



**TO:** T.C. Broadnax, City Manager  
**FROM:** Kurtis D. Kingsolver, P.E., Interim Public Works Director/City Engineer *KDK*  
**COPY:** City Council and City Clerk  
**SUBJECT:** Set Public Hearing for Sale of Tacoma Rail Mountain Division property to Sound Transit  
**DATE:** November 26, 2013

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**SUMMARY:**

Public Works staff is requesting to set the time and date for a public hearing before the City Council as Tuesday, December 10, 2013, to allow the public to comment on the proposed sale of approximately 10.82 acres (1.21 miles) of real property within the City of Tacoma, Public Works Department, Tacoma Rail Mountain Division (TRMW) property to Central Puget Sound Regional Transit Authority (Sound Transit). Sound Transit intends to utilize this property for its Sounder Commuter Rail Service and will provide infrastructure improvements to reduce major congestion and increase safety.

**BACKGROUND:**

Sound Transit is currently operating its Sounder Commuter Rail service on this property under a temporary operating agreement with the City. In early 2012, during negotiations to enter into a permanent operating agreement, the City and Sound Transit determined that Sound Transit's acquisition of the property provided advantages to both parties. The primary advantage is that Sound Transit ownership of the property will allow for future investments in regional transportation infrastructure. A specific example of this is the planned replacement of the trestle located on the property, which is currently scheduled for completion in 2017.

Under the purchase and sale agreement for this rail corridor, Sound Transit will pay the City \$4 million. In addition to the purchase price, Sound Transit has agreed to convey approximately 1.22 acres of its surplus property, located at the intersection of Pacific Avenue and South 26<sup>th</sup> Street, to the City at no cost. A separate agreement will be completed that provides for Sound Transit to contribute up to \$200,000 for the City's landscape design and improvements on this transferred property.

In addition to the aforementioned consideration, Sound Transit and the City have negotiated a Joint Use Agreement for this rail corridor that will allow Tacoma Rail to continue its freight operations in perpetuity. This agreement specifies maintenance and repair obligations of both parties. TRMW has reviewed the terms and conditions of the Purchase and Sale Agreement and Joint Use Agreement and determined that this sale of real property will not affect their railroad operations.

**ISSUE:**

Sound Transit needs property rights from the City to proceed with their planned capital improvements as well as their ongoing investments into commuter rail infrastructure. In order for TRMW to proceed with a sale, a Public Hearing is required by State law for the public to provide comment and feedback.



**ALTERNATIVES:**

Alternatively, TRMW could continue to allow Sound Transit the ability to operate its commuter rail operations under a temporary use agreement; however, this would not provide Sound Transit with the equity needed to facilitate major investments in infrastructure and would result in long term repair and replacement costs for TRMW. Another alternative would be to sell Sound Transit an easement, that would result in reduced equity to Sound Transit and additional costs to TRMW. For these reasons, neither alternative is recommended.

**RECOMMENDATION:**

The Public Works Department recommends City Council set a public hearing to be held December 10, 2013, to receive public comment regarding the proposed sale of 10.82 acres of real property within the TRMW railroad right-of-way to Sound Transit.

The Public Hearing will provide a forum for the public to comment on the proposed sale to Sound Transit, thereby promoting transparency of governmental actions and the responsible stewardship of City property. Once the Public Hearing has been conducted a separate request will be presented to City Council for the approval of the declaration of surplus, negotiated disposition, and conveyance of real property from TRMW to Sound Transit.