



Department of Commerce

Saint Edward State Park Seminary

Economic Feasibility Study of Potential Public and Nonprofit Uses

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Executive Summary

The Saint Edward Seminary building sits in the middle of a 316-acre state park on Lake Washington in the city of Kenmore. The building and surrounding property was originally a Catholic seminary that was acquired by Washington State Parks in 1977. Through the years, the state Parks and Recreation Commission (Commission), city of Kenmore, residents, and businesses have discussed or developed proposals for use of the Seminary building.

This study assesses the economic feasibility of potential public and nonprofit development scenarios and concepts. It was required by the 2016 Washington State Legislature in [Engrossed Second Substitute House Bill 2667](#) (Chapter 103, Laws of 2016, Section 3). The Department of Commerce (Commerce) was directed to work in consultation with the Commission to complete the study within a 60-day window. In addition, Commerce contracted with a consultant for technical guidance regarding public/nonprofit partnerships.

The Legislature limited this study to considerations of economic feasibility of *potential* public and nonprofit uses, and *existing* cost estimates from previously considered uses. Commerce analyzed development scenarios and four citizen concepts received during the course of this study.

For research purposes, Commerce relied on or contacted a variety of sources, including Bastyr University, the University of Washington, the King County Historic Preservation Program, the state Department of Archaeology and Historic Preservation, the city of Kenmore, Municipal Research and Services Center, Commission staff, and sources familiar with the redevelopment of Pacific Tower in Seattle. No public or nonprofit entities submitted proposals for the redevelopment of the Seminary to Commerce during the course of this study.

This study does not approve or reject any given concept or favor any development scenario. It provides an analytical framework that was used to assess potential scenarios and citizen concepts.

None of the scenarios that were studied have a dedicated funding source available. This study assumes that no state appropriation is available to fund restoration of the Seminary. While citizen concepts for the Seminary did not provide sufficient detail to meet study criteria necessary to evaluate their economic feasibility, three of the four concepts have the potential to meet federal historic preservation standards. The citizen concepts were not sufficiently developed to yield a funding gap analysis.

The Financial Feasibility Toolkit and accompanying Outline of Financial Feasibility Considerations, which comprise the analytical framework, are adaptable for use by public/nonprofit partnerships that seek to rehabilitate historic properties. Market-based

placeholder assumptions, using standard industry practices, were developed for the scenario analyses by an industry consultant.

Those analyses show that all of the scenarios may be *financially* feasible if an appropriate level of funding is available. Baseline restoration cost estimates begin at \$23.4 million and would increase depending on the proposed use. Although scenarios are potentially financially feasible, there are other factors involved in determining whether a proposal is viable and can move forward, which include, but are not limited to governance structure, funding strategy, timing, compatibility with the Commission’s mission, and consistency with city planning requirements.

Commerce’s research revealed key considerations in evaluating any redevelopment proposal for the Seminary building:

- The Seminary building is legally protected by the National Park Service Land and Water Conservation Fund (LWCF), and the U. S. Secretary of the Interior’s (SOI) Standards and Guidelines for Preservation Planning and Treatment of Historic Properties. Together, the federal conservation and preservation requirements for the Seminary are in place to sustain conservation of public recreational space, and preserve historic and cultural resources.
- Public/nonprofit partnership development scenarios for the Seminary are “adaptive reuses” and would require a “rehabilitative” treatment approach. Rehabilitation is one of four federal standards of treatment for historic properties.
- Process- and cost-related considerations in rehabilitating historic properties are considerable: land use planning and development that involves historic resources is regulated at federal, state and local levels. Appendix C contains a high-level regulatory process map for the Seminary.
- Both preservation and rehabilitation standards could be applied to the Seminary, but the preservation approach does not apply to scenarios that would cause alterations of the property for alternative uses.

Overview

The purpose of this study is to assess the economic feasibility of potential public and nonprofit development scenarios and concepts for the Seminary building at Saint Edward State Park in the city of Kenmore. Generally, economic feasibility studies are conducted to define a problem or opportunity to be studied, and to gather information to make an informed decision.

In conducting this study, pursuant to [Engrossed Second Substitute House Bill 2667](#) (Chapter 103, Laws of 2016, Section 3), the Department of Commerce (Commerce) was directed to *work in consultation with the state Parks and Recreation Commission* (Commission). ESSB 2667 further requires the study address the following:

- a. Existing cost estimates for building renovation.
- b. Maintenance costs.
- c. Traffic implications of potential uses.
- d. Potential limitations in uses imposed by the U. S. National Park Service as a result of land, water, and conservation funding and land use codes.
- e. Data developed by the Commission, the city of Kenmore, and independent third parties that have previously studied potential uses of the building.

Separately, the bill authorizes the Commission to lease the Seminary building and adjacent property at the park for up to 62 years upon an affirmative vote of five of the seven commissioners. The Commission may only enter into a lease if the Commission finds this study fails to identify an economically viable public or nonprofit use for the property that is consistent with the Commission's mission and could proceed on a reasonable timeline. The decision-making process of the Commission is not the subject of this study; however, Commerce recognizes this study will be used as a tool in that process.

Limitations

This study is limited to considerations of economic feasibility of potential public and nonprofit *uses*, and must use *existing* cost estimates from previously considered uses. Further, there is no public or nonprofit *pro forma* proposal currently available for evaluation. Private development scenarios, other than nonprofit scenarios, are outside the scope of this study.

Public/Nonprofit Partnerships

This study characterizes public and nonprofit economic development uses as public/nonprofit partnerships. Broadly, public/nonprofit partnerships utilize both direct public investment and private financing to achieve economies of scale by drawing from government, community, and

private resources, in order to provide multiple income streams: grants, donations, subsidies, rebates, tax credits, private fundraising, and state and local dollars when available.

Public/nonprofit partnership development scenarios for the Seminary represent adaptive reuse of the building and would require a rehabilitative approach. While both the preservation and rehabilitation standards could be applied to the Seminary, the preservation approach does not apply to scenarios that would cause alterations of the property for alternative uses.

Rehabilitation is one of the four federal standards of treatment for historic properties. The Secretary of the Interior (SOI) defines rehabilitation as “the act or process of making possible a compatible use for the property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.”

In Washington State, ground leases for adaptive reuse development is a common economic development model in which a tenant is permitted to develop a piece of property during the term of the lease. This is done throughout the state in a variety of capacities, e.g., transit services and charter schools. The adaptive reuse model has evolved, in part based upon the state’s restrictive constitutional limit per Article 8, Section 7, regarding how public funds may be utilized for private investment purposes, known as the lending of credit clause.¹

There is no statutory definition for economic development; although there are a variety of statutes that describe its goals and provide authority for certain economic activities, e.g., the state’s economic development planning goal under the Growth Management Act per RCW 36.70A.020 (5).² Economic feasibility considerations depend upon a wide array of estimates, information, and assumptions, or factors, given within a particular development proposal.

Clarity on Cost Drivers

The analytical framework developed for this study captures in-depth practical considerations of economic development for potential public and nonprofit proposals for historic preservation redevelopment scenarios. Given the complexity of this type of development, the study attempts to provide clarification around cost drivers, including:

1. Legal requirements for conservation and preservation, building and land use codes.
2. How different land agreements impact public ownership.
3. Usability considerations related to levels of investment.
4. Necessary considerations for the development of actionable proposals.

¹ Municipal Research Services Center. Washington Statutes Relating to Financing Economic Development. <http://mrsc.org/Home/Explore-Topics/Economic-Development/Economic-Development-Basics/Washington-Statutes-Relating-to-Financing-Economic.aspx>

² Municipal Research Services Center. Economic Development in Washington State: An Introduction. <http://mrsc.org/Home/Explore-Topics/Economic-Development/Economic-Development-Basics/Economic-Development-in-Washington-State-An-Intro.aspx>

Methodology

Analytical Framework

The analytical framework created for this study is, in part, a financial modeling tool designed to assist in the evaluation of proposals for the Saint Edward State Park Seminary; and by itself does not determine whether or not a particular proposal is viable. Although scenarios are potentially *feasible*, there are other factors involved in determining whether a proposal is *viable* and can move forward, which include, but are not limited to: governance, funding strategy, timing, compatibility with the Commission's goals, and city planning requirements.

The framework is comprised of the Financial Feasibility Toolkit (Toolkit) and accompanying Outline of Economic Feasibility Considerations (Outline). Existing renovation and seismic upgrade estimates are incorporated as a baseline cost consideration for any proposals or development scenario. The Toolkit includes instructions and a glossary section.

In total, the analytical framework is designed to be adaptable within the context of public/nonprofit partnerships that seek to rehabilitate historic properties. This study recommends the Outline (Appendix D) and Toolkit (Appendix E) be used together in the course of evaluating proposals.

Outline of Financial Feasibility Considerations

In the context of this study, the Outline provides comprehensive financial feasibility considerations, by category, to inform the dialogue process for decision making purposes.

The line-item considerations contained in the Outline are technical in nature, and are meant to be in-depth practical and answerable questions for any proposal. See Appendix D for the complete Outline of Financial Feasibility Considerations for Public and Nonprofit Proposals.

Traffic considerations and costs will vary by treatment approach and the proposed use, and are described in further detail beginning on page 15.

Financial Framework – Toolkit

The Toolkit is a high-level discussion tool that incorporates analysis of various proposals in the form of an Excel workbook. The workbook contains baseline restoration cost estimates, potential development scenario worksheets, instructions, and a glossary.

The costs and work described in the Baseline Restoration Costs Estimate represent the first level of investment necessary to make the Seminary accessible and safe to the public based on a current assessment of existing building conditions. Therefore, this estimate denotes the approximate cost to make the Seminary useable for any development scenario or project proposal. Baseline cost estimates for renovation and maintenance, including seismic and other related upgrades and capital costs for the Seminary are estimated at \$23.4 million (Appendix E).

Appendix F includes a selection of photos that show typical and systematic repairs needed throughout the building.

Approach

This study does not approve or reject any given concept or favor any development scenario, but does provide an analytical framework to assist local decision makers and the public in evaluating the economic feasibility of public and nonprofit development of the property in question, and for comparable historic properties statewide.

Commerce worked in consultation with the Washington State Parks and Recreation Commission and other interested stakeholders to compile existing data relevant to potential public and nonprofit uses of the Seminary building. In addition, Commerce relied on or contacted a variety of sources, including Bastyr University, the University of Washington, the King County Historic Preservation Program, the state Department of Archaeology and Historic Preservation, the city of Kenmore, Municipal Research and Services Center, Commission staff, and sources familiar with the redevelopment of Pacific Tower in Seattle.

Upon careful review of this data and feedback, a research question and methodology were developed. The research question answered by this study is *“What factors bear on the economic feasibility of proposed public and nonprofit uses of the Seminary building at Saint Edward State Park?”*

Using this framework, the study assesses five potential development scenarios including two affordable housing scenarios, and one each for community center, dormitory/classrooms, and offices. Potential development scenarios were selected for this study by examining the outcomes of comparable Washington-based projects, to broadly address community-based ideas for the property.

Four citizen concepts received between May and June 2016 are described and assessed using study criteria and, where possible, the analytical framework provided by this report.

The analytical framework in total was created by examining factors of consideration for one-time and ongoing sources of cost and revenue, and associated traffic, preservation, conservation, and land use implications. Comparable development projects in Washington State were examined in order to triangulate and augment the information presented in the framework. The analytical framework attempts to provide explicit insight to the realm of public/nonprofit partnerships, and is meant to be user friendly and adaptable for any future development proposals received by the Commission.

The analytical framework provided herein was created in consultation with a third party consultant, Jonathan Rose Companies, LLC, hired by Commerce to provide expertise and technical guidance in the field of public/nonprofit partnerships for the purposes of this study.

Assumptions

The analytical approach and framework provided by this study include the following assumptions:

1. Development of the Seminary must meet the Secretary of the Interior's Guidance and Standards, and local preservation standards if designated as a city landmark.
2. Development scenarios will be impacted by local planning requirements, including zoning, building codes, traffic, fire protection, surface water and environmental review under the State Environmental Policy Act.
3. The Saint Edward State Park Seminary is owned by the State of Washington and project sponsors would lease the building from the State. Lease payments would be included in ongoing operating expenses for a project.
4. Mitigation efforts resulting from uses that negatively impact the Seminary's historic designation would result in additional land use implications and costs pursuant to Executive Order 05-05 (GEO 05-05), the Washington State Environmental Policy Act (SEPA), and the Code of Federal Regulations Title 36 Section 106.
5. Any public development proposal would be subject to prevailing wages as administered by the Department of Labor and Industries.

Evaluation Criteria

Based upon the legislative requirements for this study, the following five criteria were developed to analyze public and nonprofit development proposals and scenarios:

1. Must be a public or nonprofit sponsored entity.
2. Must be an entity that wants to invest in and use the Seminary building.
3. Any proposal must identify its specific funding source for capital investments, and ongoing operating and maintenance costs.
4. Cannot be a non-use.
5. Must comply with land use and building designation codes.

Historic Preservation Considerations

Overview

Broadly, the preservation of historic properties is both a national- and state-level movement that works to sustain and create cultural and community values around land use planning and development. Stated another way, historic preservation is a tool for building identity of place. In our state, Native American tribal governments have been at the forefront of this movement concerning the establishment, treatment, and repatriation of heritage properties, objects, and resources.³

The National Historic Preservation Act of 1966 (NHPA) defines historic preservation as “the active process of protecting and preserving our built environment for study, use, and enjoyment by present and future generations.”⁴ In 1971, the state established the Washington Heritage Register as an alternative to the National Historic Register to address the need for a “more comprehensive inventory.”⁵ Today, the state Department of Archaeology and Historic Preservation (DAHP) is the primary contact for both registers, including the new Heritage Barn Register.⁶ DAHP is also the designated State Historic Preservation Office (SHPO).

The process for nominating a property to the national or state registers is to submit the nomination to DAHP. A review is conducted by DAHP, and completed nominations are scheduled for consideration by the Governor’s Advisory Council on Historic Preservation (ACHP). If approved, the nomination is forwarded by ACHP to the National Park Service (NPS) for listing on the register.⁷ Nominations for the Washington Heritage Register are also approved or denied during these meetings, which occur three times a year.⁸

In 1972, Washington voters approved the Shoreline Management Act, which, in part, requires counties to establish procedures to protect buildings, sites, and areas having historic, cultural, educational, or scientific value. Further, the Washington State Growth Management Act (GMA) of 1990 includes a goal for historic preservation. In 2005, the state Department of Community, Trade, and Economic Development (now Commerce) and DAHP published *Historic Preservation: A Tool for Managing Growth*, a technical guide that provides a model for historic preservation planning when a change in land use is proposed for a site where cultural resources may be present. See, footnote 4, also included as Appendix A.

³ Executive Order 05-05. (Geo 05-05). November 2005.

⁴ *Historic Preservation: A Tool for Managing Growth* (June 2005). Washington State Department of Community, Trade, and Economic Development.

⁵ Summary Minutes. Twelfth Meeting of the State Of Washington Advisory Council on Historic Preservation. Executive Session. March 19, 1971.

⁶ Department of Archaeology and Historic Preservation website. Historic Register. <http://www.dahp.wa.gov/historic-register>

⁷ Email from King County Historic Preservation Officer dated June 30, 2016.

⁸ Email from State Historical Architect at DAHP dated June 30, 2016.

Cities and counties planning under the GMA must consider and incorporate the following historic preservation goal: “Identify and encourage the preservation of lands, sites, and structures that have historical, cultural, and archaeological significance.”⁹

Additionally, the State Environmental Policy Act (SEPA) requires identification and review of possible environmental impacts resulting from government decisions, including construction of public facilities. Under SEPA, a “planned action” is a development project where impacts are addressed by an Environmental Impact Statement (EIS).¹⁰

Today, there are more than 70 towns, cities and counties in our state that have created local historic preservation programs, each certified by DAHP under the Certified Local Government Program. Under this program, local jurisdictions play a fundamental role in local preservation actions, including maintaining a commission; surveying properties; enforcing state and local laws; reviewing nominations; and providing for public participation.¹¹

See Appendix B for information concerning the economic value of historic preservation.

Budgetary and Fiscal Constraints

There are more than 300,000 historic sites recorded in the state’s Inventory of Cultural Resources. Approximately 1,800 of these sites have been placed on either the Washington Heritage Register or National Register of Historic Places.¹² Of these historic properties, 786 are within the Washington state park system, and 492 of those are listed on the National Historic Register.

How the Washington state park system is funded has changed significantly since 2007. The funding model has shifted from revenue provided from citizen taxes through General Fund appropriations, to user fees and donations, such as through the Discover Pass. The legislative intent of the Discover Pass was to make the park a self-supporting system; however, a 100 percent self-sustaining model has not been achieved. The agency has undergone major reductions in staff levels, and has taken steps to minimize costs and maximize revenues where possible in order to adjust to the limitations of its operating budget.

To illustrate the shift in fiscal policy, in the 2007-2009 Biennium the state appropriated approximately \$94.5 million from the state General Fund to Washington State Parks, compared to \$21 million from the state General Fund for the 2015-2017 Biennium. The majority of the

⁹ Municipal Research Services Center website: Historic Preservation. <http://mrsc.org/Home/Explore-Topics/Planning/Specific-Planning-Subjects,-Plan-Elements/Historic-Preservation.aspx>

¹⁰ Municipal Research Services Center website. Planned Action. <http://mrsc.org/Home/Explore-Topics/Planning/Land-Use-Administration/Planned-Action.aspx>

¹¹ Department of Archaeology and Historic Preservation website. “Certified Local Government Program.” <http://www.dahp.wa.gov/programs/certified-local-government-program>

¹² Department of Archaeology and Historic Preservation website. Historic Buildings. <http://www.dahp.wa.gov/programs/historic-buildings>

operating budget is now supported by earned revenues deposited into the Parks Renewal and Stewardship Account.¹³

Historically, the use of Certificates of Participation was explored by the agency as a tool to accomplish self-financing for capital improvements by pledging a stream of operational revenues. However, the Commission has not made a significant use of this financing tool.

The Washington state park system has nearly \$500 million in building and infrastructure deficiencies.¹⁴ The State Parks Commission hopes to achieve a statewide facilities condition index of 80 percent (B grade), which is estimated to require a capital investment of roughly \$390 million. To address this work in 15 years will require capital funding between \$50 million and \$80 million per biennium. State Parks' 2015-17 biennial capital budget totaled \$60,942,000, primarily from state General Obligation bonds. The average cost for 72 standalone projects was \$3.1 million.¹⁵ Assuming a similar level of capital funding in the future, using state bonds to renovate the Seminary would likely require a significant reduction or delay in work at other parks across the state.

¹³ Biennial budget data provided by Washington State Parks staff via email dated July 1, 2016.

¹⁴ Email correspondence with Washington State Parks staff. Dated June 29, 2016.

¹⁵ Email correspondence with Washington State Parks staff. Dated July 28, 2016.

Saint Edward State Park Seminary Building

Saint Edward State Park was purchased by the state in 1977, using a combination of state funds and federal Land and Water Conservation Fund (LWCF) grant dollars. Approximately \$3 million was provided by a state-issued outdoor recreation bond, and approximately \$4 million was received in the form of a LWCF grant.¹⁶ Lands purchased using LWCF funding are legally protected public recreational properties under the LWCF Act Section 6(f)(3).¹⁷

This section creates an “anti-conversion” requirement in order to protect the “national recreation estate.” Development proposals that cause a conversion from recreational to non-recreational use must be approved by the National Park Service, except when the state liaison officer determines the proposed use supports the outdoor recreation purpose of the protected area.¹⁸

In 2006, the Seminary building was listed on the National Register of Historic Places, classified as *historic contributing*.¹⁹ *Historic* refers to the period of significance between 1931 and 1958, and *contributing* means that a structure is capable of yielding important information about the period (footnote 16). Development of the Seminary is subject to the criteria listed in the National Register of Historic Places nomination. In particular, character-defining features of the building identified under criterion “C” as the Late Romanesque Revival style (footnote 19).

Treatment approaches outside of the SOI standards are not generally eligible for federal and state historic tax incentive programs, and are less likely to be approved through state and local channels. In short, SOI rehabilitation standards place restrictions on new additions and alterations of significant, character-defining features of the property, while LWCF requirements restrict potential uses of the property.

Together, the federal conservation and preservation requirements for the Seminary are in place to sustain conservation of public recreational space, and preserve historic and cultural resources at Saint Edward State Park. Land use planning and economic development that involves historic resources is complex and varied. A high-level process map that illustrates these regulatory considerations for the Seminary is provided in Appendix C.

¹⁶ Washington State Parks and Recreation Commission Memo “Item E-2: Saint Edward Seminary Management Options – Requested Action.” September 18, 2014.

¹⁷ National Park Service website. Land & Water Conservation Fund. Legal Protection for Grant-Assisted Recreation Sites. <https://www.nps.gov/ncrc/programs/lwcf/protect.html>.

¹⁸ Letter to State Liaison Officers from the United States Department of the Interior Chief of State and Local Assistance regarding “Allowable Uses of Buildings Located on LWCF 6(f)(3) Protected Lands.” Dated January 16, 2014.

¹⁹ United States Department of the Interior National Park Service form. National Register of Historic Places Registration Form. Saint Edward Seminary. Dated November 14, 2006.

After the state’s acquisition of the property, the Seminary has been in use by the public in limited capacities. Beginning in 1978, the Young Adult Conservation Corps housed and paid minimum wages to people between the ages of 16 and 23, to perform work in the area’s parks, including Saint Edward State Park. The residents moved out of the Seminary in 1980 due to a loss of funding (footnote 16). The Grand Dining Hall continues to be rented out to small groups (under 50), and the building has also been used several times by movie production companies.²⁰ Up until 2015, the building provided park ranger housing.

Although not associated directly with the Seminary, since 2008 the Saint Edward Environmental Learning Center (SEELC), an all-volunteer nonprofit organization, has been active at the park providing a series of free educational courses for children, families, and adults focused on the environment and the arts. The Commission approved the learning center’s proposal in November 2006.²¹

A sampling of previous development proposals for the Seminary is provided in Table 1. Historically, parties interested in using part or all of the facilities at the Seminary have not been able to afford the high costs to rehabilitate, maintain, and operate the facility (footnote 20).

Table 1: Sampling of Previous Development Proposals for the Seminary

Development Proposal	Group	Type	Year
Administration Building	Northshore School District	Public	1981
Community Center with Public Offices	Natural Health Foundation	Nonprofit	1984
Restaurant and Bar	McMenamins	Private	2006
Cybersecurity Company	Kidder Mathews	Private	2013
Classrooms and Student Housing	Bastyr University	Private Nonprofit	2014

Source: Washington State Parks and Recreation Commission as provided in footnotes 16 and 20.

The SOI Standards and Guidelines for Treatment of Historic Properties (1995) are administered by the National Park Service and include four treatment approaches: preservation, rehabilitation, restoration, and reconstruction.²² The State and local jurisdictions have the authority to apply these standards and guidelines, including cities, counties, agencies, and preservation offices and review boards as described in the prior Historic Preservation

²⁰ Letter to Washington State Parks Commission. B-4 Saint Edward State Park – Update – Report. April 23, 1998.

