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Carolyn Johnson  
SPU 10042 Rainier Ave S. Surplus ORD  
July 31, 2012  
Version #2

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**CITY OF SEATTLE**  
**ORDINANCE \_\_\_\_\_**

COUNCIL BILL 117656

AN ORDINANCE relating to Seattle Public Utilities; declaring the residential property at 10042 Rainier Avenue S. surplus to the City's needs and authorizing the Director of Seattle Public Utilities to sell the real property through an open competitive process.

WHEREAS, Seattle Public Utilities purchased 10042 Rainier Avenue S. under Ordinance 123726 to augment the area available for a project to improve creek and shoreline habitat and control flooding; and

WHEREAS, Seattle Public Utilities completed a lot boundary adjustment to retain the shoreline portion of the original parcel at 10042 Rainier Avenue S. in city ownership; and

WHEREAS, the City by Resolution 30862 adopted amended procedures for the evaluation of the reuse and disposal of the City's real property, (Procedures), which established a uniform evaluation process for the reuse or disposal of real property the City owns in fee simple; and

WHEREAS, the adjusted parcel at 10042 Rainier Avenue S. is excess to the needs of Seattle Public Utilities; and

WHEREAS, no other City department or other governmental agencies proposed a public use for this property; and

WHEREAS, the Department of Finance and Administrative Services has recommended in its Final Report and Recommendation that the property be offered for sale through an open competitive process, and the Real Estate Oversight Committee has concurred with that recommendation; and

WHEREAS, the fair market value of the property, as determined by an August 2011 independent appraisal, is Six Hundred Thousand Dollars (\$600,000) in which the sale of this excess property will help offset the costs of the property acquisition; NOW, THEREFORE,

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



1 Section 1. Pursuant to the provisions of RCW 35.94.040 and after a public hearing, the  
2 real property legally described in Attachment 1 hereto in King County, Washington, known as  
3 10042 Rainier Avenue S., is hereby found and declared to be no longer required for providing  
4 public utility service and is hereby declared surplus to the City's needs.

5 Section 2. As requested by the Director of Seattle Public Utilities and recommended by  
6 the Department of Finance and Administrative Services in the 2012 Final Report for the  
7 Disposition of a portion of PMA No. 776 – Taylor Creek Property, said Director is authorized to  
8 offer said surplus property described in Attachment 1 for sale by open competitive process and to  
9 accept the best offer for the purchase of said property; and to execute, deliver and record, for and  
10 on behalf of the City of Seattle, Seattle Public Utilities, all agreements and documents necessary  
11 for such conveyance to the purchaser.  
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13 Section 3. Proceeds from the sale authorized herein shall be deposited into Seattle Public  
14 Utilities' Drainage and Wastewater Fund - 44010.  
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1 Section 4. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

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5 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2012,  
6 and signed by me in open session in authentication of its passage this  
7  
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)

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26 ATTACHMENT 1 – Legal Description of Property



Carolyn Johnson  
SPU 10042 Rainier Ave S. Surplus ATT 1  
July 31, 2012  
Version #1

ATTACHMENT 1

LEGAL DESCRIPTION

King County Tax Account No. 807300-0538; 10042 Rainier Avenue S.

Parcel "Y" of Lot Boundary Adjustment #3013495 recorded in King County under King County Recording #20120724900010 further described as:

That portion of Parcel "A" of the City of Seattle Short Plat Number 8406267, recorded under Recording Number 8605021031, in King County, Washington, lying southerly of the following described line:

Commencing at the southeast corner of said Parcel "A",

Thence N15°18'44"E along the east line of said Parcel "A", a distance of 157.00' to the point of the beginning of said described line;

Thence N74°42'53"W, a distance of 34.64' to the west line of said Parcel "A" and to the terminus of said described line.

Together with a non-exclusive easement for ingress and egress as delineated on City of Seattle Short Plat Number 8406267, recorded under Recording Number 8605021031, in King County, Washington

Together with a sanitary sewer easement recorded under Recording Number 6678342, In King County, Washington

Together with a side sewer easement recorded under Recording Number 7303260578, in King County, Washington



**FISCAL NOTE FOR CAPITAL PROJECTS ONLY**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Seattle Public Utilities	Julie Crittenden/ 233-7164	Karl Stichel/ 684-8085

**Legislation Title:**

An ordinance relating to Seattle Public Utilities; declaring the residential property at 10042 Rainier Avenue S. surplus to the City's needs and authorizing the Director of Seattle Public Utilities to sell the real property through an open competitive process.

**Summary and background of the Legislation:**

The ordinance would authorize the Director of Seattle Public Utilities (SPU) to sell surplus property at 10042 Rainier Ave South.

