

***Final Preliminary Recommendation Report
On Reuse and Disposal of the
Seattle City Light's Former Boulevard Park Substation
PMA 555
May 14, 2013***

Purpose of Preliminary Report

In response to a City Jurisdictional Department identifying a property as “Excess” to their needs, the Real Estate Services (RES) section of the Department of Finance and Administrative Services (FAS) initiates a process to review and evaluate various options for the property. RES prepares a report titled “Preliminary Recommendation Report on the Reuse and Disposal of Excess Property, which documents that analysis and recommendations. This report is prepared in accordance with City of Seattle Council Resolution [29799](#), as modified by Resolution [30862](#).

Executive Recommendation

PMA 555 is excess to the needs of the Seattle City Light (SCL). FAS, and per City policies and procedures is assisting SCL with the disposition of this real property. Information about this property was circulated to City departments, public agencies and the neighborhood. Following a review of opportunities and constraints, FAS recommends that the property that the substation property be offered for sale through a negotiated sale or through an open competitive process.

Background Information

The City of Seattle, Department of Lighting, originally acquired this property from Puget Sound Power and Light Company by Warranty deed dated March 5, 1951 and indexed under King County recording number 4114711. Puget Power and Light had originally purchased the land for public purposes in 1941 from William Christiansen, a bachelor, and it was transferred to Seattle City Light when area-of-service agreements were brokered between the two utilities in the 1950's.

Reuse or Disposal Options Evaluation Guidelines

City of Seattle Resolution 29799, Section 1, requires the Executive to make its recommendation for the reuse or disposal of any property that is not need by a Department using the following guidelines.

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.

Funding Sources: The property was purchased from the Light Fund.

Purpose for which property was acquired: The property was purchase originally to extend and better the municipal light and power plant and system.

Deed or contractual restrictions: The property is not bound by any other contracts or instruments and is not subject to any extraordinary laws or regulations. The property is not used by the City or other uses.

City, State or Federal Ordinance status and regulations including, Bond, grant or loan programs, State Accountancy Act, Payment of True and full value, Zoning and land use, Comprehensive Plan, and Other plans: State Law requires that utility funds receive fair market value for disposals of surplus real property. No plans or programs apply to this property.

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.

Neighborhood Plan: This property is located within the corporate limits of the City of Burien. City of Burien will be updating the community plan in the next few years. Small scale offices and retail are permitted and mixed use developments are likewise permitted. There are no other known city policies or priorities that could be served by continued city-ownership or use of this property.

Housing and Economic Development: The sale of the property to the private owner will return the property to the active tax roles, and the market will determine the best use of the property.

Other City Uses: There are no near properties under City ownership.

Other Agencies Uses: No other agencies expressed interest in acquiring the property. No interest was expressed for low-income or affordable housing. No interest was expressed for economic development or for use by Parks or for Open Space. No interest by Sound Transit or by child care providers.

Range of Options

The “Guiding principles for the Reuse and Disposal of Real Property” state, “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 with a motivated purchaser, or sale by public bid or request for proposal.

Transfer of Jurisdiction to other City Department: No other City Department expressed a need for the property.

Negotiated Sale: A negotiated sale is typically recommended when the selection of a particular purchaser has specific benefits to the City. The adjacent business is currently using a portion of the property without a permit, and they may have an interest in the property to expand their business.

Sale through a open competitive process: An offering of the property at the appraised fair market values is one option. A sale through a public competitive bid process will allow the market to determine the optimum price for the 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 may affect the value of the property.

Highest and Best Use

The Highest and Best Use is generally defined as the reasonably probable and legal use that produces the highest property value, which is determined by evaluating if the use is:

Physically possible: The site's physical characteristics affect the uses to which it can be developed. The property is trapezoidal shape. All public utilities are available and it does not appear that topography would present any atypical challenges for development. The property has exposure on a minor arterial street.

Legally permissible: The subject property is zoned Community Commercial in the City of Burien. This zoning designation provides wide range of commercial activities serving a local community.

Financially feasible and maximally productive: A full feasibility study would be required to determine which of the permitted uses would be maximally productive for the subject property. It is possible and reasonable to assume that any permitted uses that are expected to produce a positive residual return to the land are regarded as financially feasible.

Compatibility with the physical characteristics and surrounding uses: The property is flat and completely covered with some impervious surfaces. The current use of the property is a vacant site and some use by the adjacent property owner. Any future development would be subject permitting and land use review, which would require the development to meet development standards that are in place at the time of development.

