

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2003-45**

**Mercer Island Park-and-Ride Lot – Negotiations with Dollar Development**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Executive Committee	5/1/03	Discussion/Possible Action	Agnes Govern, Director, Regional Express Vicki Youngs, Program Manager, Regional Express <b>Andrea Tull, Project Manager, Regional Express</b>	206-398-5037 206-398-5024 206-398-5040

**OBJECTIVE OF ACTION**

- Review the status of negotiations to date with Dollar Development regarding a possible lease/purchase of 200 park-and-ride lot spaces as part of Dollar Development's housing/retail/parking development.
- Provide direction to staff to terminate negotiations with Dollar Development for the 200 park-and-ride lot spaces for the Mercer Island Park-and-Ride Lot project.

**ACTION**

- Provides direction to staff to terminate negotiations with Dollar Development.
- Provides direction to staff to identify and evaluate other alternatives to provide additional park-and-ride lot spaces on Mercer Island.

**KEY FEATURES**

- Directs staff to terminate negotiations with Dollar Development regarding an agreement to lease or purchase park-and-ride lot spaces that would be built as part of Dollar Development's housing/retail/parking development in the Mercer Island Central Business District.
- Directs staff to identify and evaluate other alternatives to provide additional park-and-ride lot spaces on Mercer Island.

## **BUDGET IMPACT SUMMARY**

**Project Description:** Add 200 park-and-ride lot spaces on Mercer Island.

**Current Status:** Preliminary engineering/environmental documentation phase.

**Projected Completion Date:** Dependent on project direction.

<b>Action Outside of Adopted Budget:</b>	<b>Y/N</b>	<b>Y</b>	<b>Requires Comment</b>
This Line of Business	N		
This Project	N		
This Phase	N		
This Task	N		
Budget amendment required	N		
<b>Key Financial Indicators:</b>	<b>Y/N</b>	<b>Y</b>	<b>Requires Comment</b>
Contingency funds required	N		
Subarea impacts	N		
Funding required from other parties other than what is already assumed in financial plan	N		

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

## **BUDGET DISCUSSION**

The Executive Committee is not being asked to take action on any financial components of the project at this time. The total budget for the Mercer Island Park-and-Ride Lot project is \$7 million. Of the \$7 million budget, \$1.3 million has been spent or obligated and \$5.7 million is available.

## **REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS**

No financial action is requested at this time.

## **M/W/DBE – SMALL BUSINESS PARTICIPATION**

Not applicable

## **HISTORY OF PROJECT**

The Mercer Island Park-and-Ride Lot Project was initiated in 1998. Sound Transit and Mercer Island have been working together to identify and evaluate alternatives to provide 200 additional park-and-ride lot spaces on Mercer Island over the last five years. In spite of a concerted effort and exploration of a number of alternatives it has been difficult to develop an option that addresses Sound Transit's and Mercer Island's interests.

Mercer Island representatives identified their preferred alternative, beneath the I-90 sculpture garden, in 1999. The estimated cost of that alternative, \$13.8 million for one floor of parking (225 spaces) and \$22 million for two floors (450 spaces) in 1999 dollars, significantly exceeded the 1999 project budget of \$13.3 million. The Mercer Island Park-and-Ride Lot/Transit Station project budget was separated into three components as part of the 2003 Budget:

- Mercer Island Park-and-Ride Lot: \$7.0 million
- Mercer Island Transit Station: \$2.0 million
- Issaquah Highlands Transit Center: \$4.3 million

Sound Transit and the City worked jointly to identify and evaluate other potential sites. Mercer Island requested that underground parking at the existing park-and-ride lot be evaluated. Sound Transit also evaluated above-ground parking at the existing site. Mercer Island representatives have frequently and steadfastly expressed concern about above-ground expansion of the existing park-and-ride lot on North Mercer Way, citing noise, glare and visual concerns. Various options of underground and above-ground parking were considered, including financial participation by the city to partially offset some of the cost of underground parking. By the end of 2001, it appeared that no option would be jointly acceptable to the city or Sound Transit.

In the summer of 2002, a private developer, Dollar Development, approached the City representatives with a joint-development proposal that would include 200 additional parking spaces to be used as park-and-ride lot spaces. Sound Transit worked with the developer to evaluate this option and investigate the feasibility of this alternative.

In September 2002, the Executive Committee directed staff to continue working with Dollar Development to determine if a mutually acceptable option could be defined and to develop cost information for comparison purposes. Staff updated the Executive Committee on the status of negotiations on December 12, 2002.

## **STATUS**

Sound Transit hired consultants to assist in evaluating the Dollar Development proposal. Preliminary analysis by geo-technical, structural, transportation and parking design consultants compared the advantages, disadvantages and the cost of constructing 200 park-and-ride lot spaces at the proposed development with the cost of constructing 200 above-ground spaces at the existing Mercer Island Park-and-Ride Lot. The analysis found at that time:

- Structurally, Dollar Development's design can be modified to accommodate an additional floor of parking.
- Dollar Development's original design of its garage did not conform to Sound Transit's park-and-ride lot design standards. Redesign would be required to meet Sound Transit's circulation requirements. This would impact costs.
- Dollar Development's design would have located Sound Transit park-and-ride lot spaces on two separate floors, about 1,200 feet from the existing transit center.
- Access control to prevent use of park-and-ride lot spaces by non-transit users was not addressed in the design concept.
- Adding 200 trips to the traffic analysis for this site did not create a traffic problem.
- Per stall costs for the proposed Dollar Development option were significantly higher than aboveground parking at the existing Mercer Island Park-and-Ride Lot.

