

October 12, 2006

Shoreline Water District Board of Commissioners  
Ron Ricker, President  
Larry Schoonmaker, Vice President  
Charlotte Haines, Secretary  
1519 NE 177<sup>th</sup> Street  
Shoreline, WA 98155

RE: Sale of South Woods Property

Dear Commissioners:

Thank you for your letter of October 4, 2006 which we received on October 10, regarding the South Woods property owned by the Shoreline Water District. Since the City Council has authorized me to negotiate for the acquisition of this property I am responding on behalf of the City of Shoreline. You indicate that the District has not received any formal written commitments from the City to purchase the property; which is correct. However, I have been in frequent contact with your District Manager and continuously expressed our urgent interest in acquiring the property through a negotiated sale at fair market value. The City has been prepared since July to make a formal offer, but only held off as a courtesy to allow the District time to complete its appraisal. Based on our two appraisals we would then be in a position to make the District a fair offer grounded in current market values. Your District Manager assures me that he has kept the Board fully informed of these discussions and our intent to pursue a negotiated sale based on a reasonable reconciliation of any differences in our appraisal assumptions and results. This is still our preferred process and assures the Board that it will have fair and adequate market appraisal information on which to base a decision. Any delays in providing the District with a formal purchase offer are solely due to the length of time it has taken for the District to complete its appraisal process.

I know the Board is fully aware of the strong community support for retaining this property as open space. A 70% majority in Shoreline approved the bond issue to retain this property as open space. This majority also includes the majority of residents and rate payers within the Water District boundaries. It is our continued hope that the District will take into consideration this majority which is expressing the community values of open space, enhanced water and air quality and environmental sustainability. We strongly believe that the District

should not ignore these values and community wishes in considering the disposition of South Woods.

It therefore comes as a surprise that the District would consider placing this property on the market for development in contravention of the expressed community will and strongly held environmental values. I would respectfully request that you reconsider this direction and continue the process of a negotiated agreement between the City and the District. To help expedite this process the City will forward a formal offer of purchase within the next week. I am confident that we can arrive at a mutually satisfactory agreement at a fair value. I look forward to working with the District on this and other projects that benefit our community

Sincerely,

Robert L. Olander  
City Manager

Cc: Shoreline City Council  
Stu Turner, Shoreline Water District