

## STAFF REPORT

### SOUND TRANSIT MOTION NO. M2000-77

#### Reallocation of Budget from the I-5 at 320<sup>th</sup>, I-5 at 272<sup>nd</sup>, and Star Lake/Other Federal Way Park-and-Ride Projects to the Federal Way Transit Center/City Center Project, and Renaming Three of These Projects

| Meeting:          | Date:    | Type of Action:  | Staff Contact:                                  | Phone:        |
|-------------------|----------|--|---|---------------|
| Finance Committee | 9/7/00   | Discussion/Possible<br>Action to Recommend<br>Board Approval | Agnes Govern, Director,<br>Regional Express     | (206)398-5037 |
| Finance Committee | 9/21/00  | Discussion/Possible<br>Action to Recommend<br>Board Approval | Fred Chou, Project<br>Manager, Capital Projects | (206)398-5034 |
| Board             | 9/28/00  | Deferred   |   |               |
| Board             | 10/12/00 | Action   |   |               |

### **PROPOSED ACTION**

Authorizes reallocating a total of \$18.6 million (1995\$) from the I-5 at 320<sup>th</sup>, I-5 at 272<sup>nd</sup>, and Star Lake/Other Federal Way Park-and-Ride Improvements Projects to the Federal Way Transit Center/City Center Project to cover a funding shortfall in the project. Approval of this action will also rename three of these projects to better reflect the current project scope.

### **KEY FEATURES**

#### **Highlights of Proposed Action:**

- ◆ Reallocates a total of \$18.6 million (1995\$) from three Regional Express capital projects in the Federal Way and Star Lake area to a fourth project in the same area to cover a funding shortfall in the project.
- ◆ Renames three projects within this group of projects to better reflect current project scope.
- ◆ Provides an update on all four projects in the Federal Way and Star Lake area and communicates the intent to release environmental documentation identifying a preferred alternative for each project.
- ◆ Results in easier discussion and reference to projects in Federal Way.
- ◆ If approved, will be implemented as part of the 2001 Sound Transit Budget.

#### **Discussion of Proposed Action:**

##### **Background**

The four capital projects listed in Sound Move for the Federal Way and Star Lake area total \$71.6 million (1995\$). The projects were strategically developed to work as a complement of transportation improvements for the area and are formed under three project types: HOV direct access improvements (including the I-5 at 320<sup>th</sup> Project and the I-5 at 272<sup>nd</sup> Project), transit

center (the Federal Way Transit Center/City Center Project), and park-and-ride lot improvements (the Star Lake/Other Federal Way Park-and-Ride Lot Improvements Project). At the time it was understood that, though these types of improvements were needed, it was uncertain how and where actual projects would be developed.

At the beginning of the preliminary engineering and environmental documentation (PE/ED) phase of work, staff met with the Sound Transit Executive Committee and the Public and Governmental Affairs Committee to propose a geographic grouping of the four projects for the PE/ED phase, to be called the Federal Way Grouping. This was done for contractual reasons—preliminary engineering and environmental work could logically and efficiently be completed for the area at one time through one contract in lieu of separate, individual contracts. Budgets for these projects remained separate. In April 1998, the Board awarded the PE/ED contract for the Federal Way Grouping to Sverdrup Civil, Inc. (Resolution No. 98-11).

The Federal Way Grouping is nearing 30% design completion and staff is working toward the release of environmental assessment documentation before moving the projects into final design. A preferred alternative has been chosen for each of the projects. The improvements have focused on two areas: the downtown Federal Way area around South 317<sup>th</sup> Street, and the Star Lake area around South 272<sup>nd</sup> Street. Before moving into final design, there is a desire to take a step back to look at the individual budgets versus costs for each of the projects, and how their current scope relates back to the official project title. See Table 1 below.

**Table 1: Projects within the Federal Way Grouping**

|              | <b>Budget No.</b> | <b>Project as listed in Sound Move</b>        | <b>Proposed Project Name</b>   | <b>2000 Adopted Budget (1995\$) *</b> |
|--------------|-------------------|---|--|---------------------------------------|
| 1.           | 320               | Federal Way Transit Center/City Center        | Federal Way Transit Center/Parking Structure<br>( <i>New Project # 321</i> )                               | \$4 million                           |
| 2.           | 350               | Star Lake/Other Federal Way Park-and-Ride Lot | Pacific Highway Park-and-Ride Lot  | \$8 million (50%)                     |
|              |                   |   | Federal Way Parking Structure ( <i>New Project # 321, combined with Federal Way Transit Center above</i> ) | \$8 million (50%)                     |
|              |                   |   |  | \$16 million total                    |
| 3.           | 125               | I-5 at 320 <sup>th</sup>                      | I-5 at 317 <sup>th</sup>   | \$24.8 million                        |
| 4.           | 131               | I-5 at 272 <sup>nd</sup>                      | I-5 at 272 <sup>nd</sup>   | \$26.8 million                        |
| <b>Total</b> |                   |   |  | <b>\$71.6 million **</b>              |

\* The 2000 Adopted Budget reflects a 1% construction budget reallocation to the STart program.

\*\* The total amount shown in the table equates to approximately \$89.8 million in YOE dollars.

#### Project Updates

The following paragraphs give a brief description of the four projects in the Federal Way grouping, including an explanation of the identified preferred alternatives. All figures are given in 1995 dollars.

**Project # 321: Federal Way Transit Center/Parking Structure**

Through the preliminary engineering process it was decided that the transit center (project 320) would best serve Federal Way and the region if it was co-located with the park-and-ride lot project (project 350). The proposed combined project will be located on a 6.9-acre parcel at the southwest corner of the intersection of South 316<sup>th</sup> Street and 23<sup>rd</sup> Avenue South in downtown Federal Way. It will consist of a new transit center with eight bus bays, passenger waiting areas, plaza, drop-off area, and a parking structure that will accommodate approximately 1,200 vehicles. The first floor of the parking structure will include space for a transit operations office, retail, a driver comfort station, and potentially public restrooms. Plans have been made for a pedestrian bridge linking the parking structure and the bus platform area, and area has been set aside for potential transit-oriented development to the east and west of the parking structure. An environmental assessment (EA) has been developed jointly for this project and the I-5 at South 317<sup>th</sup> direct access ramp work below.

|                          |  |
|--------------------------|--|
| Current Budget (1995\$): | \$12 million<br>(\$4 million from project 320, \$8 million from project 350) |
| Estimated Cost:          | \$30.6 million   |
| Difference:              | (\$18.6 million)   |

**Project # 350: Pacific Highway Park-and-Ride Lot**

The Pacific Highway Park-and-Ride Lot Project is the "Star Lake" portion of the Star Lake/Other Federal Way Park-and-Ride Lot Project (#350). The preferred site for this project is the northeast corner of the intersection of South 276<sup>th</sup> Street and Pacific Highway South. The project will include a 600-stall, park-and-ride lot. Last fall, the Sound Transit Board approved Motion No. M99-71 which authorized a Memorandum of Agreement (MOA) to give responsibility to King County for the final design, land acquisition, and construction phases of this project. King County plans to fully fund these remaining phases with a \$1.5 million contribution from Sound Transit, which will be used toward final design.

|                                  |               |
|----------------------------------|---------------|
| Current Budget:                  | \$8 million   |
| Estimated Cost to Sound Transit: | \$1.9 million |
| Difference:                      | \$6.1 million |

**Project # 125: I-5 at 317<sup>th</sup>**

Three alternatives were considered for this project which would connect the inside HOV lanes of I-5 with downtown Federal Way, either north or south of the major interchange at South 320<sup>th</sup>. The preferred alternative allows for direct access for transit and other HOVs from I-5 to the Federal Way Transit Center/Parking Structure. The touchdown point will be the intersection of South 317<sup>th</sup> and 28<sup>th</sup> Avenue South. This improvement is addressed in a combined environmental assessment with the Federal Way Transit Center/Parking Structure Project.

|                 |                |
|-----------------|----------------|
| Current Budget: | \$24.8 million |
| Estimated Cost: | \$20.6 million |
| Difference:     | \$4.2 million  |

**Project # 131: I-5 at 272<sup>nd</sup>**

Two alternatives have been carried forward and evaluated in detail in an environmental assessment document for this project. The first alternative is an in-line freeway station located in the I-5 median north of South 272<sup>nd</sup> with a pedestrian bridge that crosses over the southbound I-5 lanes and connects the existing Star Lake Park-and-Ride Lot to the in-line freeway station. The second alternative is an HOV direct access ramp, also located in the

median of I-5 north of the South 272<sup>nd</sup> Street interchange, ramping over southbound I-5 and connecting into South 270<sup>th</sup> Street at the north end of the existing Star Lake Park-and-Ride Lot. The in-line freeway station is the preferred alternative because it provides significant benefit to transit compared to a direct access ramp. Motion No. M98-87 provides guidelines for pursuing alternatives to direct access projects in situations where “it is uncertain that regional or local transit operators would use the ramps or the volume of use is forecasted to be low; other options such as flyer stops could provide acceptable access and quicker transit stops; and/or alternative opportunities exist to invest within the subarea for improved transit performance.”<sup>1</sup> The in-line freeway station is consistent with these guidelines.

|                 |                |
|-----------------|----------------|
| Current Budget: | \$26.8 million |
| Estimated Cost: | \$18.5 million |
| Difference:     | \$8.3 million  |

#### Budgetary Considerations

One project within the grouping, the Federal Way Transit Center/Parking Structure, has a significant budget shortfall. The primary factors leading to this shortfall are given below:

1. Number of parking stalls – The number of stalls identified in the preferred alternative is roughly double the number assumed when the original project budget was put together. The increase in parking stalls is due to two main reasons. First, the demand study completed as part of this project showed that the original estimate was inadequate to handle projected 2020 demand. Second, there are certain economies of scale in constructing a parking structure that enables an additional level to be constructed for a relatively small additional construction cost, and keeps other costs such as environmental analysis, preliminary design, final design, and right-of-way (ROW) acquisition, virtually the same. Therefore, once the decision was made to build a structure of a certain size, staff took the next step to address the long-term needs of the region by allowing for increases in demand in the future.
2. Right-of-Way Costs – The preferred alternative site for the future transit center/parking structure is currently home to four commercial properties located in the heart of downtown Federal Way. Real estate prices in this area are high relative to other sites considered. In addition, two of the parcels are improved properties with active businesses and relocation assistance will be required. ROW costs is a regional issue that is surfacing on many Sound Transit projects.
3. Storm Water Detention – There is an existing regional detention pond on site that must be addressed in addition to the storm water treatment and detention system for the proposed facilities. The incremental cost of constructing an onsite underground detention system and the fees required for storing a portion of the existing detention volume downstream in another regional detention pond is fairly significant.

Sound Transit recognizes the seriousness of this budget shortfall and has discussed possible actions at numerous project management and executive advisory committee meetings. The approach suggested by the executive advisory committee and being recommended by staff at this time is laid out below in the following order of priority:

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<sup>1</sup> Memo, Dave Russell to Sound Transit Board of Directors, November 19, 1998, Final Committee Report Summarizing HOV/TSM Committee Findings and Recommendations.

