

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Proposed Ordinance No. 830 to Amend Ordinance No. 703 for the Aurora Square Community Renewal Area Public-Private Partnership Project: Right-of-Way Vacation and Dedication to Transform Westminster Way N		
DEPARTMENT:	Public Works		
PRESENTED BY:	Tricia Juhnke, City Engineer		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

To help the transformation of Westminster Way N, a 7,908 square foot (sf) portion of public right-of-way (ROW) along the eastern edge of Westminster Way N was identified to be vacated by the City to the adjacent property owner. In consideration for the vacated property, the property owner had agreed to pay \$72,600 in cash, dedicate 5,548 sf of Parcel No. 1826049453 to the City, and remove the former Pizza Hut building from the same parcel. Together, the compensation was equivalent to 100% of the Fair Market Value of the vacated ROW. On June 1, 2015, the Council approved Ordinance No. 703 which approved this ROW vacation.

The exchange property subsequently went into federal receivership prior to execution of the Vacation Agreement, receipt of cash consideration, or the transfer of the exchange parcel. The property has come out of federal receivership and is currently under contract to be purchased by a different property owner that desires to conclude the vacation and exchange. Because of the increase in land values since the last appraisal, the City received an updated appraisal and the matter is before the City Council as proposed Ordinance No. 830 (Attachment A) to amend Ordinance No. 703 to increase the required consideration for the vacation.

Tonight, Council is scheduled to discuss proposed Ordinance No. 830. Proposed Ordinance No. 830 is scheduled to be brought back to Council for action on July 16, 2018.

RESOURCE/FINANCIAL IMPACT:

The value of the vacated 7,908 sf of City ROW will be offset by consideration at \$82.83 per sf. The consideration will be in three parts: (a) 5,548 sf of dedicated property of Parcel No. 1826049453, (b) \$200,000 in cash (rounded per the appraisal), and (c) execution of a Vacation Agreement.

RECOMMENDATION

No action is required as this item is for discussion purposes only. Staff recommends that Council ask questions of staff regarding this proposed ordinance. Adoption of proposed Ordinance No. 830 is scheduled for July 16, 2018.

Approved By: City Manager ***DT*** City Attorney ***MK***

BACKGROUND

In September of 2012, the Council designated the 70+ acre Aurora Square area as a Community Renewal Area (CRA). In August, 2013, Council adopted a CRA Plan which includes a number of conceptual Public-Private Partnership (PPP) Projects that will both improve the function of Aurora Square and provide clear public benefit.

To help the transformation of Westminster Way N, an identified PPP Project involving a 7,908 square foot (sf) portion of public right-of-way (ROW) along the eastern edge of Westminster Way N was identified to be vacated by the City to the adjacent property owner. In consideration for the vacated property, the property owner had agreed to pay \$72,600 in cash, dedicate 5,548 sf of Parcel No. 1826049453 to the City, and remove the former Pizza Hut building from the same parcel. Together the compensation is equivalent to 100% of the Fair Market Value of the vacated ROW.

On June 1, 2015, the City Council adopted Ordinance No. 703 to approve the vacation and authorize the City Manager to enter into a Vacation Agreement with Potlatch Shoreline LLC. The link to the staff report for the adoption of Ordinance No. 703 can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2015/staffreport060115-7b.pdf>.

Subsequent to the adoption of Ordinance No. 703, the exchange property went into federal receivership prior to execution of the Vacation Agreement, receipt of consideration, or the transfer of the exchange parcel. The vacant buildings were demolished during receivership because they were becoming a nuisance.

DISCUSSION

After several years of delay, the property has come out of federal receivership and is currently under contract to be purchased by a different property owner that desires to conclude the vacation and exchange. Because of the increase in land values since the last appraisal, the City received an updated appraisal and the matter is before the City Council as Ordinance No. 830 (Attachment A) to amend Ordinance No. 703 to increase the required cash consideration for the vacation to \$200,000. The new appraisal for the City's vacated ROW was determined to be \$82.83 per sf, a significant increase over the previous appraisal of \$35 per sf. The appraisal rounded the cash consideration to \$200,000.

With the adoption of Ordinance No. 703, the Council has authorized the vacation of the property. Proposed Ordinance No. 830 is simply updating of the authorization with the new financial consideration and vacation agreement with the new property owners.

In addition to this street vacation process, City staff is working with the potential new property owners for the development of a new multi-family development now called the Alexan. Other activities underway, but separate from this ROW vacation, include:

- Review and approval of building permits: anticipated in August of 2018.

- Design of the Westminster Avenue N and N 155th Street intersection project: currently at 60% design with construction anticipated in 2020 in coordination with construction of the Alexan and re-development of the Merlone Geier Partners (former Sears) property.
- Negotiation of an agreement between Alexan and the City for the financial responsibility and/or construction of the Westminster Avenue N and N 155th Street intersection project.
- Negotiation with Seattle City Light for the acquisition of ROW or easement to create a new connection to Aurora Avenue N.

RESOURCE/FINANCIAL IMPACT

The value of the vacated 7,908 sf of City ROW will be offset by consideration at \$82.83 per sf. The consideration will be in three parts: (a) 5,548 sf of dedicated property of Parcel No. 1826049453, and (b) \$200,000 in cash (rounded per the appraisal), and (c) execution of a Vacation Agreement.

RECOMMENDATION

No action is required as this item is for discussion purposes only. Staff recommends that Council ask questions of staff regarding this proposed ordinance. Adoption of proposed Ordinance No. 830 is scheduled for July 16, 2018.

ATTACHMENTS

Attachment A: Ordinance No. 830

ORDINANCE NO. 830

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON
AMENDING ORDINANCE NO. 703 VACATING 7,908 SQUARE FEET OF THE
EASTERN EDGE OF WESTMINSTER WAY NORTH RIGHT-OF-WAY
BETWEEN NORTH 155th STREET AND NORTH 160th STREET UNDER
CERTAIN CONDITIONS**

WHEREAS, in accordance with RCW 35.79.010, on August 5, 2013, the Shoreline City Council adopted Resolution No. 347, initiating a street vacation for a portion of the eastern edge of Westminster Way Right-of-Way pursuant to Shoreline Municipal Code 12.17; and

WHEREAS, the land survey accurately describes the area to be vacated to be 7,908 feet and this Ordinance and the updated appraisal all reflect that number; and

WHEREAS, vacation of such right-of-way is conditioned upon the abutting landowner executing a Vacation Agreement, payment for the value of the vacated right-of-way, and conveyance to the City of another parcel of private property needed for upcoming City road improvements in order to better align the rights-of-way in the area; and

WHEREAS, on October 1, 2013, the Shoreline Hearing Examiner held a public hearing on the proposed street vacation and on October 3, 2013 issued a recommendation for approval of the vacation subject to an adjustment to the consideration for the vacation and the reservation of required utility easements; and

WHEREAS, on May 11, 2015 the City Council considered the recommendation of the Hearing Examiner to approve the vacation, and on June 1, 2015 the City Council adopted Ordinance No. 703 and vacated the right-of-way subject to certain conditions; and

WHEREAS, the adjacent landowner's property subsequently went into federal receivership prior to the conditions of the vacation being met; namely, execution of the Vacation Agreement, payment of the required compensation for the vacation, and transfer of the parcel of property; and

WHEREAS, the property is now being purchased by another owner who is seeking to fulfill the outstanding conditions to finalize the previous street vacation; and

WHEREAS, due to the passage of time and demolition of the old buildings the City undertook a new appraisal to update the value of the property being vacated as well as the property being received by the City in the exchange; and

WHEREAS, this amended Ordinance reflects the updated value of the properties; and

WHEREAS, on June 25, 2018 the City Council considered this amended Ordinance with the updated appraisal amount of the properties;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Findings. The City Council adopts the above findings and incorporates them herein.

Section 2. Incorporation. Ordinance No. 703, and the Exhibits thereto, are hereby incorporated herein.

Section 3. Conditions of Vacation. The vacation approved by Ordinance No. 703 continues to be subject to execution of a Vacation Agreement and the abutting property owner's conveyance to the City of Parcel No. 1826049453, as depicted in Exhibit B attached to Ordinance No. 703, as well as the payment of not less than \$200,000.00, representing the difference owing for the value of the property being received and vacated by the City. The City Manager is authorized to enter into a Vacation Agreement on behalf of the City consistent with this Ordinance and Ordinance No. 703 vacating the right-of-way and taking title to Parcel No. 1826049453.

Section 4. Additional Conditions. Monetary compensation shall be deposited in the General Fund with one-half placed in a restricted amount for future appropriation by the City Council for acquisition, improvement, development, and related maintenance of public open space or transportation capital projects in compliance with RCW 35.79.030, or as may otherwise be expressly authorized by the City Council.

Section 5. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON JULY 16, 2018.

Mayor Will Hall

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret J. King
City Attorney

Date of Publication: , 2018
Effective Date: , 2018