

Sea-Tac International Airport Noise Remedy Update

SUGGESTED TRANSACTION ASSISTANCE PROCESS

NEIGHBORHOOD REINFORCEMENT PROGRAM AREA

PURCHASE ASSURANCE NOISE REMEDY OPTION

**WORKING DRAFT**  
FOR DISCUSSION PURPOSES ONLY

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Sea-Tac International Airport Noise Remedy Update  
SUGGESTED TRANSACTION ASSISTANCE PROCESS NARRATIVE  
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KEY GOALS, OBJECTIVES, AND POLICIES

1976 Sea-Tac Communities Plan Goals:

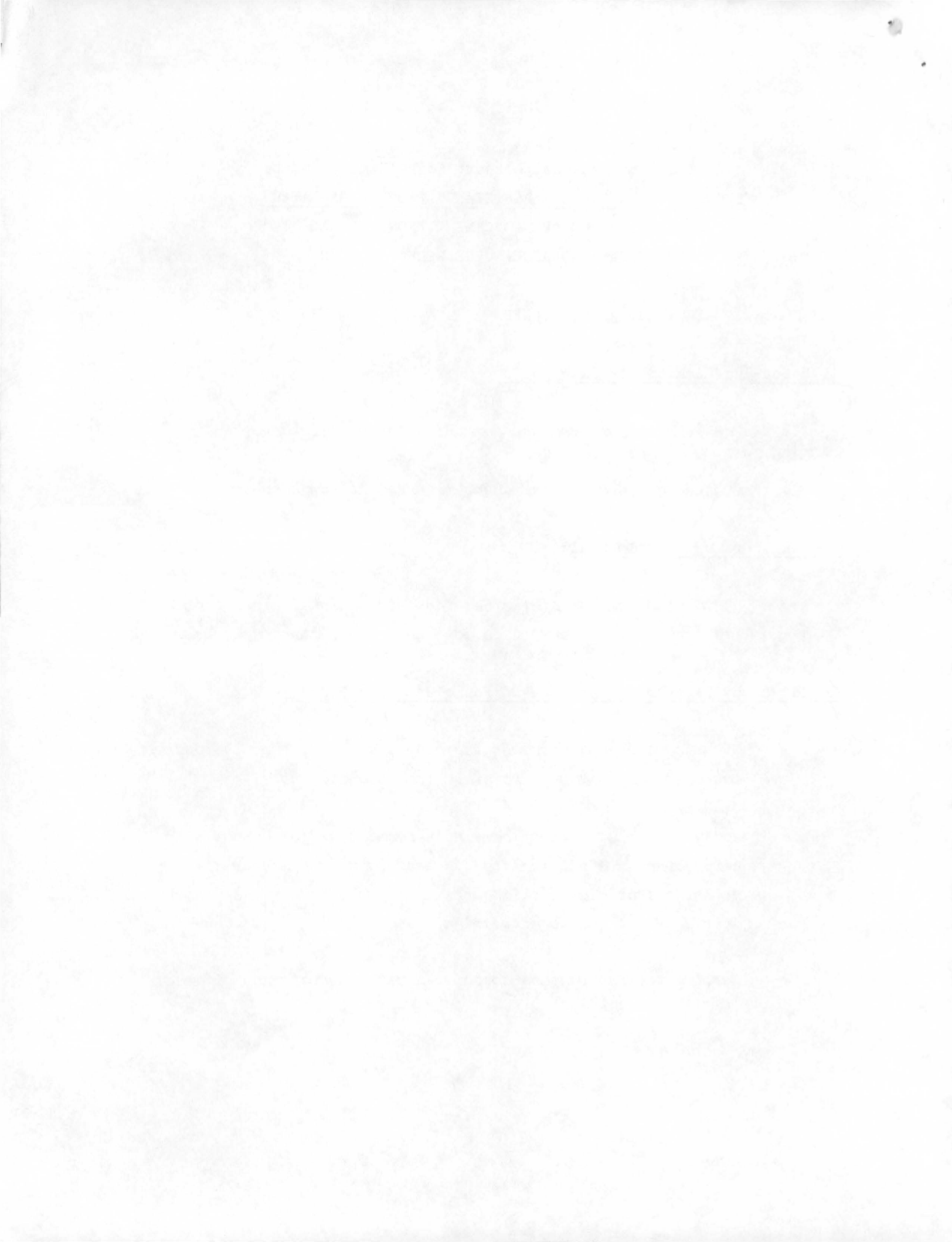
- *Make the Airport and the community better neighbors*
- *Enhance and protect permanent residential neighborhoods*

Overall Port of Seattle Goal:

- *Continue operation of the Sea-Tac International Airport in its present location for as long into the future as necessary*

Noise Remedy Program Objectives and Policies (1976 Plan):

- *Minimize aircraft noise at the source directly through local actions where and when possible (noise abatement)*
- *Apply a complete set of community-based remedies directly in neighborhoods significantly affected by noise exposure; remedies that deal with the residual problems not resolvable at the source (noise mitigation)*
- *Resolve the uncertainty associated with aircraft noise impact*



Overall Reinforcement Area Goal (Update Study):

- *Improve noise-impacted residential neighborhoods so as to (1) make such areas more stable, (2) protect the existing (and future) property tax base, and (3) enhance local property values*

Purchase Assurance Goals, Objectives, and Policies (Update Study):

- *"Normalize" local real estate market via specialized sales transaction assistance by the Port of Seattle*
- *Encourage eligible property owners to use sound insulation option prior to (and instead of) purchase assurance option*
- *Transaction assistance designed to move property by means of standard real estate market procedures as opposed to ultimate acquisition and resale by the Port of Seattle*
- *Test potential purchase assurance/transaction assistance process by means of a carefully planned and executed pilot project to be completed within a 12-15 month period beginning in the latter half of 1984*



## DESCRIPTION OF FLOW DIAGRAM ACTIVITIES

The accompanying Flow Diagram is a graphical representation of the suggested Purchase Assurance/Transaction Assistance process. As shown by the Diagram, the various activities or steps in the process are depicted in the form of separate "boxes," each of which is designated by a letter of the alphabet. Information designed to amplify the brief activity descriptions shown on the diagram is provided in the remainder of this narrative.

### Box A

- Typical starting point of process unless eligible owner desires to follow optional first step (see Box 0 description).
- Asking price for property established by owner with the advice and assistance of real estate agent.
- Port establishes file on property.
- Agent indicates any change in listing (such as price) to the Port, as well as the details and outcome of any sales offer.
- Use of a licensed real estate agent and the Puget Sound Multiple Listing procedures to be mandatory during Pilot Project.
- Minimum time on market of 90 days obviously does not apply if a bona fide offer to buy is accepted by the owner.

### Box B

- If a sales agreement is reached during the initial 90 day period, there would be no Port involvement in the transaction and no avigation easement attached to the deed.





- The incoming buyer would be eligible for all noise remedies available to any single family property owner within the Neighborhood Reinforcement program application area. This could include sound insulation and/or cash in return for an easement as well as future purchase assurance transaction assistance.

Box C

- If a satisfactory sale is not accomplished, the owner could then apply for transaction assistance. It is anticipated that approval would routinely be granted during the Pilot Project. Some disapprovals would no doubt occur in connection with the larger follow-on program if the demand (for assistance) is greater than the supply (available funds). [The Port may also decide to limit approvals in order to achieve a market turnover rate comparable to similar areas in the Seattle region that are not affected by airport-oriented noise.]
- Experience gained during the pilot effort should provide most of the input needed to develop a workable assistance eligibility/priority system for use during the follow-on program.

Box C-1

- A decision to disapprove an application for transaction assistance for funding or priority reasons could result in the subject property being placed on a waiting list, if so desired by the owner-applicant.
- The owner could continue to list his/her property while awaiting approval for assistance. However, if substantial change occurs in the form of improvements or damage to the house, a new 90-day period at the new price would be required.



Box D

- If approved for transaction assistance, the Port would pay for an appraisal of the property by an independent certified appraiser; said appraisal to consider value if the house and lot were not located in an airport noise exposure area.
- If owner disagrees with appraisal, he/she may pay for a "second opinion" by another qualified appraiser.
- The assistance program would be discontinued (without prejudice) if the Port and the owner could not agree on a fair market value (FMV) for the property.
- Noise audit of house to involve external and internal inspection of structure as well as appropriate noise level readings by a professional acoustician.

Box E

- Characteristics of a potential mortgage subsidy as one form of transaction assistance:
  - Purpose is to spur the local real estate market to a higher level of activity.
  - Amount of the subsidy would be variable and responsive to making the Airport Environs real estate market more similar to comparable markets without aircraft noise exposure.
  - Subsidy could be a full or percentage payment of the loan fee (points).



- Subsidy to be in the form of a lump sum and not a continual obligation of the Port.
  
- The parties benefiting would be:
  - a. The Buyer (less cash to purchase property and carry loan)
  - b. The Seller (higher probability of finding a qualified Buyer)
  - c. Real estate agent (same as b.)
  
- The Port would receive an avigation easement in return for the assistance.

-- Characteristics of a partial real estate fee payment as a potential form of transaction assistance:

- Purpose is to assist the Environs real estate market to achieve the "turnover" rate of a comparable non-noisy area.
  
- The amount of payment would be variable and responsive to how the local real estate market could best be "normalized."
  
- Partial payment could involve some percentage (say one-half) of the standard 7% real estate fee charged for a successful sale, and would be in the form of a lump sum.
  
- The parties benefiting would be:
  - a. The Seller (more cash for his/her property at close of escroe)
  - b. The real estate agent (higher probability of sale)



- Actual real estate commission would be negotiated between agent and owner, independent of subsidy.
  - The Port would receive an avigation easement in return for the assistance.
- Appropriate sound insulation, based on the noise audit in "D," could be provided at Port expense (in return for an avigation easement) if required by an interested, qualified buyer.
- Other types of assistance might also be tested during the Pilot Project.

Box F

- If property sells as a result of the transaction assistance provided in "E," then:
- Port has acquired an avigation easement.
  - Buyer has acquired property deemed to be compatible with the Airport due to noise mitigation actions (transaction assistance) of the Port.
  - Port closes property file but retains all records.
- If house has not been sound insulated, new owner retains eligibility for future assistance but with a low priority.





Box G

- If the property does not sell--even with the availability of transaction assistance--then:
- Port offers to buy house and lot for the established fair market value less 7% (standard real estate fee).
  - Owner-applicant may accept or reject offer. The process is terminated if the owner decides not to sell. [Note: Eligibility for all applicable noise remedies is retained but with low priority for purchase assurance/transaction assistance option.]

Box H

- If the owner accepts the Port's offer to buy his/her property in "G," then:
- (a) Port sound insulates house as per the noise audit of "D" (if necessary and possible), or
  - (b) removes house from lot if the structures' condition is too poor to sound insulate. The resultant vacant lot is then sold at fair market value with an avigation easement.
- It is anticipated that the Port would limit the number of "purchase assurance" properties that they would own at any given time due to one or more of the following reasons:
- High maintenance and upkeep costs (vandalism of vacant homes owned by the Port can be and has been a major problem).
  - An excessive number of properties held by the Port could contribute to or even cause neighborhood instability.



- Too many acquisitions by the Port would not serve to "normalize" the local real estate market.
- Too many acquisitions would also indicate that the transaction assistance was not effective.

#### Box I

- Property acquired by the Port as a result of the purchase assurance noise remedy process could be marketed in several ways:
  - (a) Sound insulation and certain other improvements (repainting, landscaping, etc.) at Port expense followed by resale through use of a real estate agent and the multiple-listing service.
  - (b) Resale (individually or in lots of two to four units) at a discount from FMV to local contractors who specialize in the rehabilitation of single family dwellings for a profit.
  - (c) Removal of a house in poor condition and resale of the then-vacant lot, as previously mentioned.
- Regardless of the marketing technique, the Port should always retain an appropriate avigation easement.

#### Box J

- If the final asking price in step "A" proves to be too high (more than 5% greater than the appraised value determined in "D"), then the owner must relist his/her property for 90 days with the use of a real estate agent and multiple listing. This step must be taken by the owner prior to qualification under "E" for transaction assistance.



Box K

- If the property sells as a result of activity under "J," then the Port has no more costs and does not acquire an avigation easement. The new owner, however, is eligible for applicable noise remedies.

Box O

- An optional step prior to "A" for the owner who wants to sell his/her property without a real estate agent.

