

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the City Manager to Execute the Fifth Amendment to the Expedited Permitting and Reimbursement Agreement with Sound Transit for the Lynnwood Link Extension Project
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Juniper Nammi, Light Rail Project Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The Sound Transit Lynnwood Link Extension (LLE Project), currently under construction, is over three quarters complete and is on track to be substantially complete by November of 2023. City services in support of the LLE Project permitting and construction are funded by the Expedited Permitting, Reimbursement, and Construction Services Agreement (Reimbursement Agreement) with Sound Transit. This agreement was originally executed in 2016 and has been amended four times, including one increase in the not to exceed amount up to \$5,700,669, which was approved by Council on September 24, 2018, with the addition of the construction services scope to the agreement.

The services provided by the City for this project have exceeded the original amounts estimated in 2018 due to the pandemic related inflation and schedule impacts, greater than estimated numbers of permits and reviews, and numbers of inspection requests than exceed what was anticipated. The not to exceed amount of \$5,700,669 will be fully expended in the fourth quarter of 2022, but the project is not complete and City services are still required.

At the time of the funding limit amendment in 2018, the Sound Transit Board authorization included a contingency amount of \$399,046. An amendment to the Reimbursement Agreement adding in the basis for and use of this contingency amount now requires Council approval.

RESOURCE/FINANCIAL IMPACT:

Sound Transit is required to pay the cost of continued design review, expedited permit processing, inspections, and other construction services associated with the Project, but the current not to exceed amount in the Reimbursement Agreement will be fully expended before the end of the fourth quarter of 2022. Additional revenue is needed to support the Light Rail Stations expenditures budgeted through the end of 2022 and into 2023. The contingency funding amount of \$399,046 will provide sufficient funding through approximately February 2023 allowing sufficient time for the City and Sound

Transit to negotiate an additional amendment to the Reimbursement agreement next year to fund the balance of the Light Rail Program expenditures for City services in support of the LLE Project through to revenue service.

RECOMMENDATION

Staff recommends that City Council authorize the City Manager to execute the Fifth Amendment to the Expedited Permitting, Reimbursement, and Construction Services Agreement with Sound Transit for the Lynnwood Link Project (#8629.05), subject to final approval as to form by the City Attorney.

Approved By: City Manager _____ City Attorney _____

BACKGROUND

The Sound Transit Lynnwood Link Extension (LLE Project), currently under construction, is over three quarters complete and is on track to be substantially complete by November of 2023. The LLE Project is currently slated to open in July of 2024, though Sound Transit is currently reevaluating schedule impacts and resources to determine if any adjustment to the revenue service date is needed. City services in support of the LLE Project permitting and construction are funded by the Expedited Permitting, Reimbursement, and Construction Services Agreement (Reimbursement Agreement).

The services provided by the City for this project have exceeded the original amounts estimated in 2018, due to the pandemic related inflation and schedule impacts, greater than estimated numbers of permits and reviews, and numbers of inspection requests than exceed what was anticipated. The not to exceed amount of \$5,700,669 will be fully expended in Q4 of 2022, but the project is not complete and City services are still required.

The Reimbursement Agreement was originally executed in 2016 and has been amended four times, including one increase in the not to exceed amount up to \$5,700,669 which was approved by Council on September 24, 2018, with the addition of the construction services scope to the agreement.

Past staff reports related to this agreement are available online with the following links:

- July 25, 2016, Council meeting - [Authorize the City Manager to Execute the Expedited Permitting and Reimbursement Agreement with Sound Transit for the Lynnwood Link Project](#)
- September 24, 2018, Council meeting - [Motion to Authorize the City Manager to Execute the Second Amendment to the Expedited Permitting and Reimbursement Agreement with Sound Transit for the Lynnwood Link Extension Project](#)

Sound Transit completed design of the LLE Project in 2018 and has been under construction since spring of 2019. The project is over 75% completed and is on schedule to reach substantial completion by November 2023. City services during this time have included design review, permit review and processing, construction inspections, addressing public complaints during construction, and coordination of the LLE Project with City capital projects and private development.

Permitting for the project was split into two phases, almost doubling the number of permits required for the project. The project schedule has been significantly impacted by both the COVID-19 pandemic and a five month concrete workers' strike that extended the construction schedule by roughly four months. Significant revisions have been necessary to address the Seattle City Light delay of their capitol project to replace the direct buried infrastructure in 5th Ave NE with duct banks that the LLE Project was going to connect to for powering the Shoreline South/148th Station facilities and the train power infrastructure nearby. These permit changes, design revisions, schedule impacts,

and related additional inspections and coordination efforts were not anticipated in the 2018 cost estimates for the Reimbursement Agreement.

DISCUSSION

Additional revenue is needed to fund the City staff positions and consultant services supporting the LLE Project at this time. Without an amendment to the funding limit in this agreement, the City will either have to stop providing services in support of the Sound Transit LLE Project or will have to fund these expenditures through other revenue sources.

Another amendment to fully fund the City services in support of the LLE Project through revenue service is in negotiation. Estimation of the amount needed is still pending finalization of the City's 2022-2024 biennial budget, updated estimates of the level of effort needed for these services, and Sound Transit's re-evaluation of revenue service dates for all their Link Light Rail projects currently in construction. Staff plans to bring another amendment to the Reimbursement Agreement to Council for authorization in the first quarter of 2023.

COUNCIL GOAL(S) ADDRESSED

Authorizing execution of the proposed Fifth Amendment to the Reimbursement Agreement with Sound Transit will secure additional funding needed continue implementation of City Council's 2022-2024 Goal #3: "Continue preparation for regional mass transit in Shoreline." Specifically, the agreement will facilitate the Council Goal #3, Action Step #2: "Work collaboratively with Sound Transit on the Lynnwood Link Extension Project, including negotiation of remaining project agreements and coordination of project construction, inspection, and ongoing permitting."

RESOURCE/FINANCIAL IMPACT

Sound Transit is required to pay the cost of continued design review, expedited permit processing, inspections, and other construction services associated with the Project, but the current not to exceed amount in the Reimbursement Agreement will be fully expended before the end of the fourth quarter of 2022. Additional revenue is needed to support the Light Rail Stations expenditures budgeted through the end of 2022 and into 2023. The contingency funding amount of \$399,046 will provide sufficient funding through approximately February 2023 allowing sufficient time for the City and Sound Transit to negotiate an additional amendment to the Reimbursement agreement next year to fund the balance of the Light Rail Program expenditures for City services in support of the LLE Project through to revenue service.

RECOMMENDATION

Staff recommends that City Council authorize the City Manager to execute the Fifth Amendment to the Expedited Permitting, Reimbursement, and Construction Services

Agreement with Sound Transit for the Lynnwood Link Project (#8629.05), subject to final approval as to form by the City Attorney.

ATTACHMENT

Attachment A - Fifth Amendment to the Expedited Permitting and Reimbursement Agreement with Sound Transit for the Lynnwood Link Extension Project

**FIFTH AMENDMENT TO
THE EXPEDITED PERMITTING, REIMBURSEMENT, AND
CONSTRUCTION SERVICES AGREEMENT
BETWEEN THE CITY OF SHORELINE AND
THE CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY
FOR THE LYNNWOOD LINK PROJECT**

THIS Fifth Amendment is made by and between the City of Shoreline, a Washington municipal Corporation (“the City”) and the Central Puget Sound Regional Transit Authority, a regional transit authority of the State of Washington (“Sound Transit”) (collectively the “Parties” and each individually as a “Party”) to the Expedited Permitting, Reimbursement and Construction Services Agreement for the Lynnwood Link Project on September 29, 2016 (“Agreement”).

