

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2006-12**

**Development and Transitway Agreement with the City of SeaTac**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	01/19/06	Discussion/Possible Action to Recommend	Ahmad Fazel, Link Director	(206) 398-5389
Board	01/26/06	Board Approval Action	<b>Martin Schachenmayr, Project Manager</b> <b>Steve Sheehy, Legal Counsel</b>	(206) 398-5162 (206) 398-5441

<b>Contract/Agreement Type:</b>	<input checked="" type="checkbox"/>	<b>Requested Action:</b>	<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	
Real Estate		Property Acquisition	

**PROJECT NAME**

Airport Link Project

**PROPOSED ACTION**

Authorizes the Chief Executive Officer to execute a Development and Transitway Agreement with the City of SeaTac for the Airport Link Project of Central Link Light Rail, specifying the terms and conditions for development of the Airport Link Project between the Tukwila International Boulevard Station and the SeaTac/Airport Station and establishing the use of City of SeaTac street right-of-way, and to execute all other subsequent agreements with the City of SeaTac as may be necessary to implement this agreement for a total authorized expenditure not to exceed \$7,416,808.

**KEY FEATURES of PROPOSED ACTION**

- The proposed Development and Transitway Agreement (“Agreement”) is based on final design plans and all significant issues related to land use approvals being resolved. The agreement combines in one document the permitting standards and conditions, certain mitigation measures, and permit process governing the review and construction of the Airport Link project. It also establishes a permanent grant to use City of SeaTac (City) right-of-way.
- After proper public notice and public hearings as required by law, on January 10, 2006, the SeaTac City Council unanimously approved the agreement and authorized the City Manager to execute the Agreement without further City Council review.
- After proper notice and public hearing as required by law, on January 12, 2006, the City of SeaTac Hearing Examiner held a hearing on the Essential Public Facility-Conditional Use Permit, the fundamental land use permit required by the City of SeaTac. It is anticipated that the Essential Public Facility-Conditional Use Permit will be approved by the end of February.

- The agreement implements land use permits and mitigation measures consistent with the terms established in the term sheet between Sound Transit and the City dated December 20, 2004. This type of agreement is specifically authorized by the Growth Management Act, RCW 36.70B. Some of the key elements of the agreement include the following:
  - Essential Public Facility: The parties acknowledge that Airport Link is an essential public facility under RCW 36.70A.200 and as such, the City has a duty to accommodate it and may impose only reasonable conditions that do not preclude the project.
  - Cooperation and Dispute Resolution: The parties agree to cooperate, provide necessary resources and work in good faith toward completion of the project. A dispute resolution process is included to quickly and effectively settle disputes.
  - Kiss-and-Ride Facility: A kiss-and-ride facility will be developed at South 176th Street and International Boulevard, across the street from the SeaTac/Airport station. This facility will be connected to the station by a pedestrian bridge. Sound Transit's programmatic need is for eight parking stalls for short-term passenger drop off and pick up. The City views this location near the station as one that provides significant redevelopment potential for both private and City projects and has invested significant effort in station area planning efforts. The agreement provides options that would allow the City an opportunity to construct the kiss-and-ride itself as part of a larger City project and acquire from Sound Transit whatever property interests or rights Sound Transit may have in the subject property. The City may exercise the construction option until March 31, 2008; however, if the City exercises the option prior to September 1, 2006, Sound Transit would contribute a total of \$691,220 toward the City's construction of the facility. If the City exercises the option, a subsequent agreement and/or conveyances documents would be necessary to implement this provision.
  - Station Area Improvements: Capital improvements along City of SeaTac streets and sidewalks have been identified to increase pedestrian accessibility and safety in the Tukwila International Boulevard and SeaTac/Airport station areas. Some improvements will be constructed by Sound Transit and others by the City. Sound Transit's total estimated cost for all station areas improvements is \$6,486,388, of which \$4,000,000 had been previously identified in the December 2004 term sheet for Tukwila International Boulevard station area improvements. Of Sound Transit's total cost, \$4,167,588 will be in the form of fixed payments made to the City under this Agreement to fund capital improvements to be made by the City. The City retains discretion with regard to the specific scope of improvements that it will build. The City is responsible for all permitting of these improvements including environmental, building and right-of-way.
  - Fire and Police: In accordance with concurrence letters between Sound Transit and the City, this agreement confirms that the Airport Link Project design and Sound Transit's standard operating procedures and criteria fully address fire safety and security considerations.
  - Grant to Use City Right-of-Way: The City grants Sound Transit at no cost a permanent non-exclusive grant to use any portion of City's right-of-way affected by the project. The Light Rail "Transitway" is generally depicted on a map attached to the agreement. The agreement satisfies Federal Transit Administration continuing control requirements.

