

RESOLUTION NO. R2013-30

Real Property Excess, Surplus, and Disposition Policy

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Board Board	11/21/13 12/19/13	Introduction to Board Final Action	Ahmad Fazel, Executive Director, DECM Roger Hansen, Real Property Director, DECM Brooke Belman, Chief of Staff, DECM	206-398-5389 206-689-3366 206-398-5238

PROPOSED ACTION

Adopts a revised Real Property Excess, Surplus, and Disposition Policy and supersedes Resolution No. R99-35.

KEY FEATURES SUMMARY

- The Sound Transit Board established the Real Property Disposition Policy, Procedures, and Guidelines in 1999 by adoption of Resolution No. R99-35. Resolution No. R99-35 is now outdated. This action adopts a Real Property Excess, Surplus, and Disposition Policy and supersedes Resolution No. R99-35.
- The policy requires the chief executive officer to report on Sound Transit's excess real property inventory to the Board on an annual basis. The policy also requires the chief executive officer to establish an internal review process and an internal Real Property Utilization Committee. The committee will review and categorize the excess real property and will recommend real properties to be declared surplus. The internal review process will include consideration of requests and referrals from outside parties, such as developers, non-profit organizations, and local jurisdictions.
- The policy retains essential Board involvement in the declaration of surplus property, but eliminates procedures, guidelines, and rules, that are more appropriately documented in other ways, including a requirement that the Board approve FTA disposition methods, a process that is managed and controlled under Sound Transit's grant management process.
- The policy establishes priorities to be considered in disposing of property that Sound Transit has determined is excess and will no longer be needed for transit use, including:
 - Comply with Sound Transit Board policies, state law, and federal grant requirements.
 - Implement Sound Move, ST2, and any future Sound Transit regional transit system plans on time and at minimum expense.
 - Realize the greatest possible return on the public investment in real property that Sound Transit will no longer need to accomplish its purposes and protect and enhance Sound Transit's assets and investments.
 - Support the retention of existing businesses in their current neighborhoods through strategic relocation.
 - Mitigate impacts arising from the implementation of Sound Move, ST2, or any future Sound Transit regional transit system plans including environmental impacts identified in the National Environmental Policy Act/State Environmental Policy Act process and displacement of residents and businesses arising from the project.
 - Encourage transit-oriented development, joint development, and public and private projects at and around Sound Transit facilities through early involvement in project planning and design, and the realization of other objectives as appropriate while maximizing the financial return to Sound Transit, such as:

- Increasing transit ridership
- Supporting economic development efforts
- Supporting state, regional, and local growth plans, policies, and strategies
- Fostering relationships with local jurisdictions, regional agencies, private developers, local residents, businesses, community groups, and other stakeholders
- Encouraging convenient, safe multi-modal access to the regional transit system, with an emphasis on non-motorized access
- Encouraging creation of housing options including market-rate and affordable units

BACKGROUND

The Board updated the Transit-Oriented Development (TOD) Policy in Resolution No. R2012-24. Because of the connection between TOD and real property disposition, the Board requested staff begin reviewing the real property disposition policy. This effort included review of the policy document as well as the processes for the management of excess real property and disposition of surplus real property. The TOD Policy establishes the framework in which TOD opportunities are assessed in regional transit system planning and projects. The real property disposition policy provides guidance on how real property may be used to promote TOD and other purposes.

The Board held an Excess Property Workshop on July 18, 2013. Staff reviewed the agency's best practices, provided an overview the excess real property program and how excess real property is managed, and shared project examples that have been accomplished under the policy established in Resolution No. R99-35. The Board expressed interest in revising the policy around common goals and objectives identified at the workshop, including:

- Utilize excess property to increase ridership
- Receive fair market value to support system expansion
- Maintain flexibility within the program
- Involve the Board in excess real property discussions early in the process
- Demonstrate the integration of the TOD process within the overall disposition process
- Maintain transparency in the planning and disposition of surplus real property
- Work within the parameters and guidelines of our primary funding partner, FTA and comply with legal requirements governing disposition of surplus real property

Sound Transit's mission is to plan, build, operate, and maintain the regional transit system and services to improve mobility central Puget Sound. When real property that the agency has acquired is no longer needed for a transit purpose, ST's business practice for disposing of that property is done within certain parameters:

- Special purpose government. ST's enabling legislation allows the agency to collect taxes for the purpose of delivering transit service to the region. Sound Transit is a transit authority and does not have the powers of a general purpose government like a city or county government
- Voter approved projects. The voters of the region approve the projects and services ST will build, operate, and maintain through ballot measures.
- Financial plan assumptions. The ST finance plan relies on an estimate for revenues from the sale of surplus real properties generated from its capital program. This revenue is available to the relevant subarea to fund capital investment and to provide service. Revenue generated from real property sales helps with financial capacity for ST2, ST3, or future regional transit systems.
- Fair Market Value. ST business practice, as well as the expectation of ST's federal partners, is to receive fair market value for real property transactions. State law generally requires ST to receive fair market value.

- Competitive Bid Process. Federal guidelines and sound business practices require that sales procedures shall be followed that provide for competition to the extent practicable.
- Acquiring property for a transit purpose. ST only has the authority to collect taxes to build and implement regional transit systems and only acquires property needed for a transit purpose.
- State and federal laws and regulations.
- ST guiding documents:
 - Procurement and Delegated Authority Policy
 - Sustainability Initiative
 - Transit-Oriented Development Policy
 - System Access Policy to Facilitate Access to Sound Transit Services
 - FTA Guidance and Requirements
 - Biennial Excess Real Property Inventory and Utilization Plan and TOD Strategic Plan

FISCAL IMPACT

Not applicable to this action.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

None.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. 78-2: Established a delegated authority and policy for the procurement of contracts, materials, services, and work; for the acquisition, use, and disposal of real and personal property; and for the execution of agreements with other agencies.

Resolution No. R2007-12: Established a sustainability initiative.

Resolution No. R2012-24: Established a policy to guide evaluation, facilitation and implementation of transit-oriented development during planning, designing, building and operating the high-capacity regional transit system.

Resolution No. R2013-03: Established a parking and system access policy for infrastructure and improvements to facilitate customer access to Sound Transit services.

ENVIRONMENTAL COMPLIANCE

JI 12/13/2013

LEGAL REVIEW

JB 12/13/2013

RESOLUTION NO. R2013-30

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting a Real Property Excess, Surplus, and Disposition Policy and superseding Resolution No. R99-35.

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 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the central Puget Sound region; and

WHEREAS, Sound Transit is authorized by RCW 81.112.080 to acquire and dispose of real property; and

WHEREAS, during the course of implementing the regional transit system, Sound Transit has acquired and will in the future acquire real property for transit and related uses; and

WHEREAS, Sound Transit may determine that real property it has acquired will no longer be needed for transit use and may declare the real property surplus, and;

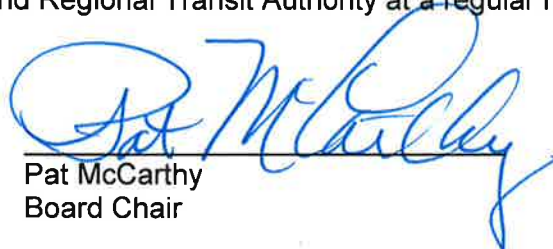
WHEREAS, Sound Transit may dispose of real property it has determined is surplus in a manner that is consistent with state and federal law and regulations; and

WHEREAS, by adoption of this resolution, the Sound Transit Board and adopts a Real Property Excess, Surplus, and Disposition Policy and supersedes Resolution No. R99-35 (Real Property Disposition Policy, Procedures, and Guidelines).

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

1. The Real Property Excess, Surplus, and Disposition Policy (Attachment A) is hereby adopted.
2. The chief executive officer will establish an internal review process and appoint an internal Real Property Utilization Committee. The committee will review and categorize Sound Transit's excess real property inventory and recommend excess real properties to be declared surplus. The internal review process will include consideration of requests and referrals from outside parties, such as developers, non-profit organizations, and local jurisdictions.
3. The chief executive officer will report to the Board annually on Sound Transit's excess real property inventory.
4. The chief executive officer is authorized to declare real property that is excess will no longer be needed for transit use as surplus when the fair market value does not exceed \$200,000. If the fair market value of such real property is more than \$200,000 but less than \$5,000,000, such declaration may be approved by the Sound Transit Capital Committee or the Sound Transit Administration and Operations Committee (or successor committees). If the fair market value of such real property exceeds \$5,000,000, Board approval of the declaration is required. Incidental use of real property does not require a declaration that the real property is surplus.
5. Disposition of real property will comply with the following Board policies:
 - Resolution No.78-2: Procurement and Delegated Authority Policy
 - Resolution No. R2007-12: Sustainability Initiative
 - Resolution No. R2012-24: Transit-Oriented Development Policy
 - Resolution No. R2013-03: System Access Policy for Infrastructure and Improvements to Facilitate Access to Sound Transit Services
6. Resolution No. R99-35 is hereby superseded.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 19, 2013.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator

**SOUND TRANSIT
RESOLUTION NO. R2013-30 – Attachment A**

Real Property Excess, Surplus, and Disposition Policy

Section 1: Purpose

Sound Transit's mission is to plan, build, operate, and maintain the regional transit system and services to improve mobility in central Puget Sound. During the course of implementing the Sound Transit regional transit system plans, the agency has acquired and will in the future acquire real property for transit-related uses. Sound Transit will prudently manage property not currently needed for transit purposes. If Sound Transit subsequently determines that a property will no longer be needed for a transit use, it may declare the property surplus and dispose of the property in a manner consistent with this policy and state and federal laws and regulations.

Section 2: Real Property Disposition Priorities

In determining the disposition manner of surplus real property, Sound Transit will consider the following priorities:

1. Comply with Sound Transit Board policies, state law, and federal grant requirements.
2. Implement Sound Move, ST2, and any future Sound Transit regional transit system plans on time and at minimum expense.
3. Realize the greatest possible return on the public investment in real property that Sound Transit no longer needs to accomplish its purposes and to protect and enhance Sound Transit's assets and investments.
4. Support the retention of existing businesses in their current neighborhoods through strategic relocation.
5. Mitigate impacts arising from the implementation of Sound Move, ST2, or any future Sound Transit regional transit system plans including environmental impacts identified in the National Environmental Policy Act/State Environmental Policy Act process and displacement of residents and businesses arising from the project.
6. Encourage transit-oriented development, joint development, and public and private projects at and around Sound Transit facilities through early involvement in project planning and design, and the realization of other objectives as appropriate while maximizing the financial return to Sound Transit, such as:
 - Increasing transit ridership
 - Supporting economic development efforts
 - Supporting state, regional and local growth plans, policies, and strategies
 - Fostering relationships with local jurisdictions, regional agencies, private developers, local residents, businesses, community groups, and other stakeholders
 - Encouraging convenient, safe multi-modal access to the transit system, with an emphasis on non-motorized access
 - Encouraging creation of housing options including market-rate and affordable units

Section 3: Authorization and Implementation

The chief executive officer will establish an internal review process and appoint an internal Real Property Utilization Committee. The committee will review and categorize Sound Transit's excess real property inventory and recommend excess real properties to be declared surplus. The internal review process will include consideration of requests and referrals from outside parties, such as developers, non-profit organizations, and local jurisdictions.

On an annual basis, the chief executive officer will provide a report to the Board on Sound Transit's excess real property inventory.

The chief executive officer is authorized to declare real property that will no longer be needed for transit use as surplus when the fair market value does not exceed \$200,000. If the fair market value of such real property is more than \$200,000 but less than \$5,000,000, such declaration may be approved by the Sound Transit Capital Committee or the Sound Transit Administration and Operations Committee (or successor committees). If the fair market value of such real property exceeds \$5,000,000, Board approval of the declaration is required. Incidental use of real property does not require a declaration that the real property is surplus.

Section 4: Definitions

Excess Real Property – property Sound Transit has acquired that does not currently have a transit use.

Excess Real Property Inventory – a property utilization plan that identifies Sound Transit-owned property not needed for transit purposes.

Fair Market Value – an amount in an open and competitive market that a well-informed, willing seller, who desires but is not required to sell, would accept, and that a well-informed, willing buyer, who desires but is not required to buy, would pay for real property after due consideration of all of the elements affecting value.

High-Capacity Transportation System – as provided by 81.104.015 RCW, high-capacity transportation system means a system of public transportation services within an urbanized region operating principally on exclusive rights-of-way and the supporting services and facilities necessary to implement such a system, including interim express services and high-occupancy vehicle lanes, which taken as a whole, provides a substantially higher level of passenger capacity, speed, and service frequency than traditional public transportation systems operating principally in general purpose roadways.

Incidental Use – real property that is compatible with and does not interfere with regional transit system uses. Air rights, easements, licenses, and leases may be incidental uses.

Real Property – land, including affixed land improvements, structures and appurtenances, and including fee estates, leaseholds, easements, vested reversionary interests, future interests and other real property interests, but not including movable machinery and equipment.

Regional Transit System – a high-capacity transportation system under the jurisdiction of a regional transit authority.

Surplus Real Property – real property that is in excess and no longer needed for transit use.

Transit-Oriented Development – compact public and private development that supports transit use

by emphasizing pedestrian and transit access, such as by clustering development and mixing land uses and activities at and around transit facilities.

Section 5: References

Resolution No. 78-2: Procurement and Delegated Authority Policy

Resolution No. R2007-12: Sustainability Initiative

Resolution No. R2012-24: Transit-Oriented Development Policy

Resolution No. R2013-03: System Access Policy for Infrastructure and Improvements
to Facilitate Access to Sound Transit Services

RCW 81.112: Regional Transit Authorities

Federal Transit Administration Circular C 5010.1D