



King County
Metropolitan King County Council
Budget and Fiscal Management Committee

Agenda Item

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|--------------------------------|------------------|---------------------|-----------------------|
| No.: | <u>6</u> | Date: | <u>April 21, 2009</u> |
| Proposed Ordinance No.: | <u>2009-0228</u> | Prepared By: | <u>Polly St. John</u> |

STAFF REPORT

SUBJECT: A purchase and sale agreement to convey unimproved county owned land, known as the Mullen Slough, to the City of Kent.

SUMMARY:

Proposed Ordinance 2009-0228, if approved, will authorize the sale of the Mullen Slough Natural Area to the City of Kent for habitat preservation and restoration.

The most critical issues associated with the proposal are:

1. the PAO has recommended that the transmitted Purchase and Sale Agreement (that includes three amendments) be rewritten prior to Council approval;
2. the City of Kent proposes to purchase the property with Salmon Recovery Funding Board (SRF-Board) grant funds that are scheduled to expire on June 30, 2009; and
3. County advertising requirements for public hearing and testimony must be met.

In response to these concerns, the PAO is working with the City of Kent to rewrite the agreement and states that it should be finalized by the end of the week. To meet the timelines necessary for advertising and grant funding, **the legislation will need to be scheduled for consideration by the full Council on May 11.**

BACKGROUND:

County Purchase of the Parcel

This land parcel was originally acquired by King County in August 2006 using Conservation Futures Tax (CFT) levy funds. **Attachment 4** provides an overview of CFT, including definitions and criteria for project selection. It should be noted that lands purchased with CFT funds are required for use as open space.

The Mullen Slough Natural Area fits the criteria for CFT project eligibility and expenditure authority was approved in Ordinance 15555¹ in CIP project 315189 - Lower Green APD² Flowers. The Executive proposed and the Council approved an appropriation of \$462,738 to purchase the property.

The original project scope was envisioned for purchase of a larger parcel that was considered a farmland preservation project anticipated to cost \$403,100. (As shown on the map, **Attachment 8**, the property is adjacent to the Lower Green River APD area.) This original parcel offered for sale included land that was both north and south of SR 516, with the south portion adjacent to the APD and a candidate for the Farmland Preservation Program (FPP) and the north portion abutting the natural area. According to Executive staff, county acquisition agents and FPP worked with the Department of Development and Environmental Services (DDES) and the adjacent farmer to make a boundary line adjustment, place FPP covenants on the newly created (southern) parcel, and have the landowner sell that new parcel directly to the adjacent farmer so it could continue in agricultural production.

Subsequently, the northern area - now referred to as the Mullen Slough Natural Area - was purchased by the Water and Lands Resource Division (WLRD) for \$247,532. Other expenditures associated with the original project appropriation included funding for farmland development rights, consultant costs, miscellaneous services and county labor costs. ARMS³ reports indicate that \$38,408 remains in the project appropriation. *It is anticipated that this amount will most likely be disappropriated during an annual CIP reconciliation of capital projects that are in need of adjustment.*

The Department of Natural Resources and Parks has been the “custodian” of the 14.62 acre parcel since it was purchased in 2006. The land is located south of the Riverbend Golf Course and the Green River on its southern perimeter. The parcel is bordered on the north by Frager Road and on the south by the Kent-Des Moines Road South. The tract is adjacent to the City of Kent, but is located outside the city limits. **Attachment 8** is a map showing location.

History of this Proposal

In February 2008, the Executive originally transmitted this proposal for Council consideration to meet a City of Kent SRF-Board grant expiration date of March 15, 2008⁴. Kent had performed a visual inspection of the property, expressed no concerns, and executed the agreement with the county with no conditions of sale except for the timelines for the grant. Prior to consideration by the Council, Kent’s environmental consultant, AMEC Geomatrix (AMEC), found two concerns

¹ 2006 first quarter CIP omnibus ordinance

² Agricultural Production District

³ Account Resource Management System is a general ledger and project tracking system used by the county.

⁴ Proposed Ordinance 2008-0105

O:\Budget & Fiscal Management\1) 2009 Final STAFF REPORTS\2009-0228 Mullen Slough\2009-0228 Mullen Slough sale 04-21-09 sr.doc

in their investigation. First, a historic review of documents raised the possibility that decommissioned monitoring wells owned by Texaco were located in the area. Second, there were also reports of possible on-site asphalt production in prior years. Based on this analysis by AMEC, the city requested that the sale be halted in March to perform additional testing and research. The SRF-Board provided a grant extension for this investigation.

The subsequent environmental study by AMEC, dated August 8, 2008, revealed that (1) monitoring wells were not located on the parcel and (2) no asphalt production plant was associated with the site. However, it was discovered that some lube oil, slag rock and asphalt remained on the grounds from previous use as an abandoned car parking lot.

Because the original environmental concerns were scrutinized and dismissed, the only remaining issue for the sale to move forward is the need to remove the environmental debris, which is estimated to cost \$10,000 for clean-up. Consequently, the Executive has again transmitted a purchase and sale agreement in Proposed Ordinance 2009-0228.

ANALYSIS:

Direct Property Sales by the County

Certain steps are required by the King County Code (KCC) for the sale of real property. KCC 4.56 determines the process for the surplus of real property and provides that the Facilities Management Division is authorized to sell property determined to be surplus to the county's needs. **Attachment 5** outlines the county procedures contained in the KCC for disposal of county owned properties. Pursuant to those procedures, the following has occurred regarding the Mullen Slough property:

1. The Department of Natural Resources and Parks (WLRD) has indicated that the property is surplus to their needs.
2. Because of the covenants placed on properties purchased with CFT funds – such as open space restrictions, a limited “conditional surplus process” was offered to certain county agencies. The process was shorter than normal (3 weeks, rather than 4) due to the limited agency distribution. The Notice to Surplus, **Attachment 6**, went out Monday, January 28, 2008.
3. No other county agency expressed an interest in the property.
4. The property was determined to not be suitable for affordable housing, as it is not zoned residential.
5. Other uses for the property were reviewed such as a land exchange or use by another entity.
6. FMD declared the property as surplus, **Attachment 7**, in February 2008 and determined that a direct sale was warranted.

City of Kent SRF-Board Grant

Independent of and prior to the county's purchase of the natural area, the City of Kent received a Washington State 2003 SRF-Board grant to acquire property for habitat restoration. The SRF-Board administers grant programs for protection and restoration of salmon habitat and works closely with local watershed groups that solicit, develop, prioritize and submit projects for consideration. Projects receiving SRF-Board grants must be operated and maintained in perpetuity for the purpose the grant is awarded.

Watershed Resource Inventory Area (WRIA) groups⁵ are composed of inter-jurisdictional experts that are knowledgeable about watersheds, habitat, and fish conditions. Each WRIA serves a specific watershed basin and their recommendations help ensure that projects and restoration strategies are workable. The Mullen Slough Natural Area is located in WRIA 9 which is dedicated to the Green and Duwamish River and other central Puget Sound basins.

The WRIA 9 Steering Committee has unanimously approved the allocation of SRFB funds for Kent's acquisition of the Mullen Slough Natural Area from King County, as well as Kent's acquisition of two additional adjacent private parcels. These acquisitions will build on Kent's existing ownership to complete the land acquisition phase for a salmon habitat restoration project. However, this approval process has taken significant time and the grant will expire on June 30, 2009.

Purchase and Sale Agreement

Proposed Ordinance 2009-0228, if approved, would:

- Authorize the Executive to execute a purchase and sale agreement with the City of Kent for the sale of the Mullen Slough Natural Area; and
- Allow the King County to reserve a river protection easement on the property.

The proposed agreement would allow the City of Kent to purchase the Mullen Slough property to implement a habitat restoration project. As noted in the background section of this report, the City of Kent originally intended to purchase this property in February 2008 for \$290,000, but the sale was put on hold pending an environmental investigation of the property. The study revealed environmental debris that was estimated to cost \$10,000 for the clean-up. The proposed agreement will reduce the original sale price by that amount and provides that the City will be responsible for the clean-up.

Sale Proceeds

The purchase and sale agreement includes a direct sale price of \$280,000. The fiscal note accompanying the legislation notes that \$9,192 of the sale price is directed to the Facilities Management Division to account for its management of

⁵ There are 62 WRIsAs in the State of Washington.

the surplus and sales process. The remaining \$270,808 will return to the CFT fund balance for reallocation or reappropriation to future open space projects. *(The Executive's transmittal letter states that the funds will most likely be proposed for allocation to a Raging River headwaters project. That proposal was transmitted to the Council Monday morning; consequently, a full review is not addressed in this staff report.)*

Additionally, the fiscal note shows that a \$412 reduction to Parks Operating Levy Fund expenditures should be expected in direct labor house and supplies associated with oversight of the area.

Easement Provisions

The purchase and sale agreement provides King County a River Protection Easement "over, across, along, in, upon and under the river bank on the Green River. This access will allow the county to inspect, monitor, and maintain riverbank protection and native vegetation for flood control. The easement will ensure that the use of the property does not conflict with the County's environmental protection efforts on the Green River banks.

Timelines

The City of Kent will need at least three to four weeks to:

- (a) perform the environmental clean-up activities,
- (b) await turnaround of consultant's proof of clean-up written report for the grantor, then
- (c) submit final paperwork to State in order to meet the final deadline for their grant money on June 30, 2009.

Should this deal not be finalized and the City of Kent could not take ownership, WLRD will retain the parcel within its habitat portfolio and will continue to manage it as a natural area.

The Legislation Will Need to be Amended

Proposed Ordinance 2009-0228 was transmitted with the signed February 2008 purchase and sale agreement, which has since been amended to reflect changes to the agreement such as the amended price to allow for site clean-up and to reflect changing timelines. Council staff has been working with the Prosecuting Attorney's Office (PAO) to ensure that the documents are sufficient to execute the agreement. **The PAO has recommended that a new agreement be prepared that will incorporate all the changes – currently included in amendments to the agreement – into a new document.** The PAO is working with the Deputy City Attorney for the City of Kent to finalize a new document.

The PAO has advised that a new agreement can be completed sometime within the next 7 to 10 days. Therefore, an amendment to replace the one transmitted by the Executive will not be ready for consideration today.

Further, to maintain the timeframe needed by the City of Kent to use their grant funding and to meet the County's public hearing requirement, **final consideration by the Council will need to occur on May 11**. Consequently, the BFM committee will have two choices in dealing with the proposal:

1. pass the ordinance out without recommendation, acknowledging that the ordinance will need to be amended at full Council to attach a new agreement on the 11th, OR
2. hold the legislation until the May 5 meeting and then expedite for Council consideration on May 11.

It should be noted that the County and the City of Kent still agree on the terms of the purchase and sale agreement and both want the transaction to occur as quickly as possible within these timelines.

REASONABLENESS:

When a new purchase and sale agreement is finalized and reviewed by WLRD, FMD, the PAO and the City of Kent, Proposed Ordinance 2009-0228 would be ready for action by the Council. Contingent upon this review, the sale of the Mullen Slough Natural Area would appear to be a reasonable and prudent financial and policy decision.

INVITED:

- Beth Goldberg, Office of Management and Budget
- Sid Bender, OMB
- Tesia Forbes, OMB
- Harold McNelly, Real Estate Services (RES)
- Anne Lockmiller, RES
- Kevin Brown, Parks
- Connie Blumen, Parks
- Tim Barnes, PAO
- Joe Fielding, City Engineer, City of Kent

ATTACHMENTS:

1. Proposed Ordinance 2009-0228, including attachments
2. Transmittal letter dated March 25, 2009
3. Fiscal Note
4. Conservation Futures Tax Background
5. Surplus Property Process in King County
6. Surplus Property Notice, dated January 28, 2008
7. Declaration of Surplus Property, dated February 20, 2008
8. Map showing the Mullen Slough Natural Area, parcel 232204-9028



KING COUNTY

Signature Report

April 20, 2009

Ordinance

Proposed No. 2009-0228.1

Sponsors Hague and von Reichbauer

1 AN ORDINANCE authorizing the sale of King County-
2 owned, unimproved property known as Mullen Slough,
3 located adjacent to the city of Kent, within council district
4 seven.

