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2 **ORDINANCE**

3 AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public
4 Utilities to purchase certain real property located at 36716 SE 191st Street in Section 36,
5 Township 23 North, Range 7 East, W.M. in King County, Washington, King County
6 Parcel Identification No. 362307-9031, totaling 2.52 acres, in close proximity to the
7 Cedar River Municipal Watershed; and to execute, accept and record deeds and other
8 necessary and convenient documents and agreements on behalf of the City.

9 WHEREAS, the City, acting through and by Seattle Public Utilities (SPU), owns and manages
10 the more than 92,000-acre Cedar River Municipal Watershed (Watershed), which is both
11 a source of unfiltered drinking water for Seattle and surrounding communities and home
12 to many species of fish and wildlife; and

13 WHEREAS, the owner of 2.52 acres of real property located at 36716 SE 191st Street in the
14 community of Kerriston in unincorporated King County (Property) desire to sell the
15 Property to SPU; and

16 WHEREAS, the Property is in close proximity to the northern boundary of the Watershed and is
17 accessed by means of the King County public Kerriston Road that passes through the
18 Watershed; and

19 WHEREAS, SPU determined purchasing the Property would help achieve critical and strategic
20 management objectives for the Watershed including: (1) increasing control of lands
21 accessed by the Kerriston Road; (2) avoiding risk and costs associated with illegal
22 trespass in and around the Watershed; and (3) reducing risk and liability costs associated
23 with the continuing residential build-out of the Kerriston community; and

24 WHEREAS, SPU and the Property owner have agreed to a Purchase and Sale Agreement; NOW,
25 THEREFORE,

26 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

27 Section 1. The Director of Seattle Public Utilities, or his designee, is hereby authorized
28 to purchase 2.52 acres of real property, legally described in Attachment 1 and depicted in
29 Attachments 2 and 3, for \$100,000 from Jeremy Gustafson, and to execute any necessary
30 documents, accept or deliver any necessary deeds, or take any other actions reasonably necessary
31 to effectuate this ordinance.



1 Section 2. The Property acquired pursuant to this ordinance shall be placed under the
2 jurisdiction of Seattle Public Utilities.

3 Section 3. This ordinance shall take effect and be in force 30 days from and after its
4 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
5 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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1 Passed by the City Council the ____ day of _____, 2011, and
2 signed by me in open session in authentication of its passage this ____ day of
3 _____, 2011.

4 _____
5 President _____ of the City Council
6

7 Approved by me this ____ day of _____, 2011.
8
9

10 _____
11 Michael McGinn, Mayor
12

13 Filed by me this ____ day of _____, 2011.
14
15

16 _____
17 Monica Martinez Simmons, City Clerk
18

19 (Seal)
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21

22 Attachment 1 – Real Property Description
23 Attachment 2 – Regional Setting – Kerriston Property Purchase
24 Attachment 3 – Map of Gustafson Property Purchase
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26
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Attachment 1

Real Property Description

PORTIONS OF THE SOUTHEAST QUARTER AND THE NORTHEAST QUARTER OF SECTION 36, TOWNSHIP 23 NORTH RANGE 7 EAST, PARCELS A, B, C, D, E, and F, KING COUNTY, WASHINGTON:

PARCEL A:

