

CITY OF SEATTLE
ORDINANCE 127253
COUNCIL BILL 121014

AN ORDINANCE relating to Seattle Public Utilities; authorizing a direct sale of real property identified in King County records as parcel 162206-9049-04, a portion of Lake Youngs Aqueduct Right-of-Way in King County, Washington to Sherrell Development LLC, establishing the fair market value for said parcel; and authorizing the General Manager/CEO of Seattle Public Utilities to execute all documents and take other necessary actions to complete the sale of the property; designating the proceeds from the sale; and ratifying and confirming certain prior acts.

WHEREAS, pursuant to Ordinance 52768, The City of Seattle acquired certain properties, referred to as the Lake Youngs Aqueduct Right-of-Way (Properties); and

WHEREAS, Resolution 27707, adopted February 8, 1988, declared the Property acquired under Ordinance 52768 surplus to the City's needs and authorized its sale to abutting owners or others at fair market value; and

WHEREAS, one parcel of the acquired Property, described as King County parcel #162206-9049-04 at 23611 Maple Valley-Black Diamond Rd SE, King County WA, remains in City ownership; and

WHEREAS, an abutting landowner approached Seattle Public Utilities (SPU) on November 22, 2023, to purchase the Property; and

WHEREAS, SPU determined the Property is no longer needed for municipal water purposes, and declared it excess to its needs; and

WHEREAS, after negotiations, the abutting landowner and SPU agreed on terms and fair market value based on a professional appraisal; and

WHEREAS, the SPU General Manager/CEO recommends the sale and conveyance of the Property to the abutting landowner; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Pursuant to RCW 35.94.040, the sale of the following described real property

(the Property):

THAT PORTION OF THE 100-FOOT-WIDE CITY OF SEATTLE PIPELINE RIGHT-OF-WAY AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 201476, PURSUANT TO ORDINANCE NO. 52768, IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 22 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, LYING WESTERLY OF THE COLUMBIA AND PUGET SOUND RAILROAD COMPANY RIGHT-OF-WAY.

SITUATE IN THE CITY OF MAPLE VALLEY, COUNTY OF KING, STATE OF WASHINGTON.

to Sherrell Development, LLC, a Washington State Limited Liability Company (Sherrell), for a fair market value of \$44,625 and on other terms and conditions set forth in the agreement attached to this ordinance as Attachment 1, is authorized.

Section 2. Proceeds from the sale of the Property shall be deposited in the Water Fund.

Section 3. Any act consistent with the authority of this ordinance taken prior to its effective date is ratified and confirmed.

Section 4. This ordinance shall take effect as provided by Seattle Municipal Code
Sections 1.04.020 and 1.04.070.

Passed by the City Council the 15th day of July, 2025,
and signed by me in open session in authentication of its passage this 15th day of
July, 2025.



President _____ of the City Council

☒ Approved / ☐ returned unsigned / ☐ vetoed this 18th day of July, 2025.



Bruce A. Harrell, Mayor

Filed by me this 18th day of July, 2025.



Scheereen Dedman, City Clerk

(Seal)

Attachments:
Attachment 1 – Purchase and Sale Agreement for property at 23611 Maple Valley-Black
Diamond Rd. SE

**REAL ESTATE
PURCHASE AND SALE AGREEMENT**

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this "Agreement") is effective as of November 22, 2023 (the "Effective Date") and entered into by and between THE CITY OF SEATTLE ("Seller"), and SHERRELL DEVELOPMENT, LLC, a Washington limited liability company ("Buyer").

1. **BUYER:** Buyer agrees to buy the Property (as defined below) from the Seller for the consideration and subject to the terms, provisions, and conditions of this Agreement. With prior written notice to Seller, Buyer shall have the right to assign this Agreement to an existing entity related to Buyer, or an entity to be formed which shall be owned by Buyer, having assets sufficient to complete the purchase, prior to or at closing, but Buyer shall remain liable for the full and faithful performance of this Agreement and shall not be released.
2. **SELLER:** Seller agrees to sell the Property to the Buyer for the consideration and subject to the terms, provisions, and conditions of this Agreement.
3. **PROPERTY:** The subject property is vacant real property located at 23611 Maple Valley-Black Diamond RD SE, King County, WA, tax parcel 162206-9049-04, legally described on attached Exhibit A, together with all improvements thereon and appurtenances thereto (the "Property"). Transfer of title to the Property to Buyer shall include all of Seller's right, title, and interest in and to all streets, alleys, roads, and avenues adjoining the Property, if any. The Property shall be conveyed to Buyer at Closing via a Bargain and Sale Deed, subject only to exceptions disclosed in the title insurance policy and approved by Buyer prior to expiration of the Due Diligence Period (as defined below).
4. **PURCHASE PRICE:** The purchase price for the Property shall be \$44,625.00 (the "Purchase Price"), to be paid in cash, electronic transfer, cashier's check, or bank money order at Closing (as defined below).
5. **CLOSING COSTS/PRORATIONS:**

5.1 Seller's Costs. At Closing, Seller shall pay (i) the State of Washington real estate excise taxes and all transfer taxes on the conveyance (unless an excise tax exemption is applicable to this transaction), (ii) Buyer's standard coverage owner's title insurance policy, (iii) one-half of the closing agent's closing-escrow fee and recording fees, and (iv) any real estate broker commissions related to this transaction owed by Seller per this Agreement, if any.

5.2 Buyer's Costs. At Closing, Buyer shall pay (i) one-half of the closing agent's escrow fees, (ii) standard usual and customary recording fees, (iii) a \$7,115.00 legislative and administrative fee to Seller, (iv) the cost of any extended title insurance policy or endorsements providing coverage in addition to the Seller provided standard title policy set forth above; and (v) any real estate broker commissions related to this transaction owed by Buyer per this Agreement, if any.

5.2(a). Upon mutual acceptance of the Purchase and Sale Agreement, Buyer shall pay a non-refundable \$7,115.00 legislative and administrative fee to Seller.

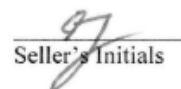
5.3 Taxes and Utilities. Real estate taxes and the current installments of both general and special assessments constituting liens on the Property for the then-current tax period shall be prorated between the Buyer and the Seller as of Closing. Any real estate taxes and installments of general or special assessments due and payable for any prior tax period, together with interest and penalties, if any, shall be paid on or before Closing by

the Seller. All utilities and deposits on account thereof shall be prorated or credited between the Buyer and the Seller as of Closing.

5.4 All other escrow and closing costs shall be borne and paid in accordance with the custom and practice prevailing as of Closing in King County, Washington.

6. **EARNEST MONEY:** Buyer shall, upon signed offer and acceptance of this Agreement, deposit \$4,462.50 dollars as earnest money ("Earnest Money") with Title Company (as defined below), which shall be held until Closing of the transaction or termination of this Agreement, and if this transaction closes then the Earnest Money shall be applied to the Purchase Price at Closing. Chicago Title Insurance company shall be the title insurance company and the escrow agent (collectively the "Title Company"). If Buyer fails or refuses to close the transaction per the terms of this Agreement, without legal cause, the Earnest Money shall be retained by Seller as liquidated damages and not as a penalty. The party holding the Earnest Money is dissolved from any responsibility to make payment to the Seller or Buyer unless the parties entered into a mutual release, or a Court issues an order for payment.
7. **CLOSING DATE/MEMO OF PURCHASE AGREEMENT:** Closing of this transaction and the transfer of the Property to Buyer ("Closing") shall take place at a mutually acceptable date that is on or before 60 days after approval by City of Seattle ordinance, but in no event later than December 31, 2025 (the "Closing Date") at Title Company's Seattle office. Buyer may, at its election and cost, record a "memo of purchase agreement" against the Property at any time prior to the Closing Date.
8. **TITLE:** Seller shall provide Buyer, at Seller's expense, with a standard ALTA owner's policy of title insurance in the amount of the purchase price issued by the Title Company, effective as of the date of closing. Seller shall provide Buyer a commitment to issue such a standard ALTA owner's policy of title insurance in the amount of the Purchase Price insuring marketable title vested in Buyer, including a real estate property tax status report, within ten (10) days after this Agreement is fully executed (the "Title Report"). Buyer shall have until the expiration of the Due Diligence Period to review and approve or disapprove the contents and encumbrances set forth in the Title Report. If Buyer objects to anything in the Title Report and provides written notice to Seller of such title objections, and if Seller fails to cure such objection(s) to Buyer's satisfaction prior to the expiration of the Due Diligence Period, Buyer may terminate this Agreement and receive a refund of the Earnest Money. If after expiration of the Due Diligence Period and prior to the Closing Date there is any change to the Property Title Report, such change shall be communicated in writing to Buyer and Buyer shall have ten (10) days after receipt of such information to review and approve or disapprove such new encumbrance(s) or matters. If Buyer disapproves of the new encumbrance(s)/matters, then Buyer may elect to terminate this Agreement and receive a refund of the Earnest Money. Under no circumstances shall the Seller be liable for nonperformance by reason of defective title except to cause the return of the Earnest Money.
9. **TAXES AND SPECIAL ASSESSMENTS.** Property taxes and special assessment shall be prorated to the Closing Date with Seller responsible for all such taxes and assessments incurred prior to the Closing Date, and Buyer responsible for all taxes and assessments incurred from the Closing Date forward.
10. **POSSESSION:** Buyer shall have possession of the Property on the Closing Date.


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Seller's Initials

11. OPERATIONS PRIOR TO CLOSING: From the Effective Date until the Closing Date, Seller:

- a. Shall operate and maintain Property, and perform all routine maintenance in accordance with Seller's past practices with respect to Property.
- b. Is self-insured and shall remain liable with respect to damage or injury to persons or property occurring on Property.
- c. Shall continue to pay, or cause to be paid, all taxes, utilities, and other obligations due.
- d. Shall not initiate or consent to any material zoning reclassification of the Property or any material change to any approved site plan, special use permit, planned unit development approval or other land use entitlement affecting the Property without the Buyer's prior written consent, which may be granted or withheld at the Buyer's sole discretion.

12. RISK OF LOSS. Damage by fire or other casualty to the Property or any part of Property prior to Closing shall be the risk of Seller. If, between the Effective Date and the Closing Date, all or any part of the Property is damaged by fire or natural elements or other causes beyond Seller's control which cannot be repaired prior to the Closing Date, or any part of the Property is taken pursuant to any power of eminent domain, Seller shall immediately notify Buyer of such occurrence, and Buyer may terminate this Agreement by written notice to Seller within fifteen (15) business days after the date of damage or notice of taking. If Buyer exercises the right to terminate this Agreement, the Earnest Money shall be returned to Buyer and this Agreement shall be null and void. If Buyer does not elect to terminate this Agreement, there shall be no reduction of the Purchase Price and, at Closing, Seller shall assign to Buyer whatever rights Seller may have with respect to any insurance proceeds or eminent domain award.

13. DUE DILIGENCE PERIOD: Buyer's obligations under this Agreement are contingent upon a satisfactory inspection of the Property, at Buyer's expense, by an inspector of Buyer's choice, and Buyer's approval of the Title Report and all aspects of the Property no later than 5:00 p.m. PST thirty (30) days after the Effective Date (the "Due Diligence Period"). Buyer reserves the right to inspect, or have inspected, all aspects of the Property and its surroundings, which may include, but not be limited to: the zoning, use and occupancy laws and ordinances, as well as any other inspections to determine the condition of the Property and surrounding grounds. The Property shall be sold "as is" and "where is" with all faults and defects, including patent and latent defects, known and unknown, and will rely on Buyer's own investigation and not on any representations or warranties provided by Seller. If Buyer is not satisfied with the results of this inspection, prior to the expiration of the Due Diligence Period, Buyer shall provide a written report to Seller informing Seller of the inspection issues. Seller shall then have ten (10) business days in which to cure any stated defects found upon inspection. If Seller fails to cure such defects within said period, upon receipt of written notice delivered to Seller, then this Agreement shall be null and void and the Earnest Money shall be returned to Buyer.

Notwithstanding anything herein to the contrary, if Buyer, in its sole judgment, determines the subject Property is not in satisfactory condition, or, if for any other reason whatsoever wishes to terminate this Agreement, Buyer may, at its sole option, cancel this Agreement prior to the expiration of the Due Diligence Period or within three (3) days after expiration of Seller's cure period as set forth above by written notice to Seller, and the Earnest Money shall be refunded to Buyer and this Agreement shall be null and void and of no further force or effect.


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Buyer shall indemnify, defend, and hold Seller harmless from and against any damages, costs, expenses or liabilities incurred by Seller as a result of Buyer's inspections as provided herein, unless such damages result from the gross negligence or willful misconduct of Seller, its employees, agents, assigns, or invitees. Buyer shall restore the Property to the condition that existed prior to Buyer's inspections.

In the event that Seller has not received from Buyer a written notice canceling the Agreement within the said periods specified herein, then the said conditions contained in this section shall be considered to have been satisfied and waived and both parties shall proceed to closing.

- 14. NOTICE REGARDING HAZARDOUS WASTES OR SUBSTANCES AND UNDERGROUND STORAGE TANKS:** Although Seller will disclose any knowledge it actually possesses with respect to the existence of hazardous wastes or substances, or underground storage tanks on the Property, Seller has not made investigations or obtained reports regarding the existence or nonexistence of hazardous wastes or substances, or underground storage tanks on the Property. Seller has not made notice of the same, except as may be described in a separate written document signed by Seller. Seller makes no representations regarding the existence or nonexistence of hazardous wastes or substances, or underground storage tanks on the Property and Buyer should contact a professional, such as a civil engineer, geologist, industrial hygienist, or other persons with experience in these matters to advise them concerning the Property.
- 15. FIRPTA:** The Seller and Buyer represent and warrant that they are not a "foreign person" or "foreign entity" as defined in the Foreign Investment in Real Property Tax Act (FIRPTA), IRC 1445 and shall execute any affidavits and/or statement that may be necessary to carry out the provisions of FIRPTA and regulations promulgated thereunder.
- 16. DEFAULT BY BUYER:** In the event of the default by the Buyer of any terms herein, the Seller shall retain the Earnest Money as liquidated damages and not as a penalty as Seller's sole and exclusive remedy.
- 17. DEFAULT BY SELLER:** In the event of a default by the Seller of any terms herein, the Buyer may, at Buyer's sole option, elect to enforce the terms hereof by specific performance, or receive an immediate refund of the entire Earnest Money in full termination of this Agreement.
- 18. SELLERS DOCUMENTATION:** Seller has no documentation to share with Buyer.
- 19. SELLERS REPRESENTATIONS AND WARRANTIES:** Seller represents and warrants to Buyer as follows:
- a. Authority and Title - Seller is the owner of the Property and has the power and authority to enter into this Agreement.
 - b. Violations – To the best of Seller's actual knowledge, without duty to investigate, Seller is not aware of any pending violations of any law, ordinance or, regulation applicable to the Property or any failure of the Property to comply with the applicable zoning laws and regulations. Performance of the obligations of Seller will not violate any contract, indenture, statute, ordinance, judicial or administrative order, or judgment applicable to Seller or the Property.




