



## INFORMATIONAL MEMORANDUM

TO: **Transportation & Infrastructure Services Committee**  
FROM: **Hari Ponnekanti, Public Works Director/City Engineer**  
BY: **Brittany Robinson, Public Works Grant Analyst**  
CC: **Mayor Allan Ekberg**  
DATE: **January 13, 2023**  
SUBJECT: **Strander Blvd Extension Phase 3 Project**  
**Project No. 98610403**  
**RAISE Grant Application**

### **ISSUE**

Discussion regarding a Tukwila application submittal to the Rebuilding American Infrastructure with Sustainability & Equity (RAISE) grant program for the Strander Blvd Extension Phase 3 Project.

### **BACKGROUND**

Conversations on the Strander Boulevard Extension started in the 1980s. The City of Renton had the lead at that time and completed Phases 1 and 2 of the project. The City of Tukwila was the lead on Phase 3. The purpose of the project was to meet growth management concurrency standards, and to move 22,500 vehicles per day off South 180th Street, Grady Way and 1- 405. The project was planned to complete the last 1,500 feet of an east-west connection by constructing a safe crossing of a key regional railroad line.

On February 16, 2016, Council approved BergerABAM to begin preliminary design of the Strander Blvd Extensions Phase 3 project. During the preliminary engineering phase, the project became more complicated due to unforeseen circumstances and the cost estimate increased. WSDOT (Washington State Department of Transportation) and the Transportation Improvement Board (TIB) recommended that a Value Engineering Study (VE) be performed for the project to either find cost savings that could be incorporated into the design or validate the current design as the most cost-efficient option.

In 2019, design was stopped at 30% in order to conduct the VE Study. BergerABAM (now part of WSP) was selected as the City's consultant. Project stakeholders —the State legislature and funding authorities at the state, as well as the City of Renton —have expressed continued support for the project. Based on information provided in the VE study, the total project costs increased from \$39,102,000 to \$83,781,626, more than double the original estimate.

At the June 10, 2019, Committee of the Whole meeting, three options were presented for Council to consider:

**Option 1:** Continue with the current design of a 4- lane road. \$ 5 to \$ 10 million potential cost savings identified by VE Study.

**Option 2:** Incorporate value engineering proposals of a 2-lane road with no seal, if possible, and continue design. This option would eliminate walls on one side of the structure. 10 to \$25 million potential cost savings identified. Option 2 is the recommendation of City Administration.

**Option 3.** Stop work. Return grant funding and reimburse federal funds spent to date.

Based on the significant cost increase and lack of funding to complete the project, Council chose Option No. 3: stop work and reimburse the \$2 million in federal grant funds spent to date.

### **DISCUSSION**

On December 14, 2022, the United States Department of Transportation (USDOT) opened their call for project for RAISE grant funding. The RAISE program is a federal funding source that supports road, rail, transit, and port infrastructure projects that have local and regional impacts. The deadline to apply for funding is February 28, 2023.

There are numerous concerns regarding an application for the Strander Blvd Project:

1. The City has applied for RAISE funding eight times since 2010 for the Strander Blvd project. To date, we have not been successful in procuring these funds. Multiple applications were submitted when we had leverage from other funding and community partners. The number of times our applications have been declined suggests that this is not a competitive project.
2. The RAISE grant match requirements have changed, and the City match requirement will be 20%, or \$4 million.
3. Since the project was placed on hold in 2019, design data and cost estimates are outdated. The total cost of the project is likely to exceed our current estimates.

### **FINANCIAL IMPACT**

The project cost for design and Right of Way will be approximately \$20 million. The RAISE grant will fund up to 80% of a project, or up to \$16 million for the design and Right of Way. The City match portion would be \$4 million. No budget has been allocated for this match in the 2023-2025 biennium.

### **RECOMMENDATION**

Public Works seeks Council direction on the Rebuilding American Infrastructure with Sustainability & Equity (RAISE) grant submission for the Strander Blvd Extension Phase 3.

**ATTACHMENT:** 2022 CIP Revision  
2019 CIP, Page 10  
2017 CIP, Page 13  
COW 2019-06-10 Item 5D - Revised Design for Strander Boulevard Extension Phase III  
2019-06-10 Committee of the Whole Minutes

# CITY OF TUKWILA CAPITAL PROJECT SUMMARY

2023 to 2028

**PROJECT:** **Strander Blvd Extension Phase 3** Project No. 98610403

**DESCRIPTION:** Design and construct arterial improvements for a new roadway extending Strander Blvd/SW 27th St from West Valley Highway to Naches Ave SW in the City of Renton.

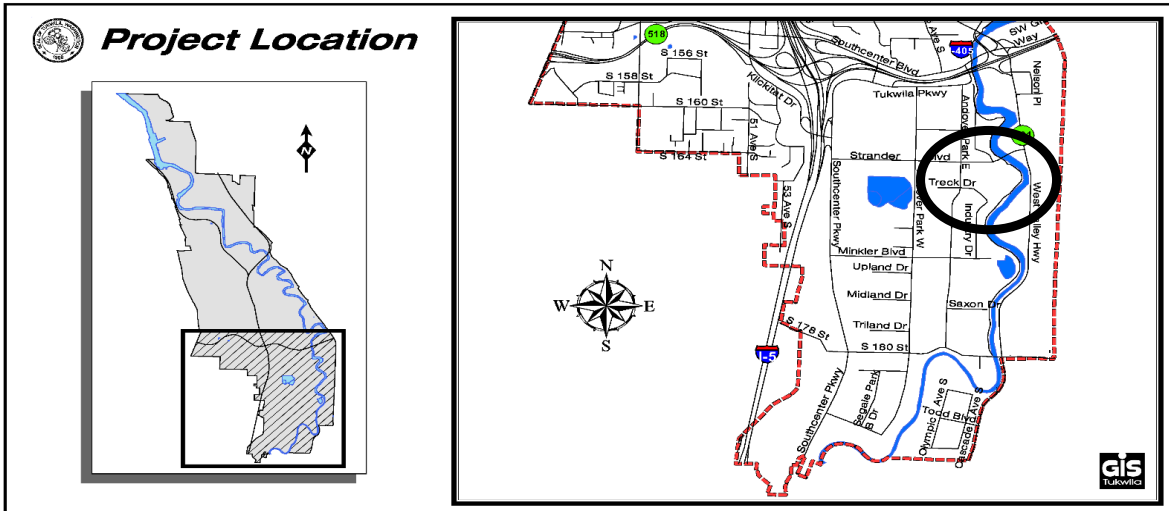
**JUSTIFICATION:** East/west capacity between I-405 and S 180 St is needed to serve Tukwila and Renton access.

**STATUS:** Project segregated into three phases. Phase I extended Strander Blvd/SW 27th St from Oakesdale Ave to Naches Ave SW. Phase II constructed a 2 lane road from Naches to the Sounder Train's Tukwila Longacres Station's parking lot. Paid Renton \$1m for Phase I & II. Phase III will construct the undercrossing of the UPRR and complete the 4 lane roadway from West Valley Hwy in Tukwila to Naches Ave SW in Renton.

**MAINT. IMPACT:** New street.

**COMMENT:** Project partners include the City of Renton, Boeing, WSDOT, FMSIB, Sound Transit, Metro, Amtrak, and BNSF and UP Railroads. The RAISE grant was submitted in 2022 to complete design and right of way.

FINANCIAL (in \$000's)	Through		Estimated							TOTAL
	2021	2022	2023	2024	2025	2026	2027	2028	BEYOND	
<b>EXPENSES</b>										
Design	2,830		7,500	7,500						17,830
Grant Repayment	622									622
Land (R/W)	104				2,000					2,104
Wetland Mitigation										0
Const. Mgmt.					2,000	2,500	2,500	2,500		9,500
Construction						28,000	28,000	28,000		84,000
<b>TOTAL EXPENSES</b>	<b>3,556</b>	<b>0</b>	<b>7,500</b>	<b>7,500</b>	<b>4,000</b>	<b>30,500</b>	<b>2,500</b>	<b>2,500</b>	<b>0</b>	<b>114,056</b>
<b>FUND SOURCES</b>										
STP Grant										0
Fastlane Grant										0
FMSIB Grant										0
Proposed Federal Grant			6,000	6,000	1,600	15,000	15,000	15,000		58,600
Proposed State/Federal						9,400	9,400	9,400		28,200
Sound Transit	227									227
City Oper. Revenue	3,329	0	1,500	1,500	2,400	6,100	6,100	6,100		27,029
<b>TOTAL SOURCES</b>	<b>3,556</b>	<b>0</b>	<b>7,500</b>	<b>7,500</b>	<b>4,000</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>0</b>	<b>114,056</b>



## CITY OF TUKWILA CAPITAL PROJECT SUMMARY

2019 to 2024

**PROJECT:** **Strander Blvd Extension Phase 3** Project No. 98610403

**DESCRIPTION:** Design and construct arterial improvements for a new roadway extending Strander Blvd/SW 27th St from West Valley Highway to Naches Ave SW in the City of Renton.

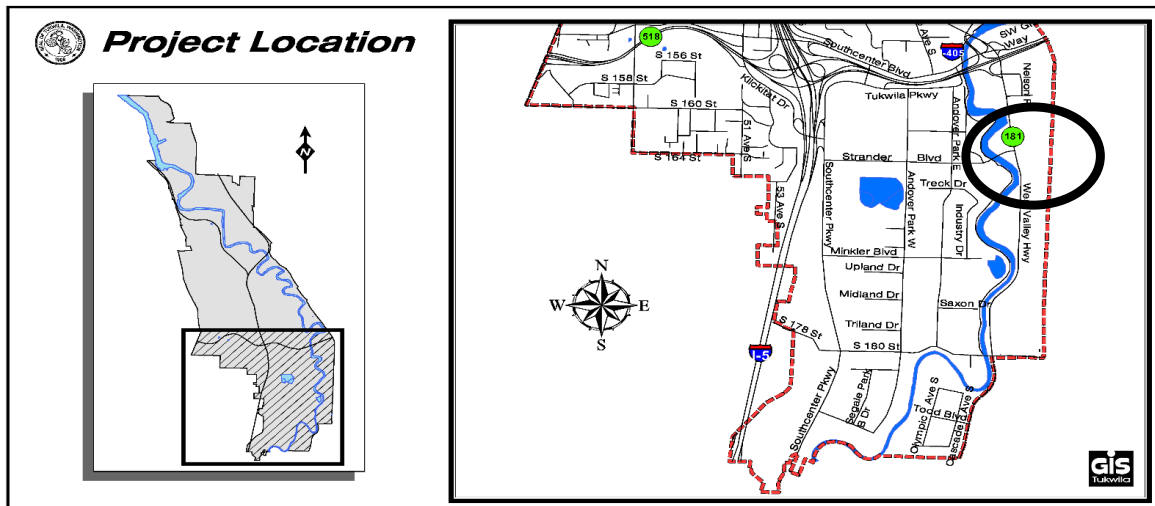
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**MAINT. IMPACT:** New street.

**COMMENT:** Project partners include the City of Renton, Boeing, WSDOT, FMSIB, Sound Transit, Metro, Amtrak, and BNSF and UP Railroads. Funds in 2015-16 are for updated cost estimates and grant applications. STP (PSRC), FAST Lane, and TIGER grants were submitted in 2016.

FINANCIAL (in \$000's)	Through		Estimated							BEYOND	TOTAL
	2017	2018	2019	2020	2021	2022	2023	2024			
<b>EXPENSES</b>											
Design	359	3,269	2,000							5,628	
Land (R/W)	104		1,720							1,824	
Wetland Mitigation		50		500						550	
Const. Mgmt.				2,000	2,000					4,000	
Construction				35,889	35,889					71,778	
<b>TOTAL EXPENSES</b>	<b>463</b>	<b>3,319</b>	<b>3,720</b>	<b>38,389</b>	<b>37,889</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>83,780</b>	
<b>FUND SOURCES</b>											
Awarded STP Grant		1,946	3,200							5,146	
Proposed STP Grant					4,760					4,760	
Awarded Fastlane Grant				2,500	2,500					5,000	
Awarded FMSIB Grant				2,500	2,500					5,000	
Proposed BUILD America Grant				25,000						25,000	
Proposed State TIB Grant					12,000					12,000	
Proposed State/Federal Grant				8,389	16,129					24,518	
City Oper. Revenue	463	1,373	520	0	0	0	0	0	0	2,356	
<b>TOTAL SOURCES</b>	<b>463</b>	<b>3,319</b>	<b>3,720</b>	<b>38,389</b>	<b>37,889</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>83,780</b>	





