

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2005-04

**Amending the Adopted 2005 Budget
for the South Everett Freeway Station Project**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	1/20/05	Discussion/Possible Action to Recommend Board Approval Action	Jim Edwards, Deputy Director, Capital Projects Christine Engler, Construction Program Manager, Capital Projects Hank Howard, Project Manager, Capital Projects	(206) 398-5436
Board	1/27/05			(206) 398-5056 (206) 398-5078

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

✓ *Applicable to proposed transaction.*

ACTION

Amends the Adopted 2005 Budget for the South Everett Freeway Station Project from \$26.075 million to \$30.275 million to reflect a budget transfer from the Regional Express Snohomish County Program Reserve in the amount of \$4.2 million.

KEY FEATURES

- Resolves the estimated funding shortfall for Sound Transit's portion of the South Everett Freeway Station Project.
- Revises the adopted 2005 budget for the project to reflect the allocation of the budget increase between project phases.

BUDGET DISCUSSION

This project is included in the 2005 budget, with a total budget of \$26.1 million. Of this amount, \$4.4 million has been committed to date. This resolution would increase the total project budget to \$30.3 million to reflect the total estimated Sound Transit share of this project.

As discussed with the Executive and Finance Committees on May 6, 2004, the estimated funding shortfall for Sound Transit's portion of this project is \$4.2 million. The total project budget ultimately will need to be increased by this amount plus partner funding contributions estimated at \$9.1 million, for a total project budget increase of \$13.3 million. Sound Transit has received commitments in principle of funding from WSDOT and the City of Everett. These amounts will be specified in the 2006 budget process later this year and will be added to the

Snohomish County Program Reserves. They will then be transferred to the project to bring the total project budget to \$39.4 million.

On May 27, 2004, the Board authorized staff to continue advancing the project and to resolve the funding shortfalls following completion of preliminary engineering and environmental documentation, final design, and further negotiations with the City of Everett.

Final design work will provide the information necessary to determine the appropriate funding shares (Sound Transit, the City of Everett, and WSDOT) for the project. The adopted 2005 budget was prepared to reflect the Sound Transit funding for the project only. Future cost-sharing agreements with the City of Everett and WSDOT will provide funding for certain elements of the project, including the final design phase. Until cost sharing is finalized later this year, Sound Transit will be acting as the lead agency on the project and initially will provide the funding for final design.

Based on direction received from the Finance Committee on January 6, 2005, staff is proposing a budget transfer of \$4.2 million from the Snohomish County Program Reserves to fund the projected budget shortfall for this project. Staff believes that there are sufficient funds in the program reserves to fund this transfer and not jeopardize the successful completion of the balance of the Regional Express capital program. The impacts of this proposed budget transfer on the subarea program reserves are detailed below:

Dollars in (\$000s)	Current Budget (1)	Amendment Requested (2)	Revised Budget (3)
South Everett Freeway Station (#319)	\$ 26,075	\$ 4,200	\$ 30,275
Snohomish County Regional Express Program Reserve (#999)	\$ 25,370	\$ (4,200)	\$ 21,170
Total	\$ 51,445	\$ -	\$ 51,445

Notes:

- (1) - Current budget represents the amounts identified in the Adopted 2005 Budget.
- (2) - This action would transfer \$4,200,000 from the Snohomish County Regional Express Capital Projects Program Reserve to the South Everett Freeway Station project (319).
- (3) - The Revised Budget reflects the project budgets after the transfer on funding is made.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

As discussed above, additional funds will be required to complete the construction of this project. The proposed approach is affordable within Sound Transit's current long-term financial plan and subarea financial capacity. Sufficient funds exist in the Snohomish County Program Reserve to fund the completion of this project.

The cost sharing principles for this project were discussed with the Executive and Finance Committees on May 6, 2004. In addition to the funding required for the Sound Transit portion of this project, funding is anticipated from the City of Everett and WSDOT. As noted last spring for the Committees, the amount of the total project budget shortfall is dependent upon the ability of the City of Everett to obtain additional grant funding. However, it is anticipated that the City of Everett will be able to contribute about \$7.85 million (the City's estimated share) of the cost to design and construct the 112th Street SE over-crossing improvements. It is anticipated that WSDOT will contribute about \$1.3 million to widen I-5 as required for the project. The City of

Everett and WSDOT have furnished letters to Sound Transit, affirming these agencies' support of, and funding contributions to, the project.

BUDGET TABLE

The following table illustrates the impacts of this resolution on the phase level budgets for the project:

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

Action Item: To amend the project budget for the South Everett Freeway Station/112th St SE project (#319)

	2005 Budget ¹ (A)	Transfer from Program Reserves ² (B)	Revised 2005 Budget (C)
Agency Administration	\$ 1,601	\$ -	\$ 1,601
Preliminary Engineering	3,075	-	3,075
Final Design	2,236	1,300	3,536
Right of Way	385	-	385
Construction	16,481	4,431	20,912
Contingency	2,297	(1,531)	766
Total Current Budget	\$ 26,075	\$ 4,200	\$ 30,275

Notes:

¹ Adopted Budget is located on page 134 of the *Proposed 2005 Budget Book* (adopted by ST Board 12/09/04).

² Reflects the amount to be transferred to this project by this Board-authorized budget transfer, covering the projected Sound Transit budget shortfall in this project. There is also a proposed phase level transfer of \$1.5M from unallocated project contingency into the construction phase.

M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable for this action.

HISTORY OF PROJECT

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2004-58	Authorized execution of an amendment to the existing PE/ED agreement with WSDOT to provide additional analysis to complete the environmental documentation phase of the project and revise the preliminary engineering to reflect design changes.	6/3/04
M2004-44	Directed staff to continue advancing the South Everett Freeway Station/112 th Street SE project and resolve the funding shortfall following completion of PE/ED, final design and further negotiations with the City of Everett.	5/27/04
M2003-47	Executed a supplemental agreement with WSDOT for the completion of the PE/ED phase of the South Everett Park-and-Ride Lot and Direct Access project.	5/15/03
M99-52	Executed a contract with Entranco for the PE/ED Phase for the South Everett Park-and-Ride Lot and Direct Access Project.	8/5/99
M99-53	Executed an agreement with WSDOT for the PE/ED Phase for the South Everett Park-and-Ride Lot and Direct Access Project.	8/5/99

CONSEQUENCES OF DELAY

There will be no serious consequences if action on this item is delayed.

REGIONAL PARTNERSHIP AND COOPERATION

Through the establishment of the Project Management Team, Sound Transit has coordinated with WSDOT, FHWA, the City of Everett, Snohomish County, Everett Transit, and Community Transit.

PUBLIC INVOLVEMENT

The first open house for the project was held on January 27, 2000, to review and discuss the conceptual design and obtain comments from the public on the overall project concept. The comments received at this meeting were generally supportive of the proposed project.

A second open house was held on August 5, 2004, to present to the public an update on the project since the last public meeting was held in 2000. The presentation focused on the changes in the project since the initial open house and the community members who attended the meeting continued to be supportive of the project.

LEGAL REVIEW

JW 1/11/05

SOUND TRANSIT

RESOLUTION NO. R2005-04

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2005 Budget for the South Everett Freeway Station Project from \$26.075 million to \$30.275 million to reflect a budget transfer from the Regional Express Snohomish County Program Reserve in the amount of \$4.2 million.

WHEREAS, a Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, on November 5, 1996, at a general election held within the Central Puget Sound Regional Transit Authority district, the voters approved local funding for high-capacity transit in the Central Puget Sound Region; and

WHEREAS, by Resolution No. R2004-19, adopted December 09, 2004, the Sound Transit Board adopted the 2005 Budget; and

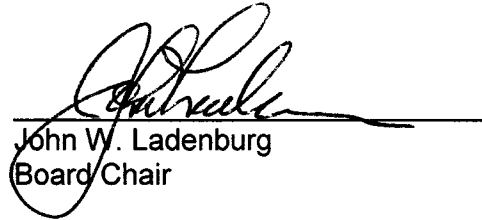
WHEREAS, said budget amendment is consistent with and affordable under Board-adopted Sound Transit financial policies as established by Resolution No. 72.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

Section 1. The Adopted 2005 Budget is hereby amended for the South Everett Freeway Station Project to include a transfer of \$4.2 million from the Regional Express Snohomish County Program Reserve for a new total of \$30.275 million.

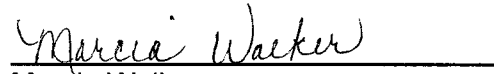
Section 2. The amended budget for the South Everett Freeway Station Project is hereby adopted. The amended budget shall serve as a planning document and is not an authorization of expenses.

ADOPTED by an affirmative vote of two-thirds of the members of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 27, 2005.



John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator