

October 22, 2020

MEMORANDUM

To: Finance and Housing Committee
From: Lish Whitson, Analyst
Subject: Council Bill 119906: Transfer of property to the Central Area Senior Center

On Monday, October 26, the City Council will receive a briefing on [Council Bill \(CB\) 119906](#). CB 119906 would transfer the Central Area Senior Center, City-owned property located at 500 30th Avenue South, to Central Area Senior Center, Inc. (CASC), its long-term tenant. The property was acquired by the City in 1975 for use as a senior center and has been kept in that use ever since. CB 119906 would transfer the property to CASC with a quit-claim deed to ensure that the property continues to be used for social services focused on seniors.

This is the second of three agreements the Executive is working on to transfer City-owned properties to non-profits with which the City has had mutual and offsetting benefits lease agreements (MOB).¹ These transfers are in response to [Resolution 31856](#), which asked the Executive to prepare agreements to transfer MOB properties to their tenants. The Council has approved [transfer of Byrd Barr Place](#) to its tenant and is awaiting legislation to transfer the Greenwood Senior Center property to the Phinney Neighborhood Association (PNA).

This memorandum provides background information on CASC and describes the transfer agreement that would be approved by CB 119906.

Central Area Senior Center

The Central Area Senior Center was acquired by the City in 1975 for use as a senior center. The 9,000 square foot center is located on a 57,000 square foot site one block south of South Jackson Street and one block west of 31st Avenue South. The site is located on a bluff overlooking Lake Washington. The King County Assessor has valued the property at \$4.9 million.

In 1983, the City leased the Senior Center property to Senior Services and Centers, Inc. under a MOB. Those lease terms were later transferred to CASC, which has operated as a month to month tenant under those terms ever since. For very low rent, CASC has agreed to provide services to the residents of the Central Area, including senior programs, food assistance, group meals, social activities, and celebrations.

¹ Mutual and Offsetting Benefit (MOB) leases allow tenants to pay the City rent, in whole or in part, through the public services they provide.

Council Bill 119906

CB 119906 would transfer ownership of 500 30th Avenue South to CASC at no cost to CASC for ongoing use for social service activities through a [transfer agreement](#). Among the important terms in the agreement are [a quit claim deed](#) requiring continued use of the property for social services purposes and indemnifying the City against environmental claims.

The quit claim deed would require continuous use of the property for the following social services purposes:

- a. Health services and wellness programs;
- b. Assistance and support for accessing benefits available to low-income seniors;
- c. Low cost meals and nutritional support;
- d. Fitness and recreation programs;
- e. Social and educational gatherings; and
- f. Affordable housing.

Ownership of the property would revert to the City if it ever ceases to be owned by a non-profit and used for these social services purposes.

CASC currently pays approximately \$3,000 a year in rent. The City anticipates that it would need to spend \$16,000 a year in 2021 to maintain the property. CB 119906 would transfer ownership of the property to CASC ensuring continuing community ownership of the facility and continued use of the facility for social service activities. The transfer would help to maintain an anchor of the African American community in the Central Area. It would also have the benefit of relieving the City's maintenance obligations.

Next Steps

A vote on CB 119906 is currently scheduled for Monday, November 2. The bill would authorize the Director of the Department of Finance and Administrative Services to sign the attached transfer agreement with CASC, potentially granting them possession of the property before the end of the year.

cc: Dan Eder, Interim Director
Aly Pennucci, Supervising Analyst