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sharing between the jurisdictions, assigning Issaquah the lead for environmental and design and assigning Washington State Department of Transportation the lead for construction.

INTRODUCED AND READ for the first time this 2/5t day of

PASSED by a vote of 1/ to 0 this 15 th day of March

19<u>99</u>.



VICE Chair

ATTEST:

APPROVED this 34 day of MARCH, 1999

King County Executive

Attachments: Sunset Interchange Modifications on I-90 agreement

# AGREEMENT SUNSET INTERCHANGE MODIFICATIONS ON I-90

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
CITY OF ISSAQUAH
KING COUNTY
GRAND RIDGE PARTNERSHIP
GLACIER RIDGE PARTNERSHIP
SUNSET INTERCHANGE FOUNDATION

# **SUNSET INTERCHANGE MODIFICATIONS ON 1-90**

3	As provided by Washington State Law, including but not limited to RCW 36.75.030 and
4	RCW 47.52.020, THIS AGREEMENT, made and entered into this day of,
5	19, between the STATE OF WASHINGTON, Department of Transportation, acting by and
6	through the Secretary of Transportation, hereinafter called the "STATE", and the following five
7	parties, hereinafter called the "REGIONAL ALLIANCE", all with a vested interest in
8	transportation within the Issaquah / I-90 corridor including,
9	THE CITY OF ISSAQUAH, a Washington municipal corporation hereinafter called the
10	"CITY", KING COUNTY, a Washington home rule charter county hereinafter call the
11	"COUNTY", and a Corporation/Partnership of three parties; SUNSET INTERCHANGE
12	FOUNDATION, a Washington nonprofit corporation hereinafter call the "CORPORATION", and
13	the GRAND RIDGE PARTNERSHIP (Limited Partnership) and the GLACIER RIDGE
14	PARTNERSHIP (Limited Partnership) both Washington limited partnerships hereinafter called the
15	"PARTNERSHIP"
16	
17	The parties to the REGIONAL ALLIANCE, as defined above, entered into a contract titled,
18	"Master Transportation Financing Agreement" (MTFA), effective June 10, 1996, in which they
19	agreed among themselves to provide a portion of the funds for a PROJECT titled "I-90 / SUNSET
20	INTERCHANGE MODIFICATIONS", hereinafter called the "PROJECT". The STATE is not a
21	party to the MTFA. Nothing contained in this Agreement is intended to change the MTFA in any
22	way. The CITY represents the parties to the MTFA in administering this Agreement.
23	WHEREAS, the REGIONAL ALLIANCE shall complete the planning, EIS preparation,
	WILLIAMS, the REGIONAL ADDIANCE shall complete the planning, Dis preparation,
24	contract plans, specifications and estimate of cost and the STATE shall perform certain work as

WHEREAS, the improvements herein described being on Interstate 90 which is within the jurisdiction of the STATE, it is deemed to be in the best interest for the STATE to perform the necessary items of work as included herein, and

WHEREAS, the STATE and the REGIONAL ALLIANCE are duly authorized to perform the work described herein only to the extent money is provided by their legislative or corporate bodies as indicated in Exhibit "C". Exhibit "C" includes a current cost estimate of the PROJECT, a current year's budget authority reflecting duly obligated moneys appropriated by legislative or corporate bodies, and a forecast of future funding needs to complete the PROJECT. Exhibit "C" shall be updated during the life of this agreement by letter supplement signed by all parties as described herein.

NOW, THEREFORE, by virtue of legal authority of the respective parties, and in consideration of the terms, conditions, covenants, and performance contained herein, or attached and incorporated and made a part hereof, IT IS MUTUALLY AGREED AS FOLLOWS:

I

15 GENERAL

The STATE & REGIONAL ALLIANCE, agrees to perform the work as described in Section II, Scope of Work for the STATE & REGIONAL ALLIANCE, subject to adequate funding and approvals.

At the time of drafting of this AGREEMENT it has been determined that a "flyover ramp" may be necessary to satisfy regional concurrency standards. The precise timing and nature of this requirement has not yet been determined, such being a function of land use build-out. It is agreed by the parties to this AGREEMENT that the "flyover ramp" shall be included as a part of this **PROJECT** but may be separated into a later construction stage if adequate construction funds are initially unavailable. All parties agree to pursue funding for the full project including the "flyover ramp" If left to a later construction stage, all parties shall at such time as its necessity is determined, meet to identify funding options for this stage.

Attached to this Agreement and made a part Thereof are Exhibits A, B, C, D, and E as follows:

#### **EXHIBIT "A"**

A description of the **PROJECT** management & oversight system currently in place, recognition of the regional partners critical to this and associated projects and the committees and technical teams working on the **PROJECT**.

#### **EXHIBIT "B"**

A description of the **PROJECT** Phases and Schedule which shall be used as milestones for review, and adoption of revisions to the cost model and schedule, and continued implementation of the **PROJECT**.

#### **EXHIBIT "C"**

A PROJECT cost model and budget, which will be updated annually, or more often as may be necessary, to reflect annual budget authorizations for the CITY, COUNTY, STATE, CORPORATION and PARTNERSHIP. The initial cost model and budget included in this Agreement includes STATE funding approved and made available to the PROJECT under Agreement GCA 0127. GCA 0127 shall control the expenditure of these funds. Updates to the cost model and budget subsequently incorporated into this agreement by letter supplement shall determine how future funding provided by all parties to this Agreement shall be allocated to the PROJECT.

Unanticipated changes, after the construction contract is awarded, in **PROJECT** cost caused by change order, claim or other cause shall be the responsibility to fund of the party or parties of this agreement responsible for said cost increase. Or, if the cost increase was unavoidable and not attributable to any one party or parties, such as a "changed condition" as defined in WSDOT specifications, the cost shall be equitably shared by all parties based upon their percent participation in the **PROJECT**. Such changes in funding shall be reflected in updates to the cost model when funded by the parties.

#### EXHIBIT "D"

An estimate of cost by Phases for STATE services and construction management responsibilities under this Agreement. It is agreed that a share of costs as shown on Exhibit "C", for STATE services shall be paid out of PROJECT budget funds contributed by the REGIONAL ALLIANCE consistent with Exhibit "C" as annually or otherwise updated and included in this Agreement by letter supplement signed by all parties.

