

MOTION NO. M2015-91
Project Implementation Agreement with the University of Washington for Northgate Link

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	10/08/2015	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	10/22/2015	Final Action	Don Davis, Executive Project Director – Northgate Link Extension Kate Lichtenstein, Project Manager

PROPOSED ACTION

Authorizes the chief executive officer to execute a Project Implementation Agreement with the University of Washington which will reimburse Sound Transit in the amount of \$5,255,500 for design and construction of the U District Station within the Northgate Link Extension to accommodate the University's revised transit-oriented development concept.

KEY FEATURES SUMMARY

- In 2012, the Sound Transit Board authorized Sound Transit to execute a Property Exchange and Development Agreement with the University of Washington that conveyed certain property interests between the parties and committed Sound Transit to design and construct the U District Station to allow subsequent development of a transit-oriented development (TOD) project up to 85 feet high above the station. The Agreement allowed for University-requested project changes upon University payment to Sound Transit for related costs.
- Since 2012, the City of Seattle has initiated review of U District neighborhood-wide development and design policy changes, including zoning modifications, that may allow additional height and development capacity at the U District Station site. In response, the University is seeking flexibility to build a TOD project up to 240 feet in height, which is taller than contemplated by the Property Exchange and Development Agreement.
- The proposed Project Implementation Agreement:
 - Commits Sound Transit to design and construct the U District Station to accommodate the University's revised TOD concept for a building up to 240 feet above grade in accordance with design and development conditions including not-to-exceed structural loading criteria;
 - Commits the University to reimburse Sound Transit for the resulting design, construction and administrative costs at a fixed payment amount of \$5,255,500, to be paid incrementally upon achievement of certain milestones;
 - Commits Sound Transit and the University to record an amendment to the Condominium Declaration, which establishes the legal structure dividing ownership of the property between Sound Transit and the University. The majority of the Condominium Declaration remains unchanged. The proposed amendment modifies only those sections affected by this project change and includes establishment of the new structural loading criteria and modified parameters for ventilation shaft extensions; and
 - Provides that the University will pay the fixed amount, and Sound Transit will not be obligated to further change the U District Station, if the University is unable to obtain regulatory or other approval for the revised TOD concept.
- This agreement will not delay the overall Northgate Link project schedule.
- If the University requests further changes that could result in delay to Sound Transit's schedule, Sound Transit may reject changes or propose expediting measures and adjustment to the fixed amount.

BACKGROUND

The Northgate Link Extension extends light rail 4.3-miles from the University of Washington Station north under the campus via twin bored tunnels to an underground U District Station along Brooklyn Avenue NE between NE 43rd and NE 45th Streets, and underground Roosevelt Station along 12th Avenue NE between NE 65th Street and NE 67th Street, and continuing to an elevated station in Northgate along 1st Avenue NE spanning NE 103rd Street. The Northgate Link Extension is scheduled to be completed in September 2021 and will provide an interim terminus for Link at Northgate until the Lynnwood Link Extension is in service, currently anticipated in 2023. On June 28, 2012, the Sound Transit Board baselined the Northgate Link Extension’s schedule and budget.

The Property Exchange and Development Agreement (authorized by Motion No. M2012-93) provided that Sound Transit would design and construct the U District Station to allow subsequent construction of a University-led and funded TOD project up to 85 feet in height. Since 2012, the City of Seattle has initiated review of U District neighborhood-wide development and design policy changes, including zoning modifications, that may allow additional height and development capacity at the U District Station site. In response, the University is seeking flexibility to build a TOD project up to 240 feet in height, which is taller than contemplated by the Property Exchange and Development Agreement.

The Property Exchange and Development Agreement provided that the University may request changes to Sound Transit plans if the change did not disrupt Sound Transit’s design and construction schedule and with University payment to Sound Transit for related costs. This Project Implementation Agreement implements the University-requested project change by specifying terms and conditions, including a fixed reimbursement amount and not-to-exceed structural loading criteria, that allow Sound Transit to accommodate the revised TOD concept in the final design and construction of U District Station.

The fixed payment amount specified in the agreement includes design, construction, construction services and related administrative and legal costs and will be billed to the University in certain milestone payments and fully reimbursed upon substantial completion of the U District Station project.

PROJECT STATUS

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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Projected Completion Date for Construction: 4Q 2020

Project scope, schedule and budget summary located on page 23 of the July 2015 Agency Progress Report.

FISCAL INFORMATION

Design and construction of the U District Station to accommodate the revised transit-oriented development concept requested by the University of Washington are estimated to increase costs to the project by a total amount of \$5,255,500, including: \$644,091 for design, \$3,822,559 for construction, \$409,650 for construction services, and \$379,200 for administration. Should the proposed Project Implementation Plan agreement be approved, the University will reimburse

Sound Transit for this work in the fixed amount of \$5,255,500 to be paid incrementally upon achievement of certain milestones as specified in the agreement.

The lifetime budget in the 2015 Transportation Improvement Plan (TIP) for the Northgate Link Extension, as amended by resolution of the ST Board in September 2015, is \$1.895 billion. Should this proposed agreement with the University be approved, the project lifetime budget would be increased in a separate resolution of the Board to accommodate the additional approximately \$5.3 million costs for the added scope detailed in the agreement.

SMALL BUSINESS/DBE PARTICIPATION, APPRENTICESHIP UTILIZATION, AND TITLE VI COMPLIANCE

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that Small Business and DBE subcontracting opportunities are infeasible or improbable based upon the work described in this contract, so Small Business/DBE goals were not established or required.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

A summary of Sound Transit public involvement efforts related to Northgate Link, U District Station, and the Property Exchange and Development Agreement was provided in the Motion No. M2012-93 staff report.

The City of Seattle will address as required any public involvement efforts related to development and design policy changes in the U District. The University will address as required any public involvement efforts related to future design and development of its TOD project.

TIME CONSTRAINTS

A delay in Sound Transit Board consideration may impact final execution of the agreement and thus impact the schedule for design and construction for the U District Station.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2012-20: Approved the chief executive officer's declaration of surplus property acquired for the Northgate Link Extension project.

Motion No. M2012-93: Authorized the chief executive officer to execute a Property Exchange Agreement with the University of Washington for acquisition of property interests needed for the Northgate Link Extension in exchange for airspace rights above the U District Station to be developed for transit-oriented development, for a net total authorized agreement amount not to exceed \$87,000.

ENVIRONMENTAL REVIEW

Jl 8/13/2015

LEGAL REVIEW

JV 10/02/2015

MOTION NO. M2015-91

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a Project Implementation Agreement with the University of Washington which will reimburse Sound Transit in the amount of \$5,255,500 for design and construction of the U District Station within the Northgate Link Extension to accommodate the University's revised transit-oriented development concept.

BACKGROUND

The Northgate Link Extension extends light rail 4.3-miles from the University of Washington Station north under the campus via twin bored tunnels to an underground U District Station along Brooklyn Avenue NE between NE 43rd and NE 45th Streets, and underground Roosevelt Station along 12th Avenue NE between NE 65th Street and NE 67th Street, and continuing to an elevated station in Northgate along 1st Avenue NE spanning NE 103rd Street. The Northgate Link Extension is scheduled to be completed in September 2021 and will provide an interim terminus for Link at Northgate until the Lynnwood Link Extension is in service, currently anticipated in 2023. On June 28, 2012, the Sound Transit Board baselined the Northgate Link Extension's schedule and budget.

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The Property Exchange and Development Agreement provided that the University may request changes to Sound Transit plans if the change did not disrupt Sound Transit's design and construction schedule and with University payment to Sound Transit for related costs. This Project Implementation Agreement implements the University-requested project change by specifying terms and conditions, including a fixed reimbursement amount and not-to-exceed structural loading criteria that allow Sound Transit to accommodate the revised TOD concept in the final design and construction of U District Station.

The proposed Project Implementation Agreement: commits Sound Transit to design and construct the U District Station to accommodate the University's revised TOD concept for a building up to 240 feet above grade in accordance with design and development conditions including not-to-exceed structural loading criteria; commits the University to reimburse Sound Transit for the resulting design, construction and administrative costs at a fixed payment amount of \$5,255,500, to be paid incrementally upon achievement of certain milestones; commits Sound Transit and the University to record an amendment to the Condominium Declaration, which establishes the legal structure dividing ownership of the property between Sound Transit and the University.

The majority of the Condominium Declaration remains unchanged. The proposed amendment modifies only those sections affected by this project change and includes establishment of the new structural loading criteria and modified parameters for ventilation shaft extensions; and provides that the University will pay the fixed amount, and Sound Transit will not be obligated to further

change the U District Station, if the University is unable to obtain regulatory or other approval for the revised TOD concept.

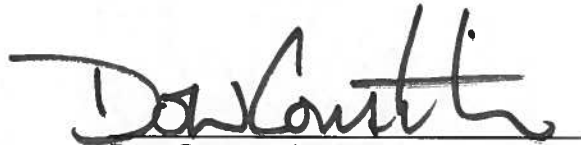
This agreement will not delay the overall Northgate Link project schedule. If the University requests further changes that could result in delay to Sound Transit's schedule, Sound Transit may reject changes or propose expediting measures and adjustment to the fixed amount.

The fixed payment amount specified in the agreement includes design, construction, construction services and related administrative and legal costs and will be billed to the University in certain milestone payments and fully reimbursed upon substantial completion of the U District Station project.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a Project Implementation Agreement with the University of Washington which will reimburse Sound Transit in the amount of \$5,255,500 for design and construction of the U District Station within the Northgate Link Extension to accommodate the University's revised transit-oriented development concept.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 22, 2015.



Dow Constantine
Board Chair

ATTEST:



Kathryn Flores
Board Administrator