

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2007-126

D Street-to-M Street Track & Signal Project Preferred Alternative

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Board	12/13/07	Discussion/Possible Action	Jim Edwards, Capital Projects Department Director Eric Beckman, Rail Program Manager Mark Johnson, Project Manager	(206) 398-5436 (206) 398-5251 (206) 398-5192

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

D Street-to-M Street Track & Signal Project

PROPOSED ACTION

Selects the Alternative 3 Modified – Grade-Separated option as the project to be built for the D Street-to-M Street rail connector.

KEY FEATURES of PROPOSED ACTION

- This action would select the project to be built for the D Street-to-M Street rail connector, a 1.2 mile section of new track to be constructed by Sound Transit on acquired right-of-way connecting Tacoma Dome Station with Sound Transit's Lakeview Subdivision railroad right-of-way, purchased from BNSF in 2003.
- The recommended project would construct new track and signal systems, including installation of state-of-the-art safety equipment at the at-grade crossings of East D and East C Streets. The rail line would cross a lowered Pacific Avenue on a grade-separated bridge, giving traffic on this major arterial unimpeded access to points north and south of the line. This recommendation is based on the greater safety and lower liability of the grade-separated crossing of Pacific Avenue and the relative small cost savings (approx. \$3.8 million) of the at-grade crossing.
- The recommended project to be built would allow revenue service to begin in late 2011 or early 2012. A significant budget shortfall of \$65-75 million will require funding partnerships prior to start of construction with WSDOT, Amtrak, and other parties that benefit from this project.

- The project budget was established based on an alignment now determined to be infeasible, (the EIS Preferred Alignment selected in 2002). All alternative alignments analyzed for feasibility require funds to be added to the project budget. The cost of the recommended project creates a shortfall greater than the Pierce subarea's financial capacity, necessitating the formation of a funding partnership of those entities that will benefit from the project. Potential partners have been identified and discussions have begun.
- The existing project budget provides sufficient funding to complete final design and right-of-way acquisition for the recommended project. Because funding for construction is not yet secured, ongoing risk analysis and reporting will be conducted during final design, until full funding is secured.
- This project links improvements on the Lakeview Subdivision already underway in design or construction with current Sound Transit Sounder operations between Everett and Tacoma. Without the D Street – M Street Segment, Sound Transit investments in Lakewood and South Tacoma Stations, track and signal improvements from M Street in Tacoma to Bridgeport Way in Lakewood, and the Lakewood Layover facility would be stranded and inoperable. WSDOT's Pt. Defiance bypass track and signal improvements (now finishing final design) on Sound Transit right-of-way from Nisqually to 66th Street in Tacoma would be unusable.
- Future Board action would be sought on design contracts and right-of-way actions.

BUDGET IMPACT SUMMARY

Current Project Phase: PE/ED
 Projected Completion Date: 2011/2012

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task		
Budget Amendment Required	✓	An amendment will be necessary for the recommended project to be built. (Any one of the feasible alignments analyzed would require a budget amendment.)

Key Financial Indicators:	✓	Comments on Checked Items
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)	✓	Additional funding will be necessary for any of the feasible alignments analyzed.

Not checked = action is assumed in current Board-adopted budget. No budget action or adjustment to financial plan required.

BUDGET and FINANCIAL PLAN DISCUSSION

The Adopted 2008 Budget for this project is \$76,024,555, with a final design phase budget of \$4,708,081, right-of-way phase budget of \$16,551,207, a construction phase budget of \$3,603,328 and a contingency phase budget of \$36,286,143. There currently is \$47 million in uncommitted funds remaining in the project as shown in the following table. These funds are not sufficient to cover any of the feasible alternatives.

The Sounder Pierce County Program Reserve currently has a balance of \$2,170,422, but there are potential draws on those funds for M Street – Lakewood Track and Signal and the Pierce County Layover project.

