

SUMMARY and FISCAL NOTE

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|--------------------------|-----------------------|---------------------|
| Department: | Dept. Contact: | CBO Contact: |
| Seattle Public Utilities | Bryan Solemsaas | Akshay Iyengar |

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the acquisition of real property by negotiation or eminent domain (condemnation) of seven separate parcels of land (“Properties”) or eminent domain (condemnation) of leases identified as King County Parcel Number 7327903645 located at 7760 8th Avenue South, King County Parcel Number 7327902490 located at 803 South Chicago Street, King County Parcel Number 7327902480 located at 811 South Chicago Street, King County Parcel Number 7327902520 located at 7814 8th Avenue South, King County Parcel Number 7327902500 located at 7808 8th Avenue South, King County Parcel Number 7327902510 located at 836 South Kenyon Street, and King County Parcel Number 7327902395 located at 850 South Kenyon Street; authorizing the General Manager and Chief Executive Officer of Seattle Public Utilities to execute all documents and take other necessary actions to complete the Properties’ acquisition, including acceptance and recording of the deeds; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: This ordinance would authorize The City of Seattle to acquire fee-ownership of four (4) parcels of land from Silver Bay Logging, Inc., one (1) parcel of land from RJ & BA, LLC, one (1) parcel of land from Jamma, LLC., and one (1) parcel of land from Stanley Moshier Jr., for the South Park Water Quality Facility Project.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

No

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

There is budget authority to purchase the seven (7) parcels at fair market value from the DWW funds. The DWW funds have allocated \$2,800,000 for property acquisition for this Project. A summary of property acquisition costs for each of the parcels is provided below. A Purchase and Sale Agreement for the four (4) Silver Bay Logging, Inc. parcels has been signed. Purchase and Sale Agreement negotiations are ongoing for the remaining three (3) parcels.

| Address | Owner | Funding Source | Funding Amount | SPU DWW Funding | Appraised Value** |
|---|--------------------------|---|---------------------------------------|--------------------|---------------------|
| 7760 8 th Ave S., 803 S. Chicago St, 811 S. Chicago St, 7814 8 th Ave S. | Silver Bay Logging, Inc. | SPU DWW fund and Silver Bay | \$150,000 (DWW) Donation (Silver Bay) | \$150,000 | \$9,750,000 |
| 7808 8 th Ave S. | RJ & BA, LLC | SPU DWW fund | \$800,000 | \$800,000 | \$800,000 |
| 836 S. Kenyon St | Jamma, LLC | SPU DWW fund and WA State Capital Budget Request* | \$295,000 (DWW) \$1,250,000* (State) | \$295,000 | \$1,545,000 |
| 850 S. Kenyon St | Stanley Moshier Jr | King County Conservation Futures Tax Grant | \$500,000 | \$0 | \$485,000 |
| TOTAL | | | \$2,995,000 | \$1,245,000 | \$12,580,000 |

*Funding included in the State capital budget approved on March 7, 2024.

**Appraised values assume the properties are free of any contamination. However, previous investigations have identified the presence of contaminants on-site.

Please describe any financial costs or other impacts of *not* implementing the legislation.

The South Park Water Quality Facility Project will not be able to move forward and meet the Department of Ecology Consent Decree deadline without the acquisition of these properties.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.

This legislation will not affect any other departments.

b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.

Yes, this legislation would authorize The City of Seattle to acquire fee-ownership of seven (7) parcels for the South Park Water Quality Facility Project.

c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

South Park is one of Seattle's top tier racial and social equity priority areas. Acquisition of these seven parcels will allow SPU to meet several community goals and outcomes expressed in the City's RSJI 2022-2026 Strategic Plan, Duwamish Valley Action Plan, and the Racial Equity Toolkit developed for the South Park Water Quality Facility.

More specifically, purchase of these properties will allow the project to:

- Conduct deep community engagement that builds trust with residents and businesses in South Park's lower industrial area, which is expected to experience the majority of future sea level rise impacts to the City.
- Construct a facility that will treat polluted stormwater from the surrounding area before it discharges to the Duwamish, contributing to a cleaner river for people and fish.
- Facilitate physical connection to and along the river via open green space that is City-owned and collaboratively designed.

The project's community engagement plan will be in alignment with OIRA's language access best practices.

- ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

Please see Summary Exhibit A.

- iii. What is the Language Access Plan for any communications to the public?**

The Project's community engagement plan will be in alignment with OIRA's language access best practices.

d. Climate Change Implications

- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

Purchase of these properties is not likely to increase carbon emissions in a material way. The main industrial traffic currently circulating in and out of the Silver Bay site are trucks transporting or dropping off gypsum, which contribute to the high level of diesel emissions generated in and around South Park given its proximity to major and minor highways and freight corridors. Aside from normal construction traffic related to the construction of the water quality facility on the purchased properties, emissions are not anticipated to increase. More likely, the project will result in a net decrease in emissions given the Duwamish Valley Action Plan's prioritization of green space and trees.

- ii. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

Purchase of these properties will increase Seattle’s resilience to climate change. The Duwamish is a tidal river that will increasingly overtop its banks in the coming decades as the area experiences sea level rise resulting from a warming climate. Construction of the water quality facility, along with SPU’s stormwater pump station and improvements to stormwater conveyance infrastructure that carry stormwater out of the neighborhood to the river, will work in conjunction with SLR adaptation strategies that are being co-created with community via the Duwamish Resilience District to reduce flooding, increase community health and wealth, boost workforce development, and safeguard the industrial economy.

- e. **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)? What mechanisms will be used to measure progress towards meeting those goals?**

Not applicable.

5. CHECKLIST

- Is a public hearing required?
- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?
- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?
- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?

6. ATTACHMENTS

Summary Attachments:

Summary Exhibit A - Racial Equity Toolkit for South Park Water Quality Facility Project