# CITY OF TUKWILA CAPITAL PROJECT SUMMARY

2017 to 2022

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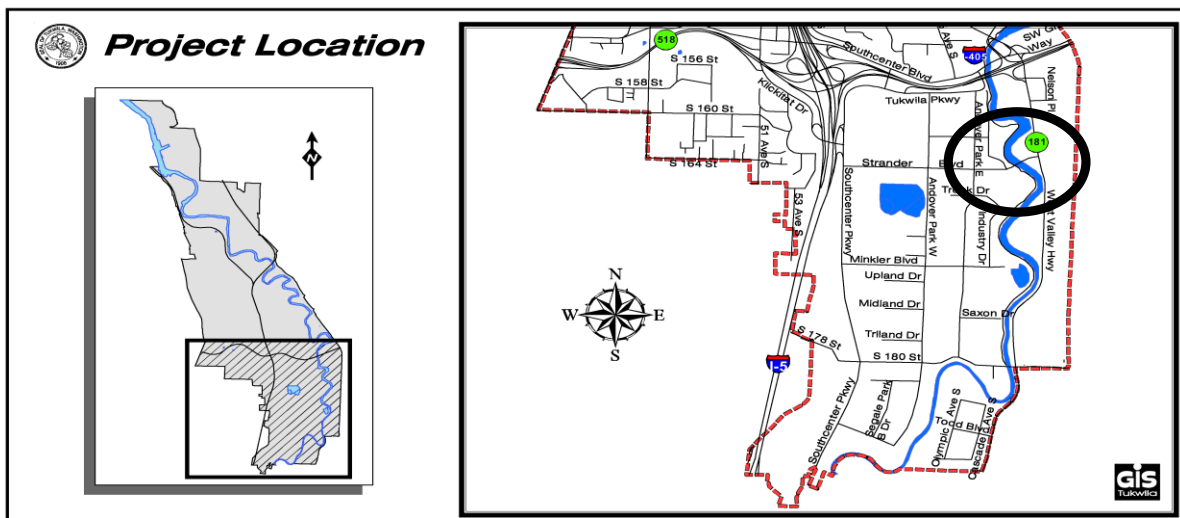
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FINANCIAL (in \$000's)	Through		Estimated							TOTAL
	2015	2016	2017	2018	2019	2020	2021	2022	BEYOND	
<b>EXPENSES</b>										
Design	58	440	2,500	2,000						4,998
Land (R/W)	104		450	1,000						1,554
Wetland Mitigation			50		500					550
Const. Mgmt.					2,800	2,000				4,800
Construction					15,000	12,200				27,200
<b>TOTAL EXPENSES</b>	<b>162</b>	<b>440</b>	<b>3,000</b>	<b>3,000</b>	<b>18,300</b>	<b>14,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,102</b>
<b>FUND SOURCES</b>										
Awarded STP Grant			2,551	2,595						5,146
Proposed TIGER Grant					7,900	5,894				13,794
Proposed State TIB Grant					2,500	2,500				5,000
Proposed FMSIB Grant					2,500	2,500				5,000
Proposed STP Grant					5,000	3,000				8,000
City Oper. Revenue	162	440	449	405	400	306	0	0	0	2,162
<b>TOTAL SOURCES</b>	<b>162</b>	<b>440</b>	<b>3,000</b>	<b>3,000</b>	<b>18,300</b>	<b>14,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,102</b>



# COUNCIL AGENDA SYNOPSIS



-----Initials-----				<b>ITEM No.</b>  <b>5.D.</b>
<i>Meeting Date</i>	<i>Prepared by</i>	<i>Mayor's review</i>	<i>Council review</i>	
<b>06/10/19</b>	<b>HP</b>	<i>CR</i>	<i>RIT</i>	

## ITEM INFORMATION

	STAFF SPONSOR: <b>HARI PONNEKANTI</b>	ORIGINAL AGENDA DATE: <b>06/10/19</b>									
AGENDA ITEM TITLE <b>Strander Boulevard Extension Phase 3 Discussion on Value Engineering Results</b>											
CATEGORY	<input checked="" type="checkbox"/> <i>Discussion</i>	<input type="checkbox"/> <i>Motion</i>	<input type="checkbox"/> <i>Resolution</i>	<input type="checkbox"/> <i>Ordinance</i>	<input type="checkbox"/> <i>Bid Award</i>	<input type="checkbox"/> <i>Public Hearing</i>	<input type="checkbox"/> <i>Other</i>				
	<i>Mtg Date 06/10/19</i>	<i>Mtg Date</i>	<i>Mtg Date</i>	<i>Mtg Date</i>	<i>Mtg Date</i>	<i>Mtg Date</i>	<i>Mtg Date</i>				
SPONSOR	<input type="checkbox"/> <i>Council</i>	<input type="checkbox"/> <i>Mayor</i>	<input type="checkbox"/> <i>HR</i>	<input type="checkbox"/> <i>DCD</i>	<input type="checkbox"/> <i>Finance</i>	<input type="checkbox"/> <i>Fire</i>	<input type="checkbox"/> <i>TS</i>	<input type="checkbox"/> <i>P&amp;R</i>	<input type="checkbox"/> <i>Police</i>	<input checked="" type="checkbox"/> <i>PW</i>	<input type="checkbox"/> <i>Court</i>
SPONSOR'S SUMMARY	<p><b>The City conducted a Value Engineering study for the Strander Boulevard Phase 3 Project. Three options were identified; Option 1: Continue with the four-lane road, Option 2: Change to a two-lane road (adding a Phase 4 for a four-lane road later), Option 3: Stop work and return federal grant funds. Administration asks Council to give consensus for Option 2 (two-lane road) and work with the appropriate granting agencies to extend time requirements or relinquish funds and reapply.</b></p>										
REVIEWED BY	<input type="checkbox"/> C.O.W. Mtg.	<input type="checkbox"/> CDN Comm	<input type="checkbox"/> Finance Comm.	<input type="checkbox"/> Public Safety Comm.							
	<input checked="" type="checkbox"/> Trans & Infrastructure	<input type="checkbox"/> Arts Comm.	<input type="checkbox"/> Parks Comm.	<input type="checkbox"/> Planning Comm.							
	DATE: <b>06/04/19</b>		COMMITTEE CHAIR: <b>KATE KRULLER FOR ZAK IDAN</b>								

**RECOMMENDATIONS:**  
 SPONSOR/ADMIN. **Public Works Department**  
 COMMITTEE **Unanimous Approval; Forward to Committee of the Whole**

### COST IMPACT / FUND SOURCE

EXPENDITURE REQUIRED	AMOUNT BUDGETED	APPROPRIATION REQUIRED
\$	\$	\$

Fund Source:  
 Comments:

<b>MTG. DATE</b>	<b>RECORD OF COUNCIL ACTION</b>
<b>06/10/19</b>	

<b>MTG. DATE</b>	<b>ATTACHMENTS</b>
<b>06/10/19</b>	<b>Informational Memorandum dated 05/31/19 (revised after 6/4/19 T.I.C.)</b>
	<b>Design Consultant's Value Engineering Options Power Point Presentation</b>
	<b>Minutes from the Transportation &amp; Infrastructure Committee meeting of 06/04/19</b>



## INFORMATIONAL MEMORANDUM

TO: **Transportation and Infrastructure Committee**  
FROM: **Henry Hash, Public Works Director**  
BY: **Hari Ponnekanti, Deputy Director/City Engineer**  
CC: **Mayor Ekberg**  
DATE: **May 31, 2019 *(revised after 6/4/19 T.I.C)***  
SUBJECT: **Strander Boulevard Extension Phase 3**  
**Project No. 98610403**  
**Discussion on Value Engineering Results**

### **ISSUE**

Presentation and discussion on the Strander Blvd Extension Project Phase 3 Project.

### **BACKGROUND**

The City of Renton completed Phase 1 of the Strander Boulevard/SW 27th Street (Oakesdale Avenue to Naches Avenue) in 2008 and Phase 2 (Naches Avenue to the new Tukwila Station/Sounder Commuter Rail Station parking lot, between BNSF and UPRR) in 2014. Phase 3 is being led by the City of Tukwila.

In 2016, Tukwila received Federal grant funding for the preliminary engineering and right-of-way phases and is proceeding with the design process as part of the preliminary engineering phase (the project design started last year and is currently at 30%),

Due to the increased complexity of the project and projected increased costs from original estimates, WSDOT and TIB recommended that a Value Engineering Study (VE) be performed for the Strander Blvd Phase 3 Project, to either find cost savings which could be incorporated into the design or validate the current design as the most cost-efficient option.

City administration and City staff have met with various legislators and funding agencies listed below:

- Vice Chair of the House Transportation Committee - Representative Jake Fey
- Member of Senate Transportation Committee - Senator Curtis King
- Washington State Department of Transportation (WSDOT) Secretary - Roger Millar
- WSDOT Northwest Region Local Programs Engineer - Mehrdad Moini
- WSDOT Local Programs Director - Kathleen Davis
- Washington State Freight Mobility Strategic Investment Board (FMSIB) Director - Brian Ziegler
- Washington State Transportation Improvement Board (TIB) Director - Ashley Probart

Staff has also had conversations with our state and federal lobbyists regarding the best strategy for the state and federal funding awards.

### **DISCUSSION**

Earlier this year, the City conducted a VE study after awarding a contract to MENG Analysis to perform the work. Three options were ultimately identified for the City to consider which are detailed in the attached presentation.

Option No. 1: Continue with current design of 4-lane road (\$5 - \$10M potential cost savings from VE study)

Option No. 2: Incorporate full VE proposals of 2-lane road, no seal, if possible, and continue design (\$10 - \$25M potential cost savings). This option is recommended by the Administration since it will meet the original scope of the project which was a new regional east-west arterial in this area.

Option No. 3: Stop Work. Return grant funding, reimburse approximately \$2 million of federal funds spent to date.

**Project and Funding Timeline**

<b>Dates</b>	<b>City Council Actions/Updates</b>	<b>Funding/Grants</b>	<b>Project Milestones</b>
2012	City Adopts Financial Planning Model and Capital Improvement Program (CIP) lists Strander Blvd/SW 27 <sup>th</sup> St Extension with costs in Beyond years	No specific funding identified	
2013	CIP adopted without major changes from 2012	No specific funding identified	
2014	Adopted CIP includes \$20,000 for professional services to apply for Federal TIGER grant and FMSIB	<ul style="list-style-type: none"> <li>TIGER grant not awarded</li> </ul>	Phase 2 – SW 27 <sup>th</sup> St. Extension completed by Renton
2015	Adopted CIP included proposed grants from TIGER, FMSIB, and STP	<ul style="list-style-type: none"> <li>TIGER grant not awarded</li> </ul>	
2016	Council adopts state and federal legislative priorities with a focus on securing funds for Stander Blvd	<ul style="list-style-type: none"> <li>TIGER grant not awarded</li> <li>STP (PSRC) grant \$5.1M for design</li> <li>Federal FASTLANE grant awarded \$5 million</li> </ul>	
2017	Adopted CIP estimates costs of \$39 million and identifies several sources of funding: <ul style="list-style-type: none"> <li>City operating funds: \$2 million</li> <li>Awarded STP grant: \$5.1 M</li> </ul>	<ul style="list-style-type: none"> <li>State FMSIB Reconfirmed &amp; Awarded \$5M</li> <li>State Discretionary grant awarded \$500,000</li> <li>BUILD grant (formerly TIGER) not awarded</li> </ul>	City award design contract to Berger/ABAM
2018	Council adopts state and federal legislative priorities with a continued focus on Strander and renewed focus on securing Statewide funding as part of a possible Transportation package.  Council adopts contract for Value Engineering study to be completed in 1 <sup>st</sup> Quarter 2019	<ul style="list-style-type: none"> <li>BUILD grant not awarded</li> </ul>	City Council briefed on increased estimated project costs due to complexity  City contracts for utility coordination  City staff begin meeting with state elected and department representatives.  Revised & significantly higher cost estimate from 30% design resulted in requiring a Value Engineering (VE) study to be completed by funding partners
2019	Adopted CIP lists estimated project costs of \$83.78 million		Perform Value Engineering (VE) study and prepare reports  City Council briefed on VE results

**Current Funding and Grant obligations**

<b>Grant</b>	<b>Awarded</b>	<b>Amount</b>	<b>Restrictions</b>
STP (PSRC)	2016	\$5.1 million	<ul style="list-style-type: none"> <li>\$3.9 million for construction. Must be used by 2030 or repay funds</li> <li>\$1.2 million for ROW, must be obligated by 12/31/2019</li> </ul>
Federal FASTLANE	2016	\$5 million	Must be obligated for Construction by September 2019
FMSIB	2017 (reconfirmed)	\$5 million	Must be obligated for Construction by January 2020
WA State Discretionary Funds	2017	\$500,000	



If funds are not obligated by the dates mentioned above, they will need to be returned to the funding agency and then can be reappplied for in the future. Based upon our conversations internally, in discussions with our funding partners and with our state and federal lobbyists, City Administration and Staff are suggesting that we notify the appropriate agency and relinquish the funding awards for FASTLANE, STP ROW, and FMSIB. This will help with building support when the City eventually applies for future funds.

**Possible next steps**

- June 2019 – Council Briefed on Value Engineering results and provide direction on preferred design alternative
- 2019-2020 – Design alternative is completed
- 2019-2022 – Secure significant statewide funding for new design
- 2020-2023 – Reapply for federal and State grants and secure other regional partner funding

**FINANCIAL IMPACT**

The financial impact varies depending on the direction taken on the project.  
 Option 2 (2 lane road) with \$10 - \$25M potential costs savings is recommended by the administration.

**The potential funding path forward for Option 2:**

Phase 3 Funding	PE	ROW	Construction	Total	Notes
<b>SECURED</b>					
City of Tukwila	\$607,500	\$195,750	\$1,196,750	\$2,000,000	Secured
State Funding		\$276,166	\$223,834	\$500,000	Secured
STP (PSRC)	\$3,892,500			\$3,892,500	Secured
<b>1) TRY TIME EXTENSION 2) RETURN &amp; REAPPLY</b>					
FASTLANE			\$5,000,000	\$5,000,000	Try Extension or Return & Reapply
FMSIB			\$5,000,000	\$5,000,000	Return and reapply
STP (PSRC)		\$1,254,250	\$0	\$1,254,250	Return and reapply
<b>POTENTIAL FUNDING SOURCES</b>					
State Legislative Funding			\$20,000,000	\$20,000,000	Potential
Transportation Impv Board			\$7,000,000	\$7,000,000	Potential
Additional PSRC (STP)			\$5,000,000	\$5,000,000	Potential
Sound Transit			\$5,000,000	\$5,000,000	Potential
<b>OTHER FUNDING SOURCES</b>					
City of Renton			\$4,000,000	\$4,000,000	Possible
Additional City of Tukwila			\$4,000,000	\$4,000,000	Possible
UPRR			\$0	\$0	
BNSF			\$0	\$0	
BUILD Grant (formerly TIGER)			\$0	\$0	
<b>Potential Funding</b>	<b>\$4,500,000</b>	<b>\$1,726,166</b>	<b>\$56,420,584</b>	<b>\$62,646,750</b>	
<b>Phase 3 Costs</b>	<b>\$4,500,000</b>	<b>\$1,720,166</b>	<b>\$55,000,000</b>	<b>\$61,220,166</b>	<b>2-Lane concept Cost</b>

**RECOMMENDATION**

The City Administration is seeking Council consensus for a path to move forward with Option 2 (two-lane road).

Based upon discussions with funding partners and with state and federal lobbyists, City Administration and Staff recommend that the City notify the appropriate agency, request a time extension, and if not possible, relinquish the funding awards for FASTLANE, STP ROW, and FMSIB and reapply at the appropriate time.

**ATTACHMENTS**

Design Consultant's VE options power point presentation





# Strander Boulevard Extension

*Project Update/Value Engineering Results*

*June 2019*



# Agenda



- Purpose of Meeting
- Project Purpose & Need
- Project Background
- Current Project Funding Status
- Recommendations
- Options
- Questions?



# Purpose of Meeting



- Update on Project Status and Value Engineering (VE) Study
- Seek Council Consensus for Recommended Path Forward



# Project Purpose & Need – Quality of Life



*Completes the last 1,500 feet of an east-west connection in the Green River Valley that currently does not exist today by constructing a safe crossing of a key regional railroad line.*

- Improves Freight Mobility in the Green River Valley
- Reduces Traffic Congestion for Commuters
- Improves Connectivity to large employment centers
- Improves Access to a Regional Urban Center
- Reduces Air and Noise Pollution



# Project Purpose & Need – Accommodates Growth

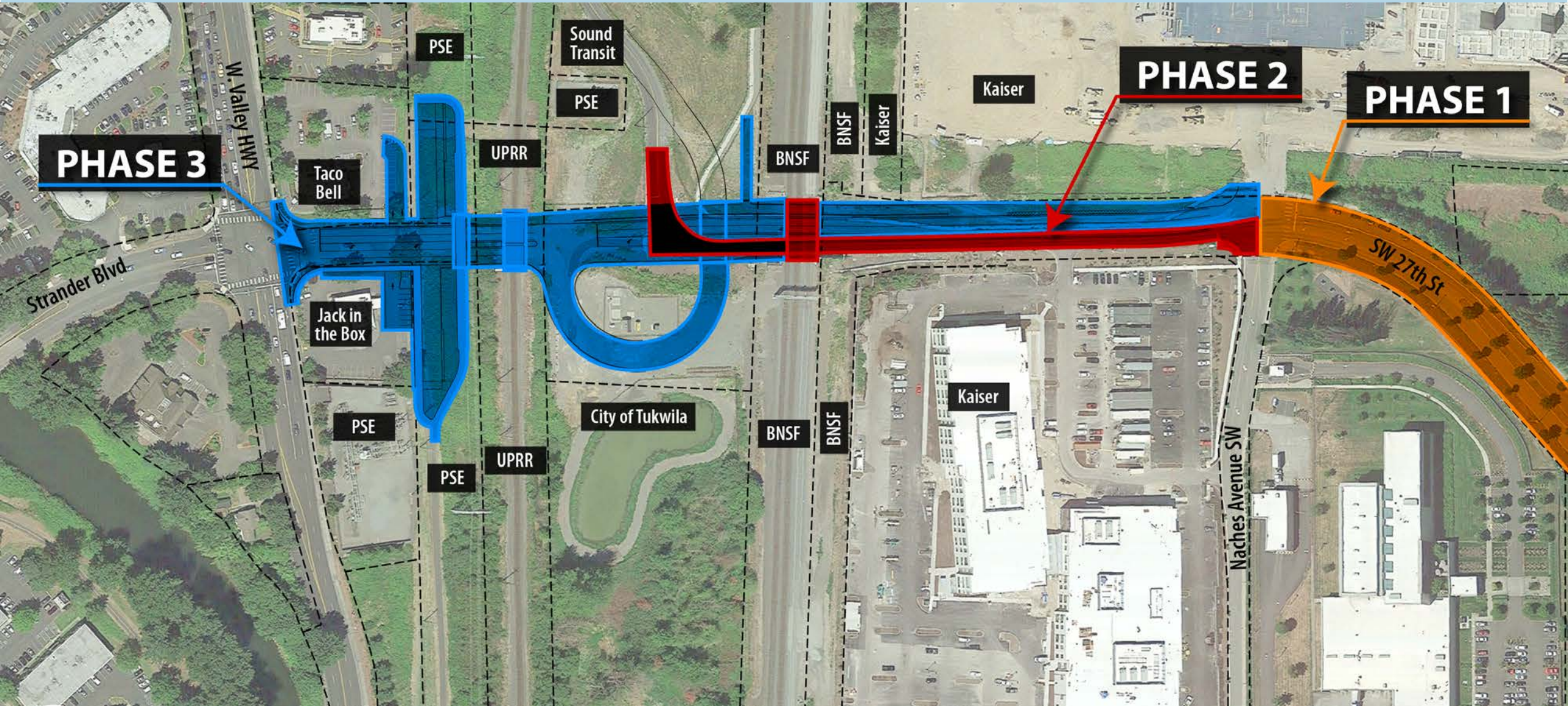


- Facilitates the Cities Ability to Meet Growth Management Concurrency Standards.
- Moves 22,500 vehicles per day, including 1,800 trucks, off of existing South 180th, Grady Way and I-405.
- Provides Level of Service (LOS) “E” on South 180th and Grady Way
- Provides \$65M in Travel Time Economic Benefits (2022 to 2052)



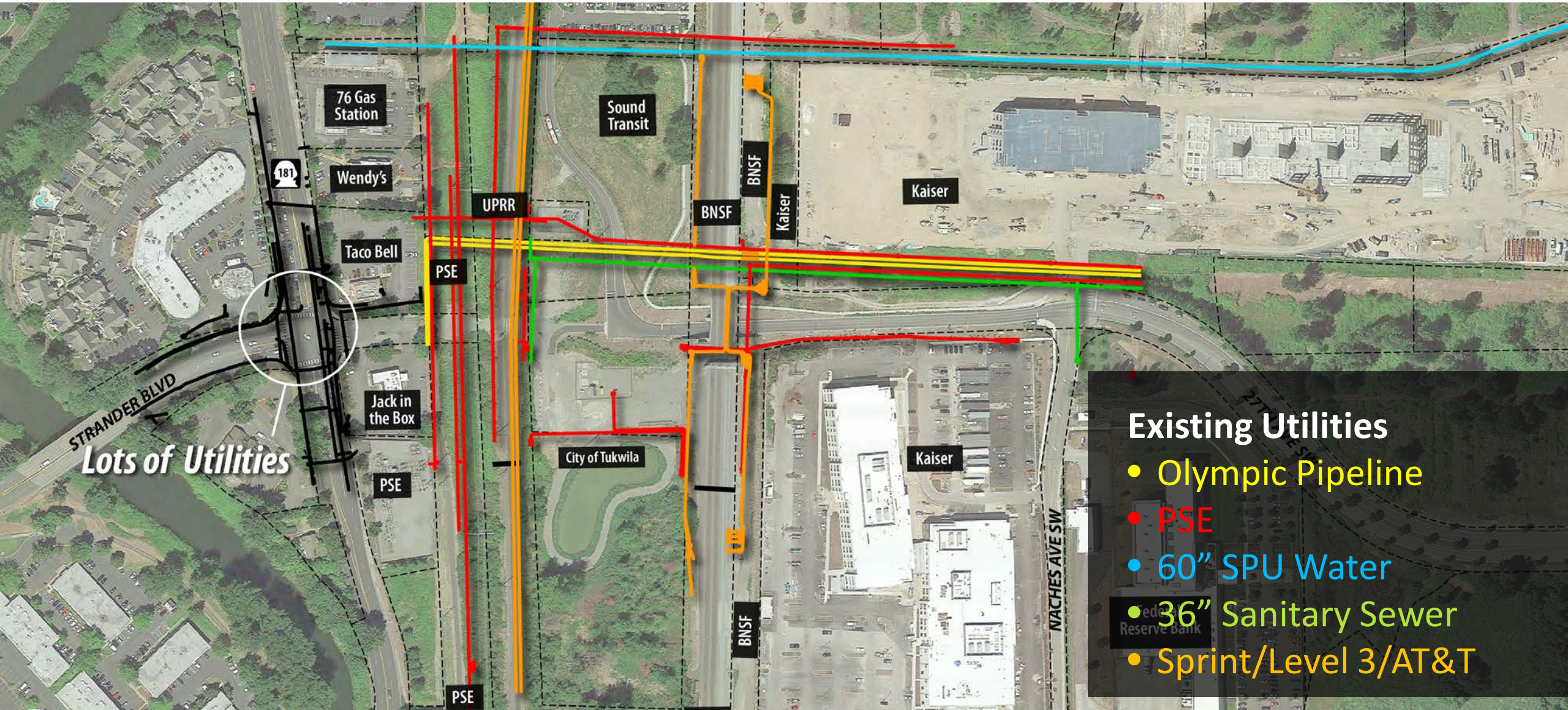


# Project Background (Current 4-Lane Layout)



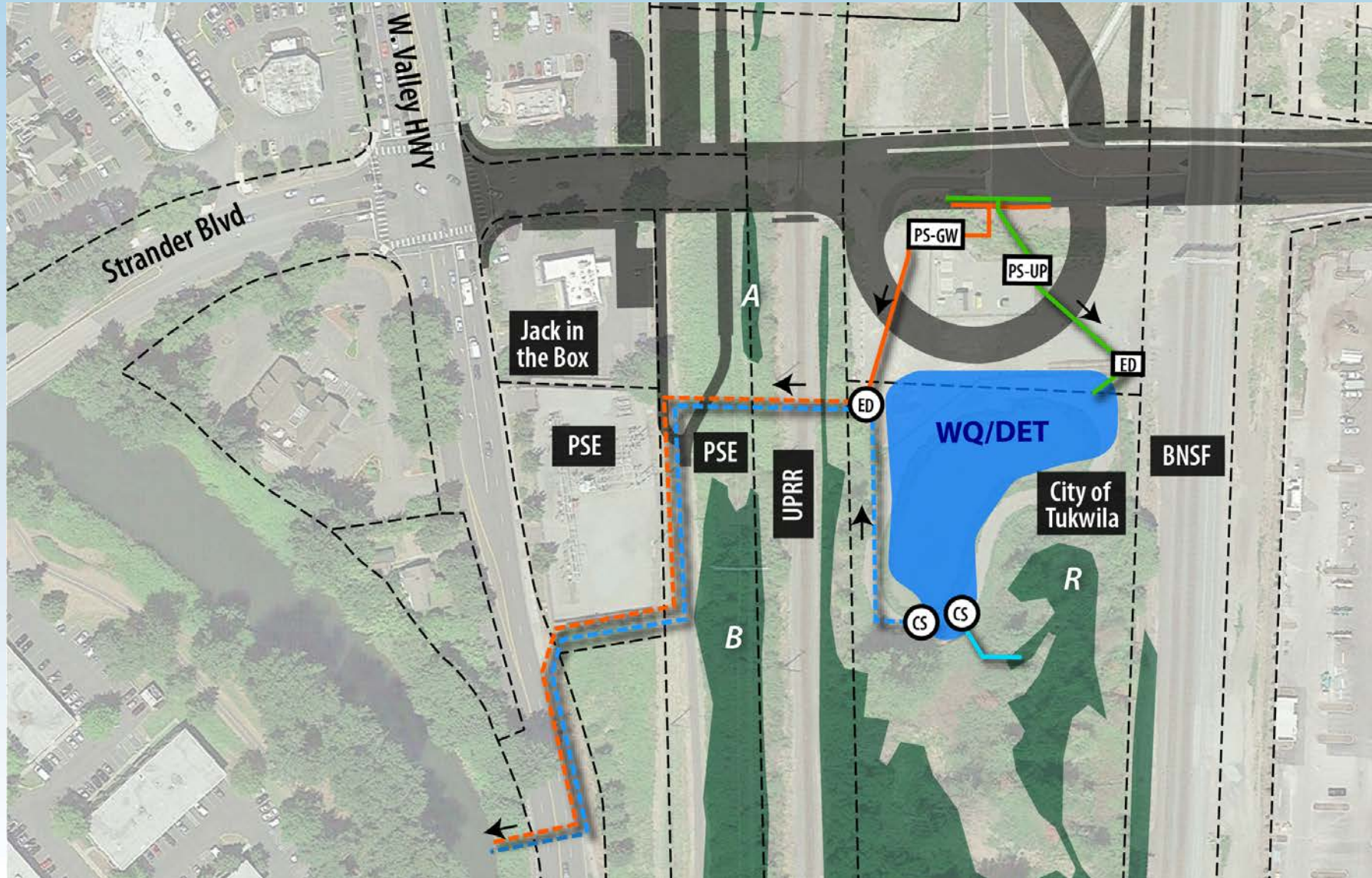


# Major Utility Conflicts





# Groundwater Management Issues



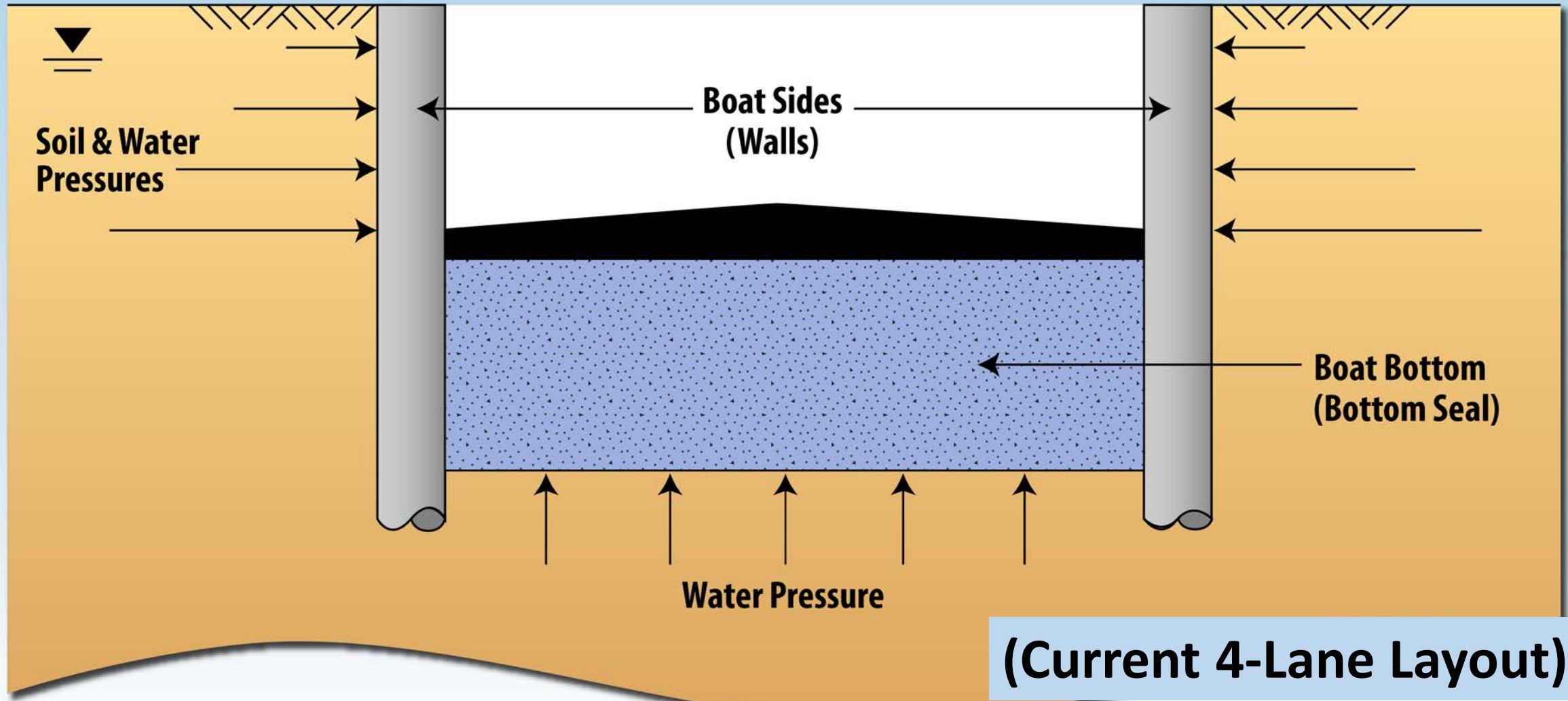


# Groundwater Management Issues





# Watertight Underpass Terminology





# Watertight Underpass Example

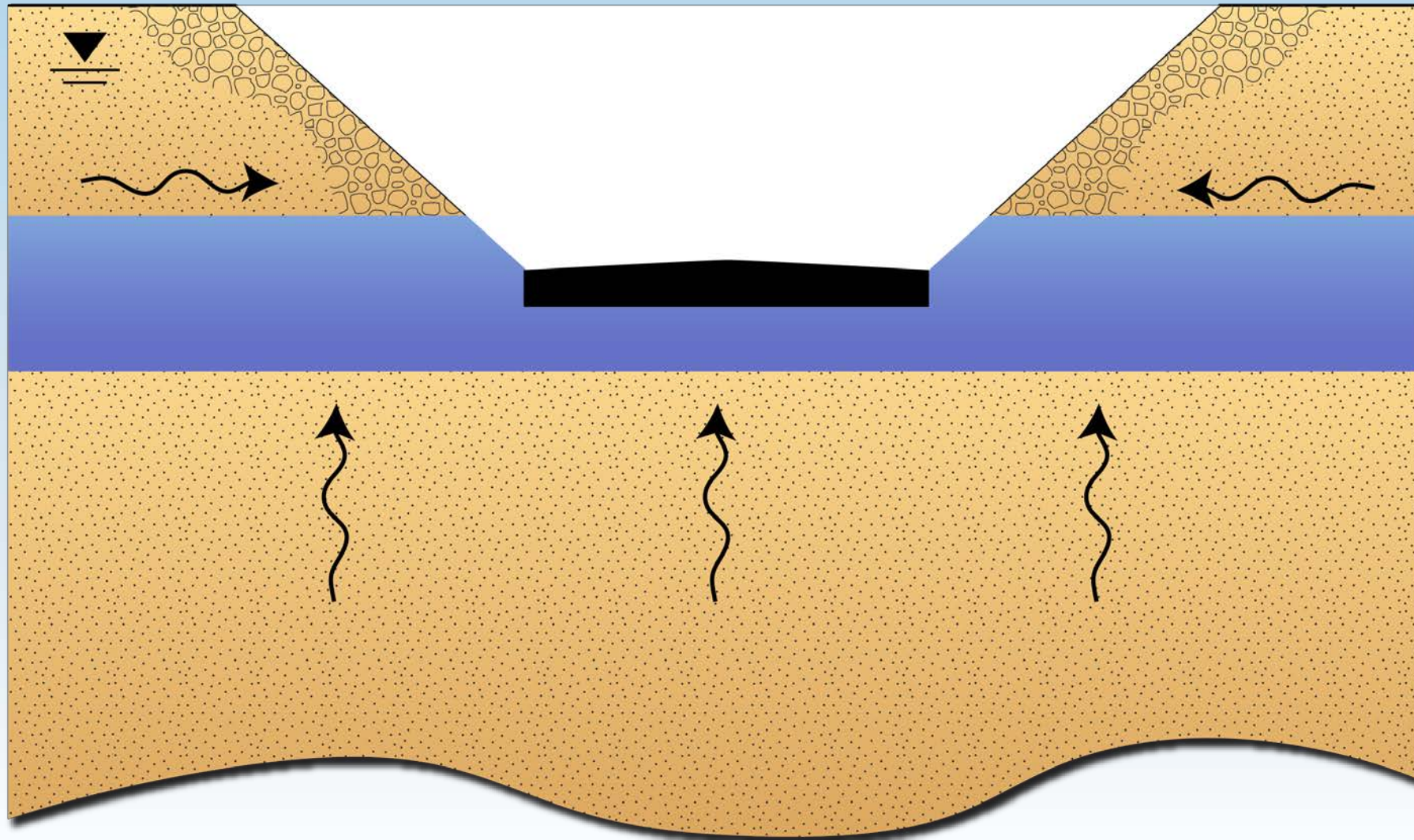


**South 180th Street**  
*City of Tukwila*  
Project Cost – **\$22.4 Million**  
Project Completion – **June 2003**  
Roadway Width – **65 ft**  
Project Length – **1107 ft**  
In-Grade – **6%**  
Out-Grade – **5%**





# Unsealed Underpass (Partially)





# Unsealed Underpass Example



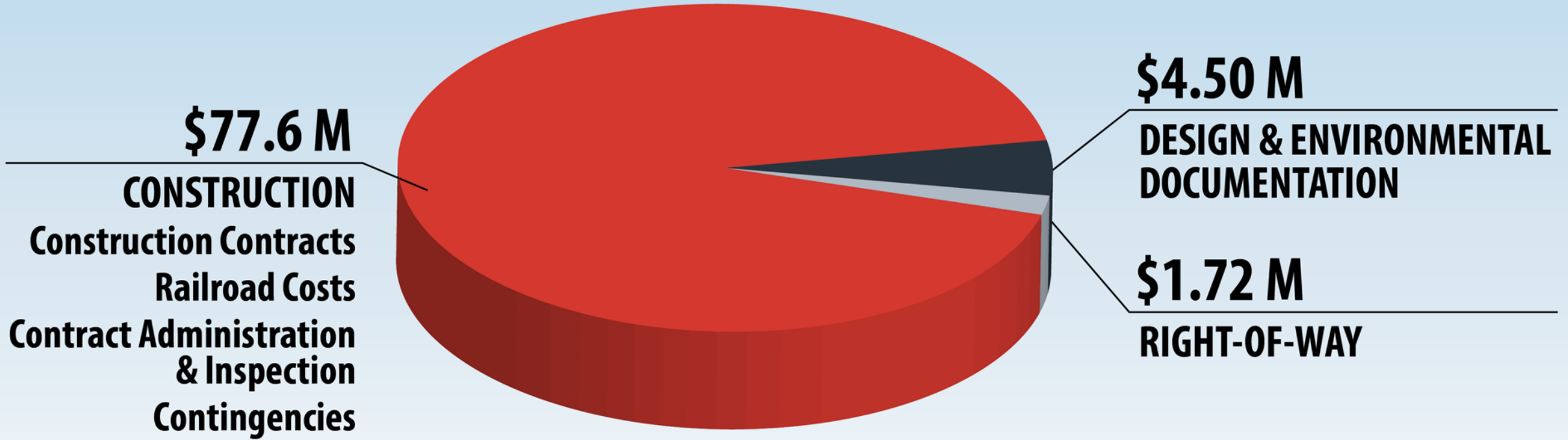
# Current Project Funding Status



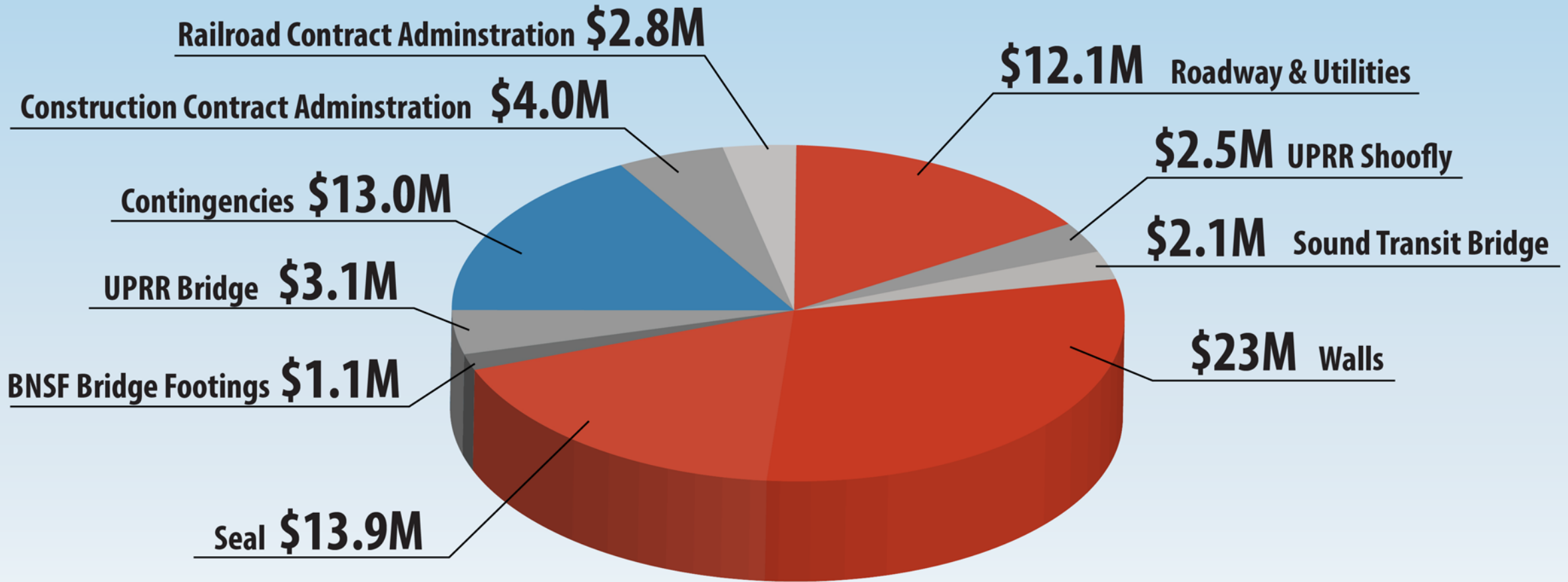
PHASE 3 FUNDING	PE	ROW	CONSTRUCTION	TOTAL	NOTES
City of Tukwila	\$607,500	\$195,750	\$1,196,750	\$2,000,000	Secured
PSRC (STPUL)	\$3,892,500	\$1,254,250	\$-	\$5,146,750	Secured (Obligate ROW by 11/19)
FASTLANE			\$5,000,000	\$5,000,000	Secured (Award Const. by 11/19)
State Funding		\$270,166	\$229,834	\$500,000	Secured
FMSIB			\$5,000,000	\$5,000,000	Secured
TIB			\$-	\$-	
State Legislative Funding			\$-	\$-	
City of Renton			\$-	\$-	
Additional City of Tukwila			\$-	\$-	
Additional PSRC (STP)			\$-	\$-	
Sound Transit			\$-	\$-	
Port of Seattle			\$-	\$-	
UPRR			\$-	\$-	
BNSF			\$-	\$-	
Other Federal Grants (BUILD)			\$-	\$-	
<b>Subtotal</b>	<b>\$4,500,000</b>	<b>\$1,720,166</b>	<b>\$10,229,834</b>	<b>\$17,646,000</b>	
<b>Phase 3 Costs</b>	<b>\$4,500,000</b>	<b>\$1,720,166</b>	<b>\$77,561,460</b>	<b>\$83,781,626</b>	<b>Current Estimate for Phase 3</b>



# Current Project Funding Status



# Current Project Funding Status



# Cost Comparison to Similar Projects



PROJECT	CONSTRUCTION COST	CONSTRUCTION YEAR	2019	WIDTH (ft)	85	LENGTH (ft)	1,500
		<i>Inflation = 3.0%</i>					
South 180th Street	\$22.4	2003	<b>\$36</b>	65	<b>\$47</b>	1,107	<b>\$64</b>
Lincoln Avenue	\$21.6	2012	<b>\$27</b>	50	<b>\$45</b>	915	<b>\$74</b>
MLK Boulevard	\$15.6	2014	<b>\$18</b>	50	<b>\$31</b>	915	<b>\$50</b>





# VE Team Proposals

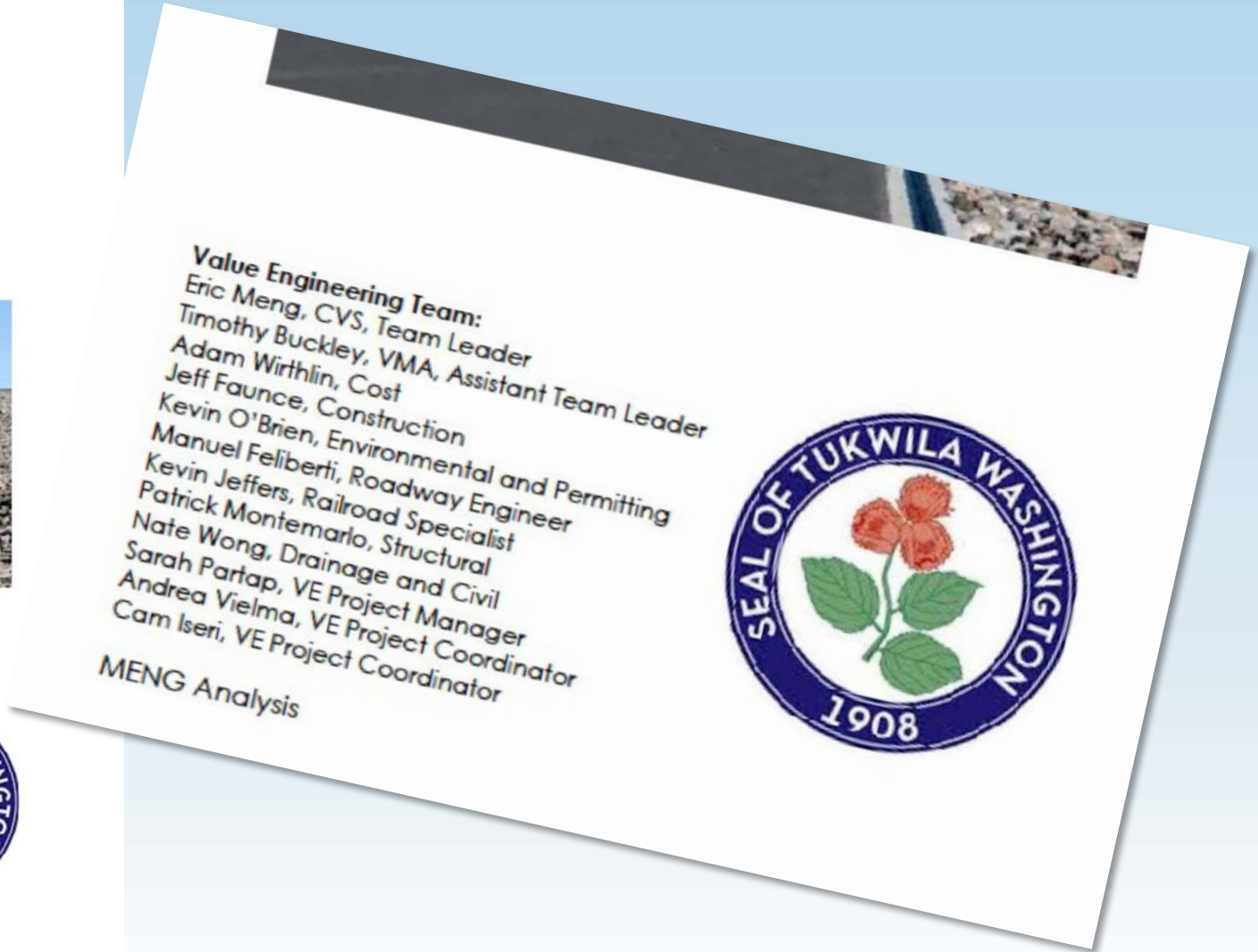


CITY OF TUKWILA  
STRANDER BOULEVARD EXTENSION – PHASE 3  
VALUE ENGINEERING  
JANUARY 24<sup>TH</sup>, 2019



**Value Engineering Team:**  
Eric Meng, CVS, Team Leader  
Timothy Buckley, VMA, Assistant Team Leader  
Adam Wirthlin, Cost  
Jeff Faunce, Construction  
Kevin O'Brien, Environmental and Permitting  
Manuel Feliberti, Roadway Engineer  
Kevin Jeffers, Railroad Specialist  
Patrick Montemarolo, Structural  
Nate Wong, Drainage and Civil  
Sarah Partap, VE Project Manager  
Andrea Vielma, VE Project Coordinator  
Cam Iseri, VE Project Coordinator

MENG Analysis





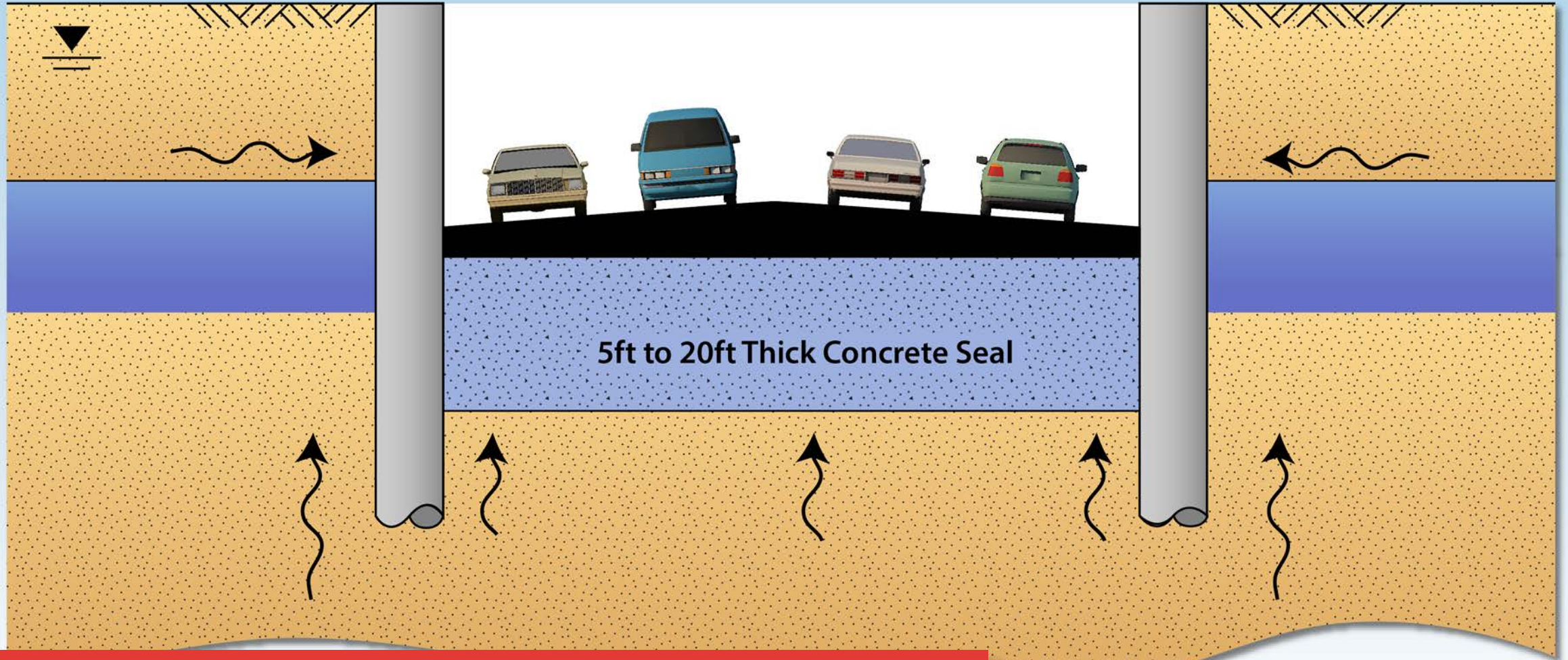
# Recommendations



- Option No. 1: Continue With Current Design of 4-Lane Road (\$5M to \$10M potential Cost Savings)
- Option No. 2: Incorporate VE Proposals of 2-Lane Road, No Seal, if Possible and Continue Design (\$10 to \$25M potential Cost Savings) – *Recommendation by City Administration*
- Option No. 3: Stop Work (Return Grant Funding & Reimburse Federal Funds Spent to Date)



# Option 1 (Current 4-Lane Layout)

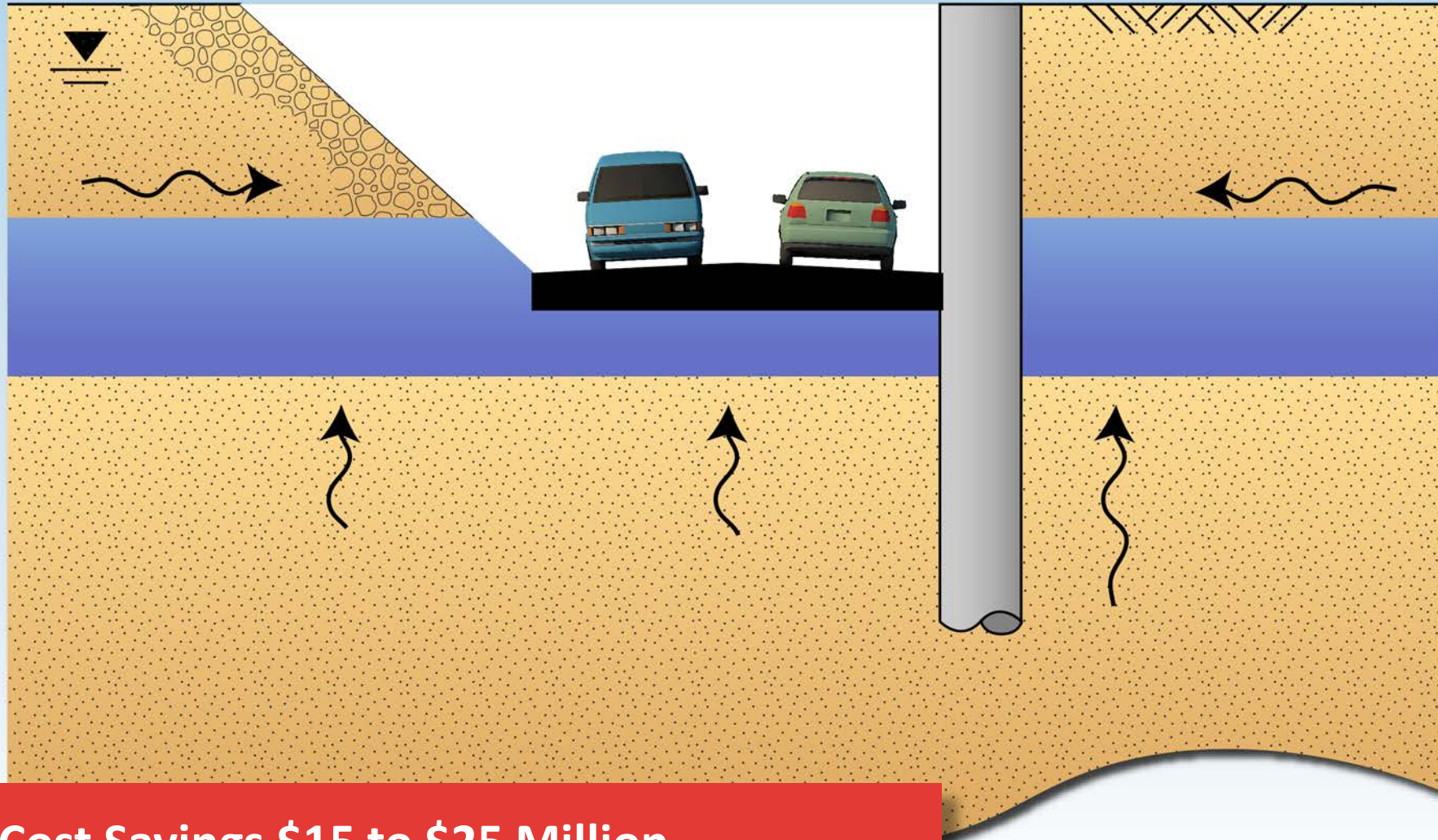


Potential Cost Savings \$5 to \$10 Million





# Option 2 (2-Lane Layout)

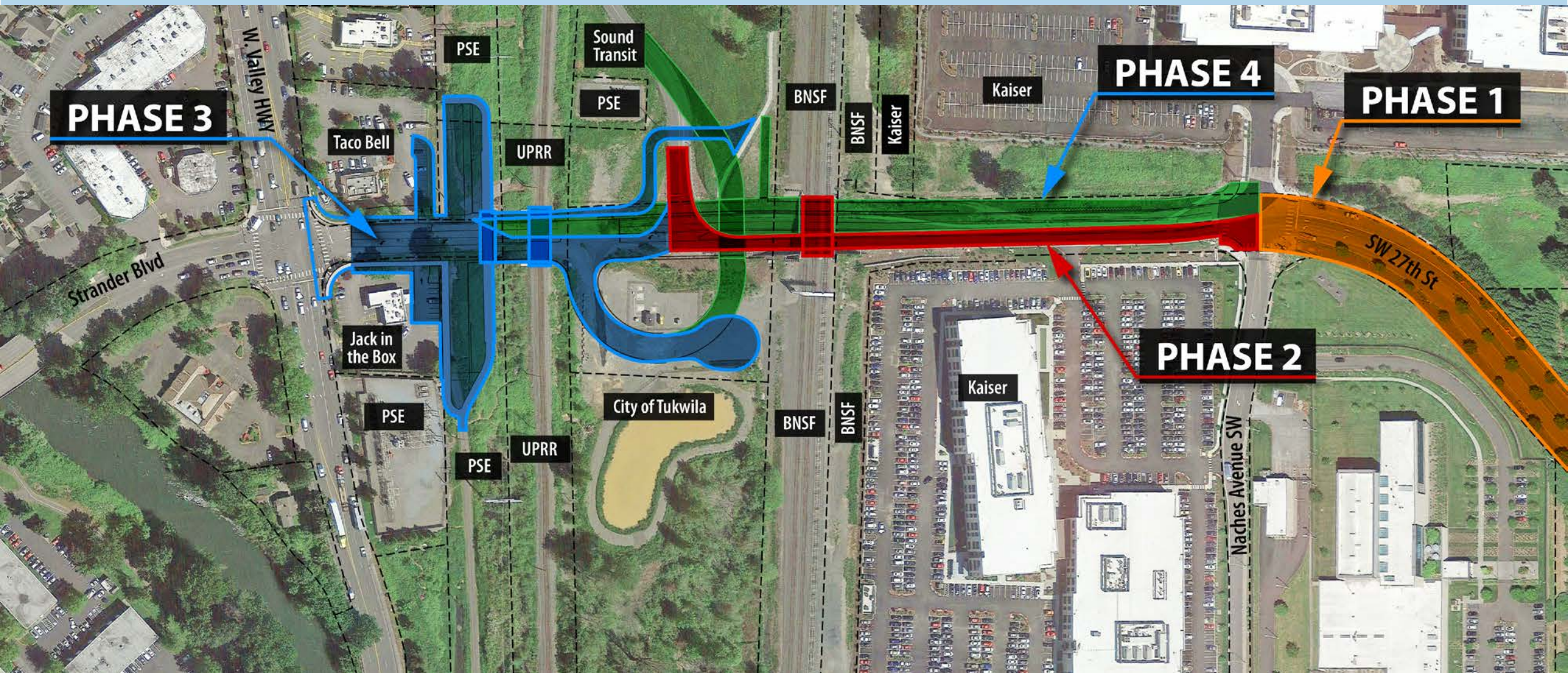


Potential Cost Savings \$15 to \$25 Million





# Proposed Project Phasing





# VE Team Proposals – Third Party Impacts



- Adjacent Property Owners
- UP and BNSF Railroad
- PSE
- SPU
- KING COUNTY





# Option 2 – Possible Funding Scenario



Phase 3 Funding	PE	ROW	Construction	Total	Notes
<b>SECURED</b>					
City of Tukwila	\$607,500	\$195,750	\$1,196,750	\$2,000,000	Secured
State Funding		\$276,166	\$223,834	\$500,000	Secured
STP (PSRC)	\$3,892,500			\$3,892,500	Secured
<b>1) TRY TIME EXTENSION 2) RETURN &amp; REAPPLY</b>					
FASTLANE			\$5,000,000	\$5,000,000	Try Extension or Return & Reapply
FMSIB			\$5,000,000	\$5,000,000	Return and reapply
STP (PSRC)		\$1,254,250	\$0	\$1,254,250	Return and reapply
<b>POTENTIAL FUNDING SOURCES</b>					
State Legislative Funding			\$20,000,000	\$20,000,000	Potential
Transportation Impv Board			\$7,000,000	\$7,000,000	Potential
Additional PSRC (STP)			\$5,000,000	\$5,000,000	Potential
Sound Transit			\$5,000,000	\$5,000,000	Potential
<b>OTHER FUNDING SOURCES</b>					
City of Renton			\$4,000,000	\$4,000,000	Possible
Additional City of Tukwila			\$4,000,000	\$4,000,000	Possible
UPRR			\$0	\$0	
BNSF			\$0	\$0	
BUILD Grant (formerly TIGER)			\$0	\$0	
Potential Funding	\$4,500,000	\$1,726,166	\$56,420,584	\$62,646,750	
Phase 3 Costs	\$4,500,000	\$1,720,166	\$55,000,000	\$61,220,166	2-Lane concept Cost



# Phase 4 – Differed Construction Costs



Current 4-Lane Option	\$83.8 M
Proposed 2-Lane Option	<u>\$61.2 M</u>
<b>Cost Delta =</b>	<b>\$22.6 M</b>

*Phase 4 is Expected to cost lot more in the future with additional costs such as inflation, traffic control, permitting and other costs*

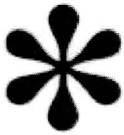


# Questions?



that have grant funding prospects. This is a fluid document that can be modified as needed after the adoption. This update includes no new projects, but the West Valley Highway/Longacres Way Shared Use Pathways Project has been merged into the larger West Valley Highway Project. 40-42<sup>nd</sup> Avenue South Phase III and 53<sup>rd</sup> Avenue South were deleted due to completion. TUC/TOD Pedestrian Improvements, Tukwila International Boulevard Retrofit, and Multipurpose Trails were moved beyond 2025. **UNANIMOUS APPROVAL. FORWARD TO JUNE 10, 2019 COMMITTEE OF THE WHOLE.**

**E. Strander Boulevard Value Engineering Results**



Staff updated the Committee on the Strander Boulevard Extension Phase 3 Project, which is currently at 30% design. Due to the increasing complexity and cost estimates, WSDOT and TIB recommended a Value Engineering (VE) study. Three options were identified by the consultant: 1) continue with current design of four-lane road, 2) design a two-lane road, or 3) stop work completely and refund grant funds. The City has funding from the Surface Transportation Program (STP) via Puget Sound Regional Council, the Federal FASTLANE program, and the Washington State Freight Mobility Strategic Investment Board (FMSIB) that must be obligated or relinquished by varying deadlines. Staff recommends proceeding with the two-lane road design as determined by the VE consultant, and returning the unused funds to FASTLANE, STP, and FMSIB or apply for a time extension. Once the design alternative is chosen, the City will be positioned to reapply for grant funding. If the two-lane road option is chosen, the City of Renton expressed a desire to create a Phase 4, which would include adding the two remaining road lanes at a later time. Committee members discussed the information. Councilmembers Kruller and Hougardy expressed support for Option 2, while Councilmember McLeod stated no recommendation at this time. **FORWARD TO JUNE 10, 2019 COMMITTEE OF THE WHOLE.**

**III. SCATBd/RTC**

Councilmember Hougardy attends SCATBd and RTC and reported on both at Council.

**IV. MISCELLANEOUS**

*Thorndyke Neighborhood*

Staff distributed a list of capital investments in the Thorndyke neighborhood, totaling \$13 million since 1989. Kate asked for clarification of how the nine neighborhoods were defined. Staff will provide the Committee members with a neighborhood map that was developed as part of the Cottage Housing ordinance. The neighborhood investment reports will be shared with the whole Council.

*Solid Waste*

Staff will be meeting with the Chamber of Commerce on Monday, June 10, 2019 to discuss the utility tax rate increase. An incremental increase will be proposed; Councilmembers emphasized the importance of messaging and ensuring that the City is actively listening to our residents.

**V. ANNOUNCEMENTS**

The Transportation & Infrastructure Committee Meeting adjourned 6:57 p.m.

Committee Chair Approval

Minutes by HK, Reviewed by GL





# ***Tukwila City Council Committee of the Whole Meeting***

City Hall Council Chambers

June 10, 2019 – 7:00 P.M.

## **MINUTES**

### **COMMITTEE OF THE WHOLE**

#### **CALL TO ORDER/PLEDGE OF ALLEGIANCE**

Council President Hougardy called the Tukwila City Council meeting to order at 7:00 p.m. and led the audience in the Pledge of Allegiance.

#### **OFFICIALS**

Present were Council President Hougardy; Councilmembers Dennis Robertson, Verna Seal, De'Sean Quinn, Kate Kruller, Thomas McLeod, Zak Idan.

#### **CITY OFFICIALS**

Allan Ekberg, Mayor; David Cline, City Administrator; Rachel Bianchi, Deputy City Administrator; Bruce Linton, Police Chief; Jay Wittwer, Fire Chief; Vicky Carlsen, Finance Director; Jack Pace, Community Development Director; Henry Hash, Public Works Director; Hari Ponnekanti, Deputy Public Works Director/City Engineer; Cyndy Knighton, Senior Program Manager; Lynn Miranda, Senior Planner; Jeff Friend, Fiscal Manager; Barbara Saxton, Administrative Support Coordinator, City Clerk's Office.

#### **SPECIAL PRESENTATIONS**

##### **Update from David Foster, Lobbyist.**

Rachel Bianchi, Deputy City Administrator, introduced David Foster, the City's contract lobbyist for state lobbying.

Mr. Foster utilized a PowerPoint presentation to provide an update with highlights from the 2019 Washington State Legislative session. Mr. Foster noted he previously provided Councilmembers with an end-of-session report. Democrats were in control of the House and Senate this year. The 105-day session ended on time. This was a year of budgeting for the next biennium starting July 1, 2019, for the capital budget and for transportation.

##### **City priorities**

- Sales tax mitigation (aka funding for manufacturing and warehousing cities): This was fully funded in the two-year operating budget. Mr. Foster acknowledged efforts by Mayor Ekberg and Representative Pat Sullivan, who represents the Kent-Auburn-Covington area, on this issue.
- SCORE (South Correction Entity): There will be a daily rate increase.
- The number of Basic Law Enforcement Academy classes will increase from 10 to 19.

##### **Capital Budget projects**

Housing Trust Fund.....	\$175,000,000 (this is a statewide number). <i>Potential funding opportunities in the 2020-2021 session.</i>
Early Learning Facilities (School District).....	\$196,000
Health Point.....	\$1,000,000
Starfire Sports STEM.....	\$250,000
Tukwila Village Food Hall.....	\$400,000

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South 116th Street at ..... \$260,000  
Green-Duwamish River in the WWRP  
Chinook Wind Public Access in the ..... \$157,000  
Aquatic Lands Enhancement Account

**Transportation Budget**

- No funding for either Strander Boulevard or the Allentown Bridge. No new funds going into the operating budget for transportation funding.
- A pilot project has been put forth related to the use of automated vehicle noise enforcement cameras in areas that have been designated by ordinance as “Stay Out of Areas of Racing.”
- A bill authorizing tolling on I-405 from Tukwila to Lynnwood, as well as SR167 and SR509, was signed into law.

**Policy Bills**

- Cities and counties may use a credit against the state sales tax to help build affordable or supportive housing. This will potentially increase the amount of money going into homelessness and housing efforts.
- Seniors and veterans property tax exemption, with the income threshold raised to reflect county median income.
- Sales tax mitigation: Bills that would have created a manufacturing and warehousing job centers account to help mitigate losses through 2030 did not pass. Efforts will continue on this issue.
- Bill that would have allowed the property tax to be increased based on population change and inflation did not pass.

A new Speaker of the House will be elected in July. The 2020 legislative session will run January 13 through March 12, and is a 60-day supplemental session.

Mr. Foster stated they expect to see many of the same issue areas in 2020 as in 2019, including education funding, mental and behavioral health funding, and transportation. Funding in the transportation budget is more likely to occur in 2021.

Councilmember Robertson asked if public disclosure was a hot issue for the legislature. Mr. Foster noted it is a hot issue in the media. The legislature is trying to find balance to allow the legislature to do its job without releasing all information in advance of a decision, while also letting the public know what is going on.

Mr. Foster noted that since this will be a short session, there may be issues that would best be put forth collectively in partnership with the Association of Washington Cities (AWC) and similar organizations.

