

## **AGREEMENT FOR ADVANCE OF CFD FUNDS GRADE SEPARATION PROJECT**

THIS AGREEMENT is entered into by the City of Redmond, a Washington city operating under Chapter 35A RCW (“the City”), and Redmond Community Facilities District No. 2016-01, an independently governed special purpose district operating under Chapter 36.145 RCW (“the CFD”).

### **RECITALS**

A. The CFD was formed by City of Redmond Resolution No. 1453, passed by the Redmond City Council on June 7, 2016. As amended by City of Redmond Resolution No. 1478, passed by the Redmond City Council on July 25, 2017, the purpose of the CFD is to design and construct four projects:

1. Multimodal improvements consisting of eastbound and westbound left-turn lanes at the intersection of 154<sup>th</sup> Avenue NE and NE 51<sup>st</sup> Street and at the intersection of 156<sup>th</sup> Avenue NE and NE 51<sup>st</sup> Street along with signal modification to the intersection and bicycle lanes along NE 51<sup>st</sup> Street from 154<sup>th</sup> Avenue NE to the SR 520 eastbound on-ramp (“the NE 51<sup>st</sup> Street Improvements”); and
2. Multimodal improvements including bicycle lanes along NE 31<sup>st</sup> Street from the roundabout just east of SR 520 to 156<sup>th</sup> Avenue NE with improvements to the intersection of NE 31<sup>st</sup> Street and 156<sup>th</sup> Avenue NE (“the NE 31<sup>st</sup> Street Improvements”); and
3. Extending storm water pipe from 172<sup>nd</sup> Avenue NE to Lake Sammamish along the NE 40<sup>th</sup> Street right-of-way, together with related improvements, including but not limited to, a flow splitter vault at the intersection of NE 40<sup>th</sup> Street and 172<sup>nd</sup> Avenue NE, an energy dissipation vault at the end of the pipe extension, an outfall at Lake Sammamish, water treatment facilities for a portion of the basin, and project mitigation (“the NE 40<sup>th</sup> Street Stormwater Improvements”); and
4. A grade separated path for pedestrians and bicycles on the west side of SR 520 to reduce potential pedestrian/bicycle conflicts with motor vehicles on NE 40<sup>th</sup> Street (“the Grade Separation Improvements”).

B. Funding of the Grade Separation Improvements was expressly made subject to the following condition: “The extent of the funding for the grade separated pedestrian/bicycle path is dependent on the actual cost of the other three improvements. To the extent there are funds available from the assessment approved by the District after construction of the other three improvements, those remaining funds will be applied to the construction cost of the grade separated pedestrian/bicycle path.”

C. The NE 31<sup>st</sup> Street Improvements described were completed in August 2019. Construction of the NE 51<sup>st</sup> Street Improvements began in August 2019 and completion is expected in June 2020. The NE 40<sup>th</sup> Stormwater Improvements are currently in the planning stage.

D. The Grade Separation Project is nearing completion of design. The City needs to construct the project in advance of Sound Transit's light rail improvements on NE 40<sup>th</sup> Street and has requested that it be allowed to access CFD funds to construct the project beginning in 2020.

E. Because the NE 31<sup>st</sup> Street Improvements have been completed, the costs of that project are fixed and known. The NE 51<sup>st</sup> Street Improvements are being constructed pursuant to a contractor's bid and the costs of that project are therefore also known, subject to possible cost adjustments, which a contingency exists to cover. The cost of the NE 40<sup>th</sup> Stormwater Improvements have been estimated at \$9,000,000 and it is anticipated that the project can be constructed for that amount. The City and the CFD have therefore agreed that it is likely that \$6,800,000 will be available for the construction of the Grade Separation Improvements.

F. The City and the CFD have therefore agreed that the City may access up to \$6,800,000 of CFD funds at the present time in order to fund construction of the Grade Separation Improvements, with the understanding that if the remaining funds held by the CFD or derived from the CFD assessments are determined at any time to be insufficient to complete the NE 51<sup>st</sup> Street Improvements and the NE 40<sup>th</sup> Stormwater Improvements, the City will reimburse the CFD for any funding shortfall, up to the total amount of the CFD funds used by the City to construct the grade separated bicycle/pedestrian path project. The parties desire to reduce their agreement to writing.

## **AGREEMENT**

IN CONSIDERATION OF and subject to the terms set forth below, the City and the CFD agree as follows:

1. Submittal of Invoices for Grade Separation Project. The City is authorized to submit invoices to the CFD for design, engineering, and construction costs associated with the Grade Separation Improvements up to a maximum amount of \$6,800,000. Subject to the provisions of Section 2 below, the CFD agrees to pay the invoices after proper audit and after approval of the invoices by the CFD's Board of Supervisors. Payment of the invoices for the Grade Separation Improvements is limited to funds that the parties anticipate would otherwise be available after completion of the NE 31<sup>st</sup> Street Improvements, NE 51<sup>st</sup> Street Improvements, and NE 40<sup>th</sup> Street Improvements and is not a loan of CFD funds.

2. City's Agreement to Repay. If, at any time, it is determined by the CFD Board of Supervisors that the remaining funds held by the CFD or derived from CFD assessments are insufficient to pay the combined total cost of the NE 31<sup>st</sup> Street Improvements, the NE 51<sup>st</sup> Street Improvements and the NE 40<sup>th</sup> Stormwater Improvements, the City and the CFD agree that:

A. If the determination is made prior to completion of the Grade Separation Improvements, the City will not submit any further invoices to the CFD for that project

and shall reimburse the CFD in the amount necessary to make up the insufficiency, up to the total amount received by the City from the CFD for the Grade Separation Improvements up to the date of the insufficiency determination. All further costs of the Grade Separation Improvements shall be the sole obligation of the City.

- B. If the determination is made after completion of the Grade Separation Improvements, the City shall reimburse the CFD in the amount necessary to make up the insufficiency, up to the total amount received by the City from the CFD for the Grade Separation Improvements.

3. No Additional Funding by the City. Nothing in this Agreement requires the City to contribute funding to the NE 31<sup>st</sup> Street Improvements, NE 51<sup>st</sup> Street Improvements, or NE 40<sup>th</sup> Stormwater Improvements, except for the reimbursement obligations specified herein. All costs of the NE 31<sup>st</sup> Street Improvements, NE 51<sup>st</sup> Street Improvements, and NE 40<sup>th</sup> Street Stormwater Improvements remain the sole obligation of the CFD within the limits of the CFD assessments imposed.

4. Entire Agreement. This Agreement constitutes the entire agreement between the CFD and the City regarding the use of CFD funds for the Grade Separation Improvements in advance of completion of the other three projects and repayment of the funds in the event of a shortfall in CFD funding to pay the combined total cost of the NE 31<sup>st</sup> Street Improvements, NE 51<sup>st</sup> Street Improvements, and NE 40<sup>th</sup> Stormwater Improvements. This Agreement supersedes all prior discussions and understandings between the parties regarding the subject matter of this Agreement.

EXECUTED by the City and the CFD on the dates hereafter set forth.

REDMOND COMMUNITY FACILITIES  
DISTRICT NO. 2016-1

CITY OF REDMOND

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Donald E. Marcy, Chair, Board of  
Supervisors  
Dated: \_\_\_\_\_

\_\_\_\_\_  
Mayor Angela Birney  
Dated: \_\_\_\_\_