

City of Bellevue

**East Link Light Rail B7/C9T to
NE 2nd Portal (B7 – Revised)
Alternative**

TM08 – Right of Way

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Draft

1 Executive summary

This technical memo summarizes the Right of Way (RoW) costs and property impacts for the B7-Revised alternative and compares them with those for the B7 and C9T alternatives. The assessment extends from the South end of Segment B to the south end of the proposed Bellevue Transit Center Station.

The original scope of the study was to define and cost the RoW needs and property impacts for the B7-Revised alignment, identify the number of businesses and residences impacted, and the estimated time to secure all property rights. RoW costs were to be estimated using Sound Transit’s methodology.

In early discussion with Sound Transit, it became evident that for commercial reasons, Sound Transit was unable to supply detailed RoW costing data on a parcel level. However, to allow an ‘apples to apples’ comparison between the two alternatives Sound Transit would provide an aggregate RoW cost for both alternatives. These estimates have been used in the project cost estimate presented in B7-Revised Cost Estimate (TM11).

The project team provided Sound Transit with property impacts associated with the B7-Revised alternative and also carried out an independent estimate of the RoW costs for the B7-Revised alternative. This independent estimate used a fee simple methodology similar to Sound Transit’s, however due to the information available to the project team different assumptions were made. The key differences are:

- Project team used a year of estimate 2010 versus 2007
- Project team used a corridor approach for BNSF corridor versus “Across the fence”

	B7-R				B7/C9T			
	Segment B		Segment C	Total	Segment B		Segment C	Total
	Corridor (excluding A-2 Station)	A-2 Station			Corridor (excluding 118th Station)	118th Station		
RoW Costs by Sound Transit (2007 \$)	\$33.78m	\$14.03m	\$136.90m	\$184.71m	\$63.46m	\$27.53m	\$94.36m	\$185.35m
RoW Costs by project team (2010 \$)	\$21.84m	\$12.94m	\$116.20m	\$150.98m	Not estimated			

Note 1: Refer to Table 10 for specific notes and breakdown of valuations

Table 1 - Summary comparison of RoW costs from Sound Transit Analysis

Key findings

- A summary of the property impacts for the B7-Revised and B7/C9T alternatives is:

Features	B7-R	B7/C9T
Residential displacements (number of housing units)	12	0
Business displacements (number of employees)	215	268
Full/partial property acquisitions	35	33

- The total RoW costs for the B7-Revised alternative is \$184.71m
- The overall right of way costs are similar for both alternatives
- The RoW costs for the A2 Station (B7-R) are \$13.5m less than those for the 118th Station (B7)
- The RoW costs within Segment B for B7-Revised (excluding stations) are \$30m less than B7 which is primarily related to the STOR-House property which is not acquired under B7-Revised.
- The RoW costs within Segment C for B7-Revised are \$42m higher than B7/C9T. This is largely related to the additional acquisition of the Sheraton Hotel property
- The project team independent estimate of the RoW costs for the B7-Revised alternative is \$150.98m inclusive of contingency. The difference of \$34.73m against Sound Transit's estimate is expected to be largely due to the use of 2010 property pricing data, and an assumption in the BNSF corridor of “across the fence” by Sound Transit versus “corridor valuation” by the project team.
- The length of time for acquisitions averages 12-24 months.

2 Background

2.1 Project description

The East Link project is an extension to Sound Transit’s Link light rail system that will provide light rail service across Lake Washington, linking Seattle, Bellevue, and Redmond (Overlake).

For the segment of East Link between the Lake Washington crossing and downtown Bellevue, Sound Transit has developed the B7 alternative to a conceptual engineering level of design (approximately five percent design) as part of the Draft Environmental Impact Statement (DEIS) for the project. The DEIS was issued in December 2008.

A Supplemental Draft EIS, which analyzes new alternatives developed since the DEIS, was published in November 2010. That supplemental document includes updated conceptual engineering for the B7 alternative and a C9T alternative that could connect B7 to a station at the Bellevue Transit Center. A Final EIS is expected in the summer of 2011.

At the September 13, 2010, Bellevue City Council Study Session, the council discussed the need for design variations and for additional analysis of revised East Link B7 and C9T alternatives. The objectives of the additional analysis would be to improve performance, to reduce impacts, and to reduce costs, as compared with the Sound Transit B7 and C9T alternatives. As a result of that discussion the council initiated the development of a modified B7 alternative (“B7-Revised”) that would compare favorably in terms of performance and cost with the Sound Transit Board’s adopted B2 (Modified) alternative. The council directed City staff to develop an “apples-to-apples” comparison of the Sound Transit B7 and C9T alternatives with a B7-Revised alternative. Arup were commissioned by the City to develop the B7-Revised Alternative.

The B7-Revised alternative begins at the transition from the East Link Segment A to Segment B at the east shore of Lake Washington through the Mercer Slough and connects with a new elevated station (A-2 Station) over south Bellevue Way/I-90 ramps. The alignment continues east from the station along the north side of I-90 and turns north into the BNSF corridor with an at-grade profile. The alignment transitions to elevated as it leaves the BNSF corridor, crosses over SE 8th Street, and transitions back to at-grade prior to a new station (East Main Station) just south of Main Street on the current Red Lion Hotel site. The alignment crosses under Main Street and turns west on the current Sheraton Hotel site before entering a tunnel portal at NE 2nd Street. The B7-Revised alternative is approximately three miles long with a combination of at-grade, elevated, and open-cut sections.

2.2 Technical memo scope

The Right of Way (RoW) scope of the study is to define the RoW needs and property impacts for the B7-Revised alternative, identify the number of businesses and residences impacted, and estimate the time to secure all property rights. The scope of the study relating to cost estimating includes the development of RoW cost estimates for the alternative using Sound Transit’s methodology.

Because Sound Transit was unable to supply parcel level RoW cost data, Sound Transit agreed to separately cost the aggregate RoW cost for the B7-Revised alternative to allow direct comparison with the RoW cost presented for the B7/C9T alternative. Independently, and using publicly available data, the project team has developed a RoW cost estimate for the B7-Revised alternate to substantiate the Sound Transit prepared RoW analysis. Both analyses are presented in the technical memo.

The RoW analysis has been based on the station concept design and early concept alignment design. This technical memo should be read in conjunction with these and with other technical memos produced for this study, in particular:

- A-2 Station Concept Report (TM03)
- Cost Estimate Update A-2 Station (TM05)
- Early Concept Alignment (TM06)
- B7-Revised Cost Estimate (TM11)
- Shared Track with Freight Rail (TM12)
- BNSF Corridor: Additional Freight Corridor Option (TM14)

2.3 Technical memo objectives

The objectives of this technical memo are to:

- Describe the approach taken to derive the Right of Way costs for the B7-Revised alternative
- Present the RoW costs for the A-2 Station and for the B7-Revised alternative as a whole
- Highlight specific RoW challenges and opportunities along the B7-Revised alignment.

2.4 Key meetings and background documents

Relevant meetings for this technical memo are noted below:

Date	Meeting	Reference (Minutes)
December 16, 2010	City of Bellevue kick-off meeting	Ref: Kick-off Minutes-Issue 2 Issue Date: 1/10/2011
January 6, 2011	Sound Transit kick-off meeting	Ref: ST Meeting 1 Minutes (Issue 2) Issue Date: 1/20/2011
January 13, 2011	B7-Revised optimization workshop	Ref: Optimization Workshop Minutes Issue 2 Issue Date: 2/2/2011
January 27, 2011	Sound Transit Right of Way meeting	Ref: ST Meeting 2 Minutes (Issue 3) Issue Date: 2/2/2011
April 7, 2011	Sound Transit Right of Way meeting	Not prepared at time of issue of technical memo

Table 2 - Relevant meetings

Relevant documents and reports used to support the analysis included the following:

Document	Referred to in Technical Memo as:	Relevance to Technical Memo:
Central Puget Sound Regional Transit Authority, Washington State Department of Transportation, and Federal Transit Administration, et al (December 2008). <i>East Link Project: Draft Environmental Impact Statement</i> . Seattle, WA: Sound Transit.	DEIS	Provides station program details for South Bellevue Station, used to design A-2 Station
Central Puget Sound Regional Transit Authority, Washington State Department of Transportation, and Federal Transit Administration, et al (October 2010). <i>East Link Project: Supplemental Draft Environmental Impact Statement</i> . Seattle, WA: Sound Transit.	SDEIS	Provides station program details for South Bellevue Station, used to design A-2 Station
KPFF (July 2010). South Bellevue Station: Alternative Location Analysis. Bellevue, WA: City of Bellevue Transportation Department.	KPFF Study	Presents original A-2 Station concept to assess and optimize
King County Assessor's Records	Assessor	Provides existing public real property data
Northwest Multiple Listing Service	NWMLS	Provides comparable sales data
Commercial Brokers Association	CBA	Provides comparable sales data

Table 3 - Relevant documents and reports

3 Sound Transit methodology and data

Sound Transit was unable, for commercial reason, to provide parcel level RoW costing data. To ensure an ‘apples-to-apples’ comparison, Sound Transit completed the RoW cost estimate for both B7-Revised and the study portion of B7/C9T and aggregated the costs across each segment.

The aggregated Sound Transit RoW cost estimate used the same base data and information, assumptions and methodology as the DEIS and SDEIS RoW cost estimate.

3.1.1.1 BNSF corridor assumptions

Sound Transit, in their estimate for the DEIS and SDEIS, assume fee acquisition of a portion of the BNSF corridor.

3.1.2 Corridor valuation for BNSF corridor

Sound Transit model assumes market value based on “across the fence” (ATF) values. In layman’s terms ATF means the values of a linear corridor are derived from comparable sales data from each adjacent parcel, in smaller increments.

3.1.3 Analysis of market data

Sound Transit established its budget estimates for acquisition and relocation cost based on market analysis of parcels. Self-contained appraisals, on individual parcels are not completed at this point by Sound Transit at the DEIS stage of project development. Note that a “determination of fair market value” was not established by Sound Transit for the DEIS and SDEIS.

Sound Transit used prior averages (from previous and current projects) for the relocation estimates.

3.1.4 RoW cost method

For the DEIS and SDEIS RoW estimates, Sound Transit established a cost estimate for the real property acquisitions, both fee simple and easements. In the majority of the property impacts, Sound Transit assumed a full fee acquisition of the impacted property. This is followed by the addition of the estimates for relocation, both residential and business. A contingency factor is then multiplied against the total of the two previous numbers. An administration cost is then added. The administrative cost estimate includes title, escrow, appraisal and right of way consultant fees.

The Sound Transit cost estimate methodology is summarized below.

$$\left(\begin{array}{l} \text{Market Study} \\ \text{estimate of} \\ \text{Real Property} \end{array} + \begin{array}{l} \text{Relocation} \\ \text{estimate} \end{array} \right) \times \begin{array}{l} \text{Contingency} \\ \text{Factor} \end{array} + \begin{array}{l} \text{Administration costs (title,} \\ \text{escrow, appraisal, and right} \\ \text{of way consultants)}^{(1)} \end{array}$$

Note 1: For consistency with the DEIS and SDEIS, the RoW cost estimates presented in this technical memo do not include administration costs.

Figure 1 - Calculation of RoW cost

5 Project team methodology and data

For comparison purposes a RoW cost estimate for the B7-Revised alternative was produced by the project team. This estimate used a similar methodology to that adopted by Sound Transit; however, as parcel level data was not available from Sound Transit, alternative data was used, and assumptions made.

The following sections and tables outline the key aspects of the Right of Way analysis, how these were addressed by Sound Transit in their assessment of the B7-Revised and B7/C9T alternatives and how they were addressed in the project team’s analysis.

5.1 Base data and information

B7-Revised	B7/C9T	Comment
King County Assessor’s records	Assessor records used with regard to site characteristics and other information	Sound Transit does not rely on assessor’s valuations for market studies. This is one of the publicly available tools to look at property. Sound Transit did not make available individual property valuation statistics that were used to generate the comparable estimates for the DEIS and SDEIS.
Northwest Multiple Listing Service (2010)	Same (2007)	Sound Transit used 2007/8 data. The project team used latest 2010 data, which is inclusive of 2007/8 data. Study includes current comps, which due to lower market value potentially results in lower valuations.
Commercial Brokers Association (2010)	Same (2007)	As above.
No interviews with potential displacees	Some interviews with potential displacees	Sound Transit had benefit of interviews with some displacees in Segment B/C affected properties. This was not part of the B7-Revised scope. Study therefore relies on statutory benefit requirements, and does not allow for specific aspects of relocations.

Table 4 - Comparison with Sound Transit DEIS and SDEIS base data and information

Sound Transit’s market estimates are based on 2007 comparable sales figures. The real estate market has been changing during the past four years, both up and down. These differences are reflected in the estimates provided by the project team as current market data and new encumbrances affecting the properties were analysed.

5.2 Key assumptions

Key assumptions for the Right of Way analyses are as follows:

B7-Revised	B7/C9T	Comment
A-2 – All privately owned parcels are full fee acquisitions	n/a (No station in this location)	Sound Transit would also acquire all parcels in fee for this location.
A-2 – City of Bellevue owned parcels are partial fee acquisitions.	n/a (No station in this location)	Sound Transit would also have partial fee acquisitions for this location.
Assumes fee acquisition of the alignment corridor RoW.	Same	
BNSF corridor assumes a valuation based on corridor valuation versus “across-the-fence” valuation.	Assumes valuation based on “across-the-fence” valuation	There are a number of encumbrances (ie Puget Sound Energy easement) within the corridor that lessen the future market-ability and use of the corridor by Sound Transit. The cost to Sound Transit to acquire the remaining corridor should be substantially less – and therefore a corridor valuation is more appropriate.
STOR-House – partial fee acquisition	Full fee acquisition	Alignment is between building and I-405 wall. Sound Transit alignment was over the top of the building. This is sufficiently different, and does not result in a full fee acquisition being required – in the opinion of the project team.
Greenbaum – aerial easement	Full fee acquisition	Project team re-aligned alignment does not substantially impact existing building or future operations of the property.
Hilton – easement	Same	No difference in RoW assumption as result of at-grade alignment.
Red Lion – full fee acquisition	Same	
Sheraton – full fee acquisition	n/a – not included in alternative	Not considered.
NE 2nd – full fee acquisition	n/a – not included in alternative	Note – Main Street acquisitions were all full fee acquisitions.
Residential and business relocations – Uniform Act	Same	
Business reestablishment – Uniform Act increased to Washington State statutory limit of \$50,000	Same	

Table 5 - Comparison with Sound Transit DEIS and SDEIS key assumptions

5.2.1 Specific assumptions used in project team analysis

5.2.1.1 Market data

Sound Transit has provided some market and comparable sales data for the project team’s use in this analysis. Exact relocation estimates, contingency multipliers or administrative cost

assumptions for any of the alternatives being reviewed, were not available for use in the review of existing Sound Transit totals.

A breakdown of estimated value, by parcel, is not available to allow analysis of particular portions of an overall alignment as sensitive, exact, per parcel valuation details could undermine future negotiations by Sound Transit. Similarly, the project team has not included exact, per parcel market estimates as this may also undermine further negotiations by Sound Transit.

Current Assessor data is available for each parcel and has been used to provide basic property data in the analysis presented here. Sound Transit advised it does not rely on Assessor valuations for its budget assumptions. To support the B7-Revised RoW analysis, Sound Transit reviewed the B7-Revised property requirements and provided additional market data to the project team.

5.2.1.2 Mitigation assumptions

Unless otherwise noted, the cost for noise mitigation, as it relates to real property, and other “cost to cure” assumptions are not broken out in project team budget estimates to be consistent with Sound Transit’s approach.

5.2.1.3 BNSF corridor assumptions

A significant difference between the B7 and B7-Revised RoW estimate relates to the assumptions surrounding the BNSF portion of the alternatives. Consistent with Sound Transit, the project team estimate has adjusted market estimates to account for full fee acquisitions. However, the project team considers that the acquisition of a permanent easement (as opposed to full fee acquisition) is the only real property interest required for use of the corridor and budget estimating purposes.

