



Resolution No. R2020-21

Budget Amendment for the Bus Base North

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	11/12/2020 11/19/2020	Recommend to Board Final action	Don Billen, Executive Director, PEPD Bernard van de Kamp, East Corridor Development Director PEPD Joe Gray, Director Real Property

Proposed action

Amends the Adopted 2020 Budget for the Bus Base North project to support a property acquisition by (a) increasing the 2020 annual budget from \$1,530,000 to \$16,530,000 and (b) transferring \$12,600,000 from the Construction Services phase to the Right of Way phase while maintaining the authorized project allocation of \$48,676,000.

Key features summary

- In 2017, Resolution No. R2017-26 authorized early acquisition of property in Canyon Park in Bothell for potential construction of an operations and maintenance facility to serve the ST Express Bus fleet.
- The property's value, as evidenced by other recent property sales, significantly increased in the past three years. The property's current appraised value exceeds the allocated budget amount for the Bus Base North Right of Way Acquisition of \$26,178,000 and necessitates a project budget amendment to purchase the property.
- This action will increase the 2020 budget by \$15,300,000 to pay the following:
 - The additional amount needed to purchase the property;
 - Potential compensation to property owners related to acquiring rights to deviate from restrictive covenants that prohibit Sound Transit's proposed use for the property.
- This action increases the 2020 Budget for the Bus Base North, but does not increase the authorized project allocation to date because unused money from the Construction Services phase will be transferred to the project Right of Way phase.
- The Bus Base North project is subject to the capital program realignment process. If the project is affected by realignment, the site could be used for a different transit purpose or surplus.

Background

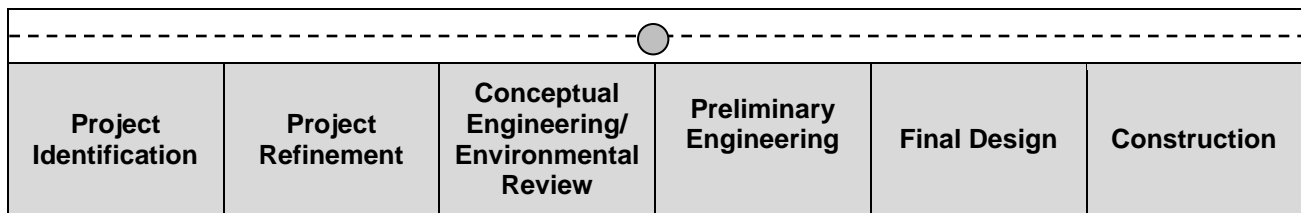
Resolution No. R2017-26 authorized early acquisition of the Canyon Park property as a potential site for the BRT operations and maintenance facility. Through the Project Refinement phase of the BRT Program, over 30 additional sites were evaluated and this project site remained the preferred site for the Bus Base North.

The proposed \$34.6 million purchase price, reached after extensive negotiation and mediation by a third-party, exceeds the \$26.1 million allocated budget for the Bus Base North Right of Way Acquisition.

The property owner rejected Sound Transit's \$24.45 million purchase offer, but allowed Sound Transit to take possession and begin using the property in May 2019, pending a settlement or a condemnation trial to determine the purchase price. After obtaining recent appraisals which reflect a significant increase in the property's value since 2017, and after a mediation supervised by a third-party, the owner agreed to accept \$34.6 million for the property, if approved by the Sound Transit Board. Sound Transit must pay the property owner an additional \$10,150,000 for the property.

In addition to the purchase price, additional compensation is due other property owners in the areas to acquire and extinguish certain restrictive covenants recorded against the property that prohibit Sound Transit's proposed use. The value of the restrictive covenant rights has not been appraised and is subject to future negotiation.

Project status



Projected completion date for Phase 3 Preliminary Engineering 4Q 2021

Project scope, schedule and budget summary are located on page 175 of the Sept 2020 Agency Progress Report.

Fiscal information

This action is within the authorized project allocation and sufficient monies remain after approval of this action to fund the remaining work as contained in the current cost estimates.

The authorized project allocation for the Bus Base North is \$48,676,000. The proposed action would shift \$12,600,000 from construction services phase to right of way phase to support the completion of property acquisition execution. There will be no increase to the authorized project allocation while the annual budget will increase by \$15,000,000.

Bus Base North

(in thousands)

Phase	Annual Project Budget			Authorized Project Allocation to Date		
	Adopted 2020 Annual Budget	Allocation Change	Revised 2020 Annual Project Budget	Authorized Project Allocation (Current)	Allocation Change	Authorized Project Allocation (New)
Agency Administration	\$1,040	\$	\$1,040	\$4,424	\$	\$4,424
Preliminary Engineering	230		230	2,305		2,305
Final Design						
Third Party Agreements	50		50	160		160
Right of Way	300	15,300	15,600	29,187	12,600	41,787
Construction						
Construction Services	300	(300)		12,600	(12,600)	
Vehicles						
Contingency						
Total	\$1,920	\$15,000	\$16,920	\$48,676	\$	\$48,676

Notes:

Amounts are expressed in Year of Expenditure.

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay could result in interest payments to the property seller.

Prior Board/Committee actions

Resolution No. R2017-25: Amended the I-405 Bus Rapid Transit project by (a) increasing the adopted 2017 Annual Budget from \$650,000 to \$45,650,000 and (b) increasing the authorized project allocation to date in the amount of \$45,000,000 for a total project allocation to date of \$45,650,000.

Resolution No. R2017-26: Authorized the chief executive officer to acquire certain real property interests, contingent on receipt of any necessary federal approvals, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for potential transit center and park-and-ride and operations and maintenance facility sites for the I-405 Bus Rapid Transit Project.

Resolution No. R2019-30: Adopted an annual budget for the period from January 1 through December 31, 2020 and adopts the 2020 Transit Improvement Plan.

Environmental review – KH 11/6/20

Legal review – PM 11/6/20



Resolution No. R2020-21

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2020 Budget for the Bus Base North project to support a property acquisition by (a) increasing the 2020 annual budget from \$1,530,000 to \$16,530,000 and (b) transferring \$12,600,000 from the Construction Services phase to the Right of Way phase while maintaining the authorized project allocation of \$48,676,000.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) 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 Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, the Sound Transit 3 plan provides for the establishment of a Bus Rapid Transit (BRT) system from the Lynnwood Transit Center to the Burien Transit Center via I-5, I-405, and SR 518; and

WHEREAS, the project includes new and upgraded transit centers and flyer stops, new park-and-ride capacity, access improvements to the stations, and funding for property for a bus operations and maintenance facility; and

WHEREAS, through Resolution No. R2017-22, the Board established an initial project budget to fund evaluation of properties that may need to be acquired early; and

WHEREAS, Sound Transit issued a State Environmental Policy Act Determination of Nonsignificance (DNS) on August 10, 2020, completing environmental review for the project; and

WHEREAS, through Resolution Nos. R2017-25 and R2017-26, the Board increased the project allocation to date and authorized the early acquisition of a property located in Canyon Park for potential construction of an operations and maintenance facility to serve Bus Rapid Transit and the ST Express Bus fleet; and

WHEREAS, the property's appraised value significantly increased in the past three years and exceeds the allocated budget amount for the Bus Base North Right of Way Acquisition of \$26,178,000; and

WHEREAS, there is unused money from Construction Services phase that can be transferred to the project Right of Way phase so the authorized project allocation to date will not increase; and

WHEREAS, in December 2019, through Resolution No. R2019-30, the Board adopted an annual budget for the period from January 1 through December 31, 2020, and adopted the 2020 Transit Improvement Plan; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the adopted 2020 budget.

NOW THEREFORE BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Adopted 2020 Budget for the Bus Base North project is amended to support a property acquisition by (a) increasing the 2020 annual budget from \$1,530,000 to \$16,530,000 and (b) transferring \$12,600,000 from the Construction Services phase to the Right of Way phase while maintaining the authorized project allocation of \$48,676,000.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Kent Keel
Board Chair

Attest:

Kathryn Flores
Board Administrator