

PRELIMINARY REPORT
EVALUATION OF REUSE AND DISPOSAL OPTIONS FOR
PMA No. 560

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.

Property Management Area: **PMA No. 560 – Former Sunset Substation – 3209 NW 65th Street**

BACKGROUND INFORMATION

Legal Description: The south 60 feet of Lot 9, Block 3, Prospect Beach Addition , as recorded in Volume 9 of Plats, page 97 records of King County, Washington, together with a perpetual easement for side sewer over the west six feet of the north seventy five feet of Lot 10, Block 3, of said plat..

Physical Description and Related Factors: PMA No. 560 – Former Sunset Substation is located at 3209 NW 65th St., 145 feet west of the intersection of 32nd Ave. NW and NW 65th St. The parcel is identified by the King County Assessor as Property Identification No. 690820-0190. Sunset Hills is a relatively quiet neighborhood of mostly single-family homes, with neighborhood commercial zoning along the 32nd Ave. NW arterial. A number of multi-story residential buildings have been developed along 32nd Ave. NW over the past 10 years.

The property is irregularly shaped, comprising a total area of 6,300 SF with a 20' by 45' pan-handle driveway (900 SF) leading from the site and providing access from NW 65th St. The substation operating site comprises a total area of 5400 SF, with dimensions of 90 feet along the east and west boundary lines and 60 feet on the north and south sides. The site is level with a moderately sloping area at the south border where it adjoins the alley that runs east/west between NW 65th and NW 64th Streets. Seattle City Light has determined that it is retaining the driveway portion of the property and that only the remaining fenced substation area is being evaluated for reuse or disposition. The substation is fenced on all sides with an 8' chain link fencing topped with razor wire on the east and south sides. There is no vegetation within the fenced area with the exception of grasses and weeds that surround and border a concrete and gravel pad that sits in the middle of the site. A 12-15 foot-high stand of Arbor-Vitae serve as a green screen along the fenced northern boundary. Ivy grows up and over the south and west boundary fences and there are some small trees located between the south fence and the alley.

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, statues and regulations.

PMA No. 560 was originally acquired under the authority of Ordinance No. 76767 for electrical transmission purposes. In 1948, Rex and Lorena M. Strickland conveyed the subject property to the City of Seattle Department of Lighting by Warranty Deed for the sum of \$2,500.00. The Stricklands also granted a Side Sewer Easement in favor of the City of Seattle in 1953.

Proceeds for the disposition of PMA No. 560 will be returned to Seattle City Light. Sale or disposition of this property originally acquired for public utility purposes is subject to the provisions of RCW 35.94.040 which requires a statement of fair market value or consideration to be paid and such other terms and conditions for such disposition as the legislative authority deems to be in the best public interest. The City is not bound by any other contract or instrument to which the property is subject. There are no extraordinary ordinances, laws, or regulations that apply to these properties.

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.

Context.

This property parcel is located within the Crown Hill/Ballard Neighborhood Planning Area within the City of Seattle. While Sunset Substation was not specifically identified in the neighborhood plan as a site needed for the implementation of community goals, the community grouped eight surplus substations as properties that should be considered for the preservation and expansion of open space within the planning area. The Open Space section of the Crown Hill/Ballard Approval and Adoption Matrix seeks to “preserve all City and School District owned properties that are proposed for sale for open space and community use. Locations include the former Whittier, Loyal Heights, Leary, Market, Sunset, Ballard, Monroe, and Olympic Substation Sites.” It also wants to preserve vacant surplus City properties for open space and continue pursuing acquisition of open space as defined by the Ballard Open Space Committee list. The most recent Comprehensive Plan amendments, under CH/B 13, 14, and 15, likewise call for the increase and enhancement of recreation opportunities and open space available in the neighborhood through the development of new facilities like passive parks, sports courts, and play areas and the creation of opportunities for people to experience the natural environment.

There are several city-owned properties in the general area. The following city properties are under the jurisdiction of the Department of Parks and Recreation:

Property	Size	Description	Location relative to Sunset Substation
PMA No. 3984 - Webster Park	35,373 SF	park and recreation area leased from the Seattle Schools	three blocks north
PMA No. 497 - Ballard Playground	149,395 SF	recreation area with sports fields, play area, and community center	six blocks southeast
PMA No. 252 - Sunset Hill Park	117,486 SF	overlook park	12 blocks north
PMA No. 243 - Golden Gardens Park	4,324,211 SF	wooded and waterfront park	15 blocks north
PMA No. 279 - Salmon Bay Park	122,8884 SF	park and play area	14 blocks northeast

Two former City Light Substations are also in the vicinity. PMA No. 519, Loyal Heights Substation, (8,150 SF in area), is located 15 blocks north and east. PMA No. 3893, Ballard Substation, (5,140 SF), is located 8 blocks northeast. Finally, PMA No. 4297- the Ballard Bike Trail under SDOT jurisdiction, is located 4 blocks west and down the western slope from Sunset Substation.

Other than open space or community use, low income or affordable housing would be the potential use for the site meeting Council priorities. There are no other priorities reflected in adopted city policies that could be served by this particular property.

Range of Options.

The options for disposition of these parcels include retention by the city for a public purpose, long-term ground lease, negotiated sale with a motivated purchaser, or sale by public bid. An Excess Property Notice for this property was circulated with in November 2006 to assess other city department and public entity interest in use of the property. No city department has identified any current or future use or need for the properties. Neither Seattle Housing Authority nor the Office of Housing (which reassessed the property in March, 2007) views PMA No. 560 as a suitable site for affordable housing development. Neither the Seattle Parks Department nor the Department of Neighborhoods expressed interest in using the site for some form of park, community facility or community garden. Given the lack of identified current or future municipal use, long-term lease or retention of the property is not in the city's best interests. Several neighboring property owners have expressed interest in acquiring and developing the property. Sale by public bid is the most prudent and equitable manner of selling this 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 make affect the value of the property.

Highest and Best Use:

The land is zoned NC1-30- Neighborhood Commercial with a 30-foot height limit. The highest and best use of this property site is mixed use, commercial and residential or live/work units, e.g. retail/commercial on the ground floor and residential apartments or condos in the upper 2-3 stories.

Compatibility with the physical characteristics:

The site is very level and could presumably support a mixed-use building.

Compatibility with surrounding uses:

The parcel is in the transition zone between NC1-30 zoning along 32nd Ave. NW and single-family zoning immediately west of the parcel. A four-plex is located immediately west of the property. Although access to the building would be from the alley south of the parcel, the number of units is limited by the size of the parcel.

Timing and Term of Proposed Use:

No specific use is recommended for the property. If sold by public bid, no conditions are proposed affecting use or development by the successful bidder.

Appropriateness of the consideration:

The 2008 assessed value of the property is \$472,500. Due to City Light's plan to retain the driveway area for switching equipment, the estimated value of the portion that is excess and proposed for sale is approximately \$450,000. The property is proposed to be sold to the highest successful bidder in accordance with procedures as approved by the City Council. Legislation would authorize the Real Estate Services Division of Seattle City Light to accept the highest competitive offer above a minimum bid threshold.

Unique Attributes: Because Seattle City Light is retaining the driveway which leads to the substation proper from NW 65th Street, access to the property will be from the alley that runs behind PMA No. 560 along its southern boundary.

Potential for Consolidation with adjacent public property:

There are no publicly owned properties that are immediately adjacent to the subject property.

Conditions in the real estate market:

The real estate market in Seattle remains strong. Although interest rates are fluctuating slightly, real property in the Puget Sound region continues to appreciate.

Known environmental factors:

A review of property files and several inspections of the property have been conducted. As a former fully operational electrical substation, it was the subject of a Phase 2 environmental assessment in December 2005. Soil samples from around the concrete pad were analyzed and found to contain no PCB, hydrocarbon, or pesticide contaminants above cleanup standards. One of four conduit insulation samples contained asbestos fibers that have been disposed of in accordance with asbestos abatement regulations. There is no evidence to suggest that further environmental assessments or investigations are warranted at this time.

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.

Non-city public entities were notified in April 2002 and December 2005 that this property was excess to the needs of Seattle City Light. None expressed an interest in acquiring it for their specific public purposes or needs. In 2006, several private parties that received notification because of their proximity to PMA No. 560 have expressed an interest in possibly purchasing the site and would be provided an opportunity to bid on the property as part of any bid-sale process. A public bid process would not only provide a widely-advertised and marketed offering of the property, but also operate as a fair and open method for identifying a purchaser for this property.

PUBLIC INVOLVEMENT

In accordance with Resolution No. 30862, in February 2007, a notice concerning disposition or other use of this property was sent to all residences and owners within a 1000-foot radius of the subject properties, to neighborhood organizations and to community council representatives. A total of 615 notices were mailed. Over seventy comments were received. 90% of the respondents expressed a preference for a small park, community garden or some form of open space or community gathering place. These same respondents expressed concern about the about the development plans of the owner of the one-story commercial property that is located along 32nd Ave NW and that abuts the

substation property on the north. A number of the respondents were very much opposed to the construction of more three-story apartments or condos in the area. Six of the community members indicated an interest in an opportunity to purchase the property.

