

Ordinance No. 123617

Council Bill No. 117163

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Bruce C. Hewell
Councilmember

AN ORDINANCE relating to the City Light Department; declaring the former Sunnysdale Substation (PMA 609) located at 15002 8th Avenue South in Burien, Washington, to be surplus to The City of Seattle's needs; authorizing its sale to the Port of Seattle; authorizing the Superintendent of the City Light Department to execute a Purchase and Sale Agreement and other documents in connection therewith; and ratifying and confirming certain prior acts.

Committee Action:

6/1/11 Passed

BH

CF No. _____

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|------------------------------|--|--|
| Date Introduced: | <i>5-2-11</i> | |
| Date 1st Referred: | To: (committee) | |
| Date Re - Referred: | <i>Energy, Technology + Civil Rights</i> | |
| Date Re - Referred: | To: (committee) | |
| Date of Final Passage: | Full Council Vote: | |
| <i>June 6, 2011</i> | <i>7-0</i> | |
| Date Presented to Mayor: | Date Approved: | |
| <i>June 7, 2011</i> | <i>6-8-11</i> | |
| Date Returned to City Clerk: | Date Published: | T.O. <input checked="" type="checkbox"/> F.T. _____ |
| <i>6-9-11</i> | | |
| Date Vetoed by Mayor: | Date Veto Published: | |
| | | |
| Date Passed Over Veto: | Veto Sustained: | |
| | | |

6/6/11 Full Council PASSED 7-0 (excused: Bygshaw, Licata)

This file is complete and ready for presentation to Full Council. Committee: _____
(Initial/Date)

Law Department

Law Dept. Review

OMP Review

City Clerk Review

Electronic Copy Loaded

Indexed

ORDINANCE 123617

AN ORDINANCE relating to the City Light Department; declaring the former Sunnydale Substation (PMA 609) located at 15002 8th Avenue South in Burien, Washington, to be surplus to The City of Seattle's needs; authorizing its sale to the Port of Seattle; authorizing the Superintendent of the City Light Department to execute a Purchase and Sale Agreement and other documents in connection therewith; and ratifying and confirming certain prior acts.

WHEREAS, certain real property commonly known as the former Sunnydale Substation has been de-energized and is excess to the needs of the City Light Department; and

WHEREAS, no other City department wishes to acquire the former Sunnydale Substation and the Port of Seattle wishes to purchase the property for use as part of the Sea-Tac Airport buffer area; and

WHEREAS, the fair market value of the former Sunnydale Substation, as determined by an independent appraisal and adjusted for the mutually agreed upon value of environmental offsets, is \$178,212; and

WHEREAS, it has been recommended by Seattle City Light and the Department of Finance and Administrative Services (formerly the Fleets and Facilities Department), with concurrence from the City's Real Estate Oversight Committee, that it is in the best interest of the City to sell the former Sunnydale Substation to the Port of Seattle; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Pursuant to the provisions of RCW 35.94.040 and after a public hearing, the following described real property in King County, Washington:

The east 70.00 feet of the north 110.00 feet of the west half of the southwest quarter of the southwest quarter of the northeast quarter of Section 20, Township 23 North, Range 4 East, W.M., in King County, Washington, and the north 20.00 feet of that portion of the west half of the southwest quarter of the southwest quarter of the northeast quarter of said Section, lying west of the west line of the east 70.00 feet of said subdivision; EXCEPT the west 30.00 feet thereof deeded to King County, Washington for road.



1 commonly known as former Sunnydale Substation, located at 15002 8th Avenue South in
2 Burien, Washington, is hereby found and declared to be no longer required for providing
3 municipal utility services and is hereby declared surplus to the City's needs.

4 Section 2. As requested by the Superintendent of the City Light Department
5 ("Superintendent") and recommended by the Mayor in the attachments hereto, the Superintendent
6 or his designee is authorized to sell the former Sunnydale Substation to the Port of Seattle, in
7 consideration of the payment of \$178,212, in accordance with the terms and conditions set forth
8 in the Agreement for the Purchase and Sale of Real Estate, Former Sunnydale Substation,
9 attached hereto as "Exhibit A." The Superintendent or his designee is further authorized to
10 execute and deliver, for and on behalf of The City of Seattle, a Bargain and Sale Deed,
11 substantially in the form attached hereto as "Exhibit B," pursuant to which the former Sunnydale
12 Substation will be conveyed to the purchaser, and such other documents as the Superintendent or
13 his designee deems necessary or desirable to effectuate the conveyance authorized herein.

14 Section 3. Proceeds from the sale authorized herein shall be deposited into the City
15 Light Fund.

16 Section 4. Any act consistent with the authority of this ordinance taken after passage of
17 this ordinance and prior to its effective date is hereby ratified and confirmed.

18 Section 5. This ordinance shall take effect and be in force 30 days after its approval by
19 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
20 shall take effect as provided by Seattle Municipal Code Section 1.04.020.



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Passed by the City Council the 6th day of June, 2011, and
signed by me in open session in authentication of its passage this
6th day of June, 2011.



President _____ of the City Council

Approved by me this 8th day of June, 2011.



Michael McGinn, Mayor

Filed by me this 9th day of June, 2011.



City Clerk

(Seal)



Dave Barber
SCL Sunnydale Sub Sale ORD
March 14, 2011
Version #5

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Exhibit A: Agreement for Purchase and Sale of Real Estate, Former Sunnydale Substation
Exhibit B: Bargain and Sale Deed



Exhibit A

**AGREEMENT FOR THE PURCHASE AND SALE OF REAL ESTATE
FORMER SUNNYDALE SUBSTATION**

This Agreement for the Purchase and Sale of Real Estate (the "Agreement") is entered into this _____ day of _____, 2011 (the "Agreement Date") by and between THE CITY OF SEATTLE, a municipal corporation of the State of Washington, acting through its CITY LIGHT DEPARTMENT (the "City") and THE PORT OF SEATTLE, a municipal corporation of the State of Washington (the "Buyer"). The City and the Buyer are referred to collectively as the "Parties."

