SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to acquire, accept, and record on behalf of the City of Seattle both temporary and permanent property rights from abutting property owners located along the alignment of the planned combined sewage storage tunnel between 24th Avenue NW and Shilshole Avenue NW and Interlake Avenue North and North 35th Street that are necessary or convenient to construct, operate and maintain the Ship Canal Water Quality Project, through negotiation or eminent domain (condemnation); placing the real property rights acquired under the jurisdiction of the Seattle Public Utilities and designating the property rights acquired for utility and general municipal purposes; authorizing payment of all other costs associated with acquisition; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: This ordinance authorizes the Director of Seattle Public Utilities (SPU) to acquire temporary and permanent property rights for parcels located along the alignment of the planned combined sewage storage tunnel between 24th Avenue NW and Shilshole Avenue NW and Interlake Avenue North and North 35th Street. Other ordinances may be needed in the future for additional properties or real property rights that must be acquired to construct and complete the Combined Sewer Overflow (CSO) control project known as the Ship Canal Water Quality Project described below.

SPU's CSO program seeks to meet State and Federal permit requirements to reduce the size and number of sewer overflows into receiving water bodies. As part of a Consent Decree to bring the City into compliance with the Federal Clean Water Act, SPU submitted the Plan to Protect Seattle's Waterways (Ordinance 124766) to the U.S. Environmental Protection Agency and the Washington Department of Ecology and subsequently obtained approval of the Plan in 2015.

The Plan proposed several projects to reduce CSOs to meet regulatory requirements. One of the approved projects, the Shared West Ship Canal Tunnel Project (aka Ship Canal Water Quality Project), addresses wastewater storage capacity needs in the Ballard and Fremont/Wallingford areas. Nearly 70% of the City's CSO overflows associated with the Plan occur from these basins. This project will store wastewater in a deep underground tunnel that is generally in the street right-of-way, but will cross under private property in a few locations. Temporary and permanent property rights for the construction and operation of the permanent facility are therefore required.

SPU desires to acquire property rights through voluntary acquisitions. However, this legislation includes authorization for condemnation should efforts to conclude voluntary acquisitions not be successful.

2. CAPITAL IMPROVEMENT PROGRAM

____ **This legislation creates, funds, or amends a CIP Project.**

3. SUMMARY OF FINANCIAL IMPLICATIONS

__x__ **This legislation does not have direct financial implications.**

Notes: Funds were appropriated for this project for property purchase in the 2016 CIP budget under C3614, Ship Canal Water Quality Project.

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?
The legislation will help the City meet the requirements of its federal Consent Decree. Funds to acquire temporary and permanent property rights and to complete the project are allocated in SPU's Drainage and Wastewater Fund. Operations and Maintenance costs have been estimated for the completed CSO storage facility that are not included in the capital funds to acquire temporary and permanent property rights.

b) Is there financial cost or other impacts of not implementing the legislation?
Major sites have already been acquired (totaling $14.5 million) for the tunnel boring machine launch site and pump station for this project. The current alignment of the tunnel is mainly in the right-of-way and the most direct path to capture CSO flows from seven uncontrolled CSO Basins. If the legislation is not approved, SPU would return to performing alternate routing of the tunnel alignment which would still require temporary and permanent property rights in other locations with higher costs and impacts.

Furthermore, delays in securing temporary and permanent property rights would jeopardize the project schedule. The City has a federal Consent Decree that requires the CSO project to be completed no later than December 31, 2025, and faces stipulated penalties of $5,000 per day for failure to complete the CSO Project and $2,500 per day for each sewer overflow.

c) Does this legislation affect any departments besides the originating department?
An adjacent dock owned by the Seattle Department of Transportation and maintained by the Department of Parks and Recreation will be used as a barging facility to haul off spoils from the construction of the underground CSO storage facility. In addition, the Ballard Terminal Railroad, which is privately owned but has tracks located in the public street right of way, operates under a franchise with the Seattle Department of

Transportation. A Memorandum of Agreement has been approved for use of the dock. SPU and FAS are working on an MOA to lease excess property to SPU during the construction of the project (2018-2025). An Ordinance will be prepared in 2026 to transfer jurisdiction of the portion of the site to SPU that is required for the completed Ship Canal WQ Facility. Excess property at that location will be retained under the jurisdiction of FAS. Additional temporary and permanent property rights may also be needed from Seattle Department of Transportation, Seattle City Light, and the Seattle Department of Parks and Recreation along the tunnel alignment. Discussions will be initiated during 2016 to obtain the necessary property rights from these departments.

d) Is a public hearing required for this legislation?
No.

e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?
No.

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

g) Does this legislation affect a piece of property?
Yes.

h) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?
No. The neighborhoods with the highest potential to be affected include Ballard and Fremont/Wallingford. Disproportionate impacts to minority or low income populations are not expected.

i) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.
No.

j) Other Issues: None

List attachments/exhibits below: None.