

## **RESOLUTION NO. 3386**

**A RESOLUTION** of the Port Commission of the Port of Seattle authorizing the Director, Aviation Division to execute an amendment to the September 4, 1997 Interlocal Agreement between the City of SeaTac and the Port of Seattle regarding the 28<sup>th</sup>/24<sup>th</sup> Avenue South Local Improvement District and vacation of street rights-of-way within the City of SeaTac.

**WHEREAS,** The Port of Seattle ("Port") and the City of SeaTac ("City") entered into an Interlocal Agreement ("ILA") on September 4, 1997 to establish a mutual and cooperative system for exercising their respective jurisdiction; and

**WHEREAS,** ILA Exhibit C, Section 5.1.2.1 calls for the Port to pay its assessment share of the Local Improvement District ("LID") for Phase I of the 28<sup>th</sup>/24<sup>th</sup> Avenue South project commensurate with other property owners; and

**WHEREAS,** The ILA identifies the Port's share as having a reasonable and transparent portion of the assessment plus an institutional benefit assessment; and

**WHEREAS,** The Federal Aviation Administration ("FAA") has told the Port that it considers the institutional benefit assessment to be an unjustified diversion of airport funds and therefore prohibited under federal regulations; and

**WHEREAS,** The Port has proposed to the City to remove the institutional benefit assessment requirement from the ILA; and

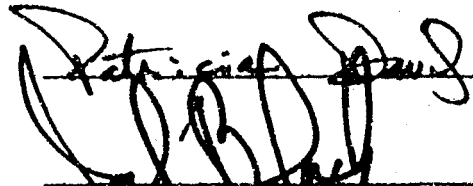

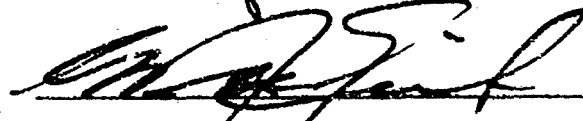

**WHEREAS,** Current appraisals support a fair and reasonable value for City vacation of street rights-of-way in excess of that provided in ILA Exhibit C, Section 9.2,

**NOW, THEREFORE, BE IT RESOLVED**, by the Port of Seattle Commission as follows:

**Section 1.** The Director, Aviation Division is hereby authorized to execute an amendment to the September 4, 1997 Interlocal Agreement between the City of SeaTac and the Port of Seattle regarding the 28<sup>th</sup>/24<sup>th</sup> Avenue South Local Improvement District and vacation of street rights-of-way within the City of SeaTac in substantially the form attached hereto as Attachment A and by this reference incorporated herein.

**Section 2.** The Director, Aviation Division or her designees are hereby authorized to continue negotiating a fair price for property to be sold to the City as part of the 28<sup>th</sup>/24<sup>th</sup> Avenue South project. Upon reaching a mutually acceptable price with the City, Port staff shall seek Commission action declaring the property as surplus.

**ADOPTED** by the Port Commission of the Port of Seattle at a regular meeting held this 14<sup>th</sup> day of December, 1999, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

  
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Port Commission

**ATTACHMENT A  
TO  
PORT COMMISSION RESOLUTION NO. 3386**

**Amendment #2  
to  
Port of Seattle & City of SeaTac Interlocal Agreement  
Entered into on September 4, 1997**

In accordance with the provisions of the September 4, 1997 Port of Seattle and City of SeaTac Interlocal Agreement (ILA), including but not limited to ILA paragraph 12.2 "Amendment," the Port and City hereby amend the ILA as follows (additions in double underline, deletions in strikethrough):

Exhibit C, Section 5.1.21 - 28<sup>th</sup>/24<sup>th</sup> LID

The Port shall fund the formation of (and not protest) and pay its property benefit assessment share of an LID for Phase I of the 28th/24th Ave. S. project commensurate with other property owners. Phase I of this project will upgrade the corridor to a principal arterial (5 lanes) from S. 188th St. to S. 202<sup>nd</sup> 204<sup>th</sup> St. (see attached map). The Port's commitment is \$2,828 million, plus interest that may accrue, based on the final project assessment roll dated November 17, 1999. The parties acknowledge that the City will need to purchase property from the Port for the arterial and related facilities and that the value of this property is subject to ongoing discussions. \$3.3 million as estimated to date in 1997 dollars. The final Port amount is subject to final project costs. [Note: The Port's payment has 2 components. First, the Port's share as a property owner is currently estimated at \$2.9 million out of a \$8.2 million share to be paid by property owners, less \$2.2 million right-of-way donation for a net of \$0.7 million. Second, the Port will fund another \$3 million as an airport institutional benefit for the LID. The property component share will be adjusted to final costs. The institutional benefit share will be inflated by the Consumer Price Index for the Seattle Metropolitan Area.] The Port shall support and cooperate in the City's request to apply all or substantially all of the TIB funds (approximately \$12 million) towards Phase I of the project. Alternatively, if the TIB funds are not allocated to Phase I, the City may provide comparable funding from other sources. The Port shall continue to provide input to the LID project design.

Exhibit C, Section 9.2 - Street Vacation Payment

The Port's payment for the street vacations identified in ¶ 9.1(a) shall be the liquidated amount of \$6.5 million. \$3.5 million. ~~The parties agree that the payment described in ¶ 1.4 of this Exhibit C shall constitute the full liquidated payment for the remainder of the street vacations identified in ¶ 9.1(b), (c) and (d).~~ Starting January 1, 2000, interest on \$3 million of this amount shall accrue at the interest rate of tax-exempt municipal bonds issued by the City in 2000 (estimated at an annual rate of 6.5%).

**Amendment #2 to  
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**This amendment #2 shall be effective on the date of the last signature below.**

**Dated:** \_\_\_\_\_

**PORT OF SEATTLE, a Washington  
municipal corporation**

**By:** \_\_\_\_\_  
**Director, Aviation Division**

**Dated:** \_\_\_\_\_

**CITY OF SEATAC, a Washington  
municipal corporation**

**By:** \_\_\_\_\_  
**City Manager**

**Approved as to form:**

\_\_\_\_\_  
**Robert L. McAdams, City Attorney**