

RESOLUTION NO. R2018-30

Baseline Budget and Schedule for the Federal Way Link Extension

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	08/17/2018	Cancelled	Ron Lewis, DECM Acting Executive Director
Board	08/23/2018	Deferred	Dan Abernathy, Executive Project Director – Federal Way Link Extension
Capital Committee	09/13/2018	Recommend to Board	
Board	09/27/2018	Final Action	

PROPOSED ACTION

Adopts the Federal Way Link Extension baseline schedule and budget by (a) increasing the authorized project allocation to date by \$2,038,910,000 from \$412,625,000 to \$2,451,535,000 (b) lowering the 2018 annual budget by \$52,612,337 from \$116,533,002 to \$63,920,665; and (c) establishing a project revenue service date of December 31, 2024.

KEY FEATURES SUMMARY

- This action adopts the Federal Way Link Extension baseline schedule and budget to extend Link light rail from the Angle Lake Station to the Federal Way Transit Center Station and approves the start of design and construction. Some pre-construction services and early demolition work is currently underway.
- The Federal Way Link Extension proposed baseline budget of \$2,451,535,000 (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 2016 Sound Transit 3 (ST3) plan.
- This action establishes the project revenue service date as December 31, 2024.

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 and Interstate 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 mid-2019 and the project is scheduled to open for service in 2024.

The ST2 Plan, approved by voters in 2008, included environmental studies and preliminary engineering design for light rail connecting SeaTac to Des Moines, Kent, and Star Lake. The ST2 Plan also included construction of light rail from the Angle Lake Station to the Kent/Des Moines Station, and the 272nd Station. In 2016 the voters approved the ST3 Plan, which provided financing to extend the light rail to the Federal Way Transit Center.

The Federal Way Link Extension will be delivered as a single design build contract package. Design and construction includes:

- 7.8 miles of double track at-grade and elevated guideway.
- Three elevated center platform stations.
- Three parking garages: 500 spaces at Kent/Des Moines Station, 1,100 spaces at the 272nd Station, and 400 additional spaces at the Federal Way Transit Center Station.
- Relocation of a water tank, power, sanitary, storm and private utilities.
- Pedestrian safety and access improvements around the stations.
- Five new traction power substations to power the overhead catenary system along the alignment.

The Design-Build Request for Qualifications (RFQ) was issued April 12, 2018. Statements of Qualifications were received on June 7, 2018. On July 26, 2018, the Board approved the design build stipend to advance the design build procurement process. The project team intends on issuing the Request for Proposal to the design build proposing teams upon approval of this proposed action.

In June Sound Transit performed a quantitative risk assessment of the 30 percent design and design build request for proposal. The risk assessment confirmed Sound Transit’s baseline estimate was sufficient. The Federal Transit Administration participated in the quantitative risk assessment and are performing their risk assessment in August.

The Federal Way Link Extension Final Environmental Impact Statement was issued November 18, 2016, 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 January 26, 2017. The Federal Transit Administration (FTA) issued a Record of Decision on March 6, 2017, and the Federal Highway Administration issued a Record of Decision on March 9, 2017.

PROJECT STATUS

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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Projected Completion Date: 4Q 2024

Project scope, schedule and budget summary located are on page 85 of the May 2018 Link Light Rail Program Progress Report.

FISCAL INFORMATION

This action establishes the baseline budget and schedule for the Federal Way Link Extension. The authorized project allocation to date is increased by \$2,038,910,000 from \$412,625,000 to \$2,451,535,000. In addition, the 2018 annual project budget is reduced by \$52,612,337 from \$116,533,002 to \$63,920,665.

The 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, and construction services.

Federal Way Link Extension

(in thousands)

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	\$3,804	\$2,914	\$6,718	\$14,915	\$81,605	\$96,520
Preliminary Engineering	3,000	348	3,348	43,409	260	43,669
Final Design	700	279	979	2,374	711	3,085
Third Party Agreements	2,240	161	2,401	18,646	9,095	27,741
Right of Way	100,129	(54,144)	45,985	274,085	67,480	341,565
Construction	2,000	(1,729)	271	13,524	1,818,425	1,831,949
Construction Services	4,660	(442)	4,218	45,672	61,334	107,006
Vehicles						
Contingency						
Total	\$116,533	(\$52,612)	\$63,921	\$412,625	\$2,038,910	\$2,451,535

Notes:

Amounts are expressed in Year of Expenditure.

The project budget is located on page 27 of 171 of the Adopted 2018 Transit Improvement Plan (TIP).

The combined ST2/ST3 cost estimate for Federal Way Link Extension is \$2.1 billion. By comparison, the proposed baseline budget is \$2.5 billion or \$460.3 million higher than the ST2/ST3 estimate.

