



2012

**PRELIMINARY REPORT
AND RECOMMENDATION FOR THE
DISPOSITION OF PMA No. 136
FORMER FIRE STATION #39**



Department of Finance and
Administrative Services

City of Seattle

6/1/2012

PRELIMINARY REPORT

EVALUATION OF REUSE AND DISPOSAL OPTIONS FOR PMA No. 136 - former Fire Station 39

Table of Contents

	<u>Page</u>
Summary	1
Background Information	1
Guideline A – Consistency with Statutes and Conditions	2
Guideline B – Compatibility and Suitability	2
Guideline C – Other Factors	7
Guideline D – Public Involvement and Sale Options	11
Recommendation	12
Threshold Determination	13
Next Steps	13
Property Review Process Determination Form	15
Property Map	16
Zoning Map	17
Map of Subsidized Housing Locations in Seattle	18
<u>Appendix</u>	
Public Involvement Plan	19

PRELIMINARY REPORT

Property Management Area (PMA) No. 136 – Former Fire Station No. 39

[Resolution 29799](#) directs that the Executive is to make its recommendations on the reuse or disposal of excess property on a case-by-case basis, using *the Procedures for Evaluation of the Reuse and Disposal of the City's Real Property* adopted by that resolution. Additionally, the Resolution identifies guidelines which are to be considered in making a recommendation. This report addresses each of the guidelines outlined in Resolution 29799 in support of the recommendation. This report also follows those provisions of Resolution [30862](#), adopted May 1, 2006, that amended Resolution 29799.

SUMMARY

PMA 136 is excess to the needs of the Seattle Fire Department and the Department of Finance and Administrative Services (FAS) now that the new Fire Station 39 is operational. Through the adopted 2012 Budget, the Mayor and the City Council have asked City departments to evaluate the feasibility of redevelopment that would include, at a minimum, affordable housing for low-income or formerly homeless individuals and/or families and that could provide on-site related programs. Per City policies and procedures, information about this property was circulated to City departments, public agencies and the neighborhood to solicit other ideas and input concerning future reuse and/or disposition of the property. Following a review of opportunities and constraints, FAS recommends that the City sell this property for the development of affordable housing for homeless families and families earning less than 30% of median income (\$26,400 for a family of four) and additional on-site programs that can serve the broader neighborhood. Proceeds from the property sale will be placed in the Fire Facilities and Emergency Response Levy Fund. The purpose of this report is to document the property's characteristics, input received from the community and analysis leading to the recommendation to sell the property.

BACKGROUND INFORMATION

Legal Description: Lots 9 – 10, Block 1 Kenwood Division #2

Physical Description and Related Factors: The former fire station property is located at 12705 30th Ave. N.E. at the northwest corner of 30th Avenue Northeast and Northeast 127th Street (see map on page 16). The property is immediately east of the new Fire Station 39, located at 2806 N.E. 127th St. The parcel is composed of two adjacent platted, rectangular lots totaling 16,835 square feet. The site is relatively flat, with a slight increase in elevation, less than 15 feet, from the southern third of the property to the northern section of the parcel. The 8,756 square foot building was once a City Hall and library before the City of Seattle annexed the area in the 1950s. It was built in 1949 of wood frame construction with wood, brick and cinder block exterior. The building was vacated in 2010 when the new station went into service. During the winter of 2010-2011, it was used as a temporary cold weather shelter under lease to the Union Gospel Mission (UGM). Union Gospel Mission ceased this operation in April 2012; some UGM equipment remains stored at the building under a revocable permit with the City.

GUIDELINE A: CONSISTENCY WITH STATUTES AND CONDITIONS OF PURCHASE

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, statues and regulations.

In 1953, [Ordinance 82426](#) authorized the City of Seattle’s annexation of the area between First Avenue Northwest and Lake Washington, and from the City limits (Northeast. 120th St.) to East (now Northeast) 145th Street. Two years later, [Ordinance 83978](#) authorized the execution of a contract between the City of Seattle and King County Fire Protection District No. 5, providing for transfer to the City of all property of said District under agreement no. 26830 dated May 5, 1955. A Quit Claim Deed for the property was accepted by [Ordinance 89238](#) in 1955.

The 2003 Fire Facilities and Emergency Response Levy funded the upgrade, expansion or replacement of 32 neighborhood fire stations. Station 39 was identified during the Levy planning process for replacement, as the old station, built in 1949, would have required significant work to meet current earthquake safety standards and accommodate today’s modern equipment and firefighting operations. Because meeting code and operational requirements would require a complete overhaul of the station, and the site was sufficiently large, it was more cost effective to build a new facility on the existing site. Improvements to the neighborhood fire stations are funded primarily through a nine-year property tax levy. In addition to these levy monies, the City Council adopted a funding plan for the levy program which assumes that proceeds from the sale of Station 39 and other stations being replaced with new facilities will be deposited into the Fire Facilities and Emergency Response Levy Fund.

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 (including community gardens).

Context – Neighborhood Character & Neighborhood Plans

Former Fire Station 39 is located in the Lake City Hub Urban Village, one block west of Lake City Way Northeast. This area is heavily concentrated with retail and multi-family development, consistent with the commercial and multifamily zoning in the area. (See zoning map on page 17.) Surrounding the commercial core are more traditional single-family neighborhoods.

Lake City Way is a major retail corridor and thoroughfare with an average daily traffic count of 35,300 cars per day in 2009. Auto-related businesses and strip malls line both sides of Lake City Way Northeast. The area is dense with retail activity – storefront and big box, representing a mix of chain stores and stand-alone businesses, including a number of ethnic businesses. There is some transition from auto-related businesses to multifamily use and medical-oriented services, which aligns itself to the multitude of senior housing.

In contrast, 30th Avenue Northeast, where the subject property is located, averaged 6,300 cars per day in 2009. Immediately surrounding the former fire station, most of the businesses are relatively low-traffic uses. A retail business which relied on street signage and foot traffic would have limited visual exposure on this site. Uses off the main business arterial tended to be multifamily dwellings – apartments, duplexes, condominiums and retirement-home complexes. Many of the multifamily dwellings have retail space on the ground floor, a number of which are currently empty.

