

Puget Sound Gateway Program

City of Kent Significant Business Proviso Report Update to the Transportation Committees

WSDOT's Puget Sound Gateway Program is providing this 2019 update per the below 2018 budget proviso requirements:

(d) For the SR 167/SR 509 Puget Sound Gateway project (M00600R) the department is strongly encouraged to work to relocate any significant businesses currently located within the planned path of the state route number 509/Interstate 5 under-crossing to a location within the Kent city limits. The department shall provide regular updates on its progress to the joint transportation committee and affected stakeholders.

(e) In designing the state route number 509/state route number 516 interchange component of the SR 167/SR 509 Puget Sound Gateway project (M00600R), the department shall make every effort to utilize the preferred "4B" design.

Poulsbo RV Coordination Background:

Poulsbo RV is the most significant business currently located within the planned path of State Route 509/Interstate 5 undercrossing within the Kent city limits. Puget Sound Gateway Program staff have been communicating and coordinating with management, staff, attorneys and consultants representing Poulsbo RV for many years. The coordination goes back to the early to mid-2000's when the SR 509 project team engaged with Poulsbo RV regarding the SR 509 Environmental Impact Statement effort and initial preliminary design development.

SR 516 Interchange Design and Veterans Drive Connection:

Once the Gateway Program was fully funded in the 2015 Connecting Washington Account, WSDOT conducted a Practical Design process to assess interchange configurations at I-5/SR 516. The cities of Kent and SeaTac, the Port of Seattle, Sound Transit, and King County Metro participated in the Practical Design process as part of the SR 509 Steering Committee. As part of that process, staff and stakeholders evaluated a direct connection to Veterans Drive within the City of Kent. The Veterans Drive connection facilitates more direct and efficient freight movement between the Kent Valley manufacturing and distribution centers and the Port of Seattle and I-5. The SR 509 Steering Committee endorsed the final "4B" configuration referenced in the proviso that is now advancing towards construction in 2020 (see attached Exhibit A: "SR 516 & Veterans – 4B Design"). With concurrence on the final I-5/SR 516 interchange configuration, WSDOT continued working closely with Poulsbo RV on a variety of topics, including sharing mutual information, minimizing project impacts to the Poulsbo RV property, facilitating coordination between WSDOT, the City of Kent and Poulsbo RV, and negotiating the property acquisition.

The above proviso language references WSDOT working to "relocate any significant businesses... within the Kent city limits." WSDOT's coordination with Poulsbo RV to date, as described in detail

below, focuses on minimizing impacts to the existing Poulsbo RV parcel so that they can redevelop on the existing site rather than relocate, per Poulsbo RV's desire to maintain their Kent business.

Poulsbo RV Accommodation and Impact Minimization:

With concurrence from the SR 509 Project stakeholders on the I-5 / SR 516 / Veterans Drive interchange configuration, WSDOT began closely coordinating with Poulsbo RV regarding the property acquisition process. As the property acquisition process has advanced, WSDOT, the City of Kent and Poulsbo RV have collaborated to identify ways that WSDOT could further mitigate and minimize impacts to the existing Poulsbo RV business site. Some of the approaches that WSDOT has implemented, or is in the process of implementing, include:

- WSDOT has agreed to pursue only the right-of-way required for the funded Gateway Phase 1 at this time in order to minimize the impacts to the Poulsbo RV site.
- WSDOT accommodated a request from Poulsbo RV to shift the right of way line 12 feet to the west, which further reduced impacts to the western portion of the Poulsbo RV site.
- As a way to mitigate unavoidable impacts to the southern portion of Poulsbo RV's existing parcel where the Veterans Drive connection impacts one of Poulsbo RV's buildings, WSDOT offered to add WSDOT surplus property located within the City of SeaTac immediately north of the existing Poulsbo RV property to the property transaction. This provides Poulsbo RV additional square footage at the north end of their site, offsetting square footage lost at the south end (see attached Exhibit B: "Poulsbo RV Zoom in").
- Based on Poulsbo RV's desire to maintain operations at their Kent location during the Gateway Program SR 509 Stage 1b project construction, WSDOT adjusted the northbound SR 516 to I-5 ramp alignment to avoid impact to Poulsbo RV's northern operations building (see attached Exhibit A: "SR 516 & Veterans – 4B Design"). This provides Poulsbo RV additional flexibility as they work to maintain operations and business presence while implementing redevelopment strategies.

