

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8449, authorizing execution of all documents necessary for the purchase of the Somerset Development I, LLC property identified by King County Assessor's Tax Nos. 152405-9148 and 152405-9019, for the purchase price of \$900,000, plus estimated closing costs of \$3,000.

FISCAL IMPACT

This action obligates the City to pay \$900,000 (Appraised Value), plus estimated closing costs of \$3,000, for this property. This acquisition requires no general City tax sources, and will be fully funded by King County Levy proceeds (50%) and King County Conservation Futures funding (50%). There are sufficient funds budgeted in each project for this acquisition as summarized below.

King County Levy (P-AD-79)	\$451,500
KC Conservation Futures Amendment N (P-AD-82)	<u>451,500</u>
Total	\$903,000

STAFF CONTACTS

Patrick Foran, Director, 452-5377
Lorrie Peterson, Program Manager, 452-4355
Parks & Community Services Department

POLICY CONSIDERATION

The following goals and policies relate to this acquisition:

The Comprehensive Plan, Parks and Open Space, and Recreation Element:

Parks and Open Space – Goals:

- To obtain land for park use that provides open space and facilities to meet the short- and long-term needs of the community.
- To protect and preserve open spaces that are ecologically significant sensitive areas; serve as buffers between uses and link open space; and provide trails, wildlife corridors, and greenways.
- **Policy PA-1.** Establish a coordinated and connected system of open space and greenways throughout the city that provide multiple benefits including preserving natural systems, protecting wildlife habitat and corridors, and providing land for recreation.
- **Policy PA-8.** Coordinate park planning, acquisition, and development with other City projects and programs that implement the Comprehensive Plan.
- **PA-10** Actively seek funding from a variety of sources to help implement a park acquisition and development program.

PROPERTY DESCRIPTION, NEGOTIATED SALE AND BENEFITS

The Somerset I, LLC property is located on the south side of SE Newport Way at 142nd Place SE. The site consists of approximately 14.37 acres of vacant residential zoned land situated on

two tax parcels. The forested property is immediately west of South Bellevue Community Center at Eastgate Park. If acquired, the combined park would total 38.45 acres.

The owners, who have been associated with the property for over 20 years, are interested in selling, have offered the property for sale to the City, and have signed a Purchase & Sale Agreement. The agreement is based on the as-is current fair market value of the property as determined by the appraisal process, and contains the following deal points:

- Purchase Price: \$900,000, payable at closing.
- Seller shall provide a Statutory Warranty Deed.
- City feasibility work completed.
- City would record an ALTA survey that indicates no encroachments, illegal dumping, etc.
- No Earnest Money Deposit.
- The purchase of the property is not in lieu of Buyer's power of eminent domain.
- Seller agrees to sign a Sidewalk and Utilities Easement that will be recorded just prior to the Statutory Warranty Deed, so Buyer will be taking title subject to the easement and not be in conflict with any grants Buyer may obtain towards the purchase and/or future development of this property.
- City shall not be responsible for payment of any real estate commissions relating to this Agreement.
- Closing shall be on or before November 9, 2012, although Seller desires closing as soon as possible.

The acquisition of this property would provide a key component to the City's Parks & Open Space system, and would offer a multitude of short- and long-term benefits including:

- Preserve a large tract of open space along Newport Way for current and future generations to enjoy;
- Protect open space buffer for adjacent neighborhoods;
- Provide key trail access for neighborhoods to avoid busy Newport Way to gain access to the Park;
- Proximity of City-owned South Bellevue Community Center at Eastgate park may provide additional park and open space opportunities. Staff has scheduled a meeting with the community on September 27, 2012, to evaluate the potential of expanding the Challenge Course. If this site is acquired, staff would incorporate this property into the discussions with the community to determine possible park opportunities; and
- A Utility and Sidewalk Easement will be recorded on the Deed at closing for future public benefits.

