Dave Barber SCL DOIT to SCL Property Transfer ORD March 29, 2013 Version #1

for this transfer.

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CITY OF SEATTLE

COUNCIL BILL _/ _ 7889

AN ORDINANCE relating to City real property; authorizing the transfer of jurisdiction of

certain property in Block 1, Wenzel Addition to the City of Seattle, commonly referred

full value by the City Light Department to the Department of Information Technology

Washington, and further identified as King County Tax Parcel Number 924790-0045

property at 1125 North 98th Street abuts the property of the City Light Department and

WHEREAS, as authorized by Ordinance 123619, the Department of Information Technology acquired the real property commonly known as 1125 North 98th Street in Seattle,

WHEREAS, City Light's North Service Center is badly overcrowded and cannot be expanded to the north, south, or east due to the presence of residential neighborhoods, and the

WHEREAS, City Light has agreed to pay the Department of Information Technology the true

Section 1. The Director of the Department of Information Technology is hereby

authorized to transfer to the City Light Department jurisdiction over the following described real

Lots 9, 10, 11 and 12, Block 1, Wenzel Additional to the City of Seattle, according to

the Plat thereof recorded in Volume 19 of Plats, page 31, in King County, Washington.

and full value for the transfer of the Property; NOW, THEREFORE,

(the Property), by quit claim deed dated December 16, 2010; and

will be used to relieve the existing overcrowding; and

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

to as 1125 North 98th Street, from the Department of Information Technology to the City Light Department for electric system purposes; and authorizing the payment of true and

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ORDINANCE

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property:

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Form Last Revised: December 13, 2012

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Dave Barber SCL DOIT to SCL Property Transfer ORD March 29, 2013 Version #1

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Section 2. The Superintendent of the City Light Department is hereby authorized to accept jurisdiction over said property and shall manage and control said property for its intended use as part of the electric system.

Section 3. The City Light Department shall pay the Department of Information

Technology \$900,000 for this transfer of jurisdiction. The funds for this transfer shall be paid by
the City Light Fund (4100) and the proceeds shall be deposited in the Cable Television Franchise
Subfund (00160).

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Dave Barber SCL DOIT to SCL Property Transfer ORD March 29, 2013 Version #1 Passed by the City Council the ____ day of ______, 2013, and signed by me in open session in authentication of its passage this day of ______, 2013. President of the City Council Approved by me this ____ day of ______, 2013. 9. Michael McGinn, Mayor Filed by me this ____ day of ______, 2013. Monica Martinez Simmons, City Clerk (Seal)

Form revised: December 12, 2012

FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle City Light	Lynn Best / 386-4586	Anthony Colello / 684-5292

Legislation Title:

AN ORDINANCE relating to City real property, authorizing the transfer of jurisdiction of certain property in Block 1, Wenzel Addition to the City of Seattle, commonly referred to as 1125 North 98th Street, from the Department of Information Technology to the City Light Department for electric system purposes, and authorizing the payment of true and full value by the City Light Department to the Department of Information Technology for this transfer.

Summary and background of the Legislation:

This ordinance will authorize the transfer of jurisdiction of real property at 1125 North 98th Street in North Seattle from the Department of Information Technology (DOIT) to Seattle City Light. City Light will pay DOIT the true and full value of the property for this transfer.

DOIT acquired the real property at 1125 North 98th Street from a former public access television provider in 2010, as authorized by Ordinance 123619. DOIT has no further need for this property. This property was processed through the Department of Administrative Services (FAS) in accordance with the surplus property disposition procedures set forth in Resolution Nos. 29799 and 30862.

In circulation to other City departments, City Light noted that this property abuts the existing City Light North Service Center, which is badly overcrowded and cannot be expanded to the north, south, or east due to the presence of residential neighborhoods. This property will be useful to City Light to relieve the existing overcrowding.

The full report of FAS, "Preliminary Recommendation Report on Reuse and Disposal of the Excess Property of the Department of Information and Technology at 1125 North 98th Street, PMA 4538," is attached to this Fiscal Note as Attachment B.

City Light will pay DOIT \$900,000 for the true and full value of this property, based on appraisal, with a minor adjustment for environmental remediation.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:
North Service Center	9220	1125 North 98th Street	June, 2013	June, 2013
Interim Work		Seattle, WA		

X This legislation has financial implications.

X This legislation has financial implications.

