical	
6 Remove tape covering smoke detectors	\$60
Subtotal	\$16,410
GC Mark-Ups; General Conditions, Bonding & Insurance, OH&P 20%	\$3,282
Estimating Contingency 15%	\$2,954
TOTAL COST ESTIMATE FOR TPH	\$22,646



BASEMENT FLOOR PLAN
SCALE: 1/8" = 1'-0"

PLAN LEGEND

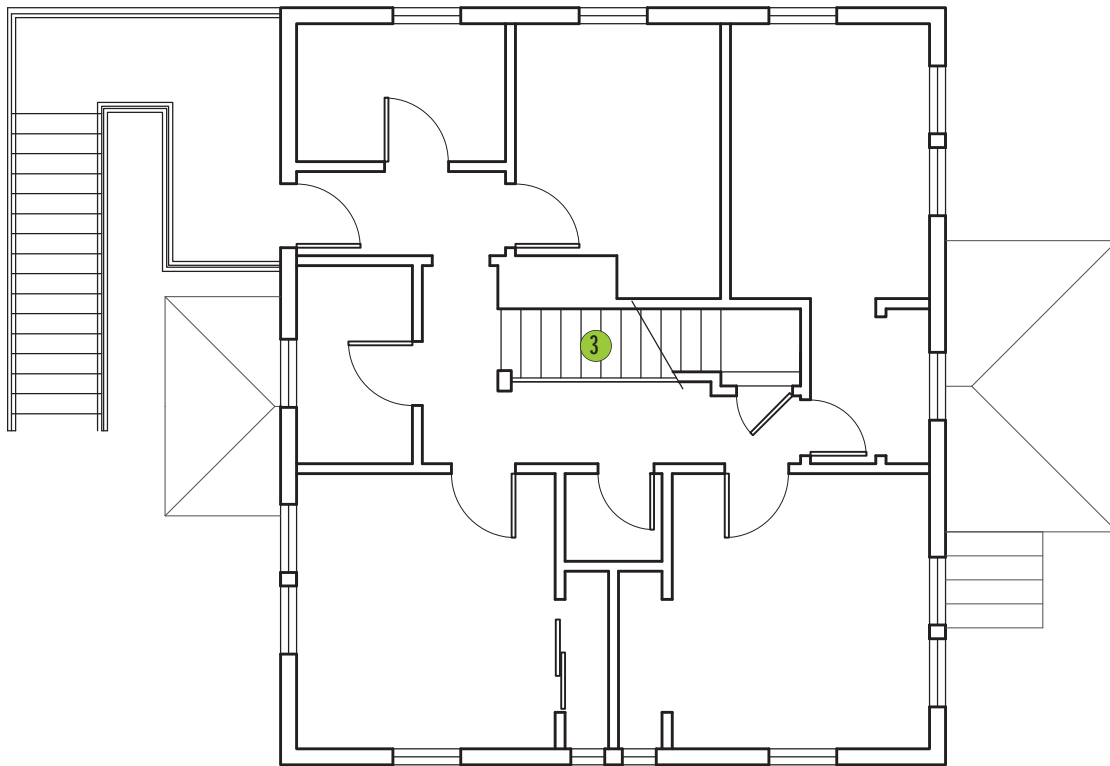
- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment



GROUND FLOOR PLAN
SCALE: 1/8" = 1'-0"

PLAN LEGEND

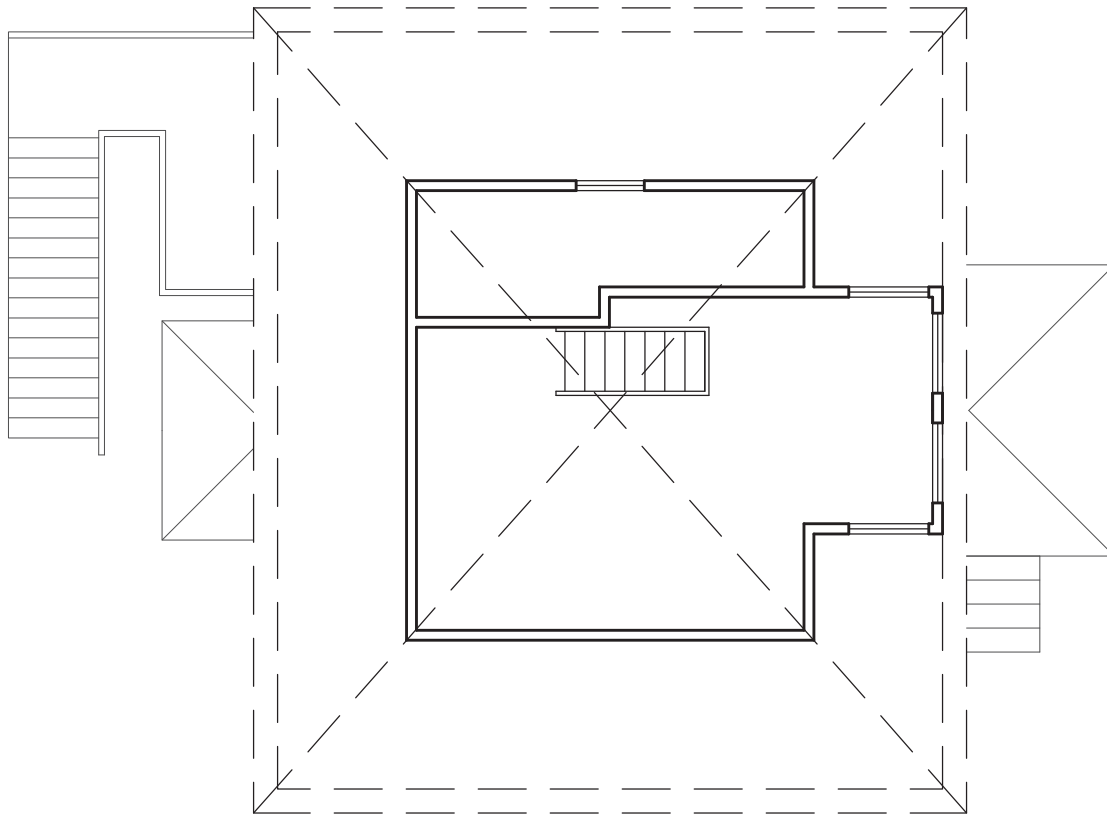
- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment



SECOND FLOOR PLAN
SCALE: 1/8" = 1'-0"

PLAN LEGEND

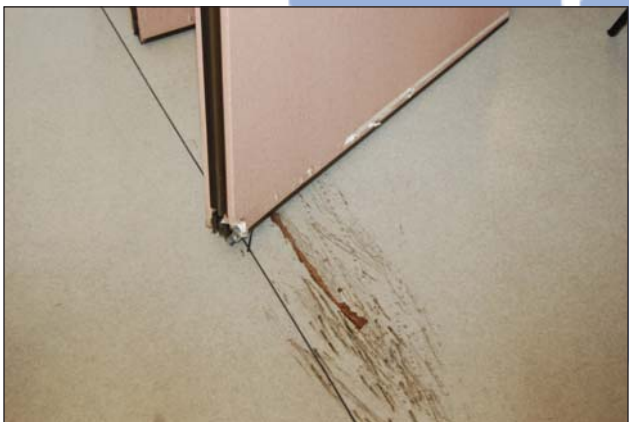
- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment



THIRD FLOOR PLAN
SCALE: 1/8" = 1'-0"

PLAN LEGEND

- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment



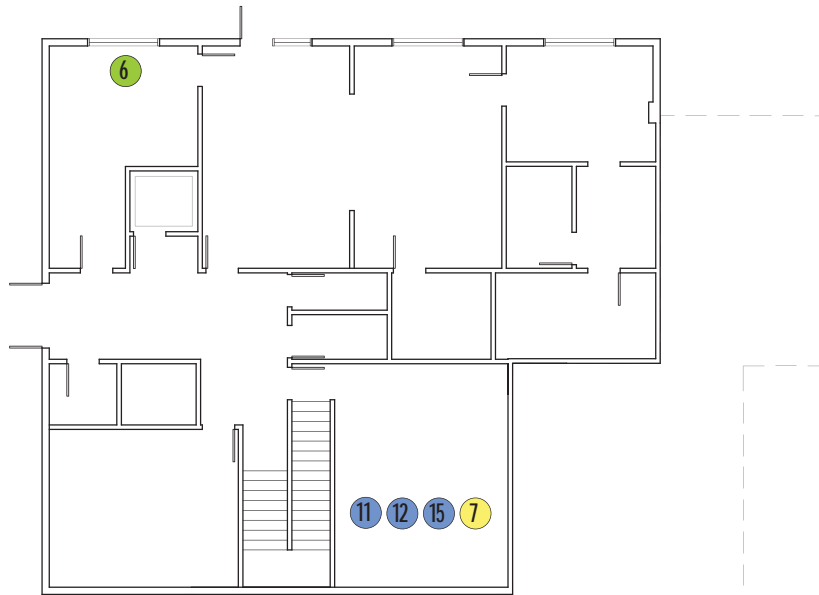
Central Area Senior Center (CASC)
500 30th Ave S

The Central Area Senior Center is a United Way agency and a member with Senior Services of state of WA. The building (circa late 1950's) is a one story, partial basement structure with approximately 12,000 SF located at 500 30th Ave. South. It provides office and support space for this organization's mission. The high-level facility assessment for this building was conducted as an escorted walking tour of the facility. The tour took place on February 2nd, 2012 with ARC and their consultants.



Central Area Senior Center

Repair / Maintenance		Estimate
Architectural		
1 Bury downspout under walk-way		\$250
2 Door too narrow, not accessible		\$3,000
3 Evidence of clerestory glazing leaking water		\$720
4 Threshold repair necessary		\$150
5 Door swing / clear floor area non compliant		\$450
6 Egress signage is needed in storage room being used as a "vintage clothing room"		\$200
Structural		
Not Assessed		
Mechanical		
7 Provide duct smoke detector in ventilation air handling unit for shutdown		\$1,500
Electrical		
8 Replace Bollard lights - waterseal broken, showing condensation, post loose at base		\$4,800
9 Replace exterior fixtures showing water damage - breezeway		\$432
10 Verify de-energized, abandoned FACP and remove - NW storage room		\$1,200
11 Replace non-AIC rated power panels from 1959 (120/208V, 3ph, 300A SE, 200A Pnl) - includes demo cost		\$16,800
12 Relocate Panel C - water piping located directly above panel - basement		\$3,600
13 Seal 3" conduit penetration at exterior entrance wall - numerous exposed conductors		\$600
14 Flush floor 120V outlets - remove wiring and fill with concrete		\$600
15 Provide cover to j-box AND relocate for working clearance - above FACP		\$360
	Subtotal	\$34,662
	GC Mark-Ups; General Conditions, Bonding & Insurance, OH&P 20%	\$6,932
	Estimating Contingency 15%	\$6,239
TOTAL COST ESTIMATE FOR CASC		\$47,834

