

SUMMARY and FISCAL NOTE*

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* 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

a. Legislation Title: AN ORDINANCE authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities to enter into agreements with the Port of Seattle and BP West Coast Products LLC for the purposes of satisfying utility-related conditions for the Port’s street vacation petition for its Terminal 18 Redevelopment Project on Harbor Island, City of Seattle Clerk File No. 301929; declaring certain easement rights located on Harbor Island as no longer required for municipal utility purposes and surplus to the City’s needs; and ratifying and confirming certain prior acts.

b. Summary and background of the Legislation:

The Port of Seattle in 1998 petitioned Seattle Public Utilities to vacate certain streets for the expansion of the Port’s Terminal 18 facility. The next year, the City and the Port entered into the Harbor Island Redevelopment Agreement. The agreement included construction, relocation, transfer and abandonment plans for Port- and City-owned water, storm drainage and sewer facilities, as well as a final infrastructure ownership scheme. It also included an environmental and safety agreement.

This proposed Council bill would resolve SPU’s utility issues related to these street vacations on Harbor Island (City Clerk File No. 301921). The legislation would authorize SPU to enter into the following agreements:

- A. *Port Granted Overall Utility Easement for Terminal 18.* This master easement would transfer 11 easement areas from the Port of Seattle to the City (through SPU) for municipal water, stormwater and sewer infrastructure, as well as environmental protocols to specify responsibilities for working in contaminated soils.
- B. *SPU-Port of Seattle Transfer Agreement.* The transfer agreement documents final ownership of various municipal and Port water, stormwater and sewer assets.
- C. *Port Granted Public Access Easement Agreement.* This access easement provides access to the public and SPU, enabling room to turn around large vehicles or to access easement areas no longer accessible by right-of-way.
- D. *Easement Agreement between BP West Coast Products LLC and SPU.* During redevelopment, City water and stormwater drainage facilities were relocated along the boundary of BP-owned property. The easement allows the City to access and maintain the facilities.

The final SDOT street vacation ordinance for Terminal 18 will be completed separately and will reference this SPU legislation.

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project? ___ Yes x No

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? ___ Yes x No
- b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
The Master Easement contains environmental protocols that more clearly define the Port and SPU responsibilities for cost and working in the Superfund locations than described in the 1999 Redevelopment Agreement. The legislation also transfers certain assets to the Port as contemplated in the 1999 Redevelopment agreement and as practically worked out by SPU and Port staff during the preparation of the easement and transfer agreements. Because of these changes, SPU can expect a decrease in financial risk and uncertainty related to these assets and easements.
- c. Is there financial cost or other impacts of *not* implementing the legislation?
The vacation petition has been approved by the Seattle City Council subject to all the conditions imposed by Council. This package is satisfaction of the utility-related conditions. Not implementing this legislation may prevent the final vacation package from being completed or if the final vacation package were completed without this legislation, SPU's significant utility infrastructure on Harbor Island may not be adequately protected. In addition, this legislation minimizes financial uncertainty and risk by better specifying rights, protections, and responsibilities of SPU assets. Not implementing this legislation would result in a continuation of that risk.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
The SPU Terminal 18 street vacation package is part of the Seattle Department of Transportation Street Vacation process.
- b. Is a public hearing required for this legislation?
Yes, pursuant to RCW 39.34.040, declaring the utility easements as surplus requires a public hearing.
- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?
No

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

e. Does this legislation affect a piece of property?

The Port (and BP) is granting utility easements for Seattle Public Utilities and transfers certain water, drainage and sewer assets from the City to the Port and from the Port to the City.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

None identified.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

Not applicable.

h. Other Issues:

List attachments/exhibits below: