

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

| <b>Department:</b> | <b>Contact Person/Phone:</b>                       | <b>CBO Analyst/Phone:</b> |
|--------------------|--|---------------------------|
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**Legislation Title:** AN ORDINANCE relating to the “Agreement for Sewage Disposal” between the City of Seattle and the Municipality of Metropolitan Seattle dated January 26, 1961, and amended by “Supplemental Agreement No. 2” executed February 15, 1962; authorizing the Director of Seattle Center to convey an easement to King County through Seattle Center land in partial satisfaction of City of Seattle obligations under the “Agreement for Sewage Disposal”.

**Summary of the Legislation:**

This legislation authorizes the Director of Seattle Center to execute a Wastewater Tunnel Easement Agreement with King County in partial satisfaction of the City obligations under the 1961 Agreement for Sewage Disposal between the City and the Municipality of Metropolitan Seattle (Metro).

**Background:**

In 1961 the City and Metro entered into an “Agreement for Sewage Disposal” (Agreement) to convey wastewater facilities throughout the City to Metro; the City received \$6,285,660 in return (Ordinance 89363). In 1962 the Agreement was amended by Supplemental Agreement No. 2, under which the City retained portions of the Alki Point Sewage Treatment Plant and the payment was reduced to \$6,189,780. On July 1, 1962, Metro assumed the exclusive right to use and duty to maintain, operate, repair and replace the sewer facilities. At the time of the transfer the City was still paying off bonds that had been sold to pay for the wastewater pipes; therefore, the property transfers could not be completed until those bond obligations had been retired. One of the provisions of the 1961 Agreement was that the City would continue to own the pipes and pay the principal and interest on the bonds until they were retired. The City has paid the entire principal and interest on those bonds and the obligations have been met. In 1994 Metro merged with and became part of King County.

The City and the County agreed to transfer real and personal property and to record separate easement agreements for each fee-owned property encumbered by the sewer facilities identified in the Agreement. The impacted facilities are under the jurisdiction of the Department of Parks and Recreation (DPR) and Seattle Public Utilities (SPU), and one of the facilities, the “Lake Union Tunnel” also crosses Seattle Center property. The tunnel runs diagonally across Seattle Center, starting from Harrison Street, approximately 100 feet below ground, continuing beneath the Armory and Seattle Children’s Theatre and exiting at 2<sup>nd</sup> Avenue. The proposed subsurface easement complies with the terms of the 1961 Agreement. Companion legislation addressing the transfer and assignment of rights in other City-owned

locations was approved in 2010 by Ordinance 123423 (for the Department of Parks and Recreation) and Ordinance 123422 (for Seattle Public Utilities).

**X** **This legislation does not have any financial implications.**

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**  
No
- b) **What is the financial cost of not implementing the legislation?**  
This legislation is required to fulfill the obligations outlined in the 1961 Agreement for Sewage Disposal between the City and Metro.
- c) **Does this legislation affect any departments besides the originating department?**  
Both Seattle Public Utilities and Parks and Recreation submitted similar legislation in 2010 (Ordinances 123422 and 123423) addressing wastewater facilities under their jurisdiction and identified in the 1961 Agreement for Sewage Disposal. This legislation will address the final City property identified in the 1961 agreement.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**  
There are no other possible alternatives to this legislation.
- 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, the property is identified and maps are included in the easement attached to the ordinance.
- h) **Other Issues:**  
None