

RESOLUTION NO. R2018-16

Baseline Budget and Schedule for the Lynnwood Link Extension

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	05/10/2018	Cancelled	Ahmad Fazel, DECM Executive Director
Board	05/24/2018	Final Action	Rod Kempkes, Lynnwood Link Executive Project Director

PROPOSED ACTION

(1) Adopts the Lynnwood Link Extension baseline schedule and budget by (a) increasing the authorized project allocation to date from \$667,337,500 to \$2,771,622,000, which includes a project contingency of \$170,162,000 requiring board approval for use of this contingency; (b) lowering the 2018 annual budget from \$251,679,968 to \$229,256,177; and (c) establishing a project revenue service date of July 17, 2024; and (2) changes the location of the 185th Station parking garage from the west side of I-5 to Sound Transit-owned property on the east side of I-5 adjacent to the station, eliminating the requirement to improve pedestrian connections on or adjacent to the existing NE 185th Street bridge over I-5.

KEY FEATURES SUMMARY

- This action adopts the Lynnwood Link Extension baseline schedule and budget to extend Link light rail from the Northgate Station to the Lynnwood City Center Station and approve the start of construction. Some pre-construction services and early demolition work is currently underway.
- The Lynnwood Link Extension proposed baseline budget of \$2,771,622,000 (YOE) will provide agency administration, design, acquisition of right-of-way, construction, construction services, and third-party activities. The proposed baseline budget exceeds the cost estimate range included in the 2008 Sound Transit 2 (ST2) plan.
- This action establishes the project revenue service date as July 17, 2024. Based on other recent national project experience, the Federal Transit Administration (FTA) has recommended that the Lynnwood Link revenue service milestone stated in the Full Funding Grant Agreement (FFGA) be changed to July 17, 2024.
- This action changes the location of the 185th Station parking garage selected by the board in Resolution No. R2015-05 from within interstate right-of-way on the west side of I-5 to Sound Transit owned property on the east side of I-5 adjacent to the station. This removes the requirement to improve pedestrian connections on or adjacent to the existing NE 185th Street bridge over I-5.

BACKGROUND

The Lynnwood Link Extension project is an 8.5 mile light rail extension from Northgate to Lynnwood with service to the cities of Shoreline, Mountlake Terrace, and Lynnwood. The extension will travel primarily along I-5 and will include four stations at NE 145th Street, NE 185th Street, Mountlake Terrace Transit Center, and Lynnwood Transit Center. The project began final design in 2016 and is scheduled to open for service July 17, 2024.

The proposed Lynnwood Link Extension baseline action addresses a number of design and coordination issues as summarized below. These include bus-rail transit integration, station area

access enhancements, future stations at 130th Street and 220th Street, and cost effectiveness and affordability.

Bus-Rail Transit Integration

In June 2014, the Sound Transit Board approved Motion No. M2014-44 directing staff to place a priority on transit integration. The design of the Lynnwood Link Extension stations respond to this policy direction. All four stations include provisions for bus integration with King County Metro and Community Transit such that bus service feeding the light rail stations in the I-5 north corridor may be optimized. Each station design includes off-street bus facilities, weather protection, sidewalks and landscaping to facilitate light rail transfers while maintaining auto, truck, bicycle, and pedestrian traffic. Collaboration with Seattle, Shoreline, Mountlake Terrace, and Lynnwood to refine the station designs will continue, and concurrence with each city will be sought as design progresses.

Station Area Access Enhancements

Resolution No. R2015-05 directed staff to partner with the cities of Seattle, Shoreline, Mountlake Terrace, and Lynnwood during final design to identify and implement appropriate pedestrian, bicycle, and vehicular access enhancements to stations focused generally within a quarter mile of the stations. Sound Transit Board Motion No. M2017-93 authorizes project access enhancement funding for each station and requires matching funding from the cities for each station. The baseline budget includes a total of \$8.5 million in project access funding provided by Sound Transit.

Cost Effectiveness

The high ST2 cost estimate for the Lynnwood Link Extension was \$2.4 billion. In June 2017, staff prepared a cost estimate for the Lynnwood Link Extension based on the 60% design plans which indicated that the project was trending more than \$500 million higher than the ST2 estimate. In July 2017, staff met with national transit experts to review the status of the design and immediately began an intensive cost reduction effort to develop value engineering solutions to make the project more affordable without changing the overall scope of the project. In the fall of 2017, approximately 100 cost reduction ideas were discussed and agreed to with each of the cities along the alignment. One of the more significant cost reduction ideas was to relocate the 500 stall parking garage at the Shoreline North/185th Station. This action changes the location of the 185th Station parking garage selected by the board in Resolution No. R2015-05 from within interstate right-of-way on the west side of I-5 to Sound Transit owned property on the east side of I-5 adjacent to the station. This action also removes the requirement and associated costs to improve pedestrian connections on or adjacent to the existing NE 185th Street bridge over I-5. The accepted cost reduction ideas were then incorporated into the final design. While this design change has been incorporated into the design, Sound Transit will not have the updated cost estimate for these changes until 3rd quarter 2018. Therefore, the approximately \$200 million in potential cost savings associated with the change in the station location and other cost savings ideas are not reflected in the proposed baseline budget.

Future 130th Street and 220th Street Stations

Consistent with Resolution No. R2015-05, which selected the route, profile, and stations for the Lynnwood Link light rail extension, the project design includes low cost infrastructure improvements that are both consistent with the ST2 plan and necessary to avoid substantial disruption of future light rail operations to facilitate construction of stations near NE 130th Street in Seattle (as funded in ST3) and SW 220th Street in Mountlake Terrace.

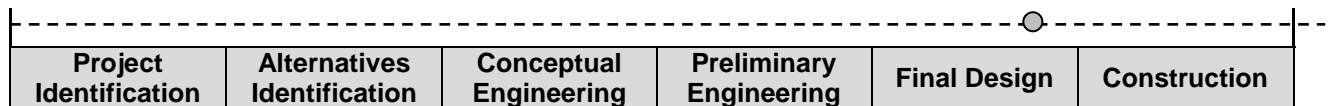
Project Risk Assessment

Consistent with Sound Transit policy and practice, construction contract packaging and associated delivery methods were prepared for project implementation, a detailed schedule was developed, detailed cost estimates were developed based upon at least 60% level of design, and a project-wide risk assessment was conducted for the entire Lynnwood Link Extension by both Sound Transit and the FTA. After completing its risk assessment, the FTA is requiring Sound Transit to include \$170.2 million project contingency in the baseline budget. Sound Transit's risk assessment concluded that there is greater than an 80% confidence level the project will be completed on schedule and within the proposed baseline project budget without the use of the added project contingency.

Environmental Review

The Lynnwood Link Extension Final Environmental Impact Statement was issued April 1 and April 3, 2015, pursuant to the State Environmental Policy Act (SEPA) and the National Environmental Policy Act (NEPA), respectively. The Sound Transit Board selected the project route, profile, and stations on April 23, 2015. The Federal Transit Administration (FTA) issued a Record of Decision on July 10, 2015, and the Federal Highway Administration issued a Record of Decision on August 31, 2015. Sound Transit issued a SEPA Addendum on May 3, 2018, which includes additional environmental information related to project refinements proposed since the Final EIS was issued.

PROJECT STATUS



Projected Completion Date for Lynnwood Link Extension: 3Q 2024

FISCAL INFORMATION

This action establishes the baseline budget and schedule for the Lynnwood Link Extension. The authorized project allocation to date is increased from \$667,337,500 to \$2,771,622,000, which includes a project contingency of \$170,162,000. Transfer of funds from the project contingency requires board action. In addition, the 2018 annual project budget has been reduced from \$251,679,968 to \$229,256,177.

This baseline budget will fund the project through to revenue service by amending the authorized project allocation to date in the following phases: agency administration, preliminary engineering; final design, third-party agreements, right-of-way, construction, construction services and project contingency.

Lynnwood Link Extension

(in thousands)

Project Phase	Annual Project Budget			Authorized Project Allocation to Date		
	Adopted 2018 Annual Project Budget	Budget Revision	Revised 2018 Annual Project Budget	Authorized Project Allocation to Date (Current)	Allocation Change	Authorized Project Allocation to Date (New)
Agency Administration	\$10,960	\$(504)	\$10,456	\$88,305	\$9,859	\$98,164
Preliminary Engineering				42,000	(2,946)	39,054
Final Design	29,906	12,425	42,331	111,453	52,710	164,162
Third Party Agreements	7,403	(4,499)	2,904	17,400	(2,800)	14,600
Right of Way	141,879	(11,416)	130,463	235,660	0	235,660
Construction	34,000	(16,391)	17,609	67,595	1,853,796	1,921,391
Construction Services	27,532	(2,039)	25,493	104,925	23,504	128,429
Vehicles	0	0	0	0	0	0
Project Contingency	0	0	0	0	170,162	170,162
Total	\$251,680	\$(22,424)	\$229,256	\$667,338	\$2,104,285	\$2,771,622

The ST2 cost estimate for the Lynnwood Link Extension included proportional costs for vehicles and maintenance. In separate actions, the board established two separate projects – Light Rail Vehicle Expansion project and the Operations and Maintenance Facility East (OMFE) -- so these costs are not included in the Lynnwood Link baseline budget. The amounts for vehicles and maintenance attributed to the Lynnwood Link Extension however, will be reflected in the Agency's Full Funding Grant Agreement (FFGA) application, as required by the FTA.

The ST2 cost estimate for Lynnwood Link Extension, without vehicles and its proportionate share of the operations and maintenance facility, is \$2.1 billion. By comparison, the proposed baseline budget is \$706.6 million greater than the ST2 estimate for the identical scope. This variance includes a \$170.2 million project contingency added at the FTA's request. Without the project contingency the variance would be \$536.4 million.

The Lynnwood Link Extension baseline budget is affordable within the existing agency's long term financial plan, which assumes the award of an FFGA from the FTA for \$1.17 billion in Federal funds. Sound Transit submitted the FFGA application in March and it is currently under review by the FTA. There is some risk associated with securing the FFGA since the Administration has expressed its intention to no longer execute new FFGAs. However, Congress included \$100 million for the Lynnwood project in the FY 2017 Appropriations Act and included additional funding as well as language in the FY 2018 funding bill that directs the Administration to keep advancing FFGAs for execution. Most recently, the U.S. House of Representatives transportation appropriations subcommittee included more funding for new FFGAs along with instructions to the FTA to move forward on such agreements in its FY2019 Appropriations Bill. In the event this federal funding does not materialize, additional debt will need to be issued to finance the project, which will negatively impact the financial capacity of the agency. If award of major construction contracts is delayed past fall of 2018 due to uncertainties related to federal funding, the baseline budget and schedule would need to be reviewed for potential impacts.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

Sound Transit is committed to actively seeking public feedback at key design milestones for Lynnwood Link Extension. During final design, Sound Transit has:

- Informed the public with briefings, public meetings and frequent updates on social media and the Sound Transit website;
- Asked for public input before making design decisions;
- Considered and addressed public input whenever it was technically and financially feasible;
- Reported back to the public about how design has progressed;
- Notified residents, property owners and businesses before conducting work in the field; and
- Prepared communities for utility relocations and heavy civil construction.

To make information about Lynnwood Link Extension as widely available as possible, Sound Transit has used a variety of communications methods including: postcards, e-newsletters, social media posts, press releases and door-to-door outreach. Additionally, many local neighborhood blogs, partner jurisdiction newsletters and community newspapers have carried articles about the advancement of Lynnwood Link design and how to provide input.

