

**COAL CREEK UTILITY DISTRICT
KING COUNTY, WASHINGTON**

NEWS RELEASE

FOR IMMEDIATE RELEASE ON JANUARY 30, 2015

The Coal Creek Utility District Board of Commissioners has scheduled a public hearing for Wednesday, February 11, 2015, at the District Office located at 6801 - 132nd Place SE, Newcastle, Washington at 6:00 p.m. on the proposed sale of the District's former operations center property located at 7415 - 129th Ave. SE, Newcastle, to the City of Newcastle. The City has long considered acquiring the former District operations center since the District moved to its new operations building in the year 2000. The District currently leases the former operations property to a commercial maintenance company.

City and District representatives started informal discussions in 2010 regarding the City's interest in buying the property and jointly had the property appraised in 2013. The appraised value of the property was \$745,000, but due to City budget constraints, according to Robert Russell, the District General Manager, the District worked with the City to offer a budget-friendly price for the property. The result was a \$250,000 purchase price and the City would agree to not exercise its right under state law to attempt to take over and assume the District for a ten year period. "The non-assumption agreement is important to the District," said Russell, "because it gives the District assurance to be able to plan for the future and continue to serve our utility customers." Russell added, "the District has a ten and twenty year planning horizon, and we get a lower rate when we sell bonds to build capital infrastructure." Further, "the District has state-of-the art water and sewer utility systems, and we strive to provide the best and most cost-effective utility service to our ratepayers." Therefore, he said, "It seemed like a win-win for us and the City."

State law gives municipalities flexibility when buying or selling property to another municipality to do so "on such terms and conditions as may be mutually agreed upon". The property would be used as a place to store and work on the City's public works vehicles, which are currently parked at City Hall, which is located just down the street from the property.

The public is invited to attend the hearing and address the District Board of Commissioners regarding the proposed sale of the property to the City of Newcastle. For further information about the property or the hearing, please contact Robert Russell, District General Manager, at (425) 235-9200.

Coal Creek Utility District is a Washington special purpose district **established in 1959** providing water, sewer and street lighting services to customers located in the City of Newcastle, the City of Renton, and unincorporated King County.