



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 118723

Record No.: CB 118723

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125086

In Control: City Clerk

File Created: 04/21/2016

Final Action: 07/29/2016

**Title:** AN ORDINANCE relating to the Seattle Department of Transportation jurisdictional property located in Lots 1, 2, and 3, Block 13, Lake View Addition to the City of Seattle, commonly referred to as 805 NE Northlake Place ("Property") and declaring it as surplus to the City's needs; superseding in part Ordinance 114502 relating to the sale of the Property; authorizing the sale of the Property for fair market value through a negotiated sale to the University of Washington, and if such sale is not completed within one year of being offered for sale then through an open and competitive sales process to be managed by the Department of Finance and Administrative Services; authorizing the Director of Transportation, or his designee, to execute all necessary documents to accomplish the sale of the Property; and designating the proceeds from the sale.

### Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: O'Brien

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: gretchen.haydel@seattle.gov

Filing Requirements/Dept Action:

### History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	06/07/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk Notes:						
1	City Clerk	06/07/2016	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						

Notes:

- 1 Council President's Office 06/10/2016 sent for review Sustainability and Transportation Committee  
Action Text: The Council Bill (CB) was sent for review. to the Sustainability and Transportation Committee  
Notes:
- 1 Full Council 07/11/2016 referred Sustainability and Transportation Committee  
Action Text: The Council Bill (CB) was referred. to the Sustainability and Transportation Committee  
Notes:
- 1 Sustainability and Transportation Committee 07/19/2016 pass Pass  
Action Text: The Committee recommends that Full Council pass the Council Bill (CB).  
Notes:  
In Favor: 3 Chair O'Brien, Vice Chair Johnson, Member Sawant  
Opposed: 0
- 1 Full Council 07/25/2016 passed Pass  
Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:  
In Favor: 8 Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant  
Opposed: 0
- 1 City Clerk 07/26/2016 submitted for Mayor's signature Mayor  
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor  
Notes:
- 1 Mayor 07/29/2016 Signed  
Action Text: The Council Bill (CB) was Signed.  
Notes:
- 1 Mayor 07/29/2016 returned City Clerk  
Action Text: The Council Bill (CB) was returned. to the City Clerk  
Notes:
- 1 City Clerk 07/29/2016 attested by City Clerk  
Action Text: The Ordinance (Ord) was attested by City Clerk.  
Notes:
-

CITY OF SEATTLE

ORDINANCE 125086

COUNCIL BILL 118723

AN ORDINANCE relating to the Seattle Department of Transportation jurisdictional property located in Lots 1, 2, and 3, Block 13, Lake View Addition to the City of Seattle, commonly referred to as 805 NE Northlake Place ("Property") and declaring it as surplus to the City's needs; superseding in part Ordinance 114502 relating to the sale of the Property; authorizing the sale of the Property for fair market value through a negotiated sale to the University of Washington, and if such sale is not completed within one year of being offered for sale then through an open and competitive sales process to be managed by the Department of Finance and Administrative Services; authorizing the Director of Transportation, or his designee, to execute all necessary documents to accomplish the sale of the Property; and designating the proceeds from the sale.

WHEREAS, in 1971, the property at 805 NE Northlake Place ("Property") was accepted under Ordinance 100377 for the purpose of relocating NE Pacific Street, which was subsequently widened instead of relocated; and

WHEREAS, in May 1989, the Property was authorized for sale in accordance with Ordinance 114502, although it was not sold at that time due to the occupancy of the Property by a long-term tenant; and

WHEREAS, Resolution 29799, passed August 10, 1998, as amended by Resolution 30862, passed May 1, 2006, adopted procedures by the Seattle City Council regarding property reuse and disposition of City-owned property ("Property Disposition Procedures"); and

WHEREAS, in accordance with the Property Disposition Procedures, the Final Recommendation Report on Reuse and Disposal of the Seattle Department of Transportation Excess Property PMA 4077, the Building at 805 NE Northlake Pl., March 14, 2016 ("Final Report"), has been published; and

WHEREAS, the Final Report recommends that the Property is first offered for sale through a negotiated sale to the University of Washington; and if the sale to the University of

Washington is not completed within one year of being offered for sale, then the Property will be offered through an open and competitive sale process to the public; and

