



CITY OF KIRKLAND
Department of Public Works
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To: Dave Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
David Godfrey, P.E., Transportation Engineering Manager

Date: July 25, 2007

Subject: BNSF RIGHT-OF-WAY ACQUISITION BY KING COUNTY

RECOMMENDATION:

It is recommended that the City Council authorize the Mayor to sign a letter to the King County Council and Seattle Port Commissioners supporting a proposal currently under consideration by the County and the Port.

BACKGROUND DISCUSSION:

In February, King County, the Port of Seattle and the Burlington Northern Santa Fe Railroad announced a proposal that would cause the BNSF right-of-way to be sold to the County for development as a non-motorized trail without precluding future rail use. Essentially, the Port would buy the right-of-way and give it to King County in exchange for the King County airport and other considerations.

After the County Executive had discussions with the Port Commissioners, County board members, and with trail, transportation and rail advocates, the original proposal was revised. One of the new points in the proposal is that the King County Airport would stay in the control of the County. County Councilmembers did not want to lose control of the airport and the Port was not particularly interested in obtaining the airport. The other major point is that the Fisher Flour mill site would be transferred from the County to the Port. The site could have been the location of a solid waste transfer facility. Such a facility would have to be sited elsewhere if the mill site comes under Port ownership. The proposal is described in more detail on the attached term sheet.

Key Points

The Council should consider the regional solid waste implications of losing the flour mill site against the implications of losing the opportunity to purchase the right-of-way. The County Executive feels that the loss of the flour mill is mitigated by the opportunity to site the solid waste facility at the new intermodal rail site. Also, if the flour mill site is sold, solid waste money will be placed in reserve in order to purchase a future site. On the other hand reassembling the right-of-way once it is sold off is almost impossible.

A second key point is that only \$44 million will be available to improve the trail corridor. This will leave bridges and at-grade intersections with rail still in place. Although this may be helpful to convey the

Memorandum to David Ramsay

July 25, 2007

Page 2

message that rail may one day come back to corridor (to operate alongside a trail) it seriously limits the trail's ability to serve as a important connector between say Totem Lake and Downtown.

Alternatives

One alternative funding plan that was under consideration by some members of the County Council would require the jurisdictions along the corridor to each pay a portion of the cost to obtain the right-of-way. This plan is not supported by the Executive.



King County

Kurt Triplett, Chief of Staff
Office of King County Executive Ron Sims
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Seattle, WA 98104
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Term sheet page 1

Summary of Evolution: Connections for Our Future Package - Term Sheet July 10, 2007

Original Connections for our Future Package:

- Port pays BNSF \$103 million for Eastside Rail Corridor (ERC), which is conveyed to King County.
- Port pays \$66 million for full trail construction to King County.
- KCIA transferred as is to the Port
- King County advocates to State of WA for \$25 million for Stampede Pass improvements.
- King County supports necessary actions to create new major Intermodal.
- If alternative site found, King County sells Fisher Flour Mill to the Port at fair market value (estimated at between \$12 million and \$15 million).

- BNSF receives \$103 purchase price which ensures maintained focus on new Intermodal and Stampede Pass improvements.

Port Interests and Concerns Expressed about Original Connections Package:

- Recognize the strategic interest of preventing KCIA from competing for Sea-Tac Airport tenants and business
- Want to make Intermodal a reality
- Want Stampede Pass improvements
- Want Fisher Flour Mill to maximize Harbor Island investments
- Concerns about liability and costs associated with contamination and operations at KCIA
- Concerns about overall price of the package
- Concerns about the challenges of working with KCIA surrounding communities
- Concerns about ability of any government to raise lease rates at KCIA

County Council's Interests and Concerns Expressed about Original Connections Package:

- Concerns about Port plans for future use of the KCIA
- Concerns about impact of potential Port ownership on surrounding communities of Georgetown, South Park, Beacon Hill, West Seattle and Magnolia
- Concerns about impact of Port ownership on KCIA tenants, especially general aviation and corporate aviation
- Concern about the loss of a King County asset that may have substantial value in the future as a non-airport
- Some Council members required "iron clad agreements" to prevent any of these impacts in any transfer to the Port.
- Some Council members simply opposed to transferring the airport for any reason

Trail, Transportation and Rail Advocates Interests and Concerns Expressed about Original Connections Package:

Trail & Transportation Advocates

- Support "dual use" of corridor
- Interim trail first, rail when funding is available
- Signing of "Principles of Dual Use"

Rail Advocates

- Leave rail in place
- Raise money to operate transportation system on corridor first
- Possible trail use along side of corridor in the future

Others

- Ensure public knows rail is coming back in future



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Term sheet page 2

- Leave some rail in place as visible reminder

Modified Connections for our Future Package to Address Port's Interests and Concerns (Plan A1):

- Port pays BNSF \$103 million for Eastside Rail Corridor (ERC), which is conveyed to King County.
- Port pays \$44 million to King County for trail construction (\$44 million is estimated by Parametrix for the cost of a paved trail construction without bridges & street crossings).
- King County transfers Fisher Flour Mill to the Port.
- King County shall continue regional rail freight service from Woodinville to Snohomish to further the Port's rail interest in this region until it is no longer economically feasible as determine by the Surface Transportation Board.
- King County enters into a Joint Decision-Making Agreement with the Port concerning decisions to make major capital investments at KCIA to substantially expand passenger terminal or cargo facilities.
- Port receives right of first refusal to buy KCIA should King County propose to sell it to a third party.
- Should the Port purchase KCIA, the Port's Connections investment in the ERC, less the fair market value of the Fisher Flour Mill as valued as the time it is conveyed to the Port, will be credited toward the purchase price.
- Should King County ever sell all or a portion of the ERC the Port will be reimbursed by the County for the pro rata share of the purchase price of \$103 million.
- King County continues to advocate to State of Washington for \$25 million for Stampede Pass improvements.
- King County continues to support necessary actions to create new major Intermodal facility.
- BNSF receives the \$103 million purchase price for the ERC, which ensures maintained focus on new Intermodal and Stampede Pass improvements.

All terms subject to approval of the King County Council, the Port of Seattle Board of Commissioners, the Federal Aviation Administration, and the Surface Transportation Board.

City Council Action:

- Approve letter of support from City addressed to King County Council and Port of Seattle for the support of the modified Connections for Our Future package.
- Approve resolution to support public ownership of BNSF Eastside Corridor and modified Connections for Our Future package.

August 8 2008

DRAFT

The Honorable Larry Gossett
Chair, King County Council
516 Third Ave., MS: KCC-CC-1200
Seattle, WA 98104

The Honorable John Creighton
Chair, Port of Seattle Commission
P.O. Box 1209
Seattle, WA 98111

Dear Chair Gossett and Chair Creighton:

The City of Kirkland encourages the King County Council and the Port of Seattle Commission to support Executive Sims' modified proposal for acquisition of the Burlington Northern Santa Fe right-of-way. We believe that the modified proposal is a step forward from the original proposal because it better addresses stakeholder concerns and still preserves the corridor.

Early on in this process, regional discussions included the potential of soliciting funding from local jurisdictions to partner in the acquisition of the right of way. Our position on this remains that while we fully support efforts to preserve this corridor in public ownership in perpetuity, we do not have the funding resources available to allocate to such a massive purchase. We believe that the proposal of exchanging public assets allows for the preservation of the corridor and the construction of a trail. It is a reasonable way for Port of Seattle to reinvest the revenue the eastside taxpayers contribute to the Port of Seattle back into the our community. Furthermore, in working with BNSF, the Port of Seattle will see the reinvestment of hundreds of millions of dollars back into necessary local infrastructure improvements that will increase freight mobility and keep our region competitive.

The modified Connections for Our Future proposal continues to involve a complicated set of actions, but we believe it is important to the region to move this forward. We recognize the benefits that the whole package offers to our region with increased freight capacity, a new major intermodal site, and cooperation between the two largest airports in King County. As one of six King County cities through which the 42 mile BNSF right of way runs, Kirkland is particularly interested in securing this right of way in public ownership for trail and rail purposes. We believe that it is essential to take advantage of the opportunity to secure this corridor now so that this exceptional resource can be preserved. We look forward to a major extension of our regional trail system in the short term, and in the long term consideration of high capacity transit serving the Eastside.

Letter to Chair Gossett and Chair Creighton

August 8, 2007

Page 2

Thank you for your efforts thus far to develop the "Connections for our Future" proposal. We encourage the Port of Seattle Commissioners and the King County Council to support the modified proposal and continue the collaboration and partnership between King County, the Port of Seattle, and BNSF to finalize the corridor purchase.

Sincerely,
KIRKLAND CITY COUNCIL

James L. Lauinger
Mayor

cc: Port of Seattle Commissioners
King County Councilmembers