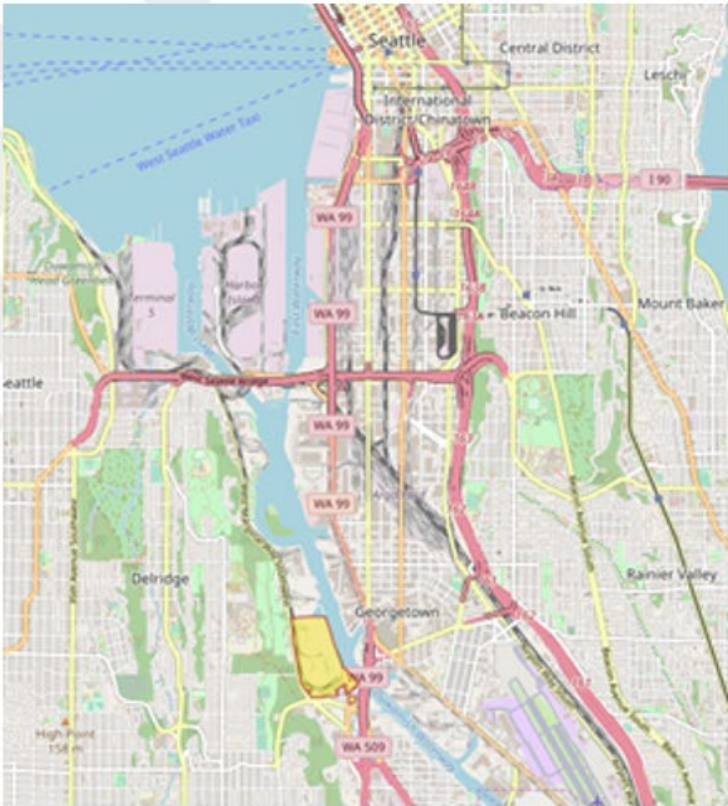


Item No.	10b supp
Date of Meeting	May 10, 2022

Surplus and Sale of Terminal 115 Non-Alliance Portion of Property to King County as a Site for Building a Combined Sewer Overflow (CSO) Facility



Subject Property

(blue-shaded area)



- **Parcel Info:**
Subject Property is the blue-shaded area. Parcel Number is #536720-2505.
- **Location:** Between 2nd Ave SW and SW Michigan.
- **Size:** 58,121 SF
- **Sale price:** \$2.2 million
- **Current Tenant**
American Best Trucking is on a month-to-month lease.

Background

- King County is currently under a 2013 **Consent Decree** with the Environmental Protection Agency (EPA).
- The Consent Decree requires King County to **complete its CSO Control Plan by 2030**.
 - This plan contains a list of “*Protecting Our Waters*” projects with strict timelines.
 - The CSO (combined sewer overflow) control project involving construction of a new CSO facility located at SW. Michigan St./ Terminal 115 is required to meet the critical milestone of “construction completion by December 31, 2025”.
- After performing a rigorous site selection process, and based on the preliminary designs, scope of work and time needed in constructing of this CSO facility, King County has approached the Port and asked to acquire this property to ensure **meeting the goal and strict timelines** set by the Federal Consent Degree.
- If King County cannot purchase this property in an amicable manner from the Port, they will likely use **eminent domain** to acquire the property.

KC Site Selection

King County completed an extensive site selection process in 2017 that included the careful evaluation of 17 sites.

- The result of this process identified the **T115 Parcel A property** as the ideal site for building a storage tank as part of a CSO control plan, because
 - ✓ the majority of the control volume required is at the W. Michigan St. Regulator Station Overflow, which is directly adjacent to the site and the West Michigan outfall, thus limiting conveyance needs while reducing costs and traffic and property impacts.
 - ✓ The T115 Parcel A site is also the ideal shape and size, allows gravity flow into the tank and minimal conveyance.
 - ✓ Additionally, it is a large site sufficient for the tank size needed with room for on-site landscaping and stormwater treatment and allows for adequate access to perform routine maintenance.

Environmental & Health Benefits

- The proposed Combined Sewer Overflow (CSO) storage tank at the T115 Parcel A location is to **control the number of sewage spills from two outfalls** (“West Michigan” and “T115”) directly into the Duwamish river, to fewer than one occurrence per year.
- It will reduce uncontrolled sewage spills, thus creating **tremendous water quality and health benefits** through prevention of debris (including plastics), biodegradable solids, other pollutants and bacteria from entering the Duwamish River.

Staff Recommendation

- **Sell at market value to King County.**
- **Cost Estimate: \$0. No cost to Port.**
- **Pros:**
 - 1) Sell to King County at fair market value. Net sale revenue can fund other Port initiatives and projects that are critical to Port growth and Century Agenda goals.
 - 2) Cooperate and assist King County, as a public entity, in fulfilling its goals and milestones set by the Federal Consent Decree, thus indirectly contributing to and facilitating the construction of CSO facility that reduces sewer overflow pollution while also benefiting the local communities that the Port serves.
 - 3) Surplus the subject property that's not deemed important to the Port's future business growth strategies or aligned with overall Century Agenda missions and visions. A parcel this small in this location has limited development opportunity.
- **Cons:**
 - 1) Loss of a yard lease revenue generating property (\$105,000/year) with little maintenance & repair cost.
 - 2) Loss of a property for potential future development.

Summary/Next Steps

- Staff recommendation is to sell small property adjacent to Terminal 115 to King County to support a Combined Sewer Overflow (CSO) facility that will help reduce uncontrolled sewer overflows into Duwamish River.
 - Size: 58,121 square feet (approximately 1.3 acres)
 - Sale Price: \$2.2 Million
- Sale of property requires two public hearings (2nd hearing scheduled for May 25)
- Due diligence period is two years from PSA execution date (TBD).