

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2003-14

Federal Way Transit Center Interlocal Agreement

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	6/19/03	Deferred	Agnes Govern, Regional Express Director	(206)398-5037
Finance Committee	7/3/03	Discussion/Possible Action to Recommend Board		
Board	7/10/03	Approval Action		

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

3Applicable to proposed transaction.

OBJECTIVE OF ACTION

Establish an agreement for development and possible disposition of two parcels of land adjacent to the Federal Way Transit Center.

ACTION

Authorize the Chief Executive Officer to execute an interlocal agreement with the City of Federal Way (City) regarding permitting the Federal Way Transit Center as an Essential Public Facility, clarifying that Transit Oriented Development (TOD) is not required as part of the permit process but agreeing to a voluntary process for working with the City to explore potential TOD opportunities. Through such authorization, the action further approves terms and conditions for a potential future transfer of surplus real estate from Sound Transit to the City.

Note: On June 19, 2003, the Finance Committee directed staff to amend the agreement to change the date of ownership transfer to 18 months after the facility is operational.

KEY FEATURES

- The City commits that:
 1. The Federal Way Transit Center is an essential public facility;
 2. The Federal Way Transit Center will be processed expeditiously as an essential public facility;
 3. The Federal Way Transit Center is not subject to the City's Community Design Guidelines; and
 4. Sound Transit's commitment to pursue TOD opportunities is voluntary and not required as part of the land use approval for the transit center.
- Sound Transit commits to working with the City to develop two remnant parcels (see "East Parcel" and "West Parcel" on Attachment A) on the site of the Federal Way Transit Center to

support transit use and further Sound Transit's TOD objectives as well as the City's Downtown City Core development objectives.

- Sound Transit commits to fully fund and lead a Request for Proposal (RFP) process to identify and select potential developers.
- For the East Parcel, Sound Transit will either identify a developer of a TOD or transfer ownership of the land to the City for valuable consideration including:
 1. The City's guarantee that any future development is consistent with Sound Transit's goals and policies for TOD;
 2. Any such easements as may be needed for the continued use of the transit center/parking facility; and
 3. Payment to Sound Transit for the original purchase price.
- For the West Parcel, Sound Transit will either identify a developer of a TOD or transfer ownership of the land to the City for valuable consideration including:
 1. The City's guarantee that any future development is consistent with Sound Transit's goals and policies for TOD; and
 2. Any such easements as needed for the continued used of the transit center/parking facility.

Surplus Property and Disposition Method Approval Process:

As a prerequisite to conveying real property to the City, the Board-adopted Real Property Disposition Policy, Procedures, and Guidelines (Procedures) require that the property be declared Surplus as defined in the Procedures. The Chief Executive Officer has declared the East and West Parcels to be Surplus Property on the basis that:

- (a) The Parcels, when purchased, exceeded Sound Transit's need for the project because:
 - (i) Sound Transit purchased a full parcel to avoid creating an uneconomic remnant (which included the East Parcel); and
 - (ii) The optimal siting of the transit center parking garage resulted in excess land (including portions of both Parcels).
- (b) Portions of the Parcels remain unused and will not be used for project purposes in the foreseeable future, and can be sold or otherwise disposed. This declaration is made after a review of factors and information contained in the agency's Surplus Property Inventory Utilization Plan (Plan).

Note that certain evaluations of the Parcels required for the Plan are not yet available. Specifically, information about the value of the Real Property for Transit-Oriented Development is not yet developed. Such information will be developed and evaluated as part of the process contemplated in the proposed Agreement for soliciting appropriate development at the property.

Because of the estimated value of the property at issue (\$689,248 for the East Parcel based on purchase price and \$552,086 for the West Parcel based on purchase price), this declaration of Surplus Property is required to be approved by the Executive Committee or the Board. The proposed action would authorize the Chief Executive Officer to dispose of the East and West

parcels as provided in the proposed Agreement. This disposition method is an alternative disposition method consistent with Section 9 of the Policies and does not require a public hearing on the potential conveyance to another government entity.

BUDGET IMPACT SUMMARY

Not applicable for this action.

BUDGET DISCUSSION

No funding authorization is requested at this time. The proposed interlocal agreement commits Sound Transit to issue a RFP in the future, but no funding is specified in the interlocal agreement.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit’s current long-term financial plan and the subarea financial capacity.

BUDGET TABLE

Action Item: Execute Interlocal Agreement with the City of Federal Way for TOD partnership for the Federal Way Transit Center project (#321), \$s in thousands

	2003 Adopted Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	\$ 2,164	\$ 1,931	N/A	\$ 1,931	\$ 233
Preliminary Engineering	1,596	1,490	N/A	1,490	106
Final Design	1,895	1,655	N/A	1,655	240
Right of Way	6,786	6,077	N/A	6,077	709
Construction	25,758	1,223	N/A	1,223	24,535
Contingency	-	-	N/A	-	-
Total Current Budget	\$ 38,199	\$ 12,376	N/A	\$ 12,376	\$ 25,823

M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable for this action.

HISTORY OF PROJECT

This project will build a new transit center and supporting parking structure in the City of Federal Way. The transit center connects the I-5 center HOV lanes via the I-5 at 317th Direct-Access Ramp. The transit center will include bus bays for up to 14 routes (Sound Transit, King County Metro, and Pierce Transit), bus layover areas for 11 to 13 buses, a transit-only roadway through and around the platform, and pedestrian connections including a pedestrian bridge between the transit center and parking structure. The parking structure will include up to 1,200 stalls on up to five levels with primary entrance/exit road accessing South 316th Street and a secondary exit (right in, right out) accessing 23rd Avenue South and South 317th Street/I-5.

Sound Transit and the City entered into an Agreement for Development of a transit center, parking structure, and freeway access dated July 9, 2001, in which the parties agreed:

- (a) To design the parking structure to include ground level retail or other TOD as required by City Code;
- (b) Prepare and execute an agreement outlining a cooperative effort to identify an appropriate development that could be placed on the project site to complement the transit center and parking structure;
- (c) Outline an approach to identify a TOD developer and offer an opportunity to contract to develop a TOD; and
- (d) If Sound Transit enters into an agreement with a developer that requires the developer to make payments for use of the property, the income will be divided between Sound Transit and the City in proportion to each agency's contribution or credit toward the TOD.

This proposed interlocal agreement fulfills those conditions to the extent that they still apply (given the agreed mechanisms in the proposed Agreement, (d) will not apply to any private development agreement). The City and Sound Transit have disagreed about how City Code requirements for ground level retail or other TOD should be interpreted; but this proposed interlocal agreement resolves that disagreement. The City initially required Sound Transit to meet the City Code's Community Design Guidelines, which the City interpreted to require that Sound Transit had to implement commercial or retail development (TOD) as part the development of the transit center. Sound Transit has disagreed with this interpretation and proposed its interpretation of the City Code based on the fact that the project is an "essential public facility" and not subject to the Community Design Guidelines.

In this proposed interlocal agreement, the City agrees that the project is an essential public facility and will permit the project through its essential public facility (Type IV) land use approval process. The City agrees that its Community Design Guidelines do not apply and further agrees that no TOD is required in order to proceed to process the land use approval.

Sound Transit agrees that as long as TOD is not linked to its land use approval and that the City proceeds expeditiously to issue all required permits and approvals for the project, Sound Transit will voluntarily explore potential TOD opportunities at the site, consistent with Sound Transit's TOD policy. If Sound Transit does not identify a TOD developer for one or both potential sites, Sound Transit agrees to transfer ownership of that site or to the City for the compensation described above in "Key Features" section (above).

The final design of the Federal Way Transit Center and parking structure project is near completion. The project is scheduled to be advertised for construction bids in the 4th Quarter 2003.

NEXT STEPS

Staff will return to the Board with a recommendation for approving a development agreement with a private developer(s) if a qualified developer(s) is found for either or both TOD properties through the RFP process. However, the Board would require no further action if no qualified developer(s) were identified in order to transfer land ownership to the City of Federal Way.

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

Motion or Resolution Number	Summary of Action	Date of Action
M2001-28	Authorized Executive Director to enter an agreement describing roles and responsibilities for development of the transit center and parking facility.	4/12/01
M99-60	Established criteria for evaluation of Transit Oriented Development (TOD).	9/23/99
R99-35	Real Property Disposition Policy, Procedures and Guidelines.	1/13/00

CONSEQUENCES OF DELAY

During the negotiation of the proposed Agreement, Sound Transit committed to bring a proposed action to the Finance Committee on June 19, 2003.

REGIONAL PARTNERSHIP AND COOPERATION

This project has involved close coordination from multiple jurisdictions through a Project Management Team (PMT) and an Executive Advisory Committee (EAC) to assist Sound Transit in making project decisions. The PMT was comprised of technical staff from Sound Transit, WSDOT, the City of Federal Way, the City of Kent, and King County Metro. The EAC was comprised of elected officials, key agency management staff, citizens, and city business and community leaders whose responsibility was to advise Sound Transit on project matters. The PMT continues to meet regularly to give input on the final design of the facility and other matters.

PUBLIC INVOLVEMENT

Sound Transit has a public outreach program designed to solicit feedback at different stages of the project. There have been two open houses, and two newsletters on the project as well as an actively managed project web site. Additionally, a design workshop was held with members of the community, agency staff, and design professionals who spent a day looking at the design and operational layout of this facility. An environmental hearing was held as part of the public comment period following release of the Environmental Assessment document.

LEGAL REVIEW

SS 6/17/03

SOUND TRANSIT

RESOLUTION NO. R2003-14

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute an interlocal agreement with City of Federal Way regarding permitting the Federal Way Transit Center as an Essential Public Facility, clarifying that Transit Oriented Development is not required as part of the permit process but agreeing to a voluntary process for working with the City of Federal Way to explore potential Transit Oriented Development opportunities; through such authorization, the action further approves terms and conditions for a potential future transfer of surplus real estate from Sound Transit to the City of Federal Way.

WHEREAS, Sound Transit is developing a transit center and parking garage facility in the City of Federal Way (City) as a part of implementing Sound Move; and

WHEREAS, Sound Transit and the City entered into an Agreement for Development of a Transit Center, Parking Structure, and Freeway Access dated July 9, 2001, in which the parties agreed (a) to design the parking structure to include ground level retail or other transit oriented development as required by City Code, (b) prepare and execute an agreement outlining a cooperative effort to identify an appropriate development that could be placed on the project site to complement the transit center and parking structure; (c) outline an approach to identify a TOD developer and offer an opportunity to contract to develop a Transit Oriented Development (TOD); (d) if Sound Transit enters into an agreement with a developer that requires the developer to make payments for use of the property, the income will be divided between Sound Transit and the City in proportion to each agency's contribution or credit toward the TOD; and

WHEREAS, the City and Sound Transit propose to enter into an agreement that fulfills the commitments outlined above, to the extent they are still applicable; and

WHEREAS, in the proposed agreement, the City commits that:

- (1) The Federal Way Transit Center is an essential public facility;
- (2) The Federal Way Transit Center will be processed expeditiously as an essential public facility;
- (3) The Federal Way Transit Center is not subject to the City's Community Design Guidelines;
- (4) Sound Transit's commitment to pursue TOD opportunities is voluntary and not required as part of the land use approval for the transit center; and

WHEREAS, the Chief Executive Officer has declared surplus certain real property valued at approximately \$1,241,334 located adjacent to Sound Transit's planned transit center and parking garage known as the East Parcel and the West Parcel; and

WHEREAS, upon review of the Chief Executive Officer's declaration, we find that the subject real property is no longer necessary for present and future project purposes of Sound Transit, and the disposition of the property is hereby authorized consistent with the Real Property Disposition Policy, Procedures and Guidelines adopted by the Sound Transit Board; and

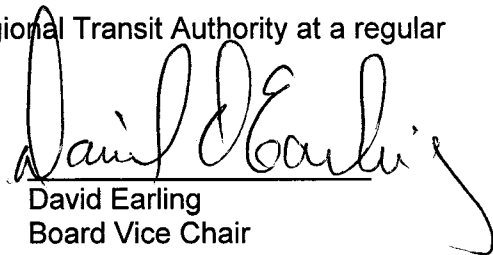
WHEREAS, in the event Sound Transit conveys the West Parcel to the City pursuant to the proposed agreement, the City will provide Sound Transit full value for the property, including, but not limited to enforcing its assurances that any development allowed to occur on the West TOD Property shall be consistent with the definition of TOD as described in the agreement, and Sound Transit shall retain permanent easements for utility, access, and signage easements over and across through the West TOD Property; and

WHEREAS, in the event Sound Transit conveys the East Parcel to the City pursuant to the proposed agreement, the City will provide Sound Transit with full value for the East TOD Property, including but not limited to payment to Sound Transit in the amount of Sound Transit's


original purchase price for the East TOD Property, less the value of retained easements and enforcing its assurances that any development allowed to occur on the East TOD Property shall be consistent with the definition of TOD as described in the agreement, and Sound Transit shall retain permanent easements for utility, access, and signage easements over and across through the East TOD Property.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute an interlocal agreement with City of Federal Way regarding permitting the Federal Way Transit Center as an Essential Public Facility, clarifying that Transit Oriented Development is not required as part of the permit process but agreeing to a voluntary process for working with the City of Federal Way to explore potential Transit Oriented Development opportunities; through such authorization, the action further approves terms and conditions for a potential future transfer of surplus real estate from Sound Transit to the City of Federal Way.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on July 10, 2003.


David Earling
Board Vice Chair

ATTEST:


Marcia Walker
Board Administrator

Attachment A

