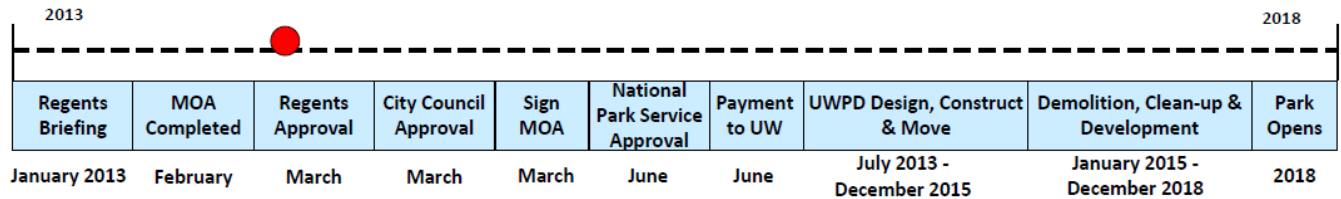


VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

WSDOT 520/Bryant Building – Approval of Memorandum of Agreement with WSDOT and City of Seattle and Settlement Agreement



RECOMMENDED ACTION

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents:

1. Approve entering into a Memorandum of Agreement with Washington State Department of Transportation (WSDOT) and the City of Seattle (City) that:
  - a. Designates the Bryant Building Site as park replacement property for property converted to non-park use as a result of WSDOT’s SR 520 Bridge project, and requires the UW and the City to convey the Converted Property to WSDOT;
  - b. Requires WSDOT to pay UW \$13.6 million for the Bryant Building Site and, requires UW to convey the Bryant Building Site to the City for a future waterfront park and to put \$2.4 million into escrow for environmental remediation; and
  - c. Requires WSDOT to pay for park development, and to develop a plan to pay for environmental remediation costs on the Bryant Building Site over and above the \$2.4 million UW will fund.
2. Approve the sale of the Old Canal Reserve parcel to WSDOT for \$3.3 million; and
3. Delegate to the President or his designee the authority to execute the Memorandum of Agreement, execute the sales agreement for Old Canal Reserve, approve and execute a settlement agreement for all other matters related to impacts of the SR 520 Bridge project, and execute all documents necessary to carry out the terms of each.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### WSDOT 520/Bryant Building – Approval of Memorandum of Agreement with WSDOT and City of Seattle and Settlement Agreement (continued, p. 2)

#### BACKGROUND

##### 1. Purpose and Benefit

WSDOT has a major project underway to expand the SR 520 Bridge, and UW property will be impacted by the project in a variety of ways. The most significant of these is being resolved through a Memorandum of Agreement (MOA). The MOA provides that WSDOT will pay UW for the Bryant Building property, which will be developed into a new waterfront park by the City at WSDOT's cost as replacement for property being converted to non-park use around the Arboretum.

##### 2. Converted & Replacement Property: Bryant Building Site

Four parcels owned by the University and the City in and around the Washington Park Arboretum will be converted to non-park use (Converted Property), because they are within or immediately adjacent to WSDOT's bridge replacement project. UW and the City will convey ownership or grant construction easements to these parcels to WSDOT.

As a result of federal grants that funded trail improvements in the 1960's, Section 6(f) of the federal Land & Water Conservation Fund Act (LWCFA) requires WSDOT to replace the Converted Property with other equivalent property (Replacement Property). After an exhaustive review of 85 potential sites conducted by the City, UW, and WSDOT the list was narrowed to four sites. The site selected as the Replacement Property is the Bryant Building Site, which is owned by UW, and fronts on Portage Bay. It is the current headquarters for the UW Police Department.

The MOA between WSDOT, the City and the University provides the framework for conveyance of the Converted Properties to WSDOT, and for designation of the Bryant Building Site as the Replacement Property.

##### 3. Site Maps

The four converted parcels are shown on the map in Attachment 1. The Bryant Building Site is shown on the map in Attachment 2.

The Bryant Building Site is a portion of a larger tax parcel, and will be subdivided in order to create the legal boundaries necessary for designating the Bryant Building Site as a new 6(f) restricted park property. The Bryant Building Site

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### WSDOT 520/Bryant Building – Approval of Memorandum of Agreement with WSDOT and City of Seattle and Settlement Agreement (continued, p. 3)

includes the submerged lands shown on the map bounded by the inner harbor line. Not included in the Bryant Building Site and future park is a small existing marina to be re-constructed at the west end of the property, and the existing Sakuma Viewpoint Park at the east end of the property.

#### 4. MOA Terms

The terms of the MOA are:

- The Bryant Building Site will be designated as the Replacement Property for the Converted Property, and will be developed as a future waterfront park;
- The Converted Property will be conveyed by UW and the City to WSDOT;
- The Bryant Building Site will be conveyed by UW to the City;
- WSDOT will pay the UW \$13.6 million and the UW will put \$2.4 million into escrow to pay for environmental remediation of the site;
- The City will create a new park on the site, and if a new park cannot be created due to the results of the City's Landmark process, the City will use its own funds to find a new site that meets 6(f) requirements;
- WSDOT will pay park development costs (exclusive of remediation costs) based on an agreed-upon scope of work;
- WSDOT will develop a plan to pay for all costs related to environmental remediation of the site to create a 6(f) park over and above the \$2.4 million that UW will fund; and
- The City will maintain and operate the park.

#### 5. Risks

The MOA addresses certain risks related to development of the new park.

After conveyance of the Bryant Building Site to the City, as part of permitting and design review, the property will be subject to the City's Landmarks process. If the Landmarks process results in preservation of the building such that the site becomes unsuitable as park replacement property, the City is solely responsible for identifying and acquiring substitute property. No new funds from the

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### WSDOT 520/Bryant Building – Approval of Memorandum of Agreement with WSDOT and City of Seattle and Settlement Agreement (continued, p. 4)

University will be required, and the University will have the option to buy back the Bryant Building Site.

If the Bryant Building Site becomes unsuitable as park replacement property for any other reason besides Landmarks, then the UW and the City will collaborate to find a new replacement site. The University will share in ½ of the amount by which the cost of the new replacement property exceeds the value of the Bryant Building Site. Again, the University will have the option to buy back the Bryant Building Site.

Development of the new park on the Bryant Building Site also entails some risks. Certain environmental conditions are well documented and understood, and are included in the defined project development costs. These defined project development costs will be paid by WSDOT.

Other environmental conditions are more uncertain, primarily in the sediments of the submerged lands. The University and WSDOT have agreed to share the risk for these environmental conditions; the University will set aside \$2.4 million in an escrow account for site remediation purposes, and WSDOT will pay any costs over that amount according to a plan to be developed.

#### 6. Other Agreements Related to MOA

The MOA refers to other agreements necessary to carry out its terms. These include an Interagency Agreement between the three parties for the conveyance of real property, a Development Agreement which outlines how the City will work with the UW and broader community to design the new park, and a Maintenance and Operation Agreement which sets standards the City will implement to keep the park clean and safe.

#### 7. Timing

After approval and execution of the MOA by the University, the City and WSDOT, it will be submitted for approval to the state Recreation & Conservation Office (RCO) and the National Park Service (NPS) at their April and June meetings. After approval, WSDOT will pay the University for the Bryant Building Site. Payment is expected to take place in June/July 2013.

The University will begin design and construction of the new UW Police Department (UWPD) building after receiving funds from WSDOT, and it is expected the UWPD and other occupants of the Bryant Building will relocate by

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### WSDOT 520/Bryant Building – Approval of Memorandum of Agreement with WSDOT and City of Seattle and Settlement Agreement (continued, p. 5)

late 2015. The City will begin construction of the new park shortly thereafter, with completion expected in 2018.

#### 8. Sale of Old Canal Reserve and Settlement Agreement

An overall Settlement Agreement is under negotiation between the University and WSDOT regarding a variety of other matters related to University properties impacted by the SR 520 Bridge project.

One of the agreed upon elements is sale of the Old Canal Reserve property, a parcel owned by UW near the Montlake Bridge that is needed by WSDOT for its project. WSDOT will pay the appraised value of \$3.3 million for this property.

Other elements of the Settlement Agreement address wetlands at Union Bay Natural Area as mitigation for the SR 520 Bridge project, University staff and consultant time, and a few other issues that will be resolved together for compensation purposes.

