

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6a

Date of Meeting June 22, 2010

DATE: June 16, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Joe McWilliams, Managing Director, Real Estate Division

SUBJECT: Second Reading and Final Passage of Resolution No. 3638, as amended, declaring certain real property located in the City of Redmond and unincorporated King County (a portion of the Redmond Spur segment of the Woodinville Subdivision) surplus and no longer needed for Port purposes, and authorizing the Chief Executive Officer to execute all documents necessary for its transfer to the City of Redmond

PROCEEDS OF SALE: \$10,000,000 minus closing costs

ACTION REQUESTED:

Second Reading and Final Passage of Resolution No. 3638 declaring certain real property located in the City of Redmond and unincorporated King County (a portion of the Redmond Spur segment of the Woodinville Subdivision) surplus and no longer needed for Port purposes, and authorizing the Chief Executive Officer to execute all documents necessary for its transfer to the City of Redmond.

SYNOPSIS:

Commission authorization is requested to proceed with the sale of a portion of the Woodinville Subdivision to the City of Redmond for \$10,000,000. This request is consistent with regional transaction 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"). The Port and the City of Redmond will split the closing costs. The Port's share is estimated to be between \$5,000 - \$10,000, which will be deducted from the sale price. Closing is anticipated by June 30, 2010. There will be a public hearing held during this meeting before the final vote is taken.

BACKGROUND:

The Port acquired the Eastside Corridor on December 18, 2009, from BNSF Railway. Prior to finalizing the acquisition, the Port and the 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

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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.

While the other Regional Partners are negotiating other aspects of the transaction that do not involve Redmond, the Port and Redmond staff have reached agreement for the sale of a segment of Eastside Corridor for \$10,000,000. As part of the transaction, Redmond has agreed to grant Sound Transit a transportation easement over the property at the time the Port and the other Regional Partners complete the transaction for the remaining segments of the railbanked Eastside Corridor.

RESOLUTION NO. 3638:

Resolution No. 3638 provides that the real property consisting of the portion of the Eastside Corridor within the City of Redmond and a portion of unincorporated King County that is no longer needed for Port purposes, declares it surplus to Port needs and authorizes its sale to Redmond. 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.

SCOPE OF PURCHASE AND SALE AGREEMENT:

Anticipated

Closing Date: June 30, 2010

Sale Price: \$10,000,000 to be paid to the Port

Closing Costs (estimate): \$5,000-10,000 to be deducted from the proceeds of sale.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Resolution No. 3638.

The Purchase and Sale Agreement.

Redmond Spur Illustration.

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.

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- February 23, 2010, Port Commission authorized a Memorandum of Understanding between the Regional Partners Regarding Joint Appraisal of the Woodinville Subdivision.
- June 8, 2010, First Reading of Resolution No. 3638 declaring certain real property located in the City of Redmond and unincorporated King County as surplus and no longer needed for Port purposes, and authorizing the Chief Executive Officer to execute all documents necessary for the transfer to the City of Redmond.