

MOTION NO. M2011-81

A motion of the Board of the Central Puget Sound Regional Transit Authority implementing the East Link light rail project.

BACKGROUND:

East Link is a project to expand light rail to East King County via I-90 from downtown Seattle to downtown Bellevue and the Overlake area of Redmond, with stations serving Rainier Avenue/I-90, Mercer Island, South Bellevue, downtown Bellevue, Overlake Hospital, the Bel-Red corridor, Overlake Village and the Overlake Transit Center. Revenue service to the Overlake Transit Center is forecast for 2023.

Voters in the Sound Transit district approved the East Link project in November 2008. Sound Transit initiated environmental and preliminary engineering work in 2006. The preliminary engineering and environmental work was completed spring and summer 2011 respectively.

Sound Transit and the Washington State Department of Transportation (WSDOT) began negotiations in 2009 to permit light rail use of the I-90 Center Roadway. Sound Transit and WSDOT executed a preliminary agreement in January 2010, and signed a final implementing agreement (the "I-90 Umbrella Agreement") on November 3, 2011. In the I-90 Umbrella Agreement, WSDOT agreed to lease the I-90 Center Roadway to Sound Transit for a period up to 75 years. In exchange, Sound Transit agreed to pay the cost of the R8A Project for WSDOT to construct two new HOV lanes to replace the Center Roadway lanes that will be used by light rail. Sound Transit's R8A Project funding will be offset against the fair market rent for the use of the I-90 Center Roadway. Sound Transit estimates that its total investment in the R8A project will be \$164.5 million, which exceeds both the current value of the state motor-vehicle tax investment in the lanes and the estimated rental value of the Center Roadway for the initial 40 year term. The R8A funding provided by Sound Transit may be used to pay part or all of the rent for an additional 35 year term of the Center Roadway. Sound Transit has already provided approximately \$50 million to WSDOT for the R8A Project.

The East Link final environmental impact statement was published in July 2011. On July 28, 2011 the Sound Transit Board included the C9T tunnel alignment in the East Link project to be built contingent upon the City of Bellevue entering a binding agreement to fund a portion of the cost to construct the tunnel in downtown Bellevue. The Federal Transit Administration issued a Record of Decision for the project on November 16, 2011.

On November 15, 2011, the City of Bellevue and Sound Transit executed an agreement ("Memorandum of Understanding") for the funding and construction of the C9T light rail alignment. Under the agreement, Bellevue will provide up to \$160 million to partially fund the tunnel construction, will work cooperatively with Sound Transit to reduce the East Link construction cost throughout the City, including defining the project scope and establishing mitigation standards based the environmental impact statement. Sound Transit will fund the C9T alternative consistent with the Sound Transit Financial Policies and in accordance with the financial plan for the East Link project, which includes a combination of East King subarea taxes, fare-box revenue, grants, and to the extent necessary, a contribution of up to \$110 million from the North King subarea to reflect the transit benefits to the North King subarea. This additional contribution from the North King subarea is subject to funding limitations in East Link Funding Plan attached as Exhibit A, including sufficient funding to complete the North King subarea projects.

The Memorandum of Understanding also identifies potential modifications to portions of the alignment requested by the City of Bellevue for neighborhoods along the route. In addition, the Memorandum of Understanding provides that the City of Bellevue and Sound Transit will engage in a collaborative design process throughout final design to cooperatively identify design modifications for the section of East Link located within the city limits to achieve the shared goals of reducing costs and delivering a high-quality project.

The location of the station and route in the Overlake neighborhood is a result of cooperative efforts between the City of Redmond and Sound Transit. These cooperative efforts identified a lower cost and faster route with stations at Overlake Village and the Overlake Transit Center. On September 9, 2011 Sound Transit and Redmond staff signed a concurrence letter regarding the scope of the project. Design of the stations in Redmond will include accommodation of potential pedestrian bridges across SR 520.

East Link is now ready to proceed through Gate 4 of Sound Transit's Phase/Gate process, which includes entry into final design. At approximately 60% design, the Board will determine whether to authorize the project to proceed through Gate 5, where the baseline schedule and budget will be established.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the conditions necessary to implement the East Link project as approved in Resolution No. R2011-10 having been satisfied, the chief executive officer is authorized to advance the project into final design and to implement the East Link Funding Plan conditions attached as Exhibit A and incorporated by reference. The chief executive officer is directed to work collaboratively with the Bellevue City Manager to reduce project costs as contemplated by the Memorandum of Understanding, the November 15, 2011 execution of which is ratified.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 17, 2011.



Fred Butler
Board Vice Chair

ATTEST:



Marcia Walker
Board Administrator

MOTION NO. M2011-81

Exhibit A East Link Funding Plan

1. The Updated 2011 Sound Transit Financial Plan contains costs and funding for the Sound Transit Board adopted alignment for the East Link project. The funding elements for the East Link project include local tax revenues, fare-box revenue, federal grants, surplus real estate sales, up to \$160 million (2010\$) funding commitment from the City of Bellevue consistent with the November 15, 2011 Memorandum of Understanding between Sound Transit and the City of Bellevue, \$17 million (\$2007) from the North King subarea to construct the light rail station at Rainier Avenue, and a conditional up to \$110 million (2010\$) contribution by the North King subarea to reflect the transit benefits of the project to the North King subarea, and to reflect the cost of the physical infrastructure located in the North King subarea. The plan assumes a long-term borrowing rate for the agency of 5.75%.
2. The East Link project includes a 2.5 mile segment between the International District Station and Lake Washington that is physically located in the North King subarea. The project elements to be located in the North King subarea include the a light rail station at Rainier Avenue and SE 23rd Street fire-life-safety upgrades to the Mt. Baker tunnel, and roadway improvements to maintain bus speed and reliability. This portion of the alignment will cost roughly \$235M (\$2010) to design and construct.
3. East Link will benefit both East King and North King subarea residents and businesses. East Link connects the eastside of King County to Central Link. An estimated 10-20% of the north-south link system riders (Lynnwood-Kent Des Moines) will be East King residents. As much as 25% of East Link ridership will be North King residents. In Sound Transit 2, North King committed to pay \$17 million (\$2007) for the light rail station at Rainier Avenue, and \$99 million of a projected full funding grant agreement projected to be earned by the Northgate to Lynnwood high capacity transit project which was allocated to the East King subarea. After consideration of the subarea benefits to the North King and East King subareas residents and businesses, updated information about the North King and East King subareas financial resources, and the funding requirements to ensure the safe and efficient operation of the East Link system-wide facilities, the Sound Transit Board finds it beneficial to the regional transit system to allocate an additional portion of the design, engineering, and construction costs of East Link to the North King subarea.
4. The allocation of up to \$110 million in costs to the North King subarea for costs that are not funded by grants or related to the Rainier Avenue Station will be reviewed annually by the Board as a part of its consideration of the annual budget and updated financial plan. The allocation will be adopted by the Sound Transit Board as a part of the final East Link project baseline, estimated in 2014. The North King subarea allocation is for construction of the East Link project and will only pay for the portion of the East Link project, up to \$110 million (\$2010), that is not affordable within East King subarea resources. The allocation is conditional on:

- a. Full funding for all voter-approved projects within the North King subarea without impacts to current, approved project scope or schedule; and
- b. Verification by the CEO at the time the East Link project is baselined that the allocation is necessary in order to fully fund the East Link project to provide for safe and efficient transit service to North King and East King subareas businesses and residents, within updated subarea revenue and cost forecasts; and
- c. No scope additions to the East Link project beyond the preliminary engineering design that are not fully funded within the East King subarea.
- d. At East Link project close out, any savings up to the amount contributed by the North King subarea will be returned to the North King subarea consistent with the MOA with City of Bellevue and the East King County financial capacity.

PHASE GATE ACTION
East Link Project

MEETING	DATE	STAFF CONTACT
Board	11/17/2011	Ric Ilgenfritz, PEPD Executive Director Don Billen, East Link Development Manager


ACTION REQUESTED

Authorize the East Link Light Rail project to enter into final design.

BUDGET

Estimated Cost for the Final Design: \$223.6M

SCHEDULE

Projected Final Design Completion: 2016


Final design estimate includes design support during construction.

PROJECT DESCRIPTION

East Link is a voter-approved project to expand light rail to East King County via I-90 from Downtown Seattle to Downtown Bellevue and the Overlake area of Redmond, with stations serving Rainier Avenue/I-90, Mercer Island, South Bellevue, Downtown Bellevue, Overlake Hospital, the Bel-Red corridor, Overlake Village and the Overlake Transit Center. The ST2 plan provides for environmental review for a future expansion between the Overlake Transit Center and Downtown Redmond. On July 28, 2011 the Sound Transit Board selected the project route, profiles, and station locations, including the tunnel route in downtown Bellevue. Revenue service to the Overlake Transit Center is forecast for early 2023.

Design work that occurs between Gate 4 and Gate 5 will advance the project from a preliminary engineering 30% design completion to a 60% design completion. Once the 60% design level has been achieved, the project would advance to Gate 5: Establish Baseline for the schedule and budget.

The Board will consider future actions to enter into consultant contracts for final design services.

ACTION APPROVED


Fred Butler
Board Vice Chair

November 17, 2011

Date