Property Values:

- Appraisal: Appraisal Group of the Northwest LLP, MAI, SR/WA – \$900,000.
- Appraisal review: Washington Appraisal Services, Inc. MAI, SRA, confirmed.

EFFECTIVE DATE

If adopted by Council, this Resolution will be effective immediately.

OPTIONS

1. Adopt Resolution No. 8449, authorizing execution of all documents necessary for the purchase of the Somerset Development I, LLC property identified by King County Assessor's Tax Nos. 152405-9148 and 152405-9019, for the purchase price of \$900,000, plus estimated closing costs of \$3,000.

2. Do not adopt Resolution No. 8449, and provide alternative direction to staff.

RECOMMENDATION

Adopt Resolution No. 8449, authorizing execution of all documents necessary for the purchase of the Somerset Development I, LLC property identified by King County Assessor's Tax Nos. 152405-9148 and 152405-9019, for the purchase price of \$900,000, plus estimated closing costs of \$3,000.

MOTION

Move to adopt Resolution No. 8449, authorizing execution of all documents necessary for the purchase of the Somerset Development I, LLC property identified by King County Assessor's Tax Nos. 152405-9148 and 152405-9019, for the purchase price of \$900,000, plus estimated closing costs of \$3,000.

ATTACHMENTS

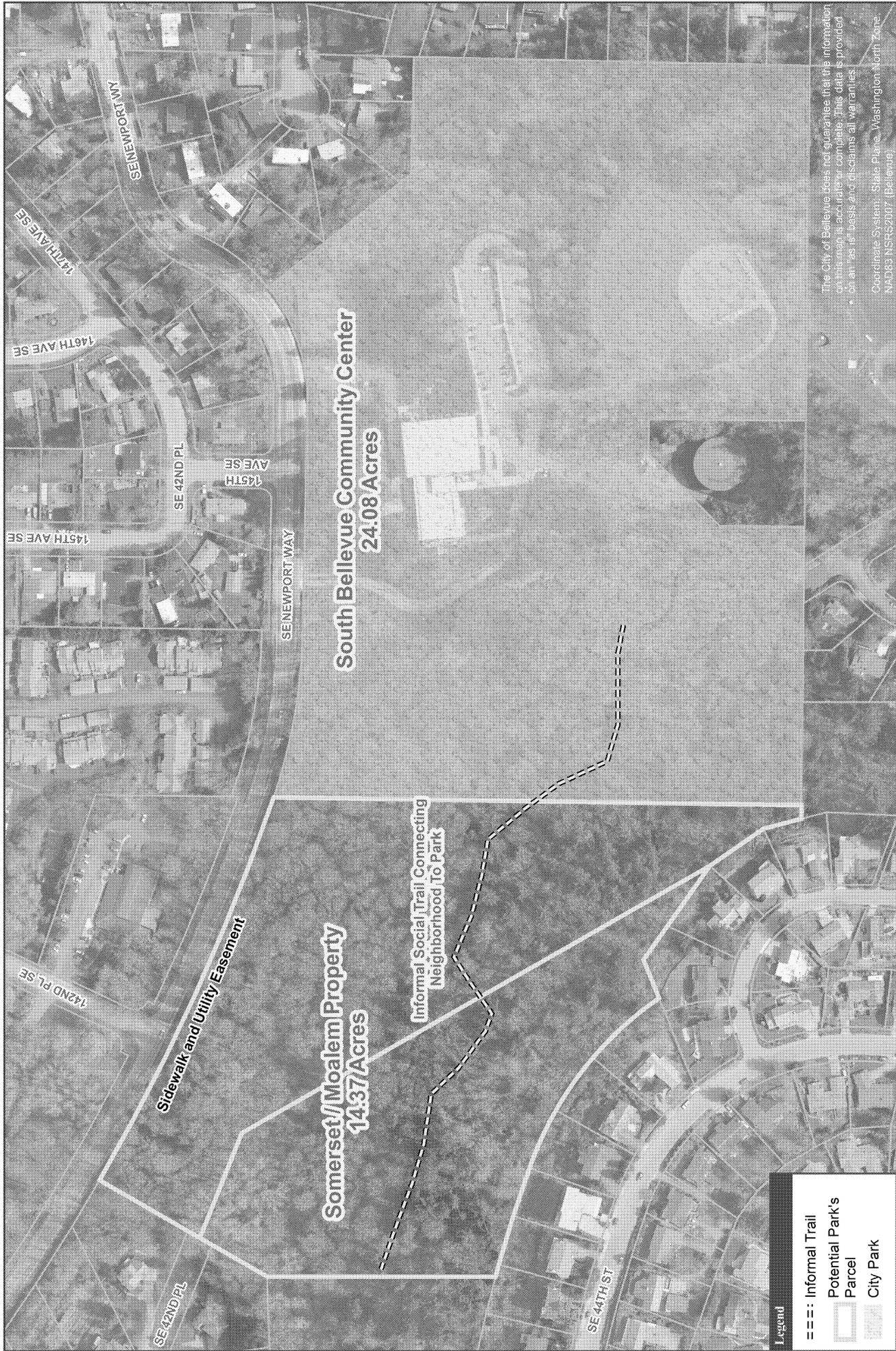
Vicinity Map

CIP Project Descriptions

Proposed Resolution No. 8449

AVAILABLE IN COUNCIL OFFICE

Purchase & Sale Agreement



The City of Bellevue does not guarantee that the information on this map is accurate or complete. This data is provided on an "as is" basis and disclaims all warranties.

Coordinate System: State Plane, Washington, North Zone, NAD83 NRSR52107 (Bellevue)



