

CITY COUNCIL REGULAR SESSION

Ordinance (1) amending the 2019-2020 General Capital Investment Program (CIP) Fund to increase its appropriation by \$3,997,548; (2) amending the 2019-2025 General CIP Plan to increase the budget for the East Link MOU Commitments project (CIP Plan No. PW-R-181) by \$3,997,548; and (3) amending the 2019-2020 General Fund budget to increase the appropriation by \$1,000,000.

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Finance & Asset Management Department

EXECUTIVE SUMMARY

This Ordinance amends the budget for the acquisition of property rights necessary for the Spring Boulevard Zone 4, 130th Avenue NE, and 130th public park-and-ride projects.

RECOMMENDATION

Move to adopt Ordinance No. 6483.

If approved, effective date: 11/29/2019

BACKGROUND/ANALYSIS

The 2019-2025 CIP includes PW-R-174, NE Spring Boulevard Zone 4, which will construct transportation system improvements of a new arterial roadway connection between 130th Avenue NE and 132nd Avenue NE. The project includes modifications to traffic signals, and will integrate vehicular traffic, pedestrian, and bicycle movements with the Sound Transit East Link Light Rail project. The NE Spring Boulevard Zone 4 project is one of the projects in the City's Transportation Infrastructure Finance and Innovation Act (TIFIA) loan package, as it was identified as a part of the broad BelRed Plan and transportation vision of supporting planned growth and economic vitality, improving access and circulation, and capturing synergistic opportunities with Sound Transit's East Link Project.

In order to complete the project, the acquisition of property rights from Kellco (a/k/a Kelly) is required. See Attachment A through C for maps of the property and project descriptions.

In addition to the property needed for NE Spring Boulevard, the Kelly property will play a critical role in facilitating the construction of a 300-stall public park and ride for the East Link light rail project integrated with a mixed-use urban transit-oriented development (TOD), including a mix of market and affordable housing consistent with the City's vision for the Bel-Red corridor. In 2015 Council adopted Resolution No. 8903, approving execution of an Amended and Restated Umbrella Memorandum of Understanding with Sound Transit, which included provisions related to the transfer of the 130th Avenue TOD property to the City of Bellevue. Based on existing market conditions, property values and the contractual timeframe in which the City has committed to delivering the 300-stall park-and-ride in the conveyance agreement for the TOD property, possession and use of the Kellco property will provide flexibility, interim parking capacity and staging space for current and future projects.

A portion of the Kelly property will also be used for constructing sidewalks as part of the 130th Avenue NE project, PW-R-170.

City staff have negotiated a purchase and sale agreement (PSA) with the owner of the Kelly property, allowing the City to purchase the property for the price of \$10,000,000. While authorization to acquire the property was included in Ordinance No. 6481, approved by Council on October 21, this action is necessary to allocate sufficient funds to close on the transaction and to pay for associated closing costs and relocation costs. If approved, staff expect to complete the purchase of the property before the end of 2019.

POLICY & FISCAL IMPACTS

Policy Impact

Pursuant to RCW 35A.34.200(d), the expenditure in the final budget shall constitute the City's appropriations for the fiscal biennium.

City of Bellevue Comprehensive Financial Policy Section XI.P

The City Council may amend the CIP Plan at any time if a decision must be made and action must be taken before the next CIP review period. All project additions and deletions must be approved by the City Council.

Fiscal Impact

The total cost of the Kellco property including all closing costs and relocation costs is approximately \$10,500,000.

- A partial take is funded with the TIFIA loan in the amount of \$1,650,000 of funding secured with the 2019-2020 CIP Plan in the NE Spring Boulevard – 130th to 132nd Avenues NE (CIP Plan No. PW-R-174) project.
- Existing budget authority of \$4,852,452 from existing budget in the East Link MOU Commitments (CIP Plan No. PW-R-181) project.
- If approved, this budget amendment will fund the remainder \$3,997,548; \$1,000,000 from the general fund from one-time funds received from an audit of utility tax revenue ; \$2,997,548 in one-time funds from the Operating Grants, Donations, and Special Reserves Fund. One-time funds are best used for one-time projects such as the acquisition of property.

OPTIONS

1. Adopt the Ordinance(1) amending the 2019-2020 General Capital Investment Program (CIP) Fund to increase its appropriation by \$3,997,548; (2) amending the 2019-2025 General CIP Plan to increase the budget for the East Link MOU Commitments project (CIP Plan No. PW-R-181) by \$3,997,548; and (3) amending the 2019-2020 General Fund budget to increase the appropriation by \$1,000,000.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Property Rights Acquisition Table & Depiction of Acquisition
 - B. Vicinity/Project Map
 - C. CIP Project Description (PW-R-174)
 - D. CIP Project Description (PW-R-181)
- Proposed Ordinance No. 6483

AVAILABLE IN COUNCIL LIBRARY

Amended and Restated Umbrella Memorandum of Understanding – East Link Project