²¹ Saint Edward Environmental Learning Center website. About us. <http://www.seelc.org/about-us>

²² National Park Service website. Archaeology and Historic Preservation: Secretary of the Interior’s Standards and Guidelines. https://www.nps.gov/history/local-law/arch_stnds_0.htm

Considerations section. Local jurisdictions follow and apply the above referenced standards and guidance as part of their decision-making process captured by ordinance (footnote 28).

The Seminary is listed on both the Washington Heritage Register and the National Historic Register. “Listing on the Washington Heritage Register is strictly an honorary designation . . .”²³ DAHP oversees applications for both registers and administers associated federal and state tax incentive programs. Further, the Seminary is located within the state’s park system, and any development proposal is subject to review and approval by the Commission in accordance with its mission and management goals.²⁴

At the local level, development proposals for the Seminary are directly subject to, and must be consistent with, the city of Kenmore’s Comprehensive Plan and Kenmore Municipal Code (KMC). Saint Edward State Park is currently designated as “Public/Private Facilities” in Kenmore’s comprehensive plan, and zoned as “Parks.” Kenmore Municipal Code (KMC) 18.115.060, provides criteria to re-zone a property. Zone reclassification is a Type 4 land use decision per KMC 19.25.020. A Type 4 land-use decision requires a City Manager recommendation to the Hearing Examiner, subsequent Hearing Examiner recommendation to City Council, and final decision on the zone reclassification by Council.²⁵

Any development proposal must undergo a pre-application process with the City of Kenmore’s development review program team. Upon completion of the pre-application review, an intake appointment is scheduled as part of filing final permit applications.²⁶ Development of the Seminary that changes its use designation from “Parks” requires a structural analysis be performed, and seismic upgrades; the installation of a fire sprinkler system, as well as all mechanical, plumbing and electrical codes to be brought to current code specifications, including all life safety, egress, accessibility and energy codes. Additionally, any applicant would be required to prepare studies, plans, and other documents relating to the State Environmental Policy Act per KMC 19.35.070 (footnote 25).

The Seminary is also eligible to be designated as a local landmark.²⁷ In 1998, the city of Kenmore designated the King County Landmarks and Heritage Commission to act as the Landmark Commission for historic properties and resources within the city limits of Kenmore.²⁸

²³ The Department of Archaeology & Historic Preservation website. Washington Heritage Register. <http://www.dahp.wa.gov/washington-heritage-register>

²⁴ The Department of Archaeology & Historic Preservation website. Late Romanesque Revival. Washington State Examples. <http://www.dahp.wa.gov/styles/late-romanesque-revival>

²⁵ City of Kenmore Responses to WA Department of Commerce. Dated June 2, 2016, and June 30, 2016.

²⁶ Letter from City of Kenmore Development Services re: Development Review Team Pre-Application Meeting “FINAL” Comments PRE16-0043 The Lodge at Saint Edwards. Dated May 19, 2016.

²⁷ City of Kenmore website. Historic Preservation. <http://www.kenmorewa.gov/content/historic-preservation>

²⁸ 1998 Interlocal Agreement for Landmark Services between King County and the City of Kenmore. And City of Kenmore Ordinance No. 98-0008.

If the Seminary were designated a city landmark, the Kenmore special commissioner would be assigned to serve on the King County Landmarks Commission to review and make decisions concerning the property.²⁹ The City Council appoints the special member to serve on the Commission only when a Kenmore property is being deliberated by the Commission.³⁰

The King County Historic Preservation Program is a regional program that provides services and expertise to cities within the county, including the city of Kenmore. The program is listed as a Certified Local Government Program by DAHP, meaning the program meets both federal and state standards for historic preservation.³¹ Responsibilities of the program include enforcing state and local preservation laws, which often involves environmental review according to SEPA.

²⁹ Telephone interview with King County Historic Preservation Officer. June 27, 2016.

³⁰ Email from Assistant City Manager of Kenmore dated June 30, 2016.

³¹ Department of Archaeology and Historic Preservation website. Certified Local Government Program.
<http://www.dahp.wa.gov/programs/certified-local-government-program>

Traffic Considerations

Saint Edward State Park is located on the eastern shore of Lake Washington, approximately 2.5 miles south of Bothell Way NE (along SR 522), the main thoroughfare connecting Kenmore, Bothell, and Lake Forest Park. Juanita Drive NE is the one road that provides access to the Park. The internal access road, NE 145th Street, leading up to the Seminary from Juanita Drive NE, is registered as a historic area of the park; and therefore, any alterations of the access road are subject to SOI standards.

Juanita Drive NE is a popular travel route between Kenmore and Kirkland. The annual daily traffic on Juanita Drive NE from 2011 to 2014 was 14,000 trips.³² Traffic on the roadway increased by 10 percent when tolling was introduced to the SR 520 Bridge (footnote 25). Following the opening of the new Interstate 405 toll lanes, traffic did not noticeably increase in the city of Kenmore.³³

Public transportation options on Juanita Drive NE near Saint Edward State Park are limited. The closest available bus stop (King County Metro No. 234) is approximately 0.7 miles away at NE 153rd Place. The bus stop can be accessed on foot by taking the Arrowhead Trail through the property. There is currently no bus service provided on NE 145th Street. The closest shopping center is located approximately two miles away with no direct bus route.

The city of Kenmore analyzes traffic impacts for projects using a total concurrency system per Ordinance 16-0420, in which city staff determines the mobility units that a project generates. Those units are deducted from the available bank, or capacity available, per a citywide analysis. If a project does not generate more mobility units than are available in the bank, it is considered concurrent per (revised) KMC 12.80. If a project *does not exceed* the available mobility units, it must analyze all portions of NE 145th Street, and the intersection of Juanita Drive NE and NE 145th Street for safe site access. If a project *does exceed* available mobility units, it must also analyze existing city roads (footnote 25).

Per the 2008 Classification and Management Plan adopted by the Commission, the sponsor of a new or expanded use must provide a plan to address parking needs (footnote 16). There are a total of 211 parking stalls at Saint Edward State Park; central lot-36; gym lot-57; ballfield-15; former sport court lot-47; and north lot-56.³⁴

³² City of Kenmore Arterial Traffic Volumes. Average Annual Daily Traffic (AADT).

<http://www.kenmorewa.gov/sites/default/files/PublicWorks/Arterial%20Traffic%20Volumes%202015.pdf>

³³ City of Kenmore website. *The City continues to monitor Interstate 405 express lane tolling traffic effects in Kenmore*. November 6, 2015. <http://www.kenmorewa.gov/content/city-continues-monitor-interstate-405-express-lane-tolling-traffic-effects-kenmore>

³⁴ Email from Washington State Parks staff dated July 13, 2016.

The city of Kenmore requires applicants to perform a parking needs assessment for their proposal. Parking needs can be estimated using Table 2 following (footnote 25).

Table 2: Minimum Parking Spaces Required by Land Use Type

Lane Use	Minimum Parking Spaces Required Citywide Except in Downtown Residential Zones West of 68 th Avenue NE
Micro-housing dwelling units	Within ¼ mile of SR-522: 0.75 per dwelling unit. Otherwise, 1.2 per dwelling unit
Studio units	1.2 per dwelling unit
One bedroom units	1.5 per dwelling unit
Two bedroom units	1.7 per dwelling unit
Three bedroom units or larger	2.0 per dwelling unit
Guest parking	1 space for every 5 units
Mobile home park	2.0 per dwelling unit
Senior citizen assisted living	1 per 2 dwelling or sleeping units
Community residential facilities	1 per 2 bedrooms
Dormitory, including religious	1 per 2 bedrooms
Hotel/motel including organizational hotel/lodging	1 per bedroom
Bed and breakfast guesthouse	1 per guest room, plus 2 per facility

Source: Kenmore Municipal Code 18.40

In the event a proposal does not meet standards for historic adaptive reuse, full frontage improvements along the entire park frontage on Juanita Drive NE would be required. Frontage is defined as the stretch of public right-of-way equal to the widest dimension of the parcel. The city of Kenmore uses their sidewalk program to estimate potential costs for frontage improvements as follows:³⁵

Example A: Construct new sidewalk, curb & gutter, and storm drains (i.e. only shoulder exists) = \$700 per linear foot

Example B: Construct new sidewalk, and curb & gutter (i.e. only shoulder & storm drains exist) = \$500 per linear foot

Example C: Construct new sidewalk (i.e. curbing & storm drains exist) = \$400 per linear foot

³⁵ Email from City of Kenmore staff dated June 15, 2016.
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In addition to full frontage improvements, proposals that do not qualify as historic adaptive reuse must improve the internal access road, NE 145th Street, to current standards, including curb, gutter, and sidewalk, between the Seminary and Juanita Drive NE.

Additional development requirements for the Seminary provided by the city of Kenmore's development review program team for a historic adaptive reuse proposal are paraphrased below.³⁶ Please note the below statements apply only to proposals qualifying as historic adaptive reuse and do not involve expansion of the building.

- Applicants must demonstrate that adequate site access for vehicles and pedestrians is provided between Juanita Road and the project site, which may require additional text in the traffic analysis and/or a combination of proposed mitigation measures (traffic calming measures, additional striping, reflective markers, etc.)
 - If additional nighttime drivers are expected as a result of the change in use, the road may need to include additional lighting or reflective markers. Lighting shall be provided as may be necessary for safe circulation of vehicles and pedestrians (KMC 18.28.050.C; 18.52.140).
 - The entrance to the road prior to the split with Bastyr does not include any traffic calming measures and has fading striping; staff observed speeding along this stretch and believe additional striping or traffic control measures may be warranted.
 - A pedestrian path appears to exist nearly parallel to the entrance road but the trail would need to be surfaced with an appropriate material, potentially widened to minimum ADA widths in several locations, and potentially add handrails where retaining walls create a drop off.
 - Where the pedestrian path crosses the access road, cross walk striping and lighting must be provided.
 - Where adjacent to the roadway, a barrier (curb, bollard, or the existing rock markers) shall be maintained between pedestrian and vehicle travel ways.
 - The pedestrian path shall be continuing up through the parking areas and up to the entrance of the building with appropriate striping/markers as needed.

- Plans must be developed to demonstrate how access gates are controlled, who by, and hours of closures; circulation of the state park visitors must be considered and no public access to turnaround points will be obstructed during park hours.

- A signage plan must be developed to direct visitors to appropriate locations, pathways, and parking areas.

³⁶ City of Kenmore, Development Services letter re: Development Review Team Pre-Application Meeting "FINAL" Comments PRE16-0043 – The Lodge at Saint Edwards. Dated May 19, 2016.
Saint Edward State Park Seminary Economic Feasibility Study

- Surface parking lot landscaping standards are detailed in KMC 18.35.070. The site plan application shall include a conceptual landscape plan pursuant to KMC 18.35.
- The City encourages the use of pervious pavements in the private road and parking area and/or public or private sidewalks.
- A flow control facility is required if more than 2,000 square feet of impervious area is added and/or replaced.
- A critical areas report must be provided because portions of the Saint Edward State Park are designated within landslide hazard areas and erosion hazard areas per KMC 18.55.620. Alterations of landslide hazard areas are not permitted.

Comparable Projects

This study incorporates a sampling of historic preservation redevelopment projects in Washington State to illustrate and provide relevant context for the considerations and factors provided in the analytical framework from the previous sections. The following project descriptions provide legal, governance, and funding-related information, including: uses, management structures, treatment approaches, legal designations, and funding mechanisms and sources.

Legal protections and standards at federal, state, and local levels concerning historic preservation and conservation create land use limitations and impact land use development scenarios for potential sites of development. Governance, or the method for making decisions, defines development pathways for specific sites. And lastly, funding considerations, such as capacity and composition, are informed by access to financial expertise and services, i.e. grant writing, the development and execution of fundraising strategies, and administrative and management resources.

Building 9 – Affordable Housing

Building 9 is an ongoing rehabilitation project, located in Seattle’s Sand Point neighborhood, to provide affordable housing to low-income households. The 87-year old 223,000 square foot building will provide 128 rental units and 80 parking stalls. Rehabilitation of the site began in 2012, with an expected completion date in 2018.

Building 9

Governance	Legal	Funding	Occupants
<ul style="list-style-type: none"> • University of Washington (owner) • Department of Commerce (lessee) • Mercy Housing Northwest (sub-contractor) 	<ul style="list-style-type: none"> • National Register of Historic Places (2010) • City of Seattle Historic Landmark (2011) • Sand Point Naval Air Station (NAS) Landmarks Preservation District (2011) • Sand Point Historic District (1997) • Seattle MC 25.12 • King County MC 20.62 • Low Income Housing Covenant 	<ul style="list-style-type: none"> • State appropriation • State & local housing trust funds • Low Income Housing Tax Credit • Historic Rehabilitation Tax Credit • Private fund raising 	N/A

Gas Works Park – Partial Redevelopment Outdoor Recreation

Gas Works Park, located just north of downtown Seattle, was originally a gasification plant supplying gas to the city of Seattle for 50 years. The 20-acre site closed down in 1956, and was re-opened as a public park using federal grant funding from the Land and Water Conservation Fund in 1975. The site is one of the first examples of post-industrial conversion to public space in America.³⁷

Gas Works Park

Governance	Legal	Funding	Occupants
City of Seattle Parks and Recreation (owner)	<ul style="list-style-type: none"> Land & Water Conservation Fund City of Seattle Historic Landmark (2002) Seattle MC 25.12 King County MC 20.62 Seattle Parks & Recreation 	<ul style="list-style-type: none"> Land & Water Conservation Fund grant dollars City of Seattle appropriation Community Development Block Grant (CDBG) King County Forward Thrust Bonds Housing & Urban Development funds 	N/A

Fort Worden State Park – Public and Nonprofit Programs and Services

Fort Worden State Park, located in Port Townsend, was formerly a military defense post at the turn of the 20th century. Many of the facilities and areas within the park are now managed by the Fort Worden Public Development Authority, which offers a range of public and nonprofit programs and services. Site rehabilitation is ongoing, but initially spanned more than two years. The site is approximately 434 acres, 114 years old, and has more than 100 parking stalls.

Fort Worden State Park

Governance	Legal	Funding	Occupants
<ul style="list-style-type: none"> Washington State Parks (owner) Fort Worden Public Development Authority (lessee) 	<ul style="list-style-type: none"> National Historic Landmark Register (1976) Port Townsend MC 17.30 	<ul style="list-style-type: none"> Local Lodging Tax Rentals Leases Fees 	<ul style="list-style-type: none"> 8 nonprofit 4 public

³⁷ University of Washington Press Blog. <https://uwpressblog.com/2015/04/15/gas-works-park-a-brief-history-of-a-seattle-landmark/>

Pacific Tower – Public and Nonprofit Programs and Services

Pacific Tower, located on Beacon Hill in Seattle, is an ongoing rehabilitation project owned by the Pacific Hospital Preservation & Development Authority. Pacific Tower was formerly a medical center and also served as headquarters for Amazon. Pacific Tower was built in 1932, and has 125 parking stalls and encompasses 16 floors with over 260,000 square feet.

Pacific Tower

Governance	Legal	Funding	Occupants
<ul style="list-style-type: none"> Pacific Hospital Preservation & Development Authority (owner) Department of Commerce (lessee) 	<ul style="list-style-type: none"> City of Seattle Historic Landmark (1992) Seattle MC 25.12 King County MC 20.62 	<ul style="list-style-type: none"> State appropriation Program services Fundraising Tax subsidies 	<ul style="list-style-type: none"> 10 nonprofit 5 public

Good Shepherd Center – Community Center

The Good Shepherd Center, located in the Wallingford neighborhood in Seattle, was formerly a shelter providing educational and training services to women. The building is now a community center with a mix of public and nonprofit uses ranging from health services to community gardens and artist studios. The city of Seattle transferred ownership to the Historic Seattle Preservation Development Authority in 1975. The 87,000 square foot building is 108 years old and has 125 on-site parking stalls.

Good Shepherd Center

Governance	Legal	Funding	Occupants
Historic Seattle Preservation Development Authority (owner)	<ul style="list-style-type: none"> National Register of Historic Places (1978) City of Seattle Historic Landmark (1984) Seattle MC 25.12 King County MC 20.62 	<ul style="list-style-type: none"> King County Forward Thrust Bonds Federal Revenue Sharing funds Private fundraising Rentals Leases Fees 	<ul style="list-style-type: none"> 21 nonprofits

Potential Development Scenarios

There are five development scenarios included in the Toolkit: two affordable housing scenarios, and one each for a community center, dormitory/classrooms, and offices. Each scenario assumes a baseline cost estimate of \$23.4 million for required restorative work, and eligibility for historic rehabilitation tax credits. *Each scenario also includes market-based placeholder assumptions that were developed using standard industry practices for illustrative purposes only.*

Each scenario is briefly introduced below, and compiled in further detail in the attached Toolkit in Appendix E. The Toolkit worksheets contain placeholder assumptions which are blue highlighted figures that can and should be changed for individual proposals. Each worksheet in the Toolkit is a financial framework for the scenarios described below, and contains existing data and market-based placeholder assumptions for operating cash flow, use of capital funds, and sources of capital funds.

Operating funds or cash flow is used to determine whether the required operation and maintenance of a proposal is fully or partially covered.

Use of capital funds provides figures for required baseline restoration, program hard and soft costs, and financing costs.

Sources of capital funds provide figures for subsidies and possible debt capacity.

Conventional debt is typically underwritten based on a property's independently generated net operating income, the stability of that income, and the nature of the assets. Community development debt is typically targeted for nonprofit uses and community facilities, where additional sources such as grants and fundraising may be a part of underwriting considerations. Examples of lenders for this type of debt include: Washington State Housing Finance Commission, Enterprise Community Foundation, Impact Capital, and Craft3.

A more in depth discussion of each of these categories is provided in the instructions and glossary that accompany the Toolkit found in Appendix E.

Please note that all potential development scenarios are assumed to meet the five criteria developed for this study (see page 7).

Affordable Housing

The Washington State Housing Finance Commission (WSHFC) is the designated authority for allocating housing tax credits in the state, including the 4 percent and 9 percent Low-Income

Housing Tax Credit (LIHTC) programs.³⁸ There is a limit on the total development cost for projects applying for the 9 percent LIHTC program. Section 3.2.7 of the Total Development Cost (TDC) Limit Policy provides the TDC per Unit Limit Schedule, while Section 3.2.8 pertains to TDC waivers for projects exceeding the schedule.³⁹

Other important tenant-related considerations for where to site affordable housing projects include access to public transportation and community-based resources, such as shopping and medical services.

There are two worksheets provided for this scenario in the Toolkit, for both the 4 percent and 9 percent Low-Income Housing Tax Credits (LIHTC) programs. More background about these programs is included in the Toolkit instructions and glossary found in Appendix E.

Dormitory/Classroom

Social integration and student engagement with the campus community are critical considerations in the procurement of a site for student housing. Additional cost considerations for dining facilities and food services, cost of rent for students, proximity to campus, and availability of public transportation services are further impacted by increases in the full-time student population and the resulting demand for housing.

Additionally, renovation projects exceeding \$200,000 for capital projects of K-12 public schools, colleges and universities, are required to pay .5 percent of capital appropriations to the state art collection. In the context of this study, renovation projects relating to the dormitory/classroom use of the Seminary may be subject to this requirement.⁴⁰

Community Center

For community centers that include a variety of programs, capacity to provide planning coordination, lease management, and administrative support for related procurement activities and processes is a significant consideration. For comparison purposes, administration and coordination related to the Pacific Tower project involved a team working across multiple agency divisions with a variety of experts and consultants. The team included a real estate firm for lease management, construction team, coordinator, consultants for transportation-related planning and fundraising, and legal counsel. Multiple requests for proposals were conducted during the course of the Pacific Tower project.

Offices

In addition to the coordination and administrative costs, understanding tenant amenity and client-related needs are important cost-related considerations for office spaces. Outreach and

³⁸ Washington State Housing Finance Commission's 2016-2017 Housing Finance Plan. <http://www.wshfc.org/admin/2016hfp.pdf>

³⁹ Washington State Housing Finance Commission. 9% Competitive Housing Tax Credit Policies 2016. <http://www.wshfc.org/mhcf/9percent/2016application/c.policies.pdf>

⁴⁰ Art in Public Places (AIPP) program website. <http://www.arts.wa.gov/public-art>
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fundraising efforts to support construction costs for tenant improvements is highly recommended for all scenarios.

Citizen Concepts

During the course of this study, four citizen concepts for the development of the Seminary were received by Commerce. These concepts are further described and evaluated to the greatest extent possible below using the study's evaluation criteria (see page 7), analytical framework, and existing and available data sources (as described in the Methodology section). Please note that full descriptions are paraphrased below.

Concept 1

Description

Open the south dormitory wing to the sky for an open air, small concert, small wedding, and small public venue experience. Create updated space for the public in the grand dining hall, the bell tower, the kitchen, and the rooms of the north wing. By demolishing the south wing, maintenance costs will be lower, and events held on the property would provide a rental income stream to Parks. The north wing would be gradually renovated with funding coming from either the state or a regional park district.⁴¹ In 2014, Parks estimated a partial tear down of the classroom/dormitory section of the Seminary would cost approximately \$1.04 million.⁴²

Additional information in support of this concept was received during the week of June 20, and is provided in Appendix G. In summary, the information received pertains, in part, to the initial granting of LWCF funding to purchase the Seminary building in 1977, and subsequent communication between the National Park Service and the state Recreation and Conservation Office, which includes discussion about demolishing the building. A separate statement was also provided that speaks to the purpose of the state acquiring Saint Edward State Park for outdoor recreation. The statement provides that nonprofit uses, e.g., a social service agency or training academy, would likely trigger a LWCF conversion, and would unlikely be considered viable.

Does this concept meet study evaluation criteria?

This concept does not identify an eligible entity that wants to invest in and use the Seminary per criteria 1 and 2.

Per criteria 3, no specific funding source is identified for capital investments, and ongoing operating and maintenance costs for the purpose of evaluation for economic feasibility. However the concept notes that the state's choice not to fund a capital project for the Seminary thus far "does not constitute a prohibition against future funding..." (see Appendix G).

⁴¹ Email received from Ann Hurst dated May 13, 2016.

⁴² Excel worksheet received via email from Ann Hurst dated June 29, 2016. Draft demolition cost estimates previously provided by Washington State Parks staff to citizens.
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What is the treatment approach?

At this time, the federal regulatory framework does not provide for intentional demolition of historic properties. Removal of the south wing could cause the Seminary to be delisted from the National Historic Register.⁴³ Removal of materials from sites is permitted under a restorative approach when a contemporary depiction is required to understand and interpret a property's historic value (footnote 44).

Per the rehabilitation standard, any "exterior alterations...will not destroy historic materials, features, and spatial relationships that characterize the property."⁴⁴

Economic feasibility assessment

Baseline renovation cost estimates provided in this study cannot be configured to apply directly to this concept. One-time demolition costs are estimated at \$1.04 million for the classroom/dormitory section. Cost estimates for improvements to the north wing are not provided.