Spending Plan and Future Appropriations for Capital Projects:

Spending Plan and Budget	2013	2014	2015	2016	2017	Total
Spending Plan	\$1,009,000	\$148,000	\$193,000			\$1,350,000
Current Year Appropriation	N/A					-
Future Appropriations						N/A

Spending Plan and Budget Notes:

Spending includes \$900,000 to be spent in 2013 for acquisition, and \$450,000 to be spent between 2013 and 2014 for consultant services, environmental remediation, demolition of existing structures and resurfacing.

Capital Project 9220 includes funding for additional facility improvements not related to the transfer of this property from DOIT to SCL.

Funding Source:

Funding Source (Fund Name and Number, if applicable)	2013	2014	2015	2016	2017	Total
City Light Fund 4100	\$1,009,000	\$148,000	\$193,000			\$1,350,000
TOTAL	\$1,009,000	\$148,000	\$193,000		-	\$1,350,000

Uses and Sources for Operation and Maintenance Costs for the Project:

O&M	2013	2014	2015	2016	2017	2018	Total
Uses							
Start Up	-						
On-going	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000
Sources (itemize)		City Light Fund 4100				\$6,000	

Operation and Maintenance Notes:

After acquisition, environmental remediation and removal of existing structures, continuing operation and maintenance costs will be minimal until redevelopment.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

City Light will assume costs of environmental cleanup (for an underground residential heating oil tank, demolition of existing structures, improvement for yard use, and long-term maintenance).

b) What is the financial cost of not implementing the legislation?

If this surplus City property were disposed of in the private market, it is likely that City Light would need to acquire it or another adjacent property at a later date at a higher price.

c) Does this legislation affect any departments besides the originating department?

DOIT will realize revenue in the amount of \$900,000. One building on the property has been temporarily rented by DOIT to the Seattle Police Department for use by the Parking Enforcement Program; the Department of Finance and Administrative Services is conducting a search for replacement rental space for this SPD program.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

This legislation takes advantage of an opportunity for City Light to acquire needed real property from another City department. City Light could acquire additional land abutting its existing North Service Center on the private market, but there are no listings currently, and listings are rare in this area.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

Yes. A GIS sketch of the property is provided as Attachment A to this Fiscal Note.

h) Other Issues:

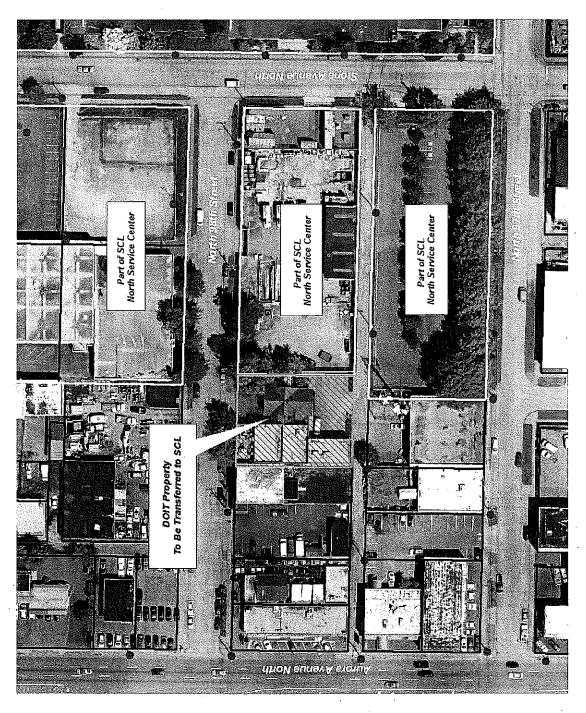
None.

List attachments to the fiscal note below:

Attachment A: Map of DoIT Property to be Transferred to City Light

Attachment B: Report by the Department of Administrative Services dated March 25, 2013, "Preliminary Recommendation Report on Reuse and Disposal of the Excess Property of the Department of Information and Technology at 1125 North 98th Street, PMA 4538."

Attachment A



Map of DOIT Property to be Transferred to City Light

Attachment B

Department of Finance and Administrative Services

Preliminary Recommendation Report on Reuse and Disposal of the Excess Property of the Department of Information and Technology at 1125 North 98th Street PMA 4538

March 25, 2013

Purpose of Preliminary Report

In response to a City Jurisdictional Department identifying a property as "Excess" to their needs, the Real Estate Services (RES) section of the Department of Finance and Administrative Services (FAS) initiates a process to review and evaluate various options for the property. RES prepares a report titled "Preliminary Recommendation Report on the Reuse and Disposal of Excess Property, which documents that analysis and recommendations. This report is prepared in accordance with City of Seattle Council Resolution 29799, as modified by Resolution 30862.

Executive Recommendation

PMA 4538 is excess to the needs of the Seattle Department of Information Technology (DoIT). FAS, and per City policies and procedures is assisting DoIT with the disposition of the real property. Information about this property was circulated to City departments, public agencies and the neighborhood. Following a review of opportunities and constraints, FAS recommends that the Jurisdiction is transferred from DoIT to the Seattle City Light Department, with Fair Market Value proceeds from the property exchange be credited in the Cable Franchise Fund.

Background Information

The City acquired the subject property via Quit Claim Deed dated 12/16/2010 from the Seattle Community Access Network (SCAN), which has since moved to studio space on the Seattle Community College Campus. SCAN previously acquired the property from Comcast of Washington in partial fulfillment of a 2006 franchise agreement between the City and Comcast. The property was transferred to the jurisdiction of the Department of Information Technology (DoIT) with the acceptance of the Quit Claim Deed. The property is currently being used temporarily by the Seattle Police Department (SPD) for storage of Parking Enforcement Vehicles by mutual agreement between DoIT and SPD.

Reuse or Disposal Options Evaluation Guidelines

City of Seattle Resolution 29799, Section 1, requires the Executive to make its recommendation for the reuse or disposal of any property that is not need by a Department using the following guidelines.

Guideline A: Consistency

The analysis should consider the purpose for which the property was originally acquired, funding sources used to acquire the property, terms and conditions of original acquisition, the title or deed conveying the property, or any other contract or instrument by which the City is bound or to which the property is subject, and City, state or federal ordinances, statues and regulations.

Purpose for which property was acquired

As part of a 2006 Franchise agreement, authorized by Ordinance 122089, Comcast of Washington agreed to serve as an authorized cable provider in the City of Seattle, and agreed to make a capital contribution to the City of \$750,000. The agreement also included that the obligation could be satisfied by transferring their Public Access Facility located at 1125 North 98th St. in Seattle, to the City or its designee. On the effective date of the Franchise, Seattle Community Access Network (SCAN) was the City's Designated Access Manager. In November 2006, Comcast fulfilled the Franchise obligation and, at the direction of the City, transferred ownership of the facility to SCAN.

In June 2006, the City and SCAN amended their existing contract, extending the period for SCAN to provide Public Access services to December 31, 2010. Section 17.4 of that Agreement required SCAN to transfer to the City all property and equipment acquired with City funds upon expiration of the Agreement. In fulfillment of its contract obligations, SCAN delivered to the City a quitclaim deed dated December 16, 2010, transferring ownership of the facility from SCAN to the City. The deed for the property was accepted by Ordinance 123619.

Deed or contractual restrictions

An Inter Departmental Agreement between DoIT and the Seattle Police Department (SPD) was executed 10/9/2011. The term of is month to month and may be terminated with 30 days notice by either party to the other. The agreement allows SPD to utilize the property for storage of parking enforcement vehicles and as a place for employees to report for work.

City, State or Federal Ordinance status and regulations including, Bond, grant or loan programs, State Accountancy Act, Payment of True and full value, Zoning and land use, Comprehensive Plan, and Other plans

Funding Sources

The property was transferred to the City in lieu of a \$750,000 cash payment from Comcast. The funds were designated as capital funds that would have been deposited into the Cable Sub-Fund (Fund 00160). Any proceeds from sale of the property would be returned to the Cable Sub-Fund.

Guideline B: Compatibility and Suitability

The recommendation should reflect an assessment of the potential for use of the property in support of adopted Neighborhood Plans; as or in support of low-income housing and/or affordable housing; in support of economic development; for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities; and in support of other priorities reflected in adopted City policies.

Neighborhood Plan

The property is located in the Aurora-Licton Springs Residential Urban Village per the Seattle Comprehensive Plan of 2005. An applicable policy within the Plan, AL-P1, states

"Maintain the current balance of residential and commercial areas within the urban village boundaries. Consider future zoning changes that would reduce conflicts between adjacent areas; promote the development of a neighborhood-serving and pedestrian-oriented commercial core and promote transitions between single-family areas and commercial areas."

Housing and Economic Development

Until September 2011, the buildings on the property were used as a commercial office space by the local television public access provider. Seattle City Light currently owns property on the east and south of the property and expects to continue a commercial use of the property as the current zoning allows.

