

PRELIMINARY REPORT
EVALUATION OF REUSE & DISPOSAL OPTIONS FOR
PMA No. 4325 – MLK, Jr. Way and unopened E. Spruce Street

Resolution 29799 directs that the Executive is to make its recommendations on the reuse or disposal of excess property on a case by case basis, using *the Procedures for Evaluation of the Reuse and Disposal of the City's Real Property* adopted by that resolution. Additionally, the Resolution identifies guidelines, which are to be considered in making a recommendation. This report addresses each of the guidelines outlined in Resolution 29799 in support of the recommendation. This report also follows and includes those provisions of Resolution 30862, adopted May 1, 2006, that amended Resolution 29799.

Property Management Area: NE Corner of unopened E. Spruce Street and Martin Luther King, Jr. Way. It is located directly south of the duplex property identified by the street address of 210-212 Martin Luther King, Jr. Way.

BACKGROUND INFORMATION

Legal Description: All of Lot 4 and the south 25 feet of Lot 3, measured along the west line thereof, Block 20, Gamma Poncin's Addition to the City of Seattle, as recorded in Volume 20 of Plats, page 51, records of King County, Washington; Except the west 20 feet thereof, taken for street under Ordinance No. 84354.

Physical Description and Related Factors: The site is irregular in shape, as is usually seen in property parcels that are left over after acquisitions for the establishment and improvement of street right-of-way. It measures 75 feet along its western boundary that fronts MLK, Jr. Way. It is 66 feet along its northern boundary and 50 feet along its southern boundary. On its eastern edge, it measures approximately 78 feet as it angles slightly to the northeast before intersecting with the northern line. On its north and east sides it is adjacent to, respectively, a duplex and single family homes. To its south is the 50-foot wide unopened section of E. Spruce Street that lies between 28th Ave. and MLK, Jr. Way. The property's total area is approximately 4350 square feet according to King County Assessor information. The property is located in an area with mostly single-family residences of various styles, shapes, and value. The western half of the property is fairly level, but then the contour begins sloping up at about a 30% grade to its eastern boundary line. The parcel contains several tall trees and groundcover consisting mostly of blackberry, salal, and ground alder. The City Arborist has been asked to confirm that the trees located on the property are not significant. Its King County Tax Parcel Identification Number is 684070-1420.

GUIDELINE A: CONSISTENCY

The analysis 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.

Between 1954 and 1957, the City of Seattle began widening and extending Empire Way, passing several ordinances relating to the project and to the acquisition by condemnation and/or purchase of numerous parcels and portions of property and property rights for street and other purposes. PMA No. 4325 was acquired by Warranty Deed from Wilbert and Priscilla Strothers in 1957, pursuant to Ordinance 85354, for General Municipal Purposes.

When the City of Seattle previously offered this property for sale in 1981, the City included a reservation of the right to make necessary slopes for cuts or fills upon the property in the reasonable grading or maintaining of abutting streets and public places. That reservation will not be included in the conveyance if this property is sold.

Guideline B: Compatibility and Suitability

The recommendation should reflect an assessment of the potential for use of the property in support of adopted Neighborhood Plans, as or in support of low-income housing, in support of economic development, in support of affordable housing, for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities, and in support of other priorities reflected in adopted City policies.

Context

The property is located within the City of Seattle and also within the boundaries of the Central Area Neighborhood Planning Area. Its irregular shape and adjacency to Martin Luther King, Jr. Way are qualities shared with a number of excess parcels that remained after the laying out and widening of the thoroughfare in the 1950's. The property was not identified by any neighborhood or community group as being desirable or needed for the development or implementation of Neighborhood Plans. It is not particularly suited to meet specific City of Seattle needs as indicated by the complete lack of interest in the property when it was circulated in May 2002. Neither the Parks Department nor the neighborhood community has expressed interest in dedicating the property to parks or open space use. The property is located along the Sound Transit Light rail alignment; however, that agency has indicated that the subject property is not needed for staging or right-of-way of the south line.

Range of Options

Options include sale by public bid, sale through a Request for Proposal process, negotiated sale, long-term ground lease, or retention by the City. Given that no City department has identified any current or future use for the property, and given the location of the property, neither the long-term ground lease or retention of the property are in the best interests of the City.

Guideline C: Other Factors

The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, 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 make affect the value of the property.

Highest and Best Use

The highest and best use is for the development of single family housing or some other use permitted as a conditional use by the land use code in a Single Family 5000 zone. This 4350 SF site at a minimum would support the construction of a single family home.

Compatibility with the physical characteristics

The site is sloped upward to the east from Martin Luther King, Jr. Way. The physical characteristics of the site would allow the building of a single-family residence.