Last year, the council approved Ordinance 123726, which authorized Seattle Public Utilities to purchase property at 10042 Rainier Avenue S. for a major creek habitat and flooding improvement project along lower Taylor Creek. The purchase augmented a property acquisition by SPU in 2010, placing the stream mouth and delta of Taylor Creek entirely in public ownership. The original acquisition project included purchasing the entire property, completing a lot boundary adjustment to separate the house portion of the site from the shoreline portion, and then reselling the house portion. This legislation reflects the reselling of the house portion.

Taylor Creek, located in southeast Seattle, could provide high quality Chinook salmon rearing habitat and support sockeye and coho salmon spawning. While the upper portions of the creek flow through forested ravines in park lands, the lower part is constrained by homes, private yards, driveways and roads. Fish can only access a few hundred feet of stream due to fish passage barriers. SPU recently acquired four parcels between Rainier Avenue S. and the Lake Washington shoreline that contain 440 feet of lower Taylor Creek. This acquisition paved the way for substantial habitat and fish passage improvements between Lake Washington and the forested ravines of Lakeridge Park which are planned for 2014-2015. SPU, working with the Seattle Department of Parks and Recreation, increased project benefits and design flexibility by acquiring the remainder of the stream delta at 10042 Rainier Avenue S. in 2011.

Per the plan as referenced in Ordinance 123726, SPU completed a lot boundary adjustment to retain the lower stream and shoreline in public ownership, while creating the opportunity to sell the remainder of the parcel with the house. The upland portion of the site contains a house that is in good condition and SPU believes retaining the house and selling that portion of the property into private ownership would be optimal.

The upland portion of 10042 Rainier Avenue S., containing a house, is excess to SPU's needs. SPU and the Department of Finance and Administrative Services recommend the property be sold through an open competitive process. The Real Estate Oversight Committee concurs with the recommendation.



<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>
Taylor Creek Culvert Improvement	C3353	Taylor Creek at and downstream of Rainier Ave S	1999	December 2015

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.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

<b>Fund Name and Number</b>	<b>Department</b>	<b>Revenue Source</b>	<b>2012 Revenue</b>	<b>2013 Revenue</b>
<b>TOTAL</b>				

Revenue/Reimbursement Notes:

The financial impacts of the transaction authorized by this legislation are addressed in the fiscal note to Council Bill 117296 (Ordinance 123726), which references the original land purchase, completing a lot boundary adjustment and re-selling the part of the property containing the house. The house portion of the site was appraised at \$600,000 in August of 2011. SPU anticipates \$500,000-\$600,000 from the sale of the property based on the 2011 appraisal and recent real estate market trends. However, no sale is imminent. Proceeds from an eventual sale would accrue to the Drainage and Wastewater Fund.

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**  
 The house portion of the site was appraised at \$600,000 in August of 2011. SPU anticipates generating revenue in the range of \$500,000-\$600,000 from sale of the property. That revenue would not materialize without this legislation.
- b) **What is the financial cost of not implementing the legislation?**  
 Without approval of this or similar legislation, there is no chance the City will sell this excess property and thereby recoup funding from the original purchase.
- 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?**



The project objectives could be met by retaining the entire parcel in public ownership and integrating the land into the future Taylor Creek improvement project. However, that would require SPU to remove a house from the housing stock in Seattle at a cost of roughly \$100,000. In addition, the house portion of the site does not add substantially to the quality of the habitat restoration project. Given the long-term costs and benefits, SPU determined that selling the house portion of the parcel would be the most cost effective.

**e) Is a public hearing required for this legislation?**

Yes. A public hearing will be held in conjunction with the Council Committee meeting.

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

Yes. SPU will publish a notice 2 weeks before the Council Committee hearing.

**g) Does this legislation affect a piece of property?**

Yes. See Exhibit A.

