



The Heart and Soul of the Neighborhood

December 1, 2009

By E-mail

Ronald J. English
Deputy General Counsel and Property Manager
Seattle Public Schools
2445 Third Avenue South
Seattle, WA 98134

Re: **Request for Proposal No. 01913**
Martin Luther King Elementary School Site

Dear Mr. English:

We are writing in response to your e-mail dated November 20, 2009, regarding the proposal of Citizens for a Community Center at M. L. King (CCC@MLK). We affirm our proposals submitted on October 15, 2009, with the following changes addressing the points you raised posed:

1. Please confirm that the minimum required earnest money (5% of the purchase price) will be provided. As I indicated to you in the November 19 meeting, your October 15 proposal is nonresponsive because you failed to comply with that requirement in the RFP.

CCC@MLK offers and confirms that the minimum required earnest money, representing five percent (5%) of the purchase price, will be provided.

2. Please confirm that a playscape will be maintained on the property and be made available for public use, or that you will provide one comparable to the one currently on site.

The existing playscape will be maintained on the property and will be made available for public use.

3. Please confirm that rent will be paid for the period between occupancy and closing, above and beyond the purchase price, i.e., not credited towards the purchase, and that the rent will be based upon the criteria in the Request for Proposals, i.e., \$108,000 annually, adjusted if over 50% of the facility is used to support child education and adjusted for the transition rules set forth in the RFP (75% the first year, etc.).

We offer and confirm that the rent to be paid under the short term lease (covering the period between occupancy and closing) will be \$108,000 - subject to adjustment for the youth education discount (based on utilization that cannot now be determined with sufficient specificity, and needs to be addressed later), as well as subject to the RFP's transition rules (75%, 85% and 95% of full rent due during the first through third years of the lease). Furthermore, we offer and confirm that the rent paid under the short term lease shall not be credited towards the purchase price. In addition, we offer a revised occupancy date under the short term lease of July 1, 2010, or an alternate date at least sixty (60) days after the date of execution of a purchase and sale agreement.

4. Please confirm that the purchase price to be paid at closing will be escalated in accordance with the RFP requirements, i.e., 4% annually from June 30, 2010 to the date of closing.

We offer and confirm that the purchase price to be paid at closing will be escalated in accordance with RFP requirements - namely, "interest [shall be charged and paid] at a rate equal to the 10-year Treasury bill rate in effect as of the date the School Board approves the sale through closing."

5. As indicated in the School Board policy and the RFP, eligibility for special treatment under the policy requires demonstrated support of youth education or provision of social services. Please explain how your proposal meets these requirements. As discussed during the November 19 meeting, our understanding of your proposal is that market rental rates will be charged to tenants, including child care, veterans groups, dance studio, etc., which means that your proposal is not supporting such groups, but acting as a landlord. As we indicated in the meeting, the rates being charged tenants under your proposal are substantially higher than those charged by the four community schools recently sold by the District.

As required under the Seattle School Board policy and the RFP, CCC@MLK is a registered non-profit organization with the State of Washington. (See Tab 15 of Exhibit 5 of CCC@MLK's proposals.)

We want to assure the School District that we do not want to "act as a landlord" but instead intend to provide support to both our partners and the community with a neighborhood run Community Center. We define that support in both fiscal and non-fiscal terms. We will provide below market rents to our

partner organizations, other area groups and individuals for use of the "flex spaces" (e.g., indoor gym, kitchen, cafeteria, meeting rooms) on a short term hourly basis.

In our proposal, the typical rental rate for most classrooms, of approximately 900 square feet, is \$16.00 a square foot. This is significantly lower (from 11.1% to 46.7%) than the rates ranging from \$18.00 to \$30.00 for available spaces in the general vicinity of Madison Valley and the school site.

	Address	Square Footage	Annual Rent Per Square Foot (Triple Net)
1	400 E. Pine	2,374	\$ 18
2	324 15 th Ave. E.	834	\$ 18 to 20
3	900 E. Pine	2,400	\$ 24 to \$26
4	2209-2211 E. Madison	1,123 to 4,759	\$ 25
5	600 Broadway	2,785	\$ 29
6	615 E. Pike	1,044 to 2,329	\$ 30
7	225 14 th Ave. E.	949	\$ 30

Difference between \$18 and \$16 = \$2 / \$18 = 11.1%; Difference between \$20 and \$16 = \$4 / \$20 = 20.0%
 Difference between \$25 and \$16 = \$9 / \$25 = 36.0% discount; Difference between \$30 and \$16 = \$14 / \$30 = 46.7%

Child Care Spaces

Creative Beginnings is initially planning to rent three rooms to provide child care services. The total area of the three rooms is approximately 2,980 square feet. The total annual revenue for the three spaces will run an average of \$15.24 a square foot annually. This is \$2.76 less than the lowest available advertised commercial space at \$18.00 a square foot, and represents a discount of 15.3 % (\$2.76/\$18).

Class Room	Square Footage (approx.)	Annual Rent Triple Net	Monthly Rent Per Square Foot	Annual Rent Per Sq. Ft.
128 & 129 Kindergarten	1200	\$ 1,400	\$ 1.16	\$ 13.92
130	890	\$ 1,200	\$ 1.34	\$ 16.08
131	890	\$ 1,200	\$ 1.34	\$ 16.08
TOTAL	2,980	\$ 3,800	\$ 1.27	\$ 15.24

In addition to below market-rate rents, we plan to offer our partners free use of the flex spaces. For example, part of Spectrum Dance Theater's agreement would be the use of the stage (part of the cafeteria) for rehearsals, performances and/or recitals 3 to 4 times a year. Our educational and social service partners will also be provided with free use and priority scheduling for the gymnasium, cafeteria, kitchen and meeting rooms as part of their package of supports offered by CCC@MLK. Additionally the cafeteria and kitchen will be made available for Greater Madison Valley Community Council's (GMVCC) social events (e.g. annual Spaghetti Dinner) at no charge, returning this long standing tradition of hosting neighborhood events at the school site. Meeting space will also be provided for GMVCC's monthly meetings. If partners have a high demand for flex space that would hinder us from offering all of the usage for free, then we would offer the flex spaces at a reduced rental rate. We will also have a community "living room" and computer lab which will be available free of charge to our partner groups and individuals in the neighborhood and surrounding community.

The fiscal benefits are just one way to define support, and we also want to stress that there are a plethora of ways CCC@MLK's planned Community Center would benefit both our partner groups and other organizations in non-fiscal ways. We envision a "cross-pollination" and coordination between our partner groups and service providers that currently does not happen when organizations have separate locations. (For more information on fiscal and non-fiscal support, see pages 16-18 of Exhibit 5, page 2 of Tab 2 of Exhibit 5, and Tab 3 and Tab 4 of Exhibit 5 of CCC@MLK's proposals.)

6. With respect to the child care rooms, please confirm that you have researched and are prepared to make the necessary modifications to the building to permit such activities. As explained during the November 19 meeting, this means a substantial renovation of all classrooms used for child care, including outdoor exiting for each room, 2 sinks per classroom, kitchen space, parent/director offices, boys and girls toilets for each room, shielded lights, tempered windows, new carpet, asbestos removal, washer and dryer, as well as lowered counter heights, etc. The School District's experience is that the cost for such renovations is in the six figure range, per room.

We have researched the Seattle Building Code (SBC), met with Department of Planning and Development building plan reviewer(s), reviewed the State Child Care Licensing guidelines and consulted with Environmental Works who has done several daycare facilities (new and remodels). The owners of Creative Beginnings child care have worked extensively with the Department of Social and

Health Services and most recently spoke with their licenser regarding this project and what would be required. This research and information is documented in a full report CCC@MLK hired Environmental Works to prepare. The report includes a short, mid and long term schedule of improvements that will need to be done and cost estimates. We are happy to provide the entire report upon request.

Structurally, an opening can be made between all three classrooms they are planning on moving into, so that they can be operated together. The former kindergarten classroom space already has in place a direct exit to the exterior, enclosed exterior space, low counters, and the two required toilets (1 per 20 males, and 1 per 20 females) pursuant to SBC Chapter 29. The classrooms are also already equipped with the required sinks. According to SBC the daycare can use the existing kitchen located in the northwest end of the building and this will satisfy the requirements of the Seattle/King County Health Dept. A washer and dryer can be located anywhere in the Community Center. New flooring, paint, plastic covers for the lights, and tamper proof electrical fixtures and a framed in area in one of the classrooms for parent/director's office space are inexpensive renovations that the tenant will make at their own expense. Regarding your asbestos concern, as long as any existing asbestos is encapsulated and not exposed, there is no requirement to remove it, unless there is a substantial remodel, or replacement of pipes. It is our understanding that currently the building meets tempered glazing standards, and that there are no additional tempered glazing requirements for daycare spaces.

It is our intent to inhabit the classrooms as soon as possible, and perform minimal renovations to do so. It has been investigated with code officials at the Seattle Dept of Planning and Development (DPD) that the use of the school as a community center would not trigger the substantial alteration requirements of SBC 3404.9. The Building is already an "E" use, and the day care space would be classified the same. Alterations would also be kept to a minimum in order to be classified as a non-substantial alteration and could follow SBC Chapter 34. The estimate prepared by the Hastings Company for Environment Works for the upfront costs to open the facility (taking into account volunteer work and resources provided by CCC@MLK) will be approximately \$40,000 project (subject to DPD review of the building).

If the requirements are greater than those we anticipate and the costs of modifying the building are beyond the means of CCC@MLK and/or the prospective child care tenant(s), it may be necessary to postpone the use of the portion of the building intended for child care until such time as the needed modifications can be made. If this is the case, priority will be given to alternate uses of these rooms that address the educational and social service needs of the Madison Valley neighborhood and surrounding community.

7. Please confirm the spaces and hours that the two meeting rooms will be available for hourly rental for meetings, etc.

Two meeting rooms will be available for hourly rental (room nos. 136 and 137, which are adjacent to and south of the Principal's office shown on the floor plan attached as page 5 of Tab 16 of Exhibit 5 of our proposals). The rates and hours for these rooms are shown in the "Classroom" section of the chart on page 4 of Tab 16 of Exhibit 5.

8. Please confirm the extent to which outdoor play space will be available and the hours of use by the public, as well as any charges for such use.

The current temporary fencing installed by the Seattle School District will be removed. The playscape, playground and covered basketball court will be restored to their original accessibility to the public, M-F 8am to 9pm and Saturday and Sunday 9am to 5pm. The grounds fence on the north side of the site will be locked during the hours the Community Center is closed. During these hours the playscape, playground and covered basketball court will remain accessible by foot from the stairs on the south side of the site. Usage of the outdoor play spaces shall be free of charge to all.

9. (Second No. 8 in your e-mail) Please confirm the extent to which the gymnasium and auditorium will be available and the hours of use by the public, as well as the basis for rates charged.

The gymnasium and auditorium (the combined stage and seating area referred to as the cafetorium on the floor plan) will be available for public use when those spaces are not being used by our partner groups. The hours of availability and rates of short term rental for individuals and groups charged for use of the spaces are set forth in the "Stage Area" and "Gym Space" sections of the chart on page 4 of Tab 16 of Exhibit 5 of our proposals.

10. (No. 9 in your e-mail) Please state the extent to which the proposed tenants are already located in the general area of the school. It appears that some portion of the proposed use is not new to the community, but relocated services form nearby. Please be specific as to what new services are being provided to the community and how your proposal supports those services.

We understand the Seattle School District's concern that our proposed Community Center will benefit the Madison Valley neighborhood and surrounding community. We firmly adhere to the principle of responding to the community's needs, creating and expanding programming, and are not merely proposing moving existing programming from other areas in Seattle to Madison Valley to create a community center (so as to leave a void elsewhere). (See Tab 5 for our survey results demonstrating our meeting the needs and desires of surrounding community).

The only partner (CCC@MLK proposed tenant) that is already located and offering programming in the immediate area of the MLK school property is Creative Beginnings, which is currently providing day care in the basements of two houses in Madison Valley. Creative Beginnings' move to the Center will allow it to expand the number of children it can serve, allow it to reduce the number of children on its waiting list and serve additional DSHS families. Creative Beginnings currently cares for 26-28 children; the expansion will increase this number to 50 or more. Creative Beginnings will also be able to add a Before and After School program at the Center.

Spectrum Dance Theater's use of a classroom for children's dance classes will be an expansion of their current programming, which is now at capacity, allowing them to teach more children and reduce their waiting list. African American Veterans Group of Washington State Inc. will be moving the services for veterans that are currently be provided in their homes. Consolidating these services under one roof as an official Veterans Service Office (VSO) will help them provide services to veterans (a number that is growing substantially given the current wars in Iraq and Afghanistan) and their families more efficiently and effectively. At one time there was a similar office on a smaller limited scale located at 23rd and Jackson, which has been closed for several years. The State's Employment Security Services is one of the many services provided by the VSO, which will also be one of the many services available to non-military residents as well. Mitchell's House will be expanding and coordinating their at-risk youth, gang and violence initiative programming in the Central Area. Through their work with the Garfield Campus Advisory Council, this group will be expanding their programming to the MLK Community Center to provide the Central Area with two sites to address these highly sensitive and challenging issues.

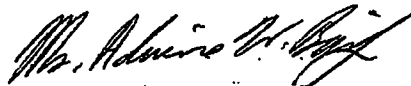
11. (No. 10 in your e-mail) Please state whether you will agree to a 40 year covenant pledging to maintain these services and public access, similar to that agreed upon by the four community schools sold by the District in the past year.

We hereby offer and confirm that we will agree to a forty (40) year covenant pledging to maintain programming, services and public access at the former Martin Luther King Elementary School site similar to that agreed upon by the four community schools sold by the Seattle School District in the past year.

We are extremely hopeful that the School Board will accept our bid for the surplus school site. We have a viable plan and we are the only proposing group to submit a proposal to create a neighborhood-run community center to serve the Madison Valley neighborhood and surrounding community. We believe we are the only proposing group that qualifies for "Special Considerations" negotiations given the total absence of space in Madison Valley to offer the programming and services that we are planning. We know that the School District is under financial constraints given the current economic times, but strongly urge the School Board to accept our purchase proposal (at a price equal to full appraised value) and short-term lease proposal that not only bring in additional revenue to the School District, but also ensures that the existing public building, which has served as the community hub for over ninety years, will be restored to public use when sold or leased.

Thank you for your input and the opportunity to clarify and revise our proposals. Please contact me if you have additional questions or need more information.

Sincerely,



Ms. Adrienne W. Bailey
CCC@MLK President

cc: Susan Llewellyn