WHEREAS, the Department of Finance and Administrative Services has expended funds for professional services and staff in the property review and disposition process and will manage the disposition and sale of the Property; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. The City of Seattle approves the steps taken as documented in the Final Recommendation Report on Reuse and Disposal of the Seattle Department of Transportation Excess Property PMA 4077, the Building at 805 NE Northlake Pl. ("Final Report") for sale of the property at 805 NE Northlake Place ("Property"), as legally described as follows (Parcel No. 409230-2290):

Lots 1, 2, and 3, Block 13, of Lake View Addition to the City of Seattle, as per plat recorded in Volume 5 of Plats, page 34, Records of King County, Washington, EXCEPT that portion thereof lying south of a line which is 100 feet north of and parallel with the north line of Block 24, Lake Union Shore Lands, heretofore condemned in King County Superior Court Cause No. 125369 for street purposes, as provided by Ordinance No. 37483 of the City of Seattle; Also Except; any portion of said lot 3 lying within Northlake Avenue.

Section 2. The Property is hereby found and declared to be no longer required for municipal purposes and is hereby declared surplus to the City's needs.

Section 3. The authorization for the sale of the Property identified in Section 1 of Ordinance 114502, and described in Section 1 of this ordinance, is superseded by this ordinance.

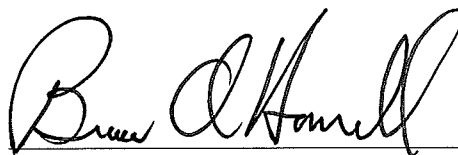
Section 4. The Director of the Department of Finance and Administrative Services, or the Director's designee, is authorized to manage the sale of the Property, first through a fair market value negotiated sale to the University of Washington, and if after one year from the date the Property is offered for sale the sale is not completed, the property is to be sold through an open and competitive sales process to the public.

1           Section 5. The Director of Transportation, or the Director's designee, is authorized to  
2 negotiate and to complete all agreements and any ancillary documents necessary to transfer the  
3 property to the University of Washington or another purchaser identified through the competitive  
4 sales process.

5           Section 6. Proceeds from the sale authorized herein shall be used first to reimburse costs  
6 incurred and paid by the Department of Finance and Administrative Services in connection with  
7 the sale. The remaining proceeds shall be deposited in the City Street Fund (10340), a sub-fund  
8 of the Transportation Operating Fund (10310) and the proceeds shall be used for "highway  
9 purposes" as required by the Eighteenth Amendment to the State Constitution.

Section 7. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 25<sup>th</sup> day of JULY, 2016,  
and signed by me in open session in authentication of its passage this 25<sup>th</sup> day of  
JULY, 2016.



President \_\_\_\_\_ of the City Council

Approved by me this 28<sup>th</sup> day of July, 2016.



Edward B. Murray, Mayor

Filed by me this 29<sup>th</sup> day of JULY, 2016.



Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment 1: Final Recommendation Report on Reuse and Disposal of the Seattle Department of Transportation Excess Property PMA 4077, the Building at 805 NE Northlake Pl.,  
March 14, 2016

***Final  
Recommendation Report  
On Reuse and Disposal of the  
Seattle Department of Transportation Excess Property  
PMA 4077, the Building at 805 NE Northlake Pl.  
March 14, 2016***

**Final Report**

The Final Recommendation report updates information that was included in the “Preliminary Recommendation Report on the Reuse and Disposal of Excess Property” that was published on March 14, 2015.

**Purpose of Preliminary Report**

In response to a City of Seattle Jurisdictional Department identifying a property as “Excess” to their needs, the Real Estate Services (RES) section of the Department of Finance and Administrative Services (FAS) initiates a process to review and evaluate various options for the property. RES prepares a report titled “Preliminary Recommendation Report on the Reuse and Disposal of Excess Property”, which documents the Departments’ analysis and recommendations. This report is prepared in accordance with City of Seattle Council Resolution 29799, as modified by Resolution 30862.

**Executive Recommendation**

(FAS) recommends that the property be offered for sale to the University of Washington through a negotiated sale at fair market value. If a negotiated sale with University of Washington is not completed within a year, then the property should be sold at fair market value through an open and competitive process.

**Background Information**

The property is under the jurisdiction of the Seattle Department of Transportation. This property is located at 805 NE Northlake Place and is between NE Northlake Way and NE Northlake Pl. (See Appendix A for a detailed property description) The property was purchased in 1971, as part of the NE Pacific St. relocation. The property is currently vacant.

**Reuse or Disposal Options Evaluation Guidelines**

City of Seattle Resolution 29799, Section 1, requires the Executive to make its recommendation for the reuse or disposal of any property that is no longer needed by a Department using the following guidelines.

**Guideline A: Consistency**

*The analysis should consider the purpose for which the property was originally acquired, funding sources used to acquire the property, terms and conditions of original acquisition, the title or deed conveying the property, or any other contract or instrument by which the City is bound or to which the property is subject, and City, state or federal ordinances, statutes and regulations.*

***Funding Sources:*** The property was purchased with gas tax revenue from the Arterial Street Fund.

***Purpose for which property was acquired:*** For a road construction project, but the property was not needed.

***Deed or contractual restrictions:*** The property is not bounded by any other contracts or instruments.

***City, State or Federal Ordinance status and regulations including, Bond, grant or loan programs, State Accountancy Act, Payment of True and full value, Zoning and land use, Comprehensive Plan, and Other plans:***

State Law requires government organizations to receive fair market value for the disposal of surplus real property. The fair market value can be determined by an appraisal, or through an open competitive sales process. The City of Seattle incurs costs associated with the disposition process including staff time, public notice expenses and real estate transactions costs. FAS will be reimbursed for expenses incurred in the sale of the property as provided in a memorandum of agreement between SDOT and FAS.

The property is located in the University Campus Urban Village and is subject to zoning incentives and restrictions.

The property is currently zoned MIO-65-IC-45 which allows for a wide range of institutional and industrial uses. The development regulations of the industrial overlay apply to the future development of the property.

**Guideline B: Compatibility and Suitability**

*The recommendation should reflect an assessment of the potential for use of the property in support of adopted Neighborhood Plans; as or in support of low-income housing and/or affordable housing; in support of economic development; for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities; and in support of other priorities reflected in adopted City policies.*

***Neighborhood Plan:*** The property is located in the University Campus Urban Village. The property is close to Lake Union and near the Wallingford neighborhood. The neighborhood includes buildings that vary in age and size, although predominantly the area includes industrial and warehouse spaces. The University Of Washington Master Plan, Seattle Campus was approved in 2003 by the Seattle City Council and the University Board of Regents. This property is located in the Major Institutional Overlay zoning.

***Housing and Economic Development:*** Sale of the property to the University of Washington will allow the University to consolidate this parcel with other parcels they own in the area for future development. Subsequent development of the property either by the University of Washington or by a private property will increase economic activity in the City. The sale of the property to a private owner would return the property to the active tax rolls. As the property is located in an industrial zone, it is unlikely that the property could be developed for housing.

***Nearby City owned property:*** There are no City-owned properties which are contiguous with this parcel. There is one City-owned excess property located on Northlake Place, and is currently being reviewed for reuse or disposition. Excess city properties are subject to the City's disposition policies. A map showing nearby City properties is included with the attached Excess Property Description.

***Other City Uses:*** In April 2015, an Excess Property Notice for this property was circulated to City of Seattle Departments. City Departments were asked to evaluate the property for current or future city uses of the property. FAS/RES received Excess Property Response Forms indicating no interest from the following departments or public agencies: the Human Services Department, Parks, Seattle Public Utilities, and Seattle Department of Transportation.

***Other Agencies Uses:*** An Excess Property Notice for this property was circulated in April 2015 to assess other agencies' interest. The University of Washington has expressed an interest in purchasing the property at fair market value.

**Range of Options**



The “Guiding principles for the Reuse and Disposal of Real Property” state, “it is the intent of the City to strategically utilize real property in order to further the City’s goals and to avoid holding properties without an adopted municipal purpose.” The options for disposition of this property include retention by the City for a public purpose, negotiated sale with a motivated purchaser, market sale, or through a request for proposal process.

**Transfer of Jurisdiction to other City Department:** No other City Department expressed a current or future need for the property.

**Negotiated Sale:** A negotiated sale is typically recommended when the selection of a particular purchaser has specific benefits to the City. In this case a negotiated sale with the University of Washington would provide a fair market value price for the property and would assist the University of Washington in acquiring property located in the Major Institutional Overlay zone.

**Sale through an open competitive process:** A sale through a public competitive process would allow the market to determine the optimum price for the property. It is likely that a sale on the open market would result in the sale of the property.

**Request for Proposal Process:** This process is used when specific development goals are desired. At this time it does not appear that a specific City goal has been identified for the future use of this property.

#### **Guideline C: Other Factors**

*The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the property hard to replace, potential for consolidation with adjacent public property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that may affect the value of the property.*

**Highest and Best Use:** The Highest and Best Use is generally defined as the reasonably probable and legal use that produces the highest property value. The highest and best use is determined by evaluating potential uses as follows:

- **Legally permissible:** The subject property is zoned MIO-65 IC-45 which is an industrial and commercial zone with specific development regulations based upon the Major Institutional Overlay zone.
- **Physically possible:** The property is flat and contains a building. Future development is physically possible.
- **Financially feasible and maximally productive:** The property is currently leased for artist studios. Future uses could include a range of institutional uses.

The highest and best of the property could be commercial, industrial, or institutional uses as allowed under the current zoning overlay.

**Compatibility with the physical characteristics and surrounding uses:** The property is surrounded by other developments that vary in size. The range of options in the zoning code allow for a variety of development options, although the property is small in size which limits development options.

**Appropriateness of the consideration:** Sale of the property at fair market value through a negotiated sale or competitive sale process will result in the City receiving the fair market value of the property.

**Unique Attributes:** The property has a brick warehouse building and associated storage yard.

**Potential for Consolidation with adjacent public property:** The property could be consolidated through the street vacation process with nearby University of Washington property which lies across NE Northlake Place,

**Conditions in the real estate market:** The real estate market in the City of Seattle remains fairly stable, and there has been a great demand for new development.

**Known environmental factors:** No environmental assessments have been conducted on this property.

**Guideline D: Sale**

*The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.*

**Potential for Use by Non-City Public Entities:** The University of Washington has requested to purchase the property for consolidation with other properties they own.

**Public Involvement:** In accordance with Resolution Nos. 29799 and 30862, in March 2014, a notice concerning disposition or other use of this property was sent to all business, residents and property owners within a 1,000 foot radius of the subject property. A total of 477 notices were mailed. Three responses from the public regarding this property were received. The responses were from parties interested purchasing the property.

**Threshold Determination**

*The Disposition Procedures require FAS assess the complexity of the issues on each excess property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council.*

The Disposition Procedures provide that FAS assesses the complexity of the issues on each excess property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council. Appendix B is the Property Review Process Determination Form prepared for PMA 4077, the building at 805 NE Northlake Pl. The disposition of this property is determined to be a "simple" transaction. No additional public involvement is required other than the notice process describe below.

### **Next Steps**

FAS will include the Final Report with the legislation necessary to implement the final recommendation for the excess property.

No Council decision will be made for at least 30 days following a notice of legislation and notice of Public Hearing is announce and sent to the parties of record list. FAS will continue to collect all comments regarding the property.

Appendix A

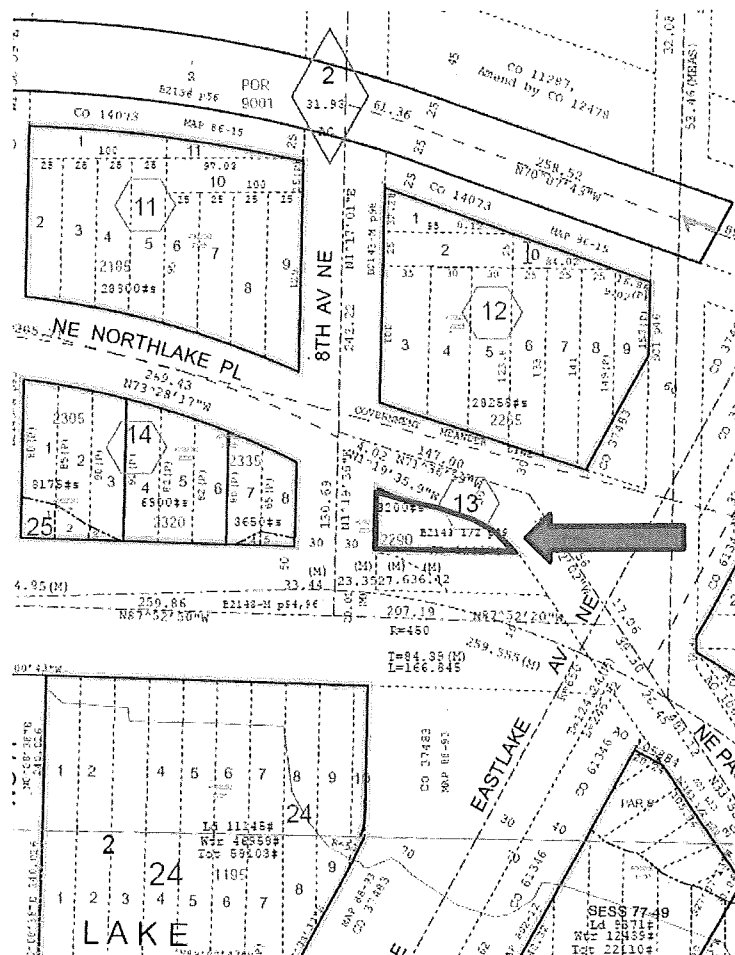
PMA 4077 EXCESS PROPERTY DESCRIPTION

Property Name: Building at 805 NE Northlake Place

PMA	Size	Parcel #	Address	Zoning	2015 Est value	Building Size	Status
4077	2,875*	4092302290	805 NE Northlake Pl	MIO-65-IC-45	\$170,000 \$288,000	1,248 sf	vacant

\*KC records show 3,200 square feet

Map:



**Street view from NE Northlake Way Place**

**Street view from 8<sup>th</sup> Ave. NE and NE Northlake**

**History:** The City acquired the property in 1971 as part of the Northeast Pacific Street Relocation. The street relocation was related to the University Addition-Northlake Urban Renewal Project (Wash. R-8). The Urban Renewal plan was first approved in 1963 and later amended. In 1974, the City Council made a final determination on the route of Northeast Pacific Street which did not directly affect this parcel. The property was never laid off and established as a street, and does not require a street vacation. In 1989 City Council authorized the sale of the property through a competitive bid or negotiated sale. The City adopted disposition policy resolutions, which requires this property to be reviewed under those guidelines.

**Legal Description:** Lots 1, 2, and 3, Block 13, Lake View Addition, according to the plat recorded in Volume 5 of plats, page 34, in King County, Washington, less portion for street.

Selected Ordinances		
Ord #	Date	Description
<u>37483</u>	1917	Lays off Eastlake Avenue from south line Block 24, Lake Union Shore Lands to Tenth Ave NE. (Includes portions of lots 1,2, and 3, Block 13 Lake View Add lying south of a line 100 feet north of and parallel with the north line of Block 24, Lake Union Shore Lands.
<u>95877</u>	1966	Authorizes acquisition of property for relocation of NE Pacific Street between Latona Ave Northeast and 15 <sup>th</sup> Avenue NE and appropriates funds from the Arterial City Street Fund.
<u>100377</u>	1971	Ordinance accepted the property – Lots 1, 2 and 3, Block 13, Lake View Add except portion lying south of a line 100 feet north of and parallel with the north line of Block 24, Lake Union Shore Lands and any portion of Lot 3 lying within Northlake Ave (now known as Northlake Place) --from E.F. and Amelia Pugsley for street purposes. Does not lay off and established as a street.
<u>114502</u>	1989	This parcel and several others are authorized for sale as they were acquired for the purpose of relocating NE Pacific Street and are no longer needed.

**Acquisition Deeds:** a deed from E.F. Pugsley and Amelia Pugsley for \$11,500 dated 1/18/1971. Recording Number 197101260229

**Acquisition Fund Source:** Arterial City Street Fund

**Destination of funds upon sale:** Arterial City Street Fund

**Jurisdictional Department's estimated market value:** Similar zoned properties have King County taxed assess value that ranges between \$60 and \$90 a square foot for land value. The existing building has no value, and attributes a negative value to the property. The Department of Finance and Administrative Services has estimated the value for an environmentally clean and vacant site would sell between \$170,000 and \$288,000. The fair market value will be determined by appraisal.

