



Motion No. M2021-34

Funding Agreement with the City of Bothell for the Transfer of Development Rights Program at the Bus Base North

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	05/13/2021 05/27/2021	Recommend to Board Final action	Don Billen, Executive Director, PEPD Bernard van de Kamp, East Corridor Development Director, PEPD

Proposed action

Authorizes the chief executive officer to execute a Transfer of Development Rights Program agreement with the City of Bothell for Sound Transit to reimburse the City for services provided for the Bus Base North in the amount of \$105,000, with a 10 percent contingency of \$10,500, for a total authorized agreement amount not to exceed \$115,500.

Key features summary

- Sound Transit is proposing to construct the new bus base in the Canyon Park subarea of Bothell to support Bus Rapid Transit on the I-405 and SR 522/145th corridors.
- In December 2020, the City of Bothell adopted updates to the Canyon Park subarea plan and land use code in order to retain its designation as a Regional Growth Center (RGC) by the Puget Sound Regional Council (PSRC).
- Because Bus Base North does not meet the new density standard, Sound Transit and the City collaboratively identified that a transfer of development rights (TDR) program would allow potential redistribution of a portion of the available density from Bus Base North throughout the rest of the RGC to satisfy the overall minimum density required by the PSRC and allow for the creation of Transit Oriented Development (TOD) that may otherwise not be built.
- The TDR program evaluation, including the development of and assistance with implementation of new City code provisions, would promote affordable housing and TOD outcomes, ensure overall minimum density in the RGC, and facilitate a path forward for City Hearing Examiner approval of a Conditional Use Permit required for Sound Transit's Bus Base North.
- The proposed agreement will establish a formal working relationship to define the roles, responsibilities, and financial obligations in performing the TDR program evaluation. Work will be performed in two phases, Phase 1: TDR Program Assessment and Recommendations and Phase 2: Development and Implementation of Land Use Code.
- Sound Transit will reimburse the City of Bothell for work on the Transfer of Development Rights program, up to \$105,000. Sound Transit will retain a 10% contingency of \$10,500 if required for unanticipated additional work.
- The Bothell City Council is scheduled to approve the agreement in May 2021.

Background

ST3 includes Bus Rapid Transit on the I-405 and SR 522/NE 145th St. corridors and a bus base is needed to support fleet expansion. Sound Transit is proposing to construct the new bus base (Bus Base North), which includes a new bus operations and maintenance building and a parking structure for employee vehicles over ground level bus parking, in the Canyon Park subarea of Bothell.

The City of Bothell adopted updates to the Canyon Park subarea plan and land use code in order to support its designation as a Regional Growth Center (RGC) by the Puget Sound Regional Council (PSRC). As part of the updated land use code implementing the subarea plan, minimum floor area ratio (FAR) is required of all development in the RGC and is intended to ensure that the RGC meets the overall minimum level of development intensity required by PSRC. Bus Base North does not meet the FAR standard due to its facility and site requirements.

At the same time, the City's subarea plan for the Canyon Park RGC is also dependent on transit investments to address transportation needs for projected growth in the RGC. These transit investments include Sound Transit's BRT projects, such as Canyon Park BRT Station, that require a bus base facility.

In recognition of mutual affordable housing and transit-oriented development goals, Sound Transit and the City collaboratively identified that a transfer of development rights program would allow potential redistribution of a portion of the available density from Bus Base North throughout the rest of the RGC as a means for the RGC to satisfy overall minimum density required by the PSRC.

The creation of a TDR program, which would create transferrable property rights in the form of TDR credits associated with Bus Base North, has the potential to generate affordable housing and TOD options that would not otherwise be available to Sound Transit in connection with the real property upon which Bus Base North will be located. The City similarly seeks to maximize affordable housing and TOD opportunities within its jurisdiction, including within the Canyon Park RGC. Such a program would further enable the City to satisfy PSRC's growth capacity requirements in order to retain Canyon Park's RGC designation.

Sound Transit and the City agree that a TDR program evaluation, including the development of and assistance with the implementation of new City code provisions, is a necessary and mutual good-faith effort to achieve the Parties' respective interests in promoting affordable housing and TOD outcomes, ensuring overall minimum density in the RGC. The program evaluation also facilitates a path forward for City Hearing Examiner approval of a Conditional Use Permit required for Sound Transit's Bus Base North.