5
6 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

7 SECTION 1. Findings:

8 A. King County's department of natural resources and parks, water and land
9 resource division ("WLRD") is selling unimproved tax parcel 232204-9028, known as the
10 Mullen Slough Natural Area ("Mullen Slough"), to the city of Kent ("Kent"). Kent is
11 purchasing Mullen Slough for a city habitat restoration project. Kent has secured a
12 Washington State Salmon Recovery Fund grant for this purchase. WLRD, Kent and
13 Washington state have mutually identified Mullen Slough as an excellent candidate for
14 habitat restoration.

15 B. Mullen Slough's fourteen approximate acres are located adjacent to Kent on
16 the north side of Kent-Des Moines Road South. The site is just outside city boundaries
17 but proximate enough to Kent to warrant city habitat restoration.

18 SECTION 2.

19 A. Mullen Slough was acquired by WLRD in August of 2006 with conservation
20 futures tax ("CFT") funds. King County will sell Mullen Slough to Kent, which will
21 steward this natural area consistent with the original funding source requirements for use
22 as open space. Proceeds of sale will be returned to CFT for reallocation to a future
23 purchase by WLRD of property for open space purposes. No target property has yet been
24 identified.

25 B. The purchase price is two hundred eighty thousand dollars. The original
26 appraised value was two hundred ninety thousand dollars. However, hazardous
27 substances were discovered on the site through a phase II environmental study
28 investigation, warranting a ten-thousand-dollar clean-up cost. King County and Kent
29 agreed to reduce the purchase price by the cost of that mitigation. A county review of the
30 original appraisal substantiates a reduction in value as reasonable in light of the existence
31 of contaminants. Through amendment to the Real Estate Purchase and Sale Agreement,
32 Kent has indemnified the county from any further environmental responsibility at Mullen
33 Slough upon conveyance of title.

34 C. WLRD will reserve a river protection easement to assure that use of the
35 property does not conflict with county's current environmental protection efforts on the
36 banks of the Green river lying within this parcel.

37 SECTION 3.

38 A. Pursuant to K.C.C. 4.56.100, the facilities management division ("FMD")
39 determined that Mullen Slough does not meet the criteria for affordable housing.

40 B. Notices were circulated by FMD to other county departments regarding the
41 county's plan to surplus and sell the property. None of the agencies expressed interest.

42 C. Pursuant to K.C.C. 4.56.100, in February 2008, FMD declared Mullen Slough
43 surplus to the county's present and foreseeable needs.

44 D. Pursuant to K.C.C. 4.56.080, the council must approve sale of county-owned
45 real property. The proposed ordinance authorizes the executive to execute the Real
46 Estate Purchase and Sale Agreement, which is Attachment B to this ordinance.

47 SECTION 4. The King County council, having determined that the land
48 described in Attachment A to this ordinance is surplus to the needs of the county, and
49 having determined that sale of the Mullen Slough is in the best interest of the public, does

Ordinance

50 hereby authorize the King County executive to execute the necessary documents to
51 deliver Mullen Slough to Kent.
52

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

ATTEST:

APPROVED this _____ day of _____, _____.

Attachments A. Legal Description, B. Real Estate Purchase and Sale Agreement

LEGAL DESCRIPTION

**Property Legal Description of the Mullen Slough Natural Area
Assessor's Parcel Number 232204-9028**

**THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING NORTH
OF THE NORTH BOUNDARY OF SR 516 AS CONDEMNED IN KING COUNTY
SUPERIOR COURT CAUSE NUMBER 741396:**

**THAT PORTION OF THE SOUTH HALF OF SECTION 23, TOWNSHIP 22 NORTH,
RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON,
DESCRIBED AS FOLLOWS:**

**Beginning at a point 1586 feet east and 925 feet north of the southwest corner of said
Section;**

Thence north 829 feet;

Thence north 50° 29'00" east 410 feet;

Thence north 71° 59'00" east 780 feet;

Thence north 85° 59'00" 272 feet;

Thence south 1365 feet;

Thence west 1343 feet to the Point of Beginning;

**EXCEPT that portion thereof lying south of the White River, East of County Road No. 722,
and north of County Road No 76;**

**ALSO EXCEPT that portion condemned in King County Superior Court Cause No.
741396 for State Highway No 516.**

End of Legal Description

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of February 21, 2008, by and between KING COUNTY, a municipal corporation and political subdivision of the State of Washington (the "Seller") and the City of Kent, a municipal corporation (the "Buyer").

RECITALS

A. Seller owns that certain real property located in the County of King, State of Washington, which consists of approximately 15 acres, more or less, of unimproved land, commonly identified as the Mullen Slough Natural Area, the legal description of which is attached hereto as EXHIBIT A (the "Property").

B. Seller is desirous of selling the Property and Buyer is desirous of purchasing the Property. Buyer is purchasing the Property for open space and natural habitat, and Seller is selling it with restrictions and covenants regarding that same use.

At closing, Seller will execute and deliver to Buyer a Bargain and Sale Deed as described in EXHIBIT B attached hereto (the "Deed"), specifying that:

1) the Property is subject to open space use restrictions and restrictions on alienation as specified in RCW 84.34.200, *et seq.*, King County Code 26.12.1005, *et seq.*, and King County Ordinance No. 14714. Buyer covenants to abide by these uses and restrictions and to convey those same uses and restrictions upon any future conveyance.

2) Buyer acknowledges that the Property was purchased for open space purposes with Conservation Futures funds as authorized by King County Ordinance 14714 and covenants that it shall maintain the Property in strict conformance with the uses authorized under RCW 84.34.020. Buyer additionally covenants that it shall abide by and enforce all terms, conditions and restrictions in Ordinance 14714, including the covenants that the Property will continue to be used for the purposes contemplated by these Ordinances, which prohibit both active recreation and motorized recreation (such as off-road recreational vehicles, but allow passive recreation). The Property shall not be transferred or conveyed except by agreement providing that the Property shall continue to be used for the purposes contemplated by RCW 84.34.020 and in strict conformance with the uses authorized and prohibited under Ordinance 14714 and King County Code, Ch. 26.12. The Property shall not be converted to a different use unless other equivalent lands and facilities within the County or the City shall be received in exchange therefore.

3) the Deed will convey good and marketable title to said Property free and clear of all defects;

4) the Deed is subject to the River Protection Easement described in attached Exhibit D;

C. Sale is contingent upon approval by the State of Washington Salmon Recovery Funding Board, and Buyer shall inform Seller of such approval.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE 1. PURCHASE AND TRANSFER OF ASSETS

1.1. **PROPERTY TO BE SOLD.** Subject to and upon the terms and conditions set forth in this Agreement, Seller shall sell, convey, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined in Section 10.1 of this Agreement) and Buyer shall buy, assume and accept from Seller on the Closing Date the following assets and properties:

- (a) all of Seller's right, title and interest in the Property as described in **EXHIBIT A**;
- (b) all of Seller's right, title and interest in improvements and structures located on the Property, if any;
- (c) all of Seller's right, title and interest in and to tangible personal property, if any, owned by the Seller and attached, appurtenant to or used in connection with the Property ("Personal Property");
- (d) all of Seller's tenements, hereditaments, easements and rights appurtenant to the Property including but not limited to, all of the Seller's right, title, and interest in and to streets, alleys or other public ways adjacent to the Property, easements for public utilities, all sewers and service drainage easements, all rights of connection to the sewers, and all rights of ingress and egress, and all leases, licenses, government approvals and permits affecting the Property.

Hereinafter, the items listed in Section 1.1 are collectively referred to as the "Purchased Assets."

ARTICLE 2. PURCHASE PRICE

2.1. **PURCHASE PRICE AND PAYMENT.** In consideration of the sale, transfer, conveyance, assignment and delivery of the Purchased Assets, Buyer shall, in full payment therefore, pay to Seller on the Closing Date a total purchase price of Two Hundred Ninety Thousand Dollars \$(290,000) (the "Purchase Price")

2.2. **ALLOCATION OF PURCHASE PRICE.** Seller and Buyer agree that the entire Purchase Price is allocable to real property and that the value of the Seller's Personal Property, if any, is *de minimus*.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF THE PARTIES

3.1. WARRANTIES AND REPRESENTATIONS OF SELLER. Seller represents and warrants as follows:

3.1.1. Definition of Seller. The Seller is a municipal corporation and subdivision of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington. Seller has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.1.2. Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Seller (i) is within the powers of Seller as a municipal corporation, (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Seller's legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Seller is a party to or which is presently in effect and applicable to Seller. This Agreement constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with the terms thereof.

3.1.3. Assessments. There is no pending, or to the best of Seller's knowledge, contemplated local improvement district or other special assessment or charge with respect to the Property, except as may be disclosed in the Title Commitment described in Section 4.1 of this Agreement.

3.1.4. Full Disclosure. No representation or warranty by Seller in this Agreement or in any instrument, certificate or statement furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or fail to state a material fact which is necessary to make the statements set forth therein not false or misleading.

3.1.5. No Broker. No broker, finder, agent or similar intermediary has acted for or on behalf of Seller in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement or understanding with Seller or any action taken by Seller.

3.1.6. Contracts. There are no contracts or other obligations outstanding for the sale, exchange, transfer, lease, rental or use of the Property or any portion thereof.

3.1.7. Future Agreements. From and after the date hereof, unless this Agreement is terminated in accordance with its terms, Seller shall not without the prior written consent of Buyer:

- (i) enter into any agreement, contract, commitment, lease or other transaction that affects the Property in any way; or
- (ii) sell, dispose of or encumber any portion of the Property.

3.1.8. Condition of the Property. Seller has not intentionally withheld any material information concerning Hazardous Substances with respect to the Property. For purposes of this Agreement, the term Hazardous Substances shall mean: "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended; hazardous wastes, hazardous materials, hazardous substances, toxic waste, toxic materials, or toxic substances as defined in state or federal statutes or regulations; asbestos-containing materials, polychlorinated biphenyls; radioactive materials, chemicals known to cause cancer or reproductive toxicity; petroleum products, distillates or fractions; any substance the presence of which is prohibited by statute or regulation; and any substance for which any statute or regulation requires a permit or special handling in its use, collection, storage, treatment or disposal.

3.1.9. Risk of Loss. Until the Closing Date, the risk of loss relating to the Property shall rest with the Seller. Risk of Loss shall be deemed to include any property damage occurring as a result of an "Act of God," including, but not limited to, earthquakes, tremors, wind, rain or other natural occurrence.

3.1.10. Foreign Person. Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver to Buyer prior to the Closing Date, an affidavit, as set forth in **EXHIBIT B (Certificate of Non-Foreign Status)**, evidencing such fact, and such other documents as may be required under the Code.

3.2. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer represents and warrants as follows:

3.2.1. Organization. Buyer is a municipal corporation of the State of Washington duly organized, validly existing and in good standing under the laws of the State of Washington. Buyer has all requisite corporate power and authority to carry on its business as it is now being conducted in the place where such businesses are now conducted.

3.2.2. Execution, Delivery and Performance of Agreement, Authority. The execution, delivery and performance of this Agreement by Buyer (i) is within the powers of Buyers as Individuals (ii) has been or will be on or before the Closing Date, duly authorized by all necessary action of the Buyer's legislative authority, and (iii) does not and will not violate any provision of any law, rule, regulation, order, writ, judgment, decree or award to which the Buyer is a party to or which is presently in effect and applicable to Buyer. This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof.

3.2.3. Full Disclosure. No representation or warranty by Buyer in this Agreement or in any instrument, document, certificate or statement furnished to Seller pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or fail to state a material fact which is necessary to make the statements set forth therein not false or misleading.

3.2.4. Condition of Property. Buyer acknowledges that, within the Due Diligence Period, it will have conducted a physical inspection and made all investigations Buyer deems necessary in connection with its purchase of the Purchased Assets, and that, as of the date hereof, Seller has provided Buyer with copies of all reports in Seller's possession that have been requested by Buyer. Upon waiver or satisfaction by Buyer of its contingencies pursuant to Article 5, Buyer will be deemed to have approved the physical condition of the Property and agrees to accept and purchase the same "AS IS, WHERE IS", including, without limitation, the existence or non-existence of any pollutants, contaminants, hazardous waste, dangerous waste, toxic waste, underground storage tanks or contaminated soil, or the actual or threatened release, deposit seepage, migration or escape of such substances at, from or into the Property and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, environmental laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 3.1 of this Agreement, and to the extent of any fraud or deliberate misrepresentation by Seller, Seller shall have no liability for, and that Buyer shall have no recourse against the Seller for, any defect or deficiency of any kind whatsoever in the Property including without limitation those relating to Hazardous Substances, without regard to whether such defect or deficiency was discovered or discoverable by the Buyer or Seller.

