

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
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Legislation Title:

AN ORDINANCE granting Port of Seattle permission to construct, maintain, and operate a private roadway and electrical utilities; on a portion of South Dakota Street and East Marginal Way South, as part of the Argo Yard Truck Roadway Project; for a ten-year term renewable for two successive ten-year terms; specifying the conditions under which this permit is granted; and providing for the acceptance of the permit and conditions.

Summary of the Legislation:

This legislation grants approval to the Port of Seattle to construct, maintain, and operate a private road, private light poles and buried electrical utilities between a new underpass of the State Route 99 Spokane Street Overcrossing and Colorado Avenue South for the Argo Yard Truck Roadway Project (the "Project"). A small portion of the Project would occupy a portion of East Marginal Way South and South Dakota Street.

This permit is for a ten-year term, renewable for two successive ten-year terms. The legislation has an insurance provision as recommended by the City's Risk Manager, specifies the conditions under which authorization is granted, and provides for acceptance of the permit and conditions.

The ordinance requires the Port of Seattle to pay the City an annual fee of \$3,476.52 commencing July 1, 2014, and annually thereafter. Adjustments to the annual fee may be made every year and if so made shall be calculated in accordance with a term permit fee schedule adopted by the City Council by Ordinance 123485. An Annual Fee Appraisal Summary is attached for reference.

Background:

By Resolution 31479, the City granted conceptual approval for the construction, maintenance and operation of the private road and electrical utilities. The purpose of the Project is to provide a faster route from the Port of Seattle marine terminals to the Union Pacific Railroad Argo Yard gate.

Please check one of the following:

X This legislation has financial implications.

Appropriations: N/A

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2014 Revenue	2015 Revenue
Transportation Operating Fund 10310	Seattle Department of Transportation	Annual Fee	\$3,476.52	TBD
TOTAL			\$3,476.52	TBD

Revenue/Reimbursement Notes: N/A

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact: N/A

Do positions sunset in the future? No

Spending/Cash Flow: N/A

Other Implications:

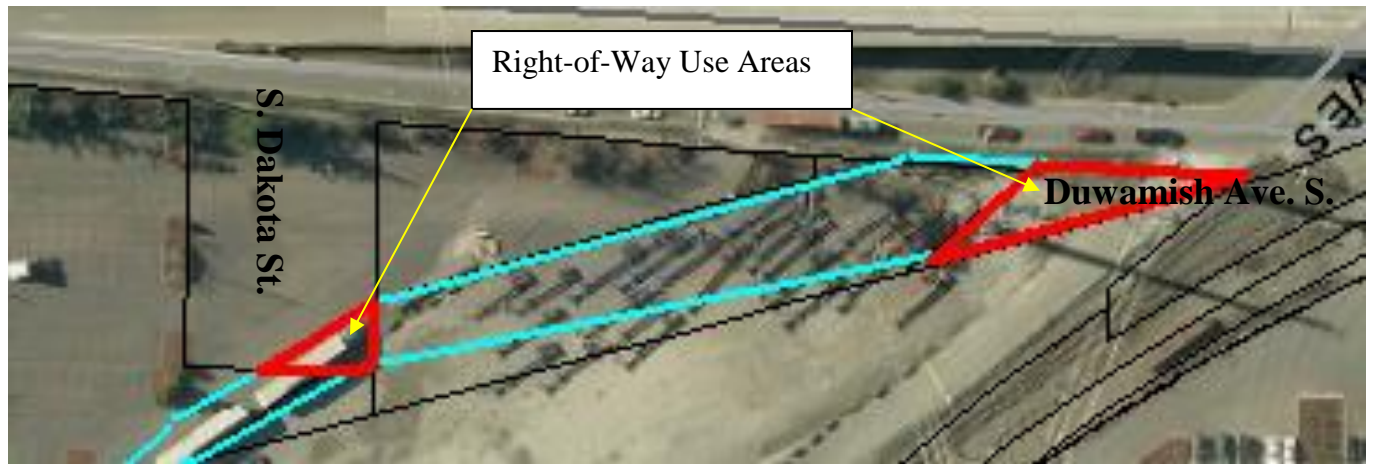
- a) **Does the legislation have indirect financial implications, or long-term implications?**
N/A
- b) **What is the financial cost of not implementing the legislation?**
If the legislation is not enacted by the City Council, the City of Seattle will not receive the annual fee of \$3,476.52. As previously stated, the City of Seattle has the option to adjust the fee amount on an annual basis.
- c) **Does this legislation affect any departments besides the originating department?** No
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** None
- 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, an area map is attached for reference.
- h) **Other Issues:** None

List attachments to the fiscal note below:

Attachment A – Argo Yard Truck Roadway Project Right-of-Way Use Areas

Attachment B – Annual Fee Assessment Summary

Attachment A – Argo Yard Truck Roadway Project Right-of-Way Use Areas



Attachment B - Annual Fee Assessment Summary

STREET USE ANNUAL FEE ASSESSMENT

Date: 3/10/14

<p><u>Summary:</u> Land Value: \$31.00/SF 2014 Permit Fee: \$3,476.52</p>
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I. Property Description:

Private roadway and electrical utilities on a portion of South Dakota Street and East Marginal Way South. The total encroachment area is **2,403 square feet**, consisting of 1,041 sf of utility area and 1,362 sf of private roadway.

Applicant:
Port of Seattle

Abutting Parcels, Property Size, Assessed Value:

1. Parcel 7666207536, square feet 783,522
Tax year 2014 Appraised Land Value \$24,289,100
2014 tax assessed land value: \$31.00/SF
2. Parcel 7666207545, square feet 19,645
Tax year 2014 Appraised Land Value \$608,900
2014 tax assessed land value: \$31.00/SF
3. Parcel 1824049008, square feet 344,787
Tax year 2014 Appraised Land Value \$10,688,300
2014 tax assessed land value: \$31.00/SF
Average 2014 tax assessed land value: \$31.00/SF

II. Annual Fee Assessment:

The 2014 permit fee is calculated as follows:

Roadway: $(\$31 / \text{SF}) \times (1,362 \text{ SF}) \times (80\%) \times (8\%) = \boxed{\$2,702.06}$ where 80% is the degree of alienation for an at-grade restricted access/private road and 8% is estimated annual rate of return.

Private utilities: $(\$31 / \text{SF}) \times (1,041 \text{ SF}) \times (30\%) \times (8\%) = \774.46 where 30% is the degree of alienation below-grade utilities and 8% is estimated annual rate of return.

Total Fee: $\$2702.06 + \$774.46 = \$3,476.52$

Fee methodology authorized under Ordinance 123485.