



Legislation Text

File #: CB 119034, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

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.

WHEREAS, pursuant to Ordinance No. 121248 in 2003, jurisdiction over the City’s 8th 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 8th 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 8th 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 attendance/speaker sign-in sheets; (5) publicizing the project and comment opportunities on the City Light website; (6) conducting a public hearing; (7) providing a written notice of the hearing to all residents and property owners within 700 feet of the property; (8) posting a notice of the hearing on the property; (9) publishing a notice of the hearing in the newspaper of record; (10) responding to public suggestions by requesting the Office of Housing and the Department of Parks and Recreation to reconsider their previous decisions not to purchase the property; and (11) submitting a report on its efforts, comments received, and recommendations on the property to the City Council after first notifying the interested public of this same information; and

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

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

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

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

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

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

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

and

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

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

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

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

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

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

Beginning at the most Westerly corner of Lot 1, Block 82 of Lake Union Shorelands as shown on the official maps on file in the Office of the Commissioner of Public Lands at Olympia, Washington;

Thence Southeasterly along the Southwesterly line of said Lot to the most Southerly corner thereof;

Thence Northeasterly along the Southeasterly line of said Block 82 to the West line of said alley;

Thence South along said West line to the Northwesterly line of said Block 80;

Thence Southwesterly along said Northwesterly line to the Easterly line of said Block 8 of Eden addition;

Thence Northerly along said line to the East line of Eighth Avenue North;

Thence Northerly along said East line to the point of beginning.

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

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

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

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

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

Section 5. 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 _____ day of _____, 2017, and signed by me in open session in authentication of its passage this _____ day of _____, 2017.

President _____ of the City Council

Approved by me this _____ day of _____, 2017.

Edward B. Murray, Mayor

Filed by me this _____ day of _____, 2017.

Monica Martinez Simmons, City Clerk
(Seal)