

**RESOLUTION NO. R2017-07**
**Federal Way Link Extension Phase Gate 4 and Increase Project Allocation to Date**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	03/09/2017	Recommend to Board	Ahmad Fazel, DECM Executive Director Ric Ilgenfritz, PEPD Executive Director
Board	03/23/2017	Final Action	<b>Dan Abernathy, Executive Project Director – Federal Way Link Extension Cathal Ridge, HCT Corridor Development Director</b>

**PROPOSED ACTION**

(1) Authorizes the Federal Way Link Extension project to advance through Gate 4 within Sound Transit’s Phase Gate process; (2) increases the authorized project allocation to date by \$363,835,000 from \$48,790,000 to \$412,625,000; and (3) increases the 2017 annual budget by \$64,637,043 from \$6,120,957 to \$70,758,000.

**KEY FEATURES SUMMARY**

- This action increases the Federal Way Link Extension authorized project allocation to date by \$363,835,000 and increases the 2017 Annual Budget by \$70,758,000 to fund Right of Way Acquisition and adjust the annual budget levels for Agency Administration, Preliminary Engineering, Final Design, Construction Services, Third Party, and Construction phases.
- This action also authorizes the project to advance through Gate 4: Enter Final Design within Sound Transit’s Phase Gate process to allow the project to enter the final design and right of way acquisition phases. Property acquisition is scheduled to begin later this year and notice to proceed for the design-build contract is anticipated in 2019.
- In January 2017, the Board selected the route, profile, and stations for the Federal Way Link Extension and the project is ready to proceed to Gate 4. Future Board actions will baseline the project budget and schedule (Gate 5), and authorize the initiation of the design-build phase (Gate 6).

**BACKGROUND**

The Federal Way Link Extension adds approximately 7.8 miles of light rail from the Angle Lake light rail station at South 200th Street in the City of SeaTac to the Federal Way City Center area in Federal Way. The extension generally parallels State Route 99 (SR 99) and Interstate 5 (I-5), with stations at Kent/Des Moines, South 272nd Star Lake park-and-ride and the Federal Way Transit Center. New parking structures will be constructed at each of the three stations. Notice to proceed for the design-build contract is anticipated in early 2019 and the project is scheduled to open for service in 2024.

The Federal Way Link Final Environmental Impact Statement was issued in November 2016 pursuant to the State Environmental Policy Act (SEPA) and National Environmental Policy Act (NEPA). The Sound Transit Board selected the project route, profile, and stations on January 26, 2017. The Federal Transit Administration will issue its Record of Decision in March 2017.

As part of the design-build procurement method, Sound Transit will work closely with key stakeholders and permitting jurisdictions in 2017 to identify project requirements to be included in the design-build Request for Proposals. This work will effectively continue to advance the project’s

preliminary engineering until the design-build contract is awarded in 2019. Sound Transit plans to submit an application to FTA to Enter the Engineering phase of the project in late 2017. Pre-certification activities are currently underway and property acquisition activities are scheduled to begin later this year. This Phase Gate action will allow the project to move to the final design and right of way acquisition phase and amends the authorized project allocation to date.

Future Board actions will baseline the project budget and schedule (Phase Gate 5) and authorize the initiation of the design build phase (Phase Gate 6).

**PROJECT STATUS**

<b>Project Identification</b>	<b>Alternatives Identification</b>	<b>Conceptual Engineering</b>	<b>Preliminary Engineering</b>	<b>Final Design</b>	<b>Construction</b>
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Project scope, schedule and budget summary located on pages 59-62 of the December 2016 Agency Progress Report.

**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.

This action establishes the Federal Way Link Extension Phase Gate 4 project budget by (a) increasing the authorized project allocation to date by \$363,835,000 from \$48,790,000 to \$412,625,000, to fully fund preliminary engineering, third party and right of way acquisition phases and provide partial funding for agency administration, construction and construction services phases; and (b) increasing the 2017 annual project budget to date by \$64,637,043 from \$6,120,957 to \$70,758,000.

**Federal Way Link Extension**

(in thousands)

Phase	Annual Project Budget			Authorized Project Allocation to Date		
	Adopted 2017 Annual Project Budget	Budget Revision	Revised 2017 Annual Project Budget	Authorized Project Allocation to Date (Current)	Allocation Change	Authorized Project Allocation to Date (New)
Agency Administration	\$1,751	\$2,805	\$4,556	\$9,385	\$5,530	\$14,915
Preliminary Engineering	1,052	7,367	8,419	33,329	7,024	40,353
Final Design		851	851		2,374	2,374
Third Party Agreements	947	1,924	2,871	2,449	16,197	18,646
Right of Way	2,371	42,629	45,000	3,627	261,514	265,141
Construction		7,170	7,170		25,524	25,524
Construction Services		1,891	1,891		45,672	45,672
Vehicles						
Contingency						
<b>Total</b>	<b>\$6,121</b>	<b>\$64,637</b>	<b>\$70,758</b>	<b>\$48,790</b>	<b>\$363,835</b>	<b>\$412,625</b>

Notes:

Amounts are expressed in Year of Expenditure.

The project budget is located on page 10 of 122 of the Proposed 2017 Transit Improvement Plan (TIP).

The current cost estimate for the project, excluding vehicles and vehicle maintenance facilities separately budgeted, is approximately \$1.6 billion (2016\$). Costs may change in response to the final scope of the project as established when the project is baselined. The current estimate exceeds the allowance in the Agency Financial Plan by approximately \$45 million in 2016\$. The primary changes in the cost estimate are due to (1) larger assumed real estate parcel acquisitions

than previously assumed; (2) escalation of real estate costs due to faster than anticipated property value escalation; and (3) increase for sustainability, TOD, and non-motorized access.

Sound Transit staff are still completing the consolidation of the ST2 and ST3 financial plans. Under the initial draft consolidated models, the South King subarea is in a deficit cash position for four years following the completion of the ST3 plan (2045). With the additional \$45 million (2016\$) estimated costs for the Federal Way Link Extension, the South King subarea would need to issue an additional \$90 million of bonds to finance the additional cost (capital costs + additional financing costs), but the subarea would still be in a positive cash position by 2046. As the ST2/ST3 capital program in the subarea progresses, financial planning estimates will be updated to reflect changes in grants, tax revenues, bonding, and interest rates. Final affordability of the Federal Way Link Extension will be established when the project is baselined.

#### SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

#### PUBLIC INVOLVEMENT

Sound Transit has involved stakeholders, the public and public agencies at the local, regional, state, and federal levels since project development was initiated in 2012. Formal comment periods were held for environmental scoping and after publication of the Draft EIS. Following identification of the preferred alternative in July 2015 for evaluation in the Final EIS, public outreach included periodic community updates via letters, email, and community briefings; outreach to potentially affected property owners; and continued coordination with agencies and key stakeholders. In addition, the FTA held a Final EIS comment period for 30 days from November 18 to December 19, 2016. Specific public involvement activities included:

- Notification postcards to approximately 30,000 corridor residents.
- Website, newspaper, SEPA Register, and Federal Register notices of availability.
- Email notice to approximately 500 interested persons.
- Eighteen community briefings to potentially affected neighborhoods along the corridor.
- Tabling events at fairs and festivals, libraries, and retail stores.
- Monthly interagency working group meetings with representatives of agencies potentially affected by project development.
- Briefings to Sound Transit's Capital Committee, city councils, chambers of commerce, Highline College, and Federal Way Public Schools.
- Seven stakeholder workshops to examine access and TOD opportunities in the station areas.
- Numerous meetings with potentially affected property owners along the corridor.

#### TIME CONSTRAINTS

Delaying the project budget increase and advancement through Phase Gate 4 would postpone the right-of-way acquisition process and procurement of a design-build contractor, with consequent project schedule delay.

## PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2017-02: Selected the route, profile and stations for the Federal Way Link Extension.

Motion No. M2015-56: Identified the preferred light rail route and station locations for the Federal Way Link Extension Final Environmental Impact Statement and approved Gate 3 within Sound Transit's Phase Gate process.

Motion No. M2013-77: Identified the light rail alignment and station alternatives for detailed study in the Draft Environmental Impact Statement, approved Gate 2 within Sound Transit's Phase Gate process, and changed the project name to Federal Way Link Extension.

Resolution No. R2012-07: (1) Expanded the scope of the South Corridor HCT–South 200th Street to Kent/Des Moines project to include alternatives analysis, environmental review, and conceptual engineering to the Federal Way Transit Center; (2) amended the Adopted Lifetime Budget for the South Corridor HCT project to increase it by \$24,327,240 from \$17,515,899 to \$41,843,139; (3) amended the Adopted 2012 Budget for the South Corridor HCT project to increase it by \$1,254,486 from \$2,576,500 to \$3,830,986; (4) reduced the scope of the South Corridor Alternatives Planning project for the portion of the Federal Way extension that was already budgeted within that project; (5) amended the Adopted Lifetime Budget for the South Corridor Alternatives Planning project to decrease it by \$1,478,681 from \$5,542,319 to \$4,063,638; (6) amended the Adopted 2012 Budget for the South Corridor Alternatives Planning project to decrease it by \$739,341 from \$3,122,250 to \$2,382,909; and (7) approved Gate 1 within Sound Transit's Phase Gate process for the revised South Corridor HCT project and changing the name of the project to the South Corridor HCT–South 200th Street to Federal Way Transit Center project.

## ENVIRONMENTAL REVIEW

JI 3/3/2017

LEGAL REVIEW

AJP 03/03/2017

**RESOLUTION NO. R2017-07**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) authorizing the Federal Way Link Extension project to advance through Gate 4 within Sound Transit's Phase Gate process; (2) increasing the authorized project allocation to date by \$363,835,000 from \$48,790,000 to \$412,625,000; and (3) increasing the 2017 annual budget by \$64,637,043 from \$6,120,957 to \$70,758,000.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 RCW 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, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, the Federal Way Link Extension project was included in the voter approved Sound Transit 2 and Sound Transit 3 plans; and

WHEREAS the Federal Way Link Extension Final Environmental Impact Statement was issued in November 2016 pursuant to the State Environmental Policy Act (SEPA) and National Environmental Policy Act (NEPA), completing the SEPA process; and

WHEREAS the Sound Transit Board selected the project route, profile and stations on January 26, 2017 through Resolution No. R2017-02; and

WHEREAS the Federal Transit Administration will issue its Record of Decision in March 2017, completing its NEPA process; and

WHEREAS, Motion No. M2013-77 authorized the project to enter Phase Gate 2 – Identify Alternatives and Motion No. M2015-56 authorized the project to enter Phase Gate 3 – Identify Preferred Alternative; and

WHEREAS, in accordance with Sound Transit's Phase Gate process, all requirements necessary to pass through Gate 4 – Enter Final Design, have been met.

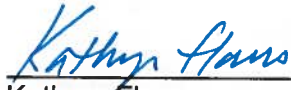
NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that (1) project advancement through Gate 4 within Sound Transit's Phase Gate Process is authorized; the authorized project allocation to date for the Federal Way Link Extension project is increased from \$48,790,000 to \$412,625,000 by \$363,835,000; and (3) the 2017 annual budget is increased by \$64,637,043 from \$6,120,957 to \$70,758,000.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 23, 2017.



Dave Somers  
Board Chair

ATTEST:



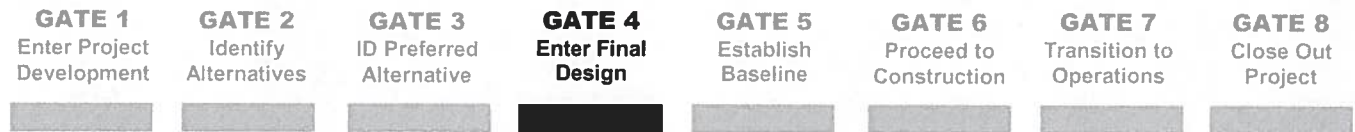
Kathryn Flores  
Board Administrator



**PHASE//GATE ACTION**

**Federal Way Link Extension Phase Gate 4**

MEETING	DATE	STAFF CONTACT
Capital Committee	03/09/2017	Ahmad Fazel, DECM Executive Director Ric Ilgenfritz, PEPD Executive Director
Board	03/23/2017	<b>Dan Abernathy, Executive Project Director – Federal Way Link Extension</b> Cathal Ridge, HCT Corridor Development Director



**ACTION REQUESTED**

Resolution No. R2017-07 authorizes the Federal Way Link Extension to advance through Gate 4 within Sound Transit's Phase Gate process.

**PROJECT BUDGET**

Authorized Project Allocation to Date: \$48,790,000

Estimated Final Project Cost: Approx. \$1.6 billion (2016\$)

**PROJECT SCHEDULE**

Schedule to begin Final Design & Construction: 2019

Estimated Project Completion: 2024


**PROJECT DESCRIPTION**

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**ACTION APPROVED**

  
 Dave Somers  
 Board Chair

March 23, 2017  
 Date