This area has recently undergone a multifamily and retail building boom, as evident in the recent vintage of many buildings. Market-rate housing projects include Solara Apartments at 12736 Lake City Way N.E. There are also several examples of affordable housing projects: The Seattle Housing Authority built Lake City Court at 12536 33rd Ave. N.E., providing 86 units of housing, and the Low Income Housing Institute completed the McDermott Place development at 12740 33rd Ave. N.E., with 75 units for homeless individuals, including veterans. Seattle Housing Assistance Group operates two apartment facilities – the Cedar Park Apartments, 12740 – 30th Ave. N.E., and Victoria Park Apartments, 13716 Lake City Way N.E., with age and income restrictions.

Context – Other City-owned Property and Facilities

The following City-owned properties in the general area serve the general community with recreational and educational opportunities:

Description	Location	Lot Size (Bldg. size)¹	Distance from PMA 136
Albert Davis Park – redeveloped in 2005 for the Lake City Civic Core Project	12526 27 th Ave. N.E.	58,460 sf.	.08 mile SW
Lake City Community Center - Building	12531 28 th Ave. N.E.	13,084 sf. Building	.08 mile SW
Lake City Branch Library and Neighborhood Service Center (NSC)	12501 28 th Ave. N.E.	32,606 sf. 20,100 sf. Building	.11 mile SW
Civic Core Parking Garage and Public Plaza – built in 2005		8,520 Building	.11 mile SW
Lake City Mini Park	12539 27 th Ave. N.E.	7,398 sf.	.10 mile SE
Lake City Memorial Triangle	31 st Avenue Northeast & Lake City Way	234 sf.	.15 mile SE
Lake City HUB Urban Village Park Acquisition Site	12510 33 rd Ave. N.E.	10,017 sf.	.23 mile SE

¹ Lot and Building Sizes are approximate figures from City GIS layers.

Context – Neighborhood Plans

Lake City was one of the North Neighborhoods who participated in the City’s neighborhood planning program in the late 1990s. The North District (Lake City) Neighborhood Plan identified a proposed Hub Urban Village (HUV) in the heart of Lake City, between Northeast 120th Street and Northeast 130th Street, and approximately one to three blocks to either side of Lake City Way Northeast. The larger planning area extended from Northeast 95th Street on the south to Northeast 145th Street on

the north, and from 15th Avenue Northeast to Lake Washington. Within the 20-year planning horizon, the planning area was intended to add approximately 1,400 dwelling units and 2,900 jobs.

The overall vision of the Plan was to protect and enhance the residential neighborhoods surrounding the Lake City commercial district, while the Hub Urban Village was developed with a unique, positive image². A diverse, inviting and engaging business district would have as its centerpiece a Civic Core, with a cluster of community facilities and institutions – an expanded library, and a new and expanded community center surrounding an open landscaped plaza. The plan envisioned new, mixed-use commercial and residential developments along streets adjacent to this cluster of community facilities. The Neighborhood Plan also included a goal of creating a park or open space on the current fire station site.

The City Council approved and adopted legislation consisting of three sets of documents – (1) a **Resolution** recognizing (2) an **Approval and Adoption Matrix** containing a detailed workplan, and (3) an **Ordinance** adopting parts of the neighborhood plan as amendments to the City’s 20-year Comprehensive Plan. In 1999, [Ordinance 119633](#) adopted the North Neighborhoods Plan. In the Approval and Adoption Matrix, the City responded to requests for an expanded library, parking facility, new fire station, public gathering space, transit hub and park or open space on the current fire station site by noting that it was reviewing a number of facilities recommendations. Ultimately, the City of Seattle worked together with residents between 1999-2001 to develop ideas for the Civic Core Project, culminating in the Lake City Civic Center Master Plan. With the plan in place, the City proceeded to fund the approximately \$6.5 million project. Elements of the Civic Core project included:

- A small acquisition of land to expand Albert Davis Park, completed in 2001.
- A below-grade parking garage to provide additional parking for the Library, Neighborhood Service Center (NSC), and Lake City Community Center.
- An elevator to serve the NSC and Library.
- Remodel of the community center entrance and construction of a public plaza located between the Library addition, the Community Center, and Albert Davis Park.

In addition, the Libraries for All Levy funded a \$5 million addition to the Lake City Branch Library, including space to house the Lake City NSC. These improvements were all completed between 2003 and 2005.

The Lake City Farmers Market occurs seasonally, sited on the street adjacent to the Library.

² Plan for the Neighborhoods of the Lake City Community 1999-2014, dated February 9, 1999, page 12.

Suitability for Other Municipal Priority Uses

As spelled out in Guideline B above, Council [Resolution 29799](#) requires that the site be analyzed to consider suitability to meet certain priority municipal uses. These are addressed below:

- *Low-income housing and/or affordable housing.* This site could be used for housing development for families and individuals with low incomes and/or those who meet thresholds for other types of affordable housing. According to the 2006-2008 American Community Survey reports, 22% of all renter households in Seattle are severely cost burdened, paying more than half of their income for housing. A significant number – 61% – of these households have extremely low-incomes, at or below 30% of median income. Affordable rental housing is a critical need in Seattle, particularly for the population groups identified here:
 - Homeless families, individuals and youth, including chronically homeless individuals with disabling conditions. More than 1,800 people are homeless on the streets in Seattle on any one night and many more are in shelters and transitional housing. Seattle Schools report 1,153 homeless students over the 2009-2010 school year. The City considered the possibility of redeveloping the former Fire Station 39 site for emergency shelter; however, housing production is a priority strategy under the City’s Consolidated Plan and the King County Ten-Year Plan to End Homelessness. A range of housing, combined with supportive services, is needed to assist families and individuals regain housing stability and work toward self-sufficiency.
 - Seniors and people with disabilities. Many seniors and people with disabilities live on limited fixed incomes, and struggle to afford housing while paying for food, health care and other expenses. Seattle renters over age 62 are more likely to be severely cost burdened; more than 27% of these households pay more than half their income for housing. People receiving social security disability typically have incomes as low as 17% of median income, so they cannot maintain stable housing without an affordable place to live.
 - Low-wage working families and individuals. Extremely low-income families and individuals — with incomes at or below 30% of median income — are the most likely to be severely cost burdened renters in Seattle. These households have incomes below \$18,000 for an individual or \$23,150 for a family of three. They may be working a minimum wage job, or working part-time or intermittently. In addition, the people who provide everyday services to residents and visitors in Seattle often struggle to pay market rents. People working in food service, hotel housekeeping, and retail sales typically earn \$11 to \$14 per hour. Office administrative staff, teacher’s aides, and medical assistants may earn \$17 per hour. Even in today’s housing market, an income of \$20 per hour is needed to afford the average one-bedroom apartment.

In response to affordable housing needs that are not met by the market, agencies such the City of Seattle’s Office of Housing, the Seattle Housing Authority, and the Department of Housing and Urban Development (HUD) subsidize the development of housing that serve people with low income or disabilities. The distribution of such subsidized housing throughout the City is mapped on page 18. A separate Needs Assessment specific to the use of this site as affordable housing, conducted by Office of Housing and the Department of Human Services, will be finalized in June 2012.

- *Economic Development.* With commercial zoning, this site could potentially be redeveloped for commercial use that generates economic development. As noted above, the area is perhaps overdeveloped with retail uses, and there may not be an immediate market for stand-alone commercial development due to the poor economy; this is discussed further under Highest and Best Use beginning on page 7.
- *Parks and open space.* In terms of parks and open space, the Department of Parks and Recreation (DPR) uses “gap analysis” to identify underserved areas. In 2008, DPR identified a gap in usable open space on the east side of Lake City Way within the Hub Urban Village boundaries. By 2010, DPR had acquired the property at 12510 33rd Avenue Northeast to meet the goal of providing parks within walking distances for residents in and around urban villages. Programming at the Lake City Community Center has been provided by Lake City Community Center, Inc. (Lions Club) for recreation and community programming through May 30, 2012, with one five-year extension at the discretion of the Parks Superintendent. DPR issued a Request for Proposals (RFP) in March 2012 seeking a provider to operate and maintain the community center, preferably with expanded programming to increase neighborhood engagement. As of May 15, 2012, DPR was currently evaluating several proposals. DPR is not considering expansion of community center facilities in Lake City due to funding constraints. In any case, running two facilities in close proximity to each other would not be cost effective due to higher fixed costs. Renovating the old fire station building for community center use would trigger building code upgrades at considerable expense.
- *Child care facilities.* Child care facilities could potentially be a tenant in new ground floor retail space. The cost of bringing the current building up to code requirements would most likely not be cost-effective for a private or nonprofit child care business.
- *Sound Transit-related development.* This location does not offer an opportunity to support Link Light Rail related development, although the site is within 500 feet of Lake City Way, where good transit service is available.
- *Community gardens.* The Lake City neighborhood is not well served with P-patches. Although a new 84-plot community garden is associated with the Lake City Court housing development at 12536 33rd Ave. N.E., priority is given to building residents. The Department of Neighborhoods did not identify this as a potential site for a community garden, and did not express interest in acquiring the property.

Range of Reuse and Disposal Options

Excess Property is defined as “real property that the Jurisdictional Department has formally determined is no longer needed for the Department’s current or future use.” Station 39 was classified as excess property in 2009. Guiding principles for the reuse and disposal of real property states that “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 to a motivated purchaser, or sale by public bid.

- Retention by the City. The property was first circulated to other City Departments and Governmental agencies for potential reuse in July 2009. No City Departments or other Governmental agencies have expressed an interest in acquiring the property for continued City ownership.
- Negotiated Sale. The Office of Housing (OH) expressed interest in this property for development as affordable housing for homeless families and families making less than 30% of median income, with additional community services. OH would conduct a Request for Proposal Process to identify a qualified developer for the property.
- Sale by competitive process, e.g., public bid. It is likely that a competitive sale process would result in the property being acquired by a developer who would build a mixed-use development on the site with market-rate rents.

In the sections below, potential uses for the property are evaluated in light of such factors, including but not limited to environmental issues, conditions in the real estate market, and the Highest and Best use of the property. The report also summarizes public input and returns to these options prior to making a recommendation.

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 may 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 concept of Highest and Best Use of a Property is a key principle employed in real estate appraisal. The Highest and Best Use is generally defined as the reasonably probable and legal use that produces the highest property value. To be considered as the Highest and Best Use of a Property, any potential use must pass a series of tests. The use must be:

- | | |
|------------------------|------------------------|
| ▪ Physically possible | ▪ Legally permissible |
| ▪ Financially feasible | ▪ Maximally productive |

The Highest and Best Use may or may not be a property’s present use. The test of Highest and Best Use for an improved property is typically based on the property as though vacant, assuming the property is vacant or could be made vacant, and as improved. Improvements are valued according to how they contribute (or detract from) the value of the land.

Physically Possible. The parcel is a rectangular parcel measuring roughly 120 feet by 140 feet, with a total area of 16,835 square feet. The property is level and sits approximately at grade with the surrounding streets. All utilities are available to the site. Overall, there do not appear to be any physical constraints to development of the site. The property is on a side street which parallels the major thoroughfare of Lake City Way. Thirtieth Avenue Northeast

has been closed to through traffic about three blocks north of the subject. This inhibits the flow of traffic moving north and south across the front of the property. The site is positioned for easy access to Lake City Way via Northeast 127th Street. Given the corner access and proximity to the business center of Lake City, the site is physically capable of supporting a variety of improvements.

Legally Permissible. The parcel is zoned C1-65, allowing a building height up to 65 feet. This zoning is fairly flexible and allows a variety of commercial and residential uses, as well as mixed uses. Mixed use developments incorporating ground floor commercial space with residential uses above are encouraged by increased floor area ratio (FAR) allowances, as follows:

Type of Development	FAR	Maximum Area
Residential only	4.25	71,548 sf
Nonresidential only	4.25	71,548 sf
Single use within mixed-use development	4.25	71,548 sf
Mix of residential and nonresidential uses	4.75	79,966 sf

This generally translates to a five story building depending on construction materials, available parking and the base height of the first floor. It would potentially be possible to construct a commercial/office building of approximately 70,000 square feet, or up to 50 units of housing above a retail base.

Financially Feasible. The property is located in a commercial area that serves surrounding neighborhoods, as well as a citywide or regional clientele. Nearby land uses include large supermarkets, building supplies and household goods, auto sales and repairs, and apartments. Developing the property for office/retail and or multifamily housing may be financially feasible. It may also be financially feasible to use the existing building for some institutional use or commercial/retail use.

Maximally Productive. Per the current zoning and location, the maximally productive use of this property would be multifamily dwelling. To maximize zoning, mixed uses that incorporate ground floor commercial space and residential units above are required.

Highest and Best Use as Currently Improved

The property is currently improved with an older, wood frame building in good condition. The building was built specifically for use as a fire station; thus it is not well suited for commercial or residential use. Conversion to other uses would trigger building code requirements that would increase project costs. The Highest and Best Use for the property, as vacant, is for market rate multifamily housing. Given that the value of the underlying land significantly exceeds the value as currently improved, the Highest and Best Use is likely for redevelopment to maximum density, as allowed physically by the size of the site and legally by the zoning restrictions.

Compatibility with the Physical Characteristics

The recommended use of the property for mixed-use development of residential units above ground floor retail is compatible with the physical characteristics. The site can accommodate approximately 50 housing units, depending on the site of the units.

Compatibility with Surrounding Uses

The immediate, surrounding uses are a fire station, offices, an auto showroom, an apartment building, and a retail/neighborhood shopping center. Development of a mixed use, multifamily project would be compatible with these uses.

Timing and Term of Proposed Use

The property is generally vacant. The site was used for several months during the winter as a temporary homeless shelter managed by Union Gospel Mission. If the City Council approved legislation approving a low-income housing project in early 2013, construction could begin in mid-to-late 2014, with the new building ready for occupation in 2015. As an alternative, a private purchaser would typically have the prerogative to determine when to move forward with a project, and the parcel could move immediately towards development or sit vacant until a future date, unless the City chose to require prompt development as a condition of sale. At this time, the City has no plans to utilize this site as a shelter for homeless people; In any case, such use is limited to six months by the code requirements of the Department of Planning and Land Use.

Appropriateness of the Consideration

The 2012 assessed value of the property is \$1,026,200, with \$757,000 attributed to the land and \$269,200 attributed to the building. Given the costs associated with bringing the building up to code, it may have negligible value. Thus, the estimated cost of the property for the purposes of this report is \$757,000. An open, competitive sale process could result in the highest return to the City. In a negotiated sale, the fair market value of the property would be reviewed and approved by the City Council. Consistent with the Fire Facilities and Emergency Response Levy funding plan, proceeds from the sale of this property will be returned to the Fire Facilities and Emergency Response Levy Fund.

Unique Attributes

The parcel contains a former fire station building constructed in the 1950s. Most changes in occupancy would be considered substantial alterations, meaning the building must be significantly renovated to meet current codes. Any improvements to the existing building which required building permits would likely trigger energy code upgrades, necessitating replacement of the windows, insulation and roof. Sprinklers may be required for some types of uses, and it is likely that improvements to the heating system would be necessary for most uses. A recent study of bringing the building up to code for possible residential use estimate the cost at \$1.3 million to \$1.5 million; conversion to other uses could be roughly in the same range.

Potential for Consolidation with Adjacent Public Property

At the time that the new Fire Station No. 39 was planned, retention of the existing building was evaluated. There was no identified need to hold the existing building for use by the Seattle Fire Department, and no other City department has identified a need for the property. There are no other immediately adjacent public properties suited for consolidation with the subject parcel. The

Lake City Civic Center project, located three blocks south of this site, has become the focus of community life in the area. As noted elsewhere in this report, it is not cost efficient for the Department of Parks and Recreation to operate two buildings, nor is funding available for such purposes.

Conditions in the Real Estate Market

Since the steep decline of the real estate market locally as well as nationally in 2008, the Seattle market is beginning to stabilize. While home prices have not increased, there has been a rise in home sales. The apartment market has picked up with a number of new multifamily projects focused mostly in close-in neighborhoods. A number of large corporate and institutional projects near downtown Seattle are boosting the office sector. The following information was provided by Colliers International, a consultant to FAS, for the North Seattle and/or Lake City areas.

Office. The north Seattle office market has been relatively flat over the last year. In first quarter 2011, the vacancy rate was 9.5%, with an average asking rate of \$21.89/SF full service. At the end of first quarter 2012, the vacancy rate was 10.3%, with an average asking rate of \$21.17/SF full service. Although the vacancy rate rose slightly, the momentum is picking up and we expect the vacancy rate to fall over the coming year.

Retail. The north Seattle retail market is fairly limited, with a low vacancy rate given the greater economic challenges over the last couple of years. In first quarter 2011, the retail vacancy was 4.2%, with an average asking rate of \$18.64/SF NNN. At the end of first quarter 2012, the retail vacancy rate was 4.0%, with an average asking rate of \$18.28/SF NNN.

Apartments. Like much of greater Seattle, developers are anxious to build apartments in the Lake City area over the next few years. Due to the lack of funding over the last couple of years, no new developments are set to be delivered in 2011; however, work is already under way to deliver more apartments in the coming years. Right now, 91 units are set to be delivered in 2012, 325 units in 2013, and 396 units in 2014. This represents a 9.2% increase in the overall north Seattle apartment supply.

Known environmental factors

Underground diesel fuel tanks on the north side of the building were removed, along with contaminated soil, in 1999. The tanks were replaced with an above-ground storage tank, which is now on the east side of the building. Remediation was completed in 2000. A Phase I Environmental Assessment Study (ESA) was completed on this property in 2009. The study noted that two buried fuel tanks on the west side of the fire station are no longer active; these tanks were left in place. The property is surrounded by potential sources of contaminants, including a now vacant auto repair shop on the block west of the new fire station, and a car dealership just north of the former station. Remnants of toxins left from a dry cleaning business located half a block southeast have contaminated ground water down to a depth of 20 feet. Due to the age of the existing structure, asbestos may be present in the building. Other than trace toxins from the dry cleaner and possible asbestos, there was no other environmentally significant contamination noted in the ESA.

GUIDELINE D: PUBLIC INVOLVEMENT AND SALE OPTIONS

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

Public Involvement

In March, 2012, FAS sent approximately 1,550 neighborhood notices soliciting comments on this excess property via email and U.S. mail to residents and property owners within a 1,000 foot radius of the subject property, to community groups in Lake City, and to interested individuals, including those that attended community meetings in 2011. The flier described the interest of the City Council and the Mayor in evaluating the feasibility of redeveloping the property to include, at a minimum, affordable housing for low-income or formerly homeless individuals and/or families, and that could provide on-site related programs. As of April 4, 2012, FAS had received comments from 219 separate individuals. Individuals may have raised more than one issue, thus the total number of comments listed below is higher than the number of individual respondents.