2019 Status Update and Schedule:

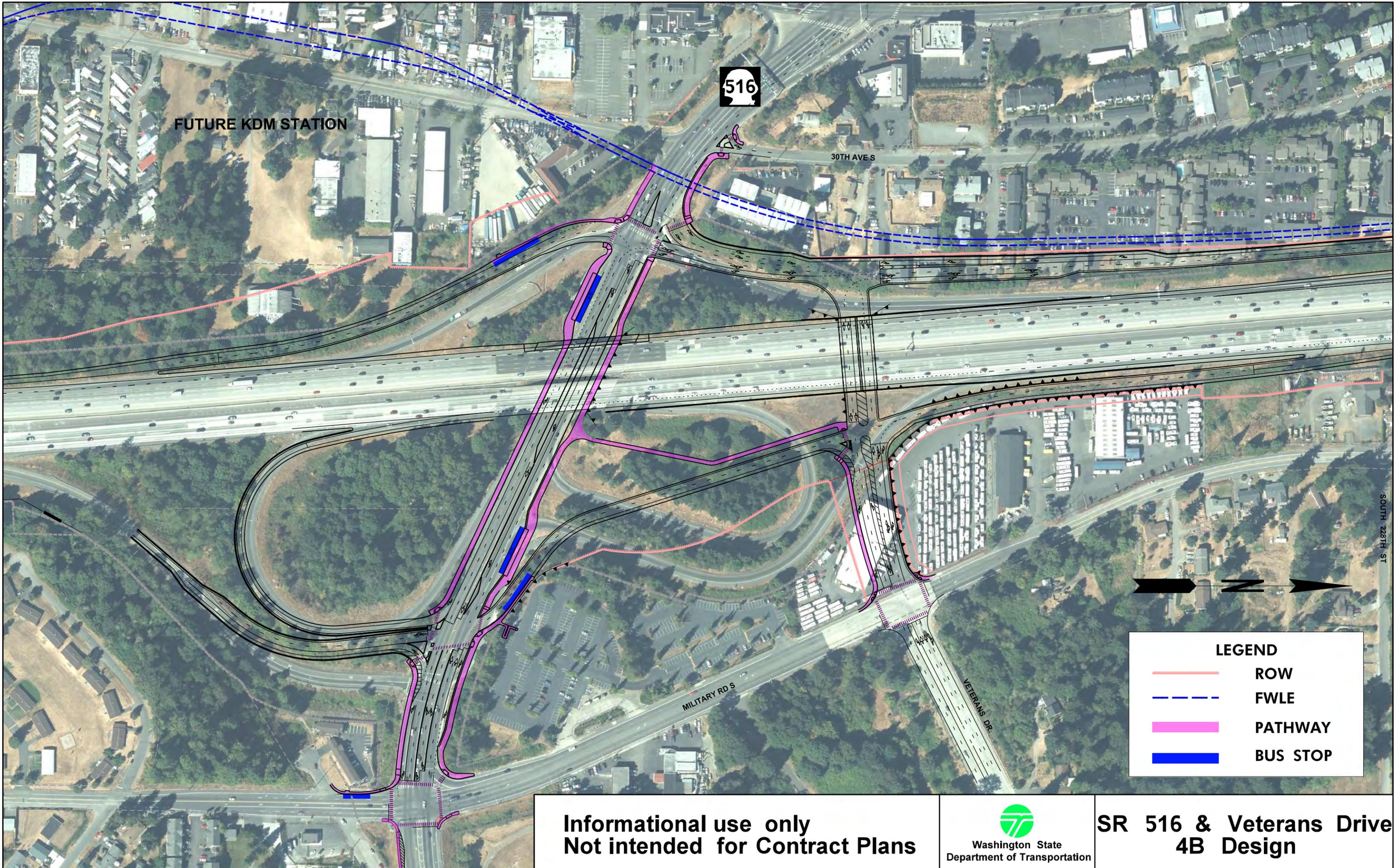
In September 2018, WSDOT presented an initial right-of-way acquisition offer to Poulsbo RV, initiating the formal negotiation process. With the recent impact reduction approaches WSDOT has implemented (as described above), WSDOT is in the process of updating the Appraisal Report and Offer to reflect the reduced impacts to Poulsbo RV's property.

WSDOT and Poulsbo RV have mutually agreed that Poulsbo RV would provide Possession and Use to WSDOT for the property required to construct the future Veterans Drive connection no later than December 2019. This date is driven by WSDOT's schedule to advertise the construction contract for SR 509 Stage 1b which requires the property in January 2020.

WSDOT and Poulsbo RV have mutually agreed to enter into a Settlement Agreement that would capture the key assumptions and terms of the property transaction. The expectation is that the Settlement Agreement would be in place ahead of Poulsbo RV granting Possession and Use of the property that WSDOT needs for construction.

