

# 13  
31317

Dave Barber  
SCL, Surplus Disposition Pilot Project, RES  
August 2, 2011  
Version #3

**RESOLUTION \_\_\_\_\_**

A RESOLUTION requesting that Seattle City Light conduct a Surplus Property Disposition Pilot Project to test an alternative process for determining the appropriate disposition of surplus utility properties; temporarily suspending certain requirements of Resolution Nos. 29799 and 30862 for the properties identified in the Pilot Project for a period of two years; and requesting that Seattle City Light and the Finance and Administrative Services Department report back to the City Council on the viability of the new procedures upon completion of the Pilot Project.

WHEREAS the City Council established policies and procedures in Resolution Nos. 29799 and 30862 to provide for an orderly, transparent, and inclusive process for determining the appropriate disposition of properties owned by the City but which are deemed surplus to the City department holding jurisdiction over such properties; and

WHEREAS based on actual experience with implementing the established procedures, Seattle City Light has proposed alternative procedures that it believes will both accomplish the internal circulation and community outreach goals of Resolutions 29799 and 30862 and at the same time, be more efficient to implement; and

WHEREAS Seattle City Light would like the opportunity to test the new procedures for a certain group of properties over a specific timeframe and, in conjunction with the Finance and Administration Department, to report back to the City Council on the effectiveness of the new procedures; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:**

Section 1. The Seattle City Council requests that the City Light Department ("City Light") conduct a Surplus Property Disposition Pilot Project (the "Pilot Project") to test a simplified process for vetting and making recommendations for the disposition of surplus utility properties. The properties to be included in the Pilot Project are:

- a. The former Chelsea Substation; 2321 Northeast 95<sup>th</sup> Street; Seattle, WA



- b. The former Hawthorne Substation; 3904 Northeast 65<sup>th</sup> Street; Seattle, WA
- c. The former Hill Substation; 2107 – 14<sup>th</sup> Avenue South; Seattle, WA
- d. The former Sand Point Substation; 5755 Northeast 63<sup>rd</sup> Street; Seattle, WA
- e. The former View Ridge Substation; 7502 – 44<sup>th</sup> Avenue Northeast; Seattle, WA
- f. The former Wedgewood Substation; 2507 Northeast 70<sup>th</sup> Street; Seattle, WA

Section 2. For purposes of the Pilot Project, for the properties identified in Section 1, the disposition procedures set forth in Resolution Nos. 29799 and 30862 are temporarily suspended for a period of two years, and the disposition procedures set forth by Section 3 herein are authorized.

Section 3. As part of the Pilot Project, City Light will first conduct a circulation process to determine if its surplus properties are needed for other City purposes, or by other public agencies for other public purposes, all as described in the procedures for a Surplus Property Disposition Pilot Project attached as Exhibit A hereto. City Light will also provide public notice, conduct community outreach to nearby residents, property owners, and community groups, and conduct public hearings pursuant to RCW 35.94.040, all as further described in Exhibit A hereto.

Section 4. Upon conclusion of the circulation, community outreach, and public hearings required in Section 3, City Light will provide a report of these activities to the Seattle City Council, together with recommendations for dispositions and the necessary legislation to implement those recommendations.

Section 5. Upon conclusion of the Pilot Project, City Light and the Department of Finance and Administrative Services will report to the City Council on the viability of the new



1 procedures, together with a recommendation on whether or not these procedures should be used  
2 for vetting and making recommendations for the disposition of additional surplus City properties.

3 Adopted by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2011, and  
4 signed by me in open session in authentication of its adoption this \_\_\_\_ day  
5 of \_\_\_\_\_, 2011.  
6

7 \_\_\_\_\_  
8 President \_\_\_\_\_ of the City Council  
9

10 THE MAYOR CONCURRING:  
11

12 \_\_\_\_\_  
13 Michael McGinn, Mayor  
14

15 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2011.  
16

17 \_\_\_\_\_  
18 Monica Martinez Simmons, City Clerk  
19

20 (Seal)  
21  
22

23 Exhibit A: Procedures - Surplus Property Disposition Pilot Project  
24  
25  
26  
27



## Exhibit A

### Seattle City Light Surplus Property Disposition Pilot Project

#### Procedures for Circulation, Public Outreach, and Public Hearings For Disposition of Surplus Properties under the Jurisdiction Seattle City Light

The purpose of the Surplus Property Disposition Pilot Project (Pilot Project) is to provide a test of alternative procedures which will: a) provide other City departments and other public agencies an opportunity to acquire surplus properties under the jurisdiction of Seattle City Light; b) provide an opportunity for neighboring owners, residents, and community groups to provide input on the proposed disposition of these properties; and c) provide recommendations to the Seattle City Council for the eventual disposition of these properties.

