

STATE OF WASHINGTON DEPARTMENT OF SOCIAL AND HEALTH SERVICES Office of the Secretary, P.O. Box 45010, Olympia, WA 98504-5010

August 28, 2020

TO: James Hammond, Government Relations and Communications Shoreline City Manager's Office

FROM: Donald Clintsman, Chief of Staff Office of the Secretary

SUBJECT: Dog Park Lease

As you know, Substitute Senate Bill 6190 requires DSHS to charge a fair market value for leases of lands that are included in the Dan Thompson Account. To this end, the Department of Enterprise Services (DES) engaged the Eastman Company to perform an appraisal of the 4.5 acre parcel which includes the two acres in the southwest corner of the Fircrest campus colloquially known as the "dog park".

Currently, the Department of Social and Health Services (DSHS) and the City of Shoreline are engaged in an executed lease extension that allows for the City to pay \$1,000 per month for July and August for use of the dog park until a fair market value is established. The result of the appraisal, which has been shared with the City, is an increase in the lease rate to \$4,355.56 per month for the two acres. This amount would be effective September 1.

Based on conversations with the Office of Financial Management, it is my understanding that the City of Shoreline has taken issue with the results of this appraisal that was conducted by two qualified appraisers of the Eastman Company. The City engaged another firm, whose qualifications are unknown to us, to review the appraisal. This review disputed the results of the Eastman Company.

Given the City's concern about the accuracy of the Eastman Company appraisal, DSHS will agree to suspend the increase in the rate for 90 days, until December 31, 2020 to allow the City time to ascertain its own appraisal by a licensed Washington State Certified Real Estate Appraiser. If the lessor (DSHS) and the lessee (City of Shoreline) cannot agree to terms, the lease will be canceled as per standard procedure.

cc: Cheryl Strange, Secretary, DSHS Judy Fitzgerald, Assistant Secretary, DSHS Bob Hubenthal, Captital Programs Chief, DSHS Jeanne Rodriguez, Capital Asset Manager, DSHS Carly Fa'ataualofa, Captial Budget Assistant, OFM Jen Masterson, Senior Buget Assistant, OFM