



Legislation Details (With Text)

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Title: AN ORDINANCE authorizing the executive to execute a purchase and sale agreement and all necessary conveyance documents to complete the sale of the county-owned property known as the North Lake Union Upper parcel to Touchstone Corporation, located in council district 2.

Sponsors: Jane Hague

Indexes: Agreement, North Lake Union, Property

Code sections:

Attachments: 1. 15536.pdf, 2. 2006-0051 Attachment 1 to 4-19-06 staff report.pdf, 3. 2006-0051 Attachment 2 to 4-19-06 staff report.pdf, 4. 2006-0051 Attachment 3 to 4-19-06 staff report.pdf, 5. 2006-0051 Attachments 4-9 of 4-19-06 Staff Report.pdf, 6. 2006-0051 Fiscal Note.xls, 7. 2006-0051 Handout 4-19-06.pdf, 8. 2006-0051 handout 4-19-06.pdf, 9. 2006-0051 Handout 5-3-06.pdf, 10. 2006-0051 handout at 5-17-06 Meeting.pdf, 11. 2006-0051 handouts at 5-17-06 Meeting.pdf, 12. 2006-0051 Lake Union Watershed handouts at 5-17-06 Meeting.pdf, 13. 2006-0051 Staff Report 05-03-06.doc, 14. 2006-0051 Staff Report 06-07-06.doc, 15. 2006-0051 Staff Report 4-19-06.doc, 16. 2006-0051 Touchstone handout at 5-17-06 Meeting.pdf, 17. 2006-0051 Transmittal Letter.doc, 18. 2006-0051 Wallingford Neighborhood Plan handout at 5-17-06 Meeting.pdf, 19. A. Request for Proposal, 20. A. Request for Proposal, 21. B. Touchstone Proposal, 22. B. Touchstone Proposal, 23. C. Real Estate Purchase and Sale Agreement, 24. C. Real Estate Purchase and Sale Agreement, 25. D. Parcel Map and Data, 26. D. Parcel Map and Data, 27. E. Metro Transit Division--Department of Transportation--North Lake Union - Upper Parcel Specifications For A Required Public Viewing Platform--30 March 2005, 28. E. Metro Transit Division--Department of Transportation--North Lake Union - Upper Parcel Specifications For A Required Public Viewing Platform--30 March 2005

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------------------|--|--------|
| 6/26/2006 | 1 | Metropolitan King County Council | Hearing Held | |
| 6/26/2006 | 1 | Metropolitan King County Council | Passed | Pass |
| 6/19/2006 | 1 | Metropolitan King County Council | Deferred | |
| 6/7/2006 | 1 | Capital Budget Committee | Passed Out of Committee Without a Recommendation | Pass |
| 5/17/2006 | 1 | Capital Budget Committee | Deferred | |
| 5/3/2006 | 1 | Capital Budget Committee | Deferred | |
| 4/19/2006 | 1 | Capital Budget Committee | Deferred | |
| 2/13/2006 | 1 | Metropolitan King County Council | Introduced and Referred | |

Clerk 01/26/2006

AN ORDINANCE authorizing the executive to execute a purchase and sale agreement and all necessary conveyance documents to complete the sale of the

county-owned property known as the North Lake Union Upper parcel to Touchstone Corporation, located in council district 2.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings:

A. King County owns 1.67 acre (72,893 square feet) parcel of land, commonly known as the North Lake Union Maintenance Facility or Tank Farm, located at 3301 Densmore Ave. North adjacent to Gasworks park in the city of Seattle, Washington. King County Metro transit division is the custodian.

B. The property was originally developed as a bulk fuel storage facility by the Standard Oil Company of California (now Chevron Products Company) in the 1920s. The property was purchased from Chevron by the Municipality of Metropolitan Seattle (now King County Metro) as a fuel storage depot in 1982.

C. King County Metro transit currently uses the site to house certain maintenance functions. These functions include bus shelter cleaning, a paint shop and landscaping of transit facilities. There are approximately fifty-five people who currently work at this facility.