Other City Uses

There are two city-owned properties nearby as follows:

Location	Size	1	Location relative to DoIT 1125 Building
9700 Stone Ave N	448,298 SF	Seattle City Light North Service Center, PMA 653	Adjacent east, north and south
9536 Ashworth Ave N	328,829 SF	Licton Springs Park, PMA 286	0.20 mile southeast

In September 2011, a notice was circulated to other City departments and government offices inviting any expressions of interest in utilizing the subject property that was excess to the needs of DoIT. SPD initially expressed interest in the property and later withdrew interest and ultimately entered into the current, Inter Departmental Agreement between DoIT and SPD.

The property was not identified as supporting other City priorities as reflected in other adopted plans or policies. Seattle City Light (SCL) is the only Department interested in acquiring the property.

Other Agencies Uses

No other agencies expressed interest in acquiring the property. No interest was expressed for low-income or affordable housing. No interest was expressed for economic development or for use by Parks or for Open Space. No interest by Sound Transit or by child care providers.

Range of Options

The "Guiding principles for the Reuse and Disposal of Real Property" state, "it is the intent of the City to strategically utilize Real Property in order to further the City's goals and to avoid holding properties without an adopted municipal purpose." The options for disposition of this property include retention by the City for a public purpose, negotiated sale with a motivated purchaser, or sale by public bid or request for proposal.

Retention and Use by another City Department:

SCL initially expressed no interest in the property, but on 12/6/2011, SCL expressed interest and subsequently conducted a Phase 1 Environmental Assessment of the property. SCL ordered and received an independent appraisal of the property. No other City Departments or other Governmental agencies expressed an interest in acquiring the property.

Negotiated Sale

A negotiated sale is typically recommended when the selection of a particular purchaser has specific benefits to the City. No buyer was identified that would provide benefit to the City.

Sale by public bid or request for proposal

Selling the DoIT 1125 Building through a public bid offering or similar competitive process would expose the property to the largest pool of potential buyers outside the City. Since a City Department has expressed interest in the property, this option is not chosen.

Guideline C: Other Factors

The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the property hard to replace, potential for consolidation with adjacent public property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that may affect the value of the property.

Highest and Best Use

The Highest and Best Use is generally defined as the reasonably probable and legal use that produces the highest property value, which is determined by evaluating if the use is:

Physically possible: The site's physical characteristics affect the uses to which it can be developed. The subject site has a land area of 12,721 sf. (according to King County Assessor's records) and is rectangular in shape. All public utilities are available and it does not appear that topography would present any atypical challenges for development. The property has minimal exposure as it is located on a side street. It appears that the subject property has three physically possible uses. The first is its current use as a 6,980 sf. office/warehouse building. The second would be to modify/update the existing use. Finally, the third would be to demolish the current improvements and possibly develop a new commercial structure on the property.

Legally permissible: The subject property is zoned C2-65 General Commercial 2 with a 65' height limit. Under SMC 23.34.082, the function of the C2 zone is to provide for an autooriented, primarily non-retail commercial area that provides a wide range of commercial activities serving a community, citywide, or regional function, including uses such as manufacturing and warehousing that are less appropriate in more-retail-oriented commercial areas. Mixed-use development may be allowed as a conditional use. The current use of the property "as improved" with a 6,980 sf. office/warehouse building is a legally permissible use

Financially feasible and maximally productive: A full feasibility study would be required to determine which of the permitted uses would be maximally productive for the subject property. It is possible and reasonable to assume that any permitted uses that are expected to produce a positive residual return to the land are regarded as financially feasible.

Compatibility with the physical characteristics and surrounding uses

The property is flat and completely covered with impervious surfaces. The current use of the property as an office and warehouse is compatible with existing physical characteristics of the s property, and the surrounding neighborhood consists of land uses similar to that of the property.

Timing and Term of Proposed Use

The agreement between DoIT and the Seattle Police Department (SPD) is of a short term nature and may be terminated by either party with 30 days notice to the other party. It is possible that following a transfer of jurisdiction, SCL and SPD could effectively extend the existing agreement until such time as SCL actually needs to occupy the property. FAS is in the process of assisting SPD with a site search to identify a different location.

Appropriateness of the consideration

FAS proposes transferring the property from DoIt to SCL for Fair Market Value and that proceeds from the transfer of this property be deposited in the Cable TV Fund. If the transfer does not occur then the property will be marketed and sold in a competitive bid process.

Unique Attributes

The unique attribute of the property is that a portion was once a single family residence and another portion was constructed specifically for local television production. Another unique attribute of the property is the 60 foot tower and inactive microwave antenna located along the eastern property line.

Potential for Consolidation with adjacent public property

The City of Seattle owns and SCL is responsible for property effectively on three sides of the property and this proposed transfer is intended to increase the efficiencies of the existing responsibilities of SCL.

Conditions in the real estate market

The commercial real estate market in Seattle is stable due to the limited amount of availability of commercially zoned property.

Known environmental factors

A Level One Environmental Analysis was conducted by Hart Crowser Inc. and the resulting report is dated June 2012. The Analysis concluded that there was "no evidence of recognized environmental conditions". Additional testing was conducted and a report dated August 29, 2012 was provided by Global Geophysics. Magnetrometry and Ground Penetrating Radar technologies were used to study the subject property and the conclusion reached was that there may be UST's on the property.

Guideline D: Sale

The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.

Potential for Use by Non-City Public Entities

FAS received no proposals from non-City entities or members of the general public despite notification to these groups. The notices did identify Seattle City Light as a possible recipient of the property but it was clearly stated that no final decision had been made about the disposition.

Public Involvement

In December 2011, FAS sent approximately 900 neighborhood notices to residents and property owners within a 1,000 foot radius of the subject property by U.S. Mail. As of January 2013, FAS had received no written comments from residents or property owners

Threshold Determination

The Disposition Procedures require FAS assess the complexity of the issues on each excess property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council.

The Property Review Process Determination Form prepared for the DoIT, 1125 Building property, PMA 4538 is attached to this report. A score of 45 or lower results in a *Simple* designation, and preparation of a Public Involvement Plan is not required. PMA 4538 scored 10 points.

Next Steps

FAS will provide a summary of this report to the Real Estate Oversight Committee (REOC). City Light will prepare legislation transferring jurisdiction of the property.

Guideline D: Sale

The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.

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FAS received no proposals from non-City entities or members of the general public despite notification to these groups. The notices did identify Seattle City Light as a possible recipient of the property but it was clearly stated that no final decision had been made about the disposition.

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<u>Next Steps</u>

FAS will provide a summary of this report to the Real Estate Oversight Committee (REOC). City Light will prepare legislation transferring jurisdiction of the property.

EXCESS PROPERTY DESCRIPTION

The Department of Information Technology, as the Jurisdictional Department of this City owned property has identified the following information about this excess property.

Property Name: 1125 Building

Property Management Number: (PMA): 4358

Property Location: 1125 North 98th Street, Seattle, WA 98103

Legal Description: Lots 9, 10, 11 and 12, Block 1, Wenzel Addition to the City of Seattle, according to the Plat thereof recorded in Volume 19 of Plats, page 31, in King County WA.

Tax parcel I. D. Number: 924790-0045

King County assessed value: \$773,500 (2013 King County Assessor Information)

Size: 12, 7214 square feet (King County Assessor)

Zoning: C2-65

Map/Photo: Attached

History: Seattle Community Access Network, (SCAN) acquired the property from Comcast of Washington in partial fulfillment of a 2006 franchise agreement between the City and Comcast of WA authorized by Ord. 122089. The property was then transferred to the City of Seattle via a quit claim deed and was accepted by the City Deed was accepted on June 6 2012 under ordinance 123619.

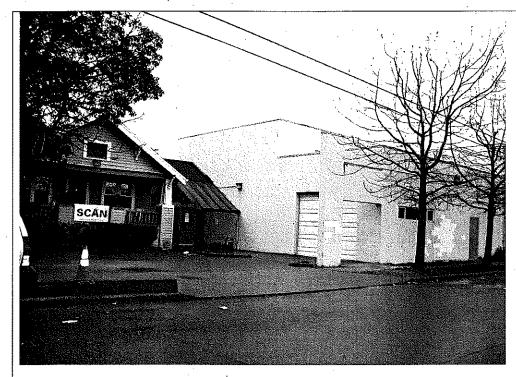
Acquisition Deeds: Seattle Community Access Network (SCAN) Claim Deed dated 12/16/2010, recording number 20101228000301.

Acquisition Fund Source: A capital contribution to the City per a franchise agreement with Comcast, with the funds to benefit the Cable Fund.

Jurisdictional Departments range of estimated of market value: \$750,000-\$1,000,000

Destination of funds upon sale: Proceeds from any sale will be deposited in the Cable Fund Any use of this property, or any proceeds derived from this facility, will be used in accord with the provisions in City Ordinance 122089, Section 6.4(B), and Council Resolution 30379.

Recommended easements, covenants and restrictions upon transfer: None known



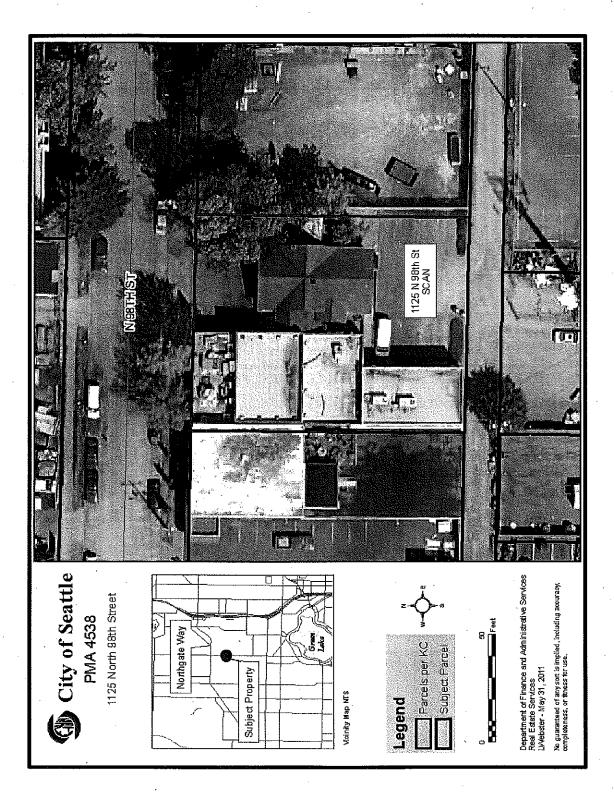
Picture of subject property from King County Assessor's web page from approx. 2007



A more recent photo taken in 2011.

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PROPERTY REVIEW PROCESS DETERMINATION FORM							
Property Name:	DoIT 1125 Building						
Address:	1125 North 98 th Street						
PMA ID:	4538	KC Tax ID Number:	9247900045	·			
Dept./Dept ID:	Department of Information Technology, DoIT	Current Use:	Temp. Storage for Police Department Vehicles	e			
Lot Area (Sq. Ft.):	12,721 Sq. Ft.	Zoning:	C2-65				
Appraised Value: 11/7/2011	\$975,000	KC Assessed Value:	\$773,500 (2012)				
	PROPOSED USES AI	ND RECOMMENDED USE	,				
Department/Governmental Agencies: Proposed Use: Extension of existing, adjacent SCL Nort Seattle City Light (SCL) Service Center							
FAS RECOMMENDAT	ION: Transfer the property to Seatt	le City Light for fair mark	cet value.				
PROPERTY REVIEW P	ROCESS DETERMINATION (circle a	propriate response)					
1.) Is more than one	1.) Is more than one City dept/Public Agency wishing to acquire?						
2.) Are there any pending community proposals for Reuse/ Disposal? No/ Yes 15							
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?							
4.) Will consideration	be other than cash?		No / Yes	10			
5.) Is Sale or Trade to	a private party being recommende	d?	No / Yes	25			
6.) Will the proposed use require changes in zoning/other regulations? No /Yes							
7.) Is the estimated Fair Market Value between \$250,000 -\$1,000,000?							
8.) Is the estimated Fair Market Value over \$1,000,000? No / Yes							
Total Number of Points Awarded for "Yes" Responses:							
Property Classification for purposes of Disposal review: Simple or Complex (a score of 45+ points results in a "Complex" classification)							
Signature:	· E	epartment: FAS	Dated: 2012				



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City of Seattle Office of the Mayor

August 20, 2013

Honorable Sally J. Clark President Seattle City Council City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill that will transfer jurisdiction over certain property at 1125 North 98th Street in North Seattle from the Department of Information Technology (DOIT) to Seattle City Light. City Light will pay \$900,000 into the DOIT Cable Franchise Subfund for this transfer.

This property was acquired by DOIT from a former public access television provider in 2010. DOIT has no further need for this property, which abuts City Light's North Service Center. The City Light Service Center is badly overcrowded and cannot be expanded to the north, south, or east due to the presence of residential neighborhoods. The transfer of this property from DOIT to City Light is a sound strategic decision which will benefit both departments.

City Light will use this property to expand its overcrowded North Service Center. The \$900,000 transfer payment will provide welcome revenue to DOIT's Cable Franchise Subfund. Thank you for your consideration of this legislation. Should you have questions, please contact James Baggs at 684-3260.

Sincerely,

Michael McGinn Mayor of Seattle

cc: Honorable Members of the Seattle City Council

