

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	<u>6c</u>
Date of Meeting	<u>April 7, 2015</u>

DATE: March 10, 2015
TO: Ted Fick, Chief Executive Officer
FROM: W. Allan Royal, Manager Real Estate Development
SUBJECT: First Reading of Resolution 3707 and public hearing for the sale of Port property to the City of SeaTac.

ACTION REQUESTED

Request the first reading and public hearing of Resolution No. 3707: A Resolution of the Port Commission of the Port of Seattle declaring surplus and no longer needed for port district purposes certain real property located at approximately 26th Avenue South and South 204th Street in the City of SeaTac, Washington, and authorizing the Chief Executive Officer to execute all documents necessary to transfer title of the surplus property to the City of SeaTac for use in its Connecting 28th/24th Avenue South Project.

SYNOPSIS

The City's project extends 28th Avenue South from South 200th Street to South 208th Street, joining at the existing terminus of 24th Avenue South. The project will provide a direct connection between the SeaTac Regional Growth Center, the City of Des Moines, Seattle-Tacoma International Airport and the planned Angle Lake Light Rail Station at South 200th Street. On September 9, 2014, the Commission authorized the negotiation of a possession and use agreement that gave the City of SeaTac possession of the property. The action requested today is required to complete the legal transfer of the property. The fair market value, as determined by appraisal, of \$3,600,000 was paid to the Port by the City upon execution of the possession and use agreement on October 22, 2014.

In order for the City to complete the project, the Midway Sewer District will need to install facilities in a portion of adjacent Port property. The District and the City have requested that the Port grant the District a 15-foot wide permanent easement for the installation and maintenance of the facilities. The City will pay the Port \$10,000, the appraised value of the easement. The commission approval of this easement will be requested in the second reading of the surplus action.

BACKGROUND

The Port purchased the properties in 2006, which are portions of the former Town and Country Mobile Home Park and Tyee Mobile Home Park, as part of the Federal Aviation Administration (FAA) approved Part-150 Noise Mitigation Plan. Coincidentally, the same site has been identified by the Washington State Department of Transportation (WSDOT) as the interchange

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site for the future SR-509 extension to I-5. The new interchange will provide access to the Airport from the south. The City has been working closely with WSDOT to ensure their projects are complementary.

The request for release of property has been submitted to the FAA. Their review and approval is considered administrative in nature and is limited to certifying the fair market value, use of funds and appropriate deed restrictions, and ensuring airport compatible uses on the property.

REQUEST JUSTIFICATION AND DETAILS

The sale of this property will improve the traffic access to the Airport from the south with improved road services from the Des Moines Creek Business Park and other Port properties in the cities of Des Moines and SeaTac. The transaction is expected to be complete by the second quarter of 2015.

FINANCIAL IMPLICATIONS

The Port has received Fair Market Value, \$3,600,000.00, for the property.

STRATEGIES AND OBJECTIVES

By improving the connectivity between the Port's available properties for future development and the Airport, the sale of this property supports the Commission's Century Agenda strategy to position the Puget Sound region as a premier international logistics hub. This action also supports the Aviation Division's strategic goal of maximizing non-aeronautical income because the enhanced road serves the Port's future developments and makes them more attractive to potential developers.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

There are no proposed alternatives because the Commission approved the possession and use agreement that legally gave the City of SeaTac control of the property and provided compensation at fair market value as determined by appraisal. This action is required to finalize documentation of the transaction.

ATTACHMENTS TO THIS REQUEST

- Resolution No. 3707
- Computer slide presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- September 9, 2014 – Commission authorized the possession and use agreement for this property.