



Seattle City Council

July 21, 2010

Joni Earl, CEO
Sound Transit
401 South Jackson Street
Seattle, WA 98104

Dear Joni:

We are writing to affirm the Seattle City Council's interest in pursuing a request to the Sound Transit Board to use anticipated excess funds from the First Hill Streetcar project for work associated with extending the planned route north of Broadway and Denny. This request is consistent with the agreement approved by both parties in late 2009, the *Funding and Cooperative Agreement between the Central Puget Sound Regional Transit Authority and the City of Seattle for the Implementation of the First Hill Streetcar Connector Project*.


Currently, City transportation staff estimate Seattle can build the Council-approved First Hill Streetcar route for \$125.4 million, which includes design and construction contingencies. Given this, the City is confident that "excess" funds will be available from the \$132.8 million in ST2 capital funds budgeted for the First Hill Streetcar. At this stage, the City is only seeking \$750,000 of the \$7.4 million in anticipated excess funds for conceptual engineering and environmental review associated with extending the route. This will still leave a \$6.7 million "cushion" that could be tapped in the event the Council-approved route between Pioneer Square and Broadway and Denny incurs unanticipated costs. (Should the City decide to proceed with extending the First Hill Streetcar route north of Broadway and Denny, the Council anticipates a follow-up request to the Sound Transit Board to use any remaining First Hill Streetcar project funds, up to \$132.8 million, to help pay for the extension. The City recognizes it is responsible for securing any other funds needed beyond the \$132.8 million allocated in ST2 for the First Hill Streetcar).

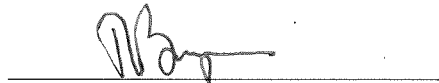
Until the City completes State Environmental Policy Act (SEPA) requirements for the First Hill Streetcar, and then obtains final project approval from the Sound Transit Board, the *Funding and Cooperative Agreement* limits Seattle expenditures to \$5.4 million. City transportation staff anticipates SEPA review will be completed in late August and the City will likely seek Sound Transit Board approval for the final project in September. At the same time, Seattle would also like to obtain the Board's approval to use \$750,000 for conceptual engineering and environmental review associated with extending the route north of Broadway and Denny. In anticipation of this timeline, City Council staff will work with Councilmember Conlin to prepare the appropriate motions for the Sound Transit Board's consideration. To that end, we hope that Sound Transit staff will work cooperatively with our staff, Christa Valles, to ensure the

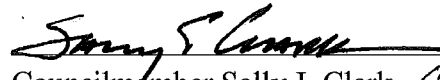
appropriate documents are prepared and processes are followed to bring this issue before the Sound Transit Board in a timely manner.


Sincerely,

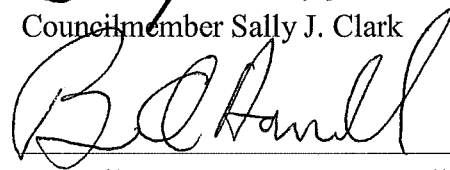

Council President Richard Conlin


Councilmember Sally Bagshaw

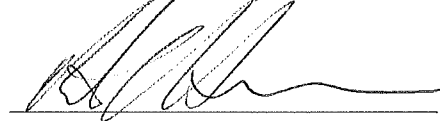

Councilmember Tim Burgess

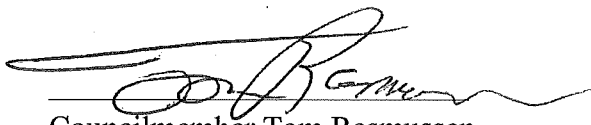

Councilmember Sally J. Clark


Councilmember Jean Godden


Councilmember Bruce A. Harrell


Councilmember Nick Licata


Councilmember Mike O'Brien


Councilmember Tom Rasmussen

Attachment: Relevant Excerpts from Funding and Cooperative Agreement between Seattle and Sound Transit

CC: Mike McGinn, Seattle Mayor
Dow Constantine, King County Executive
Jan Drago, King County Councilmember
Larry Phillips, King County Councilmember
Fred Butler, City of Issaquah Councilmember

**Relevant Excerpts from
Funding and Cooperative Agreement between Seattle and Sound Transit**

MOA Reference	Description	Relevant Language (underline added for emphasis)																																																									
Section 1	Project Scope	The <u>Project</u> may also include design and construction of the <u>streetcar connector north of the Capitol Hill Station at John Street or beyond the International District/Chinatown Station at 5th Avenue S</u> , subject to the approval and concurrence of Sound Transit's Board and the funding limitations provided in Section 3.																																																									
Section 3.1	Maximum Funding Contribution to the Project	<u>Sound Transit will reimburse the City for Eligible Costs</u> as defined in section 3.2, in accordance with the schedules and maximum funding contribution set forth in the First Hill Project Capital Payments Schedule (Exhibit B)																																																									
Section 3.2	Eligible Costs	Eligible Costs are <u>all costs</u> of the Project <u>consistent with the Project scope</u> as defined in Section 1.																																																									
Exhibit B	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Payment Due Date</th> <th style="text-align: center;">Maximum Reimbursement (Year of Expenditure Dollars)</th> <th style="text-align: center;">Cumulative Maximum (Year of Expenditure Dollars)</th> </tr> </thead> <tbody> <tr><td>November 1, 2009</td><td style="text-align: right;">\$ 2,500,000</td><td style="text-align: right;">\$ 2,500,000</td></tr> <tr><td>March 1, 2010</td><td style="text-align: right;">\$ 700,000</td><td style="text-align: right;">\$ 3,200,000</td></tr> <tr><td>June 1, 2010</td><td style="text-align: right;">\$ 700,000</td><td style="text-align: right;">\$ 3,900,000</td></tr> <tr><td>September 1, 2010</td><td style="text-align: right;">\$ 840,000</td><td style="text-align: right;">\$ 4,740,000</td></tr> <tr><td>December 1, 2010</td><td style="text-align: right;">\$ 840,000</td><td style="text-align: right;">\$ 5,580,000</td></tr> <tr><td>March 1, 2011</td><td style="text-align: right;">\$ 9,400,000</td><td style="text-align: right;">\$ 14,980,000</td></tr> <tr><td>June 1, 2011</td><td style="text-align: right;">\$ 3,908,000</td><td style="text-align: right;">\$ 18,888,000</td></tr> <tr><td>September 1, 2011</td><td style="text-align: right;">\$ 5,400,000</td><td style="text-align: right;">\$ 24,288,000</td></tr> <tr><td>December 1, 2011</td><td style="text-align: right;">\$ 9,494,000</td><td style="text-align: right;">\$ 33,782,000</td></tr> <tr><td>March 1, 2012</td><td style="text-align: right;">\$ 11,430,000</td><td style="text-align: right;">\$ 45,212,000</td></tr> <tr><td>June 1, 2012</td><td style="text-align: right;">\$ 13,016,000</td><td style="text-align: right;">\$ 58,228,000</td></tr> <tr><td>September 1, 2012</td><td style="text-align: right;">\$ 13,366,000</td><td style="text-align: right;">\$ 71,594,000</td></tr> <tr><td>December 1, 2012</td><td style="text-align: right;">\$ 13,366,000</td><td style="text-align: right;">\$ 84,960,000</td></tr> <tr><td>March 1, 2013</td><td style="text-align: right;">\$ 10,216,000</td><td style="text-align: right;">\$ 95,176,000</td></tr> <tr><td>June 1, 2013</td><td style="text-align: right;">\$ 10,730,000</td><td style="text-align: right;">\$ 105,906,000</td></tr> <tr><td>September 1, 2013</td><td style="text-align: right;">\$ 15,420,000</td><td style="text-align: right;">\$ 121,326,000</td></tr> <tr><td>December 1, 2013</td><td style="text-align: right;">\$ 4,454,000</td><td style="text-align: right;">\$ 125,780,000</td></tr> <tr><td>March 1, 2014</td><td style="text-align: right;">\$ 7,000,000</td><td style="text-align: right;">\$ 132,780,000</td></tr> </tbody> </table>		Payment Due Date	Maximum Reimbursement (Year of Expenditure Dollars)	Cumulative Maximum (Year of Expenditure Dollars)	November 1, 2009	\$ 2,500,000	\$ 2,500,000	March 1, 2010	\$ 700,000	\$ 3,200,000	June 1, 2010	\$ 700,000	\$ 3,900,000	September 1, 2010	\$ 840,000	\$ 4,740,000	December 1, 2010	\$ 840,000	\$ 5,580,000	March 1, 2011	\$ 9,400,000	\$ 14,980,000	June 1, 2011	\$ 3,908,000	\$ 18,888,000	September 1, 2011	\$ 5,400,000	\$ 24,288,000	December 1, 2011	\$ 9,494,000	\$ 33,782,000	March 1, 2012	\$ 11,430,000	\$ 45,212,000	June 1, 2012	\$ 13,016,000	\$ 58,228,000	September 1, 2012	\$ 13,366,000	\$ 71,594,000	December 1, 2012	\$ 13,366,000	\$ 84,960,000	March 1, 2013	\$ 10,216,000	\$ 95,176,000	June 1, 2013	\$ 10,730,000	\$ 105,906,000	September 1, 2013	\$ 15,420,000	\$ 121,326,000	December 1, 2013	\$ 4,454,000	\$ 125,780,000	March 1, 2014	\$ 7,000,000	\$ 132,780,000
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