

#19

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition ORD
June 24, 2014
Version #2

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL 118172

AN ORDINANCE relating to the City Light Department, declaring the former Greenlake, Beverly, and Boulevard Park Substation properties as surplus to the City's needs and no longer required for providing public utility service or other municipal purpose; authorizing the sale of said properties through brokered sales to be managed by the Department of Finance and Administrative Services; and authorizing the General Manager and Chief Executive Officer of the City Light Department to execute all necessary documents to accomplish such property sales.

WHEREAS, the former Greenlake, Beverly, and Boulevard Park Substations (the "Properties") have been de-energized, the electrical equipment has been removed, and the Properties are excess to the needs of Seattle City Light; and

WHEREAS, the Department of Finance and Administrative Services (FAS) has circulated a notice of availability of these properties to other City departments, other public agencies, and to nearby residents and community groups consistent with the Procedures for the Evaluation of the Reuse and Disposal of the City's Real Property, as established by Resolution 29799 and amended by Resolution 30862; and

WHEREAS, no other City department and no other public agency has expressed interest in acquiring any of the Properties, public response was minimal, and the City's Real Estate Oversight Committee has concurred with FAS's original recommendations that the Properties be sold; and

WHEREAS, the 2014 King County assessed value for all three Properties is \$494,300, and the full and true value of the property will be established by competitive bidding in brokered sales; NOW THEREFORE

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Pursuant to RCW 35.94.040 and after public hearing, the properties described below (the "Properties") are declared to be surplus to the City's needs and no longer required for providing continued public utility service or other municipal purpose:

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Former Greenlake Substation; 949 North 80th Street; Seattle, WA 98115

Lots 3 and 4, Block 1, Kaufman's Addition to Green Lake Circle, recorded in Volume 10 of Plats, Page 89, records of King County, Washington.

(KC Tax Parcel No. 379700-0010; FAS PMA No. 544; SCL PMNO 250406-2-301)

The estimated fair market value of the Former Greenlake Substation property, based on the King County Department of Assessments current assessed value, is \$356,500.

Former Beverly Substation; 10764 Meyers Way South; Unincorporated King County

Lot 16, Block 8, Beverly Park Division No. 1, according to the plat recorded in Volume 32 of Plats, Page 1, records of King County, Washington, subject to all easements, restrictions, and reservations of record, if any.

(KC Tax Parcel No. 079500-1575; FAS PMA No. 536; SCL PMNO 230405-3-301)

The estimated fair market value of the Former Beverly Substation property, based on the King County Department of Assessments current assessed value, is \$37,500.

Former Boulevard Park Substation; 11625 Des Moines Memorial Drive; Burien, WA 98168

Lot 10, Block 14, Linde Hill Park No. 3, according to the plat thereof recorded in Volume 45 of Plats, Page 60, records of King County, Washington, except the north 45 feet thereof. (KC Tax Parcel No. 275770-0355; FAS PMA No. 555; SCL PMNO 230409-2-301)

The estimated fair market value of the Former Boulevard Park Substation, based on the King County Department of Assessments current assessed value, is \$100,300.

1 Section 2. The General Manager and Chief Executive Officer of Seattle City Light or his
2 designee is authorized to sell the Properties through an open and competitive process of
3 brokered sales, to be managed by the City's Department of Finance and Administrative Services,
4 and to accept the best offers for the Properties.

5 Section 3. The General Manager and Chief Executive Officer or his designee is
6 authorized to negotiate purchase and sale agreements and execute all necessary documents to
7 accomplish the sale and transfer the Properties to the selected purchasers.
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9 Section 4. Proceeds from the sales authorized by this ordinance shall be deposited in the
10 City Light Fund (4100).

11 Section 5. This ordinance shall take effect and be in force 30 days after its approval by
12 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
13 shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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Passed by the City Council the ____ day of _____, 2014, and
signed by me in open session in authentication of its passage this
____ day of _____, 2014.

President _____ of the City Council

Approved by me this ____ day of _____, 2014.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

Monica Martinez Simmons, City Clerk

(Seal)

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle City Light	Lynn Best, SCL / 386-4586 Hillary Hamilton, FAS / 684-0421	Saroja Reddy / 615-1232

Legislation Title:

AN ORDINANCE relating to the City Light Department, declaring the former Greenlake, Beverly, and Boulevard Park Substation properties as surplus to the City's needs and no longer required for providing public utility service or other municipal purpose; authorizing the sale of said properties through brokered sales to be managed by the Department of Finance and Administrative Services; and authorizing the General Manager and Chief Executive Officer of the City Light Department to execute all necessary documents to accomplish such property sales.

Summary of the Legislation:

This legislation would authorize the City Light Department to offer the former Greenlake, Beverly, and Boulevard Park Substations for sale for fair market value, through brokered sales under contracts managed by the Department of Finance and Administrative Services (FAS), and would designate the disposition of sales proceeds into the City Light Fund (41000).

Background:

The former Greenlake, Beverly, and Boulevard Park Substations became surplus to City Light's needs as part of the system-wide conversion from a 4 kV to a 26 kV electric distribution system.

FAS has circulated notices of availability of these properties to other City departments, other public agencies, and to nearby residents and community groups consistent with the *Procedures for Evaluation of the Reuse and Disposal of the City's Real Property*, as established by Resolution No. 29799 and amended by Resolution No. 30862.

All of the circulation and public notification for these properties were completed by FAS in 2009 (Boulevard Park had been circulated once previously). However, legislation was not submitted to obtain authorization to sell these properties at that time. Real estate prices at the time of the original analysis were at the bottom of the housing market crash of 2007, and are now much improved.

FAS revisited their evaluation of these properties in mid-2013 and prepared a new *Final Preliminary Recommendation Report* for each property. These new reports incorporated and reflected all public response to the earlier reports (public response was minimal). The new

Final Preliminary Recommendation Reports are provided as Attachments 1 (Green Lake), 2 (Beverly), and 3 (Boulevard Park) to this Fiscal Note. FAS's final recommendations for all three former substations were that these properties be sold, with the proceeds of sale to be deposited in the City Light Fund and used for other utility purposes.

In the sale of surplus fire stations in 2012, and the sale of surplus substations resulting from a City Light Surplus Disposition Project in 2013, both FAS and City Light sold their properties using brokered sales under real estate brokerage contracts managed by FAS. This method of conducting sales appears to have resulted in better marketing and higher sales proceeds when compared to internally managed sealed bid sales. Brokered sales are recommended for these three properties.

When a final report or legislation is delayed more than 18 months, the *Procedures for Evaluation of the Reuse and Disposal of the City's Real Property* require that FAS again notify the interested public about the status of the disposition process. By letter dated June 23, 2014, FAS has notified all property owners and tenants within a 1,000 ft radius of all three properties, all people who submitted comments about these properties, and all nearby community groups, of City Light's submittal of legislation which would authorize the sale of these properties, and the tentative schedule of the City Council Energy Committee for holding a public hearing and making its recommendations on the disposition of these properties.

No other City department and no other public agency has expressed interest in acquiring any of these properties, and public response was minimal. The City's Real Estate Oversight Committee has concurred with FAS's original recommendations that these properties be sold. The attached legislation would authorize City Light to work with FAS to sell the properties.

X This legislation has financial implications.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2014 Revenue	2015 Revenue
City Light Fund (41000)	Seattle City Light	Sale of Surplus Properties	\$494,300	\$0
TOTAL			\$494,300	\$0

Revenue/Reimbursement Notes:

The estimated 2014 revenue is based on the 2014 King County assessed values.

Other Implications:

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

City Light may deposit the proceeds from these sales in the City Light Rate Stabilization Account, if necessary, to avoid the triggering of automatic rate increases resulting from fluctuating account balances.

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

City Light would not realize the sale proceeds and would continue to incur maintenance costs for holding these surplus properties.

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

Yes. City Light would work with FAS to sell these properties through brokered sales, through real estate brokers under contract to FAS.

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

Other surplus properties could be sold.

e) Is a public hearing required for this legislation?

Yes. RCW 35.94.040 requires a public hearing for the sale of surplus City utility properties.

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. A map of each property is included in the FAS reports attached to this Fiscal Note.

h) Other Issues:

None.

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition FISC
June 12, 2014
Version #1

List attachments to the fiscal note below:

Attachment 1. Preliminary Report: Evaluation of Reuse & Disposal Options for PMA #544 – Former Greenlake Substation.

Attachment 2. Preliminary Report: Evaluation of Reuse & Disposal Options for PMA #536 – Former Beverly Substation.

Attachment 3. Preliminary Report: Evaluation of Reuse & Disposal Options for PMA #555 – Former Boulevard Park Substation.

Attachment 1

Department of Finance and Administrative Services

***Final Preliminary Recommendation Report
On Reuse and Disposal of the
Seattle City Light's Former Green Lake Substation
PMA 544
May 14, 2013***

Purpose of Preliminary Report

In response to a City Jurisdictional Department identifying a property as "Excess" to their needs, the Real Estate Services (RES) section of the Department of Finance and Administrative Services (FAS) initiates a process to review and evaluate various options for the property. RES prepares a report titled "Preliminary Recommendation Report on the Reuse and Disposal of Excess Property, which documents that analysis and recommendations. This report is prepared in accordance with City of Seattle Council Resolution 29799, as modified by Resolution 30862.

Executive Recommendation

PMA 544 is excess to the needs of the Seattle City Light (SCL). FAS, and per City policies and procedures is assisting SCL with the disposition of this real property. Information about this property was circulated to City departments, public agencies and the neighborhood. Following a review of opportunities and constraints, FAS recommends that the property that the substation property be offered for sale through a negotiated sale or through an open competitive process.

Background Information

The property was acquired in 1951 by Special Warranty Deed from Puget Sound Power and Light Company under the authority of Ordinance 79165. The purpose for acquiring the site was for use as a 4KV-substation site serving the surrounding area.

Reuse or Disposal Options Evaluation Guidelines

City of Seattle Resolution 29799, Section 1, requires the Executive to make its recommendation for the reuse or disposal of any property that is not need by a Department using the following guidelines.

Guideline A: Consistency

The analysis should consider the purpose for which the property was originally acquired, funding sources used to acquire the property, terms and conditions of original acquisition, the title or deed conveying the property, or any other contract or instrument by which the City is

bound or to which the property is subject, and City, state or federal ordinances, statutes and regulations.

Funding Sources: The property was purchased from the Light Fund.

Purpose for which property was acquired: The property was purchase originally to extend and better the municipal light and power plant and system.

Deed or contractual restrictions: No deed restrictions exist. The property is not used by the City or other uses.

City, State or Federal Ordinance status and regulations including, Bond, grant or loan programs, State Accountancy Act, Payment of True and full value, Zoning and land use, Comprehensive Plan, and Other plans: Washington State Law requires that utility funds receive fair market value for disposals of surplus real property. No plans or programs apply to this property.

Guideline B: Compatibility and Suitability

The recommendation should reflect an assessment of the potential for use of the property in support of adopted Neighborhood Plans; as or in support of low-income housing and/or affordable housing; in support of economic development; for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities; and in support of other priorities reflected in adopted City policies.

Neighborhood Plan: The property is located in the north end of Seattle in the Green Lake and Greenwood neighborhoods. This property was not identified or discussed in the planning process or in the final approved neighborhood plans as one which is needed for the fulfillment of present or future neighborhood space or amenities. The immediate neighborhood consists of a mix of commercial buildings fronting on Aurora Avenue North, multi-family residences and some older single-family residences. A large variety of commercial uses are found along Aurora Avenue North, also known as State Route 99. The property is not located near Sound Transit lines.

Housing and Economic Development: The sale of the property to the private owner will return the property to the active tax roles, and the market will determine the best use of the property.

Other City Uses: There are no near properties under City ownership.

Other Agencies Uses: There was initial interest by two city departments: the Office of Housing for affordable/mixed use housing and the Department of Neighborhoods for a community garden, although further analysis found better alternative sites.

No other agencies expressed interest in acquiring the property. No interest was expressed for low-income or affordable housing. No interest was expressed for economic development or for use by Parks or for Open Space. No interest by Sound Transit or by child care providers.

Range of Options

The "Guiding principles for the Reuse and Disposal of Real Property" state, "it is the intent of the City to strategically utilize Real Property in order to further the City's goals and to avoid holding properties without an adopted municipal purpose." The options for disposition of this

property include retention by the City for a public purpose, negotiated sale with a motivated purchaser, or sale by public bid or request for proposal.

Transfer of Jurisdiction to other City Department: No other City Department expressed a need for the property.

Negotiated Sale: A negotiated sale is typically recommended when the selection of a particular purchaser has specific benefits to the City. The adjacent business may have an interest in the property to expand their business. An offering of the property at the appraised fair market values is one option.

Sale through an open competitive process: There have several private parties that have expressed an interest in acquiring the property. A sale through a public competitive bid process will allow the market to determine the optimum price for the property.

Guideline C: Other Factors

The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the property hard to replace, potential for consolidation with adjacent public property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that may affect the value of the property.

Highest and Best Use: The Highest and Best Use is generally defined as the reasonably probable and legal use that produces the highest property value, which is determined by evaluating if the use is:

Physically possible: The site's physical characteristics affect the uses to which it can be developed. The property is rectangular in shape. All public utilities are available and it does not appear that topography would present any atypical challenges for development. The property has minimal exposure as it is located on a side street and access to an alley.

Legally permissible: The subject property is zoned NC3-40 Neighborhood Commercial 3 with a 40' height limit. Under SMC 23.47A, provides wide range of commercial activities serving a local community. Live work units are permitted in the zone.

Financially feasible and maximally productive: A full feasibility study would be required to determine which of the permitted uses would be maximally productive for the subject property. It is possible and reasonable to assume that any permitted uses that are expected to produce a positive residual return to the land are regarded as financially feasible.

Compatibility with the physical characteristics and surrounding uses

The property is flat and completely covered with some impervious surfaces. The current use of the property is a vacant site. Any future development would be subject permitting and land use review, which would require the development to meet development standards that are in place at the time of development.

Appropriateness of the consideration: The property will be marketed and sold through a negotiated sale or in a competitive process.

Unique Attributes: The unique attribute of the property is that the property once contained a City Light Substation.

Potential for Consolidation with adjacent public property: The City does not own any of the adjoining properties. The site may also be purchased and used by an adjoining property owner for business expansion, another use that would be consistent with the zoning and compatible with the surrounding neighborhood.

Conditions in the real estate market: The commercial real estate market in Seattle is stable due to the limited amount of availability of commercially zoned property.

Known environmental factors: Seattle City Light has decommissioned the site.

Environmental site assessments prepared in June 1999 and March 2000 by Herrera Environmental Consultants identified chlorinated pesticides in the near surface soils along most of the concrete pad except the southwest corner. A previous site assessment, dated January 22, 1992, indicates that one conduit pipe stub end contains 30 percent asbestos fiber. The asbestos fibers in the transit pipe were not friable. The report recommendation was to leave the transit pipe undisturbed until the next user, who may or may not choose to excavate the concrete slab. Seattle City Light will make these environmental reports available to potential purchasers, makes no warranties concerning the condition of the property and will require the purchaser to execute a Release Agreement.

Guideline D: Sale

The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.

Potential for Use by Non-City Public Entities: FAS received no formal proposals from nonpublic entities.

Public Involvement: FAS sent approximately 450 neighborhood notices to residents and property owners within a 1,000 foot radius of the subject property by U.S. Mail.

In response 15 people submitted comments about possible uses of the property. Six respondents thought it would be a good site for a community garden or a small park.

A large sign was erected at the site along the N 80th Street frontage. This sign advised the neighborhood that the City was recommending that the subject property be sold through the public competitive bid process and that members of the community were to submit comments or request a copy of the Preliminary Report.

Threshold Determination

The Disposition Procedures require FAS assess the complexity of the issues on each excess property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council.

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 1
June 12, 2014
Version #1

The Property Review Process Determination Form prepared for the Former Green Lake Substation, PMA 544 is attached to this report. A score of 45 or lower results in a *Simple* designation, and preparation of a Public Involvement Plan is not required. PMA 544 scored 35 points.

Recommendation

FAS recommends that PMA 544, the former Green Lake Substation, be offered for sale and the proceeds placed in the City Light Fund (41000).

Next Steps

FAS has finalized this Preliminary Report and Legislation which would authorize a sale of PMA 544 is being transmitted to the City Council by SCL. Subject to approval of such authorization by the City Council, SCL will obtain a new appraisal of the property to be used for evaluation of offers, and the SCL will coordinate with FAS to offer the property for sale through a real estate broker contract managed by FAS.

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SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 1
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EXCESS PROPERTY DESCRIPTION

Seattle City Light is the Jurisdictional Department of this City owned property has identified the following information about this excess property.

Property Name: Former Green Lake Substation

Property Management Number: (PMA): 544

Property Location: 949 North 80th St, Seattle, WA 98103

Legal Description: Lots 3 and 4, Block 1, Kaufmans Addition to the City of Seattle, according to the Plat thereof recorded in Volume 10 of Plats, page 89, in King County WA.

Tax parcel I. D. Number: 379700-0010

King County assessed value: \$356,500 (2013 King County Assessor Information)

Size: 5,898 square feet (King County Assessor)

Zoning: NC3-40

Map/Photo: Attached

History: The property was acquired in 1951 by Special Warranty Deed from Puget Sound Power and Light Company under the authority of Ordinance 79165. Funds came from the Light Fund. The purpose for acquiring the site was for use as a 4KV substation site serving the surrounding area.

Acquisition Deeds: Deed

Acquisition Fund Source: Seattle City Light Fund

Jurisdictional Departments range of estimated of market value: \$350,000- \$500,000

Destination of funds upon sale: Washington State Law requires that utility funds receive fair market value for disposals of surplus real property. Proceeds from any sale will be deposited in the City Light Fund.

Current easements, covenants and restrictions: None

Recommended easements, covenants and restrictions upon transfer: None known

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Former Green Lake Sub Station

Google Street View Picture



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PROPERTY REVIEW PROCESS DETERMINATION FORM			
Property Name:	Former Green Lake Substation		
Address:	949 North 80 th Street		
PMA ID:	544	KC Tax ID Number:	379700-0010
Dept./Dept ID:	Seattle City Light	Current Use:	Vacant Property
Lot Area (Sq. Ft.):	5,898 Sq. Ft.	Zoning:	NC3-40
Estimated Value:	\$350,000-\$500,000	KC Assessed Value:	\$356,500 (2013)
PROPOSED USES AND RECOMMENDED USE			
Department/Governmental Agencies:		Proposed Use: Sale	
Seattle City Light (SCL)			
FAS RECOMMENDATION: Sell the property through negotiated sale or through a competitive process.			
<u>PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)</u>			
1.) Is more than one City dept/Public Agency wishing to acquire?	<input type="checkbox"/> No	/ Yes	15
2.) Are there any pending community proposals for Reuse/ Disposal?	<input checked="" type="checkbox"/> No	/ Yes	15
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?	<input type="checkbox"/> No	/ Yes	15
4.) Will consideration be other than cash?	<input type="checkbox"/> No	/ Yes	10
5.) Is Sale or Trade to a private party being recommended?	No	<input checked="" type="checkbox"/> Yes	25
6.) Will the proposed use require changes in zoning/other regulations?	<input type="checkbox"/> No	/ Yes	20
7.) Is the estimated Fair Market Value between \$250,000 -\$1,000,000?	No	<input checked="" type="checkbox"/> Yes	10
8.) Is the estimated Fair Market Value over \$1,000,000?	<input type="checkbox"/> No	/ Yes	45
Total Number of Points Awarded for "Yes" Responses:			35
Property Classification for purposes of Disposal review: <input checked="" type="checkbox"/> Simple or Complex (a score of 45+ points results in a "Complex" classification)			
Signature: Daniel Bretzke Department: FAS		Dated :May13 2013	