It is anticipated that maintenance costs for the Seminary would not necessarily be lower under this concept because of exposure impacts to historic walls (footnote 43).

Further, this concept is unlikely to qualify for federal historic tax credits pursuant to the Code of Federal Regulations Title 36 Section 60.2 (c)-*Effects of listing under Federal law*:

If a property is listed in the National Register, certain provisions of the Tax Reform Act of 1976 as amended by the Revenue Act of 1978 and the Tax Treatment Extension Act of 1980 may apply. These provisions encourage the preservation of depreciable historic structures by allowing favorable tax treatments for rehabilitation, and discourage destruction of historic buildings by eliminating certain otherwise available federal tax provisions both for demolition of historic structures and for new construction on the site of demolished historic buildings.

Financial factors described in the Outline of Financial Considerations (Appendix D) can be used to further assess economic considerations for this concept.

⁴³ Email from Department of Archaeology and Historic Preservation State Historical Architect dated June 30, 2016.

⁴⁴ National Park Service website. Technical Preservation Services.
<https://www.nps.gov/tps/standards/four-treatments/treatment-rehabilitation.htm>
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Concept 2

Description

The Joel Pritchard Library, a branch of the federal government, a county, or state agency could rent the Seminary to store artifacts. Development costs would be paid by rental storage fees by the renting agency. This scenario would not require renovating the entire building (footnote 41).

Does this concept meet study evaluation criteria?

This concept identifies eligible entities per criteria 1, which either were in the past, or may in the future become interested in the use of the Seminary building. This information does not constitute a desire to invest in the building per criteria 2.

Rental storage fees are identified as a type of funding source that would be used to pay for development costs. Because no specific capital sources are identified, this concept does not meet criteria 3 for the purpose of evaluation for economic feasibility.

What is the treatment approach?

Adaptive reuse of the Seminary as a curation center would be considered “rehabilitation” under the SOI standards.

Economic feasibility assessment

This concept has the potential to meet SOI standards. For the purpose described, it is necessary to identify interior spaces that are well suited for storing governmental artifacts. Subdividing larger spaces is generally problematic. Alterations to significant interior spaces that require new utility lines should be carefully designed such that extant character defining features are preserved and new interventions blended in or hidden (footnote 43).

Baseline restoration cost estimates are provided in Appendix E at \$23.4 million. It is unclear which portion(s) of the building would be renovated under this concept.

Financial factors provided in the development scenario for offices in the Toolkit and further considerations provided in the Outline can be used to address economic considerations for this concept.

Concept 3

Description

Convert the Seminary into a model boarding school for homeless youth, ages 12 to 18, and/or homeless young adults, ages 18-22, for a 4-to 6-year term. Retired professionals and other community resources could be brought to bear for this underserved population. The setting of the park would lend itself to environmental studies for youth. This project could also obtain federal funds to serve this population.⁴⁵

Does this concept meet study evaluation criteria?

This concept does not identify an eligible entity that wants to invest in and use the Seminary per criteria 1 and 2.

Federal funds are identified as the type of funding source that could be obtained to fund this concept. Because no specific capital sources are identified, this concept does not meet criteria 3 for the purpose of evaluation for economic feasibility.

What is the treatment approach?

Adaptive reuse of the Seminary as a training center or boarding school would be considered “rehabilitation” under the SOI standards.

Economic feasibility assessment

This concept has the potential to meet SOI standards. It would be necessary to identify interior spaces that are well suited for this use (footnote 43).

Baseline restoration cost estimates at \$23.4 million provided in Appendix E apply to this concept.

Financial factors provided in the development scenario for dormitory/classroom in the Toolkit and further considerations provided in the Outline can be used to address economic considerations for this concept.

⁴⁵ Email received from Patty Litwin dated June 3, 2016.

Concept 4

Description

This concept would use the Seminary as a school for visually-impaired youth. The advent of different visual abilities of youth has been challenged by the onset of juvenile diabetes. These young students need a place early-on where they can become self-reliant as our future citizens. There is not enough science or math taught to our blind community, and we need to increase the probability of a greater number of blind college graduates in the field of technology.⁴⁶

Does this concept meet study evaluation criteria?

This concept does not identify an eligible entity that wants to invest in and use the Seminary per criteria 1 and 2. This concept does not identify its specific funding source for capital investments, and ongoing operating and maintenance costs per Criteria 3.

What is the treatment approach?

Adaptive reuse of the Seminary as a school for visually-impaired youth would be considered “rehabilitation” under SOI standards.

Economic feasibility assessment

This concept has the potential to meet SOI standards. It would be necessary to identify interior spaces that are well suited for this use (footnote 43).

Baseline restoration cost estimates at \$23.4 million provided in Appendix E apply to this concept. Additional considerations should be made for compliance with the Americans with Disabilities Act (ADA) concerning vision impairments.

Financial factors provided in the development scenario for dormitory/classroom in the Toolkit and further considerations provided in the Outline can be used to address economic considerations for this concept.

⁴⁶ Email from Dori Zitting dated May 22, 2016. Received as forwarded message on June 6, 2016.
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Analytic Conclusions

The analytical conclusions of the potential development scenarios and citizen concepts reveal no identified or available specific funding sources for capital investments, and ongoing operating and maintenance costs.

Scenario analyses created for this study *may be* financially feasible if an appropriate level of funding is available. Baseline restoration cost estimates begin at \$23.4 million and would increase depending on the proposed use.

Although all of the scenarios are potentially *financially feasible*, there are other factors involved in determining whether a proposal is *viable* and can move forward. These include, but are not limited to governance structure, funding strategy, timing, compatibility with the Commission's mission, and consistency with city planning requirements.

While citizen concepts for the Seminary did not provide sufficient detail to meet study criteria for the purpose of evaluating their financial feasibility, three of the four concepts have the potential to meet federal historic preservation standards.

There are no active public/nonprofit development proposals for the Seminary available to evaluate; during the course of the study, no public or nonprofit sponsored entity submitted redevelopment proposals.

Appendix A:
Historic Preservation: A Tool for Managing Growth

Historic Preservation: A Tool for Managing Growth



washington state department of
community, trade and economic development

Cover Photo

Bellingham's Oakland Block

Historic Preservation: A Tool for Managing Growth

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NWAA, p. 9
Rita R. Robison, p. 11, 16, 17
USFS Mt. Baker-Snoqualmie National Forest, p. 18

Introduction

The spirit of the 1990 Growth Management Act (GMA) encourages the preservation and protection of Washington's cultural resources, a community's character, and quality of life. Historic preservation is an important tool aiding the protection and enhancement of a community's special attributes. Whether the planning context is a rural town seeking to stimulate development, a rapidly developing suburban county looking to manage growth, or a mature metropolitan center striving to transform its existing built environment, historic preservation is effective in achieving local growth management goals. Protecting cultural resources is relevant to, and should be integrated with, GMA issues of land use, sprawl, housing, sustainable economic development, recreation opportunities, plus public facilities and services. Early and continuous public participation in identifying, evaluating, and preserving cultural resources will help build and maintain thriving communities.

The GMA identifies 14 planning goals for communities. One goal is to "Identify and encourage the preservation of lands, sites, and structures that have historical, cultural, and archaeological significance." To assist communities in reaching this goal, this technical guide provides:

- A rationale for including a Historic Preservation Element in the local comprehensive planning framework.
- Background information on historic preservation.
- A model local historic preservation plan outline, and examples of goals, policies, and action steps.
- A sampling of historic preservation programs and plan implementation tools.
- Contact information for related organizations and agencies. (See Appendix 1.)

Many individuals, organizations, and agencies are active in heritage protection and are able to provide assistance on historic preservation matters. More than 30 Washington towns, cities, and counties have created local historic preservation programs with citizen commissions and professional preservation planners. These offices play a pivotal role in local preservation actions and are an excellent source of expertise.

At the state level, the Department of Archaeology and Historic Preservation (DAHP) serves as the state historic preservation office. For information about programs offered by DAHP, visit their Web site at www.dahp.wa.gov or contact:

Department of Archaeology and Historic Preservation
PO Box 48343
Olympia, WA 98504-8343
(360) 586-3065



Recent rehabilitation of Bellingham's Oakland Block illustrates how historic preservation principles can be used to achieve multiple growth management goals. New housing units provide needed affordable housing and increase density. First floor retail space brings pedestrian design scale and activity to downtown streets, not to mention tax revenues for local coffers. Built in 1890 and now listed in the National Register of Historic Places, the Oakland Block once served as the City Hall for New Whatcom.



Maple Valley in King County is home to one of Washington state's prime examples of the growing recognition and awareness of historic properties from the "recent past." Constructed by the Gaffney family in 1950, the Lake Wilderness Lodge is listed in the National Register of Historic Places as an excellent example of post World War II modern architecture. A northwest regional variation of modernism is well exemplified in this building by a carved cedar pole inspired by Northwest Native American art forms.

Recognition and preservation of places such as the Lake Wilderness lodge comes as a surprise to many people who grew up when these buildings were new. However, these comparatively recent historic properties are key in representing social, cultural, economic, and architectural trends of the mid-20th Century.

Why Plan for Historic Preservation

Historic preservation is a proven, time-tested, and cost effective community development tool. In many ways, Washington's historic and archaeological resources (herein, these resource types are referred to as "cultural resources") are similar to our state's rich natural resources. Like wetlands, forestlands, agricultural lands, and other natural resource lands addressed by the GMA, cultural resources are a finite and endangered resource. Once destroyed, they are lost forever. Another parallel between our natural and cultural resources is that both contribute to and enhance quality of life. To successfully address cultural resource protection, it is recommended that communities develop and implement historic preservation elements in local comprehensive plans. In essence, preservation planning supports GMA goals and helps sustain Washington's quality of life.

Historic Preservation and Concentrated Growth – A GMA Goal

In recent years there has been a great deal of discussion about how to create livable and sustainable communities in the United States through compact, mixed land use patterns. This discussion includes the concepts of new urbanism, transit-oriented design, and traditional neighborhood design, among others. A consistent theme in these dialogues is the goal of attaining a community core that has a human scale, a pedestrian orientation, and an area of mixed uses including retail, business, residential, and civic. This pattern has existed historically in cities of all sizes for hundreds of years, and can be seen today in the core of virtually every community. It concentrates people close to many of their daily needs, promotes a mix of transportation modes, and offers alternatives to sprawl. Furthermore, concentrating growth in existing areas conserves resources and maximizes public investment in infrastructure.

Historic Preservation and Affordable Housing – A GMA Goal

Affordable housing is a complex and far-reaching issue that is relevant to a diverse range of residents, not just the very poorest of the population. In efforts to increase the number of affordable housing units, rehabilitation of historic housing can be less costly than building new housing. Plus, reinvesting in historic buildings serves to combat blight and maintain the character of neighborhoods. It is interesting to note that more than 40 percent of housing units in historic buildings results from the adaptive reuse of structures such as factories, warehouses, office buildings, and stores (Rypkema, 2002). These conversions effectively increase the supply of housing units. Historic neighborhoods provide a mix of housing that fits a wide range of income levels and needs. One measure of diversity is economic, and it is rare to find mixed income housing in newly built developments though it is more common in older neighborhoods.

Historic Preservation and Economic Development – A GMA Goal

Historic preservation makes economic sense. Although not an overnight fix, many communities have successfully embraced preservation as an important component of an economic development strategy. Historic preservation can help achieve a positive image of a community, perhaps one of the most effective means for retaining existing and attracting new economic activity. Today, more than ever, businesses and individuals place a high priority on quality of life when making locational decisions. Communities are now measured for livability by the availability of attractive housing; a vibrant downtown; stable neighborhoods; diverse cultural, recreational, and entertainment opportunities; accessible open spaces; and other quality of life factors. Re-invigorated historic downtowns and neighborhoods have stimulated local economies, sparked new businesses, generated additional tax revenues, created new jobs, and conserved scarce financial and material resources.

The state historic preservation plan *Strengthening Communities Through Historic Preservation* (see page 7) calls for implementation of a study to document the economic

impact of historic preservation on the state's economy (see Goal I Objective IA). With completion anticipated in 2006, the study will focus on quantifying increased property values, tax revenues, and economic activity derived from heritage tourism. With this information preservationists will be able to make a strong case for the economic benefits of historic preservation.

Heritage and cultural tourism are rapidly gaining recognition as important drivers in local economic development and community revitalization. Travel industry studies consistently demonstrate that visiting historic places is one of the top reasons for travel. Data also supports the contention that tourists interested in visiting heritage sites are typically from households with higher incomes, stay longer, spend more, like to become involved in wide range of activities, and seek-out "real" or authentic experiences and places. All this evidence points to the recognition that preservation of a community's cultural resources can result in a big payoff through increased tourism expenditures.

Historic Preservation and Local Quality of Life

The identity of a place consists of many elements including its natural and built environments; commerce and industry; as well as public spaces and civic structures. To retain and foster civic identity means managing these elements as growth and change occur.

Decades of experience in communities across the nation demonstrate that historic preservation is good public policy, strengthens identity of place, and enhances quality of life. For any community, preservation of cultural resources:

- Teaches about the diversity of cultures in our communities.
- Provides a sense of place.
- Defines and protects local character, lifestyle, and identity.
- Enhances a community's image for residents, tourists, and business recruitment efforts.
- Reflects local values about a community's past, present, and future.
- Conveys community pride, well-being, and stability.
- Conserves resources (natural and manmade).
- Strengthens neighborhoods.
- Encourages civic pride and stewardship.
- Provides an innovative approach to increase densities and serves as an alternative to sprawling development.
- Revitalizes central business districts.



Since archaeological sites are typically below the ground surface, archaeological survey work is often needed to make sure that proposed construction work avoids disturbing cultural resources at a property. Thousands of years before the arrival of Europeans, Native Americans inhabited and used lands and waterways in what is now Washington state. The archaeological record suggests that Native Americans sought the same locational advantages we do today: proximity to resources, safe and sheltered building sites, and easy access to transportation routes.

Planners increasingly recognize the benefits of checking on the possibility of finding archaeological resources early in the development process. By using computer predictive models and data from DAHP's inventory records and keeping in touch with tribal cultural resource staff, planners find that costly delays and controversies are avoided.



Built in 1912, Centralia Union Depot has been rehabilitated by the city following a three-phase restoration effort with expenditures of more than \$4.8 million that included federal and state funds. This investment created 4,000 square feet of commercial space, and enhanced the appearance of this community gateway for thousands of visitors arriving by Amtrak.

The depot project is part of a larger historic preservation commitment made by the City of Centralia that includes a 12-block downtown streetscape project. The purchase of the Fox Theater and the Wilson Hotel have sparked additional activity magnets, and the establishment of a historic district listed in the National Register of Historic Places. These historic preservation planning achievements are rounded out with investment by Portland's McMenamin Brothers who purchased the storied Olympic Club tavern and adjacent Oxford Hotel.

A Historic Preservation Primer

Historic preservation has come into the mainstream of local decision-making by means of legislation, court decisions, and widespread popular support. The following is a description of several fundamental elements of the historic preservation movement, both nationwide and in Washington state.

Native American Cultural Resources

Native Americans have deep-rooted pride in their heritage, and constitute an important segment of the state's heritage constituency. Tribal governments have a keen interest in the treatment of properties and sites that represent their heritage. Tribal members also represent another body of expertise, particularly in regard to archaeological sites and traditional cultural places. Tribal governments or their designated representatives should be consulted not only in regard to historic preservation questions, but also routinely in all planning matters that may affect resources of interest to a tribe. Consultation with an affected tribe may require contacting more than one department within the tribal governmental structure.

Presently, there are 29 federally recognized tribes within Washington, with approximately nine additional tribes actively seeking federal recognition. (See Appendix 2 for a list of tribes and contact information.) There are approximately five federally recognized tribes who no longer reside in Washington state, but have reservations in other states or in Canada. With federal recognition, tribes attain status as distinct sovereign nations that have reserved rights, powers, and functions outside the state GMA guidelines. Many tribal governments maintain planning offices and cultural committees that represent tribal heritage interests. Contact the respective planning office and/or the tribal cultural committee for assistance when needing to address tribal cultural resource issues. It is important to remember that cultural resource interests are not limited to reservation boundaries. Tribal interests often extend over much larger areas, which are frequently referred to as "usual and accustomed areas" or "Traditional Territories." These are lands that were traditionally used by the tribes for resource gathering and habitation. Some tribes now residing in other states have traditional use areas in Washington.

National Historic Preservation Act

Passed by Congress in 1966, the National Historic Preservation Act (NHPA) has defined and shaped national historic preservation policies and the federal government's response. Generally, the act defines historic preservation as: the active process of protecting and preserving our built environment for study, use, and enjoyment by present and future generations. Historic preservation efforts are applied to buildings, structures, districts, sites, or objects. The terms "historic preservation," "historic resources," and "historic properties," when used in the context of the act, apply to historic buildings, structures, and archaeological sites dating from both before and after European-American contact with Native Americans (generally about 1790 in what is now Washington state). These encompass the same property types that are considered to be eligible for listing in the National Register of Historic Places (see the following section). For sake of clarity and convenience, the term "cultural resources" is used in this publication to refer to the broad range of resource types that represent our cultural heritage.

National Register of Historic Places

A cornerstone element of the historic preservation movement and of the NHPA is the National Register of Historic Places. The National Register is the nation's listing of properties that have historic, architectural, archaeological, engineering, or cultural significance. A property nominated to the National Register can attain significance at a national, state, or local level, but must meet defined criteria to be listed in the National Register.

Listing of cultural resources (buildings, sites, structures, districts, and objects) in the National Register is an honorary designation. Designation of a property by the National Register is intended to encourage the owner, and the community at large, to be stewards of National Register properties because they significantly represent our nation's heritage. Along with the prestige and special recognition that goes along with National Register listing, designated properties that are income producing (such as stores, hotels, offices, apartments, etc.) are eligible for federal tax incentives. When funding is available, National Register listed properties are also eligible for federal historic preservation grants. Design standards outlined in the *Secretary of the Interior's Standards for Rehabilitation* are always recommended for rehabilitation work performed on historic structures.

Another important clarification that needs to be made is the fact that National Register listing of a property does not restrict the owners of privately held properties. Those property owners are free to manage a National Register listed property as they wish. A caveat to this previous statement is when a National Register listed (or eligible) property is affected in some way by a federal action (i.e., the recipient of a federal license, permit, or project funding). When a federal action may affect a significant cultural resource, the responsible federal agency must consult with the state historic preservation officer, tribal representatives, and interested members of the public to assess how the action will affect the property's National Register eligibility status. This consultation process includes publicly owned (including state, county, city, or special district) properties that may be National Register listed or eligible.

Another key point for decision makers to keep in mind is that the National Register can serve as a database that is an aid in planning. The National Register provides information on properties that land use managers (be they public or private) should consider when making land use decisions. The Washington Heritage Register and the Washington State Inventory of Cultural Resources are two additional databases providing information on historic properties.

Washington State Governor's Advisory Council on Historic Preservation

The Advisory Council on Historic Preservation (ACHP) is a seven-member panel of citizens with expertise and/or training in historic preservation and related fields. Members are appointed by the Governor in order to advise on state government policy matters affecting preservation of cultural resources. The ACHP devotes much of its time to reviewing documents nominating Washington state properties for listing in the National Register of Historic Places. First, nomination documents are submitted to the state historic preservation office for review and editing. In Washington, the state historic preservation office is formally named the Department of Archaeology and Historic Preservation (DAHP). Once deemed complete by DAHP staff, the nominations are brought before the council for formal review and comment in a public forum. If ACHP members determine that nominated properties meet National Register criteria (see above), a vote is taken to recommend those properties to the state historic preservation officer (see below) for forwarding to the Keeper of the National Register in Washington, D.C. The ACHP meets three times each year in locations around the state. For more information about the ACHP, check the DAHP Web site at www.dahp.wa.gov to view meeting dates and deadlines for submitting nominations for review. Note that the Washington State ACHP should not be confused with the federal Advisory Council on Historic Preservation. The federal ACHP is an independent panel appointed by the President plus their staff that help administer provisions of Section 106 of the NHPA. See page 31 for more information about this federal entity.

State Historic Preservation Officer

The NHPA and corresponding state enabling legislation sets forth the responsibilities of the state historic preservation officer (SHPO). The SHPO is responsible for carrying out the federal historic preservation programs and policies as identified in the NHPA. Under



The rich, well-watered soils of Western Washington river valleys were magnets for 19th century immigrant settlers who eventually started successful dairy and produce farms. This attraction boosted efforts of Hans and Lida Berthusen to establish a successful farming operation in the Lynden vicinity of Whatcom County in the 1880s. Well into the 20th Century, the farm was widely known for the Berthusen's hospitality and their barn was a community-gathering place.

In addition to its huge scale and craftsmanship, the Berthusen Barn is significant as a rare Washington example of "bank" barns typically found in the Eastern United States. Whatcom County was also famous for its concentration of "stump" architecture, the novel adaptation of hollow tree stumps into homes, post offices, and whatever else could fit into extremely tight spaces. The Berthusen privy is a rare survivor of this "folk" building type peculiar to the northwest. Both structures are listed in the National Register of Historic Places and now preserved by the City of Lynden as part of Berthusen Memorial Park.

THE NATIONAL REGISTER OF HISTORIC PLACES CRITERIA FOR EVALUATION

The criteria are designed to guide state historic preservation agencies and the Secretary of the Interior in evaluating potential entries to the National Register. The quality of significance in American history, architecture, archaeology, and culture is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling, and association, and:

A. That are associated with events that have made a significant contribution to the broad patterns of our history;

or

B. That are associated with the lives of persons significant in our past;

or

C. That embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction;

or

D. That have yielded, or may be likely to yield, information important in prehistory or history.

the SHPO's direction, staff at DAHP implements federal historic preservation programs and policies in Washington. The SHPO and DAHP staff perform a number of tasks including:

- Developing a statewide historic preservation plan.
- Surveying communities to identify cultural resources.
- Maintaining the statewide Inventory of Cultural Resources.
- Administering the National Register of Historic Places program.
- Providing technical assistance to federal, state, and local agencies, as well as the public at large.
- Reviewing and commenting on federal undertakings in fulfillment of Section 106 of the NHPA.
- Participating in the review of projects benefiting from federal tax incentives and historic preservation grants.
- Administering the Certified Local Government program in Washington.

DAHP, with the SHPO as its director, is a department of Washington state government.

State Historic Preservation Plan

In fulfillment of its responsibilities under the NHPA to develop and implement a state historic preservation plan, in 2004 DAHP completed updating and revising its first plan with a new document entitled *Strengthening Communities Through Historic Preservation: The Washington State Historic Preservation Plan*. This document addresses issues regarding preservation in Washington and provides goals, objectives, and specific tasks for strengthening communities by capitalizing on their cultural resources.

The new five-year goals for historic preservation spanning the 2004-09 planning timeframe were arrived at through public meetings plus insight from tribal representatives. As a result of the planning process, six goals were identified for incorporation into the plan. These goals are as follows:

- Goal I. Increase use of historic preservation as an economic development and community revitalization tool.
- Goal II. Advocate to protect our heritage.
- Goal III. Strengthen connections inside and outside the preservation community.
- Goal IV. Integrate preservation principles into local land use decisions, regulations, and development processes.
- Goal V. Expand efforts to identify and preserve cultural and historic resources.
- Goal VI. Effectively increase knowledge of historic preservation and its importance to Washington.

Another useful section of *Strengthening Communities* is an overview of the many types of cultural resources that can be found in Washington. When historic preservation is mentioned, people often think of the obvious architectural examples from the built environment such as Craftsman homes, movie theaters, or train depots. Several other types of properties that are considered cultural resources are briefly described in an overview section that includes narratives explaining archeological resources, cultural landscapes, and traditional cultural places.

Historic Preservation at the Local Level

One critical player in the actual protection of cultural resources is local government. Local land use processes (such as zoning, capital improvement plans, annexations, etc.) impact both the long- and short-term preservation of cultural resources. Therefore, actions and policies of local government have a direct effect on whether cultural resources have a future in the community.

In many instances, local units of government actually own historic properties. Fire stations, city halls, park properties, hospitals, jails, and others may have historic and cultural significance. County courthouses represent a good example of publicly owned

local landmarks. A 2003 study by DAHP identified 28 of the state's 39 functioning courthouses as being of historic significance. The study also documented a huge backlog of rehabilitation needs to restore these gems of architecture and history to their former luster.

Private individuals, businesses, and organizations form a second critical factor. Collectively, the economy, development patterns, land use changes, and public attitudes are crucial in setting the stage for preservation action. Close cooperation and understanding between public and private sector decision makers fosters positive local preservation efforts.

Local Historic Preservation Programs

Local governments (towns, cities, counties, and special districts) can tailor a historic preservation program that responds to particular community needs. These needs are usually addressed through the enactment of a historic preservation ordinance.

As the foundation of a local program, the ordinance needs to be carefully crafted to achieve preservation goals. Frequently, such an ordinance establishes a historic preservation commission. The ordinance may also give the commission charge to carry out a slate of preservation activities. The following is a sample of some of the tasks a local preservation commission might pursue:

- Designate properties to a local register of historic places.
- Undertake public education/awareness efforts.
- Review, comment upon, and approve changes to designated properties.
- Administer preservation incentives.
- Provide technical assistance on recommended rehabilitation techniques.
- Survey local historic properties and manage databases.
- Provide expertise on preservation matters to elected officials and public agencies.
- Fulfill policies of the local preservation plan.

Historic Preservation Constituency

Important contributors to the historic preservation movement are the many individuals and organizations with an interest in protecting our heritage. The number and diversity of these individuals and organizations is surprising. They range from broad-based statewide organizations such as the Association for Washington Archaeology and the Washington Trust for Historic Preservation, to local historical societies or advocacy groups that may focus on the protection of a specific property or geographic area. Two examples include the Ezra Meeker Historical Society in Puyallup that focuses on restoration of the Ezra Meeker Mansion, or Spokane Preservation Advocates, a group of preservation activists who work and speak for protection of cultural resources in the Spokane region.

Cultural Resource Management Consultants

Also important to include in this discussion are the numerous professionals who provide expertise in historic preservation matters. Typically composed of small businesses operating cultural resource management services, these professionals include archaeologists, anthropologists, architects, landscape architects, historians, craftsmen, attorneys, planners, archivists, educators, and many others. These professionals bring valuable expertise to historic preservation projects, but are increasingly recognized as being a critical part of any environmental analysis or project planning. DAHP maintains a list of qualified historic preservation consultants that may be obtained by contacting the agency or visiting its Web site.



A cultural resource type that has assumed greater recognition and appreciation in recent years is the culturally modified tree (CMT). Native cultures typically used living cedar trees to harvest bark for use in making baskets and clothing. In more recent years, trees were used by explorers, settlers, land surveyors, and shepherds as a medium to record events, mark trails and survey boundaries, or, as in the example pictured above, to pass the time of day while creating a living piece of art. In a few instances, CMTs with these documented historical associations are considered to be eligible for listing in the National Register of Historic Places.

THE U.S. SECRETARY OF
THE INTERIOR'S
DEFINITIONS OF HISTORIC
LANDSCAPES

Historic designed landscape – A landscape that was consciously designed or laid out by a landscape architect, master gardener, architect, or horticulturist according to design principles, or an amateur gardener working in a recognized style or tradition. The landscape may be associated with a significant person(s), trend, or event in landscape architecture; or illustrate an important development in the theory and practice of landscape architecture. Aesthetic values play a significant role in designed landscapes. Examples include parks, campuses, and estates.

Historic vernacular landscape – A landscape that evolved through use by the people whose activities or occupancy shaped that landscape. Through social or cultural attitudes of an individual, family, or a community, the landscape reflects the physical, biological, and cultural character of those everyday lives. Function plays a significant role in vernacular landscapes. They can be a single property such as a farm or a collection of properties such as a district of historic farms along a river valley. Examples include rural villages, industrial complexes, and agricultural landscapes.

What Is a Historic Preservation Plan?

A historic preservation plan is a document setting forth policies and a course of action for treatment of cultural resources within a community. It is often, but not always, an element of a comprehensive plan. Creation of such a plan reflects local attitudes toward historic preservation, establishes preservation as public policy, and importantly, puts these values into writing. Typically included within the preservation plan are goals, policy statements, and an action agenda. (See page 12 for an outline of a model preservation plan.)

What Does a Historic Preservation Plan Look Like and How Does it Coordinate With Other Local Plans?

Before delving into the nuts and bolts of developing a preservation plan, it is helpful to first identify how the plan fits into local comprehensive planning efforts. A jurisdiction needs to decide whether it will be addressing historic preservation issues by means of a “stand alone” document or incorporated as an “element” or “chapter” within the local comprehensive plan.

In the past, most local historic preservation plans have been developed as separate, stand-alone documents. A preferable strategy (particularly for communities planning under the GMA) is incorporation of a preservation plan as an element within the city and county comprehensive plan. Including the Historic Preservation Element within the comprehensive plan offers four advantages:

- It responds directly to the GMA goal on historic preservation (Goal 13).
- It acknowledges the linkages and overlap of historic preservation with other planning elements.
- It fosters greater consistency among all policies within the comprehensive plan.
- It elevates the status and visibility of preservation goals and policies to that of other planning policies.

In a majority of instances, it is recommended that a Historic Preservation Element be incorporated as an element of the comprehensive plan. Incorporation into the comprehensive plan document recognizes that historic preservation affects, and is in turn affected by, the broad spectrum of other planning issues and elements addressed by the plan. Therefore, policies, goals, and objectives in other planning elements should be correlated and directly tied to policies, goals, and objectives as set forth in the preservation element. Not only will this approach or format foster enhanced protection of cultural resources in planning processes, it sets the stage for more efficient implementation of the comprehensive plan by maximizing consistency and minimizing conflicting or contradictory policies. The same recommendation is made for subarea planning documents.

Several communities have taken the approach of consolidating the Historic Preservation Element with another related planning topic. For example, the City of Tacoma merged its preservation element into one chapter that also addresses the arts, culture, and history. Other topics with which preservation has been combined include urban design, downtown revitalization, tourism development, plus parks and recreation. This approach may make sense from a logistical or formatting standpoint. However, caution is made that there be policies, goals, and objectives contained in these combined elements that are specific to historic preservation needs and pertain to the entire jurisdiction or planning area.

A separate and distinct historic preservation plan may be an appropriate approach in some circumstances. Such circumstances would occur when a plan is needed for a distinctive historic property, neighborhood, or subarea. For example, a preservation plan was developed for the Vancouver National Historic Reserve in recognition of the special character of this historic place and the need for a comprehensive approach to its preservation and future development. Also, a separate preservation-planning document may be appropriate when such a document will serve to raise awareness and visibility of a specific preservation need or issue. However, in all cases where a separate historic

preservation plan is warranted, it is important to link this document with a community's overall comprehensive planning effort through references in related planning documents, consistency reviews, plus review and adoption by all appropriate decision-making bodies.

Preservation Planning: Bringing Predictability to Development Processes

When a change in land use is proposed for a site where cultural resources may be present, a historic preservation plan brings predictability and consistency to the development process. Goals, policies, and action statements regarding cultural resources serve notice to every one as to the local priorities and public intentions toward these resources.

A plan that identifies and evaluates properties or districts as historically significant provides specific direction for appropriate development. For local elected officials, planners, developers, property owners, and other interested citizens, there is immense value in having this predictability built into the development process. As a result, possible delays, surprises, and controversies can be identified early and avoided.

Historic buildings, structures, districts, and objects are clearly visible as elements of our communities' built environments. However, archaeological resources are not as readily apparent. This type of resource is usually located below the ground surface and is, therefore, largely invisible to our daily experience. Nevertheless, archaeological properties have potential for conveying information about our heritage and contributing to a special sense of place. Some archaeological sites can be considered to represent the "historic" era – that is, sites representing human occupation since European-American contact with Native American cultures in the area that is now Washington state. Examples of such sites include: foundations or basements of buildings or structures; former trails or railroad grades; lumber or mining camps; not to mention remnants of forts or battlefields.

Archaeological sites also represent Washington's past before the arrival of European-American cultures. Typically referred to as "pre-contact," these sites are associated with Native American people who have lived on the land for thousands of years. Examples of Native American archaeological resources include village sites; food gathering and preparation sites; fishing sites; shell middens; tool making sites; petroglyphs and pictographs, among others. The key message to keep in mind is that there is *potential* to find all of these and other archaeological resource types in all parts of the state.

Traditional cultural places or traditional cultural properties (TCPs) are perhaps even more difficult to identify than archaeological sites. This is because TCPs do not necessarily have any man-made manifestation as is true of archaeological resources. Rather, TCPs are spiritual or ceremonial sites of importance to a culture, frequently, but not exclusively, Native American. Examples of TCPs include sites that are sources of powers or visions; or places associated with myths, creation, or important ceremonies. The specific location of these sites is often very sensitive in nature. Therefore, when necessary, the gathering of information about these properties needs to be undertaken with care and patience, working closely with the group(s) that attach cultural significance to such a place.

For planning, it should be kept in mind that archaeological sites and TCPs are particularly sensitive to physical disturbance as well as to recognize that these resources are as significant to our heritage as historic buildings or structures. Their sensitivity comes from the fact that they are non-renewable resources; once they are physically destroyed or damaged, they cannot be repaired or reconstituted. Several archaeological sites and districts are listed in the National Register of Historic Places. They are also afforded legal protection under federal and state law. Therefore, it is important for communities to be aware of the potential for archaeological resources and TCPs to exist within their jurisdictions. In the event that a proposed action would affect such sites, DAHP recommends (in order of preference): (1) avoidance; (2) protection in place; and (3) data recovery as mitigation.



Archaeology can be found anywhere. Remnants of a blacksmith shop dating to the 1880s were uncovered in 2003 during construction of the Tacoma Convention Center. Once excavators discovered that intact floorboards from the blacksmith shop and other 19th Century household artifacts provided information about an early working-class neighborhood, City of Tacoma officials executed a "discovery plan." The plan provided for archaeologists to conduct site data recovery work as construction crews continued work elsewhere on the site.

The Department of Archaeology and Historic Preservation processes permit applications for excavation work at all known archaeological sites. Affected tribes are also notified of excavation permit applications. In addition to permit processing, DAHP maintains records on archaeological sites identified from across the state. This database is shared with federal, state, and local planning agencies. Although DAHP makes this information available to appropriate parties, access to the records is closely scrutinized as a result of looting and vandalism to such sites. Ongoing education efforts are seen as the most effective way to combat vandalism that is recognized as a major threat to Washington's cultural resources.



Before

Located on Tacoma's Thea Foss Waterway and adjacent to the Museum of Glass, the historic Albers Mill had been sitting vacant until 2000 when the Tacoma City Council approved its sale to a developer of historic properties. This adaptive reuse project faced a number of hurdles including designation as a "brownfield" site and years of decay. Despite these difficulties, the property developer saw in the old mill an opportunity to rehabilitate the last industrial building on the city's old working waterfront. Since that time, Albers Mill was listed in the National Register of Historic Places and adapted into 36 loft apartments with bottom floor retail space for an art gallery. The rehabilitation of Albers Mill includes a modern addition on the water-side of the building, innovative steel reinforcing on the outside, and a glass canopy on the first floor. The apartments have 13-foot ceilings, brick interior walls, some with the old graffiti still visible, and unique floor plans that make each space distinctive. In essence, the Albers Mill project demonstrates that a community's industrial heritage can be successfully preserved and adaptively reused to fulfill local planning and design goals.



After

Preservation Planning: Making the Connections

The historic preservation goal of the GMA can be linked with the 13 other goals to benefit the quality of life in a community. A local historic preservation strategy should recognize that important links exist between historic preservation and other elements of the comprehensive plan. To varying degrees, historic preservation affects, and is affected by: land use, economic development, recreation, housing, transportation, capital facilities planning, and other growth management issues. The following are a few examples in which historic preservation has demonstrated effectiveness in achieving local goals:

- Historic buildings can be successfully adapted to provide needed affordable housing units. Hotels, office buildings, stores, schools, even warehouses have been adapted for low- and moderate-income housing, live-work space for artists, or housing for senior citizens. Historic preservation tax incentives can be combined with housing tax credits and grant programs to package financially successful housing projects. A good example of this is the historic Oakland Block in Bellingham where the local Housing Authority provides housing units for low- and moderate-income households.
- Historic buildings have also been successfully adapted for market-rate housing in the form of apartments and condominiums. Property developers are noticing the steady demand for converted loft and apartment space that contributes significantly to the tax base of the area, increases densities, and generates a market for other uses.
- Archaeologically sensitive areas serve as justification for protection of open space, resource lands, and critical areas, including agricultural land. The state Open Space Taxation Act incentive may be applied to include historic and archaeological properties.
- Historic trails, roads, bridges, and rail lines are ideal for implementing recreation and/or transportation plans for bicycle or hiking paths or perhaps new transit corridors. Interpretive signs or displays explaining historic and archaeological properties serve to enrich the experience of trail users. The Centennial Trail in Spokane County, John Wayne Trail stretching from King through Kittitas counties, and Interurban Trail in the Puget Sound region are excellent examples of the rich recreation experience heritage sites provide.
- Many types of historic properties can be adapted for recreational, entertainment, and cultural uses. Popular state parks incorporate historic lighthouses, military installations, and Civilian Conservation Corps structures. Historic theaters have been adapted as community centers or arts facilities in Longview, Raymond, Spokane, Yakima, Centralia, and other cities across the state.
- Citizen participation is often the driving force behind historic preservation projects. Communities frequently identify places they consider important to preserve. This process fits well with the intention of Goal 11 of the GMA of early and continuous citizen participation.
- Historic preservation should be a major component of an overall economic development plan for revitalization of downtowns and older neighborhoods. Rehabilitation of historic buildings generates new tax revenues, increases employment, and provides upgraded spaces for retail, offices, housing, lodging, and entertainment. Examples of this activity include the Steamplant Square project in Spokane where a mothballed power generating facility has been adaptively reused for offices, restaurant, and retail. Beginning in the 1970s, the Pioneer Square Historic District in Seattle has become a nationally recognized example of a forgotten neighborhood targeted for the bulldozer that has been revitalized as a vibrant mixed-use community of offices, retail, housing, entertainment, and culture.

- Transportation corridor planning needs to assess impacts on significant cultural resources. These planning efforts can interface with strategies to stimulate tourism and recreation plus protect and enhance scenic views and natural resource values.
- Zoning, shoreline management rules, critical areas ordinances, and other planning tools all have direct and/or indirect impact on preservation of cultural resources. For example, shoreline areas across the state are considered archaeologically sensitive lands. As a result, any development that involves ground-disturbing activities near a shoreline has potential to affect archaeological resources. Therefore, it is important that land use goals, policies, and objectives recognize this linkage through appropriate language and implementation.

Preservation Planning: Ensuring Consistency

In addition to identifying the linkages between historic preservation with other comprehensive planning elements, it is important to ensure that policies, goals, and objectives throughout the document are consistent with historic preservation policies, goals, and objectives. To use a hypothetical example to illustrate this point, a local land use plan may call for increasing densities in a residential neighborhood that the preservation plan recommends for designation as a historic district. Likewise, the Transportation Element might forecast major expansion of highways in the same areas where the preservation plan indicates a high probability of encountering archaeological sites. These examples serve to illustrate the point that the comprehensive plan in its entirety should be reviewed and monitored for consistency to avoid contradictory or conflicting language. When such contradictions or inconsistencies become apparent, the jurisdiction needs to identify and work to reconcile conflicting language.

Preservation Planning: Involving Your Constituency

Like all comprehensive planning processes, historic preservation planning is successful when members of the public are informed and invited to participate. Although opinion polls typically reflect broad public interest in heritage and support for preserving cultural resources, communities across the state vary in the degree of preservation advocacy. In some jurisdictions more outreach is needed to gain the public's perspective on historic preservation. Whatever the particular situation, begin your preservation planning work with a visit to your local historic preservation office and/or local historic preservation commission. In communities that do not have a preservation commission, the next step is to talk to local historical societies, museum staff, and board members; downtown revitalization partners; and any known historians and archaeologists. It is also important to contact representatives of tribal governments that may have an interest in planning within your jurisdiction. In regard to tribal cultural resources, contact should be made with a museum staff member, then work to meet with the cultural resource committee and staff.

One tip for working on a local preservation plan is to contact nearby college and university programs in fields related to historic preservation for assistance in public participation, data collection, and brainstorming ideas for preservation initiatives. Several institutions of higher education in Washington and the Northwest (including British Columbia) offer coursework specifically in historic preservation or related fields such as anthropology, architecture, geography, planning, public history, and others. In some instances, faculty and students can be tasked with discrete preservation planning projects such as conducting a neighborhood survey and inventory; designing infill structures or additions to historic buildings; preparing a plan for preserving a property; or drafting a feasibility study for an adaptive reuse.



In a city long noted for its rich architectural heritage, the Davenport Hotel is frequently thought of as Spokane's crown jewel. Designed by notable architect Kirtland Cutter, the massive red-brick and terracotta building occupies most of a block in the heart of downtown. With hints of a Venetian palazzo and lavish interior spaces, the Davenport's opening in 1914 solidified Spokane's image as the economic, social, and cultural hub of the Inland Northwest.

Following World War II and Louis Davenport's departure, the hotel faced challenges in a new era. Traveler preferences changed after the war with automobile ownership, interstate highways, and dispersed urban development. The convenience and informality afforded by highway lodging sapped business from downtown hotels and the Davenport's luster gradually faded until closure in the 1980's. However, Spokane without the Davenport was unimaginable to many people throughout the region. Soon, a non-profit organization called Friends of the Davenport worked through the 1990s with the property owner to generate awareness of the building's plight and the hotel underwent an extraordinary restoration.



Built in 1918, Waterville's Nifty Theater is one of the oldest surviving and functioning movie theaters in Washington. Now listed in the National Register of Historic Places, the theater was built and operated by Mr. and Mrs. W.P. Brown who lived in the building's basement apartment from 1919 to 1959. Throughout its heyday, the family-run Nifty brought the best of Hollywood entertainment to residents of the rolling wheat fields of Douglas County. But the Nifty offered more than films, bringing vaudeville acts, newsreels, and entertainers to remote Waterville. Local high school plays and community events also were mounted on the Nifty stage. Following a decline with the advent of television, the theater was purchased in 1997 by local preservationists who cleaned and repaired the building after years of neglect. New owners Jim and Jenna Dixon brought back movies, traveling shows, and local productions, once again making the Nifty as much a community center as a movie theater.

A Model Historic Preservation Plan Outline

Decades of experience in preparing preservation plans in communities across the nation provide direction for Washington cities and counties when considering their own historic preservation elements. The outline below is based on this collective experience. This model is intended to provide a foundation to begin framing preservation issues in the context of a comprehensive planning effort. When communities develop a preservation plan, it is important to remember that resources are available to assist in this effort. These resources include DAHP, Growth Management Services, the Municipal Research & Services Center, the National Park Service, preservation professionals, and interested organizations and individuals.

Introduction

The introduction should be brief. Topics to touch upon may include the need and importance of a historic preservation plan, linkages with other elements of the comprehensive plan, and ties to growth management goal 13 on historic preservation.

Historical Background

This section should not be an exhaustive account of local history. Rather, a general overview of community change and development is appropriate. Topics should cover:

Native American Presence

A brief overview of what is known about the region's history before contact with European-American cultures. This overview should include identification of Native American tribes in the planning area, their historic use of regional resources, and general characterization of any popularly known sites associated with these tribes. *Caution:* avoid disclosure of specific locations of archaeological sites or locations that are considered sensitive by tribal contacts.

Overview of Local History

Provide a brief overview of the region's history after contact with European-American cultures. Include a general discussion of settlement and development patterns.

Identification of Historical Trends

Discuss important growth cycles and architectural trends, defining events, important industries, agricultural products, and other distinctive aspects of local history that have shaped the visual and social character of the community.

Resources, Status, Issues, and Needs

This portion of the plan is intended to portray the current status of preservation efforts in the community through narrative on the following topics:

Types of Resources

This section should summarize the types of cultural resources found in the community, including archaeological and architectural sites and neighborhoods. This discussion should also identify the status and location of cultural resource inventory data in the community. Information to convey should include an assessment of how up-to-date the inventory is, plus where it is housed and how it is used.

Status of Local Historic Preservation

This section should include discussion of current preservation activities in the community. Topics to cover here include: identification of preservation organizations – historical societies, preservation commission, etc. – local preservation activities, and other important resources associated with preservation. This includes museums, school curriculum, library collections, a Main Street™ program, Certified Local Government status, current preservation plans, ordinances and regulations, as well as any funding mechanisms for preservation activities.

Issues Affecting Local Historic Properties in the Future

This discussion should touch upon projects, trends, and issues affecting historic preservation policy direction and affected cultural resources in the community. This may include threats to such resources (short and long term), notable preservation efforts, plus identification of special opportunities for preservation projects in the community.

Assessment of Local Historic Preservation Needs

In this section, be sure to obtain, synthesize, and report on public input on local historic preservation issues and needs.

Goals and Policies for Local Historic Preservation

This section is the heart of the preservation plan because it sets forth the public's intent and vision of how cultural resources in the community are to be treated. This vision is translated into goals and policies that are identified in the following sections:

Historic Preservation Goals

Local historic preservation goals establish what the community wants to achieve for its cultural resources within the planning period.

Preservation Policies

Like other planning policies in the comprehensive plan, preservation policies set forth how the community intends to achieve its goals.

Implementation or Action Statements

This section provides an opportunity to identify specific tasks for the community to achieve in reaching preservation goals. This section may also identify priorities (including timelines) for tasks to achieve and assign responsibilities for carrying out tasks.

Mechanisms to Achieve Goals

This section of the plan sets forth and assesses specific tools for achieving preservation goals. A number of tools or preservation mechanisms are briefly described in the section Historic Preservation Plan Implementation: Achieving Goals, beginning on page 15 of this guide. These tools might include implementing tax incentives, surveying cultural resources, establishing public education programs, becoming a Certified Local Government, etc.

Linkages With Other Elements

This section of the plan discusses how the preservation plan and policies interact, affect, and are affected by other planning policies. For example, preservation policies and tasks can affect other policies and actions on recreation, housing, transportation, economic development, etc. Successful communities are achieving multiple goals simultaneously.

Appendices

Items to include in the appendices may include a glossary of terms, resource lists, and other supporting materials.



Historic preservationists work to identify and protect a wide range of property types that embody the broad spectrum of our nation's heritage, not just the homes of the rich and famous. Properties listed in the National Register of Historic Places include ornate theatres, dazzling hotels, and lavish residences. More often, however, National Register listings include modest bungalows, hard-working farms, gritty industrial sites, purely functional bridges, and sometimes, quirky one-of-a-kind places such as Zillah's famous Tea Pot Dome service station.

A full-scale political commentary on the oil reserve scandal of President Harding's Administration, rare examples of "thematic" architecture such as the Tea Pot Dome were created by entrepreneurs cashing-in on roadside commerce spawned by massive highway construction in the 1920s. Ironically, the station was threatened with demolition in the 1980s from construction of nearby Interstate 82. Fortunately, National Register designation and Section 106 consultation resulted in the building being saved and moved a short distance from its original site. Today, the operation struggles as a result of dramatically changing market forces and marketing strategies.

Examples of Historic Preservation Goals, Policies, and Action Steps

The following excerpted statements are just a few examples of historic preservation goals, policies, and objectives (action statements) that have been adopted in various Washington communities. These examples were randomly selected to convey the breadth of subject matter covered by these statements.

GOALS

Goals are typically broad statements that define the vision that citizens and decision-makers have identified for the preferred future of their community. Goals are important in translating community visions and intentions into succinct statements adopted by local governments.

City of Tenino

Preserve, maintain, and use historic attributes of Tenino and encourage new development that will enhance and reinforce the historic community identity.

City of Spokane

Promote the recognition and preservation of unique or outstanding landmark structures, buildings, and sites. Landmarks provide focal points of historic or cultural interest. Preservation of them, even when not located within historic districts, celebrates the uniqueness of the particular area. Development that is compatible with and respects the architecture of these landmarks enhances the richness and diversity of the built and natural environments while reinforcing the landmark structures and sites.

Swinomish Nation

To preserve the history and traditional culture of the Swinomish Tribe. Cultural and historic sites that have historical significance or are used for tribal cultural activities should be designated. Designated or established sites of cultural value should be protected, maintained, and enhanced.

City of Snohomish

To preserve and enhance the historic character and heritage of Snohomish.

City of Vancouver

To identify and promote the protection of historically and architecturally significant structures and sites.

POLICIES

Policies are statements intended to guide the actions of governments and citizens in reaching stated goals. A sample of preservation planning policy statements follows:

City of Spokane

The qualities that make Spokane unique, including the historic and cultural fabric, neighborhoods, downtown area, parks and green spaces, and tree-lined streets, will be maintained and improved.

City of Olympia

New developments should complement and not detract from historic structures, by use of compatible mass, scale, materials, setting, setback, etc.

City of Bothell

In the review process for proposed developments, the city will address the historic context in which a property may exist, especially with regard to scale, bulk, and neighborhood compatibility.

City of Snohomish

The city will encourage and support all efforts of local groups and citizens directed toward preserving and enhancing Snohomish's historic heritage and character.

King County

All jurisdictions shall encourage land use patterns and implement regulations that protect and enhance historic resources, and sustain historic community character.

Swinomish Nation

Valuable cultural and historical lands should be acquired by the tribe when available.

ACTION STATEMENTS

Action or implementation statements identify specific steps or tasks that need to take place to reach goals. Often, action statements identify time frames within which tasks should be completed and identify entities responsible for implementation.

City of Bothell

Staff will investigate and bring forth for landmark preservation board, planning commission, and city council consideration the comparative merits of applying different levels of review or regulation based on different classes of historic significance.

City of Tenino

The city will identify and protect significant views in the city, particularly to the sandstone quarries.

City of Spokane

The city will encourage the neighborhoods to participate in the city's design review process.

City of Vancouver

The city council shall authorize creation of a special historic preservation program, which recognizes activity sites that have historic significance. Rehabilitation of such properties would draw visitors to the downtown and increase the linkage between Central Park, the Columbia River waterfront, and the downtown.

City of Everett

The city will revise the Zoning Code text and map to establish boundaries and regulations concerning development within historical districts and to provide incentives, which encourage reuse and renovation of historic buildings.

Historic Preservation Plan Implementation: Achieving Goals

Preservation Programs



The Certified Local Government Program: Forging partnerships for historic preservation

The Certified Local Government (CLG) program was intended by Congress to forge a preservation partnership between local governments, the state historic preservation office, and the federal government. In essence, local jurisdictions (cities and counties), which elect to apply for CLG status, are charged with administering a local historic preservation program meeting federal and state standards.

In Washington, local governments apply for certification through DAHP. Local governments with “certified” historic preservation programs enter into an agreement with the SHPO to identify, evaluate, and protect historic resources within their jurisdiction according to accepted Washington Certified Local Government Requirements and Procedures.

Local historic preservation programs are established through ordinance or resolution. At minimum, a certified local historic preservation program includes a body of expertise, such as a board or commission, and staff charged with carrying out basic preservation responsibilities. These responsibilities include: maintaining a local register of historic places, conducting surveys of local historic properties, nominating properties for listing in the local register and National Register, and preservation planning. In effect, the local historic preservation commission is well suited to assume some of the responsibilities of fulfilling the goals of the preservation plan.

Note should be made that matching grants are available from DAHP to CLGs to assist in implementation of local preservation projects. Awarded annually, grant funds can be used for:

- Developing local historic preservation plans.
- Conducting surveys of cultural resources.
- Preparing nomination documents for National Register of Historic Places listing.
- Performing public education activities.

Jurisdictions interested in more information about CLGs and the certification process are encouraged to contact DAHP’s local preservation programs coordinator. See Appendix 3 for a list of contact information for *designated* CLGs. Please note that some jurisdictions have initiated a connection to the CLG program through an interlocal agreement with existing historic preservation programs, most frequently the King County Historic Preservation Program. Those communities having enacted an interlocal agreement are also listed.



Walla Walla has become a poster child for nationwide efforts to successfully revive historic downtown business districts. For years, outlying shopping centers attracted shoppers away from downtown stores and offices. Businesses soon followed leaving vacant storefronts and empty sidewalks. To combat the decline, the Downtown Walla Foundation was established to use the National Trust for Historic Preservation "Main Street" approach to revitalization. Taking advantage of its historic building stock, marketing strategies, and targeted business recruitment, downtown Walla Walla is now thriving, enjoying multimillion dollar investments in building rehabilitation and new businesses.

The Washington State Downtown Revitalization Program: Maximizing Local Historic Assets

In the mid-seventies, the National Trust for Historic Preservation developed the Main Street Approach™ as a way to effectively maintain and strengthen our country's vital historic commercial districts. This four-point approach looks at preservation and economic development from a physical, social, cultural, and economic standpoint, while strengthening both public and private participation in the process. The four points of the Main Street™ approach are:

1. Organization helps everyone work towards the same goals and maximizes involvement of public and private leaders within the community.
2. Promotion brings people back downtown by helping to attract visitors, shoppers, and investors.
3. Design enhances a district's appearance and pedestrian amenities while preserving its historic features.
4. Economic restructuring stimulates business development and helps strengthen the district's economic base.

Since 1984, the Washington State Downtown Revitalization Program has been helping communities revitalize the economy, appearance, and image of their downtown commercial districts using the Main Street Approach™. Main Street is a comprehensive, incremental approach to revitalization built around a community's unique heritage and attributes. Using local resources and initiative, the state program helps communities develop their own strategies to stimulate long-term economic growth and pride in the heart of the community – downtown.

There are currently nine certified Main Street™ communities in Washington using this methodology as a catalyst for economic growth. Three of them are Great American Main Street Award winners: Port Townsend, Walla Walla, and Wenatchee. This is significant because only five such awards are given out nationally each year.

Preserve America Initiative

Preserve America is a Presidential initiative that encourages and supports community efforts to preserve and enjoy our priceless cultural and natural heritage. The goals of the initiative include a greater shared knowledge about the nation's past, strengthened regional identities and local pride, increased local participation in preserving the country's cultural and natural heritage assets, and support for the economic vitality of our communities. This program recognizes and designates communities that protect and celebrate their heritage and use their historic assets for economic development and community revitalization. It also encourages people to experience and appreciate local historic resources through education and heritage tourism programs. Nationally, the program is administered by the federal Advisory Council on Historic Preservation and maintains a Web site at www.preserveamerica.gov. As of this writing, several Washington communities have achieved Preserve America designation including Dayton, Edmonds, Ritzville, Roslyn, and Spokane.

Preservation Partnerships

Implementation of common goals can be achieved by building connections with other entities, developing processes for sharing tools and information, and agreeing to policies to guide the partnership.

Involving partners early can achieve multiple goals simultaneously in one project or program. For example, trail corridors, which provide other values such as habitat protection, historic resource preservation, and recreation, can be mutually beneficial projects. The addition of interpretive signage can create an educational experience at the same time.

Implementation of awards or recognition programs is an effective means of developing and solidifying partnerships. In Washington, the state historic preservation officer and local historic preservation programs and organizations have successfully implemented annual awards programs that recognize achievements in preservation efforts. Other communities have also found success with plaque programs. For designated properties or outstanding rehabilitation projects, the bestowing of a plaque or award certificate engenders a great deal of goodwill for a relatively modest monetary investment.

Preservation Incentives

Incentives offer encouragement for owners to preserve cultural resources located on their properties. As funding resources change frequently, it is a good idea to contact DAHP, or a historic preservation organization for up-to-date information. The following list briefly describes several incentives.

Federal Investment Tax Credit

A property owner who undertakes rehabilitation of their historic building may take advantage of a 20 percent tax credit on their income tax. Properties must be listed in, or eligible for listing in, the National Register of Historic Places, and rehabilitation work must conform to the *Secretary of Interior's Standards for Rehabilitation*. This incentive is applicable to income producing properties only (i.e., retail, offices, apartments, inns, etc.). Also attractive to investors is the ability to take advantage of the historic preservation tax credits simultaneous with federal housing tax credits as well as the Special Valuation for Historic Properties program (see below).

Special Valuation

This local option state property tax program, Special Valuation, is authorized by RCW 84.26, Historic Property. For property owners, this incentive subtracts qualified rehabilitation expenditures from the reassessed property value every year for a ten-year period on National Register listed properties. In CLGs, locally designated properties may also be identified as eligible to apply for the special valuation. For property owners to



Once a sleepy backwater port, Port Townsend has emerged in recent decades as a nationally recognized example of a community that has capitalized on its rich heritage. Zoning, building codes, and design guidelines have been implemented that match the needs and interests of this community that has a large stake in the arts, tourism, and preserving its colorful past. Port Townsend encompasses two commercial historic districts, as well as a scattering of residential properties individually listed in the National Register of Historic Places. Fort Worden and Point Wilson Lighthouse, both now part of Fort Worden State Park, are also designated historic.



For decades, a broad based group of volunteers, public agencies, and businesses have come together to transform the old Great Northern Railroad route to The Iron Goat recreational trail. Coordinated by Volunteers for Outdoor Washington and the Skykomish Ranger District of the Mt. Baker-Snoqualmie National Forest, workers have labored to reclaim the abandoned railroad bed from years of erosion, landslides, and deterioration. Funding for work on the trail has been derived from both public and private sources. "Transportation enhancement" grants have also helped support this project. Enhancement funds are derived from the Federal Highway Administration then passed through the Washington State Department of Transportation and finally to the appropriate regional transportation planning organization (RTPO).

Old tunnel portals, snowsheds, switchbacks, and other fixtures of the old line over Stevens Pass have been stabilized and interpreted for trail users. Archaeological surveys conducted ahead of trail work have revealed a rich trove of cultural resources including remains of construction camps from the early 20th century. Completion of the Iron Goat Trail demonstrates a successful marriage of recreation, historic preservation, natural resource protection, and education.

qualify for special valuation, rehabilitation work must be in accord with the *Secretary of the Interior's Standards for Rehabilitation*, conducted within a 24-month period prior to application, and at a minimum dollar amount equal to 25 percent of the adjusted base value of the property.

Development Grants

On occasion, matching grant funds are appropriated by Congress or the state Legislature for rehabilitation of designated historic properties. Usually, these grants are made on a dollar-for-dollar matching basis and used to pay for preservation tasks, such as new roofing, paint, window repair, and others. In King County, owners of historic properties may take advantage of a special revolving loan fund. This fund offers low-interest loans through a commercial bank for rehabilitation, or acquisition and rehabilitation, of county-designated landmarks.

Historic Preservation Easements

Preservation easements are authorized by RCW 64.04. Interest in property may be held by certain entities for purposes of conservation, protection, or preservation. The value of a donated easement to a qualified organization can be deducted from a property owner's income tax obligation, subject to Internal Revenue Service approval.

Open Space Taxation Act

Open Space Taxation is authorized by RCW 84.34. This state legislation allows counties to assess qualified rural properties at current use rather than potential use levels. In addition to preservation of agricultural and other resource lands, current use taxation can also be applied to historic and archaeological properties. Clark County's Current Use Tax Reduction Program rewards property owners who dedicate their property to agriculture, forestry, or historic preservation.

Lodging Tax

Funds made available from a county levied lodging tax may be applied to historic preservation projects. Each county is able to determine how the revenue from the lodging tax is to be divided and spent. Typically a locally appointed committee is convened to review applications and make recommendations to county authorities. Projects usually have some relationship to tourism development or promotion and include funding for visitor centers, information kiosks, publications, and events. Often historic preservation projects are the recipients of such funds providing for rehabilitation of museums or historic tourist attractions. The Lodging Tax is authorized by RCW 67.28.

Transportation Enhancement Funds

Since passage of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1992 and its successor legislation the Transportation Efficiency Act for the 21st Century (TEA-21), Congress has provided funding for "enhancement" projects related to transportation. Historic preservation activities are eligible for funding through the enhancement program along with bicycle, pedestrian, conservation, and other public efforts that enhance local quality of life. For more information about potential funding for preservation projects using the transportation enhancement funds, contact the appropriate regional transportation planning organization to assess availability of enhancement funds and application procedures.

Community Development Block Grant

Community Development Block Grant (CDBG) funds and other programs supported by the U.S. Department of Housing and Urban Development can be applied to support historic preservation projects meeting specific parameters. For more information, contact should be made with local CDBG fund administrators or the Community Development Program at the Washington State Department of Community, Trade and Economic Development (CTED). Keep in mind that use of CDBG funds for any purpose will trigger project review and comment in adherence to regulations defining Section 106 of the NHPA. See page 19 for more details about Section 106 consultations.

Other Public Agency Grant Programs

Several federal and state agencies maintain pools of money specifically devoted to assisting projects that provide a public service or product. These grant pools address a myriad of issues such as environmental protection, economic development, and housing weatherization. In specific instances, these program grant funds may be used to achieve historic preservation purposes. Direct contact should be made with the pertinent agency to determine grant program eligibility requirements and other parameters.

Foundation/Corporate Giving

Many private, corporate, and community foundations provide support for historic preservation and related projects. Research into the funding criteria and parameters of a specific foundation is essential to assess applicability to a preservation project.

Preservation Regulations

In addition to tax incentives and funding sources, a number of federal, state, and local processes provide an avenue for consultation and consideration of cultural resources as a part of the environmental review of project planning and land use developments. The most prominent of these regulatory measures is described below. Again, contact DAHP for more details.

Section 106 of the National Historic Preservation Act

Section 106 requires federal agencies to consult with the state historic preservation office regarding the effect of federally funded, licensed, or permitted actions on cultural resources listed in, or eligible for listing in, the National Register of Historic Places. Visit the federal Advisory Council on Historic Preservation (ACHP) Web site at www.achp.gov for more information about the Section 106 process.

Section 4(f) of the Transportation Act

This statute prevents the displacement of cultural and recreational resources by a federally assisted transportation facility unless there is no other feasible or prudent alternative. This law is administered by the U.S. Department of Transportation and its affiliated agencies such as the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA).

Indian Graves and Records Act (RCW 27.44)

This act protects Native American burials, cairns, petroglyphs, and pictographs from any disturbance without a permit from the DAHP. Under this statute, it is a Class C felony to knowingly remove, deface, injure, or destroy these resources. Criminal prosecution and/or civil penalties can be assessed. In addition, the affected tribe can bring civil action against a person alleged to have violated this act.

Archaeological Sites and Resources (RCW 27.53)

This statute protects archaeological sites on both public and private lands in Washington state from unauthorized excavation or disturbance. A permit from the SHPO is required to excavate or affect an archaeological site. The act requires DAHP to conduct consultation with the affected tribal nations prior to issuing an excavation permit. The statute also gives DAHP the ability to issue civil penalties for violations of the statute, or violations of a permit issued under the statute. DAHP can also deny a permit based on past performance.

Abandoned and Historic Cemeteries and Historic Graves Act (RCW 68.60)

This statute protects historic graves and cemeteries from unlawful destruction, mutilation, injury, or removal. Deliberate desecration of any historic grave, grave marker, tomb, monument, or cemetery is a Class C felony.



Both federal and state laws protect archaeological sites. Property owners, developers, and planners should be up-to-date on the presence or potential of archaeological sites on specific parcels. They should also be aware of steps needed to protect those sites in the event of proposed development.

Clark and Whatcom counties have formal procedures in place that incorporate an archaeological assessment of properties going through the permitting process. These procedures take into consideration data on known sites in addition to factors such as location near archaeologically sensitive areas such as shorelines. Coordination with tribal cultural resource authorities is another important aspect of the planning process for archaeological sites. DAHP administers a permitting process that provides for identifying and mitigating for sites that could be disturbed by land-use proposals.



The computer screen pictured above serves to illustrate how technology has become an indispensable tool in cultural resource protection. Cultural resource managers can rapidly retrieve electronic data on historic properties for environmental review and project planning purposes. With assistance from several federal and state agencies, DAHP has worked to increase the efficiency of data storage and retrieval of its Inventory of Cultural Resources. Inventory data is the "foundation" of cultural resource management because it provides needed information on which informed decisions can be made about how properties will be treated in the future.

State Environmental Policy Act (RCW 34.21)

The State Environmental Policy Act (SEPA) requires government decision makers to consider likely environmental consequences of a proposal. Consideration of cultural resources occurs in the SEPA checklist alongside other environmental elements including noise, air quality, traffic, water, earth, plants, animals, energy, natural resources, environmental health, land and shoreline use, housing, aesthetics, light and glare, recreation, etc. SEPA review is the first, and sometimes the only, opportunity for project proponents and local governments to identify the presence of historic properties and archaeological sites, and require mitigation measures, if appropriate.

Shoreline Management Act (RCW 90.58)

The Shoreline Management Act (SMA) has archaeological protections built into it. Local shoreline master programs must include policies and regulations to protect historic, archaeological, and cultural features. It requires that development permits issued by local governments, in areas with archaeological sites, include a site inspection or evaluation by a professional archaeologist in coordination with affected tribes.

Washington State Historic Building Code

The Washington State Historic Building Code (HBC), when authorized by the appropriate building official, controls and allows alternatives to the International Building Code when dealing with historic buildings or sites. The HBC is adopted at local option and can be used to encourage appropriate rehabilitation of historic buildings while meeting necessary safety and health standards. Contact the Washington State Building Code Council or DAHP for more information.

Americans with Disabilities Act

Buildings or structures listed or eligible for listing in the National Register, or locally designated sites, must comply with accessibility standards as outlined in the Americans With Disabilities Act (ADA). If, however, consultation with the SHPO determines that compliance with the full accessibility requirements would "threaten or destroy" the significance of the designated historic property, alternative minimum requirements or methods of access may be used.

Certificate of Appropriateness/Design Review

A growing number of communities have established a process for reviewing and approving changes to designated properties, or properties in local historic districts. Standards and guidelines assist property owners through the process. The review process protects property values, stabilizes neighborhoods, supports appropriate changes to historic buildings, and helps retain important architectural features. Contact should be made with the local historic preservation program (if one exists) for information or applicability of a local design review process.

Geographic Information Systems and DAHP Data Sharing Agreements

Cultural resource data can be gathered, analyzed, and mapped for land use planning and for implementing historic preservation goals and policies using geographic information systems (GIS). Coordination with DAHP and other agencies can provide for exchange of GIS data, while ensuring protection of sensitive cultural information. The DAHP GIS Initiative is a set of geographic information system based tools that help public agencies design projects to avoid damage to archaeological and historic sites during the environmental planning process.

These digital maps and associated information represent the next generation of computerized cultural resource management. Because of the potential for vandalism and looting, archaeological site locations are not publicly available. However, buffered site data information is shared with a variety of local governments, agencies, tribal governments, and academic institutions by means of a memorandum of understanding (MOU) to ensure that state and federal laws regarding security and use are followed. Contact DAHP for more information about executing a MOU for data exchange.

**Preservation and Land Use Planning:
Be Creative**

Historic preservation incentives, regulations, and land use planning techniques can be used in any number of combinations to achieve local historic preservation goals. Local governments can shape local land use planning techniques to fit preservation needs. Techniques that have been used successfully include:

- Historic property overlay zoning.
- Transfer of development rights (TDR)/ density bonuses.
- Cluster development.
- Greenbelts or open space provisions.
- Historic districts (urban and rural).
- Adaptive reuse of historic structures.
- Special purpose districts or development authorities.
- Mixed-use or multipurpose development.
- Design review and design guidelines.
- Regional planning.

Other innovative preservation planning techniques have been tried in communities across the state and nation. Communities are encouraged to be creative in identifying and developing other incentives, planning, and development techniques to encourage historic preservation.

**U.S. SECRETARY OF THE INTERIOR'S STANDARDS FOR
REHABILITATION**

Rehabilitation is the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those features that convey its historical, cultural, or architectural values. *http://www2.cr.nps.gov/tps/tax/rehabstandards.htm*

- A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- The historic character of a property shall be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property shall be avoided.
- Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, shall not be undertaken.
- Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
- Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a building shall be preserved.
- Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires placement of a distinctive features, the new feature shall match the old in design, color, texture, and, where possible, materials. Replacement of missing features shall be substantiated by documentary and physical evidence.
- Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
- Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
- New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
- New additions and adjacent or related new construction shall be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Appendices available at this [location](#)

Appendix B: Historic Preservation Economic Impacts

What is the Economic Value of Historic Preservation?

In 2005, The Brookings Institution published *Economics and Historic Preservation: A Guide and Review of the Literature*. The review found that there was an existing dilemma in how to assess the value of historic buildings because historic preservation activities provide both private and public goods, such as real estate and jobs, and intrinsic values of broader community use and aesthetics.

The review identifies intrinsic values to include sustaining and creating cultural values, e.g., sense of place, cultural symbolism, and aesthetic and artistic community qualities or community distinction from other places. Additionally, the review describes common methods used in economic studies as: financial calculations, development of *pro formas*, audits of existing preservation programs, and cost-benefit analysis.

In 2007, the Department of Archaeology and Historic Preservation and (DAHP) issued *The Economic Benefits of Historic Preservation in Washington State*, which compiled data from 2000 to 2004 on 197 Washington-specific projects that leveraged federal and state historic rehabilitation tax incentive programs. Direct spending on historic preservation was estimated at an average of \$83.5 million per year over that time period in 2004 dollars. Projects were concentrated in Seattle, Tacoma, and Spokane, and ranged from renovation of single family homes to conversions of warehouses and industrial buildings for office and residential uses.

From 2005 to 2015, there have been 460 historic preservation projects in the state that utilized federal and state historic rehabilitation tax incentive programs, with the majority of these (397) utilizing the state-level Special Valuation Program.⁴⁷ To illustrate fluctuations in spending from pre to post-recession, new figures for direct spending were obtained from DAHP for the period 2005-2015, and are provided in the below table and chart. All figures were adjusted for inflation to 2009 dollars for comparability.

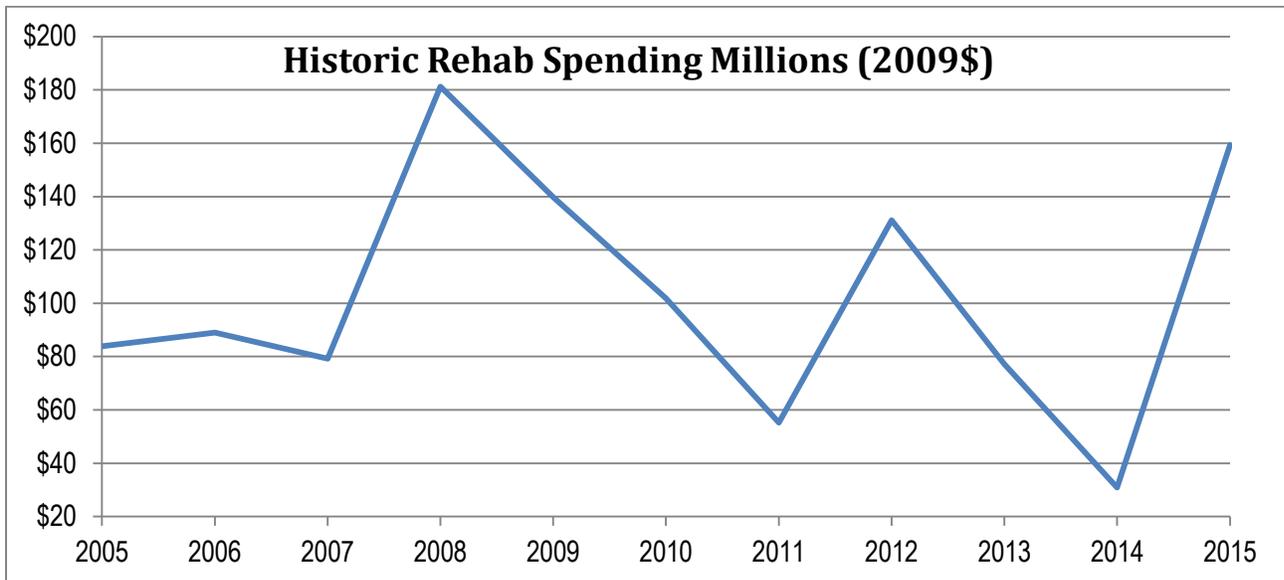
⁴⁷ Data provided by DAHP staff via email dated June 23, 2016.
Saint Edward State Park Seminary Economic Feasibility Study

Table : Historic Rehab Total and Average Direct Spending in Millions (2009\$)

Time period	Total Spending	5-year Annual Average
2000 to 2004	\$468.5	\$93.7
2005 to 2009	\$573.1	\$114.6
2010 to 2014	\$396.4	\$79.3

Source: Department of Archaeology and Historic Preservation

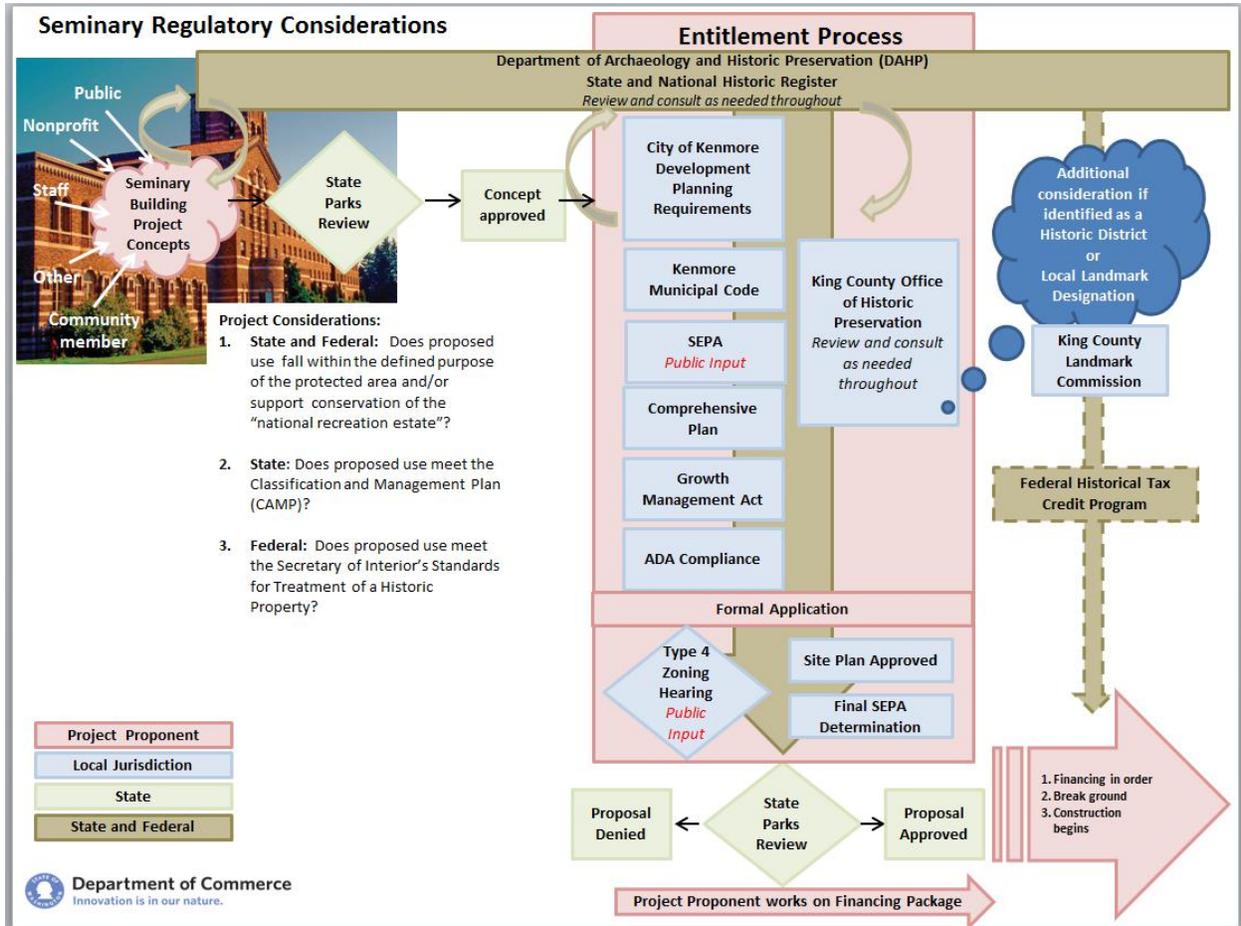
Spending on historic rehabilitation declined after 2008, then spiked in 2012. This may be attributable to projects that were halted at the start of the Great Recession, a portion of which were later completed in 2012⁴⁸.



Source: Department of Archaeology and Historic Preservation

⁴⁸ Department of Archaeology and Historic Preservation email from staff dated June 23, 2016.
Saint Edward State Park Seminary Economic Feasibility Study

Appendix C: Regulatory Process Map



Appendix D: Outline of Financial Feasibility Considerations

FINANCIAL FEASIBILITY FRAMEWORK FOR SAINT EDWARD STATE PARK SEMINARY BUILDING | JONATHAN ROSE COMPANIES



OUTLINE OF FINANCIAL FEASIBILITY CONSIDERATIONS

For all categories below, these are guidelines to determine if the following are appropriately addressed in assumptions and costs

1. Project Program

- a. Use assumptions
 - i. Is the proposed use allowed per existing land use regulations?
 - ii. If not allowed as of right, are extraordinary zoning changes required? Are the costs of that reflected?
- b. Parking Assumptions
 - i. Is additional parking required by code for this use? Is the provision of required parking feasible?
 - ii. Are costs of providing that included? Is there traffic mitigation required?
- c. Critical Areas appropriately addressed?
 - i. For example: are there alterations of a Landslide Hazard area in Saint Edward State Park envisioned by the proposal?
- d. Other special or unique considerations addressed?
 - i. Hazardous materials?
 - ii. Environmental considerations?

2. Project Costs:

- a. Hard Costs in addition to the direct preservation and project proposal costs:
 - i. Are baseline hard costs backed by contractor cost estimate?
 - ii. Are adequate escalation assumptions included?
 - iii. Are there funds for parking & traffic impact costs?
 - iv. Is 0.5% for Art included, if required?
- b. Soft Costs
 - i. Are rezoning costs included and adequate?
 - ii. Are environmental costs included and adequate?
 - iii. Are SEPA due diligence costs included and adequate?
- c. Financing costs, other capitalized costs
 - i. Are legal fees budgeted adequate for required financial structuring?
 - ii. Are fundraising costs budgeted adequate for required fundraising?
 - iii. Are Operational Transition costs budgeted adequate for required fundraising costs?

- iv. Is operating reserve enough to satisfy financial requirements?
 - v. Is the construction and stabilization period interest reserve adequate?
 - d. Historic Rehabilitation Tax Credits
 - i. If leveraging Historic Rehabilitation Tax Credits, are application and consultant costs included and adequate?
 - e. Low Income Housing Tax Credits
 - i. If leveraging LIHTC, are reserves, fees, and ongoing fees during operations adequately budgeted for?
 - f. Is there appropriate total project cost contingency?
- 3. Revenues:**
 - a. What are the proposed project's projected annual operating revenues?
 - b. What are the variables that drive the revenue projection? What are any impacting factors and known risk?
 - c. What is the expected growth rate of those revenues, annualized?
- 4. Expenses:**
 - a. What are the proposed project's projected annual operating expenses?
 - i. What are the proposed project's fixed projected annual operating expenses?
 - ii. What are the proposed project's variable projected annual operating expenses?
 - iii. What are risks or potential impacts for the operating budget?
 - 1. Do any components of the budget with effect of being a subsidy burn-off, e.g. tax exemptions?
- 5. Sponsor or guarantor**
 - a. What is the collateral that will be posted to secure the loan?
 - b. Is there a party willing to guarantee?
 - i. Does that party have an adequate balance sheet?
 - ii. Does that party own other real estate – is there a schedule of real estate included?
 - iii. What are the liquidity requirements? Can the sponsor/guarantor satisfy them?
 - iv. Is there a cost to the project for the guarantee?
 - v. What other guarantees or liabilities does this party have that would reduce their capacity to be the guarantor for this project?
- 6. Financing**
 - a. What sources of debt and equity will the project seek?
 - i. Historical Tax Credit Equity Process and Considerations
 - ii. LIHTC (4%) Equity Process and Considerations
 - iii. LIHTC (9%) Equity Process and Considerations
 - iv. Conventional Debt Process and Considerations
 - v. Community Development Financial Institution Debt Process and Considerations
 - vi. Foundation Grants

- vii. Other Government Subsidies
- viii. Private capital
- ix. Private contributions
- b.** Who will provide loan Guarantees (see 5. Balance Sheet above, for each guarantor)?
- c.** How do these sources interact?
- d.** Equity: Developer Capital
 - i. What is the Developer's investment in this project? What is the assumed return threshold?
- e.** Equity: Historic Tax Credits
 - i. Is the project scope eligible for Historic Tax Credits?
 - ii. Historic Tax Credit investor identified?
- f.** Equity: Low Income Housing Tax Credits
 - i. Is a low Income Housing Tax Credit investor identified?
 - ii. Does the developer have Income Housing Tax Credit experience?
 - iii. Is a Low Income Unit Breakdown including percentage of units of each income level and percentage of floor area at each income level provided?
- g.** Subsidy from State Capital Appropriation
 - i. What is the subject or purpose of the subsidy?
 - ii. What deadlines are required to be met?
 - iii. What is the process required to receive the appropriation funds?
 - iv. What are the known or perceived risks associated with the receipt of those funds?
- h.** Subsidy from Fundraising/Philanthropy
 - i. What is the timeline for such fundraising?
 - ii. What is the purpose of the philanthropic funding (i.e. mission oriented, preservation oriented, specific program focus or requirements)?
- i.** Other Subsidy
 - i. Are there miscellaneous or additional sources of subsidy for the proposed?
 - ii. What are the source's requirements?

Appendix E: Financial Feasibility Toolkit

FINANCIAL FEASIBILITY FRAMEWORK FOR SAINT EDWARD STATE PARK SEMINARY BUILDING | JONATHAN ROSE COMPANIES



FRAMEWORK FOR EVALUATION OF FINANCIAL FEASIBILITY FOR NON-PROFIT AND PUBLIC USES OF SAINT EDWARD STATE PARK SEMINARY BUILDING

FRAMEWORK BACKGROUND

This framework toolkit is designed to be used during the consideration of a public or non-profit building program.

INSTRUCTIONS

Blue figures highlighted with blue background can and should be changed for individual proposals, based on the specific requirements of each project proposal evaluated. Where blue highlighted figures are filled-in, they are placeholders and are denoted as such. The output of the framework for each proposal type is the identification of the amount of additional capital needed to complete the proposed project; this output is highlighted in yellow. For each capital source included in the gap analysis, specific calculations are explained in the boxes below.

OWNERSHIP ASSUMPTIONS

This framework assumes project's ownership remains with the State of Washington (fee simple ownership). The framework assumes the proposed project developer or sponsor would lease the improvements from the state and that lease would be included in ongoing operating expenses of the project proposal. Savings on annual property taxes are assumed to be directly offset by lease payments to the Washington State Parks Commission.

OPERATING FUNDS

OPERATING CASH FLOW

Operating Cash Flow is used to determine whether operating income fully or partially covers the required operation and maintenance expenses of the proposed project, and allows for the possibility that some debt may be placed on the project. However, availability of cash flow does not insure debt placement, as there are other underwriting considerations, including who/what is guaranteeing the debt.

OPERATING SUBSIDIES

Conventional operating cash flow excludes direct operating subsidy. Where subsidy might be necessary, in the case of a funding gap between income and operating expenses, the proposal should identify the source of subsidy to cover all operating expenses in order to be considered financially feasible.

USES OF CAPITAL FUNDS

PRIORITY HISTORIC STRUCTURE WORK COSTS

Priority Historic Structure Work Costs are included in the project costs for each of the proposal framework worksheets. Due to the age of the project and the location of infrastructure interior to the project's decaying plaster walls, the project will most likely need extensive testing and mechanical, electrical, and plumbing work completed in order to create a complete, usable structure. These rehabilitation costs are based on the most recent estimate available for project restoration (the Excel tool calls these costs: "Required Baseline Restoration Costs"). The estimate for the direct construction costs was provided to Bastyr University and was created by their consultants in 2014. The work is divided into three general sections: seismic, historic preservation, and core and shell. The estimate itself provides breakdowns of each of the sixteen divisions of direct construction work as defined by the Construction Specification Institute in its 1995 format. Not all divisions are applicable to each of the three sections of the estimate. These costs total \$16.6 million.

The framework adds an additional escalation estimate to this figure of \$1.0 million accounting for an industry standard 0.25% per month escalation for 24 months between 2014 and 2016. A 20% allowance is included to pay for study, design, permit, inspection, and other items excluded in the estimate provided, this \$3.5 million figure should be considered a placeholder and must be fully vetted based on the proposal requirements. An additional 10% or \$2.1 million overall project contingency is added for additional requirements as they arise. Given the often unexpected nature of additional project requirements and the high probability of a project of this age and condition to have additional needs, it is important to fully fund this project contingency budget.

PROPOSAL COST

For the purposes of this high level financial feasibility vetting process, the framework workbook input on a per-square-foot cost as applied to the 80,000 square feet of the Seminary building, similar to applying Tenant Improvement ("TI") costs in a conventional commercial project. For housing proposals, costs are calculated on a per unit cost basis. In the case of any historic adaptive reuse project, the line between Tenant Improvements and structural preservation can often be blurred. Projects can be timed to have all design work done at once and make program considerations during the structural engineering and upgrade work. This creates cost efficiencies in both design and during construction work. In this case, the Proposal cost line items refers to any changes above and beyond the minimal structural preservation that would have to be undertaken to make the structure suitable for the program-related long term occupancy.

HARD COSTS

The total hard costs of any program proposal will need to address two main components: first is Priority Historic Structure Work based on the 2007 report to the Washington Parks Commission, which is the fundamental work required in order to preserve and use the structure,

including the required seismic and building envelope upgrades (the Excel tool calls this line: “Required Baseline Restoration Costs”). Second is the renovation costs for any given program proposal for the 80,000 square-foot structure. This framework includes an estimate of escalation for the increase in construction costs from 2014 to present for the Historic Structure Work. Additionally, any program that significantly altered the use from the current configuration will require additional construction costs to cover the renovation costs required to change the program.

TOTAL PROJECT COSTS

In addition to hard costs, there are many other elements that need to be considered in order to clearly identify all the Project Costs – including any fundraising or financing costs, any operating transition costs, and a project contingency. Please see accompanying Outline for Economic Feasibility Considerations found in Appendix E.

SOURCES OF CAPITAL FUNDS

HISTORIC REHABILITATION TAX CREDIT EQUITY

Because the entire site is listed on the National Historic Registry with special emphasis on the Seminary building itself, rehabilitation of the building would be eligible for the federal historic rehabilitation tax credit (HTC) program managed by the National Park Service, through the Washington State Department of Archaeology & Historic Preservation (DAHP), which is the designated State Historic Preservation Office (SHPO). An application is submitted outlining a scope of work consistent with the historic intent, and credits are applied based on an evaluation of the qualified rehabilitation expenses for the preservation project (20% of the qualified rehabilitation expenses.) These credits are sold to investors, usually at close to par or dollar-for-dollar, and the equity can be invested in the project. HTC Investors are party to the transaction for five years, and then the agreements contemplate an exit.

The Historic Tax Credit amount must be subtracted from the cost basis or total project costs for the Low Income Housing Tax Credit application.

LOW INCOME HOUSING TAX CREDIT (4%) EQUITY

The 4% Low Income Housing Tax Credit (LIHTC) program is for the creation of housing for low income households making less than or equal to 60% of Area Median Income. Generally, the annual credit percentage for these tax credits is less than the 4% rate they are named for, currently approximately 3.2%. These credits are purchased by investors, and the credits are allocated for a ten-year period and typically trade for between \$0.90 and \$1.05 for each dollar of tax credit. (In this framework they are assumed to be sold on a dollar-for-dollar basis.) The costs that comprise the eligible basis for these credits exclude certain costs, including building and land acquisition, and non-residential costs. Additionally, the eligible basis excludes historic tax credit allocation. The income restriction lasts for thirty years.

LOW INCOME HOUSING TAX CREDIT (9%) EQUITY

Similar in structure to the 4% LIHTC program, the 9% Low Income Housing Tax Credit Equity in King County is intended for low income households making less than or equal to 45% of Area Median Income as a project weighted average, but never more than 60% of Area Median Income as individual households. The annual credit percentage for these tax credits is less than the 9% rate they are named for, currently approximately 7.4%. These credits are purchased by investors, and the credits are allocated over the course of ten years and typically trade for between \$0.90 and \$1.05 for each dollar of tax credit. (In this framework they are assumed to be sold on a dollar-for-dollar basis.) The costs that comprise the eligible basis for these credits exclude certain costs, including building and land acquisition, and non-residential costs. Additionally, the eligible basis excludes historic tax credit allocation.

The creation of new affordable housing units through the adaptive reuse of an existing non-residential building is considered to be a “new production project” as required by the Washington State Housing Finance Commission (WSHFC) for 9% LIHTCs. WSHFC has a maximum total development cost policy based on unit size and quantity. This policy often makes the higher project costs per unit for historic structure retrofit and adaptive reuse a hurdle to project approval and decreases the competitiveness of adaptive reuse proposals for 9% credits.

SOURCES OF CAPITAL FUNDS - DEBT

DEBT CAPACITY

The available cash will be used to determine how much ‘debt service’, or payment, of the project’s loan is available; this will determine the amount of debt that can be placed on the property. This framework assumes a 1.25 debt service coverage ratio, meaning that cash will cover 125% of debt service costs. Once debt capacity is determined, the project can be matched to available debt sources. These capital sources may have additional hurdles including Loan-to-Value ratios, collateral in the property (i.e. rights to the property upon a default), or a guarantee by a person or entity with adequate assets.

CONVENTIONAL DEBT PROCESS AND CONSIDERATIONS

Conventional debt is debt placed on the property and underwritten based on the property’s independently generated net operating income, the stability of this income, and the nature of the assets that will guarantee the debt. Construction and permanent debt products may both be available, depending on the program, and the strength of the developer party. The terms of conventional debt will be subject to market conditions.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION DEBT

This debt is typically targeted for non-profit uses and community facilities, where additional sources of income, grants, and fundraising are all part of the underwriting considerations. This debt may be able to have a higher loan to value, have a longer amortization period, be collateralized with different assets, or have capital fundraising pledges considered as equity sources. With multiple sources of debt there is always a negotiation over who is in first lien (first rights to cash flow or collateral) position. However, this debt might be able to be used as a second loan to provide additional capital for smaller portions of the project like Tenant Improvements. Examples of lenders for this debt type include: Washington State Housing Finance Commission for Housing Bonds, Enterprise Community Foundation, Impact Capital, Craft3, and other community development financial institution lenders. Each will have different criteria for their financial products.



FRAMEWORK FOR EVALUATION OF FINANCIAL FEASIBILITY FOR NON-PROFIT AND PUBLIC USES OF SAINT EDWARD STATE PARK SEMINARY BUILDING – GLOSSARY

Amortization (Years)	The number of years until the loan would be fully paid off
Annual Debt Service	The annual debt service on the possible debt paid in monthly installments for conventional debt or
Area Median Income ("AMI")	Area Median Income: based on HUD data for the county
Cash Flow Available	The NOI minus the debt service for the conventional debt, which usually has the first claim to NOI
CDFI Debt	Loans subsidized by various sources or with more relaxed standards that are easier for not-for-profit projects to meet
Conventional Debt	Loans that are based solely on the income the property generates
Credits Percentage, Historic*	In the case of the seminary structure: 20% tax credits
Credits Percentage, Low Income Housing (current actual)	The underwritten credit percentage annually, updated monthly for both 4% and 9% tax credit programs
Debt Service Coverage Ratio	The multiple that the NOI must cover the debt service for the lender to be comfortable with the risk of reduced net income during the life of the loan
Design Contingency*	Percentage for design contingency for the renovation project determined by the Historic Structures Report dated October 25, 2007
Eligible Percentage, Historic Tax Credit	% of total project costs qualified for the rehabilitation tax credit
Eligible Percentage, Low Income Housing Tax Credit	the percentage of the total project costs that can be applied towards the housing tax credit
Escalation*	Escalation of construction costs estimated between October 25, 2007 and 2016, estimate only, should be verified by contractor bids at time of project implementation.

Financing Costs	The cost of third party reports, title, escrow, legal, interest reserves and fees and other charges involved in the raising of capital funds, especially debt and philanthropic contributions, to complete the project.
General Contractor OH&P*	Percentage for contractor overhead & profit of the renovation project determined by the estimate dated 2014
Hard Costs	Hard Costs are tangible costs of assets and labor that must be acquired to complete the physical construction of the project, including associated fees and expenses.
Historic Tax Credit Equity	For certified historic structures, such as the Seminary, a 20% tax credit is available to investors for the rehabilitation of historic, income producing buildings. This credit acts as equity without a return requirement.
Historic Tax Credit Equity Estimate Calculation	The "QRE" amount multiplied by the annual credit percentage and by five years of that annual credit: equals tax credit investor contribution to the project
HTC Qualified Rehabilitation Expenses	("QRE") dollar amount of total project costs qualified for the rehabilitation tax credit
LIHTC Qualified basis	The dollar amount of total project costs qualified for the low income housing tax credit
Loan to Cost ("LTC") % Ratio	The maximum percentage of the ration of the loan divided by the cost for the project
Low Income Housing 4% Tax Credit	4% low income housing tax credits are purchased by investors for 10 years of credits at the specified credit percentage, project must contain at least 40% of units at or below 60% AMI households
Low Income Housing 9% Tax Credit	9% low income housing tax credits are purchased by investors for 10 years of credits at the specified credit percentage, project must contain households below 46% AMI
Low Income Housing Tax Credit Equity	10 years of the qualified basis at a given percentage credit, assumes investors pay \$1 per \$1 of tax credit
Net Operating Income	Income for the property after expenses
NOI	Net operating income, see above
Operating Cash Flow (Deficit)	The cash flow or (deficit) from operating revenues less expenses and debt service: must be positive or have subsidy source identified to break-even.
Operating Expenses	Recurring expenses related to operating and maintaining the property

Operating Income	Income derived from operating the property, revenues generated from rent and user fees
Possible Debt	The lower of the two loan amounts between the LTC loan amount test and the DSCR loan amount test
Qualified basis	See "LIHTC Qualified basis" above
Required Baseline Restoration Costs*	Costs determined by the Historic Structures Report dated October 25, 2007
Soft Costs	A contractor accounting term for an expense item that is not considered to be a direct construction cost, including architectural, engineering, permitting, and other pre- and post-construction expenses.
Uses of Funds	The total cost of the project renovation, the uses of raised capital from various sources.

*project specific inputs

TABLE DATA SOURCE: 2014 TBD Consultants estimate provided to

USES OF FUNDS		
REQUIRED BASELINE RESTORATION COSTS		
Seismic Work		
Direct Seismic Work (CSI 1995 Divisions 1 through 16)		\$2,730,340
Subcontractor Bonding - 1%		\$27,303
Estimating / Design Contingency		\$371,321
General Conditions		\$333,152
General Liability Insurance		\$37,405
Construction Contingency		\$104,986
B&O Tax (WA State)		\$17,654
Contractor Preconstruction Work		\$20,000
Contractor Fee		\$126,776
Escalation		\$301,515
Subtotal Seismic Work		\$4,070,452
Washington State Sales Tax - 9.5%		\$386,693
Total Seismic Work		\$4,457,145
Historic Preservation Work		
Direct Historic Preservation Work (CSI 1995 Divisions 1 through 16)		\$3,090,560
Subcontractor Bonding - 1%		\$30,906
Estimating / Design Contingency		\$371,321
General Conditions		\$333,152
General Liability Insurance		\$41,336
Construction Contingency		\$116,018
B&O Tax (WA State)		\$19,509
Contractor Preconstruction Work		\$20,000
Contractor Fee		\$140,098
Escalation		\$333,032
Subtotal Direct Historic Preservation Work		\$4,495,932
Washington State Sales Tax - 9.5%		\$427,114
Total Direct Historic Preservation Work		\$4,923,045
Core and Shell Work		
Direct Core and Shell Work (CSI 1995 Divisions 1 through 16)		\$4,937,241
Subcontractor Bonding - 1%		\$49,372
Estimating / Design Contingency		\$371,321
General Conditions		\$333,152
General Liability Insurance		\$61,487
Construction Contingency		\$172,577
B&O Tax (WA State)		\$29,020
Contractor Preconstruction Work		\$20,000
Contractor Fee		\$208,396
Escalation		\$494,605
Subtotal Core & Shell Work		\$6,677,171
Washington State Sales Tax - 9.5%		\$634,331
Total Core & Shell Work		\$7,311,503
Required Baseline Restoration Construction		\$16,691,693
Additional Escalation 2014-2016 - 6%		\$1,001,502
Additional Budget for Study, Design, Permit, Inspection, Other - 20%		\$3,538,639
SUBTOTAL REQUIRED BASELINE RESTORATION COSTS		\$21,231,834
PROJECT CONTINGENCY - 10%		\$2,123,183
TOTAL REQUIRED BASELINE RESTORATION COSTS		\$23,355,017

NOTES

The following costs are excluded in the subtotal from the provided estimate:

Land acquisition
Feasibility
Financing Costs
All other owner costs
All professional fees and Insurance
Contractor preconstruction work
Payment and performance Bond
Builders Risk Insurance
All owner-provided FF&E
Site Surveys
Existing conditions reports
Soils investigation
Items identified as not in contract [NIC] as presented in design used for estimate
Hazardous materials investigations
Utility company back charges, including work related to off-site and utilities rates
Work to improve City Streets and sidewalks, except as noted in original estimate
Items defined as vendor- or owner-supplied and vendor- or owner-installed
Permitting fees
Other costs not listed above or included directly are excluded

Additional Escalation 2014-2016		
	24 months	
	0.25% per month	
	6% Total Additional Escalation	

LIHTC 9%

<u>Operating Cash Flow</u>		
Operating Income	\$759,000	Placeholder: 100 studio units, 50% at 30% and 50% at 50% AMI Rents
Operating Expenses	\$700,000	Placeholder: Operating Expenses assumed at \$7000 per unit per year
Net Operating Income	\$59,000	
Debt Service	\$47,201	
Operating Cash Flow (Deficit)	\$11,799	

<u>Uses of Capital Funds</u>		
Required Baseline Restoration Costs	\$23,355,017	Includes Soft Costs
Program Change-Related Hard Costs	\$15,000,000	Placeholder: 100 units, \$150,000 per unit renovation
Program Soft Costs	\$2,250,000	Placeholder: 15%
Financing Costs	\$750,000	Placeholder: 3%
Subtotal	\$41,355,017	
Developer Fee	\$4,595,002	10%
TOTAL USES OF FUNDS: TOTAL PROJECT COSTS	\$45,950,019	

<u>Sources of Capital Funds</u>			
Project Capital Sources Checklist			
	Yes/No		
Maximum Possible Historic Tax Credits:	Yes	\$7,811,503	
Maximum Possible LIHTC "9%" Credits:	Yes	\$21,224,084	
Developer Equity:	No	\$0	
Deferred Development Fee:	Yes	\$2,986,751	Estimated to be 65% of 10% fee on project costs
Direct Subsidy:	Yes	\$0	
Possible Debt:	Yes	\$823,881	
POSSIBLE SOURCES OF CAPITAL		\$32,846,219	
FUNDING SURPLUS / (GAP)		(\$13,103,800)	Gap is the requirement for additional capital

<u>Maximum Historic Tax Credit Equity</u>		
Total Project Cost	\$45,950,019	Project Costs
% eligible	85%	Placeholder assumption
Qualified Rehabilitation Expenses	\$39,057,516	
% credits	20%	
Historic Tax Credit Equity	\$7,811,503	\$1.00 per credit

<u>Maximum 9% LIHTC</u>		
Project cost less HTC Equity	\$38,138,516	LIHTC basis is reduced by HTC equity value
% eligible	75%	Placeholder assumption
qualified basis	\$28,603,887	
% credits	7.42%	June, 2016 Percentage
LIHTC equity	\$21,224,084	10 years of credits, \$1.00 per credit

<u>Debt</u>		
Interest Rate	4.000%	Placeholder assumption
Amortization (Years)	30	Placeholder assumption
NOI	\$59,000	
Debt Service Coverage Ratio	1.25	Placeholder assumption
LTC %	70%	Placeholder assumption
Possible Debt	\$823,881	
Annual Debt Service	\$47,201	

LIHTC 4%

<u>Operating Cash Flow</u>		
Operating Income	\$1,138,800	100 studio units @ 60% AMI
Operating Expenses	\$700,000	Property Expenses assumed at \$7000 per unit
Net Operating Income	\$438,800	
Debt Service	\$351,041	
Operating Cash Flow (Deficit)	\$87,759	

<u>Uses of Capital Funds</u>		
Required Baseline Restoration Costs	\$23,355,017	Includes Soft Costs
Program Change-Related Hard Costs	\$15,000,000	Placeholder: 100 units, \$150,000 per unit renovation
Program Soft Costs	\$2,250,000	Placeholder: 15%
Financing Costs	\$750,000	Placeholder: 5%
Subtotal	\$41,355,017	
Developer Fee	\$4,135,502	10%
TOTAL USES OF FUNDS: TOTAL PROJECT COSTS	\$45,490,519	

<u>Sources of Capital Funds</u>		
<u>Project Capital Sources Checklist</u>		
	<u>Yes/No</u>	
Maximum Possible Historic Tax Credits:	Yes	\$7,733,388
Maximum Possible LIHTC "4%" Credits:	Yes	\$9,005,076
Developer Equity:	No	\$0
Deferred Development Fee:	Yes	\$2,481,301
Direct Subsidy:	No	\$0
Possible Debt:	Yes	\$6,127,439
POSSIBLE SOURCES OF CAPITAL		\$25,347,204
FUNDING SURPLUS / (GAP)	(\$20,143,314)	Gap is the requirement for additional capital

<u>Maximum Historic Tax Credit Equity</u>		
Total Project Cost	\$45,490,519	Project Costs
% eligible	85%	Placeholder assumption
Qualified Rehabilitation Expenses	\$38,666,941	
% credits	20%	
Historic Tax Credit Equity	\$7,733,388	\$1.00 per credit

<u>Maximum 4% LIHTC</u>		
Project cost less HTC Equity	\$37,757,131	LIHTC basis is reduced by HTC equity value
% eligible	75%	% of Units @ <=60% AMI
qualified basis	\$28,317,848	
% credits	3.18%	June, 2016 Percentage
LIHTC equity	\$9,005,076	

<u>Debt</u>		
Interest Rate	4.000%	Placeholder assumption
Amortization (Years)	30	Placeholder assumption
NOI	\$438,800	
Debt Service Coverage Ratio	1.25	Placeholder assumption
LTC %	70%	Placeholder assumption
Possible Debt	\$6,127,439	
Annual Debt Service	\$351,041	

Office

<u>Operating Cash Flow</u>		
Operating Income	\$1,280,000	Placeholder: 80,000 sf x \$20 per sf x (1 - 20% unrentable space)
Operating Expenses	\$640,000	Placeholder: 80,000 sf x \$8 per sf
Net Operating Income	\$640,000	
Debt Service	\$512,001	
Operating Cash Flow (Deficit)	\$127,999	

<u>Uses of Capital Funds</u>		
Required Baseline Restoration Costs	\$23,355,017	Includes Soft Costs
Program Change-Related Hard Costs	\$8,000,000	Placeholder: 80,000 sf, \$100 per sf office renovation cost
Soft Costs	\$1,200,000	Placeholder: 15% of Program Change-Related Hard Costs
Financing Costs	\$400,000	Placeholder: 5% of Program Change-Related Hard Costs
Subtotal	\$32,955,017	
Developer Fee	\$1,977,301	Placeholder: 6%
TOTAL USES OF FUNDS: TOTAL PROJECT COSTS	\$32,955,017	

<u>Sources of Capital Funds</u>		
Project Capital Sources Checklist		
	Yes/No	
Maximum Possible Historic Tax Credits:	Yes	\$5,602,353
Developer Equity:	Yes	\$2,133,317 6% yield
Direct Subsidy:	No	\$0
Possible Debt:	Yes	\$8,937,013
POSSIBLE SOURCES OF CAPITAL		\$16,672,682
FUNDING SURPLUS / (GAP)		(\$16,282,335) Gap is the requirement for additional capital

<u>Maximum Historic Tax Credit Equity</u>		
Total Project Cost	\$32,955,017	Required Baseline Structural Repair Costs
% eligible	85%	Placeholder assumption
Qualified Rehabilitation Expenses	\$28,011,765	
% credits	20%	
Historic Tax Credit Equity	\$5,602,353	\$1.00 per credit

<u>Debt</u>		
Interest Rate	4.000%	Placeholder assumption
Amortization (Years)	30	Placeholder assumption
NOI	\$640,000	
Debt Service Coverage Ratio	1.25	Placeholder assumption
LTC %	70%	Placeholder assumption
Possible Debt	\$8,937,013	
Annual Debt Service	\$512,001	

Dorms and Classroom

<u>Operating Cash Flow</u>		
Operating Income - Dorms	\$1,440,000	Placeholder: 200 beds X \$800 per month X 9 months
Operating Expenses - Dorms	\$800,000	Placeholder: 200 beds X \$4000 per bed
Operating Income - Classrooms	\$0	\$0 expected additional revenue for tenant's overall programs
Operating Expenses - Classrooms	\$70,000	Placeholder: 10,000 squarefeet at \$7 per squarefoot
Net Operating Income	\$570,000	
Debt Service	\$456,001	
Operating Cash Flow (Deficit)	\$113,999	

<u>Uses of Capital Funds</u>		
Required Baseline Restoration Costs	\$23,355,017	Includes Soft Costs
Proposal Costs	\$16,000,000	Placeholder: \$200 per squarefoot
Soft Costs	\$2,400,000	Placeholder: 15% of Program Change-Related Hard Costs
Financing Costs	\$800,000	Placeholder: 5% of Program Change-Related Hard Costs
Subtotal	\$42,555,017	
Developer Fee	\$2,559,301	Placeholder: 6%
TOTAL USES OF FUNDS: TOTAL PROJECT COSTS	\$42,555,017	

<u>Sources of Capital Funds</u>		
Project Capital Sources Checklist		
	Yes/No	
Maximum Possible Historic Tax Credits:	Yes	\$3,970,353
Developer Equity:	No	\$0
Direct Subsidy:	No	\$0
Possible Debts:	Yes	\$7,959,527
TOTAL SOURCES OF FUNDS		\$11,929,880
FUNDING SURPLUS / (GAP)		(\$30,625,137)

← Educational institutions may directly contribute capital to project

← Gap is the requirement for additional capital

<u>Maximum Historic Tax Credit Equity</u>		
Total Project Cost	\$23,355,017	Required Baseline Structural Repair Costs
% eligible	85%	Placeholder assumption
Qualified Rehabilitation Expenses	\$19,851,765	
% credits	20%	
Historic Tax Credit Equity	\$3,970,353	\$1.00 per credit

<u>Debt</u>		
Interest Rate	4.000%	Placeholder assumption
Amortization (Years)	30	Placeholder assumption
NOI	\$570,000	
Debt Service Coverage Ratio	1.25	Placeholder assumption
LTC %	70%	Placeholder assumption
Possible Debt	\$7,959,527	
Annual Debt Service	\$456,001	

Community Use

<u>Operating Cash Flow</u>			
Operating Income	\$1,250,000	Placeholder: 250 events averaging \$5,000 each	
Operating Expenses	\$400,000	Placeholder: 80,000 sf at \$5 per squarefoot	
Net Operating Income	\$850,000		
Debt Service	\$680,001		
Operating Cash Flow (Deficit)	\$169,999		

<u>Uses of Capital Funds</u>			
Required Baseline Restoration Costs	\$23,355,017	Includes Soft Costs	
Proposal Costs	\$4,000,000	Placeholder: \$50 per squarefoot	
Soft Costs	\$600,000	Placeholder: 15% of Program Change-Related Hard Costs	
Financing Costs	\$200,000	Placeholder: 5% of Program Change-Related Hard Costs	
Subtotal	\$28,155,017		
Developer Fee	\$1,689,301.03	Placeholder: 6%	
TOTAL USES OF FUNDS: TOTAL PROJECT COSTS	\$28,155,017		

<u>Sources of Capital Funds</u>			
Project Capital Sources Checklist			
	Yes/No		
Maximum Possible Historic Tax Credits:	Yes	\$3,970,353	
Developer Equity:	Yes	\$2,833,317	6% Yield
Direct Subsidy:	No	\$0	
Possible Debt:	Yes	\$11,869,470	
TOTAL SOURCES OF FUNDS		\$18,673,140	
FUNDING (GAP)		(\$9,481,877)	Gap is the requirement for additional capital

<u>Maximum Historic Tax Credit Equity</u>			
Total Project Cost	\$23,355,017	Required Baseline Structural Repair Costs	
% eligible	85%	Placeholder assumption	
Qualified Rehabilitation Expenses	\$19,851,765		
% credits	20%		
Historic Tax Credit Equity	\$3,970,353	\$1.00 per credit	

<u>Debt</u>			
Interest Rate	4.000%	Placeholder assumption	
Amortization (Years)	30	Placeholder assumption	
NOI	\$850,000		
Debt Service Coverage Ratio	1.25	Placeholder assumption	
LTC %	70%	Placeholder assumption	
Possible Debt	\$11,869,470		
Annual Debt Service	\$680,001		

Appendix F: Saint Edwards State Seminary Building Photos

EXISTING CONDITION

On July 1, 2016, a property tour was conducted by the Washington State Park Service's park manager for St. Edward State Park. A selection of photos from the tour are included below as examples of typical and systematic repairs that need to be completed throughout the project, identifiable without expert inspection. Additional expert inspection should be completed to identify a specific and complete list of needs for the project in the context of the specific proposal.



Left: window damage and temporary anti-water intrusion and security measures

Right: failing interior wall systems



Left: Interior ceiling tile damage and double-hung window disrepair

Right: Interior wall systems failure, likely due to plumbing infrastructure failure in wall



Left: MEP Infrastructure failing and damaging interior plaster walls

Right: Water damage to interior ceilings

Appendix G: Citizen Concept 1 Supporting Documents

Date: June 24, 2016

To: Amber Siefer, Project Manager
Jaime Rossman, Policy Advisor

From: Judith Finn

Re: **SAINT EDWARD STATE PARK & SEMINARY BUILDING**

Please consider the following when conducting the Department of Commerce economic feasibility study for Saint Edward State Park:

State Parks is a network of 140 parks each acquired under a different set of circumstances. In the case of Saint Edward, the park was acquired specifically for passive outdoor recreation because of its location in a highly urbanized and densely populated area in recognition that the type and quality of property there had become extremely rare never to be duplicated. Extraordinary steps were taken in 1977 at the State & federal levels to acquire the property through the Land & Water Conservation Fund (LWCF) program¹ which requires that the land be kept in perpetuity for the purpose for which it was acquired. The acquisition agreement, signed October 4, 1977, constitutes a legal obligation for the property to be maintained for passive outdoor recreation.

The structures, including the seminary building, were incidental and not primary to purposes of the acquisition. The building is only one element of the park's listing on the National Historic Register which took place in 2007. Aside from mitigation requirements, there is no legal obligation that the building be preserved and maintained in perpetuity.

Regarding the question of funding: the seminary building, according to State Parks, requires an average of \$100K per year to be kept in a state of limbo in hopes of using it in future for an undetermined purpose. The building has sat largely unused for the past 35+ years to no detriment of park users who visit the park for its natural amenities and do not bemoan lack of access to the building. This becomes quite evident when speaking with park visitors and when reading comments, for example, on tripadvisor.com where visitors describe what they value at Saint Edward. A certain portion of the building, i.e., the grand dining hall, has long been open to the public for rental use as shown on the fee schedule attached. The fact that Saint Edward is the third mostly highly visited park in the state parks system is due to its natural outdoor amenities not to building use.

A fully developed 90,000 square foot building on the 30-acre Saint Edward central plateau, whether for public or private use, would be out of scale for the purpose for which the park was acquired and is not needed to further the mission of State Parks. The proposed \$30 – 50 million figure for a private development represents a

¹ see National Parks Service "Land & Water Conservation Manual" at <https://www.nps.gov/nrcr/programs/lwcf/manual/lwcf.pdf>

maximum expenditure needed for a commercial enterprise to realize return on investment. A far more desirable result over the long term could be achieved by designing a lower scale and lower cost development that would make the building and grounds publicly accessible and could generate increased revenue within the parks system. This would involve: 1) daylighting the southern wing of the building and constructing an open air venue within that footprint; and 2) restoring the northern portion including the grand dining hall as a publicly available indoor venue for continued use for weddings and other events. The building's grand dining hall is its most architecturally significant section and one that is highly suitable for a wide range of public uses. Lack of compliance with fire codes currently limits occupancy of the hall to approximately 50 persons. Renovation of that space and the adjacent bell tower would allow greater occupancy and increase the potential for revenue.

Potential non-profit uses (e.g., a social service agency, a training academy, etc.) would in all likelihood trigger a LWCF "conversion" requiring replacement land of equivalent outdoor recreation utility and market value. A conversion option was considered and rejected by State Parks as recently as May 26, 2016, as shown on the notice attached; and is unlikely to be considered a viable option in future.

The State Parks Commission and legislature have chosen not to fund Saint Edward as a capital project in the current biennium. This is not a categorical exclusion. It does not constitute a prohibition against future funding should a viable and economically responsible concept be put forward. I am hopeful and urge that you include the south daylighting/north rehab concept with capital budget financing (and possibly philanthropy as described below) as one of the options presented in your study, for example, amortized over a 10 – 20 year period. Under this scenario, the current Commission would still have the option of withholding funding should it so choose thus negating the feasibility finding. However, this would give the public, the commission, the legislature and the governor the benefit of your independent analysis and a level of confidence that all options have been fairly and equitably considered.

Philanthropy has become a needed and essential resource for State Parks' capital expenditures as noted in the Parks Commission "Transformation Strategy" adopted on March 21, 2013, following drastic budget cuts made by the legislature as a result of the financial recession. This new strategy permanently changed the structure of budgeting for State Parks. No one is more aware of this than those of us who have been working to keep Saint Edward fully in the public domain over the past dozen years. Members of the public, including those who love parks, have not been made adequately aware of this fundamental change and the need for a philanthropic element to be incorporated as part of the funding mix throughout the parks system and especially at Saint Edward.

Thank you for your attention and consideration.

WASHINGTON STATE PARKS AND RECREATION COMMISSION
 SAINT EDWARD STATE PARK
 14445 Juanita Drive Northeast • Kenmore Washington 98028
 • (425) 823-2992

2015 Park Fees for Saint Edward State Park

Day-Use/Picnic	Paperwork Fee	Tax (9.5%)	Total
20-50 people: \$65.65	\$25.00	\$8.61	\$99.26
51-100 people: \$130.11	\$25.00	\$14.74	\$169.85
101-150 people: \$195.79	\$25.00	\$20.98	\$241.77
151-200 people: \$261.45	\$25.00	\$27.21	\$313.66
201 - 250 people: \$327.10	\$25.00	\$33.45	\$385.55

Heritage Places	Tax (9.5%)	Total
The Grotto: \$977.98	\$92.91	\$1070.89
The Grand Dining Hall: \$403.21	\$38.30	\$441.51
Grotto/Hall: \$1173.58	\$111.49	\$1285.07

Rental Equipment Items (rental prices do not include WA State sales tax of 9.5%)

Chairs: (Indoor and outdoor)	\$1.28 each
Round Tables (Grand Hall Only):	\$12.92 each
Folding Tables (6x3): (Indoor and outdoor)	\$12.92 each
20x20 Canopy:	\$260.28 each
10x20 Canopy:	\$130.11 each
Outdoor Heaters:	\$83.56 each (plus \$25.00 fuel charge)
Use of Outdoor Electrical Hookup (where available)	\$39.38 per day

Parking Lot Set Up*	Minimum 50 cars up to 300 cars	Total
Paid in advance 50 Vehicles	\$3.00 each	\$150.00
100 Vehicles	\$3.00 each	\$300.00
150 vehicles	\$3.00 each	\$450.00
Paid day of event 50 Vehicles	\$5.00 each	\$250.00
100 Vehicles	\$5.00 each	\$500.00
150 Vehicles	\$5.00 each	\$750.00

*Event coordinators must have people to direct their guests to the parking lot set up for them.

From: Washington State Parks Planning <Planning@PARKS.WA.GOV>
Subject: Update-St. Edward State Park Seminary rehabilitation project
Date: May 26, 2016 at 1:58:15 PM PDT
To: "Hankinson, Michael (PARKS)" <Michael.Hankinson@PARKS.WA.GOV>

The purpose of this email is to provide you with an update on the Seminary Rehabilitation Project at Saint Edward State Park.

How the Project has Changed

During the 2016 legislative session, the House passed and Gov. Inslee signed ESSHB 2667, which affects the Daniels's proposed rehabilitation project of the Saint Edward Seminary.

The bill, signed by Governor Inslee in April, amended RCW 79A.05.025 allowing the Commission a 5 to 7 vote to enter into a 62 year-long lease of the Seminary.

As a result, State Parks will likely not pursue a land exchange, which will prevent a potential Land Water Conservation Fund (LWCF) property conversion. The bill also included an additional requirement, however, which stated that the Commission may only enter into a lease, if it:
...finds an economic study, conducted by Department of Commerce, fails to identify an economically viable public or nonprofit use of property consistent with the State Parks mission.
This economic feasibility study has affected the Daniels rehabilitation project.

The Daniels's proposal is on hold until results of the study can be analyzed by State Parks staff and the Commission. The study will be completed July 31, 2016. By September, the Commission will consider any viable alternatives to the Daniels proposal. Regardless of the outcome, a new timeline with milestones will be presented to the public in September.

Department of Commerce Process

Although HB 2667 provides general direction to Commerce, the agency is now developing a more comprehensive scope, timeline and methodology for their study in addition to conducting research. Attached is the presentation that Commerce prepared which further explains their process and goals.

Background Information

On February 9, 2016 State Parks held a public meeting in Kenmore seeking public input on the potential land exchange between State Parks and Daniels Real Estate at Saint Edward State Park. In the land exchange, State Parks would have acquired a 9.77-acre property known as the McDonald property (Parcel number 1426049014) in exchange for a 4.99-acre property to be acquired by Daniels Real Estate. The purpose of the land exchange was designed to:

1. Expand the overall footprint of the park with the acquisition of the McDonald property. The land is contiguous with the park and includes 450-feet of shoreline on Lake Washington.
2. Facilitate rehabilitation of the Saint Edward Seminary for use as a hotel. In addition, Daniels Real Estate would acquire the pool and gymnasium buildings.

More than 300 people attended the land exchange hearing, with 75 people testifying. In summary, those against land exchange offered the following suggestions:

- Raze or partially raze the Seminary building
- Prioritize nature
- No commercial use of Seminary

- Do not trade land for private use
- The McDonald property is not valuable
- Too many people will visit park with already limited parking

Those in favor of land exchange said:

- Save a building on the National Register
- Prioritize nature with acquisition of the McDonald property
- Commercial use of Seminary is ok as long as it supports park mission

For more information be see the webpage <http://parks.state.wa.us/857/Saint-Edward-Planning---Seminary>

Michael Hankinson
Parks Planner
Washington State Parks and Recreation Commission
1111 Israel Road SW
Olympia WA 98504

(360) 902-8671

Happy 100th birthday, National Park Service!

Celebrate Our Centennial



(/subjects/centennial/index.htm)

National Park Service^(f)

FOIA - Frequently Requested Documents

Department of the Interior Purchase Cardholders (<http://www.doi.gov/pam/programs/chargecard/cardholders.cfm>)(Link updated 03/28/2013)

Department of the Interior Standardized Guidance on Compiling a Decision File and an Administrative Record (<http://www.nps.gov/features/foia/Standardized-Guidance-on-Compiling-and-Administrative-Record.pdf>)

Other NPS Reading Rooms

/features/foia/FY_2006_FOIA_Log_for_web.pdf

Golden Gate National Recreation Area **FOIA Reading Room** (<http://www.nps.gov/goga/parkmgmt/foia-reading.htm>)

Point Reyes National Seashore **FOIA Reading Room** (http://www.nps.gov/pore/parkmgmt/planning_reading_room.htm)

FOIA Logs

FY2007 FOIA Log (http://www.nps.gov/features/foia/FY_2007_FOIA_Log_for_web.pdf)

FY2008 FOIA Log (http://www.nps.gov/features/foia/FY_2008_NPS_FOIA_Log_With_Annotated_Exemptions.pdf)

FY2009 FOIA Log (http://www.nps.gov/features/foia/FY_2009_FOIA_Log_Marked_for_Web.pdf)

FY2010 FOIA Log (http://www.nps.gov/features/foia/FY2010_Final_ForWeb.pdf)

FY2011 FOIA Log (http://www.nps.gov/features/foia/FY_2011_Final_REDACTED_Redacted.pdf) (Posted 11/8/2011)

FY2012 FOIA Log (http://www.nps.gov/features/foia/FY12_FOIA_LOG_FOR_WEB.pdf) (Posted 10/1/2012)

FY2013 FOIA Log (http://www.nps.gov/features/foia/FY13_FOIA_LOG_FOR_WEB-2.pdf) (Posted 09/30/2013)

FY2014 FOIA Log (http://www.nps.gov/features/foia/FY2014_FOIALOG_FORWEB.pdf) (Posted 10/1/2014)

FY2015 FOIA Log (/aboutus/nri/foia/upload/FY2015_FOIA_LOG.pdf) (Posted 10/1/2015)

FY2016 FOIA Log (/aboutus/foia/upload/May_2016_FOIALob.pdf) (As of 6/1/16)

Recently Added Material

Chicago Cubs Wrigley Field Historic Preservation Tax Credit Application Materials (**Through September 2014** /features/foia/January_2015_FOIA_Log_REDACTED.pdf) (added January 11, 2015) - 45MB zip file (**Through December 2014** </aboutus/foia/upload/Wrigley-Field-Records-Through-December-2014.pdf>) (added February 11, 2015)

Congressional Response for Consolidated Appropriations Act 2016 (P.L. 114-113) Plastic Bottles Request (</aboutus/foia/loader.cfm?csModule=security/getfile&PageID=5113026>) (Added March 30, 2016)

Grand Canyon National Park **Religious plaques Previous FOIA releases** (/aboutus/foia/upload/GRCA_Plaques_PreviouslyReleasedMaterials.pdf) (Added July 9, 2015)

Grand Teton National Park Moose-Wilson Corridor Comprehensive Management Plan **preliminary alternatives public comments**

<https://www.nps.gov/aboutus/foia/foia-frd.htm>

See Page 2

[/features/foia/Moose_Wilson_Corridor_Comments_ForWEB.pdf](#) (Added October 9, 2014)

Mesa Verde National Park / Montezuma's Castle National Park - S. L. Palmer collection "[child mummy \(/aboutus-nri/foia/upload/MEVE_ChildMummyDocs_ForWeb-2.pdf\)](#)" records. (added June 12, 2015)

National Capitol Parks East - Buzzard Point Marina closure [Batch 1 \(/aboutus-nri/foia/upload/BuzzardPointMaterialsForWeb_batch1_REDACTED.pdf\)](#) (Added October 8, 2015) [Batch 2 \(/aboutus/foia/upload/BuzzardPoint_Release2Materials.zip\)](#) (Added April 1, 2016) [Batch 3 \(/aboutus/foia/upload/BuzzardPointBatch3.zip\)](#) and [Batch 4 \(/aboutus/foia/upload/BuzzardPointBatch4.zip\)](#) (Added April 19, 2016)

National Mall & Memorial Parks - [First Amendment Permit Log 2014 - May 11, 2016 \(/aboutus/foia/upload/NAMA_1stAmmendment_Permit_List.pdf\)](#) (Added May 26, 2016)

National Mall & Memorial Parks - Landmark Music Festival Records ([Through April 2015 \(/aboutus-nri/foia/upload/NAMA_Landmark_Music_Festival_REDACTED-2.pdf\)](#)) (Added September 17, 2015) (Through September 2015 [Batch 1 Zip File \(/aboutus/foia/upload/LandmarkBatch1Parts1to7.zip\)](#) 213MB (Or smaller batches [Part 1 \(/aboutus/foia/upload/LandmarkBatch1-1-2.pdf\)](#) [Part 2 \(/aboutus/foia/upload/LandmarkBatch1-2.pdf\)](#) [Part 3 \(/aboutus/foia/upload/LandmarkBatch1-3.pdf\)](#) [Part 4 \(/aboutus/foia/upload/LandmarkBatch1-4.pdf\)](#) [Part 5 \(/aboutus/foia/upload/LandmarkBatch1-5.pdf\)](#) [Part 6 \(/aboutus/foia/upload/LandmarkBatch1-6.pdf\)](#) [Part 7 \(/aboutus/foia/upload/LandmarkBatch1-7.pdf\)](#)) (Added February 29, 2016)

Maine Woods Proposed National Park - [Correspondence from Ms. Quimby \(/aboutus-nri/foia/upload/12-290_Young_Quimby_Responsives_ForWeb.pdf\)](#) (2011) [Additional Correspondence \(/aboutus/foia/upload/15-882-Responsive-Docs_combined_REDACTED.pdf\)](#) (2015) (Added December 10, 2015)

Rock Creek Parkway. [2015 deer management records \(/aboutus/foia/upload/ROCR_deer_2015-2.pdf\)](#) (Added February 10, 2016) [2013 & 2014 deer management records \(/aboutus/foia/upload/ROCR_2013-2014_DeerRecords.zip\)](#) (zip file) (Added April 1, 2016)

[RM-9 Law Enforcement Manual 2015 edition \(/aboutus-nri/foia/upload/RM-9-redacted-V-2.pdf\)](#) (public version) (Added September 17, 2015)

[Saint Edwards Seminary \(/aboutus/foia/upload/SaintEdwardsSeminaryLWCFMaterials.zip\)](#), King County, Washington, Land and Water Conservation Fund (LWCF) Grant Materials (Added April 7, 2016) ***Warning Large File 75MB***

Statue of Liberty National Monument [Ferry Service Contract CC-STL1001-07 \(/aboutus/foia/upload/Statue-Cruises-Contract-STL1001-07.pdf\)](#) (Added November 19, 2015) and [Amendments & Exhibits \(/aboutus/foia/upload/CC-STL1001-07-Amendments-and-Exhibits.pdf\)](#) (Added December 11, 2015).

Yellowstone National Park - [August 7, 2015, Crosby grizzly bear fatality report \(/aboutus/foia/upload/NP15108913_Crosby_REDACTED_FORWEB.pdf\)](#). (Added January 14, 2016)

Yosemite National Park - Stacy Arras July 17, 1981 missing person case [Released records \(/aboutus-nri/foia/upload/Released-files-for-Stacy-Arras-case.pdf\)](#) and [Appeal Decision \(/aboutus-nri/foia/upload/2011-107-FOIA-Appeal-Decision_REDACTED.pdf\)](#), upholding denial of remaining records. (added June 16, 2015).

Other Frequently Requested Documents

[Channel Island Pier Replacement Contract, Ammendments & Payment Bond 1443C2011080686 Awarded to American Civil Constructors \(PDF - 1mb\) \(http://www.nps.gov/pwr/upload/mahaulepr_final.pdf\)](#)

[Channel Island National Park Draft General Management Plan Public Comments \(/features/foia/CHIS_GMP_PublicComments_forWEB.xls\)](#) Submitted between November 2013 - January 2014 (xls file)

[Civil War Soldiers & Sailors \(CWSS\) Database \(http://www.nps.gov/featurecontent/foia/CWSS.zip\)](#)- Raw Data (zip file)

Crow Creek Replacement School Project: Previous FOIA releases NPS-2013- 0220 ([Invoices and Payments \(/features/foia/13-220_invoicesandpayments.pdf\)](#)), [Contract \(/features/foia/13-220_contract.pdf\)](#), [Mods \(/features/foia/13_220_contract_mods.pdf\)](#), [Settlement Letter \(/features/foia/13-220_SettlementLetter.pdf\)](#)

Denali National Park - [Incident Report \(/features/foia/DENA-moose-shooting-report_REDACTED_FOR_WEB_Redacted.pdf\)](#) regarding the shooting of a moose on June 6, 2013. (added 6/28/2013)

Efflow Mounds National Monument [NEPA Investigation Materials \(/features/foia/EFMO FOIA ForWeb-2.pdf\)](#) ***Warning Large file 72MB

G26
53-00373 Wash.

SEP 28 1977

10/1/77
Baker

Malbon

Malbon

Bender

Memorandum

To: Director
From: Regional Director, Northwest Region
Subject: Washington Project 53-00373, St. Edwards Seminary Acquisition
(Contingency Request)

Enclosed for your review and consideration is the subject grant application, along with required background documentation. The State of Washington is requesting \$1.75 million from the Secretary's Contingency Reserve for this important acquisition. The remainder of the federal share for the project is to be derived from Washington's regular L&WCF apportionment, which has been specially earmarked for this purpose. The state's matching share consists of a special \$3.5 million appropriation from the Washington legislature.

If you will recall our inspection of the seminary property last June, the site consists of some 316 acres of forested land with 3,000 feet of frontage on Lake Washington, just minutes from downtown Seattle. After being briefed on the proposed project during your visit here and having actually seen the property, I hope you are as convinced as I am that this acquisition truly merits supplemental funding from the Contingency Reserve under the Bureau's existing criteria for such projects and would qualify under the new criteria being developed for the use of that funding source. All the elements are there—the project fulfills a number of critical SCORP needs, the state's regular L&WCF apportionment is inadequate to cover the acquisition cost, the project will preserve a quality recreation resource (if approved in time), and the acquisition site is situated practically in the heart of the Seattle metropolitan area. The documentation I am submitting should adequately support these points one by one.

It should be noted that there are several buildings on the St. Edwards site. We have been working closely with the Washington SLO and the project sponsor to determine an acceptable disposition for these structures. An indoor

swimming pool and a gymnasium located on the site will be retained by the sponsor. King County has already expressed interest in operating these facilities in connection with its recreation program. Concerning the large seminary building, there has been some discussion of demolishing it but a final decision has not been made yet. Whatever use, if any, is made of this structure, it will be subject to prior approval by the Bureau. Actually, these buildings are an incidental aspect of this project since the main recreation benefit will be derived from the land resource. However, it will be necessary to acquire them because they are part of the overall acquisition package.

As you know, the main problem with the St. Edwards acquisition proposal is time. The deadlines that have been imposed on us are extremely tight. The Catholic Archdiocese of Seattle, which owns the property, has already advised the grant applicant that if they are not able to enter into a legally-binding purchase agreement by October 10, 1977, it will be necessary to place it on the open market. Naturally, the project sponsor cannot do this without assurance that Contingency Reserve funds will be available. To make matters worse, there is an immediate market for this property because, in addition to being an outstanding recreation resource, it would also make an excellent residential subdivision. At last count, according to the Bellevue American Newspaper, 27 private developers have submitted offers to purchase the St. Edwards property for that purpose. What this means is that we now have the opportunity to help acquire critically needed park land close to where people live but unless we act very quickly, that opportunity will be lost within a matter of a very few short days.

Finally, we have carefully considered this application with respect to its potential environmental impacts. Based on a review of the environmental study now on hand, along with the fact that I have personally inspected the property a number of different times with involved state officials, it is my opinion that approval of this project will not constitute a major federal action. I do not believe it should be necessary to prepare and circulate a formal environmental impact statement in connection with this proposal. At this point, I would like to request your concurrence with that determination and recommend that this application be approved as quickly as possible.

Maurice N. Lundy
 Maurice N. Lundy
 Regional Director

Enclosures
 cc:
 file
 reading
 chrono
 Baker
 GIA
 BAKER:bah:09-28-77

Signed LWCF agreement
10/4/77

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Outdoor Recreation
Land and Water Conservation Fund Project Agreement

State	Washington	Project Number	53-00373
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Project Title St. Edwards Seminary

Project Period Date of Approval to December 31, 1979

Project Scope (Description of Project)

Acquire approximately 316 acres of land with over 3,000 feet of waterfront on Lake Washington. The site is to be developed for passive use and will retain valuable open space in an urban area and provide additional access to one of the most outstanding bodies of water in the State of Washington.

There is no relocation involved with this project.

*The request is for Federal funding from the Secretary of Interior's Contingency Fund for \$1,750,000 and from the State of Washington regular apportionment of the LWCF in the amount of \$1,750,000.

Project Stage Covered by this Agreement

All stages

Project Cost

Total Cost	\$ 7,000,000
Fund Support	50 %
Fund Amount	\$ 3,500,000*
Cost of this Stage	\$ 7,000,000
Assistance this Stage	\$ 3,500,000*

The following attachments are hereby incorporated into this agreement:

1. General Provisions
2. Project Proposal
3. _____
4. _____

BOR 8-92
(Rev. April 1974)

POSTED
Date 10/13/77
By [Signature]

The United States of America, represented by the Director, Bureau of Outdoor Recreation, United States Department of the Interior, and the State named above (hereinafter referred to as the State), mutually agree to perform this agreement in accordance with the Land and Water Conservation Fund Act of 1965, 78 Stat. 897 (1964), and with the terms, promises, conditions, plans, specifications, estimates, procedures, project proposals, maps, and assurances attached hereto and hereby made a part hereof.

The United States hereby promises, in consideration of the promises made by the State herein, to obligate to the State the amount of money referred to above, and to tender to the State that portion of the obligation which is required to pay the United States' share of the costs of the above project stage, based upon the above percentage of assistance. The State hereby promises, in consideration of the promises made by the United States herein, to execute the project described above in accordance with the terms of this agreement.

The following special project terms and conditions were added to this agreement before it was signed by the parties hereto:

This agreement is not subject to the provisions of Section B.2 (d) of the attached General Provisions, dated December 1965.

"The State agrees to comply with the terms and intent of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894 (1970)", and the applicable regulations and procedures of the Department of the Interior implementing such act.

In witness whereof, the parties hereto have executed this agreement as of the date entered below.

THE UNITED STATES OF AMERICA	STATE
By <u>Margaret J. Maguire</u> (Signature)	<u>Washington</u> (State)
<u>for Director, Bureau of Outdoor Recreation</u> (Title)	<u>Robert L. Wilder</u> (Signature)
Bureau of Outdoor Recreation United States Department of the Interior	<u>Robert L. Wilder</u> (Name)
Date <u>OCT 04 1977</u>	<u>Administrator</u> (Title)

INT: 4004-75



Ramsay, Heather <heather_ramsay@nps.gov>

RE: possible conversion proposed at St. Eds

1 message

Robinson, Scott (RCO) <scott.robinson@rco.wa.gov> Mon, Nov 25, 2013 at 8:01 AM
To: "Ramsay, Heather" <heather_ramsay@nps.gov>, "Barker, Myra (RCO)" <Myra.Barker@rco.wa.gov>

Yep we saw this late last week.

More to come.

SCOTT ROBINSON

RCO Deputy Director

O: (360) 902.0207

From: Ramsay, Heather [mailto:heather_ramsay@nps.gov]
Sent: Saturday, November 23, 2013 3:01 PM
To: Barker, Myra (RCO)
Cc: Robinson, Scott (RCO)
Subject: possible conversion proposed at St. Eds

State Parks! <exasperated sigh>

No fast track deal. A similar deal was already nixed in the 1980's. Unlike Ft. W where the buildings were grandfathered in, LWCF actually paid for the acquisition of the one at St. Ed's with the intent that it be demolished. Obviously, that option is complicated now by its historic status (and seems like a travesty) but it does mean the options are much more constrained.

Please let me know as soon as you chat with state parks. I couldn't tell from the article whether the defense contractor was proposing this on their own accord or whether there is a DOD interface, in which case I may have some fed to fed work to do as well.

Keep me posted -

Thanks,

UNITED STATES GOVERNMENT

Memorandum

53-00373

10/13
Baker
Ketter
10/13

TO : G26 53-00373
Regional Director

DATE: October 13, 1977

FROM : Sid Malbon

SUBJECT: St. Edward Seminary Acquisition

On October 12, Mr. Fulwiller of the Washington State Department of General Administration called. He advised that although he had not seen the appraisal for the acquisition, he understood it would total \$7.1 to 7.4 million as follows:

300 acres at \$10,000 per acre	-	\$3,000,000
Waterfront	-	\$1,540,000
Main St. Edward Seminary Building	-	\$1,500,000
Pool and Gymnasium	-	\$ 500,000
Timber and miscellaneous	-	\$ 460,000 minimum

He is particularly concerned that the value assigned to the Seminary building and the appraisal would be acceptable to us and that a project indicating that the building was to be put to an outdoor recreation use would also be acceptable. After conferring with you, I called back and responded that use of the building in support of the on-site recreational use of the property such as an interpretive center, administration and office space, or maintenance facility would be acceptable or that the state could demolish the building. I emphasized that use of the building as a general administration building by the state for non-recreational purposes would not be acceptable in the project.

I particularly stressed that he should be working with IAC since they must first review the appraisal and make any modifications in the project before we could officially consider it.

He asked how long it would take for us to "approve an appraisal" once we had received it. I indicated it would take a week or two. Subsequently, after talking with Glenn Baker, it appears that if the appraisal were referred to GSA for review, it would take several weeks. However, if we made our own in-office review and decision, it could be done within this time.

Sid Malbon
Sid Malbon
Supervisory Outdoor Recreation Planner



cc:
reading
chrono
GIA

MALBON:bah:10-13-77

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