



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

July 2, 2007

Ordinance 15860

Proposed No. 2007-0329.2

Sponsors Phillips

1 AN ORDINANCE relating to the operation and
2 maintenance of the Seattle Streetcar on behalf of the city of
3 Seattle, adopting an agreement between King County and
4 the city of Seattle and consenting to the city of Seattle's
5 exercise of power reserved to King County in accordance
6 with RCW 35.58.260.

7

8 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

9 **SECTION 1. Findings:**

10 A The Municipality of Metropolitan Seattle ("Metro") was authorized by public
11 vote in 1972 to perform the metropolitan transportation functions of a metropolitan
12 municipal corporation.

13 B. In 1994, King County assumed the rights, powers, functions and obligations of
14 Metro in accordance with chapter 36.56 RCW; consequently, all the powers and
15 functions of Metro have been vested by state law in the legislative authority of King
16 County.

17 C. Under RCW 35.58.260, upon being authorized to perform the metropolitan
18 functions of a metropolitan municipal corporation, Metro assumed from the city of
19 Seattle all rights the city possessed with respect to construction, acquisition, maintenance,
20 operation, extension, alteration, repair, control and management of passenger
21 transportation. Before the city exercises such powers in the future, the city is required to
22 obtain King County's consent.

23 D. The city intends to construct and own, and has begun construction on, a one-
24 and-three-tenths-mile streetcar running from Westlake Center in Seattle to the Fred
25 Hutchinson Cancer Research Center near the south end of Lake Union. The streetcar will
26 connect the South Lake Union and Denny Triangle neighborhoods with downtown
27 Seattle and connections to other regional and local transit services and thereby increase
28 transit ridership and reduce single occupancy vehicle trips to and from those
29 neighborhoods.

30 E. The city formed Local Improvement District 6750 to provide \$25,700,000 to
31 construct and equip the streetcar line.

32 F. The city has experience in building a streetcar as the original owner of the
33 Waterfront Streetcar.

34 G. King County has experience operating and maintaining streetcars in the city as
35 operator of the Waterfront Streetcar. In addition, King County will be operating the
36 Central Link light rail system on behalf of Sound Transit.

37 H. It is the objective of King County to enhance transit service in established
38 urban centers and work with local jurisdictions to pursue innovative solutions and

39 partnerships. An agreement with the city for streetcar services is consistent with those
40 objectives.

41 I. King County, through development of the Transit Comprehensive Plan and
42 Transit Strategic Plan, may adopt new policy concerning streetcar operations.

43 SECTION 2. The county executive is hereby authorized to execute, substantially
44 in the form of Attachment A to this ordinance, an interlocal agreement between King
45 County and the city of Seattle for the operation and maintenance of the Seattle Streetcar.

46 SECTION 3. The city of Seattle is hereby given the county's consent to construct,
47 acquire, maintain, operate, alter, repair, control and manage the proposed one-and-three-
48 tenths-mile Seattle Streetcar.

49 SECTION 4. The county executive may not approve a written extension of the
50 interlocal agreement, or negotiate a revised agreement, that is inconsistent with the transit
51 comprehensive plan or the transit strategic plan in effect at such time.

52 SECTION 5. If any provision of this ordinance or its application to any person or
53 circumstance is held invalid, the remainder of the ordinance or the application of the
54 provision to other persons or circumstances is not affected.

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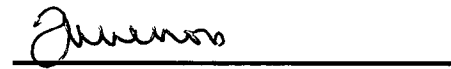
Ordinance 15860 was introduced on 5/21/2007 and passed by the Metropolitan King
County Council on 7/2/2007, by the following vote:

Yes: 9 - Mr. Gossett, Ms. Patterson, Ms. Lambert, Mr. von Reichbauer, Mr.
Dunn, Mr. Ferguson, Mr. Phillips, Ms. Hague and Mr. Constantine
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Gossett, Chair


ATTEST:



Anne Noris, Clerk of the Council

RECEIVED
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CLERK
KING COUNTY COUNCIL

APPROVED this 10th day of July, 2007.


for Ron Sims, County Executive

Attachments A. Interlocal Agreement between King County and the City of Seattle for Seattle
Streetcar Operations and Maintenance, dated June 12, 2007

INTERLOCAL AGREEMENT

between

King County and City of Seattle

for

Seattle Streetcar Operations and Maintenance

This AGREEMENT (“Agreement”) is entered into this _____ day of _____ 2007, by and between the City of Seattle (hereinafter referred to as “the City”) and King County (hereinafter referred to as “the County”) and as may be referred to individually as “Party” and collectively as “Parties”.