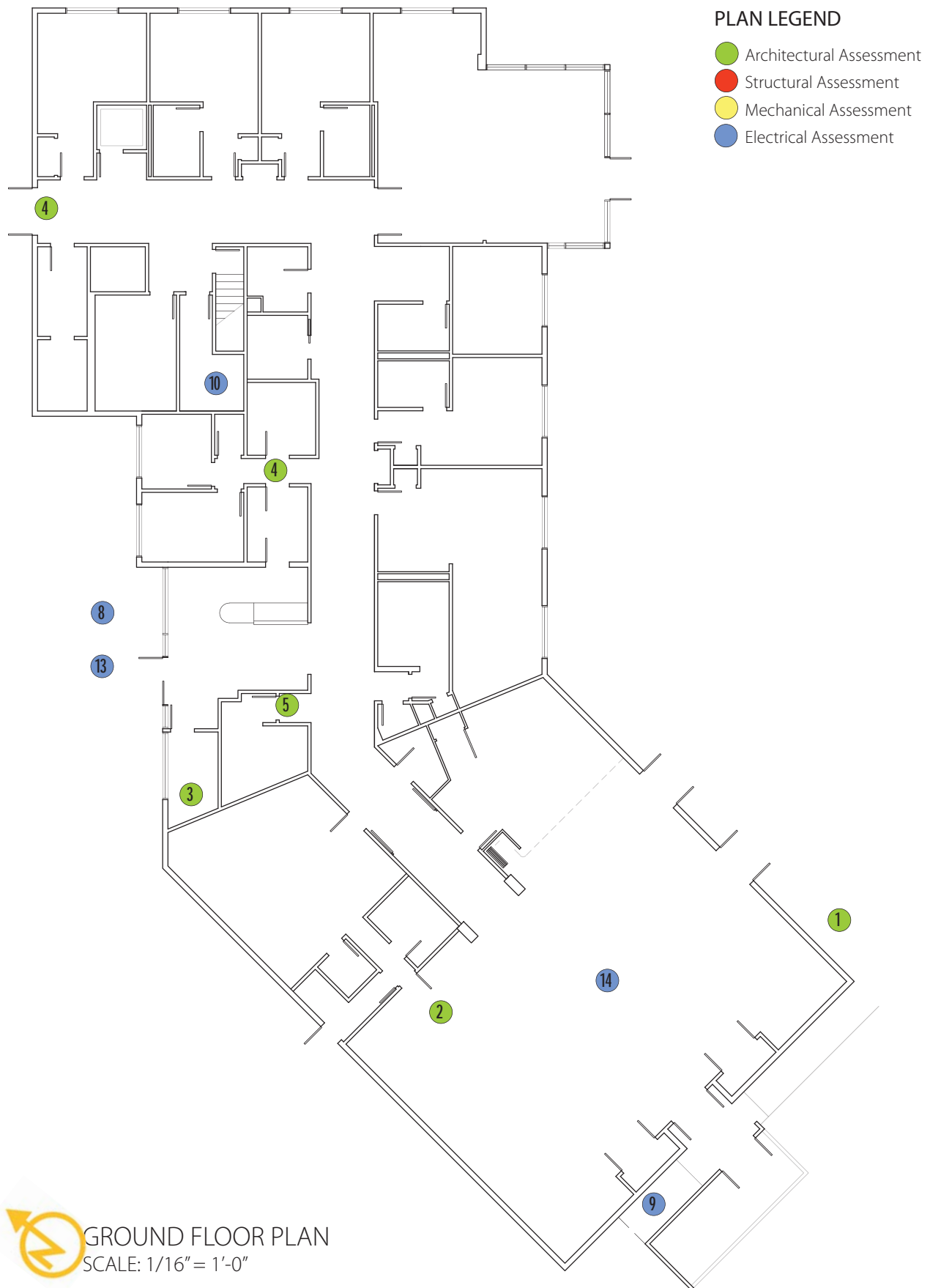


PLAN LEGEND

- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment



BASEMENT FLOOR PLAN
SCALE: 1/16" = 1'-0"





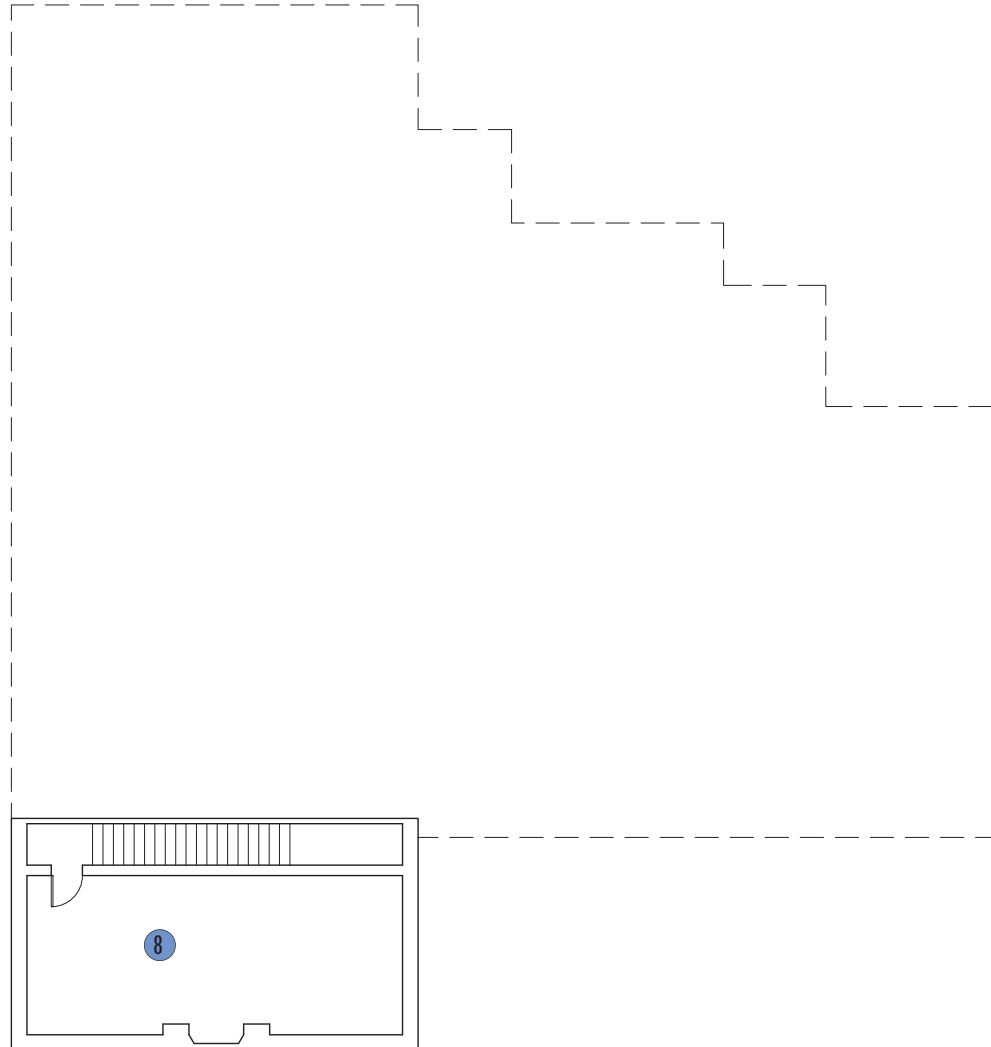
Central Area Motivation Program (CAMP)
722 18th Ave

The Central Area Motivation Program operates out of this neighborhood center that addresses essential human services to meet the needs of Seattle's poor. The building (circa early 20th century) is a two story, partial basement structure (once an old firehouse) with approximately 17,000 SF. It is located at 722 18th Ave. The high-level facility assessment for this building was conducted as an escorted walking tour of the facility. The tour took place on February 2nd, 2012 with ARC and their consultants.



Central Area Motivation Program

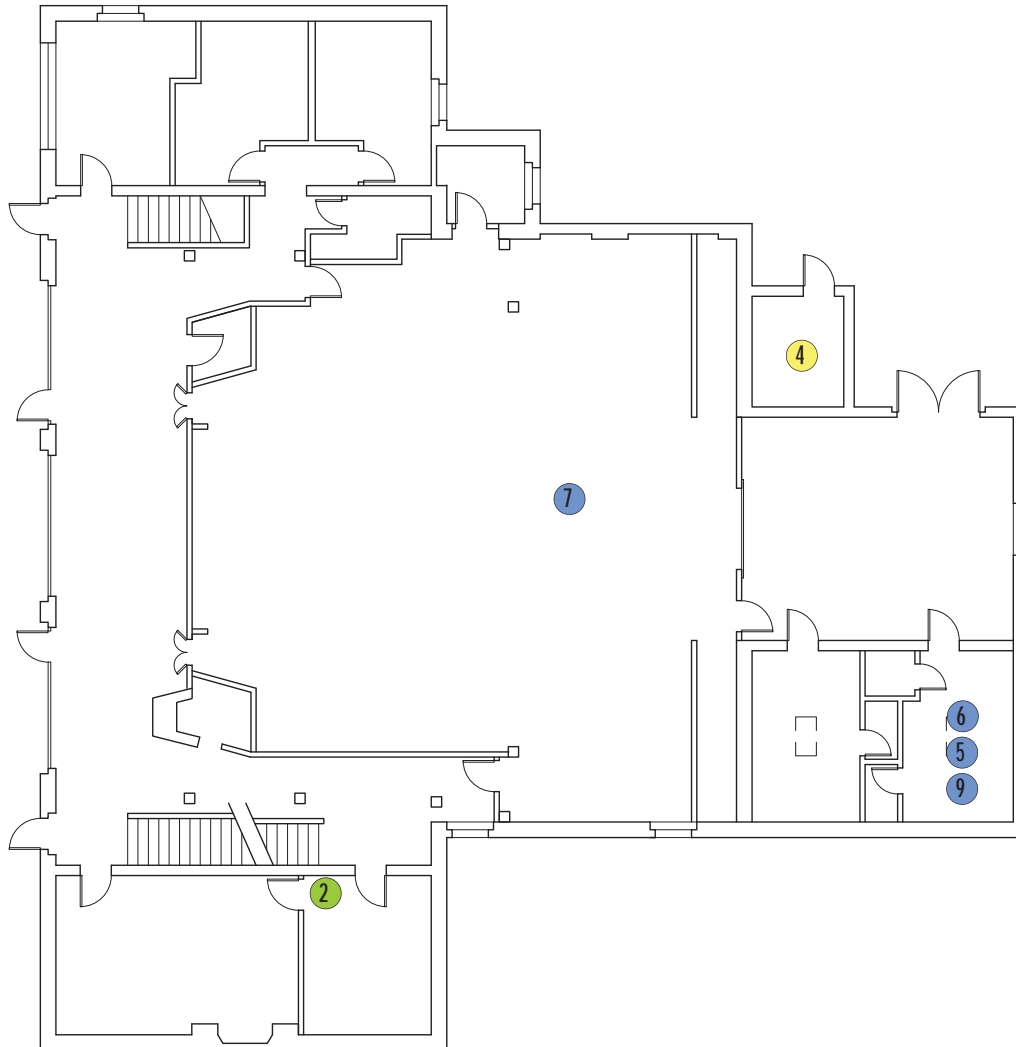
Repair / Maintenance		Estimate
Architectural		
1 Cracked glazing at skylight		\$825
2 Step in door at threshold is tripping issue (noted but NO repair)		\$0
3 Door threshold non-compliant (too high, cut down)		\$350
Structural		
Not Assessed		
Mechanical		
4 Provide duct smoke detector in air handling unit for shutdown		\$1,500
Electrical		
5 Replace Zinsco 120/240 panelboards, 225A, 30P		\$43,200
6 Replace Zinsco main distribution panel, 800A, 120/240V		\$14,400
7 Provide smoke detectors in food bank distribution area and east 1st floor storage rooms		\$2,880
8 Relocate power panel and Siemens control panel in boiler room - water piping installed above		\$7,200
9 Replace 2 rusted and damaged steel conduits above Panel F		\$1,080
	Subtotal	\$71,435
	GC Mark-Ups; General Conditions, Bonding & Insurance, OH&P 20%	\$14,287
	Estimating Contingency 15%	\$12,858
TOTAL COST ESTIMATE FOR CAMP		\$98,580



