

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize City Manager to Approve Real Property Acquisitions for the Aurora Corridor Project
DEPARTMENT:	Public Works Department; City Attorney's Office
PRESENTED BY:	Kris Overleese, Capital Projects Manager; Ian Sievers, City Attorney

PROBLEM/ISSUE STATEMENT:

City Council consideration and authorization is requested to allow the City Manager to approve real property acquisitions in excess of the current authority delegated to the City Manager. The City Manager's authority to approve real property acquisitions is established in Shoreline Municipal Code 2.60 and has been amended for the Aurora Corridor project.

The City is currently in the process of acquiring right-of-way for the Aurora Corridor Project (N 165th to N 185th Street). Right-of-way acquisition is proceeding quickly, with over 1/3 of the parcel acquisitions complete and negotiations continue on the remainder. All of the acquisitions to date, with the exception of Key Bank and the Langeberg property, have occurred within the City Manager's purchasing authority.

Resolution No. 270, adopted in January 2008, establishes the City Manager's purchasing authority for the Aurora Corridor Project from N 165th Street to N 205th Street at \$325,000 or less. There are several acquisitions within the N 165th Street to N 185th Street segment that have been appraised at more than \$325,000. In order for the City to proceed with acquisition, including offering possession and use agreements, Council must authorize the City Manager to approve these purchases.

FINANCIAL IMPACT:

As with all of the acquisitions for the Aurora Corridor Project, the value of the property acquisition has been determined by the City's appraisal firm hired for this project. The appraisal was also reviewed by the review appraiser hired for this project. Copies of these appraisals are available in the Council office if any member would care to review them in detail.

There are four acquisitions within the current project limits (N 165th Street – N 185th Street) that have an appraised value (property purchase, TCE, damages, sign relocation) of greater than \$325,000. They are:

PROPERTY OWNER	PROPERTY ADDRESS	APPRAISED VALUE
Shoreview LLC & Margaret E. Olson LLC	17037 Aurora Avenue N.	\$509,850
Steele, Larry R & Mary L	17244 Aurora Avenue N.	\$1,460,400
McCaughan, et al	17550 and 17560 Aurora Avenue N.	\$1,304,750
Fred Meyer	18325 Aurora Avenue N.	\$323,900 ¹

Offers have been made to all of the property owners identified above, however, these offers have not been accepted at this time. Staff is requesting that Council authorize the City Manager to approve purchase of these properties as long as the cost does not exceed ten percent of the above appraised value. This approval does not guarantee payment above the appraised value. The acquisition costs above do not include reimbursement of relocation costs to businesses that qualify under state and federal guidelines.

The total cost of these acquisitions has been accounted for in the budget of the Aurora project (N 165th to N 185th Street). The total cost of the right-of-way for the next mile is approximately \$11,550,000 (without contingency).

The summary of the Aurora budget is as follows:

	N 165th Street - N 185th Street Budget	N 185th Street - N 205th Street Budget	Total Budget
PROJECT ADMINISTRATION			
Subtotal	\$9,254,020	\$8,267,020	\$17,521,040
REAL ESTATE ACQUISITION			
Subtotal	\$11,550,000	\$6,290,991	\$17,840,991
CONSTRUCTION			
Subtotal	\$20,470,000	\$26,444,000	\$46,914,000
CONTINGENCY			
Subtotal	\$2,837,273	\$7,902,089	\$10,739,362

¹ While the appraised value for this property does not exceed \$325,000, it is anticipated that the final settlement value will.

EXPENDITURE TOTALS	\$44,111,293	\$48,904,100	\$93,015,393
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To date, approximately \$3,700,000 has been obligated through property settlements or in consideration of possession and use agreements for this mile. The four properties above represent the largest remaining acquisitions for the project.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to approve the real property acquisitions identified above for the Aurora Corridor Project with an allowed contingency of ten percent above the appraised value.

Approved By: City Manager  City Attorney ____

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