



COMMISSION
AGENDA MEMORANDUM

Item No. 6a

ACTION ITEM

Date of Meeting April 11, 2017

DATE: January 23, 2017

TO: Dave Soike, Interim Chief Executive Officer

FROM: James R. Schone, Director Aviation Commercial Management
James Jennings, Senior Manager, Aviation Properties
W. Allan Royal, Property Manager, Aviation Properties

SUBJECT: First Reading and Public Hearing of Resolution 3731 to surplus Tract A in the Des Moines Creek Business Park

ACTION REQUESTED

Request First Reading and Public Hearing of Resolution No. 3731: A Resolution of the Port Commission of the Port of Seattle declaring surplus and no longer needed for port district purposes approximately 4.56 acres of Port-owned real property, commonly referred to as Tract "A," and located in the City of Des Moines, King County; and further authorizing the transfer of said real property to the City of Des Moines for stormwater facilities in support of improvements at Des Moines Creek Business Park.

EXECUTIVE SUMMARY

This action will allow the Port to transfer ownership and management of the storm water facilities, Tract "A," associated with the 87-acre Des Moines Creek Business Park as previously agreed to in the Master Plan Agreement between the Port and the City.

The Port and City have entered into multiple agreements related to the development of the three phases of the 87-acre Des Moines Creek Business Park. Phase 1 has approximately 500,000 square feet of industrial buildings and is open. Phase 2, Federal Aviation Administration Headquarters with 281,000 square feet of class A office space is under construction, and Phase 3, approximately 500,000 square feet of industrial buildings is under construction.

The Port and City entered into a Master Plan Agreement that memorialized a plethora of issues, such as street dedications, traffic mitigation, design criteria and environmental mitigation, necessary to ensure a successful development. As part of the Master Plan Agreement, which enabled the development of the business park, several items were agreed to that were operationally required for the development of the property. They included:

- Dedication of property to widen 216th and 24th.
- Dedication of 211th, 214, S. 208th and S. 20th which are internal streets servicing the entire business park
- Dedication of Tract "A", the storm water facility.

Meeting Date: April 11, 2017

JUSTIFICATION

All of the other elements in the Master Plan Agreement have been successfully completed. The last issue is to convey to the City the storm water treatment and detention facility. The storm water facility is located on Tract “A.” The storm water facility will be owned, operated, and maintained by the City thus the need to convey the property to the City.

Scope of Work

The scope of work is to sign all documents necessary for the conveyance of the property to the City.

Schedule

Port staff expects to close the transaction in the second quarter of 2017.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternatives are not practically viable because of the existing Master Plan Agreement in place between the City and the Port that was agreed to in order to develop the Des Moines Creek Business Park.

Alternative 1) – The Port can refuse to convey the property.

Cost Implications: Estimated \$20,000 per year for operating and maintenance.

Pros:

- (1) This would keep ownership of the land with the Port.

Cons:

- (1) The Port would, mostly likely, be required to operate and maintain the storm water facility. The cost estimate is based upon the “Puget Sound Storm Water Best Management Practices Cost Database.”
- (2) The action would not honor the Master Plan Agreement with the City.

This is not the recommended alternative.

Alternative 2) – Convey the property to the City.

Cost Implications: None

Pros:

- (1) This alternative would honor the Master Plan Agreement made with the City.
- (2) The action will fulfill the last key requirement for the Des Moines Creek Business Park development.
- (3) It would relieve the Port of any potential responsibility for maintaining the storm water facility and pond.

Meeting Date: April 11, 2017

Cons:

- (1) The Port would no longer own the property.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The Port will not receive payment for the property; the dedication was a component of the Master Plan Agreement for the development of the Des Moines Creek Business Park.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Resolution No. 3731
- (2) Presentation slide

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None