BASEMENT FLOOR PLAN
SCALE: 1/16" = 1'-0"

PLAN LEGEND

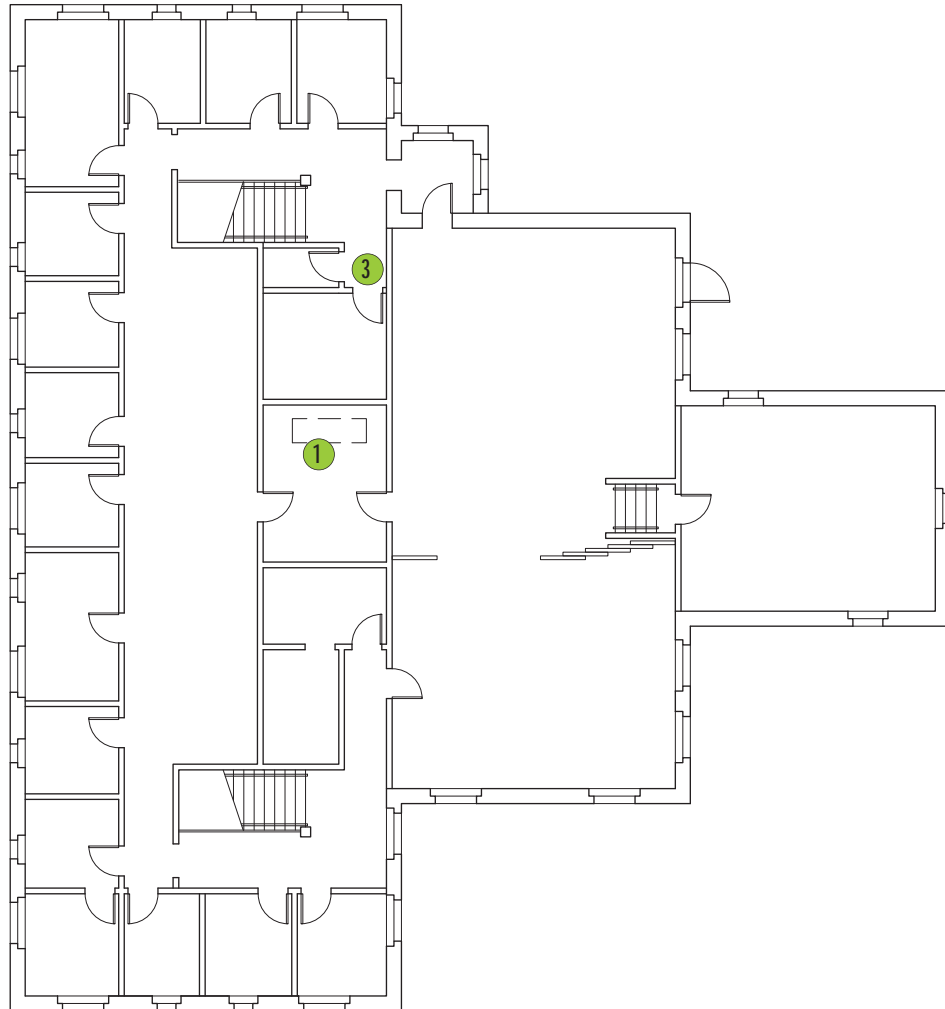
- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment



GROUND FLOOR PLAN
SCALE: 1/16" = 1'-0"

PLAN LEGEND

- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment



SECOND FLOOR PLAN
SCALE: 1/16" = 1'-0"

PLAN LEGEND

- Architectural Assessment
- Structural Assessment
- Mechanical Assessment
- Electrical Assessment

2012 Seattle City Council Statement of Legislative Intent

Approved

Tab	Action	Option	Version
58	1	A	2

Budget Action Title: Report from FAS on major maintenance of mutual and offsetting benefit lease properties.

Councilmembers: Burgess; Conlin; Godden

Staff Analyst: Ketil Freeman

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/10/2011	Pass 7- 2-Absent	Y	Y	Y	Y	Y	-	-	Y	Y

Statement of Legislative Intent:

The Council requests that the Department of Finance and Administrative Services provide two reports to the Council related to major maintenance of the City's mutual and offsetting benefit (MOB) properties.

The first report, which shall be provided by March 31st, shall estimate the cost of repairs needed to building systems, including roofs, to maintain MOB properties in a tenantable condition and shall set out options for funding repairs including, but not limited to, an assessment of eligibility and availability of American Recovery and Reinvestment Act retrofit funds and uncommitted real estate excise tax revenue.

The second report, which shall be provided by June 30th, shall present a review of the present MOB situation, policies for MOB leases, and options for MOB facilities, including disposition of the property to current tenants or entities that would ensure that the buildings continue to be leased to organizations providing a public benefit. This report shall be developed with input from current tenants and shall be informed by a survey of current MOB tenants to assess their ability to pay the lesser of fair market rent or standard City rent for similar facilities.

Background:

MOB properties are buildings owned by the City and leased to tenants who provide some public service. Tenants pay fair market rent, which is divided into cash rent and service rent. Cash rent is paid in cash. Service rent is delivered in the form of services provided to the community. Examples of services provided as rent include reduced cost medical care, nutrition education, meals for the elderly, operation of foodbanks, social service referrals, and transitional housing for homeless teen mothers.

The proposed budget appropriates \$1.9 million from the insurance settlement for the 2010 Sunny Jim fire for major maintenance of six mutual and offsetting benefit buildings. Lessees of these properties include: 1) the Central Area Motivation Program, 2) the Central Area Senior Center, 3) the Northwest Senior Center, 4) the Southeast Health Clinic, 5) the South Park Community Service Center, and 6) the Teen Mother Center.

Major maintenance proposed by the Department of Finance and Administrative Services (FAS) would be limited to roof replacement for each building. However, in addition to roof replacement, systems in many of these buildings also need other major maintenance. FAS has not estimated the cost of those additional repairs. The estimated cost by facility for roof replacement only, prioritized in order of deteriorated condition, is set out in the table below.

Facility Name/ (Organization)	Estimate
SE Health Clinic	\$ 485,000
Central Area Senior Center (Senior Services)	\$ 455,000
South Park Community Service Center (SPARC)	\$ 275,000
Central Area Motivation Program (CAMP)	\$ 315,000
Teen Mother Center (Goodwill Missionary Baptist Church)	\$ 105,000
Northwest Senior Center in Ballard (Senior Services)	\$ 265,000
Subtotal:	\$ 1,900,000

Source: FAS

Leases for these buildings are governed by the *Rules Governing the City's Mutual and Offsetting Benefit (MOB) Properties* (MOB Lease Rules), which were most recently amended by the Council through Resolution 27712 in 1988. These rules state that the City "shall be responsible for all normal repairs to **roofs**, walls, and foundations" (Emphasis Added).¹ However, the MOB Lease Rules clearly contemplate that cash rent will cover some major maintenance.

Specifically, under the MOB Lease Rules, cash rent should be a portion of the fair market rental value determined by an appraisal performed every five years and should cover the amortized major maintenance costs over a 40 year life cycle.² Additionally, after the third year of an initial lease, the MOB Lease Rules require that cash rent covers 50% of administrative and major maintenance costs. The remainder of the administrative and major maintenance costs are to be made up through General Fund support.³ In 2010 the Council increased the General Fund support for major maintenance of MOB facilities from \$200,000 annually to \$350,000 annually. FAS estimates that with the increase and with rent from tenants, the ongoing annual needed City support for major maintenance is about \$129,000 more than is currently provided.

Central Staff reviewed the leases for the above facilities. The oldest lease, to the Central Area Senior Center, dates to 1974. The City entered into the most recent lease, to the Goodwill Development Association for the Teen Mother Center, in 2008. Many of these leases do not appear to be consistent with MOB Lease Rules. For example, cash rents payable under the older leases do not

¹ *Rules Governing the City's Mutual and Offsetting Benefit (MOB) Properties*. Section V.H.

² *Ibid* at Section IX.A and IX.B.1.

³ *Id.* at Section IX.8.

appear to be based on recent appraisals of fair market rent and in one newer lease the City has elected to charge only service rent.

These discrepancies reflect decisions made by previous administrations and Councils that the value of services provided by the current tenants are sufficient to cover fair market rent. However, those decisions may have compounded the challenge of adequately maintaining these City-owned buildings.

Responsible Council Committee(s): Finance and Budget

Date Due to Council: March 31 (First Report)
June 30 (Second Report)

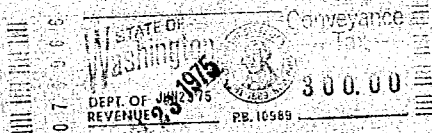
Seattle City Clerk's Office

Deed File

17558

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

A-133216 U-21



THIS SPACE RESERVED FOR RECORDER'S USE.

RECORDED

REQUEST OF

975 JUN 24 AM 8 30

DIRECTOR OF RECORDS & ELECTIONS-KING CO. WN. DEPUTY

Filed for Record at Request of

Name PIONEER NATIONAL TITLE INS.

Address 719 - 2nd Avenue

City and State Seattle, Washington 98104

FILED FOR RECORD AT REQUEST OF
PIONEER NAT'L. TITLE INS. CO.
719 SECOND AVE.
SEATTLE, WASHINGTON 98104

ESCROW 133216 EM

Form 467-C-Rev.

Statutory Warranty Deed

(CORPORATE FORM)

THE GRANTOR **SUNRISE HOUSE/NEUHAUSEN**, formerly known as Sunrise House, Inc., a Washington Nonprofit Corporation
for and in consideration of **Three Hundred Thousand and No/100 Dollars (\$300,000.00)**
in hand paid, conveys and warrants to **THE CITY OF SEATTLE**, a Municipal Corporation,
the following described real estate, situated in the County of **King**, State of **Washington**:

Lots 1, 2, 3, 4, 11, 12, 13 and 14, Block 21, Burke's Second Addition to the City of Seattle, according to the plat recorded in Volume 1 of Plats, page 248.

\$300.00

APPROVED AS TO FORM ONLY
JOHN P. HARRIS
CORPORATION COUNSEL

by James B. Harris,
6-18-75 ASSISTANT

DESCRIPTION & TITLE APPROVED:
A. L. FERTY, BUILDING SUPT.
By [Signature]
6-18-75

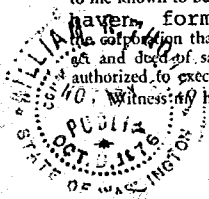
IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by its proper officers
this 29th day of May, 1975.

WITNESSED:
[Signature] Admin.
[Signature] Atty.
1975

Sunrise House Neuhausen
By Paul A. Mlachnik Vice President.
By Howard Nimmons Secretary.

STATE OF WASHINGTON,
County of Pierce } ss.