More details about this alternative are discussed further in this technical report. We have specified where portions of the alignment assumed only easements for budget comparisons. In addition, a significant easement has been acquired by Puget Sound Energy (PSE) along the entire BNSF alignment. This easement did not exist or encumber the corridor during the original Sound Transit estimates prepared for the DEIS and SDEIS. The PSE easement now controls a significant portion of property rights within the alignment. The easement covers the rail corridor from Renton to the Snohomish County boarder and is found under King Co Recording #20101221000998 and 20101221000997. The price paid for the easement over approximately 35 mile rail corridor in King County was \$13.6m.

The acquisition of two potential easements is being contemplated by Cascade Water Alliance and King County within the same BNSF footprint. These additional easement acquisitions will significantly reduce the remaining real property interests available to be acquired for the light rail use by Sound Transit. When a linear corridor is impacted by multiple additional uses and encumbrances, its potential market uses and value are substantially limited.

5.2.2 Relocation assumptions

All relocation estimates and assumptions follow the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (Uniform Act).

There are typically two types of residential displaces – owner occupants and non-owner occupants. Without interview of residential occupants, the project team assumes owner occupant homes for all residential displacements along the corridor. The statutory maximum benefit for owner occupied residents is \$25,000. The exception to this would be “last resort housing” benefits which cannot be estimated without individual data obtained from owners.

Under the Uniform Act, a displaced business receives move expenses, advisory services and business re-establishment benefits. Move cost and advisory service needs vary widely by business. There is a Washington State statutory limit for re-establishment of \$50,000. This exceeds the Federal limit of \$10,000. For purposes of this estimate we have utilized a range of relocation benefits from prior projects, impacting similar businesses which were not determined by interviews with the potential displaces in each alternative alignment.

As neither type of relocation benefit can be separated out from the overall right of way cost estimates provided by Sound Transit, the project team cannot accurately determine the exact dollar cost of relocation in each alignment. Instead, the project team assumes that the statutory limits will apply throughout the project.

Additionally we have estimated the potential number of residential and business impacts in each alignment and chart those comparisons. In each alignment, the relocation estimates are less than 1% of the overall project cost and therefore do not have a significant burden on the comparisons here. The more appropriate comparison is in the actual number of displaced residences or businesses.

5.3 Methodology

The key aspects of the methodology adopted for the Right of Way analysis are highlighted in Table 6. Further information is provided Sections 5.3.1 through 5.3.2.

B7-Revised	B7/C9T	Comment
Analyze current market data, review partial impacts or complete impacts to properties, and estimate relocation impacts and obligations based on available data.	Same	
Corridor valuation sums generate for BNSF.	Across-the-fence valuations	There are a number of encumbrances (ie Puget Sound Energy easement) within the corridor that lessen the future market-ability and use of the corridor by Sound Transit. Cost to Sound Transit to acquire the remaining corridor should be substantially less – and therefore a corridor valuation is considered more appropriate.

Table 6 - Comparison with Sound Transit DEIS and SDEIS methodology

5.3.1 Analysis of market data

Consistent with Sound Transit, the project team established its budget estimates for acquisition and relocation cost based on market analysis of parcels. Self-contained appraisals, on individual parcels are not completed at this point by Sound Transit at the DEIS stage of project development. Note that a “determination of fair market value” was not established by Sound Transit for the DEIS and SDEIS.

To complete the market analysis, the project team looked at existing sales in the area and information from prior transactions to estimate future costs. Budget estimates are often established 2-5 years prior to actual acquisitions and relocations. Given a rising or falling economy, these numbers are often not exact, and this leads to a difference in the RoW costs prepared by Sound Transit versus the project team.

Sound Transit used prior averages (from previous and current projects) for these relocation estimates. However, the project team did not have benefit of Sound Transit’s prior relocation estimates. Section 5.2.2 describes the relocation assumptions.

5.3.2 Corridor valuation for BNSF corridor

While the Sound Transit model assumes market value based on “across the fence” (ATF) values, the project team believes a more accurate market estimate would assume a “corridor valuation” (CV). A corridor valuation assumes the linear corridor is valued as a more complete parcel, in this case a 100 foot wide parcel approximately 1 mile long. The corridor value would also take into account the added layers of easements encumbering the use.

The differences in these two methods are substantial, as evidenced by the difference in our market estimate of approximately \$18m for the rail corridor portion in B7-Revised alternative.

6 Property impacts

6.1 Project team B7-Revised impacted properties

6.1.1 A-2 Station and Park-and-Ride

The station concept presented in technical memo TM03 A-2 Station Concept Design Report (Review Draft 1) requires acquisition of the following:

- 13 privately owned parcels in full fee
- 12 developed with single family residences
- One currently undeveloped parcel (zoned for single family residential development)
- Partial fee acquisition of two parcels (currently owned by the City of Bellevue and used for park purposes)

Air rights agreements from WSDOT and the City of Bellevue would be required across existing road right of ways. Sound Transit did not include these in the DEIS and SDEIS. The project team followed the same approach in their analysis.

6.1.2 Segment B (excluding A-2 Station and Park-and-Ride)

The alignment described in technical memo TM06 Early Concept Alignment (Review Draft 1) parallels I-90 across Mercer Slough and parallels I-405 along the former BNSF corridor. North of the former BNSF corridor it continues parallel to the I-405 to SE 6th Street. Over one mile of this alignment is along the former BNSF rail corridor. There is one property requiring full fee acquisition from a private party. A second property requiring full acquisition is owned by WSDOT. There are 7 partial acquisitions (including both the Greenbaum property and STOR-House) and one full acquisition required from private parties, and just under 2 acres of easement area in parkland would be required from the City of Bellevue in the Mercer Slough.

6.1.3 Segment C

The alignment described in technical memo TM06 Early Concept Alignment (Review Draft 1) has a tie-in immediately to the south of the Bellevue Transit Center Station.

The analysis of property impacts arising from the Bellevue B7-Revised alternative therefore does not include the full Segment C.

The assessed portion of B7-Revised in Segment C requires easements from 3 properties. Full fee acquisition would be required of both the Red Lion and Sheraton Hotel properties to accommodate the East Main Station and NE 2nd Street tunnel portal. Full fee acquisition would also be required for 9 additional parcels along NE 2nd Street and 110th Avenue NE, one of which is owned by the City of Bellevue.

6.1.4 Comparison of impacts (B7-Revised vs B7/C9T)

The property impacts for the B7-Revised alternative are presented below and compared against the impacts of the B7/C9T alternative.

6.2 Sound Transit B7/C9T impacted properties

Sound Transit property impacts for B7/C9T are described in the DEIS and SDEIS and are summarized in Table 7 below.

6.3 Comparison of property impacts

	Project team B7-Revised				Sound Transit B7/C9T		
	Segment B		Segment C ¹	Total	Segment B	Segment C ¹	Total
	Excluding A-2 Station	A-2 Station					
Total Impacted Private Properties	8	13	14	35	16	17	33
Partial Acquisitions	7	0	3	10	9	8	17
Full Acquisitions	1	13	11	25	7	9	16
Business Relocations	1	0	8	9	6	8	14
No. Employees Displaced	15	0	200	215	180	88	268
Residential Relocations	0	12	0	12	0	0	0
Acres of Public Park Land Impacted	(4)	(4)	(4)		(5)	(5)	(5)
	1.86 ac	0.47 ac	0 ac	2.33 ac	0.9 ac perm. 1.6 ac temp.	0.1 ac perm. 0.1 temp.	1.0 ac perm. 1.7 ac temp.
Acres of BNSF Corridor	8.42 ac	0	0	8.42 ac	(3) 8.42 ac	0	0

Note 1: RoW cost for Segment C does not include any parcel north of the Bellevue Transit Center Station south platform edge.

Note 2: Parcel counts do not include parcels owned by WSDOT, BNSF or City of Bellevue. Sound Transit does not quantify acreage estimates for easements or acquisition of right-of-way from public entities (WSDOT, road right-of-way, former BNSF corridor from POS) in the EIS.

Note 3: Per Sound Transit email April 13, 2011 Mercer Slough is 120,000 sqft (2.7 ac), and BNSF corridor is 319,000 sqft (7.32 ac) plus an additional parcel of 47,480 sqft (1.09 ac).

Note 4: Project team assumes full impact of parklands without distinguishing temporary and permanent impacts as construction duration, and therefore temporary impacts, will last for multiple years.

Note 5: Sound Transit's approach is to illustrate temporary impacts to represent a construction footprint, and a permanent impact to represent full acquisition and conversion of parkland to LRT facilities. The areas should not be added together for purposes of RoW, as they overlap. The temporary impact area represents the area needed for LRT facilities PLUS additional area needed for temporary construction easements. For cost purposes, Sound Transit assumes temporary construction easements (TCEs) to be part of the contingency, and they are not separately calculated.

Table 7 - Table of property impacts for B7-Revised and B7/C9T alignment alternatives

The key differentiators between the two alternatives are:

- A-2 Station: the A-2 Station requires 12 residential displacements not required in the B7/C9T.
- The alignment at the STOR-House property has been relocated to the east resulting in an aerial easement rather than a full taking.
- 118th Street Station: the removal of the 118th Street Station avoids the full acquisition of 7 commercial properties.
- The alignment at the Greenbaum furniture store property at 929 118th Ave SE has been relocated to the east resulting in an aerial easement rather than a full taking.
- A full taking of the Sheraton Hotel is required as a result of the alignment at the East Main Station
- The B7-Revised alignment requires properties along the north side of NE 2nd Street for the cut-and-cover section, while B7/C9T requires property on the south side of Main Street.

7 Right of Way cost estimates

7.1 Sound Transit cost estimate

Sound Transit have shared a Right of Way cost estimate of both alternatives to ensure that the analysis represents an ‘apples-to-apples’ comparison of the two alternatives. The results of this cost estimate are presented below.

	B7-Revised				B7/C9T			
	Segment B		(4) Segment C	Total	Segment B		(4) Segment C	Total
	Corridor (excluding A-2 Station)	A-2 Station			Corridor (excluding 118th Station)	118th Station		
RoW Costs by Sound Transit (2007 \$) ^(2,3)	\$33.78m	\$14.03m	\$136.90m	\$184.71m	\$63.46m	\$27.53m	\$94.36m	\$185.35m

Note 1: Values are inclusive of contingency added, but no admin costs are included (to be consistent with estimates published in EIS).

Note 2: Sound Transit estimates based on valuation during New Downtown Alignment Analysis and the update of B7 for Long Span over Mercer Slough and full take of STOR-House and are as shown in SDEIS. Sound Transit estimates also include BNSF and WSDOT RoW. No Admin costs are included (consistent with estimates published in EIS).