Compatibility with surrounding uses

Sale of this property for development of residential housing is a proposed use that is very compatible with the surrounding neighborhood that is primarily single-family residential.

Timing and Term of Proposed Use

The City of Seattle proposes no specific design or use for this property. It would be offered for sale by public bid with no conditions attached to any legal use or development by the successful bidder.

Appropriateness of the consideration

The property would be sold to the highest successful bidder in accordance with procedures as approved by the City Council. Legislation will authorize the Real Estate Services Division of the Fleets and Facilities Department to accept the highest competitive offer over a minimum threshold established by the City. The city would reserve the right to cancel any and all sales and to reject any and all bids in the bid process.

Unique Attributes:

This property parcel has no unique attributes or qualities that require special attention.

Potential for Consolidation with adjacent public property

There are no public properties immediately adjacent to PMA No. 4325. There are several City-owned properties in the immediate area. To the South and across unopened E. Spruce Street lies

PMA No. 3640, a skinny 22-foot wide strip of land that is also a remainder parcel from road construction. Two lots north of PMA No. 4325 lies Powell Barnett Park, PMA No. 345, a 190,000 SF playground and recreation area under the jurisdiction of the Parks Department. These city-owned parcels are neither proximate nor suitable for consolidation with the subject property.

Conditions in the real estate market

The real estate market in Seattle remains healthy. Interest rates have declined but real property is maintaining its value while the rate of appreciation has slowed only moderately. The demand for raw land has sustained its value.

Known environmental factors:

FFD reviewed property files and conducted several inspections of the property. With the exception of the critical sloping portions of the site, there are no known environmental factors or conditions that prevent offering this property for sale or for the construction of housing on its premises.

Guideline D: Sale

The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.

Non-city public entities were notified concerning the excess nature of this property by circulation occurring in the summer of 2002. None expressed an interest in acquiring it for their needs. Nearby property owners that have expressed interest in purchasing the property would be provided an opportunity to bid on the property as part of the bid-sale process. A public bid process with notice sent to the owners and occupants in the immediate neighborhood would provide an open, fair, and competitive method for identifying a purchaser for this property.

PUBLIC INVOLVEMENT

In accordance with Resolution No. 30862, a notice concerning disposition or other use of this property was sent to all residences and owners within a 1000-foot radius of the subject properties and to community council representatives. A total of 487 notices were mailed. Six responses were received. Four callers thought sale by the city and construction of housing would be a good use, particularly as it would ensure maintenance of a piece of land that has periodically become an overgrown dumping ground. Two of the callers thought it should be preserved as open space.

RECOMMENDATION

The Real Estate Services Division has evaluated responses from public entities and the community mailing and examined the patterns of land use and development along the MLK, Jr. Way arterial. With Powell-Barnett Park located only 200 feet away, additional open space is not needed. Therefore the Fleets and Facilities Department recommends that this property be offered for sale through a public competitive bid process.

PROPERTY REVIEW PROCESS DETERMINATION FORM			
Property Name:	<u>Excess property south of 210-212 Martin Luther King, Jr. Way</u>		
Address:	<u>South of 210-212 Martin Luther King, Jr. Way</u>		
PMA ID:	4325	Subject Parcel #:	1517
Dept./Dept ID:	FFD	Current Use:	vacant
Area (Sq. Ft.):	4350	Zoning:	SF 5000
Est. Value:	\$185,000	Assessed Value:	\$165,000
PROPOSED USES AND RECOMMENDED USE			
<i>Department/Governmental Agencies:</i>		<i>Proposed Use:</i>	
none		none	
<i>Other Parties wishing to acquire:</i>		<i>Proposed Use:</i>	
none		none	
RES'S RECOMMENDED USE: Sell by public competitive bid			
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		10
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?	<input type="radio"/> No <input checked="" type="radio"/> Yes		10
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 type="radio"/> No <input checked="" type="radio"/> Yes		25
6.) Will the proposed use require changes in zoning/other reg's?	<input checked="" type="radio"/> No <input type="radio"/> Yes		20
7.) Is the estimated Fair Market Value between \$250,000-\$1,000,000?	<input checked="" type="radio"/> No <input type="radio"/> Yes		10
Notice of the public bid process would be sent to the owners and occupants in the immediate neighborhood. 8.) Is the estimated Fair Market Value over \$1,000,000?	<input checked="" type="radio"/> No <input type="radio"/> Yes		45
Total Number of Points Awarded for "Yes" Responses:			35
Property Classification for purposes of Disposal review: <input checked="" type="radio"/> Simple <input type="radio"/> Complex (circle one) (a score of 45+ points results in "Complex" classification)			
Signature: <u>David Hemmelgarn</u> Department: <u>FFD</u> Date: <u>07/24/06</u>			