



## MEMORANDUM

**Date:** September 23, 2014  
**To:** Chris Potter  
**From:** Hillary Hamilton  
Daniel Bretzke  
**Subject:** Recommendation to Sell PMA 1651

---

In July 2014, we proposed a new approach for snippet disposition strategy (attached). To test this strategy, RES is using the potential sale of PMA 1651, a snippet at 8030 Fauntleroy Way Ave SW. We contacted both adjacent property owners using forms developed with the aid of the Law Department. One owner submitted an offer to purchase the property; the other owner declined to make an offer. At this time, we would like to enter into a Purchase and Sale Agreement and begin drafting legislation.

### Property Description

PMA	Size	Parcel #	Address	Zoning	2014 Value*	Legal Description
1651	1,000	0034000035	8030 Fauntleroy Way SW	SF 5000	\$13,750	South 10 feet, Lot 7, Block 1 Adams 1st Addition To Fauntleroy Park.

\*Value determined by RES staff

### Key Deal Points

1. Moore will purchase the property for \$13,750 with a credit of \$7,294.25 for repairing a retaining wall and associated landscaping on the City property along the alley, for a total cash payment of \$6,455.75.
2. Deal subject to Council approval.

### Process Used

1. The excess property description was drafted on [March 18 2014](#).
2. The description was posted on the new [FAS Snippet property review page](#) in June 2014.
3. Forms drafted with Law Department help provided to both abutting owners on August 8, 2014:
  - a) A letter regarding the opportunity to make an offer on the snippet.
  - b) City of Seattle Excess Property Purchase Form
  - c) A sample City of Seattle Purchase and Sale Agreement
  - d) A real estate disclosure form 17 for vacant land
  - e) The excess property description and map of the property
4. On September 2, 2014, Mr. Moore submitted a signed offer form.
5. On September 15, 2014, Ms. Garcia verified that she was not intending to make an offer.

### Next Steps

1. Draft legislation authorizing the sale for submittal to council in January, 2015
2. FAS Director and the purchaser sign the purchase and sale agreement, earnest money deposited with the title company, proceed to closing.

## **Snippet Disposition Background**

The City Council adopted [Resolution 29799](#) in 1998 on the “Reuse or Disposal of City Property” subsequently amended by [Resolution 30862](#) in 2006. The Procedures for the Evaluation of City Real Property for Reuse and Disposition establish a uniform evaluation process for the reuse or disposition of City owned real property. The policies require that when a parcel is declared excess by the Jurisdictional Department that an Excess Property Description is prepared. This is circulated to other City Departments for evaluation of other potential City uses, or identification of easements to be retained if the property is to be sold. The policies also provide specific public notification requirements. Excess Property that is 2,000 square feet or less in size is exempt from the public notification requirements.

The City of Seattle owns a number of small parcels of land that are less than 2,000 square feet in size. These are known as “snippets”. Draft legislation to obtain council authorization to sell the snippets to the adjacent property owner was considered by RES. Parcels were to be selected based upon common property acquisition factors, such as the type of fund used to acquire the properties - for example, those purchased with street funds. A problem with this approach is that the City Attorney has recommended that the authority granted by Council to sell property becomes “stale” over time. There are several parcels that have been authorized by the City Council to be sold, but due to the age of the authorizing ordinance, and the detailed terms of proposed sales, the City Attorney’s Office has advised that new ordinances are needed to sell the parcels, and that the previous authorization would need to be repealed in new legislation seeking authority to sell.

## **Snippet Disposition Approach for 2014**

1. An “Excess Property Description” for each FAS snippet will be prepared. The property description will include detailed information on deeds, authorizing ordinance, an initial recommendation, a 2014 estimated value, a complete legal description, and identifying maps.
2. The “Excess Property Description” and relevant information will be published on the FAS property review web page. The information will also be circulated to other City Departments.
3. A notice letter will be sent to the adjacent property owners informing them that the property adjacent to their property has been declared Excess, and that the initial recommendation is to sell the parcel to the adjacent property owner at fair market value subject to City Council approval. The letter will include a copy of the Excess Property Description.
4. When adjacent owners are interested in acquiring a snippet, FAS will further negotiate price, terms, land use approval, and/or surveys as needed or required by City or State code. On a regular basis, e.g., in the first quarter of each year, legislation will be sent to council that seeks authorization to sell those parcels where conditions, price and terms have been agreed to by the purchaser and FAS.
5. A purchase and sale agreement is negotiated pending council approval. After council approval is obtained, a purchase and sale agreement is signed, earnest money deposited in escrow, and property proceeds to closing.
6. For those snippets where the adjoining neighbor currently uses the property, but is not financially able or unwilling to purchase the property, a Revocable Use Permit will be negotiated, in order to retain property rights by the City.
7. On a yearly basis, the excess property descriptions will be updated in regards to value, and to include any additional survey, permit, zoning, or change in adjacent property owner(s). Where a Revocable Use Permit has been issued, a letter will be sent inquiring if they are interested in purchasing the property, or to renew the Revocable Use Permit. For all other properties a letter will be sent inquiring if they are interested in purchasing the property.
8. FAS determines yearly value based upon the following factors:

1. Previous one year vacant property sales within 2 miles of the subject property
  2. Adjacent King County land value on per square foot basis
  3. Either positive or negative factors for unique topography, property dimensions and shape
  4. Evaluation of potential added development capacity if combined with adjacent property.
  5. Perpetual reservations for slope easements or native growth
9. On properties that have value over \$10,000, installment sales of up to 10 years are possible. Such contracts must be paid off in full if the property is refinanced or sold. Interest rate is a fixed market interest rate for 2014 is 7%.