

## SOUND TRANSIT

### RESOLUTION NO. R99-13

#### Budget Amendment and Transfer for Kent Station BACKGROUND AND COMMENTS

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	5/6/99	Discussion	Paul Price Martin Young	206-398-5111 206-398-5101
Finance Committee	6/17/99	Discussion and Possible Action		
Board	7/8/99	Board Approval		

#### ACTION:

Resolution No. R99-13 approves a budget amendment increasing the Sounder Kent Station budget by \$2.9M, by transferring funds identified as excess from the Boeing Access Road (\$2M) and Tukwila (\$900,000) station budgets. The purpose of this amendment is to allow the acquisition of property required for the Kent parking garage to proceed as soon as possible to avoid anticipated cost escalation.

#### BACKGROUND:

By Motion No. M98-90 (December 10, 1998) the Board selected the preferred site for a parking garage to serve the Kent commuter rail station. Since that time, appraisals and other preliminary property acquisition activities have been completed.

Resolution No. R99-13 will supplement the Kent Station budget with additional funds sufficient to allow Sound Transit to proceed with the acquisition of the property for the garage. A central concern of station development is the acquisition of this property as early as possible because of the significant risk that the acquisition price of this property will be inflated if not purchased *before* construction of the station.

The purpose of this budget amendment is to enable acquisition of the real estate necessary for the garage development by transferring funds within the South King County subarea commuter rail budget. No other subarea budgets are affected.

This budget amendment will not solve the shortfall currently anticipated in the current estimate for construction of the parking garage.

Figures are expressed in year of expenditure dollars, unless otherwise noted.

#### Origin of Current Budget

- The original Sound Move budget allocated \$6.6M (1995 dollars) for the Kent Station. This estimate inappropriately provided for only 150 new commuter parking stalls. Ridership projected for 2006 will require a total of 810 parking stalls at the Kent commuter rail station.
- The adopted 1999 budget included a transfer of \$2M (\$1M of surplus each from King Street and Boeing Access Road stations) in order to bring the budget more in line with what would be required for additional parking stalls at the station.
- The current adopted budget for Kent Station is \$9.118M.

## Development of Current Budget Forecast

- Based on current estimates, the current station budget (\$9.118M) is inadequate to fund the development of the parking garage.
  - The City of Kent has made a commitment of \$4 million to be applied toward the development of a parking garage.
  - Based on a conceptual design for the parking garage, the total cost of the parking structure is projected to be \$13M (including final design, real estate acquisition and relocation, construction, a pedestrian bridge over the railroad tracks and offsite improvements).
  - The real estate and relocation required for the garage site is included in the total \$13 million referenced above.

**Table 1 – Development of Kent Station Budget with Parking Garage**

	<u>Sound Move</u>	<u>1999 Budget</u>	<u>Proposed Budget With Amendment</u>	<u>Current Estimate</u>
<b>Kent Station</b>				
Agency Development	\$ 134,000	\$ 134,000	\$ 134,000	\$ 456,000
Design	\$ 421,000	\$ 424,000	\$ 424,000	\$ 511,000
Construction/Real Estate	\$ 5,089,000	\$ 7,559,000	\$ 7,559,000	\$ 6,109,000
Contingency	\$ 1,005,000	\$ 1,001,000	\$ 1,001,000	\$ 1,000,000
<b>Total</b>	<b>\$ 6,649,000</b>	<b>\$ 9,118,000</b>	<b>\$ 9,118,000</b>	<b>\$ 8,076,000</b>
<b>Kent Garage</b>				
Agency Development	\$ 0	\$ 0	\$ 0	\$ 600,000
Design	\$ 0	\$ 0	\$ 0	\$ 200,000
Construction/Real Estate	\$ 0	\$ 0	\$ 2,900,000	\$11,900,000
Off-site Improvements	\$ 0	\$ 0	\$ 0	\$ 300,000
Contingency	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,900,000</b>	<b>\$13,000,000</b>
<b>Total Station with Garage</b>	<b>\$ 6,649,000</b>	<b>\$9,118,000</b>	<b>\$12,018,000</b>	<b>\$21,076,000</b>

While the City of Kent has committed \$4M toward the construction of the parking garage; this amount is not included in the Sound Transit 1999 budget and is not yet available for construction. When the contribution of \$4 million from the City of Kent is incorporated into the Sounder Kent Station budget, the budget shortfall for construction of the garage would be \$5,058,000 (\$21,076,000 current estimate minus \$12,018,000 amended budget minus \$4,000,000 Kent contribution).

### Rationale for Transfers from the Tukwila and Boeing Access Road Station Budgets

The negotiated price of the land for the Tukwila Sounder station resulted in an under-run of the amount budgeted for real estate for that station. In addition, because the Tukwila Sounder station has been designated as an intercity rail station, Sound Transit's partners in the station, Amtrak and Washington State Department of Transportation's Rail Office, will be contributing additional funds (approximately \$1.6 million) to offset the station budget. By this resolution, \$900,000 of this surplus would be transferred to the Kent station budget.

The Boeing Access Road Station has not yet been designed. This station is proposed as a transfer station between Link central light rail line and the Sounder commuter rail line, at the location where the Link line crosses over the BNSF tracks. The station will soon enter preliminary design and would be constructed and operated as a combined Link and Sounder station, opening in about 2006 when the Link line opens. Staff has identified \$2 million that would be available from the Boeing Access Road commuter rail station budget.

## Scope and Effect of this Action

This action will allow staff to proceed on purchasing the required properties based on current appraisals. The Board will be kept apprised of, and asked to take action on, an eventual reconciliation of the remaining budget shortfall for the garage project.

Staff will continue to work with Sound Transit's partners in the project (City of Kent, King County Metro) to address cost management and funding. Staff will pursue the remainder of the parking structure cost by refining design, supporting the efforts of Sound Transit's partners in the pursuit of grants, and developing cost sharing arrangements with partners.

Resolution No. R99-13 would allow for the property acquisition required for the Kent Station Parking Garage.

## RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- ◆ Adoption of *Sound Move*, (May 31, 1996), The Ten-Year Regional Transit System Plan, calling for operation of Sounder Commuter Rail service to be implemented within two to four years of voter approval.
- ◆ Adoption of Resolution No. R98-4, Sound Transit's Budget Policies (February 26, 1998) - Specifying the need for Board approval of budget a budget amendment, where outlays may exceed those authorized by the Adopted Budget.
- ◆ Adoption of Resolution No. R98-49, the 1999 Fiscal Year Budget. (November 12, 1998) – Including the previous transfer of funds from the King Street and Boeing Access Road stations, for a total of \$9.1 million YOES (\$3.6 million YOES for Real Estate).
- ◆ Motion No. M98-43, (June 11, 1998) - Identifying the preferred location for the commuter rail station in Kent, and directing staff to begin the property acquisition and station design process for the Tacoma-to-Seattle Commuter Rail Project
- ◆ Motion No. M98-90, (December 10, 1998) - Selecting the preferred site for the Kent Commuter Rail Station Parking Garage.

## KEY FEATURES:

The Budget Amendment will increase the Sounder Kent Station budget total by \$2.9M to \$12.018M.

- ◆ Resolution No. R99-13 would allow for the property acquisition needed for the garage at Kent Station.
- ◆ Staff has identified possible resources within the South King County subarea commuter rail budget, which correspond to the total of this budget increase.
- ◆ Resolution No. R99-13 does not commit Sound Transit to provide funds in excess of the City of Kent's \$4M contribution to allow *construction* of the Kent garage. Staff will return to the Board at a later date to describe a plan in detail for the eventual construction of the parking garage.

## FUNDING:

See background section.

## ALTERNATIVES:

The Board could decide not to pass this resolution, which would require other Board action involving:

1. Addressing the proposed Budget Amendment in the future; or
2. The securing of another, yet unknown source for the budget required; or

3. A decision by the Board to rescind earlier resolutions (R98-90 or R98-43) by choosing not to purchase the required properties for the Kent Station parking garage.

**CONSEQUENCES OF DELAY:**

If the Board were to delay approval of this budget transfer, there would likely be a delay in acquiring the necessary property.

**LEGAL REVIEW:**

The Legal Department has reviewed and approved the Background and Comments and the Resolution.

## SOUND TRANSIT

### RESOLUTION NO. R99-13

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority approving a budget amendment increasing the Sounder Kent Station budget by \$2.9M to allow the acquisition of property required for the Kent Parking garage.

WHEREAS, a regional transit authority ("Sound Transit") has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, on November 5, 1996, at a general election held within the Sound Transit district the voters approved local funding for *Sound Move*, the ten-year plan for regional high-capacity transit in the central Puget Sound Region; and

WHEREAS, *Sound Move* provided for the implementation of high capacity commuter rail service between Tacoma and Seattle, and further provided for the construction, operation and permanent location of nine (9) rail stations in Tacoma, Puyallup, Sumner, Auburn, Kent, Tukwila and Seattle; and

WHEREAS, Resolution No. R98-4 established Budget Policies, identifying the need for Board approval for budget amendments and budget activity transfers between capital projects; and

WHEREAS, by Resolution No. R98-49 the Board of Directors of Sound Transit adopted the Sound Transit budget for 1999, including the fiscal year budget and the six-year capital spending plan; and

WHEREAS, the Kent City Council adopted a motion stating its preference for a structured parking facility (parking garage) in lieu of portions of the surface parking at the Kent commuter rail station, and authorized contributing up to \$4 million for the Kent Commuter Rail Station Parking Garage; and

WHEREAS, by Motion No. M98-43 the Board identified the preferred location for the commuter rail station in Kent and directed staff to begin the property acquisition and station design process for the Tacoma-to-Seattle Commuter Rail Project; and

WHEREAS, by Motion No. M98-90 the Board selected a 2.4 acre site for the Kent Commuter Rail Station Parking Garage; and

WHEREAS, certain real properties have been identified as necessary to the construction and operation of the parking garage; and

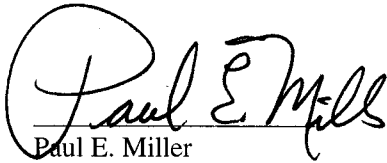
WHEREAS, in order to acquire the properties necessary for the construction, operation and permanent location of the Kent parking garage, funds must be available in the appropriate budget line items.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority as follows:


Section 1. The Kent Station budget is increased by \$2.9M to a total of \$12,018,000 to allow the acquisition of property required for the Kent parking garage.

Section 2. The increase to the Kent Station budget is achieved by transferring \$2,000,000 identified as excess funds from the Boeing Access Road Station and by transferring \$900,000 identified as excess funds from the Tukwila Station budget.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority upon two-thirds vote of the membership at a regular meeting thereof held on the 8<sup>th</sup> day of July 1999.

  
Paul E. Miller  
Board Chair

ATTEST:

  
Marcia Walker  
Board Administrator