

Seattle City Light
Report to the City Council
Southwest Seattle Surplus Property Disposition Study

As Directed by Resolution No. 31424

September 18, 2015

Resolution 31424 requested that Seattle City Light conduct studies of additional groups of surplus properties, including community outreach to nearby neighbors, and make recommendations on the disposition of those properties to the Seattle City Council. City Light has conducted a study of nine surplus properties, six in West Seattle, one in Burien, one in SeaTac, and one in the Rainier Valley, referred to as the Southwest Seattle Surplus Property Disposition Study.

City Light is pleased to submit the requested report on the Southwest properties, together with its recommendations that one property be offered to King County, that one property be offered to the City of Burien, that two properties be offered to community-based non-profit organizations for preservation as open space, and that four properties be sold through a real estate broker with the proceeds to be deposited in the City Light Fund. City Light is submitting proposed legislation, together with this report, which would authorize the recommended dispositions of these eight properties. One property in this study has already been transferred to Seattle Public Utilities by separate legislation.

Background

Seattle City Light currently has about 20 surplus properties. Most of these are former 4 kV substations that are no longer needed since City Light changed to a 26 kV electric distribution system. Many of these substations have been out of service more than 25 years. The total value of these surplus properties is estimated to be over \$27 million.

In 2012, at the request of the City Council, City Light conducted a Surplus Property Disposition Pilot Project to test alternative procedures to accomplish the City Council's internal circulation and community outreach goals in disposing of surplus properties. In the Surplus Pilot Project, City Light studied five former 4 kV substations in Northeast Seattle and one on North Beacon Hill. At the conclusion of the Pilot Project, the City Council authorized the sale of all six surplus properties in that project by Ordinance No. 124013.

In 2013, by Resolution No. 31424, the City Council requested that City Light study additional surplus properties, in similar geographic groups, using the same procedures as those tested in the Surplus Pilot Project, and that City Light then make recommendations for the disposition of these properties to the City Council.

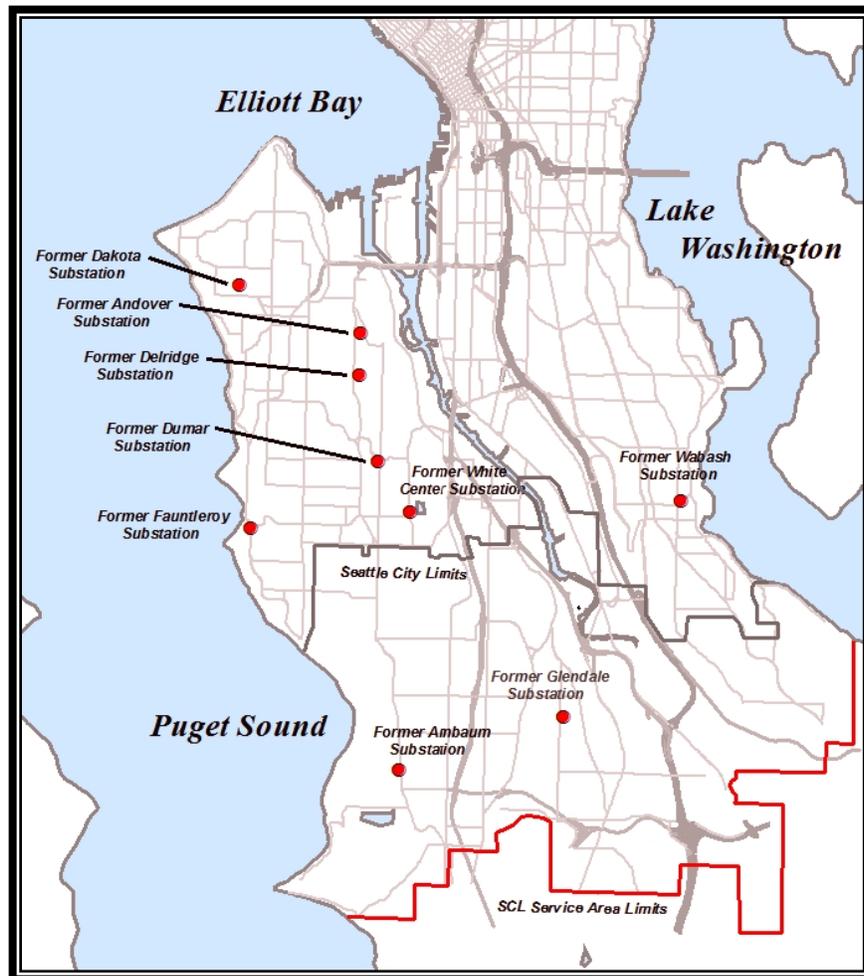
The new procedures included a number of features to improve the community outreach process. City Light's surplus properties were evaluated in geographic groups instead of individually, community meetings and formal public hearings were held in the neighborhoods during evening hours, and Seattle Parks and Recreation Department (Parks) participated to explain how land was chosen for future parks. Staff from the Department of Planning and Development (DPD) also attended to answer questions concerning potential development on the sites. This process resulted in much more direct communication with nearby neighbors, interested citizens and community groups.

The Southwest Seattle Surplus Property Disposition Study

Starting in May, 2013, City Light used the new alternative procedures to study the appropriate disposition for nine former substations, six in West Seattle, one in Burien, one in SeaTac, and one in the Rainier Valley:

- Former Ambaum Substation; 1006 SW 144th Street; Burien, WA
- Former Andover Substation, 2100 SW Andover Street
- Former Dakota Substation, 4054 SW Dakota Street
- Former Delridge Substation, 5601– 23rd Avenue SW
- Former Dumar Substation, 1605 SW Holden Street
- Former Fauntleroy Substation, 4520 SW Brace Point Drive
- Former Glendale Substation; 2423 South 13th Street; SeaTac, WA
- Former Wabash Substation, 5122 S Cloverdale Street
- Former White Center Substation, 8820 – 9th Avenue SW

Maps and key data for each property are provided in Attachment A to this report. The map below of South Seattle and the south suburbs shows the location of all the properties in the new study:



Seattle City Light's Surplus Property Disposition Procedures

The surplus disposition procedures adopted by Resolution No. 31424 for City Light properties are similar but replace the earlier disposition procedures required by Resolution Nos. 29799 and 30862, and are intended to meet three main objectives of the City Council:

- To ensure that the City Light properties are not needed for other City uses, or by other public agencies for public use.
- To meet the City Council's long-term goals for notification, community outreach, and solicitation of citizens' and community groups' recommendations for the disposition of surplus properties.
- To enable City Light to more efficiently address its large inventory of surplus properties while providing citizens and community groups with better information on disposition issues.

Familiar elements of the alternative procedures adopted by Resolution No. 31424 include:

- Consultation with Department of Neighborhoods (DON) on best practices for community outreach.
- Circulation to other City departments and selected public agencies.
- Attending District Council and community meetings to discuss the study.
- Implementing a website and soliciting written and email comments.
- Posting signs on the properties inviting citizens to attend meetings and soliciting comments.
- Mailing notices to nearby owners and tenants.

The new procedures address all of the City Light surplus properties in one geographic area of the City at the same time. This provides the community in each geographic area the opportunity to more effectively assess the surplus properties available in their neighborhood.

In community meetings, City Light carefully explains the internal vetting process and the constraints that the City must observe in the use or disposition of City Light properties.

- ❖ City properties under the jurisdiction of City Light cannot be used for non-utility functions or activities such as parks, community gardens, or housing.
- ❖ If another City department such as Parks (for a park) or the DON (for a community garden) wishes to use or acquire City Light property, City Light must be compensated for the true and full value of the property.

Public hearings are held in each community during evening hours rather than downtown during business hours. This is intended to encourage and provide more opportunities for community participation. The City Council is expected to hold a final public hearing in the Council Committee meeting when the legislation implementing the recommendations comes up for a vote.

Circulation to other City Departments and Public Agencies

The Southwest Study Properties were circulated to all City departments in May, 2013. Follow-up discussions were held with Parks for park use, the DON for P-Patch use, and SPU for drainage utility use. SPU expressed interest in acquiring the former Wabash Substation for stormwater detention and flood control (see the separate discussion of the former Wabash Substation below).

An outreach was made to the Seattle Public Schools concerning the former Dakota Substation. This property is located immediately across SW Dakota Street from the new Genesee Elementary being built with funding from the Building Excellence Capital Levy of 2013 (BEX IV). The new school is being repositioned on the property with the main entrance immediately across the street from the former Dakota Substation. The School District did not respond.