Note 3: Information as provided by Sound Transit April 18, 2011

Note 4: RoW cost for Segment C does not include any parcel north of the Bellevue Transit Center Station south platform edge.

Table 8 – Right of Way Cost estimate by Sound Transit.

7.2 Project team cost estimate for B7-Revised

The project team cost estimate is presented below for comparison with the Sound Transit cost estimate. The project team was not requested to estimate the Right of Way costs for the B7/C9T alternative.

B7-Revised					
Segment B		(4) Segment C	Total		
Corridor (excluding A-2 Station)	A-2 Station				
RoW Costs by project team (2010 \$)	\$21.84m	\$12.94m	\$116.20m	\$150.98m	

Note 1: Values are inclusive of contingency added, but no admin costs are included (to be consistent with estimates published in EIS).

Note 2: Sound Transit estimates based on valuation during New Downtown Alignment Analysis and the update of B7 for Long Span over Mercer Slough and full take of STOR-House and are as shown in SDEIS. Sound Transit estimates also include BNSF and WSDOT RoW. No Admin costs are included (consistent with estimates published in EIS).

Note 3: Information as provided by Sound Transit April 18, 2011

Note 4: RoW cost for Segment C does not include any parcel north of the Bellevue Transit Center Station south platform edge.

Table 9 - Right of Way cost estimate by project team

7.3 Comparison of cost estimates

Table 10 below combines the RoW cost estimates developed by Sound Transit and the project team.

	B7-Revised				B7/C9T			
	Segment B		(4) Segment C	Total	Segment B		(4) Segment C	Total
	Corridor (excluding A-2 Station)	A-2 Station			Corridor (excluding 118th Station)	118th Station		
RoW Costs by Sound Transit (2007 \$) ^(2,3)	\$33.78m	\$14.03m	\$136.90m	\$184.71m	\$63.46m	\$27.53m	\$94.36m	\$185.35m
RoW Costs by project team (2010 \$)	\$21.84m	\$12.94m	\$116.20m	\$150.98m	Not estimated			

Note 1: Values are inclusive of contingency added, but no admin costs are included (to be consistent with estimates published in EIS).

Note 2: Sound Transit estimates based on valuation during New Downtown Alignment Analysis and the update of B7 for Long Span over Mercer Slough and full take of STOR-House and are as shown in SDEIS. Sound Transit estimates also include BNSF and WSDOT RoW. No Admin costs are included (consistent with estimates published in EIS).

Note 3: Information as provided by Sound Transit April 18, 2011

Note 4: RoW cost for Segment C does not include any parcel north of the Bellevue Transit Center Station south platform edge.

Table 10 - Comparison of project team and Sound Transit RoW costs

Comparison B7-Revised vs B7/C9T:

- The RoW costs for the Segment B alignment for B7-Revised is approximately \$30m less than B7/C9T predominantly as a result of reduced impacts on the STOR-House property
- The B7-Revised A-2 Station has \$13M less property costs than the B7 118th Street Station
- The B7-Revised Segment C has Right of Way costs on approximately \$40m more than B7/C9T predominantly as a result of the additional taking of the Sheraton Hotel

The project team estimate of RoW costs for Segment B excluding the A-2 Station differs from the Sound Transit estimate as a result of the different assumptions employed with respect to ‘across-the-fence’ versus ‘corridor valuation’ of the BNSF corridor RoW. This results in the lower B7-Revised alternative RoW costs in Segment B.

The project team's estimate in Segment C is 15% lower than the Sound Transit Estimate. This is in part due to the depreciation of real estate valuations of between 7 – 25% over the past few years. The project team has used comparable sales data from 2010, whereas Sound Transit used 2007 data. This results in a lower B7-Revised valuation for hotel acquisitions and commercial properties along NE 2nd Street.

8 Acquisition time

The average amount of time required to acquire a parcel for a public infrastructure project is approximately 6 months. This includes steps such as title/ownership analysis, appraisal and appraisal review, negotiations, environmental assessment and closing/escrow. When a project contains multiple parcels over a linear corridor, not all steps, for all parcels, can occur simultaneously. In addition, should negotiations become unsuccessful, the condemnation process may be an added step. This could add an additional 6-12 months to a negotiation.

The duration scheduled for the acquisition process, associated with a project of this size, is approximately 12-24 months.

DRAFT

9 Right of Way opportunities

9.1 Corridor based valuation for BNSF corridor

As noted above, the project team considers that a corridor valuation approach may be more applicable for the valuation of the BNSF corridor than an “Across the fence” valuation. This could reduce the Sound Transit’s RoW valuation estimate by approximately \$15m to \$20m.

It is noted that this approach could equally be applied to the B7/C9T alternative and is therefore not a differentiator in the comparison of alternatives.

9.2 Residual property value and transit oriented development

In Federally funded transit projects, under the jurisdiction of the FTA, one of the early project requirements is a Real Estate Acquisition Management Plan (RAMP). In this step, the agency spells out their plan for disposition of any surplus or excess property, following completion of the project. There are a number of options for the agency to dispose of or reuse property, including:

- Sell and Reimburse FTA
- Offset
- Sell and Use Proceeds for another project
- Sell and keep proceeds in an open project
- Transfer to another Public agency for a non-transit use
- Transfer to another project
- Retain title with Buyout
- Joint Development.

There are several opportunities for the City of Bellevue to work closely with Sound Transit on future uses, of potential surplus/excess property, in the transit nodes.