In summary, A TDR program would:

- Create transferrable property rights in the form of TDR credits associated with Bus Base North real property, which have the potential to generate affordable housing and TOD options that would not otherwise be available to Sound Transit;
- Advance similar City goals to maximize affordable housing and TOD opportunities, particularly within the Canyon Park RGC, which is dependent on transit investments, including Sound Transit's BRT projects that are dependent on Bus Base North; and
- Enable the City to achieve its minimum development intensity goals to retain Canyon Park's RGC designation.

The Agreement between Sound Transit and Bothell will establish a formal working relationship to define the roles, responsibilities, and financial obligations in performing the TDR program evaluation. Work will be performed in two phases, Phase 1: TDR Program Assessment and Recommendations and Phase 2: Development and Implementation of Land Use Code.

On August 10, 2020, Sound Transit issued a Determination of Non-Significance (“DNS”) for the Bus Base project pursuant to the Washington State Environmental Policy Act (SEPA) and Sound Transit’s SEPA rules.

Future related actions for the Bus Base North include action to select the project to be built, action to baseline the schedule, scope and budget for the Bus Base North project, and action to select a design builder to deliver the project.

Project status

Project Identification	Project Refinements	Conceptual Engineering/ Environmental Review	Preliminary Engineering	Final Design	Construction
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Projected completion date for Bus Base North project: 2026

Project scope, schedule and budget summary are located on page 181 of the February 2021 Agency Progress Report.

Fiscal information

This action is within the authorized project allocation and sufficient monies remain after approval of this action to fund the remaining work in the Third Parties phase.

The authorized project allocation for the Bus Base North project is \$48,676,000. Within the third parties phase, \$160,000 has been allocated to the budget line item for third parties agreement for the transfer of Development Rights Program agreement with City of Bothell. The action would commit an additional \$115,500 to this line item and leave a budget balance of \$42,819.

Bus Base North

(in thousands)

Project Phase	Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$4,424	\$1,659	\$	\$1,659	\$2,765
Preliminary Engineering	2,305	1,710		1,710	595
Final Design	0	0		0	0
Third Party	160	2	116	117	43
Right of Way	41,787	35,020		35,020	6,767
Construction		0	0	0	0
Construction Services		0		0	0
Total Current Budget	\$48,676	\$38,390	\$	\$38,505	\$10,171
Phase Detail - Third Parties					
City of Bothell	\$158	\$	\$116	\$116	\$43
Other Third Parties	2	2		2	0
Total Phase	\$160	\$2	\$116	\$117	\$43

City of Bothell Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	\$	\$	\$105	\$105
Contingency	0	0	11	11
Total Contract Amount	0	\$	\$116	116
Percent Contingency	0%	0%	10%	10%

Notes:

Amounts are expressed in Year of Expenditure \$000s.
 Board Approvals = Commitment and PO Contingency Remaining as of 5/5/2021.
 For detailed project information, see page 150 in the 2021 Finance Plan and Adopted Budget Book.

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

We are committed to proactively seeking public input during all stages of the project. The I-405 BRT Community Engagement and Communication Guide establishes a stakeholder engagement process that helps ensure priorities of local communities are heard and considered along with the project-wide goals. We have collaborated with elected officials, partner staff and adjacent property owners during the project. Sound Transit is working closely with the City of Bothell on the Bus Base North project. During the COVID-19 pandemic, Sound Transit leveraged virtual platforms to provide project updates to the public, and facilitate briefings and meetings with neighborhood associations, IAG members, and stakeholders.

Time constraints

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

Prior Board/Committee actions

Resolution No. R2017-26: Authorized the chief executive officer to acquire certain real property interests, contingent on receipt of any necessary federal approvals, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for potential transit center and park-and-ride and operations and maintenance facility sites for the I-405 Bus Rapid Transit Project.

Resolution No. R2020-21: Amended the Adopted 2020 Budget for the Bus Base North project to support a property acquisition by (a) increasing the 2020 annual budget from \$1,530,000 to \$16,530,000 and (b) transferring \$12,600,000 from the Construction Services phase to the Right of Way phase while maintaining the authorized project allocation of \$48,676,000.

Environmental review – KH 5/6/21

Legal review – AJP 5/7/21



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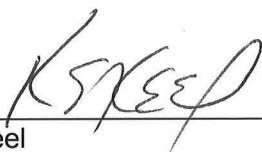
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Motion

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 Transfer of Development Rights Program agreement with the City of Bothell for Sound Transit to reimburse the City for services provided for the Bus Base North in the amount of \$105,000, with a 10 percent contingency of \$10,500, for a total authorized agreement amount not to exceed \$115,500.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 27, 2021.



Kent Keel
Board Chair

Attest:



Kathryn Flores
Board Administrator