3.2.5. Property Acquisition and Redevelopment. No costs of any nature associated with the purchase of the Property or redevelopment of the Property will ever be or become an obligation of the Seller. The Buyer shall be solely responsible for all costs associated with the acquisition of the Property and redevelopment of the Property, including without limitation responsibility for all land use approvals, permits, site plan approvals, environmental approvals, and any other governmental approvals necessary for Purchaser to develop and construct on the Property.

3.2.6. No Broker. No broker, finder, agent or similar intermediary has acted for or on behalf of Buyer in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent, or similar intermediary is entitled to any broker's, finder's or similar fee or commission in connection with this Agreement based on an agreement, arrangement, or understanding with the Buyer or any action taken by the Buyer.

3.2.7. Indemnification. Buyer shall indemnify, defend and hold Seller, its officers, agents and employees harmless from and against any and all claims and agency orders or requirements relating to or arising out of, directly or indirectly, the Property after Closing.

ARTICLE 4. TITLE MATTERS

4.1. TITLE. Seller shall deliver to Buyer good and marketable title, free and clear of all liens, defects and encumbrances except for the Permitted Exceptions (as defined in Section 4.1.3 of this Agreement).

4.1.1 Title Commitment. Seller shall obtain a current ALTA form of commitment for an owner's policy of title insurance (the "Title Commitment") issued by Pacific Northwest Title Company (the "Title Company"), describing the Property, listing Buyer as the prospective named insured and showing as the policy amount the total purchase price for the Property.

4.1.2 Survey. Buyer and Seller acknowledge that Seller has not provided a survey of the Property to Buyer and that Buyer shall satisfy itself as to any survey of property lines it deems necessary.

4.1.3 Review of Title Commitment and Survey. Buyer shall have until five (5) days after receipt of the last dated Title Commitment and Survey, if any has been obtained, (the "Review Period") in which to notify Seller of any objections Buyer has to any matters shown or referred to in the Title Commitment or Survey. Any exceptions or other items that are set forth in the Title Commitment or the Survey and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions ("Permitted Exceptions"). With regard to items to which Buyer does object within the Review Period, Seller shall notify Buyer within five (5) days after Seller receives Buyer's notice of objections of any exceptions to the title or items on the Survey which Seller is not willing or able to remove or otherwise resolve, and Buyer may, at Buyer's option, either waive the objections not cured or Buyer may terminate this Agreement by written notice to Seller. Notwithstanding the foregoing, all monetary liens or encumbrances shall be paid by Seller at Closing.

4.2. OWNER'S TITLE INSURANCE POLICY. At the closing, Seller shall cause an owner's policy of title insurance to be issued by the Title Company in the full amount of the purchase price, effective as of the closing date, insuring Buyer that the fee simple title to the Property is vested in Buyer, subject only to the usual printed exceptions contained in such title insurance policy, to the matters approved by Buyer as provided herein, and to any other matters approved in writing by Buyer. The obligation of Seller to provide the title policy called for herein shall be satisfied if, at the closing, the Title Company has given a binding commitment, in a form reasonably satisfactory to Buyer, to issue the policies in the form required by this section. Seller shall pay any sum owing to the Title Company for the preparation of the preliminary and binding commitments generated by the Title Company.

4.3. CONVEYANCE. Seller shall convey to Buyer the title to the Property by Bargain and Sale Deed in the form attached hereto as **EXHIBIT B**, subject to the Permitted Exceptions, and appropriate covenants regarding requirements for historic preservation, affordable housing, market rate housing, retail or commercial uses. Rights reserved in federal patents or state deeds, building or use restrictions general to the district, and building or zoning regulations or provisions shall be deemed Permitted Exceptions.

ARTICLE 5. CONTINGENCIES

5.1. DUE DILIGENCE INSPECTION AND FEASIBILITY. Buyer may satisfy itself by investigation and inspection, at its cost and expense, in its sole and absolute discretion, that the condition of the Property for Buyer's contemplated use meets with its approval and with the approval of the State of Washington Salmon Recovery Funding Board, a grant from whom is funding purchase of the Property (Due Diligence Period).

5.1.1. Inspections. During the Due Diligence Period, Buyer, its designated representatives or agents shall have the right at Buyer's expense to (i) perform any and all tests, inspections, studies, surveys or appraisals of the Property deemed necessary, on any subject, by the Purchaser (subject to the limitations set forth below and Paragraph 5.1.2 Right of Entry) ; (ii) obtain a

Phase I or Phase II Environmental Assessment on the Property and perform any and all tests, inspections and studies deemed necessary therewith; and (iii) examine all Due Diligence materials that Buyer may reasonably request from Seller that are not subject to attorney-client privilege or that the County is not otherwise prohibited from disclosing by law; (IV) determine to its satisfaction whether approvals, permits and variances can be obtained under applicable land use and zoning codes for Buyers proposed development of the property, (V) determine whether Purchaser's proposed development of the property is economically feasible.

5.1.2. Right of Entry. Buyer and Buyer's designated representatives or agents shall have the right and Seller hereby grants to Buyer and Buyer's designated representatives the right to enter the Property pursuant to a County permit and conduct the tests, investigations and studies set forth in this Article 5 upon three (3) days advance written notice; provided that such right of entry will be limited to those times and dates that will not disrupt Seller's use of, or Seller's operations and activities on the Property. Invasive tests of the Property, such as drilling or excavation shall be subject to Seller's prior written approval. The Buyer will not be permitted to undertake activities that damage County property. In connection with such inspections, Buyer agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability, for injuries, sickness or death of persons, including employees of Buyer caused by or arising out of any act, error or omission of Buyer, its officers, agents, contractors, subcontractors or employees in entering Seller's property for the above purposes, to the extent not caused by or arising out of any act, error or omission of Seller, its officers, agents and employees.

5.1.3 Approval of King County Council. Seller's obligation to close is contingent upon approval of the Metropolitan King County Council by ordinance of the conveyance of the Property from Seller to Buyer. This contingency shall automatically be removed upon the effective date of such ordinance. If this contingency is not removed by 5:00 p.m. on the day before the Closing date set forth in this Agreement or as otherwise agreed to in writing by the Parties, Buyer or Seller may terminate this Agreement upon written notice to the other and neither party shall have any further rights or obligations to the other hereunder.

ARTICLE 6.

COVENANTS OF SELLER PENDING CLOSING

6.1. CONDUCT, NOTICE OF CHANGE. Seller covenants that between the date hereof and the Closing Date, Seller shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing Date (except such representations, warranties and matters which relate solely to an earlier date), and all covenants of Seller set forth in this Agreement which are required to be performed by it at or prior to the Closing Date shall have been performed at or prior to the Closing Date as provided for in this Agreement. Seller shall give Buyer prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing Date.

ARTICLE 7
COVENANTS OF BUYER PENDING CLOSING

7.1. CONDUCT, NOTICE OF CHANGE. Buyer covenants that between the date hereof and the Closing Date, Buyer shall take all such actions as may be necessary to assure that the representations and warranties set forth in Article 3 hereof will be true and complete as of the Closing Date (except such representations, warranties and matters which relate solely to an earlier date), and that all covenants of Buyer set forth in this Agreement which are required to be performed by it at or prior to the Closing Date shall have been performed at or prior to the Closing Date as provided for in this Agreement. Buyer shall give Seller prompt written notice of any material change in any of the information contained in the representations and warranties made in Article 3 or elsewhere in this Agreement which occurs prior to the Closing Date.

ARTICLE 8.
CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer hereunder are subject to the fulfillment of each of the following conditions at or prior to the Closing Date, and Seller shall exert its best efforts to cause each such condition to be fulfilled:

8.1. DELIVERY OF DOCUMENTS. Seller shall have delivered to Buyer at or prior to Closing all documents required by the terms of this Agreement to be delivered to Buyer unless a different time period is expressly provided for in this agreement.

8.2. REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations, warranties and covenants of Seller contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.

8.3. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Seller at or before the Closing Date shall have been properly performed in all material respects.

8.4. TITLE. Any and all matters shown or referred to in the Title Commitment to which Buyer has objected within the time specified in Section 4.1, shall have been cured by Seller, unless such objections have been waived by Buyer.

8.5. APPROVAL OF COUNSEL. Seller's counsel shall have approved this document as to form as evidenced by such counsel's signature on this Agreement.

8.6. CONDEMNATION. No portion of the Purchased Assets shall have been taken or damaged by any public or quasi-public body, and Seller shall not have transferred any portion of the Purchased Assets to any such body in lieu of condemnation.

ARTICLE 9.
CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller to close on the Closing Date are subject to the fulfillment of each of the following conditions at or prior to the Closing Date, and Buyer shall exert its best efforts to cause each such condition to be so fulfilled:

9.1. REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations, warranties and covenants of Buyer contained herein or in any document delivered pursuant hereto shall be true and correct in all material respects when made and as of the Closing Date.

9.2. OBLIGATIONS. All obligations required by the terms of this Agreement to be performed by Buyer at or before the Closing Date shall have been properly performed in all material respects.

9.3. DELIVERY OF DOCUMENTS. Buyer shall have delivered to Seller at or prior to Closing Date all documents required by the terms of this Agreement to be delivered to Seller.

9.5. TITLE. Buyer shall have caused the Title Company to be irrevocably committed to issue an owner's policy of title insurance for the full amount of the Purchase Price, effective as of the Closing Date, containing no exceptions other than the Permitted Exceptions.

ARTICLE 10.
CLOSING

10.1. CLOSING/CLOSING DATE. The Closing shall take place on or before March 15th, 2008, unless the Buyer's grant funding contingency period is extended pursuant to a written agreement executed by Buyer, Seller, and the State of Washington Salmon Recovery Funding Board. The contingency period may be extended by the Buyer by mutual agreement with Seller. Upon execution of this Agreement, the parties agree that escrow functions may be provided by King County's Real Estate Services Section (the "Escrow Agent"). The Escrow Agent shall serve as Closing Agent for the transaction contemplated herein and the Closing shall occur in the offices of the King County Administration Building in Seattle, Washington, located at 500 4th Avenue, in Room 500, Seattle, Washington, 98104. The title, right of possession and interest to the Purchased Assets shall pass to Buyer upon the Closing Date and thereafter the risk of loss thereof shall be the responsibility of Buyer.

10.2. PRORATIONS. All prorations, unless otherwise specifically provided for herein, shall be made as of the Closing Date.

10.2.1. Closing Costs. Buyer has satisfied itself as to the condition of Title for the property. Seller shall pay for the owner's standard coverage title policy. Buyer and Seller shall each pay one half of escrow fees, if any. Buyer shall pay for all additional closing costs associated with this purchase and sale, including but not limited to, the cost of its own attorneys' fees. Except as otherwise provided in Section 10.2 of this Agreement, all other expenses hereunder shall be paid by the party incurring such expenses.

10.2.2. Taxes. Seller is exempt by law from the payment of real property ad valorem taxes, LIDs and assessments ("Taxes") on the Property.

10.3. SELLER'S DELIVERY OF DOCUMENTS AT CLOSING. At the Closing, Seller will deliver to Buyer the following properly executed documents:

(a) Seller's Certificate of Non-Foreign Status substantially in the form of **EXHIBIT B**, attached hereto;

(b) A Warranty Deed conveying the Property in the form of **EXHIBIT C** attached hereto;

10.4. BUYER'S DELIVERY OF DOCUMENTS AND PURCHASE PRICE AT CLOSING. At the Closing, Buyer will deliver to Seller the following properly executed documents:

(a) Cash in the amount of the Purchase Price.

ARTICLE 11. TERMINATION

11.1. TERMINATION BY EITHER PARTY. Either party may terminate this Agreement if a condition to its obligation to consummate the transactions contemplated by this Agreement as set forth in Articles 8 and 9 has not been satisfied by the Closing Date. In that event, if neither party is in default under this Agreement, the parties shall have no further obligations or liabilities to one another and all documents delivered into escrow shall be returned to the appropriate party.