THAT PORTION OF GOVERNMENT LOT 10 IN SECTION 4, TOWNSHIP 22 NORTH, RANGE 6 EAST, W.M., RECORDS OF KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE COMMON 1/4 CORNER BETWEEN SECTION 4 AND 9 OF SAID TOWNSHIP AND RANGE; THENCE NORTH 88°56'00" EAST 913.67 FEET TO THE WESTERLY MARGIN OF STATE HIGHWAY NO. 5, BEFORE WIDENING OF SAID HIGHWAY BY DEED BEARING RECORDING NO. 3911464, RECORDS OF KING COUNTY; THENCE NORTH 32°07'00" WEST ALONG SAID WESTERLY MARGIN 802.66 FEET; THENCE SOUTH 88°04'18" WEST 156.02 FEET; THENCE SOUTH 52°04'10" WEST 207.67 FEET TO THE TRUE POINT OF BEGINNING AND THE NORTHEAST CORNER OF A TRACT OF LAND CONVEYED TO D.A. HOLT AND ADALINE HOLT, BY DEED BEARING RECORDING NO. 3630954; THENCE 52°04'10" EAST 116.61 FEET; THENCE NORTH 71°12'40" WEST 330 FEET, MORE OR LESS, TO THE SOUTHEASTERLY BANK OF CEDAR RIVER, AS DIVERTED AND RELOCATED, AND AS SHOWN ON SURVEY OF TRACT 19, MAPLE VALLEY GARDEN TRACTS, UNRECORDED, BY R.J. STOREY, SURVEYOR, DATED MARCH 1946; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY BANK OF CEDAR RIVER 250 FEET, MORE OR LESS, TO A POINT WHICH BEARS SOUTH 88°56'00" WEST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH 88°56'00" EAST 410 FEET, MORE OR LESS, ALONG THE NORTH LINE OF SAID TRACT CONVEYED TO L.A. HOLT AND ADALINE HOLT, TO THE TRUE POINT OF BEGINNING; EXCEPT THAT PORTION THEREOF LYING WITHIN THE PRESENT CHANNEL OF CEDAR RIVER; (ALSO KNOWN AS A PORTION OF TRACT 19 OF MAPLE VALLEY GARDEN TRACTS, ACCORDING TO THE UNRECORDED PLAT THEREOF).

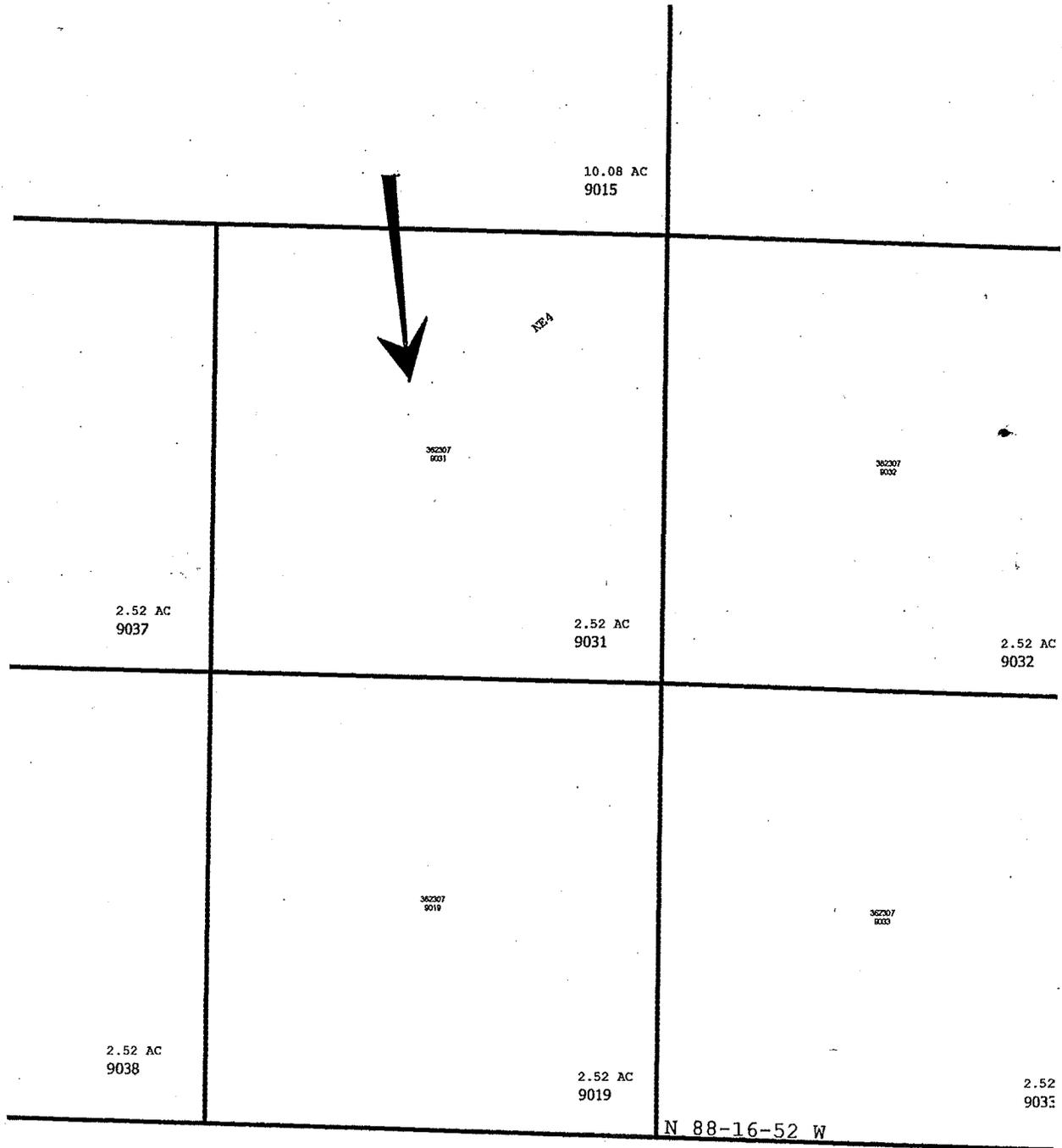
PARCEL B:

