

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6a

Date of Meeting May 24, 2011

DATE: May 16, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Joe McWilliams, Managing Director, Real Estate Division

SUBJECT: Second Reading, Final Passage of Resolution No. 3652 declaring certain real property located in the City of Bellevue (a portion of the Woodinville Subdivision) and any improvements located thereon surplus and no longer needed for Port purposes, authorizing its transfer to the Central Puget Sound Regional Transit Authority ("Sound Transit") and authorizing the Chief Executive Officer to execute all documents related to such transfer; and further authorizing the Chief Executive Officer to execute a permanent easement granting Sound Transit easement rights over the Port's railbanked portion of the Woodinville Subdivision for potential future development of high capacity transportation facilities.

Second Reading

NET PROCEEDS TO THE PORT: \$13,752,393 minus 50% of closing costs

ACTION REQUESTED:

Second Reading, Final Passage of Resolution No. 3652 declaring certain real property located in the City of Bellevue (a portion of the Woodinville Subdivision) and all improvements located thereon surplus and no longer needed for Port purposes, authorizing its transfer to the Central Puget Sound Regional Transit Authority ("Sound Transit") and authorizing the Chief Executive Officer to execute all documents related to such transfer; and further authorizing the Chief Executive Officer to execute a permanent easement granting Sound Transit easement rights over the Port's railbanked portion of the Woodinville Subdivision for potential future development of high capacity transportation facilities.

SYNOPSIS:

Commission authorization is requested to proceed with the sale of approximately one mile of the Woodinville Subdivision to Sound Transit and the grant of a permanent easement over the Port's railbanked portion of the Woodinville Subdivision. This request is consistent with the regional transaction between the Port, the City of Redmond, King County, Sound Transit, Cascade Water Alliance and Puget Sound Energy ("Regional Partners") to share in the costs of the acquisition of the Woodinville Subdivision rail corridor.

COMMISSION AGENDA

T. Yoshitani, Chief Executive Officer

May 16, 2011

Page 2 of 3

BACKGROUND:

The Port acquired the Woodinville Subdivision on December 18, 2009, from BNSF Railway. Prior to finalizing the acquisition, the Port and the Regional Partners agreed that they all had an interest in obtaining rights to use the Woodinville Subdivision 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 Woodinville Subdivision. On June 30, 2010, the Port finalized the sale of the Redmond city limits portion of the Woodinville Subdivision to the City of Redmond. While the remaining Regional Partners are negotiating other aspects of the transaction that do not involve Sound Transit, the Port and Sound Transit have reached agreement for the sale of approximately one mile of the Woodinville Subdivision within the City of Bellevue and an easement over the Port's railbanked portion of the Woodinville Subdivision.

The City of Redmond has agreed to grant Sound Transit a transportation easement over the city owned portion of the Woodinville Corridor. Under the Port's sale agreement to City of Redmond, the Port is obligated to give the City 60 days notice of the Port's closing date with Sound Transit in order to facilitate the City's preparation of the easement documents for Sound Transit. Subject to the Port Commission authorizing this transaction, the Port will give the 60 day notice to the City upon obtaining Port Commission approval. As a result, the closing of the Port's transaction with Sound Transit is not anticipated before July 25, 2011.

RESOLUTION NO. 3652:

Resolution No. 3652 provides that the real property consisting of approximately one mile of the Woodinville Subdivision within the City of Bellevue and all improvements thereon is no longer needed for Port purposes, declares it surplus to Port needs, authorizes its sale to Sound Transit and delegates to the Port's Chief Executive Officer the authority to execute all documents necessary to complete the sale of the property. The Resolution further authorizes the grant of a permanent easement to Sound Transit over the Port's railbanked portion of the Woodinville Subdivision.

SCOPE OF PURCHASE AND SALE AGREEMENT:

Anticipated

Closing Date: July 29, 2011

Sale Price: \$13,752,393

Closing Costs (estimate): \$5-10,000

COMMISSION AGENDA

T. Yoshitani, Chief Executive Officer

May 16, 2011

Page 3 of 3

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Resolution No. 3652 with Exhibits A and B

PREVIOUS COMMISSION ACTIONS:

- 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.
- February 23, 2010, Port Commission authorized a Memorandum of Understanding between the Regional Partners Regarding Joint Appraisal of the Woodinville Subdivision.
- June 22, 2010, Port Commission authorized the sale of the Redmond city portion of the Woodinville Subdivision to the City of Redmond.
- 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.
- May 10, 2011, First Reading and Public Hearing of Resolution No. 3652.