

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2005-78

**Agreement for Funding Contribution to King County for
Construction of Issaquah Highlands Park-and-Ride/Highland Drive Project**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	11/17/05	Discussion/Possible Action to Recommend Board Approval Action	Jim Edwards, Deputy Director, Capital Projects	(206) 398-5436
Board	12/8/05		Vicki Youngs, Program Manager, Capital Projects	(206) 398-5024
			Debra Feikema, Project Development Coordinator, Capital Projects	(206) 398-5090

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<input checked="" type="checkbox"/>
Competitive Procurement		Execute New Contract/Agreement	<input checked="" type="checkbox"/>
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)	<input checked="" type="checkbox"/>	Budget Amendment	

PROJECT NAME

Issaquah Highlands Park-and-Ride/Highland Drive

PROPOSED ACTION

Authorize the Chief Executive Officer to execute an agreement with King County to provide for Sound Transit's contribution of an amount not to exceed \$7,700,000 for the Issaquah Highlands Park-and-Ride/Highland Drive Project and provide for joint use of the facility by Sound Transit during its useful life at no additional charge or cost.

KEY FEATURES of PROPOSED ACTION

- This action implements previous Board actions to fund the construction of the Issaquah Highlands Park-and-Ride/Highland Drive Project, as provided for in the Adopted 2003, 2004, and 2005 Budgets to increase parking capacity in the I-90 corridor. King County Metro owns the property and has led the design, permitting, and construction of the Issaquah Highlands Park-and-Ride Lot which includes a parking structure with approximately 1,000 stalls and an adjoining transit center (Facility).
- The essential terms of the Issaquah Highlands Project and Use Agreement include the following:
 - Upon completion of construction King County Metro shall own the Facility and shall operate and use the completed facility primarily for transit purposes.

- Sound Transit and its transit users shall have the right to use the Facility jointly and in common with the county's transit users at no additional rent or charge during the useful life of the Facility.
- The total King County 2005 project budget is \$20,700,000 which includes a Sound Transit capital contribution of \$7,700,000. Under the terms of the proposed agreement with King County, Sound Transit would make three payments totaling up to \$7,700,000 after the completion of certain phases of the construction work. No payment would be made in advance of the completion of the identified phases of work.
- Any project savings will be shared between King County Metro and Sound Transit with 56% of the savings allocated to King County and 44% of the savings allocated to Sound Transit. These percentages represent the party's respective shares of the \$17,500,000 non-federal funding for the project. In managing the project, King County will first make use of all federal funds before using King County or Sound Transit funds.
- The proposed action is supported by the Program Understanding with King County regarding Regional Express Community Connections Program in the East King County Subarea (Program Understanding) executed in October 2005, which provides for Sound Transit's joint use of the Facility with King County Metro.
- If during the useful life of the Facility, there is a change in the functional use that substantially precludes the transit use of it by Sound Transit or King County Metro sells the Facility or the property on which it is situated, Sound Transit shall be paid its percentage share of the fair market value of the land and the Facility at the time of the change in functional use or sale.
- King County Metro will be solely responsible for ongoing operations and maintenance costs for the Issaquah Highlands Park-and-Ride Lot and Sound Transit will have no responsibility for such costs.

BUDGET IMPACT SUMMARY

Project Name: Issaquah Highlands Park-and-Ride/Highland Drive

Current Project Phase: Construction

Projected Completion Date: 2006

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task		
Budget Amendment Required		

Key Financial Indicators:	✓	Comments on Checked Items
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)		

Not checked = action is assumed in current Board-adopted budget. No budget action or adjustment to financial plan required.

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 and FINANCIAL PLAN DISCUSSION

The Board-adopted budget for this project is \$8,012,488 with a construction phase Board-adopted budget of \$7,700,000. The proposed action is to execute an agreement with King County specifying a contribution by Sound Transit to King County not to exceed \$7,700,000 toward King County Metro's construction of the project. This leaves a remaining construction phase balance of \$0. The remaining balance for the project is \$300,230.

Under the terms of the proposed agreement with King County, Sound Transit would make three payments totaling up to \$7,700,000. A payment installment would not be made in advance of the completion of performed construction work.

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 revenue impacts with the action.

BUDGET TABLE

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

Action Item: Provide Sound Transit Contribution to King County Metro for construction of Issaquah Highlands Park & Ride project (#355)

	Current Board Adopted Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	\$ 312	\$ 12	\$ -	\$ 12	\$ 300
2 Preliminary Engineering	-	-	-	-	-
3 Final Design	-	-	-	-	-
4 Right of Way	-	-	-	-	-
5 Construction	7,700	-	7,700	7,700	-
7 Contingency	-	-	-	-	-
8 Total Current Budget	\$ 8,012	\$ 12	\$ 7,700	\$ 7,712	\$ 300

Phase Budget Detail

9 King County Metro	\$ -	\$ -	\$ 7,700	\$ 7,700	\$ (7,700)
11 Other Construction activity	-	-	-	-	-
12 Total Phase	\$ 7,700	\$ -	\$ 7,700	\$ 7,700	\$ -

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Amended Total Contract Value (I)
13 King County Metro	\$ -	\$ -	\$ 7,700	\$ 7,700
14 Contingency	-	-	-	-
15 Total	-	-	7,700	7,700
16 Percent Contingency			0%	0%

Notes:

Committed to-date amount includes actual outlays and commitments through November 1, 2005.
Project budget is located on page 145 of the Adopted 2005 Budget book.

M/W/DBE – SMALL BUSINESS PARTICIPATION

King County Metro is the lead agency and primary funding source for the Issaquah Highlands Park-and-Ride/Highland Drive Project. King County Metro has set a utilization goal of 7% Disadvantaged Business Enterprise (DBE) participation for construction of this facility. To date the successful bidder, Bayley Construction, has met the DBE participation goal. King County Metro has also established a minimum Apprentice Utilization Goal of 15% for construction of this facility.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The Sound Transit Issaquah Highlands Park-and-Ride/Highland Drive Project was created in the Adopted 2003 Budget. The project is on a four-acre site, located at 9th Ave NE and Highlands Drive NE., north of the Sunset Interchange in Issaquah. It includes a transit center and parking garage with approximately 1,000 stalls.

In October 2005, Sound Transit and King County executed the “Program Understanding between Sound Transit and King County regarding Regional Express Community Connections Program in the East King County Subarea.” The purpose of this Program Understanding is to establish a working relationship between Sound Transit and King County for the Regional Express Community Connections elements of Sound Move (transit centers and park-and-ride lots) located within the East King County subarea. The Issaquah Highlands Park-and-Ride/Highland Drive Project is a project identified in and supported by the Program Understanding.

The Issaquah Highlands Project and Use Agreement ensures that upon completion of the facility, Sound Transit’s transit customers will have joint use of the Issaquah Highlands Park-and-Ride Lot in common with the County’s transit customers at no additional charge to Sound Transit.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
R2002-10	Board amended Sound Transit’s existing boundary to include the Issaquah Highlands.	6/13/02
R2001-11	Authorized November 2001 election to annex the area within the City of Issaquah commonly known as the Issaquah Highlands into Sound Transit’s territory, and impose local taxes at rates presently imposed within Sound Transit’s existing boundary.	9/13/01

CONSEQUENCES of DELAY

A two-week delay will not have any adverse impacts on the project.

PUBLIC INVOLVEMENT

Initial public review of the Issaquah Highlands Park-and-Ride/Highland Drive Project was conducted through an environmental review process for the Grand Ridge and the North Sammamish Plateau Access Road (SPAR) projects managed by King County. A parking structure within the Issaquah Highlands Town Center was discussed and analyzed in the Grand Ridge EIS as well as the North SPAR EIS, and was presented at public meetings for the projects. Both EIS public involvement programs were designed to raise public awareness about the projects and to solicit feedback from different stakeholders including businesses, agencies, commuters, design professionals, and affected neighborhoods.

The Issaquah Highlands Park-and-Ride/Highland Drive Project was discussed at several public planning meetings held by the City of Issaquah prior to the King County Metro SEPA review process for the project. King County Metro's SEPA process included a 14-day public review and comment period; they did not receive any comments. The City's development review process also provided opportunity for public involvement. The community has been very supportive of the project. An interim 100 stall park-and-ride lot adjacent to the permanent facility developed by Sound Transit and Port Blakely Properties is fully utilized.

ENVIRONMENTAL COMPLIANCE

King County Metro completed environmental review to comply with SEPA and issued a Determination of Non-significance (DNS) on the project in October 2003. For compliance with the National Environmental Protection Agency (NEPA) a Documented Categorical Exclusion was prepared and approved by the Federal Transit Administration in August 2002.

LEGAL REVIEW

11-08-05 BN

SOUND TRANSIT

MOTION NO. M2005-78

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute an agreement with King County to provide for Sound Transit's contribution of an amount not to exceed \$7,700,000 for the Issaquah Highlands Park-and-Ride/Highland Drive Project and to provide for the joint use of the facility by Sound Transit during its useful life at no additional charge or cost.

Background:

The Sound Transit Issaquah Highlands Park-and-Ride/Highland Drive Project was created in the Adopted 2003 Budget. The project is on a four-acre site, located at 9th Ave NE and Highlands Drive NE., north of the Sunset Interchange in Issaquah. It includes a transit center and parking garage with approximately 1,000 stalls.

This action implements previous Board actions to fund the construction of the Issaquah Highlands Park-and-Ride/Highland Drive Project, as provided for in the Adopted 2003, 2004, and 2005 Budgets to increase parking capacity in the I-90 corridor. King County Metro owns the property and has led the design, permitting, and construction of the Issaquah Highlands Park-and-Ride Lot which includes a parking structure with approximately 1,000 stalls and an adjoining transit center (Facility).

The essential terms of the Issaquah Highlands Project and Use Agreement include the following:

- Upon completion of construction King County Metro shall own the Facility and shall operate and use the completed facility primarily for transit purposes.
- Sound Transit and its transit users shall have the right to use the Facility jointly and in common with the county's transit users at no additional rent or charge during the useful life of the Facility

The Issaquah Highlands Project and Use Agreement ensures that upon completion of the facility, Sound Transit's transit customers will have joint use of the Issaquah Highlands Park-and-Ride Lot in common with the County's transit customers at no additional charge to Sound Transit

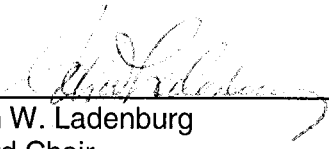
If during the useful life of the Facility, there is a change in the functional use that substantially precludes the transit use of it by Sound Transit or King County Metro sells the Facility or the property on which it is situated, Sound Transit shall be paid its percentage share of the fair market value of the land and the Facility at the time of the change in functional use or sale.

King County Metro will be solely responsible for ongoing operations and maintenance costs for the Issaquah Highlands Park-and-Ride Lot and Sound Transit will have no responsibility for such costs.

Motion:


It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute an agreement with King County to provide for Sound Transit's contribution of an amount not to exceed \$7,700,000 for the Issaquah Highlands Park-and-Ride/Highland Drive Project and providing for joint use of the facility by Sound Transit during its useful life at no additional charge or cost.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 8, 2005.



John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator