



MEMO TO: Finance, Administration, and Communications Committee of the Whole

FROM: Jeff Churchill, AICP, Transportation Strategic Advisor

DATE: May 28, 2019

SUBJECT: ST3: Surplus Property Resolution, Transit Way Agreement, and Construction Services Agreement

I. PURPOSE ☐ For Info Only ☐ Potential Agenda Item ☒ Scheduled for Council Action

Brief the Committee on:

1. Surplus Property
2. Transit Way Agreement (TWA)
3. Construction Services Agreement (CSA)

The ST3 Development Agreement is on the May 28 Study Session agenda; it is not a subject of this briefing.

II. RECOMMENDATION

1. Council hold a public hearing at the June 18 Regular Business Meeting for surplussing City-owned property needed for the Downtown Redmond Link Extension
2. Council adopt a surplus property resolution at the June 18 Regular Business Meeting
3. Council authorize the Mayor to execute the Transit Way Agreement at the July 16 Regular Business Meeting.

III. DEPARTMENT CONTACTS

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IV. DESCRIPTION/BACKGROUND

Completion of the light rail extension to Downtown relies on executing at least five agreements with Sound Transit as listed below and illustrated on the next page:

1. Project Administration Agreement – *complete*
2. Real Property Reimbursement Agreement – *complete*
 - a. *Property actions will be brought forward to Council as needed*
3. Development Agreement – *separately under considered by Council, public hearing held May 7*
4. Construction Services Agreement, and
5. Transit Way Agreement.



This memo concerns the following three items:

- Surplus Property Resolution,
- Transit Way Agreement (TWA), and
- Construction Services Agreement (CSA).

A. Analysis

Surplus Property Resolution

Sound Transit needs to acquire City-owned property to construct and operate the Downtown Redmond Link Extension. At its October 2, 2018 Regular Business Meeting the City Council delegated authority to the Mayor to execute many Sound Transit-related property transactions (see Attachment B). However, surplus property declarations require Council action by resolution.

Staff recommends that the Council hold a public hearing and subsequently adopt a surplus property resolution at its June 18 Regular Business Meeting in order to facilitate property transactions discussed below between the City and Sound Transit. The surplus property resolution is provided as Attachment C.

Utility Property

Along the 3.4-mile alignment of the light rail extension there are several minor conflicts between existing utilities and future light rail. Sound Transit will be relocating and replacing various water, wastewater, and stormwater assets to eliminate the conflicts, as well as to provide utility services to its new rail infrastructure. Several utility easements will be relocated so they are in the location of the new utility assets. When Sound Transit relocates the utilities, the existing easements will be surplus to the City's needs. The affected properties are shown in Attachment C, Exhibit 2. The exact location of impacts to City utility easements may change during final design. In March the City Council adopted a similar surplus property resolution related to utilities on the Microsoft campus.

State law requires the City Council to hold a public hearing prior to declaring utility properties surplus, and further requires that the resolution declaring the property surplus state, “*the fair market value or the rent or consideration to be paid and such other terms and conditions for such disposition as the legislative authority deems to be in the best public interest.*”

The draft surplus property resolution states that the consideration accepted by the City will be:

1. The City will no longer need to maintain and reserve money for replacement of utility assets and easements that no longer serve the utility, and
2. Sound Transit will relocate and replace utility assets and easements that leave Redmond’s utility systems in an equal or better condition than they would otherwise be.

Non-Utility Properties

Sound Transit intends to acquire one full and one partial non-utility property (see Attachment C, Exhibit 3). The full property take is located in the 6400 block of 156th Ave NE, adjacent to SR 520. The City acquired the property from WSDOT following an SR 520 project. It is undeveloped and City staff have concluded that it is surplus to the City’s needs.

The partial take, of 970 sq. ft., located in the 5500 block of 154th Ave NE, is a narrow strip of land located along the edge of the property adjacent to SR 520. The City acquired the property from King County for park, open space or recreation purposes, and Sound Transit is obligated under the terms of the City’s acquisition to replace the park/open space/recreation land. Sound Transit has agreed to purchase and improve property adjacent to the Redmond Central Connector in Downtown Redmond to satisfy that obligation.