- **146** comments support enhanced programming and civic amenities, noting a “critical need for positive, constructive activities” for youth and seniors among diverse populations. Many cited the recent DPR Request for Proposals statement that “recreational opportunities are in short supply.” The majority of these comments came via a contact form on the Families for Lake City website, and most favored transferring the property to the Department of Parks and Recreation.
- **6** reference the Lake City Comprehensive Plan,² noting the site was to be used for the farmers’ market or other civic purposes.
- **11** indicated the site was inappropriate for affordable housing/human services due to proximity to senior housing and facilities used by children.
- **17** favor using the site for something other than a homeless shelter/low-income housing, but not specifically for civic amenities/youth and senior programming.
- **29** specifically oppose housing and/or services for the homeless or similar populations.
- **20** state that the area is saturated with facilities for the homeless or low-income individuals.
- **20** specifically mention crime and/or public inebriation and similar behaviors having increased in the area, creating a detriment.
- **9** mention a negative impact on property values or the general economic condition of the neighborhood if the site was used for affordable homeless housing/human services.
- **9** support housing and/or services for low-income families or the homeless.
- **5** requested additional information concerning location of subsidized housing and/or human services, etc.
- **6** raised questions about the decision-making process and/or feedback; no other comment.
- **9** asked to be placed on a mailing list for future information; no other comment.

The majority of comments indicated a preference for converting the property into a civic amenity instead of the proposed affordable housing project; many articulated a desire to see the site used for activities for youth and seniors. A number of people also expressed concern that Lake City has more than its share of facilities for low-income and homeless populations, and that the proposed project would draw unwanted behavior into the community.

In addition to these comments, FAS was presented with a petition including 203 signatures. The petition supports transfer of the property to the Department of Parks and Recreation as a community facility providing programmed recreational activities, especially for youth.

FAS maintains a contact list of those who have expressed interest in the future of the property, as well as those interested in acquiring the site. New contacts are added to the mailing list on an ongoing basis. Property disposition Procedures require that FAS send notices to all of these parties at certain times in the review process.

Potential for Use by Non-City Public Entities

FAS has not received any specific proposals from nonprofit groups. The site could have the potential to be used by a nonprofit group for an institutional use in an as-is condition, or for a development project. Almost any change in use would trigger building code requirements at considerable expense. If the City were to hold the property and lease it to a nonprofit, the long-term holding costs would very likely exceed the potential lease revenue to be obtained, and the City could have major maintenance costs from retaining the building. In this case, or if the City were to sell the property to a nonprofit at a discounted price, no revenue would be deposited in the Fire Facilities and Emergency Response Levy Fund. A Request for Proposal Process could be used to select a nonprofit if the Council determined this was the preferred course of action.

Potential for Use by the General Public

If available to the general public, the most likely buyer of the property in an open, competitive sale would be interested in redeveloping this property for mixed-use development, including market-rate housing. No specific proposals or any expressions of interest in acquiring the property have been received to date. The property would likely receive multiple, market-rate offers if made available through an open, competitive process.

RECOMMENDATION

As discussed earlier on pages 6 and 7, the range of options for this property include retention by the City, a negotiated sale to achieve a specific purpose that provides a desired City benefit, or sale through an open, competitive process with no specific goal in mind. No City department has identified a need to retain the property in City ownership for a municipal purpose. Although many comments favored utilization of the property for a community center under the jurisdiction of the Department of Parks and Recreation, DPR has an existing community center one block southwest; running two separate buildings would be too expensive. Converting the fire station to an additional community center would incur significant additional costs. Also, DPR has purchased and is planning the development of a large park site three blocks southeast of this property.

One City department, the Office of Housing, did identify a use for the property, noting that the site was well served to provide new housing for homeless families and families earning less than 30% of median income. Low-income housing is one of the priority municipal needs recognized by [Resolution 29799](#) for the reuse of excess City property. The needs assessment on page 5 clearly shows that a significant portion of Seattle residents have a heavy burden in affording housing in this economy. OH proposes to select a nonprofit developer, through a Request for Proposal process, to build a housing development that would serve extremely low-income families with incomes at or below 30% of median income. These families may be homeless or formerly homeless.

FAS recommends this property be sold for the development of affordable housing for homeless families and families earning less than 30% of median income. The ground floor commercial space could be made available to organizations providing youth-oriented community services that can benefit the broader community, as well as residents of the building, e.g., a computer lab, a tutoring program or recreational activities. The affordable housing developer may have a use for the ground floor that is supportive of the families living in the housing in addition to support of the broader Lake City community.

Given the opportunity to meet a municipal goal of increasing the stock of low-income housing, FAS recommends selling the property through a negotiated sale rather than through an open, competitive process without conditions on the sale. It is further recommended that the Office of Housing identify a potential developer through a Request for Proposal Process.

If the Council supports the development of low-income housing on the site, the Council could choose to transfer jurisdiction of the property to the Office of Housing until such time as that department is ready to select a developer. The Council may also determine, with departmental input, the appropriate consideration for the property to be placed into the Fire Facilities and Emergency Response Levy.

Threshold Determination

The Disposition Procedures provide that FAS assesses 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 Threshold Determination Form prepared for Former Fire Station No. 39 is on page 15 of this report. Summation of points awarded place this disposition above the “*complex*” property disposal threshold, for the following reasons:

- the volume of community contact regarding the disposition of the property,
- the recommended disposition of the property instead of retention by the City, and
- the value of the property estimated at between \$250,000 and \$1 million.

Next Steps

FAS will provide a summary of this report to the Real Estate Oversight Committee (REOC), to all City Departments and Public Agencies that have expressed an interest in the Property, and to members of the public who responded to the public notices. The Summary will advise how to obtain a full copy of the report (which will be posted on the City’s website: www.seattle.gov/realestate/), note that FAS and the REOC will consider comments on the Preliminary Report for 30 days after mailing the summary of the Preliminary Report and advise the recipient where and to whom any comments should be addressed. FAS will also post sign(s) visible to the public at the Excess Property, which will provide the same information.

