

# REGIONAL TRANSIT AUTHORITY

## MOTION NO. 98-26

### Financial Advisory Services BACKGROUND AND COMMENTS

Meeting:	Date:	Agenda Item:	Staff Contact:	Phone:
Finance Committee	4/16/98	No. 8-A	Jan Hendrickson Brian McCartan	206-689-3148 206-684-1603

#### **Action:**

Authorizes the Executive Director to enter into contracts with Boyea Capital Markets and Piper Jaffrey to provide financial advisory services to the RTA. They will work with bond counsel and the RTA's underwriters to form the RTA financing team.

#### **Background:**

The RTA published requests for qualifications (RFQs) for the financial advisory services on January 14, 1998. Fifteen firms responded to the RFQ. The RTA selected nine firms to receive requests for proposals (RFPs).

The Selection Committee recommended that Boyea Capital Markets and Piper Jaffrey as the most qualified firms to provide financial advisory services. The Committee also recommended the inclusion of Berk and Associates, Conway and Associates, Pittman & Hames Associates, and Porter and Associates as subconsultants. Boyea Capital Markets is a certified MBE firm, and Berk and Associates and Pittman & Hames Associates are WBE firms. The Executive Director concurred with the Committee's recommendation.

If approved by the Finance Committee, Boyea Capital Markets and Piper Jaffrey would provide the full range of financial advisory services to the RTA, including coordinating the issues of debt, monitoring investment banking firms, obtaining an initial credit rating, participating in long-term financial planning to insure that the RTA maximizes its access to capital markets and minimizes its costs of capital.

The subconsultant firms will provide a wide range of on-call financial advisory services in the areas of economic forecasting, project financial analysis, transit-oriented development, financial planning, and innovative financing.

<b>Proposed RTA Financing Team</b>	
Bond Counsel	Preston Gates & Ellis Foster Pepper & Shefelman
Financial Advisors	Boyea Capital Markets Piper Jaffrey
Investment Banking Team	E.J. De La Rosa Goldman Sachs Lehman Brothers Salomon Smith Barney

**Relevant Board policies and previous actions:**

- Sound Move Financial Policies.
- Motion No. 48, approving selection of Preston Gates & Ellis and Foster Pepper & Shefelman as bond counsel.

**Key Features of Agreement:**

- Up to a five-year contract.
- The lead firms will be compensated through a combination of hourly rates, annual retainer and fees directly related to bond issues.
- Total fees are estimated not to exceed \$750,000 for five years. Fees will vary depending on size and type of debt issued.

**Consequences of Delay**

A delay in action will postpone the formation of the RTA's financing team. With current low interest rates, it may be advisable for the RTA to issue debt in 1998. In order to be in position to issue debt this year the financial advisors need to begin work as soon as possible.

## REGIONAL TRANSIT AUTHORITY

### MOTION NO. 98-26

A motion of the Finance Committee of the Regional Transit Authority for the Pierce, King and Snohomish Counties region authorizing the Executive Director to execute contracts for financial advisory services.

#### **Background:**

The Sound Move financing plan includes debt issuance as a necessary component of the financing of the 10-year transportation improvements. The RTA will require the services of financial advisors to issue debt obligations. Financial advisors will be key participants in the RTA's finance team that will allow the RTA to optimize its access to capital markets and maximize its financial resources. The RTA has competitively selected financial advisory services.

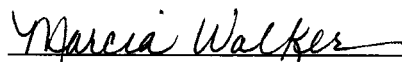
#### **Motion:**

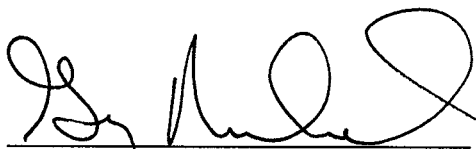
It is hereby moved by the Finance Committee of the Regional Transit Authority that:

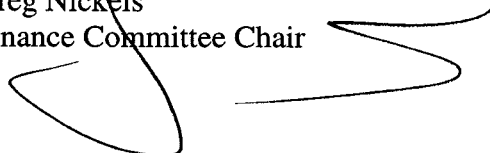
- 1) The Executive Director is authorized to execute contracts for financial advisory services with Boyea Capital Markets and Piper Jaffrey subject to the terms and conditions usual and customary for governmental agencies.
- 2) The Executive Director is authorized to pay fees as required by said contract, including, but not limited to, fees associated with debt issuance and other financial advisory work as typically performed by financial advisors.

Approved by the Finance Committee of the RTA Board at a regular meeting thereof on 7 May, 1998.

ATTEST:

  
\_\_\_\_\_  
Marcia Walker  
Board Administrator

  
\_\_\_\_\_  
Greg Nickels  
Finance Committee Chair



**MEMORANDUM OF AGREEMENT  
FOR INTERGOVERNMENTAL COOPERATION FOR THE  
TACOMA LIGHT RAIL TRANSIT LINE**

This MEMORANDUM OF AGREEMENT (the "Agreement"), dated this \_\_\_\_\_ day of \_\_\_\_\_, is made by and between the Central Puget Sound Regional Transit Authority (hereinafter referred to as Sound Transit), and the City of Tacoma (hereinafter referred to as City), (collectively, the "Parties").

Sound Transit and the City hereby mutually agree that the objectives listed below can most effectively be accomplished through a team approach and a shared work program. The Parties intend to cooperate in a coordinated and expedited effort, which is expressed through this Agreement and through such additional agreements as may be needed. As reflected in this Agreement, the Parties recognize the need for cooperation to assign responsibilities and reimbursements, expedite environmental review and permit review, develop design standards, and construct a light rail system that meets the region's transportation needs.

**RECITALS**

- A. The Central Puget Sound Regional Transit Authority ("Sound Transit") is a duly organized regional transit authority existing under Chapters 81.104 and 81.112 RCW and has all powers necessary to implement a high capacity transportation ("HCT") system. On November 5, 1996, central Puget Sound area voters approved local funding for *Sound Move*, Sound Transit's ten-year regional transit plan. The plan includes three new types of regional transportation -- light rail, Tacoma-to-Seattle commuter rail, and regional express bus/HOV system -- that will be integrated with local transit systems and use a single or integrated, regional fare structure. Sound Transit is a public agency authorized to enter into interlocal government agreements pursuant to Chapter 39.34 RCW, 81.104 RCW, 81.112 RCW and more specifically RCW 81.104.070.
- B. The City of Tacoma (hereafter the "City") is a first class city operating under the laws of the State of Washington and has authority to enter into interlocal governmental agreements pursuant to Chapter 39.34 RCW. The City is responsible for administering state and local land use laws and development regulations that will apply to the development of the Project. The City is also responsible for managing streets and municipal utilities within its jurisdiction and for providing municipal services, such as public safety.

- Expedite review of necessary permits and approvals in support of a short timeline for Project development consistent with legal requirements.
- Minimize conflicts regarding permits and approvals.
- Maximize predictability in City requirements.
- Mitigate adverse environmental impacts that are attributable to the Project, without requiring measures intended solely to remedy other unrelated environmental, transit and transportation, utility, infrastructure, social or other impacts affecting the area of the Project.
- Prepare environmental documents that are adequate to meet the decision-making needs of Sound Transit, the City, and other affected agencies, consistent with legal requirements.
- Involve the community throughout the process, including during environmental review and Project siting decisions.
- Integrate the Project with existing or planned infrastructure and development, including other transit facilities, vehicular transportation facilities, bicycle and pedestrian facilities, public facilities, private facilities, and develop operational plans that minimize Project impacts and costs.
- Achieve seamless integration of light rail and commuter rail at the Tacoma Dome Station along with bus facilities and operations.
- Derive the maximum effectiveness out of Sound Transit investment by implementing accessible and efficient facilities and services, including bus transfer facilities, and bicycle/pedestrian access.
- *Integrate* transit-oriented land use policies, regulations, and incentives to attract and shape development around transit facilities in ways that benefit both transit users and adjacent communities.
- Provide contractual and employment opportunities for W/M/DBEs, local firms, and small firms.
- Base all land use recommendations on a reasonable and prudent market analysis of the region and Pierce County to insure such recommendations are realistic.
- Build effective, ongoing intergovernmental cooperation between the Parties.
- Ensure that appropriate notice is given to the parties for review of documents and to the public and other interested individuals and groups for agency and public meetings.

