A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a Property Assignment Agreement and an Option to Lease Agreement with the City of Redmond, and a Memorandum of Agreement with the Microsoft Corporation to acquire property, providing for funding contribution of $1.475M (YOE$), increasing the Sound Transit budget accordingly for the NE 40th Street Overlake Transit Center and Park-and-Ride Lot.

WHEREAS, A Regional Transit Authority ("Sound Transit") has been created for the King, Pierce, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, on November 5, 1996, Central Puget Sound voters approved local funding for Sound Move, the ten year plan for regional high-capacity transit in the Central Puget Sound Region; and

WHEREAS, Sound Move calls for the development of the Overlake Transit Center and Park-and-Ride Lot at SR 520 and NE 40th Street in the City of Redmond ("City"). The Sound Transit budget includes $5.950M (YOE$) for the development of this project, and King County Metro has committed up to $1M for the development of this project pursuant to an Agreement between Sound Transit and King County Metro dated April 23, 1998 and;

WHEREAS, the Sound Transit project is consistent with the land use map within the City's Comprehensive Plan, which encourages the siting and development of regional high-capacity transit facilities and services and specifically designates a transfer point and park-and-ride lot facility at the SE corner of the SR 520 and NE 40th Street Interchange, and;

WHEREAS, pursuant to the "Transit Center Dedication Agreement" between the City and the Microsoft Corporation ("Microsoft"), dated July 16, 1996, the proposed location for the Project is on property currently owned by Microsoft, and which property Microsoft has agreed to
dedicate to the City, or the City's designee for the purpose of the development of the NE 40th Street Overlake/Redmond Transit facility and Park-and-Ride lot; and

WHEREAS, Sound Transit, King County Metro, the City, and Microsoft entered into a Memorandum of Agreement, dated April 23, 1998, to set forth their respective roles and obligations in cooperatively developing the NE 40th Street Overlake Transit Facility; and

WHEREAS, the project-level environmental review has been completed and resulted in the issuance of a Determination of Nonsignificance under State Environmental Protection Act ("SEPA"); and

WHEREAS, Sound Transit, contracted with HNTB consultants to complete engineering and architectural design in collaboration with the City, King County Metro, Microsoft, and the community for improvements to be constructed by Sound Transit on the site to serve public transportation users; and

WHEREAS, Sound Transit, the City and Microsoft have negotiated agreements to transfer the nine-acre site ownership to Sound Transit, committing the City and Microsoft funding for site improvements, lease space on the site for Transit Oriented Development use, and provide for the ongoing maintenance of the site; and

WHEREAS, the Redmond City Council has approved the property Assignment Agreement transferring ownership of the NE 40th Street Overlake site to Sound Transit from Microsoft; and

WHEREAS, the development and operation of the NE 40th Street Overlake Transit Center, including the use of a portion of the property by Microsoft and other private companies for employee shuttle services and the use of a portion of the property by the Greater Redmond Transportation Management Association, a private, non-profit corporation, supports regional transportation purposes, will encourage public transit use and reduce traffic congestion and is therefore a public purpose and an appropriate expenditure of public funds; and
NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional
Transit Authority as follows:

SECTION 1. The Executive Director is authorized to enter into an Assignment Agreement with
the City for the purpose of transferring ownership of the nine-acre site at NE 40th Street from
Microsoft to Sound Transit, at no cost to Sound Transit, reserving sidewalk and utility
easements on the site for the City, reserving the property solely for transit-related purposes,
and providing for the City to lease space in a building on the site.

SECTION 2. The Executive Director is authorized to enter into an Option to Lease Agreement
with the City that enables the City to lease from Sound Transit office space in a 2,500 square
foot building on the site for a police outpost facility, common areas, and to sublet a portion of
this office space to the Greater Redmond Transportation Management Association. This
agreement authorizes Sound Transit to accept $225,000 from the City for the design and
construction of this building and also provides for the City’s ongoing participation in the
maintenance of the building. A bike station, vendor space, public meeting space, and driver
restrooms are also included in this building.

SECTION 3. The Executive Director is authorized to execute an Agreement providing for
Microsoft funding for all expenses associated with the design, construction, maintenance, and
use of the Shuttle Operations Center, a portion of the costs associated with overall site
development, and a portion of ongoing overall site maintenance costs. The contribution by
Microsoft under this Agreement will be determined by actual design fees and construction
contract costs. In addition this Agreement authorizes Sound Transit to grant a lease to
Microsoft for the Shuttle Operations Building site on the property. The period of this lease is fifteen (15) years with options to renew the lease.

SECTION 4. The Executive Director is further authorized to apply the funds provided by these Agreements and to carry out the Sound Transit obligations under these Agreements to design and construct the Shuttle Operations Center/building, and a second building on the site for the GRTMA, police outpost, a bike station, and vendor. These funds will be applied to the design, construction, and maintenance of the facility increasing Sound Transit's project budget by $1.475M from $5.95M to $7.425M (YOE$). This budget increase will be fully funded by contributions from King County Metro, the City of Redmond, and the FTA.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 24th day of May 2001.

[Signature]
David Earling
Board Chair

ATTEST:

[Signature]
Martia Walker
Board Administrator
STAFF REPORT

SOUND TRANSIT
RESOLUTION NO. R2001-05

NE 40th Street Overlake Transit Facility Agreements
with City of Redmond and Microsoft Corporation

Meeting: Date: Type of Action: Staff Contact: Phone:
Finance Committee 5/17/01 Discussion/Possible Action to Recommend Board Approval Agnes Govern, Director, Regional Express (206)398-5037
Executive Committee 5/18/01 Discussion/Possible Action to Recommend Board Approval Jim Edwards, Program Manager, Capital Projects (206)398-5436
Board 5/24/01 Action Linda Smith, Project Manager, Capital Projects (206)689-4922

PROPOSED ACTION

Approves Resolution No. R2001-05 authorizing agreements for the NE 40th Street Overlake Transit Center and Park-and-Ride Lot with the City of Redmond and the Microsoft Corporation. This Resolution authorizes the transfer of ownership of the nine-acre site from Microsoft to Sound Transit, authorizes the Executive Director to execute agreements with the City of Redmond and Microsoft for funding contributions for portions of the project, enables the City of Redmond to lease space from Sound Transit for facilities on the site for Transit-Oriented Development (TOD), authorizes a lease with Microsoft for the Shuttle Operations Building, and formalizes Microsoft participation in maintenance and operations on the site.

KEY FEATURES

Highlights of Proposed Action:

♦ Authorizes an agreement with the City of Redmond that authorizes the transfer of the nine-acre site from Microsoft to Sound Transit.

♦ Authorizes a second agreement with the City of Redmond to commit Redmond funding ($225,000) for design, construction, maintenance, and lease of a portion of a 2500 square foot building on the site for a police outpost and for a sublease for the Greater Redmond Transportation Management Association (GRTMA). A bike station, vendor space, public meeting space, and a driver comfort station are also included in the building.

♦ Authorizes an agreement with the Microsoft Corporation committing Microsoft funding for all costs associated with the design, construction, maintenance, lease, and operation of the Shuttle Operations Building and a portion of other improvements on the site. Microsoft will also share in the on-going maintenance of the site.
Represents the culmination of extensive negotiations between the parties that have collaborated to develop this site, (Sound Transit, City of Redmond, Microsoft, King County Metro, and the Washington State Department of Transportation, and formalizes funding participation by Sound Transit, Microsoft, and the City of Redmond for the TOD features on the site.

Since Sound Transit will manage and pay for the additional work and will be reimbursed by the contributing partners, it is necessary to increase the project budget to reflect the $1.475M (YOE$) contribution amount. The additional work will be fully funded by contributions from King County Metro, the City of Redmond, and the FTA, and therefore will not require any additional Sound Transit financial resources. The contributions from other parties are estimates at this time and the project budget will be amended in the 2002 Budget process to reflect actual contributions as negotiated.

The project budget will be further increased by a separate Board approval to reflect additional scope of work after the Microsoft contribution amount is determined.

DISCUSSION OF PROPOSED ACTION

Sound Move includes $5.95M (YOE$) for the development of the NE 40th Street Overlake Transit Center and Park-and-Ride Lot in the City of Redmond. This action enables Sound Transit to enter into agreements to secure the site, and fund improvements that have been planned and designed in partnership with the City of Redmond, King County Metro, Sound Transit, Community Transit, Microsoft, and the community. The nine-acre site adjacent to SR 520, NE 40th Street, and 156th Avenue NE will include transit and employer shuttle van loading areas, 235 parking stalls, passenger amenities and waiting areas, bicycle facilities, and supporting TOD functions in two approximately 2,500 square foot buildings. One building will house the Microsoft employer shuttle operations center and a second building will house the GRTMA, a police outpost, a bike station, vendor space, and driver restrooms.

The consulting firm of HNTB was retained by Sound Transit in May 1998 to complete environmental review and preliminary engineering for the project. HNTB’s contract was later amended by the Sound Transit Board action after environmental documentation was completed to include final design (July 1999) and construction management services (February 2001.) The proposed improvements are in the final stages of design and permitting and the project is scheduled to be advertised for construction bids in May 2001. Construction will begin this summer and the facility will be operational with the February 2002 bus service change. Sound Transit’s $5.95M (YOE$), King County Metro’s $1M, the City of Redmond’s $225,000, a FTA Bike Station Grant in the amount of $250,000, and Microsoft funds are being used to design and construct this project. The actual Microsoft contribution will be determined based on construction bids, and will cover all costs associated with the design and construction of the shuttle operations center and a portion of overall site costs.

Extensive efforts have gone into planning and developing this facility to serve the employer and residential neighborhood where it is located. Sound Transit, King County Metro, Community Transit and employer shuttle services will all serve the facility. This action will formalize agreements between Sound Transit, the City of Redmond, and Microsoft that have been developed over the last three years in planning, designing, and funding this project.
The three interagency and entity agreements associated with this action are:

**The Assignment Agreement with the City of Redmond:**
- Authorizes the transfer of the nine-acre site from Microsoft and the City of Redmond to Sound Transit for the transit center development. It also reflects reserved sidewalk and utility easements for the City of Redmond, use of the property solely for transit-related purposes, provides for the City of Redmond to lease space in one of the buildings on the site, and requires that the site revert to the City of Redmond if Sound Transit abandons its use of the site for public transportation purposes. (The 1998 City of Redmond and Microsoft Agreement provides that the site reverts to Microsoft in similar circumstances.) This agreement is scheduled to be approved by the Redmond City Council in May 2001.

**The Lease Agreement with the City of Redmond:**
- Commits the City of Redmond to fund a portion of the cost to design and construct the building that will house the GRTMA, a police outpost, the bike station, and driver restrooms and defines the details of the City of Redmond’s lease of this building for TOD uses. The City of Redmond’s contribution will be approximately $225,000 and will include an up front payment for their share of the cost to maintain this building over the next three years. The lease calls for the City of Redmond’s share of the maintenance costs in subsequent years to be based on the experience of the first three years.

**The Memorandum of Agreement with the Microsoft Corporation:**
- Authorizes Sound Transit to enter into an agreement that would commit Microsoft to fund all the costs associated with the design, construction, operation, and maintenance of the Shuttle Operations Building on the site, a portion of the costs associated with the overall site development. Microsoft van shuttle services will meet local and regional public transit services at this center and shuttle employees to Microsoft’s Redmond campus. This agreement authorizes a lease with Microsoft for the shuttle operations building on the site for a period of 15 years with an option to renew the lease for four additional 15-year terms. Microsoft will also share in the maintenance of the overall site.

**BUDGET**

This Resolution will not authorize any specific expenditures or commitment of agency resources at this time. Rather, this Resolution will formalize a partnership between Sound Transit, the City of Redmond, and Microsoft to fund site improvements and maintenance and operations of TOD related areas (including a police outpost, the GRTMA, and the shuttle operations center). These added features will benefit the community, increase safety and security for the customer, and provide added convenience for the customer.

The table below shows a summary of the funding Sound Transit will receive from the City of Redmond, King County Metro, and the FTA. The amount to be contributed by Microsoft will be established when construction bids are received and negotiations with Microsoft are finalized. These additional contributions will cover scope of work and additional site features that are above and beyond the Sound Move plan.

As Sound Transit will manage and pay for the additional work and will be reimbursed by the contributing partners, it is necessary to increase the project budget at this time by $1.475M. These additional costs will be fully funded by contributions from Microsoft, King County Metro, the City of Redmond, and the FTA and therefore will not require any additional Sound Transit...
financial resources. The project budget will be amended in the 2002 Budget process to reflect actual contributions as negotiated.

The engineers estimate for construction is within budget including Sound Transit’s project budget with additional contributions from King County Metro, the City of Redmond, the FTA, and Microsoft.

**Table 1: Summary of Partner Funding Participation**

<table>
<thead>
<tr>
<th>Sound Transit</th>
<th>Microsoft Corporation</th>
<th>City of Redmond</th>
<th>King County Metro</th>
<th>FTA Grant</th>
<th>Total Funds Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 5,950,000</td>
<td>to be determined</td>
<td>$ 225,000</td>
<td>$ 1,000,000</td>
<td>$ 250,000</td>
<td>$ 7,425,000</td>
</tr>
</tbody>
</table>

All figures shown are in year of expenditure (YOE$).

**Table 2: The following table shows the available budget for the Overlake Transit Facility project as it relates to expenditures and commitments.**

<table>
<thead>
<tr>
<th>Total Funds Available (A)</th>
<th>Obligations To Date (B)</th>
<th>Amount Requested This Action (C)</th>
<th>Remaining Funds Available (A-[B+C])</th>
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</thead>
<tbody>
<tr>
<td>$ 7,425,000</td>
<td>$2,200,000</td>
<td>$0</td>
<td>$5,225,000</td>
</tr>
</tbody>
</table>

All figures shown are in year of expenditure (YOE$).

Note 1: Obligations include the actual expenditures to date for the life of the project as well as outstanding commitments, which is the amount placed on contract but not paid for yet. Obligations shown are through March 31, 2001.