BUDGET TABLE

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

Project: 135 - D Street-M Street Track & Signal

	Proposed 2008 Budget ¹ (A)	Committed To Date ² (B)	Uncommitted (Shortfall) (C)
1 Agency Administration	\$ 3,243	\$ 3,243	\$ -
2 Preliminary Engineering	\$ 1,742	\$ 1,547	\$ 195
3 Final Design	\$ 4,708	\$ 2,699	\$ 2,009
4 Right of Way	\$ 16,551	\$ 11,539	\$ 5,012
5 Construction	\$ 3,603	\$ 104	\$ 3,500
6 Vehicles	\$ 9,891	\$ 9,891	\$ -
7 Contingency	\$ 36,286	\$ -	\$ 36,286
8 Total Current Budget	\$ 76,025	\$ 29,023	\$ 47,001
9 Pierce County Program Reserve	\$ 2,170	\$ -	\$ 2,170

Notes:

¹ Project budget is located on page 115 of the Proposed 2008 Budget book. The Board approved the Adopted 2007 Budget on December 14, 2006.

² Committed to date amount includes actual outlays and commitments through October 31, 2007.

SMALL BUSINESS PARTICIPATION

Not applicable for this action

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

In August 2007, the Sound Transit Board identified the Alternative 3 Modified route with grade separation at Pacific Avenue as the alternative for which environmental documentation would be completed. The Board also directed staff to study the Alternative 3 Modified alignment with an at-grade crossing of Pacific Avenue to determine if that would be feasible operationally and less expensive to construct. In summary, the savings generated by the at-grade crossing are estimated to be considerably less than initially anticipated, while the grade-separated crossing is inherently much safer than an at-grade crossing. Thus the recommended project to be built is Alternative 3 Modified – Grade-Separated.

Alternative 3 Modified – Grade-Separated

This alternative was studied briefly in late 2005, but was set aside because its estimated cost exceeded available budget by a significant amount and because opposition emerged in the

community to acquisitions of existing businesses its right-of-way required. Instead, a hybrid alignment, Alternative 2 Modified, that ran primarily in public right-of-way was proposed and studied. As the design for Alternative 2 Modified was developed, community opposition to Alternative 3 Modified diminished and then transformed into active interest in this alignment. This alignment closely follows the route of EIS-Alternative 3, but provides a grade-separated crossing of Pacific Avenue. Based on an endorsement of the Alternative 3 Modified alignment by the Tacoma City Council, the Board directed staff in February 2007 to conduct a feasibility study of this alignment, carrying environmental analysis, engineering, and cost estimating forward to a level matching that conducted for Alternative 2 Modified.

The Alternative 3 Modified alignment crosses over Pacific Avenue on a bridge set mid-block between 25th and 26th Streets. It then travels through a number of existing businesses on the west side of Pacific Avenue to join the existing BNSF right-of-way behind the Tacoma Rescue Mission before entering Sound Transit right-of-way at the Tacoma Avenue overpass. Pacific Avenue is lowered about ten feet to give required clearance for vehicular traffic. This alternative requires acquisition of rights to twelve parcels and involves negotiations with eleven owners, including a portion of the existing-but-disused BNSF right-of-way and an easement from WSDOT to pass under I-705. Access to businesses fronting on South Tacoma Way is unaffected, and South Tacoma Way's existing four lanes of travel are maintained.

Several community groups, a number of area businesses, the Tacoma City Council, and city staff have expressed support for this alternative. While widespread support for this alternative makes it most feasible, engineering and operations studies show it to be the most practical and efficient grade-separated alignment to construct and operate, its estimated costs continue to be substantially over the project budget by about \$65-75 million. Its overall feasibility depends upon developing funding partnerships to augment the project budget. Nevertheless, the project budget is adequate to support the final design phase work and complete needed right-of-way acquisition.

Environmental Documentation: Compliance under both NEPA and SEPA has been completed for Alternative 3 Modified – Grade-Separated. A NEPA re-evaluation analyzing the design changes and impacts of Alternative 3 Modified – Grade-Separated was completed in November 2007. The federal lead agency (Federal Transit Administration) approved the reevaluation on November 28, 2007, completing the NEPA process for these project changes. Updated traffic, air quality, and noise modeling and analysis was completed as a part of this environmental documentation. To comply with SEPA, Sound Transit issued a SEPA Addendum for the same set of project changes included with Alternative 3 Modified – Grade-Separated on December 4, 2007. Sound Transit has coordinated with the City of Tacoma and with the Washington State Department of Transportation in completing environmental documentation for this project.

