



**SEATTLE
PUBLIC
SCHOOLS**

September 25, 2009

Steven D. Pfeiffer, PE
Engineering & Technical Codes Manager
Department of Planning and Development, City of Seattle
700 Fifth Avenue, Suite 2000
PO Box 34019
Seattle, WA 98124-4019

Re: Future Use of Martin Luther King School

Dear Mr. Pfeiffer:

This letter confirms our conversations and mutual understandings with respect to future use of the Martin Luther King School and possible requirements for installation of improvements. By your signature below, you are confirming that the mutual understandings described below will be binding on both the City and the District, i.e., that if the District or its lessees or buyers comply with the conditions set forth herein, that the building and site can be occupied and used in the future.

Background

The District's school program was moved out of the property in June 2006. Since that time the District has maintained the property for potential future use, i.e., the building condition is the same as when it housed a school program and provides a reasonable degree of safety to the public and occupants of the building. The District has implemented an enhanced maintenance program, which includes:

- Roof: inspected annually, repairs made as necessary
- Boiler: inspected annually, repairs as necessary
- Water: no maintenance needed; building heated as necessary to prevent pipes freezing
- Annual maintenance and operation of HVAC
- Install security alarm system
- Check site weekly to fix broken windows, remove graffiti and keep lawn and bushes trimmed

A building condition survey was done in April 2009, which indicates that the building is in about average condition for District buildings.

If the District were to reopen the building, approximately \$5.2 million (plus soft costs) in work would need to be done to bring the building fully up to District standards. Most of this amount is in non-building systems work, such as site improvements, new doors and windows, fire

sprinklers, interior finishes and roofing. Building systems that are near the end of their useful life are the boiler and HVAC systems (\$1.4 million), piping and sinks (\$150,000) electrical distribution and branch wiring (\$340,000) and lighting (\$280,000). In addition, seismic upgrades would be done. A partial seismic upgrade was done on the building in 2003. A review of the building's seismic conditions was done in January 2009, which indicates that a complete upgrade of the seismic systems would cost approximately \$700,000. The cost of making such upgrades to an undersized building (only 12 classrooms) on an undersized site (under 2 acres) was a significant factor in the District's decision to close the school and to declare the property surplus.

All systems are currently operational. Based on past experience with tenants and buyers of school district buildings, we would not anticipate that a tenant or buyer would undertake very much, if any, of this work, but would operate the building in its present condition.

The District has a regular decision-making process for closed buildings, governed by School Board policy. Each building is evaluated to determine if it should be kept in inventory (i.e., available for future District use, either as a vacant building or on a short term lease) or declared surplus and made available for long term lease or sale.

Following this process, in 2007, the District announced its intention to long term lease or sell the site and began efforts in early 2008 to identify permissible uses for the building. A School Use Advisory Committee was convened by the Department of Neighborhoods (DON) and in June 2009 a SUAC decision by the Director of DON was finalized, approving a variety of uses, including use as a community center.

In June, July and August 2008, after discussing continued use of the school building with DPD and receiving guidance on how much use would be necessary in order to avoid the building being considered substantially vacant for more than 24 months (see Seattle Building Code Section 3404.9.1(4)), the District conducted its summer driver education program on site.

With the completion of the SUAC process, the District began a public request for proposals (RFP) process that is intended to result in selection of a long term lessee or a contract to sell the property, sometime in 2010. The RFP was issued in July 2009 with proposals due in October 2009. Occupancy of the building likely will not take place before mid-2010. Until that occurs, the District intends to continue maintaining the property as described above. The District is leasing/selling the property "as is", i.e., it does not intend to make any improvements to the building, either for code-related or non-code-related items.

Future Use of the Building

The District has requested assurances that the lessee or buyer, under the conditions presented in this letter, will be allowed by DPD to occupy the building for uses permitted by the SUAC decision without the reuse alone (i.e., no other alterations to the building are made) triggering the current Seattle Building Code building upgrade requirements that are imposed when a substantial alteration is made to an existing building (see Seattle Building Code Section 3404.9). The Department of Planning and Development hereby provides those assurances, and agrees that

reuse of the building for uses permitted by the SUAC decision would not by itself constitute a substantial alteration, and would not by itself require building or structural improvements to the Martin Luther King School building.

The District understands and agrees that this agreement is conditioned on the District continuing the maintenance activities described above. Further, if substantial occupancy (i.e., at least 4 of the 12 classrooms in regular use) of the building does not commence by August 1, 2010 (two years from the end of the District's prior use of the building for summer school), and such activities do not continue for at least two months, then DPD may require installation of substantial improvements as a condition of reuse of the building. Further, if the uses of the building constitute a more hazardous use as defined by the Seattle Municipal Code Section 3404.9.1, then DPD may require installation of improvements prior to commencement of such use.

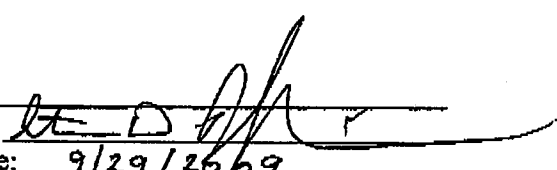
The District further understands and agrees that the City of Seattle Fire Department may require installation of improvements independent of those required by DPD.

Please indicate your agreement on behalf of DPD to these understandings by signing below and returning a copy to me.



Ronald J. English
Deputy General Counsel and Property Manager

Agreed on behalf of City of Seattle DPD:

By: 
Date: 9/29/2009

Cc: Fred Stephens, SPS Facilities Director
Diane Sugimura, DPD Director