Three negotiation meetings were held with Dollar Development in February and March 2003. In addition, two letters were sent to Dollar Development in March seeking to clarify their position. An additional meeting was held with Sound Transit and the City of Mercer Island representatives on April 9, 2003, to review past discussions. Negotiations were unsuccessful in closing the gap between the \$26,500 per stall cost identified by Dollar Development and the \$19,000 per stall set by Sound Transit.

**STAFF RECOMMENDATION**

- Terminate negotiations with Dollar Development due to unsuccessful negotiations to reduce the high cost of the park-and-ride lot spaces.
- Evaluate other alternatives to provide 200 park-and-ride lot spaces on Mercer Island.

**CONSEQUENCES OF DELAY**

Direction is needed now so that staff can identify and evaluate other alternatives to provide additional park-and-ride lot spaces on Mercer Island.

**REGIONAL PARTNERSHIP AND COOPERATION**

Sound Transit has been working closely with Mercer Island to identify and evaluate potential sites for the additional 200 park-and-ride lot spaces. King County Metro Transit is supportive of the addition of 200 spaces on Mercer Island, although location of the spaces at the existing park-and-ride lot would work best from a transit operations perspective.

**PUBLIC INVOLVEMENT**

Mercer Island Council, staff, and the public were involved in the site evaluation process for this project. Two open houses and a design workshop were held.

Mercer Island representatives and the City Council were supportive of the Dollar Development option for the park-and-ride lot spaces. They understand that good faith negotiations were unable to conclude successfully. The neighborhood adjacent to the existing Mercer Island Park-and-Ride Lot site opposes aboveground parking at the existing park-and-ride lot due to concerns about visual effects, noise and glare. In addition, Mercer Island residents are concerned about accommodating more traffic in their downtown and neighborhood areas.

**PRIOR BOARD/COMMITTEE ACTIONS**

<b>Motion or Resolution Number</b>	<b>Summary of Action</b>	<b>Date of Action</b>
R2002-17	Board Approval of 2003 Proposed Sound Transit Budget—separation of Mercer Island Park-and-Ride Lot/Transit Station Project into three projects: Mercer Island Park and Ride Project, Mercer Island Transit Station Project, and Issaquah Highlands Park and Ride Project.	12/12/02
R98-11	Authorize the Executive Director to Execute Contracts for Preliminary Design/Environmental Documentation for 7 Community Connection Projects and 4 HOV Projects—including Mercer Island Park-and-Ride Lot/Transit Station.	4/9/98

**LEGAL REVIEW**

MB 4-16-03

## SOUND TRANSIT

### MOTION NO. M2003-45

A motion of the Executive Committee of the Central Puget Sound Regional Transit Authority directing staff to terminate negotiations with Dollar Development for the provision of 200 park-and-ride lot spaces as part of the Dollar Development housing/retail/parking development, and directing staff to evaluate alternatives to add 200 park-and-ride lot spaces on Mercer Island.

#### Background:

The Mercer Island Park-and-Ride Lot project was initiated in 1998. Sound Transit and Mercer Island have been working together to evaluate alternatives to provide 200 additional park-and-ride lot spaces on Mercer Island over the last five years. In spite of a concerted effort and exploration of a number of alternatives it has been difficult to develop an option that addresses Sound Transit's and Mercer Island's interests.

In summer 2002, a private developer, Dollar Development, approached the City of Mercer Island representatives with a proposal that would include 200 additional parking spaces to be used as park-and-ride lot spaces. Sound Transit worked with the developer to evaluate this option and investigate the feasibility of this alternative.

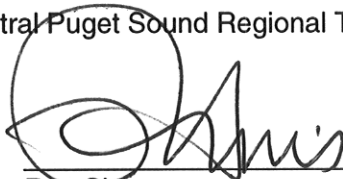
In September 2002, the Executive Committee directed staff to continue working with Dollar Development to determine if a mutually acceptable option could be defined and to develop cost information for comparison purposes. Staff and consultants evaluated Dollar Development's proposal. Staff updated the Executive Committee on the status of negotiations on December 12, 2002.

Three negotiation meetings were held with Dollar Development in February and March 2003. In addition, two letters were sent to Dollar Development in March seeking to clarify their position. An additional meeting was held with Sound Transit and the City of Mercer Island representatives on April 9, 2003, to review past discussions. Negotiations to date have not closed the gap between the \$26,500 per stall cost identified by Dollar Development and the \$19,000 per stall cost set by Sound Transit.


#### Motion:

It is hereby moved by the Executive Committee of the Central Puget Sound Regional Transit Authority that negotiations with Dollar Development for 200 park-and-ride lot spaces be terminated and that staff evaluate other alternatives to add 200 park-and-ride lot spaces on Mercer Island.

APPROVED by the Executive Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 1, 2003.

  
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Ron Sims  
Executive Committee Chair

ATTEST:

  
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Marcia Walker  
Board Administrator