



City of Seattle
Seattle Public Utilities

February 4, 2016

Mayor Edward B. Murray
City of Seattle
P. O. Box 94749
Seattle, WA 98124-4689

RE: Excess Property Notice for PMA 91 (3500 Interlake Avenue North)

Dear Mayor Murray

Seattle Public Utilities (SPU) has been working with the Department of Finance and Administrative Services (FAS) for several years to transfer jurisdiction of excess property at 3500 Interlake Avenue North (PMA 91) to SPU for construction of a large Combined Sewer Overflow (CSO) project that is mandated by the City's Federal Consent Decree. The project was approved by City Council in 2015. A summary of SPU's needs for the PMA 91 property and background information is provided below.

Summary

The City of Seattle, acting through SPU, owns and operates a combined sewer system that overflows when the capacity of the downstream pipes and treatment facilities is overwhelmed by heavy rainfall events. These combined sewer system overflows are governed by the State of Washington under the terms of a National Pollutant Discharge Elimination System (NPDES) permit. This permit mandates that SPU limit untreated overflows at each combined sewer outfall to the State of Washington's performance standard of one untreated overflow per outfall per year on a 20-year moving average, by December 31, 2025. The City is also bound by a Federal Consent Decree which requires that SPU construct control measures to limit untreated combined sewer overflows (CSOs) to meet that performance standard.

In August 2015, the federal Environmental Protection Agency and the State Department of Ecology approved SPU's Plan to Protect Seattle's Waterways (Plan), which recommended CSO control projects to meet the overflow performance standard. The Plan included a Joint SPU/King County CSO storage project, the Shared West Ship Canal Tunnel (aka Ship Canal Water Quality Project) along the north side of the Lake Washington Ship Canal between Ballard and Wallingford.

The Ship Canal Water Quality Project will control the City's Ballard CSO basins (Outfalls 150, 151 and 152), Fremont (Outfall 174) and Wallingford CSO basins (Outfall 147), King County's 3rd Avenue West Regulator (DSN008), and 11th Avenue NW Regulator (DSN004). Correcting these problems are a priority under the City's and County's Consent Decrees. The approved Ship Canal Water Quality Project will construct a new underground storage tunnel that will capture CSOs to meet regulatory standards. The

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tunnel will be constructed between Ballard (24th Ave. NW and Shilshole Ave. NW) and Wallingford (FAS Property at 3500 Interlake Ave. N) and will be located mainly under the street right of way. The east portal (FAS site) will be used to recover the tunnel boring machine and will include a down shaft to convey flows from the Wallingford CSO Basin into the tunnel. The down shaft will include odor controls, and an above-ground emergency power generator. Construction of the new facilities is scheduled to commence in 2018 and must be completed by December 31, 2025.

A Joint Project Agreement (JPA) was developed by SPU and King County and was approved by Ordinance by the City's Mayor and Council in December 2015. King County has submitted a JPA Ordinance to their Executive and Council, which is expected to be approved by February 2016. The Agreement defines the costs and responsibilities of the two agencies for design, construction, and operation of the facility.

SPU prepared a draft Facility Plan in collaboration with King County and submitted it to EPA and Ecology on January 15, 2016 for review, in accordance with each Agency's Consent Decree. The Final Facility Plan is expected to be approved by 4Q2016. The Facility Plan was accompanied by a draft supplemental EIS which addresses environmental impacts of the project. The project is on track for construction to begin in 2018.

Background

Over 150 Conceptual Independent and Collaborative CSO Control options were developed by SPU and King County. The options were analyzed, screened and refined over several years to develop the preferred option that were presented and approved in the Final Plan. An overview of site selection process related to PMA 91 follows:

- PMA 91 was identified as a potential site for Independent and Collaborative CSO storage tanks in April 2010. The City's North Transfer Station site was also identified as a potential site.
- SPU prepared site selection criteria which established an order of precedence for selecting sites for future CSO control facilities. SPU and other City owned properties received the highest ranking over commercial/industrial sites, schools, private residences and churches (June 2010).
- SPU continued development of CSO control options and expanded its property search throughout 2011. By March 2012, SPU had developed a set of Final CSO control options for evaluation and evaluated the expanded list of sites (all properties bounded by Woodland Park Ave N to Woodlawn Ave N, and N 36th St and Northlake Place). Properties included PMA 91, North Transfer Station, numerous commercial sites and residential properties.
 - PMA 91 was determined to be the best site for the Ship Canal Tunnel option as it is a surplussed City property, included adequate space and presented the lowest impact to the neighborhood. It is also located in close proximity to SPU's Wallingford CSO Control Structure on Stone Way N and N 35th St. which will be used to transfer flows into the storage facility.
 - PMA 91 was determined to be the best site for the independent CSO storage tank but additional property would be required for laydown during construction of the project.
 - PMA 91 was determined to be too small for the Collaborative CSO storage facility and would require adjacent residential properties to be feasible.
 - Commercial sites were eliminated from considerations as multiple sites would be needed at high cost and would result in displacement of active businesses.
 - The North Transfer Station was eliminated from consideration due to conflicting construction schedules related to the new facility, space limitation and operational conflicts.
 - The parking lot located at Woodland Ave N and N 35th Street was eliminated from

consideration as it is too small for any of the alternatives and is located farther away from CSO Control Structure located on Stone Way N which would result in additional conveyance costs compared to other sites.

- In June 2013 FAS issued an Excess Property Description for PMA91, indicating the availability of the property and noting that the interim fire station would be removed in 2013.
- In response to the June 18, 2013, Excess Property Notice for PMA 91, SPU declared its interest in acquiring the property at 3500 Interlake Avenue North. This property is under the jurisdiction of FAS.
- SPU and FAS continued discussion on PMA 91 and during a June 30, 2014, meeting with FAS (including Hillary Hamilton) and SPU staff, the suggestion was made by FAS that FAS could retain jurisdiction over the property and lease it to a private party for a parking lot until SPU needed it.
- On August 20, 2014, SPU issued a letter to FAS expressing SPU's desire for the property and requesting that FAS hold onto and manage PMA 91 until completion of design details, community outreach and obtaining approvals for the new storage facility.
- Subsequently, FAS leased the property to a private party for a parking lot through 2019 (with provisions for early termination October 2017) in exchange for demolition of the dilapidated building that previously occupied the site.
- In December 2015, SPU and FAS commenced discussion for the development of an Ordinance for the transfer of jurisdiction of PMA 91 from FAS to SPU by 2nd Quarter 2016. The August 13, 2015, appraisal values the property at \$3,575,000.
- Since SPU will not start construction until 2018 FAS is being requested to continue to manage the property, administer the lease contract and pass through any direct costs to SPU, if any. SPU understands that there is a potential of site contamination. SPU will proceed with Phase I and Phase II environmental assessment of the site starting in January 2016 in coordination with FAS.

Sincerely,



Ray Hoffman, Director
Seattle Public Utilities

cc: Chris Potter, Director Facility Operations FAS