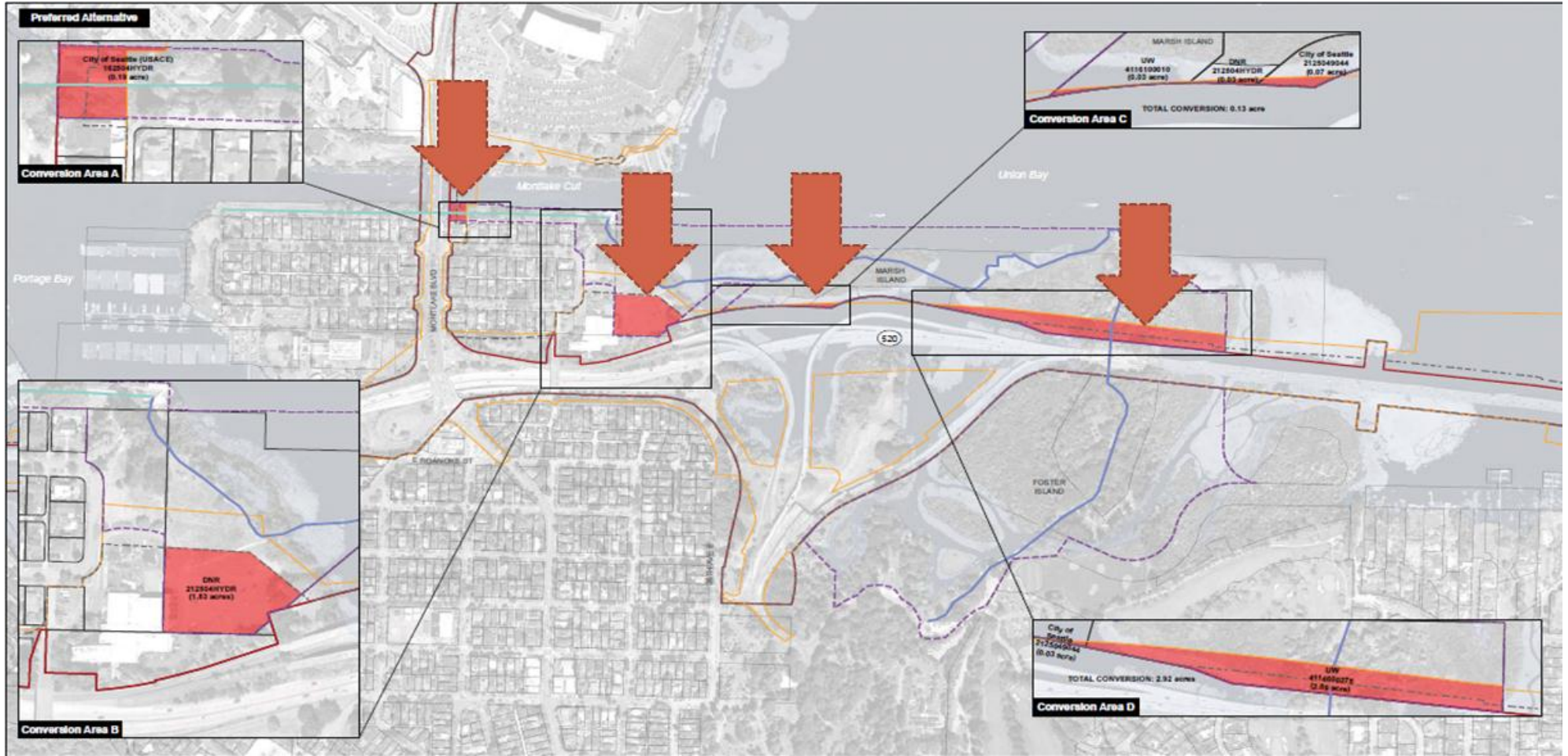
#### REVIEW AND APPROVAL

The terms of the MOA and the sales agreement for Old Canal Reserve have been reviewed and recommended for approval by the Senior Vice President, the Vice Provost for Planning and Budgeting, and the Chief Real Estate Officer.

