

Preliminary Recommendation Report
On Reuse and Disposal of the
Portion of the Danny Woo Community Gardens
PMA 61
February 10, 2014

Purpose of Preliminary Report

In response to a City Jurisdictional Department identifying a property as “Excess” to their needs, the Real Estate Services (RES) section of the Department of Finance and Administrative Services (FAS) initiates a process to review and evaluate various options for the property. RES prepares a report titled “Preliminary Recommendation Report on the Reuse and Disposal of Excess Property”, which documents that analysis and recommendations. This report is prepared in accordance with City of Seattle Council Resolution [29799](#), as modified by Resolution [30862](#).

Executive Recommendation

FAS proposes that the property be sold to InterIm Community Development Association (InterIm CDA), current tenant of the property, subject to a covenant on the property deed stipulating that the property will be perpetually used for the support of the adjacent Danny Woo Community Garden. Interim CDA has estimated the volunteer hours and funding over next 20 years will be at least \$2,669,200, more than offsetting the estimated fair market value of the property. Interim will compensate the City for costs associated with the transaction in the amount of \$5,000. A second covenant would require InterIm to preserve and maintenance of the property’s steep slopes. The property will be subject to easements for grading or for any future public street construction activities.

Background Information

The property was acquired by the City of Seattle to settle a judgment against the City in 1939. It remained vacant until the 1970’s when the City of Seattle supported efforts by the Seattle Chinatown International Development Association (SCIPDA) to increase community garden space in the International District. In 1980, the City signed a ten year lease with SCIPDA, allowing the InterIm CDA to maintain the property. In 2007 InterIm CDA was issued a permit to allow construction of some park improvements. In 2013, Interim CD requested permission to build a kitchen facility on the property to support the educational programs at the community garden. The City determined that a constructed facility on the property would not be sustainable by the City as a public facility, and that a permanent transfer of the property ownership of the property is recommended. Additional details about the property are listed in Appendix A.

Reuse or Disposal Options Evaluation Guidelines

City of Seattle Resolution 29799, Section 1, requires the Executive to make its recommendation for the reuse or disposal of any property that is not needed by a Department using the following guidelines.

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, statues and regulations.

Funding Sources: General Fund

Purpose for which property was acquired: The City acquired the property to settle a judgment against the City. See Appendix A for more information.

Deed or contractual restrictions: The property is not bound by any other contracts or instruments and is not subject to any extraordinary laws or regulations. The property is not used by the City for other uses.

City, State or Federal Ordinance status 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 agencies to receive fair market value for the disposals of surplus real property. The fair market value can be offset by providing community services. Over the past 38 years of InterIm CDA's management of the garden, it is estimated that \$2,535,740 in benefits has been given to the community. It is anticipated over the next 20 years that at least \$2,669,200 will be contributed to the community through InterIm CDA's continued operation of the garden. Conveyance of the property to InterIm with covenants on use will assure continued benefit to the community in perpetuity.

The City of Seattle incurs costs associated with the disposition process including staff time, public notice expenses and real estate transactions costs. FAS estimated that the costs are approximately \$5,000 for this transaction.

The zoning potentially allows building to be constructed subject to design and environmental review.

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 and/or 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 child care facilities; and in support of other priorities reflected in adopted City policies.

Neighborhood Plan: The property is located in the International Special Review District.

Housing and Economic Development: The sale of the property to Interim CDA will allow the continued support and development of the Danny Woo Community Gardens, which supports Interim CDA housing programs.

Nearby City owned property: The property is adjacent to City owned right of way, and the Kobe Terrace Park, which both contain portions of the Danny Woo Community garden.

Other City uses: In December 2013, an Excess Property Notice for this property was circulated to City of Seattle Departments to assess interest in use of the property. The following departments or public agencies indicated that they had no interest in the property: Seattle Public Library, Seattle City Light, Seattle Department of Planning and Development, Seattle Office of Housing and the Seattle Dept. of Parks and Recreation

Other agency uses: In December 2013, an Excess Property Notice for this property was circulated to other public entities to assess interest in use of the property. Interim CDA is the only public entity expressing interest in acquiring the property.

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 disposition of this property include retention by the City for a public purpose, negotiated sale with a motivated purchaser, market sale, or through a request for proposal process.

Transfer of Jurisdiction to other City Department: No other City Department expressed a need for the property.

Negotiated Sale: A negotiated sale is typically recommended when the selection of a particular purchaser has specific benefits to the City. Selling the property to Interim CDA will ensure that the property continues to provide benefits to the community with covenants providing perpetual use as open space.

Sale through an open competitive process: A sale through a public competitive sale process may introduce a use that is not supported by the community.

Request for Proposal Process: This process is used when specific development goals are desired. FAS does not have a development plan for this property.

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 may affect the value of the property.

Highest and Best Use: The highest and best use is generally defined as the reasonably probable and legal use that produces the highest property value. The highest and best use is determined by evaluating potential uses as follows:

- **Legally permissible:** The subject property is zoned IDR 150, which would allow development of a variety of uses. The existing use as a park and community garden is allowed. Other uses including housing and retail are allowed, although potential development would be subject to design review and environmental permitting.
- **Physically possible:** The existing property is improved with public park facilities including benches and trails. The presence of steep slopes limits the capacity to develop the site with housing or commercial use.
- **Financially feasible and maximally productive:** The potential cost of development of the site for other uses such as housing is substantial due to the limited size of the property and the associated development costs to construct a building and utilities on the sloping property.

The highest and best use of the subject property is a community garden or related open-space use.

Compatibility with the physical characteristics and surrounding uses: The subject property is located in the International District of Seattle, and is adjacent to the property being used for the community gardening. The existing and proposed use is compatible with adjacent uses and structures.

Appropriateness of the consideration: The continued future contribution to the community from the continued operation and support of the community garden substantially exceeds the value of the property.

Unique Attributes: The property is sloped. It is also improved with various benches, landscaping features and walkways.

Potential for Consolidation with adjacent public property: Although there is adjacent public property, FAS has confirmed with other City Departments that a consolidation would not be beneficial to the City's long term needs.

Conditions in the real estate market: The real estate market in the City of Seattle remains fairly stable.

Known environmental factors: A review of property files determined there is no evidence to suggest that further environmental assessments or investigations are warranted at this time. As noted in Appendix A, the site has steep slopes and there is historic evidence of slides on the adjacent parcel.

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.

Potential for Use by Non-City Public Entities: The property is currently managed by a non-City public entity for public benefit.

Public Involvement: In accordance with Resolution Nos. 29799 and 30862, in December 2014 a notice concerning disposition or other use of this property was sent to all residences and owners within a 1,000 foot radius of the subject properties. There were no responses from the business owners and residents that are located within 1,000 feet of the property. Prior to the City issuing the excess property notice, multiple individuals and organizations submitted letters of support of Interim CDA acquiring the property. The following are the names of organizations who submitted letters of support:

Gerald Chihara, Chihara Architect
Bang Nguyen, Community Coalition for Environmental Justice
Tuck Eng, Historic Chinatown Gate Foundation
Dorothy Wong, Chinese Information and Service Center
Gail Savina, City Fruit
Janice Deguchi, Denise Louie Education Center
Jeffrey Hou, PhD, University of Washington Department of Landscape Architecture
Teresita Batayola, International Community Health Services
Minh-Duc Nguyen, Helping Link
Maria Batayola, Piony Words Expressed Kultura Arts
Celso Tolman, Fil Am Political Action Group of WA
Andrew W. Smallman, Puget Sound Community School
Rob Efird, PhD, Seattle University
Eddie Lincoln, Seattle University

Beth Takekawa, The Wing Luke Museum
 Teresa Woo
 Maiko Winkler-Chin, Seattle Chinatown International District Preservation and Development Authority (SCIPDA)

The following are the names of the individual gardeners who submitted letters of support:

Jin Xing Wu	Yanfen Huang	Jin-Khoon Chu
Li Zhan Lei	Su Juan Chen	Li- Yun Chu
Mei Qiong Haung	Jin Ju Chen	Sau Ngai Choi
Wu Fuxin	Chan Shiang Chen	Shei- Whay Jou
Hee Woon Hwang	Tin-Yuan Su Lee	Sung Cil Jung
Pan Ye Mo	Min-Chia Su	Tai Chau
Zhanming Li	Hui – Jing Chang	Guijan Chen
Guoying Qin	Yue Mei Chen	Zhao Yu-Chao
Hee Ja Song	Iek C Tong	Xie Pan
Shourong Yi	Jin Ping Liu	Hee Ja Song

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.

The Disposition Procedures provide that FAS assesses 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. The Property Review Process Determination Form prepared for PMA 61, the FAS portion of is attached as Appendix B. Due to the nature of the property, the extent of public comment on the excess property, its value, and the recommendation to sell, disposition of this property is determined to be a “Simple” transaction.

Next Steps

RES publishes this preliminary recommendations report on the RES web site.

RES sends notice of its availability to the Real Estate Oversight Committee (REOC), to all City Departments and Public Agencies that expressed an interest in the Excess Property, and to members of the public who responded to the Initial Public Notice. RES will post a notice sign visible to the public along the street frontage abutting the Excess Property FAS will consider comments on the Preliminary Report for 30 days after the notice is sent.

FAS will include the Preliminary Report with any legislation necessary to implement the recommendation for the excess property. FAS will continue to take public comment, and share that information with the City Council, until the Council reviews and votes on the legislation.

Appendix A
EXCESS PROPERTY DESCRIPTION
FAS portion of Danny Woo Community Garden
February 10, 2014

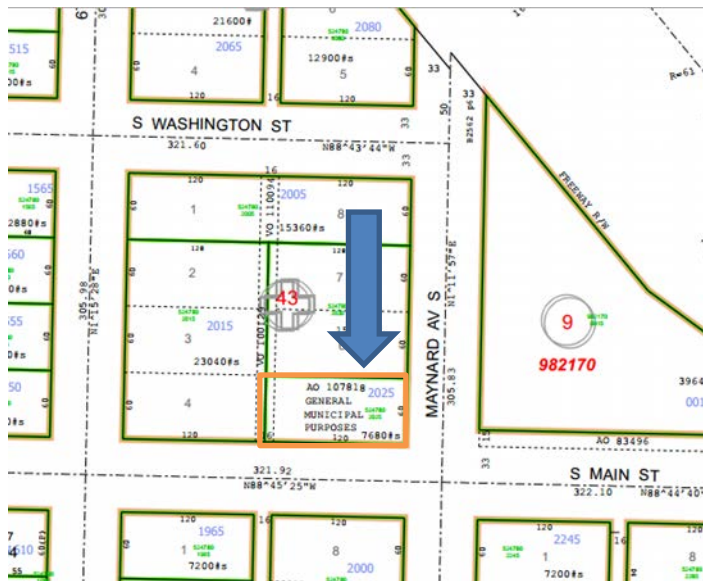
The Department of Finance and Administrative Services, as the Jurisdictional Department of this City owned property has identified the following information about this excess property.

Property Name: FAS portion of Danny Woo Community Garden

PMA	Size	Parcel #	Address	Zoning	2014 Value*	Legal Description
61	7,600 sf	524780-2025	620 South Main Street	IDR 150 **	*\$7,600	The east 92 feet of the south 70 feet of Lot 5, Block 13, Brighton Beach Addition

*Change to state law (RCW 84. 40.045 and 84.40.175) by the 2013 Legislature eliminated revaluation of government owned parcels. 2014 value represents FAS determination of value of property with as modified by proposed restrictions and covenants. King County assessed the value in 2013 to be \$7,600.

** Contains steep slope areas, located in Urban Village and International Special Review District and Downtown Fire District.



Map:

History:

In May of 1939 the City of Seattle, paid Alice Schwartz \$3,093.26 to settle a judgment against the City of Seattle, and upon payment, Alice Schwartz delivered the property free of any claims to the City of Seattle. In June of 1939 the City council determined the property was not needed or useful for municipal purposes, and agreed to sell the property back to Alice Schwartz for \$2,250, with an agreement that City is released for "all claims or damages to said property on account of slides". In October of 1939, the City Council passed an ordinance abrogating the sale of the property to Alice Schwartz, as she did not want to purchase the property.

A 1964 appraisal indicates that the highest and best use of the property was for parking as the previous houses had been removed. The value of the land was determined to be \$3,360.

In 1969 the International District Improvement Associations was established with the provisos to encourage the development and improvement of that area known as the International District of Seattle. The founding article specifies that in the event of liquidation of the corporation, the net assets of the corporation would be distributed to the Model Cities program or another non-profit organization that have same purposes of the International District Improvement Association

In 1971 Daniel Woo petitioned the City Council to vacate a portion of the alley on the west side of the property. The City as the property owner adjacent to the alley received ownership of the adjacent half of the alley.

In 1978 the City of Seattle accepted the deed from the estate of Alice Schwartz for the property.

In 1979 the City Council supported efforts of the Seattle Chinatown International Development Association (SCIDPA) to increase community garden space in the international district.

In 1980 a ten year lease, with provision for an additional ten years was signed with the SCIDPA, which allowed a property management being performed as a subtenant under an agreement with InterIm CDA. Ordinance 108922 specified that SCIPDA provide public services to the City would be equal or greater than value of the fair market rental value of the lease. In 1980 the property was valued at \$46,000, with annual rate of return of 8% would result in rental rate of \$3,680 per year. In 1980 a review of the estimated costs of the benefits provided by the SCIPD was \$9,000 per year.

In 2003 Seattle Parks and Seattle Department of Transportation entered into agreements which allowed InterIm CDA to use Parks and SDOT property in support of the Danny Woo Community Garden.

In 2007 Interim received a grant from the City to improve the Parks and SDOT portions of Danny Woo Community Gardens. InterIm CDA worked with the University of Washington on a design build project that improved a portion of the FAS managed property. A revocable use permit from FAS to InterIm CDA was issued to allow this work to be done.

In 2013 InterIm CDA requested that FAS allow the construction of a community kitchen building on the site to support the education program of the garden. Interim is working with the University of Washington to design and build this project. FAS has not granted this permit.

List of Documents

- 5/23/1939: Fee simple title transfer from Alice Schwartz to The City of Seattle , Recording Number AF 3047070, VOL 1843 PG 651.
- 5/24/1939: Superior Court of the State of Washington for King County, Alice Schwartz vs. City of Seattle, Cause No. 304531: Judgment, Vol. 141 Pg. 278

- 6/22/1939: [Ord. 69285](#), An ordinance relating to and providing for the sale and conveyance to Alice Schwartz of Lot 5, Block 43, D. S. Maynard's Addition to Seattle, and providing the manner of payment therefor. Repealed by Ord. 69543
- 10/23/1939: [Ord. 69543](#), An ordinance relating to and abrogating the sale to Alice Schwartz of Lot 5, Block 43, D. S. Maynard's Addition, and repealing Ordinance No. 69285.
- 7/29/1971: Ord. [100129](#), An ordinance vacating the Alley in Block 43, Plat of the Town of Seattle, as laid out by D. S. Maynard, on petition of Daniel Woo, et al.
- 11/27/1978: [Ord. 107818](#), An Ordinance accepting a deed from Alice Schwartz, a widow, to Lot 5, Block 43, of D.S. Maynard's Addition, for General Municipal purposes.
- 3/21/1980: [Ord. 108922](#), AN ORDINANCE authorizing a lease of certain general municipal property it South Main Street and Maynard Avenue South to the Seattle Chinatown-International District Preservation and Development Authority for a terraced community garden and landscaping for public enjoyment.
- 1/27/1981 **Lease, Comptroller File Number: 290374:** Seattle Chinatown International District PDA Community Garden pursuant to Ordinance 109822.
- 7/15/2007; **Revocable Use Permit** to Interim Community Development Association to allow the placement of benches walls, and trellis.
- 12/10/2013: **Revocable Use Permit** to Interim Community Development Association
- **Acquisition Deeds:**
- 5/23/1939, Fee simple/Fee title Transfer, From Alice Schwartz to The City of Seattle , Recording Number AF 3047070, VOL 1843 PG 651.

Acquisition Fund Source: General Fund

Jurisdictional Departments range of estimated of market value: \$7,600, based upon the value of the land with deed covenant restricting use to open park space. This value is derived and is comparable to the value estimated by the King County Assessor's office of the privately held Woo family owned property that is adjacent. Please note that due to a change in the law (RCW 84. 40.045 and 84.40.175) by the 2013 Legislature eliminated revaluation of government owned parcels. .

Destination of funds upon sale: A portion to the Facility Services Sub-fund for expenses relating to sale of property, with any remainder to be deposited in the General Fund.

Current easements, covenants and restrictions: Revocable Use Permit for use by InterIm CDA for community garden as open space.

Recommended easements, covenants and restrictions upon Transfer: FAS proposes that the property be transferred with Covenants on the Deed stipulating that the property will perpetual used for the support of

the community garden, with a covenant requiring the preservation and maintenance of the property's steep slopes. The property will be subject to easements that will include any existing drainage or utilities that are located on the property.

Potential problems with property and possible measures to mitigate their recurrence: Parcel contains steep slopes and is adjacent to slopes that have previously moved.

Neighborhood: Urban Village and International Special Review District and Downtown Fire District.

Legal Description: Lot 5, Block 43, Plat of Town of Seattle, commonly known as D.S Maynard's Plat of Seattle as recorded in Volume 1 of Plats, Page 23 Records of King County Washington, including the easterly 8 feet of the vacated alley.

Appendix B

PROPERTY REVIEW PROCESS DETERMINATION FORM			
Property Name:	FAS portion of Danny Woo Community Garden		
Address:	620 Main Street, Seattle, WA, 98144		
PMA ID:	PMA 61	Subject Parcels Nos.	524780-2025
Dept./Dept ID:	FAS	Current Use:	Community Garden
Est. Value:	\$ 7,600	Assessed Value:	\$ 7,600
PROPOSED USES AND RECOMMENDED USE			
<i>Department/Governmental Agencies: None</i>		<i>Proposed Use: N/A</i>	
<i>Other Parties wishing to acquire: InterIm CDA</i>		<i>Proposed Use: Community Garden</i>	
RES'S RECOMMENDED USE:			
Sell to Interim CDA with restrictions on title regarding steep slopes and use of property.			
PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)			
1.) Is more than one City Dept./Public Agency wishing to acquire?	<input checked="" type="radio"/> No / Yes		15
2.) Are there any pending community proposals for Reuse/ Disposal?	<input checked="" type="radio"/> No / Yes		15
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?	No / <input checked="" type="radio"/> Yes		15
4.) Will consideration be other than cash?	No / <input checked="" type="radio"/> Yes		10
5.) Is Sale or Trade to a private party being recommended?	<input checked="" type="radio"/> No / Yes		25
6.) Will the proposed use require changes in zoning/other regulations?	<input checked="" type="radio"/> No / Yes		20
7.) Is the estimated Fair Market Value between \$250,000-\$1,000,000?	<input checked="" type="radio"/> No / Yes		10
8.) Is the estimated Fair Market Value over \$1,000,000?	<input checked="" type="radio"/> No / Yes		45
Total Number of Points Awarded for "Yes" Responses:			25
Property Classification for purposes of Disposal review: <input checked="" type="radio"/> Simple <input type="radio"/> Complex (circle one) (a score of 45+ points result results in a "Complex" classification)			
Signature: Daniel Bretzke, AICP	Department: FAS	Date: February 10, 2014	