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Memorandum of Intent

Recitals

- The City of Seattle intends to construct and own a 1.3 mile modern streetcar, operating between Westlake Center and the Fred Hutchinson Cancer Research Center. This transit route will connect the South Lake Union and Denny Triangle neighborhoods to the regional transit network of buses, light rail and monorail at the Westlake intermodal hub. The streetcar service is an integral component of the City's efforts to reduce the percentage of single occupancy vehicle trips to these Center City neighborhoods and to increase transit ridership.
- Property owners along the South Lake Union Streetcar have expressed interest in financially participating in the project in the amount of \$25 million. The City of Seattle is currently performing a Special Benefits Study to establish a local improvement district for this investment.
- The City of Seattle intends to contract with Metro for the operation and maintenance of the South Lake Union Streetcar.
- The City of Seattle and King County acknowledge the necessity for additional transit service and agree to work together to support measures that will result in increased resources for transit operations.
- It is the intention of the City of Seattle to establish a SLU Streetcar Operating Fund to contribute to the operational cost of this service. The SLU Streetcar Operating Fund will derive revenue from appropriate public and private sources.
- Starting as early as 2008, WSDOT is planning to begin construction of the Alaskan Way Viaduct and Seawall Replacement Project, which includes over \$100 million in transit mitigation funding.
- During 2009 the Seattle Monorail Project is planning to open the Green Line, which will supplant existing Metro bus service in some Seattle neighborhoods.
- During 2009 Sound Transit plans to open the initial segment of Link light rail service which will supplant existing Metro bus service in some Seattle neighborhoods.

Statement of Purpose

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This Memorandum of Intent (MOI) establishes the intention of the City of Seattle and King County to negotiate an Interlocal Agreement, whereby the City will contract with the County (Metro) for the operation and maintenance of the South Lake Union Streetcar. Operation and maintenance includes actual operation of the streetcars, maintenance of vehicles, track and stations and other supporting tasks and responsibilities. A specific plan for these operating and maintenance activities will be developed and agreed upon by the City and Metro. Furthermore, this MOI defines the framework for funding of the operation and maintenance of the SLU streetcar for each of two phases, as defined below.

Description of Phases

Phase 1

Definition: Phase 1 begins with the initial start-up activities and testing of the South Lake Union Streetcar and continues until the opening of Sound Transit's LINK Light Rail service from downtown Seattle to Tukwila. It is the intent of the Parties that this phase will begin in 2005 and continue until the startup of revenue service along the entire segment of the planned initial segment of Link or the SMP Green Line.

SLU Streetcar funding: The City of Seattle will pay Metro for start up activities and for operating and maintaining the streetcar in revenue service according to terms which will be negotiated in the Interlocal Agreement. It is the intent of both parties that the City of Seattle will pay Metro on a quarterly basis the total cost of operating and maintaining the streetcar minus any fares collected on the SLU streetcar. This payment will be made from the City's SLU Streetcar Operations Fund. If additional revenues for transit service growth beyond levels identified in Metro's six-year plan become available during this time period, those revenues may also be used to fund SLU streetcar operation and maintenance (upon agreement of both parties).

Phase 2

Definition: Phase 2 begins with the startup of revenue service along the entire segment of the planned initial segment of Link or the SMP Green Line.

SLU Streetcar funding: During this time period, Metro will provide 75% of the difference between the cost for the operation and maintenance of the SLU Streetcar and the fares collected by the streetcar. The remaining 25% will come from the City's Streetcar Operations fund.