

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2010-01

Budget Amendment for the I-90 Two-Way Transit and HOV Operations Stage 2 Project

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	01/21/10	Discussion/Possible Action to Recommend Board Approval	Jim Edwards, Director, Capital Project	(206) 398-5037
Board	01/28/10	Action	Carol Rhodes, Construction Program Manager Hank Howard, Project Manager	(206) 398-5056 (206) 398-5078

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	✓
Real Estate		Property Acquisition	

PROJECT NAME

I-90 Two-Way Transit and HOV Operations Stage 2 Project

PROPOSED ACTION

Amending the adopted lifetime budget for the I-90 Two-Way Transit and HOV Operations Stage 2 Project by transferring \$12,311,378 from the East King County Program Reserve to the project and 2) amending the adopted 2010 budget for the I-90 Two-Way Transit and HOV Operations Stage 2 Project from \$1,127,629 to \$5,586,215, and 3) amending the adopted lifetime budget for the Regional Express Program Reserve from \$34,026,541 to \$21,715,163.

KEY FEATURES of PROPOSED ACTION

- This action resolves the estimated funding shortfall for the I-90 Two-Way Transit and HOV Operations Stage 2 project. The funding of this project is part of Sound Transit's and WSDOT's negotiations for use of the I-90 center roadway by East Link beginning in 2015.
- This action amends the Adopted 2010 Budget to reflect the transfer from the Regional Express East King County Program Reserve to the project.
- This action reduces the total East King County Program Reserve to \$9,703,812.

BUDGET and FINANCIAL PLAN DISCUSSION

Current Project Phase: Construction

Projected Completion Date: 2012

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task		
Budget Amendment Required	✓	\$12.3 million is being transferred from the Regional Express Program Reserve.

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.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed resolution will amend the lifetime budget for the I-90 Two-Way Transit and HOV Operations Stage 2 project increasing it by \$12,311,378 to \$31,682,924. The increase will be funded by a transfer to the project from the East King County Program Reserve. The proposed resolution will amend the budget for the Regional Express Program Reserve from \$34,026,541 to \$21,715,163 and more specifically the East King County Program Reserve from \$22,015,190 to \$9,703,812.

The 2010 annual project budget will also be amended by \$4,458,586 to increase it to \$5,586,215.

There are nine remaining projects to be completed in East King County, five of which are capped contributions. The Kirkland Transit Center and the Renton HOV Access projects are fully funded, with construction underway in Kirkland. This leaves the I-90 Two-Way Transit and HOV Operations Stage 3 project which has ST2 funding. It is assumed that funding will be sufficient for I-90 Stage 3 construction and that there will be no further draws needed from the East King County Program Reserve.

BUDGET TABLE

LIFETIME BUDGET AMENDMENT

	Adopted 2010 Lifetime Budget ¹	Proposed Budget Amendment	Revised 2010 Lifetime Budget
I-90 Two-way Transit & HOV Operations, Stage 2	(A)	(B)	(C)
Agency Administration	\$ 1,175,352	\$ 604,356	\$ 1,779,708
Preliminary Engineering	\$ 1,847,212	\$ -	\$ 1,847,212
Final Design	\$ 2,623,055	\$ (146,345)	\$ 2,476,709
Right of Way	\$ 90,000	\$ 50,000	\$ 140,000
Construction	\$ 9,869,481	\$ 13,019,248	\$ 22,888,729
Contingency	\$ 3,766,446	\$ (1,215,880)	\$ 2,550,566
Total Current Budget	\$ 19,371,546	\$ 12,311,378	\$ 31,682,924
East King County Program Reserve ²	\$ 22,015,190	\$ (12,311,378)	\$ 9,703,812

Notes:

¹ Project budget is located on page 118 of the Proposed 2010 Transit Improvement Plan budget book. The 2010 Budget was adopted by the Board on December 10, 2009.

² The proposed budget amendment would move \$12,311,378 from the East King County Program Reserve to the project.