City Light contacted the City of Burien concerning the former Ambaum Substation. This property is on Ambaum Boulevard SW, a gateway to Burien. The City of Burien originally indicated that it would not be interested in the Ambaum property, but has more recently expressed a renewed interest; Burien has not yet made a firm commitment to buy this property.

Later in the study, the King County Department of Natural Resources and Parks expressed interest in acquiring the former White Center Substation for use in the Highland Park and South Park Green Stormwater Infrastructure Project. The County would use the property for stormwater bio-retention and open space (see the separate discussion of the former White Center Substation below).

Coordination with Department of Neighborhoods – District Council Meetings

Resolution 31424 directs City Light to coordinate its community outreach with the DON. City Light met with the District Council Coordinators for the Southwest, Southeast, and Delridge District Councils in June, 2013, and then attended meetings with each of those District Councils in June and July.

This coordination serves three purposes; first, the surplus property disposition process is presented to the DON staff and community leaders in each district; second, the advice of DON and the community leaders is solicited on effective community outreach; and finally, City Light offers to attend the meetings of any of the member community groups to present the Southwest Surplus Disposition Study to their memberships.

The properties in the Southwest Surplus Disposition Study are located over a wide area. On advice of DON and the District Councils, and at the invitation of two neighborhood groups, City Light held or attended three community meetings in the Delridge District, three in the Southwest District, and one in the Southeast District. One public hearing was held in West Seattle and one was held in the Rainier Valley. The schedule of community meetings and public hearings is provided as Attachment B to this report.

Community Meetings

City Light uses the community meetings to present information on the process and hold discussions with nearby neighbors who are interested in the surplus properties, before a formal solicitation of public comments. In the Southwest Surplus Disposition Study, representatives of Parks attended most meetings to discuss how the need for new parks is determined, the criteria for selecting new park properties, and park funding. Representatives of DPD answered questions about what could be built (and not built) on the properties under current zoning.

City Light representatives discussed the history, character, and environmental condition of the properties, together with the City's constraints in the use of utility properties for non-utility City purposes (such as parks, green spaces, community gardens, etc.), and the requirement that City Light receive true and full value for the transfer or sale of a property for non-utility purposes.

In the Southwest Surplus Disposition Study, there were also discussions about the possible use of proceeds from the sale of surplus properties to support the City Light Rate Stabilization Account, about the *Okeson* series of court decisions concerning the use of utility assets for non-utility purposes, and City Light's environmental cleanup policies.

City Light invites interested neighbors to the community meetings with signs on properties and a mailing to all residents and property owners within a 700 foot radius of the properties, and to all nearby community groups as identified in discussions with DON and the Neighborhood District Councils. The notes taken at community meetings are provided as Attachment C to this report.

Solicitation of Public Comments and Public Hearings

At conclusion of the community meetings, City Light then solicited community comments through letters, emails, a comment feature on the City Light website, and through two formal public hearings; one hearing was held in West Seattle and one in the Rainier Valley.

RCW 35.94.040 requires a public hearing prior to the sale of any municipal-owned utility property. The hearings conducted by City Light are held in the community during evening hours to encourage and provide more opportunities for community participation. The City Council is expected to hold a final public hearing in the Council Committee meeting when any legislation which would authorize a sale or transfer of a property is under consideration by the Committee.

City Light's public hearings were publicized, and public comment solicited, through new signs on each property, a new mailing to all residents and property owners within a 700 foot radius of the properties, and to all nearby community groups. Each hearing was conducted in three parts, a presentation by City Light on the Southwest Surplus Disposition Study, then questions and answers, followed by the formal hearing. A City Light Hearing Officer conducted each hearing, which were videotaped and then transcribed in an official transcript.

The comment period was open until October 18, 2013. Comment letters received during the comment period are provided as Attachment D to this report. All comment emails received are provided as Attachment E. The transcript of the public hearing held on September 17, 2013, in the Rainier Valley, is provided as Attachment F. The transcript of the public hearing held on October 2, 2013, in West Seattle, is provided as Attachment G.

