

MOTION NO. M2012-93
Property Exchange Agreement with the University of Washington for the Northgate Link Extension

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Board	12/20/12	Final Action	Ahmad Fazel, DECM Executive Director Ron Lewis, Executive Project Director, East Link	206-398-5389 206-689-4905

PROPOSED ACTION

Authorizes the chief executive officer to execute a Property Exchange Agreement with the University of Washington for acquisition of property interests needed for the Northgate Link Extension in exchange for airspace rights above the U District Station to be developed for transit-oriented development, for a net total authorized agreement amount not to exceed \$87,000.

KEY FEATURES SUMMARY

- The Property Exchange Agreement:
 - Commits the University of Washington (University) to convey one full parcel and four partial property interests to Sound Transit.
 - Commits Sound Transit to convey airspace rights above the future U-District Station to the University.
 - Establishes a condominium legal structure to divide ownership of the U District Station property between Sound Transit (the Sound Transit Unit) and the University (the University Unit). The condominium established by the agreement includes on-going management oversight responsibilities for both parties.
 - Commits Sound Transit to design and construct the U District Station in a way that allows for the subsequent construction of a transit-oriented development (TOD) project within the University Unit. The TOD project must be developed in accordance with Federal Transit Administration guidelines for TOD, and certain elements of the TOD project are subject to Sound Transit review and approval to ensure compatibility with the station.
 - Commits Sound Transit and the University to collaborate on design, construction, and community outreach efforts related to the U District Station and the TOD project to avoid cost and schedule risks to both projects.
 - Commits the University to pay Sound Transit \$163,544 at closing, which is the net balance between the compensation Sound Transit owes the University and the compensation the University owes Sound Transit for respective property acquisitions.
 - Commits Sound Transit to pay the University \$250,000 at closing to reimburse certain legal and professional services expenses, to transfer responsibility from Sound Transit to the University to provide alternative access, and perform Northgate Link Extension construction mitigation.
- Sound Transit received FTA concurrence on the appraisals for the properties to be acquired. Sound Transit also sought and received FTA concurrence on the appraisal of the airspace rights above the U District Station. The approved appraisal amounts form the basis for the property exchange transaction.
- The Property Exchange Agreement is also subject to approval by the University Board of Regents.

BACKGROUND

The Northgate Link Extension extends light rail approximately 4.3 miles beyond the future interim northern terminus of University Link at the University of Washington Station. The project features approximately 3.4 miles of twin bored tunnels with two underground stations, one at Brooklyn Avenue NE and NE 45th Street in the University District (U District Station) and one at 12th Avenue NE and NE 65th Street in the Roosevelt neighborhood (Roosevelt Station). The alignment includes about 0.9 miles of guideway that transitions from tunnels to an elevated structure and an elevated station that spans NE 103rd Street, near the Northgate Mall (Northgate Station). The Northgate Link Extension is scheduled to be completed in September 2021 and will provide an interim terminus for Link light rail at Northgate until the Lynnwood Link Extension is operational, currently anticipated in 2023. Final design of the Northgate Link Extension began in October 2010. On June 28, 2012, the Sound Transit Board baselined the Northgate Link Extension's schedule and budget.

Sound Transit has identified five property interests owned by the University that are necessary for construction and operation of the light rail tunnel alignment and U District Station.

The property interests include:

- Full acquisition of the Building A property located across from the UW Tower
- A permanent subsurface tunnel easement beneath the School of Social Work Building
- Two temporary easements on the UW Tower property and the property surrounding the UW tower
- A temporary construction easement on the former IHOP property

The properties that are the subject of this action are identified as King County Tax Parcels 114200-1260 (NL-409), 114200-0225 (NL429), 114200-0300 (NL-430), 114200-0290 (NL-432), 114200-0280 (NL433) and 114200-0185 (NL427).

Sound Transit will maintain adequate continuing control over portions of the property by retaining all rights necessary for continued transit use of the property. Airspace rights above the station will not be necessary for transit purposes and the development of a transit oriented development project will not be inconsistent with Sound Transit's light rail station operation. The Sound Transit Board approved the CEO's surplus property declaration for the airspace rights above the future U District Station on August 23, 2012 by approval of Resolution No. R2012-20.

Environmental compliance pursuant to the National Environmental Policy Act (NEPA) and State Environmental Policy Act (SEPA) was completed with the North Link Final Supplemental Environmental Impact Statement issued on April 7, 2006. The Federal Transit Administration issued a Record of Decision for North Link in June 2006. A SEPA Addendum to the Final Supplemental EIS was completed in March 2012.

FISCAL INFORMATION

There are two financial transactions associated with this Agreement. The first is related to the real property transaction, and the second is related to costs associated with the transfer of scope from Sound Transit to the University, reimbursement for certain professional services, and construction mitigation.

Real Property

This transaction commits Sound Transit to acquire one full parcel and four partial property interests from the University. The appraised value of these property interests is \$4,416,900.

This transaction also commits Sound Transit to design and construct the U District Station to allow for the subsequent construction of a TOD Project, and transfer the air rights above the future U District Station to the University. The appraised value of the airspace rights above the future U District Station is \$4,580,444.

The net impact of the real property transactions through the Property Exchange Agreement is a credit to Sound Transit of \$163,544.

Transfer of Scope, Construction Mitigation, and Acquisition Expenses

Sound Transit and the University have determined there is mutual benefit for Sound Transit to reimburse certain legal and professional services expenses, and for the University to provide alternative access during tunnel construction as well as perform perimeter construction mitigation. The cost to Sound Transit for this work is \$250,000.

The total net cost of this transaction to Sound Transit is \$86,456.

PROJECT TABLE

Northgate Link Extension	Amended 2012 TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	149,500	43,318		43,318	106,182
Preliminary Engineering	15,077	15,077		15,077	-
Final Design	113,123	99,526		99,526	13,597
Right of Way	148,050	92,467	86	92,553	55,497
Construction	1,323,500	20,128		20,128	1,303,372
Construction Services	112,050	83,030		83,030	29,020
Third Party Agreements	11,000	9,786		9,786	1,214
Vehicles	259,100	-		-	259,100
Total Current Budget	2,131,400	363,332	86	363,419	1,767,981

Phase Detail

Right of Way

Right of Way	148,050	92,467	86	92,553	55,497
Total Phase	148,050	92,467	86	92,553	55,497

Contract Detail

	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract	-	92,467	86	86
Contingency	-	-	-	-
Total Contract Amount	-	92,467	86	86
Percent Contingency	0%	0%	0%	0%

Notes:

Amounts are expressed in Year of Expenditure \$000s.

Board Approvals = Committed To-Date + Contingency, and includes pending Board actions.

Amended 2012 TIP reflects Board Resolution R2012-13 to baseline the project schedule and budget, adopted 6/28/12. The project budget prior to amendment is located on page 34 of the 2012 Transit Improvement Plan (TIP).

In accordance with Sound Transit policy, budgets for specific parcels will be discussed with Board members in executive session.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI 12/19/2012

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2012-20: Approved the chief executive officer's declaration of surplus real property acquired for the Northgate Link Extension project.

Resolution No. R2012-13: (1) Revised the alignment that was selected by the Board in 2006 for the North Link – UW Station to Northgate Project (currently known as the Northgate Link Extension); (2) adopted the Northgate Link Extension baseline schedule and budget, which constitutes Board approval of Gate 5 within Sound Transit's Phase Gate System by (a) amending the project Lifetime Budget from \$465,500,000 to \$2,131,400,000, and (b) amending the project 2012 Annual Budget from \$76,248,584 to \$47,247,600; (3) established a Northgate Link Extension Project Reserve with a Lifetime Budget of \$50,000,000 and an Annual Budget of \$0; and (4) amending the Initial Segment Project Reserve by reducing the Lifetime Budget from \$58,495,000 to \$8,495,000.

Resolution No. R2010-13: Authorized the chief executive officer to acquire, dispose, or lease certain real property by negotiated purchase, by condemnation (including settlement of condemnation litigation), or entering into administrative settlements, and to pay eligible relocation and re-establishment benefits to affected owners and tenants as necessary for construction staging and station facilities for the Brooklyn (U District) Station and for tunnel easements within the North Link – University of Washington Station to Northgate project.

Resolution No. R2010-04: Authorized the chief executive officer to acquire, dispose, or lease certain real property by negotiated purchase, by condemnation (including settlement of condemnation litigation), or entering into administrative settlements, and to pay eligible relocation and re-establishment benefits to affected owners and tenants as necessary for staging and station areas for the Brooklyn (U District Station) and Roosevelt Stations within the North Link – UW Station to Northgate project.

TIME CONSTRAINTS

The University of Washington Board of Regents is scheduled to consider this agreement at its January 2013 meeting. A delay in Sound Transit Board consideration may impact final execution of the agreement and thus impact the schedule for acquisition, demolition, station site preparation and follow-on construction work for the Northgate Link Extension.

PUBLIC INVOLVEMENT

Maps of the proposed Northgate Link Extension alignments and construction staging areas were published in the 2003 and 2005 North Link Draft Supplemental Environmental Impact Statements (SEIS) and the 2006 North Link Final Supplemental Environmental Impact Statement and made available to the public. A 45-day comment period on the 2005 draft SEIS began in October 2005 and two public open houses/hearings were held in November 2005.

A public open house took place in June 2010 to inform the public on the start of the Northgate Link Extension final design phase. Open house meetings were held regarding the U District Station 30% design progress on June 9, 2011, and 60% design progress on May 23, 2012. Sound Transit station design plans consistently illustrate potential transit oriented development above the U District Station. Additional public meetings to present and discuss construction activities and sequence of work in the vicinity of the future light rail station in the University District were held throughout 2011 and 2012.

In compliance with RCW 39.33.020, Sound Transit held a public hearing on August 9, 2012 to advise the public of Sound Transit's intent to dispose of approximately 37,080 square feet of surplus airspace rights owned or to be owned by Sound Transit.

In further compliance with state law regarding public notification, Sound Transit mailed certified letters to the University and other affected property owners on March 5, 2010 and July 6, 2010. Legal notices of prior Board actions approving acquisition of real property interests for the Northgate Link Extension were published in the Seattle Times newspaper and Puget Sound Business Journal.

LEGAL REVIEW

JB 12/20/12

MOTION NO. M2012-93

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a Property Exchange Agreement with the University of Washington for acquisition of property interests needed for the Northgate Link Extension in exchange for airspace rights above the U District Station to be developed for transit-oriented development, for a net total authorized agreement amount not to exceed \$87,000.

BACKGROUND:

The Northgate Link Extension extends light rail approximately 4.3 miles beyond the future interim northern terminus of University Link at the University of Washington Station. The project features approximately 3.4 miles of twin bored tunnels with two underground stations, one at Brooklyn Avenue NE and NE 45th Street in the University District (U District Station) and one at 12th Avenue NE and NE 65th Street in the Roosevelt neighborhood (Roosevelt Station). The alignment includes about 0.9 miles of guideway that transitions from tunnels to an elevated structure and an elevated station that spans NE 103rd Street, near the Northgate Mall (Northgate Station). The Northgate Link Extension is scheduled to be completed in September 2021 and will provide an interim terminus for Link light rail at Northgate until the Lynnwood Link Extension is operational, currently anticipated in 2023. Final design began in October 2010. On June 28, 2012, the Sound Transit Board baselined the Northgate Link Extension's schedule and budget.

Certain property interests on parcels owned by the University of Washington have been identified as necessary for construction of the light rail tunnel alignment and U District Station (formerly called Brooklyn Station) in the preferred alternative for Northgate Link Extension. Those property interests are identified as follows:

- Subsurface tunnel easement beneath the School of Social Work Building
- Purchase of Building A property across Brooklyn from the UW Tower
- Tie-back and step over easements from UW Tower property
- Tie-back and step over easements from property surrounding the UW Tower
- Staging and tieback easements from the former IHOP property

The proposed action would authorize the acquisition of these property interests needed for the construction, operation and maintenance of the Northgate Link Extension in exchange for airspace rights to be used for a transit oriented development above the future U District Station. Sound Transit received concurrence from FTA for the appraisals for the property acquisitions from University. Sound Transit also sought and received FTA concurrence in the appraisal of the airspace rights above the U District Station. The approved appraisal amounts form the basis for the property exchange transaction.

Sound Transit will maintain adequate continuing control over portions of the property by retaining all rights necessary for continued transit use of the property. Airspace rights above the station will not be necessary for transit purposes and their development for transit oriented purposes is not inconsistent with Sound Transit's station. Properties no longer needed for transit purposes are to be disposed of consistent with FTA regulations; and the approximately 37,080 square feet of airspace rights were previously declared surplus by the Sound Transit Board on August 23, 2012 by approval of Resolution No. 2012-20.

The properties that are the subject of this action are identified as King County Tax Parcels 114200-1260 (NL-409), 114200-0225 (NL429), 114200-0300 (NL-430), 114200-0290 (NL-432), 114200-0280 (NL433) and 114200-0185 (NL427).

Sound Transit staff has completed an analysis of the Northgate Link Extension schedule, property acquisition work and the construction plan. Initial property acquisition for Northgate Link Extension station and staging areas was authorized by the Board starting in March, 2010 in order for the project to be completed and operational by 2021.

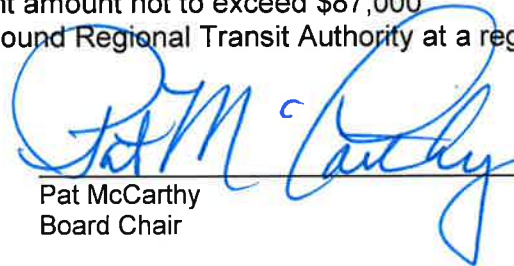
Environmental compliance pursuant to the National Environmental Policy Act (NEPA) and State Environmental Policy Act (SEPA) was completed with the North Link Final Supplemental Environmental Impact Statement issued on April 7, 2006. The Federal Transit Administration issued a Record of Decision for North Link in June 2006. A SEPA Addendum to the Final Supplemental EIS was completed in March 2012.

In the Board's judgment, Sound Transit will receive true and full value for the consideration paid to the University under the proposed Property Exchange Agreement.

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 Property Exchange Agreement with the University of Washington for acquisition of property interests needed for the Northgate Link Extension in exchange for airspace rights above the U District Station to be developed for transit-oriented development, for a net total authorized agreement amount not to exceed \$87,000

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on 12-30-2012.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator