

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5a

Date of Meeting February 23, 2010

DATE: February 17, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Joe McWilliams, Managing Director, Real Estate Division

SUBJECT: Memorandum of Understanding Regarding Joint Appraisal of Woodinville Subdivision between the Port of Seattle and the Regional Partners on the Eastside Corridor Transaction.

AMOUNT OF THIS REQUEST: \$10,000 **SOURCE OF FUNDS: Tax Levy**

ACTION REQUESTED:

Request for Port Commission authorization for the Chief Executive Officer to execute a Memorandum of Understanding (MOU) Regarding Joint Appraisal of Woodinville Subdivision (Eastside Corridor) between the Port of Seattle and King County, City of Redmond, Sound Transit, Puget Sound Energy and Cascade Water Alliance (Regional Partners). This authorization includes payment of the Port's allocated share (11%) of the total cost of the appraisal not to exceed \$10,000.

SYNOPSIS:

The proposed MOU reflects the cooperation of the Regional Partners in obtaining an updated appraisal of the Eastside Corridor to assist in negotiating their future interests in the Eastside Corridor. It includes a commitment by the Regional Parties to use best efforts to finalize the transfer of the various interests in the Corridor by May 15, 2010.

BACKGROUND:

The Port acquired the Eastside Corridor on December 18, 2009, from BNSF. Prior to finalizing the acquisition, the Port and the Regional Partners agreed that they all had an interest in obtaining rights to use and sharing in the cost of acquiring the Eastside Corridor for public ownership. The Port and the Regional Partners have met regularly to develop a framework and timeline to negotiate the transfer of interests. The proposed MOU sets forth their understanding regarding appraisal scope of work, which party shall serve as the point of contact for the Appraiser, which parties are intended users of the appraisal report, the process for review and comment on the appraisal, allocated share of appraisal costs, and the process for resolution of potential disagreements between the Regional Partners. In addition, the MOU provides that the

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parties commit to cooperate and use their reasonable best efforts to negotiate and finalize the transfer of the various interests in the Corridor by May 15, 2010.

SCOPE OF AGREEMENT:

Effective

Date: MOU is effective upon signing by all parties.

Purpose: Regional Partners agreement to obtain joint appraisal of the Eastside Corridor and share in the appraisal cost.

Cost to the Port: Appraisal report will consist of two phases. Port will only participate in the first phase with an estimated total cost range of \$74,000 to \$84,000. The Port's allocated share is 11% of the total cost. Staff is requesting a not to exceed authorization of \$10,000.

PROJECT SCHEDULE:

It is anticipated that Phase 1 of the appraisal report will be completed by March 31, 2010.

PREVIOUS COMMISSION ACTION:

- 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.

ATTACHMENTS:

Exhibit A – Memorandum of Understanding Regarding Joint Appraisal of Woodinville Subdivision