

RESOLUTION NO. R2017-06

Surplus Property Declaration for Tukwila Commuter Rail Station Parcels

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	02/09/2017	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	02/17/2017	Final Action	Eric Beckman, Deputy Executive Director – Business & Construction Services

PROPOSED ACTION

(1) Confirms the chief executive officer's declaration of surplus real property acquired for the construction and staging of Tukwila Station Sounder commuter rail project, (2) authorizes the execution of a purchase and sale agreement with BNSF Railway Company, contingent on FTA approval, (3) authorizes the chief executive officer to amend the Definite Term Land Lease (No. 501132) with BNSF Railway Company to lease back a portion of the property at no cost to Sound Transit for the Tukwila Sounder Station, and (4) authorizes the chief executive officer to enter into a settlement agreement to release Sound Transit from its maintenance and repair obligations for the undercrossing at Longacres Way.

KEY FEATURES SUMMARY

- This action approves the chief executive officer's declaration that three parcels owned by Sound Transit located adjacent to the Sounder commuter rail alignment in Tukwila, WA, are declared surplus.
- The action also authorizes a purchase and sale agreement with BNSF Railway at fair market value, contingent upon FTA approval.
- Under the agreement, the proposed surplus property will be conveyed to BNSF for track and signal improvements.
- Sound Transit will lease back a portion of the surplus property for the Tukwila Sounder Station
 under its existing lease with BNSF. Since 1999, Sound Transit has leased station property for
 its commuter rail services from BNSF at no cost to Sound Transit. The existing lease
 terminates on November 30, 2039, with the option to extend the lease at no cost to November
 30, 2049.
- The value of the conveyance to BNSF offsets Sound Transit's financial commitment and liability
 associated with the maintenance, repair, and expansion costs of the Longacres Way
 undercrossing. An agreement extinguishing Sound Transit's responsibility for the undercrossing
 is a condition of closing the purchase and sale agreement.
- The surplus properties consist of approximately 60,672 square feet of land adjacent to and along the east side of the Tukwila Sounder Station valued at approximately \$1,215,000.

BACKGROUND

In 1999, Sound Transit entered into a Definite Term Land Lease (No. 501132) to lease portions of BNSF's property for the provision of commuter rail service between Seattle and Lakewood. Sound Transit constructed temporary commuter rail facilities for the Tukwila Station on the leased premises.

In 2000, the Director of Commuter Rail entered into an Agreement for Private Crossing with BNSF to keep the undercrossing at Longacres Way open. Under that agreement, Sound Transit was

responsible for the cost of maintenance, repair, and expansion of the trestle. The cost of expansion fo the trestle was estimated in excess of \$1.3 million. This expansion has allowed construction of a third mainline through this area supporting continued growth of Sounder service in the Seattle to Lakewood corridor.

In 2013, Sound Transit acquired portions of three parcels from Longacres Park, Inc., for staging and construction of the permanent Tukwila Sounder Station. Construction of the permanent station began in 2013 and was completed in 2015. Sounder service to Lakewood currently operates on the BNSF mainline track under an operating agreement with BNSF.

BNSF is constructing track improvements in the vicinity of the Tukwila Sounder Station, including its third track project. Coordinating the Tukwila Sounder Station and third mainline projects, BNSF and Sound Transit agreed that Sound Transit would convey surplus properties to BNSF for access, staging, and construction of track improvements when station construction was complete. As part of this conveyance, Sound Transit and BNSF would amend the lease to add, at no cost, a portion of the surplus property that Sound Transit needs for its commuter rail facilities. The transaction will allow both parties to serve their customers while shifting ongoing responsibilities for maintaining the Longacres Undercrossing to BNSF.

In 2013, the Sound Transit Board adopted a Real Property Excess, Surplus, and Disposition Policy that delegated authority to the chief executive officer to establish an internal review process and appoint an internal Real Property Utilization Committee. The Committee reviews and categorizes Sound Transit's excess real property inventory and recommends excess real properties to be declared surplus. The internal review process includes consideration of requests and referrals from outside parties, such as developers, non-profit organizations, and local jurisdictions.

The properties in this action were identified as excess to Sound Transit needs by the Real Property Utilization Committee and the chief executive officer has declared the properties surplus.

FISCAL INFORMATION

The agency's long term financial plan generally assumes the sale of surplus property as a source of revenue to the subareas. However, this action recommends an exchange of land for services of a comparable value. Sound Transit estimates the value of the property to be conveyed to BNSF at approximately \$1.2 million and an independent cost estimate establishes a value for the Longacres undercrossing repair work at \$1.3 million. In addition, Sound Transit will no longer be required to participate in any on-going maintenance costs.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one month delay would not create a significant impact to the project schedule.

PRIOR BOARD/COMMITTEE ACTIONS

<u>Resolution No. R2013-30:</u> Adopted a Real Property Excess, Surplus, and Disposition Policy and superseding Resolution No. R99-35.

<u>Resolution No. R98-50</u>: Authorized the Executive Director to acquire, dispose, or lease certain real property interests by negotiated purchase or by condemnation and to pay eligible relocation and re-establishment benefits to affected parties as necessary for the construction and operation of commuter rail stations for the Tacoma to Seattle Commuter Rail Project.

ENVIRONMENTAL REVIEW

JI 2/2/2017

LEGAL REVIEW

JV 2/6/2017



RESOLUTION NO. R2017-06

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) confirming the chief executive officer's declaration of surplus real property acquired for the construction and staging of Tukwila Station Sounder commuter rail project, (2) authorizing the execution of a purchase and sale agreement with BNSF Railway Company, contingent on FTA approval, (3) authorizing the chief executive officer to amend the Definite Term Land Lease (No. 501132) with BNSF Railway Company to lease back a portion of the property at no cost to Sound Transit for the Tukwila Sounder Station, and (4) authorizing the chief executive officer to enter into a settlement agreement to release Sound Transit from its maintenance and repair obligations for the undercrossing at Longacres Way.

WHEREAS, the Central Puget Sound Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Sound Transit Board by Resolution No. R98-50 authorized the chief executive officer to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation, by settling condemnation litigation or entering administrative settlements, and to pay eligible relocation and re-establishment benefits to affected parties as necessary for a portion of the Sounder Commuter Rail system; and

WHEREAS, Sound Transit acquired the subject property on August 1, 2013, located on the east side of the Tukwila Sounder Station in Tukwila, WA for staging in connection with its regional transit system expansion and new Tukwila Sounder Station improvements; and

WHEREAS, construction of the permanent station began in 2013 and was completed in 2015, and Sounder service to Lakewood currently operates on the BNSF mainline track under an operating agreement with BNSF; and

WHEREAS, a portion of the surplus property for the Tukwila Sounder Station can be leased back by amending the existing lease with BNSF that terminates on November 30, 2039, with the option to extend the lease at no cost to November 30, 2049; and

WHEREAS, Sound Transit and BNSF are parties to certain other agreements entered into in order to facilitate and accommodate the Tukwila Sounder Station work and the BNSF Track Project and certain other local and regional work related thereto, including but not limited to agreements with third parties relating to certain public and private utilities, road improvements and other planned local and regional improvements on and around the Tukwila Sounder Station work and the BNSF Track Project; and

WHEREAS, as part of the the Tukwila Sounder Station project under ST2, Sound Transit and BNSF agreed that Sound Transit would convey, and BNSF would acquire, the property from

Sound Transit in order to provide BNSF with a location for both short-term construction access and staging needs and for long-term development and location of permanent improvements in connection with the BNSF Track Project; and

WHEREAS, the subject property was acquired using Federal Transit Administration (FTA) funds and therefore Sound Transit is required to consult with FTA regarding the manner of disposition; and

WHEREAS, the value of the conveyance to BNSF offsets Sound Transit's financial commitment and liability associated with the maintenance, repair, and expansion costs of the Longacres Way undercrossing and an agreement extinguishing Sound Transit's responsibility for the undercrossing is a condition of closing the purchase and sale agreement; and

WHEREAS, the subject real property consists of approximately 60,672 square feet of land adjacent to and along the east side of the Tukwila Sounder Station valued at approximately \$1,215,000; and

WHEREAS, the subject real property has been declared surplus by the chief executive officer and is generally depicted in attached Exhibits A and B; and

WHEREAS, Sound Transit's Real Property Disposition Policy, Procedures, and Guidelines require that the Sound Transit Board approve the surplus property declaration if the value of the property exceeds \$200,000.

NOW THEREFORE BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority as follows:

<u>Section 1:</u> The chief executive officer's declaration of surplus real property acquired for the construction and staging of Tukwila Station Sounder commuter rail project is confirmed.

Section 2: The execution of a purchase and sale agreement with BNSF Railway Company is authorized, contingent on FTA approval.

Section 3: The chief executive officer is authorized to amend the Definite Term Land Lease (No. 501132) with BNSF Railway Company to lease back a portion of the property at no cost to Sound Transit for the Tukwila Sounder Station.

Section 4: The chief executive officer is authorized to enter into a settlement agreement to release Sound Transit from its maintenance and repair obligations for the undercrossing at Longacres Way.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 17, 2017.

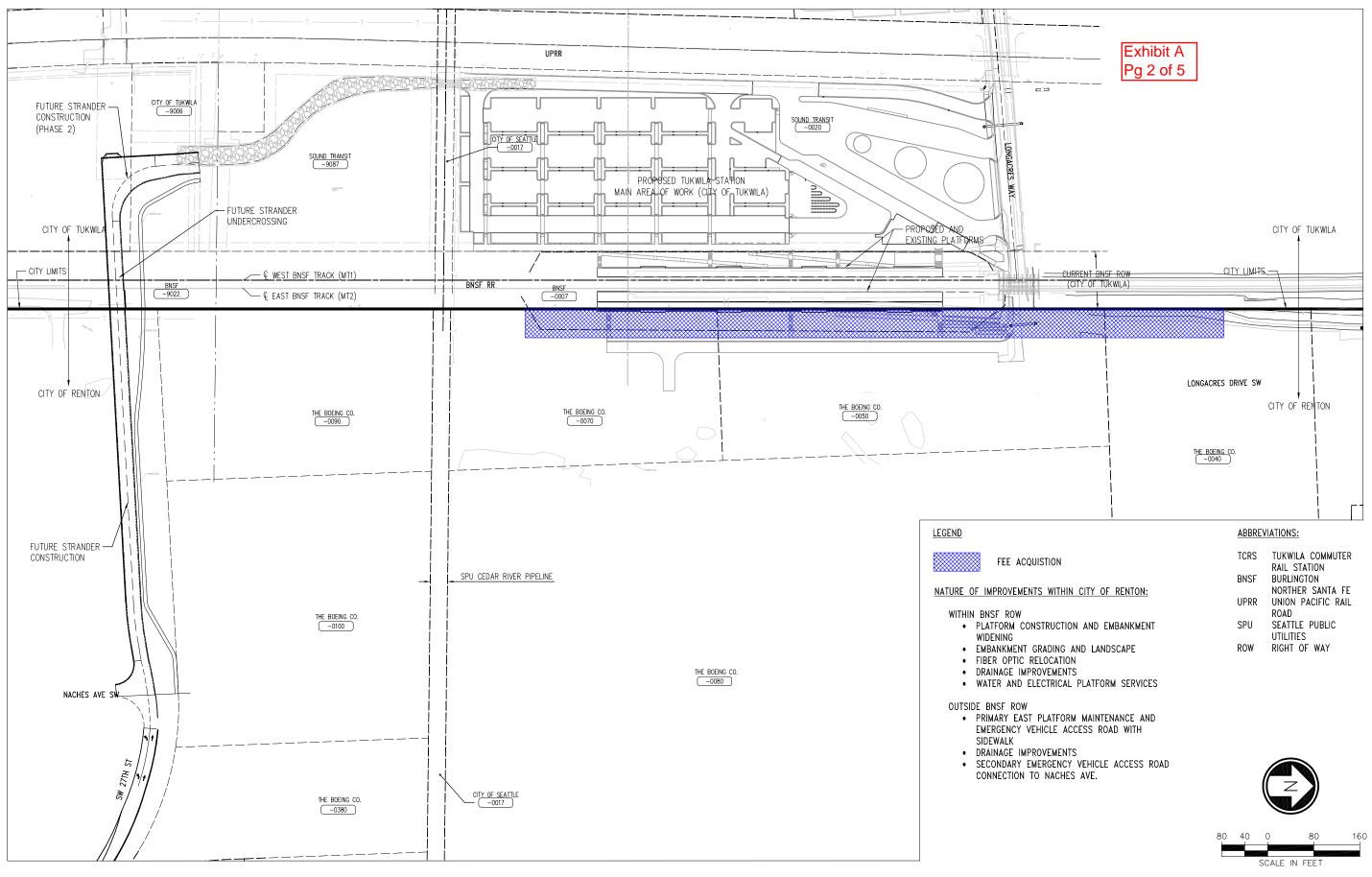
Dave Somers Board Chair

ATTEST.

Kathryn Flores

Board Administrator

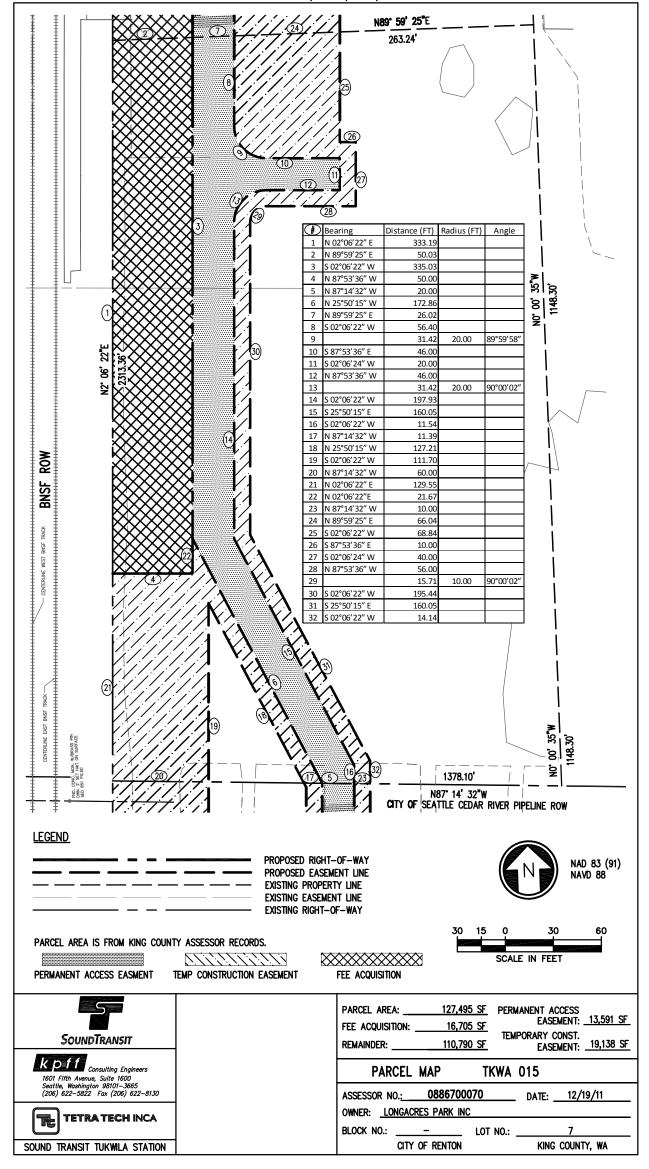


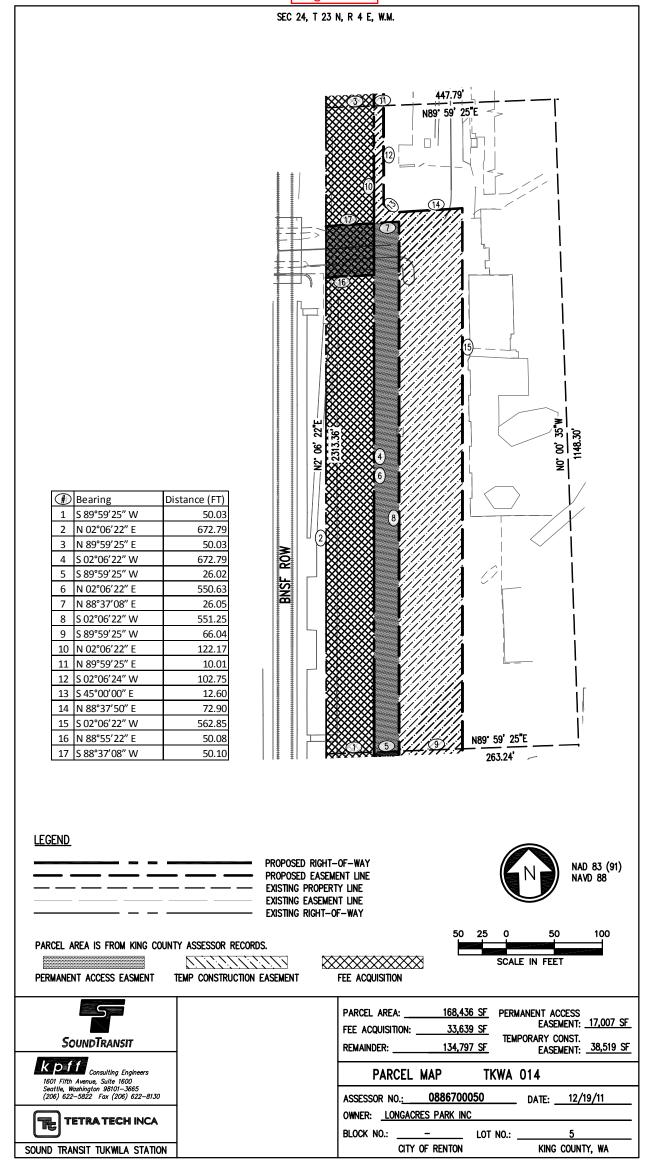






SEC 24 & 25, T 23 N, R 4 E, W.M.





