



## Legislation Text

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**File #:** 2005-0364, **Version:** 2

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Clerk 08/25/2005

AN ORDINANCE authorizing the King County executive to enter into the sale of three parcels of surplus county-owned real property in council district 3, and authorizing the amendment of Ordinance 13938, Section 1, as it pertains to the method of sale of these three parcels; and amending Ordinance 13938, Section 1.

### STATEMENT OF FACTS:

1. On September 18, 2000, the King County council passed Ordinance 13938 authorizing the executive to surplus and to sell fourteen parcels of county-owned real property in council districts 3, 7, 8, 12 and 13. Parcel 7 of Ordinance 13938, located in council district 3, consists of three separate tax parcels: 262605-9044, 252605-9010 and 252605-9050. These three parcels are contiguous and were treated as one parcel in Ordinance 13938 because of the value each parcel offers to the other. King County facilities management division now wishes to sell these three tax parcels and to amend the method of their sale as originally specified in Ordinance 13938. The amendment is stated in section 1 of this ordinance.
2. In May 2005, an unsolicited offer to purchase one of the three tax parcels (252605-9010) was received by King County facilities management division. This offer to purchase was tendered by Burnstead Construction, and was in the amount of \$180,000.00.
3. The facilities management division reviewed the offer, and rejected it as the sale of parcel number 252605-9010 by itself would have rendered the adjacent parcels virtually worthless, as they are encumbered by steep slopes and have no access. Parcel 2526005-9010 is the only

parcel with development potential. A new agreement for the sale of the entire subject property was negotiated, with the buyer agreeing to pay \$230,000.00 for the entire subject property.

4. This offer was reviewed and deemed of exceptional value to King County. The unique circumstance of the buyer having the adjacent properties under contract to purchase made other offers unlikely at a similar price. Only as part of a larger development does the subject property attain its value. By itself it has the potential of a building lot, being subject to steep slopes and requirements of an on site sewage disposal system.

5. On June 10, 2005, King County accepted the offer to purchase the parcel, subject to council approval of the sale. After review of title to the property, it was discerned that ownership of parcel 252605-9010 was in question. Further research into the original 1974 acquisition revealed that the quality of King County's ownership was questionable.

6. The buyer agreed to allow King County to clear title in order to complete the transaction. The original owner was located in Spokane, and an agreement was entered into to provide clear title to the property allowing the transaction for all three parcels to move forward.

7. Completion of this transaction will be by simultaneous closing. King County will close on parcel numbers 262605-9044 and 250605-9050 with Burnstead and assign its right to parcel 250605-9010 to Burnstead. The funds from the closing of the Burnstead transaction will be \$230,000.00. Burnstead will pay the owner \$70,000, resulting in King County receiving \$160,000 for its interest in Parcels 252605-9050 and 262605-9044.

8. Ordinance 13938 specified the sale of parcel 7 to be made by public sealed bid at its appraised value of \$53,000. No sale occurred, and parcel 7 has remained surplussed since year 2000. Because Ordinance 13938 also specified that the subject surplussed parcels must be sold for an amount deemed acceptable, and because the facilities management division deems that the unsolicited Burnstead offer is of exceptional value, Ordinance 13938 shall be amended as

specified in section 1 of this ordinance.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 13938, Section 1, is hereby amended to read as follows:

The King County executive is hereby authorized to execute the necessary documents to sell surplus parcels 1 through 14 to the respective purchasers, in the following manner:

A. Parcel 4 may be sold through a negotiated direct sale to the former owner for the appraised value, as stipulated in the rental agreement dated May 10, 2000. If the former owner decides not to purchase the property by May 2002, the property will be offered for sale by public sealed bid;

B. Parcel 13 may be sold through a negotiated direct sale to the former owner, pursuant to the Right of First Refusal in the Stipulation and Agreed Decree of Appropriation, dated October 16, 1991. If the former owner decides not to purchase the property, the property will be offered for sale by public sealed bid;

