



## CITY OF KIRKLAND

### Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

[www.ci.kirkland.wa.us](http://www.ci.kirkland.wa.us)

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## MEMORANDUM

**To:** David Ramsay, City Manager

**From:** Daryl Grigsby, Public Works Director  
Ray Steiger, P.E., Capital Projects Manager

**Date:** September 7, 2006

**Subject:** RIGHT OF WAY ACQUISITION – NE 120<sup>TH</sup> STREET

### RECOMMENDATION:

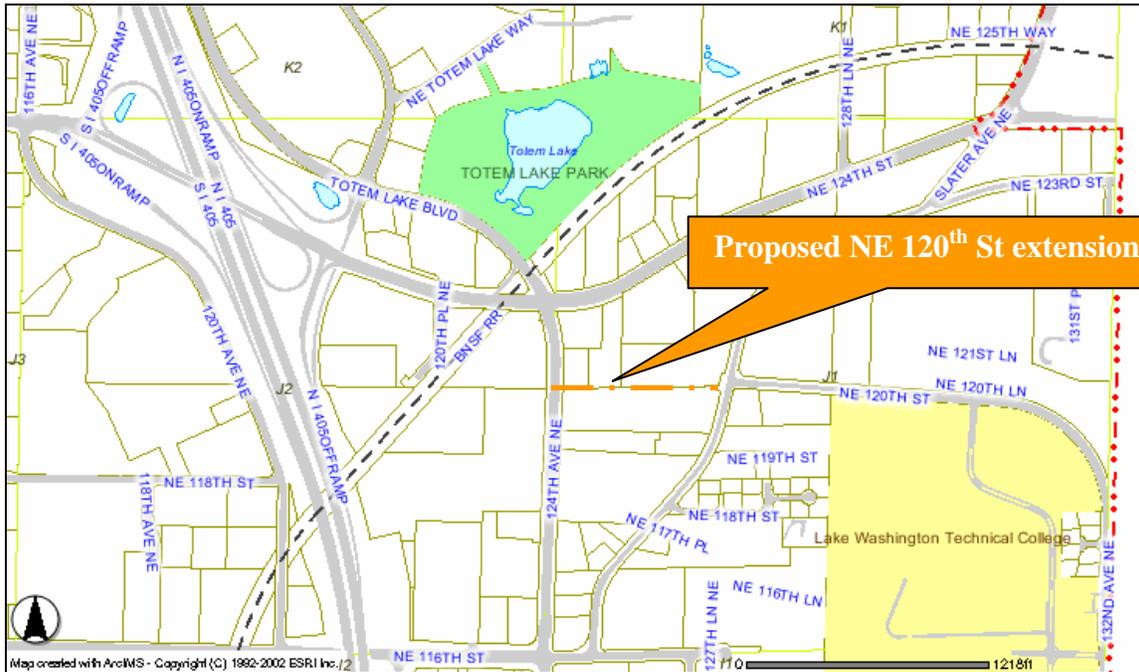
It is recommended that the City Council authorize the advance of \$300,000 worth of funds for the acquisition of private property along the proposed NE 120<sup>th</sup> Street roadway alignment.

