

ITEM NO. 6a Attach 2

DATE OF
MEETING July 10, 2012

November 13, 2003

Paul Krauss
Director of Planning and Community Development
City of Auburn
25 West Main Street
Auburn, WA 98001-4998

RE: Outcome of Discussions Between the City of Auburn and Port of Seattle

Dear Mr. Krauss,

Thank you for your letter dated October 29, 2003 summarizing your understanding of the outcome of discussions between the City of Auburn and the Port of Seattle regarding the Auburn Wetland Mitigation Project, adjacent Port property, and proposed City improvements. While we agree with many of the points in your letter of how the discussions concluded, there are other points where the Port's understanding differs from yours.

We agree that the City and Port staffs had extensive discussions regarding the Port's Auburn Wetland Development project, the adjacent Port property, and proposed City improvements. As the negotiations progressed, it became apparent that there were significant differences between the Port and City's proposals for a second ILA, and it appeared these differences could not be resolved within the time available to avoid delay to the project. A delay in the planned advertisement of the project in December 2003 would likely have resulted in a project delay of from one to three years due to economic considerations at the Port.

The Port believed it was in the interest of all parties for the wetland mitigation project to proceed and therefore notified the City that it wished to terminate negotiations on a second ILA and focus on the implementation of the 1998 ILA. The City agreed to this approach and concluded that permits could be issued and that the project could proceed under the 1998 ILA.

The Port's understanding of the status of 1998 ILA and subsequent discussions between the City and the Port is as follows:

1. The City and Port are proceeding under the terms of the 1998 ILA regarding the issuance of permits by the City, payments by the Port, and all other terms.

2. The City is in the process of issuing permits for the Port's project by November 21, 2003, which will allow the Port to advertise the project in December 2003.
3. The Port informed the City it would not seek reimbursement for the construction of flood storage created by the Auburn Wetland Mitigation project. The 1998 ILA did not address ownership or an allocation method for the flood storage.
4. The City intends to allocate flood storage created by the Port's Auburn Wetland Development project to those properties south of S. 277th Street and east of Auburn Way on a pro-rata basis. The Port will receive an allocation for its property, as will others.
5. The Port's understanding of the City's proposed concept for the location of "I" Street is as follows. The City's current preference is to locate the main arterial for "I" Street along the west boundary of the parcel acquired by the Port in 2002 ("Gentra or BPO property") before curving the road into the Theater property. A secondary arterial will somewhat follow the existing "I" Street right-of-way. There will be two new intersections on S. 277th Street. The main arterial intersection will be signalized and the secondary arterial intersection may have restricted traffic movements. The proposal was still at a concept level when we discussed this on October 10. The City stated they would be discussing the proposal for street improvements with the adjacent property owners in the next day or so.
6. The Port has previously notified the owner of the Bristol property that the Port will negotiate with them in good faith for access to their property. The Port has not made a commitment to the property owner for more than a single access.
7. A number of City property needs were identified during our discussions on the proposed second ILA. Unfortunately, the City and Port did not reach agreement on this. Presently, there is no specific agreement or commitment between the City and the Port beyond the terms of the 1998 ILA.

The Port recognizes that the City and the Port have had a long-standing relationship and that it is in the interest of both parties to cooperate and seek mutually beneficial agreements whenever possible. The Port looks forward to continuing its good relationship with the City and is certainly willing to discuss issues surrounding property needs for future City improvements on a case-by-case basis. It is our expectation that future discussions regarding possible City use of the Port property for infrastructure improvements will also include limiting impacts that would affect the Port's ability to develop or utilize its property.

As the City proceeds with finalizing the locations of streets and other improvements and identifies the amount and location of Port property that it may wish to acquire, the Port will negotiate in good faith with the City on its requests. To help achieve coordination regarding future development, the Port needs to be an active participant in future discussions, decisions,

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input, and reviews of the NE Auburn Special Area Plan, which includes the Port's parcel acquired in 2002. The Port's primary contact for this will be John Faulkner in the Port's Aviation Business Development office. John can be contacted at 206-988-5544 or email at faulkner.j@portseattle.org.

In closing, the Port would like to thank the City staff for their efforts throughout this process. The Port looks forward to beginning construction on the Wetland Mitigation Site and associated flood channel in early 2004.

If you would like to discuss the Port's understanding of the outcome of discussions between the City and the Port, please contact me at 206-988-5529.

Sincerely,

Ralph L. Wessels, PE
Third Runway Project Manager

cc: Michael Feldman
Elizabeth Leavitt
Robin Kordik
Patrick Mullaney
John Faulkner