WHEREAS, the City desires to sell the Former Sunnydale Substation, located at 15002 - 8th Avenue South in Burien, Washington, and legally defined in Section 1 (the "Property");

WHEREAS, the Buyer desires to purchase the Property at its fair market value;

NOW, THEREFORE, in consideration of the respective agreements set forth below, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Buyer agree as follows:

1. Property. The City hereby agrees to sell and convey, and Buyer agrees to purchase, subject to the terms and conditions set forth below, the real property at 15002 - 8th Avenue South in Burien, located in the County of King, State of Washington (King County Tax Parcel # 202304-9013) including any and all mineral, water, timber and other surface and subsurface rights, permits, hereditaments, easements, and incidents that may exist, and any appurtenances belonging thereto, described as follows:

The east 70.00 feet of the north 110.00 feet of the west half of the southwest quarter of the southwest quarter of the northeast quarter of Section 20, Township 23 North, Range 4 East, W.M., in King County, Washington, and the north 20.00 feet of that portion of the west half of the southwest quarter of the southwest quarter of the northeast quarter of said Section, lying west of the west line of the east 70.00 feet of said subdivision; EXCEPT the west 30.00 feet thereof deeded to King County, Washington for road.

2. Purchase Price. As consideration for purchase of the Property, Buyer shall pay One Hundred Seventy Eight Thousand Two Hundred Twelve and 00/100 Dollars (\$178,212.00), the fair market value of the Property as determined by appraisal, adjusted for half the estimated cost of soil remediation on the Property (the "Net Purchase Price"), payable in cash at closing.

3. Earnest Money. No earnest money will be required by the City of the Buyer.



4. Conveyance by Bargain and Sale Deed. At closing, fee title to the Property shall be conveyed to the Buyer by Bargain and Sale Deed, in the form as attached as Exhibit A to this Agreement.

5. Closing Date. Closing shall be held at the offices of the City of Seattle, as indicated in Section 15 herein, not less than forty (40) days following passage by the City Council of an ordinance authorizing and approving this Agreement, and not later than May 31, 2011 (the "Closing Date"), unless modified by mutual consent of the Parties.

6. Taxes. The Parties agree that all taxes, assessments and encumbrances that will be a lien against the Property at closing, including all deferred taxes, whether or not a lien, and any other charges that could be imposed on the Property in the future by recapture or otherwise as a result of any classification of the Property for assessment purposes existing prior to closing, open space tax, interest, and penalties, whether or not those charges would constitute a lien against the Property at closing, shall be satisfied of record by the City at or before closing.

7. General Indemnification. Buyer shall indemnify, defend and hold harmless the City from and against any and all loss, claims, demands, causes of action, liability, liens and encumbrances, costs and expenses, including all out-of-pocket litigation costs and the reasonable fees and expense of counsel related to or arising from any act or omission of the Buyer with respect to the Property on or before closing.

The City shall notify the Buyer in writing of the nature of any claim for indemnification. Any defense of a matter giving rise to the claim for indemnification shall be conducted by counsel chosen by the Buyer and reasonably satisfactory to the City.

This indemnity shall survive any termination of this Agreement.

8. Environmental Release and Indemnification. Buyer acknowledges that adverse physical, economic or other conditions (including without limitation, adverse environmental soils and ground-water conditions), either latent or patent, may exist on the Property, and Buyer assumes the City's responsibility for all environmental conditions of the Property, known or unknown and arising before or after closing, including but not limited to responsibility, if any, for investigation, removal or remediation actions relating to the presence, release or threatened release of any Hazardous Substance or other environmental contamination relating to the Property. Buyer also releases and shall indemnify, defend, and hold the City and its past, present and future officials, employees, and agents, harmless from and against any and all claims, demands, penalties, fees, damages, losses, expenses (including but not limited to regulatory agencies, attorneys, contractors and consultants' fees and costs), and liabilities arising out of, or in any way connected with, the condition of the Property, including but not limited to any alleged or actual past, present, or future presence, or release or threatened release, of any Hazardous Substance in, on, under or emanating from the Property, or any portion thereof or improvement thereon, from any cause whatsoever; it being intended that Buyer shall so indemnify Seller and such personnel without regard to any fault or responsibility of Seller or Buyer.



For purposes of this Section 8, the term "Hazardous Substance" shall mean petroleum products and compounds containing them; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; asbestos or asbestos-containing materials in any friable form; underground or above-ground storage tanks; or any substance or material that is now or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to environmental protection, contamination or cleanup.

Buyer's release and indemnification shall include both claims by Buyer against the City and cross-claims against the City by Buyer based upon claims made against Buyer by any and all third parties.

The obligation to indemnify and defend shall include, but not be limited to, any liability of the City to any and all federal, state or local regulatory agencies or other persons or entities for remedial action costs and natural resources damages claims. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgement, release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to run with the land and bind Buyer and Buyer's heirs, successors and assigns, and inure to the benefit of the City and its successors and assigns. This release and indemnification means that Buyer accepts the Property "as-is, where-is and with-all- faults," and that Buyer assumes all responsibility of the City to investigate, remove and remediate any environmental conditions on the Property and has no recourse against the City or any of its officers, employees or agents for any claim or liability with respect to the Property.

The City shall have the right to defend itself and seek from Buyer recovery of any damages, liabilities, settlement awards and defense costs and expenses incurred by Seller if Buyer does not accept unconditionally the City's tender to Buyer of the duty to investigate, remove and/or remediate environmental conditions on the Property and/or defend and indemnify the City against any such claim, suit, demand, penalty, fee, damages, losses, cost or expense.

Buyer's obligations under this Section 8 shall apply regardless of whether or not Buyer is culpable, negligent or in violation of any law, ordinance, rule or regulation. The provisions of this Section 8 are not intended, nor shall they, release, discharge or affect any rights or causes of action that the City or Buyer may have against any other person or entity, except as otherwise expressly stated herein, and each of the Parties reserves all such rights.

