SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Cristofer Horbelt	Akshay Iyengar

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the General Manager/CEO of Seattle Public Utilities or designee to acquire by negotiation or eminent domain (condemnation) a parcel of land in Seattle, for utility purposes identified as King County Parcel Number 152504-9010 located at 4000 NE 41st St. and to execute, accept, and record deeds, conveyance documents, and agreements deemed by the General Manager/CEO to be necessary to this transaction on behalf of the City; placing the real property under the jurisdiction of Seattle Public Utilities; authorizing payment of all other costs associated with the acquisition; amending Ordinance _____, which adopted the 2026 Budget including the 2026-2031 Capital Improvement Program; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and Background of the Legislation:
Seattle Public Utilities owns a pipe storm drain that contains a segment of Yesler Creek that crosses a 17.8-acre private property in the Laurelhurst neighborhood. The pipe is approximately 63 years old and could fail or require substantial repairs in the near future. The Washington Department of Fish and Wildlife will not allow SPU to repair or replace the pipe unless it is made fish passable. The private property owners have plans for a major new development which, if completed, would make it dramatically more difficult and costly for SPU to make the drainage pipe fish passable. The utility determined the property is also suitable for stormwater control facilities because the area needs additional stormwater drainage facilities to manage increased flows.

SPU and the property owner conducted their own appraisals of the property. After extensive negotiations and mediation, SPU and the owner agreed the fair market value of the property is $64.26 million. This legislation authorizes the General Manager/CEO of Seattle Public Utilities to acquire the property through negotiation or condemnation and places it under the jurisdiction of Seattle Public Utilities. The legislation would also amend the 2026 Adopted budget and the 2026-2031 Adopted Capital Improvement Program to include $9,200,000 for the purchase. Although this legislation authorizes condemnation, the property owner and SPU have reached a negotiated purchase and sale agreement. Condemnation authority is necessary because the negotiations took place under the threat of condemnation, and authorizing condemnation in these circumstances is necessary for the seller to receive tax benefits they are entitled to.

In addition, if SPU determines, after completing its plans for making the segment of Yesler Creek fish passable, that any part of the real property acquired is surplus, SPU will first conduct a process to determine if the surplus property is needed for other City purposes. SPU will provide public notice, conduct community outreach to nearby residents, property owners, and community groups. SPU will also conduct public hearings pursuant to RCW 35.94.040.

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**

Expenditure Change ($); Other Funds	**2026**	**2027 est.**	**2028 est.**	**2029 est.**	**2030 est.**
	$9,200,000				

3.a. Appropriations

☒ **This legislation adds, changes, or deletes appropriations.**

Fund Name and Number	**Dept**	**Budget Control Level Name/Number**	**2026 Appropriation Change**
Drainage & Wastewater Fund – 44010	SPU	BC-SU-C390B - New DWW Infrastructure	$9,200,000
		TOTAL	$9,200,000

The 2026 Adopted Budget contains $55 million for this purchase. This ordinance adds $9.2 million in appropriations from Drainage and Wastewater funds to make up the difference between the budgeted amount and the $64.26 million purchase price. This increases funding in the Citywide Programs Master Project (MC-SU-C3901).

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. However, following acquisition of the property the utility would undertake capital projects to make the stormwater pipe fish passable and construct other on-site stormwater control facilities. The cost of those projects is not known now and will be evaluated as part of SPU's upcoming Strategic Business Plan development process and folded into its long-range capital planning. A 5-10-year planning horizon is expected to allow for work with the community, Tribes, and resource agencies to determine how best to daylight the creek, elongate its path through the property, and restore the 100-year floodplain and adjacent buffer areas. Other work and coordination with downstream property owners is also necessary to connect the creek to its downstream outlet at Yesler Swamp.

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.
N/A

Please describe any financial costs or other impacts of *not* implementing the legislation.
If SPU does not purchase this property now, it would need to condemn the developed property in the future at a much greater financial cost to make its pipe fish passable.

Please describe how this legislation may affect any City departments other than the originating department.
N/A

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?
No.

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

c. Does this legislation affect a piece of property?
Yes. Parcel Number 152504-9010 located at 4000 NE 41st St.

d. 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.
Replacing culverts that impede fish passage supports Tribal treaty rights. SPU is committed to restoring fish passage and supporting those treaty rights and regional salmon recovery and will replace the existing culvert with a structure that can support fish passage. Removing culverts to improve fish habitat is an important step to honoring the tribes' right of taking fish.

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

iii. What is the Language Access Plan for any communications to the public?
N/A

e. 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.
This legislation would not materially increase or decrease carbon emissions.

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.
This legislation will increase Seattle's resiliency by adding stormwater control facilities to better manage higher flows during storm events.

f. 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?
This legislation does not include a new initiative or a major programmatic expansion.

g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?
No.

5. ATTACHMENTS

Summary Attachments:
Summary Exhibit A – Maps of Properties to be Acquired
Summary Exhibit B – Revised Citywide Programs CIP Project Page