These procedures are intended to replace the requirements of Resolution Nos. 29799 and 30862, and at the same time, to better inform interested citizens of the limitations on disposition of surplus utility properties, and to be more efficient in the use of City staff time required for disposition processing.

If the Pilot Project is successful in meeting the objectives outlined above, the Project may be expanded to consider additional surplus properties for disposition.

#### Grouped Processing of Properties

The alternative procedures being tested by this Pilot Project will process City Light's surplus properties in small groups based on five geographic locations: Northwest Seattle, Northeast Seattle, Central Seattle between the Ship Canal and Yesler Way, Southwest Seattle, and Southeast Seattle. In addition to more efficient use of City staff time, City Light believes that these groupings will provide individual citizens and community groups a better appreciation of citywide disposition issues.

The Pilot Project will focus on five surplus properties in Northeast Seattle and one isolated property on Beacon Hill. All of these surplus properties are former 4 kV substations no longer needed for electrical distribution; these are: the former Chelsea, Hawthorne, Hill, Sand Point, View Ridge, and Wedgewood Substations.

### Circulation to Other City Departments and Other Public Jurisdictions

Within thirty days after adoption of this Resolution, City Light will circulate complete descriptions of the Pilot group of surplus properties to all other City departments. Other City departments will have first priority to withdraw a surplus property from further disposition processing to meet City needs. The Pilot group of surplus properties will also be circulated to other public jurisdictions which may be interested in acquiring a property. Other public jurisdictions will have the second priority to withdraw a surplus property from further disposition processing to meet public needs.

The requesting City department or other public jurisdiction must identify a specific fund source for payment for the property, and there must be a reasonable expectation that the transfer can be completed within two budget cycles after adoption of this Resolution.

### Community Outreach and Public Hearings

Following circulation to other City departments and other public jurisdictions, under the alternative procedures being tested by this Pilot Project, City Light will conduct one public hearing to solicit public comments for each geographic group of surplus properties. These hearings are intended to fulfill the City's obligation pursuant to RCW 35.94.040 to conduct a public hearing prior to the sale or other conveyance of real property acquired for a public utility purpose.

At least one month prior to each public hearing, City Light will provide written notification of the surplus status, disposition process, and opportunities for public comment, to each person owning property or living within 700 feet of a surplus property proposed for disposition. A sign will be posted on each property to provide the same notification.

Outreach to community groups will be coordinated with the Department of Neighborhoods (DON). At least two months prior to each public hearing, City Light will attend a meeting of each Neighborhood District Council having representation within the geographic area of the surplus properties being considered for disposition. At the District Council meetings, City Light will advise the member neighborhood groups of the proposed disposition, opportunities for public comment, and the upcoming public hearing concerning such disposition. City Light will attend a meeting of any member neighborhood group making such request to discuss any proposed dispositions in their neighborhoods. Established residential neighborhood groups in the Northeast include:

Meadowbrook Community Council  
Wedgewood Community Council  
Ravenna-Bryant Community Association  
View Ridge Community Council  
Hawthorne Hills Community Club  
Sand Point Country Club

The DON District Coordinators would be expected to recommend other interested stakeholders as well. City Light would also use neighborhood blogs where appropriate.

At least two weeks prior to each public hearing, City Light will provide notice of such hearing by publication, on two separate dates, in a newspaper of record. At each community meeting and at the public hearing, City Light shall advise the attendees of:

\*\* The history of each surplus property proposed for disposition within the hearing area, why the property is surplus to City Light needs, and the results of circulation to other City departments and other public agencies; and

\*\* The requirements of RCW 43.09.210, the State Accountancy Act, the requirements of RCW 35.94.040, pertaining to sales of utility properties, City Charter provisions pertaining to the disposal of City property, the judicial precedents of Okeson v. City of Seattle (I and II), and Lane v. City of Seattle, and the disposition procedures authorized by this Resolution.

\*\* Opportunities to speak and to submit written comments. City Light will maintain a record of all public testimony, written comments, and attendance and speaker sign-in sheets.

