

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION No. R2008-17

Amends the Adopted 2008 Budget to Supplement Funding for the Acquisition of Real Property Interests Required for the North Link - Roosevelt Station

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	11/06/08	Discussion	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	11/13/08	Action	Ron Endlich, U-Link Deputy Project Director Roger Hansen, Real Property Manager	(206) 398-5141 (206) 689-3366

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	✓
Real Estate	✓	Property Acquisition	

PROJECT NAME

North Link – Northgate to 45th Street and
North Link – University of Washington (UW) Station to Brooklyn Station (at 45th Street)

PROPOSED ACTION

Amends the Adopted 2008 Budget to (a) revise the North Link – UW Station to Brooklyn Station project lifetime budget to \$26,443,957 and the 2008 annual budget to \$6,572,609; and (b) revise the North Link – Northgate to 45th Street project lifetime budget to \$19,548,000 and the 2008 annual budget to \$13,120,674 to supplement funding for actions authorized by Resolution No. R2006-14 regarding the acquisition of property interests for the North Link - Roosevelt Station.

KEY FEATURES of PROPOSED ACTION

- Resolution No. R2006-14 authorized the chief executive officer to acquire certain property necessary for the Roosevelt Station for the North Link – Northgate to 45th Street project and to use Sound Transit Regional Fund Contingency to acquire the property.
- The property owner, Pryde Johnson Roosevelt, LLC (Pryde Johnson) has obtained a Master Use Permit, which would allow it to significantly improve and develop the property by demolishing the current improvements and constructing mixed use residential and commercial buildings on the site.
- The Pryde Johnson property, the current location of the Roosevelt QFC store, has been identified as a construction staging and station site for the North Link extension of light rail to Northgate. This property is a key parcel needed for the staging of tunnel boring operations and construction of the proposed Roosevelt Station.

- In addition to funds from the Regional Fund Contingency previously authorized by Resolution No. R2006-14, additional funds are needed to complete the purchase transaction. This proposed budget amendment would reallocate funds from one project budget to another project budget in order to supplement funding previously identified and authorized to complete actions authorized by Resolution No. R2006-14.
- Sound Transit will acquire this property through a voluntary transaction with the current owner or through the exercise of eminent domain, subject to Board approval of this budget amendment.
- Staff will return to the Board to ratify the budget in the amount of the total expenditure for actions taken pursuant to this resolution within sixty days of the completion of this action, consistent with Resolution No. R2006-14. Federal Transit Administration (FTA) approval of the appraisal is also required to ensure federal participation in the acquisition costs; FTA approval was received on November 6, 2008.

BUDGET IMPACT SUMMARY

Project Name: North Link – Northgate to 45th Street
 North Link – UW Station to Brooklyn Station
 Current Project Phase: Preliminary Engineering
 Projected Completion Date: TBD

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task		
Budget Amendment Required	✓	A budget amendment is required to transfer budget from one North Link project to another.

Key Financial Indicators:	✓	Comments on Checked Items
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)		

Not checked = action is assumed in current Board-adopted budget. No budget action or adjustment to financial plan required.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed resolution would amend the Adopted 2008 Lifetime Capital Budget for North Link projects:

North Link – Northgate to 45th Street Project. The lifetime capital budget would be amended to add \$10,548,000 for additional Right of Way Acquisition and Permits phase and related Agency Administration phase allocation costs to provide funding for the acquisition of property interests for the Roosevelt Station. The Adopted 2008 Lifetime Capital Budget for the North Link – Northgate to 45th Street project is \$9,000,000. Should the Board adopt the proposed resolution, the Amended 2008 Lifetime Capital Budget for this project would be \$19,548,000. The Adopted 2008 Annual Capital Budget for the North Link – Northgate to 45th Street project is \$2,572,674. Should the Board adopt the proposed resolution, the Amended 2008 Annual Capital Budget for the project would be \$13,120,674.

North Link – UW Station to Brooklyn Station Project. The lifetime capital budget would be amended to reduce the project Contingency and related Agency Administration phase allocation costs by \$10,548,000. The Adopted 2008 Lifetime Capital Budget for the North Link – UW Station to Brooklyn Station project is \$36,991,957. Should the Board adopt the proposed resolution, the Amended 2008 Lifetime Capital Budget for this project would be \$26,443,957. The Adopted 2008 Annual Capital Budget for the North Link – UW Station to Brooklyn Station project is \$17,120,609. Should the Board adopt the proposed resolution, the Amended 2008 Annual Capital Budget for this project would be \$6,572,609.