2010 ANNUAL BUDGET AMENDMENT

	Adopted 2010 Annual Budget ¹	Proposed Budget Amendment	Revised 2010 Annual Budget
I-90 Two-way Transit & HOV Operations, Stage 2	(A)	(B)	(C)
Agency Administration	\$ 65,425	\$ 225,557	\$ 290,982
Preliminary Engineering	\$ -	\$ -	\$ -
Final Design	\$ 270,508	\$ 710,379	\$ 980,887
Right of Way	\$ 67,685	\$ 60,720	\$ 128,405
Construction	\$ 724,011	\$ 3,461,930	\$ 4,185,941
Contingency	\$ -	\$ -	\$ -
Total Current Budget	\$ 1,127,629	\$ 4,458,586	\$ 5,586,215

SMALL BUSINESS PARTICIPATION

Not applicable for this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The I-90 Two-Way Transit and HOV Operations project addresses a significant existing transportation need by providing new westbound and eastbound HOV lanes on the I-90 outer roadways between Seattle and Bellevue. It is part of the overall plan to convert the center roadway of I-90 to light rail use.

The project is being implemented in stages that provide viable and independent transit and transportation benefits. Three stages have been identified for the I-90 Two-way Transit and HOV Operations project.

Construction of the Stage 2 project is expected to begin in spring 2010.

The I-90 Two-Way Transit and HOV Operations Stage 2 project will improve regional mobility by providing a full-time HOV lane for eastbound traffic on the I-90 outer roadway between 80th Avenue Southeast on Mercer

Island and Bellevue Way, while minimizing impacts to the environment and to other users and transportation modes. Major components of the I-90 Stage 2 project include:

- A new HOV lane in the eastbound outer roadway;
- Modifying the existing direct access ramp at 80th Avenue to connect to the new eastbound HOV lane;
- Reconfiguring the lanes in the vicinity of the East Channel Bridge to allow full-time eastbound HOV direct access to I-405 and Bellevue Way, and;
- Extending the eastbound to southbound I-90 to I-405 auxiliary lane.

The State Legislature provided \$10.6 million to WSDOT for the design of Stage 2 and Stage 3, however, the Legislature did not appropriate WSDOT's share of the funding for the construction of Stage 2.

Sound Transit and WSDOT have agreed in principle that construction of Stage 2 of the I-90 Two-Way Transit and HOV Operations project will be fully funded by Sound Transit, and WSDOT will offset Sound Transit's funding against the future payments to be made by Sound Transit for the use of the center roadway for East Link in 2015. The parties will execute an umbrella agreement providing for the offset and other conditions of use.

The Stage 3 project will complete the HOV improvements in the eastbound and westbound outer roadways between 80th Avenue SE on Mercer Island and Rainier Avenue and the addition of screening between the mainline traffic and the shared-use pathway. The project also includes the tunnel fire/life/safety system improvements that are needed in the Mount Baker Ridge and First Hill Lid tunnel as well the improvements that are needed at Bellevue Way to preserve the eastbound and westbound HOV connections. Construction of the Stage 3 project is expected to begin by the spring of 2012.

The Final Environmental Impact Statement (FEIS) for the I-90 project was prepared in compliance with State Environmental Policy Act (SEPA) and National Environmental Policy Act (NEPA) and was issued on May 21, 2004. The Record of Decision (ROD) was approved and issued by the Federal Highway Administration (FHWA) on September 28, 2004. FHWA approved a NEPA Reevaluation in November 2007 covering minor project changes for Stage 2 work.

Simultaneously with this proposed budget amendment, staff is requesting authorization to execute GCA 3361 Task Order Agreement A-12 with WSDOT to provide construction and construction management services for the I-90 Two-Way Transit and HOV Operations Stage 2 project in the amount of \$19,862,286, with a 15% contingency of \$3,026,443, for a total authorized amount not to exceed \$22,888,729.

Prior Board/Committee Actions on this Project

Motion or Resolution Number and Date	Summary of Action
M2007-53 5/17/07	Authorized the chief executive officer to execute Agreement GCA 3536 Task Order 18 with the Washington State Department of Transportation for final design services for the I-90 Two-Way Transit and Operations, Stage 2 Project in the amount of \$1,954,782, with a contingency of \$195,478, for a total authorized amount not to exceed \$2,150,260.
M2004-63 8/12/04	Authorized the Chief Executive Officer to enter into an amendment to the I-90 Memorandum Agreement.
R2004-09 8/12/04	Amended Sound Move to provide for Two-Way Transit and HOV Operations in the outer roadways of I-90 and to select Alternative R-8A as the project to be built.
M2003-120 11/13/03	Directed staff to negotiate an amendment to the Memorandum Agreement for I-90 to define the guiding principles for the ultimate configuration of the I-90 roadway with HCT in the center roadway.
M2003-99 11/13/03	Identified Alternative R-8A as the preferred alternative for the I-90 Two-Way Transit and HOV Operations Project.

