

PRELIMINARY REPORT
EVALUATION OF REUSE AND DISPOSAL OPTIONS FOR
PMA No. 9127

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. 9127 – Unincorporated King County Adjacent to Lake Youngs Supplylines

BACKGROUND INFORMATION

Legal Description: That portion of Government Lot 11, Section 23, Township 22 North, Range 6 East, W.M., in King County, Washington, described as follows:

Beginning at the center of said Section 23;
Thence south 0° 59' 58" west along the north south centerline of the south half of said Section 23, 405.14 feet to a point on the southerly line of the pipeline right of way as conveyed to the City of Seattle by deed recorded in Volume 1485 of Deeds, page 158, records of King County, and the TRUE POINT OF BEGINNING;
Thence south 63° 35' 27" west along the southerly margin of said right of way 538.85 feet;
Thence south 89° 00' 02" east 478.36 feet to the north south centerline of the south half of Section 23;
Thence north 0° 59' 58" east 248.05 feet more or less to the TRUE POINT OF BEGINNING.

Physical Description and Related Factors: A triangular shaped parcel that is located in Ravensdale, WA, 1.36 Acres in size that sits adjacent to Maple Ridge Highlands open space, SE Cedar River Pipeline NE Road, and tax parcels 2322069139, which is owned by Seattle City Light, and 2322069167, which is owned by Christopher and Jacquie Miller. Current non vehicular access to the property appears limited to Seattle's Lake Youngs Supplyline right of way as established in King County Superior Court Cause No. 201476.

A water pipeline right of way borders the north boundary of the property. This right of way is a well-maintained, graveled path, approximately 100 feet wide. There are water supply markers, and shut off valves at various points. The entrance from the main road (247th) is gated. The right of way is open for hiking, horseback riding, mountain biking, and other outdoor activities. The access road/pipeline skirts the north boundary of the parcel, effectively acting as a clear boundary.

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.

Acquired in 1966 in a property trade with Northern Pacific Railroad under Ordinance 95077 which includes the Right of Way and Mineral Rights, this property was purchased for the Lake Youngs water pipeline right of way. Seattle Public Utilities (SPU) has identified this property as excess to its

needs. The property does not serve in the maintenance of the Lake Youngs water pipeline, and is not part of pipeline access.

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, in support of economic development, in support of affordable housing, 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.

The parcel is wooded, and located in unincorporated King County near the City of Maple Valley, and lays 1200 feet southeast of the Cedar River. The zoning is RA-5, which is one Dwelling Unit per 5 Acres. The parcel is in the Tahoma/Raven Heights Community Planning area, and Water Resource Inventory Area 8 (WRIA-8), a salmon habitat conservation watershed.

The location and zoning of this property will restrict its use. It is in an unincorporated, rural area with limited access, and development potential. This area which can be best described as an exurb lies outside of the Maple Valley Growth Management Area, accordingly development is limited to low density. It is not close to a commercial core, major bus lines, or center of industry. Typical housing observed in the area range from prefabricated homes, to tract development, to upscale larger houses on acreage. The properties nearest to this parcel fall into the more upscale variety.

Context.

There are several city-owned properties in the general area.

Location	Size	Description	Location relative to PMA
Ravensdale	13.45 Acres	Aqueduct right of way PIN # 232069026	55' northwest of northwest boundary
Ravensdale	4.18 Acres	City of Seattle pipeline right of way PIN # 2322069140	274' north of northwest corner
Ravensdale	2.28 Acres	Seattle City Light right of way PIN # 2322069139	Adjacent on the northeast corner boundary

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 on June 30, 2008 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. 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. Two adjoining owners have expressed an interest in acquiring the property, King County and the Millers. Sale by public bid is a feasible option, but would not necessarily provide the highest return to the City, as access limitations increase development risk to a potential purchaser.

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 size of the parcel, 1.36 acres or 59,242 square feet, is less than the 5-acre lot size required for the zoning on the property - one Dwelling Unit per 5 acres. The property would be developable as a single family residence under two conditions – approval of an acceptable septic design, and granting of an exception to the zoning restriction. Additionally, this parcel currently has no vehicular access. The adjacent pipeline right of way is gated with specific prohibition of motor vehicle use.

Due to current access restrictions, the highest and best use for this site would be to sell to an adjoining owner. This could be either King County to incorporate in the Maple Ridge Highlands Open Space area or the one abutting private party. The abutting property owner expressed an interest in purchasing it in order to retain a buffer keeping this parcel undeveloped. The private property owners boarding the east portion of the property have expressed an interest in. They are concerned, due to the recent upsurge of building in the area that this parcel could be developed for a single family dwelling. If this property is consolidated with the Miller property, they would be able to subdivide and develop the lot pending access, water, and septic approval.

Compatibility of the proposed use with the physical characteristics:

This 1.36 acre parcel in a rural, unincorporated King County is densely vegetated with a variety of predominately native flora. The dominant species are young Douglas fir trees, along with maple, sword and break fern, blackberry vines, Oregon grape, sweet woodruff and bleeding heart, among others. There is a path that was cleared to allow for the installation of a distribution water pipe that connects to the main pipe, and hugs the eastern boundary of the property. There is a corresponding water utility easement.

Compatibility of the proposed use with surrounding uses:

The parcel is one of several City owned properties along the Lake Youngs water pipeline right of way. Surrounding properties are typically larger residential parcels with an ample buffer between neighbors, or publicly-owned property held as open space or water distribution. The parcel is compatible with both open space and/or residential use.

