

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Resolution No. 453 - Intergovernmental Transfer of Property at 7 th Avenue NE and NE 185 th Street to Sound Transit for the Purpose of Light Rail Station and System Construction
DEPARTMENT:	City Manager's Office Public Works
PRESENTED BY:	Juniper Nammi, Light Rail Project Manager Noel Hupprich, Development Review and Construction Manager
ACTION:	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

Sound Transit is seeking to acquire, through intergovernmental property transfer, a portion of City Rights-of-Way (ROW) identified as 7th Avenue NE, north of NE 185th Street, and a triangular portion of NE 185th Street, north of the existing sidewalk between 7th Avenue NE and 8th Avenue NE. This portion of City ROW property is proposed as part of a larger site for the construction of the Shoreline North/185th Light Rail Station, Garage, and Transit Center, as currently designed for the Lynnwood Link Extension (LLE) Project.

Proposed Resolution No. 453 (Attachment A) would transfer this ROW, which totals 24,068 square feet, to Sound Transit. The balance of the area (620 square feet) needed for the Shoreline North/185th Station site is the subject of Street Vacation Ordinance No. 875, which is also on tonight's Council agenda for proposed adoption.

Council held a public hearing on proposed Resolution No. 453 for Intergovernmental Transfer of Property to Sound Transit on March 2, 2020. Council directed staff to bring this proposed Resolution back for adoption at tonight's Council meeting.

RESOURCE/FINANCIAL IMPACT:

The 7th Avenue NE and NE 185th Street City ROW property is appraised at approximately \$30.087 per square foot, for a total value of \$724,133.92 for the portion owned in fee by the City. Through the proposed Property Agreement, Sound Transit would convey portions of property, acquired for the Light Rail Project but that do not need to be owned by Sound Transit after construction, of equivalent fair market value to the City. The Sound Transit property proposed for exchange would be used for multimodal transportation projects such as the 148th Street Non-motorized Bridge, the Trail Along the Rail, or new local street end connections within the light rail station areas depending on their location.

The operations and maintenance costs for the area of Sound Transit property is roughly equivalent to those costs for the City ROW to be transferred to Sound Transit. Any additional costs for future City improvements in these areas have been or will be considered through the City's Capital Improvement Plan authorizing those projects.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 453.

Approved By: City Manager ***DT*** City Attorney ***MK***

BACKGROUND

The Sound Transit Lynnwood Link Extension (LLE) Project includes the proposed Shoreline South/185th Station, which is designed to be located parallel to the I-5 corridor and immediately north of NE 185th Street and west of 8th Avenue NE. The station is proposed to be located over portions of City right-of-way (ROW) for 7th Avenue NE and the northern margin of NE 185th Street. Due to the building type and applicable building standards in the International Building Code, the City ROW lines must be relocated or eliminated prior to issuance of the building permits for the Shoreline North station and garage/transit center structures.

Sound Transit originally submitted a street vacation petition (File No. PLN19-0154) for this area of City ROW. Following the Public Hearing before the Hearing Examiner on this petition, City Staff learned that the areas conveyed by the Deed was transferred in fee and was not dedicated as a ROW easement.

The area of City ROW proposed for transfer to Sound Transit was originally purchased from private property owners for construction of Interstate 5 (I-5). In 1986, property that was acquired by the Washington State Department of Transportation (WSDOT) for realignment of King County roads from the I-5 project was transferred to King County by Quitclaim Deed (Recording No.8603110515), recorded March 11, 1986. This property was conveyed to the City of Shoreline by operation of law in about 1995 when the City incorporated. As such, the correct process for disposing of this roadway area is through intergovernmental property transfer under Chapter 39.33 RCW, which requires a public hearing before Council.

The City Council held a public hearing on the proposed intergovernmental transfer of portions of 7th Avenue NE and NE 185th Street on March 2, 2020. No public comment was received. The staff report for the March 2, 2020, public hearing can be found online at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2020/staffreport030220-8a.pdf>.

DISCUSSION

Chapter 39.33 RCW allows for any municipality to sell, transfer, exchange, lease or otherwise dispose of any property, real or personal, or property rights, including but not limited to the title to real property, to other state created agencies on such terms and conditions as may be mutually agreed upon by the proper authorities. Sound Transit and City staff have negotiated a Property Agreement that would provide compensation to the City through the exchange of property that is of equivalent fair market value.

Based on Sound Transit's appraisal, the value of the City ROW area owned in fee is approximately \$30.087 per square foot for a total value of \$724,133.92. Through the proposed property exchange agreement, Sound Transit would convey portions of property, acquired for the LLE Project but that Sound Transit does not need to retain ownership of after construction, of equivalent fair market value to the City. The Sound Transit property proposed for exchange would be used for multimodal transportation projects such as the 148th Street Non-motorized Bridge, the Trail Along the Rail, or new

local street end connections within the light rail station areas depending on their location. The proposed Property Agreement was also discussed at the March 2, 2020, Council meeting and was originally scheduled to be included on the Consent Agenda tonight. Through the Sound Transit internal review process for this Agreement, just this past week, Sound Transit staff determined that with additional time to adjust the agreement, additional certainty could be added within the agreement on the final disposition process and timeline for the land transfer to the City. Sound Transit has requested an additional five to six months to complete their due diligence on the proposed compensation property to determine them as available to the City and to complete as much of their internal process as possible before finalizing the proposed property agreement and seeking authorization to execute the agreement.

The City benefits from agreeing to this delay and additional time for process through increased certainty and earlier completion of the property transfer.

In light of this request from Sound Transit, City staff revised proposed Resolution No. 453 to replace “property exchange agreement” with “Property Agreement” and the dates for execution of a Property Agreement or alternate monetary compensation have been extended to December 31, 2020, and January 31, 2021, respectively, to allow more time for process and agreement finalization.

Staff will bring the Property Agreement back to Council for authorization to execute the agreement after it is revised and finalized later this year.

The 1986 Quitclaim Deed included a restriction which states:

It is understood and agreed that the above referenced property is transferred for road purposes and that all revenue resulting from any vacation, sale or rental of such road shall be placed in the county road fund and used exclusively for road purposes.

WSDOT needs to release the deed restriction in the 1986 Deed so that Sound Transit can use the property for the light rail station and garage, which are not road purposes.

The City and WSDOT have mutually drafted a letter and release of deed restriction to be recorded on title. This letter documents the City’s covenant to use property, or revenue, of equivalent fair market value from this intergovernmental property transfer for road purposes. Authorization of this release of deed is also on tonight’s Council agenda for adoption. To comply with the deed restriction on this property, the City would apply the same deed restriction to the new fee owned property received from Sound transit and would use it for road purposes.

STAKEHOLDER OUTREACH

Council held a public hearing on proposed Resolution No. 453 to transfer this City ROW to Sound Transit for the Shoreline North/185th Station site, consistent with Chapter 39.33. No public comment was received.

COUNCIL GOAL(S) ADDRESSED

Proposed Resolution 453 to transfer portions of 7th Ave NE and NE 185th Street ROW to Sound Transit for the Shoreline North/185th Station site supports the 2019-2021 *Council Goal 3 – Continued preparation for regional mass transit in Shoreline.*

RESOURCE/FINANCIAL IMPACT

The 7th Avenue NE and NE 185th Street City ROW property is appraised at approximately \$30.087 per square foot, for a total value of \$724,133.92 for the portion owned in fee by the City. Through the proposed Property Agreement, Sound Transit would convey portions of property, acquired for the Light Rail Project but that do not need to be owned by Sound Transit after construction, of equivalent fair market value to the City. The Sound Transit property proposed for exchange would be used for multimodal transportation projects such as the 148th Street Non-motorized Bridge, the Trail Along the Rail, or new local street end connections within the light rail station areas depending on their location.

The operations and maintenance costs for the area of Sound Transit property is roughly equivalent to those costs for the City ROW to be transferred to Sound Transit. Any additional costs for future City improvements in these areas have been or will be considered through the City's Capital Improvement Plan authorizing those projects.

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 453.

ATTACHMENTS

Attachment A – Proposed Resolution No.453

RESOLUTION NO. 453

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON AUTHORIZING AN INTERGOVERNMENTAL SALE OF REAL PROPERTY TO THE CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY (SOUND TRANSIT) IN EXCHANGE FOR SURPLUS PROPERTY.

WHEREAS, Chapter 39.33 RCW authorizes the intergovernmental disposition of property by sale, transfer, exchange, lease, or to otherwise dispose of real property or property rights to another political subdivision; and

WHEREAS, the Central Puget Sound Regional Transit Authority (Sound Transit) is constructing a light rail project, the Lynnwood Link Extension Project, that transects the City from North to South; and

WHEREAS, Sound Transit has acquired private properties to facilitate the construction of the Lynnwood Link Extension Project but also needs portions of City-owned land; and

WHEREAS, in 1961, the State of Washington (Department of Transportation) obtained land for state highway purposes; namely the construction of State Highway 1, what is now Interstate 5, and, in 1986 conveyed to King County by quit claim deed, recorded under King County Recording No. 8603110515, all of the State's right, title, and interest for certain lands that were not required for state highway purposes, provided that these lands were for road purposes and that any vacation, sale or rental of such road shall be placed in a fund used exclusively for road purposes; and

WHEREAS, upon incorporation, the City received from King County, in fee, various public rights-of-way which King County had received by Quit Claim Deed from the Washington State Department of Transportation as surplus to the Interstate 5 project; two such rights-of-way were a portion of 7th Avenue NE and NE 185th Street; and

WHEREAS, Sound Transit now seeks to acquire the fee simple ownership in these rights-of-way, which totals approximately 24,068 square feet to facilitate the construction of the Shoreline North/185th Station; and

WHEREAS, in addition to the proposed intergovernmental transfer, a 620 square foot portion of 7th Avenue NE is the subject of a street vacation under Ordinance No. 875 and for which a public hearing was held before the Hearing Examiner on October 9, 2019; and

WHEREAS, an appraisal for that portion of the right-of-way to be sold was prepared and accepted by the City, showing the fair market value of the property is \$724,133.92; and

WHEREAS, the City and Sound Transit have been working to develop an agreement in which, at the conclusion of the construction of the Lynnwood Link Light Rail, Sound Transit

would convey portions of surplus property of equivalent fair market value to the City in lieu of cash payment for the fee simple property; and

WHEREAS, the property anticipated to be conveyed by Sound Transit would be used for multimodal transportation projects such as the 148th Street Non-motorized Bridge and the Trail Along The Rail; and

WHEREAS, as required by RCW 39.33.020, the City Council held a public hearing on the proposed intergovernmental transfer; and

WHEREAS, the City Council has determined that an intergovernmental transfer of the property for property that will serve multimodal transportation projects is in the best interests of the City;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Property Agreement. Sound Transit shall enter in a Property Agreement with the City to provide for just compensation of the vacated right-of-way on or before December 31, 2020. If Sound Transit does not execute the Agreement by December 31, 2020, then Sound Transit shall pay the City \$724,133.92 no later than January 31, 2021.

Section 2. Deed. Pursuant to RCW 39.33.010 and upon execution of the Property Agreement or payment of the fair market value, the City Manager is authorized to execute a Quit Claim Deed or Warranty Deed to Sound Transit in a form acceptable to the City Attorney along with any other necessary paperwork for the sale of real property depicted on Exhibit A and legally described on Exhibit B in exchange for surplus real property that will be addressed in a Property Agreement between the City and Sound Transit.

Section 3. Deed Restriction. The executed Deed shall contain the following language as set forth in the 1986 Quit Claim Deed:

It is understood and agreed that the above referenced property is transferred for road purposes and that all revenue resulting from any vacation, sale or rental of such road shall be placed in the county road fund and used exclusively for road purposes.

Section 4. Directions to Director of Public Works. Upon the execution of the Deed transferring the property, the Director of Public Works shall cause to amend the official maps to reflect the vacation of that portion of 7th Avenue NE.

Section 5. Directions to City Clerk. The City Clerk, in consultation with the City Attorney, is authorized to make necessary corrections to this Resolution, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or resolution numbering and section/subsection numbering and references.

Section 6. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this Resolution or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Resolution or its application to any person or situation.

Section 7. Effective Date. The effectiveness of this Resolution is subject to satisfaction of the conditions set forth in Section 1 and shall be effective immediately upon the satisfaction of those conditions. If such conditions are not satisfied on or before the dates set forth in Section 1, this Resolution shall become null and void and be of no further effect.

ADOPTED BY THE CITY COUNCIL ON MARCH 16, 2020.

Mayor Will Hall

ATTEST:

Jessica Simulcik Smith, City Clerk

R/W No. LL-509.1
7TH AVE NE
CITY OF SHORELINE

INTERGOVERNMENTAL TRANSFER AREA:

ALL OF 7TH AVE NE AND PORTION OF NE 185TH STREET IN THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 5, TOWNSHIP 26 NORTH, RANGE 4 EAST, LYING **NORTHERLY** OF THE FOLLOWING DESCRIBED **LINE**:

COMMENCING AT THE SOUTH QUARTER CORNER OF SECTION 5, TOWNSHIP 26 NORTH, RANGE 4 EAST;
THENCE S87°58'49"E ALONG THE SOUTH LINE OF SAID SECTION, BEING THE CENTERLINE OF NE 185TH STREET, A DISTANCE OF 595.59 FEET;
THENCE AT RIGHT ANGLES N02°01'11"E A DISTANCE OF 40 FEET TO A POINT ON THE EXISTING NORTH MARGIN OF SAID STREET, BEING THE **POINT OF BEGINNING** OF THE HEREIN DESCRIBED **LINE**, BEING THE BEGINNING OF A NON-TANGENT CURVE HAVING A RADIUS OF 34.00 FEET, TO WHICH POINT A RADIAL LINE BEARS S02°26'05"E;
THENCE LEAVING SAID MARGIN, WESTERLY, TO THE RIGHT ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°56'58" AN ARC DISTANCE OF 2.94 FEET;
THENCE N87°29'06"W A DISTANCE OF 282.01 FEET TO THE EAST MARGIN OF SR 5, BEING THE END OF THE HEREIN DESCRIBED **LINE**;

EXCEPT THE EAST 10 FEET OF THE WEST 30 FEET OF THE NORTH 62 FEET OF THE SOUTH 216 FEET OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 26 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON, AS DEDICATED TO KING COUNTY UPON RECORDING OF SHORT PLAT NUMBER 578077, RECORDED UNDER RECORDING NUMBER 7901170721, IN KING COUNTY, WASHINGTON;

CONTAINING 24,068 SQUARE FEET.

Earl J. Bone 2/21/20