

***Final Recommendation Report
On Reuse and Disposal of the
Seattle Public Utilities Excess Property
PMA 0782 Glacier Well
April 8, 2025***

Purpose of Preliminary Report

In response to a City of Seattle Jurisdictional (property-owning) Department identifying a property as “Excess” to their needs, the Real Estate and Planning Services (REPS) section of the Department of Finance and Administrative Services (FAS) initiates a process to notify interested parties and evaluate the jurisdictional department’s proposal for the property and various options for the property. As part of the process, REPS prepares a “Preliminary Recommendation Report on the Reuse and Disposal of Excess Property”, which documents FAS’ analysis and recommendations. This report is prepared in accordance with City of Seattle Council Resolution [29799](#), as modified by Resolution [30862](#) and [31837](#).

Recommendation

FAS’ preliminary recommendation is in accordance with the jurisdictional department’s proposal that the property be offered for sale to the public agency King County Water District 125 (WD 125) through a negotiated sale at fair market value. If a negotiated sale with WD 125 is not completed, then the property should be retained by Seattle Public Utilities.

Background Information

The property is under the jurisdiction of Seattle Public Utilities (SPU). This property is located on S. 138th St., just to the north of the property at 2450 S. 142nd St., SeaTac, WA 98168, King County Parcel #1623049405, and is visually contiguous with Glacier Middle School, within the Highline School District. The real property and property rights (including permanent easement rights) were conveyed to the City of Seattle by the Highline School District in 1986, in exchange for \$59,600. The property was acquired in connection to the Highline Well Field project, as identified in the 1985 Seattle Comprehensive Regional Water Plan, for installation and operation of ground water wells and waterworks to provide potable water, especially during periods of seasonal drought.

While the property was acquired in 1986, formal legislation authorizing the SPU General Manager to accept the deed was adopted in 2022 ([ORD 126602](#)). The property contains a well, but SPU has not used the water supply, due to quality concerns. Recently, SPU transferred the water rights associated with this parcel to another SPU-owned well field that draws from the same aquifer. Because the water right is no longer associated with this well, the existing well infrastructure must be decommissioned in conjunction with a sale of the property. The cost for decommissioning was estimated at approximately \$140,000 (before taxes) in 2023.

The property parcel is associated with an access easement, as well as a well protection easement, granting SPU rights to access the property and to protect the water source, respectively. SPU granted the Highline School District a revocable use permit in 2019 allowing the school permission to use a portion of the property (the southernmost line) for “school yard purposes” and “construction improvements.” See attached Property and Easements Map.

Water District 125 (WD 125) has a pre-existing relationship with SPU, including an on-going 60-year wholesale water contract relationship, and has been working with SPU to increase water capacity for a growing population in the WD 125 Water Service Boundary. As part of the need to increase capacity, WD 125 approached Seattle Public Utilities (SPU) to purchase this parcel to construct a pump station which would convey water from a new connection point with the SPU main line along 24th Avenue S. A new pumping station must be located in close proximity to the intertie for conveyance, and this property site is in a critically important location as it will meet the need for proximity. WD 125 has demonstrated to SPU that it has the ability and funding to both purchase the property at fair market value and to perform the necessary work to decommission the well.

The property has been through the SPU Excess Property review process and SPU is recommending a negotiated sale of the property to WD 125.

Reuse or Disposal Options Evaluation Guidelines

City of Seattle Resolution 31837, Section 1, requires the Executive to make its recommendation for the reuse or disposal of any property that is no longer needed by a department using the following Guidelines A-D.

Guideline A: Consistency

The analysis of whether to recommend disposal of the property 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, statutes and regulations.

Purpose for which property was acquired: The City originally acquired the property for the purpose of installing and operating ground water wells or waterworks to provide potable water in connection with the Highline Well Field project identified in the 1985 Seattle Comprehensive Regional Water Plan. Although the City technically owned the property since 1986, formal legislation (in the form of an Ordinance) was not submitted and accepted until 2022. The well was drilled to a depth of 550 feet, but was not used as a potable water supply due to the presence of manganese and hydrogen sulfide.

Funding Sources: SPU acquired the parcel with expenditures from the Water Fund, and all sale proceeds would be deposited in the Water Fund.

Deed or contractual restrictions: None.

