

RESOLUTION NO. R2016-05
Budget Amendment for Downtown Redmond Link Extension Project

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	02/11/2016	Recommend to Board	Ric Ilgenfritz, PEPD Executive Director Don Billen, HCT Project Development Director
Board	02/25/2016	Final Action	Paul Cornish, Light Rail Development Manager

PROPOSED ACTION

(1) Restores funding for preliminary engineering on light rail from Overlake to Redmond in the Sound Transit 2 Finance Plan, (2) amends the Adopted 2016 Budget to create the Downtown Redmond Link Extension Project by (a) establishing the Project Lifetime Budget through the completion of the Preliminary Engineering Phase in the amount of \$28,617,000 and (b) establishing the 2016 Annual Budget as \$4,120,000, and (3) approves Gates 1-3 within Sound Transit's Phase Gate Process.

KEY FEATURES SUMMARY

- In 2010, the Board suspended the preliminary engineering project for the Downtown Redmond Link Extension, among other projects, in Motion No. M2010-102, in order to implement the Sound Move and Sound Transit 2 (ST2) Plans within available resources.
- The motion also directed the Board to evaluate the agency's ability to restore funding to projects and services that are not currently funded in the long-term financial plan as revenue and capital projects are updated.
- Improvements in Sound Transit revenue allow this project to be funded within the agency's finance plan.
- The administration phase of the proposed project includes sufficient budget to support the staff activity required for this work. The consultant contract for preliminary engineering work will be presented for consideration by the Board later in 2016.

BACKGROUND

When the revenue generated by a subarea is inadequate to fund the transit projects and services planned for a subarea, the Sound Move and ST2 Plans grant the Board broad authority to make adjustments to projects and services on an ongoing basis consistent with the available resources and the adopted financial policies. If there is insufficient revenue to complete all the projects and services in the Sound Move and ST2 Plans as planned, the Board is authorized to fund those affordable portions of the capital projects and service improvements that best achieve the stated goals of the Sound Move and the ST2 Plans.

In response to the projected \$3.9 billion revenue loss resulting from the 2007-2009 national economic recession, the Board, through M2010-102, suspended this project, among others. Funding now exist to fund preliminary engineering for the Downtown Redmond Link Extension Project.

The Downtown Redmond Link Extension Project is an approximately 3.7 miles light rail extension of East Link from Redmond Technology Center Station (Overlake Transit Center) to Downtown Redmond with two planned stations.

Restoration of funding for this project will allow staff to complete preliminary engineering to Downtown Redmond for the future extension of East Link. Environmental review was completed for the Downtown Redmond Link Extension as part of East Link, but Sound Transit suspended preliminary engineering. Advancing from conceptual to preliminary engineering will identify any changed conditions since the 2011 East Link Project Final Environmental Impact Statement (EIS) and East Link Extension 2013 SEPA Addendum, update the environmental review if necessary, improve the project cost estimate, and facilitate the future extension of East Link.

Because of the agency revenue outlook has changed, the Sound Transit Finance Department has determined that there is adequate financial capacity to complete preliminary engineering for the Downtown Redmond Link Extension should the Board choose to restore funding.

PROJECT STATUS

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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FISCAL INFORMATION

Capital projects are implemented in phases through Sound Transit’s Phase Gate process. The Board acts to fund a phase when a project moves from one phase to the next. The Board acts to amend the project’s lifetime budget when a project moves to the next phase. Phase Gate – Gates 1 & 2 were previously completed under East Link, as was the selection of the project to be built. This phase gate action approves Gates 1-3 to allow for the creation of a new project, although the actual phase gate activity was completed under East Link and moves to fund and complete the preliminary engineering activity.

Additionally this action reinstates funding within the agency finance plan and creates the Downtown Redmond Link Extension project with a lifetime budget through the completion of the Preliminary Engineering Phase in the amount of \$28,617,000 and establishes the 2016 Annual Budget as \$4,120,000. The lifetime cost estimate to complete preliminary engineering through downtown Redmond exceeds the ST2 cost estimate. The increased cost is a result of the change in assumptions for the project and the type of anticipated construction which adds complexity and cost to complete the scope of work. The additional cost can be funded through existing financial capacity in the finance plan. Accordingly, this project is affordable within the agency finance plan.

The 2016 Budget and Transit Improvement Plan (TIP) have been adopted Board. The approval of this action will amend the Adopted 2016 Budget to include this project. Restoring funding for the project is affordable within the agency financial plan.

BUDGET AMENDMENT

**Downtown Redmond Link
Extension Project**

Phase	2016 Annual Budget			Lifetime Budget		
	Adopted 2016 Budget	Budget Transfer	Revised Project Budget	Adopted 2016 Budget	Budget Transfer	Revised Project Budget
Agency Administration		815	815		5,306	5,306
Preliminary Engineering		2,805	2,805		19,761	19,761
Final Design						
Third Party Agreements		450	450		2,500	2,500
Right of Way		50	50		1,050	1,050
Construction						
Construction Services						
Vehicles						
Contingency						
Total		4,120	4,120		28,617	28,617

Notes:
 Amounts are expressed in Year of Expenditure \$000.
 This is a new project to be included into the Adopted 2016 Transit Improvement Plan (TIP).

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work and the number of Small Businesses/DBEs available to perform such subcontracting work. During the final design phase, goals will be established prior to initiating contract procurements, unless such goals are deemed infeasible.

PUBLIC INVOLVEMENT

Sound Transit is committed to actively seeking public feedback at all project stages for the Downtown Redmond Link Extension Project. Since 2006 when the East Link project kicked off, communities, businesses, stakeholders, and agencies helped shape the project by asking questions, talking with project staff and providing ideas and comments. During the environmental review process, Sound Transit hosted 28 public meetings, while also holding briefings and drop-in sessions. The agency also coordinated with the City of Redmond to provide project information for distribution through local newsletters and social media outlets, sent emails to related notification subscription lists, and created and mailed a tri-fold project update folio to addresses adjacent to all alternatives evaluated in the DEIS. The comments gathered at those public sessions have helped the decision-making process for the East Link project.

TIME CONSTRAINTS

A budget amendment is needed in order to begin preliminary engineering. A one-month delay would have no impact to the overall project schedule.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2011-10: Selected the route, profiles, and station locations for the East Link Light Rail Project.

Motion No. M2010-102: Approved a plan to implement the Sound Move and ST2 Plans within available resources.

Motion No. M2010-44: Modified the preferred light rail routes and stations previously identified in Motion No. M2009-41 for the East Link Light Rail Project Final Environmental Impact Statement.

Motion No. M2009-41: Identified the preferred light rail routes and stations for the East Link Light Rail Project Final Environmental Impact Statement.

ENVIRONMENTAL REVIEW

JI 2/3/2016

LEGAL REVIEW

JW 2/5/2016

RESOLUTION NO. R2016-05

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) restoring funding for preliminary engineering on light rail from Overlake to Redmond in the Sound Transit 2 Finance Plan, (2) amending the Adopted 2016 Budget to create the Downtown Redmond Link Extension Project by (a) establishing the Project Lifetime Budget through the completion of the Preliminary Engineering Phase in the amount of \$28,617,000 and (b) establishing the 2016 Annual Budget as \$4,120,000, and (3) approving Gates 1-3 within Sound Transit's Phase Gate Process.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 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, the East Link Project Final EIS was issued under the State Environmental Policy Act (SEPA) and under the National Environmental Policy Act (NEPA) by Sound Transit on July 15, 2011, and

WHEREAS, the Sound Transit Board selected the project to be built on July 28, 2011, and

WHEREAS, the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA) issued a Record of Decision on November 16, 2011, completing the NEPA process; and

WHEREAS, the East Link Extension 2013 SEPA Addendum was issued by Sound Transit on March 26, 2013.

WHEREAS, if there is insufficient revenue to complete all the projects and services in the Sound Move and ST2 Plans as planned, the Board is authorized to fund those affordable portions of the capital projects and service improvements that best achieve the stated goals of the Sound Move and the ST2 Plans.

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

Section 1: Restore funding for preliminary engineering on light rail from Overlake to Redmond in the Sound Transit 2 Finance Plan.

Section 2: Amend the Adopted 2016 Budget to create the Downtown Redmond Link Extension Project by (a) establishing the Project Lifetime Budget through the completion of the Preliminary Engineering Phase in the amount of \$28,617,000 and (b) establishing the 2016 Annual Budget as \$4,120,000, and


Section 3: Approve Gates 1-3 within Sound Transit's Phase Gate Process.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 25, 2016.



Dow Constantine
Board Chair

ATTEST:


Kathryn Flores
Board Administrator



PHASE//GATE ACTION

Downtown Redmond Link Extension

MEETING	DATE	STAFF CONTACT
Capital Committee	02/11/2016	Ric Ilgenfritz, Executive Director PEPD
Board	02/25/2016	Don Billen, HCT Project Development Director Paul Cornish, Light Rail Development Manager

GATE 1 Enter Project Development	GATE 2 Identify Alternatives	GATE 3 ID Preferred Alternative	GATE 4 Enter Final Design	GATE 5 Establish Baseline	GATE 6 Proceed to Construction	GATE 7 Transition to Operations	GATE 8 Close Out Project

ACTION REQUESTED

Approve Phase Gates 1 – 3 for the Downtown Redmond Link Extension to advance through preliminary engineering.

PROJECT BUDGET

Adopted Project Budget: \$28,617,000

PROJECT SCHEDULE

Schedule to complete Preliminary Engineering: 1Q 2018

PROJECT DESCRIPTION

The Downtown Redmond Link Extension Project is an approximately 3.7 miles light rail extension of East Link from Redmond Technology Center Station (Overlake Transit Center) to Downtown Redmond with two planned stations. Environmental review of this project was completed as part of East Link, but Sound Transit suspended preliminary engineering in the 2010 ST2 program realignment (Motion No. M2010-102).

Because the agency revenue outlook has changed, the Sound Transit Finance Department has determined that there is adequate funding to complete preliminary engineering for the Downtown Redmond Link Extension. The Sound Transit Board will consider a budget amendment in February to restore funding for the project.

The proposed project and budget will complete preliminary engineering to Downtown Redmond. Advancing from conceptual to preliminary engineering will identify any changed conditions since the 2011 East Link Environmental Impact Statement, update the environmental review if necessary, improve the project cost estimate, and facilitate the future extension of East Link.

ACTION APPROVED

Dow Constantine
Board Chair

3/24/16

Date