

MOTION NO. M2013-76

Purchase and Sale Agreement and Joint Use Agreement with the City of Tacoma

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Committee Name	09/12/2013	Recommend to Board	Ahmad Fazel, DECM Executive Director	206-398-5389
Board	09/26/2013	Final Action	Eric Beckman, Project Director	206-398-5251

PROPOSED ACTION

Authorizes the chief executive officer to (1) execute a purchase and sale agreement with the City of Tacoma for a 1.3-mile rail corridor in the City of Tacoma for the benefit of ongoing commuter rail service in Pierce County for \$4,000,000, and (2) execute a Joint Use Agreement with City of Tacoma for Tacoma Rail's ongoing use of the rail corridor.

KEY FEATURES SUMMARY

- Under the purchase and sale agreement for the rail corridor, Sound Transit will pay the City of Tacoma \$4 million and transfer four parcels of surplus property owned by Sound Transit in exchange for ownership of the 1.3-mile rail corridor.
- Tacoma will retain a perpetual freight easement over this rail corridor and continue to serve their customers.
- The purchase and sale agreement satisfies all prior use fees and claims of Sound Transit's previous 13 years of operation on the corridor.
- The Joint Use Agreement governs the ongoing relationship between Sound Transit and Tacoma on this rail corridor including Tacoma's payment on a per train car basis for maintenance costs.

BACKGROUND

Sound Transit currently operates Sounder service on a 1.3-mile section of track owned by the City of Tacoma. This section of track provides a connection between the BNSF mainline and the Lakeview Subdivision track owned by Sound Transit. Sound Transit has operated on the track owned by the City of Tacoma for approximately 10 years under a temporary operating agreement.

In early 2012, during negotiations with the City of Tacoma for a permanent operating agreement, the advantages of the City selling the corridor to Sound Transit in lieu of an operating agreement were considered.

Sound Transit ownership of the property will ensure control for completed and future investments Sound Transit has in the corridor, eliminate additional layers of approval for operational changes, provide greater authority when third parties seek permission to use this corridor, and provide certainty for Sound Transit in the event that Tacoma were to sell its freights rights over the corridor to another entity.

Under the purchase and sale agreement for the rail corridor, Sound Transit will pay the City of Tacoma \$4 million and transfer four parcels of surplus property that are remnants of its D to M Street Commuter Rail project. In exchange, Sound Transit will own the 1.3-mile rail corridor. None of the surplus parcels are needed by Sound Transit. Under a separate agreement, Sound Transit will also contribute up to \$100,000 to the City to design and install landscape improvements on the parcels.

Sound Transit and the City of Tacoma have negotiated a Joint Use Agreement for this corridor that defines the ongoing relationship between the rail operators on this corridor. This is similar to the Joint use Agreement that currently exists with Sound Transit, Tacoma Rail and BNSF Railway for the Lakeview Subdivision. The City of Tacoma will pay its share of maintenance costs based on a per train mile rate established within the agreement, consistent with industry standards and adjusted annually for inflation.

FISCAL IMPACT

The 2013 Transit Improvement Plan amount for the Tacoma Trestle Track and Signal is \$6,896,729. Within that amount \$5,025,729 has been set aside in the right-of-way phase. The proposed action would commit \$4,000,000 for this line item, leaving a remaining budget balance of \$915,175. Although the financial transaction is \$4,000,000 the Joint Use Agreement includes Sound Transit surplus properties, rights of usage and a forgiveness of any previous fees and claims, which do have value.

Note: During 2013, the name of this project was changed from Reservation Junction Track and Signal to Tacoma Trestle Track and Signal to be more relevant to the project location. The 2013 TIP includes the budget for this project on page 51. The name change will be reflected in the Proposed 2014 TIP.

This action is within the adopted budget and sufficient monies remain after approval of this action to fund the remaining work in the right-of-way phase as contained in the current cost estimates.

Tacoma Rail Line Agreement

	2013 TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	353	45		45	308
Preliminary Engineering	1,517	21		21	1,496
Final Design	-	-	-	-	-
Right of Way	5,026	111	4,000	4,111	915
Construction	-	-	-	-	-
Construction Services	-	-	-	-	-
Third Party Agreements	-	-	-	-	-
Vehicles	-	-	-	-	-
Total Current Budget	6,896	177	4,000	4,177	2,719

Phase Detail

Right of Way

Right of Way	5,026	111	4,000	4,111	915
ROW Unallocated Contingency		-	-	-	-
Total Phase	-	-	-	-	-

Contract Detail

City of Tacoma	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	-	-	4,000	4,000
Contingency Amount	-	-	-	-
Total Not to Exceed Value	-	-	4,000	4,000
Percent Contingency	0%	0%	0%	0%

Notes:

Amounts are expressed in Year of Expenditure \$000s.

Board Approvals = Committed To-Date + Contingency, and includes pending Board actions.

2013 TIP = Project budget located on page 51 of 206 of the Proposed 2013 Transit Improvement Plan (TIP)

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one month delay would not create a significant impact to the project schedule.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2013-01: (1) Authorizes the chief executive officer to acquire, dispose, or lease certain real property by negotiated purchase, by condemnation (including settlement of condemnation litigation), or by entering into administrative settlements, and to pay eligible relocation and re-establishment benefits to affected owners and tenants as necessary in order to secure property required for operation, and maintenance of the Sounder line, and (2) requires staff to prepare an amendment to the Adopted 2013 Budget to fund the acquisition for Board consideration within 60 days of completion of the acquisition.

ENVIRONMENTAL REVIEW

JI 8/19/2013

LEGAL REVIEW

JW 9/6/2013

MOTION NO. M2013-76

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to (1) execute a purchase and sale agreement with the City of Tacoma for a 1.3-mile rail corridor in the City of Tacoma for the benefit of ongoing commuter rail service in Pierce County for \$4,000,000, and (2) execute a Joint Use Agreement with City of Tacoma for Tacoma Rail's ongoing use of the rail corridor.

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MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to (1) execute a purchase and sale agreement with the City of Tacoma for a 1.3-mile rail corridor in the City of Tacoma for the benefit of ongoing commuter rail service in Pierce County for \$4,000,000, and (2) execute a Joint Use Agreement with City of Tacoma for Tacoma Rail's ongoing use of the rail corridor.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 26, 2013.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator