



Motion No. M2022-72

Memorandum of Agreement to exchange property between Sound Transit and WSDOT

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	08/18/2022	Recommend to Board	Ron Lewis, DECM Executive Director
Board	08/25/2022	Final action	Faith Roland, Real Property Director James Chung, Real Property Project Manager

Proposed action

Authorizes the chief executive officer to execute a Memorandum of Agreement between Sound Transit and the Washington State Department of Transportation (WSDOT) for the exchange of the Lynnwood Transit Center park and ride facility and Sound Transit-owned property interests needed for WSDOT's Overlake Access Improvement Project, with any difference in the fair market value of the properties to be reflected in the balance sheet established under the parties' Land Bank Agreement.

Key features summary

- Sound Transit anticipates purchasing, and WSDOT anticipates selling, the Lynnwood Transit Center park and ride facility as a part of Sound Transit's Lynnwood Link Extension project.
- WSDOT anticipates purchasing, and Sound Transit anticipates selling, certain property interests on real property Sound Transit owns in Redmond, Washington for the construction and operation of WSDOT's Overlake Access Improvement Project. WSDOT's acquisition, which it is making under the threat of condemnation, includes a fee acquisition and two temporary construction easements (the "ST Property Interests").
- The WSDOT project will provide a benefit to Sound Transit and members of the public by enhancing access to Sound Transit's Overlake Village light rail station.
 - Due to WSDOT's construction schedule, Sound Transit has granted possession and use of its property to WSDOT in exchange for WSDOT's deposit of the appraised fair market value of the ST Property Interests into an escrow account.
- Sound Transit and WSDOT entered into a Land Bank Agreement in 2000, which was amended in 2003. The Land Bank Agreement, in pertinent part, established a framework by which WSDOT grants Sound Transit credits representing the value of highway purpose improvements funded by Sound Transit for WSDOT's benefit ("Land Bank Credits"), which credits are then drawn upon to pay for Sound Transit's lease or purchase of certain WSDOT property interests. The parties keep track of the Land Bank Credits by way of a balance sheet established for that purpose.
- Sound Transit and WSDOT seek authorization to execute a Memorandum of Agreement providing the framework and conditions for the exchange of properties for fair market value to support each agency's respective project.
 - The parties will establish fair market value for the property rights conveyed for each agency's respective projects, and, if the fair market value of WSDOT's acquisition exceeds the fair market

value of Sound Transit’s acquisition, a credit entry will be made under the parties’ Land Bank Agreement for the difference; if the fair market value of Sound Transit’s acquisition exceeds the value of WSDOT’s acquisition, a debit entry will be made under the parties’ Land Bank Agreement for the difference. Both appraisals will be reviewed and approved by each agency prior to executing the Memorandum of Agreement.

- The real property interests identified in this requested action are included in Exhibit A.

Background

Sound Transit and WSDOT each have a project to create or improve transportation for the public in the State of Washington. Sound Transit’s Lynnwood Link Extension project consists of an 8.5-mile light rail extension from Northgate to Lynnwood servicing the cities of Shoreline, Mountlake Terrace, and Lynnwood. As a part of its Lynnwood Link Extension, Sound Transit will purchase the Lynnwood Transit Center park and ride facility from WSDOT to serve as a parking facility for the Lynnwood Transit Center, including the Lynnwood Link City Center light rail station.

WSDOT’s Overlake Access Improvement Project will alleviate backups and delays during peak travel times along eastbound State Route 520 off-ramp to 148th Ave NE. The Overlake Access Improvement Project will add a new eastbound SR 520 exit option underneath 148th Ave NE for direct access to Overlake Village and Sound Transit’s new Overlake Village light rail station. The Overlake Access Improvement Project will improve vehicular mobility by realigning the existing eastbound off-ramp to 148th Avenue NE.

In order to facilitate each agency’s respective project, the two agencies have come to a preliminary agreement contemplating the exchange of properties for fair market value, with any difference in the fair market value of the parties’ respective property interests to be reflected as a debit or a credit in the balance sheet established under the parties’ Land Bank Agreement.

The Land Bank Agreement was entered by the two agencies in 2000 (Motion No. M2000-49) and amended in 2003 (Motion No. M2003-113). It established a framework for WSDOT to grant Sound Transit Land Bank credits representing the value of highway purpose improvements funded by Sound Transit for WSDOT’s benefit (“Land Bank Credits”), which credits are then drawn upon to pay for Sound Transit’s lease or purchase of certain WSDOT property interests. The parties keep track of the Land Bank Credits by way of a balance sheet established for that purpose.

The Memorandum of Agreement will provide the conditions for the exchange of property interests for fair market value to support each agency’s respective project, with any difference in fair market value to be reflected in debits or credits to the balance sheet established under the Land Bank Agreement. The Memorandum of Agreement is not intended to, and does not, supplant or amend, the Land Bank Agreement.

Project status

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Project Identification	Project Refinements	Conceptual Engineering/ Environmental Review	Preliminary Engineering	Final Design	Construction

Projected completion date for Revenue Service: July 2024

Project scope, schedule and budget summary are located on page 82 of the June 2022 Agency Progress Report.

Fiscal information

Although there is no direct fiscal action, appraisals have been completed of WSDOT and Sound Transit properties to reconcile to an agreed upon value. Sound Transit's appraisal of the WSDOT property is currently under review. The Land Bank Agreement would be used to balance any difference between the fair market value of each agency's property.

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay in this action would hinder Sound Transit's efforts for the purchase of the Lynnwood Transit Center and its Lynnwood Link Extension project schedule.

Prior Board/Committee actions

Resolution No. R2017-21: Authorized the chief executive officer to acquire certain real property interests, 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 the Lynnwood Link Extension.

Resolution No. R2013-27: Authorized the chief executive officer to acquire, dispose, or lease certain real property interests in the Overlake Village/Overlake Transit Center neighborhood of Redmond including acquisition by condemnation, and pay eligible relocation and re-establishment benefits to affected owners and tenants as necessary for the East Link Extension.

Motion No. M2003-113: Revised the existing Land Bank Agreement with the Washington State Department of Transportation to extend the term of the agreement to 40 years, and to revise the mechanism for establishing credits.

Motion No. M2000-49: Authorized the Executive Director to execute a Land Bank Agreement with the Washington State Department of Transportation.

Environmental review – KH 8/4/22

Legal review – PM 8/12/22



Motion No. M2022-72

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a Memorandum of Agreement between Sound Transit and the Washington State Department of Transportation (WSDOT) for the exchange of the Lynnwood Transit Center park and ride facility and Sound Transit-owned property interests needed for WSDOT's Overlake Access Improvement Project, with any difference in the fair market value of the properties to be reflected in the balance sheet established under the parties' Land Bank Agreement.

Background

Sound Transit and WSDOT each have a project to create or improve transportation for the public in the State of Washington. Sound Transit's Lynnwood Link Extension project consists of an 8.5-mile light rail extension from Northgate to Lynnwood servicing the cities of Shoreline, Mountlake Terrace, and Lynnwood. As a part of its Lynnwood Link Extension, Sound Transit will purchase the Lynnwood Transit Center park and ride facility from WSDOT to serve as a parking facility for the Lynnwood Transit Center, including the Lynnwood Link City Center light rail station.

WSDOT's Overlake Access Improvement Project will alleviate backups and delays during peak travel times along eastbound State Route 520 off-ramp to 148th Ave NE. The Overlake Access Improvement Project will add a new eastbound SR 520 exit option underneath 148th Ave NE for direct access to Overlake Village and Sound Transit's new Overlake Village light rail station. The Overlake Access Improvement Project will improve vehicular mobility by realigning the existing eastbound off-ramp to 148th Avenue NE.

In order to facilitate each agency's respective project, the two agencies have come to a preliminary agreement contemplating the exchange of properties for fair market value, with any difference in the fair market value of the parties' respective property interests to be reflected as a debit or a credit in the balance sheet established under the parties' Land Bank Agreement.

The Land Bank Agreement was entered by the two agencies in 2000 (Motion No. M2000-49) and amended in 2003 (Motion No. M2003-113). It established a framework for WSDOT to grant Sound Transit Land Bank credits representing the value of highway purpose improvements funded by Sound Transit for WSDOT's benefit ("Land Bank Credits"), which credits are then drawn upon to pay for Sound Transit's lease or purchase of certain WSDOT property interests. The parties keep track of the Land Bank Credits by way of a balance sheet established for that purpose.

The Memorandum of Agreement will provide the conditions for the exchange of property interests for fair market value to support each agency's respective project, with any difference in fair market value to be reflected in debits or credits to the balance sheet established under the Land Bank Agreement. The Memorandum of Agreement is not intended to, and does not, supplant or amend, the Land Bank Agreement.

Sound Transit anticipates purchasing, and WSDOT anticipates selling, the Lynnwood Transit Center park and ride facility as a part of Sound Transit's Lynnwood Link Extension project. WSDOT anticipates purchasing, and Sound Transit anticipates selling, certain property interests on real property Sound Transit owns in Redmond, Washington for the construction and operation of WSDOT's Overlake Access Improvement Project. WSDOT's acquisition, which it is making under the threat of condemnation, includes a fee acquisition and two temporary construction easements (the "ST Property Interests").

The WSDOT project will provide a benefit to Sound Transit and members of the public by enhancing access to Sound Transit's Overlake Village light rail station.

Due to WSDOT's construction schedule, Sound Transit has granted possession and use of its property to WSDOT in exchange for WSDOT's deposit of the appraised fair market value of the ST Property Interests into an escrow account.

Sound Transit and WSDOT seek authorization to execute a Memorandum of Agreement providing the framework and conditions for the exchange of properties for fair market value to support each agency's respective project.

The parties will establish fair market value for the property rights conveyed for each agency's respective projects, and, if the fair market value of WSDOT's acquisition exceeds the fair market value of Sound Transit's acquisition, a credit entry will be made under the parties' Land Bank Agreement for the difference; if the fair market value of Sound Transit's acquisition exceeds the value of WSDOT's acquisition, a debit entry will be made under the parties' Land Bank Agreement for the difference. Both appraisals will be reviewed and approved by each agency prior to executing the Memorandum of Agreement.

The real property interests identified in this requested action are included in Exhibit A.

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 Memorandum of Agreement between Sound Transit and the Washington State Department of Transportation (WSDOT) for the exchange of the Lynnwood Transit Center park and ride facility and the WSDOT Overlake Access Improvement Project, with any difference in the fair market value of the properties to be reflected in the balance sheet established under the parties' Land Bank Agreement.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 25, 2022.



Dave Somers
Board Vice Chair

Attest:



Kathryn Flores
Board Administrator



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Exhibit A

Sound Transit and WSDOT Land Exchange

Item:	Tax Parcel #:	Tax Payer(s):	Property Address:
1	2063500100	CPSRTA (Sound Transit)	N/A
2	00372600600900	WSDOT (Washington State Department of Transportation)	20206 46th Ave. W. Lynnwood, WA 98036