

Attachment D
Transcript of Public Hearing
Northeast Seattle
July 17, 2012

WEDGEWOOD PUBLIC HEARING REGARDING SURPLUS PROPERTY
Seattle City Light

HEARING EXAMINER JOSH WALTER PRESIDING

ORIGINAL

July 17, 2012

Present at Hearing:

Lynn Best, Director, Environmental Affairs & Real Estate

Dave Barber, Seattle City Light Real Estate Manager

Mark VanOss, Seattle City Light Public Affairs

Donald Harris, Parks Department, Acquisitions Manager

Official Transcript of Recording

1 July 17, 2012

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4 JOSH WALTER: Are you going to start right into
5 your...

6 DAVE BARBER: Okay. Is this working all right?

7 MALE SPEAKER: Yeah.

8 DAVE BARBER: All right. So City Light has
9 over 40 surplus substations around the city, over 40
10 surplus properties. Over 30 of them are these little
11 substations around. In the past, City Light has made
12 efforts to sell some of these. Sometimes that's
13 resulted in some controversies out in neighborhoods and
14 some misunderstandings.

15 I think what has happened is the City has gone
16 out in the neighborhood and said: This thing is
17 surplus, what would you like us to do with it? And then
18 maybe we haven't been able to meet the expectations that
19 we have created that way.

20 So looking at the surplus properties this time,
21 the City Council asked us to do a surplus property
22 disposition pilot project focusing on six properties,
23 the five here in Northeast Seattle and the one down on
24 North Beacon Hill. And they have made some procedures
25 in this process that they hope would improve the

1 communications between the City and the citizens who are
2 interested in these properties.

3 One of the things they did was they're
4 addressing the properties geographic groups, that is the
5 five up here in Northeast Seattle at one time, as
6 opposed to one at a time. So when you think about a
7 single surplus property out there, you want to think
8 about all of them. So we hope to have more direct
9 information and better communication with the folks out
10 here who live by these facilities.

11 LYNN BEST: Do you want me to do the clicking
12 through? I can do (inaudible).

13 DAVE BARBER: I've got to remember to do three
14 things at once. That's hard for me.

15 LYNN BEST: Well, yeah, let me -- just tell me
16 do --

17 DAVE BARBER: So here's the map of the five in
18 Northeast Seattle, the former Chelsea sub, Wedgewood,
19 Hawthorne, Sand Point and View Ridge.

20 Also on this map we have the former Morningside
21 substation, which is not one of the five we're going to
22 talk about tonight, but Don Harris is going to talk
23 about that a little later.

24 Before we went out to the communities, we sent
25 this list of properties and the maps around to all the

1 City departments and asked them if they had some use for
2 this as a city -- in another City function. All the
3 City departments looked at the properties and said, no,
4 we don't have a way of using this in our program.

5 We also looked at potentially interested other
6 public agencies, notably the school district because
7 they're right across the street from the Sand Point
8 substation. They didn't express any interest in that
9 property either.

10 We had been doing meetings out in the
11 communities. We have met with the Northeast District
12 Council some time ago in this building. We have had one
13 other community meeting in this building. You may not
14 have heard about it because we did a different kind of
15 outreach on that. This is actually the third meeting we
16 have had here in this building.

17 We did mailings to the next-door neighbors, the
18 owners and the tenants, put the signs on every property.
19 And this is the second of two public hearings, formal
20 public hearings. The first was down on North Beacon
21 Hill at El Centro de la Raza. And this is the second
22 and last public hearing that we will have on these
23 properties.

24 We'll take all the public comments and we will
25 send those comments to the City Council along with

1 recommendations for the disposition of these properties,
2 and maybe with some legislation to make that happen if
3 that's necessary.

4 And I am having a hard time keeping these
5 together.

6 Don, do you want to talk about the Parks
7 process is a little bit?

8 DONALD HARRIS: So my name is Donald Harris and
9 I manage property for the Parks and Recreation
10 Department. City Light has asked me to participate in
11 this because what has happened historically when City
12 Light put these properties out as surplus properties,
13 the sort of expected and normal community reaction
14 is: Well, they're undeveloped properties, if you don't
15 need them anymore, what a wonderful new park site. And
16 so that then also focuses on us, at the Park Department.

17 So what I want to do is explain to you sort of
18 how that works for us. If you actually go back
19 historically, and this kind of gets into a long
20 drawn-out process, but in the '90s, in the late '90s, as
21 the City was agreeing that our objective was to keep
22 people living in the city so they didn't move out to the
23 hinterlands, and we expanded suburbia and despoiled the
24 Cascade foothills and all that.

25 The City said, okay, we're going to let

1 neighborhoods that are going to take density; Lake City,
2 Wedgewood, University District, Capitol Hill, all the
3 sort of where you see multi-family going today got to do
4 neighborhood plans. And most of those communities said,
5 if we're going to take more people in our neighborhood
6 with multi-family apartment houses and condominiums, we
7 want more park space.

