

ROB MCKENNA

Louise Miller
Chris Vance
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March 13, 1997

Introduced By:

Proposed No.: 97-188

MOTION NO. **10138**

1
2 A MOTION directing the Executive to complete work
3 needed to effect the Sale of a Leasehold Interest in the West
4 Point Treatment Plant.
5

6 WHEREAS, more than \$500 million has been expended over the past ten years to
7 upgrade the West Point Treatment Plant to meet secondary treatment standards, and

8 WHEREAS, it is believed that the sale of a leasehold interest in the West Point
9 Treatment Plant may produce a significant financial benefit for the Water Quality Fund,
10 and

11 WHEREAS, preliminary analysis has identified at least twenty similar US
12 leasehold interest transactions successfully completed since 1995 in other communities
13 including Boston, Chicago, Los Angeles, New Jersey, New York, San Diego, Florida,
14 Pittsburgh and St. Louis involving more than \$3.08 billion in assets, and

15 WHEREAS, the preliminary analysis has determined that under a "best-case"
16 scenario the West Point U.S. Lease Project will involve a transaction of about \$300 million
17 that can be expected to bring about \$21 million in benefits to King County, and

18 WHEREAS, on July 29, 1996 the Metropolitan King County council approved
19 Motion No. 9918 authorizing the finance director to proceed with work needed to effect the

1 sale of a leasehold interest in the West Point Treatment Plant, and authorized up to
2 \$100,000 for expenses incurred in the completion of this work, and

3 WHEREAS, it will be necessary to incur certain up-front expenses for financial and
4 legal advice and appraisal services in order to prepare the potential sale of such a leasehold
5 interest, and

6 WHEREAS, there are uncommitted funds available in the both the West Point
7 Project budget and in the Water Pollution Control 1996 fund balance to pay for such
8 up-front expenses;

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

10 That the Metropolitan King County Council supports the sale of a leasehold interest
11 in the West Point Treatment Plant, provided that appropriate measures are instituted to
12 mitigate the financial risk to county ratepayers and creditors. The executive:

13 A. Shall complete the analysis and credit risk assessment of the potential sale of the
14 West Point leasehold interest on or before April 30, 1997. A report on the potential
15 benefits, legal issues and credit risk assessment findings shall be submitted to the Council
16 on or before April 30, 1997.

17 B. May expend an additional \$50,000 as needed from Water Pollution Control funds to
18 complete the leasehold sale analysis.

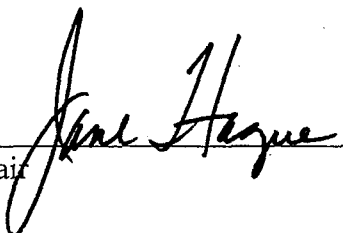
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C. The executive may state that the Metropolitan King County council supports the Executive's request for a binding ruling from the Washington Department of Revenue (WDoR) that the proposed leasehold sale is consistent with Washington State tax rules as was done in the recent cross-border lease transactions for the transit fleet.


PASSED by a vote of 12 to 0 this 24th day of March

1997

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Chair

ATTEST:


Clerk of the Council

Attachments: