

MOTION NO. M2014-79
Agreement with the Microsoft Corporation and the City of Redmond for the Overlake Transit Center within the East Link Extension

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	10/09/14	Recommendation to the Board	Ahmad Fazel, DECM Executive Director
Board	10/23/14	Final Action	Ron Lewis, East Link Executive Project Director Don Billen, East Link Deputy Project Director

PROPOSED ACTION

Authorizes the chief executive officer to execute an amendment to the agreement between the City of Redmond, the Central Puget Sound Regional Transit Authority, and the Microsoft Corporation, for the design and construction of the Overlake Transit Center within the East Link Extension to add the Redmond Community Facilities District No. 2014-01 as an additional party to the agreement.

KEY FEATURES SUMMARY

- The proposed action authorizes an amendment to the agreement with the Microsoft Corporation and the City of Redmond regarding the design and construction of the Overlake Transit Center within the East Link Extension to add the Redmond Community Facilities District No. 2014-01.
- The proposed action would obligate the Redmond Community Facilities District No. 2014-01 to pay Sound Transit for the design and construction of a pedestrian/bicycle bridge connecting to the Overlake Transit Center and for additional canopy coverage for waiting areas near the Center.
- The City of Redmond, after petition from the Microsoft Corporation, formed the Community Facilities District (CFD) on July 15, 2014. The CFD is a special purpose district created by statute to allow private property owners to fund public improvements. Microsoft will be the sole rate payer within the district and will fund the CFD through a special assessment on its property.
- The CFD was created to finance the bridge and the canopy coverage but may be expanded at a future date to include the other Overlake Transit Center improvements being funded by Microsoft. Sound Transit will bill the improvements financed by the CFD to the CFD and will bill the remaining improvements to Microsoft.
- Microsoft will remain joint and severally liable for the full payment of the \$33.3 million pledged under the Overlake Transit Center agreement.

BACKGROUND

On December 19, 2013 the Sound Transit Board approved a motion authorizing the chief executive officer to execute an agreement between the City of Redmond, Sound Transit, and the Microsoft Corporation to design and construct the Overlake Transit Center within the East Link Extension. Under the terms of the agreement, Microsoft will pay Sound Transit \$33,302,000 (YOES) to fund additional improvements including a pedestrian-bicycle bridge, increased canopy coverage, additional conduit for future technology enhancements, and facilities for Microsoft Transportation Services.

The agreement also considered the formation of a Community Facilities District (CFD) pursuant to RCW 36.145 to finance some or all of Microsoft's contributions with Microsoft as the sole property owner and rate payer within the district.

The City of Redmond, after petition from the Microsoft Corporation, formed the Community Facilities District (CFD) on July 15, 2014, to finance the construction of a pedestrian/bicycle bridge connecting the east side of 156th Avenue NE to the Overlake Transit Center and to the West Side of SR 520, and the construction of canopy coverage for waiting areas at the Overlake Transit Center.

The CFD may at a future date be expanded to include the other Overlake Transit Center improvements being funded by Microsoft, such as the office facilities for Microsoft Transportation Services. Sound Transit will bill all improvements financed by the Communities Facility District to the CFD and the remaining improvements to Microsoft.

Microsoft and Redmond have requested that the CFD, as an independent legal entity, be made a party to the Overlake Transit Center agreement so that the CFD is directly obligated to pay Sound Transit for design and construction of the improvements. Therefore, the Overlake Transit Center agreement needs to be amended to make the CFD a party, which is the purpose of this action. Microsoft will remain joint and severally liable for payment of the full \$33.3 million pledged under the agreement.

FISCAL IMPACT

Under the terms of the amendment, Microsoft will be joint and severally liable with the CFD for payment of \$33,302,000 (YOES) to fund project administration, design, construction and contingencies for the improvements. At Microsoft's request, Sound Transit will invoice the CFD directly for improvements that are to be financed through the CFD. A budget amendment was approved by the Board on December 19, 2013 to incorporate the Microsoft funding into the Annual Budget and the East Link Project Lifetime Budget. Staff anticipates including the improvements in a design-build construction package planned for the SR 520 corridor which will include the light rail guideway and the Overlake Village and Overlake Transit Center in Redmond.

SMALL BUSINESS/DBE PARTICIPATION

Not applicable to this action.

PUBLIC INVOLVEMENT

The East Link Extension Final EIS identified and evaluated a potential project enhancement to construct a pedestrian-bicycle bridge over SR 520 between the planned Overlake Transit Center station and the SR 520 regional trail. On November 19, 2013, Sound Transit hosted an open house for the Overlake portion of East Link and included information about the potential Overlake Transit Center improvements. Over 100 people attended the open house and comments were accepted through December 6th. Sound Transit will conduct additional outreach as the design advances and in coordination with East Link Extension outreach.

TIME CONSTRAINTS

By law the CFD board of supervisors must hold a public hearing on the assessment roll within 120 days of formation, which is November 12, 2014. Redmond and Microsoft have requested that the Overlake Transit Center agreement is amended prior to that date so that the CFD is legally obligated to pay the assessed amount. A one-month delay could delay the CFD's ability to fund itself.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2013-110: Authorized the chief executive officer to execute the Agreement between the City of Redmond, the Central Puget Sound Regional Transit Authority, and with the Microsoft Corporation for the Overlake Transit Center within the East Link Extension.

Resolution No. R2013-31: Amended the Adopted 2013 Budget for the East Link Extension to (a) increase the 2013 Annual Budget by \$473,000 and (b) increase the Project Lifetime Budget by \$4,028,000 for Overlake Transit Center improvements being funded by an agreement with the Microsoft Corporation.

Resolution No. R2013-09: Selected the route, profiles, and station locations for the East Link Light Rail Project, and superseded Resolution No. R2011-10.

Motion No. M2011-81: Implemented the East Link light rail project.

Resolution No. R2011-10: Selected the route, profiles, and station locations for the East Link Light Rail Project.

ENVIRONMENTAL REVIEW

JI 9/24/2014

LEGAL REVIEW

JV 10/06/2014

MOTION NO. M2014-79

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an amendment to the agreement between the City of Redmond, the Central Puget Sound Regional Transit Authority, and the Microsoft Corporation, for the design and construction of the Overlake Transit Center within the East Link Extension to add the Redmond Community Facilities District No. 2014-01 as an additional party to the agreement.

BACKGROUND:

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MOTION:


It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute an amendment to the agreement between the City of Redmond, the Central Puget Sound Regional Transit Authority, and the Microsoft Corporation, for the design and construction of the Overlake Transit Center within the East Link Extension to add the Redmond Community Facilities District No. 2014-01 as an additional party to the agreement.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 23, 2014.



Paul Roberts
Board Vice Chair

ATTEST:



Marcia Walker
Board Administrator