- Termination: The agreement shall remain in effect for so long as the Light Rail Transitway is used for public transportation purposes.
  - Vesting; Development Standards; Buildout Period: The project is vested to the City regulations in effect on October 10, 2005 for a period of 10 years.
  - Construction Permits: Sound Transit will obtain construction permits from the City to construct Airport Link. The City will issue these permits administratively and has committed to perform an expedited review of all permit applications to meet the fast track Project schedule. Under this agreement, Sound Transit will reimburse the City for management costs in an amount not exceed \$208,000. Separately, Sound Transit will pay permit fees totaling approximately \$640,000 that are assessed based on an approximation of the value of the project.
  - Storm Water Drainage: Storm water management is regulated by City code and this agreement provides for an option under which Sound Transit could provide funding to the City for regional storm water management improvements in lieu of Sound Transit's construction of drainage detention facilities at the kiss-and-ride site. The City must notify Sound Transit of its decision in this regard prior to March 1, 2006. The amount of Sound Transit's contribution would be equal to the estimated construction cost that Sound Transit would otherwise incur but is capped in an amount not to exceed \$2,350,000. If this option is pursued, a subsequent agreement would be necessary to implement this provision.
  - Operations: The parties agree that each is responsible for funding its own services during light rail operations. Sound Transit would not contribute any funding for City services such as policing or parking enforcement during light rail operations.
  - Policy Committee: Consistent with prior agreements between Sound Transit and the City of SeaTac, the agreement provides for a policy committee comprised of members of the Sound Transit Board and the SeaTac City Council. Within 30 days of execution of this agreement, the Sound Transit Board and the City Council shall each designate two members. The committee coordinates and reviews policy matters related to the project, and meets on an as needed basis.
- This agreement supersedes any and all other agreements between Sound Transit and the City of SeaTac.

**BUDGET IMPACT SUMMARY**

Current Project Phase: Initial Segment: Construction; Airport Link: Final Design  
 Projected Completion Date: 2009

<b>Action Outside of Adopted Budget:</b>	<b>✓</b>	<b>Comments on Checked Items</b>
This Project		
This Phase		
This Task	✓	Requires transfer of budget from unallocated contingency within the Third Party phase of the Initial Segment
Budget Amendment Required		

<b>Key Financial Indicators:</b>	<b>✓</b>	<b>Comments on Checked Items</b>
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.

**BUDGET and FINANCIAL PLAN DISCUSSION**

Approval of this action would commit Sound Transit to the terms and conditions of this agreement, including the financial expenditures and options described in the key features section of this staff report. The financial commitment that results under this agreement is \$7,416,808 which includes commitments in the amount of \$3,041,220 related to Sound Transit’s potential drainage funding contribution that could be made in lieu of constructing detention facilities and the possible transfer of construction responsibilities for the kiss-and-ride. Financial commitments associated with these options are funded through the civil construction budget, as these expenditures would be directly off-set by construction scope reductions. Should these two potential options be exercised, \$38.2 million would remain in the affected construction budget line item. The balance of the financial commitments in the amount of \$4,375,588 would be funded from the Initial Segment and Airport Link capital budgets, depending on the funding target, as described below.

Expenditures in the amount of \$4,060,888 would be funded from the adopted Airport Link lifetime budget. This includes payments for station area improvements in the amount of \$3,852,888 that would be funded from the mitigation budget line item within the construction phase, leaving a budget balance of \$4,517,112 for this line item. Sound Transit’s contribution of \$208,000 to City management and administrative costs would be funded from the associated budget line item in the third party phase, leaving a budget balance of \$141,088 for this line item.

Contributions for improvements near South 154<sup>th</sup> Street in the amount of \$314,700 would be funded from the third party phase within the adopted Initial Segment lifetime budget. This commitment exceeds the associated budget line item and would require a transfer of \$114,700 from unallocated contingency within the third party phase of the Initial Segment budget, leaving a remaining unallocated contingency balance of \$232,878 in the third party phase.

## BUDGET TABLE

**Action Item:** City of SeaTac (Development and Transitway Agreement for the Central Link Light Rail Initial Segment and Airport Link projects)  
(Year of Expenditure \$000)

<b>Initial Segment</b>	Adopted 2006 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	216,780	114,244		114,244	102,536
2 Preliminary Engineering	34,000	33,357		33,357	643
3 Final Design	145,523	140,718		140,718	4,805
4 Right of Way	223,516	189,845		189,845	33,671
5 Construction	1,170,439	1,046,748		1,046,748	123,691
6 Construction Services	86,875	84,093		84,093	2,782
7 Third Party Agreements	59,560	56,396	315	56,711	2,849
8 Vehicles	133,307	131,799		131,799	1,508
<b>9 Total Current Budget</b>	<b>2,070,000</b>	<b>1,797,199</b>	<b>315</b>	<b>1,797,514</b>	<b>272,486</b>

### Third Party Phase Detail

10 City of SeaTac	200	-	315	315	(115)
11 Other Third Party	59,012	56,396		56,396	2,617
12 Third Party unallocated contingency	348	-		-	348
<b>13 Total Phase</b>	<b>59,560</b>	<b>56,396</b>	<b>315</b>	<b>56,711</b>	<b>2,849</b>

### Airport Link

	Adopted 2006 Budget (F)	Committed To Date (G)	This Action (H)	Total Committed & Action (I)	Uncommitted (Shortfall) (J)
14 Agency Administration	5,000	1,996		1,996	3,004
15 Preliminary Engineering	6,095	6,268		6,268	(173)
16 Final Design	15,405	9,602		9,602	5,802
17 Right of Way	23,000	3,299		3,299	19,701
18 Construction	158,000	459	3,853	4,312	153,688
19 Construction Services	10,500	2		2	10,498
20 Third Party Agreements	2,600	1,159	208	1,367	1,233
21 Vehicles	17,000	14,587		14,587	2,413
22 Contingency	6,000	-		-	6,000
<b>23 Total Current Budget</b>	<b>243,600</b>	<b>37,373</b>	<b>4,061</b>	<b>41,433</b>	<b>202,167</b>

### Construction Phase Detail

24 Other Miscellaneous Construction	8,370	-	3,853	3,853	4,517
25 Construction C430	41,270	-	3,041	3,041	38,229
26 Other Construction	108,360	459	-	459	107,901
<b>27 Total Phase</b>	<b>158,000</b>	<b>459</b>	<b>6,894</b>	<b>7,353</b>	<b>150,647</b>

25(H) THIS ACTION reflects commitments related to the two potential options in the agreement.

### Third Party Agreements

28 City of SeaTac	1,200	851	208	1,059	141
29 Other Third Party	1,400	308	-	308	1,092
<b>30 Total Phase</b>	<b>2,600</b>	<b>1,159</b>	<b>208</b>	<b>1,367</b>	<b>1,233</b>

### Contract Amount CITY OF SEATAC

	Board Approvals to Date (K)	Current Approved Contract Value (L)	Proposed Action (M)	Proposed Total for Board Approval (N)	Proposed Contract Value (O)
31 Contract Amount - Initial Segment	-	-	315	315	315
32 Contract Amount - Airport Link	-	-	7,102	7,102	7,102
33 Contingency	-	-	-	-	-
<b>34 Total</b>	<b>-</b>	<b>-</b>	<b>7,417</b>	<b>7,417</b>	<b>7,417</b>
35 Percent Contingency	0%	0%	0%	0%	0%

### Budget Shortfall

Task Level (P)	\$	Potential Resources (Q)	Source (R)
36 City of SeaTac	114,700	347,578	Unallocated contingency within the INITIAL SEGMENT Third Party phase

## M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable for this action.

## PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

On November 18, 1999, the Sound Transit Board adopted Resolution No. R99-34, selecting the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line. Resolution No. R99-34 identified the SeaTac alignment from South 154<sup>th</sup> to South 200<sup>th</sup> Streets in the City of SeaTac. In its action identifying the Initial Segment on September 27, 2001, the Sound Transit Board directed the agency to work with the Port of Seattle (POS) and the Cities of SeaTac and Tukwila to extend

the Initial Segment south beyond South 154th Street. This process culminated in the execution of term sheets between Sound Transit, the POS, and the City of SeaTac in December of 2004 that defined the proposed light rail project scope. On July 14, 2005, the Sound Transit Board adopted Resolution No. R2005-16, selecting the Airport Link alignment and station locations between the Tukwila International Boulevard Station and South 200<sup>th</sup> Street and selecting the portion of Airport Link from the Tukwila International Boulevard Station to Sea-Tac Airport, to be constructed and operated as part of the Central Link Light Rail Project by the end of 2009.

The agreement implements land use permits and mitigation measures consistent with the terms established in the term sheet between Sound Transit and the City dated December 20, 2004. It is specifically authorized by the Growth Management Act, RCW 36.70B. The 1.7 mile Airport Link project is an essential public facility as defined at RCW 36.70A.200. The City has a duty to accommodate the Airport Link Project within the City and in the exercise of its land use powers may impose reasonable permit and mitigation conditions. After many months of discussion, Sound Transit and City staff reached agreement on a land use permitting approach that included obtaining City Council approval of the Development and Transitway Agreement and City Hearing Examiner approval of the fundamental land use permit. Sound Transit and City staff believe that this approach serves as the most appropriate and effective mechanism to obtain and implement land use permit approvals, establish an efficient process for future administrative permits, authorize use of City streets and satisfy Federal Transit Administration "continuing control" requirements. On September 12, 2005, Sound Transit submitted the necessary land use permit applications to the City.

The 1.7-mile Airport Link project extends the Initial Segment from South 154th Street to an elevated light rail station at Sea-Tac International Airport's main terminal near South 176th Street. Beginning from the elevated station at Tukwila International and Southcenter Boulevards, the Airport Link route continues south on an elevated structure, crossing above SR-518 and transitioning to grade just north of South 160<sup>th</sup> Street. The route continues in the median of the relocated North Airport Expressway, passing under the South 160<sup>th</sup> Street bridge and the future return to terminal loop ramp. The alignment crosses above South 170<sup>th</sup> Street and continues on an elevated structure to an elevated light rail station just east of the airport garage. A kiss-and-ride facility will be constructed on the east side of International Boulevard.

Airport Link is part of the Central Link Light Rail Project adopted by the Sound Transit Board in November of 1999. The Board action was supported by the Central Link Light Rail Project Final Environmental Impact Statement (November 1999). The Tukwila Freeway Route Final Supplemental Environmental Impact Statement was issued in November 2001 addressing changes to the project in Tukwila and the north end of the City of SeaTac. Since that time, the Airport Link project scope has been modified from the alignment and station locations selected by the Board in November 1999. An Environmental Assessment under the National Environmental Policy Act has been published to address these modifications. This Environmental Assessment also serves as an Addendum under the State Environmental Policy Act. The FTA issued a Record of Decision on the Airport Link project on September 13, 2005.