ARTICLE 12. MISCELLANEOUS PROVISIONS

12.1. NATURE AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES. Each statement, representation, warranty, indemnity, covenant, and agreement made by Seller and Buyer in this Agreement or in any document, certificate or other instrument delivered by or on behalf of Seller or Buyer pursuant to this Agreement or in connection herewith shall be deemed the representation, warranty, indemnity, covenant and agreement of Seller and Buyer and shall survive the Closing Date unless a different time period is expressly provided for in this Agreement and all such statements are made only to and for the benefit of the parties hereto, and shall not create any rights in other persons.

12.2. DEFAULT. In the event of any litigation hereunder, the Superior Court of King County, Washington shall have the exclusive jurisdiction and venue.

12.3. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this Agreement.

12.4. NOTICES. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given upon receipt when personally delivered or sent by overnight courier or certified or registered mail, return receipt requested. All notices shall be addressed to the parties at the addresses set forth below or at such other addresses as any parties may specify by notice to all other parties and given as provided herein:

If to Buyer: City of Kent
Mike Mactutis
Public Works Environmental Engineering Manager
400 West Gowe Street
Kent, Washington 98032

With a copy to: Certified Land Services Corporation
4535 -44th Avenue SW
Seattle, Washington 98116

If to Seller: Bob Thompson, Real Estate Services Section
Facilities Management Division
Department of Executive Services
King County Administration Building
500 Fourth Avenue, Room 500
Seattle, Washington 98104-2337

With a copy to: King County Prosecuting Attorney
Attn: Pete Ramels
400 King County Court House
516 Third Avenue
Seattle, Washington 98104

12.5. ENTIRE AGREEMENT AND AMENDMENT. This writing (including the exhibits attached hereto) constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement and signed by all parties hereto.

12.6. SEVERABILITY. In the event any portion of this Agreement shall be found to be invalid by any court of competent jurisdiction, such holding shall not impact or affect the remaining provisions of this Agreement unless that court of competent jurisdiction rules that the principal purpose and intent of this contract should and/or must be defeated, invalidated or voided.

12.7. WAIVER. No waiver of any breach or default hereunder shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any prior or subsequent breach or default.

12.8. BINDING EFFECT. Subject to Section 12.14 below, this Agreement shall be binding upon and inure to the benefit of each party hereto, its successors and assigns.

12.9. LEGAL RELATIONSHIP. The parties to this Agreement execute and implement this Agreement solely as Seller and Buyer. No partnership, joint venture or joint undertaking shall be construed from this Agreement.

12.10. CAPTIONS. The captions of any articles, paragraphs or sections contained herein are for purposes of convenience only and are not intended to define or limit the contents of said articles, paragraphs or sections.

12.11. COOPERATION. Prior to and after the Closing Date the parties shall cooperate, shall take such further action and shall execute and deliver further documents as may be reasonably requested by the other party in order to carry out the provisions and purposes of this Agreement.

12.12. GOVERNING LAW. This Agreement and all amendments thereof shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein, without giving effect to its conflicts of law provisions.

12.13. NON-MERGER. The terms and provisions of this Agreement will not merge in, but will survive, the Closing of the transaction contemplated under this Agreement.

12.14. ASSIGNMENT. Buyer shall not assign this Agreement or any rights hereunder without Seller's prior written consent, which shall not be unreasonably withheld.

12.15. NEGOTIATION AND CONSTRUCTION. This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between the parties, and the language in all parts of this Agreement will, in all cases, be construed according to its fair meaning and not strictly for or against either party. All parties acknowledge and represent, as an express term of this Agreement, that they have had the opportunity to obtain and utilize legal review of the terms and conditions outlined in this Agreement, although each party must determine if they wish to obtain and pay for such legal review. Each party shall be and is separately responsible for payment of any legal services rendered on their behalf regarding legal review of the terms found in this Agreement.

12.16. EXHIBITS. The following Exhibits described herein and attached hereto are fully incorporated into this Agreement by this reference:

| | |
|------------------|-----------------------------------|
| EXHIBIT A | Legal Description of Property |
| EXHIBIT B | Bargain and Sale Deed |
| EXHIBIT C | Certificate of Non-Foreign Status |

THIS AGREEMENT by and between KING COUNTY, a municipal corporation and political subdivision of the State of Washington (the "Seller") and the City of Kent, a municipal corporation of the State of Washington (the "Buyer"), for purchase of the Mullen Slough Natural Area, is executed as of the date and year first above written:

SELLER:

KING COUNTY, a political subdivision of the State of Washington

By Wayne Richardson
Wayne Richardson
Manager, Real Estate Services Section

APPROVED AS TO FORM:

By T. D. [Signature]
County Deputy Prosecuting Attorney

BUYER:

CITY OF KENT, a municipal corporation of the State of Washington

Suzette Cooke
Its [Signature]

APPROVED AS TO FORM:

By [Signature]
City Attorney - Assistant

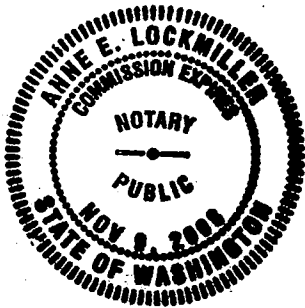
STATE OF WASHINGTON

COUNTY OF KING

} ss.

On this day personally appeared before me Wayne Richardson, to me known to be the Real Estate Services Section Manager of KING COUNTY, the municipal corporation and political subdivision of the State of Washington that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such municipal corporation and political subdivision, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 12th day of February, 2008.



Anne Lockmiller

Printed Name ANNE LOCKMILLER
NOTARY PUBLIC in and for the State of Washington,
residing at SEATTLE, WASHINGTON
My Commission Expires NOVEMBER 9, 2008

STATE OF WASHINGTON

COUNTY OF KING

} ss.

On this day personally appeared before me Suzette Cooke, the Mayor of City of Kent, known to me to be the Buyer that executed the foregoing instrument, and acknowledged such instrument to be [his/her] free and voluntary act and deed for the uses and purposes therein mentioned, and on oath stated that [he/she] was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 21st day of February, 2008



Renee W. Cameron

Printed Name Renee W. Cameron
NOTARY PUBLIC in and for the State of Washington,
residing at Pacific
My Commission Expires 7-9-2008

EXHIBIT A

**Property Legal Description of the Mullen Slough Natural Area
Assessor's Parcel Number 232204-9028**

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING NORTH OF THE NORTH BOUNDARY OF SR 516 AS CONDEMNED IN KING COUNTY SUPERIOR COURT CAUSE NUMBER 741396:

THAT PORTION OF THE SOUTH HALF OF SECTION 23, TOWNSHIP 22 NORTH, RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

Beginning at a point 1586 feet east and 925 feet north of the southwest corner of said Section;

Thence north 829 feet;

Thence north 50° 29'00" east 410 feet;

Thence north 71° 59'00" east 780 feet;

Thence north 85° 59'00" 272 feet;

Thence south 1365 feet;

Thence west 1343 feet to the Point of Beginning;

EXCEPT that portion thereof lying south of the White River, East of County Road No. 722, and north of County Road No 76;

ALSO EXCEPT that portion condemned in King County Superior Court Cause No. 741396 for State Highway No 516.

End of Legal Description

EXHIBIT B TO THE PURCHASE AND SALE AGREEMENT

BARGAIN AND SALE DEED

GRANTOR KING COUNTY, WASHINGTON
GRANTEE CITY OF KENT
LEGAL PORTION OF THE SOUTH ½ OF 23-22-04
TAX ACCT # 232204-9028

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of TEN (\$10.00) DOLLARS and other good and valuable consideration, the receipt of which is hereby acknowledged, pursuant to K.C. Ordinance No. _____, does hereby convey and warrant unto the City of Kent, a municipal corporation of the State of Washington, the Grantee, the real property described in attached Exhibit A, situated in the County of King, State of Washington:

SUBJECT TO the River Protection Easement described in the attached Exhibit B;

AND SUBJECT TO open space use restrictions and restrictions on alienation as specified in RCW 84.34.200, King County Code, Ch. 26.12, and King County Ordinance No. 14714. Buyer covenants to abide by these uses and restrictions and to convey those same uses and restrictions upon any future conveyance.

Buyer acknowledges that the Property was purchased for open space purposes with Conservation Futures funds as authorized by King County Ordinance 14714 and covenants that it shall maintain the Property in strict conformance with the uses authorized under RCW 84.34.020. Buyer additionally covenants that it shall abide by and enforce all terms, conditions and restrictions in Ordinance 14714, including the covenants that the Property will continue to be used for the purposes contemplated by these Ordinances, which prohibit both active recreation and motorized recreation (such as off-road recreational vehicles, but allow passive recreation). The Property shall not be transferred or conveyed except by agreement providing that the Property shall continue to be used for the purposes contemplated by RCW 84.34.020 and in strict conformance with the uses authorized and prohibited under Ordinance 14714 and King County Code, Ch. 26.12. The Property shall not be converted to a different use unless other equivalent lands and facilities within the County or the City shall be received in exchange therefore.

Dated this _____ day of _____, 2008.

KING COUNTY

BY _____

Wayne Richardson, Real Estate Services Section Manager

**EXHIBIT A
TO BARGAIN AND SALE DEED**

**PROPERTY LEGAL DESCRIPTION OF THE MULLEN SLOUGH NATURAL AREA
ASSESSOR'S PARCEL NUMBER 232204-9028**

**THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING NORTH OF
THE NORTH BOUNDARY OF SR 516 AS CONDEMNED IN KING COUNTY SUPERIOR
COURT CAUSE NUMBER 741396:**

**THAT PORTION OF THE SOUTH HALF OF SECTION 23, TOWNSHIP 22 NORTH,
RANGE 4 EAST, WILLAMETTE MERIDIAN, IN KING COUNTY, WASHINGTON,
DESCRIBED AS FOLLOWS:**

**Beginning at a point 1586 feet east and 925 feet north of the southwest corner of said Section;
Thence north 829 feet;**

Thence north 50° 29'00" east 410 feet;

Thence north 71° 59'00" east 780 feet;

Thence north 85° 59'00" 272 feet;

Thence south 1365 feet;

Thence west 1343 feet to the Point of Beginning;

**EXCEPT that portion thereof lying south of the White River, East of County Road No. 722,
and north of County Road No 76;**

**ALSO EXCEPT that portion condemned in King County Superior Court Cause No. 741396 for
State Highway No 516.**

**EXHIBIT B
TO BARGAIN AND SALE DEED
RIVER PROTECTION EASEMENT FOR THE MULLEN SLOUGH NATURAL AREA
ASSESSOR'S PARCEL NUMBER 232204-9028**

King County, as Grantor, hereby reserves for itself, for the purposes stated below, a River Protection Easement over, across, along, in, upon and under that portion of the Property referred to in Exhibit A of the Bargain and Sale Deed between King County as Grantor and the City of Kent as Grantee, for the Mullen Slough Natural Area, and more particularly described as follows:

All portions of the above described parcel that are riverward of a line that is parallel to and thirty (30) feet landward of the stable top of the river bank on the Green River ("Easement Area"), as constructed or reconstructed, together with reasonable ingress and egress upon the property to access the easement area.

Grantor reserves for itself a perpetual easement for the purposes of accessing and constructing, inspecting, monitoring, reconstructing, maintaining, repairing, modifying, and removing river bank protection and/or other flood related works, including installing, inspecting, maintaining and removing all vegetation and any other appurtenances thereto across, in, under, on, over and upon the following portions of the above described Easement Area.

Grantee shall have the right at such time as may be necessary and at the Grantee's sole discretion, to enter upon the Property and to have unimpeded access to, in and through the Easement Area for the purposes of exercising the Grantee's rights as described herein.

Grantor agrees not to plant non-native vegetation within the Easement Area and not to remove or otherwise alter any improvements installed by Grantee, including any native vegetation that may be planted and any flood protection works that may be constructed, within the Easement Area, without the prior approval of Grantee. Grantor further agrees not to use herbicides within the Easement Area without the prior approval of Grantee. Nothing contained herein shall be construed as granting any license, permit or right, otherwise required by law, to Grantor with respect to the Property and the Easement Area.