Buyer's obligations under this Section 8 shall be included as a "COVENANT REGARDING ENVIRONMENTAL CONDITIONS" in the Bargain and Sale Deed attached to this Agreement as Exhibit A.

9. Preservation of Property, Risk of Loss. The City agrees that the Property shall remain as it is on the Agreement Date until closing. The City shall deliver possession of the Property to Buyer at closing.



10. Costs and Fees. Buyer shall pay any and all costs associated with the closing of this transaction and any costs for recording the Bargain and Sale Deed.

11. Contingencies to Closing.

A. Buyer's obligation to close as provided herein shall be subject to satisfaction of the following contingencies:

1. Legal documents shall be reasonably acceptable to Buyer, and
2. The City shall be in full compliance with this Agreement and;
3. The Port of Seattle Commission has authorized the purchase of the Property.

B. The City's obligation to close as provided herein shall be subject to satisfaction of the following contingencies:

1. Legal documents shall be in a form reasonably acceptable to the City,
2. The Buyer shall be in full compliance with this Agreement, and
3. An ordinance of the City authorizing conveyance of the Property shall be in effect, as provided in Section 15 of this Agreement.

12. Failure to Close.

- A. In the event the City fails, without legal excuse, to complete the sale of the Property, Buyer's sole recourse against the City shall be the remedy of specific performance of the City's obligations under this Agreement.
- B. In the event the Port fails, without legal excuse, to complete the purchase of the Property, the City's sole recourse against the Port shall be the remedy of specific performance of the Port's obligations under this Agreement.
- C. If, prior to the date set for closing, this Agreement is terminated in accordance with its terms, neither Party shall have any liability to the other Party, except as provided in Section 12.

13. Binding Upon Successors, Assignment. The Buyer may NOT assign its interest in this Agreement, or in any of the documents described herein, to any party, without the City's prior written consent. The terms and conditions of this Agreement shall apply to and bind the executors, administrators, successors and assigns of the City.



14. Notices. Any notices, demands or other communications required or permitted to be given hereunder shall be given in writing and shall be delivered (i) in person, against receipt, (ii) by certified mail, postage prepaid, return receipt requested, or (iii) by US Express Mail or a commercial overnight courier that guarantees delivery within the next two business days. Such notices shall be addressed as follows:

| | |
|---|--|
| TO BUYER: Port of Seattle 2711 Alaskan Way P.O. Box 1209 Seattle, WA 98111 | TO THE CITY OF SEATTLE: Seattle City Light Real Estate Services 700 5th Avenue, Suite 3012 P.O. Box 34023 Seattle, WA 98124-4023 |
|---|--|

Notice of change of address shall be effective only when done in accordance with this paragraph. All notices complying with this paragraph shall be effective only upon delivery, except that the notice of waiver of conditions precedent set forth in Paragraph 6 above shall be effective upon the date shown postmarked on the envelope in which such notice is sent.

15. Council Approval Contingency. In the event that an ordinance of the City of Seattle authorizing and approving this Agreement has not been passed and become effective by May 13, 2011, this Agreement shall terminate, and except as provided in Section 12, neither Party shall have any further obligation to the other.

16. Port Commission Approval Contingency. In the event that the Port Commission does not authorize the purchase of the Property by May 13, 2011, this Agreement shall terminate, and except as provided in Section 12, neither Party shall have any further obligation to the other.

16. Miscellaneous.

A. This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one agreement which shall be binding on all of the Parties, notwithstanding that all of the Parties are not signatory to the original or the same counterpart.

B. If any provision of this Agreement is held invalid, the other provisions shall not be affected thereby.

C. This Agreement represents the entire agreement of the Parties and may not be amended except by a written amendment signed by each party hereto.

D. Each party to this Agreement warrants to the other that it is duly organized and existing and that it and the respective signatories have full right and authority to enter into and consummate this Agreement and all related documents.



Dave Barber
SCL Sunnydale Sub Sale EXH A
March 14, 2011
Version #3

E. Each Party shall execute and deliver or cause to be executed and delivered all instruments reasonably required to convey the Property to Buyer and to vest in each party all rights, interests and benefits intended to be conferred by this Agreement.

F. This Agreement shall be governed by the laws of the State of Washington.

G. In the event of a dispute, the prevailing Party shall be entitled to payment of its reasonable attorney's fees and costs in negotiating, resolving, arbitrating, or litigating the dispute.

IN WITNESS WHEREOF, the City and the Buyer have executed this Agreement as of the Agreement Date.

BUYER
THE PORT OF SEATTLE

SELLER
THE CITY OF SEATTLE
SEATTLE CITY LIGHT

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____



Exhibit B

FORM OF BARGAIN AND SALE DEED

| |
|---|
| Return Address _____ _____ _____ _____ |
|---|

| |
|--|
| Document Title(s) (or transactions contained therein): 1. Bargain and Sale Deed |
| Reference Number(s) of Documents assigned or released: N/A (on page ___ of documents(s)) |
| Grantor(s) (Last name first, then first name and initials): 1. CITY OF SEATTLE 2. <input type="checkbox"/> Additional names on page ___ of document. |
| Grantee(s) (Last name first, then first name and initials): 1. THE PORT OF SEATTLE 2. <input type="checkbox"/> Additional names on page ___ of document. |
| Legal description (abbreviated: i.e. lot, block, plat or section, township, range) <input checked="" type="checkbox"/> Full legal is on pages ___ of document. |
| Assessor's Property Tax Parcel/Account Number #202304-9013 |



BARGAIN AND SALE DEED

Grantor, CITY OF SEATTLE, a municipal corporation of the State of Washington, acting by and through its CITY LIGHT DEPARTMENT, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, receipt and sufficiency of which are acknowledged, bargains, sells, and conveys to THE PORT OF SEATTLE, a municipal corporation of the State of Washington ("Grantee"), the real estate, situated in King County, Washington described as follows:

The east 70.00 feet of the north 110.00 feet of the west half of the southwest quarter of the southwest quarter of the northeast quarter of Section 20, Township 23 North, Range 4 East, W.M. in King County, Washington, and the north 20 feet of that portion of the west half of the southwest quarter of the southwest quarter of the northeast quarter of said Section, lying west of the west line of the east 70.00 feet of said subdivision; EXCEPT the west 30.00 feet thereof deeded to King County, Washington for road.

COVENANT REGARDING ENVIRONMENTAL CONDITIONS

The Property described herein is conveyed AS-IS, WHERE-IS, WITH-ALL-FAULTS, AND WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO ITS CONDITION, ENVIRONMENTAL OR OTHERWISE, OR ITS SUITABILITY OR SUFFICIENCY FOR THE GRANTEE'S INTENDED USES AND PURPOSES. Grantee acknowledges that adverse physical, economic or other conditions (including without limitation, adverse environmental soils and ground-water conditions), either latent or patent, may exist on the Property and assumes Grantor's responsibility for all environmental conditions of the Property, known or unknown, including but not limited to responsibility, if any, for investigation, removal or remediation actions relating to the presence, release or threatened release of any Hazardous Substance or other environmental contamination relating to the Property. Grantee also releases and shall indemnify, defend, and hold Grantor and its past, present and future officials, employees, and agents, harmless from and against any and all claims, demands, penalties, fees, damages, losses, expenses (including but not limited to regulatory agencies, attorneys, contractors and consultants' fees and costs), and liabilities arising out of, or in any way connected with, the condition of the Property including but not limited to any alleged or actual past, present or future presence, release or threatened release of any Hazardous Substance in, on, under or emanating from the Property, or any portion thereof or improvement thereon, from any cause whatsoever; it being intended that Grantee shall so indemnify Grantor and such personnel without regard to any fault or responsibility of Grantor or Grantee. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgement, release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to run with the land and bind Grantee and Grantee's heirs, successors and assigns, and inure to the benefit of Grantor and its successors and assigns.



For purposes of this COVENANT, the term "Hazardous Substance" shall mean petroleum products and compounds containing them; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them; asbestos or asbestos-containing materials in any friable form; underground or above-ground storage tanks; or any substance or material that is now or hereafter becomes regulated under any federal, state, or local statute, ordinance, rule, regulation, or other law relating to environmental protection, contamination or cleanup.

Grantee's release shall include both claims by Grantee against Grantor and cross-claims against Grantor by Grantee based upon claims made against Grantee by any and all third parties. The obligation to indemnify and defend shall include, but not be limited to, any liability of Grantor to any and all federal, state or local regulatory agencies or other persons or entities for remedial action costs and natural resources damages claims. The obligation to complete all environmental investigation, removal or remediation of the Property and the acknowledgement, release and indemnification touch and concern the Property, restrict the use of the Property, constitute an assessment against the Property and are intended to run with the land and bind Grantee and Grantee's heirs, successors and assigns, and inure to the benefit of Grantor and its successors and assigns. This release means that Grantee accepts the Property "as-is, where-is and with-all-faults," and that Grantee assumes all responsibility of Grantor to investigate, remove and remediate any environmental conditions on the Property and has no recourse against Grantor or any of its officers, employees or agents for any claim or liability with respect to the Property.

Grantor shall have the right to defend itself and seek from Grantee recovery of any damages, liabilities, settlement awards and defense costs and expenses incurred by Grantor if Grantee does not accept unconditionally Grantor's tender to Grantee of the duty to investigate, remove and/or remediate environmental conditions on the Property and/or defend and indemnify Grantor against any such claim, suit, demand, penalty, fee, damages, losses, cost or expense. This Covenant shall apply regardless of whether or not Grantee is culpable, negligent or in violation of any law, ordinance, rule or regulation. This Covenant is not intended, nor shall it, release, discharge or affect any rights or causes of action that Grantor or Grantee may have against any other person or entity, except as otherwise expressly stated herein, and each of the parties reserves all such rights including, but not limited to, claims for contribution or cost recovery relating to any Hazardous Substance in, on, under or emanating from the Property.



Dave Barber
SCL Sunnydale Sub Sale EXH B
March 14, 2011
Version #3

Executed this ____ day of _____ 2011, pursuant to Ordinance _____
of The City of Seattle.

THE CITY OF SEATTLE
SEATTLE CITY LIGHT

By: _____

Print Name: _____

Print Title: _____

APPROVED AS TO FORM AND
ACCEPTED BY PURCHASER

The undersigned Grantee(s)/Purchaser(s) herein, does/do hereby approve this Quit Claim Deed as to
form and acknowledge and accept all of the terms, conditions and provisions of the Covenant
Regarding Environmental Conditions contained herein.

By: _____

Print Name: _____

Title: _____

Date: _____

Grantor expressly limits the covenants of this Deed to those expressed herein and excludes all
covenants arising or to arise by statutory or other implication, and does hereby covenant that against all
persons whomsoever lawfully claiming or to claim by, through or under Grantor and not otherwise,
Grantor will forever warrant and defend the real property described herein.
DATED _____, 2011.

THE CITY OF SEATTLE
SEATTLE CITY LIGHT

By: _____

Print Name: _____

Title: _____



FISCAL NOTE FOR NON-CAPITAL PROJECTS

| Department: | Contact Person/Phone: | CBO Analyst/Phone: |
|--------------------|------------------------------|---------------------------|
| Seattle City Light | Dave Barber 684-0400 | Calvin Chow 684-4652 |

Legislation Title:

AN ORDINANCE relating to the City Light Department; declaring the former Sunnydale Substation (PMA 609) located at 15002 8th Avenue South in Burien, Washington, to be surplus to The City of Seattle's needs; authorizing its sale to the Port of Seattle; authorizing the Superintendent of the City Light Department to execute a Purchase and Sale Agreement and other documents in connection therewith; and ratifying and confirming certain prior acts.

Summary of the Legislation:

This legislation would authorize Seattle City Light (SCL) to sell the former Sunnydale Substation property to the Port of Seattle for true and full market value and to deposit the sale proceeds into the City Light Fund.

Background:

The Sunnydale Substation is a former 4 kV substation located in Burien, Washington. This property lies east of 8th Avenue South, about 300 feet south of SR 518. A map is provided in Attachment A. This property became excess to SCL's needs when the utility converted its electrical distribution system from 4 kV to 12 kV. The 12 kV system increased capacity and provided a more efficient delivery of power to its customers, reducing the need for a significant number of 4kV substations in and around the City.

Once declared excess by SCL, the Fleets and Facilities Department (FFD), now known as the Department of Finance and Administrative Services, circulated this property among other City departments and other public jurisdictions. It was determined that this property was not needed for any City use. The Port of Seattle offered to purchase the property to extend the Sea-Tac Airport Buffer Zone. The Port now owns all of the property surrounding the former Sunnydale Substation site.

As directed by Resolution 30862, FFD evaluated this property in accordance with the Procedures for the Evaluation of Reuse and Disposal of the City's Real Property, soliciting comments from nearby property owners and tenants and local community groups. The property was posted to advise of the proposed sale and to solicit comments. There were two comments from members of the public who expressed interest in buying this property should it be offered for sale; no other comments were received. The City's real estate disposition procedures provide a preference for sales to other public jurisdictions, and the City's Real Estate Oversight Committee recommended that this property be sold to the Port of Seattle by negotiated sale.

The property has been appraised twice. The sale price of \$178,212 was based on a Port of Seattle appraisal dated April 19, 2010, reviewed and approved by SCL, with a small negotiated



environmental offset.

X This legislation has financial implications.

Anticipated Revenue/Reimbursement: Resulting from this Legislation:

| Fund Name and Number | Department | Revenue Source | 2011 Revenue | 2012 Revenue |
|-----------------------------|--------------------|-------------------------|---------------------|---------------------|
| City Light Fund | Seattle City Light | Sale of Excess Property | \$178,212 | |
| TOTAL | | | \$178,212 | |

What is the financial cost of not implementing the legislation?

The financial cost of not implementing the legislation is the loss of revenue generated by the sale. The other financial cost is the ongoing expense to the City for periodic trash removal and vegetation management of the property.

Does this legislation affect any departments besides the originating department?

No.

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

None.

Is the legislation subject to public hearing requirements?

The sale of utility property does require a public hearing. The public hearing would be held at a meeting of the City Council's Energy, Technology & Civil Rights Committee prior to the Committee's vote on the legislation.

Other Issues:

None.

List attachments to the fiscal note below:

Attachment A: Report on Evaluation of Reuse and Disposal Options for PMA #609, including aerial view and vicinity map of Sunnydale Substation. The map is for informational purposes only and is not intended to modify or supplement the legal description in the Ordinance.



REPORT ON EVALUATION OF REUSE AND DISPOSAL OPTIONS FOR
PMA No. 609, Former Sunnydale Substation

Resolution 29799 directs that the Executive is to make its recommendations on the reuse or disposal of excess property on a case by case basis, using *the Procedures for Evaluation of the Reuse and Disposal of the City's Real Property* adopted by that resolution. Additionally, the Resolution identifies guidelines which are to be considered in making a recommendation. This report addresses each of the guidelines outlined in Resolution 29799, and also the provisions of Resolution 30862, adopted May 1, 2006, which amended the earlier Resolution.

Property Management Area: **PMA No. 609 – Former Sunnydale Substation**
15002 8th Ave. S. Burien, Washington

BACKGROUND INFORMATION

Legal Description:

The east 70.00 feet of the north 110.00 feet of the west half of the southwest quarter of the southwest quarter of the northeast quarter of Section 20, Township 23 North, Range 4 East, W.M. in King County, Washington, and the north 20 feet of that portion of the west half of the southwest quarter of the southwest quarter of the northeast quarter of said Section, lying west of the west line of the east 70.00 feet of said subdivision; EXCEPT the west 30.00 feet thereof deeded to King County, Washington for road.

Physical Description and Related Factors:

PMA No. 609 – Former Sunnydale Substation - is a panhandle shaped lot, comprising approximately 12,197 sq ft. It is located 700 ft west of Lora Lake with a street address of 15002 8th Ave. S., in Burien. The parcel is identified by the King County Assessor as Property Identification No. 202304-9013. The northern boundary of PMA No. 609 measures 294 feet. The panhandle portion of the property functions as a 20-foot wide access road that runs east from 8th Ave. S. for 224 feet until it meets the “pan,” that comprises the actual substation area. This access panhandle is unimproved. If a road once existed there, it has now been overgrown with grasses over which tire lanes are faintly visible. An easement allowing ingress and egress to the adjoining parcel to the south cuts across the 20 feet of this access road from 8th Ave. S. The rectangular substation working area measures 70 feet along its southern boundary and 90 feet on its east and west sides. It is surrounded by a low 4’ chain link fence with a swinging gate along the northern line. A row of 30-40’ cedars create a green screen immediately outside the east and north boundary fences. Unlike other surplus substations, its concrete pad has been removed



although there are random chunks of concrete aggregate scattered around the site. There are several places where several underground electrical conduit feeds have been severed about one foot above the floor. A mix of vegetation, including Scotch Broom, moss, grasses, and ten 2-4-foot tall madrona trees, is scattered throughout the area. An abandoned and non-functional electric power box is attached to the inside fence in the northwest corner of the substation working area. The station itself is elevated and relatively flat, situated 10 feet above the grade of the paved areas to the west and south

The neighboring parcels adjoining the north and east boundaries contain Lora Lake apartment complex. This apartment complex is currently unoccupied and completely surrounded by security fencing. Immediately south of PMA No. 609 is a large level asphalt parking lot that is owned by the Port of Seattle. No structures are situated on the Port property, although it once was the site of the Olympic Bowling Alley. The land is zoned Airport Industrial according to the Zoning Map adopted 12/6/2010 and is designated Airport Industrial with Automall / Commercial Retail according to the Comprehensive Plan adopted 12/14/2009 by the, City of Burien.