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 SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 1
 June 12, 2014
 Version #1



City of Seattle

Former Green Lake Substation



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Attachment 2

Department of Finance and Administrative Services

***Final Preliminary Recommendation Report
On Reuse and Disposal of the
Seattle City Light's Former Beverly Substation
PMA 536
May 14, 2013***

Purpose of Preliminary Report

In response to a City Jurisdictional Department identifying a property as "Excess" to their needs, the Real Estate Services (RES) section of the Department of Finance and Administrative Services (FAS) initiates a process to review and evaluate various options for the property. RES prepares a report titled "Preliminary Recommendation Report on the Reuse and Disposal of Excess Property, which documents that analysis and recommendations. This report is prepared in accordance with City of Seattle Council Resolution 29799, as modified by Resolution 30862.

Executive Recommendation

PMA 536 is excess to the needs of the Seattle City Light (SCL). FAS, and per City policies and procedures is assisting SCL with the disposition of this real property. Information about this property was circulated to City departments, public agencies and the neighborhood. Following a review of opportunities and constraints, FAS recommends that the property that the substation property be offered for sale through a negotiated sale or through an open competitive process.

Background Information

The City of Seattle, Department of Lighting originally acquired this property from King Runnels and Verna M Runnels in 1954 for substation purposes. The Statutory Warranty Deed, under King County Recording Number 4511984, recites "ten dollars and other good and valuable consideration."

Reuse or Disposal Options Evaluation Guidelines

City of Seattle Resolution 29799, Section 1, requires the Executive to make its recommendation for the reuse or disposal of any property that is not need by a Department using the following guidelines.

Guideline A: Consistency

The analysis should consider the purpose for which the property was originally acquired, funding sources used to acquire the property, terms and conditions of original acquisition, the

title or deed conveying the property, or any other contract or instrument by which the City is bound or to which the property is subject, and City, state or federal ordinances, statutes and regulations.

Funding Sources: The property was purchased from the Light Fund.

Purpose for which property was acquired: The property was purchase originally to extend and better the municipal light and power plant and system.

Deed or contractual restrictions: No deed restrictions exist. The property is not used by the City or other uses.

City, State or Federal Ordinance status and regulations including, Bond, grant or loan programs, State Accountancy Act, Payment of True and full value, Zoning and land use, Comprehensive Plan, and Other plans: Washington State Law requires that utility funds receive fair market value for disposals of surplus real property. No plans or programs apply to this property.

Guideline B: Compatibility and Suitability

The recommendation should reflect an assessment of the potential for use of the property in support of adopted Neighborhood Plans; as or in support of low-income housing and/or affordable housing; in support of economic development; for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities; and in support of other priorities reflected in adopted City policies.

Neighborhood Plan: The property is located in unincorporated King County, and is part of the Highline Community Plan.

Housing and Economic Development: The sale of the property to the private owner will return the property to the active tax roles, and the market will determine the best use of the property.

Other City Uses: There are no near properties under City ownership.

Other Agencies Uses: No other agencies expressed interest in acquiring the property. No interest was expressed for low-income or affordable housing. No interest was expressed for economic development or for use by Parks or for Open Space. No interest by Sound Transit or by child care providers.

Range of Options: The “Guiding principles for the Reuse and Disposal of Real Property” state, “it is the intent of the City to strategically utilize Real Property in order to further the City’s goals and to avoid holding properties without an adopted municipal purpose.” The options for disposition of this property include retention by the City for a public purpose, negotiated sale with a motivated purchaser, or sale by public bid or request for proposal.

Transfer of Jurisdiction to other City Department: No other City Department expressed a need for the property.

Negotiated Sale: A negotiated sale is typically recommended when the selection of a particular purchaser has specific benefits to the City. The adjacent business has expressed interest in purchasing the property to expand their business.

Sale through a open competitive process: An offering of the property at the appraised fair market values is one option. A sale through a public competitive bid process will allow the market to determine the optimum price for the property

Guideline C: Other Factors

The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the property hard to replace, potential for consolidation with adjacent public property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that may affect the value of the property.

Highest and Best Use : The Highest and Best Use is generally defined as the reasonably probable and legal use that produces the highest property value, which is determined by evaluating if the use is:

Physically possible: The site's physical characteristics affect the uses to which it can be developed. The property is rectangular in shape. All public utilities are available and it does not appear that topography would present any atypical challenges for development. The property has minimal exposure as it is located on a side street and access to an alley.

Legally permissible: The parcel is zoned CBSO – Community Business Zone Special District Overlay – under the King County Land Use Zoning Code. The highest and best use of the site would be for small-scale office, retail, professional, governmental, and personal services businesses that serve the nearby residential neighborhoods.

Financially feasible and maximally productive: A full feasibility study would be required to determine which of the permitted uses would be maximally productive for the subject property. It is possible and reasonable to assume that any permitted uses that are expected to produce a positive residual return to the land are regarded as financially feasible.

Compatibility with the physical characteristics and surrounding uses: The property is flat and completely covered with some impervious surfaces. The current use of the property is a vacant site. Any future development would be subject permitting and land use review, which would require the development to meet development standards that are in place at the time of development.

Appropriateness of the consideration: The property will be sold in a negotiated sale to adjacent neighboring property based upon an appraisal or marketed in an open competitive process.

Unique Attributes: The unique attribute of the property is that the property once contained a City Light Substation.

Potential for Consolidation with adjacent public property: The City does not own any of the adjoining properties. The site may also be purchased and used by an adjoining property owner for business expansion, another use that would be consistent with the zoning and compatible with the surrounding neighborhood.

