

#7
CB 117457

Pree Carpenter
SPU 5560 Holly Street ORD
April 6, 2012
Version #5

CITY OF SEATTLE
ORDINANCE _____

COUNCIL BILL 117457

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AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to purchase certain real property located at 5560 South Holly Street, Seattle, Washington, and to execute, accept and record deeds and convenient documents and agreements deemed by the Director to be necessary to this transaction on behalf of the City.

WHEREAS, the City of Seattle owns and operates a combined sewer system that overflows during heavy rain events; and

WHEREAS, the combined sewer system overflows (CSOs) are governed by the State of Washington under the terms of a National Pollutant Discharge Elimination System (NPDES) permit; and

WHEREAS, the terms of the NPDES permit mandate the City of Seattle limit untreated overflows at each CSO outfall to an average of no more than one per year; and

WHEREAS, based on the volume of overflows and their impact on water quality in Lake Washington, Basin 45 has been identified in the NPDES permit as a priority for CSO reduction, including regulatory milestones for completion of a capital improvement project; and

WHEREAS, after nearly two years of study and discussions with residents, Seattle Public Utilities (SPU) has decided to address the neighborhood's ongoing combined sewer overflow issue by pursuing construction of an underground storage tank at 5560 South Holly Street; and

WHEREAS, the property owners of 5560 South Holly Street have voluntarily offered to sell their property to the City of Seattle and have agreed with SPU to a Purchase and Sale Agreement which is subject to Council approval; NOW, THEREFORE,



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

2 Section 1. The Director of Seattle Public Utilities, or his designee, is hereby authorized to
3 purchase the property at 5560 South Holly Street, legally described in Attachment 1 and depicted
4 in Attachments 2 and 3, for \$445,000.00 from Artee F. Young and John T. Wilson, Jr., and to
5 execute documents, accept or deliver any necessary deeds and to record the same, or take any
6 other actions deemed by the Director to be reasonably necessary to effectuate this ordinance.

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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 after its approval by
4 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
5 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

6 Passed by the City Council the ____ day of _____, 2012, and
7 signed by me in open session in authentication of its passage this
8 ____ day of _____, 2012.

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10 _____
11 President _____ of the City Council

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13 Approved by me this ____ day of _____, 2012.

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15 _____
16 Michael McGinn, Mayor

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18 Filed by me this ____ day of _____, 2012.

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20 _____
21 Monica Martinez Simmons, City Clerk

22 (Seal)

23
24 Attachment 1 – Real Property Legal Description
25 Attachment 2 – Regional Setting – 5560 South Holly Street Purchase
26 Attachment 3 – Map of Subject Property