As required, FAS has prepared a Public Involvement Plan (PIP) for property classified as a complex property disposition. Under the Procedures, the PIP is tailored to the specific property and those issues which have been raised during the circulation and notification phase. The PIP is attached to this report in Appendix 1.

FAS will collect public comments on this Preliminary Report and the PIP. The REOC will review and approve the Preliminary Report and Public Involvement Plan, providing comments as necessary. FAS will revise the report and PIP if necessary prior to briefing the City Council on the proposed Public Involvement Plan. At least 14 days notice will be provided to the mailing list that the Council will consider the PIP. With Council approval, FAS will then implement the Public Involvement Plan to provide additional opportunities for public input prior to the Council making decisions concerning the property.



Following the public involvement phase, FAS will publish a Final Report, including a full report on public involvement, and provide it to REOC and the mailing list of interested parties. After 30 days, the REOC will vote on the Final Report. FAS will forward legislation necessary to implement the final recommendation for the excess property to the City Council. FAS will continue to collect public comments, providing an updated summary of all comments at the time of Council review. FAS will also provide 14 days' notice of a public hearing to the mailing list so that interested parties can attend the public hearing and present their ideas and interests to the City Council.

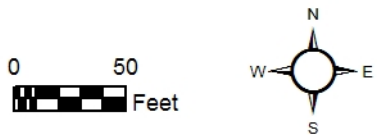
City of Seattle
PMA No. 136
 Former Fire Station 39
 12705 30th Avenue NE
 Seattle, WA 98125



Vicinity Map NTS

Legend

-  PMA # 136, Former Fire Station 39
-  Tax Parcels



Department of Finance and Administrative Services -
 Real Estate Services, RJGholaghong - January 2012
 No guarantee of any sort is implied, including accuracy,
 completeness, or fitness for use.





City of Seattle

PMA 136

Fire Station No. 39
12705 30th Avenue NE

Zoning Map

Legend

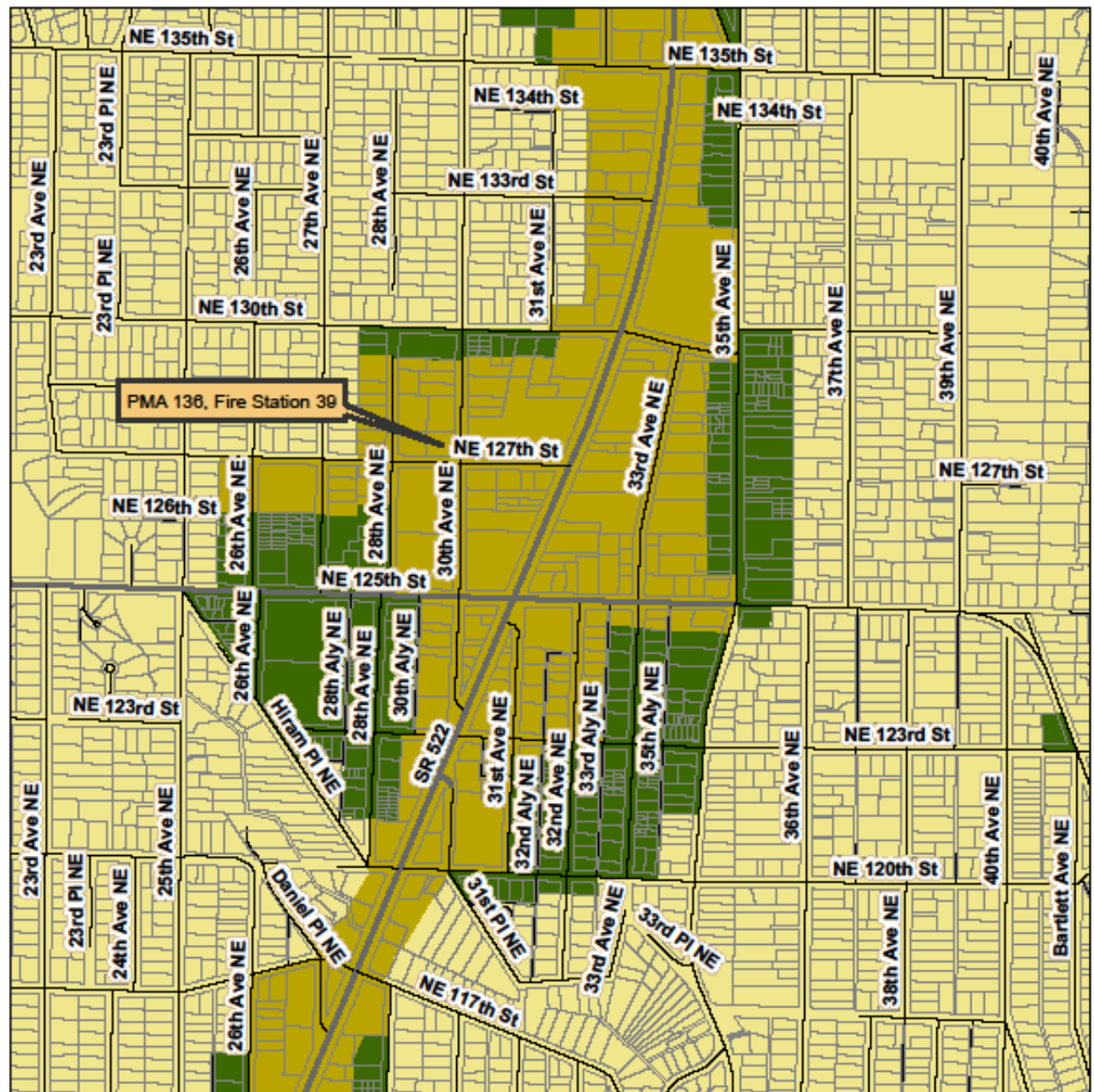
- Parcels
- Multi-Family
- Neighborhood/Commercial
- Single Family

0 150
Feet



Fleets & Facilities Department -
Real Estate Services
RJGholaghong - December 29, 2009

No guarantee of any sort is implied, including accuracy, completeness, or fitness for use.