State law authorizes the City to sell property to other governmental entities, and requires the City Council to hold a public hearing prior to declaring the property surplus to the City’s needs when the property value exceeds \$50,000.

Transit Way Agreement

Staff recommends that the Council authorize the Mayor to execute the Transit Way Agreement (TWA), substantially in the form shown in Attachment D, at its July 16 Regular Business Meeting. The TWA is the instrument by which Sound Transit gains the right to construct, operate and maintain the light rail transit system in City right-of-way (ROW).

Key Provisions of TWA

The TWA includes the following key provisions:

1. Allows ST to construct, operate, and maintain the light rail transit system in City ROW,
2. Commits the City to minimizing impact to light rail operations when working in the ROW,
3. Commits ST to operating light rail in accordance with federal, state, and local laws including City ordinances and standards, and
4. Lasts as long as the transit way is used for public transportation purposes consistent with all permits and approvals.

Geographic Scope of TWA

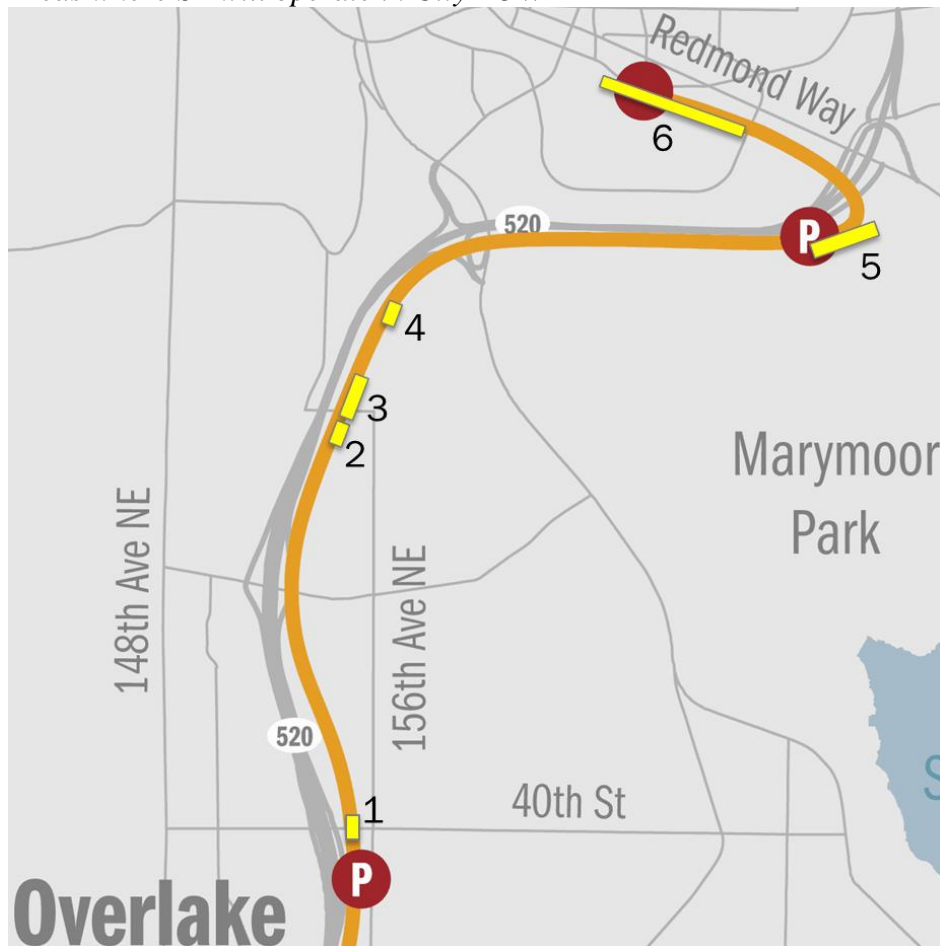
The extension to Downtown Redmond runs largely in the following areas:

1. Washington State Department of Transportation (WSDOT) ROW,
2. Redmond Central Connector (RCC) corridor, and
3. Through property that Sound Transit will acquire.

However, there are six general areas where the light rail transit system will operate in City ROW as shown in the table below. There will be no at-grade crossings of City streets.

Location	Relationship to Street
1. NE 40 th St crossing	Light rail crosses under NE 40 th St
2. 154 th Ave NE/NE 59 th St intersection vicinity	Light rail is alongside, separated from, street
3. NE 60 th St crossing and immediately adjacent to the north	Light rail crosses under NE 60 th St and runs in unoccupied ROW
4. 156 th Ave NE/NE 65 th St intersection vicinity	Light rail is alongside, separated from, street
5. NE 70 th St at SE Redmond Station	Light rail is alongside, separated from, street
6. NE 76 th St in Downtown	Light rail is elevated above portion of street

Areas where ST will operate in City ROW



Construction Services Agreement

The Construction Services Agreement (CSA) will govern the final design and construction of City betterments that the City is funding and Sound Transit is constructing on the City's behalf. It sets-out the parties' roles and responsibilities during construction and commits the City's resources to design and construct the betterments. The CSA identifies four betterments as described in the table below.

Betterment	General Scope	Cost Estimate (\$'000s)
NE 51 st St. Pressure Reduction Valve (PRV)	Replace aging PRV and appurtenances near NE 51 st St and SR 520	\$589
NE 76 th St.-SR 202 (Redmond Way) Intersection Improvements	Add second left-turn lane from eastbound Redmond Way to eastbound NE 76 th St	\$521
NE 70 th St.-SR 202 (Redmond Way) Intersection Improvements	Add second left-turn lane from north/westbound Redmond Way to westbound NE 70 th St	\$3,774
Redmond Central Connector (RCC) Improvements (<i>jointly funded with Sound Transit</i>)	Rebuild RCC from 166 th Ave NE to the Bear Creek Trail in accordance with RCC Master Plan	\$1,615

Key Provisions of CSA

The CSA includes the following key provisions:

1. **Scope of work and changes to scope.** The CSA defines the scope of work for each betterment, which have not changed since the Council's January 2019 Study Session on betterments. The CSA grants Sound Transit approval authority over scope changes in order to minimize risk to Sound Transit's light rail project. The City has reviewed and approved the scopes of work and does not anticipate requesting scope changes. The CSA grants the City approval authority over change orders since Sound Transit is constructing betterments for the City.
2. **Roles and responsibilities.** The agreement describes Sound Transit as the administrator of final design and construction, with the City participating in final design and observing and inspecting construction as the Betterment owner. The agreement also acknowledges the City's separate role as permitting authority for the Betterments.
3. **Funding.** The City agrees to fund all "eligible betterment-related costs". The City's costs are the bid item prices from the design-builder, fixed management and administrative fees to Sound Transit, acquisition of any necessary property rights, utility relocation costs, and change order costs.
4. **Acceptance and ownership.** The City will inspect, accept, own and maintain the betterments when constructed.
5. **Termination of agreement.** The CSA provides for a variety of situations under which the CSA could be suspended or terminated, including for non-performance, material changes to betterment design or cost, and by mutual agreement.

Cost Estimate vs. 2019-24 CIP

Sound Transit has opened bids from the prospective design-builders. The bids are affordable within the adopted 2019-24 CIP. See Attachment E for funding details.

Next Steps

There is time allotted to the CSA on the Council's June 11 Study Session agenda, if needed. The Council could choose to use that time to discuss and resolve issues with the CSA or could proceed directly to action, currently planned for the July 16 Regular Business Meeting.

V. TIME CONSTRAINTS

- Property Resolution: this resolution must be adopted prior to the City conveying property rights to Sound Transit needed to construct light rail. Early construction activities could occur as early as late 2019.
- Transit Way Agreement: this agreement must be executed prior to Sound Transit entering City ROW to construct light rail. Early construction activities could occur as early as late 2019.
- Construction Services Agreement: this agreement must be executed prior to Sound Transit finalizing the design-build contract, expected this summer.

VI. LIST OF ATTACHMENTS

Attachment A: ST3 Agreements Graphic

Attachment B: Real Property Transaction Types

Attachment C: Draft Surplus Property Resolution

Exhibit 1: Downtown Redmond Link Extension Map

Exhibit 2: Surplus Utility Property Rights

Exhibit 3: Surplus Non-Utility Property Rights

Attachment D: Recommended Transit Way Agreement

Attachment E: Betterments Funding

Attachment F: Committee Meeting Slide Presentation