

January 23, 2017

*Via Email to Jesus.Aguirre@seattle.gov*

Seattle Department of Parks and Recreation  
Jesus S. Aguirre, Superintendent  
100 Dexter Avenue North  
Seattle, WA 98109

*Re: Seattle Asian Art Museum Renovation and Expansion at Volunteer Park*

Dear Superintendent Aguirre,

I am writing in response to your letter dated January 6, 2017, requesting additional information about the proposed Seattle Asian Art Museum renovation and expansion at Volunteer Park (the "Project"). Please find the requested information below.

The Seattle Art Museum is happy to provide this requested information as it is in keeping with our long-standing partnership with the Department of Parks and Recreation (the "Department") in the management of the museum building, which dates back to the museum's initial conception in 1931. We hope this information is sufficient to address your questions. Please don't hesitate to let us know if you have any additional follow-up questions.

**I. Requested Information**

*A. How does the expansion support the mission of the museum?*

The Project is fundamentally driven by SAM's mission.<sup>1</sup> The Project, including the renovation and modest expansion of the museum building will allow SAM to continue to fulfill its mission by creating an updated space for the Asian Art Museum that can house the basic functions of a modern museum, including areas for necessary back of house activities to support its collections and exhibitions, along with areas for loaned exhibitions, community events, and educational programs serving the public. The Asian Art Museum will be better suited to connect citizens with SAM's significant collection as a result of the Project.

In contrast, without the Project, the condition of the museum building will continue to degrade and become increasingly inadequate to meet basic museum functions, let alone modern museum needs for a variety of spaces. If the Project does not go forward, then SAM will have to consider other alternatives to

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<sup>1</sup> SAM's mission is as follows: "SAM connects art to life. Through art, the Seattle Art Museum enriches lives and engages diverse communities. As the leading visual art institution in the Pacific Northwest, SAM draws on its global collections, powerful exhibitions, and dynamic programs to provide unique educational resources benefiting the Seattle region, the Pacific Northwest, and beyond."

SEATTLE  
ART  
MUSEUM

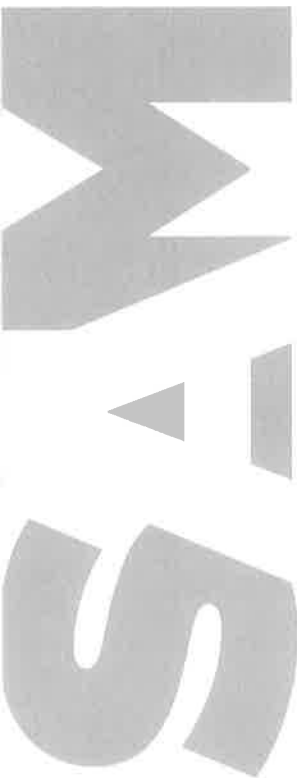
ASIAN  
ART  
MUSEUM

OLYMPIC  
SCULPTURE  
PARK

1300 First Avenue  
Seattle, WA 98101

206.625.8900

seattleartmuseum.org



operating a museum in the museum building. That is not an outcome SAM desires as it would be antithetical to SAM's mission and the obligations in the original agreement for construction of the museum building that require it be used for museum purposes. See Ord. 61998.

- B. *Is SAAM's business model financially dependent on the expansion? If so, are there alternatives to the expansion that would support the Seattle Art Museum in achieving its financial goals?*

The Seattle Asian Art Museum's business model is not financially dependent on the Project. SAM's budget consists of earned revenue and contributed revenue. Contributed revenue, including income from SAM's endowment and donor gifts, provides approximately 80 percent of SAM's budget. Earned revenue, including revenue from ticket sales and rental fees, accounts for only 20 percent of SAM's budget. Although SAM expects earned revenue at the Asian Art Museum to modestly increase with the Project, that increase is not expected to change the balance of earned revenue versus contributed revenue in SAM's budget or cover the increased operating expenses associated with the Asian Art Museum and museum building after Project completion.

