

FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Parks and Recreation	Donald Harris/684-8018	Catherine Cornwall/684-8725

Legislation Title: AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the acquisition of real property commonly known as 4041 California Avenue SW and 4045 California Avenue Southwest; authorizing acceptance and recording of the deeds for open space, park, and recreation purposes; increasing appropriations to the Department of Parks and Recreation in the 2014 Adopted Budget; and amending the 2014-2019 Adopted Capital Improvement Program; and ratifying and confirming certain prior acts; all by a three-fourths vote of the City Council.

Summary and background of the Legislation:

On November 4, 2008, Seattle voters approved a six-year property tax levy, the 2008 Parks and Green Spaces Levy (Levy), for the purpose of improving and expanding the City’s parks and green spaces. The Levy includes an acquisition category and a neighborhood park acquisition subcategory. The West Seattle Junction Hub Urban Village is identified in this subcategory. The attached proposed Council Bill authorizes the Department of Parks and Recreation (DPR) to acquire, by voluntary agreements, two parcels (in aggregate totaling 5,750 square feet) located adjacent to Dakota Place Park, which will increase the functionality of this popular park. The legislation also authorizes the acceptance of the deeds to the subject properties for open space, park, and recreation purposes and appropriates the necessary funds.

The proposed acquisitions are well-suited for an expansion of the park. They will increase the functionality of the park (the former substation building, now a community facility, has a large footprint on the site), and further satisfy the goal to provide parks within walking distance for residents in and around urban villages, a key planning goal included in both Seattle’s Parks and Recreation 2006 Development Plan and 2006 Open Space Gap Report Update, and Seattle’s Parks and Recreation 2011 Development Plan. The parcels will not be developed as an addition to the park until funding is available for that purpose.

The City presented several offers to the previous owner; however, there was never any agreement on price. A developer acquired the property, subdivided it into two parcels, each now owned by a different limited liability company controlled by the same managing member. Both limited liability companies are willing to sell to the City. The two parcels will be acquired under separate purchase and sale agreements and conveyed under separate deeds. It is anticipated that after the acquisitions close, the City will manage the site until park design/construction funding becomes available by demolishing the three residential cottages and two small outbuildings on one parcel and managing the lease in the commercial building on the other parcel until it is time to develop the park, depending on the terms of the lease and the condition of the building.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:
Neighborhood Park Acquisitions-2008 Parks Levy	K730010	West Seattle Junction Hub Urban Village – 4041, 4045 California Ave SW	April 2011	June 2015

This legislation creates, funds, or anticipates a new CIP Project.

This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations:

Fund Name and Number	Department	Budget Control Level*	Existing Appropriation	New 2014 Appropriation (if any)	2014 Anticipated Appropriation
2008 Parks Levy Fund (33860)	Parks and Recreation	K720010	18,602	776,485	
TOTAL				776,485	

Appropriations Notes: The City will apply for 2014 King County Conservation Futures to offset approximately 50% of the acquisition costs. These funds require a 50% match and are paid on a reimbursement basis.

Spending Plan and Future Appropriations for Capital Projects:

Spending Plan and Budget	2010-2012	2013	2014	2015	2016	2017	Total
Spending Plan	18,602	1,485	775,000				795,087
Current Year Appropriation	18,602		776,485				
Future Appropriations				0	0	0	795,087

Spending Plan and Budget Notes:

The current budget for this project is \$795,087. The costs of negotiations with previous owner were \$20,087. The current purchase price is \$477,000 for one parcel and \$238,000 for the other for a total purchase price of \$715,000. The additional budget of \$60,000 is for appraisals, administrative time, title insurance and closing costs, environmental testing, survey, and demolition of the residential structures and outbuildings. The acquisitions are scheduled to close at the end of March 2014 with demolition of the structures happening at the end of 2014.

Funding Source:

Funding Source (Fund Name and Number, if applicable)	2012	2013	2014	2015	2016	2017	Total
2008 Parks Levy Fund (33860)	18,602		776,485	0	0	0	795,087
TOTAL	18,602		776,485	0	0	0	795,087

Funding Source Notes:

Costs for this acquisition will be covered by the Neighborhood Parks Acquisition category of the Levy.

Bond Financing Required: N/A

Type	Amount	Assumed Interest Rate	Term	Timing	Expected Annual Debt Service/Payment
TOTAL	N/A	N/A	N/A	N/A	N/A

Bond Notes:

Uses and Sources for Operation and Maintenance Costs for the Project:

O&M	2014	2015	2016	2017	2018	2019	Total
Uses							
Start Up							
On-going	1,618	2,347	2,394	2,442	2,491	2,540	13,832
Sources							
Rent Income	(6,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(66,000)
Total	(4,382)	(9,653)	(9,606)	(9,558)	(9,509)	(9,460)	(52,168)

Operation and Maintenance Notes: Estimates assume online/acquisition date of April 1, 2014. The new facility O&M estimates listed above reflect the costs to care for the property should the leases all be terminated and the buildings demolished. (DPR will likely keep the existing commercial tenant in place which is reflected in the projected rental income to pay for maintenance costs – subject to due diligence review of the existing lease.) Maintenance includes installation and repair of signage, graffiti removal, debris cleanup, and property repair due to vandalism. The O&M numbers listed above assume a 2% inflation rate in each successive year.

Periodic Major Maintenance Costs for the Project: N/A

Major Maintenance Item	Frequency	Cost	Likely Funding Source
TOTAL	N/A	N/A	N/A

Funding sources for replacement of project: As real property, this acquisition will not be subject to replacement.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact: N/A

Position Title and Department*	Position # for Existing Positions	Fund Name & #	PT/FT	2012 Positions	2012 FTE	2013 Positions*	2013 FTE**
TOTAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Position Notes:

Do positions sunset in the future? Not applicable.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

The 2008 Parks and Green Spaces Levy provides funding for acquisition of new properties to create new neighborhood parks, and expand existing parks in and around urban villages. Funding has not been identified to develop and maintain the future expanded park; therefore, DPR intends to manage the site, either by demolishing the buildings shortly after acquisition and maintaining the site with minimal operations funding or by keeping the commercial tenant on the site after acquisition and using the rent revenue to pay expenses.

b) What is the financial cost of not implementing the legislation?

If this property is not acquired, the target site would likely be redeveloped with a higher density project in the near future, thereby eliminating its possibility for development as an expanded neighborhood park.

c) Does this legislation affect any departments besides the originating department?

No.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

The scope of this project is to expand the size of the existing Dakota Place Park. The Department could forgo this opportunity, but the opportunity to expand Dakota Place Park would be lost.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

Yes.

h) Other Issues: None.

List attachments to the fiscal note below:

Attachment A: Map of West Seattle Junction Hub Urban Village – Proposed Dakota Place Park Addition – 4041 and 4045 California Avenue Southwest

44TH AVE SW

CALIFORNIA AVE SW

SW DAKOTA ST

West Seattle Junction Hub Urban Village

Proposed Dakota Place Park Addition – 4041/4045 California Avenue SW



25 0 25 50 75

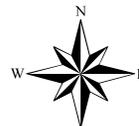


Feet

1 inch = 100 feet

Legend

- Parcel of interest
- Buildings
- Urban Village
- Park Boundary
- Parcel Boundary



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No warranties of any sort, including accuracy, fitness or merchantability accompany this product.

Map date: July 10, 2012