



**MEMO TO:** City Council Committee of the Whole – Planning and Public Works

**FROM:** Jeff Churchill, AICP, Transportation Strategic Advisor

**DATE:** April 16, 2019

**SUBJECT:** ST3 Development Agreement (DA)

**I. PURPOSE**  For Info Only  Potential Agenda Item  Scheduled for Council Action

- Share recommended Downtown Redmond Link Extension DA
- Share DA outreach outcomes
- Review DA schedule, with action anticipated in June 2019

**II. RECOMMENDATION**

Hold public hearing on draft DA on May 7.

**III. DEPARTMENT CONTACTS**

Erika Vandenbrande, Director, Planning and Community Development	425-556-2457
Kristi Wilson, Interim Director of Public Works	425-556-2529
Don Cairns, P.E., Transportation Planning and Engineering Manager	425-556-2834
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**IV. DESCRIPTION/BACKGROUND**

Completion of the light rail extension to Downtown relies on executing at least five agreements with Sound Transit that are listed below and further described in Attachment A:

1. Project Administration Agreement
2. Real Property Reimbursement Agreement
3. Development Agreement
4. Construction Services Agreement, and
5. Transit Way Agreement.

The DA focuses on the scope of the light rail project, and has four major components:

1. It vests Sound Transit to development regulations in place at the time the agreement is executed, providing certainty to Sound Transit and the design-builder.
2. It provides for deviations from development standards to facilitate an efficient permitting process and station design outcomes consistent with City interests.
3. It lists specific scope commitments that Sound Transit is making to the benefit of the Redmond community.
4. It lists City of Redmond “betterments,” which are improvements that the City will fund and Sound Transit will build in order to complete critical work in advance of light rail opening.

## A. Analysis

### Development Agreement

City and Sound Transit staff have reached substantial agreement on DA terms, and the Technical Committee recommends approval of the agreement (see Attachment B). The DA has four major components, listed above. The substance of those components has not changed since staff briefed Council in November 2018 and January 2019. In addition to those components, the agreement contains several key terms:

- Confirms the Downtown Redmond Link Extension (DRLE) Request for Proposals as foundational scope document;
- Requires ST to limit development of SE Redmond garage site to the garage use consistent with planned sewer improvements;
- Calls for Construction Services Agreement to address details of betterments;
- Commits parties to collaborative process for potential future transit-oriented development; and
- Provides for an expiration date of December 31, 2026.

### Betterments

Betterments are City-funded or jointly-funded projects that Sound Transit will construct on the City's behalf. There are three changes in the DA concerning betterments since the last Council briefing in January 2019.

1. All terms and conditions related to betterments will be in a separate Construction Services Agreement (CSA).
2. Sound Transit determined that it could not accept a fixed price for the construction costs from the City, and the betterments need to be separate bid items in the contract. The City and Sound Transit agreed to fixed administrative and construction management costs for Sound Transit to administer these contract items. As a result of this change, the design-builders could submit bids that exceed the City and Sound Transit's estimates. Sound Transit is mitigating this risk by setting an "upset price" and awarding points for staying within it. This change also shifts the risk for all changes to the betterment work from Sound Transit to the City. The City will retain and manage contingency funds for the betterment work.
3. City and Sound Transit staff agreed to remove the sewer force main betterment in NE 70<sup>th</sup> St for schedule reasons. Instead, the work will be completed by the City as part of the Pump Station 13 project, as approved in the 2019-20 budget.

The City's total estimated cost for betterments, jointly-funded projects, and projects funded by others remains within the amount budgeted in the 2019-20 budget plus contributions from Sound Transit. The total estimated cost is \$12.24 million, while budgeted funds available plus contributions from Sound Transit total \$12.48 million. Of note, the estimated City contribution to the Redmond Central Connector reconstruction has increased due to potential right-of-way costs (this increase is included in the \$12.24 million estimate). Staff are conservatively assuming that the City and Sound Transit will need to acquire property rights shown as part of the RCC corridor on tax parcel maps but subject to an adverse possession claim dating back to the railroad's ownership of the corridor. City and Sound Transit staff are evaluating design alternatives that would reduce right-of-way costs.

### Development Agreement Outreach Outcomes

Staff conducted outreach on preliminary design decisions in advance of the Council's review of the DA using an online questionnaire, and by visiting the Parks and Trails Commission, Pedestrian-Bicycle Advisory Committee, and Planning Commission. A total of 312 people completed the questionnaire, providing over 900 comments, where each topic addressed counted as a separate

comment. A summary of questionnaire results is provided in Technical Committee Report, Attachment 4. In brief, the response to preliminary design decisions was largely positive. The top five comment topics were: parking (mentioned in 23% of comments), non-motorized infrastructure (13%), traffic (10%), bus service planning (8%), and access (6%).

Next Steps

The anticipated Council review schedule for the DA is shown in the table below.

<b>Date</b>	<b>Milestone</b>	<b>Purpose</b>
4/16	Committee of the Whole briefing	<ul style="list-style-type: none"> <li>• Share, summarize final draft DA</li> <li>• Share public outreach outcomes</li> </ul>
5/7	Council public hearing	<ul style="list-style-type: none"> <li>• Hear public testimony</li> </ul>
5/28	Council study session	<ul style="list-style-type: none"> <li>• Consider issues raised in testimony, <i>if necessary</i></li> </ul>
6/18	Council action	<ul style="list-style-type: none"> <li>• Authorize Mayor to execute DA</li> </ul>

As shown in Attachment A, staff anticipates bringing the Transit Way Agreement and Construction Services Agreement forward for Council review and action in summer 2019.

**V. TIME CONSTRAINTS**

Sound Transit will rely on the DA to confirm project scope and applicable regulations. The DA must be completed prior to design-builder notice to proceed in September 2019.

**VI. LIST OF ATTACHMENTS**

Attachment A: ST3 Agreements Graphic

Attachment B: Technical Committee Report for Development Agreement, *with attachments*

Attachment 1. General Application Form & Project Contact Form

Attachment 2. Vicinity Map

Attachment 3. Notice of Application and Certification of Public Notice

Attachment 4. DRLE Questionnaire Report

Attachment 5. Public Comments

Attachment 6. Draft Development Agreement

Attachment 7. SEPA and NEPA Documents (web link)

Attachment C: City Council Issues Matrix for April 16, 2019