

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**ACTION ITEM**

<b>Item No.</b>	4e
<b>Date of Meeting</b>	April 28, 2015

**DATE:** April 8, 2015  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Joe McWilliams, Interim Managing Director, Economic Development Division  
**SUBJECT:** Restate and amend one of two Eastside Rail Corridor purchase and sale agreements with the City of Woodinville and terminate the other.

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to restate and amend the Real Estate Purchase and Sale Agreement (PSA) with the City of Woodinville to incorporate the portion of the Eastside Rail Corridor previously included as a separate transaction in the Ancillary Property Purchase and Sale Agreement (Ancillary PSA).

**SYNOPSIS**

Commission authorization is requested to revise the transaction for the transfer of portions of the Eastside Rail Corridor to the City of Woodinville from two separate agreements to one by including all the property being transferred in the PSA and terminating the Ancillary PSA.

The net proceeds to the Port would not change. Commission authorized the PSA and the Ancillary PSA on July 22, 2014.

**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 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 21, 2010, Puget Sound Energy acquired an easement over both the freight and railbanked portions of the Eastside Corridor. On April 11, 2012, the Port sold to Sound Transit (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. On April 13, 2012, the Port sold to the City of Kirkland that portion of the Eastside Corridor within the City of Kirkland and a portion within the City of Bellevue for trail and transportation uses. On February 12, 2013, the Port sold to King County

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(i) the remaining railbanked portion of the Eastside Corridor located within King County and (ii) a trail easement over portions of the freight segment of the Eastside Corridor located partially in King County and partially in Snohomish County. On January 14, 2014, the Port Commission authorized the sale to Snohomish County of those portions of the Eastside Corridor located in Snohomish County. Snohomish County recently notified the Port that it was not proceeding with the purchase.

### **REQUESTED CHANGES TO TRANSACTION**

At the request of the City of Woodinville, the Port Commission previously authorized transfer of portions of the Eastside Corridor to the City in two separate transactions, including a segment of the Corridor the City intended to use solely for bridge and roadway expansion and other non-freight public purposes (included in the Ancillary Agreement). Most recently, the City has determined that bifurcation of the sale creates other complications related to ownership rights existing on the corridor and other regulatory approvals. As a result, the City is requesting termination of the Ancillary Agreement and inclusion in the PSA of the property currently in the Ancillary Agreement.

- The purchase price will not change. The Port will receive a total of \$1,100,000 for the portions of the Eastside Rail Corridor being transferred to the City of Woodinville.
- All other provisions of the PSA remain the same as originally approved by the Port Commission.

### **ATTACHMENTS TO THIS REQUEST**

Amended and Restated Purchase and Sale Agreement

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- July 22, 2014, Second Reading and Public Hearing of Resolution No. 3692, surplusing and sale of a portion of the Eastside Rail Corridor to the City of Woodinville.
- June 24, 2014, First Reading and Public Hearing of Resolution No. 3692, surplusing and sale of a portion of the Eastside Rail Corridor to the City of Woodinville.
- January 14, 2014, Second Reading and Final Passage of Resolution No. 3688, relating to surplusing and sale of certain real property (also known as the Eastside Rail Corridor) to Snohomish County.
- January 7, 2014, First Reading and Public Hearing of Resolution No. 3688, relating to surplusing and sale of certain real property (also known as the Eastside Rail Corridor) to Snohomish County.
- April 3, 2012, Second Reading and Final Passage of Resolution No. 3659, relating to surplusing and sale of certain real property (also known as the Eastside Rail Corridor) to the City of Kirkland (a portion of the Woodinville Subdivision).

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- February 28, 2012, First Reading and Public Hearing of Resolution No. 3659, relating to surplusing and sale of certain real property (also known as the Eastside Rail Corridor) to the City of Kirkland (a 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.
- 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 7, 2010, Port Commission authorized the sale of easement rights on the freight and railbanked portions of the Woodinville Subdivision to Puget Sound Energy.
- June 22, 2010, Port Commission authorized the sale of the Redmond city portion of the Woodinville Subdivision to the City of Redmond.
- February 23, 2010, Port Commission authorized a Memorandum of Understanding between the Regional Partners Regarding Joint Appraisal of the Woodinville Subdivision.
- 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.