

**RESOLUTION NO. R2015-27**
**Confirm the CEO's Declaration of Surplus Real Property and Approve a Purchase and Sale Agreement with the Washington State Convention Center Public Facilities District**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	10/08/2015	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	10/22/2015	Final Action	<b>Brooke Belman, DECM Chief of Staff</b> <b>Kevin Workman, Real Property Director</b>

**PROPOSED ACTION**

(1) Confirms the chief executive officer's declaration of surplus real property acquired for the Initial Segment of the Central Link Light Rail project, and (2) approves a Purchase and Sale Agreement with the Washington State Convention Center Public Facilities District to transfer surplus real property owned by Sound Transit located at 901 Howell Street (AKA 900 Olive Way) in Seattle for a total authorized agreement amount not to exceed \$6,630,000.

**KEY FEATURES SUMMARY**

- In January 2015, the Board adopted Resolution No. R2015-02 to approve the chief executive officer's (CEO) declaration that one parcel owned by Sound Transit at 901 Howell Street (AKA 900 Olive Way), Seattle, WA 98101, is surplus because it will no longer be required for a transit purpose upon completion of the University Link Extension. The first part of this action confirms the declaration of surplus for the subject property. The confirmation is necessary because due to a clerical error, the CEO did not sign the declaration of surplus until after the Board adopted Resolution No. R2015-02.
- Resolution No. R2015-02 also authorized the initiation of negotiations with the Washington State Convention Center (WSCC) Public Facilities District to establish terms of sale for all or a portion of the property for future development of convention center facilities in the Convention Place Station neighborhood of downtown Seattle, expected to begin in 2016/2017.
- WSCC communicated to Sound Transit that this parcel is a critical component of their expansion plans. WSCC has acquired additional property adjacent to this parcel and is currently negotiating with King County to acquire Convention Place Station.
- This action approves a Purchase and Sale Agreement with WSCC in the amount of \$6,630,000 for the approximately 9,470 square-foot parcel, which equates to \$700 per square foot. This is the appraised fair market value of the property, based on an appraisal commissioned by Sound Transit.
- Key highlights of the Purchase and Sale Agreement:
  - Sound Transit and WSCC will enter into a license agreement to allow Sound Transit continued use of the office building on the Property through the end of 2016.
  - A portion of the site has been used for travel lanes to facilitate egress to and from Convention Place Station (CPS). These lanes will stay in use in order to allow King County Metro access to CPS until the commencement of WSCC construction.
  - Sound Transit will reduce the purchase price by up to \$500,000 if WSCC's further investigation during the due diligence period discovers certain agreed upon environmental conditions on the Property that would require remediation under Washington State or federal regulations.
  - Inclusion of TOD elements in the phase two development plans. WSCC will use good faith efforts to satisfy Leadership in Energy and Environmental Design (LEED) Silver or Evergreen standards in connection with construction of the Project. WSCC will

construct its project to support construction of not less than 200 multifamily units within the project.

- If approved, Sound Transit expects to complete the transfer of the property before December 31, 2015.

## BACKGROUND

On April 27, 2000, through Resolution No. R2000-04, the Sound Transit Board authorized acquisition of a parcel of land for the construction, operation, and maintenance of the Initial Segment of the Central Link Light Rail. The property was being used as a parking lot and billboard site at the time of acquisition but was identified as staging area for the project construction. The property is located near the Convention Place Station in downtown Seattle.

During construction of the Pine Street Stub Tunnel, the property was used as a construction staging site. Since completion of the stub tunnel project, the property has been used as a construction office site for the University Link Extension. The property is currently occupied by a two-story construction office building.

Upon completion of the University Link Extension in 2016, Sound Transit does not have any further transit use of the property. Therefore on January 22, 2015, through Resolution No. R2015-02, the Sound Transit Board approved the chief executive officer's declaration that the parcel may be declared surplus and authorized staff to negotiate with WSCC Public Facilities District to establish terms of sale for all or a portion of the property for future development of convention center facilities. Because of a clerical error, the chief executive officer did not sign the declaration of surplus until after the Board adopted Resolution No. R2015-02, so this action confirms the Board's action to approve the declaration of surplus for the subject as well as approves the purchase and sale agreement.

The property was acquired without the use of federal funds and, therefore, Sound Transit is not required to consult with any federal agency regarding the manner of disposition.

