

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	<u>6a</u>
Date of Meeting	<u>January 7, 2014</u>

DATE: December 16, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: Joe McWilliams, Managing Director, Real Estate Division
SUBJECT: First Reading and Public Hearing of Resolution No. 3688, surplus and sale of a portion of the Eastside Rail Corridor to Snohomish County.

Net Proceeds to the Port: \$5,000,000.00 minus closing costs

Closing Date: May 30, 2014

ACTION REQUESTED

Request First Reading and Public Hearing of Resolution No. 3688: A Resolution of the Port Commission of the Port of Seattle declaring certain real property located in Snohomish County (portions of the Woodinville Subdivision) and any improvements located thereon, including the Snohomish River Bridge, surplus and no longer needed for Port purposes, authorizing its transfer to Snohomish County and authorizing the Chief Executive Officer to execute all documents related to such transfer.

SYNOPSIS

Commission authorization is requested to proceed with the sale of a portion of the freight section of the Woodinville Subdivision to Snohomish County. This request is subsequent to the agreement between the Port, Redmond, King County, Sound Transit, Cascade Water Alliance, and Puget Sound Energy (“Regional Partners”) to share in the costs of the acquisition of the Woodinville Subdivision rail corridor (“Eastside Corridor”).

BACKGROUND

The Port acquired the Eastside Corridor on December 18, 2009, from BNSF Railway. Prior to finalizing the acquisition, the Port, the City of Redmond, King County, Sound Transit, Cascade Water Alliance, and Puget Sound Energy (“Regional Partners”) agreed that they all had an interest in obtaining rights to use the Eastside Corridor and share in the cost of acquiring it for public ownership. This agreement was memorialized in a Memorandum of Understanding dated November 11, 2009. On February 23, 2010, the Commission authorized a Memorandum of Understanding between the Regional Partners regarding the appraisal of the Eastside Corridor. On June 30, 2010, the Port finalized the sale of the Redmond city limits portion of the Eastside Corridor to the City of Redmond. On December 21, 2010, Puget Sound Energy acquired an easement over both the freight and railbanked portions of the Eastside Corridor. On April 11,

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2012, the Port sold to Sound Transit (i) a portion of the Eastside Corridor located within the City of Bellevue and (ii) a permanent high capacity transportation easement over the railbanked portion of the Eastside Corridor. On April 13, 2012, the Port sold to the City of Kirkland that portion of the Eastside Corridor within the City of Kirkland and a portion within the City of Bellevue for trail and transportation uses. On February 12, 2013, the Port sold to King County (i) the remaining railbanked portion of the Eastside Corridor located within King County and (ii) a trail easement over portions of the freight segment of the Eastside Corridor located partially in King County and partially in Snohomish County.

PURCHASE AND SALE AGREEMENT PROVISIONS:

The key terms of the proposed purchase and sale agreement include:

- Purchase Price. The Port will receive \$5,000,000.00 payable in cash, at closing.
- Environmental Release. The County waives, releases and discharges forever the Port from any and all present or future claims related to environmental conditions in, at, on, under or originating from the property.

RESOLUTION NO. 3688:

Resolution No. 3688 provides that the real property located in Snohomish County (portions of the Woodinville Subdivision) and any improvements located thereon, including the Snohomish River Bridge, is no longer needed for Port purposes, declares it surplus to Port needs and authorizes its sale to Snohomish County. The Resolution further delegates to the Port's Chief Executive Officer the authority to execute all documents necessary to complete the sale of the property.

ATTACHMENTS TO THIS REQUEST

Resolution No. 3688 with Exhibit A

Exhibit B: Purchase and Sale Agreement

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- November 5, 2009, Port Commission authorized execution of a Memorandum of Understanding between the Port and the Regional Partners Regarding Acquisition of the Woodinville Subdivision.
- February 23, 2010, Port Commission authorized a Memorandum of Understanding between the Regional Partners Regarding Joint Appraisal of the Woodinville Subdivision.
- June 22, 2010, Port Commission authorized the sale of the Redmond city portion of the Woodinville Subdivision to the City of Redmond.
- December 7, 2010, Port Commission authorized the sale of easement rights on the freight and railbanked portions of the Woodinville Subdivision to Puget Sound Energy.
- May 24, 2011, Port Commission authorized the sale of approximately one mile of the Woodinville Subdivision within the City of Bellevue to Sound Transit and further authorized the grant of a permanent easement to Sound Transit over the Port's railbanked portion of the Woodinville Subdivision.
- December 13, 2011, Port Commission authorized the Chief Executive Office to execute a Purchase and Sale Agreement between the Port of Seattle and City of Kirkland for a portion of the Woodinville Subdivision.
- February 28, 2012, First Reading and Public Hearing of Resolution No. 3659, relating to surplus and sale of certain real property (also known as the Eastside Rail Corridor) to the City of Kirkland (a portion of the Woodinville Subdivision).
- April 3, 2012, Second Reading and Final Passage of Resolution No. 3659, relating to surplus and sale of certain real property (also known as the Eastside Rail Corridor) to the City of Kirkland (a portion of the Woodinville Subdivision).