PRELIMINARY REPORT EVALUATION OF REUSE AND DISPOSAL OPTIONS FOR PMA Nos. 1609 & 1610

Resolution 29799 directs that the Executive is to make its recommendations on the reuse or disposal of excess property on a case by case basis, using *the Procedures for Evaluation of the Reuse and Disposal of the City's Real Property* adopted by that resolution. Additionally, the Resolution identifies guidelines, which are to be considered in making a recommendation. This report addresses each of the guidelines outlined in Resolution 29799 in support of the recommendation. This report also follows those provisions of Resolution 30862, adopted May 1, 2006, that amended Resolution 29799.

<u>Property Management Area:</u> PMA Nos. 1609 and 1610 – Vacant Parcels on 21st Ave SW, south of the intersection of 21st Ave. SW & SW Andover Street

BACKGROUND INFORMATION

Legal Description: Lots 21 and 22, Block 5, South Haven Addition to West Seattle, as recorded in Volume 3 of Plats, Page 17, Records of King County, Washington.

Physical Description and Related Factors: These two parcels are being reviewed together since they are adjacent properties with similar features and would likely be sold together. PMA No. 1609 is identified by the King County Assessor as Property Tax I.D. No. 788150-0615. It is rectangular in shape with an area of 2500 square feet. It is located immediately to the north of PMA No. 1610 and has 25 feet of frontage on the east along 21st Ave. SW. 21st Ave. SW is a narrow paved two-lane residential access street. Of the two parcels, PMA No. 1609 has a more moderate slope down running south to north. PMA No. 1610 is identified by the King County Assessor as Property Tax I.D. No. 788150-0610. While it is likewise rectangular in shape with an area of 2500 square feet and 25 feet of frontage along 21st Ave. SW, it is very steeply sloped down from South to the North. Both of the parcels have sloped areas and are wooded with variable groundcover. Both properties are within a single-family residential (SF 5000) zone and are mostly surrounded by single-family homes.

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, statues and regulations.

PMA No. 1609 was foreclosed upon for unpaid LID assessments and a judgment entered in 1958 in King County Superior Court Cause No. 522379. The city of Seattle purchased the property at public sale in 1959 and received a Local Improvement Assessment Deed from the City Treasurer in 1961 under recording # 5279127.

PMA No. 1610 was also foreclosed upon for unpaid LID assessments and a judgment was entered in 1955 in King County superior Court Cause No. 485465. The City of Seattle purchased the property at public sale in 1956 and received a Local Improvement Assessment Deed from the City Treasurer in 1959 as recorded under # 4896345.

The funds for purchase derived from the Property Tax Sales Fund and the properties, once under the jurisdiction of the Finance Department, have been transferred to the Fleets and Facilities Department. Proceeds from the disposition of these properties will accrue to the General Fund. The City is not

bound by any other contract or instrument to which the property is subject. There are no extraordinary ordinances, laws, or regulations that apply to these properties.

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, in support of economic development, in support of affordable housing, 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.

Context.

These property parcels are located within the Delridge Neighborhood Planning Area within the City of Seattle. While not specifically identified in the Delridge Neighborhood Plan as a site needed for the implementation of community goals, these parcels were once considered for a Housing Design Demonstration Program. The potential for affordable housing uses has decreased as other sites have been developed and lot values have appreciated. These parcels have not been identified as candidates for park and open space use and are not located within a Sound Transit station area development. They have not been noted as a site to be used as or in support of childcare facilities or in support of other priorities adopted in support of city policies.

Range of Options.

The options for disposition of these parcels include sale by public bid, negotiated sale, long-term ground lease, or retention by the city. These properties have been circulated three times – July 1998, March 2002, and December 2005 – to assess other city department and public entity interest in use of the property. No city department has identified any current or future use or need for the properties. Therefore, neither a long-term lease nor retention of the properties is within the city's best interests. Several adjoining property owners have expressed interest in acquiring the property. Sale by public bid is the most reasonable, fair, and equitable manner of selling this property. All abutting owners will be given notice of the bid sale and an opportunity to submit an offer.

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 make affect the value of the property.

Highest and Best Use:

Both parcels are zoned SF 5000- Single Family Residential. The best use of the parcels would be to combine them for the construction of a single family residence.

Compatibility with the physical characteristics:

The site does contain several areas of steep-sloping topography, particularly on the southerly parcel, PMA No. 1609. However, the site could not be engineered to make the land suitable for residential construction.