For the purposes of this river protection easement, the term "native vegetation" shall mean vegetation comprised of plant species, other than noxious weeds (as identified on the State of Washington noxious weed list found at Washington Administrative Code Chapter 16-750, as amended from time to time), which are indigenous to the coastal region of the Pacific Northwest and which reasonably could have been expected to naturally occur at the site.

Neither Grantor nor Grantee is hereby obligated to future maintenance, repair or other action related to the above-described exercise of easement rights. This river protection easement and/or any flood related works constructed or to be constructed within the Easement Area shall not be construed as granting any rights to any third person or entity, or as a guarantee of any protection from flooding or flood damage, and nothing contained herein shall be construed as waiving any immunity to liability granted to Grantee by any state statute, including Chapter 86.12 of the Revised Code of Washington, or as otherwise granted or provided for by law.

The rights, conditions, and provisions of this easement shall inure to the benefit of and be binding upon the heirs, executors, administrators, and successors in interest and assigns of Grantor and Grantee.

AMENDMENT ONE
TO THE PURCHASE AND SALE AGREEMENT
FOR MULLEN SLOUGH
(6 pages following...)

**Amendment to the Purchase and Sale Agreement (the "Agreement")
Dated February 21, 2008
Between King County as Seller and City of Kent as Buyer (the "Parties")
For the Property Known As Mullen Slough
Assessor's Parcel #232204-9028**

The following items to the Agreement shall be amended as follows:

1) Recital Page, item (4): There is no intended Exhibit D to the Agreement. Reference to Exhibit D is incorrect and should be replaced by a reference to Exhibit B. Exhibit B is the *Bargain and Sale Deed* for the Property as to form, in which the River Protection Easement is reserved upon conveyance. See Item 4.10.3(b) below for correction to Exhibit B.

2) **Article Three, *Representations and Warranties of the Parties*:**

Item 3.1.8, Condition of the Property, shall be amended as follows: Seller has provided Buyer with a copy of Seller's Phase 1 Report, dated January 31, 2006, for purposes of Buyer's continued environmental investigation of the Property. Buyer will not rely upon such report alone for acceptance of the Property's past, current, or future condition.

Item 3.2.4, Condition of Property, shall be amended as follows: Buyer accepts the Phase 1 Report, referenced above, and provided by Seller on March 4, 2008. The Parties acknowledge that this report was provided subsequent to the execution date of the Agreement.

3) **Article Five, *Contingencies*:**

Item 5.1, Due Diligence Inspection and Feasibility, shall be amended as follows: The Parties agree to extend the Due Diligence Period until August 15, 2008 due to discovery by Buyer of possible pollution introduced by Texaco wells that may exist or may have existed on the Property. The Parties understand that in order to release Buyer's funding, the Washington State Salmon Recovery Funding Board must be satisfied as to plans for and timing of proposed clean up and/or mitigation that may be required as a result of such possible pollution.

5.1.2, Right to Enter: For purposes of initial investigation of possible pollution to the Property as described above, Seller has granted Buyer a Right to Enter the Property without a King County Special Use Permit. Such permission is detailed in the letter attached as *Exhibit 2 to the Amendment*.

5.1.3, Approval of King County Council: Buyer understands that Council approval may occur no earlier than 60 days after final proof by the parties to Council that all contingencies of the Agreement have been waived.

4) **Article 10, *Closing*:**

10.1, Closing/Closing Date, shall be amended to no later than December 15, 2008, which is the new deadline for grant funding described in Article 10, Item 10.1 of the Agreement.

10.3, Seller's Delivery of Documents at Closing. Exhibit references clarified:

10.3(a), Seller's Certificate of Non-Foreign Status shall be referenced as **Exhibit C** in the Agreement. Such Certificate was omitted from the executed original and is now provided as *Exhibit 1 to this Amendment*.

10.3(b), A Warranty Deed conveying the Property shall be referenced as to form in Exhibit B of the Agreement;

River Protection Easement Reference in Exhibit B, that the Warranty Deed is being conveyed SUBJECT TO the River Protection Easement, shall be changed to state that **Grantor RESERVES unto itself** such River Protection Easement upon conveyance of Title.

10.4, Buyer's Delivery of Documents and Purchase Price at Closing, shall be amended by *adding an item 10.4(b) Closing Costs, as referenced in item 10.2.1*

5) Article 12, Miscellaneous Provisions:

12.3, Time is of the Essence: The Parties acknowledge King County Council's requirements that all documentation necessary to review by County Council Committee and approval by County Council (referenced in Item 5.1.3 of the Agreement and in Item 3 of this Amendment) must be submitted to County Council no less than 60 days prior to such review and approval. To that end, the Parties agree to strive to waive all contingencies to the Agreement, and that any documentation supporting such waivers shall be submitted to the Escrow Agent referenced in Article 10.1 of the Agreement (King County Real Estate Services Section), no later than August 15, 2008, acknowledging the need for additional Escrow administrative and Committee review time due to County Council's 2009 Budget review schedule.

The Parties acknowledge that all other terms and conditions of the Agreement remain in full force and effect, and any further changes to that Agreement or this Amendment shall be made in writing at the earliest possible times throughout the extended Due Diligence Period.

Attachments:


Exhibit 1 to the Amendment: Exhibit C to the Agreement –
Seller's Certificate of Non-Foreign Status
Exhibit 2 to the Amendment: Right to Enter Letter

Acknowledged and agreed to by the Parties, this 14th day of March, 2008.

SELLER:
**KING COUNTY, a political subdivision
of the State of Washington**


Wayne Richardson
Manager, Real Estate Services Section

BUYER:
CITY OF KENT, a municipal corporation


Its: Mayor Pro Tem

STATE OF WASHINGTON

COUNTY OF KING

} ss.

On this day personally appeared before me Wayne Richardson, to me known to be the Real Estate Services Section Manager of KING COUNTY, the municipal corporation and political subdivision of the State of Washington that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such municipal corporation and political subdivision, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 14th day of MARCH, 2008.



Anne Lockmiller

Printed Name ANNE LOCKMILLER
NOTARY PUBLIC in and for the State of Washington,
residing at SEATTLE, WASHINGTON
My Commission Expires NOVEMBER 9, 2008

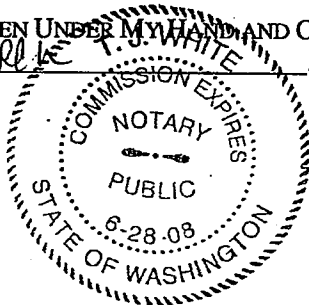
STATE OF WASHINGTON

COUNTY OF KING

} ss.

On this day personally appeared before me Debra Radel, the Mayor Pro Tem of City of Kent, known to me to be the Buyer that executed the foregoing instrument, and acknowledged such instrument to be [his/her] free and voluntary act and deed for the uses and purposes therein mentioned, and on oath stated that [he/she] was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 13th day of MARCH, 2008



T.J. White

Printed Name T.J. White
NOTARY PUBLIC in and for the State of Washington,
residing at Tukwila, WA
My Commission Expires 6/28/08

EXHIBIT 1 TO THE AMENDMENT

EXHIBIT C -- TO THE AGREEMENT DATED FEBRUARY 21, 2008

SELLER'S CERTIFICATE OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a United States real property interest by KING COUNTY ("Transferor"); the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. Transferor's United States employer identification number is 91-6001327; and
3. Transferor's office address is King County Facilities Management Division, Asset Development and Management Section, Room 500 King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104
4. Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this 14th day of March, 2008.

TRANSFEROR:

By: Wayne Richard
Title: Manager, Real Estate Services

EXHIBIT 2 TO THE AMENDMENT

**CITY OF KENT'S RIGHT TO ENTER
LETTER FROM KING COUNTY TO CITY OF KENT
DATED MARCH 6, 2008**



King County

Parks and Recreation Division

Department of Natural Resources and Parks

King Street Center, KSC-NR-0700

201 South Jackson Street

Seattle, WA 98104-3855

206.296.8687 Fax 206.296.8686

TTY Relay: 711

March 6, 2008

Joe Fielding, Environmental Engineer
City of Kent Public Works
400 W. Gowe Street
Kent, WA 98032

Dear Mr. Fielding:

Per your March 5 email request, King County Parks and Recreation Division hereby grants permission for your consultant (Geomatrix Consultants) to enter the King County property "Mullen Slough Natural Area" (tax parcel identification number 2322049028) in order to collect information to complete the Phase 1 and Phase 2 (if required) Environmental Site Assessments for the City of Kent. We understand that there will be little, if any, site disturbance as a result of this work.

Please remember that the site has fencing around much of the perimeter along Frager Road. If you need access through the gate, please contact Resource Coordinator Scott Snyder at scott.snyder@kingcounty.gov or via phone at 206-618-5619.

If you have any other questions, please contact me at connie.blumen@kingcounty.gov or at 206-263-6371.

Sincerely,

Connie L. Blumen
Natural Resource Lands Program Manager

Amendment to Mullen Slough Agreement 02/21/08
Page 6 of 6

AMENDMENT TWO
TO THE PURCHASE AND SALE AGREEMENT
FOR MULLEN SLOUGH

(1 page following...)

Second Amendment to the Purchase and Sale Agreement (the "Agreement")
dated February 21, 2008
Between King County as Seller and City of Kent as Buyer (the "Parties")
For the Property Known As Mullen Slough
Assessor's Parcel #232204-9028

The Agreement shall be amended as follows:

1. The Parties agree to extend the Due Diligence Period to Wednesday, August 27th, 2008.
2. The Parties also agree that e-mails of scanned signatures on documents pertaining to the Purchase and Sale Agreement may be used.

Acknowledged and agreed to by the Parties, this 18th day of August, 2008.

SELLER:

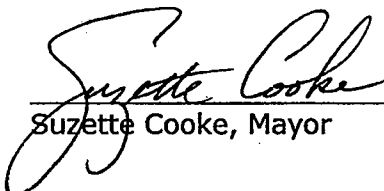
KING COUNTY, a political subdivision
of the State of Washington



Wayne Richardson, Manager
Real Estate Services Section

BUYER:

CITY OF KENT, a municipal corporation



Suzette Cooke, Mayor

AMENDMENT THREE
TO THE PURCHASE AND SALE AGREEMENT
FOR MULLEN SLOUGH
(5 pages following...)

THIRD AMENDMENT
to the Purchase and Sale Agreement (the "Agreement") dated February 21, 2008
Between King County as Seller and City of Kent as Buyer
For the Property Known As Mullen Slough
Assessor's Parcel #232204-9028

This Third Amendment to that certain Real Estate Purchase and Sale Agreement (the "Agreement") dated February 21, 2008 is made this 16th day of September, 2008.

RECITALS

1. King County, a political subdivision of the State of Washington (Seller), entered into a purchase and sale agreement with the City of Kent, a municipal corporation (Buyer), for approximately 15 acres of unimproved land known as Mullen Slough Natural Area.
2. While exercising its Due Diligence and Feasibility rights pursuant to Article 5.1 of the Agreement, Buyer discovered the presence of hazardous substances and has agreed to a reduction in the purchase price in consideration for the cleanup to be undertaken at Buyer's expense.

NOW THEREFORE, KING COUNTY and THE CITY OF KENT agree as follows:

By this Third Amendment, the Purchase Price provided in Section 2.1 shall be changed to the amount of Two Hundred Eighty Thousand Dollars (\$280,000.00).

Buyer hereby waives any and all contingencies specifically provided in Sections 5.1 and 5.1.1.


Exhibit B (Bargain and Sale Deed) to the Agreement shall be replaced with the Bargain and Sale Deed attached hereto.

The Agreement, in all other respects, shall remain in full force and effect.

IN WITNESS WHEREOF, this Third Amendment to the Real Estate Purchase and Sale Agreement is executed on behalf of King County and the City of Kent, by their duly authorized directors.