A NON-EXCLUSIVE EASEMENT AS CREATED UNDER RECORDING NO. 9806172055



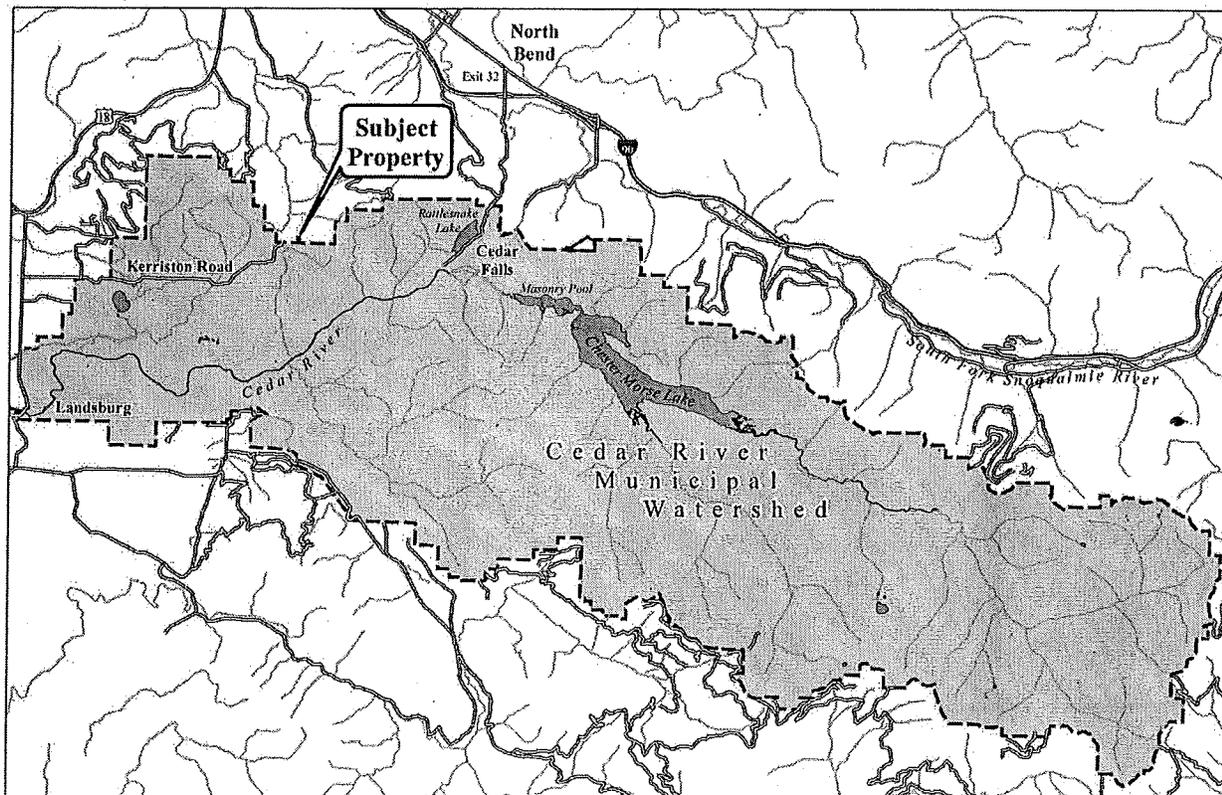
Attachment 1

Real Property Description

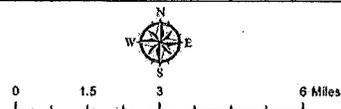


ATTACHMENT 2:

Regional Setting – Kerriston Property Purchase



Regional Setting
King County Parcel Identification No. 362307-9031
Property Purchase ORD ATT 2

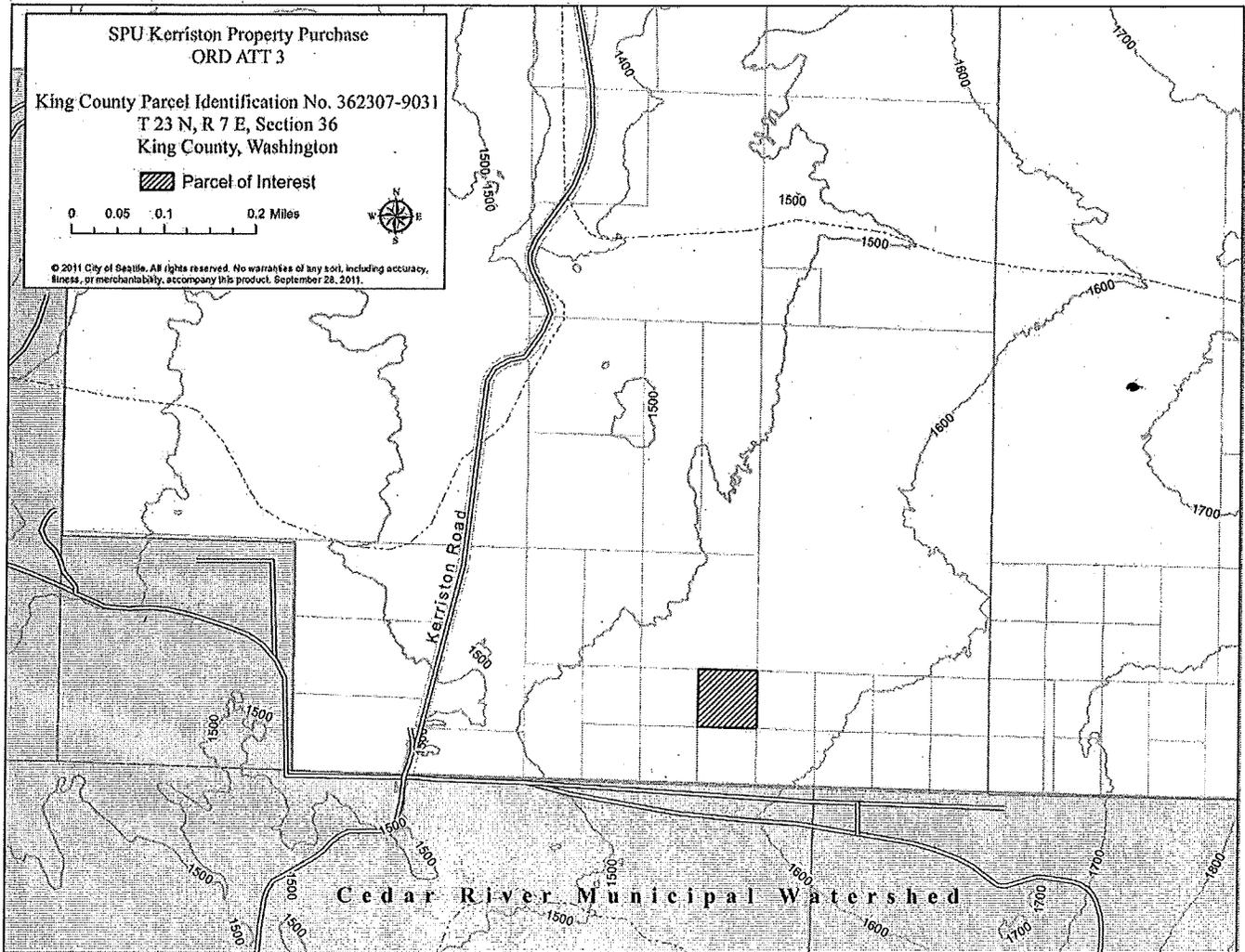


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ATTACHMENT 3:

Map of Gustafson Property Purchase



FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Cyndy Holtz/6-1990	Karen Grove/4-5805

Legislation Title:

AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to purchase certain real property located at 36716 SE 191st Street in Section 36, Township 23 North, Range 7 East, W.M. in King County, Washington, King County Parcel Identification No. 362307-9031, totaling 2.52 acres, in close proximity to the Cedar River Municipal Watershed; and to execute, accept and record deeds and other necessary and convenient documents and agreements on behalf of the City.

Summary and background of the Legislation:

The ordinance authorizes the Director of Seattle Public Utilities to purchase 2.52 acres of land from Jeremy Gustafson, a willing seller. The City protects its Cedar River water supply and minimizes water treatment requirements by managing risks to source water quality. Property ownership and controlling public access are cornerstones of Seattle's water quality protection strategy. The City owns almost all of the land within the Cedar River watershed boundary and controls public access on those lands. The only remaining point of unrestricted public access is the 7-mile long Kerriston Road, 4.1 miles of which pass through the watershed. Kerriston Road is the only access to the unincorporated town of Kerriston. The road is a long-standing source of unrestricted traffic through the watershed immediately upstream of SPU's water supply diversion at Landsburg, as well as an avenue of trespass onto watershed lands.

SPU would like to buy the Gustafson parcel because it is being offered at a fair price and because it is contiguous to the recently-acquired 148.2-acre Herbrand property, the purchase of which was approved in July 2011 by Ordinance 123657. With the seller's concurrence, this property was prepared for purchase through SPU's multi-year ongoing CIP project to acquire lands in the Kerriston area to manage unrestricted public access allowed by the Kerriston Road. The property is valuable to SPU because it offers: 1) reduced risk and liability associated with the reduced public traffic through the watershed; 2) avoided risk and costs associated with illegal trespass in and around the Cedar River Municipal Watershed; and 3) reduced risk and liability related to the continuing residential build-out in the Kerriston area.

This project is fully accounted for in current water rates. For illustrative purposes, if this project were not yet funded in the CIP and was to be added to the CIP and rates now, it would represent approximately a 0.02 percent increase to the 2011 water rates of \$34.01 paid by the average residential customer (this representing the cash financing component per month for the first year only), and 0.006 percent in out-years for ongoing debt service related to the project.



Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:
	C1314	T 23N R 7E Sec 36; adjacent to Cedar River Municipal Watershed	1/31/11	1/31/12

**The Kerriston Road CIP project (C1314) provides an ongoing allocation of over \$600,000 to acquire properties adjacent to the lower Cedar River Municipal Watershed that are accessed via Kerriston Road, which runs through the lower municipal watershed. The Gustafson Property will be purchased with funds in this CIP allocation. Start and end dates in the table above refer specifically to the Gustafson Property acquisition and do not pertain to the Kerriston Road project as a whole, which has a start date of Q1 2009 and is a multi-year, ongoing project.*

Please check any of the following that apply:

This legislation creates, funds, or anticipates a new CIP Project.

This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	Existing 2011 Appropriation	New 2011 Appropriation (if any)	2012 Anticipated Appropriation
43000	SPU	C130B Watershed Stewardship	\$612,001		\$600,000
TOTAL			\$612,001		\$600,000

The table above shows the allocation amount for the Kerriston Road project, which is budgeted within the Watershed Stewardship BCL.

Appropriations Notes: No additional appropriation is being sought by this legislation. The negotiated purchase price for this land is \$100,000, with up to an additional \$10,000 in related expenses (appraisal, appraisal reviews, title costs, and escrow costs, etc.). This purchase will be funded by the existing Kerriston Road Acquisition Project, ID C1314, contained in the 2011 Adopted Water Fund Capital Budget.



Spending Plan and Future Appropriations for Capital Projects:

Spending Plan and Budget	2011	2012	2013	2014	2015	2016	Total
Spending Plan	\$1,200,000	\$612,000	\$624,235	\$636,706	\$649,471	\$662,471	\$4,384,882
Current Year Appropriation	\$612,001						
Future Appropriations (2012-2017 Proposed CIP)		\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$3,000,000

Spending Plan and Budget Notes: The 2011 Adopted Water Fund Capital Budget includes \$612,001 in appropriations for this capital activity (C1314: Kerriston Road Acquisitions). The Spending Plan was increased by approximately \$600,000 during 2011 to enable Seattle Public Utilities to take advantage of this and other unanticipated acquisition opportunities, in addition to planned acquisitions.

Funding Source:

Funding Source (Fund Name and Number, if applicable)	2011	2012	2013	2014	2015	2016	Total
Water Fund - 43000	\$110,000						\$110,000
TOTAL	\$110,000						\$110,000

Funding Source Notes: This project is funded by the Water Fund, and is not expected to generate revenue.

Bond Financing Required:

Type	Amount	Assumed Interest Rate	Term	Timing	Expected Annual Debt Service/Payment
Fixed Rate	\$489,600	3.6%	30	1/2011	\$27,760
TOTAL	\$489,000				\$27,760

Bond Financing Notes: No bonds will be issued for this project. It will be financed with bonds issued in January 2011, which are managed at the fund level. Amounts above are illustrative of the entire Kerriston Road Acquisition project's contribution to debt service in 2011. On average, 80 percent of Water Fund project costs are financed with debt, with the remainder financed with cash. The amount \$489,600 in the table above represents 80% of the 2011 Adopted Kerriston Road Acquisition project allocation of \$612,000. The above funding amount includes 3 percent in issuance costs.



Uses and Sources for Operation and Maintenance Costs for the Project:

O&M	2011	2012	2013	2014	2015	2016	Total
Uses							
Start Up		\$4,000					
On-going							
Sources (itemize)							

Operation and Maintenance Notes: These are one-time costs related to demolition of a sub-standard structure and boundary posting. There is no opportunity to implement the LEED Silver standard.

Periodic Major Maintenance Costs for the Project:

Major Maintenance Item	Frequency	Cost	Likely Funding Source
TOTAL			

Funding sources for replacement of project: There are no replacement costs associated with this proposed property acquisition.

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

Position Title and Department*	Position # for Existing Positions	Fund Name & #	PT/FT	2011 Positions	2011 FTE	2012 Positions **	2012 FTE **
TOTAL							

* List each position separately

** 2012 positions and FTE are total 2012 position changes resulting from this legislation, not incremental changes. Therefore, under 2012, please be sure to include any continuing positions from 2011.

Position Notes: No positions will be created, modified, or abrogated by this proposed legislation.

Do positions sunset in the future? Not applicable. No positions will be created, modified, or abrogated by this legislation.

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?**
Estimating the financial cost of not implementing this legislation would be highly speculative. The legislation approves acquisition of 2.5 acres in an area comprising approximately 300 acres accessed by the Kerriston Road. The risk of uncontrolled access to drinking water quality from vehicles using the Kerriston Road decreases as properties shift from private to public ownership, but quantifying the risk reduction is difficult.
- c) Does this legislation affect any departments besides the originating department?**
No other departments will be effected by this legislation.
- d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
Although SPU has explored additional alternatives, no other alternative reduces the risk of contaminant spill into the water supply, which is the primary risk posed by the Kerriston Road.
- 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. See attachments 2 and 3 to the ordinance attached.
- h) Other Issues:**
None.

List attachments to the fiscal note below:

None.





Michael McGinn
Mayor of Seattle

November 8, 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 authorizing the Director of Seattle Public Utilities to purchase 2.52 acres of property from a willing seller. The property is close to the Cedar River Municipal Watershed and this acquisition would help resolve watershed access and security issues posed by its proximity to King County's public Kerriston Road.

The City protects its Cedar River water supply and minimizes water treatment requirements by managing activities and risks that could potentially affect the quality of source water. Property ownership and control of public access are cornerstones of Seattle's water quality protection strategy. The City owns almost all of the land within the Cedar River watershed boundary and controls public access on those lands. Kerriston Road is the only remaining point of unrestricted public access which passes through the watershed to serve the unincorporated Kerriston community.

This real estate purchase will increase SPU's control of lands accessed by the Kerriston Road and the future development of those lands. Reduced public traffic through the watershed is expected to reduce risk and costs associated with illegal trespass in and around the watershed, and reduce risk and liability costs related to the continuing residential build-out in the Kerriston community.

Thank you for considering this legislation and supporting protection of an important source of water for Seattle and the region. If you have questions, please contact Cyndy Holtz at 386-1990.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

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