Conditions in the real estate market: The commercial real estate market in Seattle is stable due to the limited amount of availability of commercially zoned property.

Known environmental factors: An Environmental Consultant conducted an Environmental Site Assessment in early 2002. No chemicals of concern exceeding screening levels or cleanup criteria were found in soil and concrete samples collected from the site. There were PCBs in the south-central portion of the concrete pad. No PCBs were detected above practical quantization are below both screening levels and were not detected. Heavy oil-range hydrocarbons, diesel oil and transformer oil were found at concentrations below MACTA screening or cleanup levels. Results indicated no chlorinated pesticides above practical quantization limits or screening levels. No evidence of asbestos-containing materials were found on the site. All available information concerning environmental conditions would be disclosed to all potential buyers. Seattle City Light will make these environmental reports available to potential purchasers, makes no warranties concerning the condition of the property and will require the purchaser to execute a Release Agreement.

Guideline D: Sale

The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.

Potential for Use by Non-City Public Entities: FAS received no formal proposals from nonpublic entities.

Public Involvement: In January 2002 and in July 2009 neighborhood notices were sent to residents and property owners within a 1,000 foot radius of the subject property by U.S. Mail. A neighborhood notice sign was placed in front of the property. Some comments were received supporting the sale of the property.

Threshold Determination

The Disposition Procedures require FAS assess the complexity of the issues on each excess property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council.

The Property Review Process Determination Form prepared for the Former Beverly Park Substation, PMA 536 is attached to this report. A score of 45 or lower results in a *Simple* designation, and preparation of a Public Involvement Plan is not required. PMA 536 scored 25 points.

Recommendation

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 2
June 12, 2014
Version #1

FAS recommends that PMA 536, the former Beverly Substation, be offered for sale and the proceeds placed in the City Light Fund (41000).

Next Steps

FAS has finalized this Preliminary Report and Legislation which would authorize a sale of PMA 536 is being transmitted to the City Council by SCL. Subject to approval of such authorization by the City Council, SCL will obtain a new appraisal of the property to be used for evaluation of offers, and the SCL will coordinate with FAS to offer the property for sale through a real estate broker contract managed by FAS.

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 2
June 12, 2014
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EXCESS PROPERTY DESCRIPTION

Seattle City Light is the Jurisdictional Department of this City owned property has identified the following information about this excess property.

Property Name: Former Beverly Park Substation

Property Management Number: (PMA): 536

Property Location: 10764 Myers Way South , WA 98168

Legal Description: Lots 16, Block 8, Beverly Park Addition according to the Plat thereof recorded in Volume 32 of Plats, page 1, in King County WA.

Tax parcel I. D. Number: 079500 1575

King County assessed value: \$37,500 (2013 King County Assessor Information)

Size: 6,250 square feet (King County Assessor)

Zoning: CBSO Unincorporated King County

Map/Photo: Attached

History: The City of Seattle, Department of Lighting originally acquired this property from King Runnels and Verna M Runnels in 1954 for substation purposes. The Statutory Warranty Deed, under King County Recording Number 4511984, recites "ten dollars and other good and valuable consideration

Acquisition Deeds: Deed

Acquisition Fund Source: Seattle City Light Fund

Jurisdictional Departments range of estimated of market value: \$40,000- \$120,000

Destination of funds upon sale: Washington State Law requires that utility funds receive fair market value for disposals of surplus real property. Proceeds from any sale will be deposited in the City Light Fund.

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 2
June 12, 2014
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Current easements, covenants and restrictions: None

Recommended easements, covenants and restrictions upon transfer: None known

Potential problems with property and possible measures to mitigate their recurrence: None