Sound Transit Community Outreach is now focused on working with the public to understand their questions and concerns in advance of construction. Stakeholder surveys are being distributed to business and residents near the Project. These surveys provide valuable feedback to staff and provide Sound Transit with an opportunity to discuss upcoming construction activities.

TIME CONSTRAINTS

A one month delay would conflict with the FFCA schedule for the project, and could undermine the standing of the Lynnwood Link Extension FFCA with the Administration.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2017-93: Adopted guidelines for Access Enhancement Partnering Agreements with the Cities of Seattle, Shoreline, Mountlake Terrace, and Lynnwood for the Lynnwood Link Extension, as defined by the budget and guidelines set forth in this action and consistent with direction provided in Resolution No. R2015-05.

Resolution No. R2017-15: Established the baseline budget for the LRV Expansion project.

Motion No. M2017-93: Adopted guidelines for Access Enhancement Partnering Agreements with the Cities of Seattle, Shoreline, Mountlake Terrace, and Lynnwood for the Lynnwood Link Extension, as defined by the budget and guidelines set forth in this action and consistent with direction provided in Resolution No. R2015-05.

Resolution No. R2016-18: Established the baseline budget for the OMFE project.

Resolution No. R2015-30: Amended the 2015 Adopted Budget to (1) increase the lifetime capital budget for the Lynnwood Link Extension by \$423,742,313 from \$64,118,687 to \$487,861,000, (2) increased the 2015 Annual Budget by \$2,329,890 from \$16,324,776 to \$18,654,671; and (3) authorized the project to advance through Gate 4 within Sound Transit's Phase Gate Process.

Resolution No. R2015-05: Selected the route, profiles, and station locations for the Lynnwood Link Extension.

Motion No. M2014-44: Directed the chief executive officer to study bus-rail-streetcar integration, and develop transit integration plans and proposals in coordination with King County Metro and other transit providers as may later choose to participate, to ensure that transit service is delivered as efficiently and effectively as possible while providing a higher quality, more seamless experience for transit customers.

Motion No. M2013-96: Identified the preferred light rail routes and station locations for the Lynnwood Link Extension Final Environmental Impact Statement.

Motion No. M2012-17: Identified the light rail route and station alternatives to study in detail in the Lynnwood Link Extension Draft Environmental Impact Statement.

Motion No. M2011-87: Identified the range of North Corridor Transit Project alternatives to be studied in the Draft Environmental Impact Statement and excluding from further study worse performing and less promising alternatives evaluated in the project alternatives analysis.

ENVIRONMENTAL REVIEW

KH 5/2/2018

LEGAL REVIEW

AJP 5/18/2018

RESOLUTION NO. R2018-16

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) adopting the Lynnwood Link Extension baseline schedule and budget by (a) increasing the authorized project allocation to date from \$667,337,500 to \$2,771,622,000, which includes a project contingency of \$170,162,000 requiring board approval for use of this contingency; (b) lowering the 2018 annual budget from \$251,679,968 to \$229,256,177; and (c) establishing a project revenue service date of July 17, 2024; and (2) changing the location of the 185th Station parking garage from the west side of I-5 to Sound Transit-owned property on the east side of I-5 adjacent to the station, eliminating the requirement to improve pedestrian connections on or adjacent to the existing NE 185th Street bridge over I-5.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (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 Sound Transit 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, in December 2017, the Board approved Resolution No. R2017-44, adopting an annual budget for the period from January 1 through December 31, 2018, and adopting the 2018 Transit Improvement Plan; and

WHEREAS, the Lynnwood Link Expansion project was included in the voter approved Sound Transit 2 plan; and

WHEREAS, on November 21, 2013 the Sound Transit Board identified the alignment for environmental review; and

WHEREAS, the Lynnwood Link Extension Final Environmental Impact Statement was issued April 1 and April 3, 2015, pursuant to the State Environmental Policy Act (SEPA) and the National Environmental Policy Act (NEPA), respectively; and

WHEREAS, the Sound Transit Board's selection of the project route, profile, and stations was adopted on April 23, 2015; and

WHEREAS, the Federal Transit Administration (FTA) issued a Record of Decision on July 10, 2015; the Federal Highway Administration issued a Record of Decision on August 31, 2015; and Sound Transit issued a SEPA Addendum on May 3, 2018, which includes additional environmental information related to project refinements proposed since the Final EIS was issued; and

WHEREAS, the project includes 8.5 miles of light rail extension from Northgate to Lynnwood with service to the cities of Shoreline, Mountlake Terrace, and Lynnwood that will travel

primarily along I-5 and will include four stations at NE 145th Street, NE 185th Street, Mountlake Terrace Transit Center, and Lynnwood Transit Center; and

WHEREAS, all four stations include provisions for bus integration with King County Metro and Community Transit such that bus service feeding the light rail stations in the I-5 north corridor may be optimized consistent with Board direction in Motion No. M2014-44; and

WHEREAS, Sound Transit conducted extensive public outreach for the Lynnwood Link Extension from alignment selection through preliminary engineering and final design which included email notifications, open houses, online surveys, stakeholder roundtables, and community and City Council briefings; and

WHEREAS, in June 2017, the Sound Transit Board adopted guidelines for access enhancement funding for the Lynnwood Link Extension with specified matched funding provided by the cities for each station for a total of \$8.5 million in funding provided by Sound Transit; and

WHEREAS, in response to a June 2017 cost estimate for the Lynnwood Link Extension that indicated the project was trending over \$500 million higher than the high ST2 estimate, agency staff sought value engineering solutions to make the project more affordable; and

WHEREAS, changing the location of the 185th Station parking garage selected by the Sound Transit Board in Resolution No. R2015-05, from within interstate right-of-way on the west side of I-5 to Sound Transit owned property on the east side of I-5 adjacent to the station and removing the requirement to improve pedestrian connections on or adjacent to the existing NE 185th Street bridge over I-5, is one of the value engineering ideas identified by agency staff and is supported by the City of Shoreline; and

WHEREAS, the Lynnwood Link Extension baseline budget does not include the costs of vehicles or maintenance facilities that were transferred to two separate projects—the Light Rail Vehicle Fleet Expansion (Vehicles) and Operations and Maintenance Facility East (OMF East) projects—because they benefit several light rail extensions; and

WHEREAS, the Lynnwood Link Extension has been proceeding through the prescribed process of the federal Capital Investment Grant program in order to secure a Full Funding Grant Agreement as a major source of funding; and

WHEREAS, a project-wide risk assessment conducted by agency staff for the entire Lynnwood Link Extension project concluded that there is greater than an 80% confidence level the project will be completed on schedule and within the proposed baseline project budget without the use of project contingency, provided that the planned start of construction is not delayed due to Sound Transit not having secured federal funding for the project; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to revise the Adopted 2018 Budget.

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

Section 1. The Lynnwood Link Extension baseline schedule and budget is adopted by (a) increasing the authorized project allocation to date from \$667,337,500 to \$2,771,622,000, which includes a project contingency of \$170,162,000 requiring board approval for use of this contingency; (b) lowering the 2018 annual budget from \$251,679,968 to \$229,256,177; and (c) establishing a project revenue service date of July 17, 2024.

Section 2. The location of the 185th Station parking garage is changed from the west side of I-5 to Sound Transit-owned property on the east side of I-5 adjacent to the station, eliminating the requirement to improve pedestrian connections on or adjacent to the existing NE 185th Street bridge over I-5.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 24, 2018.


Ron Lucas
Board Vice Chair

ATTEST:


Kathryn Flores
Board Administrator