ACTION ITEM #1
(Revised 8/29/17)
WSU Pullman, Approval of Pullman Moscow Regional Airport’s Land Acquisition Offer
(Pearson/Yang)

August 30, 2017

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: WSU Pullman, Approval of Pullman Moscow Regional Airport’s Land Acquisition Offer

PROPOSED: That the Board of Regents approve the land acquisition offer from the Pullman Moscow Regional Airport by and through the City of Pullman for the amount of $15.3M plus real property and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the transactions. Final settlement amount may vary by up to $300K depending on final inventory.

SUBMITTED BY: Stacy Pearson, Vice President for Finance and Administration

BACKGROUND: The Pullman Moscow Regional Airport (Airport) has been planning a re-alignment of their runway to increase width and length in order to bring the runway into compliance with Federal Aviation Administration (FAA) regulations. The runway’s new alignment puts the Runway Protection Zone over research facilities owned by the University. Research programs affected include intramural United States Department of Agriculture and College of Veterinary Medicine research as well as research associated with the Tukey Orchard and Animal Sciences for the College of Agricultural, Human, and Natural Resource Sciences. In total the research has generated over $90M since 2006.

The Airport prepared an appraisal and relocation study, which determined the fair market value of land to be acquired for the runway realignment program. An offer was presented to WSU in March 2016. WSU prepared an independent appraisal and presented a counter offer to the Airport. The Airport and the
University have since been in negotiations about ways to move the runway project forward while protecting the affected research.

WSU has worked collaboratively with the Airport in support of the runway realignment project (Project). WSU provided a temporary construction easement necessary for Phase 1 of the Project; provided a use permit allowing the Airport to construct a haul road on University property; renegotiated a lease with the Department of Transportation whereby WSU voluntarily relinquished a portion of a leasehold to allow for permitting and construction of a haul road; and, most recently, executed an electrical transmission easement in favor of Avista in order to save the Project from significant delay without immediate compensation.

There is general acknowledgement that the WSU situation is unique and unlike the typical situation involving relocation of residences or businesses.

The FAA determined that an administrative settlement would be needed to successfully negotiate the acquisition of land from WSU and avoid the potential of litigation. The FAA has approved an administrative settlement amount of $15.3 million. The final settlement amount may vary by up to $300,000 depending on final inventory. The basis for the administrative settlement includes: fee simple acquisition, avigation easements, utility easements, access easement, relocation costs, and legal avoidance compensation (estimated legal fees for condemnation). The FAA has programmed and will issue a grant in federal fiscal year 2017 for WSU land acquisition.

ATTACHMENTS:  The Aerial Site Map is appended as Attachment A
The Runway Realignment is appended as Attachment B
WHEREAS, the Board of Regents of Washington State University by virtue of RCW 28B.10.528 has authority to delegate by resolution to the President of the University, or designee, powers and duties vested in or imposed upon the Board by law and to enable the President, or designee, to act on behalf of the Board of Regents in matters relating to the administration and governance of the University.

RESOLVED: That the Board of Regents approve the land acquisition offer from the Pullman Moscow Regional Airport by and through the City of Pullman for the amount of $15.3M plus real property and further delegate authority to the President or his designee to enter into any and all contracts necessary to complete the transactions. Final settlement amount may vary by up to $300K depending on final inventory.

Dated this 30th day of August, 2017.

Chair, Board of Regents

Secretary, Board of Regents