

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Paramount Open Space Property Acquisition		
DEPARTMENT:	Parks, Recreation, and Cultural Services		
PRESENTED BY:	Dick Deal, PRCS Director		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input checked="" type="checkbox"/> Motion
	<input type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

The adopted Parks, Recreation, and Open Space plan recommends the acquisition of a parcel of land on the east side of Paramount Open Space as a priority. The City attempted to acquire this parcel in 2008, but after the appraisal was completed the owner, at that time, decided against completing the transaction. At that time the property was appraised for \$70,000 and the owner had purchased it for \$120,000 several months earlier.

In December 2011 the property was purchased by the current owners, Chheng Lim and Sia Ung. The owners obtained the property in a tax sale for \$18,500. During the Capital Improvement Program (CIP) update with the Council earlier this year it was suggested by Council that staff contact the new owners to see if they were interested in selling. PRCS Director Dick Deal and City Attorney Ian Sievers met with the owners in July expressing the City's interest in purchasing their property next to the park. The owners have agreed to sell for the \$70,000 valuation from a 2008 City appraisal. It is recommended that this appraisal not be updated based on 1) the general residential real estate market trends from 2008 to the present; 2) no new condition on the parcel or changes in critical area regulations; and 3) the owner's tax assessment appeal in 2011 that resulted in some level of individualized scrutiny of development potential, yet still resulted in a final assessed value of \$115,000. Given the relatively low purchase price it is unlikely a new appraisal would result in a lower fair market value that would justify the cost of the appraisal.

The property is addressed as the 14800 Block of 12th Ave. NE, Shoreline, Washington. There are no plans to develop this property for active park use. It is a very wet site as identified on the City's Critical Areas map, and will provide water detention, infiltration, and wildlife habitat. The property is 0.3 acres and as a result the Paramount Open Space area will increase to 10.6 acres in size.

The acquisition of this property has been a priority for many neighbors of Paramount Open Space. They have addressed the PRCS / Tree Board in favor of the acquisition of this parcel numerous times in the past ten years.

FINANCIAL IMPACT:

The City has accumulated \$167,067 in the Street Vacation account that can only be used for the acquisition, improvement, development and maintenance of public open space or transportation capital projects. (SMC 12.17.030; RCW 35.79.030) Street vacation funds will be used for the purchase of this property.

In 2008 The City applied for King County Conservation Futures (KCCF) funding for the acquisition of this parcel prior to the owner refusing to sell. Staff has been in discussion with the KCCF staff and it appears highly likely that this property would once again qualify for KCCF funding. During the 2014 KCCF funding cycle an application will be submitted for grant funding and if approved the City of Shoreline would receive 50% reimbursement (\$35,000) for this acquisition. This project was not included in the Adopted 2013-2018 Capital Improvement Plan (CIP). Assuming that Council authorizes the acquisition, staff will bring forward a budget amendment this fall to account for the acquisition.

RECOMMENDATION

Staff recommends that Council approval the acquisition of this parcel of land adjacent to Paramount Open Space for inclusion into the park for \$70,000.

Approved By: City Manager ***JU*** City Attorney ***IS***

ATTACHMENTS:

Attachment A – Purchase and Sale Agreement



Real Estate Purchase and Sale Agreement

Vacant Land

THIS CONTRACT CONTROLS THE TERMS OF THE SALE OF THE REAL PROPERTY. READ CAREFULLY BEFORE SIGNING.

The City of Shoreline, a Washington municipal corporation (hereinafter "Purchaser" or "City") hereby agrees to purchase under threat of condemnation and the undersigned Seller, Chheng H Lim and Sia Ung (hereinafter "Seller" or "District"), hereby agrees to sell the following described real estate located in the City of Shoreline, County of King, consisting of, wooded, vacant land, approximately 17,084 square feet, Tax Parcel Number 6632900591, and more fully described as follows:

2-3 17 Paramount Park Div #2 S ½ Lot 3 Less E 148 Ft Thof & Less 23 Ft Thof Tgw Por
Lot 2 Less E 148 Ft Thof & Less S 37.5 Ft Thof – Aka – Pcl B Shoreline Lla #shla97-
023 Rec # 9802231408

1. **PURCHASE PRICE:** The total purchase price shall be SEVENTY THOUSAND DOLLARS (\$70,000) to be paid in cash at closing.
2. **CONDITION OF TITLE:** Purchaser shall, promptly after the effective date of this Agreement, order a preliminary commitment for title insurance on the Property. The preliminary commitment for title insurance, together with copies of all exceptions noted therein, shall constitute the "Title Report." The title is to be free of all encumbrances or defects except: rights reserved in federal patents or state deeds, building or use restrictions general to the area, and existing easements not inconsistent with Purchaser's intended use. Building or zoning regulations or provisions shall not be deemed encumbrances or defects. Encumbrances to be discharged by Seller may be paid out of purchase money at date of closing. If title to the Property is not as required under this section and cannot be made so prior to Closing, Purchaser may elect to waive such encumbrances or defects by giving notice approving this Agreement under Section 11.
3. **FINANCING:** This agreement is not conditioned upon Purchaser's obtaining a purchase loan.
4. **TITLE INSURANCE:** Purchaser may, at Purchaser's expense, purchase an owner's policy of title insurance with liability in such amount as buyer may choose insuring fee simple title to the Property in Purchaser, subject only to the encumbrances or defects noted in paragraph 2 above or waived in writing by Purchaser.

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Buyer____/Seller HL/SU

5. **CONVEYANCING:** Title shall be conveyed by Statutory Warranty Deed free of encumbrances or defects except those noted in paragraph 2.

6. **PRO-RATION:** Tax assessments and utilities shall be prorated as of the date of closing.

7. **POSSESSION:** Seller shall deliver possession to Purchaser on closing,

8. **SELLER'S WARRANTIES/ CONDITION OF PROPERTY:** Seller hereby warrants that Seller is authorized to enter into the Agreement, to sell the Property, and to perform the obligations of the Agreements. To the best of its knowledge, Seller is unaware of any material concealed defects, including hazardous wastes (see paragraph 10), on the premises or improvements thereon with the exception of the following, to-wit:

Seller makes no representations or warranties regarding the Property other than those specified in this Agreement, Purchaser otherwise takes the Property "AS IS," and Buyer shall otherwise rely on its own pre-closing inspections and investigations.

9. **HAZARDOUS SUBSTANCES.** Except as disclosed to Buyer prior to the satisfaction or waiver of the inspection contingency stated in Section 11 below, Seller represents and warrants to Buyer that, to the best of its knowledge: i) there are no Hazardous Substances currently located in, on, or under the Property in a manner or quantity that presently violates any Governmental Requirement (as defined below); (ii) there are no underground storage tanks located on the Property; and (iii) there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of Governmental Requirements at the Property. As used herein, the term "hazardous substances" shall mean any substance or material defined or regulated as a hazardous substance, hazardous waste, toxic substance, pollutant, or contaminant under any federal, state, or local law, regulation, or ordinance governing any substance that could cause actual or suspected harm to human health or the environment. The term "Hazardous Substances" specifically includes, but is not limited to petroleum, petroleum by-products, asbestos, PCBs, and any other waste, substance of material now or hereafter defined, listed or designated as hazardous, toxic, a pollutant, waste, or otherwise harmful to human health or the environment under any law, statute, regulation or ordinance. The term "Governmental Requirement" shall mean any current or future federal, state or local law, regulation, ordinance or code regarding the manufacture, processing, use, handling, release, transportation, storage, or disposal of Hazardous Substances.