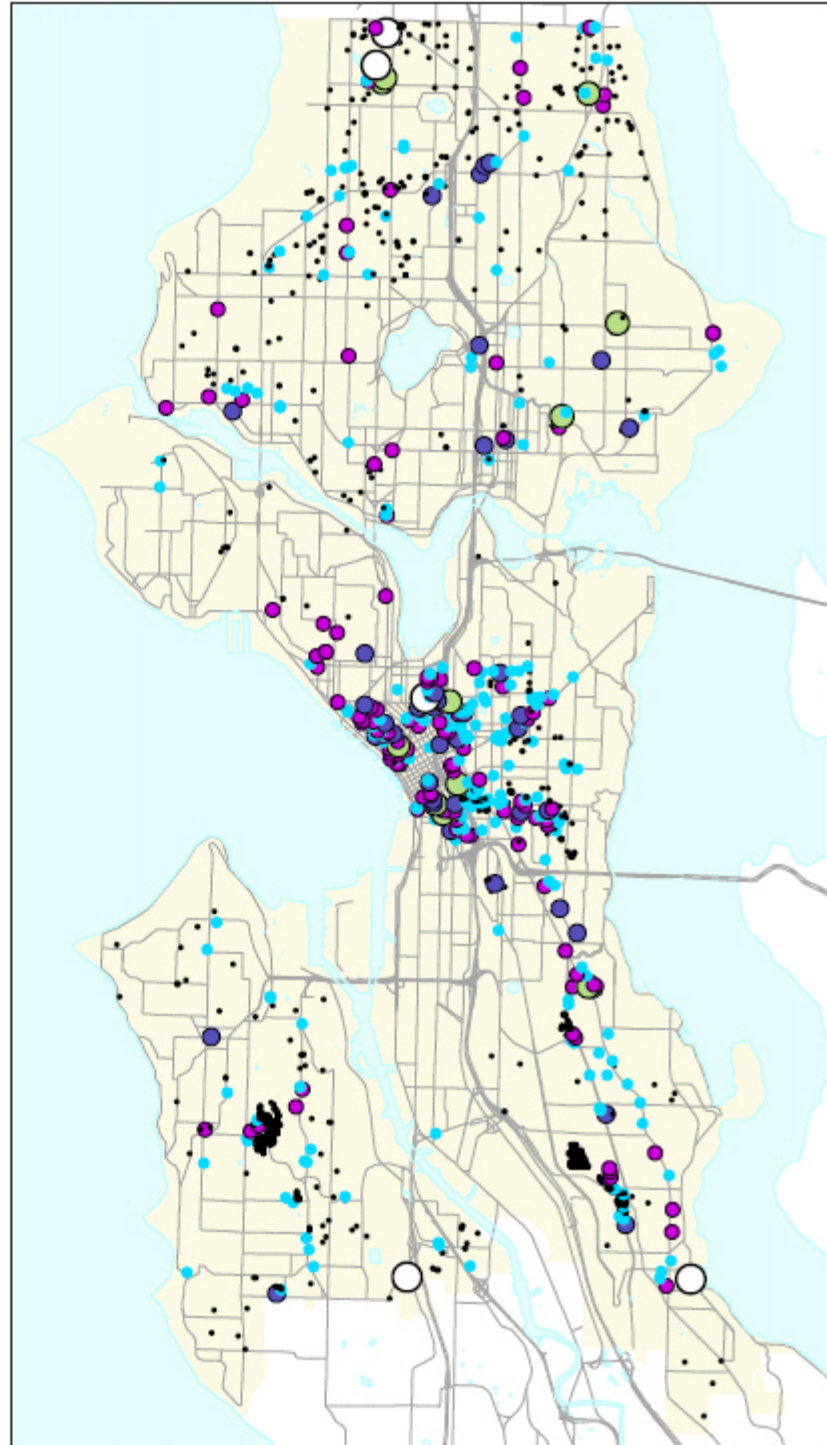
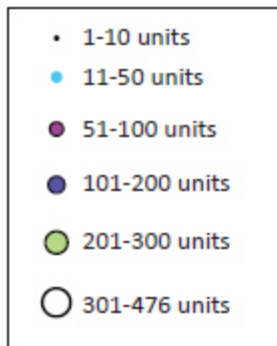


24

Subsidized Rental Housing in Seattle

includes housing funded by the City through 2011; housing without City funding last updated in 2009*

Number of housing units at each location



**Includes housing funded by other agencies such as Seattle Housing Authority and the US Department of Housing and Urban Development (HUD) does not include tenant-based Housing Choice Vouchers (Section 8) administered by the Seattle Housing Authority*

Seattle Office of Housing, March 2012

PROPOSED Public Involvement Plan

PMA No. 136- Former Fire Station No. 39

Public Involvement Plan – Overview

Per the “Procedures for Evaluation of the Reuse and Disposal of the City’s Real Property,” adopted by Resolution 29799 and amended by Resolution 30862, (referred to here as the Procedures), the City must develop a Public Involvement Plan (PIP) for certain properties during the decision-making process. The PIP is developed in conjunction with a Preliminary Report, which documents the analysis prepared for review by the City Council prior to passing legislation authorizing the transfer, reuse or sale of an excess property.

Under the Procedures, FAS begins the evaluation process by sending information about excess property to other City departments, public agencies and the neighborhood in which the property is located. Based on input received, and analysis of the property and the reuse and/or disposition options, FAS classifies each excess property decision as “simple” or “complex.” This classification is based on the Property Review Process Determination Form and the classification identifies decisions which may need additional public process. Complex decisions require the preparation of a PIP before the Council makes a reuse and/or disposition decision. Guidelines provide that the PIP be tailored to the characteristics of each specific excess property and those issues which have been raised during the circulation and notification phase. Interested parties have an opportunity to comment on the proposed Public Involvement Plan prior to consideration of the PIP by the City Council.

Former Fire Station 39 Summary

With a new Fire Station 39 facility now operational at 2806 NE 127th St., the former station building, PMA No. 136, is no longer required by the Seattle Fire Department. The Department of Finance and Administrative Services (FAS), the City department with jurisdictional control of the property, declared the property excess to its needs in 2009. No City department requested the property for continued municipal use; however, the Office of Housing requested an opportunity to identify a developer for an affordable housing project at the site. The property could be redeveloped for commercial, residential and mixed use based on its Commercial 1-65 zoning. The Highest and Best Use would be to demolish the existing building and develop a mixed-use market-rate residential building with ground floor retail.