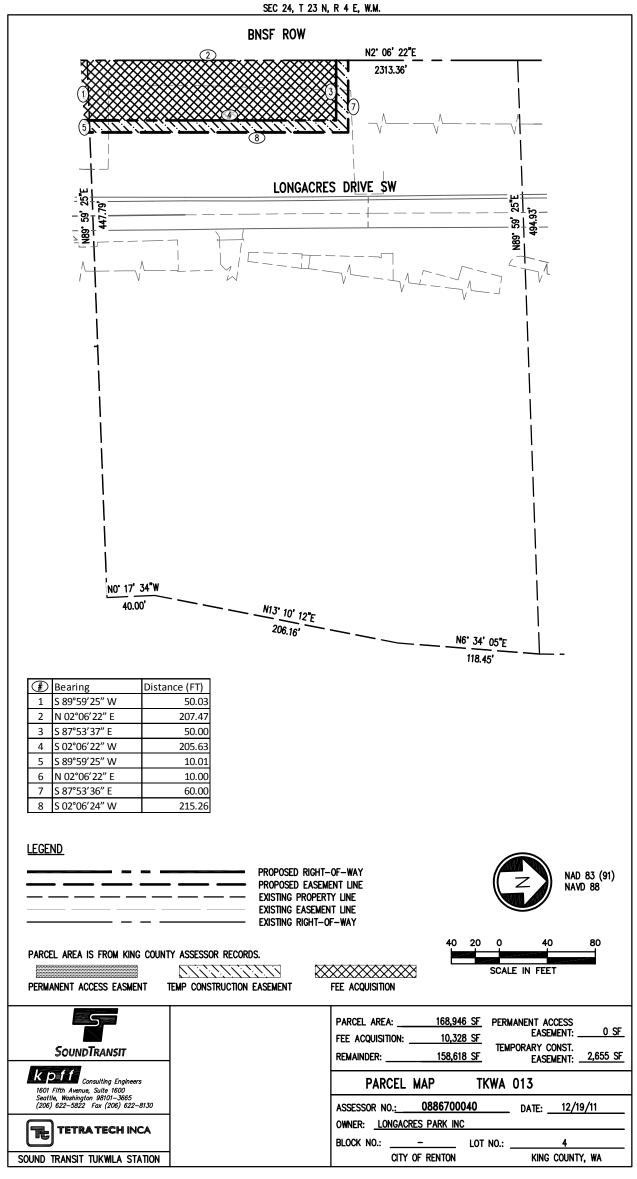


Exhibit "B"

Legal description of Entire Parcel

R/W No. Sounder Commuter Rail - Tukwila Station Project - TKWA013, 014 & 015 PIN 088670-0040, 088670-0050 & 088670-0070

EXHIBIT "B"

Legal Description of Property

Portions of Lots 4, 5, and 7 of the Boeing Longacres Property Binding Site Plan according to the plat thereof recorded in Volume 228 of Plats Pages 22 through 28, inclusive, as filed under Recording No. 20030221002404, and as amended under Recording Nos. 20040108000164 and 20050504000673, records of King County Washington, more particularly described as follows:

That portion of Lot 4 commencing at the southeast corner of said Lot 4; thence along the south line of said Lot 4, S 89.59'25" W a distance of 397.76 feet to a point, said point being 50.00 feet easterly of (when measured perpendicular to) the easterly margin of the BNSF Railroad right-of-way, said point also being the True Point of Beginning of this described portion of Lot 4; thence continuing along said south line, S 89°59'25" W a distance of 50.03 feet to said easterly margin of said railroad right-of-way; thence along said easterly margin, N 02°06'22" E a distance of 207.47 feet; thence S 87°53'37" E a distance of 50.00 feet to a line, said line being parallel with and 50.00 feet easterly of said easterly margin of said railroad right-of-way; thence along said parallel line, S 02°06'22" W a distance of 205.63 feet to the True Point of Beginning.

TOGETHER WITH that portion of Lot 5 commencing at the southeast corner of said Lot 5; thence along the south line of said Lot 5, S 89°59'25" W a distance of 213.20 feet to a point, said point being 50.00 feet easterly of (when measured perpendicular to) the easterly margin of the BNSF Railroad right-of-way, said point also being the True Point of Beginning of this described portion of Lot 5; thence continuing along said south line, S 89°59'25" W a distance of 50.03 feet to said easterly margin of said railroad right-of-way; thence along said easterly margin, N 02°06'22" E a distance of 672.79 feet to the north line of said Lot 5; thence along said north line, N 89°59'25" E a distance of 50.03 feet to a line, said line being parallel with and 50.00 feet easterly of said easterly margin of said railroad right-of-way; thence along said parallel line, S 02°06'22" W a distance of 672.79 feet to the True Point of Beginning.

TOGETHER WITH that portion of Lot 7 commencing at the northeast corner of said Lot 7; thence along the north line of said Lot 7, S 89°59'25" W a distance of 213.20 feet to a

point that is 50.00 feet easterly of (when measured perpendicular to) the easterly margin of the BNSF Railroad right-of-way, said point also being the True Point of Beginning of this described portion of Lot 7; thence continuing along said north line, S 89°59'25" W a distance of 50.03 feet to said easterly margin of said railroad right-of-way; thence along said easterly margin, S 02°06'22" W a distance of 333.19 feet; thence S 87°53'36" E a distance of 50.00 to a line that is parallel with and 50.00 feet easterly of said easterly margin of said railroad right-of-way; thence along said parallel line N 02°06'22" E a distance of 335.03 feet back to the true point of beginning.