

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.	<u>6c</u>
Date of Meeting	<u>June 23, 2009</u>

DATE: June 16, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: James R. Schone, Director, Aviation Business Development
Jude P. Barrett, Manager, Acquisitions and Relocation

SUBJECT: Authorization for acquisition by condemnation of the Steven Desimone property.
(Resolution No, 3622, First Reading)

ACTION REQUESTED: Resolution No. 3622, Second Reading and Final Passage, providing acquisition by purchase and/or condemnation of certain real property located at 14635 Des Moines Memorial Drive South, (King County Tax ID Number 202304-9091), in the City of Burien, Washington.

BACKGROUND/SYNOPSIS: The Environmental Impact Statement (EIS) for the Third Runway Master Plan update and the latest Federal Aviation Regulation (FAR) Part 150 Noise and Land Use Compatibility Study called for residential acquisition in Burien's Northeast Redevelopment Area (NERA) due to airport noise and operational impacts associated with the Third Runway (see Exhibit A). Port staff, in cooperation with Burien planning staff and the Federal Aviation Administration (FAA), developed an acquisition boundary for the North Burien Approach Transition Zone (ATZ) buy-out area based on the following criteria:

- Residential parcels within the 65 decibel Day Night Limit noise contour.
- Residential parcels within the North ATZ.
- Residential parcels within natural boundaries that preserve and support neighborhood integrity, including streets and physical boundaries, were also taken into consideration.

72 residential parcels (Parcels) met the acquisition/relocation criteria and were identified as eligible for federal funds. This residential property is included within the boundary of the Parcels. The Port's inability to come to an agreement with the owner on Fair Market Value for the property has stalled negotiations.

FINANCIAL IMPLICATIONS/SOURCE OF FUNDS

This property is included in the 2006-2010 Capital Budget and Plan of Finance under Capital Improvement Project (CIP) number C200015. This project is included in the Third Runway budget. This project is eligible for federal funding by Airport Improvement Program (AIP) grants, reimbursement of 80% of eligible costs (acquisition, relocation and demolition). The

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funding plan for this project includes a combination of federal grants, passenger facility charges and revenue bonds.

PROJECT COST BREAKDOWN

Fair Market Value	\$285,000
Estimated Tenant Relocation Cost	\$10,000
Administrative/Overhead Cost	\$3,420
Total	\$298,420*

* Previously budgeted and authorized under this capital project.

KEY DATES:

September 27, 2005	Initial property acquisition notice
March 26, 2007	Appraisal inspection
May 10, 2007	Offer presented for \$260,000
May 30, 2007	Owner contests value and agrees to provide his own appraisal
November 15, 2007	Owner's appraisal received by Port for \$610,000
December 6, 2007	Port review appraiser rejects owner's appraisal report
January 22, 2008	Second offer presented for \$285,000 based upon an appraisal update
February 26, 2008	Property owner requests acquisition by condemnation
April 21, 2008	File forwarded to Port legal and outside legal counsel for further handling
November 28, 2008	Appraisal report for final & best offer indicates fair market value has decreased to \$270,000
February 19, 2009	Final & best offer of \$285,000 presented to property owner

STRATEGIES AND OBJECTIVES

This project supports the Port's strategy to "Ensure Airport and Seaport Vitality".

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION

Do not acquire. Existing residential property and its occupants would continue to be exposed to aircraft noise and effects of the third runway. This is contrary to the runway Master Plan Update and recommendations of the EIS. **This is not the recommended alternative.**

Acquire via condemnation. This would be in compliance with FAA regulations and recommendations of the EIS. **This is the recommended alternative.**