



Legislation Text

File #: CB 119150, Version: 2

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to Volunteer Park; authorizing the Superintendent of Parks and Recreation to enter into a development agreement and lease with the Seattle Art Museum for the renovation and continued occupancy for recreation purposes of the building that has historically housed the Seattle Asian Art Museum; and ratifying and confirming certain prior acts.

WHEREAS, in 1931, the Art Institute of Seattle, predecessor to the Seattle Art Museum (SAM), constructed the building currently housing the Seattle Asian Art Museum in Volunteer Park and upon completion, conveyed the building to The City of Seattle (City); and

WHEREAS, the Volunteer Park museum was SAM's sole location until 1991 when, after moving its principal venue to downtown Seattle, SAM renamed the building SAM's Asian Art Museum Building (SAAM Building) and it became the home for SAM's internationally-recognized Asian art collection; and

WHEREAS, the SAAM Building is an historic landmark that has not been substantially renovated or restored since it was completed in 1933; and

WHEREAS, by 2007, both the City and SAM recognized that the SAAM Building required substantial renovation, including replacement of systems needed to provide modern climate control that properly protects historic artifacts and works of art, along with structural elements such as seismic stabilization, ADA access, and other major improvements to enable SAM to continue operating in the SAAM Building; and

WHEREAS, the City and SAM agreed to share in the cost of the renovation, then estimated to cost approximately \$22,000,000; and

WHEREAS, in 2008, Seattle voters approved a renewal of a levy to support the City's parks, which ballot measure included \$9,000,000 towards the City's share of the renovation cost; and

WHEREAS, with the onset of the Great Recession in 2009, both general economic conditions and SAM's own challenges following the seizure of Washington Mutual conspired to postpone the renovation; and

WHEREAS, in early 2015, pursuant to Ordinance 124571, the City and SAM executed an agreement (2015 Agreement) formally committing the City to provide the full \$11,000,000 it originally pledged for the basic project, subject to escalation consistent with any increases in construction costs, and inviting consideration of a more comprehensive project to complete the basic renovation as well as additional work to make the building more functional as a public museum; and

WHEREAS, as required under the 2015 Agreement, SAM formally notified the City earlier this year that it intended to proceed with the renovation, commencing in 2017; and

WHEREAS, SAM also advised the City of its desire to undertake a larger and more comprehensive renovation, and to that end SAM also requested, and the Mayor agreed, to seek an additional \$5,000,000 appropriation for the renovation and expansion project (Project); and

WHEREAS, the City and SAM have determined that, as contemplated under the 2015 Agreement, a "larger and more comprehensive renovation" of the SAAM Building is appropriate and desirable for a more sustainable art museum; and

WHEREAS, RCW 35.22.290 authorizes the City to own, maintain, construct, and lease art museums; and

WHEREAS, the City believes that having a vibrant and successful museum at the SAAM Building serves an important park and recreation purpose and that an improved and expanded facility will allow SAM to better serve the needs of City residents and visitors and will enhance Volunteer Park; and

WHEREAS, the City and SAM wish to enter into a Development Agreement for the Project and a long-term lease of the SAAM Building for continued operation of the Seattle Asian Art Museum (SAAM); and

WHEREAS, the Project budget includes funding of some \$6,000,000 to be derived from the Federal Historic

Rehabilitation Tax Credits, and the viability of the Project would be jeopardized were such tax credits to be unavailable. The Lease between the City and SAAM Building Landlord, LLC, authorized by this ordinance, will be executed by the City and its tenant under such lease before December 31, 2017 to ensure that the SAAM building is leased by a taxpayer eligible to participate in the tax credit program before the end of the year; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds and declares as follows:

1. It is the mission of the Seattle Department of Parks and Recreation to provide welcoming and safe opportunities to play, learn, contemplate, and build community.
2. For 84 years Seattle's Volunteer Park has been home to the Seattle Art Museum (SAM), which has provided countless opportunities for Seattle residents and visitors to enjoy their leisure time by offering inspiring and uplifting exhibitions and other recreational activities.
3. The City of Seattle (City), as a Washington first-class city, has express authority under RCW 35.22.290 to lease, purchase, construct and maintain art museums and to let them for such public and private purposes for such compensation and rental and upon such conditions as shall be prescribed by ordinance.
4. The City has an interest in the renovation and expansion of SAM's Asian Art Museum Building (SAAM Building), as it will enhance Volunteer Park and because the continued and expanded presence of a cultural institution such as the Seattle Asian Art Museum is a valuable community asset for the public.
5. Continued use of the Volunteer Park museum building as the venue for SAM's Asian art collection is an appropriate park and recreation use.
6. Because the subject property will continue to be used for park and recreation purposes and because the agreements authorized by this ordinance do not involve a sale, transfer, or change from park use to another usage, the provisions of Ordinance 118477 (Initiative 42) do not apply to this transaction.

Section 2. The Superintendent of Parks and Recreation (Superintendent) or the Superintendent's

designee is authorized to execute and perform, for and on behalf of the City, an agreement (Development Agreement) with SAM, substantially in the form of Attachment 1 to this ordinance, that will allow SAM to renovate the SAAM Building for museum purposes.

Section 3. The Superintendent or the Superintendent's designee is further authorized to execute and perform, for and on behalf of the City, a lease (Lease) for the SAAM Building substantially in the form of Attachment 2 to this ordinance to allow SAM to continue its museum operations in the SAAM Building. With regard to any public benefits required under the Lease, SAM shall take adequate measures to clearly inform the public of these benefits, including identifying such benefits in marketing and outreach materials covering public activities at the SAAM.

Section 4. The Superintendent or the Superintendent's designee is further authorized and directed, for and on behalf of the City, to make technical, conforming or otherwise nonmaterial changes to the Development Agreement or the Lease, and to execute, deliver, administer, and perform such ancillary agreements or documents or to take such other actions as may be judged necessary, appropriate, or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance.

Section 5. In the event renovation of the SAAM Building proceeds without the benefit of credits from the Federal Historic Rehabilitation Tax Credits as contemplated in Attachment 2 to this ordinance, the Superintendent or the Superintendent's designee is further authorized and directed to execute and perform, for and on behalf of the City, a Lease for the SAAM Building substantially in the form of Attachment 2 to this ordinance to allow SAM to continue its museum operations in the SAAM Building, amended and restated to be between the City as Landlord and SAM as Tenant.

Section 6. If a court of competent jurisdiction determines that the above findings are inaccurate with respect to the application of Initiative 42 to this transaction, then the requirements of Ordinance 118477 are hereby superseded.

Section 7. Any act consistent with the authority of this ordinance, including but not limited to execution

of the attached Lease, substantially in the form of Attachment 2 to this ordinance, taken prior to its effective date is ratified and confirmed.

Section 8. 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.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2017.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment 1 - Development Agreement

Attachment 2 - Lease Agreement