#### EXHIBIT "E"

A brief background of regional transportation problems which contribute to the necessity of this **PROJECT** and various studies which have supported its development.

All work performed by any party under this Agreement shall be accomplished in accordance with the current STATE of Washington Standard Specifications for Road, Bridge, and Municipal Construction and adopted design standards, unless otherwise noted. The REGIONAL ALLIANCE, through its consultant Parsons Brinckerhoff, shall complete the EIS preparation, right of way plans and the design documents complete with plans, specifications and estimate of cost ready to submit to the STATE for advertisement for bid. Upon completion of all reviews and approvals, the STATE shall advertise the resulting PROJECT(s) for construction bid and, assuming bids are received and a contract(s) is awarded, consistent with the terms of this Agreement, administer the construction contract(s). The STATE has the right to construct the PROJECT in one or more construction project contracts (stages).

The **PROJECT** is being developed and implemented in Phases described in EXHIBIT "B" and as indicated in the "Scope of Work for the **STATE** and **REGIONAL** ALLIANCE, below. Phase three, Construction and Post Construction, may be further broken into construction stages in

order to match available funding. Any such staging of construction will be covered in updates of the Cost Model and Schedule.

4. Acknowledging the numbers of participants in the PROJECT, the dynamics of PROJECT revenue and other variables which might change from time to time, each Phase shall be preceded by a joint review by the STATE, the REGIONAL ALLIANCE and the Executive Committee as described in Exhibit "A", of the PROJECT schedule, cost model and budget. Said review shall update the variables and confirm revenue availability at each PHASE prior to beginning work on said Phase.

Decisions of the STATE and REGIONAL ALLIANCE throughout this Agreement as well as the review and adoption of updated PROJECT schedules, cost model and budget, shall be conducted in an atmosphere of consensus and said update shall reflect schedule recommendations provided by the consultant and actual budget values adopted by each legislative or corporate body of each member of the REGIONAL ALLIANCE and the STATE. If consensus cannot be achieved in matters, except for funding, they shall be resolved by implementing the dispute resolution process established in this Agreement. Cost model changes shall be based on funding decisions made by each parties legislative or, in the case of the parties of the PARTNERSHIP, by their managerial bodies.

At the beginning of each Phase, following the above review, the CITY shall give the STATE a notice to proceed. The STATE shall not incur costs to be reimbursed by the Regional Alliance on subsequent Phases without written notice to proceed from the CITY.

At the end of each construction stage, THE CITY and the Project Executive Committee, as defined in Exhibit "A", shall review said construction work managed by the STATE and approve it for consistency with this Agreement and the approved contract plans. Once approved, the CITY shall accept all turn back areas as specified in the right of way and construction contract plans. If there are deviations from this Agreement or approved contract plans and/or differences of opinion

relating to the contract plans between the CITY, the Project Executive Committee or the STATE,

2 all parties to this Agreement shall agree to negotiate resolution to those disagreements. If

negotiations are unsuccessful, Section VII Dispute Resolution shall be followed. In no way shall

this obligate the STATE or the REGIONAL ALLIANCE to the expenditure of funds that exceed that

5 amount(s) agreed upon in the Cost Model, Exhibit "C".

THE CITY may, if it desires, furnish an inspector or agent to monitor PROJECT development at any Phase on the PROJECT. The CITY's cost for furnishing such agent or inspector, on behalf of the REGIONAL ALLIANCE, shall be reimbursed out of appropriate PROJECT funds contributed by the REGIONAL ALLIANCE as an eligible PROJECT expense. The COUNTY or the PARTNERSHIP parties of the REGIONAL ALLIANCE, may also, if they desire, furnish an inspector or agent to monitor PROJECT development at any Phase on the PROJECT. Any costs for such monitoring incurred by those, other than the CITY and STATE, will be borne solely by the entity choosing to furnish an inspector or agent. All contact between said monitors, including the City's Project Manager, and the STATE's contractor(s) shall be through the STATE's representative.

## SCOPE OF WORK FOR THE STATE & REGIONAL ALLIANCE

II

The STATE, as owner and operator of Interstate 90, and the REGIONAL ALLIANCE, respectively, agree to reimbursement of PROJECT costs based on the cost model as described in EXHIBIT "C" and as modified by the provisions herein.

#### PROJECT DEVELOPMENT - PHASE ONE:

The draft NEPA/SEPA environmental impact statement, the final environmental impact statement, the design documentation, the right of way plan and other pertinent documents necessary for **PROJECT** development shall be prepared by the **CITY** in accordance with the current **STATE** of Washington standard environmental documentation and design documentation standards unless otherwise noted.

The STATE will review, approve and process all documents through appropriate authorities and divisions of WSDOT and the Federal Highway Administration (FHWA) to complete the Record of Decision for the PROJECT. The CITY will make any changes in the documents necessary to obtain approvals. The CITY will provide all accounting for all work managed by the CITY in Phase One and two in a manner consistent with WSDOT accounting procedures as promulgated by the State Auditor and the Local Agency Guidelines (LAG Manual). The STATE will provide accounting for all WSDOT managed work. In addition the CITY will provide accounting for **REGIONAL ALLIANCE** funds during Phase Three, Construction and Post Construction.

#### 9 DESIGN - PHASE TWO:

Plans, specifications and estimate of cost shall be prepared by the CITY in accordance with the current STATE of Washington Standard Specifications for Road, Bridge and Municipal construction and amendments thereto and adopted design Standards unless otherwise noted. The STATE will review and process all PROJECT documents, including but not limited to, approval of all environmental documents, design approval, Right of Way plan approval and plans, specifications and estimate of cost through appropriate authorities and divisions of WSDOT and FHWA.

The STATE shall acquire all right of way determined necessary for the PROJECT. Costs for right of way acquisition shall be shared based on the cost model in effect at the time of acquisition and made part of this Agreement in EXHIBIT "C".