Free Carpenter
SPU 5560 Holly Street ATT1
April 6, 2012
Version #2

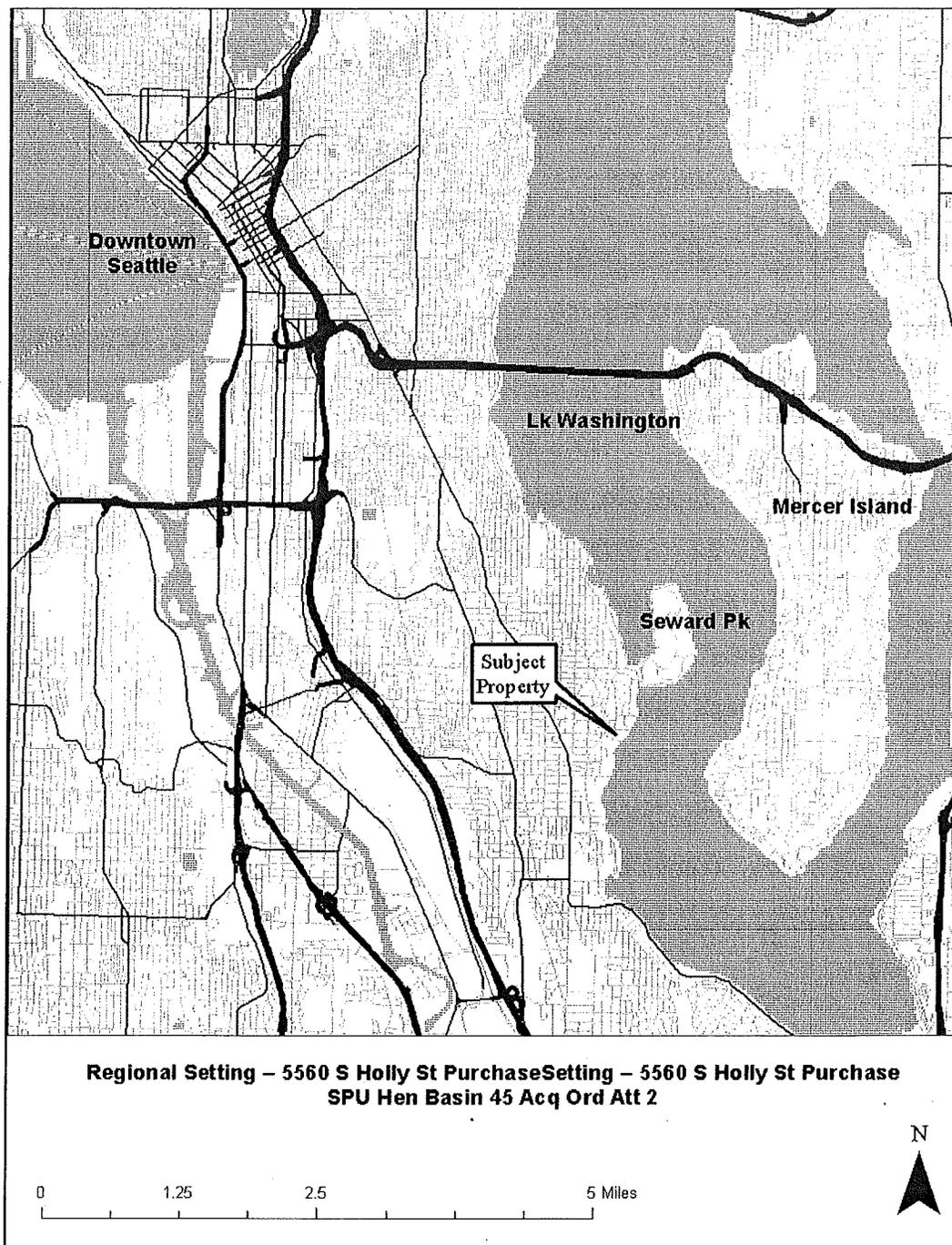
Attachment 1

Real Property Legal Description

The east 92 feet of the south 70 feet of Lot 5, Block 13, Brighton Beach Addition, according to the plat thereof recorded in Volume 6 of Plats, Page 98, in King County, Washington.

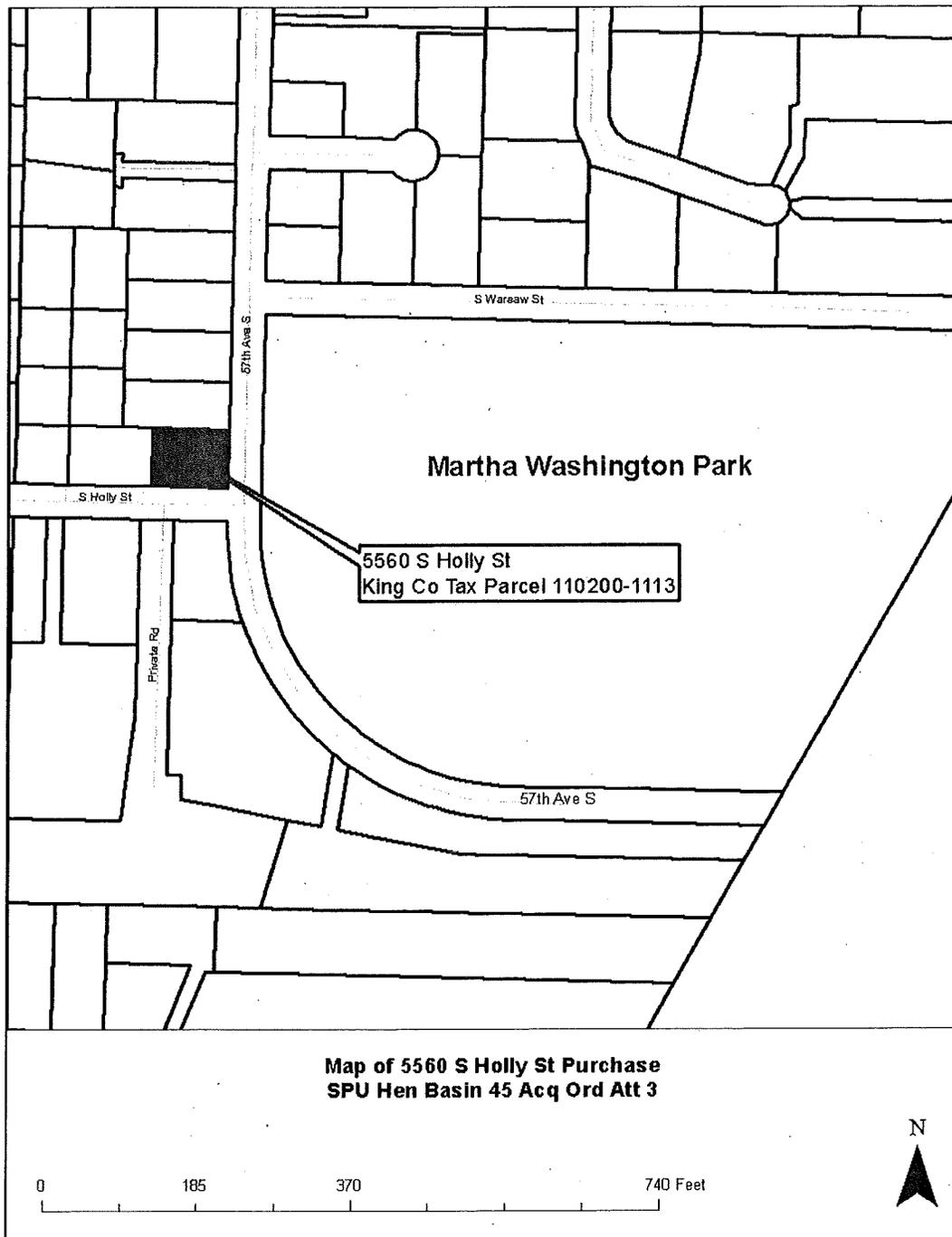
Attachment 2

Regional Setting – 5560 South Holly Street Purchase



Attachment 3

Map of Subject Property



FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Public Utilities	Pre Carpenter/386-9754	Karl Stickel/684-8085

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to purchase certain real property located at 5560 South Holly Street, Seattle, Washington, and to execute, accept and record deeds and convenient documents and agreements deemed by the Director to be necessary to this transaction on behalf of the City.

Summary and background of the Legislation: This ordinance authorizes the Director of Seattle Public Utilities (SPU) to purchase the property at 5560 South Holly Street in the Seward Park neighborhood. SPU's Combined Sewer Overflow (CSO) program seeks to meet the State of Washington's National Pollutant Discharge Elimination System (NPDES) permit requirements by reducing the size and number of sewer overflows into receiving water bodies. Seattle Public Utilities will build an underground storage tank that will reduce CSO events into Lake Washington and bring CSO Basin 45 into compliance with NPDES permit requirements. Property owners in this area were contacted to identify willing sellers for a property upon which to locate the proposed CSO storage tank. The owners of the property at 5560 South Holly Street voluntarily agreed to sell their rental property for this purpose. The negotiated purchase price is \$445,000, plus up to \$30,000 in additional, related expenses (appraisal, appraisal reviews, title costs, escrow costs, etc.). No additional appropriation is needed for this purchase. This real estate purchase will be funded by an existing CIP project, the S Henderson CSO Storage Project (ID C3609), using its current appropriation.

There is no immediate rate impact as this project, including property acquisition costs, is fully accounted for in current drainage & wastewater rates.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:
S Henderson CSO Storage	C3609	South Holly Street	2005	2018

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 2012 Appropriation	New 2012 Appropriation (if any)	2013 Anticipated Appropriation
DWF, 44010	SPU	C310 Control Structures	\$1,908,000	NA	\$4,323,000

*See budget book to obtain the appropriate Budget Control Level for your department.

Appropriations Notes:

No additional appropriation is being sought by this legislation. This purchase will be funded by the existing S Henderson CSO Storage Project, ID C3609, contained in the 2012-2017 Drainage & Wastewater Fund Capital Improvement Program. This legislation would authorize expenditure of existing appropriations for the negotiated purchase price of \$445,000, plus up to \$30,000 in additional, related expenses (appraisal, appraisal reviews, title costs, escrow costs, etc.).

Spending Plan and Future Appropriations for Capital Projects:

Spending Plan and Budget	2012	2013	2014	2015	2016	2017	Total
Spending Plan	\$2.7M	\$2.9M	\$6.5M	\$18.9M	\$20.5M	\$18.5	\$70.0M
Current Year Appropriation	\$1.9M						
Future Appropriations		\$4.3M	\$4.7M	\$22.3M	\$29.2M	\$16.9	\$77.4M

Spending Plan and Budget Notes:

SPU's executed purchase and sale agreement for the subject property includes a requirement that this legislation be passed by the City Council no later than May 21, 2012. The 2012 Adopted Drainage & Wastewater Capital Budget includes \$1.9 million in appropriations for this capital project (C3609: S Henderson CSO Storage Project).

Funding Source:

Funding Source (Fund Name and Number, if applicable)	2012	2013	2014	2015	2016	2017	Total
Drainage & Wastewater Fund, 44010	\$475k						\$475k
TOTAL	\$475k						\$475k

Funding Source Notes:

This project is funded by the Drainage and Wastewater 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	\$356,250	3.5%	30	12/2009	\$19,950
TOTAL					

Bond Notes:

No bonds will be issued for this project. The property acquisition costs, like other project costs within the Drainage and Wastewater Fund CIP, will be funded with a mixture of cash and long term debt. Proceeds from the most recent DWF bond issue were received in December, 2009.

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

O&M	2012	2013	2014	2015	2016	2017	Total
Uses							
On-going	\$5k	\$5k	\$5k	\$5k	\$5k	\$5k	\$30k
Sources (itemize)	DWF						

Operation and Maintenance Notes:

Costs identified above are preliminary estimates for maintenance of the property and do not include future operations & maintenance costs for a proposed future CSO storage tank. There are no startup costs associated with the property acquisition. LEED standards do not apply.

Periodic Major Maintenance Costs for the Project:

Major Maintenance Item	Frequency	Cost	Likely Funding Source
Property maintenance (landscaping, etc.)	annual	\$5k	DWF
TOTAL	annual O&M costs	\$5k	DWF

Funding sources for replacement of project:

No replacement costs are 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	2012 Positions	2012 FTE	2013 Positions **	2013 FTE **
TOTAL							

* List each position separately

** 2013 positions and FTE are total 2013 position changes resulting from this legislation, not incremental changes. Therefore, under 2013, please be sure to include any continuing positions from 2012.

Position Notes:

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

Do positions sunset in the future?

N/A

Other Implications:

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

The legislation is a step in allowing SPU to meet regulatory requirements in its NPDES permit by constructing a CSO Storage Tank to control CSO events. Funds to purchase the property and to complete the project are allocated in SPU's Drainage and Wastewater Fund. There are cost estimates identified for maintenance of the property which do not include future operations and maintenance costs for a proposed future CSO storage tank.

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

If the legislation is not approved, the project team would return to performing site selection analysis to identify a different parcel for the CSO storage tank. The most promising alternate site is in Martha Washington Park, which would require City Council approval as a result of Initiative 42. The project will be delayed and will likely miss the regulatory deadlines. This delay could cause the City to be subject to enforcement actions by the Department of Ecology and the EPA, including costly fines, until the CSO storage tank project is completed.

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

The legislation affects the Department of Parks and Recreation because it will provide a reasonable alternative to locating the CSO storage tank within Martha Washington Park. Consistent with Initiative 42, Parks desires to keep the CSO storage tank outside of the park.

The Department of Planning and Development and the Department of Transportation would issue permits for construction of the project.



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

SPU has studied the basin for nearly two years and has determined that a CSO storage tank is needed either within, or adjacent to, Martha Washington Park. If SPU is not able to purchase the subject property for construction of the new CSO storage facility, an alternative would be to locate the CSO storage tank within Martha Washington Park. However, Initiative 42 requires proof no reasonable alternative exists before the facility could be located within the park.

e) Is a public hearing required for this legislation?

No. The project team conducted numerous public meetings to select a preferred location for the CSO storage tank. The team plans to conduct additional future public meetings throughout the project.

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 authorizes SPU to purchase a private parcel for construction of an underground CSO storage facility.

h) Other Issues:

None



City of Seattle
Office of the Mayor

April 24, 2012

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill that would authorize the purchase of property near Martha Washington Park for an underground wastewater storage tank. The purchase is from a willing seller at fair market value.

Seattle's Combined Sewer Overflow reduction program seeks to protect public health and improve the environment by reducing the size and number of raw sewage overflows into the City's receiving waters, in compliance with state and federal regulatory requirements. The proposed underground storage tank will retain combined stormwater and sewage in the Henderson Basin until the downstream system empties and the water can be sent to a King County treatment plant for treatment and disposal.

This property acquisition will enable the City to construct the underground storage tank, thereby reducing raw sewage overflows into Lake Washington and meeting state and federal law. Thank you for your consideration of this legislation. Should you have questions, please contact Pree Carpenter at 386-9754.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
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