

# **Independent Analysis to Value the Reversible Lanes on I-90 to be used for High Capacity Transit**

## **I. Background**

### **I-90 Provisos:**

This work plan implements the Joint Transportation Committee (JTC) appropriation in ESSB 5352 §204(3):

\$300,000 of the motor vehicle account--state appropriation is for an independent analysis of methodologies to value the reversible lanes on Interstate 90 to be used for high capacity transit pursuant to sound transit proposition 1 approved by voters in November 2008. The independent analysis shall be conducted by sound transit and the department of transportation, using consultant resources deemed appropriate by the secretary of the department, the chief executive officer of sound transit, and the cochairs of the joint transportation committee. It shall be conducted in consultation with the federal transit and federal highway administrations and account for applicable federal laws, regulations, and practices. It shall also account for the 1976 Interstate 90 memorandum of agreement and subsequent 2004 amendment and the 1978 federal secretary of transportation's environmental decision on Interstate 90. The department and sound transit must provide periodic reports to the joint transportation committee, the sound transit board of directors, and the governor, and report final recommendations by November 1, 2009.

This work will inform the Washington State Department of Transportation (WSDOT) and Sound Transit's (ST) compliance with ESSB 5352 §306(17):

The legislature is committed to the timely completion of R8A which supports the construction of sound transit's east link. Following the completion of the independent analysis of the methodologies to value the reversible lanes on Interstate 90 which may be used for high capacity transit as directed in section 204 of this act, the department shall complete the process of negotiations with sound transit. Such agreement shall be completed no later than December 1, 2009.

## **II. Overview of Scope and Schedule**

The work will be performed in two phases summarized here and detailed below:

### **Phase I. Research and Prepare Analysis of Agreements, Commitments, and Valuation Methodologies**

Task 1. Provide comprehensive legal and policy review and analysis of key agreements; research federal laws, regulations, and guidelines; and interview FTA and FHWA officials.

Task 2. Research and develop instructions for performing valuations of the center roadway for use by high capacity transit.

Due: July 2

Agency Action: ST and WSDOT shall agree, in consultation with FTA and FHWA, on methodologies for determining valuation. Premises and methodologies will be included in proposed instructions for Phase II.

ST and WSDOT shall report their proposal to the JTC at the July 7<sup>th</sup> JTC meeting. The Secretary of WSDOT, the ST chief executive officer, and the co-chairs of the JTC shall determine whether to proceed with Phase II by July 17<sup>th</sup>.

## **Phase II. Perform Approved Valuation Methodologies.**

Task 3. Conduct Valuation Study

Due: October 1

Agency Actions: WSDOT and Sound Transit report final recommendations to JTC, ST Board and Governor by Nov. 1.

WSDOT and Sound Transit approve valuation study following work by mutually agreed-upon independent review.

ST and WSDOT complete agreement for any reimbursement needed for use of center roadway

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Due: Dec. 1

## **III. Detailed Scope**

### **Phase I. Develop Valuation Methodologies**

Task 1. Provide comprehensive legal and policy review and analysis of key agreements; research state and federal laws, regulations, and guidelines; and interview FTA and FHWA officials.

- a. Review of Agreements. The Consultant shall review existing agreements regarding the I-90 corridor including, but not limited to those referenced in ESSB 5352 §204(3):.

- The Memorandum of Agreement (MOA), December 21, 1976, between Washington State Highway Commission , King County, METRO, cities of Seattle, Mercer Island and Bellevue.
- The US Department of Transportation Decision (USDOT) signed by Secretary Brock Adams, issued September 20, 1978.
- The August 2004 Amendment to the 1976 MOA between the original parties and Sound Transit.
- Identify and analyze other relevant documents and/or agreements.

b. Review applicable state and federal laws, regulations, and practices.

ESSB 5352 §204(3) requires analysis of applicable state and federal laws, regulations, and practices. The consultant will consult with counsel (WSDOT, ST, FTA and FHWA and others, if necessary) to objectively identify applicable state and federal laws and regulations that govern the disposition of assets constructed or acquired through the use of federal funds, including 23 USC 142, 23 CFR 810, 49 USC 5334, and FTA Circular 5010.1D. The consultant will also review State Constitution, Article 2, section 40, and other applicable state laws governing the use of state highway funds for urban mass transportation systems.

c. Interview FTA and FHWA Regional Administrators or their designees.

ESSB 5352 §204(3) requires consultation with the FTA and FHWA concerning the federal investment in the center roadway facility, applicable guidance and practices. The consultant will interview the FTA and FHWA Regional Administrators or their designees to obtain information concerning these federal agencies' approaches and guidelines regarding the transfer of federally funded assets.

Deliverables:

Identify legal issues specific to valuation arising from Agreements and Applicable Laws/Regulations/Guidelines and Consultation with FTA and FHWA:

The consultant will prepare a report that will contain the consultant's review and analysis of agreements, and applicable laws and regulations and guidelines and summarize the consultant's interviews of FTA and FHWA officials.

Consultant will deliver report by July 2.

Task 2: Research and develop methodologies, including, but not limited to, real estate appraisal methodologies, for performing valuation of the center roadway for use by high capacity transit.

The consultant will:

- Research methodologies for valuing reversible lanes on the I-90 facility for use by high capacity transit, incorporating any limitations identified by Task 1;
- Analyze potential valuation methodologies, preparing a summary analysis of valuation methodologies, their strengths, weakness, and appropriateness for valuation of the I-90 lanes;
- Prepare recommendations and draft appraisal instructions; and

- Provide a work estimate and draft budget for the recommended work plan.

Deliverables: Report on valuation methodologies and draft appraisal instructions: The consultant will prepare a report proposing valuation methodologies and instructions that will be given to the valuation team of subject matter experts for the valuation of the center roadway. The report shall describe the benefits and limitations of various methodologies.

Consultant will deliver the report by July 2.

Agency Action: Sound Transit and WSDOT shall agree on a short list of methodologies to be presented to the JTC on July 7.

The Secretary of WSDOT, the ST chief executive officer, and the co-chairs of the JTC shall determine whether to proceed with Phase II by July 17<sup>th</sup>.

## **Phase II. Perform Valuation**

### **Task 3: Conduct Valuation Study.**

Based on methodologies approved by the Secretary of WSDOT, the ST chief executive officer, and the co-chairs of the JTC, the consultant will conduct a valuation study. The consultant shall employ a qualified valuation team of subject matter experts for this purpose that will be approved by Sound Transit WSDOT and the co-chairs of the JTC. The valuation shall be conducted based on methodologies and parameters determined in Phase 1.

Deliverable: Valuation Study by October 1, 2009

Agency Actions: WSDOT and Sound Transit report final recommendations to JTC, ST Board and Governor by Nov. 1.

WSDOT and Sound Transit approve valuation study using mutually agreed-upon review methods of valuation.

ST and WSDOT complete agreement for any reimbursement needed for use of center roadway by high capacity transit.

Due: Dec. 1

### **Qualifications/Skill Sets:**

- Lead Consultant  
The lead consultant should have experience working on complex multi-jurisdictional issues and have the ability to produce excellent oral and written presentations to a wide

variety of audiences including political leaders and agency staff. Previous experience working on transportation issues is desirable. The lead consultant may serve in this sole capacity or in addition to one of the two roles identified below.

- Legal  
The attorney selected should be a member of a State Bar, without conflicts of interest. If the attorney or his or her law firm has any potential conflicts because of past representation of either ST or WSDOT, he or she must, in writing: (a) disclose any potential conflicts, and (b) provide a plan for how this project will be protected from those conflicts. The attorney must have a good understanding of transportation issues and previous experience working on issues related to federally funded projects is desirable.
- Appraisal  
The appraisers selected should possess state certification as a general appraiser and be in good standing. The consultant should have a demonstrated experience in right of way and special purpose property valuation of at least five years. Experience appraising transportation facilities is desirable. At a minimum the consultant appraiser should hold a professional designation from one or more of the following nationally recognized appraisal organizations:
  1. Appraisal Institute
  2. International Right of Way Association; or
  3. National Association of Independent Fee Appraisers.

The consultant shall employ additional subject matter experts as needed, such as:

- Engineering  
The engineer must possess a valid Civil Engineering License and have a minimum of 10 years of experience designing and estimating complex urban highway projects. Experience working on both highway and transit projects is desirable.
- Economics  
The economist must have expertise in state-of-the-industry benefit-cost analysis.
- Traffic and Transit Analysis  
The traffic engineer must have traffic modeling expertise on both highway and transit projects.

#### **IV. Schedule**

May 1-26—Develop scope of work, list of skill sets needed and draft interagency agreement.  
JTC approve Interagency Agreement (May 26)

May 26-28  
Secure lead consultant through WSDOT or ST on call procedure subject to approval by JTC co-chairs.

May 29-July 2—Provide direction to consultants.  
Consultant performs Phase I  
Phase I report due July 2

June 25-July 17—ST and WSDOT agree on proposed valuation methodologies

ST/WSDOT makes presentations to Joint Transportation Committee, Sound Transit Board, and Governor providing interim report. The Secretary of WSDOT, the ST chief executive officer, and the co-chairs of the JTC determine whether to proceed with phase II.

July 8-Oct. 1—Using methodologies approved by ST and WSDOT and the co-chairs of the JTC, consultant performs Phase II.

Project managers provide interim direction and receive interim updates from consultants. Phase II report due Oct. 1. WSDOT and ST provide periodic reports the JTC, ST Board, and the Governor.

Oct.-- ST/WSDOT presents final recommendations to Joint Transportation Committee, Sound Transit Board, and Governor.

Oct. 1-Nov. 30-- ST/WSDOT negotiations

WSDOT and Sound Transit approve valuation study using mutually agreed-upon review appraiser. Due Oct. 31.

ST and WSDOT complete agreement for any reimbursement needed for use of center roadway by high capacity transit

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Dec. 1—ST/WSDOT agreement due