Former Green Beverly Park Substation

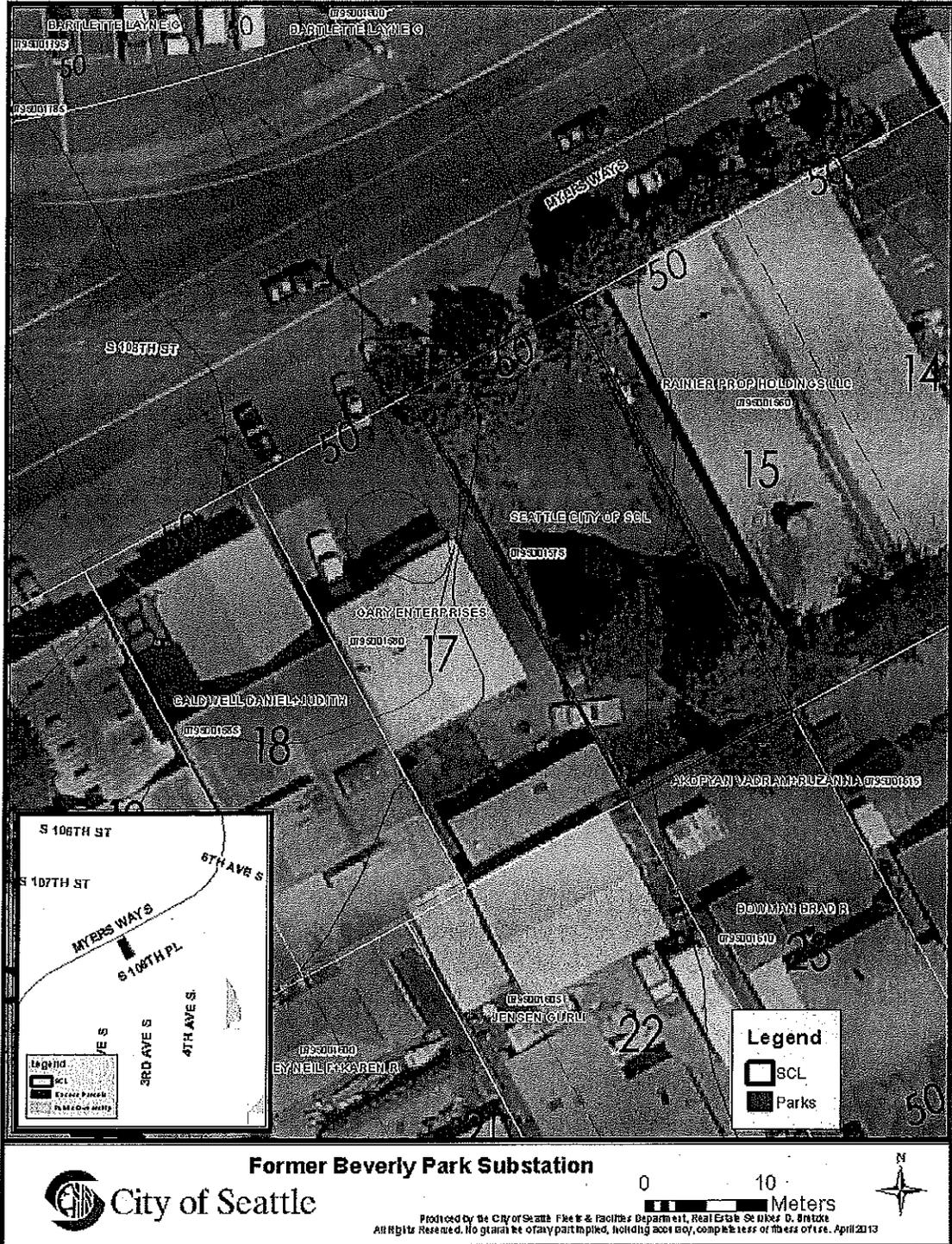
Google Street View Picture



Dave Barber
 SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 2
 June 12, 2014
 Version #1

PROPERTY REVIEW PROCESS DETERMINATION FORM			
Property Name:	Former Beverly Park Substation		
Address:	10764 Myers Way South, Burien, WA 98168		
PMA ID:	536	KC Tax ID Number:	079500-1575
Dept./Dept ID:	Seattle City Light	Current Use:	Vacant Property
Lot Area (Sq. Ft.):	6,251 Sq. Ft.	Zoning:	CBS O
Estimated Value:	\$40,000- \$120,000	KC Assessed Value:	\$37,500 (2013)
PROPOSED USES AND RECOMMENDED USE			
<i>Department/Governmental Agencies:</i>		<i>Proposed Use: Sale</i>	
Seattle City Light (SCL)			
FAS RECOMMENDATION: Sell the property through negotiated sale or through a competitive process.			
<u>PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)</u>			
1.) Is more than one City dept/Public Agency wishing to acquire?	<input type="checkbox"/> No	/ Yes	15
2.) Are there any pending community proposals for Reuse/ Disposal?	<input type="checkbox"/> No	/ Yes	15
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?	<input type="checkbox"/> No	/ Yes	15
4.) Will consideration be other than cash?	<input type="checkbox"/> No	/ Yes	10
5.) Is Sale or Trade to a private party being recommended?	No	<input checked="" type="checkbox"/> Yes	25
6.) Will the proposed use require changes in zoning/other regulations?	<input type="checkbox"/> No	/ Yes	20
7.) Is the estimated Fair Market Value between \$250,000 - \$1,000,000?	<input type="checkbox"/> No	/ Yes	10
8.) Is the estimated Fair Market Value over \$1,000,000?	<input type="checkbox"/> No	/ Yes	45
Total Number of Points Awarded for "Yes" Responses:			25
<i>Property Classification for purposes of Disposal review: <input checked="" type="checkbox"/> Simple or Complex (a score of 45+ points results in a "Complex" classification)</i>			
<i>Signature: Daniel Bretzke Department: FAS</i>		<i>Dated :May13 2013</i>	

Dave Barber
 SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 2
 June 12, 2014
 Version #1



Attachment 3

Department of Finance and Administrative Services

Final Preliminary Recommendation Report
On Reuse and Disposal of the
Seattle City Light's Former Boulevard Park Substation
PMA 555
May 14, 2013

Purpose of Preliminary Report

In response to a City Jurisdictional Department identifying a property as "Excess" to their needs, the Real Estate Services (RES) section of the Department of Finance and Administrative Services (FAS) initiates a process to review and evaluate various options for the property. RES prepares a report titled "Preliminary Recommendation Report on the Reuse and Disposal of Excess Property, which documents that analysis and recommendations. This report is prepared in accordance with City of Seattle Council Resolution 29799, as modified by Resolution 30862.

Executive Recommendation

PMA 555 is excess to the needs of the Seattle City Light (SCL). FAS, and per City policies and procedures is assisting SCL with the disposition of this real property. Information about this property was circulated to City departments, public agencies and the neighborhood. Following a review of opportunities and constraints, FAS recommends that the property that the substation property be offered for sale through a negotiated sale or through an open competitive process.

Background Information

The City of Seattle, Department of Lighting, originally acquired this property from Puget Sound Power and Light Company by Warranty deed dated March 5, 1951 and indexed under King County recording number 4114711. Puget Power and Light had originally purchased the land for public purposes in 1941 from William Christiansen, a bachelor, and it was transferred to Seattle City Light when area-of-service agreements were brokered between the two utilities in the 1950's.

Reuse or Disposal Options Evaluation Guidelines

City of Seattle Resolution 29799, Section 1, requires the Executive to make its recommendation for the reuse or disposal of any property that is not need by a Department using the following guidelines.

Guideline A: Consistency

The analysis should consider the purpose for which the property was originally acquired, funding sources used to acquire the property, terms and conditions of original acquisition, the title or deed conveying the property, or any other contract or instrument by which the City is bound or to which the property is subject, and City, state or federal ordinances, statutes and regulations.

Funding Sources: The property was purchased from the Light Fund.

Purpose for which property was acquired: The property was purchase originally to extend and better the municipal light and power plant and system.

Deed or contractual restrictions: The property is not bound by any other contracts or instruments and is not subject to any extraordinary laws or regulations. The property is not used by the City or other uses.

City, State or Federal Ordinance status and regulations including, Bond, grant or loan programs, State Accountancy Act, Payment of True and full value, Zoning and land use, Comprehensive Plan, and Other plans: State Law requires that utility funds receive fair market value for disposals of surplus real property. No plans or programs apply to this property.

Guideline B: Compatibility and Suitability

The recommendation should reflect an assessment of the potential for use of the property in support of adopted Neighborhood Plans; as or in support of low-income housing and/or affordable housing; in support of economic development; for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities; and in support of other priorities reflected in adopted City policies.

Neighborhood Plan: This property is located within the corporate limits of the City of Burien. City of Burien will be updating the community plan in the next few years. Small scale offices and retail are permitted and mixed use developments are likewise permitted. There are no other known city policies or priorities that could be served by continued city-ownership or use of this property.

Housing and Economic Development: The sale of the property to the private owner will return the property to the active tax roles, and the market will determine the best use of the property.

Other City Uses: There are no near properties under City ownership.