## FISCAL INFORMATION

The action declares Sound Transit owned property surplus and then approves the sale of the surplus property. The agreed upon sale amount is \$6,630,000 less any environmental remediation requirements up to \$500,000. The net proceeds from this transaction would be recorded as miscellaneous revenue in the North King County subarea. Additionally, Sound Transit will retain rights to use an office building on the property through 2016, at no expense. Sound Transit's long-term financial plan has assumed the sale of surplus property as a source of additional revenue to the subareas. To the extent that surplus properties are not sold, revenues and financial capacity is reduced.

## SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Small Business/DBE goals were not established or required for this scope of work.

## PUBLIC INVOLVEMENT

In compliance with RCW 39.33.020, Sound Transit held a public hearing on January 8, 2015.

## TIME CONSTRAINTS

A delay in authorizing this item could delay the Washington State Convention Center Public Facilities District's schedule for the expansion of the convention center.

## PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2015-02: Approved the chief executive officer's declaration of surplus real property acquired for the Initial Segment of the Central Link Light Rail project and authorizes the initiation of negotiations for the disposition of property interests to the Washington State Convention Center Public Facilities District.

Resolution No. R2000-04: Authorized the executive director 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 Central Link Light Rail.

## ENVIRONMENTAL REVIEW

JI 9/28/2015

## LEGAL REVIEW

JV 10/2/2015



## **RESOLUTION NO. R2015-27**

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 Initial Segment of the Central Link Light Rail project, and (2) approving a Purchase and Sale Agreement with the Washington State Convention Center Public Facilities District to transfer surplus real property owned by Sound Transit located at 901 Howell Street (AKA 900 Olive Way) in Seattle for a total authorized agreement amount not to exceed \$6,630,000.

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. R2000-04 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 Central Link Light Rail; and

WHEREAS, Sound Transit acquired the subject property, the former Kollias property, located at 901 Howell Street (AKA 900 Olive Way) near the Convention Place Station in Seattle, WA for Central Link Initial Segment Project purposes in 2000; and

WHEREAS, the property was used as a construction staging site during construction of the Pine Street Stub Tunnel and University Link Extension; and

WHEREAS, the subject property was not acquired using Federal Transit Administration funds and therefore Sound Transit is not required to consult with any federal agency regarding the manner of disposition; and

WHEREAS, the subject real property will no longer be required for a transit purpose upon completion of the University Link Extension project; and

WHEREAS, the subject real property has been declared surplus by the chief executive officer and is generally depicted on attached Exhibit A; 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 \$5,000,000; and

WHEREAS, the agency's long term financial plan has assumed the sale of surplus property as a source of additional revenue to the subareas and proceeds from this transaction would be recorded as miscellaneous revenue in the North King County subarea; and

WHEREAS, Sound Transit has negotiated a Purchase and Sale Agreement to dispose of the property to the Washington State Convention Center in the amount of \$6,630,000; and

WHEREAS, the Purchase and Sale Agreement states Sound Transit and Washington State Convention Center will enter into a license agreement to allow Sound Transit continued use of the office building on the Property through the end of 2016 at no cost; and

WHEREAS, the Purchase and Sale Agreement states Sound Transit will reduce the purchase price by up to \$500,000 if WSCC's further investigation during the due diligence period discovers certain agreed upon environmental conditions on the Property that would require remediation under Washington State or federal regulations; and

WHEREAS, in compliance with RCW 39.33.020, Sound Transit held a public hearing on January 8, 2015; and

NOW THEREFORE BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the subject property described in Exhibit A is declared surplus and the Purchase and Sale Agreement for the disposition of property interests to the Washington State Convention Center Public Facilities District in the amount of \$6,630,000 is authorized. This amount may be reduced by up to \$500,000 for environmental remediation as described in the Purchase and Sale Agreement.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 22, 2015.



Dow Constantine  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator

**RESOLUTION NO. R2015-27  
Exhibit A**

**Legal description of Entire Parcel**

R/W No. U230 TBM Tunnels (CHS to PSST) – CP-001  
PIN 066000-1095-05

**Vested Owner: Central Puget Sound Regional Transit Authority, A Municipal Corporation D/B/A Sound Transit.**

**Real property in the County of King, State of Washington, described as follows:**

**All of lots 1 and 2 in block 3 of second addition to the Town of Seattle, as laid off by the heirs of Sarah A. Bell (deceased) (commonly known as heirs of Sarah A. Bell's second addition to the City of Seattle), according to plat recorded in volume 1 of plats at page(s) 121, in King County, Washington.**

Tax Parcel Number 066000109505

Situs Address: 901 Howell formerly known as 900 Olive Way, Seattle, WA 98101

# Parcel Map Depicting Surplus Property



