



MEMORANDUM

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DATE: May 10, 2011

TO: Parks & Community Services Board

FROM: Patrick Foran, Director
Glenn Kost, Planning Manager
Lorrie Peterson, Park Program Manager

SUBJECT: Boys & Girls Clubs of Bellevue (BGCB) request to construct a community center on the City-owned Chapin property
(Information only)

Tonight's presentation is intended to provide a broad overview of a request by the Boys & Girls Clubs of Bellevue to construct a community center on the City-owned Chapin property.

The Boys & Girls Clubs of Bellevue has proposed utilizing the City-owned Chapin property for their new facilities. This concept was presented to the Bellevue City Council on April 11, 2011. Following the presentation by Patrick Foran, Parks & Community Services Director, there was a great deal of interest on behalf of the Council in favor of the City to investigate this opportunity. Council directed staff to frame several alternatives, working with the Boys & Girls Clubs of Bellevue and bring back alternatives for further consideration.

BACKGROUND

The BGCB is a 501(c)(3) non-profit corporation that currently operates in 14 sites throughout Bellevue, including their main facility in downtown Bellevue, as well as programs in seven schools and three public housing sites. Their downtown facility is located along 100th Avenue NE, west of the Downtown Park, and the site consists of 6 parcels totaling 1.39 acres in size and zoned R-30. Facilities include the main club building, parking lot, a small house to the north, and the Ground Zero teen center.

BGCB has outgrown their current downtown facilities, and determined that expansion on this site would not be sufficient to accommodate their needs. BGCB has developed plans to replace their downtown facilities with a new 45,000 square feet "flagship" facility that would include multiple gymnasiums and program spaces. For reference, the South Bellevue Community Center is 33,800 square feet. They have been exploring sites in west Bellevue that could accommodate this larger facility.

They had originally asked the City to consider providing a portion of Surrey Downs Park for this purpose. The 2009 adopted Surrey Downs Master Plan identifies an approximate 2-acre parcel within the park as a "building zone," with a series of parameters that limit the impact of a

potential building at this location. No decision has been made by the City as to the use of the Building zone. Given the uncertainties and timing surrounding the light rail alignment and relocation of the existing court facilities, the BGCB has explored alternate locations in west Bellevue to accommodate their proposed facility. They would like to move forward with their project as soon as possible, and have now expressed interest in the City-owned Chapin property.

THE CHAPIN PROPERTY

The Chapin property is an undeveloped park site acquired by the City in 1986 using voter-approved general obligation bonds. The 4.26-acre parcel is zoned R-4, and located at the northeast corner of Bellevue Way and NE 20th Street (see **Attachment 1**). It consists of low quality woods surrounded by residential homes to the north (across NE 20th) and south, and a church and parking lot to the east. Nearby park facilities include Northtowne Park to the north, Hidden Valley Sports Park to the east, the Northwest Arts Center to the northwest, and Bovee Neighborhood Park to the southeast (see **Attachment 2**).

The Parks & Open Space System Plan identifies the Chapin property as a future neighborhood park, which by definition, are “*designed to meet the active and passive recreation needs of their immediate neighborhood....and intended mainly as walk-to or bike-to facilities.*” Neighborhood parks can include a wide array of recreational facilities, such as play areas, open lawn areas, informal ball fields, court games, natural areas, walking paths, and picnic facilities. While the Chapin site is targeted for park development in the Park Plan, there is no timetable for development, and no funds or immediate plans exist to develop recreational facilities on this property.

LEGAL/REGULATORY ISSUES

1. **Restrictions on the use of property purchased with voter-approved Bond Funds.** The City purchased this site, identified as the “North Bellevue Neighborhood Park” in 1986 with proceeds from the 1985 voter-approved unlimited tax general obligation bonds. The bonds were issued for the purpose acquiring, constructing, developing and improving certain park and recreational facilities within the City, and have since been paid off. The deed contains no language regarding the use of the property, nor does the language within the legislation restrict its use. Additional research would be necessary to conclude what, if any, factors would limit Council’s discretion for the disposition of this park property.
2. **Gift of Public Funds to Private Entities.** The Washington State Constitution prohibits gifting of public funds to private entities “except for the necessary support of the poor and infirm”. This Constitutional provision will govern several aspects of a transaction, particularly in the form and value of compensation provisions.
3. **Public Work Projects/Prevailing Wage.** Depending on the structure of the agreement and any financial contribution by the City, analysis of the public bid and prevailing wages laws would be required to determine their application.
4. **Form of Transaction.** State Law authorizes cities to acquire and dispose of property for the common benefit, and the City has adopted code provisions governing the sale and lease of real property. Initial analysis concludes that the City may either sell or lease the Chapin property, so long as the City receives full market value that is clearly quantifiable and sustainable.

5. **Land Use Regulations.** Both the Parks & Open Space System Plan and the City's Comprehensive Plan designate the Chapin property as a public park. The property is zoned R-4, which allows community centers as a conditional use. Therefore, a Conditional Use Permit would be required and a Comprehensive Plan amendment may be required.

COMPARATIVE AGREEMENTS

1. **Ground Lease Agreements with Kindering Center & Youth Eastside Services (1983, 1985).** Under the terms of two 50-year, \$1/year ground leases, both YES and the Kindering Center leased a specific area and constructed facilities in Crossroads Park to provide ongoing social services. Both agencies meet the Constitutional definition of supporting the poor and infirm. Both agencies fully funded the cost of their facility, and ownership of the buildings revert to the City upon expiration of the ground leases.
2. **Joint Operating Agreement (JOA) with the BGCB at the South Bellevue Community Center (2003).** The City originally identified the need for a community center south of I-90, and conducted a selection process to identify the BGCB as our partner. Under the terms of the 30-year JOA, BGCB contributed \$1.5 million towards construction of the \$12 million South Bellevue Community Center. The City owns and maintains the facility. BGCB provides programs for youth and teens, while the City serves pre-school, adult, and senior populations.
3. **Memorandum of Understanding and Joint Use Agreement (JUA) with Pacific Science Center at Mercer Slough Environmental Education Center (2004).** The City originally identified the need for an environmental education center at Mercer Slough. The City and PSC jointly obtained funding to construct MSEEC facilities through public and private sources. The City funded approximately \$5.5 million of the \$12 million project cost. Under the terms of the 20-year JUA, the City owns and manages all land and buildings. PSC has exclusive use of two buildings to conduct environmental education programs.

PLANNING AND POLICY GUIDANCE

Several relevant planning goals and policies may help guide the discussion.

1. The **Park & Open Space System Plan** suggests that the City provide one multi-use community recreation center for every 25,000 residents, equitably distributed throughout the City. The Plan also suggests establishing or expanding partnerships with the School District and other service providers to supplement programs and facilities provided in City-owned facilities.
2. The **Comprehensive Plan** provides policy guidance regarding the delivery of community recreational services:
 - Develop and promote partnerships with public agencies and private service providers to plan, develop and utilize facilities to meet the cultural, recreational and social needs of the community.
 - Provide geographically dispersed community centers, using city-owned facilities as well as partnerships with the school districts and other non profit agencies, to meet residents' needs for indoor recreation, athletic instruction, arts, meeting space, and special activities.

- Provide a variety of services and programs throughout the city serving the general population and placing special emphasis on programs and services for youth, seniors, the disabled, and the disadvantaged.
- Accommodate social services at recreation facilities and community centers when they complement recreation, cultural, and social programs.

FORMS OF COMPENSATION

The form and value of compensation will need to comply with the legal requirements established by State and Local government. There are a variety of ways to structure a transaction that would comply. Some of the more traditional methods are listed below. Each has pros and cons and more or less complexity. Further discussions with the BGCB are necessary to narrow the alternatives, which includes:

1. Straight cash sale of property;
2. Market rate lease payments;
3. Provide in-kind facilities or services;
4. Land exchange; or
5. Combination of options above.

OTHER CONSIDERATIONS

Neighborhood outreach will need to be considered. It is likely that comments/questions/concerns will relate to several issues; preferences for a community center vs. a neighborhood park; the relative neighborhood impacts of each; adequacy of public parks in the neighborhood; other organizations who might be interested in a similar transaction.

NEXT STEPS

Staff will work with the BGCB to identify alternative proposals and bring back options for further discussion with the City Council.