



**CITY OF KIRKLAND**  
**City Manager's Office**  
**123 Fifth Avenue, Kirkland, WA 98033 425.587.3001**  
**www.kirklandwa.gov**

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager  
**From:** Tracey Dunlap, Deputy City Manager  
**Date:** July 27, 2016  
**Subject:** USE OF BUILDING AND PROPERTY RESERVE

### **RECOMMENDATION:**

Council approve the use of the Building and Property Reserve to purchase land adjacent to the Cross Kirkland Corridor. Through approval by the Council of the consent calendar, the reserve use will be approved.

### **BACKGROUND DISCUSSION:**

Early in 2016, the City of Kirkland became aware of a small parcel adjacent to the Cross Kirkland Corridor (CKC) that was omitted from the original sale of the line to the Port of Seattle and was still owned by BNSF. The property is located near the intersection of NE 116<sup>th</sup> St. and 120<sup>th</sup> Ave. NE as shown on the map in Attachment A and the legal description of the subject property is as follows:

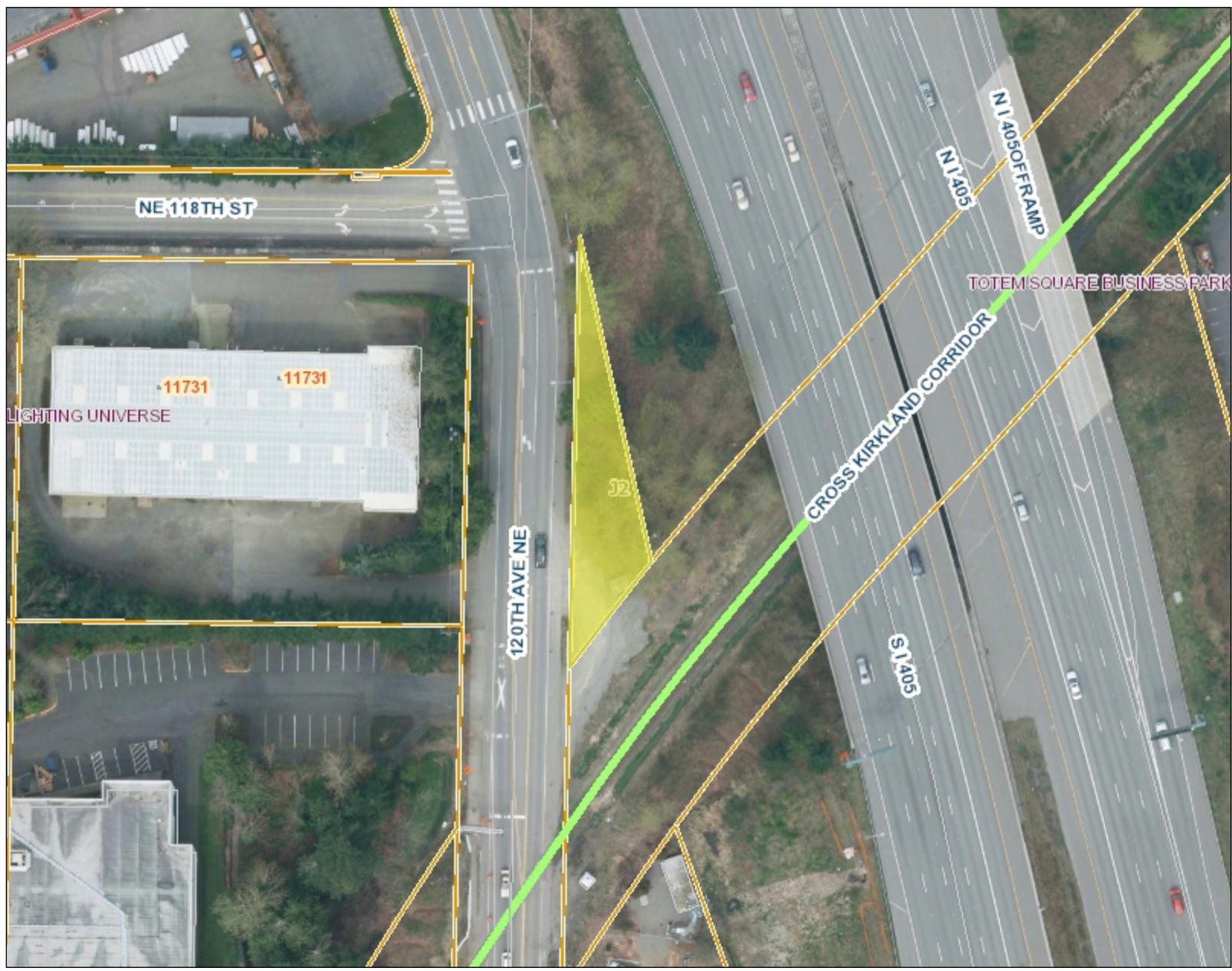
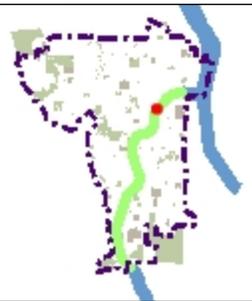
*That portion of the Southeast Quarter of the Southwest Quarter of Section 28, Township 26 North, Range 5 East, W.M., in King County, Washington, lying Southwesterly of Southwesterly margin of State Highway #2 as established by Deed to the State of Washington recorded under Recording Number 6488932 and Northwesterly of the Northwesterly margin of the Northern Pacific Railway right-of-way and East the East margin of County Road (known as 120th Avenue Northeast)*

The property consists of a single tax lot that contains 5,150 square feet according to Assessor records. Overall, the property is triangular in shape and is unimproved at this time. The City ordered an appraisal and the appraised value of the property is \$67,000. BNSF's willingness to sell represents a rare opportunity to get this parcel into public ownership. The property is one of the few locations that can provide parking along the CKC and could also provide right-of-way in the event a road is extended under I-405 at that location. In addition Puget Sound Energy (PSE) desires to use the northern tip of the property to help complete their upgrade of the electrical line that travels along the CKC and connects to the Juanita substation. PSE does not have easement rights to this property. The City will seek reimbursement for some portion of the purchase price from PSE. The City Manager approved acquisition of the property from BNSF early in July and proposes to use a portion of the Building & Property Reserve to fund the

purchase and related transactions costs of \$2,000 (see attached fiscal note). The 2015-2016 budget projected that the reserve would be at its target balance of \$600,000 at the end of 2016, assuming that the remainder of the balance would be used to finance the renovation of City Hall. The City Hall financing includes the sale of 505 Market St. in an amount that is less than what the actual sale is anticipated to generate, which may result a smaller use of the reserve to fund the project. If this is the case, the reserve may not end 2016 below the target, however, if the reserve is below its minimum balance at the end of 2016, it will be replenished from unallocated cash resources.

**RECOMMENDATION:**

Approve use of the Building & Property Reserve balance to purchase the referenced parcel adjacent to the CKC.



**Legend**

- Address
  - <all other values>
  - Current Address
  - ADU Current ADU
  - ▲ Pending Address
- City Limits
- Grid
- QQ Grid
- Cross Kirkland Corridor
- Regional Rail Corridor
- Streets
- Parcels
- Place Names
- Buildings
- Parks
- Schools
- Olympic Pipeline Corridor

1: 974



**Notes**

0.0 0 0.02 0.0 Miles



NAD\_1983\_StatePlane\_Washington\_North\_FIPS\_4601\_Feet

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**FISCAL NOTE**

Source of Request							
Tracey Dunlap, Deputy City Manager							
Description of Request							
Acquisition of property adjacent to the Cross Kirkland Corridor from BNSF (parcel 2826059115) at the cost of \$69,000 funded from the Building & Property Reserve.							
Legality/City Policy Basis							
Fiscal Impact							
<b>One-time use of \$69,000 of the Building &amp; Property Reserve.</b> The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
<b>Reserve</b>	Description	2016 Est End Balance	Prior Auth. 2015-16 Uses	Prior Auth. 2015-16 Additions	Amount This Request	Revised 2016 End Balance	2016 Target
	Building & Property Reserve	600,000	0	0	69,000	531,000	600,000
<b>Revenue/Exp Savings</b>							
<b>Other Source</b>							
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	July 26, 2016	