

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2009-77

First Hill Streetcar Agreement with the City of Seattle

| Meeting: | Date: | Type of Action: | Staff Contact: | Phone: |
|-------------------|--------------|------------------------|---|----------------|
| Finance Committee | 9/17/09 | Discussion Item | Ric Ilgenfritz, Executive Director Planning, Environmental & Policy Department Greg Walker, Policy & Planning Officer | (206) 398-5239 |
| Board | 9/24/09 | Action | | (206) 398-5070 |

| Contract/Agreement Type: | <input checked="" type="checkbox"/> | Requested Action: | <input checked="" type="checkbox"/> |
|--------------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| Competitive Procurement | | Execute New Contract/Agreement | <input checked="" type="checkbox"/> |
| Sole Source | | Amend Existing Contract/Agreement | |
| Agreement with Other Jurisdiction(s) | <input checked="" type="checkbox"/> | Budget Amendment | |
| Real Estate | | Property Acquisition | |

PROJECT NAME

First Hill Link Connector Project

PROPOSED ACTION

Authorizes the chief executive officer to execute a funding and cooperative agreement with the City of Seattle for the First Hill Link Connector Project.

KEY FEATURES of PROPOSED ACTION

- The First Hill Streetcar Link Connector Project, an adopted Sound Transit 2 plan project, will provide a new streetcar connector line between downtown Seattle, First Hill and the future Capitol Hill light rail station. The adopted ST2 plan states that the new connector will also provide convenient access to the Sounder commuter rail system and regional bus services.
- The purpose of the project is to replace the connection to the regional Link light rail system lost when the First Hill light rail station was deleted from the regional system.
- The City of Seattle will construct and operate the streetcar. The agreement defines a scope of work, including fleet and facilities and a light maintenance and vehicle storage facility, all sized to meet requisite service levels.
- The agreement caps Sound Transit's capital contribution to the First Hill Streetcar Connector Project at \$120 million (2007 dollars), less Sound Transit's costs to administer the payments to the City, to review the design and contract documents, and to monitor progress and adherence to the agreement. Initially, Sound Transit will contribute up to \$5.44 million for early work on the project and the remainder if the Board decides to go forward with the project after completion of environmental review.
- The agreement caps Sound Transit's annual contribution to operations and maintenance costs at \$5.2 million (YOE dollars).

BUDGET IMPACT SUMMARY

Current Project Phase: Planning
 Projected Completion Date: 2013, per City of Seattle schedule.

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The Adopted 2009 Budget did not include this project since it is a new ST2 project. There is a proposed concurrent action (R2009-19) to amend the Adopted 2009 Budget that includes this project with a budget of \$132,780,000. This action will commit the full budget, less any agency costs, to the City of Seattle. The amended budget for the project is shown below in the table. The approval of this action is dependent on Board approval of the budget amendment.

There are sufficient funds to complete this action. Committing these funds will not endanger any other project elements that are to be funded out of the overall project.

BUDGET TABLE

Summary for Board Action (Year of Expenditure \$000)

Project: First Hill Link Connector

| | 2009 Board Adopted Budget ¹ (A) | Committed To Date ² (B) | This Action (C) | Total Committed & Action (D) | Uncommitted (Shortfall) (E) |
|-----------------------------|---|--|--------------------|---------------------------------------|-----------------------------------|
| Agency Administration | \$ 3,867 | \$ 3,867 | \$ - | \$ 3,867 | \$ - |
| Preliminary Engineering | \$ - | \$ - | \$ - | \$ - | \$ - |
| Final Design | \$ - | \$ - | \$ - | \$ - | \$ - |
| Third Party Agreement | \$ 128,913 | \$ - | \$ 128,913 | \$ 128,913 | \$ - |
| Right of Way | \$ - | \$ - | \$ - | \$ - | \$ - |
| Construction | \$ - | \$ - | \$ - | \$ - | \$ - |
| Vehicles | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contingency | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Current Budget | \$ 132,780 | \$ 3,867 | \$ 128,913 | \$ 132,780 | \$ - |

Phase Budget Detail

| | | | | | |
|-----------------------|-------------------|-------------|-------------------|-------------------|-------------|
| Third Party Agreement | \$ 128,913 | \$ - | \$ 128,913 | \$ 128,913 | \$ - |
| Misc. Activity | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Phase | \$ 128,913 | \$ - | \$ 128,913 | \$ 128,913 | \$ - |

| Contract Budget | Current Approved Contract Value (F) | Committed To Date ² (G) | Proposed Action (H) | Proposed Total Contract Value (I) |
|----------------------------|--|--|---------------------------|---|
| City of Seattle | \$ - | \$ - | \$ 128,913 | \$ 128,913 |
| Contingency | \$ - | \$ - | \$ - | \$ - |
| Total | \$ - | \$ - | \$ 128,913 | \$ 128,913 |
| Percent Contingency | 0% | 0% | 0% | 0% |

Notes:

¹ Project budget is being submitted to the Board as an amendment today, this action is contingent upon the Board's approval of the budget amendment.

PROJECT DESCRIPTION AND BACKGROUND FOR PROPOSED ACTION

On January 26, 2006, the Sound Transit Board authorized staff to proceed with the second phase of the First Hill Work Program including technical work on a potential First Hill transit connector (streetcar and bus) and improvements in the Broadway and Madison corridors. Additionally, this effort included conceptual engineering (five percent design completion), preparation of cost estimates, and consideration of environmental issues. The purpose of the study was to further evaluate the feasibility of improved regional transit access to the First Hill area. The Board also confirmed that no further work would be performed on the previous First Hill Link light rail station or alternative light rail station sites serving the area. The First Hill Work Program was completed on April 17, 2007 by Sound Transit staff, in cooperation with City of Seattle and King County Metro staff, and with the support of the ST2 engineering design team.

The Sound Transit Board of Directors adopted ST2 on July 24, 2008. The Link Light Rail Program in ST2 includes capital and operating contributions to “a new streetcar connector line between downtown Seattle, First Hill, and the future Capitol Hill light rail station.” The adopted ST2 plan states that the new connector will also provide convenient access to the Sounder commuter rail system and regional bus service.

The proposed action is needed because the City of Seattle will construct and operate the streetcar that is being funded by Sound Transit. The City has experience in the design, construction and operation of modern streetcar connectors. Recently, the City completed the design and construction of the South Lake Union line of the Seattle Streetcar System and entered into an intergovernmental agreement with King County for Seattle Streetcar Operations and Maintenance.

The proposed agreement defines the First Hill Streetcar service plan as operating between the Chinatown/International District Station and the Capitol Hill light rail station every ten minutes during peak periods and every 20 minutes during off peak. Sound Transit will retain the fare box revenues unless the City contributes to the cost of operations and maintenance, then revenues can be proportionally shared.

Under the proposed agreement Sound Transit can assume operations of the First Hill Streetcar if the City and King County Metro cannot reach an agreement for initial operation or after the initial five years of operation by Metro King County. Further, the proposed agreement will remain in effect through December 31, 2023, unless otherwise terminated with the provisions of the agreement.

Under the proposed agreement the City of Seattle’s contributions and obligations include:

- Management and implementation of all actions required to design construct, equip and operate the First Hill Streetcar Project, including without limitation the environmental review and mitigation, hazardous waste removal or mitigation, coordination of all required approvals and permits, acquisition of right of way, purchase of streetcar vehicles, community involvement and construction management.
- Drafting a community outreach plan for project planning, design and construction for Sound Transit’s review and concurrence.
- Conduct the environmental review of the project with Sound Transit as co-lead and provide Sound Transit with the opportunity for design review and coordination through construction.
- Ensuring that the First Hill Streetcar Project will not conflict with or interfere with the design, construction and operation of Sound Transit’s Capitol Hill Station and University Link line.
- Certification by the City’s Director of Transportation that the project will meet both the capital and the operating requirements of the scope contained in the agreement prior to putting the project out to bid or awarding projects.
- Paying for any cost overruns beyond Sound Transit’s maximum funding obligation, less Sound Transit costs, that may occur during construction.

- If the City cannot provide the minimum level of service agreed to in the agreement, then Sound Transit may request the transfer of the system to Sound Transit.
- Ensuring acknowledgement of Sound Transit funds for the project in any advertisements and postings and incorporating Sound Transit's logo in the graphic identity of the vehicles, facilities and collateral and web-based materials.
- Ownership of the project facilities and vehicles. The City will provide customer service for the Streetcar.
- Enforcement of fares consistent with Sound Transit's fare enforcement policy.

Prior Board/Committee Actions

| Motion/Resolution Number and Date | Summary of Action |
|--|--|
| M2006-13 January 26, 2006 | Authorizing staff to proceed with the next phase of the First Hill Work Program. |
| R2008-10 July 24, 2008 | Adopting a revised Sound Transit 2 Regional Transit System Plan. |

CONSEQUENCES of DELAY

Should the Board require additional time to consider this action, a brief delay would not have a material impact on the overall project schedule. However, it could result in the delay of approval of the Agreement by the Seattle City Council.

PUBLIC INVOLVEMENT

This project is part of the Board-adopted Sound Transit 2 Regional Transit System Plan and as such was included in numerous public outreach presentations and public information published in 2008, leading up to the adoption of the plan and the subsequent public vote approving the funding of the plan.

As part of the First Hill Work Program in 2005 - 2006, an extensive community outreach effort was undertaken. Staff met with and briefed diverse groups throughout the potential project area, held an open house, and mailed a fact sheet on First Hill Alternatives to approximately 24,000 addresses in the potential project area prior to the open house. In addition, Sound Transit distributed 2,000 copies of the fact sheet to community centers and other public facilities. The fact sheet was translated into four languages for use at the open house and other neighborhood briefings. Two additional fact sheets were produced containing corridor-specific information. All materials and project information are posted on Sound Transit's website.

ENVIRONMENTAL COMPLIANCE

Jl 9/9/09

LEGAL REVIEW

JW 9/10/09

SOUND TRANSIT

MOTION NO. M2009-77

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a funding and cooperative agreement with the City of Seattle for the First Hill Link Connector Project.

Background:

On January 26, 2006, the Sound Transit Board authorized staff to proceed with the second phase of the First Hill Work Program including technical work on a potential First Hill transit connector (streetcar and bus) and improvements in the Broadway and Madison corridors. Additionally, this effort included conceptual engineering (five percent design completion), preparation of cost estimates, and consideration of environmental issues. The purpose of the study was to further evaluate the feasibility of improved regional transit access to the First Hill area. The Board also confirmed that no further work would be performed on the previous First Hill Link light rail station or alternative light rail station sites serving the area. The First Hill Work Program was completed on April 17, 2007 by Sound Transit staff, in cooperation with City of Seattle and King County Metro staff, and with the support of the ST2 engineering design team.

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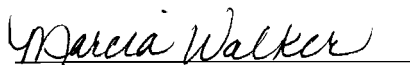
- Ensuring that the First Hill Streetcar Project will not conflict with or interfere with the design, construction and operation of Sound Transit's Capitol Hill Station and University Link line.
- Certification by the City's Director of Transportation that the project will meet both the capital and the operating requirements of the scope contained in the agreement prior to putting the project out to bid or awarding projects.
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- Ownership of the project facilities and vehicles. The City will provide customer service for the Streetcar.
- Enforcement of fares consistent with Sound Transit's fare enforcement policy.

Motion:

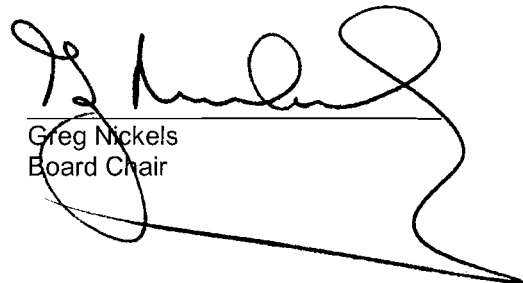
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a funding and cooperative agreement with the City of Seattle for the First Hill Link Connector Project.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 24, 2009.

ATTEST:



Marcia Walker
Board Administrator



Greg Nickels
Board Chair