The STATE shall advertise the PROJECT for construction bids and shall award a construction contract based on the requirements contained herein if acceptable bids, as determined by the STATE, are received that have costs plus engineering and construction contingencies within the PROJECT cost model included in EXHIBIT "C" as updated at that time. The STATE shall manage the construction project(s) applying its normal construction procedures as defined in the WSDOT Construction Manual.

Upon bid opening, the STATE shall submit a list of bid tabulations and bid results to the CITY for review. Within 30 calendar days of opening of bids, the STATE shall notify the CITY of

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its intentions to award or reject bids pursuant to STATE Standards and Specifications and the 1 requirements of this Agreement. The CITY shall provide comments regarding said intent to award 2 or reject bids within 7 calendar days after receipt of notice of intention from the STATE. If the 3 lowest acceptable bid plus engineering and construction contingency cost is not within the current 4 Cost Model, EXHIBIT "C", the STATE shall notify the CITY requesting it schedule a meeting of 5 6 the Project Executive Committee to mutually review bids and determine what course of action to follow. The STATE shall not award a contract for an amount exceeding the current Cost Model, 7 8 EXHIBIT "C", unless it receives a written approval from the CITY. The STATE reserves the right 9 to award a contract for any amount of money providing all amounts above the limit contained in the 10 current cost model EXHIBIT "C" shall be at the STATE's sole expense. If the STATE finds the 11 bids unacceptable for reasons other than cost, the STATE shall request the CITY to schedule a 12 meeting of the Project Executive Committee to discuss the appropriate course of action.

#### CONSTRUCTION AND POST CONSTRUCTION - PHASE THREE:

The STATE shall manage all construction activities with full PROJECT management responsibilities consistent with STATE standards for interstate construction.

The STATE shall be responsible for all post construction documentation and PROJECT close out activities. The STATE will provide all accounting for this Phase beginning after award of construction contract consistent with WSDOT accounting procedures.

When the STATE's Project Manager reviews monthly progress payments with contractors, the CITY's project manager may be present to monitor said progress payment review.

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22 **III** 

#### COST MODEL AND SCHEDULE

## COST MODEL AND BUDGET

EXHIBIT "C", PROJECT Cost Model and Budget, is an integral part of this Agreement. It 1 establishes the financial foundation for PROJECT continuation. The PROJECT initially was not 2 funded by traditional Washington State Department of Transportation Highway funding procedures 3 but was instead funded by the REGIONAL ALLIANCE through the innovative use of public and 4 5 private funds utilized for a common purpose. Beginning in 1996, the STATE obligated money to the **PROJECT** as covered by Agreement GCA 0127, and shown by reference in Exhibit "C". The 6 blending of various funds from the CITY, the COUNTY, the STATE, and the PARTNERSHIP at 7 8 various times during PROJECT development is a variable over the life of the PROJECT and shall 9 be identified at the beginning of each Phase and annually after agency budget adoption by an 10 updated and adopted cost model and budget which accurately reflects adopted budgets as of that 11 Phase and year. The updated and adopted cost model and budget shall be included as part of this Agreement by letter supplement signed by each of the parties. 12

Phase One, which includes a SEPA/NEPA decision, right of way plan and design report is funded by various funds from the STATE and the REGIONAL ALLIANCE. Current budget authority is adequate to pay for Phase One and beginning Phase Two. It is anticipated that budget allocations for 1997 and subsequent years will include sufficient funds to continue the PROJECT through completion, however, it should be acknowledged that as of this date there are no commitments from any party to this Agreement other than those expressed in EXHIBIT "C", the cost model and budget. This Agreement in no way obligates the STATE to any funding other than that shown in the cost model, EXHIBIT "C", as it may be amended pursuant to agreement by the STATE.

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In any given year, for each Phase, the blend of funds from the STATE and REGIONAL ALLIANCE shall all be obligated by each entity and made available upon receipt of monthly progress bills submitted by the CITY or STATE as work progresses on said Phase.

For Phase One, the STATE and the CITY, as they implement this Agreement, will draw down all duly authorized STATE budgeted funds first as described in SECTION IV, "Payment" and consistent with Agreement GCA 0127. The REGIONAL ALLIANCE shall provide funding for the SUNSET07.D0C 9 06/09/97

remainder of Phase One based on the current cost model and budget, EXHIBIT "C". Subsequent 1 cost model and budget updates shall identify available revenues to draw down, in what sequence (if 2 applicable) and amounts. If unanticipated PROJECT revenues become available during any given 3 4 year, the Cost Model EXHIBIT "C" shall be opened to make appropriate modifications approved by the STATE and REGIONAL ALLIANCE per provisions of this agreement with one exception. Once 5 a Phase has begun, the parties are obligated to fund their planned financial contribution as reflected 6 7 on the cost model and budget for said Phase. If money is received from grants or other sources not 8 identified in the cost model and budget, the cost model and budget shall be updated at receipt of 9 notice of eligibility for obligation of grant funds for **PROJECT** purpose. This in no way reduces 10 any of the parties obligation to this PROJECT except as mutually agreed to per provisions of this 11 agreement.

#### SCHEDULE

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The CITY as lead agency for administrative purposes on behalf of the REGIONAL ALLIANCE has contracted with Parsons Brinckerhoff, Inc., (PB), of Seattle, Washington to be prime consultant for Phase One and two as well as design support through Phase Three, construction. Included in that work is development and maintenance of the PROJECT schedule. PB has developed a comprehensive schedule reflecting all major tasks necessary to accomplish the PROJECT with said schedule based on certain assumptions:

- all parties to this Agreement will accomplish their respective responsibilities on time consistent with the schedule including review and feedback when appropriate.
- all schedule inputs from all parties to this agreement and their respective consultants is thorough and accurate
- the schedule does not anticipate a significant time delay due to litigation from third parties or other form of **PROJECT** resistance.
- the schedule does not anticipate any fatally flawed environmental documents and findings which might unduly effect **PROJECT** timing.

PB will update the schedule at the beginning of each Phase and/or to reflect major changes in PROJECT accomplishment, decisions by parties in the PROJECT, major actions or findings with 2 3 schedule influence or at the direction of the CITY. The current schedule is contained in Section III of the PROJECT Management Plan developed by PB and adopted in November of 1995 by the 4 **PROJECT** Executive Committee and is hereby adopted by the STATE. 5

#### SCHEDULE CHANGES AND APPROVALS

Schedule maintenance is the responsibility of PB under contract to the CITY. The CITY will accept input/requests from any party to this Agreement to review the PROJECT schedule. Said requests will be reviewed by the Project Executive Committee who will advise the CITY on such requests. The CITY will direct PB to make such changes as are mutually considered advisable and practicable by the STATE & The REGIONAL ALLIANCE. The schedule shall be kept as current as possible reflecting real changes in variables.

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**PAYMENT** 15

The REGIONAL ALLIANCE, in consideration of the faithful performance of the work to be done by the STATE and its contractor(s), agrees to reimburse the STATE for the actual direct and related indirect cost of the work.

IV

An itemized estimate of cost for work for Phase One to be performed by the STATE at the REGIONAL ALLIANCE'S expense is marked EXHIBIT "D". Subsequent estimates of the costs of work for the State shall be added at the appropriate time in project development when the cost model and budget are updated.

The current year's budget has a \$500,000 appropriation from the STATE. The STATE shall use this money to pay its own force work first, then all remaining balance, shall be applied appropriately to the current cost of project development. This is covered under Agreement GCA

1 0127. Subsequent budget appropriations from the STATE for this PROJECT shall be included as 2 amendments to Exhibit "C". It is recognized the State shall administer its own budget appropriations 3 and shall make available to the PROJECT for appropriate and eligible project costs, all such

budget allocations not needed to pay for State force or other STATE incurred PROJECT costs.

5 Partial payments to the STATE shall be made by the CITY, on behalf of and as agents for the REGIONAL ALLIANCE, upon request by the STATE to cover costs incurred. 6 payments are not to be more frequent than one (1) per month. It is agreed that any such partial 7 8 payment will not constitute agreement as to the appropriateness of any item and that, at the time of 9 final audit, all required adjustments will be made and reflected in a final payment

The CITY, on behalf of and as agents for the REGIONAL ALLIANCE, agrees to make payment for the work completed by the STATE and its contractor(s) within thirty (30) days from receipt of billing from the STATE. The STATE shall not be reimbursed out of funding provided by the **REGIONAL ALLIANCE** for any work it accomplishes prior to receiving a notice to proceed, however, it may proceed using STATE funding for the PROJECT.

The STATE shall be the manager of STATE funds and shall apply budgeted STATE funds to applicable PROJECT costs consistent with adopted draw down directions determined at the beginning of each Phase and any subsequent update as described herein when EXHIBIT "C", PROJECT cost model and budget, are updated.

**GUARANTY** 19

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Prior to advertisement of construction contracts, the Partnerships and Foundation members of the REGIONAL ALLIANCE, as identified in this agreement, shall provide acceptable security in the form of a corporate performance bond or a payment bond with the contractual obligation to pay due from a third party or other funding instrument acceptable to the STATE guarantying the full amount of each individual members financial contribution to the construction contract(s) as shown in the current EXHIBIT "C". Said security shall name the STATE as the beneficiary of the security or guaranty. Said security shall not be subject to being included in a bankruptcy estate.

In the event the construction contract(s) is (are) not executed the money will be retained in the account for a period of time not exceeding 6 months, unless a contract or contracts acceptable to the parties is executed between the STATE and a contractor(s).

In the event a contract is terminated, the money remaining in the account, after payment of all applicable obligations consistent with this AGREEMENT, will be retained for a period not exceeding 6 months unless a contract is executed by the STATE and a contractor acceptable to the parties.

The CITY shall have the authority to disburse such funds in a manner consistent with this AGREEMENT to fulfill all obligations incurred by a party to this AGREEMENT.

In the event the periods for retaining the money is ended, the CITY shall disburse the remaining moneys in accordance with the AGREEMENT and in proportion to the parties obligations, less any costs necessary to be paid under this AGREEMENT.

If a party to this Agreement declares bankruptcy the proceeds of any security, as required above, furnished by the bankrupt party, belongs to the remaining parties who are not in bankruptcy.

#### EXTRA WORK AND SUPPLEMENTS

The process of annually updating the **PROJECT** schedule as well as EXHIBIT "C", the **PROJECT** cost model and budget, is an opportunity to recognize and duly accommodate changes resulting from increased knowledge of **PROJECT** specifics, unforeseen conditions arising during the preceding year and other variables which might occur. This annual updating process shall be a consensus process directed by the **PROJECT** Executive Committee, however, updates shall only

- reflect those changes duly approved by the authorized authorities of each party. The PROJECT is
- 2 currently funded and budgeted through the final NEPA EIS and Record of Decision.
- As the **PROJECT** proceeds from Phase One into Phases Two and Three, changes or
- deviations from approved schedules, plans and scope shall be approved by the **PROJECT** Executive
- 5 Committee and incorporated into this Agreement as necessary and as provided for herein, however,
- 6 changes shall only reflect those changes duly approved by the authorized authorities of each party.
- Any change that causes scope changes to this AGREEMENT shall be made by an amendment to
- 8 this AGREEMENT. The construction portion of Phase Three, construction and post construction,
- 9 has the greatest opportunity for changes that will impact the cost and/or scope of the **PROJECT**.
- 10 All such changes shall be handled as follows:

#### 11 CHANGE ORDERS:

- 12 1.) Change orders are defined in accordance with Section 1-04.4 of the 1996 Standard
- 13 Specifications for Road, Bridge and Municipal Construction. Change orders and a standard
- 14 procedure for processing them, is also defined in the current State of Washington Construction
- 15 Manual.
- 16 2.) The STATE is authorized to exercise standard change order procedures, except that
- 17 the State agrees to establish a monthly report of change order activity and total cost of the
- 18 **PROJECT** based on the "cost to complete", which it shall include in routine monthly project status
- briefings of the **PROJECT** Executive Committee.
- 20 3.) The State shall exercise good management of change orders minimizing the effects
- of cost increases and time delays which could be cause for claim by contractors.
- 22 4.) The STATE agrees not to approve any change order which shall cause the Project
- cumulative (total) construction cost based on the estimated "cost to complete" to exceed the total
- 24 construction cost plus contingencies contained at any given time in the duly approved cost model
- 25 EXHIBIT "C" without approval of the CITY. The STATE further agrees that when change orders
- 26 cumulatively total an amount that equals 90% of the contingency amount contained in the cost

model and budget EXHIBIT "C" or when the total cost of the Project based on the "cost to complete" reaches an equivalent amount, it shall immediately convene a meeting of the **PROJECT**Executive Committee and propose a strategy for covering continued additional costs.

5.) In the event a contractor files a construction claim on this Project, the STATE shall negotiate resolution. If the settlement is within the cost model Exhibit "C" and the above criteria, it shall be paid as a change order. If the settlement is not within the cost model Exhibit "C" and above criteria, the STATE shall convene the PROJECT Executive Committee to review the claim, discuss agency liability and negotiate payment contribution. If the results of these discussions and negotiations are not acceptable to the STATE or the REGIONAL ALLIANCE, either party can seek resolution by invoking Section VII, Dispute Resolution.

With respect to the work performed by the STATE under terms of this Agreement, changes in scope or cost which will exceed the estimate total on EXHIBIT "D", Estimate of Cost for STATE services, by more than 10%, individually or cumulatively, shall require an amendment n to this AGREEMENT. This clause does not apply to changes in scope or cost which are identified in annual updates of EXHIBIT "C", PROJECT cost model and budget, which are routine reconciliations of all PROJECT costs and result in review and approval authority by the REGIONAL ALLIANCE and the STATE.

Reimbursement of costs to the STATE for increased work shall be limited to work performed whose scope is included in adopted updates of EXHIBIT "C" or "D", PROJECT Cost Model and Budget, and Estimate of STATE services, respectively. Increased work for STATE, anticipated to result from updated schedules or duly authorized scope changes, shall be authorized in a duly approved and updated cost model and budget or amendment to this AGREEMENT.

 $\mathbf{VI}$ 

# **RIGHT OF ENTRY**

The CITY and the COUNTY hereby grant and convey to the STATE the right of entry upon all land upon which either the CITY or the COUNTY has interest, within or adjacent to the right of

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way to the highway, for the purpose of survey, control points establishment or preliminary engineering. The COUNTY and the CITY agree to enter into a separate agreement with the STATE fir right-of-way and/or easements necessary for the purpose of construction and if necessary maintenance of PROJECT improvements. The CORPORATION and the PARTNERSHIP each hereby grant and convey to the STATE the right of entry upon all land on which each has an interest, within or adjacent to the right of way to the highway, for the purpose of survey, control points establishment or preliminary engineering. If said land, belonging to the CORPORATION and the PARTNERSHIP is needed for the construction and if necessary, maintaining said improvements, acquisition of said land shall be pursuant to the adopted I-90 right of way plan as modified for the PROJECT. Terms and conditions of Right of Way acquisition from members of the REGIONAL ALLIANCE shall be negotiated separate from this Agreement and as set forth in the MTFA.

Upon completion of the work outlined herein, all future operation and maintenance of the CITY and COUNTY facilities not retained by the STATE as part of the I-90 /Sunset Interchange shall be at the sole cost of the CITY and COUNTY without expense to the STATE. CITY and COUNTY facilities which may be modified or improved under this Agreement are anticipated to be those limits of the access arterials, known respectively as the Issaquah East ByPass and the South Plateau Access Road, approaching the Sunset/I-90 on/off ramps up to the point of turn back or access control of the Interstate Highway as modified by the **PROJECT**.

**VII** 

# 22 LEGAL RELATIONS

#### NO LEGAL PARTNERSHIP

No liability shall attach to the **STATE** or the parties of the **REGIONAL ALLIANCE** separately or collectively by reason of entering into this AGREEMENT except as expressly provided SUNSET07.D0C 16 06/09/97

- 1 herein. Notwithstanding any references herein to "partners" or a "partnership", the parties hereto
- 2 have not created a legal partnership or joint venture and shall retain their separate identities and
- 3 liabilities as parties to an agreement and not as partners or members of a separate legal entity.

#### **INDEMNIFICATION**

Each party shall protect, defend, indemnify and hold harmless the other parties and their officials, officers, agents, and employees, or any of them, from and against any and all claims, actions, lawsuits, liability, loss, costs, attorney's fees, expert witness fees, expenses, and damages of any nature whatsoever, which are caused by or result from any negligent act or omission of the party's own officials, officers, agents and employees in performing services pursuant to this Agreement. In the event that any such lawsuit is brought against a party or parties and/or their officials, officers, agents, and employees, the party or parties whose negligent actions or omissions gave rise to the lawsuit shall defend the other parties and/or their officials, officers, agents and employees at the party's or parties' sole cost and expense, and if final judgment be rendered against the other parties and/or their officials, officers, agents and employees, the party or parties whose actions or omissions gave rise to the lawsuit shall satisfy the same, provided that, in the event of concurrent negligence, each party shall indemnify and hold the other parties, their officials, officers, agents and employees harmless only to the extent of that party's negligence and/or the negligence of that party's officials, officers, agents and employees.

The parties agree that their obligations under this Section extend to any claims made against one party and/or its officials, officers, agents and employees by the other party's own employees. For this purpose, the parties, by mutual negotiation, hereby waive, as respects the other parties only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of the Title 51, RCA.

The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to expiration or termination.

#### NO THIRD PARTY RIGHTS.

Nothing contained herein is intended to nor shall be construed to create any rights in any party not a signatory of this AGREEMENT or to form the basis for any liability on the part of any signatory of this AGREEMENT to any party that is not a signatory of this AGREEMENT.

#### NO WAIVER.

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Waiver of any breach of any term or condition of this AGREEMENT shall not be deemed a waiver of any prior or subsequent breach.

#### AMENDMENT.

This AGREEMENT may be amended by letter supplement incorporating changes to the cost model and budget or schedule as described elsewhere in this Agreement signed by all members of the Executive Committee. Changes other than to the cost model and budget or schedule shall be by amendment in writing duly executed by the CITY, STATE, COUNTY, CORPORATION AND PARTNERSHIPS.

#### NO ASSIGNMENT OR TRANSFER.

This AGREEMENT may not be assigned or transferred without the prior written consent of all the parties, which shall not be withheld unreasonably.

#### ENTIRE AGREEMENT.

This AGREEMENT is the complete expression of the terms hereof, and any representations or understandings, whether oral or written, not incorporated herein, are excluded.

#### BINDING ON SUCCESSORS.

This AGREEMENT shall be binding upon and inure to the benefit of the parties hereto and their heirs, successors, personal representatives and assigns.

#### SEVERABILITY.

If any material provision of this AGREEMENT is determined by a court of law to be unenforceable or invalid, then the parties shall confer for the purpose of amending the AGREEMENT to implement the mutual intent of the parties to the maximum allowed by law. If the parties are unable to reach Agreement, then Parties to this Agreement authorize the court to decide if the unenforceable or invalid provision requires termination of this AGREEMENT.

#### APPLICABLE LAW.

7 This AGREEMENT shall be construed in accordance with the laws of the State of 8 Washington.

#### INSPECTION OF COST RECORDS.

All parties shall keep available for inspection by representatives of the parties or the Federal Highway Administration for a period of six years after the date of completion and acceptance of the construction of this **PROJECT**, the cost records and accounts pertaining to this AGREEMENT. If any litigation, claim, or audit arising out of, in connection with, or related to this AGREEMENT is initiated before the expiration of the six year period, the cost records and accounts shall be retained until such litigation, claim, or audit involving the records is completed.

#### **AUDITS AND INSPECTION.**

The records and documents with respect to all matters covered by this AGREEMENT shall be subject at all times to inspection, review or audit by the parties. The records and documents with respect to all matters covered by this AGREEMENT shall be subject at all times to inspection, review or audit by federal or state officials so authorized by law during the performance of this AGREEMENT and six (6) years after termination thereof, unless a longer retention period is required by law.

#### DURATION AND ENDING OF THIS AGREEMENT.

With the exception of audit, inspection, review of records and other matters contained herein, this AGREEMENT shall terminate upon one of the following circumstances:

- Written Agreement executed by all parties to this AGREEMENT amending this
  Agreement which terminates it.
  - 2. Completion of the responsibilities contained herein by all parties including acceptance of the "turnback areas" by the CITY and/or COUNTY as appropriate.
    - 3. Failure to obtain adequate construction funds within 3 years of execution of this AGREEMENT shall terminate this Agreement at the completion the design portion of Phase 2 or any earlier agreed upon sub Phase unless this AGREEMENT is duly amended to provide otherwise. The parties to this AGREEMENT shall be responsible for funding the work to the point of termination based upon the cost model in effect at the time of termination.
      - Written agreement executed by the remaining parties to this Agreement where a party to the Agreement terminates its obligations, becomes bankrupt or otherwise fails or refuses to continue its obligations, inconsistent with the terms of this Agreement. The remaining parties election to terminate this Agreement does not constitute a waiver or an election of remedies, and the parties may seek damages for a breach of the Agreement. The remaining parties may also seek recovery under the provisions of any agreement or security obtained under the Guaranty Section of this Agreement to fund any obligations or damages incurred by the parties or to finance completion in whole or in part of the remaining features of the PROJECT.
    - In the event this Agreement and this Project are terminated as described above all environmental documents, design documents, plans, estimates, specifications as well as any right of way acquired shall become the property of the State if the State elects to accept them and agrees to obligate them in the future for their intended use.

#### **DISPUTE RESOLUTION:**

The framework of this AGREEMENT is built upon the mutual need for a modified interchange at Sunset Way on I-90. To that end the parties to this AGREEMENT are combining resources and effort to construct said modifications and improvements. Complex projects such as this often have disputes in cost or schedule and the parties to this AGREEMENT shall work together to minimize the chance of said disputes. In the event circumstances happen which cause one or more parties to be dissatisfied they shall seek resolution to their dispute by mediation. The mediator 7 is to be selected by joint Agreement of the parties. The STATE, the CITY, the COUNTY and the CORPORATION/PARTNERSHIPS together, shall each have one vote. In the event of a tie, each party shall nominate one person for mediator, the four nominees shall then select the one to serve.

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IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the day

2	and year first above written.	
3		
4	WASHINGTON STATE DEPARTMENT OF TRANSPORTA	TION
- 5		
6		.*
7	State Design Engineer (printed name)	
8		
9	APPROVED AS TO FORM:	
10		
11		
12	Assistant Attorney General	
13		
14		
15	printed name	
16	Date	
17	PARTIES OF THE REGIONAL ALLIANCE:	
18	KING COUNTY, a Washington Home Rule Charter County	
19		
20	Ву:	
21	Its	
22	Date:	

Approved as to form: 

CITY OF ISSAQUAH, a Washington Municipal Code City 

Rowan Hinds

Its Mayor 

Date:

Approved as to form: 

- (LIMITED PARTNERSHIP), 2
- a Washington Limited Partnership 3

1

- By Warjone Investments, Inc., 5
- its managing general partner 6

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8

9

James E. Wanjone

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Its President

11

Date: 6/20/97

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13

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- THE GLACIER RIDGE PARTNERSHIP 15
- (LIMITED PARTNERSHIP) 16
- a Washington limited partnership 17

18

- By Warjone Investments, Inc., 19
- its managing general partner 20

21

22

James E. Warjone

1	its President
2	Date: 6/20/47
3	
4	
5	
6	SUNSET INTERCHANGE FOUNDATION, a Washington
7	nonprofit corporation
8	
9	BY: MEM
10	
11	Its PRESIDENT
12	

#### AGREEMENT

#### SUNSET INTERCHANGE MODIFICATIONS ON 1-90

# EXHIBIT "A" PROJECT MANAGEMENT / OVERSIGHT SYSTEM

#### A REGIONAL NEED

The PROJECT, being of significant regional value to the CITY, KING COUNTY and the STATE as well as the transportation system users of the region, including the proposed Grand Ridge development, has developed a regional management / oversight system which recognizes all the participants in the PROJECT as well as their individual goals and has become an effective blend of private / public project opportunity.

Aspiring to achieve acceptable levels of service on local road and street arterials the CITY and the COUNTY are obvious participants in this PROJECT. Interested in reducing levels of congestion on off ramps at existing interchanges and participating with the CITY and COUNTY in implementing regional solutions, the STATE is a valued and important participant as well.

Coincident with the public needs and goals mentioned above is a large private land development know as "Grand Ridge" which is situated adjacent to I-90 along the north leg of the proposed interchange modifications. Grand Ridge contributes significant trips to the regional transportation network and is responsible for mitigating those trips and contributing financially to the solutions of identified regional transportation problems. Grand Ridge cannot build out to ultimate land use capacity without the additional access to I-90 that the Sunset Interchange modifications will provide.

#### EXISTING PROJECT MANAGEMENT SYSTEM

The original impetus for the **PROJECT** was the consortium of the **CITY**, **COUNTY** and the **PARTNERSHIP** who have been cooperatively working on solutions to the need for several years. To that end they created a team approach managing the **PROJECT** as follows:

#### PROJECT EXECUTIVE COMMITTEE

The Executive Committee operates to provide **PROJECT** vision, oversight and review and guidance to assure policy goals of the **CITY**, **COUNTY** and **STATE** are achieved as well as land use goals of Grand Ridge. The Executive Committee is composed of representatives of the following:

- Public Works Director, City of Issaquah
- Northwest Regional Administrator, WSDOT
- Road Services Division Manager, Metropolitan King County
- Grand Ridge Partnership & Glacier Ridge Partnership

The Executive Committee is recognized as the collaborative leaders of the multiple participants with vested interests in the various projects associated with the **PROJECT**. The Executive Committee is briefed at each phase and increment of project development to ensure thorough achievement of all participants' goals. The Executive Committee will continue to operate in this fashion as the check and balance for project development.

#### 2. PROJECT ADVISORY COMMITTEE:

The Project Advisory Committee (PAC) is composed of Managers from the participants with direct project development responsibilities. They are specifically the leaders who are directing the technical teams as they work on **PROJECT** development.

The PAC meets approximately bi-weekly to review project development matters, reporting on individual participant accomplishments and coordinating efforts. They also provide direction to technical teams accomplishing project work. The PAC presents policy issues to the Executive Committee for resolution and technical issues for confirmation and approval.

#### 3. CONSULTANT

The consultant selected by the Executive Committee for performing EIS and Design work, currently under contract to the CITY, is Parsons Brinckerhoff of Seattle, Washington.

#### 4. CONSTRUCTION COORDINATION:

During the construction phase, the STATE's Project Manager in cooperation with the CITY's Project Manager shall brief the PROJECT Executive Committee regularly on such items as/but not limited to:

- Progress
- Budget
- Schedule
- Changes or deviations from plan
- Change Orders

Said briefings shall be held on schedules mutually agreed to by the membership of the PROJECT Executive Committee and the Project Managers.

### **AGREEMENT**

## **SUNSET INTERCHANGE MODIFICATION ON I-90**

# EXHIBIT "B" PROJECT PHASES AND SCHEDULE

#### PHASES and APPROXIMATE SCHEDULE FOR BEGINNING OF EACH.

- 1. PROJECT DEVELOPMENT: Underway at the present time by Parsons Brinkerhoff contracted to the CITY as lead agency for administrative purposes on behalf of the REGIONAL ALLIANCE. Current schedule anticipates completion of this phase by spring of 1998.
- The draft NEPA/SEPA environmental impact statement, the final environmental
  impact statement, the design report, the right of way plan and other pertinent
  documents necessary for project development shall be prepared by the CITY and its
  consultant in accordance with the current State of Washington standard environmental
  documentation and design report standards unless otherwise noted.
- 2. DESIGN: Final design will begin as the EIS completes and will be finished in early 1999.
- Plans, specifications and estimate of cost shall be prepared by the CITY and its consultant in accordance with the current State of Washington standards.
- The STATE shall acquire all right of way determined necessary for the PROJECT.
- The STATE shall advertise the PROJECT for construction bids and shall award a construction contract if bids are received within the PROJECT cost model in Exhibit "C". If bids exceed the amount of money planned for construction in Exhibit "C" the PROJECT Executive Committee shall be immediately convened, as described in Section II of the SUNSET INTERCHANGE MODIFICATIONS ON I-90 agreement, to review bids and recommend action to the signatures to this agreement.
- 3. CONSTRUCTION AND POST CONSTRUCTION: Assuming little right of way acquisition for the Interchange, construction should begin soon after completion of final design and be completed in two construction seasons or approximately the end of the year 2000.
- The STATE shall manage all construction activities with full PROJECT management responsibilities consistent with the STATE Construction Manaual.
- The STATE shall be responsible for all post construction documentation and PROJECT close out activities consistent with the STATE Construction Manaual.

NOTE: The schedule identified above for each phase is based on scheduling done during 1995 by the EIS consultant and may change depending on the actual dates of accomplishment of the preceding phase. The schedule will be updated at the end of each phase by the parties to this agreement as indicated in Section III of the agreement "COST MODEL AND SCHEDULE".

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		EXHIBIT "C"	COST MODEL			
		SUNSET INTER	CHANGE ON 1-90			
		Estimates in mill	lions \$			
				<u> </u>		
					<u> </u>	<u> </u>
		CURRENT	NEXT	TOTAL		<u> </u>
	\$ .	BIENNIUM	BIENNIUM	INDIVIDUAL		
PROJECT	OBLIGATION	(TO JULY 97)	(TO JULY 99)	PROJECT		
****SUNSET IC	PARTNERSHIPS**	0.5	3.3	5.7		
	CITY**	0.0	0.7	0.7		
· · · · · · · · · · · · · · · · · · ·	KING CO.**	1.0	0.4	1.4	1	
	STATE (WSDOT)**	0.5	0.0	27.2		
	ISTEA (Federal)*	0.0	0.0	3.0		
	subtotal =	2.0	5.4	38.0		
* ISTEA (Feder	al grant) not approved.	Three projects	on PSRC list but fe	all below current		
	Will apply again next		in 1 Orto list but it	in bolow durieth		
	ribution obligations of t		City and the County	v are per the MTFA	L	
	tributions from the ST					
	um WSDOT allocation					
**** The scope o	f the Sunset Interchan	ge Project on I-90	o includes the maxi	mum cost alternati	ve as ident	ified in
	alternatives. This scop			,		
		·				

#### **AGREEMENT**

# **SUNSET INTERCHANGE MODIFICATION ON 1-90**

#### **EXHIBIT "D"**

#### ESTIMATE OF COST FOR STATE SERVICES

The STATE shall prepare an estimate of cost for providing all services rendered under this AGREEMENT. It shall be attached hereto as EXHIBIT "D". Said EXHIBIT "D" shall be updated by phases along with all other components of the cost model and budget.

The current estimate of Phase one is attached as part of this EXHIBIT.

The estimate for Phase two, Design, is 15% of the design engineering cost. This estimate will be updated, if necessary, by letter Supplement as Phase one is completed.

The estimate for Phase three, Construction and Post Construction, is 15% of the construction cost. This estimate will be updated, if necessary, by letter Supplement as Phase two is completed.

# **AGREEMENT**

# **SUNSET INTERCHANGE MODIFICATIONS ON 1-90**

# EXHIBIT "E" BACKGROUND, REGIONAL PARTNERS AND PROJECT DEVELOPMENT TO DATE

#### BACKGROUND

Modifications to the Sunset Interchange on I-90 from a half diamond interchange to a full diamond interchange have been the subject of regional studies for some time.

For more than a decade, local authorities from the City of Issaquah, King County and the Washington State Department of Transportation have studied congestion on the existing accesses to I-90 in the Issaquah region. Congestion has in large part been the result of limited capacity on certain arterial roads and streets accessing I-90 and limited capacity on the existing interchanges on I-90 in the vicinity of Issaquah. Congestion is now exceeding concurrency standards contained in the King County Comprehensive Land Use Plan and regional Growth Management Plans.

Several of those studies are:

opportunities.

## I-90 Corridor Access Study

This study was undertaken in the mid 1980s by Washington Department of Transportation, The City of Issaquah and King County to identify congestion problems in the Issaquah area of the I-90 corridor. The study identified said problems and recommended numerous mitigations many of which have been done. Those recommended improvements which were most easily funded included improvements to existing interchanges at SR 900 and Front Street Interchanges. They included ramp improvements, ramp signals and other operational improvements which helped. The existing interchanges may be considered at maximum build out for capacity

Not completed were the major arterial access deficiencies identified in this study.

#### Sunset Interchange Added Access Study

A study nearing completion being performed by Bell-Walker Engineers, Inc. of Bellevue, Washington which is examining the details of adding additional access capacity to the Sunset Interchange.

#### GMA Transportation Element

During development of the Regional Comprehensive Plan, a transportation plan was developed and adopted which studied the entire region. This plan is the framework plan for all subsequent transportation studies.

South Plateau Access Route Feasibility Study

Prior to GMA, King County had performed updates to its East Lake Sammamish Community Plan during which they had identified traffic deficiencies causing regional congestion problems. At one time during this period the congestion problem caused County elected officials to impose a building moratorium until solutions could be identified and funded.

Out of these efforts came a study to locate alternative access routes off the south end of the Lake Sammamish Plateau. This study is the principle guidance followed by King County in proceeding with South Plateau Access Road development.

Many other studies exist which have value to the **PROJECT**. These studies are accessible through the offices of the City of Issaquah, King County and the Washington State Department of Transportation.

Based on the conclusions of these studies and the goal of reducing local congestion and providing suitable levels of service on local arterial roads and streets, local officials have adopted projects within their local Transportation Improvement Plans to construct several local arterial projects which will access I-90 at the Sunset Interchange.

Those local arterial projects which are in development at this time are:

Southeast Bypass of the City of Issaquah

The Southeast Bypass project is a new location currently in planning stage which will connect to the south leg of the Sunset Interchange PROJECT and run southerly to a connection with the Issaquah-Hobart to Front Street corridor. It will be the subject of an EIS and location study this year

South Sammamish Plateau Access Road Project
The South Sammamish Plateau Access Road Project is part of the same project
development EIS and Design Project as the Sunset Interchange Modifications. It is
planned to provide arterial access northerly from the Sunset Interchange to the Lake
Sammamish Plateau

North Sammamish Plateau Access Road Project

The North Sammamish Plateau Access Road is a separate project with King County as lead agency. The North Sammamish Plateau Access Road is a connection from the South Sammamish Plateau Access Road to the intersection of Issaquah-Fall City Road and Issaquah-Pine Lake Road. It is planned to provide arterial access northerly from the Sunset Interchange on I-90 via the South Sammamish Plateau Access Road to the Lake Sammamish Plateau.

Grand Ridge Development

Grand Ridge is a land use development owned by the "PARTNERSHIP", located on the ridge immediately adjacent to I-90 on the north side of the interstate lying northeasterly of downtown Issaquah.

This development includes approximately 3250 residences and 3.2 million SF of commercial/retail floor space.

The developer has completed an EIS, annexed to the City and is presently completing interlocal agreements and other land use details associated with complex developments. Phase one of the development can proceed without the interchange. The developer plans to implement internal road and street improvements concurrent with the interchange project for ultimate build out.

Grand Ridge is the private partner in the consortium of public and private agencies/company cooperating to fund and make possible these major transportation projects in the I-90 corridor.

#### PUBLIC/PRIVATE PARTICIPATION

The PROJECT is truly regional as well as having private and public motivation for its accomplishment and construction.

The public participants are the CITY of Issaquah, King County and the STATE, each of whom has individual goals, needs and motivations for this **PROJECT** and, furthermore, each of whom has individually budgeted current years funds for its accomplishment and anticipates future budget authorization for additional funds through **PROJECT** completion.

The private sector participant is the development known as Grand Ridge and its' owners the "PARTNERSHIP". The development also has goals, needs and motivations for the PROJECT. The development goals, needs and motivations are market related being functions of the land development industry.