D. King County Metro transit division received an unsolicited letter of intent in October 2003 requesting to purchase the North Lake Union upper parcel and in return King County Metro transit division would:

1. Receive a new maintenance site and facility;
2. Receive three million dollars in cash; and
3. Have the purchaser clean up any contaminated soil encountered during the development of the

property at their expense.

E. King County transit division concluded that the offer was of exceptional value to the county.

F. The transit division seeks to divest itself of the North Lake Union upper parcel if certain conditions can be met.

G. The conditions set forth that make it possible for the transit division to divest itself of this property

are a cash payment of at least three million dollars, participation in an environmental cleanup worth at least two million dollars and the replacement of transit's existing maintenance facility, estimated to cost six million dollars.

H. Ordinance 15083, which adopted the 2005 Annual Budget for King County, provided for the funding of certain capital projects.

I. Ordinance 15083 included a provision requiring the King County executive to submit to the King County council a request for proposals ("RFP") an all cash alternative to the above criteria.

J. On January 10, 2005, the King County executive submitted to the King County council a motion requesting approval for an RFP to advertise the upper parcel for sale to the public.

K. On January 26, 2005, the budget and fiscal management committee amended the motion to reduce the amount requested under the all cash alternative to the appraised value of the property, or \$4.35 million dollars. The motion was referred to the full council with a due pass recommendation as amended.

L. On February 7, 2005 the full council voted to approve the RFP as amended and the motion was adopted.

M. On March 25, 2005 King County facilities management division, real estate services section did advertise the approved RFP for the sale of the upper parcel which included the all cash alternative, with responses due on May 25, 2005.

N. Two responses to the RFP were received on May 25, 2005, one under the all cash alternative from Renova, a specialist in redevelopment of contaminated sites in the amount of 4.4 million dollars and one under the cash and replacement facility alternative from Touchstone Corporation with a cash value of 3.05 million dollars, site cleanup and a replacement site built to the specifications included in the RFP. The replacement site is currently under contract by Touchstone Corporation for three million dollars, consists of approximately ninety thousand square feet or 2.06 acres more or less and is located at 12526 Aurora Ave. North.

O. Concurrently with the advertisement of the RFP, The transit division prepared a relocation study

necessary to properly evaluate not only the proposals received from the RFP, but all of the possibilities associated with this maintenance function. The study evaluated the following alternatives to the replacement site option in the RFP.

1. Whether or not the transit division has underutilized property large enough to accommodate the maintenance employees currently located at the North Lake Union site;
2. The cost to relocate those employees; and
3. The cost of remaining at the North Lake Union facility.

The study concluded that the relocation to a new facility under the terms of the RFP was the most desirable outcome under any relocation plan.

P. A selection committee met twice in June of 2005 to review the two proposals. The selection committee concluded that the value of Touchstone Corporation's proposal to King County was in the range of ten million to thirteen million dollars. This included the cash value of the offer, the value of the replacement site and the value of the new facility on the replacement site. The value of the Renova offer to King County was 4.4 million dollars in cash.

Q. At its second meeting, the selection committee selected Touchstone Corporation proposal as being the best value to King County and notified Touchstone Corporation of its acceptance of its proposal.

R. A purchase and sale agreement with Touchstone Corporation was negotiated, which is attached to this ordinance.

S. The council hereby finds pursuant to K.C.C. 4.56.100 that unique circumstances exist that make a negotiated direct sale of the North Lake Union upper parcel to Touchstone Corporation in the best interests of the public.

SECTION 2. The King County executive is hereby authorized to execute a purchase and sale agreement, substantially in the form of Attachment D to this ordinance, and any other necessary documents to sell the property known as the North Lake Union upper parcel to Touchstone Corporation under the terms of the

attached purchase and sale

agreement.

| PROPERTY NAME | | APPRAISED |
|------------------|----------------------|----------------|
| <u>PARCEL</u> | <u>TAX ACCT. NO.</u> | <u>VALUE</u> |
| North Lake Union | 408330 6985 | \$4,350,000.00 |
| Upper Parcel | | |