### BACKGROUND AND DISCUSSION:

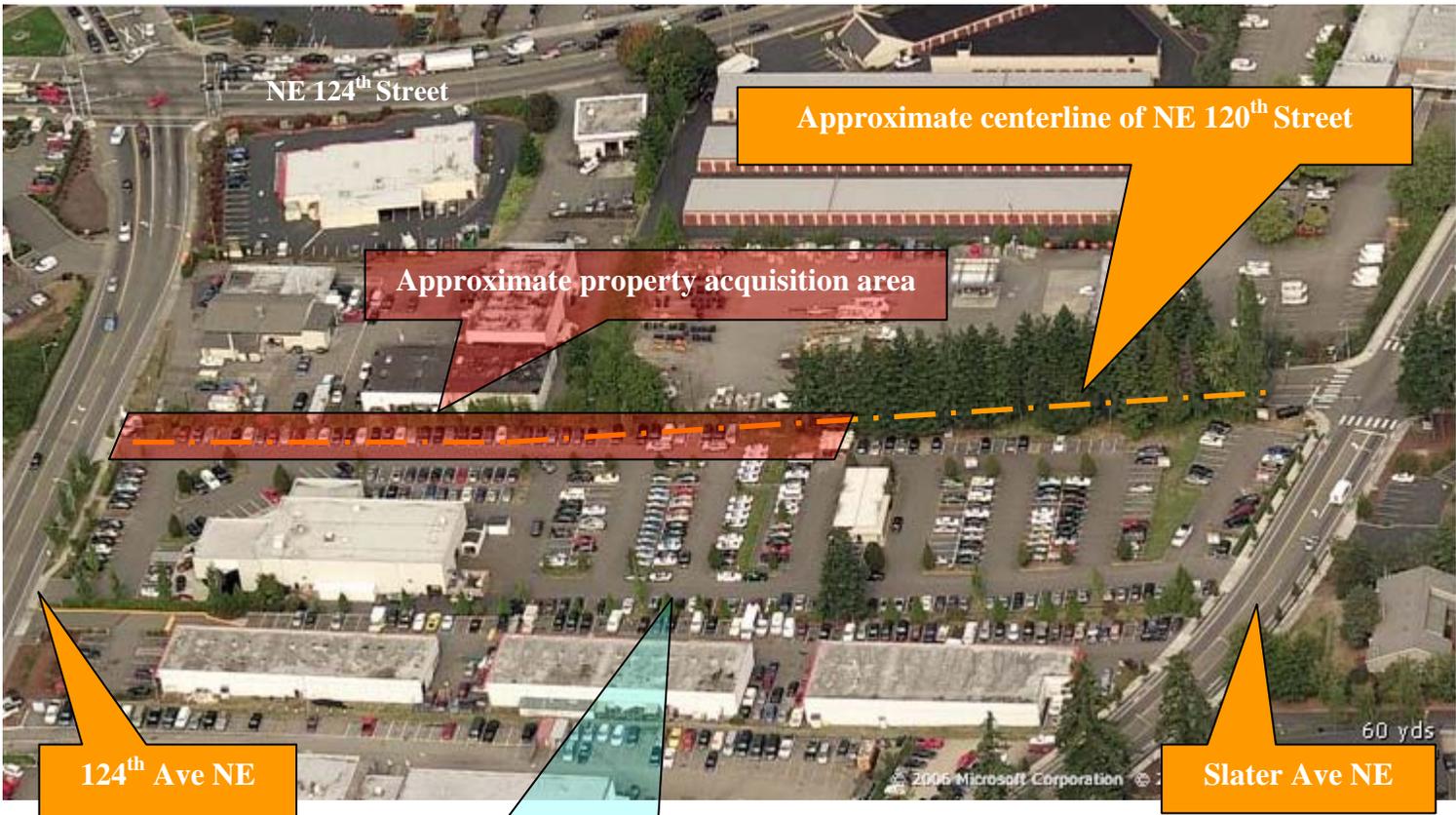
NE 120<sup>th</sup> Street begins at 132<sup>nd</sup> Ave NE adjacent to the Lake Washington Technical College and continues west to Slater Ave NE (Attachment A). The \$4.6 million extension of this arterial from Slater Ave NE to 124<sup>th</sup> Ave NE has been identified as a priority project in the City's Totem Lake plan, comprehensive plan, Capital Improvement Plan, and Transportation Improvement Plan. In 1996, with the development of the Infinity of Kirkland auto dealership, owners of the property along the proposed corridor entered into an agreement with the City to allow purchase of the needed property along the alignment. Terms of the ten year agreement fixed the cost of the property at 1996 values (\$9.11 per square foot) adjusted for the regional consumer price index (Attachment B); this agreement expires on August 27, 2007.

Staff has submitted a number of grant applications for the new roadway extension project, however for various reasons, none have been successful to date. In the spring of 2006, based on information and materials provided to the staff of various congressional and senatorial representatives, the City was notified that \$1.5 million in federal funds had been tentatively earmarked for Kirkland's NE 120<sup>th</sup> Street extension project. The funding would not however be available until late 2007, and as such not in time to secure the Infinity of Kirkland right of way under the 1996 agreement.

With this memo, staff is recommending that the property be purchased in advance of the federal funding that is due to be received in late 2007. Funding for the acquisition of the right of way will come from two sources: impact fees, and REET II reserves that have been approved for the project in 2008 (Attachment C). Federal funding that is received in 2007 will then be utilized to develop preliminary engineering, environmental documentation, and purchase the remaining right of way (if not secured through development activity along the proposed corridor). With the purchase of right of way, preliminary engineering and environmental documentation completed, it has been conveyed to staff that the overall project will be in a more competitive position to secure additional federal or State grant funds to complete the project.