#### Reconsideration of Non-Utility Public Uses

At the conclusion of each public hearing, if any uses are proposed which would require the transfer of a property to another City department, such as park, community garden, or other non-utility use, City Light shall request such department to consider such proposal (to reconsider its determination in the earlier circulation), particularly with regard to how the proposed use would be consistent with citywide or local needs, and the availability of funds to effect a transfer.

#### Support to be Provided by Finance and Administrative Services

Seattle City Light will coordinate with the Department of Finance and Administrative Services (FAS) to obtain support in performing these procedures to the fullest extent that FAS staff resources and expertise will permit.

Dave Barber  
SCL, Surplus Disposition Pilot Project, EXH A to ORD  
August 2, 2011  
Version #2

### Recommendations to the City Council

At the conclusion of each public hearing, and following reconsideration of any proposals for non-utility public uses, City Light will submit a report to the City Council on the circulation, community outreach, and community comments and suggestions, together with a recommendation for disposition of each specific property, and the necessary legislation to implement those recommendations.

All members of the public and all community groups which have participated in the review of a surplus property shall be advised of the findings and recommendations of City Light regarding such property, before the report on such findings and recommendations is submitted to the City Council.

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

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

**Legislation Title:**

A RESOLUTION requesting that Seattle City Light conduct a Surplus Property Disposition Pilot Project to test an alternative process for determining the appropriate disposition of surplus utility properties; temporarily suspending certain requirements of Resolution Nos. 29799 and 30862 for the properties identified in the Pilot Project for a period of two years; and requesting that Seattle City Light and the Finance and Administrative Services Department report back to the City Council on the viability of the new procedures upon completion of the Pilot Project.

**Summary of the Legislation:**

This Resolution will authorize Seattle City Light to conduct a Surplus Property Disposition Pilot Project (the Pilot Project), with assistance from the Department of Finance and Administrative Services, for the purpose of better informing and advising the Seattle City Council on the best disposition for six surplus City Light properties. The provisions of City Resolution Nos. 29799 and 30862, the City's existing disposition procedures, will be suspended for this Pilot Project.

**Background:**

Seattle City Light holds more than 40 surplus properties. Most of these properties are former 4 kV substations, no longer needed because of conversion to the more efficient 26 kV electrical distribution system. City light believes that if a property is not needed for utility purposes, it should be made available for other City uses, or if not needed by the City, it should be sold and the proceeds used for utility purposes.

The City Council has provided detailed procedures for determining the best disposition for surplus City Properties by Resolution Nos. 29799 and 30862. These procedures focus on obtaining maximum public input on how surplus properties should be used for other City purposes or otherwise disposed of.

Surplus City Light properties are required by statute to be treated differently from surplus General Fund properties. When utility properties are desired for a non-utility City purpose, such as a pocket park or community garden, they must be paid for by the appropriate City fund at true and full value.



The prolonged economic downturn has resulted in diminished resources in all City departments, in City Light to maintain unused surplus properties, in Parks to maintain new park properties, and in Finance and Administrative Services (FAS) to conduct the detailed disposition process required by Resolution Nos. 29799 and 30862. In the past five years, City Light has disposed of one surplus property, the sale of a former substation in the SeaTac Airport buffer zone to the Port of Seattle.

City Light has proposed a streamlined Surplus Property Disposition Pilot Project based on five years experience with the current procedures, which it believes will still meet the goals of Resolution Nos. 29799 and 30862 and enhance public involvement, while at the same time, enabling the Department to more efficiently address its large inventory of surplus properties.

It should be noted that the Pilot Project would not authorize the sale or transfer of any surplus City Light properties to other jurisdictions. The purpose of this Pilot Project is to better inform and advise the City Council in the exercise of their authority to make such sales or transfers by future legislative action.

#### **Differences between Existing Disposition Procedures and Proposed Pilot Project**

- The proposed pilot procedures will address surplus properties in small geographic groups (e.g., all surplus substations in northeast Seattle, in northwest Seattle, etc.) instead of individually, one-at-a-time. This will provide the whole community in each geographic area the opportunity to more effectively assess the surplus properties available in their neighborhood. It will also be a more efficient use of community members' time.
- The pilot procedures will clarify that the property involved is utility property rather than general fund property and explain the internal vetting process that allows other City Departments such as Parks to choose the properties they wish to pursue. In the five years experience with the current process, it has become clear that interested citizens have often not been aware of the difference between general fund and utility-fund properties, and the requirement that utilities to obtain true and full value for the sale of the property or for transfer for non-utility uses.
- Under the proposed procedures City Light will conduct the public hearings required for the sale of utility properties. In the past these hearings have been conducted by a City Council committee at the beginning of a committee meeting. The proposed hearings will encourage more community participation because they will be held in the community after work hours. They will be coordinated with the District Councils.
- While FAS will continue to lead the overall disposition process, City Light will have primary responsibility for public outreach and operational aspects of the Pilot Project.



- Community mailings will be changed from a 1,000 foot radius to 700 feet. Experience shows that the great majority of individual responses are received from immediate neighbors. This change will allow for improved and more thorough outreach to all affected parties including tenants as well as owners in the affected area.

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

**Other Implications:**

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

Eventually, this Resolution may result in recommendations to the City Council for the sale or transfer of surplus City Light properties to other City departments or other entities. Such sales or transfers would result in reduced maintenance costs and increased sales proceeds for City Light. Transfers to other City departments would require payment of true and full value from other City funds.

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

Not implementing this legislation would not result in any direct costs. Future, indirect costs would be for continued maintenance of surplus City Light properties, and loss of potential proceeds from sales or transfers of jurisdiction.

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

FAS will assist City Light in implementing the Pilot Project. This assistance will be similar in most respects to FAS's current responsibilities under Resolution Nos. 29799 and 30862. Coordination has been through Hillary Hamilton, FAS Real Estate Manager.

Parks and Recreation will participate in community meetings to discuss the park acquisition process, the 2000 Pro Parks Levy, the 2008 Parks and Open Space Levy, and the acquisition of the former Morningside Substation in Northeast Seattle for park use. Coordination is with Don Harris, Parks Acquisition Manager.

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

City Light could continue to process its surplus properties through the provisions of Resolution Nos. 29799 and 30862. FAS recently briefed the City Council Finance & Budget Committee that simple dispositions under these Resolutions require at least a year; complex dispositions (including most City Light surplus properties) require indefinitely longer.

- 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, this legislation affects City Light's former Chelsea, Hawthorne, Hill, Sand Point, View Ridge, and Wedgewood Substations. Maps are attached.

**h) Other Issues:** None

**List attachments to the fiscal note below:**

- Attachment 1 – GIS Map, Former Chelsea Substation
- Attachment 2 – GIS Map, Former Hawthorne Substation
- Attachment 3 – GIS Map, Former Hill Substation
- Attachment 4 – GIS Map, Former Sand Point Substation
- Attachment 5 – GIS Map, Former View Ridge Substation
- Attachment 6 – GIS Map, Former Wedgewood Substation