City, State or Federal Ordinance statutes 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 government organizations receive fair market value for the disposal of surplus real property. The fair market value can be determined by an appraisal, or through an open competitive sales process. The City of Seattle incurs costs associated with the disposition process including staff time, public notice expenses and real estate

transactions costs. Costs incurred by FAS Real Estate and Planning Services are covered by internal service fund rates allocated to other City departments.

Between 2021 and 2022, SPU started discussions with the Washington Department of Ecology to transfer the Glacier Well water right to another SPU-owned Well Field. In 2023, SPU completed the transfer of water rights and retains all capacity associated with this well.

Because the water rights have been transferred off this site, the purchaser of the property will need to decommission the existing well on the property. SPU estimates the cost to decommission this well is approximately \$140,000, based on 2023 estimates.

Guideline B: Other Factors

The recommendation should consider the highest and best use of the property, compatibility of the proposed uses with the physical characteristics of the property and with surrounding uses, 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 Appraisal Institute defines highest and best use as, “The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible and that results in the highest value.” FAS’ highest and best use analysis for the subject property determined the following:

- **Legally permissible:** The site is zoned UL-7200, Urban Low Density, with a minimum lot requirement of 7200 SF. Given prevailing land use patterns in the area, residential use is assumed for highest and best use.
- **Physically possible:** Due to the slightly irregular share and the lack of direct street frontage, only three lots could likely be developed on the subject property. In addition, the underground well would have to be decommissioned, and utilities would have to be extended to the site. The property is accessed via an ingress and egress easement from South 138th St on the adjacent property to the west. This easement is assumed to remain in place in perpetuity.
- **Financially feasible and maximally productive:** There is currently adequate demand for residential use in the property’s area, and it appears residential use is financially feasible. Residential use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Use of the site for residential development is the use which meets the tests of highest and best use.

Compatibility with the physical characteristics and surrounding uses: The property is located in a low-density residential zone and is visually continuous with the Glacier Middle School campus. The property is only accessible through an access easement across the Glacier Middle School property (see map).

Unique Attributes: The property is within the Water Service Boundary for Water District 125. In addition, the property is located in close proximity to a planned WD 125 connection to the SPU water main on 24th Ave S. WD 125 plans to increase their water supply by connecting to this main,

and then will need a pumping station in very close proximity to convey the water for distribution. WD 125 plans to build out new pipes along 138th St. to support planned growth by Military Road S. and the Pacific Highway.

Potential for Consolidation with adjacent public property: The property could be consolidated with adjacent Highline Public School property (the Glacier Middle School campus). However, Highline Public School District would need to pay fair market value and decommission the well present on the site. Highline Public Schools has declined purchasing the parcel directly and WD 125 and Highline Public School District have each acknowledged that Glacier Middle School's desired use of the property is likely compatible with the Water District 125 pumping station development plans. It is FAS' recommendation that WD 125 acquire and that WD 125 and Highline School District work out an agreement that satisfies both parties.

Conditions in the real estate market: The real estate market in the region remains stable, and there has been demand for new development, particularly for housing. However, given the low-density zoning, the housing that could be produced on this site would be minimal. The area will need additional water supply due to new development and the recommendation to sell the parcel to WD 125 will enable additional capacity.

Known environmental factors: No environmental factors known by SPU at this time, except for the presence of the well on the site.

Appropriateness of the consideration: Sale of the property at fair market value through a negotiated sale with WD 125 will result in the City receiving the fair market value of the property. In addition, WD 125 will need to decommission the well on the property, which relieves the City of needing to do so.

Guideline C: Priorities for Use of City-owned Properties

The recommendation should reflect an assessment of the potential for use of the property in support of 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 childcare facilities; and in support of other priorities reflected in adopted City policies.

Housing and Economic Development: Sale of the property to Water District 125 will allow WD 125 to ensure there is sufficient capacity to serve the growing population of their service area. Additional housing and development of commercial property requires infrastructure, including water service, to be viable.

As this parcel is outside City limits, development for affordable housing using City of Seattle funds is not being explored as an option. In addition, the parcel's location off the street, directly adjacent to the Glacier Middle School, and current zoning which would limit development to only three units (according to the appraisal analysis), making affordable housing a poor fit for this property.

Nearby City-owned property: The property is located in SeaTac, so nearby parcels owned by the City of Seattle are limited. However, SPU's service area extends into this region. SPU owns a large 9.68 acre parcel several blocks south of the subject parcel, known as the "Riverton Heights

Reservoir” and another property, known as the “Boulevard Park Well” about 1 mile to the northwest of the subject parcel. SPU owns and operates a large 48” water main down 24th Avenue S, which connects these water infrastructure components, and is also where WD 125 is planning to draw additional capacity.

Other City Uses: In January 2025, FAS circulated an Excess Property Notice for this property to City of Seattle Departments. City Departments were asked to evaluate the property for current or future city uses of the property. FAS/REPS received one response, from SCL, requesting continuation of an SCL easement near the property.

Other Agencies’ Uses: In January 2025, FAS circulated an Excess Property Notice for this property to assess other agencies’ interest, including Water District 125 and the Highline School District. Representatives from the Highline School District requested more information, which FAS and SPU provided. Highline School District then determined not to pursue the parcel for their own acquisition but will work directly with WD 125 on potential development of bleachers or other improvements adjacent to the school track.

Neighborhood development: The property is located in SeaTac, directly adjacent to the Glacier Middle School, which is part of the Highline School District. The neighborhood includes low-density residential development and has experienced rapid growth in population recently. The SeaTac comprehensive plan calls for increasingly dense development of residential and commercial properties near Military Road S. and the Pacific Highway, which will require additional water infrastructure.

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 this property include retention by the City for a public purpose, negotiated sale with a motivated public agency purchaser, or negotiated sale with a purchaser not yet identified.

Transfer of Jurisdiction to other City Department: No other City Department expressed a current or future need for the property. Currently, there is no specific City goal for the future use of this property, it is located outside the City limits and is not needed by SPU.

Negotiated Sale: A negotiated sale is typically recommended when the selection of a particular purchaser has specific benefits to the City. In this case, a negotiated sale with Water District 125 would ensure that the existing well on the site is decommissioned properly, provide a fair market value price to SPU, and would allow WD 125 to increase their water supply and conveyance to the growing population.

Sale through an open market competitive process: A sale through a public competitive process would allow the market to determine the optimum price for the property.

Potential for Use by Non-City Public Entities: The recommendation is based on the request for purchase and use by non-City public entity, Water District 125. WD 125 has requested to purchase the property and is willing and able to decommission the existing well. The property is within the

Water Service Boundary for WD 125. In addition, the property is located in close proximity to a planned WD 125 connection to the SPU water main on 24th Ave S. WD 125 plans to increase their water supply by connecting to this main, and then will need a pumping station in very close proximity to convey the water for distribution. WD 125 plans to build out new pipes along 138th St. to support planned growth by Military Road S. and the Pacific Highway.

Public Involvement: As of the date of this report, no responses from the public regarding this property were received.

FAS Real Estate and Planning Services (REPS) has performed the following outreach activities to date:

- REPS sent the Excess Property notice to internal stakeholders, including City of Seattle departments, and interested public agencies, including Water District 125 and the Highline Public School District.
- REPS and SPU staff met with the Highline School District to provide additional information on the parcel, and extended the date for response to the internal Excess Property Notice to give Highline School District time to review materials and brief stakeholders.
- REPS posted information about the proposed sale on the City of Seattle website at <https://www.seattle.gov/real-estate-services>.
- REPS posted the Preliminary Report on the City of Seattle website on March 4th 2025.
- REPS notified internal City departments and interested public agencies that the Preliminary Report is posted, and to provide any additional comments.
- SPU mailed out an Excess Property letter and map of the property to 207 neighbors owning property within 1000' of the subject parcel, including contact information and the FAS website address for access to the Preliminary Report.

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.

Appendix B is the Property Review Process Determination Form prepared for PMA 0782, the Glacier Well property. The disposition of this property is determined to be a “simple” transaction. No additional public involvement is required other than the notice process described below.

Next Steps

FAS will post this Final Report to the FAS Real Estate and Planning Services website until final action is taken on this property.

Pursuant to the guidelines in Resolution 31837, a public hearing is not required for the sale of this property as it is a “simple” disposition of real property. However, the City Council may elect to have a public hearing. If so, FAS will provide a 14-day notice to any parties of record.

No Council decision will be made for at least 30 days following a notice of legislation and notice of public hearing is announced and sent to the parties of record list. FAS will continue to collect all comments regarding the property.

Appendix A: Excess Property Description from SPU

EXCESS PROPERTY DESCRIPTION Glacier Well

The Jurisdictional Department should provide the information listed below to RES with its declaration of Excess Property. The RES will incorporate selected information in a circulation notice to City departments and Public Agencies.

1. Property Management Area (PMA) Name and Address.
 - Glacier Park Well, Just North of and adjacent to 2450 South 142nd St, SeaTac, WA 98168
2. A map that shows the location of the property.

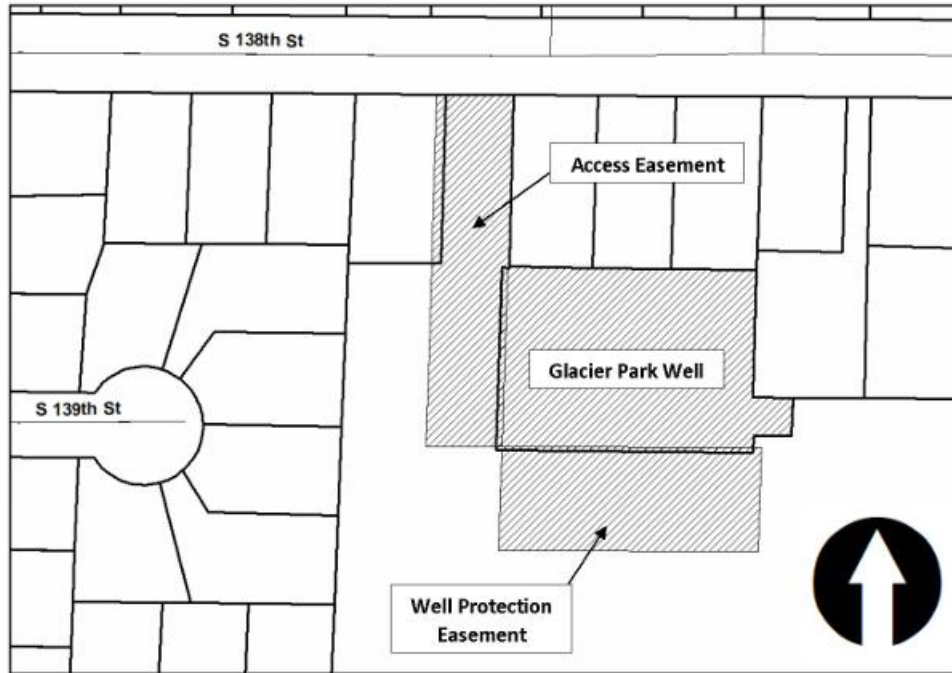


3. Legal Description.

THE SOUTH 140 FEET OF THE NORTH 302 FEET OF THE EAST 193.5 FEET OF THE SOUTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M., AND THE SOUTH 140 FEET OF THE NORTH 302 FEET OF THE WEST 6.5 FEET OF THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 16, AND

THE SOUTH 30 FEET OF THE NORTH 290 FEET OF THE EAST 30 FEET OF THE WEST 36.5 FEET OF THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 16, TOWNSHIP 23 NORTH, RANGE 4 EAST, W.M.
4. Tax Parcel I.D. Number(s), Property Management Area (PMA) I.D. and Subject Parcel ID's (as found in RPAMIS).
 - Tax Parcel I.D.: 162304-9405
5. Snapshots or aerial photo of property, including current structures if any.
 - There is currently a well on the property that will be decommissioned by Water District 125 at the time of sale and paid for by the District.

6. Brief history of property, including the original fund source and the reason The City acquired it
 - The City originally acquired the property for the purpose of installing and operating ground water wells or waterworks to provide potable water in connection with the Highline Well Field project identified in the 1985 Seattle Comprehensive Regional Water Plan.
 - Although the City technically owned the property since 1986, formal legislation (in the form of an Ordinance) was not submitted and accepted until 2022.
7. Copies of ordinance(s) authorizing acquisition, and any amendments or updates to that ordinance(s).
8. Citation of ordinances, statutes and regulations that particularly or uniquely affect or apply to this specific property.
9. Current easements, covenants and restrictions (as flagged in RPAMIS).



10. Recommended easements, covenants and restrictions upon transfer.
 - Both easements surrounding property will need to be relinquished, and transferred to the purchaser of the property.

The Well Protection Easement is intended to prevent contamination of the water supply. The School District cannot construct cesspools, sewers, privies, septic tanks, drain fields, any receptacles for the disposal of sewage, nor the transportation or storage of any waste in the easement area, which is within 80 feet of the property to the south. The school district cannot use the area for unimpeded circulation of traffic or the continual parking of motorized vehicles. They can use it to maintain existing improvements and for emergency access through the easement area. They cannot excavate within three feet of the water supply facilities. The easement is binding as long as said wells on the land are used for the purpose of producing potable water. Long terms of non-production during times of repair, renovation or modification does not cause to nullify or void these covenants.

The Access Easement is for ingress and egress from S 138th St. north of the property. According to SPU, this easement runs in perpetuity.

11. Jurisdictional Department's opinion on any current code or ordinance violations or delinquencies.
12. Fund to which Sale proceeds would accrue.
 - Proceeds of sale will go to SPU Water Line of Business.
13. Jurisdictional Department's rough estimate of market value, expressed as a range of value, and basis for conclusion and/or original purchase price.

An appraisal of the property delivered in April 2024 determined the value to be \$280,200.

14. Any potential problems and any possible measures that could be taken to mitigate or prevent recurrence of problems

Appendix B: Property Review Process Determination Form

PROPERTY REVIEW PROCESS DETERMINATION FORM			
Property Name:	Glacier Well		
Address:	South 138 th St, SeaTac, WA 98168		
PMA ID:	PMA. 0782	Parcel No.	162304-9405
Dept./Dept ID:	SPU	Current Use:	Landscape Maintenance
Area (Sq. Ft.):	28,900 sq. ft.	Zoning:	UL-7200 Urban Low Density
Est. Value:	\$ 280,200 (April 2024)	Assessed Value:	\$ NA
PROPOSED USES AND RECOMMENDED USE			
<i>Department/Governmental Agencies: King County Water District 125</i>		<i>Proposed Use: Water infrastructure</i>	
<i>Other Parties wishing to acquire:</i>		<i>Proposed Use:</i>	
None		N/A	
REPS' RECOMMENDED USE: Sell through negotiated sale to Water District 125 or, if a sale is not completed, then retain by Seattle Public Utilities.			
PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)			
1.) Is more than one City Dept. /Public Agency wishing to acquire?	<input checked="" type="radio"/> No / <input type="radio"/> Yes	15	
2.) Are there any pending community proposals for Reuse/ Disposal?	<input checked="" type="radio"/> No / <input type="radio"/> Yes	15	
3.) Have individuals, community groups and/or other interested parties contacted the City regarding any of the proposed options?	<input checked="" type="radio"/> No / <input type="radio"/> Yes	15	
4.) Will consideration be other than cash?	<input checked="" type="radio"/> No / <input type="radio"/> Yes	10	
5.) Is Sale or Trade to a private party being recommended?	<input checked="" type="radio"/> No / <input type="radio"/> Yes	25	
6.) Will the proposed use require changes in zoning/other regulations?	<input checked="" type="radio"/> No / <input type="radio"/> Yes	20	
7.) Is the estimated Fair Market Value between \$500,000-\$2,000,000?	<input checked="" type="radio"/> No / <input type="radio"/> Yes	10	
8.) Is the estimated Fair Market Value over \$2,000,000?	<input checked="" type="radio"/> No / <input type="radio"/> Yes	45	
Total Number of Points Awarded for "Yes" Responses:			0
Property Classification for purposes of Disposal review: <input checked="" type="radio"/> Simple <input type="radio"/> Complex (a score of 45+ points result results in a "simple" classification)			
Signature:	Department: FAS	Date: April 4, 2025	

Appendix C
Parties of Record

Name	Email	Address/Company	Phone
Shane Young	shaneyoung@waterdistrict125.com	Water District 125	
Ellie Daneshnia	ellie.daneshnia@highlineschools.org	Highline School District	
Jackie Bryan	jackie.bryan@highlineschools.org	Highline School District	
Greg Sancewich	greg.sancewich@seattle.gov	City of Seattle – Seattle City Light	

Appendix D: SPU Parcel in Relation to Neighborhood

