

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2005-49

**Agreement with the City of Kenmore
for SR 522 HOV Enhancements/Kenmore Project
and Authorization for Final Design and Right of Way Acquisition**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	5/19/05	Discussion/Possible Action	Jim Edwards, Deputy Director, Capital Projects Vicki Youngs, Program Manager, Capital Projects Fred Wilhelm, Project Development Coordinator, Capital Projects	(206) 398-5436 (206) 398-5024 (206) 398-5034

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
Agreement with Jurisdiction	✓	Contingency Funds (Budget) Required	
Purchase/Sale Agreement		Budget Amendment Required	

✓ *Applicable to proposed transaction.*

ACTION

Authorizes the Chief Executive Officer to execute an agreement with the City of Kenmore for the final design, right-of-way, construction, and construction management phases required to complete the SR 522 HOV Enhancements/Kenmore Project.

Authorizes the Chief Executive Officer to reimburse the City of Kenmore for two of those phases, final design and right of way for an amount not to exceed \$1,558,745.

KEY FEATURES OF THE AGREEMENT

- Implements the guiding principles of a Memorandum of Understanding between Sound Transit and the City of Kenmore approved by the Board in May 2004, which outlined roles and responsibilities and established a cost sharing basis for final design, right of way acquisition, construction, and construction management.
- Provides for the transit elements in the SR 522 corridor between 73rd Avenue and 83rd Avenue and reiterates Sound Transit's financial contribution is 58% of the estimated total project cost for the remaining four phases. The City of Kenmore will fund the remaining 42%.

- Establishes Sound Transit's cost sharing responsibility for final design and right-of-way acquisition in the amount of \$829,377 for final design and \$729,368 for right of way acquisition for a total authorized amount not to exceed \$1,558,745.
- Establishes that Sound Transit's participatory share for construction and construction management will not exceed \$6,359,255. However, funding for the construction phase of is subject to separate Sound Transit Board approval. In total, Sound Transit's potential contribution to this project is capped at \$7,918,000.
- Establishes the City's responsibility to maintain the integrity of the transit elements of the project as outlined in the 30% design documents.

BUDGET IMPACT SUMMARY

Project Description: SR 522 HOV Enhancements/Kenmore

Current Status: Preliminary Engineering

Projected Completion Date: 2009

Action Outside of Adopted Budget:	Y/N	Y	Requires Comment
This Line of Business	N		
This Project	N		
This Phase	Y		This action exceeds the Final Design Phase budget by \$1K. Shortfall to be funded by surpluses in other phases.
This Task	N		
Budget amendment required	N		
Key Financial Indicators:	Y/N	Y	Requires Comment
Contingency funds required	N		
Subarea impacts	N		

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

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET DISCUSSION

The SR 522 HOV Enhancements/Kenmore project is included in the Adopted 2005 Budget with a total project budget of \$8,791,000. Of this amount, a total of \$7,693,000 was included for the final design, ROW and construction phases combined. This action would authorize the execution of an agreement with the City of Kenmore authorizing a reimbursement to the City in the amount of \$1,558,745 for the final design and ROW phases of the project. The project budget is sufficient to fund this action. As stated in the approved Memorandum of Understanding (MOU) with the City of Kenmore dated July 22, 2004, Sound Transit's total reimbursement costs for the project are capped at \$7,918,000.

This action creates a phase level shortfall at the final design level. Resolution of this shortfall will require a reallocation of funds from surpluses in other phases. Consistent with Sound Transit's financial policies, this shortfall will be addressed in the 2006 budget process.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit's current long-term financial plan and the subarea financial capacity. There are no new revenues accruing to Sound Transit as a result of this action.

BUDGET TABLE

Summary for Board Action (Year of Expenditure \$000)

Action Item: SR-522 HOV Enhancements / Kenmore project (#384), \$s in thousands

	2005 Adopted Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	450	\$ 450	\$ -	\$ 450	\$ -
Preliminary Engineering	648	541		541	107
Final Design	828	-	829	829	(1)
Right of Way and Construction	6,865	1	729	730	6,135
Contingency	-	-	-	-	-
Total Current Budget	8,791	\$ 992	\$ 1,559	\$ 2,551	\$ 6,240

Phase Budget Detail - Final Design

Final Design - Kenmore	\$ 828	\$ -	\$ 829	\$ 829	\$ (1)
Total Phase	\$ 828	\$ -	\$ 829	\$ 829	\$ (1)

Phase Budget Detail - ROW and Construction

ROW - Kenmore	\$ 728	\$ -	\$ 729	\$ 729	\$ (2)
Construction and Construction Management	\$ 6,137	\$ 1	\$ -	\$ 1	\$ 6,137
Total Phase	\$ 6,865	\$ 1	\$ 729	\$ 730	\$ 6,135

Contract Budget

	Contract Value (F)	Spent to Date (G)	Action (H)	Contract Value (I)
Final Design and ROW	\$ -	\$ -	\$ 1,559	\$ 1,559
ST Contingency		-	\$ -	-
Total	\$ -	\$ -	\$ 1,559	\$ 1,559
Percent Contingency	0%		0%	0%

Budget Shortfall

Level	Shortfall Amt (J)	Potential Funds (K)	Funding Source (L)
Final Design	(1)	1	Surplus from other Phases
Total	\$ (1)	\$ 1	

Notes:

- (A) Project budget is located on page 156 of the 2005 adopted budget book.
 (B) Committed to-date amount includes actual outlays and commitments through May 10, 2005.

M/W/DBE – SMALL BUSINESS PARTICIPATION

The City of Kenmore will be the lead agency for the project and will follow the city's contracting requirements.

The City of Kenmore will adopt Washington State Department of Transportation's (WSDOT) Disadvantaged Business Enterprises Plan or develop an equivalent plan that will be reviewed and approved by WSDOT.

HISTORY OF PROJECT

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2004-42	Authorized the execution of an MOU for cooperative funding with the Cities of Kenmore and Bothell defining scope, schedule, and budget for the SR 522 HOV Enhancements project through final design, right-of-way acquisition, construction and construction management.	5/20/04
M2002-33	Authorized the execution of an MOA with the City of Kenmore, making the City of Kenmore the lead agency for the SR 522 HOV Enhancement Project PE/ED phase.	3/21/02
M2002-22	Amended Sound Move to change the geographic scope to include the City of Kenmore and remove the City of Woodinville.	3/14/02

The purpose of the SR 522 HOV Enhancements/Kenmore Project is to provide transit connectivity along SR 522 between Lake Forest Park and Bothell. The scope of work includes:

- widening SR 522 for the addition of a north and south business access and transit (BAT) lane
- Replacement of the Swamp Creek bridge
- Improvements to 80th Avenue
- Curb/gutter/plantings, sidewalks
- Retaining walls from 80th to 83rd and from 83rd to the end of the project
- Signal at 83rd, signal at 80th and a signal at Kenmore lanes
- Urban amenities, utility under-grounding and illumination

On May 20, 2004, the Sound Transit Board authorized a Memorandum of Understanding with the City of Kenmore, outlining the funding strategy for reimbursing the City for the cost of the final design, right-of-way acquisition, construction, and construction management phases. The MOU authorized Sound Transit to develop an agreement with the City to fund 58% of these remaining project costs for an amount not to exceed \$7,918,000. The City of Kenmore may opt to reduce the scope of the project's general purpose improvements, so long as such reduction in scope does not impact the scope or integrity of the transit elements.

This proposed agreement commits Sound Transit to fund 58% of final design and right-of-way acquisition costs; \$829,377 for final design and \$729,368 for right-of-way acquisition for an amount not to exceed \$1,558,745. In April 2005, the Kenmore City Council authorized the City Manager to enter into this agreement with Sound Transit and approved \$1,121,354 to cover its share 42% of final design and right-of-way acquisition costs.

The construction and construction management phase of this agreement will only occur if the Sound Transit Board separately authorizes this phase after the Kenmore City Council authorizes sufficient funds for the City's share of the costs. Sound Transit's share of construction and construction management costs will not exceed \$6,359,255.