H. Sound Transit's objectives also include the following:

- Give local jurisdictions an active role in Project development decisions, to provide for appropriate Sound Transit Board decisions, consistent with and subject to the requirements of the HCT legislation, commitments in *Sound Move*, and Sound Transit policies.

As identified in the Umbrella Interlocal Agreement, the City and Sound Transit shall work cooperatively together through an organizational/decision making structure consisting of (1) Policy Committee, (2) Steering Committee, (3) Technical Committee. The City (the City Manager) and Sound Transit (the Executive Director) shall each designate a representative for the purposes of project coordination and communication, including scheduling, obtaining information, responding to requests, and dispute resolution, as identified in this Agreement. The designated representatives of the Parties are listed in Attachment A.

### **III. EXPEDITED ENVIRONMENTAL REVIEW**

- A. Sound Transit will evaluate alternative LRT designs and alignments for the light rail system and designs and locations for light rail stations. Sound Transit will serve as the State Environmental Policy Act (“SEPA”) lead agency for environmental review of the Project. Sound Transit prepared a plan-level environmental impact statement supporting the adoption of *Sound Move*. Additional environmental review of the Project will be provided using a SEPA approach. Sound Transit will oversee the preparation of the environmental documents. The environmental review will evaluate the environmental impacts of the Project, as well as potential mitigation measures.
- B. Sound Transit and the City shall work together at the Steering Committee level to develop and evaluate the following:
- Recommendations of alternatives for alignment, station location and type of light rail, to be evaluated in the Draft Environmental Impact Statement (EIS).
  - Identification of appropriate mitigation measures, consistent with SEPA and other adopted regulations, for the Project elements evaluated in the environmental impact statement. All mitigation measures shall be driven by a nexus to the Project's impacts and shall be consistent with the Parties' common objectives..
  - Recommendation of the preferred alternative.
  - Physical station design development.
- C. Sound Transit will provide the City with preliminary drafts of environmental documents to allow for early opportunities for preliminary review and comment. The City will conduct its preliminary review and respond to these drafts within 14 day calendar days.

### **IV. PERMIT PROCESSING**

The City will assist Sound Transit in establishing the most expeditious strategy for completing land use and construction permit review, approvals, and inspections. Appropriate representatives of Sound Transit and the City will hold meetings

Construction complete/shakedown begins	Fall 2001
Light Rail Service Begins	December 2001

**VII. BUDGET & FUNDING**

- A. The adopted *Sound Move* budget includes \$50 million (in 1995 dollars) dedicated for Tacoma light rail line and station area development within the City. This budget amount covers all Project costs, including environmental review, staff costs, design, property acquisition and relocation costs, in addition to construction, mitigation, and contingencies. The City agrees to work with Sound Transit to ensure that station-area and light rail line development can be completed within the available budget.
  
- B. If the City desires to expand the scope of station area development beyond that budgeted by Sound Transit, the City will be responsible for obtaining necessary funding for such expansion. Sound Transit will work with the City to assist in aggressively pursuing other financing sources, including public/private partnerships, to augment or reduce Sound Transit Project budget.

**VIII. LAND USE PLANNING**

- A. In order to meet the planning requirements of the HCT legislation and to fulfill Sound Transit’s policy commitments regarding transit oriented development, land use planning around transit stations, and public/private partnerships, Sound Transit agrees to fund a City work program addressing these issues. A detailed work plan will be developed by the City within 30 days of the adoption of this agreement and will be reviewed and approved by Sound Transit. The work plan will focus on the completion and adoption of Phase II of the City of Tacoma’s Downtown Plan, which is currently underway, with the inclusion of:
  - a market analysis element,
  - alignment/station area planning,
  - land use planning to support light rail,
  - access and mobility issues,
  - the development of urban design guidelines and standards for the stations (in cooperation with Sound Transit) and downtown area,
  - an implementation program, including the adoption and implementation of transit-oriented development regulations for the light rail alignment/station area and the identification and implementation of the capital projects necessary over the next 10 years to meet development demands within the Downtown Tacoma Plan Area. The implementing actions will be adopted by the City Council or other appropriate City body.

