



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 119034

Record No.: CB 119034

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125372

In Control: City Clerk

File Created: 06/26/2017

Final Action: 08/02/2017

**Title:** AN ORDINANCE relating to the City Light Department; declaring the City's 8th and Roy Street property as surplus to the City's needs and no longer required for providing public utility service or other municipal purpose; authorizing the sale of this property for fair market value through a brokered sale; authorizing the General Manager and Chief Executive Officer of the City Light Department to execute all necessary documents to accomplish such property sale; and authorizing the deposit of the proceeds of the sale in the City Light Fund and allocation of part of the proceeds to the Rate Stabilization Account.

**Notes:**

**Filed with City Clerk:** 8/2/2017

**Mayor's Signature:** 8/2/2017

**Sponsors:** Sawant

**Vetoed by Mayor:**

**Veto Overridden:**

**Veto Sustained:**

**Attachments:**

**Drafter:** Timothy.Croll@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	07/03/2017	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	07/05/2017	sent for review	Council President's Office			
1	Council President's Office	07/07/2017	sent for review	Energy and Environment Committee			

**Action Text:** The Council Bill (CB) was sent for review. to the Energy and Environment Committee

**Notes:**

Legislative Summary Continued (CB 119034)

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- 1 Full Council 07/24/2017 referred Education, Equity,  
and Governance  
Committee  
Action Text: The Council Bill (CB) was referred. to the Education, Equity, and Governance Committee  
Notes:
- 1 Energy and Environment 07/25/2017 pass Pass  
Committee  
Action Text: The Committee recommends that Full Council pass the Council Bill (CB).  
Notes: A public hearing was held  
In Favor: 3 Chair Sawant, Vice Chair Juarez, Member González  
Opposed: 0
- 1 Full Council 07/31/2017 passed Pass  
Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:  
Notes:  
In Favor: 8 Councilmember Bagshaw, Councilmember Burgess, Councilmember  
González , Council President Harrell, Councilmember Herbold,  
Councilmember Johnson, Councilmember Juarez, Councilmember  
Sawant  
Opposed: 0
- 1 City Clerk 08/01/2017 submitted for Mayor  
Mayor's signature
- 1 Mayor 08/02/2017 Signed
- 1 Mayor 08/02/2017 returned City Clerk
- 1 City Clerk 08/02/2017 attested by City  
Clerk  
Action Text: The Ordinance (Ord) was attested by City Clerk.  
Notes:
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**CITY OF SEATTLE**

**ORDINANCE** 125372

**COUNCIL BILL** 119034

AN ORDINANCE relating to the City Light Department; declaring the City's 8<sup>th</sup> and Roy Street property as surplus to the City's needs and no longer required for providing public utility service or other municipal purpose; authorizing the sale of this property for fair market value through a brokered sale; authorizing the General Manager and Chief Executive Officer of the City Light Department to execute all necessary documents to accomplish such property sale; and authorizing the deposit of the proceeds of the sale in the City Light Fund and allocation of part of the proceeds to the Rate Stabilization Account.

WHEREAS, pursuant to Ordinance No. 121248 in 2003, jurisdiction over the City's 8<sup>th</sup> and Roy Street property was transferred from the Department of Parks and Recreation ("Parks") back to the City Light Department ("City Light"), which had jurisdiction over the property from 1951 through 1992, since Parks no longer needed the property when it acquired its Westbridge property for shop and maintenance purposes; and

WHEREAS, City Light notified other City departments and external agencies about the availability of the 8<sup>th</sup> and Roy Street property for purchase and none of the notified departments or agencies indicated an interest in purchasing the property; and

WHEREAS, City Light, in compliance with Resolution 31424, has conducted a robust community outreach to solicit public input on disposition of the 8<sup>th</sup> and Roy Street property, including but not limited to: (1) conferring with community groups as recommended by the Department of Neighborhoods; (2) offering to attend any other community group meetings; (3) hosting its own community information meeting accompanied by the Department of Parks and Recreation, the Department of Construction and Inspections, the Seattle Department of Transportation, and the Office of Housing; (4) maintaining a record of all public testimony, written comments, and

1 attendance/speaker sign-in sheets; (5) publicizing the project and comment opportunities  
2 on the City Light website; (6) conducting a public hearing; (7) providing a written notice  
3 of the hearing to all residents and property owners within 700 feet of the property;  
4 (8) posting a notice of the hearing on the property; (9) publishing a notice of the hearing  
5 in the newspaper of record; (10) responding to public suggestions by requesting the  
6 Office of Housing and the Department of Parks and Recreation to reconsider their  
7 previous decisions not to purchase the property; and (11) submitting a report on its  
8 efforts, comments received, and recommendations on the property to the City Council  
9 after first notifying the interested public of this same information; and

10 WHEREAS, City Light has taken many steps to inform the public of the project and their  
11 opportunity to comment, above and beyond those required by Resolution 31424; and

12 WHEREAS, the 8<sup>th</sup> and Roy Street property has been rezoned by the recent amendment of Title  
13 23 of the Seattle Municipal Code (SMC) and is thereby subject to the Mandatory Housing  
14 Affordability requirements for future residential or commercial redevelopment to provide  
15 up to 22,000 square feet of affordable housing or provide up to \$3.5 million in financial  
16 support for affordable housing; and

17 WHEREAS, the 8<sup>th</sup> and Roy Street property now contributes no property tax revenue to local  
18 governments but would begin to do so if it were purchased by a private party; and

19 WHEREAS, from 2012 through 2016 the retail revenue that City Light collected was \$133  
20 million less than that which it forecasted to be collected; and

21 WHEREAS, City Light has had to institute a 1.5 percent rate surcharge on all customers since  
22 August 2016 due to the diminishment of its Rate Stabilization Account; and

1 WHEREAS, the expected revenue from a competitive sale of the 8<sup>th</sup> and Roy Street property will  
2 allow City Light to replenish its Rate Stabilization Account and remove the existing  
3 electric rate surcharge; and

4 WHEREAS, the City Council anticipated in the adoption of Ordinance 123260 that the proceeds  
5 of a sale of the 8<sup>th</sup> and Roy Street property, if needed, would be allocated to City Light's  
6 Rate Stabilization Account; and

7 WHEREAS, subsection 21.49.086.F.4 of the SMC provides that the City Council may by  
8 ordinance authorize deposits into the Rate Stabilization Account for replenishment; and

9 WHEREAS, City Light faces many demands on its revenues in coming years, such as supporting  
10 the continued expansion of the Utility Discount Program for low-income customers;  
11 ensuring the continued support for the Low Income Home Energy Assistance Program  
12 and the Office of Housing's Multifamily Weatherization Program, which are threatened  
13 by the Trump administration's proposed 2018 federal budget cuts; and ensuring that debt  
14 service coverage targets for 2017 or 2018 are met, NOW, THEREFORE,

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

16 Section 1. Pursuant to RCW 35.94.040 and after public hearing, the following described  
17 real property ("Property") is hereby found and declared to be surplus to the City's needs and no  
18 longer required for providing continued public utility service or other municipal purpose:

19 All of Block 8, Eden Addition to The City of Seattle, according to the Plat thereof  
20 recorded in Volume 1 of Plats, page 61 1/2, in King County, Washington; and

21 That portion of Lots 1, 2, 3 and 4, Block 80, lying West of the alley deeded to The City of  
22 Seattle, and that portion of Lots 1, 2, 3, 4, and 5, Block 82, lying West of the alley deeded  
23 The City of Seattle in Lake Union Shorelands, in King County, Washington, as shown on  
24 the official maps on file in the Office of the Commissioner of Public Lands at Olympia,  
25 Washington; also

26 That portion of the vacated street adjoining said land, described as follows:

1 Beginning at the most Westerly corner of Lot 1, Block 82 of Lake Union Shorelands as  
2 shown on the official maps on file in the Office of the Commissioner of Public Lands at  
3 Olympia, Washington;  
4 Thence Southeasterly along the Southwesterly line of said Lot to the most Southerly  
5 corner thereof;  
6 Thence Northeasterly along the Southeasterly line of said Block 82 to the West line of  
7 said alley;  
8 Thence South along said West line to the Northwesterly line of said Block 80;  
9 Thence Southwesterly along said Northwesterly line to the Easterly line of said Block 8  
10 of Eden addition;  
11 Thence Northerly along said line to the East line of Eighth Avenue North;  
12 Thence Northerly along said East line to the point of beginning.

13 (Being all the land lying South of the South line of Aloha Street, North of the North line  
14 of Roy Street, East of the East line of Eighth Avenue North, and West of the West line of  
15 the alley as deeded to The City of Seattle under Auditor's file number 1394444, in King  
16 County, Washington.)

17 The fair market value of the Property is estimated to be between \$25,000,000 and \$30,000,000.

18 Section 2. The General Manager and Chief Executive Officer of Seattle City Light  
19 ((CEO) or the CEO's designee is authorized to offer the Property described in Section 1 of this  
20 ordinance for sale, for fair market value through a brokered sale, and to accept the best offer for  
21 the Property.

22 Section 3. The CEO or the CEO's designee is authorized to negotiate a purchase and sale  
23 agreement and to execute all necessary and desirable documents to accomplish the sale and  
24 transfer of the Property to the selected purchaser.

25 Section 4. Proceeds from the sale of the Property authorized by this ordinance shall be  
26 deposited in the City Light Fund (41000). The City Light Department ("City Light") is  
27 authorized to allocate such portion of the proceeds of the sale of the Property as may be  
28 necessary to replenish the Rate Stabilization Account to the level that will allow any existing rate  
29 surcharge to be removed pursuant to Section 21.49.086 of the Seattle Municipal Code. City Light  
30 is further authorized to allocate up to an additional \$10 million to the Rate Stabilization Account  
31 to establish a buffer against a future surcharge condition.

1 Section 5. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 31<sup>st</sup> day of July, 2017,  
5 and signed by me in open session in authentication of its passage this 31<sup>st</sup> day of  
6 July, 2017.

7 

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

9 Approved by me this 2<sup>nd</sup> day of August, 2017.

10 

11 Edward B. Murray, Mayor

12 Filed by me this 2<sup>nd</sup> day of AUGUST, 2017.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)