Compatibility with surrounding uses:

The most appropriate use of the property is either for development of a single family home or for incorporation into an existing residence for use as additional yard space.

Timing and Term of Proposed Use:

The City of Seattle proposes no specific use or design for this property. It would be offered for sale by public bid with no conditions on use or development by the successful bidder other than those mandated by the Land Use and Building Codes.

Appropriateness of the consideration:

The property would be sold to the highest successful bidder in accordance with procedures as approved by the City Council. A minimum bid threshold would be set by the Real Estate Services Division. Legislation would authorize the Real Estate Services Division of the Fleets and Facilities Department to accept the best competitive offer

Unique Attributes:

These parcels have no unique attributes that make them irreplaceable or features that require preservation.

<u>Potential for Consolidation with adjacent public property:</u>

There are no public properties immediately adjacent to the subject properties. The nearest public property is Seattle City Light's Andover Substation, PMA No. 572, a not-yet de-energized facility, zoned L-1(Residential multifamily Low-rise), and once viewed as a possible site for affordable housing development. It is situated to the north across SW Andover from these properties. There is no practical reason or potential for consolidation since there are no other publicly owned properties in the immediate area.

Conditions in the real estate market:

The real estate market in Seattle remains strong even as interest rates start to rise. Property continues to appreciate because of the scarcity of undeveloped land in Seattle.

Known environmental factors:

A review of property files and physical inspections of the site have been completed. There is no evidence to suggest that further environmental assessments, studies, or investigations are warranted. The property is steeply sloped in a few areas on the southern half of PMA No. 1610

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.

Non-city public entities were notified concerning the excess nature of this property in circulations occurring in 1998, 2002, and 2005. None expressed an interest in acquiring it for their needs. Adjoining property owners that have expressed interest in purchasing the property as an addition to their yards would be provided an opportunity to bid on the property as part of the bid-sale process. A public bid process would provide a fair, equitable and competitive method for identifying a purchaser for this property. Notice of the public bid process would be sent to the owners and occupants in the immediate neighborhood.

PUBLIC INVOLVEMENT

In accordance with Resolution No. 30862, a notice concerning disposition or other use of this property was sent to all residences and owners within a 1000-foot radius of the subject properties and to community council representatives. A total of 345 notices were mailed. This mailing generated seven responses or comments from the community. Four of the callers wanted additional information about how to purchase the property. One respondent thought the land was too steep for building and should only be offered to adjoining owners. One thought it could be a community garden if not sold. One caller did not care what happened on the land as long as transitional housing is not sited there.

RECOMMENDATION

The Real Estate Services Division of the Fleets and Facilities Department recommends that PMA Nos. 1609 and 1610 be offered for sale through a public competitive bid process to be approved by the City Council.

PROPERTY REVIEW PROCESS DETERMINATION FORM					
Property Name: Address:	Vacant parcels at 21 st Avenu 21 st Avenue SW and SW Ar	ne SW and SW Andover St.			
PMA ID:	PMA Nos. Subject Parcel #;s: 1752; 1753				
Dept./Dept ID:	1609 & 1610 Fleets and Facilities	Current Use: N	None: Excess		
Area (Sq. Ft.):	5000 SF	Zoning: SF 5000			
Est. Value:	\$ 82,000	Assessed Value: \$70,000			
PROPOSED USE	S AND RECOMMENDED US	E			
Department/Govern	nmental Agencies: None	Proposed Use: N/A			
Other Parties wish	ing to acquire: Adjoining	Proposed Use: Additional	Proposed Use: Additional yard		
, i	o highest bidder in accordance w	**			
PROPERTY REV	TEW PROCESS DETERMINA	ATION (circle appropriate respons	se)		
1.) Is more than one City dept/Public Agency wishing to acquire?			(No) Yes	15	
2.) Are there any pending community proposals for Reuse/ Disposal? (No)/ Yes			10		
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?				10	
			No / Yes	10	
5.) Is Sale or Trade to a private party being recommended? No / Ves				25	
6.) Will the proposed use require changes in zoning/other regulations?				20	
7.) Is the estimated Fair Market Value between \$250,000-\$1,000,000?				10	
8.) Is the estimated Fair Market Value over \$1,000,000?			45		
То	tal Number of Points Awarded for	or "Yes" Responses:	-	35	
Property Classifica results in "Complex	tion for purposes of Disposal rev x" classification.	iew: Simple) / Complex (circle	e one) (a score of 45+ po	ints	
Signature: David C. Hemmelgarn Department: FFD Date: 07/23/06					