



## Motion No. M2019-48

### Second Amendment to Agreement with the City of Redmond, Microsoft, and Redmond Community Facilities District No. 2014-01 for the Redmond Technology Station

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	05/09/2019	Recommend to Board	Ron Lewis, DECM Executive Director
Board	05/23/2019	Final action	<b>Mike Bell, Acting Senior Executive Project Director – East Link</b>

### Proposed action

Authorizes the chief executive officer to execute the Second Amendment to the Agreement between the City of Redmond, the Central Puget Sound Regional Transit Authority, the Microsoft Corporation and the Redmond Community Facilities District No. 2014-01, for the design and construction of elements of the Redmond Technology Station, formerly known as Overlake Transit Center, within the East Link Extension, and to remove the pedestrian bridge from the Agreement.

### Key features summary

- The proposed action authorizes execution of the Second Amendment to the Agreement for the Overlake Transit Center (OTC), now called the Redmond Technology Station (RTS), component of the East Link Extension Project.
- This amendment will delete the design and construction of the pedestrian bridge at the Redmond Technology Station from the Agreement and adjust the funding amount to reflect that Sound Transit is no longer designing and constructing the bridge. The pedestrian bridge will be designed and constructed by Microsoft through independent agreements with the City of Redmond and WSDOT.
- When completed, the City of Redmond will own and operate the pedestrian bridge as a facility that will be open to the public.
- The structural design requirements for the bridge remain the same as defined in the original Agreement and will be documented by the engineer of record. Designs will be reviewed by WSDOT and the City of Redmond for compliance with standards and design criteria. Sound Transit will review the design of the bridge elements that are on, over or directly adjacent to Sound Transit facilities and property to ensure the safety of Sound Transit operations and facilities users.
- The amendment provides that Sound Transit will convey a Temporary Construction Easement to Microsoft for the construction of the bridge and a Permanent Easement to the City of Redmond for the portions of the bridge on Sound Transit property.
- The original agreement was for \$33,302,000. The amount to be paid by Microsoft in accordance with this revision is \$8,498,789. This includes costs associated with the Microsoft shuttle operations building, additional canopies, underground conduit, and previously incurred costs for the original pedestrian bridge design.

- Microsoft will be required to coordinate with Sound Transit’s East Link construction contracts to avoid any schedule impacts or delays to East Link light rail construction and testing prior to light rail revenue service.
- Microsoft anticipates initiating construction activities in June 2019 and to be substantially complete in early 2022.

**Background**

The City of Redmond, Sound Transit, and Microsoft entered into the Overlake Transit Center Agreement in February 2014. The Agreement included building a simple pre-fabricated steel structure pedestrian bridge that crossed SR 520 parallel to NE 40th Street. This initial structure was 14 feet wide and 850 feet long. After initial design began in 2016, Microsoft realized that the bridge did not serve the vision of Microsoft’s new campus refresh. At Microsoft’s request, work on design of the bridge was stopped in November 2016.

Through 2017 and 2018 Microsoft directly developed their preferred bridge design. The current design is aligned at an angle across SR 520 and connects to the east campus where it will better serve the future campus refresh. The new design is significantly wider at 50 feet and 1150 feet long with more distinct architectural elements. The schedule for construction of the new bridge extends more than 18 months beyond Sound Transit’s civil construction of the Redmond Technology Station.

The parties have determined it is in their respective best interests for Microsoft to directly design, permit and construct the redesigned bridge rather than Sound Transit. The parties now wish to enter into this Second Amendment to delete the bridge element from the agreement and adjust the funding amount to reflect that Sound Transit is no longer constructing the bridge.

Upon completion of the bridge, Microsoft will transfer ownership of the bridge to the City of Redmond, who will own and operate the bridge as a public amenity. Microsoft, through the Community Facilities District No. 2014-01, will pay Sound Transit the revised funding amount for the remaining Redmond Technology Station elements, which include a Microsoft shuttle operations building, additional canopies, and conduit to accommodate future technology.

**Project status**

<b>Project Identification</b>	<b>Alternatives Identification</b>	<b>Conceptual Engineering/ Draft EIS</b>	<b>Preliminary Engineering/ Final EIS</b>	<b>Final Design</b>	<b>Construction</b>
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Projected completion date for E360 Substantial completion – 1st Quarter 2020.

Project scope, schedule and budget summary are located on page 45 of the February 2019 Link Light Rail Program Progress Report.

**Procurement information**

Not applicable to this action.

**Fiscal information**

The proposed action reallocates Microsoft’s original funding commitment and has no financial impact on Agency annual budget. Sound Transit is not contributing any new funding to the new bridge.

## **Disadvantaged and Small Business Participation**

Not applicable to this action.

## **Public involvement**

Not applicable to this action.

## **Time constraints**

Action on this motion is time sensitive. Execution of this amendment is needed in order for the city of Redmond to execute an agreement with Microsoft for construction of the pedestrian bridge. Microsoft's schedule for the bridge has construction beginning in early June with utility relocations. Delay could increase the potential that the bridge construction would conflict more with our East Link Extension construction.

## **Prior Board/Committee actions**

Motion No. M2014-79: Authorized 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.

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.

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**Environmental review** – KH 4/30/19

**Legal review** – JV 5/3/19





## **Motion No. M2019-48**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute the Second Amendment to the Agreement between the City of Redmond, the Central Puget Sound Regional Transit Authority, the Microsoft Corporation and the Redmond Community Facilities District No. 2014-01, for the design and construction of elements of the Redmond Technology Station, formerly known as Overlake Transit Center, within the East Link Extension, and to remove the pedestrian bridge from the Agreement.

### **Background**

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The amendment provides that Sound Transit will convey a Temporary Construction Easement to Microsoft for the construction of the bridge and a Permanent Easement to the City of Redmond for the portions of the bridge on Sound Transit property. The original agreement was for \$33,302,000. The amendment includes a revised funding amount to be paid by Microsoft of \$8,498,789. This includes costs associated with the Microsoft shuttle operations building, additional canopies, underground conduit, and previously incurred costs for the original pedestrian bridge design.

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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 the Second Amendment to the Agreement between the City of Redmond, the Central Puget Sound Regional Transit Authority, the Microsoft Corporation and the Redmond Community Facilities District No. 2014-01, for the design and construction of elements of the Redmond Technology Station, formerly known as Overlake Transit Center, within the East Link Extension, and to remove the pedestrian bridge from the Agreement.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 23, 2019.



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John Marchione  
Board Chair

Attest:



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Kathryn Flores  
Board Administrator