RECITALS

- A. The City and Sound Transit entered into the Agreement in order to expedite and streamline the design and permitting of the Project as identified in the Agreement and to address related staffing by the City.
- B. Since its original execution, the Agreement has been amended on four (4) previous occasions: to add additional permit types and services; provide additional reimbursement for third party services; to modify Designated Representatives for the Parties; and to further add an additional permit type and services.
- C. The Parties desire to amend the Agreement for a fifth time to: provide additional funding due to the unanticipated levels of effort that have been required by the City to date in order to provide the services expected by Sound Transit for the Lynnwood Link project.
- D. Pursuant to Section 18.10 of the Agreement, certain amendments may be agreed to by the Designated Representatives and shall be binding without the need for formal approval by Sound Transit or the City. This Fifth Amendment satisfies the criteria in Section 18.10 so that formal approval is not necessary.

AGREEMENT

FOR AND IN CONSIDERATION OF and subject to the terms and conditions set forth below, the City and Sound Transit do hereby agree to amend the Agreement, as amended, as described below:

1.0 Section 5.1 of the Agreement is amended as follows:

Amount. The cost estimate provided in Exhibit C-2 represents the Parties’ best and reasonable efforts to estimate the duration, city staffing needs, and budget for City costs related to the pre-construction and construction phases of the Project. Based on this estimate, Sound Transit will pay the City an amount not to exceed Six Million, Ninety Nine Thousand, Seven Hundred Fifteen Dollars

(\$6,099,715) to reimburse the City for costs incurred related to design review, permitting, project management and coordination, and construction of the Project as described in this Agreement.

2.0 Exhibit C-1, "Estimated Cost of Final Design Review, Permit Processing and Construction Services" is replaced in its entirety with the attached Exhibit C-2, "Estimated Cost of Final Design Review, Permit Processing and Construction Services."

3.0 Unless expressly revised by this Fifth Amendment, all other terms and conditions of the Agreement, as amended, shall remain in full force and effect and unchanged by this Fifth Amendment.

IN WITNESS WHEREOF, each of the Parties hereto has executed this Fifth Amendment to the Agreement by having its Designated Representatives affix their name in the appropriate space below:

CENTRAL PUGET SOUND REGIONAL
TRANSIT AUTHORITY (SOUND TRANSIT)

CITY OF SHORELINE

By: _____
Kimberly Farley, Deputy Chief Executive
Officer

By: _____
John Norris, Interim City Manager

Date: _____

Date: _____

Approved as to form:

Approved as to form:

By: _____
Natalie A. Moore, Legal Counsel

By: _____
Margaret King, City Attorney

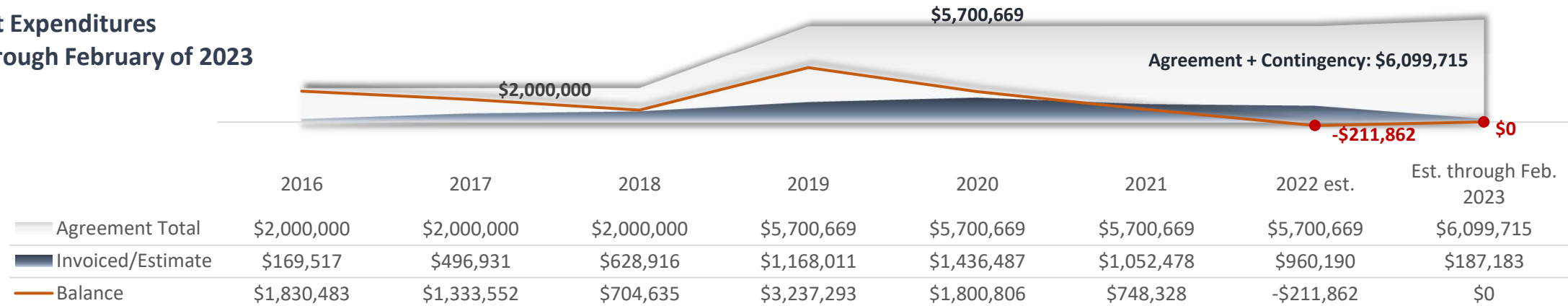
Exhibit List:

**Exhibit C-2 Estimated Costs for Final Design
Review, Permit Processes and
Construction Services**

Exhibit C-2 - Estimated Cost of Final Design Review, Permit Processing and Construction Services

Actuals 2016-2021 and Estimates for 2022-2023

Contract Expenditures 2016 through February of 2023



Staff/Consultant	2022 Rates	FTE	Actuals - January through September 2022			Estimate - October 2022 through February 2023			
			2022 Q1 Actual	2022 Q2 Actual	2022 Q3 Actual	2022 Q4 Estimate	2023 Rates	Jan 2023 Estimate	Feb 2023 Estimate
Project Manager*	\$92	1.1	\$44,052	\$30,786	\$47,011	\$40,863	\$106	\$15,600	\$15,600
Administrative Support*	\$59	0.5	\$13,494	\$12,673	\$12,878	\$12,966	\$70	\$3,404	\$3,404
Project Coordinator*	\$76	1	\$34,337	\$33,617	\$39,340	\$33,504	\$88	\$13,029	\$13,029
Planner	\$80-\$81	0.00	\$20	\$91	\$91	\$3,535	\$86-\$95	\$1,968	\$1,968
Permit Technician	\$61-\$94	0.01	\$107	\$412	\$214	\$270	\$72-\$108	\$214	\$214
Building Official	\$101	0.005	\$202	\$403	\$1,059	\$1,159	\$115	\$338	\$338
Building Inspector/Plans Examiner	\$90-\$160	1.6	\$92,563	\$61,416	\$60,472	\$95,599	\$97-\$172	\$30,505	\$30,505
Development Review Engineer	\$215	0.3	\$25,981	\$23,193	\$24,349	\$25,800	\$247	\$9,478	\$9,478
City Engineer	\$123	0.0		\$185	\$0				
Traffic Engineer	\$90-\$102	0		\$827	\$4,466	\$8,393	\$106-\$120	\$1,737	\$1,737
Wastewater Utility Specialist	\$77-\$88	0.16	\$5,409	\$4,171	\$6,911	\$6,939	\$89-\$94		
Surface Water Manager/Specialist	\$94-\$109	0.01	\$546	\$27	\$0	\$416	\$102-\$116		
Construction/ROW Inspector*	\$75-\$83	0.83	\$27,793	\$21,042	\$24,016	\$37,006	\$89	\$14,497	\$14,497
Staff/Consultant Subtotal			\$244,505	\$188,752	\$220,806	\$266,449		\$90,769	\$90,769
Arborist	\$110-\$166			\$642	\$1,604	\$1,600	\$120	\$833	\$833
Noise Review	\$116-\$260			\$2,072		\$600			
Geotechnical Engineering	\$160				\$1,639	\$400			
Wetlands/Environmental	\$110-\$185		\$2,051	\$841	\$2,143	\$3,000	\$119-\$199	\$1,000	\$1,000
Structural Engineering	\$158		\$2,142	\$4,442	\$15,178	\$7,100	\$158	\$1,683	\$1,683
Printing						\$375			
Credits (-)			(289.00)	(1,301)	(2,384)	(2,176)		(694.00)	(694.00)
Contract Services/Credits Subtotal			\$3,904	\$6,696	\$18,179	\$10,899		\$2,823	\$2,823
Total per Quarter or Month			\$248,409	\$195,448	\$238,985	\$277,348		\$93,592	\$93,592
Balance (subtracted from above)			\$499,919	\$304,471	\$65,486	-\$211,862		-\$305,454	-\$399,046

Funded by Agreement through October 2022

Contingency Funds through February 2023

Legend

Staff Positions

Consultant Services

* City staff positions fully funded by this Agreement

FTE = Full Time Employee