Attachment 1  
GIS Map, Former Chelsea Substation



Former Chelsea Substation  
2321 Northeast 95<sup>th</sup> Street; Seattle, WA

Attachment 1 to Fiscal Note  
SCL Surplus Property Disposition Project



Attachment 2  
GIS Map, Former Hawthorne Substation



**Former Hawthorne Substation**  
3904 NE 65<sup>th</sup> Street; Seattle, WA

Attachment 2 to Fiscal Note  
SCL Surplus Property Disposition Project



Attachment 3  
GIS Map, Former Hill Substation

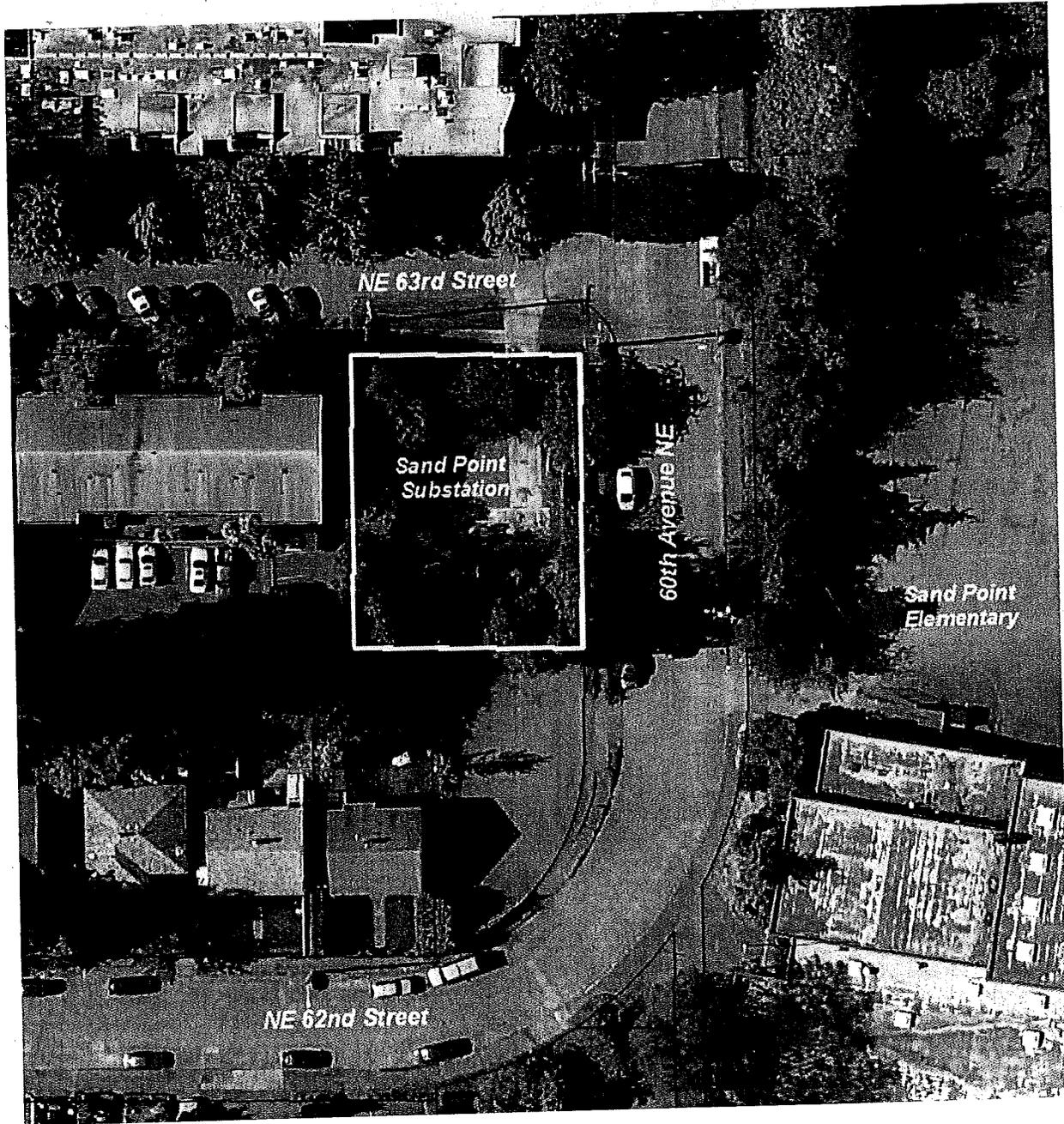


**Former Hill Substation**  
**2107 – 14<sup>th</sup> Avenue South**

Attachment 3 to Fiscal Note  
SCL Surplus Property Disposition Project



Attachment 4  
GIS Map, Former Sand Point Substation

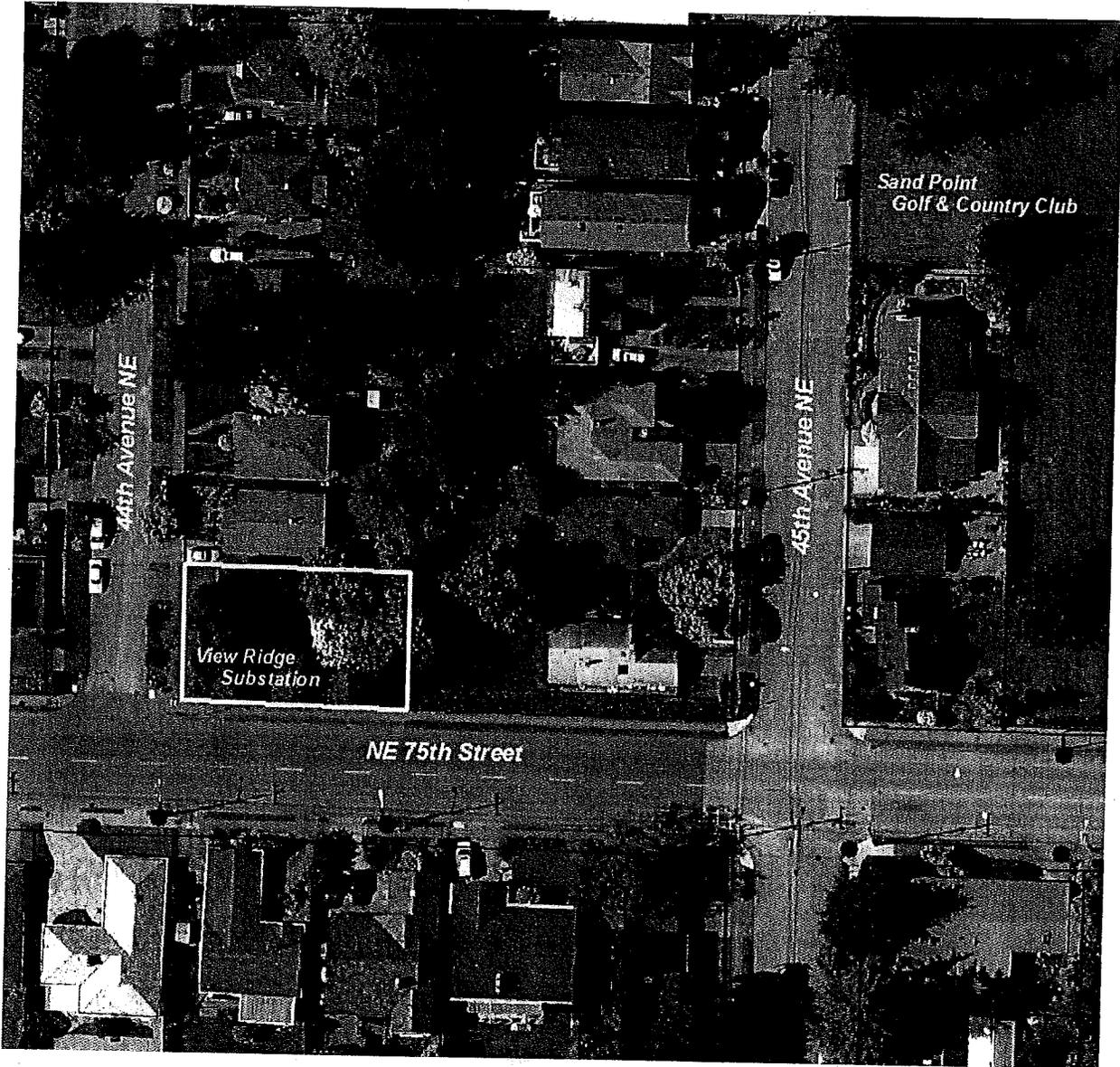


Former Sand Point Substation  
5755 NE 63<sup>rd</sup> Street; Seattle, WA

Attachment 4 to Fiscal Note  
SCL Surplus Property Disposition Project



Attachment 5  
GIS Map, Former View Ridge Substation



**Former View Ridge Substation**  
7502 – 44<sup>th</sup> Avenue NE

Attachment 5 to Fiscal Note  
SCL Surplus Property Disposition Project



Attachment 6  
GIS Map, Former Wedgewood Substation



**Former Wedgewood Substation**  
2507 NE 70<sup>th</sup> Street

Attachment 6 to Fiscal Note  
SCL Surplus Property Disposition Project





City of Seattle  
Office of the Mayor

August 9, 2011

Honorable Richard Conlin  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Resolution that would authorize Seattle City Light to conduct a Surplus Property Disposition Pilot Project, for the purpose of testing an alternative process for