

Seattle City Light Review Panel

c/o K. Wingers, Seattle City Light
P.O. Box 32023 Seattle, WA 98124-4023
CLRP@seattle.gov

March 20, 2018

Sent via email and hand delivery

Honorable Jenny A. Durkan
Mayor, The City of Seattle
600 4th Ave, Seattle, WA
7th Floor
Seattle, WA 98104

RE: Supporting the Sale of the Surplus City Light Property at 8th and Roy

Dear Mayor Durkan:

On behalf of the Seattle City Light Review Panel, we write to strongly encourage you to allow the sale of the surplus City Light property at 8th and Roy. This property was purchased with Seattle City Light ratepayer funds and the proceeds of the sale-- expected to be approximately \$35 million--would be extremely helpful to reduce costs paid by City Light ratepayers at a particularly challenging time in terms of electricity rates.

We anticipate significant rate increases at City Light in the next two years, on top of the existing 1.5% surcharge imposed to restore the Rate Stabilization Account to its target level. Proceeds of the sale from the 8th and Roy property could be applied towards alleviating both challenges. Thirty-five million dollars would allow City Light not only to remove the 1.5% surcharge but also reduce the anticipated 2019 rate increase by 2% or more. The members of the Seattle City Light Review Panel believe that if the property sale does not proceed, City Light ratepayers could be paying at least 3.5% more in 2019 than would be the case had the property been sold.

As detailed in City Light's "Report and Recommendation in Response to the Requirements of Resolution 31424," the utility has completed a remarkably extensive Council-required process as a precedent to seeking Mayor and Council approval to sell the 8th and Roy property as surplus. And, we understand that any private developer of the property will be subject to the Mandatory Housing Affordability requirements (for this property, estimated at 22,000 SF or \$3.5 million of affordable housing benefits).

We were pleased to learn that the Council unanimously endorsed the sale of the 8th and Roy property with passage of Ordinance 125372 in July 2017. We ask you to allow that process to proceed for the

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Page 2

benefit of all City Light ratepayers.

Sincerely,



Gail Labanara
Suburban Franchise Representative
Chair, Review Panel



Patrick Jablonski
Industrial Customer Representative
Vice-Chair, Review Panel

CC: David Moseley, Deputy Mayor
James Baggs, Interim CEO, Seattle City Light
Seattle City Light Review Panel Members