Other Agencies Uses: No other agencies expressed interest in acquiring the property. No interest was expressed for low-income or affordable housing. No interest was expressed for economic development or for use by Parks or for Open Space. No interest by Sound Transit or by child care providers.

Range of Options

The “Guiding principles for the Reuse and Disposal of Real Property” state, “it is the intent of the City to strategically utilize Real Property in order to further the City’s goals and to avoid holding properties without an adopted municipal purpose.” The options for disposition of this property include retention by the City for a public purpose, negotiated sale with a motivated purchaser, or sale by public bid or request for proposal.

Transfer of Jurisdiction to other City Department: No other City Department expressed a need for the property.

Negotiated Sale: A negotiated sale is typically recommended when the selection of a particular purchaser has specific benefits to the City. The adjacent business is currently using a portion of the property without a permit, and they may have an interest in the property to expand their business.

Sale through a open competitive process: An offering of the property at the appraised fair market values is one option. A sale through a public competitive bid process will allow the market to determine the optimum price for the property.

Guideline C: Other Factors

The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the property hard to replace, potential for consolidation with adjacent public property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that may affect the value of the property.

Highest and Best Use

The Highest and Best Use is generally defined as the reasonably probable and legal use that produces the highest property value, which is determined by evaluating if the use is:

Physically possible: The site's physical characteristics affect the uses to which it can be developed. The property is trapezoidal shape. All public utilities are available and it does not appear that topography would present any atypical challenges for development. The property has exposure on a minor arterial street.

Legally permissible: The subject property is zoned Community Commercial in the City of Burien. This zoning designation provides wide range of commercial activities serving a local community.

Financially feasible and maximally productive: A full feasibility study would be required to determine which of the permitted uses would be maximally productive for the subject property. It is possible and reasonable to assume that any permitted uses that are expected to produce a positive residual return to the land are regarded as financially feasible.

Compatibility with the physical characteristics and surrounding uses: The property is flat and completely covered with some impervious surfaces. The current use of the property is a vacant site and some use by the adjacent property owner. Any future development would be subject permitting and land use review, which would require the development to meet development standards that are in place at the time of development.

Appropriateness of the consideration: The property will be sold in a negotiated sale to and adjacent neighboring property or marketed in an open competitive process.

Unique Attributes: The unique attribute of the property is that the property once contained a City Light Substation.

Potential for Consolidation with adjacent public property: There are no public properties that lie adjacent to PMA No. 555.

Conditions in the real estate market: The commercial real estate market in Seattle is stable due to the limited amount of availability of commercially zoned property.

Known environmental factors: An Environmental Consultant conducted an Environmental Site Assessment in 2001. According to the report by Herrera Consultants, dated 2/13/01, no hazardous substances or contamination was detected. City Light's policy is to deal with any claimed contamination and cleanup issues through negotiation with the likely purchaser(s). All information concerning environmental conditions will be disclosed to all potential buyers.

Guideline D: Sale

The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.

Potential for Use by Non-City Public Entities: FAS received no formal proposals from nonpublic entities.

Public Involvement: In January 2002 and in July 2009 neighborhood notices were sent to residents and property owners within a 1,000 foot radius of the subject property by U.S. Mail. A neighborhood notice sign was placed in front of the property. No response or comments about possible uses of the property.

Threshold Determination

The Disposition Procedures require FAS assess the complexity of the issues on each excess property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council.

The Property Review Process Determination Form prepared for the Former Boulevard Park Substation, PMA 555 is attached to this report. A score of 45 or lower results in a *Simple* designation, and preparation of a Public Involvement Plan is not required. PMA 555 scored 25 points.

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 3
June 12, 2014
Version #1

Recommendation

FAS recommends that PMA 555, the former Boulevard Park Substation, be offered for sale and the proceeds placed in the City Light Fund (41000).

Next Steps

FAS has finalized this Preliminary Report and Legislation which would authorize a sale of PMA 555 is being transmitted to the City Council by SCL. Subject to approval of such authorization by the City Council, SCL will obtain a new appraisal of the property to be used for evaluation of offers, and the SCL will coordinate with FAS to offer the property for sale through a real estate broker contract managed by FAS.

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 3
June 12, 2014
Version #1

EXCESS PROPERTY DESCRIPTION

Seattle City Light owned property has identified the following information about this excess property.

Property Name: Former Boulevard Park Substation

Property Management Number: (PMA): 555

Property Location: 11625 Des Moines Memorial Drive S, Burien WA 98168

Legal Description: Lot 2, block 3, Boulevard Park Addition, South 60 feet of East 100 feet as measured on south line

Tax parcel I. D. Number: 098500-0287

King County assessed value: \$100,300 (2013 King County Assessor Information)

Size: 7,720 square feet (King County Assessor)

Zoning: CC 2 , City of Burien

Map/Photo: Attached

History: The City of Seattle, Department of Lighting, originally acquired this property from Puget Sound Power and Light Company by Warranty deed dated March 5, 1951 and indexed under King County recording number 4114711. Puget Power and Light had originally purchased the land for public purposes in 1941 from William Christiansen, a bachelor, and it was transferred to Seattle City Light when area-of-service agreements were brokered between the two utilities in the 1950's. the funds for this purchase came from the Light Fund.

Acquisition Deeds: Deed

Acquisition Fund Source: Seattle City Light Fund

Jurisdictional Departments range of estimated of market value: \$75,000-\$150,000

Destination of funds upon sale: Washington State Law requires that utility funds receive fair market value for disposals of surplus real property. Proceeds from any sale will be deposited in the City Light Fund.

Current easements, covenants and restrictions: None

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 3
June 12, 2014
Version #1

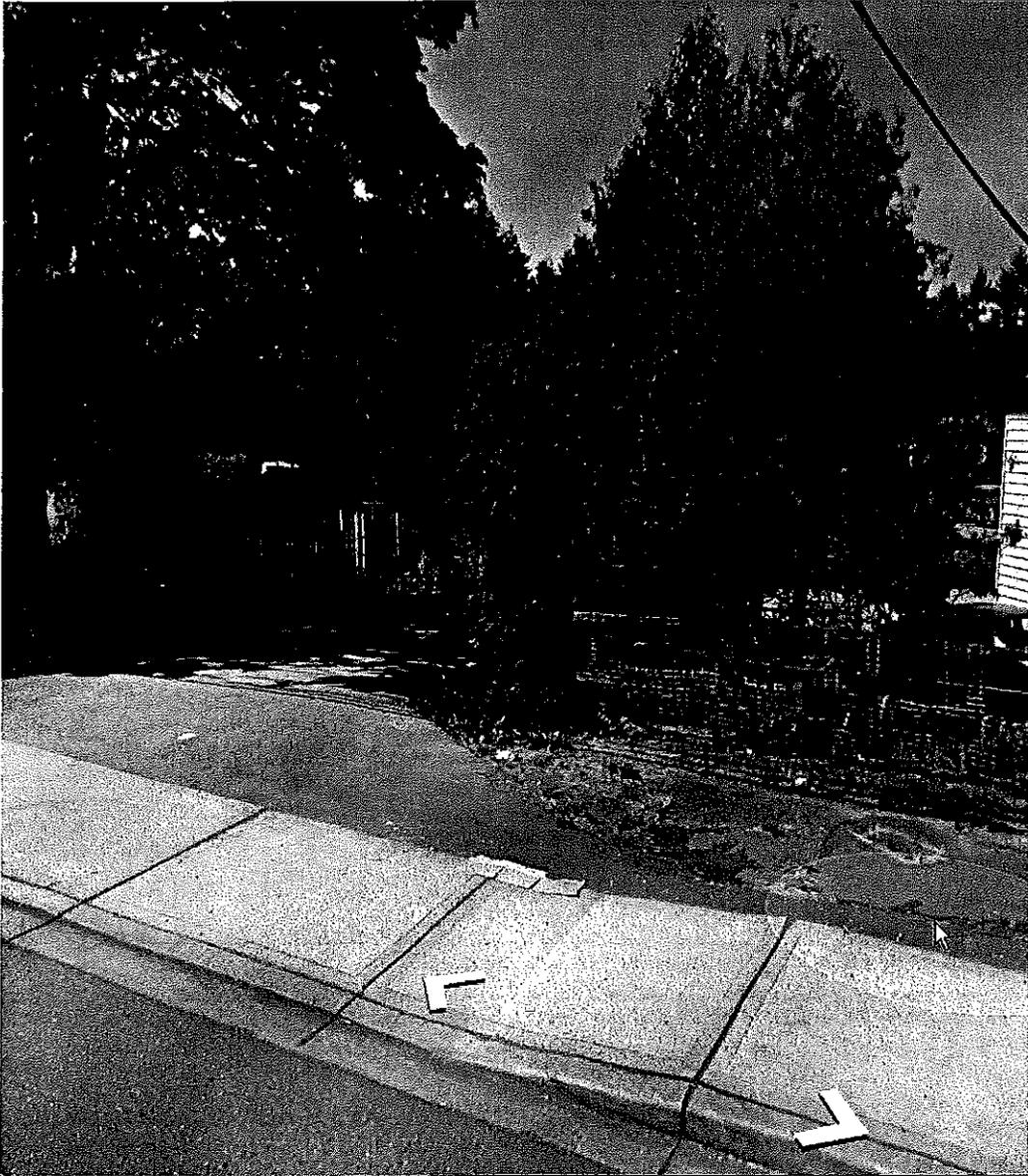
Recommended easements, covenants and restrictions upon transfer: None known

Potential problems with property and possible measures to mitigate their recurrence:
Unauthorized use of a portion of the property by the adjacent business, and has been notified that the property will be for sale, and their use will need stop.

Dave Barber
SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 3
June 12, 2014
Version #1

Former Boulevard Park Sub Station

Google Street View Picture



Dave Barber
 SCL Greenlake Beverly Boulevard Park Disposition FISC ATT 3
 June 12, 2014
 Version #1

PROPERTY REVIEW PROCESS DETERMINATION FORM			
Property Name:	Former Boulevard Lake Substation		
Address:	11625 Des Moines Memorial Drive S		
PMA ID:	555	KC Tax ID Number:	098500-0287
Dept./Dept ID:	Seattle City Light	Current Use:	Vacant Property
Lot Area (Sq. Ft.):	7,720 Sq. Ft.	Zoning:	CC 2 City of Burien
Estimated Value:	\$75,000-\$150,000	KC Assessed Value:	\$103,000 (2013)
PROPOSED USES AND RECOMMENDED USE			
Department/Governmental Agencies:		Proposed Use: Sale	
Seattle City Light (SCL)			
FAS RECOMMENDATION: Sell the property through negotiated sale or through a competitive process.			
<u>PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)</u>			
1.) Is more than one City dept/Public Agency wishing to acquire?	<input type="checkbox"/> No	/ Yes	15
2.) Are there any pending community proposals for Reuse/ Disposal?	<input checked="" type="checkbox"/> No	/ Yes	15
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?	<input type="checkbox"/> No	/ Yes	15
4.) Will consideration be other than cash?	<input type="checkbox"/> No	/ Yes	10
5.) Is Sale or Trade to a private party being recommended?	No	<input checked="" type="checkbox"/> Yes	25
6.) Will the proposed use require changes in zoning/other regulations?	<input type="checkbox"/> No	/ Yes	20
7.) Is the estimated Fair Market Value between \$250,000 -\$1,000,000?	<input type="checkbox"/> No	/ Yes	10
8.) Is the estimated Fair Market Value over \$1,000,000?	<input type="checkbox"/> No	/ Yes	45
Total Number of Points Awarded for "Yes" Responses:			25
Property Classification for purposes of Disposal review: <input checked="" type="checkbox"/> Simple or Complex (a score of 45+ points results in a "Complex" classification)			
Signature: Daniel Bretzke Department: FAS		Dated :May13 2013	



City of Seattle
Edward B. Murray
Mayor

July 8, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am pleased to transmit the attached proposed Council Bill that will authorize Seattle City Light to sell the former Greenlake, Beverly and Boulevard Park Substations. These are former 4 kV substations, no longer needed since City Light's conversion to a 26 kV electric distribution system, and are excess to City Light's needs.

These properties have been circulated by the Department of Finance and Administrative Services (FAS) to all other City departments, other public agencies, and nearby residents. No other City department or other public agency has any need for these properties, and public interest was minimal. City Light will work with FAS to sell these properties for true and full value through real estate brokers under contract to FAS.

The proceeds from the sale of these properties will be available for deposit in the City Light Rate Stabilization Account, if necessary, to help avoid automatic electric rate increases resulting from fluctuating fund balances. Thank you for your consideration of this legislation. Should you have questions, please contact Michael Jones at 684-3243.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward B. Murray".

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council