On this 29th day of May, 1975, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Paul A. Mlachnik** and **Howard Nimmons** to me known to be the **Vice President** and **Secretary**, respectively, of **Sunrise House/Neuhausen**, formerly known as **Sunrise House, Inc.**
The corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.
Witness my hand and official seal hereto affixed the day and year first above written.



William P. Thomas
Notary Public in and for the State of Washington,
residing at Newer Island

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

7506240284

17558



**PIONEER NATIONAL
TITLE INSURANCE**

ATICOR COMPANY

Policy of Title Insurance

PIONEER NATIONAL TITLE INSURANCE COMPANY, a California corporation, herein called the Company, for a valuable consideration, and subject to the conditions and stipulations of this policy, does hereby insure the person or persons named in item 1 of Schedule A, together with the persons and corporations included in the definition of "the insured" as set forth in the conditions and stipulations, against loss or damage sustained by reason of:

1. Title to the estate, lien or interest defined in items 3 and 4 of Schedule A being vested, at the date hereof, otherwise than as stated in item 2 of Schedule A; or
2. Any defect in, or lien or encumbrance on, said title existing at the date hereof, not shown in Schedule B; or
3. Any defect in the execution of any instrument shown in item 3 of Schedule A, or priority, at the date hereof, over any such instrument, of any lien or encumbrance not shown in Schedule B.

provided, however, the Company shall not be liable for any loss, damage or expense resulting from the refusal of any person to enter into, or perform, any contract respecting the estate, lien or interest insured. The total liability is limited to the amount shown in Schedule A, exclusive of costs incurred by the Company as an incident to defense or settlement of claims hereunder. This policy shall not be valid or binding until countersigned below by a validating officer of the Company.

Pioneer National Title Insurance Company

by John E. Flood, Jr.
President

and John J. Egan
Secretary

Countersigned

By

Harry Kinnee

Validating Signatory

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

WLTA

NUMBER : A-133216
DATE : JUNE 24, 1975 AT 8:30 A.M.
AMOUNT : \$300,000.00
PREMIUM: \$784.00

SCHEDULE A

1. INSURED

THE CITY OF SEATTLE, A MUNICIPAL CORPORATION

2. TITLE TO THE ESTATE, LIEN OR INTEREST INSURED BY THIS POLICY IS
VESTED IN

THE NAMED INSURED

3. ESTATE, LIEN OR INTEREST INSURED

FEE SIMPLE ESTATE

4. DESCRIPTION OF THE REAL ESTATE WITH RESPECT TO WHICH THIS POLICY
IS ISSUED

LOTS 1, 2, 3, 4, 11, 12, 13 AND 14, BLOCK 21, BURKE'S SECOND
ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT RECORDED
IN VOLUME 1 OF PLATS, PAGE 248, IN KING COUNTY, WASHINGTON.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

SCHEDULE B

DEFECTS, LIENS, ENCUMBRANCES AND OTHER MATTERS AGAINST WHICH THE COMPANY DOES NOT INSURE:

GENERAL EXCEPTIONS

ALL MATTERS SET FORTH IN PARAGRAPHS NUMBERED 1 TO 4 INCLUSIVE ON THE COVER SHEET OF THIS POLICY UNDER THE HEADING SCHEDULE B GENERAL EXCEPTIONS

SPECIAL EXCEPTIONS

NONE

...END OF SCHEDULE B...

THE TERMS OF THIS POLICY ARE MODIFIED BY THE ATTACHED WA 10 INDORSEMENT.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

7510300042

00 250 00787 9



First American Title INSURANCE COMPANY

Filed for Record at Request of

Filed for Record at Request of
FIRST AMERICAN TITLE
1000 2nd AVENUE
SEATTLE, WASHINGTON 98104

Name UNIVERSITY FEDERAL SAVINGS AND LOAN ASSOCIATIONAddress 1120 N.E. 45th StreetCity and State Seattle, Wa. 98105

THIS SPACE IS RESERVED FOR RECORDER'S USE.

REQUEST OF

1975 OCT 30 AM 8 30

UNIVERSITY FEDERAL SAVINGS AND LOAN ASSOCIATION
ELECTION, KING CO. WA.
DEPUTY

200

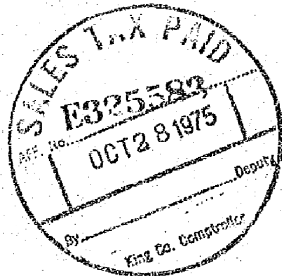
Statutory Warranty Deed

THE GRANTOR **LUELL WEED GUTHRIE**, as her separate estatefor and in consideration of **TEN DOLLARS AND OTHER VALUABLE CONSIDERATION**in hand paid, conveys and warrants to **ROBBY STERN a. SINGLE MAN,**the following described real estate, situated in the County of **King**, State of **Washington**:

Lot 5 and the West 20 feet of Lot 10, Block 21, BURKES
2ND ADDITION to the City of Seattle, according to the
plat recorded in Volume 1 of Plats, page 248, records of
King County, Washington.

Situate in the City of Seattle, County of King, State of
Washington.

SUBJECT TO restrictions, reservations, covenants and ease-
ments of record, if any.



REV 30.00

Dated this **6th** day of **October**, 19 **75**

Luell Weed Guthrie
By *Kenneth Myers* (REAL)
LUELL WEED GUTHRIE by: **Kenneth Myers**,
her attorney-in-fact

STATE OF WASHINGTON

County of **King** } ss.

On this **6th** day of **October**, 19 **75**, before me personally appeared
Kenneth Myers, who executed the within instrument as Attorney in
Fact for **Luell Weed Guthrie** and acknowledged to me that he signed and sealed
the same as his free and voluntary act and deed as attorney in fact for **Luell Weed Guthrie**
for all uses and purposes therein mentioned, and on oath stated that the power of attorney authorizing the
execution of this instrument has not been revoked and that the said **Luell Weed Guthrie**
is now living and is not insane.

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

(Seal)

[Signature]
(Signature)

Seattle

Notary Public in and for the State of Washington, residing at

Ordinance No. 104597

AN ORDINANCE accepting the offer of Sunrise House/ New Haven, a non-profit corporation, to convey to the City as a site for a Central Area Senior Center Lots 1, 2, 3, 4, 11, 12, 13 and 14, Block 21, Burke's Second Addition, for a cash consideration consisting of two-thirds of the appraised fair cash market value thereof; accepting a gift by the seller of one-third of the fair cash market value thereof; authorizing the preparation of plans, specifications and cost estimates for the renovation of said property, making an appropriation from the Emergency Fund and declaring the emergency therefor.

6/5/75 - Pass and amended.

ENGROSSED Council Bill No. 96317

INTRODUCED: May 5, 1975	BY: MILLER
REFERRED: May 5, 1975	TO: Parks & Public Grounds Finance
REFERRED:	
REPORTED: JUN 9 1975	SECOND READING: JUN 9 1975
THIRD READING: JUN 9 1975	SIGNED: JUN 9 1975
PRESENTED TO MAYOR: JUN 10 1975	APPROVED: JUN 12 1975
RETD. TO CITY CLERK JUN 12 1975	PUBLISHED:
VETOED BY MAYOR:	VETO PUBLISHED:
PASSED OVER VETO:	VETO SUSTAINED:
ENGROSSED:	BY:
VOL. PAGE	

SEE BACK COVER

ORD 105137 -AUTH APPL & EXECUTE AGREEMENT WITH STATE FOR FINANCIAL ASSIST TO AID IN ACQUISITION & REMODELLING OF "SUNRISE HOUSE" TO SERVE AS THE CENTRAL AREA SR CITIZENS CTR., ETC.

ORD 105324 -ACCEPTS DEED.

CF-284794 --CONTRACT -ARANGO CONST CO -CENTRAL AREA SR CTR REMODELING, PART A.

EK
COW

PUB
BLDG. (BC)
ENG.
B. O. ✓
A. O. ✓
S. E. ✓
C. O.
LIGHT

ORDINANCE 104597

AN ORDINANCE accepting the offer of Sunrise House/New Haven, a non-profit corporation, to convey to the City as a site for a Central Area Senior Center Lots 1, 2, 3, 4, 11, 12, 13 and 14, Block 21, Burke's Second Addition, for a cash consideration consisting of two-thirds of the appraised fair cash market value thereof; accepting a gift by the seller of one-third of the fair cash market value thereof; authorizing the preparation of plans, specifications and cost estimates for the renovation of said property, making an appropriation from the Emergency Fund and declaring the emergency therefor.

WHEREAS, Sunrise House/New Haven Corporation has offered to sell to the City Lots 1, 2, 3, 4, 11, 12, 13 and 14, Block 21, Burke's Second Addition to the City of Seattle (Volume 1 of Plats, page 248) together with the improvements situated thereupon; and

WHEREAS, an independent real estate appraisal of the property has established the fair cash market value thereof at Three Hundred Thousand Dollars; and

WHEREAS, the seller, Sunrise House/New Haven Corporation, desires to sell said property to the City while simultaneously making a gift to the City of one-third (\$100,000) of the fair cash market value thereof; and

WHEREAS, the Superintendent of Buildings and the Mayor have recommended acceptance of such offer (C.F. 281146) and use of the property for a Central Area Senior Center; Now, Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. That the offer of Sunrise House/New Haven, a corporation, to convey to The City of Seattle the following described real property, the fair cash market value of which has been determined to be Three Hundred Thousand Dollars (\$300,000):

Lots 1, 2, 3, 4, 11, 12, 13 and 14, Block 21, Burke's Second Addition to the City of Seattle, according to plat thereof recorded in Volume 1 of Plats, page 248, in King County, Washington

Situate in the City of Seattle, County of King, State of Washington

upon a cash payment by the City to the seller of Three Hundred

TH:BG:nd
5/26/75

Thousand Dollars (\$200,000) for the purpose of simultaneously effecting a gift by the seller to the City of One Hundred Thousand Dollars (\$100,000), is hereby accepted and in such connection the Superintendent of Buildings for and on behalf of the City is hereby authorized and directed to take such steps as are necessary to effect transfer of title to said property to the City; and for such purpose including appraisal costs, title insurance, escrow fees, closing costs, the expenses of negotiations in connection with such acquisition, and, in connection with the renovation of the property, the employment of an architect, preparation of plans, specifications, cost estimates for and such renovation pursuant to the authority contained in Section 2 hereof the sum of Two Hundred Seventy Thousand Dollars (\$270,000) or so much thereof as may be necessary is hereby appropriated from the Emergency Fund reimbursable (1) by an appropriation hereby made and authorized of Eighty-five Thousand Dollars (\$85,000), or so much thereof as may be necessary, from the Federal Shared Revenue Fund (Calendar year 1974 allocation) to be expended in accordance with the State and Local Fiscal Assistance Act of 1972, regulations implementing said act and Ordinance 101742; and (2) from any such funds as may become available for such purpose pursuant to an application to the State of Washington, Department of Social and Health Services for a grant pursuant to Referendum 29; and the City Comptroller is authorized to draw and the City Treasurer to pay the necessary warrants and make the necessary transfers.

Section 2. As further requested in C.F. 281146, the Superintendent of Buildings is authorized to employ an architect if necessary in such connection and to prepare plans, specifications and cost

1 estimates for the renovation of the structure on the real property
2 described in Section 1 hereof and upon approval by the Board of
3 Public Works, the Superintendent of Buildings is authorized to
4 proceed under the direction of said Board with the renovation of
5 the structure, which renovation may be effected by the award of a
6 contract or contracts therefor or by day labor in the discretion
7 of said Board, the costs of such improvement in an amount not to
8 exceed Sixty Thousand Dollars (\$60,000) to be charged to the
9 appropriation made in Section 1 hereof, and the City Comptroller
10 is authorized to draw and the City Treasurer to pay the necessary
11 warrants and make any necessary transfers.

12 Section 3. WHEREAS, the appropriation herein made is to
13 meet actual necessary expenditures of the City for which no ap-
14 propriation has been made due to causes which could not reasonably
15 have been foreseen at the time of making the 1975 Budget; Now,
16 Therefore, in accordance with RCW 35.32A.060, by reason of the
17 facts above stated and the emergency which is hereby declared to
18 exist, this ordinance shall become effective immediately upon the
19 approval or signing of the same by the Mayor or passage over his
20 veto, as provided by the Charter of the City.

21 PASSED by three-fourths vote of all the members of the City
22 Council the 9 day of June, 1975, and signed
23 by me in open session in authentication of its passage this
24
25
26
27
28

1 9 day of June, 1975.

2
3
4 PRESIDENT of the City Council

5 Approved by me this 12 day of June, 1975.

6
7 Mayor

8 Filed by me this 12 day of June, 1975.

9
10 ATTEST: City Comptroller and City Clerk

11
12 By: Deputy

13
14 (SEAL)

15 Published _____

The City of Seattle--Legislative Department

MR. PRESIDENT:

Date Reported
and Adopted

JUN 9 1975

Your Committee on PARKS & PUBLIC GROUND AND FINANCE

to which was referred C.B. 96317

Accepting the offer of Sunrise House/New Haven, a non-profit corporation, to convey to the City as a site for a Central Area Senior Center Lots 1, 2, 3, 4, 11, 12, 13 and 14, Block 21, Burke's Second Addition, for a cash consideration consisting of two-thirds of the appraised fair cash market value thereof; accepting a gift by the seller of one-third of the fair cash market value thereof; authorizing the preparation of plans, specifications and cost estimates for the renovation of said property, making an appropriation from the Emergency Fund and declaring the emergency therefor.

RECOMMEND THAT ENGROSSED C.B. 96317 BE SUBSTITUTED FOR THE ORIGINAL C.B. 96317 AND WHEN SO SUBSTITUTED THE SAME DO PASS.

John R. Miller P&PG
Chairman

[Signature] FIN.
Chairman

Committee

Committee

GG 19

62

Ordinance No. 105137

AN ORDINANCE authorizing application for and execution of an agreement with the State of Washington-Department of Social and Health Services for financial assistance under the Social and Health Facilities Bond Issue Act to aid in acquisition and remodelling of "Sunrise House" to serve as the Central Area Senior Citizens Center and directing deposit of the proceeds of such agreement in the Emergency Fund as partial reimbursement for the appropriation made therefrom by Ordinance 104597.

11/25/75 PuPG - Pass

11/26/75 For - Pass

COMPTROLLER 282550

FILE NUMBER

Council Bill No. 96948

INTRODUCED: NOV 24 1975	BY: EXECUTIVE REQUEST
REFERRED: NOV 24 1975	TO: Parks & Public Grounds Finance
REFERRED:	
REFERRED:	
REPORTED: DEC 1 1975	SECOND READING: DEC 1 1975
THIRD READING: DEC 1 1975	SIGNED: DEC 1 1975
PRESENTED TO MAYOR: DEC 2 1975	APPROVED: DEC 5 1975
RETD. TO CITY CLERK: DEC 5 1975	PUBLISHED:
VETOED BY MAYOR:	VETO PUBLISHED:
PASSED OVER VETO:	VETO SUSTAINED:

Unanimous Vote
YES..... NO.....

TC

- H. Res.
- EK
FUB
BLDG. (BC) -
ENG.
x B. O. X
- A. C. -
- S. E. -
C. O.
LIGHT

ORDINANCE 105137

AN ORDINANCE authorizing application for and execution of an agreement with the State of Washington-Department of Social and Health Services for financial assistance under the Social and Health Facilities Bond Issue Act to aid in acquisition and remodelling of "Sunrise House" to serve as the Central Area Senior Citizens Center and directing deposit of the proceeds of such agreement in the Emergency Fund as partial reimbursement for the appropriation made therefrom by Ordinance 104597.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. That as recommended by the Mayor in C.F. 282550, the Mayor is authorized for and on behalf of The City of Seattle to execute and submit an application to the State of Washington-Department of Social and Health Services ("DSHS"), substantially as contemplated in said C.F., for financial assistance in the approximate amount of One Hundred Eighty-five Thousand Dollars (\$185,000) under the State's Social and Health Services Bond Issue Act (RCW Ch. 43.83D; "Washington Futures") for the acquisition and remodelling of "Sunrise House" to serve as the Central Area Senior Citizens Center; and, thereafter, upon approval of such application, the Mayor is authorized to execute and the City Comptroller to attest, for and on behalf of The City of Seattle in such counterparts as may be necessary, an agreement substantially as contemplated by said application and the Mayor is further authorized to furnish such additional information and documents in connection with such application and agreement and to act as the authorized representative of the City in connection therewith.

Section 2. That in accordance with Ordinance 104597, funds received pursuant to the agreement authorized in Section 1

(To be used for all Ordinances except Emergency.)

hereof, shall be deposited to the credit of the Emergency Fund as partial reimbursement for the appropriation made therefrom by said Ordinance 104597.

Section 3. That submission of the application and execution of the agreement authorized in Section 1 hereof and any other act pursuant to the authority and prior to the effective date of this Ordinance are hereby ratified and confirmed.

Section 4. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 1 day of December, 1975
and signed by me in open session in authentication of its passage this 1 day of December, 1975

Carl B. Frank
President Pro Tem of the City Council.

Approved by me this 5 day of December, 1975

Wm. E. Hansen
Filed by me this 5 day of December, 1975 Mayor.

Attest: C. L. Glanderson
City Comptroller and City Clerk.

(SEAL)

Published _____

By D. W. Alper
Deputy Clerk.

The City of Seattle--Legislative Department

MR. PRESIDENT:

Your Committee on PARKS AND PUBLIC GROUNDS AND FINANCE
to which was referred Council Bill 96948

Date Reported
and Adopted
DEC 1 1975

Authorizing application for and execution of an agreement with the State of Washington Department of Social and Health Services for financial assistance under the Social and Health Facilities Bond Issue Act to aid in acquisition and remodelling of "Sunrise House" to serve as the Central Area Senior Citizens Center and directing deposit of the proceeds of such agreement in the Emergency Fund as partial reimbursement for the appropriation made therefrom by Ordinance 104597,

RECOMMENDS THAT SAME DO PASS.

John R. Miller P & PG
Chairman

L. Hill FINANCE
Chairman

Committee

Committee

I.J 06

Ordinance No. 105324

AN ORDINANCE accepting deeds from
Sunrise House/Newhaven and
Exxon Corporation for general
municipal purposes.

2/3/76 Page Pass

COMPTROLLER

FILE NUMBER _____

Council Bill No. 97151

INTRODUCED: JAN 26 1976	BY: EXECUTIVE REQUEST
REFERRED: JAN 26 1976	TO: Parks & Public Grounds
REFERRED:	
REFERRED:	
REPORTED: FEB 9 1976	SECOND READING: FEB 9 1976
THIRD READING: FEB 9 1976	SIGNED: FEB 9 1976
PRESENTED TO MAYOR: FEB 10 1976	APPROVED: FEB 10 1976
RETD. TO CITY CLERK: FEB 19 1976	PUBLISHED:
VETOED BY MAYOR:	VETO PUBLISHED:
PASSED OVER VETO:	VETO SUSTAINED:

Unanimous Vote

YES..... NO.....

Seeds #17558 and 17559

1ccA
H. Ras.
WM
AM

PUR
BLDG. (BC)
ENG.
B. O.
A. C.
S. E.
C. O.
LIGHT

ORDINANCE 105324

AN ORDINANCE accepting deeds from Sunrise House/Newhaven, a Washington Nonprofit Corporation to a portion of Block 21, Burke's Second Addition and Exxon Corporation, a New Jersey Corporation for a portion of the Edward Hanford Donation Claim, King County, Washington for general municipal purposes.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. That the deeds recorded on the dates and by the grantors as hereinafter set forth, each conveying to the City of Seattle the parcel of real estate described after each grantor's name, all situate in Seattle, King County, Washington, to-wit:

Sunrise House/Newhaven, formerly known as Sunrise House, Inc., a Washington Nonprofit Corporation.
June 24, 1975 (Sunrise House)

Lots 1, 2, 3, 4, 11, 12, 13 and 14, Block 21, Burke's Second Addition to the City of Seattle, according to the plat recorded in Volume 1 of Plats, page 248.

Exxon Corporation, a New Jersey corporation, formerly Humble Oil & Refining Company, a Delaware corporation, who acquired title by merger with The Carter Oil Company, a West Virginia corporation.
October 2, 1975 (Sick's Stadium, Parcel #1)

That portion of the Edward Hanford Donation Claim, in King County, Washington, described as follows: Beginning at a point on the northerly line of McClellan Street, said point being distant 74 feet easterly from the intersection of the northerly line of McClellan Street, and the easterly line of Rainier Avenue; thence westerly 74 feet to point of said intersection; thence northerly along the easterly line of Rainier Avenue a distance of 111 feet to a point; thence easterly a distance of 101.78 feet to a point which is distant 118.81 feet from the point of beginning; thence 118.81 feet to point of beginning.

be and the same are hereby accepted for general municipal purposes.

(To be used for all Ordinances except Emergency.)

Section 2. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 9 day of February, 1976,
and signed by me in open session in authentication of its passage this 9 day of
February, 1976

[Signature]
President of the City Council.

Approved by me this 19 day of February, 1976.

[Signature]
Mayor.

Filed by me this 19 day of February, 1976.

Attest:

E. P. Kien
City Comptroller and City Clerk.

(SEAL)

Published.....

By

J. F. Fenton
Deputy Clerk.



OFFICE OF THE MAYOR--CITY OF SEATTLE

Wes Uhlman, Mayor

January 21, 1976

The City Council
The City of Seattle

Honorable Members:

The attached letter from Department of Buildings,
Re: CB accepting deeds from Sunrise House/Newhaven
has been reviewed by the Office of Management and Budget. We
concur with the recommendation contained therein and recommend
that the same be adopted.

Sincerely,

Wes Uhlman
Mayor

by

Walter R. Hundley
Budget Director

WRH: SC:mr
Attachments

cc: Mayor's Office

Seattle
Department of Buildings

Alfred Petty, P.E. Superintendent
Wes Uhlman, Mayor



January 13, 1976

Re: Council Bill

RECEIVED

JAN 15 1976

OFFICE OF MANAGEMENT
& BUDGET

Honorable City Council
City of Seattle

Via Mayor Uhlman

Gentlemen:

We transmit herewith for your approval a council bill accepting deeds from Sunrise House/Newhaven, a Washington Nonprofit Corporation to a portion of Block 21, Burke's Second Addition and Exxon Corporation, a New Jersey Corporation to a portion of the Edward Hanford Donation Claim, King County, Washington for general municipal purposes.

One deed to property located at 500 30th Avenue South was acquired by negotiation for the total appraised consideration of Three Hundred Thousand Dollars (\$300,000.00) under the authority of Ordinance 104597 in connection with Sunrise House.

One deed to property located at the northeast corner of Rainier Avenue South and South McClellan Street was acquired by negotiation for the total appraised consideration of Thirty-Six Thousand Dollars (\$36,000.00) under the authority of Ordinance 104951 in connection with Sicks Stadium.

Very truly yours,

for Robert L. Snyder
ALFRED PETTY, P.E.
Superintendent of Buildings

WSM:mc

Att.

cc: Mayor Uhlman
Don Sherwood, Parks Dept.

The City of Seattle--Legislative Department

MR. PRESIDENT:

Date Reported
and Adopted

Your Committee on

PARKS & PUBLIC GROUNDS

FEB 9 1976

to which was referred

C.B. 97151

Accepting deeds from Sunrise House/Newhaven and Exxon Corporation for general municipal purposes.

RECOMMEND THAT THE SAME DO PASS

John R. Miller ^{P&PG}
~~Chairman~~

Chairman

Committee

Committee

Affidavit of Publication

STATE OF WASHINGTON,
KING COUNTY—SS.

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

ORDINANCE NO 105324

was published on Feb 21, 1976

Subscribed and sworn to before me on

Feb 21, 1976

Notary Public for the State of Washington,
residing in Seattle.

BE IT ORDAINED BY THE CITY
OF SEATTLE AS FOLLOWS:

Marion House/New Haven, formerly known as Sunrise House, Inc., a Washington Nonprofit Corporation.

Marion Corporation, a New Jersey corporation, a formerly Humble Oil & Refining Company, a Delaware corporation, was acquired little by merger with The Eastern Oil Company, a West Virginia corporation.

The pastor of the Howard Memorial Episcopal Church in New York City, the Rev. Dr. William L. Harrison, said that the church is not averse to the use of the Hallelujah Chorus, but that it is not a part of the church's worship. He said that the church is not averse to the use of the Hallelujah Chorus, but that it is not a part of the church's worship.

Section 2. This ordinance shall have effect and be in force thirty days from the date its passage and approval is approved by the City Council. It shall take effect on the date it shall become a law under the provisions of the city charter.

EAL SMITH,
President of the City Council.

Approved by me this 19th day
of February, 1976.

WES UHLMAN,
Mayor.

Filed by me this 19th day of
February, 1976

Attest: E. L. KIDD,
City Comptroller and
City Clerk.

(Seal) By J. F. FENTON,
Deputy Clerk.

Publication ordered by E. L.
KIDD, Comptroller and City
Clerk.

Date of Official Publication in
the Daily Journal of Commerce
Seattle, February 21, 1976.
(C-514)

**STATE OF WASHINGTON,
KING COUNTY—SS.**

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

stated period. The annexed notice, a.....
ORDINANCE NO 105324.....

was published on Feb 21, 1976

Subscribed and sworn to before me on

Feb 21, 1976

Notary Public for the State of Washington,
residing in Seattle.

MUTUAL AND OFFSETTING BENEFIT

LEASE AGREEMENT

PART A - SIGNATURE FORM

PARTIES

THIS LEASE AGREEMENT is entered into by and between THE CITY OF SEATTLE, a municipal corporation of the State of Washington, as Lessor, (hereinafter referred to as the "City") and SENIOR SERVICES OF SEATTLE/KING COUNTY, a nonprofit corporation organized under the laws of Washington and authorized to do business in the State of Washington, as Lessee (hereinafter referred to as "Lessee").

PREMISES

The City hereby leases to the Lessee and the Lessee hereby leases from the City all of the structure located at the following property:

Lots 1 through 4, inclusive, and Lots 11 and 14, inclusive, Block 21, Burke's Second Addition to the City of Seattle, as recorded in Volume 1 of Plats, Page 248, records of King County, Washington;

the street address for which is 500 - 30th Avenue South, (hereinafter referred to as the "Premises").

USE/PURPOSE

The Premises shall be used and occupied only for the following purpose(s): Operating a Senior Citizen Center (also known as the Central Area Senior Center) and associated programs.

TERM

The term of this lease begins January 1, 1992, and expires December 31, 1996, unless terminated earlier pursuant to the terms and conditions hereof.

RENT

In consideration for this Lease, the Lessee shall pay to the City or provide for the City's benefit, for the use and occupancy of the Premises, the following monthly rent: Three Thousand Seven Hundred Fifty and No/100 Dollars (\$3,750.00), of which a portion, as further described in Part B, Subsection 8.A, hereof, shall be in the form of legal tender of the United States of America or negotiable instruments payable in the same and acceptable to the Director of Administrative Services. Any non-monetary portion of the rent shall be in the form of in-kind services that shall be agreed upon prior to the providing of the same. The services to be provided as a portion of any month's rent shall be described in the annual supplement(s) comprising Part C, hereof.

The "fair market improvements value" of the property of which the Premises form a part is One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00), which figure shall be used in the computation of the minimum monetary portion of the rent payable during the first year of the term hereof, and following the annual adjustment provided for in Part B, Subsection 8.C, hereof, for the succeeding years of the term of this Lease.

Under no circumstances shall in-kind services in excess of the value the Lessee becomes obligated to provide in any particular year be usable as an offset to the minimum monetary rental due and payable for any year of the Lease term, or as an offset to any services to be provided by the Lessee in any succeeding year of the Lease term.

INSURANCE

The Lessee shall secure and maintain insurance to protect the City from liability as more fully described in Part B, Subsection 4 of this Lease, which insurance shall provide the following minimum coverage:

\$100,000.00 Bodily injury, per person;
\$100,000.00 Bodily injury, per occurrence;
\$100,000.00 Property Damage, per occurrence.

UTILITIES

As provided in Part B. Section 3. Utilities, the Lessee, at its sole expense, shall provide all utilities and other services.

The City shall not be responsible for any costs incurred in modifying the systems therefor that are occasioned by the Lessee's requirements.

AGREEMENT CONTENTS

This lease consists of this Part A - Signature Form, plus Part B - General Terms and Conditions, and the annual supplements hereto that comprise Part C - Description of M.O.B. Lessee's Services, all of which, by this reference, are incorporated herein. This Lease embodies the entire agreement of the parties hereto. There are no other understandings or agreements, written or oral, between the parties relating to the subject matter hereof.

EFFECTUATION OF AGREEMENT

In order to be effective, this Lease must be (1) signed by an authorized representative of the Lessee and returned to the City at the address set forth below, accompanied by any required evidence of insurance, and (2) signed by the Mayor pursuant to ordinance authority.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures below:

THE CITY OF SEATTLE
LESSOR

SENIOR SERVICES OF SEATTLE/
KING COUNTY, LESSEE

By _____
Mayor

By Thomas M. Romer
(Name)

Deputy Director
(Title)

ATTEST:

By _____
City Comptroller

By _____
(Name)

(Title)

City's address for all
communications:

Property Management Section
Department of Administrative Svcs.
Alaska Building, 14th Floor
618 Second Avenue
Seattle, Washington 98104
(until otherwise notified)

Lessee's address for all
communications:

Senior Services of Seattle/
King County
1601 Second Avenue
Seattle, Washington 98101
(until otherwise notified)

STATE OF WASHINGTON)
) ss.
County of K I N G)

I certify that I know or have satisfactory evidence that NORMAN B. RICE and NORWARD J. BROOKS signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the MAYOR and CITY COMPTROLLER, respectively, 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 in and for the State of
Washington, residing at _____
My appointment expires _____

STATE OF WASHINGTON)
) ss.
County of)

On this 1st day of April, 1992, before me personally appeared Thomas M. Resmussen and
be the Deputy Director, to me known to
_____ and
_____ of the corporation
that executed the within and foregoing instrument, and acknowledged
said instrument to be the free and voluntary act and deed of said
corporation, for the uses and purposes therein mentioned, and on
oath stated that they were authorized to execute said instrument and
that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand the day and
year first above written.

David L. DeBute
NOTARY PUBLIC in and for the State of
of Washington, residing at Seattle, WA
My appointment expires 4/14/92

ref: Fac Svcs MOB#1 (CASC.NP)

MUTUAL AND OFFSETTING BENEFIT

LEASE AGREEMENT

PART B - GENERAL TERMS AND CONDITIONS

1. LIMITATION ON USE/PURPOSE

Notwithstanding any other provision herein, the Lessee shall not enter into any sublease of the Premises or any portion thereof or any assignment of any interest in this Agreement, whether long or short term in nature, or engage in any activity with respect to or on the Premises other than that expressly authorized herein, without obtaining the prior explicit written authorization therefor from the City.

2. POSSESSION

In the event of the inability of the City to deliver possession of the Premises, or any portion thereof, at the time of the commencement of the term of this Lease, neither the City nor any of the City's officers, employees, or agents shall be liable for any damage caused thereby, nor shall this Lease thereby become void or voidable, nor shall the term herein specified be in any way extended, but in such event, the Lessee shall not be liable for any rent until such time as the City can deliver possession.

3. UTILITIES

The Lessee, at the Lessee's sole expense, shall provide or shall otherwise pay for, when due, all costs for providing all utilities and other services on or to the Premises including but not limited to elevator service, electricity, gas, water, telephone, sewer, garbage, heating, janitorial, security, and grounds keeping, and shall also pay all charges for utility installation and modifications thereto occasioned by the Lessee's requirements. The City shall not be liable for any injury, loss or damage caused by or resulting from any interruption or failure of said services due to any causes whatsoever except the City's negligence. The Lessee shall not be entitled to an offset, reduction, or return of rental as a result of any interruption or failure of said services.

4. LIABILITY

A. Indemnity: The Lessee shall indemnify and hold the City harmless from any and all losses, claims, actions, damages and expenses arising out of or resulting from any occurrence in or on the Premises. In the event that any suit based upon such losses, claims, actions, damages, or expenses is brought against the City, the Lessee, upon notice of the commencement thereof, shall defend the same at its sole cost and expense; and if final judgment be adverse to the City, or the City and the Lessee jointly, the Lessee shall promptly satisfy the same. The liability described in this subsection shall not be diminished by the fact, if it be a fact, that any such death, injury, damage, loss, cost or expense may have been contributed to, or may be alleged to have been contributed to, in part, by an act or omission of the City, its officers, employees or agents; Provided, that nothing contained in this subsection shall be construed as requiring the Lessee to indemnify the City against liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole act or omission of the City, its employees, officers, or agents.

B. Insurance: The Lessee shall secure and maintain during the full term of this Agreement, at no expense to the City, insurance by one or more companies authorized to do business in the State of Washington, as follows:

(1) A policy of fire and extended coverage, vandalism, malicious mischief, and special extended coverage insurance providing coverage of not less than eighty percent (80%) of the full replacement value of the Premises, including improvements made thereto, and the contents, with no allowance for depreciation, under which policy the City shall be named as an additional insured, as follows:

"The City of Seattle is an additional insured for all coverages provided by this policy of insurance and shall be fully and completely protected by this policy for any claim, suit, damage or loss of any sort sustained by any person, organization, or corporation and arising out of a covered occurrence under this policy. The coverages provided by this policy to the City or any other named insured shall not be terminated, reduced or otherwise changed in any respect without providing written notice thereof to The City of Seattle, Department of Administrative Services, Property Management Section, 400 Yesler Building, Fifth Floor, Seattle, WA 98104, at least thirty (30) days prior to the effective date thereof."

