

PROPOSED ORDINANCE 2005-0394

**Attachments 5-10
September 28, 2005 Staff Report**

King County South Park Custodial Landfill Brownfield Redevelopment



ATTACHMENT 7

LARRY BOSSETT
MARELAING
CHRISTOPHER VANCE
RON SIMS
LOUISE MILLER
BRIAN DERDOWSKI
JANE HAGUE
PETE VON REICHBAUER

duwa
February 10, 1994

Sullivan
Nickels
Introduced by: Pullen

Proposed No.: 94-96

MOTION NO. 9234

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A MOTION relating to the formation of a Duwamish Coalition for the purpose of creating quality jobs and enhancing economic development through a regional partnership focused on preserving and reclaiming scarce industrial land.

WHEREAS, economic development and job growth is one of King County's highest priorities, and

WHEREAS, the Metropolitan King County council is holding a series of special hearings to provide an opportunity for business, labor and community leaders to testify on the obstacles to regional economic development and job growth, and to propose governmental actions to improve the overall economic climate and local job base, and

WHEREAS, the county council has heard testimony from large and small businesses, labor, and economic development organizations about immediate actions that should be taken to form private/public partnerships to focus attention on and solve the complex economic problems facing the region, and

WHEREAS, testimony has emphasized that the number of family wage jobs provided by the industrial sector must be increased to insure the continued economic viability of the region, and

WHEREAS, further testimony reported that industrial land in the county is scarce, and the industrial land in the Duwamish corridor presents an excellent opportunity to increase the number of family wage jobs and, therefore, merits special attention, and

WHEREAS, the Duwamish corridor is served by an extensive transportation network including roads, rail, a deepwater seaport, and the King County International Airport, presenting

1 an excellent opportunity to utilize the public investment
2 intranportation infrastructure to further economic
3 development, and

4 WHEREAS, the Duwamish corridor, extending southward from
5 Puget Sound, is viewed as the industrial heartland of many
6 jurisdictions, including the Port of Seattle and the cities of
7 Seattle, Tukwila and Renton and, thus, a cooperative effort is
8 required to achieve corridor goals, and

9 WHEREAS, the council in its role as a regional
10 government can serve as a catalyst to create partnerships to
11 focus attention on economic development and job growth in
12 industrial areas, particularly in the Duwamish corridor,

13 NOW, THEREFORE, BE IT MOVED by the Council of King County:

14 1. The council endorses the goals of preserving
15 industrial land for industrial uses and reclaiming contaminated
16 industrial land for the benefit of economic development and the
17 environment. The council recommends the use of the Port of
18 Seattle's Southwest Harbor Project Draft Environmental Impact
19 Statement, the case study conducted by the Fiscal
20 Analysis/Economic Development Task Force of the Growth
21 Management Planning Council for the Duwamish corridor, and the
22 King County International Airport Economic Development
23 Feasibility Study as resources for describing the problems and
24 opportunities to achieve these goals.

25 2. The council further endorses the recommendation to
26 support the formation of a coalition to address these goals in
27 the Duwamish corridor.

28 3. The King County executive is requested to join with
29 the council to invite parties with direct interest in the
30 Duwamish corridor to be members of a Duwamish Coalition and to
31 hold the first meeting no later than April 15, 1994. The
32 parties shall include but not be limited to federal agencies,
33 state agencies, the Port of Seattle, King County agencies, the
34 city of Seattle, the city of Tukwila, the city of Renton, the
35 Muckleshoot Nation, representatives of large and small

1 businesses located in the corridor, labor representatives and
2 representatives of the environmental community.

3 4. The council requests that the coalition recommend how
4 King County can be an effective and helpful partner in its work
5 in the Duwamish corridor.

6 PASSED this 14th day of February, 1994.

7 KING COUNTY COUNCIL
8 KING COUNTY, WASHINGTON

9 Kent Pullen
10 Chair

11 ATTEST:
12 Gerald A. Peterson
13 Clerk of the Council

Passed by a vote of 11 to 0.

June 27, 1996
ECODEV.DOC (VN:clt)

Introduced By: Ron Sims
Proposed No.: 96 - 535

MOTION NO. **9885**

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A MOTION relating to economic development, supporting the county executive's development of a Request for Proposal on 19.6 acres (Tax Lot 322404-9005) site owned by King County as part of a public/private partnership project.