10. **CONTINGENCIES/ INSPECTIONS.** Purchaser's obligations under this agreement are contingent upon ratification by action of the Shoreline City Council. This Agreement shall terminate and Purchaser shall receive a refund of the earnest money unless Purchaser gives written notice to Seller within 30 days of receipt of the Title Report, stating that this Purchase Agreement has been approved by the Shoreline City Council and that Purchaser is satisfied, in Purchaser's reasonable discretion, concerning all aspects of the Property, including without limitation, its physical condition; the presence of or absence of any hazardous substances; and the suitability of the Property for Purchaser's intended purpose. If Purchaser gives notice conditionally approving the purchase except for title defects, the seller may elect to make the title insurable in its sole discretion within 30 days of notice of defect.

11. TIME FOR CLOSING / RESPONSIBILITIES OF PARTIES: The sale shall be closed in the office of the Closing Agent within 30 days after waiver of the contingencies in paragraph 11. The Purchaser and Seller shall deposit with the closing agent all instruments, documents and monies necessary to complete the sale in accordance with this agreement. Purchaser shall pay real estate excise taxes (if any are due). Premiums for title insurance shall be the responsibility of Purchaser. All other escrow and closing costs shall be paid by Purchaser.

12. CLOSING AGENT: For purposes of this agreement, "Closing Agent" shall be the Shoreline City Attorney, 17500 Midvale Ave. North, Shoreline, WA 98133-4905 or other closing agent authorized to perform escrow services pursuant to the provisions of Chapter 18.44 of the Revised Code of Washington who is designated by the parties hereto to perform such duties.

13. DATE OF CLOSING: For purposes of this agreement, "date of closing" shall be construed as the date upon which all appropriate documents are recorded and proceeds of this sale are available for disbursement to Seller. Funds held in reserve accounts pursuant to escrow instructions shall be deemed, for purposes of this definition, as available for disbursement to Seller.

14. RISK OF LOSS: If prior to closing, the premises shall be destroyed or materially damaged by fire or other casualty, this agreement at option of Purchaser shall become null and void. If Purchaser elects to continue, all insurance proceeds, if any, shall be payable to Purchaser.

15. DEFAULT: If either party defaults in its contractual performance herein, the non-defaulting party may seek specific performance pursuant to the terms of this agreement or rescission.

16. ATTORNEYS' FEES: If either party hereto is required to retain an attorney to bring suit or seek arbitration to enforce any provisions of this agreement, said party shall be entitled to reasonable attorneys' fees regardless of whether the matter proceeds to judgment or is resolved by defaulting party curing default.

17. NOTICES. Any demand, request or notice which either party hereto desires or may be required to make or deliver to the other shall be in writing and shall be deemed given when personally delivered, when delivered by facsimile with a copy sent by mail, when delivered by a private courier service or three (3) days after being deposited in the United States Mail in a registered or certified form, return receipt requested, with postage prepaid, addressed as follows:

To Seller:

Chheng H Lim and Sia Ung
12236 43rd Avenue South
Tukwila, WA 98178
C. chheng898@yahoo.com
206-818-3212

To Purchaser:

City of Shoreline

Attention: Dick Deal, Director Parks and Cultural Services
17500 Midvale Avenue N.
Shoreline, WA 98133-4905

Or to such other single address and person as either party may communicate to the other by like written notice.

21. ENTIRE AGREEMENT. There are no other verbal or other agreements which modify or affect this agreement. Time is of the essence of this agreement. All subsequent modifications or waivers of any condition of this agreement shall be in writing and signed by the appropriate parties.

City of Shoreline, Purchaser

Dated: _____

By: Julie Underwood, City Manager

Purchaser's Address: 17500 Midvale Ave. North
Shoreline, WA 98133-4905

Approved as to form:

Ian R. Sievers, City Attorney

Chheng H Lim, Seller:

Chheng H Lim

Seller's Address: 12236 43rd Avenue S.
Tukwila, WA 98178

Sia Ung, Seller:

Sia Ung

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Buyer____/Seller *HL/SU*