

Capital Appropriation Proposal

Budget: 2017 Convention Place Station, Scenario: Executive Proposed, Agency: Transit, Fund: 3641 PUBLIC TRANS CONST-UNREST, Project: 1028624 TDC TOD CONVENTION PLACE, Cap Status:All

TD TOD CONVENTION PLACE CENTER (TDC TOD CONVENTION PLACE)

1028624

Master Project

Department	TRANSPORTATION
Council District(s)	8
Fund	3641 PUBLIC TRANS CONST-UNREST
Class Code	TDC TOD CONVENTION PLACE
Substantial Completion	
Location	
Cap Status	Approved

BUDGET (Appropriation)

Capital Phase	ITD Budget	FY17-18	FY19-20	FY21-22	Total Budget
1 Planning	\$414,984	\$0	\$0	\$0	\$414,984
2 Preliminary Design	\$3,412,239	\$0	\$0	\$0	\$3,412,239
3 Final Design	\$1,740,659	\$0	\$0	\$0	\$1,740,659
4 Implementation	\$5,579,196	\$16,399,896	\$0	\$0	\$21,979,092
5 Closeout	\$529,098	\$0	\$0	\$0	\$529,098
6 Acquisition	\$0	\$0	\$0	\$0	\$0
Total Budget	\$11,676,176	\$16,399,896	\$0	\$0	\$28,076,072

ART	FY17-18	FY19-20	FY21-22	Total 6-Year Art Budget
Art	\$0	\$0	\$0	\$0

REVENUE

Account	FY17-18	FY19-20	FY21-22	Total 6-Year Revenue
30800 - BUDGETED FUND BALANCE	\$16,399,896	\$0	\$0	\$16,399,896
Total Revenue	\$16,399,896	\$0	\$0	\$16,399,896

EXPENSE TDC TOD CONVENTION PLACE 1028624

Capital Phase	ITD Actuals thru 12/2016	Not Applicable	FY 17-18	FY 19-20	FY 21-22	Total Expense
1 Planning	\$619,702	\$0	\$0	\$0	\$0	\$619,702
2 Prelim Design	\$3,780,393	\$0	\$0	\$0	\$0	\$3,780,393
3 Final Design	\$375,920	\$0	\$0	\$0	\$0	\$375,920
4 Implementation	\$82,106	\$0	\$19,200,000	\$4,000,000	\$0	\$23,282,106
5 Closeout	\$0	\$0	\$0	\$0	\$0	\$0
6 Acquisition	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense	\$4,858,121	\$0	\$19,200,000	\$4,000,000	\$0	\$28,058,121

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BUDGET ANALYSIS

Capital Phase	Baseline	Estimate At Completion	ITD Actuals thru 12/2016	Not Applicable	ITD Actuals thru 12/2016
1 Planning	\$0	\$0	\$619,702	\$0	\$619,702
2 Preliminary Design	\$0	\$0	\$3,780,393	\$0	\$3,780,393
3 Final Design	\$0	\$0	\$375,920	\$0	\$375,920
4 Implementation	\$0	\$0	\$82,106	\$0	\$82,106
5 Closeout	\$0	\$0	\$0	\$0	\$0
6 Acquisition	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$4,858,121	\$0	\$4,858,121

Capital Phase	2017 Starting Balance	2017-2018 Budget Request	2017-2018 Expense	2018 Ending Balance
1 Planning	(\$204,718)	\$0	\$0	(\$204,718)
2 Preliminary Design	(\$368,154)	\$0	\$0	(\$368,154)
3 Final Design	\$1,364,739	\$0	\$0	\$1,364,739
4 Implementation	\$5,497,090	\$16,399,896	\$19,200,000	\$2,696,986
5 Closeout	\$529,098	\$0	\$0	\$529,098
6 Acquisition	\$0	\$0	\$0	\$0
Total	\$6,818,055	\$16,399,896	\$19,200,000	\$4,017,951

NARRATIVES

TDC TOD CONVENTION PLACE

1028624

Current Scope

This project involves planning and other activities in support of redevelopment of the existing Convention Place Station (CPS) to include: (1) an expansion of the existing Washington State Convention Center (WSCC); (2) retention of Transit assets of bus layover, passenger load/unload, and tunnel access as long as possible; (3) addition of a hotel and/or residential and/or commercial buildings; and (4) public space. To date, project planning and administration costs have been funded to support development of the Purchase and Sale Agreement. This budget request funds continuation of that work as well as the relocation of low voltage and communication systems and construction of interim access to the tunnel.

Project Justification

King County presently anticipates that it would cease bus operations in the DSTT in approximately June 2020. Selling the Property at that time would require expensive and potentially time-consuming marketing and procurement activities in a future and unknown real estate market. This project funds planning, negotiation, and design costs associated with the sale of the property as well as relocation of certain site equipment/infrastructure to allow for continued operation of buses in the tunnel for as long as possible while also supporting the sale of the property to WSCC and the beginning of construction of the WSCC Addition. The benefits of the WSCC Addition are detailed in the property summary for the purchase and sale transaction.

Budget Request Basis

The budget was developed from the estimation of staff hours and the consultants cost for the final negotiations and completion of transmittal documentation as well as costs associated with planning for and relocation of low voltage and communication systems and design and construction of interim access.

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Project Status

In 2013, the Washington State Convention Center (WSCC) entered into discussions with Metro Transit to start planning for the WSCC Addition. A Memorandum of Understanding was updated in May 2013, which outlined near term work and funding for both parties. The King County (KC) team has collaborated with WSCC and their consultants on alternative analyses, preliminary planning level design and phasing. Metro procured a consultant team with a RFP process to work on the negotiation, analyses, reports and review of the design.

The schedule for the project currently assumes council approval, relocation of certain structures, and final transfer of the property to WSCC in the 2017-2018 biennium. The current plan for this project is to continue operation of Transit buses at CPS as long as possible after the sale of the property and during the construction of the WSCC's project and then remove the buses from the Downtown Seattle Transit Tunnel (DSTT), which will not be any earlier than September 2018.

Alternatives Analysis

Preliminary financial analysis has been conducted for several development scenarios for the CPS property. The proposed WSCC Addition, coupled with other private sector uses, offers the best potential long-term source of income to Metro Transit, while preserving necessary Transit functions on site. The work described in this project is needed to support continued Metro Transit operations during WSCC construction.

Funding and Revenue Discussion

During 2013, a Memorandum of Understanding (MOU) was developed between WSCC and KC. WSCC will reimburse \$.6 million for King County's expenses during 2013 and 2014. The purchase and sale agreement calls for Metro to receive structured payments from WSCC totaling approximately \$275.3 million over the life of the contract (2017-2048). The structured sale provides \$20 million in upfront payment in 2017, interest-only payments of 1% from closing (assumed as late-2017/early-2018) until 2023, and growing annual payments starting in 2024 (4.25% interest and 3% escalation), with payments starting at about \$6.8 million per year in 2024 and increasing to approximately \$13.8 million in 2048. It is anticipated that Metro will also benefit indirectly from the sale of the Property through an increase in sales tax on construction resulting from the WSCC Addition. The total estimated increase in sales tax for Metro is approximately \$8.5 million from 2017-2022, based on current sales tax distributions. The \$20 million up front payment along with some of the sales tax on construction will be used to fund this work.

Other Agency Involvement

Metro Transit has been working with WSCC and Sound Transit relative to the work detailed here.

Art Eligibility

The low voltage and communications equipment is neither accessible nor visible to the public. The access ramp represents a replacement of existing infrastructure. An art contribution regarding the WSCC Addition, of which this work is a critical element, has been negotiated in the purchase and sale agreement and includes establishment of art funding by the WSCC totalling approximately \$4.5 million.

Equity and Social Justice Impact

The costs funded by this project do not have an equity and social justice impact in and of themselves. Equity and social justice impacts of the Convention Place Station sale are documented in the property summary for that transaction.

Strategic Climate Action Plan Alignment

The costs funded by this project do not have a Strategic Climate Action Plan impact in and of themselves. Strategic Climate Action Plan impacts of the Convention Place Station sale are documented in the property summary for that transaction.

Operating Budget Impacts

The relocations of equipment noted here as well as the relocation of access to the tunnel via a new ramp could impact speed and reliability of travel in the area of the site.