**PUBLIC COMMENTS**

Joe Duffie, 5332 South 140th Street, expressed appreciation for the two speed bumps that were installed on 53rd Avenue South. He asked about the spacing of the bumps on 53rd, as there were four speed bumps installed on 160th. He also asked if the City was responsible for any accidents caused by a speed bump. Mr. Duffie noted there was a bicycle training event at a Tukwila park over the weekend, and he expressed concern about cars backing up in the same area. He also noted there was a large crowd at the park on Saturday and the group had music playing very loudly.

**PUBLIC HEARING**

**a. A resolution adopting the 2020-2025 Six-Year Transportation Improvement Program.**

**7:23 p.m. Council President Hougardy opened the public hearing.**

Cyndy Knighton, Senior Program Manager, provided an overview of this item. The State requires that all cities adopt a Six-Year Transportation Improvement Program (TIP) every year by July 1. This year's TIP is for 2020-2025. All projects in the TIP are transportation related and developed in concert with the City's Capital Improvement Program (CIP). Ms. Knighton noted that once the TIP is adopted, it can be modified.

Page 15 in the agenda packet lists several projects that have been removed from the current TIP:

- The West Valley Highway/Longacres Way Shared Use Pathways project has been merged into the larger West Valley Highway project.
- The 40-42nd Avenue South Phase III and 53rd Avenue South projects have been completed.
- Three projects were deleted as they are projected to move beyond the current 6-year time frame: TUC/TOD Pedestrian Improvements, Tukwila International Boulevard Retrofit, and Multipurpose Trails.

In response to questions from Councilmembers relating to the Strander Boulevard/SW 27th Street project listed in the draft TIP, Ms. Knighton stated the total shown (approximately \$80 million) is for the full project as it currently exists in the CIP—before any decisions are made relating to proposed options for this project. The costs are broken down as \$3,720,000 in 2020, \$38,389,000 in 2021, and \$37,889,000 in 2022.

**7:30 p.m. Council President Hougardy called for public comments.**

There were no public comments.

**7:31 p.m. Council President Hougardy closed the public hearing.**

**b. An ordinance to clarify the types of multi-family dwellings permitted in the Tukwila South Overlay Zone.**

**7:31 p.m. Council President Hougardy opened the public hearing.**

Lynn Miranda, Senior Planner, explained the ordinance would amend Table 18-6, "Land Uses Allowed by District," in the City's zoning code to clarify the types of multi-family dwellings permitted in the Tukwila South Overlay District.

The area affected covers approximately 400 acres: South 180th Street on the north to 204th Street on the south, and from the City limits at I-5 on the west to the Green River on the east. The underlying zoning includes Heavy Industrial, Mixed-Use Office, Low Density Residential, and Tukwila Valley South. The Tukwila South Overlay (TSO) covers the entire area and supersedes the underlying zoning.

A Master Plan prepared by Segale Properties in 2009 was adopted along with a Development Agreement between the City and Segale, which called for new development in a combination of campus style office and research environments with a mix of other supporting uses. A wide variety of low- to high-rise multi-family dwelling types were anticipated in the Plan, including a mix of townhouses and flats above retail uses.

As shown in Table 18-6 (page 70 of the agenda packet), current zoning standards allow various types of multi-family units, senior housing and assisted living facilities in the TSO zone after a Residential Design Manual is adopted by ordinance. Segale Properties recently indicated an interest in developing townhouses in the TSO zone. To ensure consistency between envisioned uses in the Master Plan, an amendment to Table 18-6 will clarify that townhouses, duplexes, triplexes and fourplexes are allowed in the TSO zone after a Residential Design Manual is adopted, which is consistent with current requirements for other forms of multi-family housing in the TSO zone. The draft Residential Design Manual will come before the Council at a later date.

Councilmember Idan asked whether this would affect any property owners other than Segale Properties. Ms. Miranda stated that Clarion also owns some property in that area.

Councilmember Kruller asked whether this amendment will change the infrastructure already put in place. Ms. Miranda responded no.

**7:37 p.m. Council President Hougardy called for public comments.**

Mike Pruett of Segale Properties stated he was available to answer any questions. Councilmember Quinn asked that he confirm the information presented by staff this evening is consistent with his understanding, and he responded in the affirmative.

**7:40 p.m. Council President Hougardy closed the public hearing.**

**SPECIAL ISSUES**

**a. A resolution adopting the 2020-2025 Six-Year Transportation Improvement Program.**

Councilmember Idan stated that Councilmember Kruller sat in as Chair at the Transportation and Infrastructure Committee meeting on June 4, 2019. Ms. Kruller indicated the committee members forwarded this item with unanimous approval.

**COUNCIL CONSENSUS EXISTED TO FORWARD THIS ITEM TO THE NEXT REGULAR MEETING.**

**b. An ordinance to clarify the types of multi-family dwellings permitted in the Tukwila South Overlay Zone.**

Councilmember Quinn indicated this item was discussed at the Community Development and Neighborhoods Committee meeting on April 23, 2019, and May 14, 2019. The item was added to those agendas under "Miscellaneous," at which time the Committee approved staff's request to forward the item to the Planning Commission.

**COUNCIL CONSENSUS EXISTED TO FORWARD THIS ITEM TO THE NEXT REGULAR MEETING.**

**c. An ordinance extending the non-exclusive Franchise Agreement with Astound Broadband, LLC (dba Wave Broadband), for one year.**

Councilmember Idan stated that Councilmember Kruller sat in as Chair at the Transportation and Infrastructure Committee meeting on June 4, 2019. She indicated the committee members forwarded this item with unanimous approval.

Cyndy Knighton, Senior Program Manager, stated the ordinance would extend the City's existing franchise agreement with Astound Broadband, LLC (dba Wave), which has been in existence for almost 5 years and will expire in August. The agreement contains a clause that allows for a one time, one-year extension to allow time for negotiation of a new agreement.

**COUNCIL CONSENSUS EXISTED TO FORWARD THIS ITEM TO THE NEXT REGULAR MEETING.**

**d. Consensus on Strander Boulevard Extension Project.**

Councilmember Idan stated that Councilmember Kruller sat in as Chair at the Transportation and Infrastructure Committee meeting on June 4, 2019. She indicated two Committee members moved the item forward with a recommendation, and one member had no recommendation at that time.

Henry Hash, Public Works Director, stated it has taken the City a great deal of effort to get to where we are today. Conversation on the Strander Boulevard Extension started in the 1980s. The City of Renton had the lead at that time and completed Phases 1 and 2 of the project. The City of Tukwila is the lead on Phase 3. The purpose of the project is to meet growth management concurrency standards, and to move 22,500 vehicles per day off of South 180th Street, Grady Way and I-405. The project would complete the last 1,500 feet of an east-west connection by constructing a safe crossing of a key regional railroad line.



Over the last year the City has started work on the design process as part of the preliminary engineering phase for a four-lane configuration. Due to the increased complexity of the project and projected increased estimates, WSDOT (Washington State Department of Transportation) and the Transportation Improvement Board (TIB) recommended that a Value Engineering Study (VE) be performed for the project to either find cost savings that could be incorporated into the design or validate the current design as the most cost-efficient option. Design was stopped at 30% in order to conduct the VE Study. BergerABAM (now part of WSP) was selected as the City's consultant. Project stakeholders—the State legislature and funding authorities at the state, as well as the City of Renton—have expressed continued support for the project. Staff is seeking consensus from the Council on the preferred option for moving forward.

Bob Fernandez of WSP utilized a PowerPoint presentation to present the three project options identified for consideration.

**Project Purpose and Need — Quality of Life**

- Improves freight mobility in the Green River Valley
- Reduces traffic congestion for commuters
- Improves connectivity to large employment centers
- Improves access to a regional urban center
- Reduces air and noise pollution

**Project Purpose and Need — Accommodates Growth**

- Facilitates the City's ability to meet growth management concurrency standards
- Moves 22,500 vehicles per day, including 1,800 trucks, off existing South 180th Street, Grady Way and I-405
- Provides Level of Service (LOS) "E" on South 180th Street and Grady Way
- Provides \$65M in travel time economic benefits (2022 to 2052)

**Project Background**

Mr. Fernandez showed a map of the current 4-lane layout (page 106 of the agenda packet) in which the colors depict the three project phases:

- Orange ..... City of Renton, Phase 1
- Red ..... City of Renton, Phase 2
- Blue ..... City of Tukwila, Page 3

**Challenges**

- Utility conflicts: Pipelines, PSE utility, water, sanitary sewer, and telecommunications.
- Groundwater management: Proposal is to separate the groundwater from the storm water. If the underpass was made watertight, there would be very little groundwater beyond a continual flow that would be routed to the Green River along with any pond overflow. This would be a pipeline project and require some pump station modifications. Sludge can occur when groundwater is exposed to oxygen; making the underpass watertight will help alleviate future long-term maintenance issues.

In response to questions from Councilmember Robertson, Mr. Fernandez explained that stormwater is run-off from the roadway, which is treated and discharged to the river. Groundwater is naturally occurring and never touches the roadway surface. With a cut in the ground to build the underpass, groundwater comes in through cuts and from below if walls are not built. The water needs to be collected in a separate system so that it is not co-mingled with stormwater. As groundwater comes in, it is never exposed such that it would be heated up; it is transferred through a pipe and would only mix with stormwater at the end of the pipe where it empties into the river.

**7:56 p.m. Councilmember Kruller left the Council Chambers**

A cross-section from the proposed design is depicted on page 110 of the agenda packet. The ground would be improved to create a watertight seal on the bottom and walls would be built on the sides to limit the amount of groundwater coming in. The underpass on South 180th Street is an example of a similar watertight structure.

The underpass for the Strander Boulevard project is currently partially sealed (as part of Phase 2). There is a naturally occurring condition whereby the layer of soil is fairly impermeable to the water coming up from the bottom. There has been a little more water than anticipated from the ground and the side slope, which is heavily lined with rock to prevent sliding. In this situation, the groundwater and stormwater mix in the pond and overflow into the wetland.

**8:00 p.m. Councilmember Kruller returned to the Council Chambers.**

**Current project funding status**

The chart below (page 114 of the agenda packet) shows a considerable shortfall between the \$17,646,000 in potential funding and the \$83,781,626 total estimated costs for Phase 3.

**114 Current Project Funding Status**



PHASE 3 FUNDING	PE	ROW	CONSTRUCTION	TOTAL	NOTES
City of Tukwila	\$607,500	\$195,750	\$1,196,750	\$2,000,000	Secured
PSRC (STPUL)	\$3,892,500	\$1,254,250	\$-	\$5,146,750	Secured (Obligate ROW by 11/19)
FASTLANE			\$5,000,000	\$5,000,000	Secured (Award Const. by 11/19)
State Funding		\$270,166	\$229,834	\$500,000	Secured
FMSIB			\$5,000,000	\$5,000,000	Secured
TIB			\$-	\$-	
State Legislative Funding			\$-	\$-	
City of Renton			\$-	\$-	
Additional City of Tukwila			\$-	\$-	
Additional PSRC (STP)			\$-	\$-	
Sound Transit			\$-	\$-	
Port of Seattle			\$-	\$-	
UPRR			\$-	\$-	
BNSF			\$-	\$-	
Other Federal Grants (BUILD)			\$-	\$-	
<b>Subtotal</b>	<b>\$4,500,000</b>	<b>\$1,720,166</b>	<b>\$10,229,834</b>	<b>\$17,646,000</b>	
<b>Phase 3 Costs</b>	<b>\$4,500,000</b>	<b>\$1,720,166</b>	<b>\$77,561,460</b>	<b>\$83,781,626</b>	<b>Current Estimate for Phase 3</b>



In response to a question from Councilmember Robertson, Mr. Fernandez stated that WSP is very confident in the estimated project cost. Contractors were consulted to review the project and estimates. Cost escalation and contingencies have been built in. He explained that because this is a complicated project, the number of qualified contractors is limited and bids would depend on what other projects are happening at the same time.

The most expensive components of the project are the walls and seal (pie chart on page 116 of the agenda packet). There would also be costs associated with a considerable amount of temporary construction that is required on a project like this that does not get incorporated into the final project.

The Value Engineering Study includes numerous proposals that have been analyzed by WSP for: (1) potential risk factors; (2) to determine which potential concepts cannot be combined as some are mutually exclusive; and (3) to incorporate the best ideas. The Council expressed interest in receiving a copy of the VE Study and/or the consultant's draft response to the report.

**Recommendations**

- Option 1 Continue with the current design of a 4-lane road. \$5 to \$10 million potential cost savings identified by VE Study.
- Option 2: Incorporate value engineering proposals of a 2-lane road with no seal, if possible, and continue design. This option would eliminate walls on one side of the structure. \$10 to \$25 million potential cost savings identified. Option 2 is the recommendation of City Administration.
- Option 3. Stop work. Return grant funding and reimburse federal funds spent to date.

