

MOTION NO. M2014-33

Purchase and Sale Agreement with City of Tacoma

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	05/02/2014	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	05/22/2014	Final Action	Eric Beckman, Deputy Executive Director – Business & Construction Services Roger Hansen, Real Property Director

PROPOSED ACTION

Authorizes the chief executive officer to execute a purchase and sale agreement with the City of Tacoma to replace the purchase and sale agreement authorized under Motion No. M2013-76 to reflect the transfer of six remnant parcels instead of four remnant parcels to the City of Tacoma.

KEY FEATURES SUMMARY

- In 2013, the Board approved Motion No. M2013-76 to authorize a purchase and sale agreement with the City of Tacoma in the amount of \$4,000,000 to purchase a 1.3 mile rail corridor in the City of Tacoma and transfer ownership of four remnant parcels from Sound Transit to the City.
- This action is necessary because the City of Tacoma has agreed to take two more remnant parcels than what was included in the proposed agreement presented to the Board in Motion No. M2013-76. The purchase and sale agreement has not yet been executed and Sound Transit has already declared surplus the two additional parcels.
- The City will accept six remnant parcels from the D to M Street Commuter Rail Project adjacent to the Sound Transit railroad right of way.
- Under separate agreement, Sound Transit will contribute \$200,000 to the City to design, install, and maintain landscape improvements on the remnant parcels that are transferred to the City under the purchase and sale agreement.
- All other terms of the purchase and sale agreement and joint use agreement authorized in Motion No. M2013-76 remain the same.

BACKGROUND

Sound Transit currently operates Sounder service on a 1.3-mile section of track owned by the City of Tacoma. This section of track provides a connection between the BNSF mainline and the Lakeview Subdivision track owned by Sound Transit. Sound Transit has operated on the track owned by the City of Tacoma for approximately 10 years under a temporary operating agreement.

In early 2012, during negotiations with the City of Tacoma for a permanent operating agreement, the advantages of the City selling the corridor to Sound Transit in lieu of an operating agreement were considered.

Sound Transit ownership of the property will ensure control for completed and future investments Sound Transit has in the corridor, eliminate additional layers of approval for operational changes, provide greater authority when third parties seek permission to use this corridor, and provide certainty for Sound Transit in the event that Tacoma were to sell its freights rights over the corridor to another entity.

Under the purchase and sale agreement for the rail corridor, Sound Transit will pay the City of Tacoma \$4 million and transfer six parcels of surplus property that are remnants of its D to M Street Commuter Rail Project. Under Motion No. M2013-76, staff represented that Sound Transit would transfer four remnant parcels to the City. Upon further discussion, the City will accept two additional remnant parcels from the D to M Street Commuter Rail Project adjacent to the Sound Transit railroad right of way. None of the surplus parcels are needed by Sound Transit. All other terms of the purchase and sale agreement and joint use agreement authorized in Motion No. M2013-76 remains the same.

Under a separate agreement, Sound Transit will also contribute \$200,000 to the City to design, install, and maintain landscape improvements on the parcels.

FISCAL INFORMATION

This action references a previous action Motion No. M2013-76 authorizing the purchase of City of Tacoma right-of-way for \$4,000,000. For reference included below is a current budget table for the Tacoma Trestle project.

Additionally, the \$200,000 for design, installation and maintenance of landscape improvements will be included in subsequent operating modal budget requests during the annual Agency budget process.

Tacoma Trestle	Amended 2014 TIP	Committed to Date	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	592	335		335	258
Preliminary Engineering	4,730	4,033		4,033	697
Final Design	-	-	-	-	-
Right of Way	6,132	313	4,000	4,313	1,819
Construction					
Construction Services				-	-
Third Party Agreements				-	-
Vehicles				-	-
Contingency			-	-	-
Total Current Budget	11,455	4,681	4,000	8,681	2,774
Phase Detail - ROW					
City of Tacoma	4,000	-	4,000	4,000	-
Other Property Acquisitions	1,331				1,331
Other Phase Work	801	313		313	488
Unallocated Contingency	-		-		-
Total Phase	6,132	313	4,000	4,313	1,819

Notes:

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

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

The Project budget is located on page 51 of 198 of the 2014 Transit Improvement Plan (TIP)

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

In compliance with RCW 39.33.020, Sound Transit held a public hearing on May 22, 2014 to advise the public of Sound Transit's intent to sell approximately 56,802 square feet of surplus land owned by Sound Transit to the City of Tacoma.

TIME CONSTRAINTS

A one month delay would not create a significant impact to the project schedule.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2013-76: Authorized the chief executive officer to (1) execute a purchase and sale agreement with the City of Tacoma for a 1.3-mile rail corridor in the City of Tacoma for the benefit of ongoing commuter rail service in Pierce County for \$4,000,000, and (2) execute a Joint Use Agreement with City of Tacoma for Tacoma Rail's ongoing use of the rail corridor.

Resolution No. R2013-01: (1) Authorized the chief executive officer to acquire, dispose, or lease certain real property by negotiated purchase, by condemnation (including settlement of condemnation litigation), or by entering into administrative settlements, and to pay eligible relocation and re-establishment benefits to affected owners and tenants as necessary in order to secure property required for operation, and maintenance of the Sounder line, and (2) required staff to prepare an amendment to the Adopted 2013 Budget to fund the acquisition for Board consideration within 60 days of completion of the acquisition.

ENVIRONMENTAL REVIEW

JI 4/30/2014

LEGAL REVIEW

JW 5/2/2014

MOTION NO. M2014-33

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a purchase and sale agreement with the City of Tacoma to replace the purchase and sale agreement authorized under Motion No. M2013-76 to reflect the transfer of six remnant parcels instead of four remnant parcels to the City of Tacoma.

BACKGROUND:

Sound Transit currently operates Sounder service on a 1.3-mile section of track owned by the City of Tacoma. This section of track provides a connection between the BNSF mainline and the Lakeview Subdivision track owned by Sound Transit. Sound Transit has operated on the track owned by the City of Tacoma for approximately 10 years under a temporary operating agreement.

In early 2012, during negotiations with the City of Tacoma for a permanent operating agreement, the advantages of the City selling the corridor to Sound Transit in lieu of an operating agreement were considered.

Sound Transit ownership of the property will ensure control for completed and future investments Sound Transit has in the corridor, eliminate additional layers of approval for operational changes, provide greater authority when third parties seek permission to use this corridor, and provide certainty for Sound Transit in the event that Tacoma were to sell its freight rights over the corridor to another entity.

Under the purchase and sale agreement for the rail corridor, Sound Transit will pay the City of Tacoma \$4 million and transfer six parcels of surplus property that are remnants of its D to M Street Commuter Rail Project.

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Under a separate agreement, Sound Transit will also contribute \$200,000 to the City to design, install, and maintain landscape improvements on the parcels.

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 purchase and sale agreement with the City of Tacoma to replace the purchase and sale agreement authorized under Motion No. M2013-76 to reflect the transfer of six remnant parcels instead of four remnant parcels to the City of Tacoma.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 22, 2014.


Paul Roberts
Board Vice Chair

ATTEST:


Marcia Walker
Board Administrator