RECOMMENDATION

The choice concerning this property is generally between keeping it as an open space/recreation or putting it up for sale to generate revenue for the city. The neighborhood comments indicate that some type of open space, either a small park, community garden, or some other kind of community meeting place is preferred. However, the Seattle Department of Parks and Recreation is not interested in acquiring and managing the property. The Real Estate Services Division of the Fleets and Facilities Department (FFD), evaluating this property with Seattle City Light, recommends that PMA No. 560 be offered for sale through a public competitive bid process in a manner to be approved by the City Council.

THRESHOLD DETERMINATION

The Disposition Procedures provide that FFD 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 Sunset Substation is attached at the end of this report. Due to the extent of public comment on the excess property, as well as the value and recommendation to sell, the property rates as “Complex”.

NEXT STEPS

Following preparation of this Preliminary Report, FFD is required to provide a summary to the Real Estate Oversight Committee, to all City departments and Public Agencies that expressed an interest in the Excess Property, and to members of the public who responded to the Initial Public Notice. This notice will advise how to obtain a full copy of the report, note that FFD and 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. FFD will also post one sign visible to the public at each street frontage abutting the Excess Property which provides the same information.

As a “Complex” property, FFD is also required to prepare a Public Involvement Plan (PIP), which is tailored to the characteristics of the property itself as well as the issues which have been raised during the circulation and notification phase.

The Real Estate Oversight Committee reviews the Preliminary Report and approves the PIP. A minimum 14 days notice and comment period for public comment about the PIP occurs before FFD schedules a briefing for the City Council specifically on the plan for public involvement. If the Council approves the PIP, FFD proceeds to implement the second public involvement phase. FFD then revises its recommendation as appropriate, prepares a Final Report, including a full report on the public involvement phases, and then forwards that to the Council with any legislation necessary to implement the final recommendation for the excess property.

PROPERTY REVIEW PROCESS DETERMINATION FORM

Property Name: Sunset Substation (former)
 Address: 3209 N.W. 65th St. , Seattle, WA 98117
 PMA ID: PMA No. 560 Subject Parcel # 4533
 Dept./Dept ID: Seattle City Light Current Use: None: Excess
 Area (Sq. Ft.): 5,400 s.f. Zoning: NC1-30
 Est. Value: \$450,000 - \$500,000 Assessed Value: \$472,500 in 2008

PROPOSED USES AND RECOMMENDED USE

Department/Governmental Agencies: None Proposed Use: N/A

Other Parties wishing to acquire: Most neighborhood residents want to preserve as some type of open space in public domain. Some residents want to buy and develop. Proposed Use: Open space, park, community garden

RES'S RECOMMENDED USE:
 Sell by competitive public bid process to highest bidder.

PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)

- | | | |
|---|---|----|
| 1.) Is more than one City dept/Public Agency wishing to acquire? | No / <input checked="" type="radio"/> Yes | 15 |
| 2.) Are there any pending community proposals for Reuse/ Disposal? | No / <input checked="" type="radio"/> Yes | 15 |
| 3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options? | No / <input checked="" type="radio"/> Yes | 15 |
| 4.) Will consideration be other than cash? | No / <input checked="" type="radio"/> Yes | 10 |
| 5.) Is Sale or Trade to a private party being recommended? | No / <input checked="" type="radio"/> Yes | 25 |
| 6.) Will the proposed use require changes in zoning/other regulations? | No / <input checked="" type="radio"/> Yes | 20 |
| 7.) Is the estimated Fair Market Value between \$250,000-\$1,000,000? | No / <input checked="" type="radio"/> Yes | 10 |
| 8.) Is the estimated Fair Market Value over \$1,000,000? | No / <input checked="" type="radio"/> Yes | 45 |

Total Number of Points Awarded for "Yes" Responses: **65**

Property Classification for purposes of Disposal review: Simple / Complex (circle one) (a score of 45+ points results in a "Complex" classification)

