

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-50

Kent Commuter Rail Station Parking Garage Use Agreement with the City of Kent

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	5/1/03	Deferred	Martin Minkoff, Director Sounder Commuter Rail Martin Young, Program Manager, Transportation Services	(206) 398-5111
Finance Committee	5/15/03	Discussion/Possible Action to Recommend Board		(206) 398-5115
Board	5/22/03	Approval Action		

Contract/Agreement Type:	3	Requested Action:	3
Competitive Procurement		Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
Memorandum of Agreement	✓	Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

4 Applicable to proposed transaction.

OBJECTIVE OF ACTION

- To execute an agreement with the City of Kent for use of the Kent Commuter Rail Station Parking Garage owned by Sound Transit.

ACTION

- Executing an agreement with the City of Kent (City) for use of the Kent Commuter Rail Station Parking Garage (“parking garage”) until 2034 with an option to renew until 2040, and creating mechanisms for the City to reimburse Sound Transit for incremental use of the garage by non-commuters.

KEY FEATURES

- Provides mechanisms for the City of Kent to pay Sound Transit the incremental costs to operate and maintain the parking garage for use by the general public, including fixed and variable costs, until 2034 with an option to renew the agreement for one additional six-year term until 2040.
- Reserves Sound Transit’s right to charge for parking in the future or to limit parking by the general public (non-commuter use) under certain circumstances.

BUDGET IMPACT SUMMARY

Project Description: Kent Station Operating Agreements

Current Status: In Operation

Projected Completion Date: N/A

Action Outside of Adopted Budget:	Y/N	Y	Requires Comment
This Line of Business	N		
This Project	N		
This Phase	N		
This Task	N		
Budget amendment required	N		
Key Financial Indicators:	Y/N	Y	Requires Comment
Contingency funds required	N		
Subarea impacts	N		
Funding required from other parties other than what is already assumed in financial plan	N		

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

BUDGET DISCUSSION

All costs for the operation of the park-and-ride facility at the Kent Commuter Rail station are budgeted for within the Sounder transit operations budget. Adequate funds for this activity are included for the 2003 fiscal year within the Board-adopted 2003 budget. Future years' budgets will be included within each year's budget proposal.

The agreement requires the City to reimburse Sound Transit for all additional costs of allowing non-transit-related parking within the facility, as defined within the agreement. While these additional costs will appear as an increase in the Sounder transit operations budget in future years, the City's reimbursement, which will be contained within the revenue budget, will offset these costs. Therefore, this action will be revenue-neutral.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

Since all additional costs related to the non-transit-related parking are to be reimbursed back to Sound Transit by the City of Kent, there is no financial impact to Sound Transit.

M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable to this action.

HISTORY OF PROJECT

The original Sound Move budget allocated \$6.6 million in 1995 dollars for Kent Station, with plans for 150 to 250 surface parking stalls. The actual number of permanent parking stalls at the Kent Station includes 126 surface stalls and 871 garage stalls, for a total of 997 parking stalls.

This considerable increase in scope was funded by commitments from the City of Kent (\$4 million to build the parking garage), King County (\$2.04 million to construct a fifth floor to the garage representing 191 of the 871 garage stalls), federal grant funding for the pedestrian bridge connecting the garage to the station, and Sound Transit through budget transfers of surplus funds from Boeing Access Road Station and King Street Station.

The history of the City of Kent's involvement in the parking garage follows:

In February 1998, the Kent City Council adopted a motion stating a preference for a structured parking facility rather than exclusively surface parking at the Kent Commuter Rail Station. The City wanted to build up rather than out in order to keep land in the downtown core available for other uses and to minimize the number of property takes to preserve the City's tax base.

In March 1998, the Sound Transit Board instructed staff to allow three months for the City of Kent to identify additional funding for a parking garage. In May 1998, the City adopted a motion authorizing a contribution of up to \$4 million using LTGO (Councilmanic) bonds to assist Sound Transit in funding the parking garage.

Sound Transit Resolution No. R99-20 (adopted August 26, 1999) authorized the Executive Director to execute an agreement with the City for design and potential development of a parking garage for the Kent Commuter Rail Station. The Interlocal Agreement signed on December 16, 1999, allowed the City to use the parking garage for a performing arts center and by local Kent Market patrons. Since the anticipated use was considered minimal, Sound Transit committed to operate and maintain the parking garage at its own expense. However, a civic vote to build a performing arts center in Kent failed to pass.

Subsequent to this agreement, the City purchased 18.2 acres of property adjacent to the Kent Commuter Rail Station and plans to sell parcels to private developers for a mixed-use urban village called "Kent Station." Kent Station plans incorporate such uses as residential, retail, office, movie theatre, parking structures, and a community college.

The City's shift from civic use to private development (with associated higher impacts) necessitated negotiations about sharing ongoing costs of the parking garage. Sound Transit and the City agree that the primary purpose of the garage is for commuter use and that the City will bear the incremental costs associated with non-commuter use of the facility. This purpose is consistent with the Sound Transit Parking Facilities Policy No. 2, (Motion No. M2002-122, adopted December 12, 2002):

"...Sound Transit will consider allowing non-transit parking uses for the facility as long as the primary use for transit users is preserved. Sound Transit will develop written agreements with the partner...that consider... non-transit parking customers use [of the] the facility does not impact transit users...administrative costs associated with monitoring and enforcing the facility [are addressed]..."

The environmental impacts of the construction and commuter use of the Kent Station parking garage were evaluated in the Final Environmental Assessment (EA) for the Tacoma-to-Seattle Commuter Rail project, dated June 1998, and the Supplemental EA for the Kent Station parking garage, dated December 1998. In accordance with the State Environmental Policy Act (SEPA) Sound Transit adopted the June 1998 EA in support of its Mitigated Determination of Nonsignificance for the Tacoma-to-Seattle Commuter Rail Project (June 1998). Sound Transit also adopted the Supplemental EA in support of its Determination of Nonsignificance for the parking garage (December 1998).

The City evaluated the environmental impacts of the Kent Station Plan project in the Kent Station Planned Action Final Supplemental Environmental Impact Statement (Final SEIS), issued on July 8, 2002. This SEPA environmental document analyzes the environmental impacts of anticipated project-specific development of the Kent Station Planned Action Site, including impacts related to the

City's proposed use of the parking garage. Sound Transit is using the Final SEIS unchanged in support of the proposed agreement with the City.

Structure of the Agreement

This agreement requires the City of Kent to reimburse Sound Transit for use of the parking garage based on incremental operations and maintenance costs over and above the costs estimated for commuter use, separated into fixed and variable costs.

Examples of fixed costs are expenditures associated with security officers, utilities, elevator maintenance, landscaping, and vandalism repair. The City will reimburse Sound Transit for fixed costs incurred above a baseline established prior to City use.

Variable costs are expenditures that are expected to fluctuate with an increase in either commuter use or general public use, such as janitorial services, paint re-striping, electrical repairs, and glass replacement. These costs will be reimbursed based on formulae taking into account the increased cost and percentage of use by transit users and the general public. In 2004 and beyond, cars will be counted twice a year to determine the percentage of use attributable to the general public. Baselines will be measured when the City's Kent Station project opens and when King County Metro commuters begin using the parking structure.

The City also agrees to reimburse Sound Transit for a portion of mid-life maintenance costs in 2017.

Cost to the General Public

Sound Transit has reserved the right in the agreement to charge for parking in the future if the City or a private party in the area charges for parking, if the parking garage reaches capacity, or if Sound Transit adopts a system-wide policy to charge for parking in its parking structures. This protects Sound Transit if an adjacent facility or the City charges for parking, which could cause non-commuters to shift to the Sound Transit parking garage and potentially impact transit customers.

**Prior Board or Committee Actions
and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
M2002-122	Established policies to define and regulate the uses that are permitted and those that are prohibited at Sound Transit's parking facilities.	12/12/02
M2001-48	Added \$2,060,000 to the contract contingency fund for the contract with PCL Construction Company for design and construction of an additional 5 th level of parking to the parking garage at the Kent Commuter Rail Station.	5/24/01
M2000-95	Executed a contract with PCL Construction Company for design and construction of a parking garage at the Kent Commuter Rail Station.	10/26/00
R99-20	Executed an agreement with the City of Kent for design and potential development of a parking garage for the Kent Commuter Rail Station.	8/26/99

M98-90	Selected Site 1 for the parking garage to serve the Kent commuter rail station parking garage.	12/10/98
M98-43	Directed staff to begin the property acquisition process and station design process for Tacoma-to-Seattle project and identifies preferred station location for Kent. Directs staff to include a parking structure at the Kent (North) site.	6/11/98
M98-19	Identified Tacoma-to-Seattle preferred station locations for all stations except Kent, directs staff to finalize environmental review and pursue market value, relocation cost and construction cost estimate information for the Kent Station alternatives.	3/12/98

CONSEQUENCES OF DELAY

Sound Transit and the City of Kent are working toward two agreements at this time – this use agreement and an agreement for the remaining street improvements as defined in the Transportation Improvement Agreement dated 4/7/99 between Sound Transit and the City of Kent.

The City has requested rapid resolution of the Use Agreement so that the “Kent Station” developer and the City can proceed to sign necessary agreements for the “Kent Station” construction to proceed during the dry season. Negotiations regarding the remaining street improvement should reach conclusion by the end of April 2003.

In addition, Sound Transit and King County Metro are negotiating a use agreement for the Kent parking garage. These negotiations are also expected to reach conclusion in April 2003.

REGIONAL PARTNERSHIP AND COOPERATION

This agreement reflects extensive involvement by both of the City of Kent and Sound Transit in planning for the operations and maintenance (as well as the design and construction) of this parking garage to maximize benefits to both parties.

In addition to this agreement with the City of Kent, Sound Transit and King County Metro are negotiating an agreement for use by Metro customers, allowing King County to close its Kent Park-and-Ride facility and use the Sound Transit parking garage when King County meets its \$2.04 million commitment to parking garage construction.

PUBLIC INVOLVEMENT

Not applicable.

LEGAL REVIEW

JW 4/7/03

SOUND TRANSIT

MOTION NO. M2003-50

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute an agreement with the City of Kent for use of the Kent Commuter Rail Station Parking Garage until 2034 with an option to renew until 2040 and create mechanisms for the City of Kent to reimburse Sound Transit for incremental use of the garage by non-commuters.

Background:

The original Sound Move budget allocated \$6.6 million in 1995 dollars for Kent Station, with plans for 150 to 250 surface parking stalls. The actual number of permanent parking stalls at Kent Station includes 126 surface stalls and 871 garage stalls for a total of 997 parking stalls.

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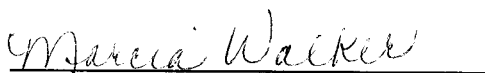
Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute an agreement with the City of Kent for use of the Kent Commuter Rail Station Parking Garage until 2034 with an option to renew until 2040 and to create mechanisms for the City of Kent to reimburse Sound Transit for incremental use of the garage by non-commuters.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 22, 2003.


Ron Sims
Board Chair

ATTEST:


Marcia Walker
Board Administrator