M2003-17 4/3/03	Authorized a supplement to the WSDOT Agreement and an amendment to the URS contract for the completion of PE/ED for the I-90 Project.
M2001-75 7/26/01	Provided direction on how to proceed on the environmental analysis for the I-90 Project.
M2001-07 1/25/01	Provided direction on how to proceed on the I-90 Project.
M2000-112 12/7/00	Approved a supplement to the Agreement with WSDOT for the I-90 Project.
R98-12 4/9/98	Authorized execution of a Master Agreement with WSDOT for the Big Four Projects (including Mercer Island/I-90).

CONSEQUENCES of DELAY

Bid opening is scheduled for February 10, 2010. WSDOT will not open bids until the Board has approved this budget amendment and the construction task order. If opening the bids is delayed, project completion could be delayed by several months, which could result in significant cost impacts to the project.

Delaying the Stage 2 project could delay or result in possible conflicts with the Stage 3 project. To allow construction of the East Link project to commence in 2015, construction of the I-90 Two-Way Transit and HOV Operations project must be complete by the end of 2014.

PUBLIC INVOLVEMENT

Sound Transit has conducted an extensive community outreach effort. To date, the agency has mailed four newsletters/postcards; held and attended over seventeen public meetings; and held three open houses in May 2003 in the Cities of Bellevue, Seattle, and Mercer Island, as part of the public review process for the Draft and Final EIS. Sound Transit will continue to update the public throughout the life of the project.

ENVIRONMENTAL COMPLIANCE

SSK 1/06/10

LEGAL REVIEW

BN 1/13/10

SOUND TRANSIT

RESOLUTION NO. R2010-01

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the adopted lifetime budget for the I-90 Two-Way Transit and HOV Operations Stage 2 Project by transferring \$12,311,378 from the East King County Program Reserve to the project and 2) amending the adopted 2010 budget for the I-90 Two-Way Transit and HOV Operations Stage 2 Project from \$1,127,629 to \$5,586,215, and 3) amending the adopted lifetime budget for the Regional Express Program Reserve from \$34,026,541 to \$21,715,163.

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

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 8, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Sound Transit and WSDOT are jointly funding design of the I-90 Two-Way Transit and HOV Operations Stage 2 Project (the "Project"); and

WHEREAS, Sound Transit is responsible for funding construction of the I-90 Two-Way Transit and HOV Operations Stage 2 Project (the "Project"); and

WHEREAS, on February 10, 2010, upon approval of funding, WSDOT will open bids for construction of the Project; and

WHEREAS, there is insufficient project budget to fund Agreement GCA 3361 Task Order A-12 with WSDOT for the construction and construction management services of the Project; and

WHEREAS, by Resolution No. R2009-23, the Sound Transit Board adopted the 2010 budget on December 10, 2009; and

WHEREAS, this action resolves the estimated funding shortfall for the I-90 Two-Way Transit and HOV Operations Stage 2 Project as part of Sound Transit and WSDOT negotiations for use of the I-90 center roadway by East Link beginning in 2015; and

WHEREAS, said budget amendment is consistent with and affordable under Board-adopted Sound Transit financial policies; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2010 Budget.

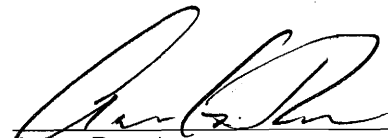
NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

Section 1 The adopted lifetime budget for the I-90 Two-Way Transit and HOV Operations Stage 2 Project is hereby amended from \$19,371,546 to \$31,682,924.

Section 2 The adopted 2010 annual budget for the I-90 Two-Way Transit and HOV Operations Stage 2 Project is hereby amended from \$1,127,629 to \$5,586,215.

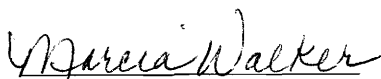
Section 3 The adopted lifetime budget for the Regional Express Program Reserves is hereby amended from \$34,026,541 to \$21,715,163.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 28, 2010.



Aaron Reardon
Board Chair

ATTEST:



Marcia Walker
Board Administrator