Proposed NE 120<sup>th</sup> St extension



Approximate centerline of NE 120<sup>th</sup> Street

Approximate property acquisition area

124<sup>th</sup> Ave NE

Slater Ave NE

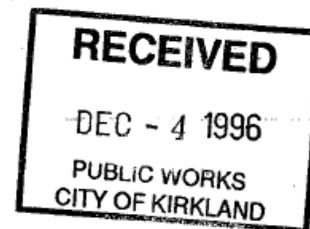




123 FIFTH AVENUE • KIRKLAND, WASHINGTON 98033-6189 • (206) 828-1100 • TTY (206) 828-2245

December 4, 1996

Mr. Ken Davidson  
520 Kirkland Way, Suite 400  
P.O. Box 817  
Kirkland, Washington 98083-0817



Subject: Sound Infiniti Project at 119XX 124th Avenue NE

Dear Mr. Davidson:

The City has reviewed and discussed your November 5, 1996 letter regarding the future street right-of-way associated with the proposed Sound Infiniti car dealership at 119XX 124th Avenue NE. The City appreciates the accommodations made by Infiniti to move the building and preserve a corridor for the future NE 120th Street connection between Slater Avenue NE and 124th Avenue NE. In response to your letter, the City would like to offer the following:

1. The City is willing to enter into an agreement with Sound Infiniti to reserve the option to purchase the right-of-way and easement area within the next 10 years (a legal description and drawing of the right-of-way and easement area will need to accompany the option to purchase agreement). As discussed in your letter, the price per square foot would be based on the 1996 sale price of \$9.11 and then adjusted for future inflation in accordance with changes to the Seattle Consumer Price Index (CPI). This price is based on the actual property acquisition costs and is 16% lower than the \$10.58 per square foot reported in a recent MAI appraisal.
2. The City suggests that if the sidewalk and landscape strip is located in an easement rather than right-of-way, this area should not command the same cost per square foot as the right-of-way. In our experience, easement area usually sells for about 1/2 of the value of public right-of-way, thus the City is willing to pay, in the future, \$4.55 per square foot plus the adjustment for future inflation in accordance with changes to the CPI. We feel this is a fair offer given the fact that Infiniti will be including the landscape strip in their lot coverage calculations.

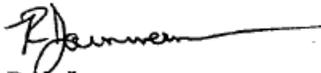
Mr. Ken Davidson  
December 4, 1996  
Page 2

3. Sound Infiniti will not be required to participate in the cost of construction for the future NE 120th Street connection. When the street is constructed, driveway access to the Infiniti property will be provided but, parking lot modifications will be at Infiniti's expense. Also, any appurtenances placed in the right-of-way or easement area shall be relocated at Infiniti's expense.
4. As agreed, Sound Infiniti will sign concomitant agreements with respect to their share of other capital improvement projects as identified in the traffic impact analysis.
5. The sign allowance will be based on existing rights-of-way. A proposal to increase the sign allowance may be submitted to the Planning Department when the NE 120th Street connection is constructed.

If Sound Infiniti agrees with issues discussed in this letter, I will ask the City Attorney's office to draft the *Right-of-way and Easement Option to Purchase Agreement* for your review. We look forward to the resolution of this agreement and would expect that it can be concluded prior to issuance of the Building Permit. If you have any questions please call me at 828-1237.

Sincerely,

PUBLIC WORKS DEPARTMENT



Rob Jammerman  
Senior Development Engineer

cc: Terry Ellis, City Manager  
Jim Arndt, P.E., Public Works Director  
Eric Shields, AICP, Planning Director  
Gary Sund, P.E., City Engineer  
Oscar Rey, City Attorney  
Jeremy McMahan, Associate Planner  
Dianne Kilwein, P.E., Development Engineer

**FISCAL NOTE**

*CITY OF KIRKLAND*

<b>Source of Request</b>							
Daryl Grigsby, Public Works Director							
<b>Description of Request</b>							
Request for funding of \$300,000 for right of way related to the NE 120th Street Roadway Extension project. The City has a purchase agreement with the Infinity of Kirkland dealership to purchase the right of way at a reduced cost that will expire in 2007. In order to take advantage of the favorable terms of the purchase agreement and to better position the remaining portions of the roadway extension project for grants, it is recommended to use reserves to purchase the right of way in 2006.							
Funding for the right of way purchase will come from funding that was already planned for this project in the current 2006-2011 CIP in year 2008.							
<b>Legality/City Policy Basis</b>							
<b>Fiscal Impact</b>							
Funding will be from Impact Fees (\$200,000) and REET II Reserves (\$100,000) that were already planned for this project but in year 2008. The Impact Fee Fund and the REET II Reserve are fully able to fund these requests earlier than originally planned.							
<b>Recommended Funding Source(s)</b>							
<b>Reserve</b>	Description	2006 Est End Balance	Prior Auth. 2005-06 Uses	Prior Auth. 2005-06 Additions	Amount This Request	Revised 2006 End Balance	2006 Target
<b>Revenue/ Exp Savings</b>							
<b>Other Source</b>							
<b>Other Information</b>							

Prepared By	Sandi Miller, Financial Planning Manager	Date	September 7, 2006
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