**Prior Board/Committee Actions on this Project and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
M2005-117	Authorized execution of a contract amendment with Kinkisharyo International, L.L.C./Mitsui & Co. Inc. Joint Venture to manufacture and deliver four additional low floor light rail vehicles to support operational requirements for the Airport Link project.	12/08/05
R2005-16	Selected the Airport Link alignment and station locations between the Tukwila International Boulevard Station and South 200th Street and selected the portion of Airport Link from the Tukwila International Boulevard Station to Sea-Tac Airport to be constructed and operated as part of the Central Link Light Rail Project by the end of 2009.	07/14/05
M2005-65	Authorized the execution of a contract amendment with LTK Engineering Services to provide preliminary engineering services for the Airport Link preferred alternative and to provide final design services for the Airport Link project selected for construction in the amount of \$1,362,280 with a 5% contingency in the amount of \$68,114.	06/23/05
M2005-37	Authorized the execution of a sole source contract amendment with Hatch Mott MacDonald in the amount of \$9,077,591 and a 10 percent contingency in the amount of \$907,759 to provide preliminary engineering and architectural design services for the Airport Link preferred alternative and to provide final design services for the Airport Link project selected for construction.	04/14/05
M2001-126	Authorized implementation of a work plan to evaluate light rail alternatives to serve the airport by the year 2009.	11/29/01
M2001-103	Identified the preferred Initial Segment to be constructed and operated for Central Link Light Rail and directed Sound Transit staff to work with the Port of Seattle and the Cities of SeaTac and Tukwila to extend the Initial Segment south beyond South 154 <sup>th</sup> Street.	09/27/01
M2001-63	Executed a First Amendment to and concurrent renewal of the Memorandum of Understanding for Intergovernmental Cooperation between the Sound Transit and the City of SeaTac in regard to Light Rail Transit in the amount of \$400,912 for a new total authorized amount not to exceed \$850,912 to provide for continued coordination, station design, implementation of station area plans and other coordination activities for the Central Link Light Rail project.	06/28/01
R99-34	Selected the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line.	11/18/99
M98-17	Authorized the Executive Director to enter into a Memorandum of Agreement with the City of SeaTac.	3/12/98

**CONSEQUENCES OF DELAY**

Following the City Council’s approval of the land use permits for Airport Link, Sound Transit will be required to obtain administratively issued permits from the City in order to begin construction. The agreement will facilitate efficient processing and issuance of these permits. A delay in approval of the Agreement may impact the timely issuance of the necessary permits and could therefore delay the start of construction for the Airport Link Project and risk delaying the completion of this project.

## **PUBLIC INVOLVEMENT**

Throughout the development of the Airport Link Project, Sound Transit has conducted an extensive public involvement program including mailings, community open houses, presentations, and meetings with individuals and neighborhood groups. The City of SeaTac also conducted open houses for businesses and complied with all public notice requirements under Washington State law.

## **ENVIRONMENTAL COMPLIANCE**

JDI 1/6/06

## **LEGAL REVIEW**

SS 1/13/06



## SOUND TRANSIT

### MOTION NO. M2006-12

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a Development and Transitway Agreement with the City of SeaTac for the Airport Link Project of Central Link Light Rail, specifying the terms and conditions for development of the Airport Link Project between the Tukwila International Boulevard Station and the SeaTac/Airport Station and establishing the use of City of SeaTac street right-of-way, and to execute all other subsequent agreements with the City of SeaTac as may be necessary to implement this agreement for a total authorized expenditure not to exceed \$7,416,808.

#### **Background:**

On November 18, 1999, the Sound Transit Board adopted Resolution No. R99-34, selecting the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line. Resolution No. R99-34 identified the SeaTac alignment from South 154<sup>th</sup> to South 200<sup>th</sup> Streets in the City of SeaTac. In its action identifying the Initial Segment on September 27, 2001, the Sound Transit Board directed the agency to work with the Port of Seattle (POS) and the Cities of SeaTac and Tukwila to extend the Initial Segment south beyond South 154<sup>th</sup> Street. This process culminated in the execution of term sheets between Sound Transit, the POS, and the City of SeaTac in December of 2004 that defined the proposed light rail project scope. On July 14, 2005, the Sound Transit Board adopted Resolution No. R2005-16, selecting the Airport Link alignment and station locations between the Tukwila International Boulevard Station and South 200<sup>th</sup> Street and selecting the portion of Airport Link from the Tukwila International Boulevard Station to Sea-Tac Airport, to be constructed and operated as part of the Central Link Light Rail Project by the end of 2009.

The agreement implements land use permits and mitigation measures consistent with the terms established in the term sheet between Sound Transit and the City dated December 20, 2004. It is specifically authorized by the Growth Management Act, RCW 36.70B. The 1.7 mile Airport Link project is an essential public facility as defined at RCW 36.70A.200. The City has a duty to accommodate the Airport Link Project within the City and in the exercise of its land use powers may impose reasonable permit and mitigation conditions. After many months of discussion, Sound Transit and City staff reached agreement on a land use permitting approach that included obtaining City Council approval of the Development and Transitway Agreement and City Hearing Examiner approval of the fundamental land use permit. Sound Transit and City staff believe that this approach serves as the most appropriate and effective mechanism to obtain and implement land use permit approvals, establish an efficient process for future administrative permits, authorize use of City streets and satisfy Federal Transit Administration "continuing control" requirements. On September 12, 2005, Sound Transit submitted the necessary land use permit applications to the City.

The 1.7-mile Airport Link project extends the Initial Segment from South 154<sup>th</sup> Street to an elevated light rail station at Sea-Tac International Airport's main terminal near South 176<sup>th</sup> Street. Beginning from the elevated station at Tukwila International and Southcenter Boulevards, the Airport Link route continues south on an elevated structure, crossing above SR-518 and transitioning to grade just north of South 160<sup>th</sup> Street. The route continues in the median of the relocated North Airport Expressway, passing under the South 160<sup>th</sup> Street bridge


and the future return to terminal loop ramp. The alignment crosses above South 170<sup>th</sup> Street and continues on an elevated structure to an elevated light rail station just east of the airport garage. A kiss-and-ride facility will be constructed on the east side of International Boulevard.

Airport Link is part of the Central Link Light Rail Project adopted by the Sound Transit Board in November of 1999. The Board action was supported by the Central Link Light Rail Project Final Environmental Impact Statement (November 1999). The Tukwila Freeway Route Final Supplemental Environmental Impact Statement was issued in November 2001 addressing changes to the project in Tukwila and the north end of the City of SeaTac. Since that time, the Airport Link project scope has been modified from the alignment and station locations selected by the Board in November 1999. An Environmental Assessment under the National Environmental Policy Act has been published to address these modifications. This Environmental Assessment also serves as an Addendum under the State Environmental Policy Act. The FTA issued a Record of Decision on the Airport Link project on September 13, 2005.

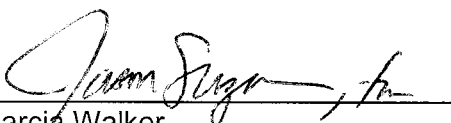
**Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a Development and Transitway Agreement with the City of SeaTac for the Airport Link Project of Central Link Light Rail, specifying the terms and conditions for development of the Airport Link Project between the Tukwila International Boulevard Station and the SeaTac/Airport Station and establishing the use of City of SeaTac street right-of-way, and to execute all other subsequent agreements with the City of SeaTac as may be necessary to implement this agreement for a total authorized expenditure not to exceed \$7,416,808.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 26, 2006.

  
\_\_\_\_\_  
John W. Ladenburg  
Board Chair

ATTEST:

  
\_\_\_\_\_  
Marcia Walker  
Board Administrator