8 The City's response to that -- and they
9 actually -- and then the City's response to that, well,
10 okay, identify it. And many communities looked at these
11 substations and said: Ah-ha, there's an undeveloped
12 site, we know City Light is -- the reason, what David
13 didn't mention, is the reason these substations are
14 available is City Light is changing their power
15 distribution, and they've gone to what's I think 26 KV,
16 which is the technical way of saying that they have less
17 need for those small distribution centers and they're
18 sending power out from larger substations. So that's
19 why these substations throughout Seattle are being
20 surplus.

21 Some communities saw those and said, we'll put
22 those in our neighborhood plan, and then in 2000, the
23 voters in our city went to the ballot and voted on the
24 Pro Parks Levy, so a number of neighborhoods identified
25 substations to be bought, and money was identified for

1 that. And so we have actually bought a number of
2 substations throughout Seattle for neighborhoods as park
3 land.

4 Fast forward to 2008. That levy ended and
5 another levy came about. That was not based so much on
6 neighborhood plans as it was based on sort of the
7 recognition that there are still some neighborhoods that
8 were underserved by park lands, and those neighborhoods
9 were named in the levy to receive money to buy park
10 land, but there weren't sites identified.

11 And so we have now worked with those
12 neighborhoods, Wedgewood being one, to identify, okay,
13 we have money to buy land in your community, where might
14 be an appropriate site? In Wedgewood, the site that was
15 identified was the Morningside substation up here on
16 35th and 86th. You probably know it as across the
17 street from the new apartment building, and there is a
18 little small building where there's a hairdresser.
19 That's a City Light substation that the Park Department
20 is actually working with City Light. We're in the
21 process of buying that from City Light.

22 So the question many of you are going to have
23 is, if you can do that here and, as you have mentioned
24 in other neighborhoods, why not the one -- any of these
25 other five?

1 And the reason -- there's a couple of reasons.
2 The way we site parks and the way those other
3 neighborhoods like Wedgewood was identified, is we do
4 what's called a Gap analysis. We plot where our
5 existing parks are. We draw a circle around them, and
6 if you're outside that circle, or if there is no park
7 land -- if you're outside that circle, then you're
8 underserved. In other words, it's too far for someone
9 to walk to a park space. Every single one of the other
10 five substations that David has put on the map are in an
11 area that is already served by parks. So it's not in a
12 Gap.

13 Secondarily, the levy identified those
14 communities which were to get money to buy park land.
15 And so -- and in no case is there flexible money for the
16 Park Department to buy any of those other -- so there's
17 sort of two reasons. We don't have any money because
18 City Light being a business. We all pay our rates every
19 month, so it's like a business. If it was just a
20 general City department, like our Administrative
21 department, there is other city lands that are just
22 general lands. We could actually just transfer it from
23 one City department to another because it's held by
24 general government, but because City Light is a
25 business, the law requires that they be compensated for

1 their assets, so we can't get it for free.

2 So that's sort of the simple story. In these
3 five, we have looked at them all, we have analyzed them
4 against our criteria, and they don't fill a Gap and
5 there's basically no money identified.

6 So that's the simple answer, unfortunately, as
7 to why the Park Department is not positioned, as many of
8 you would like. I'm sure if you live next to it or it's
9 in your neighborhood, you hate to see another house or
10 whatever go in there. You would love us to buy it, and
11 that's the reason we're not positioned to do that.

12 So I hope I've been clear. Why don't -- I
13 should probably -- this seems to always be the focus,
14 which is why they asked me to do this. I'm happy to
15 answer any -- oh, David asked me to talk about
16 Morningside, so I think I've really said in summary, we
17 have already kind of negotiated that, we're doing our
18 environmental review. Being a substation, there was
19 some underground contaminants and we're working with
20 City Light to get those cleaned up before we transfer it
21 from them to us.

22 The downside, and there's some folks here, is
23 the Park Department in this levy didn't have any money
24 to develop those sites, and because our budgets are
25 being cut so drastically, and you often hear people say

1 to us, "Why are you buying more when you can't take care
2 of what you've got?" We're actually land banking those
3 sites. So the Morningside folks would have loved to
4 have come in, got money from neighborhood matching and
5 from other funding to develop that. And we're saying to
6 them: You really need to hold off because we can't let
7 you do that because we can't afford to maintain it. So,
8 unfortunately, you won't see that developed in the next
9 year or two. Although, there is talk about another levy
10 that would be a maintenance levy maybe in 2014. Hard to
11 imagine given everything else you're being asked to vote
12 on, but if that happens, that might be the turning of
13 the tide funding -- so let me ask, are there any
14 questions?

15 Yes, sir.

16 MALE SPEAKER: I thought City Light was selling
17 (inaudible) to the City (inaudible).

18 DONALD HARRIS: No, City Light, again, being a
19 business. This is just like if you owned a house --
20 well, it's a little different if you're a private
21 individual --

22 MALE SPEAKER: How much would you guys pay for
23 that site?

24 DONALD HARRIS: The appraise -- the way we work
25 between City departments is just as if we were buying it

1 from anybody else. We hired an independent, outside
2 appraiser, not a government appraiser. He goes out. He
3 appraises the value at its highest and best use. In
4 other words, what could be built on that. And I think,
5 given what you see around it, Wells Fargo across the
6 street, the apartment house, that zoning was -- I'm
7 guessing not single family. So whatever -- so basically
8 the value of that property was just under a million
9 dollars, and that's what we would have to pay to City
10 Light. We're going to deduct from that the cost to
11 clean it up, because that's the fair market value if it
12 was clean. It's going to have to be cleaned up. We're
13 doing that for City Light. That will be a deduct from
14 the property, so whatever that cost is. But we're in
15 the -- probably by the time we're done, we're in the
16 high 800s, 900,000 to buy it.

17 So we get no bargains. They're a business. If
18 they subsidized us, you would pay more in your light
19 bill every month, and that just doesn't work that way.

20 MALE SPEAKER: Are they a business?

21 DONALD HARRIS: Well, I say that loose -- yes,
22 I mean, they're supported, just like when you would get
23 your monthly light bill as I so, we have to pay for
24 that. And they're set up in City government as a
25 utility, I mean, a utility, but I'm using a layman's

1 term, it's a business. Lynn might be able to --

2 LYNN BEST: Yeah, so --

3 DONALD HARRIS: Because of the hearing, you
4 need --

5 LYNN BEST: Okay. Oh, yes. Okay.

6 DONALD HARRIS: You need --

7 LYNN BEST: So I know that Dave will get into
8 this, but since we're on it -- wow, that's bright -- so
9 Dave will get into this in his presentation quickly, but
10 it's basically the State because we're -- City Light is
11 funded by rates. Most of the government is funded by
12 taxes. And because we're funded by rates they come
13 from, you know, you pay for your electricity, and
14 everything we do comes from that. We don't raise any
15 taxes to support City Light. In fact, we pay taxes to
16 the City.

17 So state law requires us not to mingle the
18 funds of the rate payers and the taxpayer funds, and so
19 basically we are under state requirements -- and we've
20 been sued over this -- we must always get fair market
21 value for any of our assets if we go to sell them to
22 another City department. So that is the basic reason,
23 because the State wants to protect the rate payers from
24 subsidizing other general government functions, and so
25 that's the way it's written in the Constitution of the

1 State of Washington.

2 DONALD HARRIS: Any more questions? Yes, sir.

3 MALE SPEAKER: What's the value of the Sand
4 Point Station?

5 DONALD HARRIS: Because we never got beyond
6 our -- I can't answer that because we didn't appraise it
7 because we had no -- no matter what it costs, we had no
8 money and it didn't fill -- Sand Point is a good
9 example. I mean, that's right outside Magnuson Park,
10 right? So you have got 230 acres that we got from the
11 federal government to create a park, and it just doesn't
12 make sense for us to then add another little 10- or
13 15,000 square feet two blocks away. It doesn't serve --
14 I'm sure if you're a neighbor, you would love to see it
15 be a park, but we have to make our decisions based on
16 servicing a broader public, so I don't know whether you
17 have any idea of the --

18 DAVE BARBER: You should look at the King
19 County Assessor's website and look at the current
20 assessed value. It's probably as close as you're going
21 to get. (Inaudible) if you've got a sale, of course, it
22 would be something (inaudible) process and you could see
23 if after (inaudible).

24 DONALD HARRIS: I'll come back to you. Since
25 you already had one, I'll go to this gentleman and I'll

1 come back to you.

2 MALE SPEAKER: You talked about that property
3 on 35th across from the apartment building there.

4 DONALD HARRIS: Yes, sir. Just up the street
5 here.

6 MALE SPEAKER: What's the dimensions of that
7 parcel; do you know?

8 DONALD HARRIS: I think -- I was telling one of
9 the advocates for that. Well, I think it's getting
10 close to 15,000 square feet. Our minimum to buy
11 these -- when we're looking for park sites, we look for
12 a minimum of 10,000. An average residential lot is
13 5,000, so about twice that, but I --

14 MALE SPEAKER: (Inaudible) 14,000 square feet.

15 DONALD HARRIS: 14,000 square feet, yeah.

16 MALE SPEAKER: It's about 40 or 14?

17 DONALD HARRIS: 14-, 14-.

18 MALE SPEAKER: Okay. So it's fairly small.

19 DONALD HARRIS: Yeah.

20 MALE SPEAKER: Okay.

21 DONALD HARRIS: And generally in this market,
22 that's all we're able to buy. I mean, that's all we're
23 finding in neighborhoods, yep.

24 MALE SPEAKER: Don't get me wrong. I like
25 parks. I'd rather see parks more than anything else.

1 But just is a suggestion, I walk this neighborhood. I
2 have been here for 40 -- 30 years at least, but what
3 would be helpful and I don't know if you have this in
4 your PowerPoint, is pictures of the lots and their
5 dimensions. If could you put that in a PowerPoint, and
6 I say that because, I mean, some of those are very well
7 camouflaged, which is nice. Like the one down here on
8 65th and 40th, they did a great job of -- I mean, a lot
9 of people don't even realize it's there, but to make a
10 decision and to kind of visualize where these places
11 are -- and I mean, I'm trying to figure out where this
12 one is on 44th Northeast, it would be helpful if you --

13 DONALD HARRIS: I think his Power Point -- he
14 does have PowerPoint, yeah.

15 MALE SPEAKER: You got pictures on it?

16 LYNN BEST: Yeah, we do.

17 DONALD HARRIS: Yeah.

18 MALE SPEAKER: Great.

19 DONALD HARRIS: But I think, you know, just
20 when you use the word "decision," I mean, I think what
21 City Light is trying to do, and maybe it's easier for me
22 as a Park guy to say this, is they want -- the public --
23 these are public assets, but as Lynn has explained,
24 there really isn't much decision. In other words,
25 unless you, as an individual, have a good fat checkbook

1 and you want to come in and buy it at fair market value,
2 it will be a bidding process, there really isn't much
3 other alternative. I mean, these are assets of the
4 City, and in these times, there is no reason to keep
5 them vacant. So let's see, anybody I haven't called on?
6 Yes, sir.

7 MALE SPEAKER: Needs and circumstances may
8 change. Have you considered land-banking any of these?

9 DONALD HARRIS: Well, the ones we are buying,
10 whether it be a substation or just a private lot for
11 parks in these neighborhoods that were identified in the
12 levy, that's what we're having to do because we can't
13 afford it, but, as I said, there would be no reason for
14 us to land-bank these because we have parks that are
15 already proximate to these five other sites, so it
16 doesn't meet a need, as we have determined the Gap,
17 right? People can get to another park for recreation.

18 And secondly, the only money that's available
19 to us is provided by the voters in this levy. And it
20 was very specific. You will buy property in Wedgewood,
21 University District, Lake City. And if there is no
22 substation in those areas that meet that need -- and in
23 most cases we have bought other properties -- there is
24 no opportunity for us to buy it.

25 MALE SPEAKER: And, it's just not close

1 (inaudible). It's kind of foreclosing a future option
2 (inaudible).

3 DONALD HARRIS: It is. It is. But what you
4 would be arguing is: Don't do anything now, just sit on
5 it, City Light, because maybe in the future we'll need
6 it and maybe in the future the Park Department won't
7 have any money. And it doesn't, to us, seem like a good
8 management strategy to do that.

9 Sir, you had another question and I --

10 MALE SPEAKER: (Inaudible) you work for the
11 Parks Department (inaudible) Wedgewood is mostly
12 underserved in terms of parks. (Inaudible) the only
13 major area (inaudible).

14 DONALD HARRIS: That's why we're spending --
15 that's why we're spending a million dollars to buy
16 Morningside.

17 MALE SPEAKER: (Inaudible) but that is a major
18 thoroughfare and it's not necessarily safe for children
19 (inaudible).

20 DONALD HARRIS: But there is no other
21 substation in Wedgewood, except the one over on 95th,
22 which I just drove by again on my way here, so there's
23 no other one that's proximate enough to the Wedgewood
24 urban center, which is where the density is that
25 would --

1 MALE SPEAKER: (Inaudible) really --

2 DONALD HARRIS: Well, the View Ridge one is
3 literally across the street from View Ridge Park,
4 exactly. But that's important because that's how we
5 made our decision.

6 MALE SPEAKER: But that piece of property, that
7 couldn't be worth a million dollars, because the house
8 across the street just sold for 299-. Maybe that's
9 something you guys could acquire. And I know you just
10 explained --

11 DONALD HARRIS: Yeah.

12 MALE SPEAKER: That acquiring things for future
13 options is not (inaudible).

14 DONALD HARRIS: Well, it's not -- and it's also
15 then, obviously, think about us having to send in a crew
16 every two weeks to mow that as well as mow View Ridge
17 and weed-eat it. I mean, these costs are mounting and
18 it's getting harder and harder and for us, in the City
19 government with our taxes and all that's going on, to
20 support it. So anything else?