Alternative 3 Modified – At-Grade

Concern over rising estimated costs for the Alternative 3 alignment with a grade-separated crossing of the Pacific Avenue led to consideration of an at-grade crossing of Pacific Avenue. On August 23, 2007, the Sound Transit Board directed staff to undertake a feasibility study of a variant of the Modified Alternative 3 alignment with an at-grade crossing of Pacific Avenue; it was hoped that a significant cost savings might be realized by eliminating the railroad bridge required for the grade-separated version.

Instead of crossing Pacific at mid-block between 25th and 26th Streets as the grade-separated version does, the at-grade variant crosses Pacific Avenue closer to 26th Street. This placement of the crossing maximizes queuing space for southbound traffic on Pacific Avenue and keeps

northbound traffic on the south side of the intersection when the gates come down for a train crossing. To meet City of Tacoma standards for roadway gradient on the rise from the 25th-and-Pacific Avenue intersection to the grade-crossing, the rail elevation is lowered five feet from its location for the grade-separated version. As a result, the at-grade variant's tracks climbing the hill alongside South Tacoma Way start from a lower point than the grade-separated tracks, requiring higher retaining walls along the Center Street bluff and more excavation before the track meets the grade of existing track just west of M Street. More retaining wall area and more excavation significantly reduce the savings that the at-grade crossing variant was expected to produce.

Safety analysis of the at-grade crossing showed that little more than non-traversable medians and/or four-quadrant gates would produce a crossing safe enough to allow passage by 36 trains per day at a speed of 35 mph—adequate for all Sounder and Amtrak trains planned through 2030.

Traffic analysis showed relatively little impact from trains crossing Pacific Avenue in the afternoon peak hour. Crossing gates will close for approximately 45 to 50 seconds to allow passage of the typical Sounder or Amtrak Cascades trains; this period is less than the red-light cycle time of some traffic signals in Tacoma. Note that environmental documentation under SEPA and NEPA would need to be completed for Alternative 3 Modified At-Grade if the Board indicated a desire to pursue this option.

Calculation of cost savings show that the at-grade variant will save approximately \$3.8 million in comparison with the grade-separated variant. This is considerably less than staff had expected based on initial concept calculations that suggested a savings of \$10 million to \$20 million. The factors eroding the expected savings, in addition to added retaining walls and excavation, include lower than expected savings on utility relocation work and road and site work. In comparison, the railroad bridge is estimated to cost \$3.8 million, not enough to significantly offset the increased costs of other project elements, leaving a budget shortfall of \$60-70 million.

Although some community members expressed an interest in the at-grade crossing version of Alternative 3 as more consistent with the at-grade crossings of other area streets, the majority of comment from the public, City of Tacoma and Tacoma City Councilmembers has expressed opposition to an at-grade crossing of Pacific Avenue.

Summary of Alternatives Evaluated

Lakewood-to-Tacoma Rail Connector Comparison Table of Alternative Alignments				
ALTERNATIVE	DATE OF STUDY	SCHEDULE IMPACT (DATE OF SERVICE START)	ESTIMATED COST/YEAR\$ (DATE OF ESTIMATE)	SHORTFALL
Alternative 1 Modified (2.85% grade, 2 at-grade crossings)	OCT-05 SEPT-07	2008-2009	\$60-65 million/YOE (9/2007)	\$15-20 M
Alternative 2 Modified with overpass (2A) with Frontage Road and cul-de-sac	MAR-06	2010-2011	\$95-105 million/2006\$ (3/2006)	\$20-30 M
Alternative 2 Modified (2B) with overpass and Hood Street Loop	NOV-06	2010-2011	\$110-120 million/2006\$ (11/2006)	\$35-45 M
Alternative 2 Modified (2C) with overpass and South Tacoma Way Access	JAN-07 SEPT-07	2010-2011	\$120-130 million/YOE (9/2007)	\$65-75 M
Alternative 3 Modified with overpass	OCT-05 SEPT-07	2011-2012	\$120-130 million/YOE (9/2007)	\$65-75 M
Alternative 3 Modified with at-grade crossing of Pacific	SEP-07	2011-2012	\$115-125 million/YOE (9/2007)	\$60-70 m
AIA Concept F, south of Brown and Halley, tunnel under 27 th St and Pacific	NOV-06	2012, likely later	\$240-260 million/2006\$ (11/2006)	\$180-200 M
AIA Concept B, on Alt 3 alignment grade separated with Pacific lowered with pedestrian plaza at track level	NOV-06	2012, likely later	\$240-260 million/2006\$ (11/2006)	\$180-200 M

Prior Board/Committee Actions

Motion/Resolution Number and Date	Summary of Action
M2007-94 8/23/07	Identification of a Preferred Alternative for Purposes of completing Environmental Documentation for the D Street – M Street Track & Signal Project.
M2007-36 3/22/07	A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing staff to expand the scope of the feasibility study of the proposed grade separation of the Sounder commuter rail track across Pacific Avenue to consider an additional alternative alignment, including preliminary engineering, environmental analysis and outreach to affected property owners.
M2006-34 4/20/06	Authorizes staff to complete a feasibility study on the proposed grade-separated Sounder commuter rail track between D Street and M Street using current authorized Tacoma to Lakewood Track and Signal Project contingency funding.
R2002-21 12/12/02	A resolution for the Board of Directors to select the corridor improvements, station facilities, train storage facility, and park-and-ride improvements to be built for the Lakewood-to-Tacoma Commuter Rail and SR-512 Park-and-Ride Expansion Project.

CONSEQUENCES of DELAY

Final Design Phase work and acquisition of needed right-of-way cannot begin without selection of the project to be built by the Board. The consequences of delay would be increased costs for right-of-way acquisition, design services, and the construction contract.

PUBLIC INVOLVEMENT

Public involvement in the development of the project has occurred on several levels and over a long period of time. Elected officials, staff of affected municipalities, and neighborhood and business groups have contributed to the work carried out by Sound Transit and its consultants to-date, culminating in the 11/15/07 Public Open House, held in Freighthouse Square, and the 11/27/07 Joint Tacoma City Council-Sound Transit Board (Pierce subarea) Study Session.

Public Involvement Summary

AUG 1998	Sound Transit begins EIS for the Lakewood-to-Tacoma Corridor
AUG 1999	Draft EIS Scoping Meetings – stations, track improvements, layover
JUL 2000	Draft EIS Community Meetings – stations, track improvements, layover
AUG 2000	Draft EIS comment letters from City of Tacoma
AUG 2000	Draft EIS Community Meeting - South Tacoma Station
NOV 2000	Draft EIS Community meeting – Lakewood Station
FEB 2001	Board identifies the Lakewood-to-Tacoma the Stations and Track Preferred Alternatives 1, 2 and 3
MAY 2002	EIS issued showing track alternatives 1, 2 & 3
DEC 2002	Board adopts preferred corridor improvements Alternative 1
NOV 2004	Began refined 30% design work
NOV 2005	Sound Transit evaluates alternative alignments for lower grade
MAR 2006:	3/3 - Rail Stakeholders Executive Management Meeting 3/8 - ST provided Tacoma City Council's Environment & Public Works Committee an update regarding the possible track grade issue. 3/10 – Rail Stakeholders Technical Workshop. A hybrid option - Modified Alternative 2 was developed by staff. 3/21 –Tacoma City Council's Study Session Tacoma City Council endorses study of Modified Alternative 2 Option. 3/23 - ST Board of Directors directs staff to evaluate the Modified Alternative 2.
AUG 2006	Environmental Analysis of Alternative 2 Modified begins
SEP 2006	Updates to Tacoma City Council and Public Works & Environment Committee
SEP/OCT 2006	Design work with AIA SW Chapter-members and community groups
DEC 2006	Report to ST Board on ST's review of AIA concepts
FEB 2007	Results of Feasibility Study 2/8 – Tacoma City Council's Environment & Public Works Committee 2/13 – Tacoma City Council 2/22 – Sound Transit Board of Directors
AUG 2007	8/23 – ST Board identified a preferred alternative, Alternative 3 Modified for purposes of completing environmental documentation for the D Street –M Street Track & Signal Project. ST Board further directed staff to evaluate Alternative 3 Modified with an at-grade crossing of Pacific Avenue
NOV 2007	11/15 – Sound Transit Public Open House 11/27 – Tacoma City Council / Sound Transit Board Joint Study Session

ENVIRONMENTAL COMPLIANCE

SSK 11/28/07

LEGAL REVIEW

JW 12/07/07

SOUND TRANSIT

MOTION NO. M2007-126

A motion of the Board of the Central Puget Sound Regional Transit Authority selecting the Alternative 3 Modified – Grade-Separated option as the project to be built for the D Street-to-M Street rail connector.

Background:

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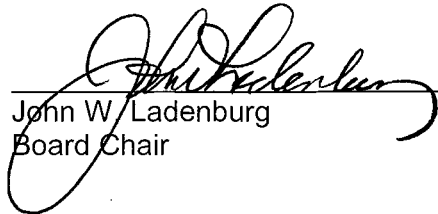
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Motion:

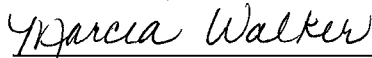
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Alternative 3 Modified – Grade-Separated option is selected as the project to be built for the D Street-to-M Street rail connector.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 13, 2007.



John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator

**CITY OF TACOMA AND SOUND TRANSIT TERM SHEET
IN ANTICIPATION OF A
“COMMUTER RAIL CONNECTOR MEMORANDUM OF AGREEMENT”**

Revised Copy (12/11/07)

The purpose of this Term Sheet is to confirm our common understanding of the general terms and conditions that the City of Tacoma (City) and Sound Transit staff believe make it possible for Sound Transit to extend Commuter Rail Service to Lakewood. This Term Sheet will provide a framework for completion of negotiations of the final terms and conditions contained in a Memorandum of Agreement (MOA) that would be subject to approval by the Sound Transit Board and City Council. As the MOA is drafted, additional issues not addressed in this Term Sheet may be identified and will be negotiated and included in the MOA. The City and Sound Transit also understand and agree there are mutual interests outside the scope of this project that are being addressed by separate agreements.

Both the City and Sound Transit recognize the D Street to M Street Commuter Rail Connector project (the Project) as an essential public facility, its importance within the regional transit system plan and the asset the Project represents. Sound Transit and the City believe that it is necessary to set forth their common understandings of the terms and conditions that must be addressed in a formal agreement to make this connection a reality. To this end, Sound Transit and City staff agree with the general terms and conditions described in this Term Sheet and will, upon execution of this Term Sheet, immediately enter into negotiations to produce the MOA and strive for final approval by the Sound Transit Board and the City Council in early 2008.

Purpose of Commuter Rail Connector MOA

The purpose of the MOA will be as follows:

- (a) Record the intent of Sound Transit and the City to work cooperatively to support the implementation of commuter rail service between Tacoma and Lakewood.
- (b) Clarify the process and timeline for City reviews, approvals and permit issuance.
- (c) Define and assign responsibility for capital improvements to be undertaken by Sound Transit and the City in connection with the extension of commuter rail to Lakewood.
- (d) Establish funding responsibilities, schedule requirements, and risk sharing for capital improvements and real estate transactions in connection with commuter rail extension to Lakewood.
- (e) Establish program management objectives and management protocols to govern the coordination between Sound Transit and the City during the design, construction, and use of the commuter rail facilities.
- (f) Provide the guiding principles for future agreements to address specific phases and aspects of the project development, including rail operations.

D Street to M Street Commuter Rail Connector Project

The D Street to M Street Rail Connector project (the Project) is the final project in a series of track improvements, stations and layover facilities expanding Sounder Commuter Rail service from Tacoma to Lakewood. Design of the project has been advanced to approximately a 10% level of completeness with a substantial amount of details and refinements yet to be completed as such, the following description is intended to cover the projects elements as they are currently known.

