

STAFF REPORT

**SOUND TRANSIT
MOTION NO. M2000-122**

**Execution of an Agreement between Sound Transit and the City of Tacoma
Regarding the Construction and Operation of Sounder Commuter Rail Facilities
Located in the City of Tacoma Rail Right of Way**

| Meeting: | Date: | Type of Action: | Staff Contact: | Phone: |
|---------------------|--------------|---|----------------------------|----------------|
| Executive Committee | 12/1/00 | Discussion/Possible Action to Recommend Board Approval Action | Paul W. Price, Director | (206) 398-5111 |
| Board | 12/14/00 | | | |

PROPOSED ACTION

Authorizes the Executive Director to execute an agreement between Sound Transit and the City of Tacoma regarding the construction and operation of commuter rail facilities located in City of Tacoma rail right of way. The agreement facilitates the design and construction of improvements necessary for the operation of commuter rail service on the Tacoma Rail Mountain Division corridor in order to begin serving the permanent Tacoma Dome Sounder Station. The agreement includes a monthly payment to the City of Tacoma of \$1,500 per track mile for maintenance and a fee for delay costs, to be mutually determined and agreed upon, associated with passenger rail service impacts to freight service.

KEY FEATURES

Highlights of Proposed Action:

- ◆ Identifies the rights, duties, and obligations of the parties in order to facilitate the construction of track, switch, and signal improvements along a 1.3-mile corridor of the Tacoma Rail Mountain Division.
- ◆ Establishes a mechanism through which Sound Transit can build these track facilities necessary for the operation of commuter rail service at the permanent Tacoma Dome Sounder Station adjacent to Freighthouse Square.
- ◆ Establishes a mechanism through which Sound Transit can move forward with the construction of a permanent Tacoma Dome Sounder Station adjacent to Freighthouse Square.
- ◆ Allows Sounder to phase out a temporary station in the City of Tacoma.
- ◆ Pledges Sound Transit to the design and development of a passenger-only track, subject to future funding availability within the Pierce County subarea budget.

Discussion of Proposed Action

On September 18, 2000 the Sounder Commuter Rail system began revenue operations. While three round-trips had been planned for the entire eighteen months leading up to the service launch, the original expectation on the part of ST and the Burlington Northern Santa Fe Railway (BNSF) was that commuter service in the City of Tacoma would originate at the planned permanent station site adjacent to the Tacoma Dome Station and Freighthouse Square. In the last eight months leading up to service launch, it became clear that ST would be unable to gain access to the Tacoma Rail tracks to the Tacoma Dome Station. This led to the requirement that service would be launched from a temporary station location, with the best choice being the BNSF freight yard near the existing Tacoma Amtrak Station. Though the BNSF/ST operating agreement did not require that BNSF allow Sounder to begin service from anywhere but the permanent site, they consented to ST's use of their freight yard.

Meanwhile, ST and the City of Tacoma have been negotiating in good faith to reach an agreement that grants ST access to the Tacoma Rail track segment while protecting the existing and potentially growing freight business of the Tacoma Rail Mountain Division. The agreement not only grants ST access, but establishes the conditions and process under which a long-term set of improvements (i.e., double-tracking) will be accomplished jointly by the parties.

The major features of the agreement recommended to the Board for approval include:

- Grants ST access to 1.3 miles of the Tacoma Rail Mountain Division, from the Reservation Connection with the BNSF mainline, through the Tacoma Dome/Freighthouse Square area.
- Anticipates a "companion" Property Construction Agreement allowing ST or its agent(s) to construct an essential track connection between the BNSF mainline at Reservation Junction and the Tacoma Rail Mountain Division.
- Anticipates a number of other related agreements needed for the construction of all future required elements and to establish perpetual use of the subject rail segment.
- Commits ST, at its expense, to arrange for the construction and maintenance of a temporary storage track approximately 6,500 feet in length on or near the Port of Tacoma. This will serve to compensate Tacoma Rail for the displacement of Union Pacific train storage lost as a result of ST use of Tacoma Rail track.
- ST agrees to employ its "best efforts" to implement and complete construction of a second track within five (5) years of execution of this agreement. This work is to proceed in phases, with environmental and design phases to begin immediately.
- ST will establish an identified separate account dedicated to the implementation of the second track configuration. All Sounder cost savings realized within Pierce County will be placed in this dedicated fund, as will 75% of any cost savings achieved during the implementation of Tacoma Link Light Rail Project.
- Commits ST, with the cooperation of the City and Tacoma Rail, to pursue any grant funds available for design and construction of the second track configuration.
- In the event that ST does not complete construction of a second track configuration within 5 years, ST will begin paying to the City of Tacoma a "Use Fee."
- Allows the City to use the Sounder Tacoma Dome Station for the "Train to the Mountain" provided such use does not impact commuter operations.

BUDGET

The budget for this agreement with the City of Tacoma is found on page 82 of the Adopted 2000 Budget, (Resolution No. R99-33). The budget document identifies an Operations and Maintenance budget for each segment of the Sounder program as a phase budgeted within the track and facilities projects for each of the respective segments. This agreement is associated with the track within the Tacoma-to-Lakewood segment, and therefore corresponds to the budget for project #130. The monthly payment of \$1,500 per track-mile multiplied by the 1.3 miles of track used results in an annual payment by Sounder of \$23,400, totaling \$140,400 for the next six years. The amount of the fee for delay costs to be paid by Sounder are unknown at this time, and will be determined at an amount mutually agreeable. It is not anticipated that these fees would significantly impact Sounder's ability to fund this agreement.

Committing these funds will not endanger any other project elements that are to be funded out of the respective elements of the budget. All funds committed through this agreement, if approved by the Board of Directors, will come from the Pierce County subarea budget. No other subarea budgets are affected by this agreement. The following table presents the available budget as it relates to expenditures and the impact of this action:

Sounder Budget for Tacoma-to-Lakewood Track & Signals Operations

| Project Name and Number | Total 10-Year Operations Budget (A) | Expenditures to Date¹ (B) | Total Amount Requested² (C) | Surplus³ (A-[B+C]) |
|---|--|---|---|--|
| Tacoma-to-Lakewood Track & Signals (#130) | \$ 18,320,000 | \$ 4,974 | \$ 140,400 | \$ 18,174,626 |

¹ Expenditures through September 2000.

² Does not include fee for delay costs, to be mutually determined and agreed upon, if needed in 2005.

³ Corresponds to budget available for all other commitments.

ALTERNATIVES

- 1) No Action: Do not approve the agreement.

Not Recommended: After many months of negotiations, staff believes this agreement is a fair and workable approach to bringing Sounder Commuter Rail service to a permanent Tacoma Dome/Freighthouse Square Station.

- 2) Delay: Hold off on approving this agreement.

Not Recommended: The Board and staff have heard from Tacoma riders that the temporary station facility is inadequate. Riders using other stations have also expressed desire for an increased Sounder service level. This Agreement helps to resolve both of these unsatisfactory conditions.

- 3) Direct staff to renegotiate a new or refined agreement:

Not Recommended: Additional or prolonged negotiations are unlikely to result in an agreement with more favorable outcomes for ST.

CONSEQUENCES OF DELAY

The only significant consequence to delaying execution of the agreement is a resulting delay to the relocation of commuter rail service to a permanent Tacoma Dome station, and an increase in service frequency. While such delays are undesirable, they can be accommodated should the Board require more time or information to reach a decision.

REGIONAL PARTNERSHIP AND COOPERATION

The proposed agreement represents a significant cooperative effort on the part of ST and the City of Tacoma to improve service for Sounder Commuter Rail riders while protecting the future growth of rail freight service in the corridor.

PUBLIC INVOLVEMENT

This agreement has not been the subject of any specific public outreach. However, the selection of the Tacoma Dome/Freighthouse Square location as the Preferred Alternative for a Tacoma commuter rail station occurred in the context of the Environmental Assessment for the project. That process included an extensive public outreach effort, including public hearings, in which ST and the City of Tacoma cooperated.

LEGAL REVIEW

JLG 11/20/00

SOUND TRANSIT

MOTION NO. M2000-122

A motion of the Board of Directors of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute an Agreement between Sound Transit and the City of Tacoma regarding the construction and operation of commuter rail facilities located in City of Tacoma rail right of way. The Agreement facilitates the design and construction of improvements necessary for the operation of commuter rail service on the Tacoma Rail Mountain Division corridor in order to begin serving the permanent Tacoma Dome Sounder Station. The Agreement includes a monthly payment to the City of Tacoma of \$1,500 per track mile for maintenance and a fee for delay costs, to be mutually determined and agreed upon, associated with passenger rail service impacts to freight service.

Background:

On September 18, 2000, the Sounder Commuter Rail system began revenue operations. While three round-trips had been planned for the entire eighteen months leading up to the service launch, the original expectation on the part of ST and the Burlington Northern Santa Fe Railway (BNSF) was that commuter service in Tacoma would originate at the planned permanent station site adjacent to the Tacoma Dome Station and Freighthouse Square. In the last eight months leading up to service launch, it became clear that ST would be unable to gain access to the Tacoma Rail tracks long presumed to be the route to/from Tacoma Dome Station. This led to the requirement that service would be launched from a temporary station location, with the best choice being the BNSF freight yard near the existing Tacoma Amtrak Station. Though the BNSF/ST operating agreement did not require that BNSF allow Sounder to begin service from anywhere but the permanent site, they consented to ST's use of their freight yard. However, because of greater impacts to their operations, the BNSF insisted that service be restricted to two round-trips daily until service is relocated to the permanent Tacoma station.

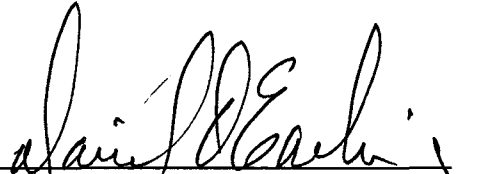
Meanwhile, ST and the City of Tacoma have been negotiating in good faith to reach an agreement that grants ST access to the Tacoma Rail track segment while protecting the existing and potentially growing freight business of the Tacoma Rail Mountain Division. This agreement not only grants ST access on an interim basis, but establishes the conditions and process under which a long-term set of improvements (i.e., double-tracking) will be accomplished jointly by the parties.

Motion:

It is hereby moved by the Board of Directors of the Central Puget Sound Regional Transit Authority that the Executive Director be authorized to execute an Agreement between Sound Transit and the City of Tacoma regarding the construction and interim operation of commuter rail facilities located in the City of Tacoma rail right of way. The Agreement facilitates the design and construction of improvements necessary for the operation of commuter rail service on the Tacoma Rail Mountain Division corridor in order to begin serving the permanent Tacoma Dome Sounder Station. The agreement includes a monthly payment to the City of Tacoma of \$1,500


per track mile for maintenance and a fee for delay costs, to be mutually determined and agreed upon, associated with passenger rail service impacts to freight service.

APPROVED by the Board of Directors of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 14th day of December, 2000.



David Earling
Board Chair

ATTEST:



Marcia Walker
Board Administrator