21 MALE SPEAKER: (Inaudible).

22 DONALD HARRIS: I hear you. I mean, you
23 know --

24 MALE SPEAKER: Then I guess I almost wish that
25 the City Light would (inaudible) and maintain it as

1 nicely as they have because it's someone's garden, as
2 opposed to selling it off to some private enterprise and
3 end up (inaudible) three-story building.

4 DAVE BARBER: So some of these substations up
5 here on the 5 have been de-energized and sitting there
6 vacant, the longest for 27 years. A couple years ago,
7 City Light had a budget crisis where we were \$70 million
8 in the hole. And the City Council said, what about
9 these assets that are sitting there? That led directly
10 to this process.

11 Let's go ahead and go through some of these if
12 we can --

13 LYNN BEST: Can I help you, Dave? I'm happy
14 to. You tell me to click and I will click for you.

15 DAVE BARBER: All right. The former Chelsea
16 substation is up on 95th. It's just two blocks off of
17 Lake City, Lake City Way. Purchased 1951, built '65.
18 It's been de-energized since 1989. Again, as a result
19 of this conversion to the 26 KV Distribution System,
20 25,520 square feet, zoned single-family 5,000. I
21 believe the original zoning had four lots underneath
22 this.

23 All of these properties were tested for
24 contaminants. This particular one was tested and found
25 to be clean.

1 MALE SPEAKER: Could I ask a question on that?

2 DAVE BARBER: Yes.

3 MALE SPEAKER: Are you saying you need to put
4 five houses on there or it's 5,000 square feet or I
5 missed that?

6 FEMALE SPEAKER: What does that mean?

7 MALE SPEAKER: Yeah, what does that mean,
8 25,000 square feet?

9 DAVE BARBER: So the zoning is, one
10 single-family home on 5,000 square feet. This lot is
11 25,000 square feet.

12 MALE SPEAKER: So you could put five
13 single-family residences --

14 DAVE BARBER: And we're going to send you to
15 the Department of Planning and Development for that
16 question.

17 LYNN BEST: (Inaudible) There were originally
18 four lots.

19 DAVE BARBER: There were four lots underneath
20 this, yes.

21 MALE SPEAKER: Okay. Minus street property.

22 DAVE BARBER: No street property here. I don't
23 think there was --

24 MALE SPEAKER: (Inaudible) streets in here.

25 MALE SPEAKER: You're getting into (inaudible).

1 LYNN BEST: Beyond our knowledge here.

2 DAVE BARBER: Yeah. So here's actually the
3 map. Lake City Way is off on this side over here. The
4 Ryther Child Center you may be familiar with is right
5 across the street from it. Three lots along 95th, and
6 one lot sticks all the way through to 94th.

7 Former Wedgewood substation. You can't see it
8 well here and you can't see it very well when you drive
9 by it on the street. It's a bunch of bushes on a single
10 lot. Purchased 1950. Built in '51. De-energized and
11 the equipment was removed in 1989, again, due to that
12 conversion to the 26 KV Distribution System. This is an
13 original platted lot of 2,970 square feet and is zoned
14 5,000 square feet. Normally, if it's a platted lot you
15 can build on it. Again, DPD has the rules.

16 Again, this particular property was tested for
17 contaminants and it was found to be clean. You see a
18 little lot right off 70th, houses on both sides, and
19 solid bushes across the -- overgrown cedars in the
20 front. That's the layout.

21 Former Hawthorne, not a very good picture. Its
22 on the corner of 39th and 65th. 10,700 square feet,
23 zoned single-family 5,000. If you're familiar with this
24 one, there is a bus shelter on it, which is there
25 because of a permit granted by City Light to Metro, and

1 that permit could be cancelled on a 30-day notice. And
2 if the property were sold, we would probably have that
3 bus stop removed first. The shelter. It would be up to
4 Metro to determine where they would put the stop.

5 This one, when we did the testing we found some
6 low level PCBs on the site and we did a clean-up of
7 that.

8 This is better. So 39th and 65th. Here's the
9 bus shelter. Our gardeners have done a very nice job on
10 this. They make it too attractive to the neighborhood.

11 Yes, ma'am.

12 FEMALE SPEAKER: Can you go back to the former
13 screen? I wanted to see the (inaudible) 10,000
14 (inaudible) so how many (inaudible).

15 DAVE BARBER: Again, you would have to talk to
16 DPD about that, but that looks like two building lots
17 underneath, is what it looks like.

18 FEMALE SPEAKER: Okay. I mean (inaudible) what
19 it's zoned for.

20 DAVE BARBER: Yes, single-family 5,000. Okay.

21 JOSH HARRIS: You know, before Dave moves onto
22 it, if we could keep the questions to the end, let Dave
23 get through his presentation. Then we'll hear your
24 questions and then we'll field some questions and then
25 we also want to open the floor for comment.

1 DAVE BARBER: View Ridge substation, again, in
2 the corner of 75th and 44th. 6,000 square feet, zoned
3 single-family 5,000, tested for contaminants and clean.
4 There it is on the corner. It's got a fenced pad on it
5 with no equipment in it. And then the former Sand Point
6 substation. This is the one that was -- the equipment
7 was removed in 1985. 8100 square feet, zoned NC2-40.
8 Neighborhood Commercial, 2, 40-foot height. And DPD
9 will tell you there's a number of things that you could
10 do on a lot like this with that kind of zoning,
11 mixed-use kind of thing.

12 We had low-level PCBs on it and a little bit of
13 asbestos, and we did a clean-up of that stuff. It's
14 clean now. So here it is on the map. Here's Sand Point
15 Way over here. That's a long block off of that on 63rd.
16 Sand Point Elementary is right across the street.
17 That's why we talked to them about whether they were
18 interested in the property. And the school district has
19 a parking lot right here, actually abutting this
20 property.

21 Before we turn this over to the hearing
22 examiner, I want to kind of re-emphasize those couple of
23 points we made before. By state law, City Light
24 property can't be used for another non-utility, general
25 government or private purpose without City Light getting

1 true and full compensation. Okay.

2 That is, we, City Light, can't build a park on
3 it, Don can't build a park on it without -- so if we do
4 want to make it another City purpose, such as a park or
5 community garden, then the City Council transfers
6 jurisdiction over that property to that City department,
7 whether it's Parks or the Department of Neighborhoods
8 for a Community Garden, and then they pay us that true
9 and full value.

10 After these public hearings, we'll report to
11 City Council and make any recommendations that we feel
12 are appropriate from citizen comments about the
13 disposition of these properties. I'm going to put up
14 here a screen that shows how to make comments in writing
15 or in email on this thing.

16 Let's do a little bit of questions and then
17 we'll turn it over to you. Any more questions from that
18 presentation?

19 MALE SPEAKER: Do you have printouts of those
20 (inaudible)?

21 DAVE BARBER: No, I don't.

22 LYNN BEST: They're out there. I think they're
23 on the (inaudible) sheets.

24 DAVE BARBER: Well, that's just a little bit,
25 but if you go to this website, you will see the whole

1 thing. That same info.

2 LYNN BEST: The website is on the sheet.

3 DAVE BARBER: Yes.

4 MALE SPEAKER: Thank you.

5 DAVE BARBER: Anything else? Yes, sir.

6 MALE SPEAKER: So if the properties are sold,
7 what happens to the funds? What does City Light do with
8 the funds?

9 DAVE BARBER: So when we were back in that
10 budget crunch of a couple years ago, we had some
11 problems with our rates. And the City Council set up
12 what was called a rate stabilization fund, our account.
13 And when they set up that account, they said if City
14 Light sells some surplus properties, we'll put those
15 funds into this rate stabilization account to help
16 stabilize the rates so they don't go up and down when we
17 have emergencies. They may go to other places. They
18 would go into the City Light fund, but that's one
19 possible place they would go.

20 LYNN BEST: So it's kind of counterintuitive,
21 but City Light is a hydra-utility and so we have a lot
22 of surplus energy as various times of the year, usually,
23 in a good year, like this is a good year. And so
24 traditionally we sell our surplus property to our
25 utilities and we make quite a bit of money doing that.

1 DAVE BARBER: Surplus power.

2 LYNN BEST: I'm sorry, surplus power, sorry.
3 Property. So we sell our surplus power to other
4 utilities and then we use that money to keep our rates
5 low. And in the last few years, as Dave was saying,
6 what has happened is that energy prices in the country
7 are quite low because gas prices are very low, natural
8 gas prices are very low because of fracking and things
9 like that. There's a lot more natural gas. And that --
10 the natural gas price determines what you get for your
11 power.

12 So we have been having major shortfalls of what
13 we would normally get for our power. And so we have a
14 rule that says if we don't make a certain level of
15 surplus power sales, the rates automatically go up a
16 little bit. And to keep them from going up, we have
17 established this fund that we put extra money into, and
18 most of the surplus property money will go into that
19 fund to keep rates from going up, as they would because
20 our surplus power sales have been so poor in the last
21 few years.

22 Does that make sense? Okay.

23 DAVE BARBER: Yes, ma'am.

24 FEMALE SPEAKER: I was just wondering if any of
25 these properties are sold, when they would be sold and

1 how they would be advertised or (inaudible).

2 DAVE BARBER: So, again, the City Council and
3 only the City Council can approve the sale of these
4 properties. So we will take the report of this process
5 to the City Council. We hope to get it to the City
6 Council before they close down other deliberations to
7 just look at the budget. That typically happens around
8 the end of September. We would take that report. We
9 would bring legislation with it. If we're going to
10 recommend any be sold, it would be in that legislation.
11 Okay.

12 Then, if the City Council approves those sales,
13 we would work with the City's Department of Finance and
14 Administrative Services. They would list the properties
15 with a broker on a consultant contract and it would be
16 pretty much a conventional sale. The Department of
17 Finance and Administrative services just did that
18 process with two surplus fire stations, surplus Fire
19 Stations 37, 38. You probably saw them in the paper.
20 And they did very well in terms of getting a return to
21 the City on them.

22 Yes, ma'am.

23 FEMALE SPEAKER: So it says on there, each one
24 (inaudible) cleaned up. Will there be some type of
25 piece of paper, you know, that goes along with that

1 (inaudible) says that it's all cleaned up?

2 DAVE BARBER: We will tell you about our
3 testing. We will tell you about our clean-up, and then
4 we will sell them to you as-is, and with a great big
5 disclaimer on it that you will be responsible for any
6 future problems. So if you feel it's necessary, then
7 you would go out and do your own testing.

8 Yes, sir.

9 MALE SPEAKER: When these are sold, is there
10 any chance that they can be -- if a builder comes in
11 later on and says, I will just change it to
12 multi-family? Can they go ahead and petition for
13 multi-family and then we're back holding these meetings
14 again, because that's my new fear, them going to
15 multi-family and then we have more density. I have
16 never been happy with what the City has done with the
17 density here in the city. So can that happen? Has that
18 happened?

19 DAVE BARBER: That's never happened to my
20 knowledge, but there is certainly a possibility that a
21 new owner could apply for rezoning or some sort of
22 exception to the zoning rules. And that process is
23 handled through the Department of Planning and
24 Development and, as you probably know, they go out and
25 take a lot of community input on that.

1 I would be surprised to see any single-family
2 zoned properties changed to something else. That's just
3 a personal view. Okay.

4 Yes? Anything else? Good.

5 Oh, yes, sir.

6 MALE SPEAKER: I take it right now you're kind
7 of just doing this blue sky. I mean, do you have
8 anything in mind, any general protocol of (inaudible) in
9 terms of what happens to these properties? Or are you
10 just (inaudible) right now?

11 DAVE BARBER: You know, the City Council wanted
12 us to make a real serious effort about coming out and
13 meeting with you, explaining our problems, listening to
14 what you folks think about it, and to take them back
15 what we hear and the recommendations that come out of
16 that. I think City Light is obligated to have an open
17 mind at this point.

18 MALE SPEAKER: Right. But then you give the
19 report to the City Council.

20 DAVE BARBER: Yes.

21 MALE SPEAKER: Does the public comment in that
22 report on your recommendations or anything else before
23 the City Council looks at it? Do they just go from
24 there or how (inaudible) this process?

25 DAVE BARBER: There's been some discussion

1 about this. This formal public hearing is intended to
2 fulfill a statutory requirement that occurs before you
3 can sell a property. We may do it again.

4 MALE SPEAKER: Okay, good. (Inaudible).

5 DAVE BARBER: I don't know.

6 Anything else? Yes, sir.

7 MALE SPEAKER: Thank you for letting me talk.

8 For the Wedgewood one that's 2,000 square feet, is there
9 any possibility of subdividing that into smaller --
10 where you have two properties that lost their backyard
11 from that?

12 DAVE BARBER: Two owners could get together who
13 are next-door neighbors and buy it.

14 MALE SPEAKER: Okay.

15 DAVE BARBER: And I suspect you could do a lot
16 boundary adjustment. Again, that's a DPD question. All
17 right. Let's go ahead and do our public hearing.

18 Josh Walter, will you please take over?

19 JOSH WALTER: I will. So I think most of what
20 I have to say has pretty much already been covered, but
21 we're going to move over to kind of the formalities
22 section of this meeting here. So I'm going to moderate
23 this public hearing on the disposition of surplus
24 utility property.

25 This hearing is being conducted at the request

1 of City Council as well as to meet the state law
2 requirements for the disposition of utility properties,
3 as Dave said. We're here to listen and record your
4 comments. If you wish to comment, I had a -- there was
5 a sheet out at the entrance. A number of you or a few
6 of you put your names down. I'll call your names to
7 make your comments on the record. And if you hadn't
8 signed up, I will just open the floor at the end after
9 those that had signed up make their comments.

10 So there will be plenty of time. I do hope
11 that you can limit your comments to around three or four
12 minutes or so. And if they start to be repetitious,
13 please keep your comments to a minimum and, if possible,
14 yield your time to others.

15 We're also, as Dave said, taking written
16 comments. If English is not your primary language, we
17 are accepting all written comments in any language. We
18 ask that the language that you write comments in is
19 indicated on the comment just so we can translate them.

20 Other than that, I would like to open the
21 floor, so anybody interested in making public comment,
22 please come up and speak into the microphone. Please
23 state your name and then we'll go from there.

24 So the first person on the list is Janet
25 Lubach.

1 JANET LUBACH: Oh, good. It's been a long
2 time.

3 JOSH WALTER: Thank you.

4 JANET LUBACH: Hi, I'm Janet. I live close to,
5 let's see, which is the one? The Hawthorne one.
6 Actually, it's my mother that owns the property behind
7 it, and my aunt owned the property quite a few years
8 ago. And we have really enjoyed in the meantime that
9 Seattle City Light has kind of kept it there and the
10 Parks Department has kept it cleaned up. You know,
11 there was a few issues with a transient that went over
12 the fence and lived there. They planted -- there was a
13 bunch of trees there, you know that somebody -- I don't
14 know how they got in there, but somebody took them out
15 so we didn't have a lot of mess in our area. So I have
16 always appreciated that, and I used to ride the bus
17 there on the corner and I loved it, too.

18 So I'm kind of sad to see it go, but I
19 understand, you know, where you're coming from. I used
20 to work for the government, Bonneville Power, so I
21 understand a lot of things that you're talking about.
22 The small properties that are for sale, I hope they stay
23 as single-family and that it doesn't become something
24 major like a condominium or apartment house or something
25 like that, because it's just a really nice neighborhood

1 and I would like to see, you know, those that are like
2 that stay the same. So thank you very much.

3 JOSH WALTER: Thank you. Sean Starke?

4 SEAN STARKE: I would just like to say, you
5 know, Wedgewood, as the Parks Department already knows,
6 is kind of underserved for parks and open spaces. And
7 if City Light were willing to keep those open spaces and
8 be willing to maintain them, it would be very nice for
9 Wedgewood. That's about it. Thanks.

10 JOSH WALTER: Thank you. Brian Ives?

11 BRIAN IVES: Thank you. So I think, just
12 briefly, I'm in favor of these being sold. I mean, I
13 think the question about where the money goes is
14 important to me and how it's going to be used and if
15 it's being used to stabilize the City Light rates, that
16 makes sense. At this point, they're not being put to a
17 great use. I think if some -- I live around the corner
18 from the small one on 70th. If that was made into a
19 park, I mean, I know Parks isn't going to do that. It's
20 too small, et cetera. But I just would see that as a
21 place for graffiti and vandalism to take place.

22 To me, it make s sense to add money to the
23 coffers by using the surplus properties. And if that's
24 going to mean fewer increases in the electric rates,
25 that's great.

1 I also would say I'm a little bit concerned
2 about the density issue, but if there are reasonably
3 developed properties, that's going to add property tax
4 revenues, which are needed in this time as well.

5 So, thanks.

6 JOSH WALTER: Thank you. Anybody else that
7 hadn't signed up wish to put their comments on the
8 record?

9 Okay. State your name. Just state your name,
10 would be great. Thank you.

11 PARE JOHNSON: My name is Pare Johnson, and I
12 would just like to commend Seattle City Light and the
13 Council for this process, I think. My hunch is that
14 when you try to sell off individual lots, that's when I
15 think neighbors would become a little bit more concerned
16 about: Why are you selling off that particular lot as
17 opposed to selling off, doing a more pragmatic approach
18 like this pilot project is doing. It's sort of
19 recognizing the need for liquidating some of these
20 surplus properties, how that would affect the rates.
21 And I think it takes the -- slightly takes out the
22 emotion of it, and I think that's brings things back to
23 the cool light of day, I think, at times. And so I am
24 appreciative of this pilot project and the process you
25 guys are moving forward with. Other than that, I have

1 no other comments.

2 JOSH WALTER: Thank you. Anyone else
3 interested? I think the last speaker's comments are
4 very key here in that this is a pilot project, we are
5 taking this process very seriously and we're using it as
6 a model moving forward. So I think this public process
7 is important, and we're doing things the right way to
8 keep the community involved in this. So I appreciate
9 you all for coming out. And this concludes the public
10 hearing. Thank you.

11 (Public hearing is concluded.)

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C E R T I F I C A T E

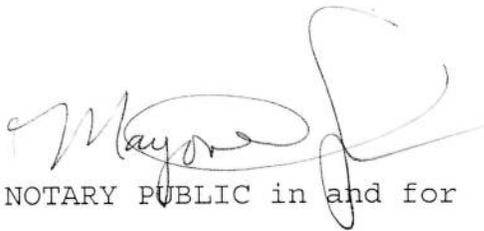
STATE OF WASHINGTON)

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COUNTY OF SNOHOMISH)

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IN WITNESS WHEREOF, I have hereunto set my hand and seal this 31st day of July 2012.



NOTARY PUBLIC in and for
the State of Washington,
residing at Lynnwood.

My commission expires 4-27-14.