1. Funding Reallocation – Reallocate budget savings from other capital projects in the Federal Way and Star Lake area to the Federal Way Transit Center/Parking Structure Project. The budget savings from the other three projects is sufficient to cover the shortfall of the transit center/parking structure project. Funding would be reallocated to the ROW and construction phases of the project. Reallocation of project budget constitutes a transfer of funds from one capital project to another and is allowed per Resolution No. R98-4, which lays out Sound Transit's budget policies. This proposal would keep the funds within the same subarea and thus will not result in a net change in subarea expenditures.
2. City Participation – The City of Federal Way will make a commitment to apply for available grants that could be additive to the Federal Way Transit Center/Parking Structure. Sound Transit will assist the City in preparation of grant applications, and project staff from both agencies will be looking for upcoming grant opportunities that could benefit this project. Sound Transit has received a congestion mitigation/air quality (CMAQ) grant from the Federal Transit Administration for the project, but this grant is not additive to the project budget.
3. Value Engineering Workshop – A value engineering workshop will be held early in the final design phase where the project team will explore various costs saving opportunities.
4. Reduce Scope – Finally, project staff has looked into reducing the scope of the transit center/parking structure project, such as reducing one level of the parking structure, relocating the clock tower to the southeast corner of the parking structure, eliminating the pedestrian overpass linking the parking structure to the transit center (and therefore eliminating one elevator shaft), and using a less expensive façade material for the sides of the parking structure. Because of aforementioned economies of scale, however, this reduction in scope would not reduce the cost of the project by more than \$2.5 million, and would limit flexibility in the available parking capacity in the Federal Way area. Furthermore, the preferred alternative has received wide support from the Federal Way City Council, the Land Use and Transportation Committee, and the community.

### **Staff Recommendation and Upcoming Risks**

The Project Management Team for this project has met several times to discuss this issue and makes a recommendation to follow the approaches listed in order above, as consistent with the recommendation from the project Executive Advisory Committee. There are still a number of uncertainties and risks that might come up during the next phase. These include ROW costs and division of responsibilities and costs with the Washington State Department of Transportation (WSDOT), who will be extending the HOV lanes in the Federal Way area. However, staff is working aggressively to minimize the risks by completing the required environmental documents and preliminary engineering as soon as possible to minimize cost escalation, and working with WSDOT to develop a memorandum of agreement outlining cost and responsibility understandings.

### **Updates to Project Titles**

The current titles used for each of the four capital projects in the Federal Way and Star Lake area cause significant confusion to project partners and the public. Staff proposes to rename three of the four project titles to better reflect current thinking on these projects, and to make references to them clearer. See Table 2.

**Table 2: Proposed Renaming of Projects in Federal Way and Star Lake Area**

|    | <b>Budget No.</b> | <b>Project as listed in Sound Move</b>        | <b>Proposed Project Name</b>   | <b>New/Same Title</b> |
|----|-------------------|---|--|-----------------------|
| 1. | 320               | Federal Way Transit Center/City Center        | Federal Way Transit Center/Parking Structure <i>(New Project # 321 and include "Other Federal Way Park-and-Ride Lot portion of Project #350)</i> | New                   |
| 2. | 350               | Star Lake/Other Federal Way Park-and-Ride Lot | Pacific Highway Park-and-Ride Lot  | New                   |
| 3. | 125               | I-5 at 320 <sup>th</sup>                      | I-5 at 317 <sup>th</sup>   | New                   |
| 4. | 131               | I-5 at 272 <sup>nd</sup>                      | I-5 at 272 <sup>nd</sup>   | Same                  |

**BUDGET****Table 3: Proposed Budget Reallocation of Projects in Federal Way and Star Lake Area \***

|    | <b>Project Name</b>                                 | <b>(a)<br/>Current Budget</b> | <b>Estimated Costs</b> | <b>Difference</b> | <b>(b)<br/>Proposed Change</b> | <b>(a) + (b)<br/>Proposed Resulting Budget</b> |
|----|---|-------------------------------|------------------------|-------------------|--------------------------------|--|
| 1. | Federal Way Transit Center/Parking Structure (#321) | \$12 M                        | \$30.6 M               | (\$18.6 M)        | \$ 18.6 M                      | \$30.6 M                                       |
| 2. | Pacific Highway Park-and-Ride Lot (#350)            | \$ 8 M                        | \$1.9 M                | \$6.1 M           | (\$6.1 M)                      | \$1.9 M  |
| 3. | I-5 at 317 <sup>th</sup> (#125)                     | \$24.8 M                      | \$20.6 M               | \$4.2 M           | (\$4.2 M)                      | \$20.6 M                                       |
| 4. | I-5 at 272 <sup>nd</sup> (#131)                     | \$26.8 M                      | \$18.5 M               | \$8.3 M           | (\$8.3 M)                      | \$18.5 M                                       |
|    | <b>Total</b>  | <b>\$71.6 M</b>               | <b>\$71.6 M</b>        | <b>–</b>          | <b>–</b>                       | <b>\$71.6 M</b>                                |

\* All budget figures are in 1995 dollars.

**ALTERNATIVES**

1. Not Approve Reallocation of Budget Savings – The board could choose not to reallocate budget savings to the Federal Way Transit Center/Parking Structure Project, and ask that each project be treated separately as in the current budget. The result of this action would be either that the transit center/parking structure project is not built and projected parking needs are not met, or that alternative funding from other sources needs to be made before proceeding.
2. Grant Application/Funding – The Board could direct that the project rely on possible future grant funding. The City of Federal Way will be the lead and will submit the grant request. However, based on research done to date, it is unlikely that sufficient grant funding could be found to fully cover the budget shortfall. This will also cause significant project delay.
3. Reduce Project Scope – This could be accomplished by reducing the parking structure by one level, relocating the clock tower from the center loading platform to the southeast corner of the

parking structure, eliminating the pedestrian overpass linking the parking structure to the transit center (and therefore eliminating one elevator shaft), and using a less expensive façade material for the sides of the parking structure. Because of aforementioned economies of scale, however, this reduction in scope would not significantly reduce the cost of the project. For this reason, the project Executive Advisory Committee does not endorse this alternative.

### **CONSEQUENCES OF DELAY**

By current project schedules, the environmental assessment will be ready for release early this fall. Sound Transit feels it is appropriate to alert the Board of the funding issues before going out to the public with a preferred alternative which is not fully funded. If the Board chooses to delay action on this item, the project could experience delays in releasing the environmental assessment documents, a critical path item, and therefore delay the overall project schedule.

### **REGIONAL PARTNERSHIP AND COOPERATION**

The Federal Way Grouping has established a Project Management Team and an Executive Advisory Committee to assist staff in making project decisions. The Project Management Team is comprised of technical staff from Sound Transit, WSDOT, the City of Federal Way, the City of Kent, and King County. The Executive Advisory Committee is comprised of elected officials, key agency management staff, and city business and community leaders, whose responsibility is to advise Sound Transit on project matters. Additionally, Sound Transit has an agreement with WSDOT to manage the HOV direct access portions of the grouping and to reimburse them for their effort.

On June 7 and August 1, 2000, City of Federal Way Mayor Michael Park, Deputy Mayor Linda Kochmar, and five councilmembers sent letters to Sound Transit stressing the importance of the Federal Way Transit Center/Parking Structure Project to the community and expressed unanimous support for the budget reallocation proposal. Consistent with the approach outlined in Motion No. M2000-77, the City requested Sound Transit to exhaust all available resources before considering scope reduction.

Sound Transit is currently working on an agreement with the City in which the City will reinvest back to the project approximately \$820,000 in project related fees. In addition, the City has scheduled within the next three years, approximately \$37 million of transportation infrastructure improvements within the city center to prepare the entire downtown for the transit center/parking structure project.

### **PUBLIC INVOLVEMENT**

Sound Transit has an extensive public outreach program that is designed to solicit feedback at different stages of the project. So far there have been two open houses and two newsletters on the project, as well as a project web site. The project team meets periodically with the Executive Advisory Committee to provide guidance to the Project Management Team, serve as a community sounding board, and to assist with public outreach efforts. Additionally, a design workshop was held last summer with members of the community, agency staff, and design professionals who spent a day looking at the design and operational layout of this facility and presented several suggestions. The current orientation of the parking structure is a direct result of the design workshop.

### **LEGAL REVIEW**

MBL 7/31/00

## **SOUND TRANSIT**

### **MOTION NO. M2000-77**

A motion of the Board of the Central Puget Sound Regional Transit Authority reallocating \$18.6 million (1995\$) from the I-5 at 320<sup>th</sup>, I-5 at 272<sup>nd</sup>, and Star Lake/Other Federal Way Park-and-Ride Lot Improvements Projects to the Federal Way Transit Center/City Center Project to cover a funding shortfall in that project. This action will also rename three of these projects to better reflect current project scopes.

#### **Background:**

The four capital projects listed in Sound Move for the Federal Way and Star Lake area were strategically developed to work as a complement of transportation improvements for the area. These projects consist of the I-5 at 320<sup>th</sup> HOV Direct Access Project, the I-5 at 272<sup>nd</sup> HOV Direct Access Project, the Star Lake/Other Federal Way Park-and-Ride Lot Improvements Project, and the Federal Way Transit Center/City Center Project. Together these four project budgets total \$71.6 million (1995\$). These four projects were grouped geographically for contracting logic and efficiency during the PE/ED phase. Budgets for these projects (the Federal Way grouping) remained separate. At this time, work on the grouping is nearing 30% design completion. Project staff are working toward the release of environmental assessment documentation, and a preferred alternative has been chosen for each of the projects.

One project within the grouping, the Federal Way Transit Center/City Center, has a budget shortfall of \$18.6 million (1995\$). The primary factors leading to this shortfall are that (1) the number of stalls identified in the preferred alternative is roughly double the number assumed when the original project budget was put together; (2) high right-of-way acquisition and relocation costs; and (3) an existing regional detention pond on the site which will be costly to relocate. The Federal Way Transit Center/City Center Project can be successfully completed by reallocating \$18.6 million (1995\$) from the I-5 at 320<sup>th</sup>, I-5 at 272<sup>nd</sup>, and the Star Lake/Other Federal Way Park-and-Ride Lot projects to this project. In addition to the funding transfer, the City of Federal Way will be looking for additive grant opportunities to augment the overall project budget, and staff will be conducting cost cutting exercises such as conducting a value engineering workshop as one of the first tasks under the final design phase.

The second action being proposed is to rename three projects in the Federal Way to better reflect current project scopes. This includes the following: "Federal Way Transit Center/City Center" becomes "Federal Way Transit Center/Parking Structure"; "Star Lake/Other Federal Way Park-and-Ride Lot" becomes "Pacific Highway Park-and-Ride Lot"; and "I-5 at 320<sup>th</sup>" becomes "I-5 at 317<sup>th</sup>."

#### **Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the total budget for the Federal Way Transit Center/City Center project be increased by \$18.6 million to \$30.6 million (1995\$) by reallocating budget from the following projects: reduce budget for Star Lake/Other Federal Way Park-and-Ride Lot project by (\$6.1) million to \$1.9 million (1995\$); reduce the budget for the I-5 at 320<sup>th</sup> project by (\$4.2) million to \$20.6 million (1995\$); and reduce budget for I-5 at 272<sup>nd</sup> project by (\$8.3) million to \$18.5 million (1995\$). Additionally, three of these projects will be renamed to better reflect current project scopes: the "Federal Way Transit Center/City Center" becomes the "Federal Way Transit Center/Parking

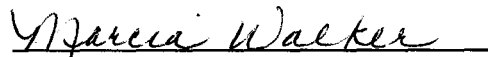


Structure"; the "Star Lake/Other Federal Way Park-and-Ride Lot" becomes the "Pacific Highway Park-and-Ride Lot"; and the "I-5 at 320<sup>th</sup>" becomes the "I-5 at 317<sup>th</sup>."

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 12<sup>th</sup> day of October 2000.

  
David Earling  
Board Chair

ATTEST:

  
Marcia Walker  
Board Administrator