

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorize the City Manager to Approve Real Property Acquisitions for the 145 <sup>th</sup> Corridor Phase 1 Project for Property Located at 14509 3 <sup>rd</sup> Avenue NE
<b>DEPARTMENT:</b>	City Attorney's Office
<b>PRESENTED BY:</b>	Julie Ainsworth-Taylor, Assistant City Attorney
<b>ACTION:</b>	<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 City Manager's authority to approve real property acquisitions is established in Shoreline Municipal Code (SMC) Section 2.60 and was increased to \$1 million for the State Route 523 (N/NE 145<sup>th</sup> St), Aurora Avenue N to I-5, Phase 1 (I-5 Corliss Avenue) project, referred to as to the 145<sup>th</sup> Corridor (Phase 1) Project, with the adoption of Resolution No. 476. In addition to this resolution, on May 24, 2021, the City Council authorized the City Manager to approve the purchase of three (3) properties in excess of the authorized amount. City Council authorization is now requested to allow the City Manager to approve a real property acquisition in excess of the authority previously delegated to the City Manager for property located at 14509 3<sup>rd</sup> Avenue NE for Phase 1 of the 145<sup>th</sup> Corridor Project. Tonight, staff is seeking this additional property acquisition authority for the City Manager.

**RESOURCE/FINANCIAL IMPACT:**

As with all the acquisitions of the 145<sup>th</sup> Corridor (Phase 1) Project, the value of the property acquisition that needs specific approval has been determined by an independent appraisal firm as hired for the project by the City's contracted and WSDOT approved right-of-way consultant. The recent appraised value of the property is \$2,187,000. Funding is being provided by the State Connecting Washington funds.

**RECOMMENDATION**

Staff recommends that the City Council authorize the City Manager to execute the necessary documents to acquire the property located at 14509 3<sup>rd</sup> Avenue NE at the recently appraised value for the 145<sup>th</sup> Corridor (Phase 1) Project with an allowed contingency of ten percent (10%) above the appraised value. If the Council does not authorize the new acquisition price, condemnation proceedings will continue.

Approved By:            City Manager **DT**    City Attorney **JA-T**

## **BACKGROUND**

The City Manager's authority to approve real property acquisitions is established in Shoreline Municipal Code (SMC) Section 2.60 and was increased to \$1 million for the State Route 523 (N/NE 145<sup>th</sup> St), Aurora Avenue N to I-5, Phase 1 (I-5 Corliss Avenue) project, referred to as to the 145<sup>th</sup> Corridor (Phase 1) Project, with the adoption of Resolution No. 476 on May 24, 2021. The staff report for the adoption of Resolution No. 476 can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2021/staffreport052421-7c.pdf>.

Also on May 24, 2021, the City Council, by motion, authorized the City Manager to approve the purchase of three (3) properties in excess of the authorized amount. The staff report for this Council action can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2021/staffreport052421-7d.pdf>.

While purchase of two (2) of the properties has occurred, the third property, located at 14509 3<sup>rd</sup> Avenue, declined the City's final offer of \$2,323,000, which represented the appraised value and a ten percent (10%) contingency; countering with the sum of \$2,460,000 – a difference of \$137,000. Thus, the matter was referred to the City Attorney's Office to commence condemnation proceedings. The City Attorney's Office contacted the property owner who again rejected the City's final offer and reiterated their counteroffer. An updated appraisal for the property was completed, denoting an increase in the value to \$2,187,000. The 2021 and 2022 appraisals for this property are available for review in the City Manager's office upon request. RCW 42.56.260 of the Public Records Acts exempts disclosure of appraisals at this time.

In order for the City to proceed with acquisition of this property for the 145<sup>th</sup> Corridor (Phase 1) Project, including offering a possession and use agreement, the City Council must authorize the City Manager to approve the purchase at an amount higher than the one authorized on May 24<sup>th</sup>. An offer has not yet been made to the property owner.

## **DISCUSSION**

The City Attorney's Office is requesting that Council authorize the City Manager to approve purchase of this property at the appraised value plus ten percent (10%) above the appraised value, or \$2,405,700. Since the City's prior offer was the appraised value plus ten percent (10%), the City Attorney's Office believes that the same offer should be made for the property, as not only would the property owner expect this but, their 2021 counteroffer would continue to be in excess of the new offer amount by \$54,300. These acquisition costs also do not include reimbursement of relocation costs to property owners that qualify under state and federal guidelines.

City Council authorization is therefore requested to allow the City Manager to approve the real property acquisition on property located at 14509 3<sup>rd</sup> Avenue NE. Tonight, staff is seeking this additional property acquisition authority for the City Manager.

## **RESOURCE/FINANCIAL IMPACT**

As with all the acquisitions of the 145<sup>th</sup> Corridor (Phase 1) Project, the value of the property acquisition that needs specific approval has been determined by an independent appraisal firm as hired for the project by the City's contracted and WSDOT approved right-of-way consultant. The recent appraised value of the property is \$2,187,000. Funding is being provided by the State Connecting Washington funds.

## **RECOMMENDATION**

Staff recommends that the City Council authorize the City Manager to execute the necessary documents to acquire the property located at 14509 3<sup>rd</sup> Avenue N at the recently appraised value for the 145<sup>th</sup> Corridor (Phase 1) Project with an allowed contingency of ten percent (10%) above the appraised value. If the Council does not authorize the new acquisition price, condemnation proceedings will continue.