

MOTION NO. M2016-67

Ratify and Extend License Agreement with Microsoft Corporation

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	07/07/2016	Cancelled	Ahmad Fazel, DECM Executive Director Nancy Bennett, Property Management Manager
Board	07/28/2016	Final Action	

PROPOSED ACTION

Authorizes the chief executive officer to ratify and extend the term of the License Agreement with Microsoft Corporation for joint use of the flyer stop at the SR 520 NE 40th Street Interchange at the Overlake Transit Center in Redmond.

KEY FEATURES SUMMARY

- Sound Transit is the tenant under an Airspace Lease from WSDOT under which Sound Transit leases a portion of WSDOT right-of-way for a bus shelter and other premises located adjacent to the entrance to Overlake Transit Center (OTC). The bus shelter is known as a “flyer stop.”
- In 2011, Microsoft Corporation requested use of the Overlake flyer stop to allow its employees to disembark from their connector buses and walk to their place of employment at one of Microsoft’s facilities or to the OTC to catch another bus or shuttle.
- Sound Transit entered into a five-year License Agreement with Microsoft effective May 5, 2011, to authorize Microsoft’s use of the flyer stop.
- This action would extend the license with Microsoft Corporation for use of the Overlake flyer stop for an additional five-year term. Since the agreement reached five years on May 4, 2016, this action also seeks ratification of the license agreement. Board approval is required to extend this license agreement beyond five years.
- Microsoft’s use of the Overlake flyer stop will continue to have no impact to transit services provided by Sound Transit or King County Metro at the flyer stop.
- Microsoft pays for maintenance of the flyer stop but does not pay rent. The license agreement provides for Microsoft to pay a pro rata share of rent if WSDOT requires Sound Transit to pay rent under the Airspace Lease.

BACKGROUND

Sound Transit entered into an Airspace Lease Agreement with the Washington State Department of Transportation (WSDOT) on November 21, 2005, in order for Sound Transit to construct, operate, and maintain a high-capacity transportation facility at the NE 40th Street Interchange commonly known as the Overlake Flyer Stop.

The Connector, a transportation service launched by the Microsoft Connections Transportation Program in 2007, carries Microsoft employees from their residential neighborhoods in the Greater Seattle area to the Redmond campus.

In order to enhance the flow of traffic on the SR 520 off ramp at NE 40th Street, Microsoft requested the use of Sound Transit’s Overlake Transit Center Flyer Stop. Microsoft entered into a separate Developer Services Agreement with WSDOT for the construction of a longer bus platform in order to accommodate the additional use. Microsoft constructed these improvements in lieu of paying rent. Prior to the license being granted, both Sound Transit and King County Metro

Operations Departments reviewed Microsoft's schedule and determined that Microsoft's use will not interfere with current bus use.

Sound Transit and Microsoft entered into the SR 520 NE 40th Street Interchange License on April 25, 2011, for a term of five years to allow Microsoft to use the flyer stop to drop off Microsoft employees to enable them to walk to or catch a shuttle to Microsoft offices. This amendment extends the term for another five years, from May 6, 2016 to May 5, 2021.

Currently no license fees are due under the License. Under Sound Transit's Airspace Lease with WSDOT, in lieu of paying economic rent for the flyer stop for the initial 20 years, Sound Transit provided other specific consideration which is deemed to be a highway benefit and equivalent in value to the WSDOT property Sound Transit is leasing. In the event WSDOT requires Sound Transit to begin paying rent under the Airspace Lease, Microsoft will pay Sound Transit a pro rata share of the rent.

FISCAL INFORMATION

The proposed action has no financial impact on Agency annual operating budget.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one-month delay would extend the ratification of the license agreement.

ENVIRONMENTAL REVIEW

JI 6/10/2016

LEGAL REVIEW

JV 7/1/2016

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A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to ratify and extend the term of the License Agreement with Microsoft Corporation for joint use of the flyer stop at the SR 520 NE 40th Street Interchange at the Overlake Transit Center in Redmond.

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MOTION:

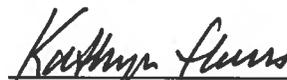
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to ratify and extend the term of the License Agreement with Microsoft Corporation for joint use of the flyer stop at the SR 520 NE 40th Street Interchange at the Overlake Transit Center in Redmond.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on July 28, 2016.



Pat McCarthy
Board Chair Pro Tem

ATTEST:



Kathryn Flores
Board Administrator