

# Sale of SDOT's Brickyard Property

Presentation to Finance and  
Neighborhoods Committee

Seattle Department of Transportation  
Seattle Finance and Administrative Services  
Seattle Office of Economic Development

September 12, 2018



**City of Seattle**

# Overview

- FAS – on behalf of SDOT – seeks authority to sell SDOT’s 15,000-square-foot Brickyard property located at 3819 Fourth Ave. NE.
- Sales price of not less than \$2.575 million.
- Proceeds to SDOT’s Transportation Fund, fund number 13000.
- Pursuant to first recommendation in Final Recommendation Report on Reuse and Disposal of SDOT’s Brickyard Property, FAS is in the process of negotiating a direct sale to Dunn Lumber, owner of abutting properties.







# Background and History (continued)



- Property is zoned IC-45, a designation in which residential uses are prohibited.
- Property abuts the Burke Gilman trail (shown in green). Trail remains in public right-of-way; not part of transaction.
- Remainder of the block is owned by Dunn Lumber.

# Background and History (continued)



- Steep slopes along the property’s north side are its prominent feature.
- In September 2015, Dunn Lumber expressed interest in purchasing the property from SDOT.
- In 2017, SDOT declared the property excess to its needs, triggering a lengthy evaluation of the property pursuant to the City’s Procedures for the Evaluation of the Reuse and Disposal of the City’s Real Property (the “Disposition Procedures”).

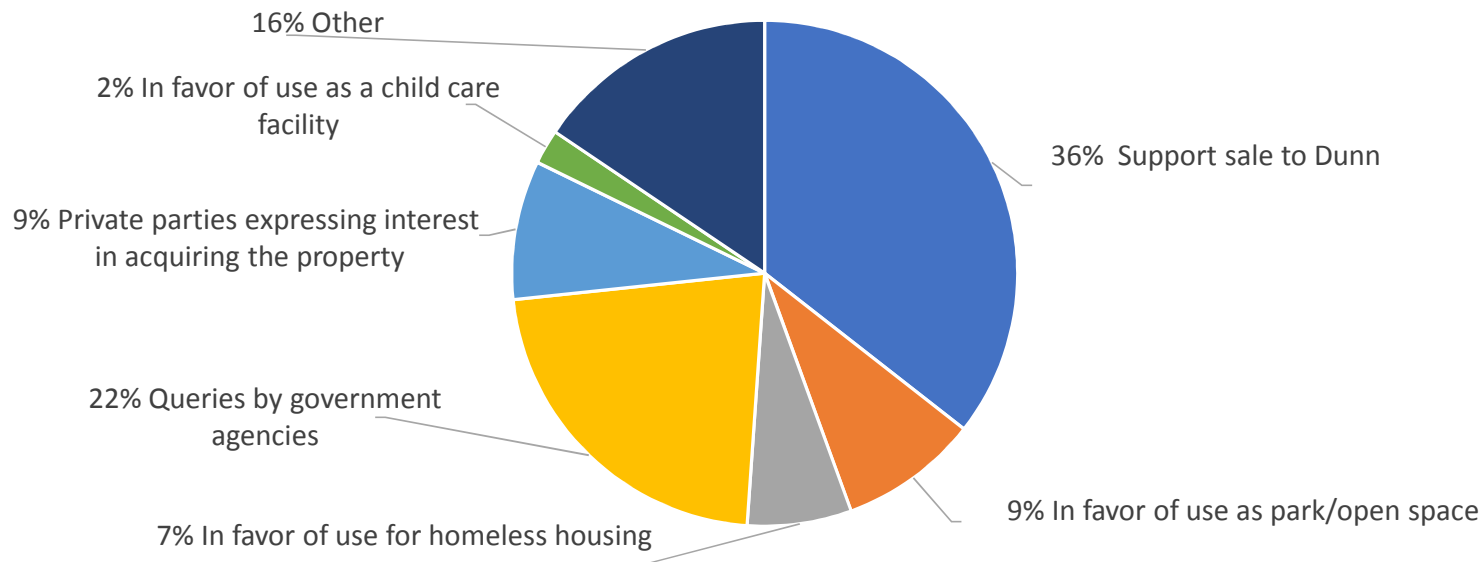
# Outreach Efforts Pursuant to Disposition Procedures

- Distribution of two sets of excess property notices to owners and residents with property interests situated within 1,000 feet of the property.
- Preparation and distribution of Preliminary (and Final) Recommendation Report on the Reuse and Disposal of SDOT's Brickyard Property.
- Posting of signs on the property.
- February 2018 presentation to the Wallingford Community Council.



# Response to Outreach Efforts

- Received comments from approximately 45 people, distributed as follows:



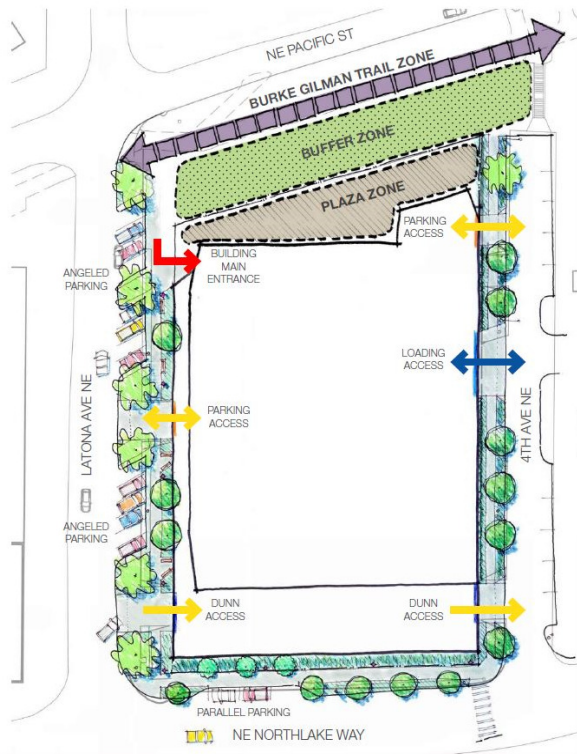
# Response to Outreach Efforts (continued)

- Received letters from the following organizations in support a sale of property to Dunn Lumber:  
Cascade Bicycle Club, Feet First, Northlake Tavern, Voula's Offshore Café, Explorer Properties/B & N Fisheries, Deeds and Kurashige, Johnston Architects, Ivar's Restaurants, Wallingford Community Council
- Seattle Office of Housing, Parks and Recreation and Department of Neighborhoods each expressed no interest in the property (see Final Recommendation Report Attachments D, E and N).





# Response to Outreach Efforts (continued)



- Wallingford Community Council supports the sale of the property to Dunn Lumber, and takes the position that a re-development of the entire block by Dunn Lumber would create an opportunity for:

A connection from the Burke-Gilman Trail to Waterway 15; and

An urban rest stop connecting the north side of the property and the south side of the Burke-Gilman Trail.

# Offer by Dunn Lumber

- This summer Dunn Lumber offered SDOT \$2.575 million for the property.
- Offered price is well above appraised value pursuant to appraisal commissioned by FAS in fall 2017.
- \$2.575 million equals \$170/SF of land. This is consistent with prices for other recent, comparable sales of IC-45 land north of downtown.
- With direct sale to Dunn Lumber, the City avoids the expense of a real estate commission which for a property of this value is typically 5% of the price, or \$129,000.
- Expected to close within 90-150 days of the execution of the purchase and sale agreement. Closing is not contingent on Dunn Lumber securing permits, unusual in a market where a purchaser intending to redevelop a large property will usually have as a contingency the procurement of all permits necessary for the redevelopment.



# Advantages of a Sale to Dunn Lumber



Conceptual rendering furnished by Dunn Lumber.

- Create new lumber loading area so Dunn, a legacy Seattle company, can remain in Lower Wallingford.
- Community support for a sale to Dunn Lumber is strong.
- Dunn Lumber project aligns with goals for the Burke-Gilman trail.
- Is consistent with one of the vision statements of the most recent (1998) Wallingford Neighborhood Plan, to wit: “a community...where people can work and shop at a variety of local businesses, and where those businesses can thrive.” (See Attachment C to the Final Recommendation Report).