



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8a

ACTION ITEM

Date of Meeting June 25, 2019

DATE: June 4, 2019

TO: Steve Metruck, Executive Managing Director

FROM: James Schone, Director, Aviation Commercial Management
James Jennings, Senior Manager, Aviation Properties
W. Allan Royal, Property Manager

SUBJECT: Property acquisition from and guideway easement for Sound Transit for future South Access to the Airport (CIP #C800143).

Amount of this request: \$3,335,746

Total estimated project cost: \$3,335,746

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute and deliver a purchase and sale agreement and all necessary documents to acquire property near Seattle-Tacoma International Airport on 28th Avenue South from Sound Transit and execute and deliver a guideway easement for their existing light rail operation in this location for an approximate cost of \$3,335,746.

EXECUTIVE SUMMARY

On August 15, 2012, the Port of Seattle executed a Memorandum of Agreement (MOA) with Sound Transit that granted permanent easements and the sale of several parcels of land for the development of Link Light Rail from Seattle-Tacoma International Airport (Airport) to South 200th Street. One of the properties acquired by Sound Transit is on Air Cargo Road adjacent to the Wally Park parking structure. Sound Transit entered into a condemnation action with Wally Park for property they needed and property needed by the Port, all of which will ultimately be needed by the Port for South Access to the Airport. Sound Transit agreed to sell the property, in fee, when it was no longer needed as laydown for their construction. The Port agreed to pay the proportionate share of the condemnation action, because it provided critical property for the future South Access.

A small additional parcel of land, not originally considered in the MOA, is valued at \$145,000 based upon a recent appraisal completed in April 2018, so the total acquisition payment to Sound Transit is \$3,335,746. Furthermore, the Port will grant a permanent easement to Sound Transit for the guideway of the light rail system over the property, which was part of the MOA

Meeting Date: June 25, 2019

agreement with Sound Transit. In consultation with Airport Planning, the need for this property remains unchanged.

This land acquisition is included in the 2019 – 2023 capital budget and plan of finance with a budget of \$3,394,746.

JUSTIFICATION

This action supports the Century Agenda goal to “meet the region’s air transportation needs for the next 25 years” by reserving land needed to enhance passenger access to and from the Airport and providing relief to the North Airport Expressway.

DETAILS

In 2012, the Port was analyzing the alternatives for South Access from SR-509 to the airport. It was apparent, even at this early stage, that the property Sound Transit was acquiring for guideway and laydown requirements for the building of Link Light Rail, from the Airport to 200th, would ultimately be needed for South Access even though a specific route has not been determined. As part of the MOA negotiations, Sound Transit agreed to acquire additional property, that moved the guideway alignment further east, and then sell the property to the Port for the proportionate cost of acquisition/condemnation upon completion of construction. The agreement was memorialized in the MOA that was subsequently approved by Sound Transit Board of Directors and the Port Commission.

At that time, the Airport was planning to connect the airport to what will become the freeway extension of SR 509 to I-5. However, the project was not far enough along to warrant a condemnation action by the Port. South Access is the long-range plan to connect the new extension of SR 509 to I-5 to the Airport. Sound Transit agreed, in their condemnation action, to acquire sufficient property to accommodate the South Access plans. The property acquired by Sound Transit allowed their guideway to be located further to the east, which would not conflict with the space needed for the future South Access.

In Addition, Sound Transit wants the Port to acquire a sliver of land that was not envisioned during the planning phase but was created by the actual construction. The Port acquisition of the property, under the MOA, causes the Sound Transit’s remainder site to become inaccessible after acquisition. The value of the small parcel is \$145,000 based upon appraisal submitted in April 2018.

The Port will grant Sound Transit a permanent easement in the same format as the balance of their guideway easements over Port property for their existing guideway.

Scope of Work

Sign all necessary documents for the purchase of the land and providing a guideway easement.

Meeting Date: June 25, 2019

Schedule

Complete the purchase by third quarter 2019.

Cost Breakdown	This Request	Total Project
MOA parcel	\$3,190,746	\$3,190,746
Small remaining parcel	\$145,000	\$145,000
Total	\$3,335,746	\$3,335,746

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – The Commission could decide not to purchase the properties.

Cost Implications: This would save \$3,335,746.

Pros:

- (1) The Port would not have to pay out \$3,335,746.
- (2) The Port could wait and acquire the property through condemnation once a South Access project is approved.

Cons:

- (1) The action would be inconsistent with the parties’ respective commitments under the 2012 MOA.
- (2) Sound Transit could seek to compel the Port to purchase the property pursuant to the terms of the MOA.
- (3) It would not provide potential laydown, in the interim, for projects like the International Arrivals Facility.
- (4) This would prevent the Port from acquiring critical land for the potential future South Access to the airport.

This is not the recommended alternative.

Alternative 2 – Purchase the property from Sound Transit.

Cost Implications: \$3,335,746

Pros:

- (1) This would be consistent with the commitment under the MOA.
- (2) It would provide potential laydown, in the interim, for projects like the International Arrival Facility.
- (3) It would ultimately provide sufficient land for the future South Access to the Airport.

Cons:

- (1) It would cost the airport \$3,335,746.

This is the recommended alternative.

Meeting Date: June 25, 2019

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Estimate in 2019-2023 Capital Budget	\$3,394,746	\$0	\$3,394,746
Current change	(\$59,000)	0	(\$59,000)
Revised estimate	\$3,335,746	0	\$3,335,746
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	\$3,335,746	0	\$3,335,746
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project was included in the 2019 - 2023 capital budget and plan of finance with a budget of \$3,394,746 (CIP #C800143). The funding source will be the Airport Development Fund. The property is being acquired to accommodate the South Access project that will connect the Airport to the extension of SR 509 and I-5. Initially, the property is not expected to generate incremental revenue. Upon completion of South Access, a portion of the costs of this land acquisition may be allocated to airline rate bases through the roadway cost allocation, and thus generate some revenues.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slide
- (2) Copy of the MOA
- (3) Proposed Guideway Easement

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

May 22, 2012, Commission approved the MOA with Sound Transit for completing Link Light Rail between the Airport and 200th.