**Possible funding scenario** (page 124 of the agenda packet)

Phase 3 Funding	PE	ROW	Construction	Total	Notes
<b>SECURED</b>					
City of Tukwila	\$607,500	\$195,750	\$1,196,750	\$2,000,000	Secured
State Funding		\$276,166	\$223,834	\$500,000	Secured
STP (PSRC)	\$3,892,500			\$3,892,500	Secured
<b>1) TRY TIME EXTENSION</b>					
<b>2) RETURN &amp; REAPPLY</b>					
FASTLANE			\$5,000,000	\$5,000,000	Try Extension or Return & Reapply
FMSIB			\$5,000,000	\$5,000,000	Return and reapply
STP (PSRC)		\$1,254,250	\$0	\$1,254,250	Return and reapply
<b>POTENTIAL FUNDING SOURCES</b>					
State Legislative Funding			\$20,000,000	\$20,000,000	Potential
Transportation Impv Board			\$7,000,000	\$7,000,000	Potential
Additional PSRC (STP)			\$5,000,000	\$5,000,000	Potential
Sound Transit			\$5,000,000	\$5,000,000	Potential
<b>OTHER FUNDING SOURCES</b>					
City of Renton			\$4,000,000	\$4,000,000	Possible
Additional City of Tukwila			\$4,000,000	\$4,000,000	Possible
UPRR			\$0	\$0	
BNSF			\$0	\$0	
BUILD Grant (formerly TIGER)			\$0	\$0	
<b>Potential Funding</b>	<b>\$4,500,000</b>	<b>\$1,726,166</b>	<b>\$56,420,584</b>	<b>\$62,646,750</b>	
<b>Phase 3 Costs</b>	<b>\$4,500,000</b>	<b>\$1,720,166</b>	<b>\$55,000,000</b>	<b>\$61,220,166</b>	<b>2-Lane concept Cost</b>

Green section .....Existing secured funds

Red section.....Existing grants to be returned and reapplied for later (if the project is not ready to go to construction by the required time)

Other sections .....Options for a reasonable way to do a \$60 million project—versus \$80 million

Third party impacts with Option 2 include pumping more groundwater, with potential for the ground to subside around the project. That possibility will require additional study. Having the potential for more water can be complicated on a project with federal funding and the right-of-way process. They would need to verify the traffic benefits, and check in with permitting and regulatory agencies as it relates to the amount of naturally-occurring groundwater. There are risks with Option 2 that need to be investigated.



The Councilmembers asked the following clarifying questions:

- *By going with Option 2, does that imply we would go back later and add the two lanes and seal?* Mr. Fernandez stated that is possible; however, there is no cost estimate at this time. He indicated the work would be more expensive later due to escalation, having to remobilize the construction activity, and working in a more constrained site. It would also require determining what would have to be built now because it could not be built later.
- *What would be the differences and impacts associated with Option 2?* Mr. Fernandez explained that if Option 2 is built, the goal is to eliminate some walls and the seal. In order for traffic to work on West Valley Highway, and to provide access for property owners, Phase 4 (at the west end of the project) would likely have to be built much as it is now to accommodate businesses. Federal requirements for the project would still need to be met, i.e. some or all of the items listed under "Project Purpose and Need — Accommodates Growth" on page 5. Additional review with a traffic consultant will be needed to make these determinations and get a cost estimate.
- *Is there a possibility of getting an extension for the use of the grant funds?* Mr. Hash stated the City will be asking for an extension on use of the funding from both FMSIB and FASTLANE (approximately \$5 million each). He explained that both of these funding sources will go away if construction does not start by the beginning of next year. An extension until September 2020, for example, would still not allow enough time; the City would need at least a 3-year extension period for design, permitting, regulatory issues and the right-of-way process.
- *Would there be costs associated with Option 3, i.e. stopping the project when some money has already been spent, and there was an agreement with the City Renton?* Mr. Hash stated that the two \$5 million funding sources are "on paper" at this time. The \$5.1 million received from the Puget Sound Regional Council (PSRC) is what is currently being spent—\$3.8 million for design and \$1.2 million for right-of-way. If work on the project is stopped, the funds spent to date (approximately \$2 million) would need to be returned. If the money is used to complete design work (for Option 1 or 2), the City would have 10 years to complete construction.
- *How much time do we have to make this decision?* Mr. Hash stated that while a decision is not needed tonight, if the City does decide to relinquish the money, it is best to do so before it expires to maintain credibility with the funding agency. Another stipulation is that if the project is inactive for 6 months, the City would need to return the money. Mr. Fernandez of WSP stated that he has experience with agencies who returned funding to the Transportation Improvement Board and they were able to receive it again later.
- *Would the 2-lane option suffice for this project?* Mr. Fernandez stated that the reality is that traffic movements such as merging have to work at intersections—whether it is the 2-lane or 4-lane option. If the 2-lane option is preferred at this time, additional work and traffic analysis will be needed to determine the answer. Mr. Fernandez stated that estimates for building projects are somewhat different than for transportation projects, and WSP is confident in the numbers provided. If work was stopped today, discussions with potential funding agencies would continue. The design work to date would not be a waste, and would be in line for the original 4-lane project.
- *Why is City Administration recommending Option 2?* Mayor Ekberg stated the City's goal 4 to 5 years ago with the TIGER and/or FASTLANE grants was to get a shovel-ready project together to have a higher probability of receiving funds for development. Option 2 provides a road forward to get to a shovel-ready project and allow the City to ask for federal, state and/or county funding. David Cline, City Administrator, stated requests for federal funds have not been successful. The proposal here is to shift the focus to be part of the next transportation package at the state level for funding as a regional transportation project. The project is still 2 to 2-1/2 years away from the construction stage, so the timing may align with Mr. Foster's comments earlier that any state transportation funding packages may be several years away.

Mr. Hash explained that the discussion tonight was to provide an update on the Value Engineering Study. The purpose of the VE Study was two-fold: Validate that the consultant's work to date is doable (yes), and determine whether there are any savings options (yes, Option 2). For Option 2, the City has the money in place to complete design to get to a shovel-ready project. Under Option 3, the City would need to return approximately \$2 million that has already been spent to date. The \$10 million from FMSIB and FASTLANE is designated for construction costs.

The Councilmembers provided additional input on the three options:

Councilmember Robertson stated Option 1 comes with a high cost (\$83 million) based on the original design. Money already secured toward the project must be spent within a limited time period. Option 2 reduces the lanes to two, with an unsealed road, which does not meet the original goals. Option 2 also would not provide the anticipated \$65M in travel time economic benefits (2022 to 2052), which was expected to demonstrate national economic benefits under the federal funding guidelines. There are design and engineering questions, and expansion will likely be desired in the future. Funding issues include the City needing to contribute \$6 million, and Renton \$4 million. The City would need an extension or reapplication of grant funds already in place, plus an additional \$37 million. City staff will already be facing challenges with work for the Public Safety Plan over the next couple of years. He thinks stopping the project and returning the \$2 million in grant fund is a reasonable choice.

Councilmember Seal shares the concerns expressed by other Councilmembers. She understands the process associated with TIGER grants (Transportation Investment Generating Economic Recovery grants) from meetings in Washington DC. The City is also facing cost impacts related to the Public Safety Plan bond, and potential escalation costs are alarming. She acknowledged she has advocated to take this project to a shovel-ready stage in the past, but is now hesitant to have the added costs potentially impact services to citizens. She appreciates the hard work done to date on the 30% design work, and continuing would impose a lot of work for staff on reapplying and looking for funding. She feels Option 3 is the correct decision at this time.

Councilmember Quinn stated the \$41 million deficit to fund Option 1 is an unanswered question, with the most likely scenario being some type of grant. Option 2 brings less clear benefits that may affect funding possibilities. He does not see this project fitting into the City's Six-Year Capital Improvement Program.

Councilmember Kruller noted the City has come close to receiving funds through the Transportation Policy Board, and those grant applications have been predicated on the City's good reputation of finishing projects that we had started. She indicated the National League of Cities has indicated it could potentially be an issue if funds were returned. She stated smaller cities need to work harder to secure funds, and she is starting to question the repercussions of returning funds for small cities. She suggested involving Sound Cities in similar situations going forward as small cities cannot absorb the full impacts of a regional project. She appreciates the honest answers to the Council's questions today.

Councilmember McLeod served as Chair of the Transportation and Infrastructure Committee last year, which requested the VE Study. He does not feel the City is in a position to take this project on at this time, which leads him to Option 3 (stopping work).

Councilmember Idan stated he appreciates the thoughtful presentation today. He feels Option 2 does not meet all the goals of the original project, and leans toward Option 3.

Council President Hougardy confirmed that \$2 million is the actual money already spent, which will need to be repaid to PSRC. The Council's preferred direction seems very clear.

**COUNCIL CONSENSUS EXISTED FOR OPTION 3: STOP WORK, AND RETURN THE GRANT FUNDING AND REIMBURSE FEDERAL FUNDS SPENT TO DATE.**

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**e. 2018 4th Quarter financial report.**

Councilmember McLeod indicated this item was discussed at the Finance Committee meeting on May 28, 2019.

Vicky Carlsen, Finance Director, presented a summary of the 2018 year-end report.

Three takeaways from the General Fund are:

- Total General Fund revenues of \$64 million exceeded total General Fund expenditures.
- All General Fund departments finished under budget.
- The City's reserve policy was met.

Ms. Carlsen noted that while all departments came in below budget, the savings is considered one-time due to vacant positions.

Sales tax, which is the City's largest revenue stream, increased \$1.8 million over 2017.

Property tax revenue ended the year up, with increases primarily due to new construction.

**Other General Fund revenues include:**

- Utility taxes were below budget. The City has been seeing a decline in the telephone tax, with trends showing many land lines are being dropped. Data packages are also changing to unlimited vs. a set amount of minutes.
- Interfund utility tax was over budget primarily due to increases in funds.
- Gambling tax was a little below budget. One casino was temporarily shut down in the summer of 2018.
- Admissions tax showed an increase from 2017; one new business in the Commercial Business District has been doing very well.
- Business licensing showed an increase in funds. Approximately the same number of licenses were issued this year; however, the City's new fee structure took effect in 2018 with the per employee fee (instead of RGRL).
- Building permits: A half million over budget. The same number of permits were issued compared to 2017; however, the valuation of the permits significantly increased in 2018.

**General Fund expenditures:**

- The Unreserved Fund Balance in the General Fund increased from \$11.9 million in 2017 to \$13.3 million at the end of 2018.
- Contingency fund meets the City's reserve policy.

**Capital Projects Funds**

**Public Safety Plan:**

- LTGO bonds were Issued for the Public Works Shop Facility.
- \$17.6M in expenditures related to land and buildings for the Justice Center.
- \$3.2 million in expenditures for fire equipment (ladder truck and two pumper trucks).

Residential Streets: Decline in fund balance as a result of spending the previous year's bond proceeds, with planned work on 42nd Ave. S. and 53rd Ave. S.

**Enterprise Funds**

All Enterprise Funds met the City's reserve fund balance policy. Water and Sewer Fund balances increased. There was a slight decline in the Sewer Fund balance. The Golf Course maintained its end fund balance.



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### **Internal Service Funds**

Equipment Rental: All planned purchases will be funded.

Employee Self-Insurance Fund is healthy. The fund balance was down from 2017 due to changes made to reduce plan overfunding and achieve balance between annual premium charges and maintenance of reserve levels.

The Councilmembers asked follow-up questions on the various funds discussed.

### **REPORTS**

#### **a. Mayor**

Mayor Ekberg noted work that has taken place at the Namaste Garden behind Foster High School. David Cline and other City staff worked to improve accessibility to disabled individuals wanting to use the garden. He also noted the Seattle Seawolves will play to defend their rugby championship on June 16, 2019 in San Diego.

#### **b. City Council**

Councilmember Seal attended the K4C (King County-Cities Climate Collaboration) work session on June 10, 2019, where recent actions of the State legislature were reviewed. She noted that King County Executive Dow Constantine stated that while a lot of the progress made in recent years is being rolled back, actions taken at the local level can still drive change. Values around climate should continue to be discussed in relation to the City's Comprehensive Plan, zoning decisions, etc. She also noted that the Tukwila Library Advisory Board meeting scheduled for June 11 has been cancelled.

Councilmember Quinn stated he will provide more information at a later date relating to a transformative decision made by the Washington State Criminal Justice Training Commission. The State Attorney General, prosecution, and law enforcement came together on this rule-making accomplishment.

Councilmember Kruller stated she attended a spring concert featuring students from fifth grade through high school. She noted that studies have shown the importance musical education can have on multiple skills. There will be a "See You in the Park" event on June 12, 2019 at Cascade View Park. She also issued an advisory for citizens to prepare for the hot weather predicted for this week. The Seattle Seawolves won their quarter finals game 30-17. The Tukwila Pride festival will take place in the vicinity of Friendz Café, and is one more way Tukwila is working to be an inclusive city.

Councilmember McLeod stated the Finance Committee had a robust discussion on funding for Fire Station 52 earlier this evening. Discussion will continue on this issue as it relates to Fire Department service levels.

Councilmember Idan stated that he received phone calls from citizens related to 53rd Avenue South questioning why only two speed bumps were installed, and also that with cars parking on the street there is not enough room for vehicles to pass through.

Council President Hougardy attended the Equity and Social Justice Commission on June 6, 2019, where there was discussion about the City's appointment process for Boards and Commissions. The group is planning outreach on vacant Board and Commission positions, including with community-based organizations, the faith community, and at the City's "See You in the Park" events. She reminded Council to be aware of what openings are available for potential discussion with residents. Another suggestion of the Equity and Social Justice Commission was to review King County's application for Boards and Commissions, and to make citizens aware of the Community Leadership Institute through Puget Sound Sage. The program is an opportunity to help residents become more interested in being involved in City business.

**c. Staff**

There was no report.

**d. Council Analyst**

The Council Analyst was not present.

**ADJOURNMENT**

**9:48 p.m. COUNCIL PRESIDENT HOUGARDY DECLARED THE COMMITTEE OF THE WHOLE MEETING ADJOURNED.**

  
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Kathy Hougardy, Council President

  
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Barbara Saxton, Administrative Support Coordinator

APPROVED BY THE COUNCIL PRESIDENT: 6/24/19  
AVAILABLE ON THE CITY WEBSITE: 6/25/19