

**STAFF REPORT  
SOUND TRANSIT  
MOTION NO. M2001-51**

**Agreement between Sounder Commuter Rail and the Port of Tacoma for Design and Construction of Storage Tracks**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	6/7/01	Discussion/Possible Action to recommend Board Approval	Paul Price, Director Eric Kosty, E&O Consultant	(206) 398-5111 (206) 398-5123
Board	6/14/01	Action		

**PROPOSED ACTION**

The proposed action would authorize the Executive Director to execute an agreement with the Port of Tacoma for the design and construction of three additional storage tracks in the Port's Interchange Yard Expansion Project and funding in the support of Commuter Rail Services in the Tacoma corridor. The action authorizes the amount of \$1,425,000 plus a 12.3% contingency of \$175,000, for a total authorized amount not to exceed \$1,600,000.

**KEY FEATURES**

**Highlights of Proposed Action:**

- ◆ Authorizes the Executive Director to execute an agreement with the Port of Tacoma for the design and construction of three additional storage tracks in the Port's Interchange Yard Expansion Project and funding in the support of Commuter Rail Services in the Tacoma corridor. The action authorizes the amount of \$1,425,000 plus a 12.3% contingency of \$175,000, for a total authorized amount not to exceed \$1,600,000.
- ◆ Establishes a mechanism to compensate Tacoma Rail for the loss of Union Pacific train storage resulting from Sound Transit's commuter train service on a portion of the Tacoma Rail line in the vicinity of the Freighthouse Square/Tacoma Dome Station.
- ◆ Establishes the working arrangements necessary to incorporate the design and construction of the three additional storage tracks into the Port's Interchange Yard Expansion Project.
- ◆ Links the future repurchase of these three additional storage tracks from Sound Transit by the Port of Tacoma with the completion of the second "passenger only" track agreed to between Sound Transit and the City of Tacoma.

## **DISCUSSION**

By Motion No. M2000-122, dated December 14, 2000, the Sound Transit Board authorized a Commuter Rail Agreement between Sound Transit and the City of Tacoma regarding the design and construction of improvements necessary for the operation of commuter rail service on the Tacoma Rail corridor to the permanent Tacoma Dome Sounder Station. A key to the successful negotiation of this agreement was the protection of Tacoma Rail's growing freight business, specifically, their storage of Union Pacific freight cars in this corridor, which would be displaced by Sounder trains once service to the permanent station at the Tacoma Dome Station begins.

The Port of Tacoma informed the parties that the Port was moving ahead with the design and construction of nine storage tracks in their Interchange Yard. The Port also had plans for future additional tracks in this yard, and indicated they could undertake construction of three additional tracks at Sound Transit's expense that could be used by Tacoma Rail for alternate storage. The Port would also agree to repurchase these additional storage tracks when it is no longer necessary for Sound Transit to provide them for Tacoma Rail. This proposal was accepted by Sound Transit and City of Tacoma and the concept was incorporated into the Commuter Rail Agreement.

Since this time, the parties have developed the concept into an agreement that provides the working arrangements necessary to incorporate the design and construction of these three additional storage tracks into the Port's Interchange Yard Expansion.

The main elements of the agreement include the following:

- The construction of the three tracks will provide 6,812 feet of storage for Tacoma Rail in the Port of Tacoma's Interchange Rail Yard. Tacoma Rail will lose approximately 6,500 feet of storage on their existing tracks.
- The design of the three additional tracks was undertaken by a letter agreement between Sound Transit and the Port of Tacoma to maintain the Port's schedule for the overall Interchange Yard Expansion Project. If Sound Transit decides to not undertake construction of the three additional tracks, the Port of Tacoma will buy the design from Sound Transit.
- The construction will be undertaken as part of the Port's Interchange Yard Expansion Project, now underway. The construction contract has been written to facilitate the additional three tracks and a notice to proceed will be issued upon signing of the agreement.
- The Port will perform the duties of project owner and construction manager, and Sound Transit will have the right to verify, by inspection, all materials, work, progress, invoices, etc., and attend any relevant meetings.
- Sound Transit will be invoiced by the Port of Tacoma for all actual direct costs related to the three additional tracks and a proportionate share of actual indirect costs.
- As the Interchange Yard is located on Port of Tacoma property, the Port will grant Sound Transit an easement for the three additional tracks.
- When the second "passenger only" track is complete in the Tacoma Rail corridor, within five years the Port of Tacoma will repurchase the three additional tracks from Sound Transit.

## **BUDGET**

Table 1 provides the specific details for this agreement with respect to design, construction and contingency detail.

**Table 1 – Port of Tacoma Agreement for Three Additional Storage Tracks**

	<b>Construction Amount (A)</b>	<b>Design Amount (B)</b>	<b>Total Contract Value Not to Exceed (C) = (A+B)</b>
Base Amount	\$ 1,291,000	\$ 134,000	\$ 1,425,000
Contingency	\$ 165,000	\$ 10,000	\$ 175,000
Total	\$ 1,456,000	\$ 144,000	\$ 1,600,000
% Contingency	12.8%	7.5%	12.3%

Budget for this agreement is included in the Construction and Final Design phase budgets of the Seattle-to-Auburn and Auburn-to-Tacoma Track and Facilities projects, as shown in the Agency's 2001 Proposed Budget, approved by Resolution No. R2000-17 on December 14, 2000. (Note: Amendment #7 changed the final approved amounts from the detail found on pages 85 and 86.) Table 2 presents the current budget as it relates to the forecast and the impact of this action:

**Table 2 - Seattle-Tacoma Track and Facilities:  
Impact of Motion with Port of Tacoma**

<b>Descriptions Project/Phase</b>	<b>Total Project Budget</b>	<b>Budget by Phase (A)</b>	<b>Obligations -to-Date<sup>1</sup> (B)</b>	<b>Total Amount Requested (C)</b>	<b>Shortfall<sup>2</sup> or Surplus (D) (D)=(A-B-C)</b>
Sea-Aub T&F Final Design (#110)	\$269,310,000	\$5,784,000	\$3,729,552	\$ 44,306	\$2,010,142
Sea-Aub T&F Construction (#110)	\$269,320,000	\$185,245,000	\$181,204,337	\$ 915,694	\$3,124,969
Aub-Tac T&F Final Design (#120)	\$183,231,000	\$ 4,515,000	\$3,091,085	\$ 29,537	\$1,394,378
Aub-Tac T&F Construction (#120)	\$183,231,000	\$ 118,478,000	\$116,064,127	\$ 610,463	\$1,803,410
Total	N/A	\$ 314,022,000	\$304,089,101	\$ 1,600,000	\$8,332,899

<sup>1</sup> Includes expenditures through March 31, 2001, and Commitment of \$295,000,000 to BNSF

<sup>2</sup>This does not include items referred to in the April 12, 2001 Cost-to-Complete discussion.

## **ALTERNATIVES**

### **1) No Action: Do not approve the agreement**

**Not Recommended:** After several months of cooperative effort between Sound Transit and the Port of Tacoma, staff believe that this agreement provides a fair and equitable working arrangement consistent with the concept negotiated in the Sound Transit/City of Tacoma Commuter Rail Agreement.

- 2) Delay: Hold off on approving this agreement.

Not Recommended: The construction of the Port's Interchange Yard Expansion Project is now underway. If the agreement is delayed, Sound Transit will lose its window of opportunity to realize the benefits that construction of the three additional tracks under the Port's current construction program provides. However, a brief delay of two weeks to allow the Board time for further consideration could be accommodated with no significant impacts.

- 3) Direct staff to renegotiate a new or modified agreement:

Possible Recommendation: Additional negotiations may result in a better outcome for Sound Transit. We must be cautious that resulting delay may have the consequences described above.

### **CONSEQUENCES OF DELAY**

Delaying the signing of the agreement will prevent Sound Transit from taking advantage of the Port of Tacoma's current construction program. The benefits of a joint design and construction program will be lost to both parties and there will be a resulting delay in providing Sounder service to the permanent Tacoma Dome Station. A delay, in the absence of a better alternative, may suggest to the City of Tacoma that Sound Transit is not prepared to implement the negotiated Commuter Rail Agreement.

### **REGIONAL PARTNERSHIP AND COOPERATION**

The Port of Tacoma's offer of providing interim track storage for Tacoma Rail in the Port's Interchange Rail Yard was instrumental in concluding successful negotiations between Sound Transit and the City of Tacoma. Incorporation of the three additional tracks required by Sound Transit in the Interchange Yard Expansion Project will result in construction efficiencies and in overall savings to both parties and the public. The excellent cooperation of the Port of Tacoma staff has continued during the creation of the agreement now being recommended for approval.

### **PUBLIC INVOLVEMENT**

This agreement has not been the subject of, and does not lend itself to any specific Sound Transit public outreach. The Port of Tacoma has conducted a SEPA review of their Interchange Local Expansion Project which included a public comment period; a Determination of Non-Significance has been issued.

### **LEGAL REVIEW**

MBL – 5/24/01

**SOUND TRANSIT**

**MOTION NO. M2001-51**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute an agreement with the Port of Tacoma for the design and construction of three additional storage tracks in the Port's Interchange Yard Expansion Project and funding in the support of Commuter Rail Services in the Tacoma corridor. The action authorizes the amount of \$1,425,000 plus a 12.3% contingency of \$175,000, for a total authorized amount not to exceed \$1,600,000.

**Background:**

By Motion No. M2000-122, dated December 14, 2000, the Sound Transit Board authorized a Commuter Rail Agreement between Sound Transit and the City of Tacoma regarding the design and construction of improvements necessary for the operation of commuter rail service on the Tacoma Rail corridor to the permanent Tacoma Dome Sounder Station. A key to the successful negotiation of this agreement was the protection of Tacoma Rail's growing freight business, specifically, their storage of Union Pacific freight cars in this corridor, which would be displaced by Sounder trains once service to the permanent station at the Tacoma Dome Station begins.

The Port of Tacoma informed the parties that they had plans for future additional tracks in its Interchange Yard, currently being designed. The Port indicated they could undertake construction of three additional tracks at Sound Transit's expense that could be used by Tacoma Rail for alternate storage. The Port would also agree to repurchase these additional storage tracks when it is no longer necessary for Sound Transit to provide them for Tacoma Rail. This proposal was accepted by Sound Transit and City of Tacoma and the concept was incorporated into the Commuter Rail Agreement. The parties have developed the concept into an agreement that provides the working arrangements necessary to incorporate the design and construction of these three additional storage tracks into the Port's Interchange Yard Expansion.


**Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Executive Director be authorized to execute an agreement between Sound Transit and the Port of Tacoma for the design and construction of three additional storage tracks in the Port's Interchange Yard Expansion Project. The action authorizes funding in the amount of \$1,425,000 with a 12.3% contingency of \$175,000, for a total authorized amount not to exceed \$1,600,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 14th day of June, 2001.

  
David Earling  
Board Chair

ATTEST:

  
Marcia Walker  
Board Administrator