

**SOUND TRANSIT  
STAFF REPORT**

**RESOLUTION NO. R2002-01**

**NE 40th Street Overlake Transit Center/Park-and-Ride Lot  
Project Budget Amendment**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Board	2/14/02	Discussion/Possible Action	<b>Agnes Govern, Director, Regional Express</b> Jim Edwards, Program Manager, Capital Projects, Regional Express Jerry Dahl, Construction Manager, Regional Express Linda Smith, Project Manager, Capital Projects, Regional Express	<b>206-398-5037</b>  206-398-5436  206-398-5284  206-689-4922

**OBJECTIVE OF ACTION**

- To utilize \$1,067,000 in East King County Capital Projects Program Reserve funds for the NE 40th Street Overlake Transit Center/Park-and-Ride Lot Project.

**ACTION**

- Increases the NE 40th Street Overlake Transit Center/Park-and-Ride Lot budget by transferring \$1,067,000 from the East King County Capital Projects Program Reserve fund.
- This budget amendment requires a super majority vote of the Sound Transit Board.

**RECOMMENDATION(S)**

Allocate \$1,067,000 authorized in the East King County Capital Projects Program Reserve, 2002 Budget, to this project to finish the construction of the NE 40th Street Overlake Transit Center/Park-and-Ride Lot.

**KEY FEATURES**

- Allocates funding from the East King County Capital Projects Program Reserve to the project to cover unexpected construction costs related to additional fill material required, construction delay due to permits, and construction acceleration to meet the February 2, 2002, bus service startup.
- Enables Sound Transit to fund the construction work required completing the NE 40th Street Overlake Transit Center/Park-and-Ride Lot portion of the project authorized by Motion No. M2002-21.

## **BUDGET**

The following table shows the current project budget, project amendment requested and revised project budget amendment:

	<b>Column A</b>	<b>Column B</b>	<b>Column C</b>
	<b>Current Budget</b>	<b>Amendment Requested</b>	<b>Revised Budget</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
Overlake Transit Center Budget	\$8,634,000	\$1,067,000	\$9,701,000
Capital Program Reserve	\$32,000,000	(\$1,067,000)	\$30,933,000
<b>Total</b>	<b>\$40,634,000</b>	<b>\$0</b>	<b>\$40,634,000</b>

1. The current budget amounts shown above reflect the 2002 Adopted Budget. A construction budget shortfall of \$1,067,000 is projected for this project due to the need for added structural fill on the site, delays in construction, delays in permit issuance, and acceleration in construction required after the permit issuance to open the facility for the obligated February 2, 2002 bus service change.
2. Staff is requesting an amendment to the project budget to include additional funds in the amount of \$1,067,000 to be funded from the East King County Capital Projects Program Reserve to cover the added cost of construction for the items described above. The East King County Capital Projects Program Reserve will be decreased by \$1,067,000. Staff is requesting authorization for an amendment to the construction contract with Wilder Construction Company in the amount of \$1,067,000 via Motion No. M2002-21 to complete the basic transit center and park-and-ride lot.
3. The cost to construct the Rider Services Building is not included in the revised budget amounts. The building will be bid later this spring and it is currently estimated at approximately \$850,000. Staff will request authorization for this work via a separate Board action later this spring.

### **Future actions required:**

When bids are received on the Rider Services Building, staff will present a new construction contract for authorization and a project budget amendment to increase the project budget to include additional revenue received from the partners, and any additional funds required from the East King County Capital Projects Program Reserve to complete the project. Additional revenue commitments from King County Metro and the Microsoft Corporation are anticipated to be \$322,500, and the City of Redmond is seeking up to \$150,000 in added funding for the project.

## **FINANCIAL IMPACTS**

### **Impact on Current Year Budget:**

This action will increase the construction budget for this project by \$1,067,000 by transferring \$1,067,000 in funds from the 2002 Budget authorized East King County Capital Projects Program Reserve to complete the construction of the NE 40th Street Overlake Transit Center/Park-and-Ride Lot.

### **Impact on Sound Move Budget:**

This action will transfer \$1,067,000 from the East King County Capital Projects Program Reserve to this project to cover the shortfall in the construction phase. This action does not increase the total Regional Express capital program budget since the East King County Capital Projects Program Reserve was established with the 2002 Budget to be used for this type of situation.

Later this spring, when seeking construction approval for the Rider Services Building, and costs are fully known, Sound Transit will request the Board to further amend the project budget to include additional funding from our partners, currently estimated at \$472,000, and to move any additional funding required from the East King County Capital Projects Program Reserve to cover the remaining budget shortfall.

**Impact on Cost-to-Complete:**

As previously described, the cost to complete for the project has increased by \$1,067,000. The increase is due to added structural fill required on the site, delay in construction permitting, and construction acceleration after the permit delay in order to meet the February 2, 2002, transit center opening commitment. Sound Transit will request an additional project budget amendment prior to the construction contract award for the Rider Services Building when the full extent of costs and increased revenues from the partners are known. This budget amendment will transfer funding authorized in the 2002 budget to this project to cover the revised cost to complete forecast.

**Impact on Subarea Budget:**

There is no impact on subarea budgets with this action. This action will draw funds from the East King County Capital Projects Program Reserve to complete this construction. This reserve authorized with the 2002 budget, enables Regional Express to deal with unexpected circumstances, such as experienced here, when designing and constructing projects.

**HISTORY OF PROJECT**

The NE 40th Street Overlake Transit Center/Park-and-Ride Lot Project budget includes \$8,634,000 in Sound Transit, King County Metro, the Microsoft Corporation, the City of Redmond, and FTA funds. Recently, King County Metro and the Microsoft Corporation committed \$322,500 in additional funding to the project. The City of Redmond is also seeking additional funding for the project. This new funding is not included in the 2002 Budget.

During construction of the basic project, Sound Transit has incurred significant unexpected costs in construction related to new requirements for the treatment of storm water discharge, wet weather construction mitigation, earthwork, construction delay, and construction acceleration. The funding requested in this budget amendment would enable Sound Transit to complete the construction of the basic project as planned in the next three months.

**Prior Board or Committee Actions  
and Relevant Board Policies**

<b>Motion or Resolution Number</b>	<b>Summary of Action</b>	<b>Date of Action</b>
M2001-133	Amended final design authorization by \$324,500 for a revised total of \$1,887,000.	12/20/01
M2001-115	Amended Construction Contract to Restore Contingency for a new total of \$4,793,400.	11/1/01
Discussion Paper	Construction contract change order for wet weather construction.	9/6/01
M2001-70	Increased final design contract with HNTB by \$352,300 to a	7/19/01

	revised total of \$1,259,800.	
M2001-56	Executed construction contract and amended project budget to include funds from the Microsoft Corporation.	7/26/01
R2001-05	Executed Property Assignment, Option to Lease Agreement with the City of Redmond and MOA with the Microsoft Corporation.	5/24/01
M2001-08	Executed construction management contract with HNTB.	2/1/01
M99-45	Contract amendment with HNTB to include final design for \$907,500.	7/1/99
M98-38	Executed contract with HNTB for preliminary engineering and environmental documentation.	5/7/98
R98-21	Executed MOA with the Microsoft Corporation, King County Metro, and the City of Redmond.	4/23/98

**CONSEQUENCES OF DELAY**

A delay in funding this budget amendment would result in terminating or suspending the contract without finishing the NE 40th Street Overlake Transit Center/Park-and-Ride Lot portion of the facility. Terminating or suspending the construction contract at this time would result in significant additional costs to the agency in terms of the cost of remobilization and pending claims.

**REGIONAL PARTNERSHIP AND COOPERATION**

The site has been planned and designed in close cooperation with the City of Redmond, King County Metro, WSDOT, and the Microsoft Corporation. Sound Transit has worked with employers in the area and the residential community in planning and designing the facility. The resulting design meets applicable environmental requirements and addresses engineering and architectural standards while conveniently serving transit users.

If a decision is made to delay completion of the project due to cost, the partners and the public will need to be informed. The Microsoft Corporation, the City of Redmond, and the FTA would most likely require funds contributed to date to be reimbursed.

**PUBLIC INVOLVEMENT**

Design of the improvements to be constructed resulted from extensive work and consultation with the City of Redmond, King County Metro, WSDOT, the Microsoft Corporation, and the community. Sound Transit, the City of Redmond, and King County Metro have collaborated to keep the community informed about construction progress.

If a decision is made to delay completion of the project due to cost the community will need to be informed. Prior information has informed the public of the February opening for the transit center, spring opening for the park-and-ride lot and opening of the Shuttle Operations and Rider Services buildings by early 2003.

## **ALTERNATIVES**

There are no good alternatives that will significantly reduce the cost to complete the facility. A delay in funding this budget amendment would result in terminating or suspending the contract without finishing the NE 40th Street Overlake Transit Center/Park-and-Ride Lot portion of the facility. Terminating or suspending the construction contract at this time would result in significant additional costs to the agency in terms of the cost of remobilization and pending claims.

## **LEGAL REVIEW**

JB 2-12-02

**SOUND TRANSIT**

**RESOLUTION NO. R2002-01**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to draw \$1,067,000 in East King County Capital Projects Program Reserve funds for the NE 40th Street Overlake Transit Center/Park-and-Ride Lot Project.

WHEREAS, by Resolution No. R2001-17, adopted December 13, 2001, the Sound Transit Board adopted the annual budget from January 1 to December 31, 2002.

WHEREAS, the Total Project Budget adopted was \$8,634,000 (YOES\$).


WHEREAS, a \$32,000,000 (YOE \$) East King County Capital Projects Program Reserve Fund was established in the 2002 Budget for the Regional Express Program to fund basic project costs above Sound Move assumptions, including unexpected cost, costs not included in Sound Move, and costs that were underestimated in Sound Move.

WHEREAS, \$1,067,000 in East King County Capital Projects Program Reserve Fund is being requested to fund unexpected costs for the NE 40th Street Overlake Transit Center/Park-and-Ride Lot Project above Sound Move assumptions.

WHEREAS, use of these East King County Capital Projects Program Reserve Fund requires a budget amendment with a super majority approval by the Sound Transit Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to amend the 2002 Adopted project budget (1) from \$8,634,000 to \$9,701,000, an increase of \$1,067,000, and (2) for the East King County Capital Projects Program Reserve is amended from \$32,000,000 to \$30,933,000, a decrease of \$1,067,000.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 14, 2002.



Ron Sims  
Board Chair

ATTEST:



Marcia Walker  
Board Administrator