



Memorandum

DATE: December 2, 2022

TO: Mayor and Shoreline City Council

FROM: Tricia Juhnke, Interim Public Works Director

RE: Additional Information Regarding Funding Limitations for the Proposed Surplus Designation of the Excess Property Located at 14509 3rd Avenue N (Proposed Resolution No. 498)

CC: Bristol Ellington, City Manager
John Norris, Assistant City Manager
Margaret King, City Attorney

Background

On November 21st, Council discussed proposed Resolution No. 498 which would designate as surplus an excess property located at 14509 3rd Avenue N which was purchased for the 145th Corridor Phase 1 Project. During this discussion, Council was interested in other potential uses of this property, such as for a park, rather than surplusing the property for sale. A public hearing and potential action on proposed Resolution No. 498 are currently scheduled for December 5th. The staff report for this Council action item, which includes the additional information requested by Council, can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2022/staffreport120522-8a.pdf>.

As staff continued to research and better understand the limitations on the use of this property following the publishing of the December 5th staff report, staff has learned more information on the use of Connecting Washington funds that were used for the acquisition of this property and other properties for the 145th Corridor Phase 1 Project. As a result, staff has some clarifications and/or corrections of information that is currently in the December 5th staff report.

Additional Funding Limitations

Connecting Washington Funds are state funds and must follow Washington State requirements for surplus of property. The December 5th staff report indicates the project

needs to meet *federal funding requirements* for surplus of property. There are however similarities between the requirements.

Below is some clarifying information regarding the use of the Connecting Washington funds:

- Proceeds from surplus property must be used for another Connection Washington project or as a transportation appropriation. Phases 2 and 3 of the 145th Corridor Project is part of the City's Connecting Washington project and thus eligible for use of these funds.
- If the property is not surplus but the City wants to convert the use to parks/open space, affordable housing or another non-transportation use, the City would need to provide market value compensation to either the state or to another eligible transportation project (such as a future phase of the 145th Corridor Project). If this is desired, the compensation could come from the City's General Fund, park acquisition funding in the Parks Bond, or Park Impact Fees. As is noted in the December 5th staff report, the appraised value of the property is \$145 per square foot, which would set the value at \$1.69 million.