C. Parcels 8 and 9 will be offered for sale through a request for proposal process if deemed suitable for affordable housing. If not suitable, the properties will be offered for sale by public sealed bid; and

D. Parcels 1 through 3, 5 through ((7)) 6, 10 through 12, and 14 will be offered for sale by public sealed bid. ~~((All parcels, regardless of method of sale, will be sold for an amount deemed "acceptable" using the below stated appraised value as the asking price. King County reserves the right to reject any and all offers.))~~

E. Parcel 7 may be sold by public sealed bid or by direct negotiated sale.

F. All parcels, regardless of method of sale, will be sold for an amount deemed "acceptable" using the below stated appraised value as the asking price. King County reserves the right to reject any and all offers.

|               | PROJECT NAME AND NUMBER /   | APPRAISED    |
|---------------|---|--------------|
| <u>PARCEL</u> | <u>TAX ACCT. NO.</u>  | <u>VALUE</u> |
| 1             | <u>228<sup>th</sup> Ave. NE/SE - 9-1992-036 #1</u><br>032406-9057 | \$260,000    |
| 2             | <u>Avondale Road - 9-1992-007 #16</u>                             | \$ 75,000    |

|    |   |           |
|----|---|-----------|
|    | 177450-0095                                       |           |
| 3  | <u>Hatfield Pit</u>                               | \$110,000 |
|    | 152104-9016                                       |           |
| 4  | <u>Issaquah-Fall City Rd - 9-1994-019 #6</u>      | \$225,000 |
|    | 644620-0120                                       |           |
| 5  | <u>Kelsey Pit</u>                                 | \$ 68,000 |
|    | 102204-9026                                       |           |
| 6  | <u>Maury Island Pit</u>                           | \$146,500 |
|    | 282203-9005                                       |           |
| 7  | <u>NE 124<sup>TH</sup> Way - R/W 2000 #12</u>     | \$ 53,000 |
|    | 252605-9010, 9044 & 9050                          |           |
| 8  | <u>North Spar Link - 9-1993-007 #14</u>           | \$294,000 |
|    | 222406-9053                                       |           |
| 9  | <u>Novelty Hill Road - 9-1999-004 #1 &amp; #2</u> | \$216,000 |
|    | 805350-0264 & 0266                                |           |
| 10 | <u>Sahalee Way NE - R/W 1979 #22A</u>             | \$180,000 |
|    | 172506-9084                                       |           |
| 11 | <u>SW Roxbury St. - R/W 1926 #19</u>              | \$ 35,000 |
|    | 797320-0710                                       |           |
| 12 | <u>Vaughn Hill Road - R/W 2045 #15</u>            | \$ 27,400 |
|    | 282406-9339                                       |           |
| 13 | <u>Woodinville By-Pass - R/W 2103 #11</u>         | \$ 40,000 |
|    | 102605-9172                                       |           |
| 14 | <u>Woodinville-Duvall Rd. - R/W 2028 #35R</u>     | \$101,800 |

112605-9153

SECTION 2. The King County council hereby finds pursuant to K.C.C. 4.56.100 that unique circumstances exist that make amending Ordinance 13938 authorizing a negotiated direct sale of subject property, including the assignment of a purchase and sale agreement to Burnstead Construction, in the best interests of the public. The King County executive is hereby authorized to execute necessary documents to convey to Burnstead Construction the real property described in Attachment A to this ordinance, and to assign its right to the real property described in Attachment B to this ordinance under the terms of the Purchase and Sale Agreements shown in Attachments C and D to this ordinance.

| <u>Parcel</u>                    | <u>Tax ID</u> | <u>Appraised value</u> |
|----------------------------------|---------------|------------------------|
| R/W 2000 #1-9-10<br>NE 124th Way | 262605-9044   |                        |
| R/W 2000 #12<br>NE 124th Way     | 252605-9010   |                        |
| R/W 2000 #12<br>NE 124th Way     | 252605-9050   | \$212,500 - 236,000    |