**h) Other Issues:**

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

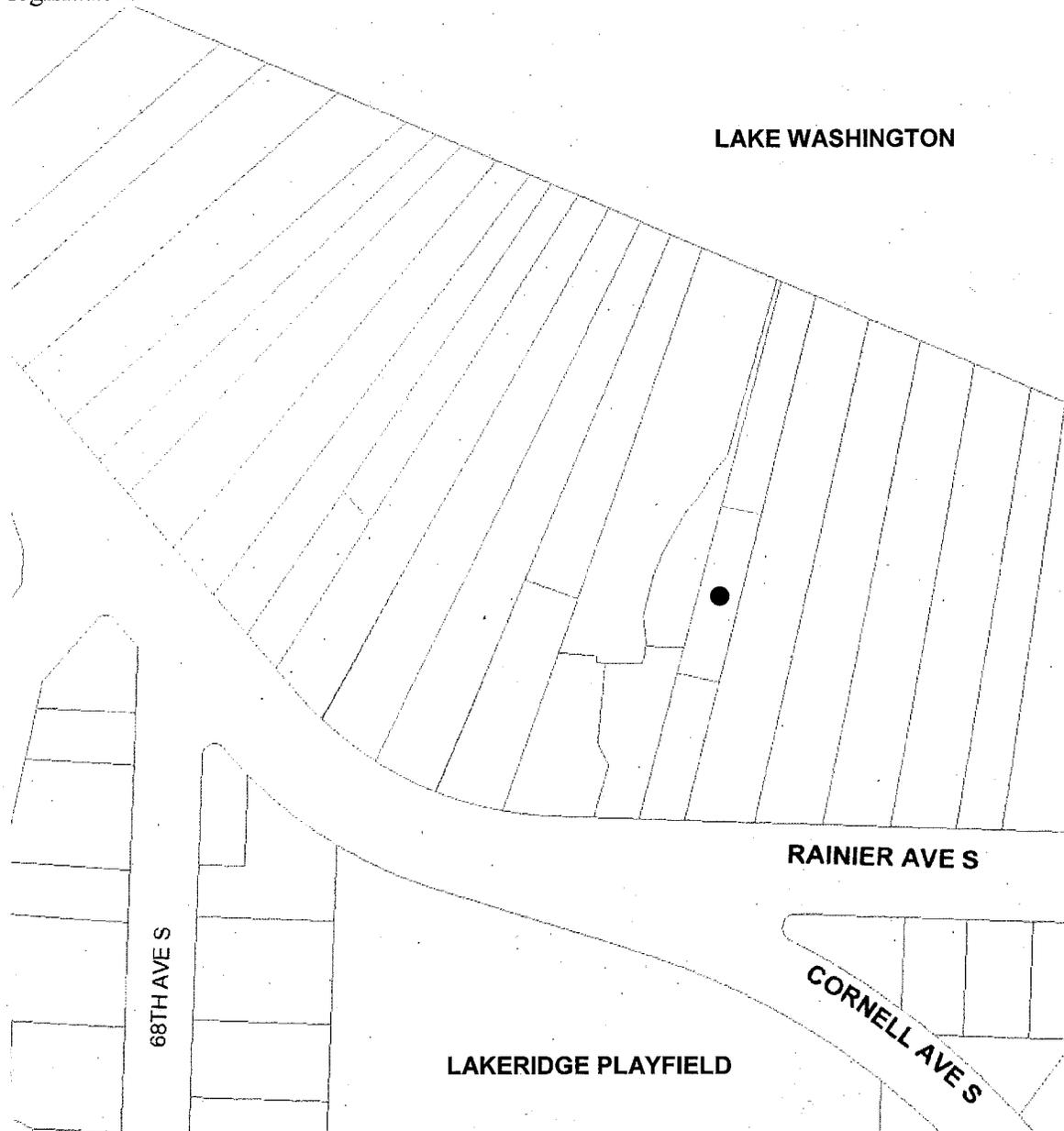
Exhibit A – Parcel map



**Exhibit A**

**PARCEL MAP OF AREA WITH 10042 RAINIER AVENUE S. IDENTIFIED**

Parcel map with subject property at 10042 Rainier Avenue S. identified. Seattle Public Utilities owns the properties immediately to the west and north at 10032-10038 Rainier Ave S. This map is intended for illustrative purposes only and is not intended to modify anything in the legislation.





**City of Seattle**  
Office of the Mayor

August 21, 2012

Honorable Sally J. Clark  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill that would authorize the sale of property at 10042 Rainier Avenue S. in Seattle. The property is surplus to Seattle Public Utilities' needs.

The Council approved legislation last year authorizing Seattle Public Utilities to purchase the property at 10042 Rainier Avenue S. to implement a major creek habitat and flooding improvement project along lower Taylor Creek. SPU subsequently determined the entire parcel is not necessary to achieve the intended project benefits. The upland portion of the site contains a house that is in good condition and SPU would like to sell the house portion of the site to retain housing stock and reduce its overall project costs. The utility completed a lot boundary adjustment to retain in public ownership the lower stream and shoreline, while creating the opportunity to sell the remainder of the parcel.

Selling this property offers a chance to reduce project costs to the ratepayers while maximizing stream restoration opportunities at this site. Thank you for your consideration of this legislation. Should you have questions, please contact Julie Crittenden at 233-7164.

Sincerely,

  
Michael McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

