

City of Woodinville

Old Woodinville Schoolhouse

Lease or Sale/Rehab Opportunity

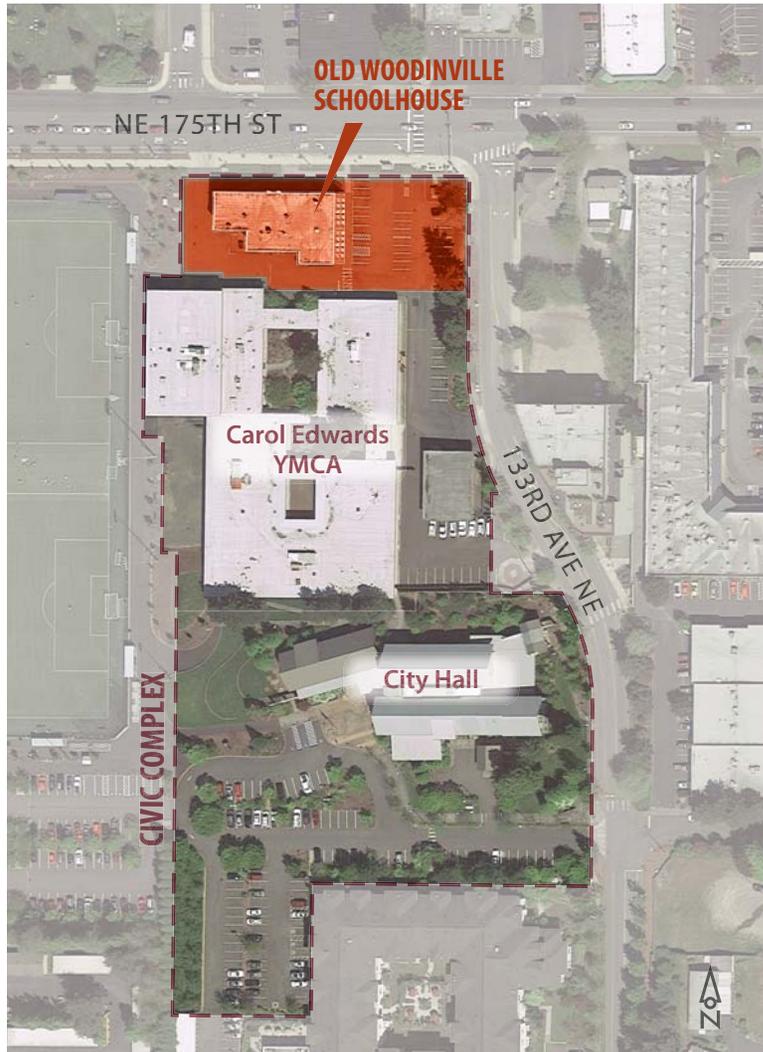
March 2015



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## EXECUTIVE SUMMARY

The **Old Woodinville Schoolhouse** (“Site”, “Property”, or “Schoolhouse”) represents a rare opportunity to lease or purchase and redevelop a historic, two-story brick schoolhouse in the heart of Woodinville’s Town Center. The Site, situated at the North end of the Woodinville Civic Complex, has direct access to NE 175th St and benefits from excellent access, high traffic and visibility and a diverse group of surrounding amenities. Owned by the City of Woodinville (“City”) and currently vacant, the City envisions the Site being reinvigorated as an influential hub, in keeping with and enhancing Woodinville’s culture and identity as a center for wine, culinary and arts development. The Property’s Commercial Business District zoning combined with its historical significance within the community make it a unique and high-profile rehabilitation opportunity.



## PROPERTY QUICK FACTS

<b>ADDRESS:</b>	13203 NE 175th Street Woodinville, WA 98072
<b>LOT SIZE:</b>	Approximately 0.35 acres (15,000sf)
<b>PIN:</b>	1026059024
<b>ZONING:</b>	CBD, within the Civic Gateway Design District
<b>OWNERSHIP:</b>	City of Woodinville
<b>UTILITIES:</b>	Served by City water and sewer system, natural gas and electricity
<b>SITE CONDITION:</b>	±18,400 sf two-story historical schoolhouse, +/-15,000 lot. Parking would be provided on the surrounding parking lots (to remain in city ownership) through an easement.
<b>TRANSACTION:</b>	Long-term lease or Fee-simple sale

## OFFERING HIGHLIGHTS

- Excellent location within the heart of the City of Woodinville’s Town Center
- Highly unique historical development opportunity
- High frontage exposure with approximately 18,000 daily trips along NE 175th St
- Excellent retail demographics, high demand for additional space

## PROPERTY OVERVIEW

### HISTORICAL USE

The Property is located on the City's Civic Campus and is the site of Woodinville's first public school, established in 1881. Originally a two-room, wood frame school building, it was rebuilt as a masonry building in 1909 after a fire destroyed the original structure. This masonry construction made the Schoolhouse one of the only brick schoolhouses in the King County area to exist outside of Seattle. A small portion of the original 1909 brick building is still visible at the west end of the southern elevation.

As more classroom space was required due to the City's growth, the brick building was later integrated into a larger structure designed by Frederick Bennett Stephen, a respected Seattle architect who also designed the 1948 east wing addition. After serving its function as a schoolhouse for many decades, the Property later became the first Woodinville City Hall, a function it served from 1993 to 2001. Its long-standing history and reflection of the City's growth led to the Schoolhouse's designation as a historic landmark in 2001. Since that time, the building has remained vacant in its designated condition with occasional preventative maintenance performed by the City.

### HISTORIC PRESERVATION/LANDMARK OVERVIEW

In September of 2001, recognizing the Schoolhouse's history and impact on the City of Woodinville, a preservation and landmark status designation process was initiated. The Woodinville Landmarks Commission unanimously designated the Site as a City Landmark on December 20, 2001. Designated Features of Significance include the entire exterior of the Woodinville Schoolhouse and the land area of the parcel itself.

Historic preservation in the City is governed by an Interlocal Agreement for Landmark Services with King County. While the City is responsible for the designation and general oversight of a landmark, the County reviews any request that seeks to modify the landmark. Per County and City regulations, no significant feature may be altered regardless of whether a building permit is required, unless a Certificate of Appropriateness ("COA") from the County Landmarks and Heritage Commission is awarded.

The designation documents specific to the Schoolhouse also prohibit any new structure, building, road, intensive landscaping or fence construction within the parcel unless a COA is first obtained. As part of this process, the proposed redevelopment will need to preserve, to the extent possible, designated features of significance including the entire exterior of the building. According to the King County Historical Preservation Program, the Landmarks Commission uses The Secretary of Interior's Standards for the Treatment of Historic Properties and companion guides to inform the COA design review process. The Commission acknowledges that in order to prolong a historic landmark, changes are often needed and award COAs after considering the following four factors:

- *The extent of impact on the historic property;*
- *The reasonableness of the alteration in light of other alternatives available;*
- *The extent alteration is necessary to meet the requirements of law; and*
- *The extent alteration is necessary to achieve a reasonable economic return.*



## INCENTIVES

The Schoolhouse's historic designation makes certain incentives available to the property owner. These include:

- *Eligibility for grant funds for building rehabilitation or stabilization through the King County Landmarks and Heritage Program Office (additional funding sources are identified on page 12)*
- *Eligibility for technical assistance from the King County Landmarks and Heritage Commission and staff*
- *Eligibility for historic site marker*

## CURRENT CONDITION

Through the period of vacancy since the relocation of City Hall, the Schoolhouse has been relatively well maintained and exhibits many ornate features which likely remain viable including:

### EXTERIOR

- *The brick exterior is in generally good condition and is noted for the WPA Moderne design*
- *The exterior doors are original, wood double doors that are in fair condition*
- *The roof is in fair condition with approximately 5-10 more years of serviceable life*

### INTERIOR

- *Interior walls are generally in good condition, and newer doors and hardware have been installed*
- *Original wood (fir) trim on doors and windows are in fair condition*
- *Most window sashes and stools on the 1st and 2nd floor are in fair condition*



## ANTICIPATED RETROFITS & CURRENT CODES

Despite its generally sound condition, the Property will require significant retrofitting and upgrades to comply with current codes and to restore functionality in support of market-based usage. The full scope of required improvements depends heavily on the proposed use but even with exemptions allowed due to the Site's Landmark status, some work will be required to bring the structure up to current building, safety and energy minimums, though some can be waived due to landmark status.

