

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6b
Date of Meeting October 13, 2009

DATE: September 1, 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 Richard Williams property.
(Resolution No, 3630, Second Reading)

ACTION REQUESTED

Resolution No. 3630, Second Reading, providing acquisition by purchase and/or condemnation of certain real property located at 14431 Des Moines Memorial Drive South, (King County Tax ID Number 202304-9177), in the City of Burien, Washington.

BACKGROUND/SYNOPSIS

The Environmental Impact Statement (EIS) for the Sea-Tac Airport Master Plan Update and the latest Sea-Tac 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. The residential property that is the subject of this memo is included within the boundary of the Parcels. The Port and the owner have not been able to reach agreement on the Fair Market Value for the property. On June 24, 2008, the property owner filed a complaint for inverse condemnation with the Superior Court of the State of Washington for King County. The property consists of an approximately 66,000 square foot parcel with an unoccupied house that has sustained water damage.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

September 1, 2009

Page 2

FINANCIAL IMPLICATIONS/SOURCE OF FUNDS

Acquisition of the 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 that provide reimbursement of 80% of the eligible costs (acquisition, relocation and demolition). The funding plan for this project includes a combination of federal grants, passenger facility charges and revenue bonds.

PROJECT COST BREAKDOWN

| | |
|-------------------------------------|------------|
| Fair Market Value | \$465,000 |
| Estimated Tenant Relocation Cost | N/A |
| Administrative/Overhead/Legal Costs | \$310,000 |
| Total | \$775,000* |

* Previously budgeted and authorized under this capital project.

KEY DATES:

| | |
|--------------------|---|
| September 27, 2005 | Initial property acquisition notice |
| June 5, 2007 | First appraisal inspection |
| June 25, 2007 | Offer presented for \$450,000 |
| December 12, 2007 | Owner contests value and provides his own appraisal for \$1,170,000 |
| February 5, 2008 | Owner's appraisal rejected by Port's review appraiser |
| February 14, 2008 | Port updates its appraisal for time and market conditions |
| February 21, 2008 | Revised offer presented for \$465,000 |
| March 11, 2008 | Property owner retains legal counsel |
| April 21, 2008 | File forwarded to Port legal and outside legal counsel for further handling |
| June 24, 2008 | Property owner's attorney files Complaint for Inverse Condemnation |

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

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

September 1, 2009

Page 3

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 Record of Decision for the Airport Master Plan and with the Commission and FAA approved Part 150 recommendations.

This is the recommended alternative.