



**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 10a

**ACTION ITEM**

**Date of Meeting** May 24, 2022

**DATE:** March 29, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Jeff Moken, Interim Director Aviation and Business Properties  
Steve Kennard, Property Manager

**SUBJECT: Public hearing and Adoption of Resolution No. 3802: surplus of remnant parcels**

**ACTION REQUESTED**

Public hearing and Adoption of Resolution No. 3802: A Resolution of the Port of Seattle to amend Unit 18 of the Comprehensive Scheme of Harbor Improvements of the Port of Seattle by: (i) declaring certain real property surplus and no longer needed for Port district purposes; (ii) deleting said property, following a public hearing in accordance with law, from Unit 18 of the Comprehensive Scheme; and (iii) authorizing the Executive Director to take all necessary steps and execute all documents for the sale of such real property to Bridge Point SeaTac 300, LLC.

**EXECUTIVE SUMMARY**

The proposed sale of real property to Bridge Point SeaTac 300, LLC ("Bridge") consists of remnants of four parcels comprising approximately one acre (the "Remnant Parcels"), together with certain street right of way areas adjacent thereto (the "Right of Way Areas"), all located in the City of SeaTac, King County (collectively, the "Property"). This is a briefing for a surplus action and a request for conveyance of the Property by the Port to Bridge.

The Remnant Parcels were acquired by the Port as part of a larger acquisition in the 1970's using FAA funds to mitigate noise impacts on residential property. Most of the acquired properties were conveyed to WSDOT in 2009 for development of the SR 509 extension. WSDOT declined to purchase Port property with parcel boundaries intact and instead purchased only the minimum land area needed for constructing SR 509 thereby creating the Remnant Parcels.

In connection with development of its property, Bridge has sought to quiet title to certain adjacent street right of way areas adjacent to its development site property, including bringing a quiet title action in King County Superior Court, naming the Port as defendant, for the Right of Way Areas.

In addition, WSDOT and Bridge are working on a grading plan to install an engineered slope to resolve elevation differences between the height of the future SR 509 roadbed and Bridge's development site.

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The Remnant Parcels are required for the siting of this slope. The Port has not identified an aviation related use for the Remnant Parcels.

To address Bridge's need for the Remnant Parcels and to resolve the quiet title action, Bridge and the Port propose to enter into a transaction under which Bridge will purchase from the Port, for appraised market value, the Property, including the Port's interest in the Right of Way Areas.

In connection with this proposed transaction, Port and Bridge are currently negotiating a purchase and sale agreement, pursuant to which Bridge would purchase the Property for appraised fair market value, and would also grant the Port avigation easements on Bridge Point's development site property, contingent upon the parties obtaining a stipulated order of judgment from the court to legally establish Bridge and the Port's respective ownership of portions of the Right of Way Areas and to finally resolve the Port's involvement in the quiet title action. Staff seeks Commission authorization to complete this proposed purchase and sale transaction, including final negotiation and execution of the purchase and sale agreement between the Port and Bridge.

In order to complete the proposed purchase and sale of the Property, authorization is requested for the Commission to declare, by resolution, that the Property is surplus and no longer needed for Port purposes, and also authorize completion of the sale of the Property to Bridge.

The May 10, 2022 Commission Meeting consists of the first reading of Resolution 3802. Before the Commission takes final action on Resolution 3802, the Port must conduct a public hearing with published notice as required by law. Accordingly, as part of the May 24, 2022 Commission Meeting, for the second reading of Resolution 3802, the Port will conduct a public hearing, with public notice as required by law, to consider whether the Property should be declared no longer needed for port district purposes and surplus to Port needs and the proposed sale of the Property to Bridge.

### **JUSTIFICATION**

Disposal of the Property will reduce the Port's liability and maintenance costs. The Remnant Parcels are landlocked, are a maintenance burden to the Port, and do not support airport operations.

Disposal of the Remnant Parcels will support economic development in the City of SeaTac. Bridge has purchased an unused, fire-damaged school building site adjacent to the Remnant Parcels along with a number of smaller properties and plans to develop a commercial warehouse property on this assemblage. The Bridge project is supported by the City of SeaTac and is expected to increase warehouse and logistics capacity near the airport and reduce unauthorized occupancy of vacant land near Port property.

Disposal of the Remnant Parcels supports the construction of SR 509. WSDOT has identified access to the Remnant Parcels as a requirement for the installation of permanent slope changes for both the SR 509 project and the Bridge's adjacent warehouse development.

As part of the proposed transaction, the Port will receive avigation easements on the Property; will obtain additional avigation easements on other properties in the Bridge development assemblage; and

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will resolve the quiet title action and ownership of the Right of Way Areas. The Port has obtained an appraisal of the Property and agrees that the valuation is consistent with fair market value.

**Scope of Work**

Execute conveyance documents.

**Schedule**

Q2 2022

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

The Port's alternative is to refuse to sell the Parcels. In this scenario the Port will have a perpetual obligation to maintain vacant land that is not suitable for airport use and the Port will have to take legal action to obtain access to the Parcels.

**FINANCIAL IMPLICATIONS**

The Port will receive market value for the property sold. Funds received through this transaction are anticipated to be reinvested back into the Ports noise mitigation programs.

Area	Square Footage*	Valuation**
Parcel# 768620-0620	21,400	\$388,512
Parcel# 768620-0560	2,700	\$49,018
Parcel# 768620-0980	10,700	\$194,256
Parcel# 768620-1520	17,900	\$324,970
Total	52,700	\$956,756

\* Square footages include portions of adjacent abandoned City of SeaTac rights of way and are not field verified.

\*\* All values have been reviewed and approved by Port appraiser and have not been offset by the cost to acquire avigation easements from the buyer.

**ATTACHMENTS TO THIS REQUEST**

- (1) Property Surplus Resolution No. 3802
- (2) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- Resolution 3617, June 9, 2009 WSDOT Land Swap
- Commission Item 6f, June 2, 2009 WSDOT Land Swap