disposing of excess utility properties. This proposed process is based on five years actual experience with implementing the established procedures and is designed to more efficiently meet the goals of the current process while enhancing community involvement.

This legislation would temporarily suspend the requirements of Resolution Nos. 29799 and 30862, which direct the City's existing disposition process. The new procedures would apply to six surplus properties. As part of the Pilot Project, City Light will first conduct a circulation process to determine if its surplus properties are needed for other City purposes, or by other public agencies. City Light will also provide public notice, conduct community outreach to nearby residents, property owners, and community groups, and conduct public hearings.

At the conclusion of the Pilot Project, City Light and the Department of Finance and Administrative Services will report back to the City Council on the advisability of extending these procedures to the disposition of additional City Light surplus properties. Should you have questions, please contact Dave Barber at 684-0400. Thank you for your consideration of this legislation.

Sincerely,

A handwritten signature in black ink that reads "Paul Smith".

Deputy Mayor

for Michael McGinn  
Mayor of Seattle

Michael McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor  
Office of the Mayor  
600 Fourth Avenue, 7<sup>th</sup> Floor  
PO Box 94749  
Seattle, WA 98124-4749

Tel (206) 684-4000  
Fax (206) 684-5360  
TDD (206) 615-0476  
mike.mcginn@seattle.gov

