


 Pier 67

April 23, 2018

SENT VIA EMAIL AS WRITTEN HERETO

The Honorable Joseph McDermott

Council Chair
Metropolitan King County Council
516 3rd Avenue, Room 1200
Seattle, Washington 98104
Joe.McDermott@kingcounty.gov

The Honorable Kathy Lambert

Vice Chair, Budget & Fiscal Management Committee
Metropolitan King County Council
516 3rd Avenue, Room 1200
Seattle, Washington 98104
Kathy.Lambert@kingcounty.gov

The Honorable Dave Upthegrove

Chair, Budget & Fiscal Management Committee
Metropolitan King County Council
516 3rd Avenue, Room 1200
Seattle, Washington 98104
Dave.Upthegrove@kingcounty.gov

Melani Pedroza

Clerk of the Council
Metropolitan King County Council
516 3rd Avenue, Room 1200
Seattle, Washington 98104
Melani.Pedroza@kingcounty.gov

Legislation: Ordinance 2018-0185

Legislation Title: An Ordinance relating to the sale of the surplus property located at 14524 415th Ave SE, North Bend, Washington, in Council District Three.

RE: Pier 67's Letter of Intent with More Favorable Terms for Surplus King County Property

Dear Council Chair McDermott and Chair Upthegrove,

On behalf of Pier 67 Capital Partners, L.P. (“Company”, “Firm”, “we”, “us”, or “our”), I am pleased to submit this letter of intent (“LOI”) to reflect our interest in offering King County (“County”) more favorable terms for its disposition of a King County Parks surplus property located at 14524 415th Ave SE, North Bend, WA 98045 (“Property”), which is the subject of Ordinance 2018-0185 (“Ordinance”).

In summary, given our willingness to offer the County more favorable terms and additional consideration subject to the terms herein, we respectfully request the King County Council (“Council”) to decline to approve the Ordinance. As is written presently, we believe the Ordinance is not in the long-term financial interests of the County. By approving the Ordinance, the County would forgo a substantial amount of unearned revenue. As a routine acquirer of surplus and tax title properties, we have a track record of working with the County and offering more consideration than competing bidders.

In refusing to adopt the Ordinance, and in light of the circumstances whereby our LOI is in the best interest of the public as it exceeds the current offer, we encourage the Council to negotiate a direct sale with us, pursuant to KCC 4.56.100(A)(2). In the alternative, we respectfully request the Council to reopen and redo the sealed bidding auction for the Property. The County has nothing to lose and everything to gain by

redoing the sealed bidding. At the very least, our LOI with superior terms offers a meritorious reason for the County to redo the auction process.

The terms of our LOI, compared with our understanding of the current offer, is as follows:

Item	Current Buyer's Offer	Pier 67's LOI
Property:	14524 415 th Ave SE, North Bend, WA 98045	14524 415 th Ave SE, North Bend, WA 98045
Seller:	King County	King County
Buyer:	John Mohan and Jay Smith	Pier 67 Capital Partners
Purchase Price:	\$107,771	\$170,000
Earnest Money Deposit:	\$10,000	\$25,000
Closing Date:	15 Days	7 Days or sooner
Method of Payment:	Unknown	ALL CASH, with no financing contingences
Provided Proof of Funds:	Unknown	Yes
Due Diligence Contingency:	20 Days	WAIVED
Council Approval Contingency:	Yes	Yes, if County requires it
Title Contingency:	Yes	WAIVED
Review of Title Binder:	Yes	WAIVED
Title & Escrow Company:	First American Title Insurance Company	First American Title Insurance Company
Right to Receive Form 17:	Yes	WAIVED
Request for County to Pay Real Estate Commissions:	Did Not Waive	WAIVED

The terms of our LOI exceeds in nearly every area when compared to the current offer. In fact, when reviewing across relevant metrics, our offer is—without a doubt—in the best interest of the taxpayers and the County's long-term financial goals:

Item	Current Buyer's Offer	Pier 67's LOI
Buyer:	John Mohan and Jay Smith	Pier 67 Capital Partners
Previous Experience with Surplus Properties?	No	Yes

Purchase Price:	\$107,771	\$170,000
Purchase Price in Excess of Current Buyer's Offer (\$):	N/A	\$62,229
Purchase Price in Excess of Current Buyer's Offer (%):	N/A	58%
Property's FMV¹:	\$105,000	\$105,000
Purchase Price in Excess of FMV (\$):	\$2,771	\$65,000
Purchase Price in Excess of FMV (%):	3%	62%
Property's Previous Minimum Bid²:	\$150,000	\$150,000
Purchase Price in Excess/Below Previous Minimum Bid (\$):	(\$42,229)	\$20,000
Purchase Price in Excess/Below Previous Minimum Bid (%):	(28%)	13%
Earnest Money Deposit:	\$10,000.00	\$25,000.00
Earnest Money in Excess of Current Offer (\$):	N/A	\$15,000
Earnest Money in Excess of Current Offer (%):	N/A	150%

Pier 67's unique distressed, legal, and environmental expertise ensures the County that we have the requisite expertise to underwrite the complexities associated with tax title and surplus properties. For the foregoing reasons, we respectfully encourage the Council to negotiate a direct sale with us, or in the alternative, we encourage the Council to redo the sealed bidding auction for the Property.

Should you have any questions, please, do not hesitate to contact me by email or phone at siddjha@live.com or (425) 445-2310. I look forward to working with the Council's BFM Committee.

The Firm thanks the Council and the County for its time and consideration.

Very truly yours,

Siddharth Jha

¹ Property's Fair Market Value (FMV) was determined to be \$105,000 on April 6, 2017 by Keven Russell, MAI, Kidder Mathews Valuation Advisory Services. See Page 4 of Property Summary in the Ordinance for more details.

² Property's Previous Minimum Bid was \$150,000. See Page 2 of Property Summary in the Ordinance for more details.