

## **WATERFRONT PROGRAM**

### **Responses to Councilmember Questions**

*Last updated: May 6, 2014*

**How is compensation negotiated for a temporary construction easement? What are the factors that go into it?**

- SDOT will hire a qualified appraiser to help develop an offer of compensation for a temporary construction easement.
- The appraiser will determine the per-square-foot value of the property and apply an investment rate to that value.
- The property owner will be invited to provide comparables and tour the property with the appraiser.

**Given that you may not need to take a particular property for several years, what can you offer a property owner who asks that you delay acquisition? Is the main part of the negotiation about price? A property owner understandably would want to postpone giving up his or her property, and would like to get the highest possible price. What is your response?**

- SDOT intends to build the waterfront improvements, and needs to start the acquisition process now to make sure we are ready to start construction on time.
- Negotiation includes price and can also include relocation for full, permanent acquisitions.
- A delayed or prolonged relocation process could delay the start of the project and cause additional relocation costs for the City.
- During negotiation SDOT can work with individual property owners to allow them to stay at their property longer or maintain income streams, provided there is no delay to the project.
- It's important to note that the City's appraiser makes an appraisal of the property based on the current market conditions, which can often reflect speculation about a future rise in value.

**Constituents have asked when construction near their condos is expected to begin, when it will escalate and be most intense, and when it will end. What information can you provide at this time?**

- The City is currently working to develop a construction sequencing plan for Waterfront Program improvements.
- The majority of improvements will begin construction after demolition of the Alaskan Way Viaduct, currently expected to be complete in early 2017.
- Construction may begin as early as 2015 on improvements that are not dependent on Viaduct demolition, such as some of the east-west connections and some utility relocations.

**For Waterfront Landings specifically, could the legislation be amended to authorize only a TCE?**

**How is compensation negotiated for a TCE? What are the factors that go into it?**

- Although it is technically possible to amend the legislation for a specific property owner, it is important that SDOT treat all property owners fairly and equally. It wouldn't be fair to use a different process to authorize acquisition for some properties.
- If we amend the legislation for one property owner, we need to be willing to do so for any property owner.
- If the legislation were amended to authorize only temporary construction easements, SDOT may have come back to Council if additional acquisition needs were identified during design development.
- Repeating the process in the future would cause additional potential disruption to property owners and additional cost and delay for City taxpayers.

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#### **How can property owners best deal with lenders, prospective purchasers, etc?**

- Property owners who are working with lenders or trying to sell their property are encouraged to contact Sam Spencer, SDOT's Senior Real Property Agent.
- SDOT is committed to working with property owners and their agents to address any concerns and help to make sure the lending or selling process is not further complicated by this legislation.

#### **Why does the legislation authorize permanent acquisition even if only a TCE is currently contemplated?**

- The Waterfront redevelopment is a large, complex project, and it has not yet been fully designed, so the final, precise bounds of street and sidewalk improvements aren't yet known.
- For the vast majority of properties encompassed by the proposed legislation, the City anticipates needing only a temporary construction easement. But that could change – for example, the City may end up needing a sliver of property here or there for an ADA ramp.
- If this legislation were to authorize only temporary construction easements, the City might well have to repeat the process in the future, with additional potential disruption to property owners, and at additional cost and delay for City taxpayers.
- As design proceeds, if SDOT learns that it needs more than a temporary construction easement, it will immediately notify each property owner, and meet or talk to explain the need and the process.
- Because there are many properties, SDOT wants to treat them all evenly and fairly; it wouldn't be fair to single out particular properties and use a different process to authorize acquisition for those properties.

#### **Why does the legislation authorize condemnation even though SDOT hopes to acquire via negotiation?**

- As design proceeds, SDOT wants time to negotiate with each property owner, and also needs to allow time for condemnation proceedings if negotiation is not successful.
- State law requires that if condemnation is possible, property owners must be told that in the notification letter.
- While condemnation is a possibility, SDOT is committed to negotiating with each owner, and past experience shows that negotiation can work successfully for both parties.
- If the legislation were to authorize acquisition only by negotiation (and not authorize possible condemnation), then if negotiations were not successful, the City would at that later date have to initiate legislation to authorize condemnation, and that could delay implementation.