

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Authorize City Manager to Exercise Option and Execute Purchase and Sale Agreement for Property Located at 18427 Aurora Avenue North
DEPARTMENT: Public Works Department; City Attorney's Office
PRESENTED BY: Ian R. Sievers, City Attorney

PROBLEM/ISSUE STATEMENT:

The issue before the City Council tonight is purchase of the property located at 18427 Aurora Avenue North for the Aurora Corridor Project, N 165th to N 185th ("Project"). This is the property at the south west corner of N 185th and Aurora (Langeberg). The property is needed for widening both Aurora Avenue North and 185th at this intersection.

ALTERNATIVES ANALYZED:

The City evaluated both a purchase of the entire property as well as using the condemnation/eminent domain process for only that portion of the property needed for the Project. The appraisal concluded that an uneconomic remnant would result from only the fee acquisition of the property needed for the Aurora Project, meaning that the City would have to purchase the entire property in the event the owner also believes it to be uneconomic. Rather than proceeding with eminent domain litigation, the property owner and the City negotiated purchase of the property via a purchase and sale agreement, subject to City Council authorization.

FINANCIAL IMPACT:

The purchase of the property amounts to \$469,000, after discounting for contamination cleanup costs and funds are budgeted in the Aurora Project for this acquisition.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to exercise the option and execute the purchase and sale agreement for the property located at 18427 Aurora Avenue North for \$469,000.

Approved By:

City Manager _____ City Attorney _____

INTRODUCTION

The Aurora Corridor Project requires a fee acquisition of approximately 1/3 of the property located at 18427 Aurora Avenue North (vacant property on the corner of 185th and Aurora). If the eminent domain process is used, the City would have to purchase the entire property due to the uneconomic remnant resulting from the fee acquisition, in the event the owner also believes it to be uneconomic. Rather than proceeding with eminent domain litigation, the City and property owner have negotiated a full purchase of the property, discounted for environmental contamination cleanup costs.

Since the Aurora Project will only use approximately 1/3 of the property, 2/3 will remain post-project. The issue of whether to use this property for another city purpose, such as a Gateway or a park, or to surplus the property will be brought to the City Council in the future. The issue before Council tonight is Council authorization for the City Manager to exercise the option and execute the purchase and sale.

BACKGROUND

For over a year, the City has been negotiating with the property owner of 18427 Aurora Avenue North for purchase of the property. The City started the negotiation process for this parcel earlier than other parcels affected by the Aurora Corridor Project as this site is a former gas station and portions of the property were known to be contaminated. In order to understand the extent of contamination, the City hired an environmental expert to perform testing to characterize the property and to estimate a cleanup cost for the property. The City has assumed a worst-case scenario for estimating cleanup costs.

Agreement has been reached with the property owner for a final purchase price of \$469,000, which includes a discount for cleanup costs for the property which is being shared by the owner and Chevron, a past franchisor. In exchange for the discount for contamination, the City agrees to release and indemnify both the property owner and Chevron from any claims relating to testing or cleanup of contamination existing within the property boundaries, and also for soil testing and cleanup necessitated by the Aurora Corridor Project. The City has not agreed to a release or indemnification for any environmental contamination found in the right-of-way outside of the Aurora Project. Staff is comfortable with this release, as our environmental consultant has characterized the site and provided for costs for cleanup on the property, as well as cleanup required for the soils disrupted by the Aurora Project. These estimated costs are covered in the discount applied to the purchase price.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to exercise the option and execute the purchase and sale agreement for the property located at 18427 Aurora Avenue North for \$469,000.