A Full Funding Grant Agreement (FFGA) is anticipated to fund 25 percent of the total project cost. Although this project does not include any light rail vehicles, the grant application will include vehicles that are being procured through another capital project – LRV Fleet Expansion. Sound Transit anticipates submitting the FFGA application to the Federal Transit Administration (FTA) during the first quarter of 2019.

There is risk associated with securing a federal grant. While the Administration has expressed its intention to not execute new FFGAs, Congress continues to provide robust funding for the program and to press the Administration to continue to process grants through execution for projects that have met all the federal requirements. The agency's preliminary analysis shows that with the award of a federal FFGA, the increased Federal Way Link Extension costs are within the capacity of the agency to fund. However, as reported at the Board meeting in July, depending on the economic assumptions used to predict future costs and revenues and the grant allocations and debt allocations approved by the Board, there could be long-term affordability challenges at the subarea level. In the event this federal funding does not materialize, additional debt will be issued to finance the project, negatively impacting the financial capacity of the agency and the South King subarea. If uncertainties related to federal funding continue, the baseline budget and schedule would need to be reviewed for potential impacts. The financial analysis to provide more certainty regarding these issues will be provided fall 2019.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

Throughout the development of the Federal Way Link Extension, Sound Transit has conducted an extensive public involvement program including mailings, community open houses, and presentations and meetings with individuals and neighborhood groups.

Sound Transit Community Outreach is now focused on working with the public to understand their questions and concerns in advance of construction. Stakeholder surveys or other input tools will be developed and distributed to business and residents in the project corridor. These tools will 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 design-build procurement schedule for the project and negatively impact the project's critical path schedule.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2017-07: (1) Authorized the Federal Way Link Extension project to advance through Gate 4 within Sound Transit's Phase Gate process; (2) increased the authorized project allocation to date by \$363,835,000 from \$48,790,000 to \$412,625,000; and (3) increased the 2017 annual budget by \$64,637,043 from \$6,120,957 to \$70,758,000.

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

Resolution No. R2016-04: (1) Restored funding to the Sound Transit 2 Financial Plan and expanding the scope of the Federal Way Link Extension project to include preliminary engineering from the Kent/Des Moines Station to the Federal Way Transit Center, additional third-party coordination and right-of-way activities, and (2) amended the Adopted 2016 Budget for the Federal Way Link Extension by (a) increasing the Lifetime Budget from \$42,877,459 to \$48,790,000 and (b) increasing the 2016 Annual Budget from \$21,763,407 to \$25,193,726.

Resolution No. R2015-56: Identified the preferred light rail route and station locations for the Federal Way Link Extension Final Environmental Impact Statement and approving 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, approving Gate 2 within Sound Transit's Phase Gate process, and changing the project name to Federal Way Link Extension.

ENVIRONMENTAL REVIEW

KH 8/2/18

LEGAL REVIEW

DB 8/9/18



RESOLUTION NO. R2018-30

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting the Federal Way Link Extension baseline schedule and budget by (a) increasing the authorized project allocation to date by \$2,038,910,000 from \$412,625,000 to \$2,451,535,000 (b) lowering the 2018 annual budget by \$52,612,337 from \$116,533,002 to \$63,920,665; and (c) establishing a project revenue service date of December 31, 2024.

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 Federal Way Link Extension project was included in the voter approved Sound Transit 2 plan; and

WHEREAS, on September 26, 2013, the Sound Transit Board identified alternatives for study in an environmental impact statement; and

WHEREAS, the Federal Way Link Extension Final Environmental Impact Statement was published on November 18, 2016, in compliance with 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 January 26, 2017; and

WHEREAS, the Federal Transit Administration (FTA) issued a Record of Decision on March 6, 2017; and the Federal Highway Administration's (FHWA) Record of Decision issued on March 9, 2017; and

WHEREAS, the project 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 the City of Federal Way. The extension generally parallels State Route 99 and Interstate 5, with stations at Kent/Des Moines, South 272nd, and the Federal Way Transit Center; and

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

WHEREAS, in response to a May 2018 cost estimate for the Federal Way Link Extension that indicated the project was trending more than \$400 million higher than the high ST2 estimate, agency staff sought value engineering solutions to make the project more affordable; and

WHEREAS, the Federal Way 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 Extension (Vehicles) and Operations and Maintenance Facility East (OMF East) projects—because they benefit several light rail extensions; and

WHEREAS, the Federal Way 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 potential source of funding; and

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

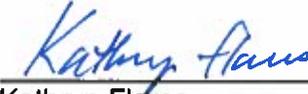
NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Federal Way Link Extension baseline schedule and budget is adopted by (a) increasing the authorized project allocation to date by \$2,038,910,000 from \$412,625,000 to \$2,451,535,000 (b) lowering the 2018 annual budget by \$52,612,337 from \$116,533,002 to \$63,920,665; and (c) establishing a project revenue service date of December 31, 2024.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 27, 2018.



John Marchione
Board Vice Chair

ATTEST:



Kathryn Flores
Board Administrator