

SUMMARY and FISCAL NOTE*

| Department: | Contact Person/Phone: | Executive Contact/Phone: |
|---------------------------------------------|------------------------------|---------------------------------|
| Seattle Department of Transportation (SDOT) | Larry Huggins/684-5001 | Christie Parker /684-5211 |
| Finance and Administrative Services (FAS) | Daniel Bretzke/733-9882 | Katherine Tassery/615-0703 |

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Seattle Department of Transportation jurisdictional property located in Lots 1, 2, and 3, Block 13, Lake View Addition to the City of Seattle, commonly referred to as 805 NE Northlake Place (“Property”) and declaring it as surplus to the City’s needs; superseding in part Ordinance 114502 relating to the sale of the Property; authorizing the sale of the Property for fair market value through a negotiated sale to the University of Washington, and if such sale is not completed within one year of being offered for sale then through an open and competitive sales process to be managed by the Department of Finance and Administrative Services; authorizing the Director of Transportation, or his designee, to execute all necessary documents to accomplish the sale of the Property; and designating the proceeds from the sale.

Summary and background of the Legislation:

The property is under the jurisdiction of the Seattle Department of Transportation. This property is located at 805 NE Northlake Place and is located between NE Northlake Way and NE Northlake Place. The property was purchased in 1971 for the purpose of relocating NE Pacific Street which was subsequently widened instead of relocated. Previous council authorization to sell the property was granted but the property was not sold due to the property being occupied by a long term tenant. Now that this tenancy has been terminated, new Mayor and Council authority is needed to sell the property. The property is located in an industrial zone with a major institution (University of Washington) overlay zone. The University of Washington has expressed interest in purchasing the property at fair market value. After a review of the potential reuses by other City departments, including the Office of Housing, the Department of Finance and Administrative Services (FAS) recommends that the property be offered for sale to the University of Washington through a negotiated sale at fair market value. If a negotiated sale with the University of Washington is not completed within a year, then the property should be sold at fair market value through an open and competitive process.

Revenues from the property sale will be used to reimburse FAS for staff time and professional services, with the remainder deposited in the Transportation Operating Fund to be used for highway purposes consistent with the Eighteenth Amendment of the State Constitution.

2. CAPITAL IMPROVEMENT PROGRAM

☐ This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

☒ This legislation has direct financial implications.

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

☒ This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

| Fund Name and Number | Dept | Revenue Source | 2016 Revenue | 2017 Estimated Revenue |
|-----------------------------------|------|------------------|------------------|------------------------|
| City Street Fund (10340) | SDOT | Sale of property | \$125,000 | |
| Facility Services Subfund (50330) | FAS | Sale of property | \$45,000 | |
| TOTAL | | | \$170,000 | |

Revenue/Reimbursement Notes:

FAS will be reimbursed from the sale proceeds for consultant professional services and FAS staff time used to prepare the property for sale, which included clean up, environmental review, and partial demolition of the building.

FAS has estimated that the value for this property (as an environmentally clean and vacant site) is between \$170,000 and \$288,000. The fair market value will be determined by appraisal.

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

Yes, the City will receive funds for the sale of the property it no longer needs and the property will be returned to the tax rolls and contributing tax revenues.

b) Is there financial cost or other impacts of not implementing the legislation?

Yes, the City will continue to own a property that is not essential to the needs of the City, and will continue to accrue expense relating to maintaining the property.

- c) **Does this legislation affect any departments besides the originating department?**
FAS is managing the reuse and disposition review process, and will be managing the sale of the property that the Seattle Department of Transportation has jurisdiction over.
- d) **Is a public hearing required for this legislation?**
No public hearing is required.
- e) **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**
No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No publication is required.
- g) **Does this legislation affect a piece of property?**
Yes, a map is provided as Attachment A.
- h) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
The sale of this property will not affect vulnerable or historically disadvantaged communities.
- i) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**
This legislation is not part of a new initiative.
- j) **Other Issues:**
No.

List attachments/exhibits below:

Attachment A: Property Map