Sources:
City of Bellevue



Somerset/Moalem Property

Potential Parks Acquisition

- Legend**
- Informal Trail
 - Potential Park's Parcel
 - City Park

P-AD-79 King County Special Property Tax Levy

Category: **Acquisition & Development**
 Department: **Parks & Community Services**

Status: **Approved and Begun**
 Location: **Within the City's area of influence**

Programmed Funding

Programmed Funding	Appropriated To Date	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget	FY 2017 Budget
1,872,000	936,000	312,000	312,000	312,000	-	-	-	-

Description and Scope

This project provides the necessary resources to fund the acquisition and development of open space and natural lands, and trail projects that support connections to the regional trail system, which meet the purpose of the Special Property Tax Levy Agreement with King County.

Rationale

Projects may include acquisitions and key trail development within the Lake to Lake Greenway & Open Space system throughout Bellevue connecting to the Coal Creek Natural area, South Bellevue Greenway, Richards Valley Greenway, and West Lake Sammamish Parkway trails that link Bellevue's Open Space system to the larger regional trail system, which meets the purpose of the Special Property Tax Levy Agreement. Funds are allocated from the King County Special Property Tax Levy approved by King County voters on August 21, 2007. The actual funding allocation is based upon population and assessed values. King County retains a 1 percent administrative fee.

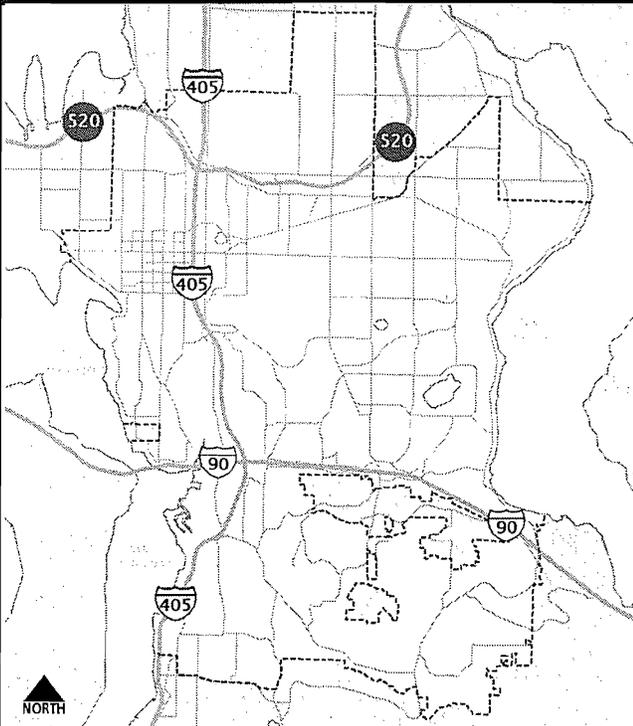
Environmental Impacts

Land acquisition is exempt from the requirements of the State Environment Protection Act (SEPA).