Acquisition of large parcels of land including the Red Lion and Sheraton Hotel are required to accommodate the permanent alignment, construction staging, portal construction and station construction for the B7-Revised alternative. Following completion of construction, a sizable area of this land would remain surplus to the project needs.

The surplus land – which includes the Red Lion, Sheraton site and 9 additional parcels– could be appropriate for transit oriented development, including affordable housing, adjacent to the new station and consistent with the recommendations from Light Rail Best Practices Committee. The remainder amount of surplus land for each of the hotel sites is estimated to be 216,231 sq ft

(4.96 ac) at the Red Lion and 76,362 sq ft (1.75 ac) at the Sheraton. The 9 additional parcels total 423,528 sq ft (9.72 ac)

Following completion of construction, all surplus land at the station and portal locations would have legal and physical access to accommodate future transit oriented development. The approximate value of the surplus land would in the range of \$100 to 120 sq ft.

Analysis of surplus/excess property is not included in the DEIS or SDEIS, because this is not a required component of those documents. Specific details regarding real estate matters, associated with FTA projects are fully captured in the RAMP. This covers issues such as organizational structure, acquisition schedule, excess property plan, acquisition process, relocation plan, document control, property management and real estate costs. Several of the resulting cost estimates for real property and relocation are then captured in the DEIS and SDEIS process. The RAMP remains a working guide throughout the right of way process.

Sound Transit would document potential future uses of surplus/excess property in the RAMP once the final EIS and alignment decisions have been made.

It is noted that this approach could equally be applied to the B7/C9T alternative.

10 Conclusions

Property impacts along the B7-Revised alternative include:

- 35 impacted private properties - comprising 10 partial acquisitions and 25 full acquisitions
- 9 business relocations with approximately 215 displaced employees
- 12 residential relocations

The Sound Transit estimate of RoW costs for the B7-Revised alternative is \$184.71m, and for B7/C9T (to the south end of the Bellevue Transit Center) is \$185.35m. For “apples-to-apples” Sound Transit have used the same base data for both alternatives, concluding that the RoW costs are comparable. These values are used in the B7-Revised Cost Estimate (TM11).

The project team estimate of the RoW costs for the B7-Revised alternative is \$150.98m inclusive of contingency. The difference of \$34.73m against Sound Transit’s estimate is largely due to the use of 2010 property pricing data, and an assumption of “across the fence” versus “corridor valuation” in the BNSF corridor.

Appendix A

Table of parcels

Draft

A2 Station

Parcel ID	Impact	Property Name	Tax Payer Name	Site Address	SF (Land)
700010 0750	Full	SFR	Gerardo Lopez & Thu Dang	3005 Bellevue Way SE	15,000
700010 0760	Full	SFR	Van Harvey Brink	3014 113th Avenue SE	21,854
700010 0770	Full	SFR	Kenneth D & Lori W Smith	3018 113th Avenue SE	17,180
700010 0775	Full	SFR	Tetsuo & Makie Mori	3024 113th Avenue SE	12,219
700010 0780	Full	SFR	Walter L & Myrna C Smith Family Trust	3110 113th Avenue SE	10,270
700010 0781	Full	SFR	Inhee & Jenna Lee	3108 113th Avenue SE	13,594
700010 0782	Full	SFR	Jiu Lan Chen	3106 113th Avenue SE	12,194
700010 0800	Full	SFR	Hao Jan Chang & Pamela Min Lien Chang	3212 113th Avenue SE	11,492
700010 0805	Full	SFR	Franklin A & Marilyn R Bray	3214 113th Avenue SE	13,176
700010 0810	Full	SFR	R W Bartl	3218 113th Avenue SE	22,750
700010 0820	Full	Vacant Land	R W Bartl	3122 113th Avenue SE	20,250
700010 0840	Full	SFR	Phillip John Williams	3236 113th Avenue SE	19,812
700010 0850	Full	SFR	Curtis S Dwyer & Catherine E Kockzarski	3244 113th Avenue SE	7,890
700010 0210	20,148	Vacant Land-access rd parcel	City of Bellevue - Parks	11300 Bellevue Way SE	46,132
700010 0150	224	Vacant Land-access rd parcel	City of Bellevue - Parks	2920 114th Avenue SE	34,490

B-7 Revised

Parcel ID	Impact	Property Name	Tax Payer Name	Site Address	SF (Land)
	126,354	WSDOT I-90 Right-of-Way	WSDOT		
092405 9060	120,000	Vacant Land	City of Bellevue - Parks	11600 NE 39th Street	711,334
092405 9009	Full	Office Bldg	WSDOT	3291 Lake Washington Blvd	81,893
092405 9094	0	Vacant Land	City of Bellevue - Parks	3200 Lake Washington Blvd	197,326
092405 9130	Full	Newport Shores Business Center	Newport Shores Business	3260 118th Avenue SE	38,013
no number	5,739	Sliver between Newport and BNSF			
092405 9215	Full/47,480	Former BNSF Railroad ROW	BNSF(Barnett Leasing Group LLC)	12101 SE 31st Street	47,480
092405 9032	319,100 (281,200)	Former BNSF Railroad ROW	Port of Seattle		569,080
092405 9097	6,000	Office Bldg	Steven Fowler	11831 SE 32nd Street	19,166
092405 9264	7,250 (100)	Vacant Land	Newport Shores Vista LLC	12010 SE 32nd Street	7,375
092405 9168	0	Davidson-Macri Inc.-office bldg	Bell Gate LLC	12020 SE 32nd Street	153,795
042405 9024	Inc in 9032 above	Former BNSF Railroad ROW	Port of Seattle	11800 SE 8th Street	473,497
114900 0000	104	Brookshire Condominium	50 Units	1600 118th Avenue SE	129,330
042405 9010	6,664	Stor-House Self Storage	Gilroy Family (Bellefield) LLC	1614 118th Avenue SE	101,081
	39,526	WSDOT I-405 Right-of-Way	WSDOT		
939970 0820	2,012	Eastside Disposal	Buss Investments LLC	969 118th Avenue SE	96,850
939970 0800	7,286	Greenbaum Furniture	Greenbaum Bellevue LLC	929 118th Avenue SE	73,098
066287 0040	4,024	Bellevue Gateway II	W2007 Seattle Office Bellevue Gateway II Realty LLC	915 118th Avenue SE	117,361
	16,986	Detention pond	WSDOT		
332505 xxxx	23,303	Wilburton Park & Ride Lot	Sound Transit (KC Metro)	720 114th Avenue SE	
322505 9069	339	Residence Inn by Marriott	MG-Bellevue LLC	605 114th Avenue SE	304,448

() - denotes shared track

C9T Portal-Revised

Parcel ID	Impact	Property Name	Tax Payer Name	Site Address	SF (Land)
322505 9043	11,807	Office Bldg	RP Brookside LLC	14000 SE 6th Street	121,532
322505 9044	9,978	Office Bldg	J & J Bellevue LLC	405 114th Avenue SE	78,200
322505 9061	18,632	Hilton Hotel Bellevue	PD Bellevue Associates LLC	300 112th Avenue NE	415,990
322505 9036	Full	Red Lion Bellevue Inn	WHC 283 LLC	11211 Main Street	262,231
322505 9119	Full	Sheraton Bellevue Hotel & Bellevue Grille	DHM Seattle Hotel LP	100 112th Avenue NE	207,737
239960 0035	Full	Office Bldg	Bebat LLC	11120 NE 2nd Street	8,224
239960 0040	Full	Parking	Bebat LLC	11110 NE 2nd Street	8,224
239960 0045	Full	Office Bldg	Lihl Bellevue LLC	204 111th Avenue NE	10,459
322505 9184	Full	Vacant	Keith R Galpin	11080 NE 2nd Street	2,684
369980 0090	Full	Office Bldg	Keith R Galpin	11024 NE 2nd Street	7,535
369980 0085	Full	Car lot	Ara Manoogian	11017 NE 2nd Pl	8,476
369980 0035	Full	Vacant	HEI Bellevue LLC/City of Bvue	NE corner 110th & NE 2rd	5,537
808760 0035	Full	Vacant	HEI Bellevue LLC	SE corner 110th & NE 3rd	40,633
808760 0029	Full	Vacant	City of Bellevue		4,067

Appendix B

Costing information from Sound
Transit

Draft

Mercer Slough - The partial acquisition of an aerial easement through the Mercer Slough (Park & Wetland-encumbered) was valued at \$10.00 per square-foot, a total of \$1,221,100 for the 121,110 square feet. Applying the 40% contingency mark-up results in a total cost of \$1,710,000. We have not discounted the acquisition because it is an easement. The methodology is based on a functional replacement cost, which considers the likelihood of the agency's requirement to replace impacted park/wetlands within a proximate geographical area and/or within the same drainage basin. Replacement property, depending on specific enhancement/replacement ratios and other Department of Ecology requirements, may consist of existing wetlands, buffer area, and/or otherwise developable lands, and may be acquired from public agencies or private property owners. All of these factors were considered in concluding the \$10.00 per square foot base value. *Note: this real estate line-item does not include the construction cost of wetland creation/enhancement, as this is a capital cost.*

BNSF Corridor - The partial acquisition of the BNSF Corridor was valued based on 100% of fee value for the areas required, and assumes our acquisition will not result in any remainder damages to future uses of the corridor (including the potential need for freight to return on its own track) or potential salvage values. The land was valued using an ATF methodology, which uses the market value of surrounding properties to value the subject land on a \$/sf basis. Per typically accepted ATF methodology, the unit value was not discounted to reflect the somewhat unusual shape of the corridor, title conditions, or topography. In concluding an ATF unit value for the BNSF Corridor, please review a sample of the market transactions we considered in our analysis:

Comparable Land Sales (2002-2008)							
ID	Property Name/Address	Sale Date	Usable Size (sf)	Zoning	Analysis Price	Price/sf usable	Comments
1	969 108th Ave SE	Listing	156,015	OLB	\$4,800,000	\$30.77	Listing of the Eastside Disposal Property
2	605 114th Ave SE	04/17/07	72,100	OLB	\$6,267,000	\$86.92	Marriot constructed in 2008; parcel largely wetlands/buffers
3	1614 118th Ave SE	01/17/07	101,081	LI	\$3,400,000	\$33.64	Store-House Self Storage constructed in 2009
4	12010 SE 32nd Street	08/18/04	41,382	LI	\$684,000	\$16.53	Newport Shores Whs/Res (?) constructed in 2010
5	12020 SE 32nd Street	08/28/02	80,000	LI	\$1,300,000	\$16.25	Whs/Office constructed in 2006; note unusable areas

HEI (Marriot) Development Site – This property is identified as a full acquisition for staging associated with the abutting station. County records reflect the site was purchased by HEI in late 2007 for approximately \$185 per square foot. It is our understanding the negotiation occurred a year or two before the transfer date. The property is now nearly permitted for a new hotel. Please refer to County records for information.