

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 6b
Date of Meeting February 26, 2013

DATE: February 19, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: W. Allan Royal, Manager Real Estate Development
SUBJECT: Resolution No. 3675 Transferring Property to Central Puget Sound Regional Transit Authority (Sound Transit) and Request for Permanent Easement for the Sound Transit Guide Way and Related Facilities

ACTION REQUESTED:

Request (1) First Reading and Public Hearing of Resolution No. 3675: A Resolution of the Port Commission of the Port of Seattle declaring four parcels of certain real property located at: 28th Avenue and 200th Street, and on 28th Avenue south of 200th Street, SeaTac, Washington, to be surplus and no longer needed for port district purposes and authorizing the Chief Executive Officer to execute all documents necessary for conveyance of the title to and sale of the real property to Sound Transit; and (2) approval of a permanent easement for the Sound Transit guide way and related facilities. The value of the real property being sold, determined by appraisal, is \$3,393,000. The value of the easement was determined by appraisal and reduced by 50% by agreement. The resultant value of the easement is \$3,194,165.00.

SYNOPSIS:

Port property Sound Transit has identified as needed for South Link.

Sound Transit has identified three Port-owned parcels of land needed for the Airport Link Light Rail project. One parcel has two pieces and are in the triangle-shaped property on 28th Avenue and 200th Street. These two pieces were severed from the large parcel, King County Parcel 0422049136, to the west upon the realignment of 28th Avenue.

The remaining two contiguous parcels, King County Parcels 3445000095 and 3445000098, are on 28th Avenue south of 200th and were acquired for noise mitigation purposes, see **Exhibit A**. The fair market value of the properties was determined by appraisal. The sale of the property has been approved by the Federal Aviation Administration.

Permanent easements needed for South Link.

Sound Transit needs the permanent easement for their guide way, columns, and related light rail facilities that affect Port property. The easement will be from the Link Light Rail Station at SeaTac International Airport across Port property as it heads south to the proposed 200th

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Street Station, see **Exhibit B**. The value of the easement was determined by appraisal and then reduced by 50% pursuant to the terms of the first Memorandum of Agreement between the Port and Sound Transit. The parties utilized this same model for the second phase of the rail expansion from the airport to 200th street. Providing Port property easements at less than fair market value to a mass transit project that services the Airport is permissible by the FAA and acceptable under state law when one government agency is conveying property to another government agency.

Additional items.

In addition to the items above, there will be several other transactions that do not require Commission approval due to the short term of the agreements. These include multiple short term temporary construction easements, compensation for future utility relocation in Air Cargo Road caused by the Sound Transit alignment and compensation for the future potential loss of parking along Air Cargo Road because of the road alignment; these will generate approximately \$2,500,000 for the Port over the next three years.

BACKGROUND:

As part of the Port of Seattle's on-going effort to encourage alternative environmentally friendly means of accessing the Airport, the Port has diligently worked to facilitate the development of Link Light Rail to the Airport and across Port property. The extension of Link Light Rail south of the airport will ultimately provide passengers and employees coming from the south another means of transportation.

The extension of Link Light Rail to 200th Street is the next step in Sound Transit's effort to provide regional connections for the citizens that will ultimately provide service from Seattle to Tacoma.

PROJECT JUSTIFICATION:

Approval of the sale of these properties and approval of the permanent easement will help improve access to SeaTac International Airport for our passengers and employees.

It will also help reduce vehicular traffic which would prolong the capacity of our airport drives through reduced traffic, and reduce emissions from the public's access to our facility.

Project Objectives:

- Facilitate the extension of Link Light Rail to the south.
- Assist in providing environmentally sound alternatives for passenger and employee access.
- Reduce vehicular traffic to and from the airport.

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PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

Sell King County Parcels 0422049136, 0445000095, and 3445000098 to Sound Transit.

Create permanent easement for guide way and related facilities.

Schedule:

Transfer of property will occur over in 2013 as Sound Transit needs the property for their development. Easements will be approved as needed.

FINANCIAL IMPLICATIONS:

Financial Analysis and Summary:

	<u>Appraised Value</u>	<u>Net to Port</u>
Permanent Easement 50%	\$6,388,329	\$3,194,165
KC Parcel 0422049136	\$2,383,000	\$2,383,000
KC Parcels 3445000095 & 3445000098	\$1,010,000	\$1,010,000
Temporary easements and other compensation (estimate)		\$2,500,000
	Net to the Port	<u>\$9,087,165</u>

The Permanent Easement and the sale of the three King County Parcels will occur in 2013. The “other compensation,” which is the utility relocation (\$1,050,000), and the loss of parking (\$246,500), will be paid by Sound Transit in 2013. The Temporary Easements will be spread over a three year period as Sound Transit needs lay down for their work.

The proceeds of the sale of King County Parcels 3445000095 and 3445000098 will have an FAA restricted component of \$599,940 because they were acquired with a Noise Grant. The proceeds of the sale will be used to fund the Olympic School project which is part of the FAA approved noise mitigation agreement between the Highline School District and the Port of Seattle.

STRATEGIC OBJECTIVES:

The Century Agenda calls for making the Seattle-Tacoma International Airport the Gateway of choice. Ensuring alternative means of getting to and from the Airport is one important component in achieving that goal. In addition, accommodating electric link light rail is a step forward in another Century Agenda goal of being the greenest and most energy efficient port in North America.

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BUSINESS PLAN OBJECTIVES:

The approval of these actions will meet the objectives of:

- Operating a world-class international airport by meeting our tenants, passengers and employees needs for alternate means of getting to and from the airport.
- Helping reduce the airport's environmental impact by facilitating a cleaner alternative to vehicular traffic.

ENVIRONMENTAL SUSTAINABILITY:

The proposed action will help improve air quality by reducing vehicular traffic with the alternative of electric Link Light Rail.

TRIPLE BOTTOM LINE SUMMARY:

Supporting Sound Transit's South Link project will provide a long-term solution in regional transportation by expanding the existing Link Light Rail access to the Airport and enabling the region to continue to receive the economic benefit of Link Light Rail. The Link Light Rail extension from the Airport Station to the South 200th Station complements the Port's environmental commitment by providing alternate means of transportation for Airport customers and employees and a low-cost method to get to and from the Airport from our local communities. Extension of the Link Light Rail system to South 200th Street will provide additional capacity to the existing system thereby serving a greater ridership base to the south.

The Port has no direct involvement in hiring or contracting this project. However, Sound Transit estimates this will provide approximately 2,600 jobs over the next three years during the construction of the Link Light Rail and Sound Transit's guidelines call for "Maximum use of minority, women and disadvantaged businesses". Also, they have a guideline of "Maximum use of local businesses in their Diversity Program".

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1: Approve all actions requested. This will permit Link Light Rail's continued expansion to the south. **This is the recommended alternative.**

Alternative 2: Do not approve any of the actions requested. This would stop Link Light Rail from proceeding on a cooperative basis and would more than likely force a condemnation action. This is not the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

- Resolution No 3675
- Exhibits A, B

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

- April 27, 2010 – Commission authorization for Chief Executive Officer to execute a professional services Indefinite Delivery/Indefinite Quantity (IDIQ) contract for roadways planning and preliminary design services totaling \$600,000 for one (1) year with the option to extend for up to two (2) additional years.
- May 10, 2011 – Commission briefing on the status of project coordination between the Port and Sound Transit. The briefing covered progress on the integration of Light Rail and the Port's future roadways through preliminary design, intergovernmental agreements and next steps.
- February 14, 2012 – Commission authorization for the Chief Executive Officer to design, advertise, award, and construct the relocation of several Port utilities in advance of and to accommodate Sound Transit's South Link project for a total estimated cost of \$950,000. All costs associated with this work will be reimbursed in full by Sound Transit.
- May 1, 2012 – Staff updated the Port Commission on the South Link project and upcoming actions associated with the project.
- May 22, 2012 – Commission approved the South Link Memorandum of Agreement with Sound Transit to establish the real property, financial, design, and construction arrangements for construction of the South Link Project at Seattle-Tacoma International Airport and authorizing the Chief Executive Office to execute all necessary documents.