

December 4, 2017

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution authorizing execution of all documents necessary to approve a five-year facility use agreement with the Eastside Heritage Center (EHC) for a portion of the historic McDowell House property located at 11660 Main Street.

### **FISCAL IMPACT**

Approving this resolution will result in the City providing a portion of the historic McDowell House property for five years to the EHC for in-kind services in lieu of rental payments. The EHC will provide 720 annual hours of services as outlined in the agreement (estimated \$54,000 annually) that meet or exceed the market value of the rent (estimated \$27,000 annually). EHC will also pay utility and ongoing routine interior maintenance costs.

### **STAFF CONTACTS**

Jammie Kingham, Community Services Supervisor, 452-6048

Geoff Bradley, Natural Resource Manager, 452-2740

*Parks & Community Services Department*

### **POLICY CONSIDERATION**

Comprehensive Plan:

- **Parks, Open Space and Recreational Element Goal 7**, To provide and promote partnerships to offer a variety of community services and programs that enhance the quality of life for Bellevue residents.
- **POLICY UD-76** - Preserve, enhance and interpret Bellevue's historical identity.
- **POLICY PA-15** - Develop partnerships with not-for-profit organizations in planning, developing, and utilizing facilities.

### **BACKGROUND**

#### ***Paxton/McDowell Property:***

On March 28, 1988, Council adopted Resolution 4988, authorizing a property exchange agreement allowing Parks & Community Services to obtain ownership of the property located at 11660 Main Street, including the historic McDowell House, in exchange for the disposition of the adjacent property. The house is identified in the 1992 "Bellevue Historic and Cultural Resource Survey," which indicates that the house was built in 1918 by John H. and Ella McDowell, and is one of the few houses in Bellevue that retains its original integrity. The City's long-term plan for the area includes creating a City gateway at the property.

On May 5, 2003, Council adopted Resolution 6850 authorizing the City Manager to enter into the initial lease agreement with the EHC for use of the McDowell House. At the expiration of this initial lease agreement Council adopted Resolution 7579 on June 25, 2007 for a lease renewal. At the expiration of this lease renewal, Council adopted Resolution 8507 on January 22, 2013 for a new lease agreement

which has now expired. The proposed agreement will authorize execution of a new facility use agreement to run through January 2023.

***EHC McDowell House Partnership:***

EHC provides stewardship of our community history through collections of historic photos newspaper articles and oral history, public involvement, and educational programming. This facility use agreement for the McDowell House provides the City with 720 annual hours of research and programming assistance towards City programs, displays, and events designed to increase citizen awareness of Bellevue's diverse cultural heritage in exchange for operating out of a portion of the property.

The value of the in-kind services provided by EHC was based upon the EHC fee schedule. Since the overwhelming majority of services covered under this agreement are provided by a *Collections Specialist* or *Education/Interpretive Specialist*, an average billing rate of \$75/hours was used. Applying that billing rate to the 720 hours required under this agreement equates to a fair market value of \$54,000 for services provided by EHC under this agreement. On September 25<sup>th</sup> Michael Murray, City of Bellevue Sr. Real Property Agent, conducted a market rent appraisal of the McDowell House. The appraisal determined a fair market rental value of \$27,000 per year. The services provided by EHC under this agreement exceed the fair market rent value for the McDowell House.

This agreement meets City needs by providing ongoing community programs and services while maintaining long-term flexibility of the property. The property will be maintained as-is until future funding is secured to enhance the gateway area.

**EFFECTIVE DATE**

If approved, this Resolution becomes effective immediately upon Council adoption.

**OPTIONS**

1. Adopt the Resolution authorizing execution of all documents necessary to approve a five-year facility use agreement with the Eastside Heritage Center (EHC) for a portion of the historic McDowell House property located at 11660 Main Street.
2. Do not adopt the Resolution and provide alternative direction to staff.

**RECOMMENDATION**

Option 1

**MOTION**

Move to adopt Resolution No. 9335 authorizing execution of all documents necessary to approve a five-year facility use agreement with the Eastside Heritage Center (EHC) for a portion of the historic McDowell House property located at 11660 Main Street.

**ATTACHMENTS**

Proposed Resolution No. 9335

**AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

- A. Proposed Facility Use Agreement
- B. City of Bellevue Market Rate Appraisal
- C. EHC Fee Schedule