In March 2019, WSDOT submitted a Comprehensive Plan Amendment Application to the City of SeaTac, requesting a revision to the zoning designation on the northernmost WSDOT surplus parcel from residential to commercial. Revising the zoning designation would maintain consistent land use designation across the parcels that would comprise Poulsbo RV's revised site within the cities of Kent and SeaTac. WSDOT continues to work closely with City of Kent leadership and senior staff to facilitate and streamline coordination between WSDOT, the City of Kent and Poulsbo RV.

EXHIBIT A



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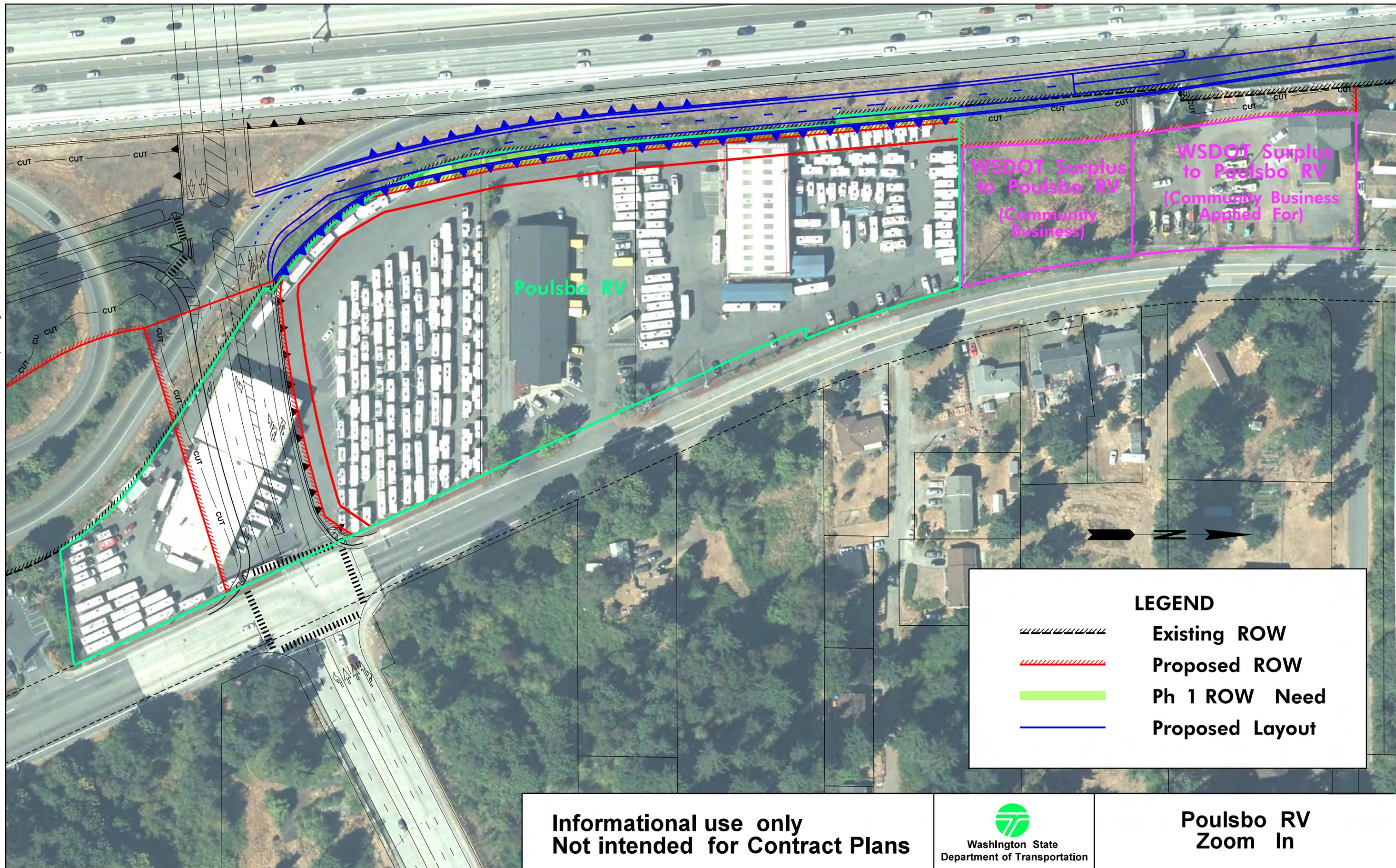
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SR 516 & Veterans Drive
4B Design

EXHIBIT B



FILE NAME c:\new folder\d0164182\Poulsbo Graphics.dgn
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LEGEND

- Existing ROW
- Proposed ROW
- Ph 1 ROW Need
- Proposed Layout

**Poulsbo RV
Zoom In**