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.

Acquisition History

PMA No. 609 was originally acquired under the authority of Ordinance 109984 as requested by the Superintendent of City Light Department, for the purpose of electrical transmission. On November 28th, 1958 Percy Blaker, Rosaland Walker, Norma F. Owen, Ruth McIntosh and Clyde Matteson, all of whom constitute the entire Board of the Tenth Church of Christ Scientist, conveyed the subject property to the City of Seattle Department of Lighting by Statutory Warranty Deed, for the sum of \$4,305.00. The Tenth Church of Christ Scientist also granted an easement for ingress and egress over said north 20.00 feet of the property for the benefit of the property immediately adjoining the strip on the south.

Sale or disposition of this property originally acquired for public utility purposes is subject to the provisions of RCW 35.94.040 which requires a statement of fair market value or consideration to be paid and such other terms and conditions for such disposition as the legislative authority deems to be in the best public interest.

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.

Context.

This property is located within the City of Burien. Development is regulated by Burien Municipal Code Title 19, Section 19.15.070, Airport Industrial Zone. The Airport Industrial (AI) zone implements the Airport Industrial Comprehensive Plan designation within the Northeast Redevelopment Area. The purpose and intent of this designation is to facilitate economic development and provide flexibility for airport-compatible uses in a campus-like setting with internal circulation to minimize the number of access points to Des Moines Memorial Drive.” The property is located south of and adjacent to the former Lora Lake Apartments, and north of a vacant, undeveloped parcel, all of which are owned by the Port of Seattle. The subject property is surrounded by property owned by the Port and is very near the third runway at SeaTac International Airport.

There is one other City of Seattle-owned property in the general area.

| Property | Size | Description | Location relative to PMA 609 |
|---------------------|------------|--------------|------------------------------------|
| Burien Pump Station | 9400 sq ft | Pump Station | .25 mile north of subject property |

Range of Options.

The usual range of options for disposition of excess utility property includes sale by public bid, negotiated sale, or transfer of jurisdiction to another City department for a non-utility public purpose. This property was subject of a five-party Memorandum of Understanding concerning the preservation of affordable housing at the Lora Lake Apartments. Under that agreement’s terms, PMA No. 609 was to be sold by Seattle City Light to King County for fair market value provided that the Seattle City Council authorized such a transaction. Circulation of the property among city departments and other public entities in July 2004 generated no interest from any department in acquiring PMA No. 609 for a present or future governmental purpose. That five party agreement dissolved when environmental testing of the Lora Lake site pointed to a \$10 million dollar cleanup cost. At that point King County was not interested in any trade that might involve ownership of such a contaminated property. The Port of Seattle has now expressed an interest in purchasing the subject property as it owns the large parcels immediately south and north of the subject property.



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 make affect the value of the property.

Highest and Best Use:

The property lies within the Airport Industrial (A1) zone that encourages airport compatible design. The best and highest use of this property would be compatible with airport activities located in the vicinity. Burien Municipal Code Section 19.15.070 details allowed uses in the zone.

Compatibility with the physical characteristics:

The lot is fairly level, with a 10ft contour on 60% of the main body. The panhandle access road is also relatively level as it runs eastward from 8th Avenue South to the substation equipment site. While the configuration is not the best for commercial use on a stand-alone basis, consolidation with the Port of Seattle property to the north and south facilitates a wider range of airport industrial uses.

Compatibility with surrounding uses:

The parcel is located in the Airport Industrial Zone and is within close proximity of SeaTac airport. Any future use of the land will comply with the AI Zone as determined by the City of Burien.

Timing and Term of Proposed Use

The property will be sold to the Port of Seattle based on an appraisal dated 4/19/2010. Use of the property will be up to the Purchaser and the timing of the sale is not a factor in this disposition.

Appropriateness of the consideration:

Sale or disposition of this property originally acquired for public utility purposes is subject to the provisions of RCW 35.94.040 which requires a statement of fair market value or consideration to be paid and such other terms and conditions for such disposition as the legislative authority deems to be in the best public interest.

Unique Attributes:

The property is within easy access to SR No. 518, 8th Ave. S. and Des Moines Memorial Drive. It is close to the international airport, and Airport light rail station and is approximately 900 ft from the flight path of the third runway for SeaTac Airport.



Potential for Consolidation with adjacent public property:

The neighboring parcel to the north is the former Lora Lake Apartments, which is currently owned by the Port of Seattle. The apartments were formerly under negotiation for purchase by the King County Housing Authority in accordance with the now-defunct MOU agreement that called for PMA 609 to be purchased by King County for development of light commercial business. There used to be a 162 unit apartment complex on the property which was intended to remain affordable housing.

Conditions in the real estate market:

Employment tends to drive the real estate market, particularly for industrial/commercial properties. Although unemployment in the Seattle Metro region as of December of 2010 was 8.2%, well below the Washington State average of 9.2%, unemployment isn't expected to decline to below 8% until sometime in mid-2012. Growth in employment is expected to be 1.8% in 2011 and 2.6% in 2012. The primary problems in the real estate market today are oversupply, price depression caused by foreclosures and defaults, and difficulty in obtaining credit. Until the employment situation stabilizes and improves, it is unlikely that oversupply will be absorbed, housing prices and rental rates will rise, and credit will flow to owners and developers seeking new opportunities. Areas like Burien are currently in transition given the shortage of available building lots in Puget Sound. Some inherent advantages to Burien are its proximity to the City of Seattle, with its jobs and workers, and its proximity to Sea-Tac International Airport, as well as to the new light rail line connecting them. The City of Burien has undertaken a drive to revitalize the area through zoning and economic development strategies with mixed results.

Known environmental factors:

The property sits near the third runway of SeaTac Airport, with the associated noise from air traffic, and may require a noise buffer, depending on the type of land usage. An Environmental Site Assessment Report was completed January, 2001 by Herrera Environmental Consultants and found that transformer oil within an area that "covers approximately 40 square feet; depth is unknown, but is greater than 2 feet. It is probable that 5 to 10 cubic yards of soil is contaminated above cleanup levels." Results also found that there is no asbestos, PCB's are not above "practical quantitation limits or screening levels in any of the soil and concrete samples submitted for analysis." DDT was detected, "at an estimate concentration of 14 mg/kg, which is below the practical quantitation limit for this analyte."

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.

PUBLIC INVOLVEMENT

Excess Property Response Forms were circulated to public agencies and other City departments to ascertain interest in the subject property. None of the potential buyers expressed an interest. A notice was mailed to 422 neighbors drawn from a list of residents and taxpayers that live within 1000 feet of PMA 609 on November 29th and 30th, 2007. A total of two comments had been received as of the January 4, 2008 deadline. Both of these comments were from private parties expressing an interest in purchasing the property should it become available for sale.

RECOMMENDATION

FAS recommends that PMA No. 609 be sold to the Port of Seattle for an agreed upon price.

THRESHOLD DETERMINATION

The Disposition Procedures provide that FAS assesses 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 Threshold Determination Form prepared for Sunnydale Substation is attached at the end of this report. The transaction is rated as being "Simple" based upon the factors considered and the score calculated for disposition of PMA No. 609.

NEXT STEPS

On February 11, 2008 FAS provided a summary version of this preliminary report to the Real Estate Oversight Committee. Since that time the Preliminary Report has been revised and the recommendation has evolved. The REOC approved sale of the subject property to King County under the terms of the MOU. The reality is that King County is no longer interested but the Port of Seattle is. Given that sale to an entity outside the City was approved by the REOC, FAS believes it is not necessary to return to the REOC for approval of a revised recommendation. At this time, a summary of the Preliminary Report needs to be given to all City departments and Public Agencies that expressed an interest in the Excess Property, and to members of the public who responded to the Initial Public Notice. This notice will advise how to obtain a full copy of the report, and advise that FAS will consider comments on the Preliminary Report for 30 days after mailing and direct where and to whom any comments should be addressed. FAS will also post one sign visible to the public at each street frontage abutting the Excess Property which provides the same information.

After comments are received after the posting of the Preliminary Report, FAS then revises its recommendation as appropriate, and prepares a Final Report including a report on public involvement, community comments, and feedback. The Recommendation is then forwarded to the City Council with any legislation necessary to implement the recommendation for the excess



Louis Webster
SCL Sunnydale Sub Sale FISC ATT A
March 22, 2011
Version #4

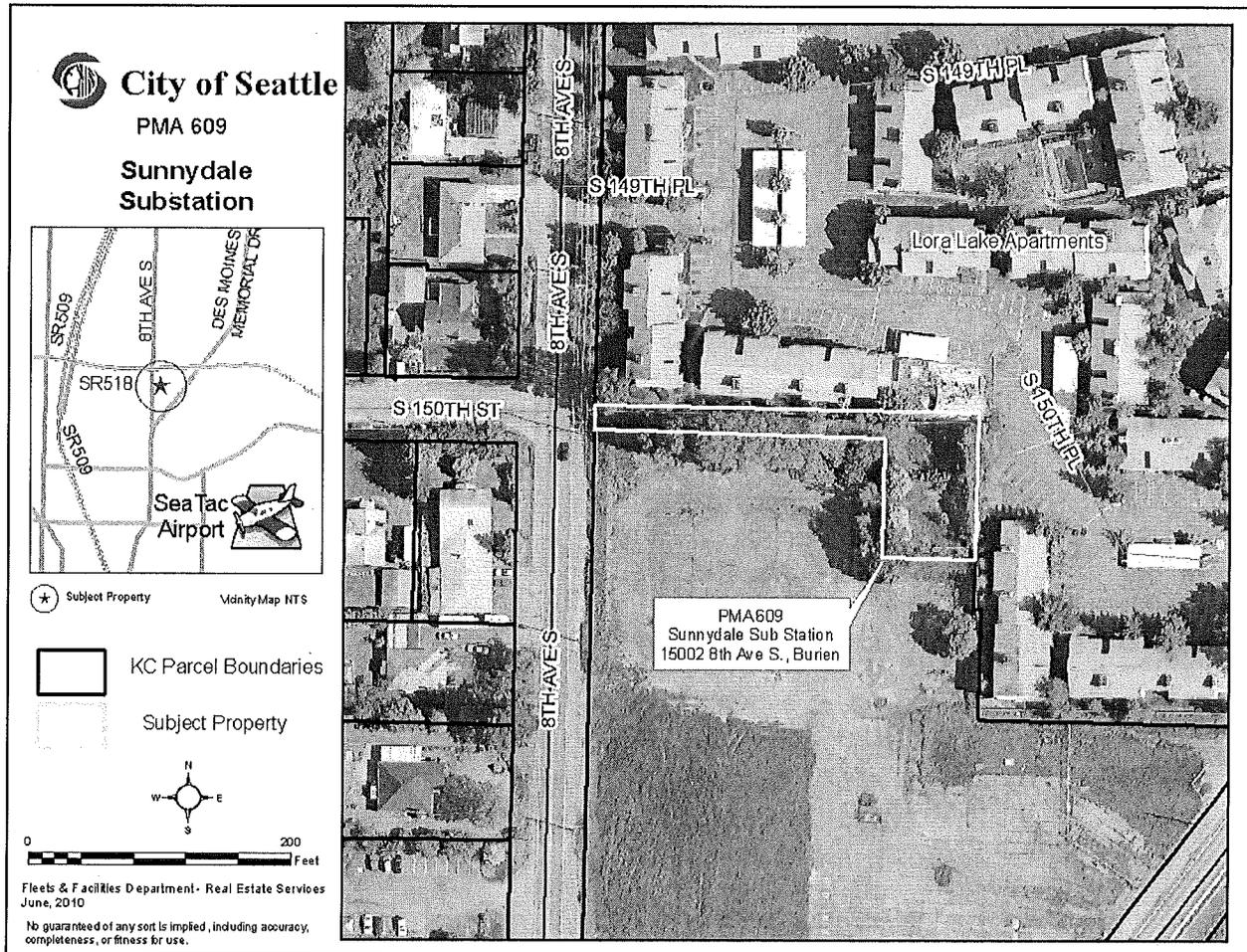
property. All comment-makers and other interested parties are provided with at least two-weeks notice of the transmission of the legislative package concerning the property to the Council.



Louis Webster
 SCL Sunnydale Sub Sale FISC ATT A
 March 22, 2011
 Version #4

| PROPERTY REVIEW PROCESS DETERMINATION FORM | | | |
|---|--|--|----------------------|
| Property Name: | Sunnydale Substation | | |
| Address: | 15002 8 th Avenue S., Burien, WA. 98148 | | |
| PMA ID: | 609 | Subject Parcel # | 2023049013 |
| Dept./Dept ID: | Seattle City Light | Current Use: | Public Utility |
| Area (Sq. Ft.): | 12,197 | Zoning: | A1 |
| Est. Value: | \$185,000.00 | Assessed Value: | \$97,500.00 |
| PROPOSED USES AND RECOMMENDED USE | | | |
| <i>Department/Governmental Agencies:</i> Port of Seattle | | <i>Proposed Use:</i> Combine with Adjoining Fee for Future Use | |
| <i>Other Parties wishing to acquire:</i> None | | <i>Proposed Use:</i> N/A | |
| RES'S RECOMMENDED USE: Sell to Port of Seattle for Fair Market Value. | | | |
| PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response) | | | |
| 1.) Is more than one City dept/Public Agency wishing to acquire? | <input type="checkbox"/> No / Yes | | 15 |
| 2.) Are there any pending community proposals for Reuse/ Disposal? | <input type="checkbox"/> No / Yes | | 15 |
| 3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options? | No / <input checked="" type="checkbox"/> Yes | | 15 |
| 4.) Will consideration be other than cash? | <input type="checkbox"/> No / Yes | | 10 |
| 5.) Is Sale or Trade to a private party being recommended? | <input type="checkbox"/> No / Yes | | 25 |
| 6.) Will the proposed use require changes in zoning/other regulations? | <input type="checkbox"/> No / Yes | | 20 |
| 7.) Is the estimated Fair Market Value between \$250,000-\$1,000,000? | <input type="checkbox"/> No / Yes | | 10 |
| 8.) Is the estimated Fair Market Value over \$1,000,000? | <input type="checkbox"/> No / Yes | | 45 |
| Total Number of Points Awarded for "Yes" Responses: | | | 15 |
| Property Classification for purposes of Disposal review: <input checked="" type="checkbox"/> Simple / Complex (circle one) (a score of 45+ points result results in a "Complex" classification) | | | |
| Signature: Louis Webster, AICP | | Department: FAS | Date: March 22, 2011 |





Note: All of the buildings shown on this map east of 8th Avenue South in the complex formerly known as the Lora Lake Apartments have been demolished and removed from the site.





City of Seattle
Office of the Mayor

April 19, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that authorizes the Superintendent of City Light to sell an excess parcel of City land, commonly known as the former Sunnydale Substation located at 15002 8th Avenue South in Burien, to the Port of Seattle for use as part of its Sea-Tac Airport buffer area.

The Sunnydale Substation is a former 4 kV substation that became excess to City Light's needs when the utility converted its electrical distribution system from 4 kV to 12 kV. The 12 kV system increased capacity and provided a more efficient delivery of power to customers, reducing the need for 4kV substations in and around the City. The substation was decommissioned, and the site is now vacant.

The Port of Seattle has agreed to pay \$178,212 for the property, based on an appraisal and negotiation of environmental offsets. The proceeds of the sale will be deposited in the City Light Fund. The sale will also relieve the City of the obligation to pay for maintenance and upkeep of this vacant property. Thank you for your consideration of this legislation. Should you have questions, please contact Dave Barber at 684-0400.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



STATE OF WASHINGTON – KING COUNTY

--SS.

272861
CITY OF SEATTLE, CLERKS OFFICE

No.

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

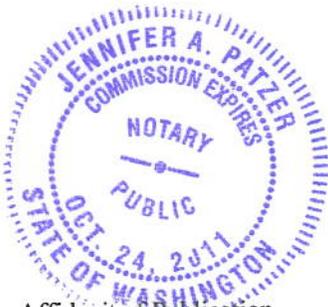
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123617,619-620 TITLE

was published on

06/23/11

The amount of the fee charged for the foregoing publication is the sum of \$ 61.43, which amount has been paid in full.



Affidavit of Publication

Subscribed and sworn to before me on

06/23/11

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on June 6, 2011, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>. Contact: Office of the City Clerk at (206) 684-8344.

ORDINANCE NO. 123617

AN ORDINANCE relating to the City Light Department; declaring the former Sunnysdale Substation (PMA 609) located at 15002 8th Avenue South in Burien, Washington, to be surplus to The City of Seattle's needs; authorizing its sale to the Port of Seattle; authorizing the Superintendent of the City Light Department to execute a Purchase and Sale Agreement and other documents in connection therewith; and ratifying and confirming certain prior acts.

ORDINANCE NO. 123619

AN ORDINANCE relating to the Department of Information Technology; authorizing the Director of the Department of Information Technology to accept and record a deed for the transfer of real property and improvements located at 1125 North 98th Street in Seattle, Washington, and identified as Tax Parcel Number 924790-0045-02 in fulfillment of a contract between the City of Seattle and Seattle Community Access Network (SCAN); and ratifying and confirming certain prior acts.

ORDINANCE NO. 123620

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

Publication ordered by the City Clerk
Date of publication in the Seattle Daily
Journal of Commerce, June 23, 2011.

6/23(272861)