

12/23/97

clerk 12/30/97

Introduced By:

Larry Gossett
Larry Phillips

Proposed No.:

98-008

ORDINANCE NO. **12988**

AN ORDINANCE authorizing the sale of the Washington Center Building located in Council District 10 for affordable housing and special needs population purposes and the use of savings associated with the sale for affordable housing, including housing for chronic public inebriates not otherwise provided for in the Housing Opportunity Fund.

PREAMBLE:

In accordance with provisions of K.C.C. 4.56.080, 4.56.090 and 4.56.100 the King County council may adopt an ordinance permitting the county to sell surplus real property to highest responsible bidder.

STATEMENT OF FACTS:

1. The subject property located at 1421 Minor Avenue in Seattle was built in 1969 as a skilled nursing facility. The county first took possession of the property in 1981 under a lease agreement for use as a treatment center for persons with chronic alcohol and substance abuse addictions. The county purchased the property in 1991.
2. In 1995 the Washington State department of social and health services notified the county that the state money which funded the medical detox services at the Washington Center Building would be redirected starting in January 1996 to private non-profit providers in order to offer those services at a lesser cost to the State. The property has been vacant since 1996.
3. The subject property contains approximately 30,000 square feet of land and under Seattle's land use code and is zoned mid-rise multi-family (residential) with current use as institutional-hospital. The building is a six-story concrete and steel structure containing about 102,000 total square feet of space with about 75,000 square feet of net useable space. It has limited parking.
4. In August 1997 a Request For Proposals (RFP) was issued to sell competitively

1 the surplus property. The county required the proposers to reserve at least forty
2 percent of all units for affordable housing. Affordable housing for the purpose of
3 the RFP meant residential housing that is rented or owned by a person from a
4 special needs population or who qualifies as a very low, low or moderate income
5 household. The county received four proposals with prices ranging from
6 \$557,000 to \$1.8 million. All proposals contained different purchase terms and
7 plans for the property.
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9 5. A Proposal Review Board reviewed each of the four proposals and on
10 December 5, 1997, based on the RFP selection criteria, overwhelmingly
11 recommended sale to WCB Properties for Affordable Senior Assisted Living
12 and Community Resource Center L.L.C.(WCB Properties). In the Board's
13 opinion WCB Properties' proposal was the most responsive to the RFP and its
14 bid provided the highest sale price and net proceeds to the county.
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16 6. WCB Properties proposal includes plans for the reuse of the property which
17 will include a 93-unit assisted living housing development for seniors, an
18 Alzheimer's special care program, an on-site day care center and a community
19 meeting and resource center. The proposer will reserve at least 40 percent or
20 37 units for affordable housing with plans over a period of time to allocate up
21 to 85 percent or about 79 units to affordable housing use.
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23 7. WCB Properties proposes to purchase the property for a fair market value of
24 \$1.8 million. This price takes into account the costs of asbestos abatement and
25 necessary seismic structural changes to the building. In addition, WCB
26 Properties plan to spend another \$5.6 million for retrofitting and upgrading the
27 property. Total net proceeds to the County will be \$1.8 million, which is about
28 \$800,000 higher than the next highest bid.
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30 8. The \$1.8 million sales proceeds less administrative costs will be applied to
31 bond defeasance, as required by Internal Revenue Service rules, resulting in a
32 reduction of annual debt service payments in the approximate amount of
33 \$200,000 up to the year 2010.
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35 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:
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37 SECTION 1. The King County executive is hereby authorized to execute the
38 necessary documents to sell the following described property to WCB Properties for
39 development of an assisted living facility providing affordable housing to a special needs

1 population or income qualified persons.

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LEGAL DESCRIPTION

SALES PRICE

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The south 10 feet of Lot 2; all of lots
3 through 6, inclusive, Block 5, Replat of
12th Avenue Addition to the City of
Seattle, according to the plat thereof
recorded in Volume 8 of Plats, page 54
in King County, Washington;

\$1,800,000.00

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ALSO Lots 10 and 11, Block 114 AA Denny's
Broadway Addition to the City of Seattle,
according to the plat thereof recorded
in Volume 6 of Plats, page 40, in King
County, Washington;

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SUBJECT TO conditions, covenants,
easements, encumbrances, restrictions,
and other matters of record.

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SECTION 2. The King County executive shall transfer and assign the funds realized

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from the Current Expense Fund savings associated with the elimination of "mothballed"

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expenses and financing costs for the Washington Center Building to a Current Expense Sub-

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Fund entitled "Supplemental Housing Opportunities". The county executive is hereby

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authorized to apply these funds for affordable housing purposes not otherwise provided for in

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the Housing Opportunity Fund which may include funds for development of chronic public
inebriate housing. Expenditure of these funds will be subject to specific appropriation
authority.

INTRODUCED AND READ for the first time this 5th
day of January, 1998.

PASSED by a vote of 12 to 0 this 20th day of
January 1998.

King County, Council
King County, Washington

Louise Miller
Chair

ATTEST:

[Signature]
Clerk of the Council

APPROVED this 30 day of January, 1998.

[Signature]
King County Executive