The Project is anticipated to increase SAM's operating costs by an estimated \$300,000-\$400,000 a year, depending on variable exhibition costs and staffing. SAM projects that it can serve 100,000 visitors annually at the Asian Art Museum with the Project, up from the current level of 65,000-75,000 visitors. SAM receives approximately \$2.30 per visitor, so that increase would account for approximately \$57,000-\$80,000 in increased earned revenue. In addition, SAM estimates that event revenue could increase from \$40,000 annually to \$80,000 annually with the Project. However, those earned revenue increases do not cover the estimated additional operating costs of the Project to SAM and result in at least an \$180,000 budget deficit. SAM is dedicated to complete the Project despite that budget gap and the need to seek out additional funding sources in the community because the Project is driven by SAM's mission.

- C. *What steps will be taken to ensure that underserved communities benefit from the project?*

SAM and the Asian Art Museum currently offer numerous programs and initiatives that benefit traditionally underserved communities. SAM will continue and deepen this commitment once the Project is completed through the following initiatives, to name a few:

- Increased access to education and family programs. SAM currently hosts a number of education and family programs, and it hopes that attendance at these programs will more than double with the Project from serving 4,500 students per year to 10,000. The separation of the Asian Art Museum's education and event spaces is a key factor that will allow SAM the space to expand these education programs.
  - Emphasis on South Asian Art in addition to increased access to current collections. One of the objectives of the Project is to provide new gallery
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space to allow for loan exhibitions from other museums and collections worldwide, without compromising SAM's ability to display its own significant collection of Asian art. One of SAM's goals for this new gallery space is to bring focus to South Asian art (from India and Pakistan, in particular). SAM considers this focus important as the South Asian community in our region has grown significantly over the past decade and it should be represented.

- Gardner Center for Asian Art and Ideas. The Gardner Center offers dynamic public programs at the Asian Art Museum that explores the vast diversity of Asia and its presence in the world. Gardner Center programs include lectures, film viewings, performances, and visual artists' demonstrations. Gardner Center programs will continue and be expanded with the Project as the building's event and education spaces will be separated to allow for additional programming.
- Free admission days. SAM provides a number of free admission days to various visitors of the Asian Art Museum. These free days ensure that community members of all income levels are able to access and learn from the Museum's collection and exhibitions. Currently, the first Thursday of the month and second Thursday evening of the month are free to all visitors, the first Friday of the month is free to senior citizens, and the first Saturday of the month is free to families. SAM intends to keep this free admission program in place at the Asian Art Museum after the Project is completed.
- Art Beyond Sight Tours. At all of its locations, SAM provides special tours free of charge to visitors with low or no vision. SAM intends to keep this program in place at the Asian Art Museum after the Project is completed.

*D. How long has the expansion project been planned?*

The Project was first conceived as early as 2006, and the Department and the public have played an important part in its development since that time.

In 2006, SAM tasked numerous consultants with studying potential climate control and seismic upgrades to the building. As a result of that study, in 2008, the City Council approved the reprogramming of \$2 million in City funds originally slated for improvements related to the Olympic Sculpture Park for use instead for design and planning work for improvements to the museum building. *See Ord. 122590.* At that time, the Project had an estimated cost of approximately \$24 million and included only climate control and seismic upgrades in its scope. At that time, SAM and the City also informally agreed that if SAM completed design work and obtained permits for the Project, then the City would provide \$11 million toward completion of the Project. \$9 million of the City's contribution was to come from the voter-approved 2008 Parks and Green Spaces Levy. SAM was to fundraise for the remaining balance of the Project's cost and potentially start work in 2009.

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Unfortunately, the Great Recession and the resulting insolvency and Federal seizure of Washington Mutual Bank meant that the Project was never realized on the anticipated schedule. Subsequently, in 2014, SAM and the City readdressed the Project's scope and funding. *See* Ord. 124571. SAM and the City agreed that the funds from the 2008 Parks and Green Spaces Levy be reprogrammed for other Park purposes to prevent expiration of the funds. *Id.* In that agreement, the City recommitted to financially support the Project with a minimum of at least \$11 million, escalated by inflation to the eventual date of the start of construction. SAM and the City also agreed that SAM could pursue an expanded scope of the Project in the future that would better serve the Museum. *Id.* Consistent with that notion, the City agreed to consider additional City support for an expanded Project scope if SAM could persuade the City of the benefits of such an approach. In fact, late last year, in adopting the capital improvement budget for the Parks Department, the City Council provided for a total of some \$19 million toward Project costs, assuming successful permitting and a 2017 Project start date. SAM is profoundly grateful for the City's financial participation in the Project.

Pursuant to those agreements and history with the City, SAM started planning for the Project including the current scope in earnest in April 2016. Since the planning effort started, SAM has engaged the Department and the public in numerous ways including through Parks Commission meetings, public meetings, design charrettes with various groups, and the Landmarks Preservation Board and Master Use Permit review processes. More than 20 stakeholder meetings and briefings have been held. That engagement and input has shaped the current proposed Project scope and design.

E. *What steps have been taken to assess Initiative 42?*

As you know, the City Council adopted proposed voter Initiative 42 by enacting Ordinance 118477 in 1996. That legislation prevents land and facilities held by the City "for parks and recreation purposes" from being "sold, transferred or changed from park use to another usage" unless certain conditions are met.

Fundamentally, use of City park land and facilities for public museum purposes is a widely accepted park and recreation use and therefore Initiative 42 is not implicated in the modest expansion of the existing museum building within Volunteer Park. In 1931, when adopting its Ordinance 61998 providing for the construction of the original Seattle Art Museum in Volunteer Park, the City Council described "a building . . . suitable for museum and other park purposes and for use as an adjunct to . . . (the) Park." Clearly, from its inception, the City always has considered the museum a park purpose.

Consistently, expanding the museum will not change park property from "park use to another usage." Other City Council precedents confirm that Initiative 42 does not apply to museum projects undertaken within City parks. Although there are other earlier examples, several projects undertaken since enactment of Initiative 42 reflect this position. These include the provision of park facilities and land to the Center for Wooden Boats for its Education Center; the Museum of History & Industry for its new Armory location; and museum structures constructed by SAM on public park property as features of its Olympic Sculpture

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Park, all of which occurred without complying with or specifically superseding Initiative 42. That museums are park and recreation uses also is the overwhelming prevailing view of courts in Washington and elsewhere.

F. *Is the SAAM expansion linked to museum visitation? If so, have you addressed the visitation to ensure that the current level of visitation justifies the expansion?*

SAM hopes visitation to the Asian Art Museum will increase modestly with the Project, but it is not the primary goal of the Project. As stated above, the Project is driven by SAM's mission and the need to upgrade the building to continue the Asian Art Museum in the museum building at Volunteer Park. The Project is not driven by financial incentives, as even with the hoped for attendance increase the Project will create a net operating loss for SAM. If visits to the Asian Art Museum did not increase with the Project, then SAM would need to further cover the increased operating costs with increased contributed income, but that is a risk SAM acknowledges and is willing to take to fulfill its mission.

Additionally, as stated above, if the Project does not go forward, then the Asian Art Museum will no longer be viable at this location in the future due to continued building degradation, and SAM would need to vacate the building at some point. If that occurred, the approximately 65,000-75,000 annual visitors to the Asian Art Museum currently would not be accommodated in the historic museum building.

## II. Conclusion

As you are aware, the Project is undergoing a rigorous public approval process and we look forward to your continued support and participation in that process as it progresses. Although the approval process is ongoing and not yet final, please note that the Asian Art Museum will be closing starting on February 27, 2017. The Museum's closure has been long planned and coordinated with exhibit schedules in order to allow time to move artwork out of the museum building and prepare it for potential future work. The process of moving and preparing the Asian Art Museum's collection for long-term storage is complex and cannot occur while the Museum is open. SAM understands that it has not received final approval for the Project and that approval is not a foregone conclusion; however, closure on the timeline planned is necessary even for the seismic and building systems components of the Project to proceed in the event they are approved.

Thank you again for your commitment to working with SAM to ensure the Project provides the public benefits that SAM's mission and the City require, and the public deserves. We look forward to continuing and deepening our partnership as SAM and the Department both have the best interests in the museum building and Volunteer Park in mind.

Sincerely,



Kimerly Rorschach  
Illsley Ball Nordstrom Director and CEO, Seattle Art Museum

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