

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6a

ACTION ITEM

Date of Meeting April 3, 2012

DATE: March 23, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: Joe McWilliams, Managing Director, Real Estate Division

SUBJECT: Second Reading and Final Passage of Resolution No. 3659, relating to surplus and sale of certain real property (also known as the Eastside Rail Corridor) to the City of Kirkland (a portion of the Woodinville Subdivision)

Net Proceeds to the Port: \$5,000,000.00 (minus closing costs)

Closing Date: April 13, 2012

ACTION REQUESTED:

Request Second Reading and Final Passage of Resolution No. 3659: A Resolution of the Port Commission of the Port of Seattle declaring certain real property located in the City of Kirkland and the City of Bellevue (a portion of the Woodinville Subdivision) and any improvements located thereon surplus and no longer needed for Port purposes, authorizing its transfer to the City of Kirkland and authorizing the Chief Executive Officer to execute all documents related to such transfer. The Port will receive \$5 million (minus closing costs) from the City of Kirkland for the sale of this property, which is also known as the Eastside Rail Corridor.

SYNOPSIS:

Commission authorization is requested to proceed with the sale of a portion of the Woodinville Subdivision to the City of Kirkland. This request is subsequent to the agreement 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 held a public hearing on this sale in Kirkland on February 28, 2012.

BACKGROUND:

The Port acquired the Eastside Corridor on December 18, 2009, from BNSF Railway. Prior to finalizing the acquisition, the Port, the City of Redmond, King County, Sound Transit, Cascade Water Alliance, and Puget Sound Energy ("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 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

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the appraisal of the Eastside Corridor. On June 30, 2010, the Port finalized the sale of the Redmond city limits portion of the Eastside Corridor to the City of Redmond. On December 20, 2010, Puget Sound Energy acquired an easement over both the freight and railbanked portions of the Eastside Corridor. On August 18, 2011, the Port and Sound Transit entered into a Purchase and Sale Agreement for acquisition of (i) a portion of the Eastside Corridor located within the City of Bellevue and (ii) a permanent high capacity transportation easement over the railbanked portion of the Eastside Corridor. Subsequently, the Port and City of Kirkland staff reached agreement for the sale of that portion of the Eastside Corridor within the City of Kirkland and a portion within the City of Bellevue for trail and transportation uses.

RESOLUTION NO. 3659:

Resolution No. 3659 provides that the real property consisting of the certain real property located in the City of Kirkland and the City of Bellevue (a portion of the Woodinville Subdivision) and any improvements located thereon is no longer needed for Port purposes, declares it surplus to Port needs and authorizes its sale to the City of Kirkland. 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.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Resolution No. 3659 with Exhibit A.

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.
- February 23, 2010, Port Commission authorized a Memorandum of Understanding between the Regional Partners Regarding Joint Appraisal of the Woodinville Subdivision.
- June 22, 2010, Port Commission authorized the sale of the Redmond city portion of the Woodinville Subdivision to the City of Redmond.
- December 7, 2010, Port Commission authorized the sale of easement rights on the freight and railbanked portions of the Woodinville Subdivision to Puget Sound Energy.
- May 24, 2011, Port Commission authorized the sale of approximately one mile of the Woodinville Subdivision within the City of Bellevue to Sound Transit and further authorized the grant of a permanent easement to Sound Transit over the Port's railbanked portion of the Woodinville Subdivision.
- December 13, 2011, Port Commission authorized the Chief Executive Office to execute a Purchase and Sale Agreement between the Port of Seattle and City of Kirkland for a portion of the Woodinville Subdivision.
- February 28, 2012, First Reading and Public Hearing of Resolution No. 3659, relating to surplus and sale of certain real property (also known as the Eastside Rail Corridor) to the City of Kirkland (a portion of the Woodinville Subdivision).