The Schoolhouse building was designated for B and A-3 occupancy within the last 20 years. This would allow for an occupant load of 198. However, given recent changes in fire code, the building is no longer in compliance with minimum use separation requirements and will require the installation of fire suppression systems. The installation of fire suppression would also bring the building into compliance with current egress codes which would otherwise require a minimum separation between exits of 75 feet. Energy codes will also require upgrades to the structure to comply with current regulations. However, given the Site's status as a historic landmark the City can grant relief from full compliance if supported by code officials. Comprehensive Assessment Reports will be made available by the City through the Due Diligence FTP.

**Key areas of improvement likely include:**

**EXTERIOR**

- Energy code and ADA access compliance
- Roofing and basement membrane replacement
- Steel structure/lateral bracing for seismic



**INTERIOR**

- ADA compliance upgrades such as accessible restrooms, ramping and elevator
- Structural enhancement/retrofitting with beams, columns and footings supporting main floor structure
- New framing anchors and drags from floor to ceiling diaphragm
- Retrofit to code-required lateral/shear load regulations with concrete or plywood and steel frames and foundations at East and West sides.
- Insulation to achieve modern efficiencies
- Mechanical and plumbing overhaul- waste, supply and vent line replacement, fire sprinkler system, 6" water main, new heating system
- Replacing floor finishes on all floors, which are currently in poor condition, show signs of water staining, and/or warping due to age and previous water damage

Due to the wide range of prospective uses and the unique nature of the building, the City encourages prospective developers to conduct site visits in order to better ascertain the level of renovation needed. The City will conduct walkthroughs with prospective respondents and/or their consultants. See page 10 for scheduling details.

**DEED RESTRICTIONS**

Deed documents from the Civic Complex's original lot configuration place certain restrictions on portions of the Site. The majority of the deed restriction area covers what is now the Schoolhouse parking lot but a portion of the Schoolhouse Building is also impacted. From original drawings and subsequent interpretations by licensed surveyors, it appears that a (+/-) 5 foot strip along the easternmost wall of the Schoolhouse is subject to a restriction prohibiting the sale and/or consumption of any distilled or malt liquor. According to existing documents, the combined area impacted on floors 1 and 2 totals approximately 3,000 square feet. The size and configuration of this restriction likely minimizes its impact given the scale of the building but should be evaluated when considering potential layout and design factors.



**PARKING**

Parking is a primary challenge in the redevelopment of the Woodinville Schoolhouse Property. The uses surrounding the Property are generally parking-intensive and are heavily trafficked, leading to a shortage of parking in the area. The Property is adjacent to the Carol Edwards YMCA and though the two uses share a large parking lot, the Schoolhouse is currently allocated only 17 spaces. Additional parking demand is generated by the adjacent sports fields which have become a heavily-used component of the Civic Campus. All proposals must satisfactorily address short-term and long-term parking needs and code requirements. Satisfactory approaches could include the construction of a new parking structure adjacent to the Carol Edwards building or one of the surface parking options depicted below.

PARKING REQUIREMENTS - Sample Use				
	BREWERY WINERY*	GASTRO-PUB*	RETAIL	TOTAL
<b>RATIO</b>	<b>1:75</b>	<b>1:75</b>	<b>1:300</b>	<b>1:205</b>
<b>ASSUMED SF</b>	<b>4,000</b>	<b>3,000</b>	<b>4,200</b>	<b>11,200</b>
<b>TOTAL STALLS</b>	<b>27</b>	<b>40</b>	<b>14</b>	<b>81</b>

\* Assumes 2,000 SF tasting area and 800 SF dining room.

It is anticipated that the sale or lease of the Schoolhouse Site will include a provision for joint-use or shared parking with the City campus, including a pro rata contribution towards the costs to operate and maintain the parking area/structure. The design and exact location of the future parking has not yet been finalized but the City anticipates working closely with prospective buyer/lessee to arrive at a mutually beneficial solution. Given the likely timeline for redevelopment of the Schoolhouse, delivery of additional parking onsite needs to be coordinated with occupancy of the project.



## NEIGHBORHOOD OVERVIEW

### ZONING & SURROUNDING USES

The Site is uniquely situated in the heart of Woodinville’s town center among a hub of recreation activity. The Woodinville Sports Fields directly adjacent to the Site were recently constructed by the City and are heavily used by adult and youth sports programs, community groups and private gatherings. The Wilnot Gateway Park West of the site serves as Woodinville’s flagship park at nearly 4 acres and is also heavily trafficked year-round with connections to the Sammamish River Trail. Other proximate uses include a variety of restaurants, coffee shops, bars, parks, and entertainment.

The Site is zoned Central Business District (“CBD”), a designation intended to promote a broad mix of urban retail, high density residential, service, recreational and cultural uses. The CBD serves regional markets while cultivating local employment and offering a range of housing opportunities. The City seeks to encourage compact and varied development within the CBD. This diversity of uses in the area surrounding the Site earns it a Walk Score of 82 (“Very Walkable”). Nearby uses include a variety of restaurants, coffee shops, bars, parks, and entertainment. Adjacent to the site, the construction of an 800-unit multi-family/retail mixed use development, Woodin Creek Village, began in July 2014 and will continue over the next several years.

#### Uses allowed in the CBD zone include:

- *Theaters*
- *Museums*
- *Galleries*
- *Winery/Brewery*
- *Tasting Room*
- *Drive-Through*
- *Daycare*
- *Amusement*
- *Medical Offices*
- *General Offices*
- *Retail*
- *Hotel/Motel*
- *Food production*
- *Education*
- *Gift Shops*
- *Residential*

The Civic/Gateway Design District which overlays the Site expresses a preference for public and high visibility uses. It places an emphasis on attractive streets, landscaping and pedestrian connections and imposes certain development standards and guidelines which emphasize design character as seen from streets and pedestrian connections.



## DEMOGRAPHICS & MARKET OVERVIEW

The City of Woodinville and the communities surrounding it are generally affluent and rank among the top 7% of census areas in the State on a per capita income basis. The local economy in Woodinville benefits from significant tourism thanks to the area's national reputation for wine and spirit production. Light industrial and retail uses are also strong in the Woodinville area but the City serves largely as a bedroom community for surrounding employment centers. A City-commissioned retail leakage study completed in 2012 indicates that the City has a demand for another \$173 million in annual sales in its primary retail trade area, and \$560 million in its secondary retail trade area.

### DEMOGRAPHICS ANALYSIS & PROJECTION - By Site Radius

Site Radius	2013			2018		
	1 Mile	3 Mile	5 Mile	1 Mile	3 Mile	5 Mile
Total Population	9,856	71,908	193,097	10,194	74,930	201,692
Total Households	4,319	28,744	76,032	4,513	30,245	79,904
Median Age	35.4	38.2	38.5	36.0	38.6	38.9
Total Housing Units	4,624	29,732	78,214	4,906	31,414	82,297
Occupied Housing Units	93.4%	96.7%	97.2%	92.0%	96.3%	97.1%
Average Household Income	\$92,795	\$105,559	\$109,849	\$103,328	\$119,017	\$123,265
Median Household Income	\$70,286	\$79,296	\$85,789	\$80,218	\$92,091	\$97,858
Total Household Expenditure	\$64,886	\$68,000	\$70,046	\$74,627	\$78,370	\$80,539

### RETAIL VACANCY RATES



### OCCUPANCY & DEMAND

The real estate market in and around Woodinville is strong, marked by competitive rents and generally low vacancy. Recently constructed class A and B office space rents for \$24-\$26/sf (gross) with approximately 10% vacancy in the market. Retail rents in the area trend higher at \$30-\$32/sf (NNN) driven by the 2% vacancy rate within the City boundary. The previous 5 years have seen an average retail leasing absorption of over 50,000sf annually. With just 49,000sf unoccupied in a recent survey, the Woodinville market may soon see more demand for retail space than is currently available.

## OFFERING INTENT/INTENDED USE

### “THE THIRD PLACE”

The City’s vision for the restoration of the Woodinville Schoolhouse centers on the creation of a place that fosters broad and diverse interactions within the community. The ideal use would be a mix of amenities that support Woodinville’s identity as a center for culinary, wine and arts development and as a destination for both tourism and retail activities. The flexibility of the CBD zone provides for a wide range of uses but preference will be given to proposals that utilize the historic character of the Schoolhouse to create a unique and compelling face for the City’s Civic Complex.

### STRUCTURE, OWNERSHIP & CONTROL

The City is offering the Woodinville Schoolhouse as a fee-simple purchase or long-term lease. The City seeks to sell/lease the Property to a party willing and able to conduct a restoration of the Building and to pursue a use in keeping with the City’s vision for the Civic Campus and Town Center. Specific terms are to be included and negotiated as part of the submittal process.

### SIMILAR/REPRESENTATIVE PROJECTS

#### *WALLINGFORD CENTER - Seattle, WA*

Wallingford Center is the result of collaboration between the City of Seattle and the Seattle School District to adaptively re-use the Interlake Elementary School, a Seattle Historic Landmark built in 1904. Lorig Associates, a local Seattle developer, leased the building from the Seattle School District and renovated the originally 53,000 square foot school, turning it into a vibrant, mixed-use community with two floors of retail, services and restaurants, topped by a third floor of 24 studio apartments.



#### *GOOD SHEPHERD CENTER - Seattle, WA*

The Home of the Good Shepherd was built in 1906 to provide shelter, education and training to young women in need. The City of Seattle bought the property in 1975 and it was designated a Historic Landmark in 1984. Today, the Good Shepherd Center is owned and operated by Historic Seattle and is home to numerous nonprofit organizations and schools, including the Meridian School, Neo Art School, the Wallingford Senior Center, the Alliance Française, and Seattle Tilth. In addition, there are six live/work units that serve as artist studios, all of which are currently occupied.



#### *PHINNEY CENTER - Seattle, WA*

The Phinney Center was originally the John B. Allen Elementary School, built in 1904 and designated a landmark in 2008. The Phinney Neighborhood Association (“PNA”), which began leasing the property in 1981 and subsequently purchased the campus from the Seattle School District in 2009, has utilized the space as a community center, opening the Phinney Neighborhood Preschool Co-op, the Phinney Center Gallery, and the Well Home Program tool lending library. The PNA continues to offer activities and programs at Phinney Center, all of which support and galvanize the community.



**ANDERSON SCHOOL - Bothell, WA**

Built in 1931, the Anderson School is currently being redeveloped by McMenamins. Originally Bothell Junior High, the school includes four buildings on 5.41 acres. McMenamins, in collaboration with the City of Bothell, is currently in the process of raising capital to renovate the school to include 73 hotel rooms, restaurants and small bars, an on-site brewery, a movie theater, and a swimming pool with a full service spa. McMenamin’s has proposed a unique crowd-funding finance structure for qualified investors to raise the required equity for the project.



**UNIVERSITY HEIGHTS CENTER - Seattle, WA**

The University Heights Center has long been a center of cultural arts and education in the University District of Seattle. A National Historic Place, City of Seattle and WA State Landmark, the University Heights Center was built in the early 1900s as an elementary school. Due to lack of maintenance, the building exterior was in dire need of renovation, and, in 2010, was awarded restoration grants from 4Culture, American Express, and the National Trust for Historic Preservation. The project team, which included the University Heights Center for the Community Association, Johnson Architecture & Planning, and Marpac Construction, was awarded the 2011 Best Preservation Practice by Historic Seattle for this project.



**MELROSE MARKET - Seattle, WA**

Melrose Market consists of two historic automotive buildings in the west end of Seattle’s Pike-Pine neighborhood that were constructed in 1919 and 1926. In late 2009 developer Dunn + Hobbes renovated the buildings, retaining many of the original features and converted them into a diverse culinary market. Melrose Market opened for business in spring of 2010. The buildings feature exposed wood beams, ceilings and brick and concrete walls, creating a highly unique old-growth timber feel. Artisan meat, cheese, wine and produce shops quickly occupied the restored space which has garnered national attention from development, culinary and architecture publications.



**THE PISTON & RING BUILDING - Seattle, WA**

The Piston & Ring building, part of the 12th Avenue Marketplace project, was built in 1926 as an auto-row garage on Seattle’s Capitol Hill. Dunn+Hobbes Undertook the renovation and expansion in 2006 and restored the storefront. They also inserted a number of new elements from the upstairs loft to the below street level mezzanine that now serves as a shared workspace for local architecture firms. The upstairs areas are occupied by high end restaurants that take full advantage of the generous ceiling heights, warm, exposed timber and highly unique dining experience.



# TRANSACTION PROCESS

## RESPONSE GUIDANCE

The purpose of this outreach is to solicit anticipated terms and concepts for the purchase/lease and redevelopment of the Schoolhouse Site. Respondents should clearly explain their vision for a redevelopment project and should outline their qualifications and experience in similar endeavors. Submittals should also include specific transactions terms such as purchase/lease price, feasibility period, amount of earnest money deposit and anticipated close/lease commencement. Once qualifications and terms are reviewed, the City will compile a shortlist of the top candidates with whom to negotiate. To assist in selecting qualified parties, the City requests the following:

### SUBMITTAL REQUIREMENTS

- **Team**
  - Key members of the Development Team
  - Background on investor/sponsor or capital partner and relationship with Development Team
- **Qualifications and history with similar projects**
- **Project concept- description of the proposed use and discussion of concept**
- **Proposed project timeline**
- **Anticipated project costs**
- **Transaction Terms**
  - Purchase Price/Lease Rate
  - Feasibility Period
  - Earnest Money Deposit
  - Anticipated Close/Lease Commencement
  - Anticipated Contingencies

## KEY TERMS

The City has identified key transaction terms which should be addressed in all proposals. These terms are intended to protect the City's interest in the renovation and ongoing use of the Schoolhouse as a key component of its Civic Campus. These terms include the following:

- **SALE - Right of First Offer (ROFO):** The City will insist on a ROFO provision that grants it the right to make the first offer if and when the Property is made available for sale. This ROFO will run with the land and will grant this right to the City in perpetuity. The duration of this ROFO should factor in the time taken to initiate Council action and should require a response in no less than 45 days after notice.
- **SALE OR LEASE - Performance Provisions:** The City wishes to include in the sale contract a provision that ensures significant progress is made toward renovation of the Schoolhouse upon completion of the sale and sets key milestones for the ongoing project.
- **SALE OR LEASE - Use Restrictions:** The nature of the Schoolhouse as a neighbor to City Hall and a key component of the Civic Campus creates a unique need to restrict uses that are not in keeping with the City's vision for the site. These uses will likely include adult-oriented businesses and other explicit uses.

## DUE DILIGENCE

The City has made a number of materials available for due diligence via a secure FTP sharing site, including:

- **Existing floor plans and elevations**
- **Photographs of interior/exterior of building**
- **Property survey**
- **Deed restriction survey exhibits**
- **Parking expansion options exhibits**
- **Historic preservation documentation**
- **Seismic evaluation report**
- **Mechanical system report**
- **Previous feasibility studies**

Please contact the Transaction Team for information about accessing the FTP site.



**PROPERTY WALKTHROUGHS**

Please contact the Transaction Team to schedule a walkthrough of the Property.

**DUE DATE**

Initial responses should be submitted no later than **APRIL 30TH, 2015**. Please email offers directly to the Transaction Team no later than this date.

	MAR	APR	MAY	JUN	JUL	AUG	SEP
Offering Advertisement		APR 30 DEADLINE					
Proposal Evaluation							
Finalists Council Presentation							
Select Finalist for Negotiation							
Negotiate Terms							
Execute Final Agreement							

**TRANSACTION TEAM CONTACT INFORMATION**

**H E A R T L A N D**

Matt Anderson  
 Principal & Senior Project Director  
 (206) 682-2500 x131  
[manderson@htland.com](mailto:manderson@htland.com)

Andy Campbell  
 Project Manager  
 (206) 682-2500 x113  
[acampbell@htland.com](mailto:acampbell@htland.com)

**COUNCIL APPROVAL PROCESS**

Upon receipt and staff review of initial responses, the City will coordinate an initial phase of negotiation with qualified candidates. At the end of the initial negotiation phase the City will narrow candidates down to a shortlist and enter into final negotiations with no more than three (3) candidates. At such time these shortlist proposals will be brought before the City Council in Committee or Executive Session to evaluate and select a final buyer/lessee for the Site.

**THE CITY RESERVES THE RIGHT TO REJECT ANY PROPOSAL OR WAIVE ANY SUBMITTAL REQUIREMENTS.**



## ADDITIONAL INFO/PROSPECTIVE SOURCES OF FUNDING

Due to historic nature of the site and the range of prospective uses outside funding may be available to assist with the cost of rehabilitation and/or operation of the property.

### **4CULTURE** <http://www.4culture.org/apply/landmarks/index.htm>

4Culture offers a range of grants and funding opportunities to support and preserve King County's shared heritage. In particular, the 4Culture's Landmarks Capital program provides funding for "bricks and mortar" projects that preserve designated landmarks. Funding can be used for design, materials, and labor for rehabilitation projects, and can range from \$3,000 - \$30,000.

### **HERITAGE CAPITAL PROJECTS FUND** <http://www.washingtonhistory.org/support/heritage/capitalprojectsfund/>

Nonprofit organizations, local government agencies, tribal governments and public development authorities can apply for funding to support heritage capital projects. Funding will reimburse 33% of eligible costs, and the grantees must provide at least a 67% match. The property must be held a minimum of 13 years beyond project completion and must provide significant public benefit in the form of heritage interpretation and preservation. The minimum project cost must exceed \$25,000 and the grant will not exceed \$1,000,000.

### **NATIONAL TRUST PRESERVATION FUNDS** <http://www.preservationnation.org/resources/find-funding/preservation-funds-guidelines-eligibility.html>

The National Trust Preservation Funds offer grants to public agencies and nonprofit organizations in support of preservation projects. Applicants must be capable of matching the grant amount dollar for dollar, and may be used towards planning activities or education efforts focused on preservation. Grants range from \$2,500 to \$5,000.

## TAX INCENTIVES

### **FEDERAL REHABILITATION TAX CREDIT** <http://www.nps.gov/tps/tax-incentives.htm>

A 20% federal income tax credit is granted for the rehabilitation costs of any certified historic structure for commercial use. Generally, only costs that are directly related to the upkeep or improvement of structural and/or architectural features qualify for the calculations for the 20% tax credit. All rehabilitation work must meet the Secretary of the Interior's Standards for Rehabilitation, as determined by the National Park Service.

### **SPECIAL VALUATION FOR HISTORIC PROPERTIES** [http://www.seattle.gov/neighborhoods/preservation/incentives\\_state.htm](http://www.seattle.gov/neighborhoods/preservation/incentives_state.htm)

For a 10 year special valuation period, costs of rehabilitation are deducted from the assessed value of the property and property taxes will not reflect significant renovations made to the property. The Landmarks Board must approve all expenses and the rehabilitation must be equal in cost to at least 25% of the present assessed value of the property.

### **CURRENT USE TAXATION** <http://www.kingcounty.gov/property/historic-preservation/resources-links.aspx>

This program allows a designated landmark owner to receive a property tax adjustment that reflects a property's "current use" as opposed to the "highest and best use" of the land. Landmark owners can receive a 50% or more reduction in taxable value for the property in "current use."



**CONFIDENTIAL OFFERING MEMORANDUM**

*The City of Woodinville ("City") has engaged Heartland LLC, ("Heartland") as real estate advisor on an exclusive basis in connection with the leasing of the Property.*

*This Offering Memorandum ("Memorandum") is being delivered to parties who may be interested in the Property.*

*By acceptance hereof, each recipient agrees not to reproduce or use in whole or in part the information contained herein, or any other information that is not already public, and to use this Memorandum only for the purpose of evaluating the offering made hereby.*

*The Site is offered in an "AS-IS" condition with all faults, without representations or warranties of any kind or nature. Heartland LLC does not represent or warrant the accuracy or completeness of the information contained in this Memorandum. Nothing contained in this Memorandum should be construed as a representation by any person as to the future possibilities or performance of the Property. Potential Lessees should conduct their own due diligence.*

*Any commission paid to a broker representing the Lessee will be paid by the Lessee. No finder's fees, commissions, expenses, or other compensation will be paid by Heartland or City to agents, consultants, advisors, or other intermediaries or any interested party. The City expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to lease or purchase the Site, and / or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Offering Memorandum. The City shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to lease or purchase the Site unless and until written agreement(s) for the lease or purchase of the Site have been fully executed, delivered, and approved by the City and any conditions to the City's obligations therein have been satisfied or waived.*

*Heartland and City endeavor to conduct this transaction in a manner that minimizes any disruption to the operations and employees of City and other related third parties. To that end, interested parties should be aware they are precluded from having any discussions or communications of any kind with the management of any of the above noted parties or any director, shareholder, employee, contractor, creditor, supplier, or customer of the above noted parties, or any agents or representatives of the foregoing, without Heartland or City's express written consent. All communications or inquiries regarding this opportunity or any other matters relating to this letter should be directed to Matt Anderson or Andy Campbell, per the contact information provided above.*