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- c. Litigation - To the best of Seller's actual knowledge, without duty to investigate, Seller is not aware of any pending or threatened lawsuits, actions or proceedings against Seller with respect to or against the Property. To the best of Seller's actual knowledge, without duty to investigate, Seller is not aware of any pending or threatened eminent domain, condemnation proceedings or other governmental taking of the Property or any part thereof.
 - d. Access - To the best of Seller's actual knowledge, without duty to investigate, Seller is not aware of any fact or condition which would result in the termination or impairment of access to the Property or the discontinuation of necessary utilities or services.
 - e. Service Contracts - To the best of Seller's actual knowledge, without duty to investigate, Seller is not a party to, and the Property is not subject to, any written or oral contracts with respect to the Property, which is not terminable effective upon no more than thirty (30) days' notice.
 - f. Seller's Liabilities and Obligations - Seller has paid or will in the normal course of its business pay in full all bills and invoices for labor and material of any kind relating to the Property, for the period prior to closing.
 - g. Taxes - Seller has received no notice and has no knowledge of any planned or commenced public improvements which may result in special assessments.
 - h. Seller has not contracted for the furnishing of labor and/or materials to the Property which will not be paid for in full prior to the Closing Date, and if any claim is made by any party for the payment of any amount due for the furnishing of labor and/or materials to the Property or Seller prior to the Closing Date and a lien is filed against the Property as a result of furnishing such labor and/or materials, Seller shall immediately pay the said claim and discharge the lien.
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- i. To the best of Seller's actual knowledge, without duty to investigate:
 - (i) The Real Property has not been used to handle, treat, store, or dispose of any toxic, hazardous chemical waste, substances or contaminants, and no toxic, hazardous or chemical waste, substances or contaminants have been released into or deposited upon or below the surface of the Real Property or into any water systems on or below the surface of the Real Property.
 - (ii) There are no underground tanks located in or under the Real Property.
 - (iii) There are no claimed, threatened or, alleged violations with respect to any federal, state, or local environmental law, rule, regulation, ordinance, permit, license authorization, or common law which have existed or now exist on the Real Property.
 - j. To the best of Seller's actual knowledge, without duty to investigate, there are no latent defects that may exist on the Real Property.
 - k. Seller represents that there are no service, maintenance, supply, or management contracts that will extend past the date that Buyer takes possession of Property, except as may be disclosed to Buyer prior to the Closing Date or as allowed under the Lease.
 - l. Seller shall, in writing, reaffirm all of the foregoing representations as of closing, and there shall be no material change therein as of that date.
 - m. The person signing this Agreement is the lawful agent of the Seller and has full power and authority to enter into this Agreement and bind the Seller.


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20. BUYERS REPRESENTATIONS AND WARRANTIES: Buyer represents and warrants to Seller as follows:

- a. Buyer has sufficient financial ability to close this transaction and shall not use its right to assign this Agreement to impair Buyer's financial ability to close.
- b. The performance of obligations of Buyer under this Agreement will not violate any contract, indenture, statute, ordinance, judicial, or administrative order or judgment applicable to Buyer.
- c. There is no litigation or proceeding, or to Buyer's knowledge threatened against or involving Buyer, and Buyer does not know or have reason to know of any ground for any such litigation or proceeding which could have an adverse impact on Seller or Seller's interest under this Agreement.
- d. In entering into this Agreement, Buyer has not relied upon any written or verbal representations made by Seller or any representative of Seller including any real estate agent, regarding the Property or any aspect of this transaction, which are not expressly set forth in this Agreement.

21. ENVIRONMENTAL: During the Due Diligence Period, Buyer, at its sole cost and expense, shall have the right to order a Phase I Environmental Survey. In the event the results or findings of the Phase I survey are inadequate due to an environmental issue, the Buyer, at its sole option may notify the Seller in writing within five (5) business days of Buyer's receipt of the Environmental Survey of Buyer's intention to terminate this Agreement, which time may occur after the expiration of the Due Diligence Period. If this Agreement is terminated as set forth above, the Buyer shall receive a full and prompt refund of the Earnest Money.

22. AGREEMENT SURVIVES CLOSING: The terms, conditions, warranties, and obligations contained herein shall survive the Closing, shall not merge with the recording of the deed, and this Agreement shall become part of the closing documents.

23. NOTICES TO PARTIES: Any notices, including legal notices under this Agreement, to the parties under this Agreement may be delivered by email or regular mail (unless otherwise specified herein) to the addresses set forth below.

24. BINDING AUTHORITY: The covenants herein shall bind and insure to the benefit of the executors, administrators, personal representatives, successors, and assigns of the respective parties. The undersigned warrant that the corporations have authorized this Agreement or, if unincorporated, that they have the authority to act for all parties.

25. GOVERNING LAW: This contract shall be governed by the laws of the State of Washington, with venue in King County.

26. REAL ESTATE COMMISSIONS: Seller is responsible to pay any real estate commissions at Closing for any real estate agent/broker hired by Seller. Buyer is responsible to pay any real estate commissions at Closing for any real estate agent/broker hired by Buyer.

27. ATTORNEY CONSULTATION: The parties shall rely solely upon the advice of their own counsel as to the legal and tax consequences of this Agreement.



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28. **SELLER CONTINGENCY:** Seller's obligations under this Agreement are subject to and contingent upon Seller obtaining City of Seattle Council approval to sell the Property to Buyer per the terms and conditions of this Agreement. In the event the City Council does not approve the sale of this Property, the Agreement is terminated, and the Buyer will receive an immediate refund of the entire Earnest Money but not the nonrefundable legislative and administrative fee.
29. **REAL PROPERTY DISCLOSURE-FORM 17.** Within three (3) days of the Effective Date, Seller shall provide Buyer with the Seller Disclosure Statement (Form 17) per RCW 64.06 regarding real property.

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the Effective Date first written above.

SELLER City of Seattle By:  Andrew Lee Its: General Manager and CEO of Seattle Public Utilities	BUYER Sherrell Development, LLC, a Washington limited liability company By:  Its: Manager
Address: _____ Seattle Public Utilities-RPS_ _____ PO Box 34018 _____ Seattle WA 98124-4018 Email: <u>Andrew.Lee@Seattle.gov</u>	Address: <u>22005 234TH AVE SE</u> <u>MAPLE VALLEY WA 98038</u> Email: <u>GARY@DCS.HQ.COM</u>


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EXHIBIT A

Legal Description of the Property

THAT PORTION OF THE 100-FOOT-WIDE CITY OF SEATTLE PIPELINE RIGHT-OF-WAY AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NO. 201476, PURSUANT TO ORDINANCE NO. 52768, IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 22 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, LYING WESTERLY OF THE COLUMBIA AND PUGET SOUND RAILROAD COMPANY RIGHT-OF-WAY.

SITUATE IN THE CITY OF MAPLE VALLEY, COUNTY OF KING, STATE OF WASHINGTON.



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STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Andrew Lee is the person who appeared before me, and said person acknowledged that he signed this instrument, and acknowledged it as the General Manager and CEO of Seattle Public Utilities of City of Seattle to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.



DATED: April 16, 2024

NAME: SHAIDA ADATIA
(Print Name)

Notary Public in and for the State of Washington
Commission Expires: 3/09/2026

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Gary Sherrell is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument as the Manager on behalf of SHERRELL DEVELOPMENT, LLC, a Washington limited liability company, pursuant to the provisions of the Limited Liability Company Agreement of said company, and acknowledged it to be the free and voluntary act of said company for the uses and purposes mentioned in the instrument.



DATED: 11/22/2023

NAME: Deborah Jean Pangburn
(Print Name)

Notary Public in and for the State of Washington
Commission Expires: 12/01/2026

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[Signature]
Seller's Initials