All losses under the policy shall be adjusted jointly by the Lessee and the City. Any loss paid under such insurance shall be payable to the Lessee and the City and shall be held by the City in trust for application to the cost of rebuilding, repairing, replacing, or restoring the Premises; and the City shall be paid such portion of the insurance proceeds as is equal to the true value of the Premises including all improvements made thereto as of the expiration or termination date specified in Part A, hereof, whichever is earlier (excluding removable trade fixtures and personal property), assuming no damage or loss other than normal wear and tear had occurred.

(2) A primary policy of general comprehensive liability insurance, under which (a) the City shall be named as an additional insured in the following manner:

"The City of Seattle is an additional insured for all coverages provided by this policy of insurance and shall be fully and completely protected by this policy for any claim, suit, injury, death, damage or loss of any sort sustained by any person, organization or corporation in connection with activity upon or use or occupancy of the Premises, as well as any activity performed by the principal insured therein.

"The coverages provided by this policy to the City, or any other named insured, shall not be terminated, reduced or otherwise changed in any respect without providing written notice thereof to The City of Seattle, Department of Administrative Services, Property Management Section, 400 Yesler Building, Fifth Floor, Seattle, WA 98104, at least thirty (30) days prior to the effective date thereof."

(b) Liability limits shall be at least the amounts set forth in Part A of this Lease; Provided, that in the event the Director of Administrative Services deems such insurance to be inadequate to fully protect the Lessee and the City, the Lessee shall increase said liability limits to such amounts as the Director of Administrative Services shall deem reasonably adequate to provide said protection, which increase shall be completed within sixty (60) days after the date of notice that the Lessee's insurance is deemed to be inadequate.

(c) Coverage shall include, but not be limited to, the following types (described in insurance industry terminology):

- (1) Premises Operations Liability;
- (2) Blanket Contractual Liability;
- (3) Broad Form Property Damage;
- (4) Independent Contractor;

- (5) Automobile Liability for owned, leased, hired or non-owned, if there will be any use of vehicles on the Premises by or on behalf of the Lessee;
- (6) Products and/or Completed Operations;
- (7) Personal Injury, Coverages A, B, and C (Exclusion "C" to be removed).

C. Contractor's Insurance and Bond: The Lessee shall require each contractor used by the Lessee to perform any demolition or construction work in connection with any improvement, alteration, or addition to be made to the Premises, to secure and maintain, at no cost to the City, the following:

(1) A contract bond or performance bond payable to the Lessee and the City in the full and just sum of the total amount of the contract, conditioned that all the provisions of the contract shall be faithfully performed by the contractor, or the surety if so required, and indemnifying the Lessee and the City against any direct or indirect damages that shall be suffered or claimed for injuries to persons or property during the carrying out of the work of the contract, and conditioned as required by law for the payment of all laborers, mechanics, subcontractors and materialmen, and all persons who shall supply such person or persons or subcontractors with provisions or supplies for the carrying on of such work.

(2) A policy of primary comprehensive general liability and automobile liability insurance with \$1,000,000 Combined Single Limits per occurrence and annual aggregate, providing the following coverages:

- Premises/Operations Liability (N & C);
- Owners and Contractors Protective Liability;
- Products and Completed Operations Liability;
- Blanket Contractual Liability;
- Broad Form Property Damage Liability;
- Personal Injury, including coverages A, B, and C;
- Stop Gap or Employers Contingent Liability;
- Explosion, collapse, underground damage (referred to as "X, C, U");
- Automobile Liability, including coverage for owned, non-owned, leased or hired vehicles.

and under which insurance The City of Seattle shall be named an additional insured in the same manner as that specified in Subsection 4.B(2) (a), hereof.

D. Evidence of Insurance: A copy of such policy(ies) and all endorsements thereto or other evidence to the reasonable satisfaction of the Director of Administrative Services that the Lessee has secured and is maintaining insurance as required by this section shall be delivered to the Property Management Section at the address specified in Part A, hereof, on or before the effective date of this Lease, and shall be delivered thereafter within five (5) City business days after the Lessee's receipt of a written request therefor, for review by the City Attorney and the City's Risk Manager, and filing with the City Clerk. Such evidence shall be in the form of a certified copy of the policy with a certified endorsement naming the City as additional insured or an endorsement as a named additional insured, which endorsement must contain the policy number, expiration date and authorized signature of the insurance company representative, or an "ACORD" form of a Certificate of Insurance. In the event that the "ACORD" form of a Certificate of Insurance is submitted, it will be returned for correction if it does not comply with the following:

The wording at top of form: "This certificate is issued as a matter of information only and confers no rights upon the certificate holder." - Shall be deleted in its entirety.

The wording at bottom of form: "Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail thirty (30) days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company." - Shall be changed to read - "Should any of the above described policies be cancelled, reduced as to coverage, or otherwise changed before the expiration date thereof, the issuing company will provide written notice of such action to the below named certificate holder/City of Seattle at least thirty (30) days prior to the effective date of such change or cancellation."

E. Assumption of Risk: The placement and storage of personal property on said Premises shall be the responsibility, and at the sole risk, of the Lessee.

F. Adjustments of Claims: The Lessee shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of the Lessee under this Lease.

G. Termination upon Lessee's Failure to Comply with Requirements: Notwithstanding any provision herein to the contrary, the failure of the Lessee to comply with the provisions of this section shall subject this Lease to immediate termination without notice and without recourse by any person in order to protect the public interest.

5. USES AND CARE OF PREMISES

A. General Condition: The Premises shall at all times be kept in a neat, clean, safe and sanitary condition, and kept and used in accordance with the laws of the State of Washington and Charter and ordinances of The City of Seattle, and in accordance with all authorized rules and regulations of the Health Officer, Fire Marshal, Director of Construction and Land Use and other appropriate officers of The City of Seattle at the sole cost and expense of the Lessee. The Lessee shall not permit any waste, damage, or injury to the Premises; use or permit on said Premises anything that will increase the rate of fire insurance thereon beyond the rating classification; maintain anything on the Premises that may be dangerous to life or limb; overload the floors; permit any objectionable noise or odor to escape or to be emitted from said Premises; permit anything to be done upon said Premises that in any way will tend to create a nuisance or, in the event of multiple occupancy, to disturb any other tenants of the building; or to use or permit the use of said Premises for lodging or sleeping purposes.

B. Maintenance-Repairs: The Premises have been inspected by both parties and are accepted by Lessee in their existing condition as of the commencement date of this Lease, without reservation except for latent defects or faulty construction of the Premises not discoverable by inspection at the time of taking possession. All normal repairs to roof, walls and foundations, existing utility connections to and from the Premises and major electrical, plumbing, and heating systems necessary to maintain the Premises in a tenantable condition shall be done by or under the direction of the City and at the City's expense, except repair work necessitated by an act or omission of the Lessee, or any of the Lessee's officers, employees, agents or invitees, which repairs shall be made at the sole expense of the Lessee. All other maintenance and repairs to the Premises shall be the responsibility and at the sole expense of the Lessee; Provided, that such maintenance and repairs shall be subject to the prior written approval of and shall be undertaken at the direction of the City.

C. Alterations:

(1) The Lessee shall not make, or cause to be made, any alteration, addition or improvement in said Premises without first obtaining the written consent of the Director of Administrative Services for such work. All alterations, additions and improvements made shall be at the sole cost and expense of the Lessee, and shall become the property of the City, and unless otherwise agreed in writing by the Director of Administrative Services, shall remain in and be surrendered with the Premises as a part thereof at the expiration or termination of this Lease, without disturbance, molestation or injury.

(2) The City reserves an unqualified right to make alterations to the Premises or to the building in which the Premises are situated (a) where conditions deemed by the Director of Administrative Services to constitute an emergency exist, or (b) in order to correct Code-deficiencies. The City also reserves the right to make general alterations to the Premises or to the building in which the Premises are situated where such general alterations will not unreasonably interfere with the ordinary operation of the Premises by the Lessee.

D. Access: The City reserves for itself, its officers, employees, agents and contractors, free access to said Premises at all reasonable times for the purposes of inspecting, cleaning, or making repairs, additions or alterations to the Premises or any other property owned by or under the control of City, but this right shall not be construed as an agreement on the part of the City to make said inspections, clean or make repairs, additions or alterations. The Lessee shall have reasonable access to other property of the City where necessary to provide utility services to or make repairs, alterations, additions, or improvements to the Premises; all of the Lessee's work on such other City property shall be at the Lessee's sole expense.

E. Signs: The Lessee shall not display, inscribe, paint or affix to any part of the Premises any sign except such as shall have been approved in writing by the Director of Administrative Services prior to such placement. The City shall have the right to place and maintain "For Rent" signs in conspicuous places on said Premises and to show the Premises to prospective tenants during the thirty (30) days prior to the expiration of this lease.

F. Keys: Any change in locks must be requested, in writing, by the Lessee and approved by the Director of Administrative Services prior to installation. Said lock change shall be at the sole expense of the Lessee. If a lock change is approved, Lessee shall provide the Director of Administrative Services with one (1) key for each lock changed immediately after such change has been completed.

G. Equipment; Personal Property: Special purpose equipment and all major appliances such as dishwashers, stoves, refrigerators, washers, and dryers located on the Premises shall be maintained and repaired by the Lessee at no cost to the City.

6. DAMAGE OR DESTRUCTION

In the event the Premises are damaged by fire, earthquake, act of war, or other extraordinary casualty, to such an extent as to render the same untenable in whole or in substantial part thereof, or are destroyed, it shall be optional with the City to repair or rebuild the same; and within forty-eight (48) hours after the happening of any such event, the Lessee shall give the City or City's agent notice thereof. If the City elects to repair or rebuild said Premises, the City shall prosecute the work of such repairing or rebuilding without unreasonable delay, in accordance with the then existing City procedures, and during such period the rent for said Premises shall be abated in the same ratio that the portion of the Premises rendered for the time being unfit for occupancy bears to the whole of the Premises; upon the completion of said rebuilding, the Lessee shall immediately reoccupy the Premises and pay the rent as aforesaid. In the event the building in which the Premises are located shall be substantially destroyed or damaged even though the Premises shall not be damaged thereby, if in the opinion of the Director of Administrative Services it shall not be practical to repair or rebuild, then the City may terminate this Lease by providing notice of termination to the Lessee within sixty (60) days after such damage or destruction has been determined to be irreparable.

Notwithstanding any other provision herein, no party to this Lease shall be liable in damages to any other party for termination of this Lease in the manner described in this section, because of the damage or destruction of the Premises or the building in which the Premises form a part.

7. COMPLIANCE WITH LAW

A. General Requirement: The Lessee, at its sole cost and expense, shall perform and comply with all applicable laws of the United States and the State of Washington; the Charter and ordinances of The City of Seattle; and rules, regulations, orders, and directives of their administrative agencies and the officers thereof.

B. Licenses and Similar Authorizations: The Lessee, at no expense to the City, shall secure and maintain in full force and effect during the term of this Agreement, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

C. Taxes: The Lessee shall pay, before delinquency, all taxes, levies, and assessments arising from its activities on or occupancy of the Premises, including, but not limited to taxes arising out of the activity or business conducted on the Premises such as the rental or sale of goods or services; taxes levied on its property, equipment, and improvements on the Premises; and taxes on the Lessee's interest in this Agreement and any leasehold interest deemed to have been created thereby under Ch. 82.29A RCW. In the event the State of Washington makes any demand upon the City for payment of leasehold excise taxes resulting from the Lessee's occupation of the Premises or withholds funds due to the City to enforce collection of leasehold excise taxes, the Lessee shall, at its sole expense, contest such action and indemnify the City for all sums expended by, or withheld by the State from, the City in connection with such taxation.

D. Nondiscrimination and Affirmative Action.

(1) The Lessee agrees to and shall comply with all Federal, State and local laws and ordinances prohibiting discrimination with regard to race, color, national origin, ancestry, creed, religion, political ideology, sex, sexual orientation, marital status, or the presence of any sensory, mental or physical handicap.

(2) In the event the Lessee has three (3) or more employees, the following provision shall be deemed a part of this lease:

"During the performance of this Lease, the Lessee agrees as follows:

"The Lessee will not discriminate against any employee or applicant for employment because of creed, religion, race, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental, or physical handicap unless based upon a bona fide occupational qualification. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during the employment without regard to their creed, religion, race, color, sex, national origin or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause. The Lessee will take affirmative action to ensure that all of its employees, agents and subcontractors adhere to these provisions; Provided, nothing herein shall prevent an employer from giving preference in employment to members of his/her immediate family.

"The Lessee will, upon the request of the Director (as used herein, Director means the Director of the City's Human Rights Department, or his/her designee) furnish to the Director on such form as may be provided therefor, a report of the affirmative action taken by the Lessee in implementing the terms of this provision, and will permit access to the Lessee's records of employment, employment advertisements, application forms, other pertinent data and records requested by the Director for the purpose of investigation to determine compliance with this provision.

"If, upon investigation, the Director determines that there is a probable cause to believe that the Lessee has failed to comply with any of the terms of this provision, the Lessee shall be so notified in writing. The contracting authority shall give the Lessee an opportunity to be heard after ten (10) days' notice. If the contracting authority concurs in the findings of the Director, it may suspend or terminate this Lease and evict the Lessee in accordance with law.

"Failure to comply with any of the terms of this provision shall be a material breach of this Lease."

The foregoing provision will be inserted in all subleases entered into under this Lease.

(3) Women's and Minority Business Enterprise Utilization:

(a) Reference: The provisions of Seattle Municipal Code ("SMC") Chapter 20.46 (Women's and Minority Business Enterprise Utilization Ordinance), as amended, are hereby incorporated by reference and made a part hereof as if fully set forth herein.

(b) Compliance: During the term of this Agreement, the Lessee shall:

1. Continue to make every effort to utilize MBEs and WBEs;

2. Require every subcontractor utilized by the Lessee for work in fulfillment of the Lessee's obligations under this Lease, to make every effort to utilize WBEs and MBEs; and

3. Maintain records reasonably necessary for monitoring compliance with the provisions of SMC Chapter 20.46, as amended.

Any substitutions for or other failure to utilize the WBEs or MBEs projected for use in this Lease on the commitment forms must be approved in writing by the Seattle Human Rights Department and the Director of Administrative Services.

Inasmuch as the Seattle Human Rights Department is authorized and empowered by SMC Chapter 20.46 to monitor compliance with the Lessee's Women's and Minority enterprise utilization commitment during the term of this Lease, the Lessee shall furnish to such department within a reasonable time after a request has been made for the same, whatever reports or other information is reasonably necessary to determine compliance.

The failure of the Lessee to comply with applicable provisions of SMC Chapter 20.46 shall be a material breach of contract.

8. RENT CALCULATION AND PAYMENT PROCEDURE

A. Lessee shall pay a portion of the annual rent in legal tender of the United States of America, which portion shall in the first year equal twenty percent (20%) of the sum of (a) two and one-half percent (2.5%) of the cost of one position of "Real Property Agent" or its successor, as computed in Part B, Subsection 8.B., hereof, plus (b) two and one-half percent (2.5%) of the then-current fair market improvements value of the property of which the Premises form a part (as specified in Part A, hereof, and as adjusted in accordance with Part B, Subsection 8.C., hereof); 40% of said sum in the second; and 50% in the third and subsequent years.

B. "Costs of a Real Property Agent's position": The cost of a Real Property Agent's position shall be computed by multiplying the sum of 1,573 chargeable hours by the then-prevailing hourly rate for such position or its successor, as published in the Department of Administrative Services' annual Rate & Services Directory or its successor; Provided, that the City reserves the right to modify, annually or more frequently, such rate or the number of chargeable hours as deemed appropriate by the Director of Administrative

Services; Provided, further, that under no circumstances shall the Lessee be charged a higher rate than that established for City departments that desire to obtain property management services from the Department of Administrative Services or its successor.

C. "Fair Market Improvements Value": For the first year of the Lease term, the fair market improvements value of the property of which the Premises forms a part shall be the most recent City-appraised value of such property. For the second and following years of the Lease term, such value shall be adjusted upwards by multiplying the preceding year's value by the sum of 100% and the percentage increase (if any) in construction costs associated with the type of building of which the Premises forms a part, as indicated by the BOECKH Index for the preceding year; Provided, that in the event the aforementioned index is discontinued, the parties hereto shall select another, similar index that reflects increases in building maintenance and construction costs.

D. Time and Place of Payment: The annual minimum monetary rental calculated as described in Part A and Part B, Subsections 8B & C, hereof, shall be prorated and paid on a monthly basis, in advance, on or before the first day of every month, without separate invoice from the City. All such payments shall be delivered or mailed to the City Treasurer, c/o Property Management Section addressed as specified for notices, pursuant to Section 14, hereof. In-kind services in lieu of monetary rent shall be provided according to the schedule included in the annual supplements(s) comprising Part C, hereof.

E. Delinquent Rent: Monetary rent shall be delinquent if not paid on or by the date specified in Part B, Subsection 8D, hereof. Delinquent monetary rent shall bear interest at a rate of Fifteen Percent (15%) per annum from the date of delinquency until paid. Services to be provided in lieu of monetary rent shall be delinquent if not provided according to the schedule(s) included in the appropriate annual supplement comprising a portion in Part C, hereof.

9. TERMINATION

A. For Breach by Lessee: In the event that the Lessee defaults in the performance of any of the terms, provisions, covenants and conditions to be kept, observed and performed by the Lessee, and such default is not corrected within thirty (30) days after the receipt of notice thereof from the City, or such shorter period as may be reasonable under the circumstances; or if the Lessee shall abandon, desert, vacate or remove from the Premises; or if the Lessee shall file a petition in bankruptcy; or if the Lessee shall be adjudicated as bankrupt after the filing of an involuntary petition in bankruptcy; or if the Lessee shall take or receive the advantage or benefit of any insolvency; or if the Lessee shall enter into an agreement of composition with the Lessee's creditors; then, in such event, the City, at its option at any time thereafter, may terminate this Lease together with all of the estate, right, and title thereby granted to or vested in the Lessee, by giving notice of such election at least twenty (20) days prior to the effective date thereof, and as of such effective date, this Lease and all of the estate, right, title and interest thereby granted to or vested in the Lessee shall then cease and terminate, and the City may re-enter the Premises using such force as may be required. Notwithstanding such re-entry by the City and anything to the contrary in this Lease, the liability of the Lessee for the rent provided for herein for the balance of the term of this Lease shall not be extinguished. The Director of Administrative Services shall have the right to determine on the City's behalf the existence of any default in performance or other breach or violation of the terms and conditions hereof on the part of the Lessee.

B. For Breach by City: The City shall not be in breach of any obligation to perform under this Lease unless the City fails to perform such obligation within a reasonable time, which time shall not extend more than thirty (30) days after notice by the Lessee to the City specifying the particular obligation that the City has failed to perform; Provided, however, that if the nature of the City's obligation is such that more than thirty (30) days are reasonably required for performance, then the City shall not be in breach if the City commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

C. Upon Notice by Lessee: This Lease may be terminated by the Lessee, without cause, by providing notice of such termination to the City not less than sixty (60) days prior to the effective date thereof.

10. SURRENDER OF PREMISES

Upon the expiration or termination of this Lease, including any extensions thereof, whichever is earlier, the Lessee shall quit and surrender said Premises and all keys thereto, without notice and in as good condition as received at commencement of the term, except for changes due to ordinary wear and tear, damage or destruction by fire or other casualty or circumstances uncontrollable by the Lessee, and alterations, additions, and improvements made with the consent of the Director of Administrative Services. On or before the termination or expiration date, whichever is earlier, the Lessee shall remove all furniture, equipment, supplies and other materials owned and controlled by Lessee.

11. WAIVER OF DEFAULT

The City does not waive full compliance with the terms and conditions of this Lease by acceptance of rent. No waiver of default by either party of any of the terms, covenants and conditions hereof shall be construed or operate as a waiver of any subsequent default of any of the terms, covenants and conditions hereon.

12. AMENDMENTS

The parties hereto expressly reserve the right to amend this Lease, from time to time, as may be necessary; Provided, that no alteration or modification of the terms or conditions hereof shall be valid and binding unless made in writing and signed by an authorized representative of each of the parties hereto.

13. NOTICES

All notices to be given by either of the parties hereto to the other party, shall be in writing and may either be delivered personally or may be deposited in the United States Mail, postage prepaid, addressed as specified in Part A hereof; or to such other respective address as the receiving party shall have designated in writing. Notices sent by mail shall be deemed to have been given when properly mailed; the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

14. NO RELATIONSHIP

In no event shall the City be construed or held to have become in any way or for any purpose a partner, associate, or joint venturer of the Lessee or any party associated with the Lessee in the conduct of the Lessee's business or otherwise. This Lease does not constitute the Lessee the agent or legal representative of the City for any purposes whatsoever.

15. DIRECTOR OF ADMINISTRATIVE SERVICES

The term "Director of Administrative Services" as used throughout this Agreement in regard to permission, warrant, consent, approval, rights, interpretation, and discretionary matters shall mean the Director of Administrative Services or his designee; Provided, that the action of the Director of Administrative Services pursuant to or in implementation of this Lease does not constitute any official action by any other City Department or official that may be required by law, ordinance, rule or regulation before the Lessee may rightfully commence, suspend, enlarge, or terminate any particular undertaking or may obtain or exercise any particular right or privilege under this Lease. Decisions to be made by the Director of Administrative Services shall be left to his/her reasonable discretion. Any approval, consent, or permission of the Director of Administrative Services required by this Lease shall not be unreasonably withheld.

16. ADJUDICATION

This Lease shall be construed under all of the applicable laws, statutes, ordinances, rules and regulations of the United States, the State of Washington, and The City of Seattle. In the case of a dispute between the parties, jurisdiction over such dispute shall be with the Superior Court of King County, Washington.

17. BINDING EFFECT

This Lease shall be binding upon the heirs, successors, assigns and all other parties legally empowered with signatory rights of any or all of the parties hereto.

18. INVALIDITY OF PROVISIONS

Should any term, provision, condition or other portion of this Lease be held to be inoperative, invalid or void, the same shall not affect any other term, provision, condition or other portion of this Lease, and the remainder of this Lease shall be effective as if such term, provision, condition or portion had not been contained herein.

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06-14-88