



## **RESOLUTION NO. R2010-15**

### **Amend the Adopted 2010 Budget for the Seattle to Auburn and Auburn to Tacoma Track & Signal Projects**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>	<b>PHONE:</b>
Capital Committee	08/12/10	Recommendation to Board	Ahmad Fazel, DECM Executive Director	206-398-5389
Board	08/26/10	Final Action	<b>Eric Beckman, Project Director</b>	206-398-5251

### **PROPOSED ACTION**

1) Amend the Adopted 2010 Lifetime Budget for the Seattle to Auburn Track & Signal project from \$227,512,283 to \$228,308,654 and 2) amend the Adopted 2010 Annual Budget for the Seattle to Auburn Track & Signal project from \$0 to \$796,370 and 3) amend the Adopted 2010 Lifetime Budget for the Auburn to Tacoma Track & Signal project from \$183,378,891 to \$184,031,521 and 4) amend the Adopted 2010 Annual Budget for the Auburn to Tacoma Track & Signal project from \$0 to 652,630

### **KEY FEATURES**

- Amends the Adopted 2010 Budget to permit the allocation of sales tax for the Sound Move Seattle to Tacoma Track and Signal Improvements, as settled with the Washington State Department of Revenue (DOR), to appropriate lifetime Sounder budgets. Payment of the sales tax to DOR was made on July 29, 2010.

### **PROJECT DESCRIPTION**

This project is located in the existing BNSF mainline railroad corridor between Seattle and Tacoma. BNSF made extensive track and signal improvements throughout the 40-mile corridor at Sound Transit's expense in order to accommodate Sound Transit's Sounder service without compromising freight mobility in the Puget Sound area..

### **FISCAL INFORMATION**

The proposed resolution would amend the Adopted 2010 Lifetime Budget for the Seattle-Auburn Track and Signal project increasing it by \$796,370 to \$228,308,654 and the Auburn-Tacoma Track and Signal project increasing it by \$652,630 to \$184,031,521. In addition, it would amend the Adopted 2010 Annual Budget from \$0 to \$796,370 and \$652,630 for each project respectively.

In 2010, lifetime budget savings was captured from the two projects totaling \$42.9 million which was defunded from the Sounder program. This action will add back sufficient budget for the settlement payment.

**BUDGET TABLES**

**BUDGET AMENDMENT**

	Adopted 2010 Lifetime Budget <sup>1</sup>	Budget Amendment <sup>2</sup>	Revised 2010 Budget
110 - Seattle-Auburn Track & Signal	(A)	(B)	(C)
Agency Administration	\$ 10,483,152	\$ 26,930	\$ 10,510,082
Preliminary Engineering	\$ 5,889,551	\$ -	\$ 5,889,551
Final Design	\$ 4,865,366	\$ -	\$ 4,865,366
Third Parties	\$ -	\$ -	\$ -
Right of Way	\$ 73,683	\$ -	\$ 73,683
Construction	\$ 156,007,262	\$ 769,440	\$ 156,776,702
Construction Management	\$ -	\$ -	\$ -
Vehicles	\$ 49,692,213	\$ -	\$ 49,692,213
Contingency	\$ 501,056	\$ -	\$ 501,056
<b>Total Current Budget</b>	<b>\$ 227,512,283</b>	<b>\$ 796,370</b>	<b>\$ 228,308,654</b>

	Adopted 2010 Annual Budget	Budget Amendment	Revised 2010 Annual Budget
110 - Seattle-Auburn Track & Signal			
Agency Administration	\$ -	\$ 26,930	\$ 26,930
Preliminary Engineering	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -
Third Parties	\$ -	\$ -	\$ -
Right of Way	\$ -	\$ -	\$ -
Construction	\$ -	\$ 769,440	\$ 769,440
Construction Management	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -
<b>Total Current Budget</b>	<b>\$ -</b>	<b>\$ 796,370</b>	<b>\$ 796,370</b>

Notes:

- <sup>1</sup> Project budget is located on page 53 of the Adopted 2010 Transit Improvement Plan budget book.
- <sup>2</sup> The proposed budget amendment would add \$796K back to the project budget from the \$28M in savings that had been defunded from the project and the Sounder program in the 2010 budget.

	Adopted 2010 Lifetime Budget <sup>1</sup>	Budget Amendment <sup>2</sup>	Revised 2010 Budget
120 - Auburn-Tacoma Track & Signal	(A)	(B)	(C)
Agency Administration	\$ 8,419,549	\$ 22,070	\$ 8,441,619
Preliminary Engineering	\$ 4,806,579	\$ -	\$ 4,806,579
Final Design	\$ 3,903,965	\$ -	\$ 3,903,965
Third Parties	\$ -	\$ -	\$ -
Right of Way	\$ 34,241	\$ -	\$ 34,241
Construction	\$ 127,106,865	\$ 630,560	\$ 127,737,425
Construction Management	\$ -	\$ -	\$ -
Vehicles	\$ 38,863,015	\$ -	\$ 38,863,015
Contingency	\$ 244,677	\$ -	\$ 244,677
<b>Total Current Budget</b>	<b>\$ 183,378,891</b>	<b>\$ 652,630</b>	<b>\$ 184,031,521</b>

	Adopted 2010 Annual Budget	Budget Amendment	Revised 2010 Annual Budget
120 - Auburn-Tacoma Track & Signal			
Agency Administration	\$ -	\$ 22,070	\$ 22,070
Preliminary Engineering	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -
Third Parties	\$ -	\$ -	\$ -
Right of Way	\$ -	\$ -	\$ -
Construction	\$ -	\$ 630,560	\$ 630,560
Construction Management	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -
<b>Total Current Budget</b>	<b>\$ -</b>	<b>\$ 652,630</b>	<b>\$ 652,630</b>

Notes:

- <sup>1</sup> Project budget is located on page 54 of the Adopted 2010 Transit Improvement Plan budget book.
- <sup>2</sup> The proposed budget amendment would add \$631K back to the project budget from the \$15M in savings that had been defunded from the project and the Sounder program in the 2010 budget.

## **BACKGROUND**

Sound Transit and BNSF executed a construction agreement in May 2000. Under the Construction Agreement, Sound Transit funded track and signal improvements that were necessary to accommodate commuter rail service without compromising freight mobility. The construction was completed in 2008.

A DOR audit of BNSF questioned the tax treatment of Sound Transit funding under the construction agreement for track and signal improvements. Sound Transit financial and legal staff have been in ongoing discussions with DOR and have negotiated a settlement of \$1.4M to resolve all outstanding tax obligations under the construction agreement. The two track and signal projects had been closed out and savings defunded during the 2010 budget process before this issue was resolved. To appropriately allocate this obligation it is necessary to amend the budgets.

## **ENVIRONMENTAL COMPLIANCE**

SSK 7/09/10

## **TIME CONSTRAINTS**

A one month delay would not create a significant impact to the final closeout of these projects.

## **PUBLIC INVOLVEMENT**

Not applicable to this action.

## **LEGAL REVIEW**

JW 8/5/10



## **RESOLUTION NO. R2010-15**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority 1) amending the Adopted 2010 Lifetime Budget for the Seattle to Auburn Track & Signal project from \$227,512,283 to \$228,308,654 and 2) amending the Adopted 2010 Annual Budget for the Seattle to Auburn Track & Signal project from \$0 to \$796,370 and 3) amending the Adopted 2010 Lifetime Budget for the Auburn to Tacoma Track & Signal project from \$183,378,891 to \$184,031,521 and 4) amending the Adopted 2010 Annual Budget for the Auburn to Tacoma Track & Signal project from \$0 to 652,630.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 8, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, by Resolution No. R2009-23, the Sound Transit Board adopted the 2010 budget on December 10, 2009; and

WHEREAS, this action amends the lifetime budgets of the two projects that comprise the Sound Move Seattle to Tacoma track and signal improvements; and

WHEREAS, Sound Transit and the Washington State Department of Revenue entered into a closing agreement resolving all tax issues relating to the Construction Agreement of 2000 between Sound Transit and the BNSF Railway Company; and

WHEREAS, before the tax matter was resolved, the two track and signal projects had been closed out and savings defunded during the 2010 budget process; and

WHEREAS, to appropriately allocate this obligation it is necessary to amend the budgets accordingly; and


WHEREAS, said budget amendment is consistent with and affordable under Board-adopted Sound Transit financial policies; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2010 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

- 1) The Adopted 2010 Lifetime Budget for the Seattle to Auburn Track & Signal project is amended from \$227,512,283 to \$228,308,654.
- 2) The Adopted 2010 Annual Budget for the Seattle to Auburn Track & Signal project is amended from \$0 to \$796,370
- 3) The Adopted 2010 Lifetime Budget for the Auburn to Tacoma Track & Signal project is amended from \$183,378,891 to \$184,031,521.
- 4) The Adopted 2010 Annual Budget for the Auburn to Tacoma Track & Signal project is amended from \$0 to 652,630.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 26, 2010.

  
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Fred Butler  
Board Vice Chair

ATTEST:

  
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Marcia Walker  
Board Administrator