Operating Budget Impacts

Proactive management and maintenance services protect the City's capital investment in parks and open space and ensure that these acquisitions are safe and accessible to the community.

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Project Costs	2008 - 2013	1,872,000
Total Budgetary Cost Estimate:		1,872,000

Means of Financing

Funding Source	Amount
Interlocal Contributions	1,872,000
Total Programmed Funding:	1,872,000
Future Funding Requirements:	0

Land acquisition may occur within and outside Bellevue City Limits for this project.

FY 2011 - FY 2017 Capital Investment Program

P-AD-82 Parks Levy - Acquisition

Category: Acquisition & Development
 Department: Parks & Community Services

Status: New
 Location:

Programmed Funding

Programmed Funding	Appropriated To Date	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget	FY 2017 Budget
8,775,000	1,775,000	2,000,000	2,000,000	2,000,000	1,000,000	-	-	-

Description and Scope

This project provides the resources to acquire park and open space property throughout the City. An "Acquisition Opportunity Fund" was identified in the 2008 Park Levy to dedicate resources to obtain land that complements the existing park system to increase public access to lake shores, preserve open space, protect water quality, increase trail connectivity and create opportunities for new neighborhood parks. The City has identified needs throughout the City to provide greater access to the waterfront, provide parks in several neighborhoods, enhance existing parks, preserve the City's diminishing natural areas and complete the City's significant greenway and trail system.

Rationale

Available open space is disappearing as land in Bellevue is developed for other uses. Where increases in population are occurring due to development or redevelopment, there is increased demand for additional parkland. It is incumbent upon the City to identify and satisfy this demand before available parkland disappears. This project is of highest priority to meet the project needs identified in the Parks and Open Space System Plan. It will enable the City to react to opportunities that necessitate immediate action and will help to ensure that adequate open space will be available to meet growing demands for both active and passive recreation.

Environmental Impacts

Land acquisition is exempt from the requirements of the State Environment Protection Act (SEPA).

Operating Budget Impacts

Proactive management and maintenance services protect the City's capital investment in parks and open space and ensure that these acquisitions are safe and accessible to the community. Maintenance for levy projects will be funded by the ongoing M&O element of the 2008 levy.

Project Map

Schedule of Activities

Project Activities	From - To	Amount
Project Costs	2011 - 2014	8,775,000
Total Budgetary Cost Estimate:		8,775,000
Means of Financing		
Funding Source	Amount	
2008 Parks Levy - Property Tax	975,000	
Interlocal Contributions	800,000	
Real Estate Excise Tax	7,000,000	
Total Programmed Funding:		8,775,000
Future Funding Requirements:		0

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8449

A RESOLUTION authorizing the execution of all documents necessary for the purchase of the Somerset Development I, LLC property (King County Assessor's Tax No's; 152405-9148 and 152405-9019), in the amount of \$900,000 plus estimated closing costs of \$3,000.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute all documents necessary for the purchase of the Somerset Development I, LLC property (King County Assessor's Tax No's; 152405-9148 and 152405-9019) in the amount of \$900,000 plus estimated closing costs of \$3,000, a copy of which has been given Clerk's Receiving No. _____.

Passed by the City Council this _____ day of _____, 2012, and signed in authentication of its passage this _____ day of _____, 2012.

(SEAL)

Conrad Lee, Mayor

Attest:

Myrna L. Basich, City Clerk