Signature: David C. Hemmelgarn Department: FFD Date: 10/29/2007

The City of Seattle



PMA No. 560

Sunset Substation

Produced by the City of Seattle,
FFD/RES
June 22, 2006

Legend

City Property-Primary Juris. Dept

 City Light-Subject Property

 Parks and Recreation

 Tax Parcels

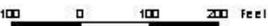
 Building Outlines

Streets

 Residential

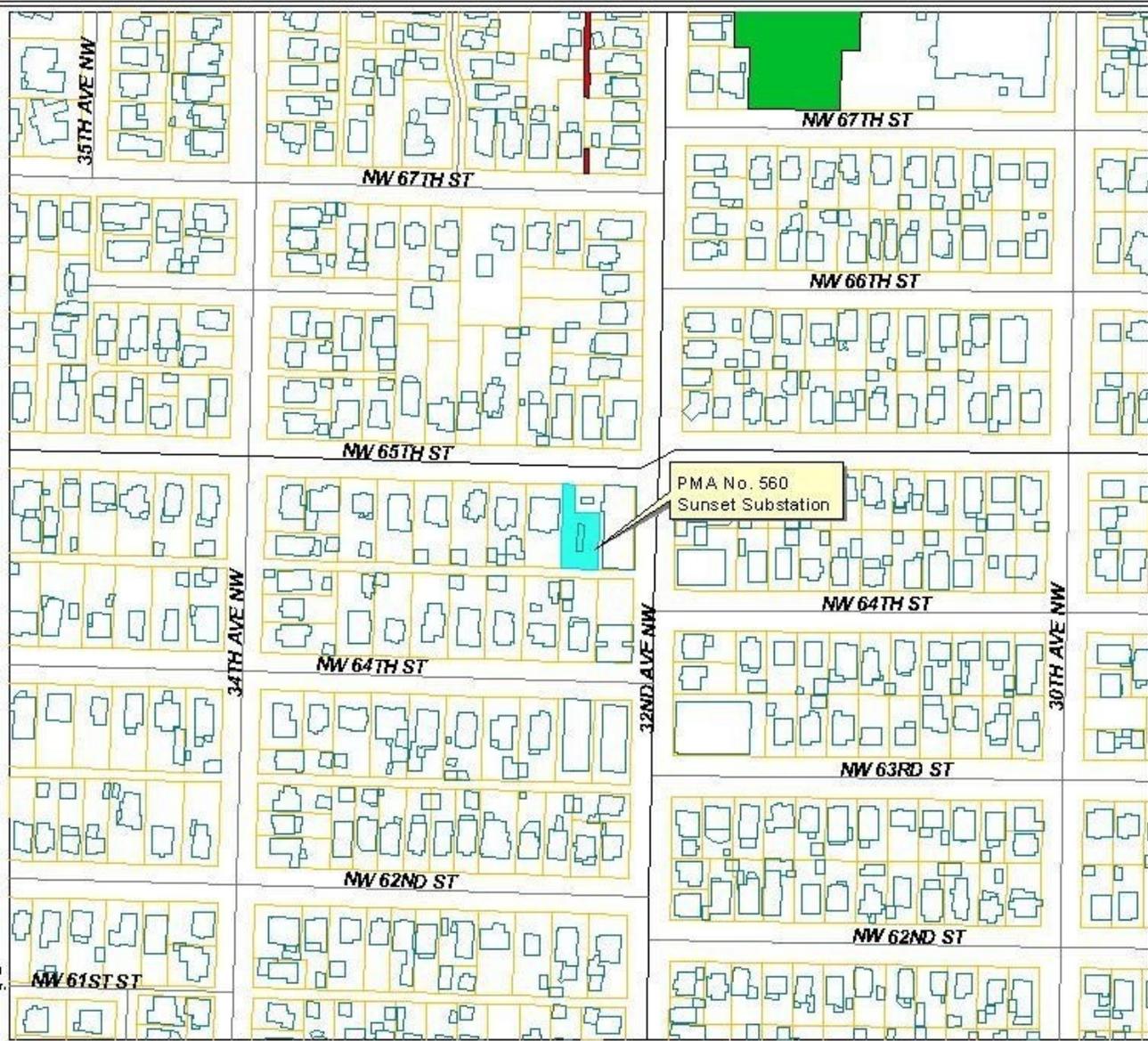
 Arterials





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Disposition for project PMA 560 (c.d)



The City of Seattle



PMA No. 560

Sunset Substation

Produced by the City of Seattle,
FFD/RES

June 26, 2006

Legend

City Property-Primary Juris.Dept

City Light-Subject Property

Tax Parcel

Building Outline

Streets

Residential

Arterials



0 100 Feet

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File: \\sp001onproj\city\pma 560 (rcl)