- (a) The Project consists of 1.2 miles of commuter rail track with centralized traffic control (CTC) signaling system extending from Freighthouse Square (D Street) to the northern limits of the Sound Transit owned right of way at Tacoma Avenue South and west to M Street.
- (b) Roadway crossings of East C Street, East D Street and potentially South C Street with protective gate arms, warning signals, wayside horns and flashing lights providing active warning and protection for both vehicular and pedestrian traffic.
- (c) Vacation and closure of East A Street with appropriate roadway end treatments on either side of the rail line.
- (d) Pedestrian Crossings:
 - Pedestrian only crossings shall include the appropriate warning devices.
 - Sound Transit agrees to consider grade separated pedestrian crossings where appropriate.
- (e) An elevated rail crossing over Pacific Avenue with corresponding lowering and reconstruction of a portion of Pacific Avenue, South Tacoma Way, South 26th Street and South C Street to maintain vehicle clearance and circulation.
- (f) Retaining walls – approximately 3,000 feet along the bluff between South Tacoma Way and Center Street, several hundred feet of miscellaneous walls, and abutments, designed to minimize disruption to adjacent properties and maximize future land development opportunities.
- (g) Reconstruction, relocation or protection in place of those utilities affected by the project.
- (h) Urban design features consistent with the City's adopted Comprehensive Plan and its Dome District Area Plan element.
- (i) Property acquisition; and all necessary permits and approvals to construct the project.
- (j) This project shall make provisions for present and planned non-motorized trails/facilities.

Project Management and Process

To provide management and technical oversight of the D Street to M Street Rail Connector Project, the City and Sound Transit agree as follows:

- (a) Sound Transit will obtain the following approvals and permits: MOA, Conditional Use Permit (CUP), grading permit, street use permit, street vacation of a portion of A Street, and an air space lease for crossing Pacific Avenue.
- (b) The City will define the process and timeline as well as assist with the timely action on all identified permits as well as Council approval process for any agreements requiring such.
- (c) Sound Transit and the City will proactively manage activities to achieve early completion of activities in order to create schedule flexibility. Sound Transit will prepare a detailed schedule of the Project so that opportunities and risks to the Project can be properly evaluated.
- (d) Sound Transit intends to begin construction by August 1, 2009 to meet this timeline; approval and permits will need to be issued by June 1, 2009. The City will provide adequate staffing to handle necessary reviews and permit issuance in order to meet that deadline.
- (g) Sound Transit and the City will share information timely and provide notification of issues to one another so as to resolve problems as quickly and at the lowest level possible.
- (h) Sound Transit and the City will appropriately staff and participate in a Project Management Team that will meet monthly to coordinate project details. Staffing may include Sound Transit's Project Manager, Project Coordinator, Construction Manager, consultant design team, City's designated point of contact, staff within affected departments (utilities, public works, Tacoma Rail, etc.)
- (i) Sound Transit and the City will appropriately staff and participate in an Executive Oversight Committee that will meet quarterly during the design of the project. Participants to include Sound Transit Capital Projects Director, City of Tacoma Public Works Director, City of Lakewood representative,
- (j) Project Design Development Process. The City, at its obligation, shall establish an advisory committee to assist with review of project design elements for consistency with the Comprehensive Plan and the planning principles developed in the Sound Transit Commuter Rail Urban Design Assessment, prepared by AHBL, Inc., and to make recommendations for implementation of suitable mitigation measures, including mitigation of noise, vibration, aesthetics and other environmental impacts.

Sound Transit agrees to work with the committee and use the planning principles included in the Comprehensive Plan and the Sound Transit Commuter Rail Urban Design Assessment in designing the project.

Sound Transit will hold 2 charrettes during the design process to solicit input from city representatives, outside design professionals and the public. Sound Transit will supply all the materials and staffing necessary to hold these meetings and be open to constructive input on the project. The City will solicit participants for involvement in the charrettes that will best represent the City's array of interests.

Property

Several private parcels have been purchased and numerous others will be acquired to complete the project. There are also several shared uses of the public right of way necessary for construction of the project.

- (a) Sound Transit will acquire all property necessary for the construction of the project including those sites required for mitigation or construction staging.
- (b) The City will assist in identifying public/private partnerships that might offset the cost of acquiring property and/or lead to redevelopment opportunities consistent with the City's plans for this area of Tacoma.
- (c) The City will develop and provide guidelines for redevelopment of property remaining once the project is constructed. Sound Transit will participate in the development of the guidelines from the perspective of ongoing rail operations and maintenance requirements.
- (d) Sound Transit will agree to provide the City, on mutually agreeable terms, air rights over any track and related property within the rail corridor owned by Sound Transit.