WHEREAS, King County owns a 19.6 acre site (Tax Lot 3222404-9005) located adjacent to Seattle's South Transfer Station, and

WHEREAS, the property was purchased out of tax title status by King County in 1957 and leased to Seattle for a fire dump site from 1958-1978, and

WHEREAS, approximately two and one half acres of the nineteen acre site has been and is currently rented on a month to month basis, and

WHEREAS, the majority of the site is currently under-utilized, and yearly revenue generated from month to month rent is \$31,219.92, and

WHEREAS, the executive is responsible for the management of all real property owned or leased by the county, except as provided in K.C.C. 4.56.080 ensuring, where applicable, that properties generate revenues, closely approximating fair market value, and

WHEREAS, the existing uses on the site does not generate revenue closely approximating fair market value, and

1 WHEREAS, offering the surplus property for joint
2 development and/or sale, as being proposed by the executive
3 and the economic development and regional governance
4 committee will minimize under-utilization of this publicly
5 owned property, and

6 WHEREAS, King County's comprehensive plan policy ED 501
7 encourages King County government to foster the development
8 and use of private/public partnerships to implement economic
9 development policies, programs and projects, and

10 WHEREAS, on June 13, 1996, the budget and strategic
11 planning division, economic development section presented to
12 the council's economic development and regional governance
13 committee a timeline for the RFP for its consideration and no
14 objections were expressed by the members;

15 NOW, THEREFORE BE IT MOVED by the Council of King
16 County:

17 The economic development and regional governance
18 committee supports the county executive in the development of
19 a Request for Proposal (RFP) for the subject property. The
20 RFP shall encourage the development of family wage jobs
21 through the participation by private and public development
22 communities to create alternatives to the under-utilization

1 of the site. The RFP should be developed so as to prioritize
2 family wage employers in the manufacturing and industrial
3 sectors who are being displaced by governmental actions.

4 PASSED by a vote of 13 to 0 this 1st day of
5 July, 1996.

6 KING COUNTY COUNCIL
7 KING COUNTY, WASHINGTON

8 Louise Miller
9 Vice Chair

10 ATTEST:

11 Donald A. Peterson
12 Clerk of the Council

13 Attachments: Timeline

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The South Park Citizen's Advisory Committee

September 8, 2005

The Honorable Dow Constantine
King County Councilmember, District 8
516 Third Avenue, Room 1200
Seattle, WA 98104-3272



Dear Councilmember Constantine,


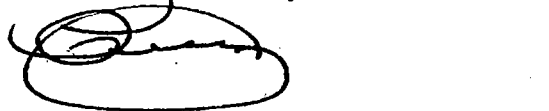
We are writing to you to express our support for the development of the 19.4-acre South Park Landfill property and to request your prompt review and support of a forthcoming transmittal package for this project. We understand that you will soon be receiving the transmittal package including a Purchase and Sale Agreement between the County and South Park Development, LLC. This Purchase and Sale Agreement will be accompanied by an ordinance authorizing the execution of the Purchase and Sale Agreement by the King County Executive.

We have advised and supported the County on this EPA brownfield project for several years and are eager to have the vacant property developed for basic industry that supports living and family wage jobs for the adjacent neighborhood and surrounding county. We support a development whose site design includes attractive green space and protects and enhances the physical environment and surrounding South Park neighborhood.

We request that you act promptly to review the ordinance and initiate execution of the development of the South Park Landfill property. We recognize that you have a full calendar of responsibilities this month and would appreciate your support to ensure that this long standing initiative is a success.

Sincerely,

The South Park Citizen's Advisory Committee Members

Cc: Larry Phillips, Chair, Metropolitan King County Council
Larry Gossett, Chair, Budget and Fiscal Management Committee
Ron Sims, King County Executive

**EXECUTIVE SUMMARY
SOUTH PARK CUSTODIAL LANDFILL
PURCHASE AND SALE AGREEMENT**

Seller	King County DNRP, Solid Waste Division (County)
Purchaser	South Park Development, LLC (Purchaser)
Purchase Price	\$1.6 mm all cash at closing
Other Consideration (additional detail below)	<ul style="list-style-type: none"> • Agreement to remediate contamination • Agreement to develop Property for industrial purposes • Assignment of claims against prior operators (i.e., City of Seattle)
Seller's Representations and Warranties	<ul style="list-style-type: none"> • All reports and other material information known to Seller provided to Purchaser • Except as above, <u>no</u> warranties regarding condition of property, contamination, land use, Ecology/EPA
Purchaser's Representations and Warranties	Property purchased "AS IS, WHERE IS" with all defects
Contingency Period (See also attached chart)	<ul style="list-style-type: none"> • Begins upon approval of Agreement by County Council • Expires upon Purchaser securing (i) Cleanup Action Plan ("CAP"), (ii) Master Use Permit ("MUP"), (iii) environmental insurance • Purchaser must meet milestones for (i) meetings with Ecology and public, (ii) completion of site investigation and submittal of cleanup plan, (iii) MUP application • Contingency Period expires in one year; can be extended up to 6 months with monthly cash (non-refundable) payments (see discussion below regarding earnest money)
Right of Entry	<ul style="list-style-type: none"> • Purchaser has right to conduct environmental testing after execution of Agreement • County to perform limited additional investigation
Purchaser's Covenants	<ul style="list-style-type: none"> • Provide all environmental data regarding Property • Submit landscape plan with buffer and sidewalk, and commission traffic study
Closing	To be held 15 days after Contingency Period expires
Condemnation	<ul style="list-style-type: none"> • Before Closing: County or Purchaser can terminate Agreement if 75% or more of property condemned, only Purchaser can terminate if less than 75% condemned; if Agreement is terminated, Purchaser recovers its costs with 10% fee • Up to 3.5 years after closing: Purchaser recovers purchase price and cleanup/development costs with 10% fee; County receives difference between

	<p>Purchaser's share and present value of property</p> <ul style="list-style-type: none"> • "As clean" value is \$10.5 mm; County's maximum recovery in condemnation is \$8.9 mm (i.e., \$10.5mm less \$1.6 mm purchase price)
Seller's Assistance	<ul style="list-style-type: none"> • Seller will assist with permits, approvals • Seller can participate in and comment on investigation and cleanup plan
Earnest Money	<ul style="list-style-type: none"> • Total of \$80,000, with non-refundable payments of \$20,000 within 30 days of Contingency Period commencing, and additional \$20,000 payment each of three following quarters (non-refundable, applicable to Purchase Price) • Extension of Contingency Period permitted for six successive one-month periods, with payment in advance of \$7,500 for each one-month extension
Remediation Agreement	<ul style="list-style-type: none"> • Purchaser to remediate Property; best efforts to complete design and remedial construction in two years • County has right to participate in remedial design and meetings with Ecology • Purchaser to have minimum \$2 mm net assets, use invested capital and borrowed funds for remediation • Any sale of Property within 5 years must include assignment of remediation obligations • Purchaser holds County harmless against first party personal injury and property damage, and exacerbation of contamination or change in Property condition • County retains liability for third party personal injury and property damage for "at closing" conditions • Mutual release of liability except as set forth in Remediation Agreement
Agreement Regarding Use of Real Property	<ul style="list-style-type: none"> • Purchaser to use best efforts to lease Property for use as pre-cast concrete facility • If not concrete facility, then 60% industrial/retail and 40% sports/education/recreation/religious facility • Best efforts to support apprentice labor goals (15%) and KCOBRED as resource for tenant employees • Best efforts to certify as LEED (Leadership in Energy and Environmental Design) project
Agreement Regarding Claims	<ul style="list-style-type: none"> • Purchaser assigns all claims for recovery of cleanup costs to County, and appoints County as attorney-in-fact to pursue claims on behalf of Purchaser; County to retain all proceeds (up to "as clean" value of Property) • County to indemnify Purchaser regarding out-of-pocket expenses and damages in connection with cost recovery actions

Ordinance	<ul style="list-style-type: none">• Formally surpluses the property• Grants Executive/Real Estate Services authority to execute the P & S Agreement• Authorizes repayment of all SWD costs first and CX second• Authorizes Executive to pursue 3rd party claims against PRP's
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