

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

December 11, 2007

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.

ORIGINAL

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.

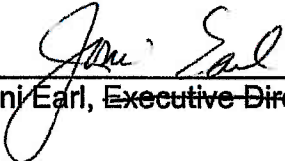
Agency Representatives

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

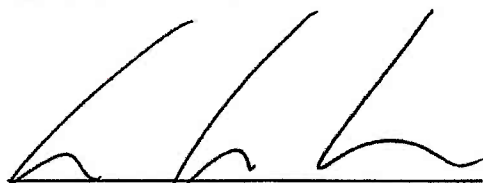


 Joni Earl, Executive Director CEO

1-10-08

 Date

CITY OF TACOMA



 Eric A. Anderson, City Manager

12/12/07

 Date

ORIGINAL



RESOLUTION NO. 37342

1 A RESOLUTION relating to Sound Transit's Commuter Rail Plan; expressing
2 the City Council's support and expectations for routing of the
3 Tacoma-to-Lakewood Commuter Rail Extension Project; and authorizing
4 the City Manager to sign a Term Sheet to guide further collaboration.

5 WHEREAS Sound Transit, the regional transit authority for King, Pierce,
6 and Snohomish Counties, will expand the Sounder commuter rail service from
7 Tacoma to Lakewood with new stations in South Tacoma and Lakewood, in
8 accordance with *Sound Move: The Ten-Year Regional Transit System Plan*, as
9 approved by voters of the region in 1996, and

10 WHEREAS Sound Transit has acquired a portion of the former
11 Burlington Northern Santa Fe track and facilities between "M" Street in Tacoma
12 and Bridgeport Way in Lakewood ("Lakeview Subdivision") and will need to
13 construct new facilities between "D" Street and "M" Street ("D-to-M Street
14 Connector") to interconnect the Lakeview Subdivision with the Tacoma Rail
15 Mountain Division's track over which Sound Transit operates, and

16 WHEREAS, for the 1.2-mile, D-to-M Street Connector corridor, Sound
17 Transit has been conducting feasibility studies for environmental documentation
18 purposes and has identified Alternative 3 Modified as the preferred alignment,
19 with two options for the rail line crossing Pacific Avenue, i.e., a grade-separated
20 crossing and an at-grade crossing, and

21 WHEREAS the City has conducted a review of the Tacoma-to-Lakewood
22 Commuter Rail Extension Project for consistency with the City's
23 Comprehensive Plan, and
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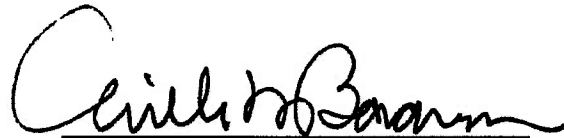
WHEREAS the review concludes that the project is consistent with the Comprehensive Plan; however, the issues and concerns raised by the community must be adequately addressed during the design, construction, operation, and long-term maintenance phases of the project; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the City Council supports the Alternative 3 Modified alignment for the D-to-M Street Connector and the grade-separated crossing option at Pacific Avenue.

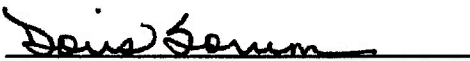
Section 2. That the City Manager is requested to work collaboratively with Sound Transit and pertinent parties in the implementation of the project to ensure that the implementation of the project is consistent with the City's Comprehensive Plan, as suggested in the City's Consistency Review report; incorporates appropriate recommendations contained in AHBL's Urban Design Assessment report; and adheres to the provisions, as prescribed in the Term Sheets attached hereto.

Adopted DEC 11 2007



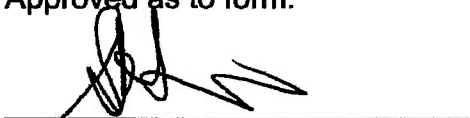
Mayor

Attest:



City Clerk

Approved as to form:



Assistant City Attorney