Funding

The Project currently exceeds available Sound Transit funding by an estimated \$40 million to \$50 million. Sound Transit and the City will support each other in securing funding and available grants for successful completion of the Project. Sound Transit and the City will also work collaboratively to control the Project scope and cost while assuring a quality project with timely implementation.

- (a) Sound Transit will seek local, state and federal grants, ear-marks and partnership funding to construct the Project. The City will provide letters of support for future grant applications Sound Transit or other partners may submit for construction of the Project.
- (b) Sound Transit will design and construct the Project within a maximum construction budget of \$____ million and an overall project budget of \$____ million. The City will timely provide funding for any betterments they may wish to include with the Project.
- (c) For plan review and construction inspection the City and Sound Transit will establish the basis and terms for reimbursement of cost incurred by the City. The City will reduce and/or cap permit fees and construction inspection fees to a maximum of \$ _____ for the Project.

Future Uses

The Project is being designed for the use of passenger rail only including both Sounder Commuter Rail and Amtrak service. Tacoma Rail, a department of the City of Tacoma, controls the freight rights both to the north and east (Mountain Division) and south (Lakeview Subdivision) of the Project. No party has freight rights on the Project tracks between East D Street and Tacoma Avenue South.

- (a) Sound Transit will not offer freight rights to any Common Rail Carrier along the Project's alignment.
- (b) The City and Tacoma Rail will not seek to obtain freight rights along the Project's alignment.
- (c) Sound Transit and the City will not support any application for freight rights along the Project's alignment.

Other Agreements

- (a) **Interconnection Agreement.** This Agreement establishes the right of Sound Transit to interconnect its facilities with the Tacoma Rail Mountain Division rail line at Freighthouse Square and would allow train movements from Sound Transit rail to TRMW rail.
- (b) **Interim Operating Agreement.** This agreement is contemplated in the construction agreement and first amended commuter rail agreement and sets forth the rights, obligations, and responsibilities of the Parties for the joint use of the rail segment prior to completion of Phase 2 project elements as defined in the first amendment commuter rail agreement. Currently Sound Transit operates under a temporary operating agreement that has expired.
 - **Use Fee.** The Parties shall reach agreement upon the use fee contemplated in the First Amended Commuter Rail Agreement.
 - **C to D Street Crossover.** Sound Transit shall commit to complete construction of the C to D Street cross-over with the project.
 - **Acceptance of the Phase 1 Rail Segment Improvements.** The Parties shall complete the acceptance process for the Phase 1 Rail Segment improvements as contemplated in the settlement agreement and the construction agreement.
- (c) **Right of Use Agreement.** This agreement or other means available to the parties establishes the terms and conditions upon which Sound Transit may use and occupy the public rights of way for passenger rail with a single track including vehicle and pedestrian warning devices consisting of (but not limited to) pavement markings, signals, gates, bells, and wayside horns and preserves Sound Transit improvements once constructed.

- (d) **Master Utility License Agreement.** This agreement grants permission to the City to construct, maintain, operate and remove various electric transmission lines, communication lines, sewer and water lines, pipelines, fiber optic lines, and cable television lines, as the case may be, and related facilities, over, under and across certain portions of Sound Transit's rail corridor or property and preserves in place existing City owned utilities.
- (e) **Signal Maintenance Agreement.** This agreement establishes the rights, duties and obligations of the parties regarding maintenance of the signal infrastructure including wayside horns, traffic lights and crossing gates.
- (f) **Acceptance of the earth wall located east of Portland Avenue and north of Bay Street.** The Parties shall complete the acceptance process for the earth wall as contemplated in the settlement agreement and the construction agreement.

Agency Representatives

Sound Transit and the City will each identify a single point of contact for Commuter Rail Connector MOA negotiations and coordination of all phases and elements for development of the Project.

Conclusion

The City and Sound Transit staffs recognize that the MOA will be subject to approval by the Sound Transit Board and the Tacoma City Council, and must comply with applicable state and federal guidelines. We are pleased with the progress our two agencies have made, and we look forward to working to make the D Street to M Street Rail Connector a reality.

Sound Transit

Date

City of Tacoma

Date