

SOUND TRANSIT

MOTION NO. M99-33

Approval to execute the First Supplement to the April, 1998, Memorandum of Agreement between the City of Seattle and Sound Transit BACKGROUND AND COMMENTS

| Meeting: | Date: | Type of Action: | Staff Contact: | Phone: |
|---------------------|--------|----------------------------|------------------|----------|
| Finance Committee | 6/3/99 | Discuss/Recommend Approval | Paul Bay | 398-5134 |
| Executive Committee | 6/4/99 | Discuss/Recommend Approval | Bill Houppermans | 398-5125 |
| Board of Directors | 7/8/99 | Approval | | |

ACTION:

Approval of Motion No. M99-33 would delegate authority to the Executive Director to execute the first supplement to the April 1998 Memorandum of Agreement (MOA) between the City of Seattle and Sound Transit, providing for compensation to certain Departments of the City of Seattle for specified design and design review activities in connection with moving the Link light rail project through preliminary engineering and final design and getting ready for construction permitting during calendar years 1999 and 2000.

BACKGROUND:

For the last four months, Sound Transit staff and City staff have been negotiating the design and design review work required of City Departments during 1999 and 2000 in connection with moving the project through preliminary engineering and final design, and issuance of construction permits required in those years.

City Departments have proceeded with certain design review work during the first half of 1999 based upon the understanding stated in the original Memorandum of Agreement that compensation would be separately provided for such activities.

The "First Supplement to the Memorandum of Agreement for Intergovernmental Cooperation" incorporates the results of those task and cost negotiations, providing for compensation for specified activities. The cost of those activities for the two calendar years is estimated at \$4,919,821, to be paid in equal monthly payments. Quarterly reviews of actual costs will result in adjustments as required. The City is responsible for accounting of costs to meet FTA audit requirements, and to permit quarterly reconciliations of budget status. A number of alternative payment methods were considered. The method as outlined in the Supplement has the following advantages:

- ◆ Sound Transit is not required to process multiple monthly invoices from City Departments but makes a single monthly payment to the City.

- ◆ All Departments know up front what activities are compensable, and the estimated level of work, and can plan their staffing accordingly.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- ◆ Adoption of Sound Move, the Ten-Year Regional Transit System Plan (May 31, 1996).
- ◆ Resolution No. 78-1, delegating authority and establishing procurement procedures (April 9, 1998).
- ◆ Motion No. 98-15, authorizing execution of a Memorandum of Agreement between the City of Seattle and Sound Transit, April 20, 1998.
- ◆ Adoption of Fiscal Year 1999 Budget (November 12, 1998).

KEY FEATURES:

- ◆ Provides compensation only for defined activities and deliverables for specified City Departments.
- ◆ Provides for schedule assurance in achieving project design reviews.
- ◆ Provides for City to manage and coordinate Departmental reviews and activities.
- ◆ Provides for equal monthly payments based upon budget estimates.
- ◆ Provides for quarterly reconciliation and adjustments to budgets.

FUNDING:

Funds for payments to the City are included in the engineering and administration costs line items in the Link Project Capital Budget, in the Fiscal Year 1999 Capital Budget, and in the approved FTA Grant Budget for Preliminary Engineering.

COSTS:

The estimate of costs during each of the two years is as follows:

| City Department | Estimated Amount of Reimbursement | |
|--|-----------------------------------|-----------|
| | 1999 | 2000 |
| Seattle Transportation Department | \$814,568 | \$970,512 |
| City Light Department | \$540,280 | \$734,910 |
| Seattle Public Utilities | \$220,000 | \$440,000 |
| Dept. of Design, Construction & Land Use | \$138,405 | TBD |
| Light Rail Review Panel | \$95,000 | \$95,000 |
| Executive - Strategic Planning Office | \$331,758 | \$242,118 |
| Fire Department | \$77,000 | \$79,000 |
| Department of Parks & Recreation | \$24,120 | \$28,150 |
| Planning Commission | \$19,000 | \$0 |
| Arts Commission | \$10,000 | \$10,000 |
| Seattle Police Department | \$25,000 | \$25,000 |

| | | |
|----------------------------|-------------|-------------|
| Anticipated Total by Year: | \$2,295,131 | \$2,624,690 |
| | | |
| Grand Total | | \$4,919,821 |

ALTERNATIVES:

In negotiating this Supplement, Sound Transit staff has considered several alternatives, and their likely consequence:

Alt. 1 -- Do not provide for compensation to City staff for design reviews, except in the form of standard permit fees required by the City. Because of current staff work loads, particularly in DCLU, SeaTrans, City Light, SPU and the Strategic Planning Office, this would mean that no schedule certainty could be provided for design and design review activities, with consequent risks of significant delay in project approvals.

Alt. 2 -- Provide compensation only after the fact, as determined by Sound Transit on a case-by-case basis, but with no prior agreement on the kind and level of activities anticipated. This alternative would not provide assurance to the City of compensation levels, and would not allow for the most orderly deployment of staff to meeting schedules. It would also involve risk of later disputes over work done and compensation for activities.

CONSEQUENCES OF DELAY:

The primary consequence is to the City of Seattle, whose staff are now working on project activities on the expectation of approval of this MOA supplement. A slowdown of Seattle work could seriously affect project schedule.

LEGAL REVIEW:

The Legal Department has reviewed and approved the MOA, the Background and Comments and the Motion.

SOUND TRANSIT

MOTION NO. M99-33

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a Supplement to the April 20, 1998 Memorandum of Agreement between the City of Seattle and Sound Transit; and providing for reimbursement to City Departments for certain design and design review costs in connection with the Link Light Rail project during calendar years 1999 and 2000, for an estimated amount of \$4,919,821.

Background:

In April 1998, the Board approved a Memorandum of Agreement between Sound Transit and the City of Seattle, providing for a cooperative working relationship between the City and Sound Transit; for expedited environmental and design reviews; and \$2.5 million in compensation to the City for station area planning activities during 1998 and 1999 around all 15 of the light rail stations proposed within the City of Seattle. That Memorandum of Agreement also provided for supplements to be approved later to specifically address compensation to the City for design and design review activities in connection with permitting construction of the physical facilities of the light rail project.

For the last four months, Sound Transit staff and City staff have been negotiating the design and design review work required of City Departments during 1999 and 2000 in connection with moving the project through preliminary engineering and final design, and issuance of construction permits required in those years.

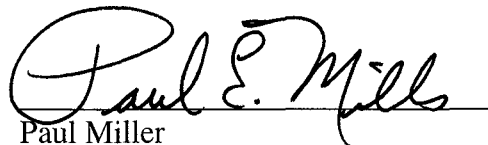
City Departments have proceeded with certain design review work during the first half of 1999 based upon the understanding stated in the original Memorandum of Agreement that compensation would be separately provided for such activities.

The "First Supplement to the Memorandum of Agreement for Intergovernmental Cooperation" incorporates the results of those task and cost negotiations, providing for compensation for specified activities. The cost of those activities for the two calendar years is estimated at \$4,919,821, to be paid in equal monthly payments. Quarterly reviews of actual costs will result in adjustments as required.

Motion:

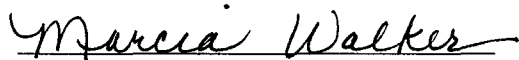
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority to authorize the Executive Director to execute the First Supplement to the Memorandum of Agreement for Intergovernmental Cooperation between Central Puget Sound Regional Transit Authority and the City of Seattle for the Central Link Light Rail Project, providing compensation for certain design and design review activities by City Departments in connection with preliminary engineering, final design and construction permitting of the light rail project during calendar years 1999 and 2000, for an estimated amount of \$4,919,821.

Approved by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof on the 8th day of July, 1999.

A handwritten signature in cursive script that reads "Paul E. Miller". The signature is written over a horizontal line.

Paul Miller
Board Chair

ATTEST:

A handwritten signature in cursive script that reads "Marcia Walker". The signature is written over a horizontal line.

Marcia Walker
Board Administrator