The Mayor and City Council, through the 2012 Adopted Budget, directed City departments to evaluate the feasibility of redevelopment that would include, at a minimum, affordable housing for low-income or formerly homeless individuals and/or families and that could provide on-site related programs.

City departments have analyzed characteristics of the property, assessed the needs of the community in the areas of housing and human services, and reviewed community input. The recommendation is that the Mayor and Council approve redevelopment of the property with

housing for homeless families and families earning less than 30% of median income. The project could include ground floor space for programs that benefit the broader community, e.g., a computer lab, tutoring program or recreational activities. The affordable housing developer may have a use for the ground floor that is supportive of the families living in the housing in addition to support of the broader Lake City community. The analysis and recommendation are documented in the Preliminary Report for PMA 136 – Fire Station 39. The report is available online at <http://www.seattle.gov/realestate/fs39.htm>.

Public Involvement to Date

In March 2012, FAS sent approximately 1,550 neighborhood notices soliciting comments on this excess property via email and U.S. mail to residents and property owners within a 1,000 foot radius of the subject property, to community groups in Lake City, and to interested individuals, some of whom attended community meetings in 2011. The flier described the interest of the City Council and the Mayor in evaluating the feasibility of redeveloping the property to include, at a minimum, affordable housing for low-income or formerly homeless individuals and/or families, and that could provide on-site related programs. As of April 4, 2012, FAS received comments from 219 separate individuals. Individuals may have raised more than one issue, thus the total number of comments listed below is higher than the number of individual respondents.

- **146** comments support enhanced programming and civic amenities, noting a “critical need for positive, constructive activities” for youth and seniors among diverse populations. Many cited the recent DPR Request for Proposals statement that “recreational opportunities are in short supply.” The majority of these comments came via a contact form on the Families for Lake City website, and most favored transferring the property to the Department of Parks and Recreation.
- **6** reference the Lake City Comprehensive Plan,² noting the site was to be used for the farmers’ market or other civic purposes.
- **11** indicated the site was inappropriate for affordable housing/human services due to proximity to senior housing and facilities used by children.
- **17** favor using the site for something other than a homeless shelter/low-income housing, but not specifically for civic amenities/youth & senior programming.
- **29** specifically oppose housing and/or services for the homeless or similar populations.
- **20** state that the area is saturated with facilities for the homeless or low-income individuals.
- **20** specifically mention crime and/or public inebriation and similar behaviors having increased in the area, creating a detriment.
- **9** mention a negative impact on property values or the general economic condition of the neighborhood if the site was used for affordable homeless housing/human services.
- **9** support housing and/or services for low-income families or the homeless.
- **5** requested additional information concerning location of subsidized housing and/or human services, etc.
- **6** raised questions about the decision-making process and/or feedback; no other comment.
- **9** asked to be placed on a mailing list for future information; no other comment.

The majority of comments indicated a preference for converting the property into a civic amenity instead of the proposed affordable housing project; many articulated a desire to see the site used

for activities for youth and seniors. A number of people also expressed concern that Lake City has more than its share of facilities for low- income and homeless populations, and that the proposed project would draw unwanted behavior into the community.

In addition to these comments, FAS was presented with a petition including 203 signatures. The petition supports transfer of the property to the Department of Parks and Recreation as a community facility providing programmed recreational activities, especially for youth.

FAS maintains a contact list of those who have expressed interest in the future of the property, as well as those interested in acquiring the site. New contacts are added to the mailing list on an ongoing basis. Property disposition procedures require that FAS send notices to all of these parties at certain times in the review process.

“Complex” Classification for Former Fire Station 39

Based on the analysis of the former fire station property, and review of public input concerning the future of the property, as outlined in the Preliminary Report, FAS determined that the sale of Former Fire Station No. 39 is a “complex” transaction, necessitating a Public Involvement Plan. The property received a score of 50 on the Threshold Determination Form; a score of 45 or higher results in a complex designation. Factors affecting this designation are:

- the volume of community contact regarding the disposition of the property,
- the recommended disposition of the property instead of retention by the City, and
- the value of the property estimated at between \$250,000 and \$1 million.

Proposed Public Involvement Plan

- 1) Two public meetings should be scheduled with adequate notice provided about the meetings to all parties who have submitted comments about reuse or disposition of PMA No. 136.
- 2) Property owners and residents living within a 1,000-foot radius of PMA No. 136, and community organizations who have not already commented will also be provided with notice of this meeting and information will be disseminated through local media and websites.
- 3) These meetings will discuss uses put forward by the community, including but not limited to, use as a community center or site for a farmers’ market. The meeting will also consider concerns expressed by the community about the proposal for development of housing for homeless families and families earning less than 30% of median income and providing community facilities for the broader neighborhood in the new development.
- 4) Representatives of other affected City departments, e.g., Parks, Neighborhoods, the Office of Housing and the Human Services Department, will be requested to listen and to present their respective positions concerning reuse and/or redevelopment options.
- 5) The community will be invited to provide input on the possible Request for Proposal regarding criteria for a proposed housing development.
- 6) Attendees will be invited to provide their names to community contact lists so that they can receive future information.
- 7) A record of comments made at the meeting will be kept, summarized in a Final Recommendation Report on the property, and presented to the City Council at its request and/or when the Council considers any legislation that concerns the property.

7) Additional meetings will be scheduled as needed.

Following the Public Meeting Phase

FAS will publish a Final Report incorporating a summary of the public meeting phase, and making any other necessary modifications to the Preliminary Report. The Final Report will be sent to the City's Real Estate Oversight Committee for approval, and parties on the mailing list will be notified of the availability of the Final Report. FAS will then forward legislation authorizing sale of the Fire station, including the Final Report and Public Involvement Report, to the City Council, and notify the mailing list that legislation has been sent to the Council. No Council decisions will be made for at least 30 days following the notice of legislation. FAS will continue to collect all comments and/or proposals for use of Former Fire Station 39. At the Council committee meeting to take action on the legislation, FAS will provide an updated summary of all comments received to date. FAS will also provide 14 days' notice of a public hearing to the mailing list so that interested parties can attend the public hearing and present their ideas and interests to the City Council.