Appropriateness of the consideration: The property will be sold in a negotiated sale to and adjacent neighboring property or marketed in an open competitive process.

Unique Attributes: The unique attribute of the property is that the property once contained a City Light Substation.

Potential for Consolidation with adjacent public property: There are no public properties that lie adjacent to PMA No. 555.

Conditions in the real estate market: The commercial real estate market in Seattle is stable due to the limited amount of availability of commercially zoned property.

Known environmental factors: An Environmental Consultant conducted an Environmental Site Assessment in 2001. According to the report by Herrera Consultants, dated 2/13/01, no hazardous substances or contamination was detected. City Light's policy is to deal with any claimed contamination and cleanup issues through negotiation with the likely purchaser(s). All information concerning environmental conditions will be disclosed to all potential buyers.

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.

Potential for Use by Non-City Public Entities: FAS received no formal proposals from nonpublic entities.

Public Involvement: In January 2002 and in July 2009 neighborhood notices were sent to residents and property owners within a 1,000 foot radius of the subject property by U.S. Mail.

A neighborhood notice sign was placed in front of the property. No response or comments about possible uses of the property.

Threshold Determination

The Disposition Procedures require FAS assess 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 Review Process Determination Form prepared for the Former Boulevard Park Substation, PMA 555 is attached to this report. A score of 45 or lower results in a *Simple* designation, and preparation of a Public Involvement Plan is not required. PMA 555 scored 25 points.

Next Steps

FAS has finalized this Preliminary Report and Legislation is being transmitted to City Council by Seattle City Light.

EXCESS PROPERTY DESCRIPTION

Seattle City Light owned property has identified the following information about this excess property.

Property Name: Former Boulevard Park Substation

Property Management Number: (PMA): 555

Property Location: 11625 Des Moines Memorial Drive S, Burien WA 98168

Legal Description: Lot 2, block 3, Boulevard Park Addition, South 60 feet of East 100 feet as measured on south line

Tax parcel I. D. Number: 098500-0287

King County assessed value: \$100,300 (2013 King County Assessor Information)

Size: 7,720 square feet (King County Assessor)

Zoning: CC 2 , City of Burien

Map/Photo: Attached

History: The City of Seattle, Department of Lighting, originally acquired this property from Puget Sound Power and Light Company by Warranty deed dated March 5, 1951 and indexed under King County recording number 4114711. Puget Power and Light had originally purchased the land for public purposes in 1941 from William Christiansen, a bachelor, and it was transferred to Seattle City Light when area-of-service agreements were brokered between the two utilities in the 1950's. the funds for this purchase came from the Light Fund.

Acquisition Deeds: Deed

Acquisition Fund Source: Seattle City Light Fund

Jurisdictional Departments range of estimated of market value: \$75,000-\$150,000

Destination of funds upon sale: Washington State Law requires that utility funds receive fair market value for disposals of surplus real property. Proceeds from any sale will be deposited in the City Light Fund.

Current easements, covenants and restrictions: None

Recommended easements, covenants and restrictions upon transfer: None known

Potential problems with property and possible measures to mitigate their recurrence:

Unauthorized use of a portion of the property by the adjacent business, and has been notified that the property will be for sale, and their use will need stop.

Former Boulevard Park Sub Station

Google Street View Picture



PROPERTY REVIEW PROCESS DETERMINATION FORM

Property Name: Former Boulevard Lake Substation
 Address: 11625 Des Moines Memorial Drive S
 PMA ID: 555 KC Tax ID Number: 098500-0287
 Dept./Dept ID: Seattle City Light Current Use: Vacant Property
 Lot Area (Sq. Ft.): 7,720 Sq. Ft. Zoning: CC 2 City of Burien
 Estimated Value: \$75,000-\$150,000 KC Assessed Value: \$103,000 (2013)

PROPOSED USES AND RECOMMENDED USE

Department/Governmental Agencies: *Seattle City Light (SCL)* Proposed Use: **Sale**

FAS RECOMMENDATION: Sell the property through negotiated sale or through a competitive process.

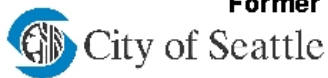
PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)

- | | | |
|---|--|----|
| 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? | <input type="checkbox"/> No / 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 |

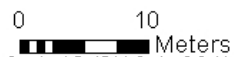
Total Number of Points Awarded for "Yes" Responses: **25**

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

Signature: Daniel Bretzke Department: FAS Dated: May 13 2013



Former Boulevard Park Substation



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