The payment schedule for the deliverables of this contract shall be as follows:

1. Payment of one-third of the total upon approval by Sound Transit of the work program and contracting by the City of a consultant team to carryout the work program.
2. Payment of one-third of the total upon completion of the work program by the consultant team.
3. Payment of the final third upon the completion of City Council Implementation.

- D. In implementing the work plan, the City and its consultants (if any) will work with Sound Transit and its consultants to share available information and avoid duplication of effort. The City and Sound Transit recognize that much of the work prepared pursuant to the work plan will aid in the preparation of the environmental documents for the project, as well as other project planning work. To that end it is the intent of this proposed work plan to encourage and provide both Sound Transit and the City with the incentive to seek out other groups and entities in the study area and adjacent areas for opportunities for project coordination.

#### **IX. REIMBURSEMENT FOR OTHER SERVICES**

A Schedule listed as Attachment B will be adopted as part of this agreement and will list the services the City will provide as part of their normal cost of doing business and the tasks that Sound Transit will reimburse for (normal cost of time and material for the review of improvements/repairs with City rights-of-way, custom mapping, conducting traffic counts etc.). Appendix B applies to services other than those described under VIII. Land Use Planning.

#### **X. RIGHT OF WAY ACQUISITION AND PRESERVATION**

A. The Parties desire to establish a coordinated process for identifying, acquiring, and preserving rights of way and participating in the right of way preservation review process. To the extent that acquisition of rights of way is necessary for the Project, Sound Transit will play the lead role and will manage all Project-related contact with property owners or their agents. The Parties agree to enter subsequent agreements subject to City Council approval or make such arrangements as necessary and appropriate to enable Sound Transit to acquire rights of way that may be required for the Project.

B. As to rights of ways for potential future HCT development, HCT legislation provides for the Puget Sound Regional Council ("PSRC"), as the designated regional transportation planning organization, to coordinate a right of way preservation review process. RCW 81.104.080(5). Upon request by the PSRC and consistent with the HCT legislation, the City agrees to enter into an agreement subject to City Council approval with the PSRC for purposes of



this Agreement.

- B. Each Designated Representatives shall notify the other in writing of any problem or dispute that the Designated Representatives believe should be resolved. The Designated Representatives shall meet within three (3) business days of receiving the written notice in an attempt to resolve the dispute.
- C. In the event the Designated Representatives cannot resolve the dispute, the Steering Committee shall meet within 30 days of the meeting between the Designated Representatives and engage in good faith negotiations to resolve the dispute. In the event the Steering Committee cannot resolve the dispute, the Policy Committee shall meet within 30 days of the Steering Committee meeting and engage in good faith negotiations to resolve the dispute.
- D. Sound Transit and the City agree that they shall have no right to seek relief under this Agreement in a court of law until and unless each of these procedural steps is exhausted.

#### **XIV. MISCELLANEOUS**

- A. This Agreement is effective upon being filed with the county auditor when it is signed by both Parties, after authorization by each Party's respective governing body. The Parties may amend this Agreement or enter subsequent agreements, as desired, with the appropriate authorization of each Party.
- B. This Agreement, including its Recitals and Attachments, together with the umbrella agreement embodies the Parties' entire agreement on the issues covered by it, except as supplemented by subsequent written agreements that the Parties make. Where the terms and conditions of the umbrella agreement and the terms and conditions of this agreement conflict, this agreement shall control. All prior negotiations and draft written agreements are merged into and superseded by this Agreement.
- C. If any portion of this Agreement is found to be unenforceable by a court of competent jurisdiction, the remaining terms and provisions unaffected thereby shall remain in full force and effect. This Agreement shall be governed by the laws of the State of Washington.
- D. This agreement shall terminate upon completion of the work herein described. Such termination shall not effect the termination of any other agreement between any or all the parties hereto.
- E. It is not anticipated that the parties hereto shall acquire real or personal property jointly pursuant to this agreement.

## ATTACHMENT A

### Designated Representative

#### REGIONAL TRANSIT AUTHORITY

Paul Bay  
Light Rail Director  
Phone: (206) 689-4761

Valerie Rosenkrantz  
Project Development Manager  
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Sue Comis  
Tacoma Segment Project Manager  
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#### CITY OF TACOMA

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William L. Pugh  
Director of the Public Works Department  
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(253) 591-5097

Robin Meyer  
Sound Transit Project Coordinator  
Phone: (253) 591-5375  
Fax: (253) 591-2002

## Attachment C

### Detailed Outline for the Scope of Work for the Downtown Plan/Station/Alignment Area Planning

#### Review of Existing Plans

- Review the policies from the CBD: Core Plan (1982); Central Business District Plan: Greater CBD, 1985, and the Central Business Plan and Program, 1988 and other related adopted plans and programs for relevancy and consistency.
- Update to reflect current conditions and incorporate new Downtown Policy Action Package from the public participation program conducted in 1996-1997.
- Prepare implementation program format for short, mid and long range implementation actions.
- Determine if any new policies or portions thereof will be incorporated into the update or the Downtown Plan

#### Market Analysis

**Phase I** (This phase will be completed under a separate contract administered by the Thea Foss PDA)

Existing Market conditions including residential, retail/commercial, office rates for:

- The City
- Forecast for Light Rail Corridor The Downtown
- The Thea Foss Waterway
- The Tacoma Dome Station

This analysis will address the range of likely uses/mix of uses that can be successful in each area as well as the size, specific type of use, and number of units or range of square footage.

**Phase II** (The work in this phase will be completed as part of this contract)

- Coordinate with Downtown Plan to match proposed uses w/market feasible uses
- Identify incentives to promote uses consistent w/those identified in market analysis.
- Review City plans, codes and regulations for constraints
- Market analysis to address in detail
  - Thea Foss
  - Sound Transit Light Rail Corridor
  - Dome Area
  - Downtown Tacoma
- Time horizon
- Development of focused marketing materials for recruiting developers specializing in the areas identified by the Market analysis.

#### Future Land Use Element

- Prepare implementation action schedule for short, mid and long range implementation actions.

### **Urban Design Element**

- Inventory and document significant urban design features and characteristics of streetscapes, buildings, historic and cultural resources, public spaces and amenities.
- Develop “typical” illustrations of design features.
- Prepare conceptual depiction of residential, commercial, mixed-use, industrial, public use\ and streetscape design principles and design review process.
- Identify potential future locations for significant public spaces and amenities, such as pedestrian ways, parks, view corridors, plazas.
- Solicit public review and comment in conjunction with draft future land use element
- Analyze existing plans and codes to determine needed supplements to design guidelines or standards and procedures for streetscape categories, public spaces and amenities.
- Prepare draft guidelines and standards for streetscape categories, public spaces, and amenities.
- Prepare draft design review process description and implementation documents.
- Prepare implementation action schedule for short, mid and long range implementation actions.

### **Access and Mobility Element**

- Using existing information to the extent possible, inventory and identify current capacity and demand for transportation, parking and related facilities.
- Estimate future demand based on draft land use element
- Assign demand to facilities and estimate facility deficits.
- Analyze street vacations and changes to traffic controls and their impacts to traffic circulation
- Prepare and evaluate alternative facility improvement plans, considering capacity enhancement and demand management alternatives.
- Prepare draft access and mobility plan.
- Solicit public review and comment in conjunction with draft future land use element.
- Prepare final draft access and mobility element.
- Prepare implementation action schedule for short, mid and long range implementation actions.

### **Alignment/Station Area Planning**

- Prepare station area plans and land development regulation amendments, as required.
- Prepare implementation action schedule for short, mid and long range implementation actions.

**DRAFT  
DRAFT**

**MEMORANDUM OF AGREEMENT**

for Intergovernmental Cooperation

between

**The Central Puget Sound Regional Transit Authority**

and

**The City of Tacoma**

**Regarding Light Rail Development – Planning and Programming**

Signed:

**CENTRAL PUGET SOUND  
REGIONAL TRANSIT AUTHORITY**

**CITY OF TACOMA**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or type name

\_\_\_\_\_  
Print or type name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form

\_\_\_\_\_  
Sound Transit Legal Counsel