**Current easements, covenants and restrictions:**

Mr. Jonsson, the former tenant passed away in 2015, and the lease was terminated, thus there are no current restrictions on the property.

**Recommended easements, covenants and restrictions upon Transfer:** None

**Potential problems with property and possible measures to mitigate their recurrence:**

- The Seattle Department of Transportation has identified the need for sidewalk improvements along NE Northlake Way adjacent to PMA 4077. The project is currently unscheduled.
- The property was acquired by the City without the benefit of a phase I environmental report. In addition the property has been used in the fabrication of metal sculptures for 40 plus years. No records are available for use of solvents or other common metal fabrication material is available. To limit the City's liability, phase II evaluation of the subsurface conditions will need to be completed prior to sale.

**Neighborhood:** University District

**Building Information:** 1,248 square foot masonry building with metal roof.

**Nearby Property Owners:**

4092302265 814 NE Northlake PL University of Washington	4092302265 730 NE Northlake Way University of Washington
4092302185 714 NE Northlake PL University of Washington	4088801195 705 NE Northlake Pl Washington Boat Center



Produced by the City of Seattle Fleets & Facilities Department, Real Estate Services D. Bretzke  
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## Appendix B

<b>PROPERTY REVIEW PROCESS DETERMINATION FORM</b>			
Property Name:	Building at 805 NE Northlake Pl		
Address:	805 NE North Lake Pl		
PMA ID:	PMA. 4077	Parcels No.	409230 2290
Dept./Dept ID:	SDOT	Current Use:	Warehouse space
Area (Sq. Ft.):	2,875sq.	Zoning:	MIO 65-IC 45
Est. Value:	\$ 170,000- \$288,000	Assessed Value:	\$ NA
<b>PROPOSED USES AND RECOMMENDED USE</b>			
Department/Governmental Agencies:		Proposed Use: None	
University of Washington			
Other Parties wishing to acquire:		Proposed Use: none	
RES'S RECOMMENDED USE: Sell through negotiate sale to the University of Washington.			
<b>PROPERTY REVIEW PROCESS DETERMINATION</b> (circle appropriate response)			
1.) Is more than one City Dept. /Public Agency wishing to acquire?	<input checked="" type="radio"/> No / Yes	15	
2.) Are there any pending community proposals for Reuse/ Disposal?	<input checked="" type="radio"/> No / Yes	15	
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?	<input checked="" type="radio"/> No / Yes	15	
4.) Will consideration be other than cash?	<input checked="" type="radio"/> No / Yes	10	
5.) Is Sale or Trade to a private party being recommended?	No / <input checked="" type="radio"/> Yes	25	
6.) Will the proposed use require changes in zoning/other regulations?	<input checked="" type="radio"/> No / Yes	20	
7.) Is the estimated Fair Market Value between \$250,000-\$1,000,000?	No / <input checked="" type="radio"/> Yes	10	
8.) Is the estimated Fair Market Value over \$1,000,000?	<input checked="" type="radio"/> No / Yes	45	
Total Number of Points Awarded for "Yes" Responses:			<b>35</b>
Property Classification for purposes of Disposal review: <input checked="" type="radio"/> Simple <input type="radio"/> Complex    (circle one) (a score of 45+ points result results in a "simple" classification)			
Signature: Daniel Bretzke, AICP		Department: FAS	Date: December 3, 2015



Appendix D  
Parties of Record

Name	Email	Address/Company	Phone
Gary Eng	Gary Eng <geng@uw.edu>	University of Washington	206 616 3415
Sherry Capes	<Sherry@lproperties.com>	Limantzakis Properties	206-632-1222
Cheng-Nan Lin	LINCCA@aol.com		206-914-8549
Anson Lin	Anson Lin <al367@cornell.edu>		206 313 8848
Pree Carpenter	Pree.Carpenter@seattle.gov	SPU	
Ken Astrein	Ken.Astrein@seattle.gov	HSD	
Larry Huggins	<u>Larry.Huggins@seattle.gov</u>	SDOT	