

# Conveyance of Strip of Land for Public Purpose

## Southwest Downtown

City Council Work Session

October 26, 2015

# Vicinity Map



# Background

- Land deeded to the City as fee simple real property
  - ...therefore disposal via conveyance not a right-of-way vacation
- Informally used as an accessway and parking area for private service industrial/commercial uses
- Land not needed for transportation purposes
- Deemed surplus by City departments
- Area previously considered for transit facilities
- 2009 phase II environmental assessment concluded the land is contaminated

# Conveyance Process

- Defined by the Real Estate Manual
- Two options for conveyance:
  - Bid or
  - One Logical Potential Purchaser
- Staff's determination to support one logical purchaser:
  - Land is narrow
  - Wedged between single-ownership lots
  - As stand-alone lot, not likely developable, limited access
  - Public purpose
- City Council authorization by resolution
- Transfer finalized via a separate real estate conveyance agreement and quit claim deed
- City property can be sold below market value for public purpose

# Property Value

Appraised in 2015 by a certified appraiser:

Property value:	$\$1.80/\text{SF} \times 42,766 \text{ SF}$	\$76,979
Less remediation cost		\$50,706
Less 3-inch over excavation cost		\$304,004
Net property value		(\$277,731)

Given the expense of remediation and negative net value of the property as is, the conveyance to SRPC, LLC is at \$0.0

# Public Purpose/Reasons for Disposal

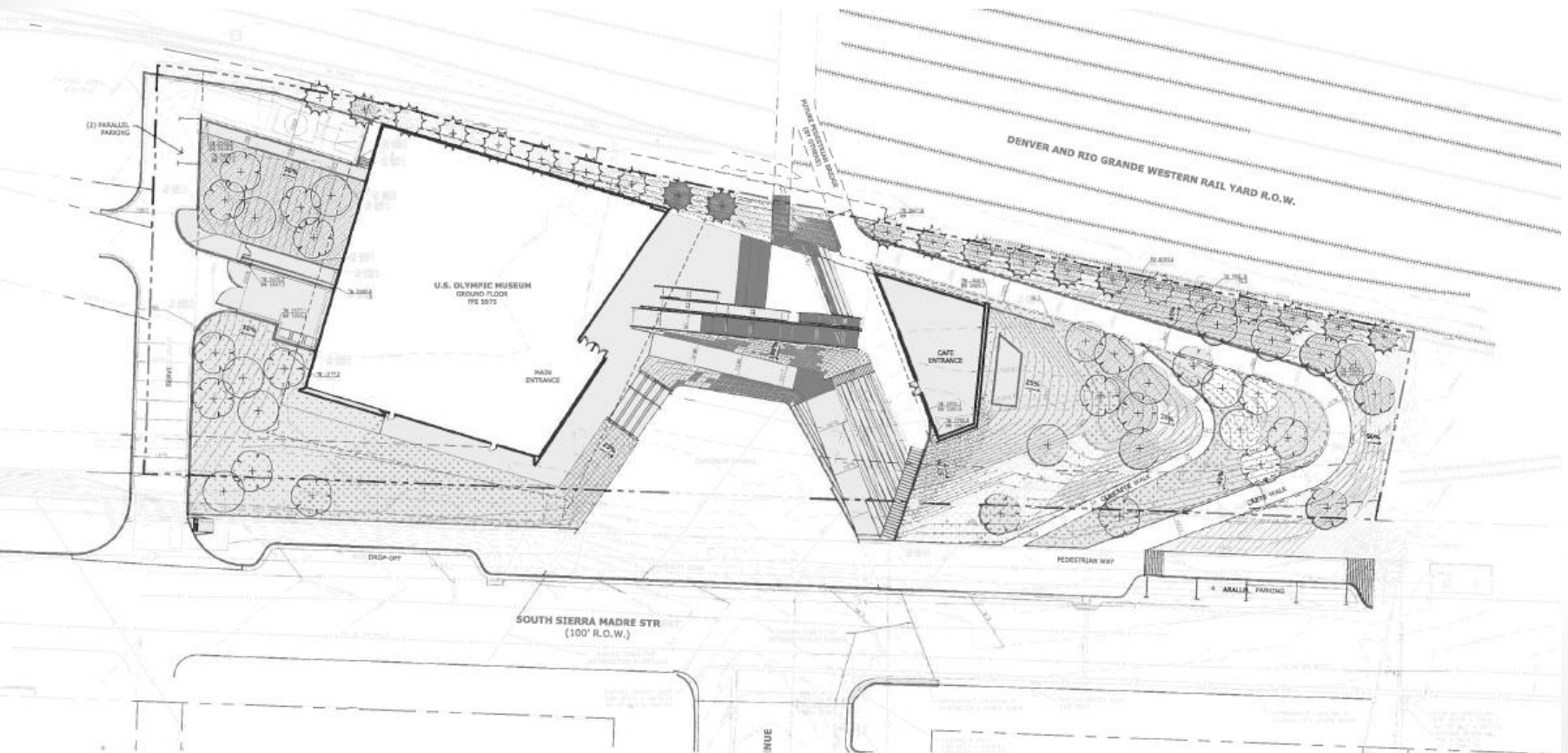
- Development of the Property by the City never occurred
- The property provides no present or future operational value or necessity to the City for its operations
- The property is contaminated and requires remediation of contaminated soil prior to development; and
- Due to its shape and size, utilization of the Property has limited potential development value to the City for its purposes
- No City department or enterprise is interested in receipt of the Property; and
- The Property is surplus property of no operational use and its disposal is in the public interest

# Terms and Conditions

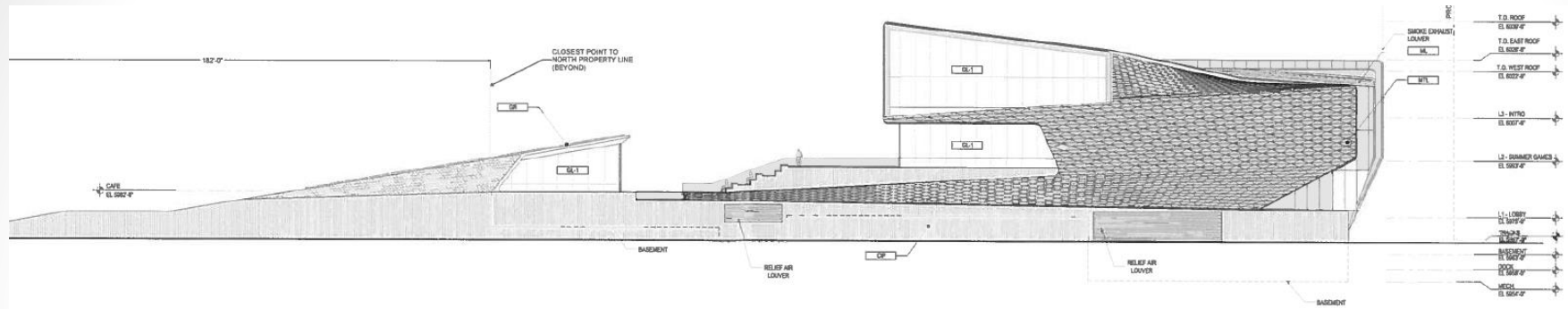
- Full collaboration with the City in the planning and development of the US Olympic Museum
- Transfer of portion of the land necessary for the development of the USOM within two years
  - If not conveyed, said area reverts to the City
- Sole responsibility of SRPC, LLC to fully remediate contamination
- Indemnify and hold harmless the City from any responsibilities and liabilities associated with contamination and remediation

# USOM

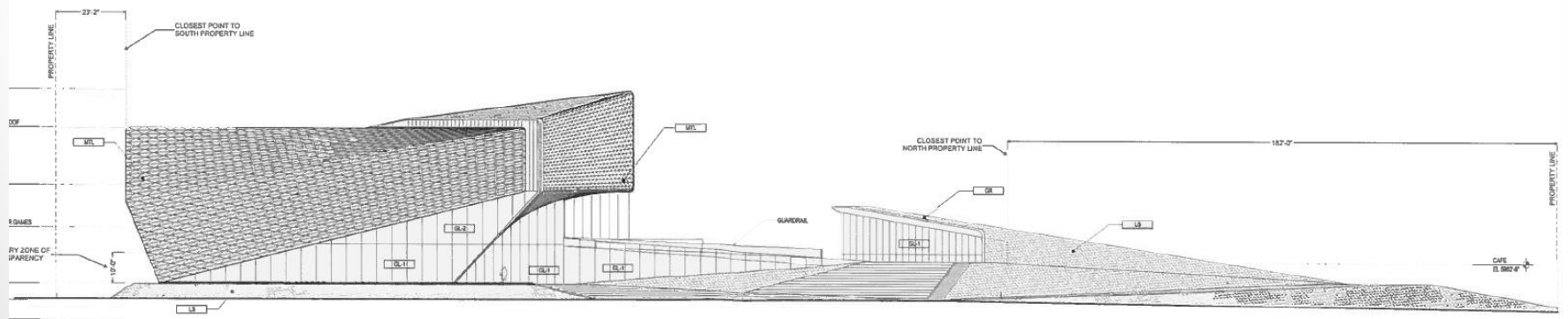
Development Plan submitted and currently under review







SECTION



17.00 x 11.00 in

# Staff Recommendation and Next Step

City Council Regular meeting October 10, 2015

- Recommendation to adopt the resolution authorizing the conveyance of City real property for a public purpose to SRPC, LLC.

Upon adoption of the resolution, staff will prepare final conveyance documents and complete the transaction