



## RESOLUTION NO. 39553

1 A RESOLUTION relating to City-owned property; declaring surplus and approving  
2 the sale of approximately 35 miles of property, related railroad  
3 infrastructure, and personal property associated with the Western Junction  
4 Facility, owned by the Public Works Department - Tacoma Rail Mountain  
5 Division, located between Rainier and Chehalis, to WRL, LLC, for the  
6 amount of \$2,801,000, less any associated closing/transaction costs, for  
7 deposit into the Tacoma Rail Mountain Division Fund.

8 WHEREAS the City of Tacoma, Public Works Department, has owned,  
9 operated, and/or maintained the rail line and right-of-way that runs between  
10 Tacoma and Chehalis known as the Tacoma Rail Mountain Division ("TRMW")  
11 since it was acquired from the Weyerhaeuser Company in 1995, and

12 WHEREAS the 35-mile section of the TRMW beginning slightly northeast of  
13 Rainier, in Thurston County, and ending in Chehalis, in Lewis County ("Property"),  
14 is currently operated by a third party, Western Washington Railroad, LLC, under a  
15 short-term lease agreement, and

16 WHEREAS, in 2007, the City's General Fund loaned TRMW approximately  
17 \$6.2 million to provide interim financing for cash flow and grant match for capital  
18 projects, and

19 WHEREAS approximately \$4 million of this loan was retired in 2015, upon  
20 the sale of a portion of track related to Sound Transit improvements, leaving a loan  
21 balance of approximately \$2.2 million, and, additionally, approximately \$89,000 in  
22 lease-related uncollectable lease debt and closing costs related to the sale, and

23 WHEREAS remaining funds from the proposed sale are anticipated to be  
24 used for required maintenance on other areas of track still under Public Works  
25 Department ownership, and  
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1           WHEREAS TRMW has determined that a divestiture of its assets within this  
2 area would be in the best interests of the City, as it would eliminate maintenance,  
3 operational, and capital costs, and

4           WHEREAS, in May 2016, the Public Works Department issued Bid  
5 Specification No. PW16-0285F, which called for bids for the approximately 35-mile  
6 section of Property, with a minimum price of \$2,500,000, which was based on  
7 information received from a feasibility study and railroad industry experts, and  
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9           WHEREAS one bid was received, from WRL, LLC, a railroad operator, in  
10 the amount of \$2,801,000, less any associated closing/transaction fees, and  
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12           WHEREAS this bid meets all of the required conditions and will allow for  
13 continued freight rail service through this area, and

14           WHEREAS proceeding with this transaction is consistent with the  
15 commitment to divest portions of TRMW assets when feasible; Now, Therefore,

16           BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

17           Section 1. That continued ownership of approximately 35 miles (609 acres)  
18 of Tacoma Rail Mountain Division property located between Tacoma and Chehalis,  
19 legally described in Exhibit "A," is not essential to the needs of the City and is  
20 hereby declared surplus pursuant to RCW 35.22.020 and Article I, Section 1.2,  
21 and Article IX of the Tacoma City Charter.  
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23           Section 2. That the sale of approximately 35 miles of said real property,  
24 related railroad infrastructure, and personal property associated with the Western  
25 Junction Facility to WRL, LLC, for the amount of \$2,801,000, less any associated  
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closing/transaction costs, is hereby approved, said proceeds to be deposited into the Tacoma Rail Mountain Division Fund.

Adopted \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:  
  
\_\_\_\_\_  
City Clerk

Approved as to form:  
  
\_\_\_\_\_  
Chief Deputy City Attorney

Legal Description Approved:  
  
\_\_\_\_\_  
Chief Surveyor  
Public Works Department



**EXHIBIT "A"**

**LEGAL DESCRIPTION**

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That portion of the Tacoma Rail Mountain Division right of way, extra width property and the improvements, track, and appurtenances located thereon, acquired from the Weyerhaeuser Company by Quit Claim Deed recorded under Thurston County Auditor's File No. 9508140208 and Bargain and Sale Deed recorded under Thurston County Auditor's File No. 9508140207, records of Thurston County, Washington and by Quit Claim Deed recorded under Lewis County Auditor's File No. 9511613, records of Lewis County, Washington, lying between the East line of Section 2, Township 16 North, Range 1 East, W.M., in Thurston County, Washington (Railroad Engineering Station 270+77.7) and the Southerly terminus of said Tacoma Rail Mountain Division right of way located in the Southeast Quarter of Section 31, Township 14 North, Range 2 West, W.M, in Lewis County, Washington.

TOGETHER WITH those tracts of land acquired by Deeds recorded under Thurston County Auditor's File No. 4190043, records of Thurston County, Washington and Lewis County Auditor's File Nos. 3364589 and 3262870, records of Lewis County, Washington.

EXCEPT THOSE tracts of land conveyed by Deeds recorded under Thurston County Auditor's File No. 4190041 records of Thurston County, Washington and Lewis County Auditor's File Nos. 3346701, 3377947, 3377948 and 3262871, records of Lewis County, Washington.

SUBJECT TO the rights of the public in and to all existing public roads, trails, and utilities, all outstanding assessments, leases, licenses and permits, whether recorded or unrecorded, all matters which a prudent inspection of the premises would disclose, all matters of public record.

Situated in the Counties of Thurston and Lewis, State of Washington; and as further shown in Exhibit "A" attached hereto and by this reference incorporated herein.

