

MOTION NO. M2016-47

**Funding Agreement with City of Bellevue for Demolition of the Teledesic building**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	05/12/2016	Final Action	Ahmad Fazel, DECM Executive Director <b>Ron Lewis, Executive Project Director, East Link Extension</b> <b>Tony Raben, Principal Construction Manager – East Link Extension</b>

PROPOSED ACTION

Authorizes the chief executive officer to execute an agreement with the City of Bellevue to fund the demolition of the Teledesic building within the East Link Extension in the amount of \$1,138,930, with a 5% contingency of \$56,947, for a total authorized agreement amount not to exceed \$1,195,877.

KEY FEATURES SUMMARY

- Under the Amended and Restated Memorandum of Understanding (MOU) with the City of Bellevue, the City will convey the Pine Forest property to Sound Transit for the Downtown Bellevue to Spring District (E335) project construction, and light rail operations.
- The Teledesic building, sited on the Pine Forest property, must be removed for construction of both the East Link Extension as well as the City of Bellevue’s Spring Blvd. construction.
- The proposed agreement with the City of Bellevue includes the following terms:
  - Bellevue will design, permit, advertise, and award a construction demolition contract.
  - Bellevue will manage all aspects of the demolition including inspection through project close out.
  - Sound Transit will reimburse the City of Bellevue for demolition of the Teledesic building per the terms of the agreement.
- The baseline schedule for E335 is not impacted by this action.

BACKGROUND

East Link extends light rail 14 miles from downtown Seattle to downtown Bellevue and the Overlake area of Redmond via I-90, with stations serving Rainier Avenue/I-90, Mercer Island, South Bellevue, Downtown Bellevue, Overlake Hospital, the Bel-Red Corridor, Overlake Village, and the Overlake Transit Center. The East Link project route, profiles, and station locations, were selected by the Sound Transit Board on July 28, 2011, and amended on April 25, 2013. Light rail service between Seattle and the Overlake Transit Center is forecasted to begin in 2023.

The removal of the Teledesic building, sited on the Pine Forest property, is required for both the East Link Extension as well as the City of Bellevue’s Spring Blvd. construction. During the MOU negotiations it was not contemplated that the City would construct Spring Blvd. before Sound Transit constructed the East Link Extension. The MOU had contemplated Sound Transit’s contractor constructing Spring Blvd. concurrent with East Link or the City constructing Spring Blvd. after the completion of East Link.

The City wants to retain the ability to construct Spring Blvd prior to East Link. Demolition of the Teledesic building at this time preserves this opportunity. Should the City pursue this opportunity, Sound Transit and the City will enter into an agreement between the Parties. That agreement will

provide that the Spring Blvd project schedule, sequence of construction, and overall delivery and completion will not negatively impact the schedule and/or cost of Sound Transit's E335 contract and balance of the East Link Extension.

## PROJECT STATUS

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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Projected Completion Date for the Construction Phase: Q1 2021

Project scope, schedule and budget summary located on page 51 of the February 2016 Link Light Rail Progress Report.

## FISCAL INFORMATION

This action is within the Adopted Budget and sufficient funds remain after approval of this action to fund the remaining work in the Construction Phase as contained in the current cost estimates.

East Link Extension	2016 TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	186,200	44,248	0	44,248	141,952
Preliminary Engineering	55,900	55,113	0	55,113	787
Final Design	283,000	238,380	0	238,380	44,620
Third Parties	52,150	28,409	0	28,409	23,741
Right of Way	298,150	148,503	0	148,503	149,647
<b>Construction</b>	<b>2,544,300</b>	<b>406,360</b>	<b>1,196</b>	<b>407,555</b>	<b>2,136,745</b>
Construction Services	257,450	128,703	0	128,703	128,747
Vehicles	0	0	0	0	0
<b>Total Current Budget</b>	<b>3,677,150</b>	<b>1,049,716</b>	<b>1,196</b>	<b>1,050,911</b>	<b>2,626,239</b>

Phase Detail - Construction					
So. Bellevue to SR-520	1,182,202	158,489	1,196	159,685	1,022,517
Other Construction Phase Work	1,215,012	247,870	0	247,870	967,142
Construction Unallocated Contingency <input type="checkbox"/>	147,086	0	0	0	147,086
<b>Total Phase</b>	<b>2,544,300</b>	<b>406,360</b>	<b>1,196</b>	<b>407,555</b>	<b>2,136,745</b>

City of Bellevue Teledesic building removal Agreement Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	0	0	1,139	1,139
Contingency	0	0	57	57
<b>Total Contract Amount</b>	<b>0</b>	<b>0</b>	<b>1,196</b>	<b>1,196</b>
Percent Contingency	0%	0%	5%	5%

### Notes:

Project budget is located on page 24 of the 2016 Adopted Transit Improvement Plan.

Amounts are expressed in Year of Expenditure \$000s.

Board Approvals to Date includes amounts through March 31, 2016 plus any pending Board Actions.

Board Approvals = Committed to-date + Contingency.

The 2016 Lifetime Adopted Budget for East Link Extension project is \$3,677,150,000. Within that amount, \$2,544,300,000 has been set aside for the Construction Phase. Out of that amount \$406,359,576 has been committed for the Construction Phase.

The proposed action would commit \$1,195,877 to the City of Bellevue per the Teledesic building removal cost reimbursement agreement leaving the remaining uncommitted budget of \$2,136,744,547 in the Construction Phase.

## SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

The City of Bellevue is following Sound Transit's goal of 10 percent DBE participation for this project.

## PUBLIC INVOLVEMENT

Not applicable to this action.

## TIME CONSTRAINTS

A one-month delay may impact follow-on work planned by the City of Bellevue and Sound Transit's E335 project.

## PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2015-33: Authorized the chief executive officer to (1) execute amendments to the Umbrella Memorandum of Understanding and Transit Way Agreement with the City of Bellevue to address permitting, project coordination, a potential Bellevue OMSF, financial terms, and maintenance of the East Link project; and (2) execute a new Three Party Agreement with the City of Bellevue and King County to collaboratively plan and determine the feasibility of a potential city project to re-align 120<sup>th</sup> Avenue NE.

## ENVIRONMENTAL REVIEW

JI 5/9/2016

## LEGAL REVIEW

LA 9 May 2016

**MOTION NO. M2016-47**

A motion of the Capital Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an agreement with the City of Bellevue to fund the demolition of the Teledesic building within the East Link Extension in the amount of \$1,138,930, with a 5% contingency of \$56,947, for a total authorized agreement amount not to exceed \$1,195,877.

**BACKGROUND:**

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**MOTION:**

It is hereby moved by the Capital Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute an agreement with the City of Bellevue to fund the demolition of the Teledesic building within the East Link Extension in the amount of \$1,138,930, with a 5% contingency of \$56,947, for a total authorized agreement amount not to exceed \$1,195,877.

APPROVED by the Capital Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 12, 2016.

  
Pat McCarthy  
Capital Committee Vice Chair

ATTEST:

  
Kathryn Flores  
Board Administrator