**Sound Transit:**
- Amount shown is the total project budget based on the Sound Transit 2001 Budget, adopted via Resolution No. R2000-17 on December 14, 2000 (reference page 196 of the 2001 Budget document, project number 332). The budget amount shown here reflects the scope of work that was included in the Sound Move plan and represents the monetary value of Sound Transit’s contribution to the project. Additional scope and funding provided by our partners is not included in the $5.95M.

**Microsoft Corporation:**
- Microsoft has dedicated the nine-acre site (adjacent to their campus) to Sound Transit for this development. In addition, Microsoft will fund costs associated with the design, construction, operation, and maintenance of the Shuttle Operations Building. The Microsoft contribution amount will be determined when the construction bids are received and discussions with Microsoft are completed. The scope of work covered by this additional funding is above and beyond the scope anticipated and included in the Sound Move plan.

**City of Redmond:**
- Redmond will contribute approximately $225,000 for development of the police outpost, the GRTMA, and a bike station building on the site. These site features were not anticipated nor included in Sound Move.
**King County Metro:**
- A Memorandum of Agreement (MOA) between Sound Transit and King County Metro (signed on April 23, 1998, and previously approved by the Sound Transit Board) provided for King County Metro to invest up to $1M toward the project. These funds are in addition to Sound Move and support overall site improvements. This funding is not part of the proposed agreements, but is included here for information.

**FTA Grant:**
- The City of Redmond and Sound Transit worked to add a bike station to the site. A bike station was not included in the original Sound Move scope of work. The FTA has provided a $250,000 grant to make the bike station possible. This grant is separate from the proposed agreements but is included here for information.

**ALTERNATIVES**

The agreements authorized by this Resolution reflect all prior Board actions on this project. This action formalizes extensive negotiations, work and discussions over the last three years by Sound Transit, King County Metro, the City of Redmond, Microsoft, and Washington State Department of Transportation (WSDOT) as well as City of Redmond employers and the community. The project is in the final stages of permitting with the City of Redmond and other agencies with jurisdiction. The facility design has gone through all appropriate State, Federal, and local approvals and environmental reviews. Final plans, specifications, and estimates have been prepared using applicable engineering and design standards. The project will be advertised for construction in May 2001. The facility as designed with the added features will provide added comfort, safety, and security for transit users.

The agreements represented by this action are extremely supportive of Sound Transit’s interests, budget resources, and public transit users. Staff does not believe there are reasonable, cost effective alternatives to this proposal.

**CONSEQUENCES OF DELAY**

This facility is a key element of a multimodal plan to provide the City of Redmond and the Overlake area with improved public transit services and bike facilities. The City of Redmond, King County Metro, Microsoft, and Sound Transit have collaborated on this facility to improve transit speed and reliability and to reduce single occupancy vehicle dependency in the region.

The NE 40th Street Overlake Transit Center was originally envisioned to be completed as a Sound Move First Move project in 2000. The discovery of a Red Tailed Hawk nest on the site delayed plans and design work by 16 months while a Sensitive Areas Ordinance Variance was sought and obtained from the City of Redmond. Delay on this action will further delay construction and completion of the facility now scheduled for the February 2002 bus service change. Our partners, King County Metro, the City of Redmond, and Microsoft, are extremely eager to have the facility completed so that customers may be better served by local and regional services.

**REGIONAL PARTNERSHIP AND COOPERATION**

The site has been planned and designed in close coordination with the City of Redmond, King County Metro, WSDOT, and Microsoft. In addition we have worked with the larger employer and residential community in planning and designing the site. This has resulted in a design that
meets applicable environmental requirements and addresses engineering and architectural standards while conveniently serving users moving between local, regional, and employer shuttle services. The agreements authorized by this Resolution resulted from extensive negotiations between the City of Redmond, Microsoft, King County Metro, and WSDOT. They formalize a public/partnership that will provide funding for a portion of the overall site improvements, as well as funding for the maintenance and operations of TOD related areas on the site including the police outpost, the GRTMA, and the Shuttle Operations Center. These added features will benefit the community, increase safety and security for the customer, and provide added convenience for the customer.

PUBLIC INVOLVEMENT

The larger community and employers in the City of Redmond and the Overlake area have been consulted in designing the NE 40th Street Overlake Transit Facility. An open house in the community, a design charrette with partners and the community, community newsletters, meetings with Redmond’s Design Review Committee, their Art Commission, and extensive discussions with the City of Redmond, Microsoft, King County Metro, and WSDOT staff have shaped this site design and the agreements represented by this Resolution. Community reaction to the proposed facility has been positive, and the community at large is very supportive of this site being developed for this public transit purpose.

LEGAL REVIEW

JLB 5/2/01