

**CITY COUNCIL AGENDA TOPIC**

Ordinance authorizing and providing for acquisition of interests in land for the purpose of constructing the Grand Connection: I-405 Crossing Project (CIP Plan No. PW-R-216); providing for condemnation, appropriation, taking of land and property rights necessary therefore; providing for payment; directing the initiation of appropriate proceedings in the manner provided by law for said condemnation; and establishing an effective date.

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*City Attorney's Office*

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**EXECUTIVE SUMMARY****ACTION**

This Ordinance will authorize the acquisition of certain property rights necessary for the Grand Connection: I-405 Crossing Project including the use of eminent domain if mutual agreement cannot be reached through voluntary negotiations.

**RECOMMENDATION**

Move to adopt Ordinance No. 6887

**BACKGROUND/ANALYSIS**

The Grand Connection: I-405 Crossing Project (the Project), identified in the 2025-2030 Capital Improvement Program (CIP) Plan (PW-R-216), is a transformative infrastructure project for the City of Bellevue, including a multi-span bridge structure over I-405 for non-motorized users, linking downtown Bellevue to the Wilburton neighborhood and the Eastrail regional trail. It will start at the City Hall Plaza, cross over I-405 and local streets at 112th Avenue NE and 116th Avenue NE, and end at the Eastrail regional trail, where it will connect with over 170 miles of trails accessible by half a million Eastside residents. The crossing is assumed to be a multi-span bridge structure spanning approximately a half-mile distance.

Acquisition of the property located at 425 116<sup>th</sup> Ave NE, Bellevue, WA Assessor Parcel Number: 322505-9178 (the "Property") is necessary for construction of the Project. Specifically for the purposes of mobilization and staging during the multi-year construction period of the Project and potential construction of project elements including elevator or stairway platform to connect the elevated Grand Connection Crossing with street grade. Following construction of the Project, future uses may include, based on Municipal Facilities Needs Assessment and Grand Connection Sites planning work, housing, municipal or community facilities or offices, pedestrian crossing and bike paths, and/or open or programmed public space.

Adoption of the proposed Ordinance would empower the City Attorney's Office to commence a condemnation action to keep the project on schedule and further enable property owners to sell their property rights to the City, by agreement, in lieu of condemnation, thus benefitting property owners by exempting their transactions from real estate excise tax. While the proposed Ordinance would provide condemnation authority to ensure that all the required property rights can be obtained in a timely manner, it is staff's intention to continue to negotiate with the affected property owners with the aim of arriving at mutually agreeable purchases for all needed property rights.

As required by condemnation statutes, notice of Council's meeting to consider adoption of this Ordinance has been mailed to the property owner of record of the listed property, and has also been published in The Seattle Times.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

Under Bellevue City Code 4.30.010 and RCW 8.12.040, major real property acquisitions must be approved by the City Council. RCW Chapter 8.12 establishes the authority and procedure for cities to acquire property by condemnation for transportation and other public purposes. The statutes provide that when a city seeks to condemn property for a public purpose, it must first provide notice in the local newspaper as well as by certified mail to the affected property owners. The statutes further provide that the city indicates that compensation for acquisitions be made from applicable city funds, or, if applicable, by special assessment upon the property benefitted by the project. Under WAC 458-61A-206, transfers of real property to a governmental entity under an imminent threat of the exercise of eminent domain are not subject to real estate excise tax.

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Under 26 U.S. Code § 1033, transfers of real property to a governmental entity under an imminent threat of the exercise of eminent domain may qualify for federal tax benefits, including tax-deferred exchanges.

### **Fiscal Impact**

The costs to acquire the property, through negotiation or condemnation, shall be paid from the Capital Investment Program (CIP) Plan or from other General Fund resources of the City. Negotiations are on-going with the property owner.

## **OPTIONS**

1. Adopt the ordinance authorizing and providing for acquisition of interests in land for the purpose of constructing the Grand Connection: I-405 Crossing Project (CIP Plan No. PW-R-216); providing for condemnation, appropriation, taking of land and property rights necessary therefore; providing for payment; directing the initiation of appropriate proceedings in the manner provided by law for said condemnation; and establishing an effective date.
2. Do not adopt the Ordinance and provide alternative direction for staff.

## **ATTACHMENTS**

- A. Property Rights Acquisition Table & Depiction of Acquisition
  - B. Legal Descriptions of Property
  - C. Vicinity/Project Map
  - D. Copy of Publication Notice
- Proposed Ordinance No. 6887

## **AVAILABLE IN COUNCIL LIBRARY**

N/A