

MOTION NO. M2011-22**Exclusive Negotiating Agreement with the State Board of Community and Technical Colleges**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Capital Committee	03/10/11	Recommendation	Ahmad Fazel, DECM	206-398-5389
Board	03/24/11	to Board Final Action	Executive Director Roger Hansen, Director of Real Property	206-689-3366

PROPOSED ACTION

Authorizes the chief executive officer to execute an exclusive negotiating agreement for a future purchase and sale agreement with the State Board of Community and Technical Colleges for a college related proposed transit oriented development project on potential future surplus property near the Capitol Hill Station.

KEY FEATURES

- Following Board authorization for property acquisition, Sound Transit negotiated with the State Board of Community and Technical Colleges (SBCTC) for four tunnel easements needed for the University Link project under the Seattle Central Community College (SCCC) campus. A proposed settlement was reached for acquisition of the tunnel easements that included a provision that Sound Transit would enter into an exclusive negotiating agreement with SBCTC potentially leading to a purchase and sale agreement for potential surplus property around the west Capitol Hill Station entrance.
- The exclusive negotiating agreement will require completion of a purchase and sale agreement before the end of the 3rd Quarter 2014 for the Sound Transit Board's consideration in the 4th Quarter 2014.
- The negotiating agreement requires that the property be purchased at fair market value determined at the time of sale and that the property be used for development of a college related Transit Oriented Development (TOD) project consistent with rules and guidelines for other TOD projects in the Capitol Hill Station area.
- The property originally acquired consisted of 15,360 square feet. Approximately 10,000 square feet are currently estimated to be potentially available as surplus property after deducting the area which will be occupied by the west station entrance and other facilities. The exact amount of potential surplus property is subject to change based on the area actually occupied by Sound Transit facilities.
- This action does not declare the property surplus; and any such declaration will require approval by the Board and by the FTA.

PROJECT DESCRIPTION

University Link is a 3.15-mile light rail extension that includes twin-bored tunnels from downtown Seattle north to the University of Washington, with underground stations at Capitol Hill and on the University of Washington campus near Husky Stadium. University Link broke ground in early 2009 and is expected to open for revenue service in 2016.

FISCAL INFORMATION

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.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

BACKGROUND

The Sound Transit Board authorized acquisition of four tunnel easements from the SBCTC on September 13, 2007 by Resolution No. R2007-19 and on August 26, 2010 by Resolution No. R2010-17. The four easements are needed for the University Link light rail project and are located on the Seattle Central Community College campus (SCCC). During tunnel easement negotiations, SBCTC expressed interest in acquiring any property around the west Capitol Hill Station entrance that was not needed after construction of the University Link project. After extensive negotiations, Sound Transit and SBCTC reached a proposed settlement which includes entering into an agreement to negotiate exclusively with SBCTC for the sale of future surplus property for college related TOD around the west tunnel entrance. The agreement to negotiate exclusively would require SBCTC to pay fair market value to be determined by appraisal at the time of the sale and would require SBCTC to comply with TOD requirements identified in the agreement and with other requirements for the Capitol Hill TOD sites owned by Sound Transit. Authority to declare the property surplus to sell the site and approval of details of the sale will be sought from the Board and FTA upon completion of construction after the surplus area has been identified.

It is anticipated that after construction, surplus property will be available for redevelopment around the Capitol Hill Station and entrances and it would be desirable to develop that property for TOD to facilitate and enhance transit use of the light rail facilities. Potential surplus properties suitable for TOD have been identified on both the east and west sides of Broadway Avenue. The property that is the subject of this action lies on the west side of Broadway Avenue adjacent to the west Capitol Hill Station entrance. Broadway Avenue E represents the main north-south corridor through the SCCC campus area and the college has facilities extending from Pike Street on the south to the west tunnel entrance property on the north. The campus footprint is constrained by private ownership especially on the north end of the campus. The addition of surplus property surrounding the west tunnel entrance represents a logical extension of the campus footprint and provides an optimum college related TOD opportunity immediately adjacent to the Capitol Hill Station entrance.

Sound Transit incurs no risk through loss of actual control of this property pending Board and FTA approval of a property transaction with SBCTC. Sound Transit will maintain control and ownership of the property pending approval of a future purchase and sale agreement with SBCTC. The exclusive negotiating agreement will require that Sound Transit and SBCTC attempt to negotiate a purchase and sale agreement before the end of the 3rd Quarter 2014 and bring it forward in the 4th Quarter 2014 for Board consideration.

ENVIRONMENTAL COMPLIANCE

Jl 2/16/2011

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2007-19 – Authorized the chief executive officer to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation (including settlement), by condemnation litigation, or by administrative settlement; and to pay eligible relocation and re-establishment benefits to affected parties as necessary for construction, maintenance and operation of a light rail tunnel between the University of Washington Station and the Pine Street Stub Tunnel.

Resolution No. R2010-17 – Authorized the chief executive officer to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation (including settlement), by condemnation litigation, or by administrative settlement; and to pay eligible relocation and re-establishment benefits to affected parties as necessary for construction, maintenance and operation of a light rail tunnel and stations between the University of Washington Station and the Pine Street Stub Tunnel and between the University of Washington Station and Northgate.

TIME CONSTRAINTS

A short delay would not affect the project timeline, a long delay could result in a delay in executing and finalizing the tunnel easement transaction with SBCTC.

PUBLIC INVOLVEMENT

Extensive community outreach is ongoing in the Capitol Hill neighborhood to discuss future TOD on this site as well as for future surplus properties lying east of Broadway Avenue. Sound Transit has been engaged with the Capitol Hill community since 2008 regarding redevelopment of the surplus station properties. A potential public/public partnership with SCCC has been an on-going discussion topic with the community and the City of Seattle, and has been favorably received at public forums conducted by Sound Transit. An expectation exists that Sound Transit, through its TOD property disposition process, will provide on-going community involvement regarding the ultimate use of the property in question.

LEGAL REVIEW

JB 3/3/11

MOTION NO. M2011-22

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an exclusive negotiating agreement for a future purchase and sale agreement with the State Board of Community and Technical Colleges for a college related proposed transit oriented development project on certain potential surplus property near the Capitol Hill Station.

BACKGROUND:

The Sound Transit Board authorized acquisition of four tunnel easements from the SBCTC on September 13, 2007 by Resolution No. R2007-19 and on August 26, 2010 by Resolution No. R2010-17. The four easements are needed for the University Link light rail project and are located on the Seattle Central Community College campus (SCCC). During tunnel easement negotiations, SBCTC expressed interest in acquiring any property around the west Capitol Hill Station entrance that was not needed after construction of the University Link project. After extensive negotiations, Sound Transit and SBCTC reached a proposed settlement which includes entering into an agreement to negotiate exclusively with SBCTC for the sale of future surplus property for college related TOD around the west tunnel entrance. The agreement to negotiate exclusively would require SBCTC to pay fair market value to be determined by appraisal at the time of the sale and would require SBCTC to comply with TOD requirements identified in the agreement and with other requirements for the Capitol Hill TOD sites owned by Sound Transit. Authority to declare the property surplus to sell the site and approval of details of the sale will be sought from the Board and FTA upon completion of construction after the surplus area has been identified.

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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 exclusive negotiating agreement for a future purchase and sale agreement with the State Board of Community and Technical Colleges for a college related proposed transit oriented development project on certain potential surplus property near the Capitol Hill Station.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 24, 2011.



Aaron Reardon
Board Chair

ATTEST:



Marcia Walker
Board Administrator