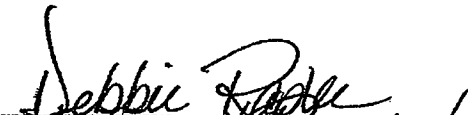
SELLER:

KING COUNTY,
a political subdivision of the State of Washington


Wayne Richardson, Manager
Real Estate Services Section

BUYER:

CITY OF KENT, a municipal corporation


Its: Debbie Riddle
Mayor/President

BARGAIN AND SALE DEED

REPLACEMENT 'EXHIBIT B'

**TO THE PURCHASE AND SALE AGREEMENT dated February 21, 2008
Between King County as Seller and City of Kent as Buyer
For the Property Known as Mullen Slough Assessor's Parcel #232204-9028**

**GRANTOR KING COUNTY, WASHINGTON
GRANTEE CITY OF KENT
LEGAL PORTION OF THE SOUTH ½ OF 23-22-04
TAX ACCT # 232204-9028**

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of TWO-HUNDRED EIGHTY THOUSAND DOLLARS (\$280,000.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, pursuant to K.C. Ordinance No. _____, does hereby convey and warrant unto the City of Kent, a municipal corporation of the State of Washington, the Grantee, the real property, situated in the County of King, State of Washington, and described as follows:

That portion of the following described property lying north of the north boundary of SR 516 as condemned in king county superior court cause number 741396:

That portion of the south half of Section 23, Township 22 north, Range 4 East, Willamette Meridian, in King County, Washington, described as follows:

Beginning at a point 1586 feet east and 925 feet north of the southwest corner of said Section;
Thence north 829 feet;
Thence north 50° 29'00" east 410 feet;
Thence north 71° 59'00" east 780 feet;
Thence north 85° 59'00" 272 feet;
Thence south 1365 feet;
Thence west 1343 feet to the Point of Beginning;

EXCEPT that portion thereof lying south of the White River, East of County Road No. 722, and north of County Road No 76;

ALSO EXCEPT that portion condemned in King County Superior Court Cause No. 741396 for State Highway No 516.

SUBJECT TO the following covenants, which are intended to be running covenants burdening and benefitting the parties, successors and assigns:

The open space use restrictions and restrictions on alienation as specified in RCW 84.34.200, King County Code, Ch. 26.12, and King County Ordinance No. 14714. Buyer covenants to abide by these uses and restrictions in perpetuity and to convey those same uses and restrictions in perpetuity upon any future conveyance.

Buyer acknowledges that the Property was purchased for open space purposes with Conservation Futures funds as authorized by King County Ordinance 14714 and covenants that it shall maintain the Property in strict conformance with the uses authorized under RCW 84.34.020. Buyer additionally covenants that it shall abide by and enforce all terms, conditions and restrictions in Ordinance 14714, including the covenants that the Property will continue to be used for the purposes contemplated by these Ordinances, which prohibit both active recreation and motorized recreation (such as off-road recreational vehicles, but allow passive recreation). The Property shall not be transferred or conveyed except by agreement providing that the Property shall continue to be used for the purposes contemplated by RCW 84.34.020 and in strict conformance with the uses authorized and prohibited under Ordinance 14714 and King County Code, Ch. 26.12. The Property shall not be converted to a different use unless other equivalent lands and facilities within the County or the City shall be received in exchange therefore.

AND RESERVED UNTO KING COUNTY, Washington the following described easements on the Property:

King County, as Grantor, hereby reserves for itself, for the purposes stated below, a River Protection Easement over, across, along, in, upon and under that portion of the Property legally described above, for the Mullen Slough Natural Area, and more particularly described as follows:

All portions of the above described parcel that are riverward of a line that is parallel to and thirty (30) feet landward of the stable top of the river bank on the Green River ("Easement Area"), as constructed or reconstructed, together with reasonable ingress and egress upon the property to access the easement area.

Grantor reserves for itself a perpetual easement for the purposes of accessing and constructing, inspecting, monitoring, reconstructing, maintaining, repairing, modifying, and removing river bank protection and/or other flood related works, including installing, inspecting, maintaining and removing all vegetation and any other appurtenances thereto across, in, under, on, over and upon the following portions of the above described Easement Area.

Grantee shall have the right at such time as may be necessary and at the Grantee's sole discretion, to enter upon the Property and to have unimpeded access to, in and through the Easement Area for the purposes of exercising the Grantee's rights as described herein.

Grantor agrees not to plant non-native vegetation within the Easement Area and not to remove or otherwise alter any improvements installed by Grantee, including any native vegetation that may be planted and any flood protection works that may be constructed, within the Easement Area, without the prior approval of Grantee. Grantor further agrees not to use herbicides within the Easement Area without the prior approval of Grantee. Nothing contained herein shall be construed as granting any license, permit or right, otherwise required by law, to Grantor with respect to the Property and the Easement Area.

For the purposes of this river protection easement, the term "native vegetation" shall mean vegetation comprised of plant species, other than noxious weeds (as identified on the State of Washington noxious weed list found at Washington Administrative Code Chapter 16-750, as amended from time to time), which are indigenous to the coastal region of the Pacific Northwest and which reasonably could have been expected to naturally occur at the site.

Neither Grantor nor Grantee is hereby obligated to future maintenance, repair or other action related to the above-described exercise of easement rights. This river protection easement and/or any flood related works constructed or to be constructed within the Easement Area shall not be construed as granting any rights to any third person or entity, or as a guarantee of any protection from flooding or flood damage, and nothing contained herein shall be construed as waiving any immunity to liability granted to Grantee by any state statute, including Chapter 86.12 of the Revised Code of Washington, or as otherwise granted or provided for by law.

The rights, conditions, and provisions of this easement shall inure to the benefit of and be binding upon the heirs, executors, administrators, and successors in interest and assigns of Grantor and Grantee.

DATED this _____ day of _____, 2008.

KING COUNTY, WASHINGTON

CITY OF KENT

BY _____

BY _____

TITLE _____

TITLE _____

March 25, 2009

The Honorable Dow Constantine
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Constantine:

Enclosed is a proposed ordinance authorizing the King County Executive to approve the sale of one unimproved parcel of real property adjacent to the City of Kent, within Council District 7. The Department of Natural Resources and Parks (DNRP), Water and Land Resource Division (WLRD) is the custodian of this parcel known as the Mullen Slough Natural Area, tax parcel 232204-9028. Mullen Slough is located on the north side of Kent-Des Moines Road South, adjacent to the City of Kent, and is approximately 14 acres of unimproved land.

WLRD agrees to sell Mullen Slough to the City of Kent (Kent) for \$280,000 consistent with an appraisal process outlined on page 3 of this letter. Kent will purchase the property using funds from a Washington State Salmon Recovery Funding Board (SRF-Board) grant. Kent will use the property in its new city habitat restoration project.

Please note that a proposed ordinance was previously forwarded in February, 2008, with a SRF-Board grant expiration date of March 15, 2008. That transmittal was retracted due to environmental concerns that were resolved in the summer of 2008. We are now resubmitting this ordinance with a grant expiration date of June 30, 2009.

Summary: Reasons for Sale and Funding Requirements

WLRD acquired Mullen Slough in August of 2006 with Conservation Futures Tax levy funds (CFT funds). Lands purchased with those funds require use as open space. WLRD had considered possible future habitat preservation and restoration of this site but has no immediate plans.

Independent of and prior to this county purchase, Kent had received the SRF-Board grant to acquire property for its own city habitat restoration project. Kent had originally negotiated

purchase of a privately-owned parcel, but that sale did not materialize. Due to the delay caused by this failed purchase, Kent was in jeopardy of losing the SRF-Board grant. However, WLRD and Kent mutually identified Mullen Slough as an excellent candidate for Kent's hoped-for project. Though Mullen Slough is just outside Kent's city boundaries, it is proximate enough to Kent to warrant a city habitat restoration project, and Kent welcomes the opportunity.

Kent will steward this natural area consistent with CFT fund requirements for use as open space. Net proceeds will be returned to the CFT fund, where they will be proposed for allocation to Raging River headwaters project as explained in a companion piece of legislation transmitted this month.

WLRD will reserve a river protection easement across the parcel in the conveyance deed. This easement will allow county access to the Green River which runs across the parcel, to assure that use of the property does not conflict with the county's current environmental protection efforts on the riverbanks.

Environmental Review, Revised Sale Price, and New Deadline

Kent's grant now expires June 30, 2009. However, its original SRF-Board grant was to expire March 15, 2008. Due to the above-mentioned project delays, Kent's funding timeline was approaching that original expiration date, and Kent was at risk for losing its grant. WLRD was interested in assisting Kent in meeting its deadline and despite stressful timelines, the ordinance was transmitted to the King County Council.

Up to this point, Kent had performed its own visual inspection of the property which yielded no environmental concerns, and the parties executed a purchase and sale agreement with no conditions of sale except that the SRF-Board approves the transaction. However, Kent's environmental consultant, *AMEC* Geomatrix (*AMEC*), was simultaneously performing a professional phase I environmental study of Mullen Slough. And just prior to introduction at King County Council and a week prior to the original grant expiration, *AMEC* expressed two unexpected environmental concerns at Mullen Slough, based upon their discovery from historical documentation: (1) Possibility of decommissioned monitoring wells owned by Texaco that were located in the same area, and (2) reports of an asphalt production on-site in prior years. In light of *AMEC's* information, Kent requested a halt to the sale in order to perform additional testing and research and requested that Facilities Management Division ask the King County Council to pull the ordinance from its agenda.

AMEC subsequently performed a phase II environmental study which revealed some lube oil, slag rock and asphalt remaining from the site's previous use as an abandoned car parking lot. No asphalt production plant was identified. In addition, *AMEC* had also determined that monitoring wells are expected to be located north of the site across the Green River. Thus concerns of on-site monitoring wells also proved to be of no concern.

Based on AMEC's follow-up phase II environmental study dated August 8, 2008, AMEC presented a *Proposal for Mitigation Activities* which estimated clean up costs for removal of existing identified environmental debris at \$10,000. The final agreement between the parties is that Kent is responsible for the cleanup and the purchase price is reduced by \$10,000.

Prior to accepting a reduction in the purchase price a new county review appraisal was performed on August 20, 2008. This review was to determine that reduction from the original \$290,000 appraised value to \$280,000 would be reasonable in light of the existence of environmental contaminants. The appraiser's findings were positive to support such a reduction. Kent has signed an amendment to the purchase agreement waiving any further contingencies regarding its purchase of Mullen Slough and indemnifying county from any further environmental responsibility at Mullen Slough.

The parties are now ready to proceed to the King County Council with no further anticipated delays.

Pursuant to K.C.C. 4.56.100, the Facilities Management Division determined that Mullen Slough does not meet the criteria for affordable housing. Notices were circulated to other county departments regarding WLRD's plan to surplus and sell the property. None of the agencies expressed interest.

Pursuant to K.C.C. 4.56.100, in February 2008, King County's Facilities Management Division declared Mullen Slough surplus to the county's present and foreseeable needs.

Benefits to the Public from the Mullen Slough Sale

WLRD's stated mission is "to help protect King County's water and lands so that its citizens can enjoy them safely today, and for generations to come." WLRD's further mission is its dedication to the cost-effective investment of public funds to promote a balance of human health, safety and public benefits with ecosystem protection. WLRD's decision to surplus Mullen Slough achieves a two-fold purpose: (1) Kent will restore the area consistent with the goals originally intended for Mullen Slough by WLRD, and net proceeds from the sale will enable WLRD to purchase further properties for open space, and (2) by making Mullen Slough available to the City of Kent, the county is assisting both the State of Washington and the City of Kent in furthering their own goals for habitat restoration.

Reason for the Transmittal to Council

Pursuant to K.C.C. 4.56.080, council must approve sale of county-owned real property. Included is the proposed ordinance for the sale of Mullen Slough, attachments of the fully-executed Real Estate Purchase and Sale Agreement between county and Kent, and maps of the area.

The Honorable Dow Constantine
March 25, 2009
Page 4

As a result of the above-described investigations, Kent had requested an emergency extension from SRF-Board. Their grant's new expiration date is now June 30, 2009, by which time Mullen Slough must be conveyed to Kent, as Kent expects no further extensions from SRF-Board. King County Council approval of this legislation by the end of May will facilitate closure of the property transaction by the grant deadline.

Should you have any questions, please contact Kathy Brown, Director, Facilities Management Division, at 206-296-0631.

Sincerely,

Ron Sims
King County Executive

Enclosures

cc: King County Councilmembers

ATTN: Tom Bristow, Interim Chief of Staff

Saroja Reddy, Policy Staff Director

Anne Noris, Clerk of the Council

Frank Abe, Communications Director

Bob Cowan, Director, Office of Management and Budget

Sid Bender, Capital Budget Supervisor, Office of Management and Budget

James J. Buck, County Administrative Officer, Department of Executive Services

Kathy Brown, Director, Facilities Management Division (FMD), DES

Nick Carnevali, Finance and Administrative Services Manager, FMD, DES

Theresa Jennings, Director, Department of Natural Resources and Parks

Bob Burns, Deputy Director, Department of Natural Resources and Parks

Mark Isaacson, Director, Water and Land Resources Division (WLRD),

MULLEN SLOUGH, ENCLOSURE #1



© 2008 King County

COMMENTS: MULLEN SLOUGH, APN 232204-9028

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Date: 9/16/2008 Source: King County iMAP - Property Information (<http://www.metrokc.gov/GIS/iMAP>)

MULLEN SLOUGH, ENCLOSURE #1

- | | | | | | |
|--|---|--|--|--|------------------------------------|
| | Highlighted Feature | | Parcels | | R-48 - Residential, 48 DU per acre |
| | County Boundary | | Parks | | NB - Neighborhood Business |
| | Mountain Peaks | | Unincorporated KC Zoning | | CB - Community Business |
| | Highways | | A-10 - Agricultural, one DU per 10 acres | | RB - Regional Business |
| | Forest Production District Boundary | | A-35 - Agricultural, one DU per 35 acres | | O - Office |
| | Agricultural Production District Boundary | | F - Forest | | I - Industrial |
| | Urban Growth Area Line | | M - Mineral | | Other |
| | Incorporated Area | | RA-2.5 - Rural Area, one DU per 5 acres | | 2005 Color Aerial Photos |
| | Streets | | RA-5 - Rural Area, one DU per 5 acres | | |
| | Highway | | RA-10 - Rural Area, one DU per 10 acres | | |
| | Arterials | | UR - Urban Reserve, one DU per 5 acres | | |
| | Local | | R-1 - Residential, one DU per acre | | |
| | Lakes and Large Rivers | | R-4 - Residential, 4 DU per acre | | |
| | Streams | | R-6 - Residential, 6 DU per acre | | |
| | Tribal Lands | | R-8 - Residential, 8 DU per acre | | |
| | | | R-12 - Residential, 12 DU per acre | | |
| | | | R-18 - Residential, 18 DU per acre | | |
| | | | R-24 - Residential, 24 DU per acre | | |

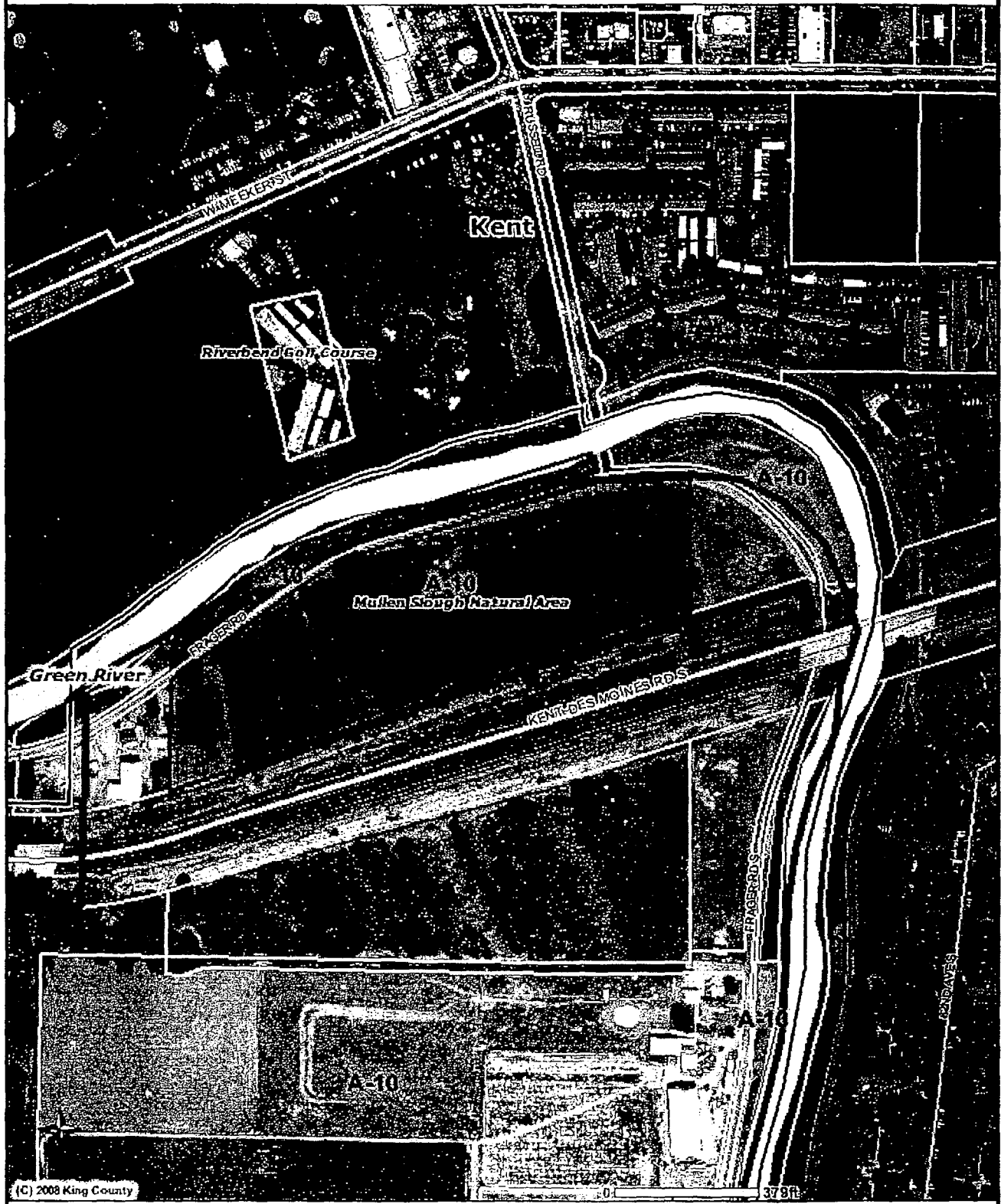
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Date: 9/16/2008 Source: King County IMAP - Property Information (<http://www.metrokc.gov/GIS/IMAP>)



MULLEN SLOUGH, ENCLOSURE #2



(C) 2008 King County

COMMENTS: MULLEN SLOUGH, APN 232204-9028

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Date: 9/16/2008 Source: King County iMAP - Property Information (<http://www.metrokc.gov/GIS/IMAP>)



MULLEN SLOUGH, ENCLOSURE #2

| | | |
|---|--|---|
| Legend | | |
| <ul style="list-style-type: none"> Highlighted Feature County Boundary Mountain Peaks Highways Forest Production District Boundary Agricultural Production District Boundary Urban Growth Area Line Incorporated Area Streets Highway Arterials Local Lakes and Large Rivers Streams Tribal Lands | <ul style="list-style-type: none"> Parcels Parks Unincorporated KC Zoning A-10 - Agricultural, one DU per 10 acres A-35 - Agricultural, one DU per 35 acres F - Forest M - Mineral RA-2.5 - Rural Area, one DU per 2.5 acres RA-5 - Rural Area, one DU per 5 acres RA-10 - Rural Area, one DU per 10 acres UR - Urban Reserve, one DU per 5 acres R-1 - Residential, one DU per acre R-4 - Residential, 4 DU per acre R-6 - Residential, 6 DU per acre R-8 - Residential, 8 DU per acre R-12 - Residential, 12 DU per acre R-18 - Residential, 18 DU per acre R-24 - Residential, 24 DU per acre | <ul style="list-style-type: none"> R-48 - Residential, 48 DU per acre NB - Neighborhood Business CB - Community Business RB - Regional Business O - Office I - Industrial Other <p>2005 Color Aerial Photos</p> |

(cont)

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Date: 9/16/2008 Source: King County IMAP - Property Information (<http://www.metrokc.gov/GIS/IMAP>)



ENCLOSURE #3 TO MULLEN SLOUGH TRANSMITTAL LETTER - FISCAL NOTE

| |
|--|
| Ordinance/Motion No. 2009-XXXX |
| Title: Sale of Surplus Property, Mullen Slough Natural Area |
| Affected Agency and/or Agencies: Water and Land Resources Division |
| Note Prepared By: Sheri D. Coen |
| Note Reviewed By: Steve Oien |

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

Revenue:

| Fund/Agency | Fund Code | Revenue Source | 2009 | 2010 | 2011 | 2012 |
|----------------------|-----------|----------------|---------|------|------|------|
| Conservation Futures | 000003151 | 39512 | 270,808 | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | | 270,808 | 0 | 0 | 0 |

Expenditures:

| Fund/Agency | Fund Code | Department Code | 2009 | 2010 | 2011 | 2012 |
|---------------------------------|-----------|-----------------|-------|-------|-------|-------|
| Parks Operating Levy Fund/Parks | 1451 | DNRP | (412) | (433) | (454) | (477) |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | | (412) | (433) | (454) | (477) |

Expenditures by Category

| | 2009 | 2010 | 2011 | 2012 |
|-----------------------|-------|-------|-------|-------|
| Salaries & Benefits | (412) | (433) | (454) | (477) |
| Supplies and Services | | | | |
| Capital Outlay | | | | |
| Other | | | | |
| TOTAL | (412) | (433) | (454) | (477) |

Assumptions: Sale proceeds of \$280,000 less Real Estate Services charges of \$9,192.

Mullen Slough Natural Area is projected to be sold in 2009. Parks' operating expenditure decreases are estimated for a full year based on direct labor hours and supplies associated with site. Out year inflation is 5%, per Parks' financial plan.

Conservation Futures Tax Background

What are Conservation Futures?

The CFT levy is a county-wide property tax of \$0.625 per \$1,000 of assessed value (the maximum allowable rate under state law). These revenues are dedicated exclusively for the acquisition of open space, agricultural or timber lands.

How are CFT projects selected?

County policy regarding CFT funding (KCC 26.12) provides for an annual allocation based on recommendations made by a Citizen Oversight Committee (COC), with the exception of a set-aside which is allocated at the council's discretion in the annual budget. Applicants for funding include King County government and incorporated city governments. Citizen groups and individual citizens may apply, but must demonstrate a funding commitment from the local jurisdiction. (Jurisdictions in which the open space is located must provide at least a 50 percent matching contribution to the project.)

What criteria are used for selection?

In addition to the county code requirements for CFT project funding, Ordinance 13717 established funding allocation procedures and Motion 11144 established detailed project eligibility criteria for CFT project selection by the COC, including definitions of the open space criteria specified in the earlier ordinance. This evaluation list includes project selection direction and weighted (high, medium, low) examples in the following areas:

1. Wildlife Habitat or Rare Plant Reserve
2. Salmon Habitat and Aquatic Resources
3. Scenic Resources
4. Community Separator
5. Historic/Cultural Resources
6. Urban Passive-Use Natural Area/Greenbelt
7. Park, Open Space, or Natural Corridor Addition
8. Passive Recreation Opportunity in Area with Unmet Needs

Surplus Property Process in King County

King County Code 4.56 establishes a procedure for disposal of county owned properties that are no longer needed to enhance county operations and are considered "surplus to the county's needs".

King County Code (KCC) Provisions Regarding Declaration of Property as Surplus

Under the provisions of the KCC, the Facilities Management Division (FMD) of the Department of Executive Services is the agency responsible for the administrative processes of acquiring, disposing, inventorying, leasing and managing real property.

Each year, departments are to report to FMD on the status of all real property under their custodianship. Departments are to justify the continued retention of all properties. If in FMD's opinion the department has not justified retention of a property, or if the department identifies properties that are surplus to its needs, FMD is required to "shop" the property to all other County agencies. If no other agency expresses an interest in the property to use in the provision of essential services, FMD is then required to determine if the property is suitable for use for affordable housing.

As outlined in KCC 4.56.70, to be suitable for affordable housing, the property must be within the Urban Growth Area and be zoned residential. Any affordable housing development proposed for the site would have to be compatible with the neighborhood. (The definitions related to the terms affordable housing, low-income housing, and market rate housing can be found in the Revised Code of Washington.)

If no other department or agency expresses a need for a particular property and the property does not meet the affordable housing guidelines, FMD is then empowered to declare the property as surplus.

Once the property is declared surplus, FMD is required to review other possible uses of the property before it is offered for sale. These other uses include:

- Exchange for other privately or publicly owned land that would meet a County need;
- Lease with restrictive covenants;
- Use by other governmental agencies;
- Retention by the County if in a floodplain or slide hazard area; and,
- Use by nonprofit entities for public purposes.

If the property is not appropriate for or cannot meet one of the uses above, the Executive may decide that the best course of action is to sell the property.

King County Code Provisions Regarding the Sale of Surplus Real Property


King County Code 4.56.080 requires Council approval before the Executive disposes of property that has been declared surplus in accordance with the process and procedures discussed above.

King County Code 4.56.100 provides for the sale of real and personal property. Generally, all sales are to be to the highest responsible bidder at public auction or by sealed bid. However, there are exceptions. One exception is if the property is to be sold to another governmental agency. A second exception is to list the property with a commercial real estate broker if, in the opinion of the Real Estate Services Division, the County will receive a greater return than if the property were sold at public auction or by sealed bid. Additionally, the property may be sold through a negotiated direct sale if it is determined that it is in the best interests of the public.

FTA rules regarding the disposition of excess property call for sales procedures to provide for open competition to the greatest extent practicable and result in the highest possible return or at least payment of appraised fair market value.

DATE: Monday, January 28, 2008

TO: King County Councilmembers, King County Department Directors
King County Division Directors/Managers

FROM: Wayne Richardson, Manager 
Real Estate Services Section, Facilities Management Division

RE: **Surplus Property Notice: MULLEN SLOUGH NATURAL AREA**

RESPONSES DUE BY FRIDAY, FEBRUARY 15th, 2008

This is a conditional surplussing by the county's Department of Natural Resources for the purpose of aiding City of Kent in spending expiring grant funds for purchase of a property for an intended city restoration project. DNRP's Water and Land Division purchased the Mullen Slough Natural Area (Mullen Slough) parcel for purposes of future habitat preservation and restoration. Independent of and prior to this County purchase, the City of Kent received a state grant to purchase property for a city habitat restoration site. Unable to secure an originally-targeted parcel, and with Kent's grant approaching expiration, WLRD and Kent mutually identified Mullen Slough as a good candidate for Kent. Though Mullen Slough is just outside City boundaries, it is proximate enough to Kent to warrant a city habitat restoration project, and Kent would welcome such opportunity. Should negotiations with Kent be finalized, WLRD is comfortable with releasing Mullen Slough, as Kent will develop this natural area consistent with the original funding source requirements for the Mullen Slough purchase. Should this sale not finalize, WLRD may consider maintaining Mullen Slough within its Parks habitat portfolio, and this natural area may not be declared surplus.

Pursuant to King County Code 4.56, prior to the sale or trade of property determined as surplus to current custodial needs, the Facilities Management Division must first determine whether any other County department has a need for the property for government services. Priority is given to uses related to the provision of essential government services. Essential government services is defined as services for public health, public safety, or services related to transportation, water quality, surface water or other utilities. If not needed for essential government services, the property is reviewed for its suitability for affordable housing. Mullen Slough does not qualify for affordable housing criteria.

Please circulate this notice within your department or division to determine if the property is needed for government services or if there are any comments or concerns regarding the surplussing of these parcels.

Please return responses to Real Estate Services by Friday, February 15th, 2008

If you have any questions, please call Anne Lockmiller, Surplus Properties Agent, Real Estate Services Section, at 206.205.5638.

Attachments

DECLARATION OF SURPLUS PROPERTY

COMMON PROPERTY NAME: MULLEN SLOUGH NATURAL AREA
 COMMON ADDRESS/LOCATION: PROXIMATE TO CITY OF KENT
 TAX ACCOUNT NUMBER: APN #232204-9028

CUSTODIAL AGENCY COMMENTS: This is a conditional surplussing by the county's Department of Natural Resources and Parks for the purpose of aiding City of Kent in spending expiring state grant funds for purchase of a property for an intended city restoration project. DNRP's Water and Land Division purchased the Mullen Slough Natural Area (Mullen Slough) parcel for purposes of future habitat preservation and restoration. Independent of and prior to this County purchase, the City of Kent received a state grant to purchase property for a city habitat restoration site. Unable to secure an originally-targeted parcel, and with Kent's grant approaching expiration, WLRD and Kent mutually identified Mullen Slough as a good candidate for Kent. Though Mullen Slough is just outside City boundaries, it is proximate enough to Kent to warrant a city habitat restoration project, and Kent would welcome such opportunity. Should negotiations with Kent be finalized, WLRD is comfortable with releasing Mullen Slough, as Kent will develop this natural area consistent with the original funding source requirements for the Mullen Slough purchase. Should this sale not materialize, WLRD will maintain Mullen Slough within its Parks habitat portfolio and perhaps consider it for future surplussing. **As the city's grant expires on March 15, 2008, an expedited purchase and sale agreement between Kent and the County, along with County Council approval, will be sought.**

PROPERTY SERVICES DETERMINATION: SURPLUS TO COUNTY NEEDS;
 CONDITIONALLY SURPLUSSED

By: Wayne Richards
 Date: 2-20-2008

Inventory status Changed: By: _____
 Date: _____

Council Motion / Ordinance: No. _____
 Date: _____

Surplus Property Disposition: To: _____
 Date: _____

File/Application: No. _____

MULLEN SLOUGH, ENCLOSURE #1

ATTACHMENT



© 2008 King County
 COMMENTS: MULLEN SLOUGH, APN 232204-9028

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9/18/2008
 Source: King County iMAP - Property Information (<http://www.metrokc.gov/GIS/IMAP>)



MULLEN SLOUGH, ENCLOSURE #1

 Highlighted Feature

 County Boundary

 Mountain Peaks

 Highways


 Forest Production District Boundary

 Agricultural Production District Boundary

 Urban Growth Area Line

 Incorporated Area

 Streets

 Highway

 Arterials

 Local

 Lakes and Large Rivers

 Streams


 Tribal Lands


Legend

 Parcels

 Parks


 Unincorporated KC Zoning


 A-10 - Agricultural, one DU per 10 acres


 A-35 - Agricultural, one DU per 35 acres


 F - Forest


 M - Mineral

 RA-2.5 - Rural Area, one DU per 5 acres


 RA-5 - Rural Area, one DU per 5 acres

 RA-10 - Rural Area, one DU per 10 acres

 UR - Urban Reserve, one DU per 5 acres

 R-1 - Residential, one DU per acre

 R-4 - Residential, 4 DU per acre

 R-6 - Residential, 6 DU per acre

 R-8 - Residential, 8 DU per acre

 R-12 - Residential, 12 DU per acre

 R-18 - Residential, 18 DU per acre

 R-24 - Residential, 24 DU per acre

(cont)


 R-48 - Residential, 48 DU per acre

 NB - Neighborhood Business

 CB - Community Business

 RB - Regional Business

 O - Office

 I - Industrial

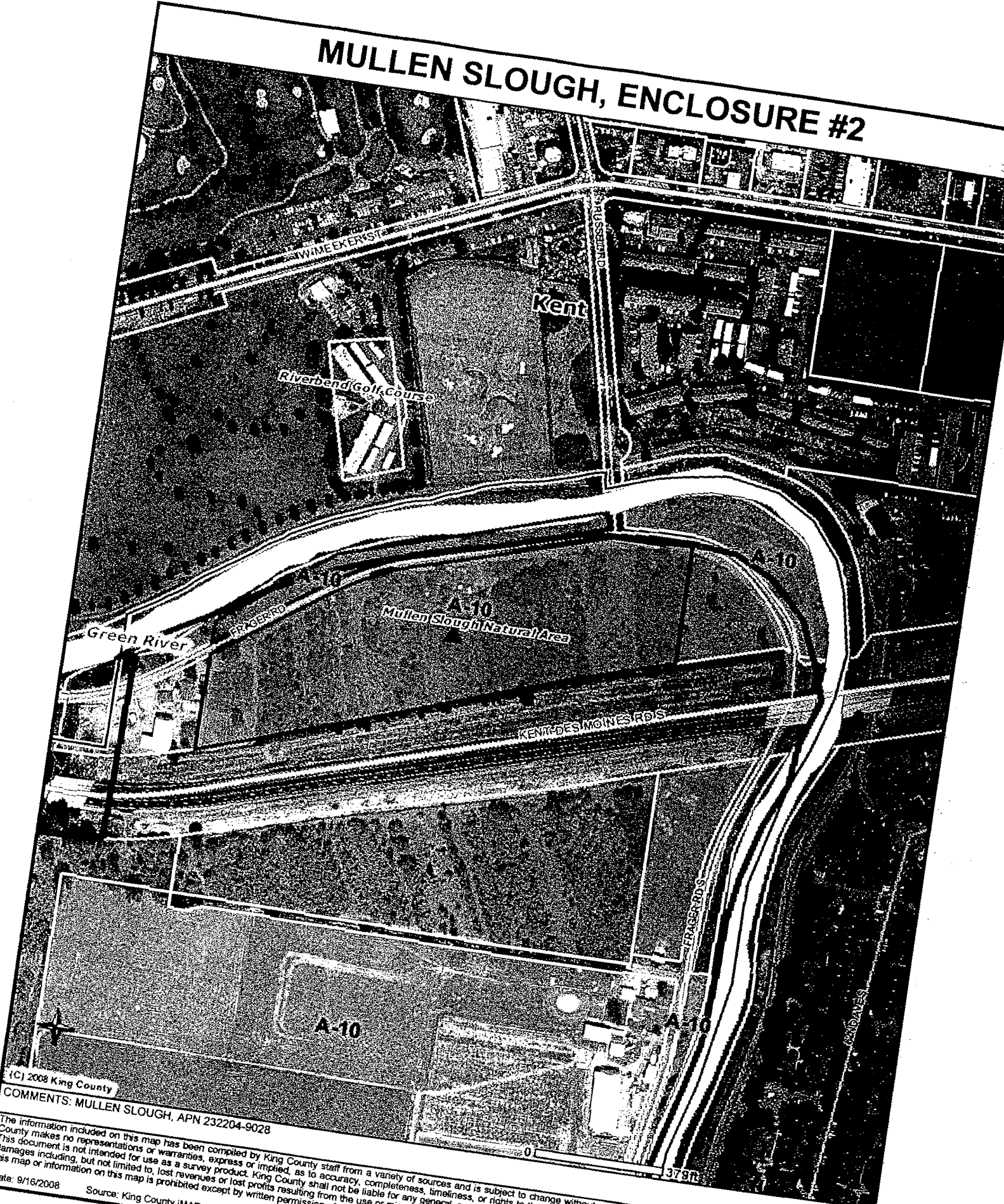
 Other

2005 Color Aerial Photos

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MULLEN SLOUGH, ENCLOSURE #2



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COMMENTS: MULLEN SLOUGH, APN 232204-9028

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Date: 9/16/2008

Source: King County iMAP - Property Information (<http://www.metrokc.gov/GIS/iMAP>)



MULLEN SLOUGH, ENCLOSURE #2

Legend

 Highlighted Feature

 County Boundary

 Mountain Peaks

Highways

 Forest Production District Boundary

 Agricultural Production District Boundary

 Urban Growth Area Line

 Incorporated Area

Streets

 Highway

 Arterials


Local

 Lakes and Large Rivers

 Streams

 Tribal Lands


Parcels

 Parks

Unincorporated KC Zoning

 A-10 - Agricultural, one DU per 10 acres

 A-35 - Agricultural, one DU per 35 acres

 F - Forest

 M - Mineral

RA-2.5 - Rural Area, one DU per 5 acres

RA-5 - Rural Area, one DU per 5 acres

 RA-10 - Rural Area, one DU per 10 acres

UR - Urban Reserve, one DU per 5 acres

R-1 - Residential, one DU per acre

R-4 - Residential, 4 DU per acre

R-6 - Residential, 6 DU per acre

R-8 - Residential, 8 DU per acre

 R-12 - Residential, 12 DU per acre

 R-18 - Residential, 18 DU per acre

 R-24 - Residential, 24 DU per acre

(cont)

 R-48 - Residential, 48 DU per acre

 NB - Neighborhood Business

 CB - Community Business

 RB - Regional Business

 O - Office

 I - Industrial

 Other

2005 Color Aerial Photos

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