



**MEMO TO:** Members of the City Council

**FROM:** Mayor John Marchione

**DATE:** July 17, 2018

**SUBJECT: Approval of Memorandum of Understanding for Microsoft Development Review Staffing**

**I. RECOMMENDED ACTION**

Authorize the Mayor to sign the attached Memorandum of Understanding (MOU) between the City of Redmond and Microsoft for the funding of additional City personnel for the Microsoft Refresh project.

**II. DEPARTMENT CONTACTS**

Erika Vandenbrande, Director, Planning and Community Development 425-556-2457  
Jason Lynch, Assistant Director Development Services 425-556-2483

**III. DESCRIPTION/BACKGROUND**

Microsoft is planning a multi-year campus refresh project that will include 18 new buildings, resulting in 6.7 million square feet of new workspace, \$150 million in transportation infrastructure improvements, public spaces, sports fields and green space. When this project is complete, Microsoft's campus will have 131 buildings and will be able to accommodate up to 8,000 additional people.

With the City's current staffing levels, the Microsoft Refresh cannot be completed within Microsoft's requested construction time frame without impacting and reducing development services and inspections for all other Redmond customers. To address this issue, Microsoft has requested the City of Redmond to enter into an agreement where Microsoft will fund twenty-two (22) additional City of Redmond FTEs. The additional City personnel will be dedicated solely to facilitating the Microsoft Refresh. These additional staff will carry out all development permit application assignments associated with plan review, permitting and inspections for the Microsoft Refresh project. As structured, the MOU will begin during the third quarter of 2018 and be in effect for a four-year period with an option to extend if needed

By entering the MOU with Microsoft, Redmond will be able to fulfill its contractual obligation for completion of the project within the timeframe prescribed by Microsoft

while continuing to provide outstanding service levels for all other residential and business development permit applications.

**IV. PREVIOUS DISCUSSIONS HELD**

Planning and Public Works Committee-June 12, 2018

**V. IMPACT**

**A. Service/Delivery:**

This contract will provide twenty-two (22) additional staff positions solely to intake, review, and process Microsoft's development permit applications and inspect Microsoft's construction activity. The addition of staff will allow the City to meet its contractual obligation with Microsoft while not impacting other residential and business development permit applications, reviews, and inspections.

**B. Fiscal Note:**

The City of Redmond will receive \$ 17,182,354 from Microsoft to cover the costs (including benefits and overhead) associated with prioritizing the development review and construction inspection of Microsoft's multi-year campus refresh project. The contract accounts for inflation in the event the contract is extended.

**VI. ALTERNATIVES TO STAFF RECOMMENDATION**

**A. Adopt as proposed.**

**B. Do not adopt.**

Failure to approve this agreement between Microsoft and the City of Redmond will result in significant delays in the review, processing, and providing inspections for the Microsoft Refresh permit applications. This additional work will also impact the City's ability to provide timely permitting services to our other customers and our ability to meet our performance standards due to the increased workload.

**VII. TIME CONSTRAINTS**

Timely approval of the requested action will ensure that the City can implement the contract as efficiently as possible and be responsive to Microsoft's request that the Microsoft Refresh be completed within Microsoft's desired construction schedule.

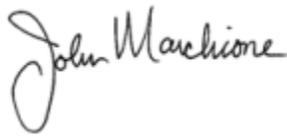
**VIII. LIST OF ATTACHMENTS**

Attachment A: Memorandum of Understanding



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**Erika Vandenbrande, Director of Planning and Community Development**



Approved for Agenda \_\_\_\_\_

**John Marchione, Mayor**