The proposed action is consistent with the agency’s long-term financial plan and subarea financial capacity. No new revenue impacts on Sound Transit would be incurred by this budget amendment.

BUDGET TABLE

(Year of Expenditure \$000)

Action Item A: Amend the project capital budget for North Link - Northgate to 45th Street to increase funding for actions directed by Resolution R2006-14 regarding acquisition of property interests for the Roosevelt Station.

North Link - Northgate to 45th Street

Phase	2008 Annual Budget			Lifetime Budget		
	Adopted 2008 Project Budget (A)	Budget Transfer (B)	Revised Project Budget (C)	Adopted 2008 Project Budget (D)	Budget Transfer (E)	Revised Project Budget (F)
Agency Administration	\$ 1,263	\$ 548	\$ 1,811	\$ 1,772	\$ 548	\$ 2,320
Preliminary Engr / Environmental Review	\$ 423	\$ -	\$ 423	\$ 5,142	\$ -	\$ 5,142
Final Design / Specifications	\$ -	\$ -	\$ -	\$ 1,034	\$ -	\$ 1,034
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ 166	\$ -	\$ 166	\$ 225	\$ -	\$ 225
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ 44	\$ 10,000	\$ 10,044	\$ 150	\$ 10,000	\$ 10,150
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ 677	\$ -	\$ 677	\$ 677	\$ -	\$ 677
Total	\$ 2,573	\$ 10,548	\$ 13,121	\$ 9,000	\$ 10,548	\$ 19,548

Note: (A) and (D) ADOPTED 2008 BUDGET reflects the annual 2008 and lifetime project budgets for North Link - Northgate to 45th Street as shown in the Adopted 2008 Budget (page 92) adopted by the Sound Transit Board in November 2007 (Resolution R2007-25, adopted 11/29/07).

Action Item B: Amend the project capital budget for North Link - UW Station to Brooklyn Station to transfer funds to the North Link - Northgate to 45th Street project.

North Link - UW Station to Brooklyn Station (at 45th Street)

Phase	2008 Annual Budget			Lifetime Budget		
	Adopted 2008 Project Budget (A)	Budget Transfer (B)	Revised Project Budget (C)	Adopted 2008 Project Budget (D)	Budget Transfer (E)	Revised Project Budget (F)
Agency Administration	\$ 402	\$ (548)	\$ (146)	\$ 2,132	\$ (548)	\$ 1,584
Preliminary Engr / Environmental Review	\$ 1,150	\$ -	\$ 1,150	\$ 9,330	\$ -	\$ 9,330
Final Design / Specifications	\$ -	\$ -	\$ -	\$ 5,350	\$ -	\$ 5,350
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ 1,134	\$ -	\$ 1,134
Construction	\$ -	\$ -	\$ -	\$ 1,344	\$ -	\$ 1,344
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ 2,133	\$ -	\$ 2,133
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ 15,569	\$ (10,000)	\$ 5,569	\$ 15,569	\$ (10,000)	\$ 5,569
Total	\$ 17,121	\$ (10,548)	\$ 6,573	\$ 36,992	\$ (10,548)	\$ 26,444

Note: (A) and (D) ADOPTED 2008 BUDGET reflects the annual 2008 and lifetime project budgets for North Link - UW Station to Brooklyn Station as shown in the Adopted 2008 Budget (page 92) adopted by the Sound Transit Board in November 2007 (Resolution R2007-25, adopted 11/29/07).

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The North Link project is a 4.3 mile extension of light rail from the University Link University of Washington Station to Northgate with three stations located at in the University District (Brooklyn Station), in the Roosevelt neighborhood, and at Northgate. Completing the North Link project has been a high priority for Sound Transit and is included in the voter-approved Mass Transit Expansion Plan. For budgeting purposes, North Link has been divided at NE 45th Street into two separate project budgets.

The Pryde Johnson property, the current location of the Roosevelt QFC store, has been identified as a construction staging and station site for the North Link Roosevelt Station. This property is a key parcel needed for the staging of tunnel boring operations and construction of the proposed Roosevelt Station.

On June 22, 2006 the Board approved Resolution No. R2006-14 which authorized the chief executive officer to acquire, lease, and/or dispose of the Pryde Johnson property; and to pay relocation and re-establishment benefits to eligible property owners and tenants affected by Roosevelt Station construction. Resolution No. R2006-14 further directed staff to return to the Board to ratify the budget in the amount of the total expenditure for actions taken pursuant to this resolution within sixty days of the completion of said action.

The Board approved Motion No. M2007-116 authorizing the chief executive officer to enter into an Agreement to Forbear Construction with Pryde Johnson Roosevelt, LLC on November 8, 2007. Under terms of this agreement, Sound Transit agreed to compensate Pryde Johnson for a portion of its cost to hold the property pending further negotiations and/or voter approval of the Mass Transit Expansion Plan. This forbearance agreement expires in February 2009. Funding for the Agreement to Forbear Construction is being paid from the Regional Fund Contingency as authorized by Resolution No. R2006-14 and Motion No. M2007-116.

Recently the property owners notified Sound Transit that they received a cash offer from a large national property developer to purchase the property. This resolution, if approved, allows Sound Transit to acquire this property from the current owners now, preserving the ability to build the Roosevelt Station at this site in the future.

This proposed budget amendment is necessary to provide for the transfer of existing funds from the North Link UW Station to Brooklyn Station project budget to the North Link Northgate to 45th Street project budget to supplement previously approved funding to cover the acquisition costs associated with this purchase. These transferred funds were originally earmarked for the acquisition of property needed for the Brooklyn Station and would need to be replenished in the future to complete property acquisition for the station.

Sound Transit's Strategic Property Acquisition Program funded from the Regional Fund Contingency as authorized by Resolution No. R72-1, enables the agency to acquire properties utilizing Regional Fund resources on an interim basis to preserve right-of-way necessary for Sound Transit projects that are not budgeted. This acquisition continues to meet the criteria of the Strategic Property Acquisition Program. Funding to complete North Link light rail construction from the University of Washington Station to Northgate is included in the Mass Transit Expansion Plan, approved by the Sound Transit District voters on November 4, 2008.

The Regional Fund Contingency will be reimbursed from the Mass Transit Expansion Plan for the strategic acquisition costs for the Roosevelt Station properties.

The North Link Final Supplemental Environmental Impact Statement was issued on April 7, 2006. The FTA issued the Record of Decision (ROD) for North Link in June 2006, completing the environmental review process for this project. Property acquisition is authorized by the FTA following the issuance of the project ROD. FTA must approve individual property appraisals for all parcels over \$2 million in value, which will apply to this proposed acquisition.

Prior Board/Committee Actions on this Project

Motion/Resolution Number & Date	Summary of Action
M2007-116 11/08/07	Authorizes the chief executive officer to enter into an Agreement to Forbear Construction with Pryde Johnson Roosevelt, LLC (“Pryde Johnson”)
R2006-14 6/22/06	Authorizes the CEO to acquire, lease, and/or dispose of the Pryde Johnson property located at 6600 Roosevelt Way, N.E. in the City of Seattle, which is needed for the Roosevelt Station and construction staging area; and to pay relocation and re-establishment benefits to eligible property owners and tenants affected by Roosevelt Station construction. Further directs staff to return to the Board to ratify the budget in the amount of the total expenditure for actions taken pursuant to this resolution within sixty (60) days of the completion of said action.
R2006-07 4/27/06	(1) Selecting the final route, profile, and station locations for the North Link Light Rail Project; (2) selecting the University Link portion of North Link to be constructed and operated as part of the Central Link Light Rail Project, including authorizing the steps necessary to complete final design and implementation of the University Link Project including securing a federal FFGA; (3) increasing the University Link lifetime Adopted 2006 Budget and revising the annual Adopted 2006 Budget; and (4) for planning purposes reducing the minimum debt service coverage for the North King County subarea to 1.15x for the University Link Finance Plan.
R72-1 4/13/06	Supersedes Resolution 72 and amends the financial policies to include a strategic property acquisition program as an enumerated purpose of the Regional Fund Contingency.

CONSEQUENCES of DELAY

In order to preserve this key parcel for future Roosevelt Station construction and staging, Board approval of this proposed action is needed prior to February 2009. The property owners have requested more immediate action on this transaction for business purposes; staff is forwarding this action to the Board for consideration now to accommodate their request.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI 10/22/08

LEGAL REVIEW

LA 11/7/08

SOUND TRANSIT

RESOLUTION NO. R2008-17

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2008 Budget to (a) revise the North Link – University of Washington Station to Brooklyn Station Project lifetime budget to \$26,443,957 and the 2008 annual budget to \$6,572,609; and (b) revise the North Link – Northgate to 45th Street Project lifetime budget to \$19,548,000 and the 2008 annual budget to \$13,120,674 to supplement funding for actions authorized by Resolution No. R2006-14 regarding the acquisition of property interests for the North Link - Roosevelt Station.

