

RESOLUTION NO. R2014-33  
**Amending the 2014 Adopted Budget**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	12/04/2014	Recommend to Board	Ric Ilgenfritz, Executive Director, PEPD
Board	12/18/2014	Final Action	<b>Brian Brooke, Research, Policy and Business Development Manager</b>

PROPOSED ACTION

Amends the Adopted 2014 Budget in the amount of \$3,089,925 to pay the City of Seattle for operations and maintenance of the First Hill Streetcar Connector, per the terms of the Funding and Cooperative Agreement with the City of Seattle for the Implementation of the First Hill Streetcar Connector Project as amended by the Board through Motion No. M2014-59.

KEY FEATURES SUMMARY

- In July, the Board approved Motion No. M2014-59 which amended the Funding and Cooperative Agreement with the City of Seattle for the implementation of the First Hill Streetcar Connector Project. The agreement between Sound Transit and City of Seattle governs the design, construction, operations and maintenance of the First Hill Streetcar connector (FHSC).
- The amended agreement limits Sound Transit’s obligation to fund FHSC operations and maintenance to a fixed amount of \$48,090,000 (YOE) with \$3,089,925 due in 2014 and \$5,000,000 due in each of the following years through 2023.
- This action is required because the terms of the amended Funding and Cooperative Agreement requires a payment in the current year that was not previously budgeted. Payments for future years will be included in annual budgets.

BACKGROUND

The Board approved an amendment to the Funding and Cooperative Agreement with the City of Seattle for the FHSC. The amendment was developed to better align the roles and responsibilities related to fare collection on the FHSC by transferring the fare revenue and all fare-related responsibilities, benefits and risks from Sound Transit to the City of Seattle while reducing Sound Transit’s cost obligation by an amount commensurate with the risk-adjusted value of the projected fare revenue.

FISCAL INFORMATION

This action will add \$3,089,925 to the 2014 budget. This amount will be charged to Donations to Other Governments, which appears in the Agency Administration section of the annual budget.

The 2015 budget is consistent with the payment plan as outlined in the Funding and Cooperative Agreement with the City of Seattle for implementation of the First Hill Street Car.

TIME CONSTRAINTS

The terms of the current agreement with the City of Seattle require payment in 2014. A one-month delay would not allow the payment to be made in accordance with the agreed-upon timeline.

## PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2014-59: Authorized the chief executive officer to amend the Funding and Cooperative Agreement with the City of Seattle for the Implementation of the First Hill Streetcar Connector Project, by changing the method of funding operations and maintenance.

Motion No. M2009-77: Authorized the chief executive office to execute a funding and cooperative agreement with the City of Seattle for the First Hill Streetcar Project.

## ENVIRONMENTAL REVIEW

JI 11/14/2014

## LEGAL REVIEW

JW 11/26/2014

## **RESOLUTION NO. R2014-33**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2014 Budget in the amount of \$3,089,925 to pay the City of Seattle for operations and maintenance of the First Hill Streetcar Connector, per the terms of the Funding and Cooperative Agreement with the City of Seattle for the Implementation of the First Hill Streetcar Connector Project as amended by the Board through Motion No. M2014-59.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, in September 2009, the Board approved Motion No. M2009-77 authorizing the chief executive officer to execute a funding and cooperative agreement with the City of Seattle for the First Hill Streetcar Connector (FHSC) project; and

WHEREAS, the agreement between Sound Transit and City of Seattle governs the design, construction, operations and maintenance of the FHSC; and

WHEREAS, in July 2014, the Board approved Motion No. M2014-59 which amended the Funding and Cooperative Agreement with the City of Seattle for the implementation of the FHSC project; and

WHEREAS, the amended agreement was developed to better align the roles and responsibilities related to fare collection on the FHSC by transferring the fare revenue and all fare-

related responsibilities, benefits and risks from Sound Transit to the City of Seattle while reducing Sound Transit's cost obligation by an amount commensurate with the risk-adjusted value of the projected fare revenue; and

WHEREAS, the amended agreement limits Sound Transit's obligation to fund FHSC operations and maintenance to a fixed amount of \$48,090,000 (YOE) with \$3,089,925 due in 2014 and \$5,000,000 due in each of the following years through 2023; and

WHEREAS, the terms of the amended Funding and Cooperative Agreement require a payment in the current year that was not previously budgeted; and

WHEREAS, this action will add \$3,089,925 to the 2014 budget to satisfy the terms of the current agreement with the City of Seattle for the FHSC project.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Adopted 2014 Budget is amended in the amount of \$3,089,925 to pay the City of Seattle for operations and maintenance of the First Hill Streetcar Connector, per the terms of the Funding and Cooperative Agreement with the City of Seattle for the Implementation of the First Hill Streetcar Connector Project as amended by the Board through Motion No. M2014-59.

ADOPTED by a supermajority of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 18, 2014.

  
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Paul Roberts  
Board Vice Chair

ATTEST:

  
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Marcia Walker  
Board Administrator