Timing and Term of Proposed Use:

The property was declared as excess by Seattle Public Utilities on June 2008. Excess circulation of this property began on June 27, 2008. If the sale of the property was approved by the City Council, a transaction could be completed in 2009 or 2010.

Appropriateness of the consideration:

If the property were to be sold through a negotiated sale, Seattle Public Utilities would obtain an appraisal to determine the market value of the parcel. Alternatively, a public bid process could be used to set the market value in a competitive environment.

Unique Attributes:

Lack of vehicular access is the most significant feature of the property, aside from its triangular shape. Both factors have a detrimental effect on developing this property.

Potential for Consolidation with adjacent public property:

The south line of the parcel borders Maple Ridge Highlands Open Space area. King County Parks Department has expressed an interest in acquiring the property for incorporation into the parkland. This would also ensure that neighboring properties maintain a buffer against any future development.

Conditions in the real estate market:

Although the Seattle area real estate market has not been hit as hard as the national market, declines were seen in all ranges of the local market over the past year. Seattle home prices were down 15% from year over January 2009. Prices were down 19.7% from July 2007. There is some optimism in that the number of pending sales increased from 1,611 in February 2009 to 2,058 in March in King County, a 28% jump. This is significantly stronger than last year's jump – only 10% in 2008. Statistics from the Northwest Multiple Listing Service indicate that sales of undeveloped land remain comparatively strong. For a pool of 69 closed transactions of raw land, 43.5% of those sales were on the market for 30 days, and another 23.2% less between 31-60 days. The average selling price for these listings was 90% of listing price. The remaining 33% of sales were on the market for 61-120 days, and the average listing price ranged from 81.6% to 90.9% of listing price. Thus, although the tight credit market has created uncertainties for developers, the scarcity of appropriately priced development lots and land is likely to keep property values on undeveloped land strong over the long run.

Known environmental factors:

Although fairly close to the Cedar River, this property is not in a flood zone, or drainage basin. ESD staff performed a “due diligence” transaction screening on the site. There was no indication to suggest any need for further Phase 1 or Phase 2 investigations. The site is overgrown with berry vines and other vegetation. There were no indications that the site would require any further testing or investigations in connection with “due diligence”.

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.

PUBLIC INVOLVEMENT

An excess property notice was mailed to approximately 34 neighbors on 7/10/2008. By 8/10/2008 Fleets and Facilities Department (FFD) received a total of 3 written comments. They unanimously suggested that the property be left as is. Two recommended selling to the Maple Ridge Highlands Open Space area, and one suggested that it be sold to a neighboring property owner (the Millers).

RECOMMENDATION

SPU will not allow the use of their right of way for residential access to this property. In order to develop the property as a residence, a purchaser would have to sue for an access easement. There would also be problems with a private residence next to the right of way. King County owns an open space area, Maple Ridge Highlands, which is one of three abutting properties. They have expressed an interest in adding this parcel to the larger portion, and have stated that it would not be developed for anything that is not trail related (i.e. trailhead). Based on the results of the Excess Property Circulation, and neighbors notice, the potential to sell as a developable lot is low. The interest of potential buyers is low. The best use of this property would be to sell it to King County at a price based on an appraisal of the property. If King County is not in a position to purchase the property due to budget constraints, SPU could proceed to sell the property to the Millers through a negotiated sale.

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 Property Adjacent to Lake Youngs Supplyline is attached at the end of this report. The transaction is rated as “Simple”, based upon the factors considered and the score calculated for disposition of PMA No. 9127.

NEXT STEPS

Following preparation of this Preliminary Report, FFD will 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, and advise that FFD will consider comments on the Preliminary Report for 30 days after mailing and direct 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.

After comments are received after the posting of the Preliminary Report, FFD then revises its recommendation as appropriate, and prepares a Summary Preliminary Report including a report on public involvement, community comments, and feedback. The Recommendation is then forwarded to the City Council with any legislation necessary to implement the recommendation for the excess property. All comment-makers and other interested parties are provided with at least two-week notice of the hearing at which the City Council makes a decision concerning disposition of PMA No. 9127.

PROPERTY REVIEW PROCESS DETERMINATION FORM

Property Name: Property Adjacent to Lake Youngs Supplyline
 Address: Off 247th Place, Ravensdale, WA 98051 in unincorporated King County
 PMA ID: 9127 Subject Parcel # 2322069194
 Dept./Dept ID: Seattle Public Utilities Current Use: Unimproved land - Vacant
 Area (Sq. Ft.): 59,242 (1.36 Acres) Zoning: SF RA5 (1 dwelling per 5 acres)
 Est. Value: \$144,000 (based on 2008 Tax Assessment) Assessed Value: \$ 144,000

PROPOSED USES AND RECOMMENDED USE

Department/Governmental Agencies: King County Parks Department
Proposed Use: Incorporate into Maple Ridge Open Space area

Other Parties wishing to acquire: The Miller family
Proposed Use: Abutting property owner – wishes to add to neighboring property
RES'S RECOMMENDED USE:
 Sell to King County to add to abutting Maple Ridge Highlands open space, or to the neighboring property owner at market rate based on appraisal.

PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)

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?	No / <input checked="" type="checkbox"/> 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:		40

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

Signature: Richard Gholaghong Department: FFD Date: June 1, 2009



Entrance to Lake Youngs Pipeline Right of Way.



The east boundary of the property, and area of water line placement.



The subject property and vegetation.