WHEREAS, a Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to acquire and dispose of property for the construction of high capacity transportation facilities under RCW 81.112.080; and

WHEREAS, in order to acquire the properties determined to be necessary for the construction, operation and maintenance of voter-approved high-capacity transit improvements, it is necessary for Sound Transit to acquire by negotiated purchase or to condemn certain rights in the property for public purposes, and to pay eligible relocation and re-establishment benefits to affected parties; and

WHEREAS, by Resolution No. R2006-07 adopted on April 27, 2006, the Sound Transit Board of Directors selected the alignment and station locations for North Link as an extension of the Central Link Light Rail project; and

WHEREAS, the North Link Project is a 4.3 mile extension of light rail from the University Link University of Washington Station to Northgate with three stations located at in the University District (Brooklyn Station), in the Roosevelt neighborhood, and at Northgate; and

WHEREAS, Resolution No. R2006-14 authorized the chief executive officer to acquire certain property necessary for the North Link Roosevelt Station, which is located within the

North Link – Northgate to 45th Street project using the Sound Transit Regional Fund

Contingency;

WHEREAS, the property located at 6600 Roosevelt Way N.E. in the City of Seattle has been identified as a construction staging and station site for the North Link Roosevelt Station; and

WHEREAS, the property owner, Pryde Johnson Roosevelt, LLC has obtained a Master Use Permit for the property, which would allow it to significantly improve and develop the property by demolishing the current improvements and constructing mixed use residential and commercial buildings on the site; and

WHEREAS, this property is a key parcel needed for the staging of tunnel boring operations and construction of the proposed Roosevelt Station; and

WHEREAS, the Sound Transit Board has amended the financial policies to include a Strategic Property Acquisition Program to acquire properties for projects that are not budgeted, utilizing Regional Fund Contingency resources on an interim basis; and

WHEREAS, Sound Transit staff have ascertained that this property meets the criteria of the Strategic Property Acquisition Program policy; and

WHEREAS, environmental compliance pursuant to the State Environmental Policy Act (SEPA) for North Link was completed with the North Link Final Supplemental Environmental Impact Statement (SEIS) issued on April 7, 2006, and environmental compliance pursuant to the National Environmental Policy Act (NEPA) by the Federal Transit Administration (FTA) has been completed with the issuance of a Record of Decision for North Link on June 7, 2006; and

WHEREAS, negotiations to purchase properties and relocate affected owners and tenants are authorized by the Federal Transit Administration following the issuance of the Record of Decision; and

WHEREAS, Federal Transit Administration approval of the appraisal is required to ensure federal participation in the acquisition costs; and

WHEREAS, Federal Transit Administration approval of the appraisal was received on November 6, 2008; and

WHEREAS, it is necessary to amend the 2008 Board-Adopted Budget to identify additional supplemental funding to cover the acquisition cost of the property; and

WHEREAS, in addition to funds from the Regional Fund Contingency previously authorized by Resolution No. R2006-14, North Link funds must be reallocated from one project budget to another project budget in order to supplement funding previously identified; and


WHEREAS, Sound Transit will acquire this property through a voluntary transaction with the current owners or through the exercise of eminent domain, subject to Board approval of this budget amendment; and

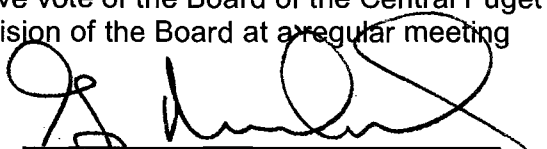
WHEREAS, staff will return to the Board to ratify the budget in the amount of the total expenditure for actions taken pursuant to this resolution within sixty days of the completion of this action.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Adopted 2008 Budget be amended to (a) revise the North Link – University of Washington Station to Brooklyn Station Project lifetime budget to \$26,443,957 and the 2008 annual budget to \$6,572,609; and (b) revise the North Link – Northgate to 45th Street Project lifetime budget to \$19,548,000 and the 2008 annual budget to \$13,120,674 to supplement funding for actions authorized by Resolution No. R2006-14 regarding the acquisition of property interests for the North Link - Roosevelt Station.

ADOPTED by not less than a two-thirds affirmative vote of the Board of the Central Puget Sound Regional Transit Authority as a major decision of the Board at a regular meeting thereof held on November 13, 2008.

ATTEST:


Marcia Walker
Board Administrator


Greg Nickels
Board Chair