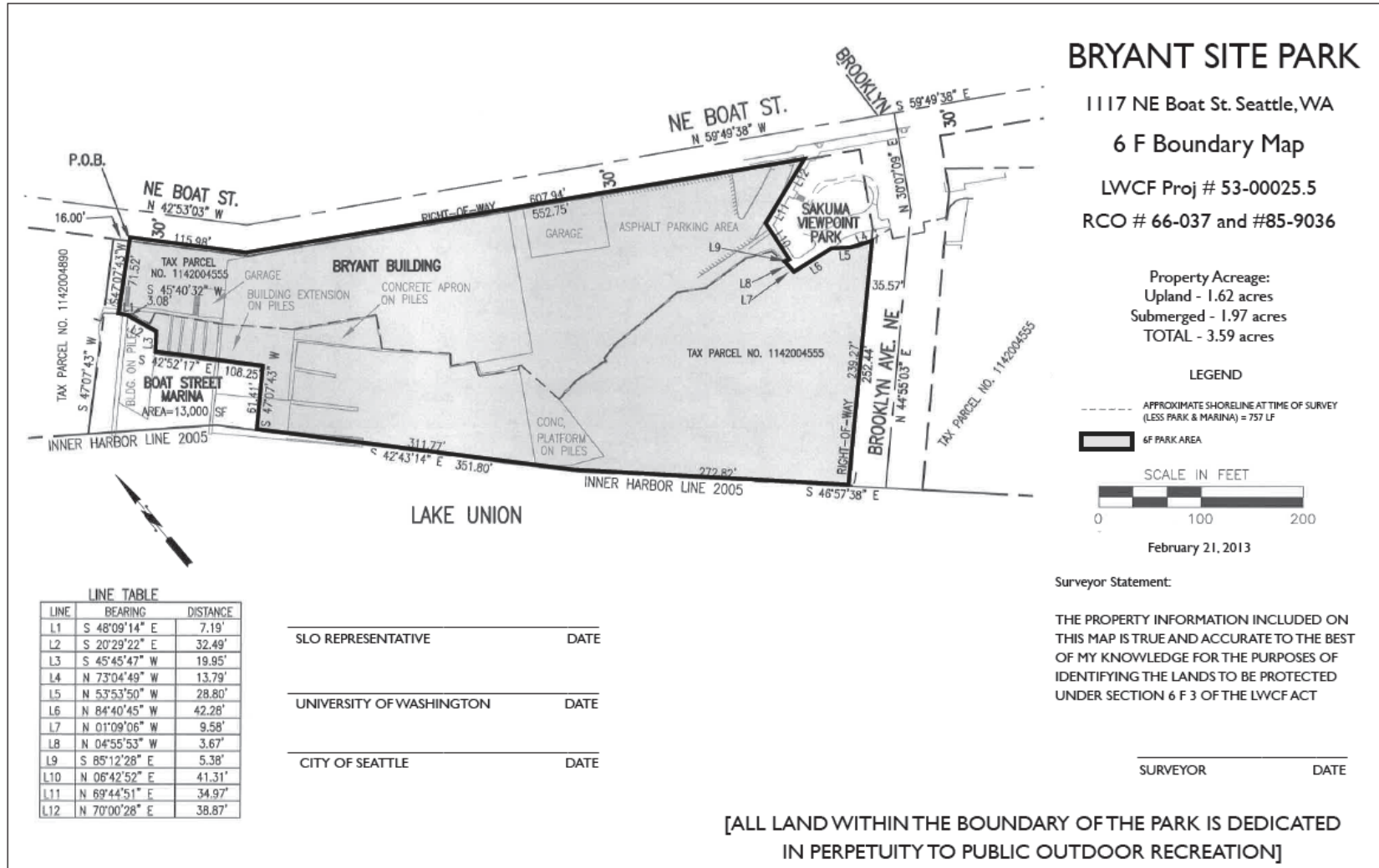
#### *Attachments*

1. Map – Converted Properties around Arboretum
2. Map – Bryant Building Property
3. Map – Old Canal Reserve and UBNA Wetlands

# Converted Properties around Arboretum



# Bryant Building Property





Old Canal Reserve and UBNA Wetlands