Preliminary engineering will be complete in May 2005. A SEPA environmental checklist has been prepared and on April 1, 2005, the City of Kenmore, as lead agency under SEPA for the project, issued a Mitigated Determination of Nonsignificance (MDNS) in compliance with SEPA. This action was taken in coordination with Sound Transit and WSDOT. On March 4, 2005, the Federal Highway Administration (FHWA) approved the NEPA Programmatic Section 4(f) Evaluation relating to impacts on the Burke Gilman Trail. By or before May 31, 2005, FHWA is expected to approve a Documented Categorical Exclusion (DCE) under NEPA for the project. An appeal on the project was filed with the City of Kenmore on April 7, 2005 and per City SEPA regulations, an appeal hearing will be held after the 21 day comment period, which ends on April 21, 2005.

CONSEQUENCES OF DELAY

Delay of the Agreement beyond May 2005 will further delay final design, which could ultimately impact the construction of the project and completion of the improvements by April 2009.

PUBLIC INVOLVEMENT

The latest in a series of public open houses was held on February 24, 2005.

LEGAL REVIEW

JW 5/10/05

SOUND TRANSIT

MOTION NO. M2005-49

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to (1) execute an agreement with the City of Kenmore for the final design, right of way, construction, and construction management phases required to complete the SR 522 HOV Enhancements/Kenmore Project, and (2) reimburse the City of Kenmore for the final design and right of way phases in an amount not to exceed \$1,558,745.

Background:

The purpose of the SR 522 HOV Enhancements/Kenmore Project is to provide transit connectivity along SR 522 between Lake Forest Park and Bothell. The scope of work includes:

- Widening SR 522 to add a north and south business access and transit (BAT) lane
- Replacement of the Swamp Creek bridge
- Improvements to 80th Avenue
- Curb/gutter/plantings, sidewalks
- Retaining walls from 80th to 83rd and from 83rd to the end of the project
- Signal at 83rd, signal at 80th and a signal at Kenmore Lanes
- Urban amenities, utility under-grounding and illumination

On May 20, 2004, the Sound Transit Board authorized a Memorandum of Understanding with the City of Kenmore, outlining the funding strategy for reimbursing the City for the cost of the final design, right-of-way acquisition, construction, and construction management phases. The MOU authorized Sound Transit to develop an agreement with the City to fund 58% of these remaining project costs for an amount not to exceed \$7,918,000. The City of Kenmore may opt to reduce the scope of the project's general purpose improvements, so long as such reduction in scope does not impact the scope or integrity of the transit elements.

The agreement authorizes the City of Kenmore to enter into separate consultant contracts to perform final design, right of way acquisition, construction, and construction management services to complete the project. Sound Transit will fund 58% of final design and right-of-way acquisition costs; \$829,377 for final design and \$729,368 for right-of-way acquisition for an amount not to exceed \$1,558,745. In April 2005, the Kenmore City Council authorized the City Manager to enter into this agreement with Sound Transit and approved \$1,121,354 to cover its share 42% of final design and right-of-way acquisition costs.

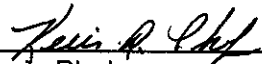
The construction and construction management phase of this agreement will only occur if the Sound Transit Board separately authorizes this phase after the Kenmore City Council authorizes sufficient funds for the City's share of the costs. Sound Transit's share of construction and construction management costs will not exceed \$6,359,255.

PE/ED documentation under the State Environmental Policy Act (SEPA) is complete. An Environmental Checklist has been prepared and on April 1, 2005, the City of Kenmore issued a Mitigated Determination of Nonsignificance (MDNS). The Federal Highway Administration (FHWA) approved the NEPA Programmatic Section 4(f) Evaluation on March 4, 2005 and approval of a Documented Categorical Exclusion (DCE) under NEPA is expected to be approved for the project by FHWA.

Motion:

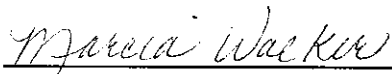
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to (1) execute an agreement with the City of Kenmore for the final design, right of way, construction, and construction management phases required to complete the SR 522 HOV Enhancements/Kenmore Project, and (2) reimburse the City of Kenmore for the final design and right of way phases in an amount not to exceed \$1,558,745.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 19, 2005.



Kevin Phelps
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator