

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2005-82

Amendment to the Property Acquisition and Transfer Agreement with the City of Seattle

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance	7/7/05	Discussion/Possible Action to Recommend Board Approval	Phil O'Dell, Director, Project Delivery Support Services	(206) 398-5013
Board	7/14/05	Action	Roger Hansen, Sr. Real Estate Representative	(206) 689-3366

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	✓
Agreement with Other Jurisdiction(s)			

PROPOSED ACTION

Authorizes the Chief Executive Officer 1) to execute an amendment to the Property Acquisition and Transfer Agreement with the City of Seattle, allowing modifications to the procedures governing the transfer to the City of Seattle real property acquired by Sound Transit within the Initial Segment of the Central Link Light Rail Project; 2) to reimburse the City of Seattle up to \$389,000 for staff costs required for the review and processing of the properties to be transferred.

KEY FEATURES of PROPOSED ACTION

- This action is necessary for the purposes of reconfiguring, relocating or widening of public rights-of-way to accommodate the construction of the C735, Martin Luther King Jr. Way.
- Modifications to the agreement will allow Sound Transit to realize cost savings estimated at \$80,000 resulting from proposed changes in the transfer procedures by allowing the transfers to take place without the use of escrow at the discretion of the staff.
- By using Sound Transit and City staff to close the property transfer transactions instead of title companies, a significant saving can be realized by not using title companies as escrow agents for the transactions.

BUDGET IMPACT SUMMARY

Project Description: Central Link Initial Segment

Current Status: Construction

Projected Completion Date: 2009

Action Outside of Adopted Budget:	Y/N	Y Requires Comment
This Line of Business	N	
This Project	N	
This Phase	N	
This Task	Y	This action requires funding from budget surplus within the Right of Way phase.
Budget amendment required	N	
Key Financial Indicators:	Y/N	Y Requires Comment
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 and FINANCIAL PLAN DISCUSSION

The proposed action would authorize execution of an amendment to the Property Acquisition and Transfer Agreement with the City of Seattle to transfer property that was acquired by Sound Transit to accommodate construction along MLK, Jr. Way (C735) within the Initial Segment. It would also authorize the agency to reimburse the City up to \$389,000 for staff costs required to review and process properties to be transferred. The proposed amendment would allow closings on the property transfers to occur without the use of escrow, resulting in a cost savings for Sound Transit.

The total adopted capital budget for the Initial Segment is \$2.07 billion. Within that budget, a line item budget has been identified for MLK, Jr. Way contract segments C730 and C740 (RW 735) in the right-of-way phase. The proposed action would be funded from surplus budget remaining in this budget line item.

The proposed action is consistent with the current Board-adopted budget and is affordable within the agency's current long-term financial plan and subarea financial capacity. The action will have no new revenue impact on Sound Transit.

BUDGET TABLE

Action Item: City of Seattle (amend Property Acquisition and Transfer Agreement to allow modifications to the procedures governing transfer to the City of property acquired by ST for construction along MLK, Jr. Way (C735) within the Initial Segment; and authorize the ST to reimburse staff costs to review and process properties to be transferred.)

(Year of Expenditure \$000)

Initial Segment	Amended 2005 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	218,780	112,648		112,648	106,132
2 Preliminary Engineering	34,000	33,492		33,492	508
3 Final Design	143,523	140,300		140,300	3,223
4 Right of Way	225,516	181,863		181,863	43,653
5 Construction	1,172,066	1,042,322		1,042,322	129,743
6 Construction Services	83,892	80,424		80,424	3,468
7 Third Party Agreements	58,916	53,859		53,859	5,057
8 Vehicles	133,307	131,799		131,799	1,508
9 Total Current Budget	2,070,000	1,776,708	-	1,776,708	293,292

Construction Phase Detail

10 City of Seattle Property Acq & Transfer	-	-	389	389	(389)
11 Other RW 735 (Segments C730, C740)	48,258	41,366		41,366	6,892
12 Other Right of Way	177,258	140,498		140,498	36,760
13 Total Phase	225,516	181,863	389	182,252	43,264

(A) AMENDED 2005 BUDGET reflects Board Resolution R2005-08 to transfer \$4 million to the Construction Phase from the ROW phase within the Initial Segment, approved by the ST Board 3/10/05.

CONTRACT AMOUNT City of Seattle Property Acquisitions & Transfer	Board Approvals to Date (K)	Current Approved Contract Value (L)	Proposed Action (M)	Proposed Total for Board Approval (N)	Proposed Contract Value (O)
14 Contract Amount	-	-	389	389	389
15 Contingency	-	-	-	-	-
16 Total Sound Transit	-	-	389	389	389
17 Contingency	0%	0%	0%	0%	0%

Budget Shortfall

Task Level	\$ (P)	Potential Resources (Q)	Source (R)
18 City of Seattle Property Acq & Transfer	389	6,892	Surplus budget for RW 735 within the Right of Way phase

M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable for this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

Sound Transit and the City of Seattle entered into a Light Rail Transit Way Agreement authorized by Board Motion No. M2002-77 and City of Seattle Ordinance 119975, as amended by Ordinance 120788, allowing the use of certain public rights-of-way for the Initial Segment of the Central Link Light Rail Project to be designated as a Light Rail Transit Way. Sound Transit's construction in the Light Rail Transit Way necessitated the reconfiguration, relocation, and widening of public rights-of-way. In order to do so, the Sound Transit Board authorized the acquisition of numerous properties by purchase or condemnation, pursuant to RCW 81.112.080, to construct the Initial Segment of Central Link.

Sound Transit intends to transfer many parcels of property acquired for the widening of the public rights-of-way to the City. The Sound Transit Board authorized the Chief Executive Office to execute a Property Acquisition and Transfer Agreement with the City of Seattle that authorized the Chief Executive Officer to transfer to the City real property acquired by Sound Transit to accommodate the construction of the Initial Segment of the Central Link Light Rail Project (Motion No. M2003-58).

On August 12, 2003, Sound Transit and the City of Seattle entered into a Property Acquisition and Transfer Procedures Agreement that established an orderly process for determination of the nature of the interest to be acquired and transferred to the City, the timing of the acquisitions, the transfer of the property to the City upon the completion of construction, and any other necessary terms and conditions for such transfer. Modifications to the agreement are necessary to realize cost savings resulting from changes in the transfer procedures. The transfer procedures will be modified to allow closings of the property transfers to occur without the use of escrow.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2002-77	Entered into a Light Rail Transit Way Agreement with the City of Seattle designating certain public rights of way as a Light Rail Transit Way and allowing use of the Transit Way for construction of the Initial Segment of the Central Link Light Rail Project and authorized the acquisition of property by purchase or condemnation, pursuant to RCW 81.112.080, as needed for the reconfiguration, relocation, and widening of public rights-of- way.	6/13/02
M2003-58	Executed a Property Acquisition and Transfer Agreement with the City of Seattle that authorizes the Executive Director to transfer to the City of Seattle real property acquired by Sound Transit for purposes of reconfiguring, relocating or widening of public rights-of-way to accommodate the construction of the Initial Segment of the Central Link Light Rail Project, and establishing procedures therefore.	6/12/03

CONSEQUENCES of DELAY

The existing budget for reimbursing the City of Seattle for staff time to review and process the property transfers is nearing depletion. Without approval to proceed with modifications to the existing Property Acquisition and Transfer Agreement, a more expensive procedure will have to be followed and the cost savings resulting from the proposed modifications to the Agreement will not be realized. Authorization for additional funds is needed to avoid delays in the review and processing of the proposed property transfers.

LEGAL REVIEW

BN 6/27/05

SOUND TRANSIT

MOTION NO. M2005-82

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer 1) to execute an amendment to the Property Acquisition and Transfer Agreement with the City of Seattle, allowing modifications to the procedures governing the transfer to the City of Seattle real property acquired by Sound Transit within the Initial Segment of the Central Link Light Rail Project; 2) to reimburse the City of Seattle up to \$389,000 for staff costs required for the review and processing of the properties to be transferred.

Background:

Sound Transit and the City of Seattle entered into a Light Rail Transit Way Agreement authorized by Board Motion No. M2002-77 and City of Seattle Ordinance 119975, as amended by Ordinance 120788, allowing the use of certain public rights-of-way for the Initial Segment of the Central Link Light Rail Project to be designated as a Light Rail Transit Way. Sound Transit's construction in the Light Rail Transit Way necessitated the reconfiguration, relocation, and widening of public rights-of-way. In order to do so, the Sound Transit Board authorized the acquisition of numerous properties by purchase or condemnation, pursuant to RCW 81.112.080, to construct the Initial Segment of Central Link.

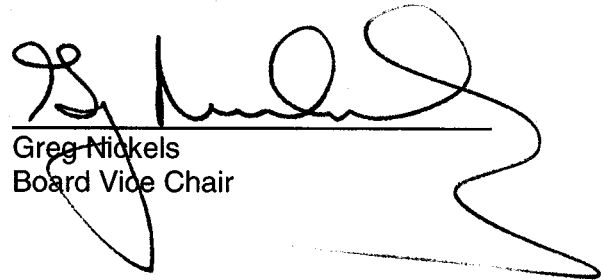
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On August 12, 2003, Sound Transit and the City of Seattle entered into a Property Acquisition and Transfer Procedures Agreement that established an orderly process for determination of the nature of the interest to be acquired and transferred to the City, the timing of the acquisitions, the transfer of the property to the City upon the completion of construction, and any other necessary terms and conditions for such transfer. Modifications to the agreement are necessary to realize cost savings resulting from changes in the transfer procedures. The transfer procedures will be modified to allow closings of the property transfers to occur without the use of escrow.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized 1) to execute an amendment to the Property Acquisition and Transfer Agreement with the City of Seattle allowing modifications to the procedures governing the transfer to the City of Seattle real property acquired by Sound Transit within the Initial Segment of the Central Link Light Rail Project; 2) to reimburse the City of Seattle up to \$389,000 for staff costs required for the review and processing of the properties to be transferred.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on July 14, 2005.



Greg Nickels
Board Vice Chair

ATTEST:



Marcia Walker
Board Administrator