Motion No. M2022-86

Approving a Master Service Agreement with American Capital Group, LLC for Community Transit-Oriented Development adjacent to the Shoreline North/185th Station within the Lynnwood Link Extension

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<th>Meeting:</th>
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<th>Staff contact:</th>
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<td>System Expansion Committee</td>
<td>11/10/2022</td>
<td>Recommend to Board</td>
<td>Ron Lewis, DECM Executive Director</td>
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<td>Board</td>
<td>11/17/2022</td>
<td>Final action</td>
<td>Randy Harlow, Executive Project Director – Lynnwood Link Extension</td>
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<td>Thatcher Imboden – Land Use Planning &amp; Development Director</td>
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<td>Faith Roland, Real Property Director</td>
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<td>Rod Kempkes, Deputy Project Director – Lynnwood Link Extension</td>
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**Proposed action**

Authorizes the chief executive officer to execute a Master Agreement with ACG Kinect Shoreline Owner LLC, to (1) establish terms and operational stipulations relating to construction coordination and mutual access between planned private transit-oriented development project located on the west side of 8th Avenue NE between NE 185th Street and NE 189th Street in Shoreline, WA and the adjacent Shoreline North/185th Street Link station; (2) convey to the developer a portion of Sound Transit owned property that has been declared surplus in exchange for a fair market value payment; and 3) grant temporary easements to support transit-oriented development project.

**Key features summary**

- This agreement will facilitate the development of a privately-owned transit-oriented development (TOD) property project to be built on property adjacent to the Shoreline North/185th Station, creating an urban design that enhances the passenger experience and improves station access to potential passengers from the TOD development.
- The proposed agreement establishes terms and operational stipulations for construction coordination and mutual access between the TOD project and the Shoreline North/185th Station and parking garage areas.
- The proposed agreement includes the terms of the sale of a strip of Sound Transit owned property adjacent to the private TOD project ACG Kinect Shoreline Owner LLC (ACG) that is no longer required for transit purposes and has been declared surplus in accordance with Sound Transit’s Real Property Excess, Surplus and Disposition Policy. Sound Transit will be paid fair market value for this strip of property.
- The agreement will grant temporary easements to ACG that support the private TOD project which will include payment to Sound Transit for the easements at fair market value.
• The agreement also provides for the release of a telecom easement Sound Transit acquired on the ACG property, with the telecom infrastructure to be relocated into the right-of-way as part of the TOD project.

• Likewise, under the proposed agreement, Sound Transit will release several temporary construction easements on the ACG property, as the Sound Transit scope of work for which those easements were acquired is no longer necessary thanks to the TOD project.

Background

The Lynnwood Link Extension is an 8.5 mile light rail extension from Northgate to Lynnwood with service to the Cities of Seattle, Shoreline, Mountlake Terrace, and Lynnwood. The extension travels primarily along I-5 and includes four stations at NE 148th Street, NE 185th Street, Mountlake Terrace Transit Center, and Lynnwood Transit Center. New parking structures will be provided at NE 148th Street, NE 185th Street, and Lynnwood Transit Center.

Shoreline North/185th Station includes the light rail station, parking garage, and bus loop within the City of Shoreline as part of the LLE project currently under construction.

Sound Transit acquired the property necessary for the Shoreline North/185th station as part of the LLE project. During the construction phase of the LLE project, ACG acquired the six parcels of land occupied with single family homes adjacent to the Shoreline North/185th station site with the intention of developing a multi-story 240-unit TOD apartment building. ACG approached Sound Transit staff to coordinate the development of its project to create an urban design that enhances the passenger experience and improves station access to potential passengers from the TOD development.

The proposed agreement supports the development of the ACG TOD project and establishes terms and operational stipulations for the development adjacent to the Shoreline North/185th Station that will interact with the station and parking garage areas. Under the agreement, ACG will maintain the landscape buffer in perpetuity which will eliminate Sound Transit’s need to pay for maintenance of the buffer. The proposed agreement will also grant temporary easements – a shoring easement and a crane swing easement – to ACG that support the private TOD project which will include payment to Sound Transit for the easements at fair market value. The proposed agreement also provides for the release of a telecom easement on the ACG property, with the telecom facilities to be relocated by ACG into the right of way, along with several temporary construction easements that Sound Transit no longer requires, since the necessary scope of work on the ACG property has been reduced thanks to the TOD project.

As part of the coordination effort, the Sound Transit Real Property Utilization Committee (RPUC) reviewed a request by ACG to purchase a narrow strip of Sound Transit owned property that was designed as a required landscape buffer to the ACG owned parcels. Following the recommendation of the RPUC, the CEO determined that the agency has no transit use for these properties in a surplus declaration dated October 27, 2022. The Sound Transit Executive Committee approved the CEO’s surplus declaration on November 3, 2022. Sound Transit will retain easements on the property for several facilities that are needed in connection with the Shoreline North/185th Station.

Federal funds were used in the acquisition of the subject strip of property. Sound Transit will work with the Federal Transit Administration on the disposition of this property in accordance with Federal Transit Administration requirements. Sound Transit will be paid fair market value for this strip of property.

Sound Transit adopted a TOD Program Strategic Plan in 2010, then in December 2012 adopted a TOD Policy, Resolution No. R2012-24. Sound Transit’s Equitable TOD Policy, Resolution No. R2018-10, classifies this type of development as a Community TOD project, as it is a project built on land not owned by Sound Transit within 1/2 mile of the station. Sound Transit’s role with Community TOD projects, as outlined in the agency policy, is to “support and promote TOD within the area around a
Sound Transit facility”. The ACG TOD project addressed in this action implements several of the agency’s Equitable TOD Policy goals, including increasing the value and effectiveness of transit by increasing transit ridership; supporting the implementation of state, regional, and local growth plans, policies, and strategies; encouraging the creation of diverse housing options near transit; and encouraging convenient, safe multimodal access to the transit system.

### Project Status

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<th>Project Identification</th>
<th>Project Refinements</th>
<th>Conceptual Engineering/Environmental Review</th>
<th>Preliminary Engineering</th>
<th>Final Design</th>
<th>Construction</th>
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Projected completion date for Construction: 3Q 2024

Project scope, schedule and budget summary are located starting on page 80 of the August 2022 Agency Progress Report.

### Fiscal information

The proposed action includes payment to Sound Transit for surplus property and easements at fair market value. Surplus property and easement revenues are included within the miscellaneous revenues the agency receives.

This agreement will reduce the scope of work for the Lynnwood Link Extension resulting in a cost savings to Sound Transit, which will go back into the Lynnwood Link Extension budget. As a result, there is no impact on the affordability of the Financial Plan. The dollar amount will be finalized once the Sound Transit contractor has received final plans from ACG in Q4 2022.

The proposed revenue from this action is $471,695 in YOE$, consisting of $390,000 for the surplus property sale and the balance for the temporary easement grants. The impact of this revenue increase on the remaining available debt capacity in the minimum year (2042) is 0.0% in the minimum year. This is a negligible impact on agency affordability and does not impact the affordability of the finance plan.

### Disadvantaged and small business participation

Not applicable to this action.

### Public involvement

Sound Transit staff has been coordinating with the City of Shoreline on the planned TOD development. No public outreach effort by Sound Transit is expected outside of those previously conducted for the Lynnwood Link Extension. The City and/or developer may elect to perform additional outreach outside of this agreement and/or action.

### Time constraints

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

Timely approval of this action would allow the developer to proceed with their procurement schedule while allowing Sound Transit to continue construction sequencing on the Lynnwood Link Extension project.
Prior Board/Committee actions

Resolution No. R2022-30: Approved the chief executive officer’s declaration of surplus real estate property originally acquired for the Lynnwood Link Light Rail Extension Project as surplus and no longer needed for a transit purpose.


Environmental review – KH 10/3/22
Legal review – PWM 11/4/22
Motion No. M2022-86

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a Master Agreement with ACG Kinect Shoreline Owner LLC, to (1) establish terms and operational stipulations relating to construction coordination and mutual access between planned private transit-oriented development project located on the west side of 8th Avenue NE between NE 185th Street and NE 189th Street in Shoreline, WA and the adjacent Shoreline North/185th Street Link station; (2) convey to the developer a portion of Sound Transit owned property that has been declared surplus in exchange for a fair market value payment; and 3) grant temporary easements to support transit-oriented development project.

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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 execute a Master Agreement with ACG Kinect Shoreline Owner LLC, to (1) establish terms and operational stipulations relating to construction coordination and mutual access between planned private transit-oriented development project located on the west side of 8th Avenue NE between NE 185th Street and NE 189th Street in Shoreline, WA and the adjacent Shoreline North/185th Street Link station; (2) convey to the developer a portion of Sound Transit owned property that has been declared surplus in exchange for a fair market value payment; and 3) grant temporary easements to support transit-oriented development project.
APPROVED 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