



Legislation Text

File #: CB 119026, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to property at Sand Point; authorizing the Housing Director to execute an amendment to and partial termination of the lease of City of Seattle land authorized by Ordinance 122459, as amended pursuant to Ordinance 123195, to remove two parcels from that lease; authorizing a new lease of the removed parcels to SPH Two LLLP; authorizing deeds to buildings on those parcels; authorizing related documents and actions; and ratifying and confirming certain prior acts.

WHEREAS, Ordinance 118770, passed November 3, 1997, and Ordinance 118963, passed April 13, 1998, authorized the acceptance of a deed from the United States to The City of Seattle (City) for land and buildings constituting a portion of the former Naval Station Puget Sound at Sand Point (“Sand Point”) and acceptance of related personal property, and authorized the leasing of such land, and transfer of title to buildings, to Sand Point Community Housing Association (SPCHA); and

WHEREAS, the lease of such land from the City to SPCHA (“Ground Lease”) and quitclaim deed with reversion for the buildings thereon from the City to SPCHA were executed on April 22, 1998, the Ground Lease was subsequently assigned to and assumed by Sand Point Community Connections LLC (SPCC), and it was superseded by an Amended and Restated Lease (“Master Lease”) as of April 23, 2008, all pursuant to Ordinance 122459, and was further amended and partially terminated pursuant to Ordinance 123195; and

WHEREAS, in 2017 the City Office of Housing made a conditional funding commitment of \$3,584,259 to Solid Ground Washington, the Sole Member and Manager of Sand Point Community Connections LLC, for the rehabilitation of the Sand Point Family Housing and Santos Place, and construction is scheduled to begin in August 2017; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of The City of Seattle Office of Housing (“Director”) is authorized to execute, acknowledge, deliver, and administer on behalf of The City of Seattle (City) a Fourth Amendment to Amended and Restated Lease and Partial Termination of Lease, substantially in the form attached to this ordinance as Attachment 1, amending the Amended and Restated Lease dated as of April 23, 2008, between the City as lessor and Sand Point Community Connections LLC (SPCC) as lessee, as previously amended and partially terminated (“Master Lease”), and partially terminating the Master Lease as to PARCELS 2 and 4 described in Exhibit D to the Master Lease, where Buildings 26N and 26S (“Sand Point Family Housing”) and Building 224 (“Santos Place”) are located, respectively. The Mayor, Director, and their respective designees shall have the same authority with respect to the Master Lease, as so amended, as was granted to the Mayor, Director, and their respective designees with respect to the Master Lease by Ordinance 122459, in addition to any other authority granted by this ordinance or otherwise by ordinance.

Section 2. The Director is further authorized to execute, acknowledge, deliver, and administer on behalf of the City a new ground lease (“Lease”), substantially in the form attached to this ordinance as Attachment 2, between City as lessor and SPH Two LLLP as lessee. The Lease with SPH Two LLLP shall be for the land described in Exhibit B to the Lease. As conditions to delivery and recording of the Lease, the lessee shall assume obligations to serve the homeless under a new or amended regulatory agreement satisfactory to the Director, which the Director may accept in place of existing Regulatory Agreements in favor of the City on the land described in Exhibit B to the Lease, Sand Point Family Housing, and Santos Place. The Mayor or Director is further authorized to execute, deliver, acknowledge, accept, record, amend, perform, enforce and administer on behalf of the City substitute leases for any or all of the land described on Exhibit B after any termination of a lease authorized in this section before expiration of its stated term, which substitute leases shall be substantially on the terms described for "New Leases" in Attachment 2 to this ordinance. In connection with any such substitute lease the Mayor or Director is authorized to convey by quitclaim deed to the new lessee, subject to

reversion to the City upon expiration or termination of the substitute lease, any title or interest of the City in or to the improvements on any of the land subject to the substitute lease. The Mayor, Director, and their respective designees shall have the same authority with respect to the Lease as was granted to the Mayor, Director, and their respective designees with respect to the Master Lease by Ordinance 122459, in addition to any other authority granted by this ordinance or otherwise by ordinance.

Section 3. In connection with the transactions authorized in Sections 1 and 2 of this ordinance, the Director may consent to the conveyance of SPH One LLC's title to and interest in Sand Point Family Housing and Santos Place to SPH Two LLLP and the continuation of such title and interest notwithstanding termination of the Master Lease as to the underlying land, or the Director may accept deeds to the City of those buildings. The Director is further authorized to execute, acknowledge, and deliver on behalf of the City a Quit Claim Deed with Reversion to SPH One LLC or SPH Two LLLP for Sand Point Family Housing and Santos Place, substantially in the form of Attachment 3 to this ordinance.

Section 4. The Mayor or Director each is authorized to make immaterial revisions to the forms of documents attached to this ordinance, consistent with applicable law and with legal requirements affecting the property involved, and each is authorized to execute, deliver, acknowledge, accept, record, perform, enforce, and administer on behalf of the City such other documents as the Mayor or Director may deem necessary or appropriate to carry out the purposes of this ordinance and the documents authorized herein, including without limitation to ensure delivery of the financing for the rehabilitation of Sand Point Family Housing and Santos Place, and to grant such consents and approvals, and perform such other acts on behalf of the City, as the Mayor or Director shall deem necessary or appropriate for such purposes. The Mayor or Director each is further authorized, for and on behalf of the City, to grant such consents and approvals under any lease authorized in this ordinance, and to enter into such assignments, estoppel certificates, subordination agreements and other ancillary agreements, as may be required in order to enable the lessee and its assignees or sublessees to obtain public and private financing based upon leasehold interests and interests in the buildings and other

improvements now existing, or to be rehabilitated or constructed, for purposes of serving the homeless.

Section 5. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2017, and signed by me in open session in authentication of its passage this _____ day of _____, 2017.

President _____ of the City Council

Approved by me this _____ day of _____, 2017.

Edward B. Murray, Mayor

Filed by me this _____ day of _____, 2017.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment 1 - Fourth Amendment to Amended and Restated Lease and Partial Termination of Lease

Attachment 2 - Ground Lease

Attachment 3 - Quitclaim Deed with Reversion