Five of the nine properties in the Southwest Surplus Disposition Study drew more community interest and comments than the others. Each of these five properties is discussed separately below:

Former Dakota Substation

The former Dakota Substation is located at the intersection of SW Dakota Street and 50th Avenue NW in the Genesee Schmitz (G-S) neighborhood. Members of the G-S Neighborhood Council attended most of the community meetings and the hearing in West Seattle. City Light attended a meeting of the G-S Neighborhood Council at their invitation, and met and held several discussions with the Neighborhood Council leadership after the planned community outreach. The G-S Neighborhood Council leadership also held separate meetings to discuss the surplus substations with Parks and DON.

Members of the G-S Neighborhood Council initially expressed a concern that if the former Dakota Substation were sold for development, the City might allow some form of high density development which would be incompatible with the existing surrounding community. The G-S Neighborhood Council

then indicated that they would prefer that the Dakota property be used as a pocket park, community garden, or some form of open space.

DPD advised that due to the original platting, the 9,700 square foot Dakota property could be used to build two single-family homes under current SF 5000 zoning. Due to the amount of street property between the sidewalk and the platted lots, however, these two lots would appear larger than most other lots in the block.

Parks advised that their gap analysis did not show a need for a new park in this area (or in the area of any of the nine surplus substations in the Southwest Surplus Disposition Study), and that the Dakota property would not meet minimum size criteria for a new park. Parks noted that the G-S group had recently successfully lobbied for a \$400,000 allocation from the 2008 Parks and Green Spaces Levy Opportunity Fund for a new park at 48th Avenue SW and SW Charlestown Street.

Individual nearby residents have expressed concerns about illicit activities currently occurring on the former Dakota Substation and have expressed their support for a sale of the property.

The West Seattle Green Spaces Coalition

The leadership of the G-S Neighborhood Council then formed the separate West Seattle Green Spaces Coalition (WSGSC), which has advocated for all of City Light's surplus substations in West Seattle to be used for parks or open space. The WSGSC leadership circulated a petition in support of open space which garnered 631 signatures, submitted articles to the West Seattle Blog, and attended the meetings of other community groups to advocate their position.

In subsequent meetings, City Light has discussed with the G-S Neighborhood and Coalition leadership the possibility of forming a Local Improvement District (LID) or an independent Metropolitan Park District to acquire surplus substations for parks or open space; however, there has not been any community follow-up on these alternatives.

Former Fauntleroy Substation

The initial concerns expressed by neighbors to the former Fauntleroy Substation were the same as those heard at Dakota, that the City might allow some form of high-density development which would be incompatible with the existing surrounding community. But DPD advised that only one single family home could be built on the 6,848 square foot Fauntleroy property under current zoning.

Some residents joined the WSGSC in asking that the former Fauntleroy Substation be made a park or kept as green space. Other residents, typically those living closer to the property, asked that it not be made a park and asked instead that it be sold and developed as a single family residence. The nearby residents are concerned that a small park would attract illicit or undesirable activities. Some nearby neighbors also expressed support for the sale of the property due to current illicit and undesirable activities at the site.

In a subsequent meeting, the leadership of the Fauntleroy Community Association expressed their interest in raising funds to keep the former Fauntleroy Substation as publicly accessible open space.

Former Dumar Substation

The former Dumar Substation is located at the intersection of SW Holden Street and 16th Avenue NW in the Highland Park neighborhood. DPD advised that due to the original platting, the 10,376 square foot Dumar property could be used to build two single-family homes under the current SF 5000 zoning.

Three corners of the intersection of SW Holden Street and 16th Avenue NW are zoned neighborhood commercial. One corner is a 7-Eleven store, one corner is a small two-unit strip mall, and the third corner is occupied by the City's Fire Station No. 11. The Highland Park Action Committee (HPAC) would like the former Dumar Substation to be rezoned as neighborhood commercial, and this intersection built out as a small, pedestrian friendly commercial center.

City Light attended a meeting of the HPAC at their invitation to discuss the Southwest Seattle Surplus Property Study and to discuss their visions for the former Dumar and White Center Substations. City Light received six letters and emails and numerous comments in community meetings and one of the hearings in support of rezoning for the former Dumar Substation.

City Light staff met with DPD and were briefed on the rezoning process and the timeline for considering and adopting citizen rezoning initiatives as part of the City's Comprehensive Plan. DPD advised, however, that the proposed spot rezoning of the residentially zoned Dumar property would not meet the City's Comprehensive Planning guidelines, and could not be recommended by DPD. HPAC has been advised of the process and DPD's advice. HPAC still advocates for the Dumar property to be rezoned, but no action has been taken which would result in consideration of this rezoning.

The abutting owners to the Dumar property asked that it not be made a park and that it be sold instead for development as single family residences. The abutting owners noted that the de-energized substation already attracts nuisance activities, and expressed concern that if made a park, it would draw additional illicit activities already occurring in the immediate area.

Former White Center Substation

The former White Center Substation is located in the 8800 block of 9th Avenue SW, also in the Highland Park neighborhood. HPAC had previously been working with the King County Department of Natural Resources and Parks on the Highland Park and South Park Green Stormwater Infrastructure Project, and was aware of the County's need for stormwater bio-retention sites. HPAC asked King County to consider the former White Center Substation for this use.

King County then reviewed all of City Light's sites in the Southwest Surplus Disposition Study, and concurred that the former White Center Substation would be a suitable site for stormwater bio-retention. King County has since conducted a geotechnical evaluation of the White Center site and found the site suitable. City Light has offered the White Center property to King County, subject to City Council authorization, and is waiting for the County's program authorization and response.

Former Delridge Substation

The former Delridge Substation is located at the intersection of SW Findley Street and 23rd Avenue SW in the Delridge Valley. Stormwater runoff from Pigeon Point flows north in a ditch along 23rd Avenue SW and passes under the street in a culvert onto the Delridge property. This stormwater pools on the Delridge property during storm events and drains through a culvert under SW Findley Street, eventually draining to Longfellow Creek.

City Light conducted a wetlands survey of the former Delridge Substation as part of its study and found that a large portion of the property is a wetland. Together with buffer areas, there is likely only one residential building site on the south end of the property. City Light offered the Delridge property to SPU as part of the original circulation to other City departments, and again after the wetlands survey, but SPU does not feel that this property meets its program needs.

Many local residents feel that the Delridge property should be preserved as a wetland and open space. The Delridge Neighborhood Development Association (DNDA), would like to purchase this property for education programs. City Light has assisted the DNDA in securing a grant for part of the purchase price and funding efforts are continuing.

Recommendations

The community outreach for the Southwest Surplus Disposition Study was conducted through the summer of 2013. Efforts have continued since that time to work with community groups and individual members of the City Council to respond to the community's expressed needs and desires for the properties. Five of the nine properties in the Southwest Surplus Disposition Study will be offered for preservation as some form of open space.

It should be noted that Parks has indicated that these properties do not meet their criteria for new parks and that many citizens did not support a park use for these properties.

City Light recommends and is submitting proposed legislation which would authorize the sale of eight of the Southwest Surplus Study properties for true and full value, by negotiated sale or through a real estate broker on the consultant roster, under contract to the Department of Finance and Administrative Services (FAS).

- **The former White Center Substation will be offered for appraised value to King County for use in the Highland Park and South Park Green Stormwater Infrastructure Project. If for any reason, King County is unable to complete this purchase, this legislation will provide authorization to sell the property through negotiated or broker sale.**
- **The former Ambaum Substation will be offered for appraised value to the City of Burien. If for any reason, the City of Burien is unable to complete this purchase, this legislation will provide authorization to sell the property through negotiated or broker sale.**
- **The former Delridge and Fauntleroy Substations will be offered for appraised value to community-based non-profit organizations for preservation as open space. If either of these properties cannot be sold to a community organization within one year, this legislation will provide authorization to sell the property through negotiated or broker sale.**
- **The former Andover, Dakota, Dumar, and Glendale Substations, and any of the above properties not purchased by the specified entities, will be sold through negotiated or brokered sales to be managed by the Department of Finance and Administrative Services.**
- **The former Wabash Substation has been transferred to SPU for drainage purposes, for true and full value by separate legislation.**

For additional information, please contact Lynn Best, City Light Director of Environmental Affairs and Real Estate, at 386-4586.

Attachments

- Attachment A – Property Maps and Key Data
- Attachment B – Schedule of Community Meetings
- Attachment C – Notes from Community Meetings
- Attachment D – Comment Letters Received

Attachment E – Comment Emails Received

Attachment F – Transcript of Public Hearing – September 17, 2013

Attachment G – Transcript of Public Hearing – October 2, 2013

Attachment H – Outreach Materials