

July 16, 2020

## MEMORANDUM

**To:** Seattle City Councilmembers  
**From:** Brian Goodnight, Analyst  
**Subject:** Council Bill 119828: South Spoils Yard Acquisitions

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On July 20, 2020, the Council will discuss and possibly vote on [Council Bill \(CB\) 119828](#), proposed legislation that would authorize Seattle Public Utilities (SPU) to acquire four properties to be used to create a material and spoils storage yard for water system projects. This memo provides background information on the purpose of the acquisitions and describes the acquisition details.

### Background

Since 2006, SPU has leased property in South Seattle near 1<sup>st</sup> Avenue S. and S. Mead St. to store excavation material and spoils related to water infrastructure projects. A materials storage facility is necessary for the efficient installation, maintenance, and repair of the City's water infrastructure. In performing work on water infrastructure, including pipeline ruptures, SPU crews must have immediate access to backfill material to fill excavations. Additionally, the storage yard is used to store excavated soils and concrete or other paving remnants until those materials can be properly recycled or disposed.

During this 14-year period, SPU has been interested in acquiring suitable property that could be used as the permanent location for materials storage in South Seattle. The property must be industrial-zoned and be located near SPU's Operations Control Center for crew efficiency. SPU has a similar material storage facility in North Seattle, co-located with its North Operations Center, for servicing projects in the northern portion of the city.

In late 2017, SPU launched a property search and, after evaluating multiple options, in mid-2019 identified the properties that are the subject of this legislation. Once the suitability of the properties was confirmed, SPU contractors conducted environmental assessments and appraisals on the properties. The department believes that owning the material storage facility will reduce its operating costs over the long term by eliminating the leasing costs for the current property and the potential for those costs to rise in the future.

### Property Acquisitions

In late 2019, SPU reached agreement with three property owners for the purchase of four parcels located near Airport Way S. and S. Spokane St. The four parcels are able to be combined into one site to act as the storage yard, are located approximately one-half of a mile south of SPU's Operations Control Center, and the agreed upon purchase prices are all within or below the appraised valuation ranges.

Maps of the parcels are attached to CB 119828 as:

- [Attachment 2](#)
- [Attachment 4](#)
- [Attachment 6](#)

The combined cost of the acquisitions, approximately \$4.7 million, would be funded entirely by SPU's Water Fund. Additionally, that cost is within the approved appropriation authority for the department's Capital Improvement Program project, titled Operation Facility – Construction, which would also fund the necessary redevelopment of the site. Lastly, although the purchases are occurring with willing sellers, Section 3 of the bill would authorize the City Attorney to commence proceedings to acquire the properties by condemnation if necessary. This provision has been included in the bill at the request of the sellers for tax purposes.

cc: Kirstan Arestad, Executive Director  
Dan Eder, Deputy Director