RECITALS

Whereas, pursuant to Chapters 36.56 RCW and 35.58 RCW and public vote, the County is authorized to perform metropolitan public transportation functions; and

Whereas, the City's authority for construction, acquisition, maintenance, operation, extension, alteration, repair, control and management of public transportation services is conditioned on the County's consent per RCW 35.58.260; and

Whereas, the County has approved in Ordinance _____ the City's streetcar project from the Fairview Avenue N and Ward Street to Westlake Avenue and Olive Way in the City; and

Whereas the City had experience building a streetcar as owner and builder of the Waterfront Streetcar; and

Whereas, the City and the Municipality of Metropolitan Seattle (METRO) entered into a Waterfront Streetcar Operations Agreement on February 22, 1978; and

Whereas, the METRO assumed ownership of the Waterfront Streetcar from the City on November 1, 1985 pursuant to a transfer agreement between the City of Seattle and METRO; and

Whereas, the County has experience operating and maintaining streetcars in the City of Seattle and will operate and maintain Sound Transit's light rail system; and

Whereas, the City developed a Capital Finance and Operating and Maintenance Plan for the Seattle Streetcar in April 2005 that anticipates the re-allocation of King County Metro Transit bus service hours from the LINK Light Rail service area to the Seattle Streetcar and identifies other planned sources of funds to support the City's contribution to Seattle Streetcar operating and maintenance costs; and

Whereas, King County acknowledges the City's anticipation of reallocated bus service hours but reserves the right to determine the source of its share of Seattle Streetcar funding, consistent with adopted policies for allocating service among transit planning subareas; and

Whereas, City of Seattle taxpayers owning property within City of Seattle Local Improvement District 6750 are contributing \$25,700,000 toward the total cost to construct and equip a modern streetcar line serving Downtown Seattle, Denny Triangle and South Lake Union; and

Whereas, the City is procuring, through an agreement with the City of Portland, three streetcar vehicles of the similar design and specification as those operating on the City of Portland's Portland Streetcar and Sound Transit's Tacoma Streetcar lines; and

Whereas the parties believe it is in the best interest of the public to have the County operate and maintain the Seattle Streetcar once the City has constructed the facilities and procured the operating equipment;

NOW, THEREFORE, in consideration of the mutual terms and obligations contained herein, the Parties agree as follows:

1.0 Purpose and Scope of Agreement

1.1 Purpose and Scope

The Agreement, including attached exhibits, specifies the roles and responsibilities regarding the operation and maintenance of the Seattle Streetcar following construction by the City and during Startup and Passenger Service.

1.2 Definitions

Words, terms, and abbreviations used in this Agreement not defined in the body of this Agreement are defined in Exhibit A attached hereto.

2.0 Description

The terms of this agreement are limited to the segment of the Seattle Streetcar consisting of 1.3 miles of double track for passenger service, and 0.2 miles of maintenance facility lead track as shown in Exhibit B.

3.0 General

3.1 County Obligations

- a. Assist the City with Startup activities;
- b. Operate the Seattle Streetcar in accordance with Seattle Streetcar Service Plan.
- c. Comply with regulatory requirements affecting the operation of the Seattle Streetcar, including reporting to regulatory agencies (local, state, and federal).
- d. Develop and adopt the Seattle Streetcar Service Plan, Operations Plan, and System Safety Program Plan.

3.2 City Obligations

- a. Cooperate with the County in the development of the Seattle Streetcar Service Plan.
- b. Review the County's Seattle Streetcar Operations Plan for approval.
- c. Construct or procure all facilities, systems, equipment and vehicles, except as otherwise provided in the Agreement, in a condition that would allow the County to perform its obligations in a safe and efficient manner.
- d. Arrange for the required utility connections and service to Seattle Streetcar facilities.
- e. Undertake capital improvements and replacements of Seattle Streetcar facilities and equipment as necessary, including vehicles.
- f. Contract for any service not specifically assigned to the County under this Agreement, including capital repairs and replacement beyond normal maintenance of facilities and equipment.
- g. Provide special fare media, if required, for use on the Seattle Streetcar consistent with County requirements.
- h. Be responsible of all operations audits, including the Washington State Department of Transportation's triennial audit of the Seattle Streetcar System Safety Program Plan.

4.0 Ownership and Use of the Seattle Streetcar

Ownership of the Seattle Streetcar facilities and vehicles will remain with the City. The County will not use, or permit use by third parties of, the Seattle Streetcar facilities for any purpose other than operation and maintenance of the Seattle Streetcar except with approval or upon receiving direction by the City. The City retains the right to enter into sponsorship agreements associated with Seattle Streetcar facilities and vehicles. The County will provide access to the Seattle Streetcar facilities and vehicles for application of signage and graphics associated with such sponsorship.

The City is incorporating sustainable design features into the Seattle Streetcar maintenance facility. The County will provide access to the Seattle Streetcar facilities for evaluation of these design features.

5.0 Startup

The projected start date for revenue passenger service is December 1, 2007. The period preceding the start date for revenue passenger service is the "Startup Period". The Startup Period will be used to construct and prepare for operation of the Seattle Streetcar. Preparation for operation will include: hiring and training of staff, testing of facilities and equipment, certifying and commissioning of systems, and developing plans and procedures. Responsibility for the work during the Startup Period shall be allocated as set forth in Exhibit C.

The City will select the start date for revenue passenger service in consultation with the County within 30 days of execution of this agreement.

6.0 Service Planning and Scheduling

6.1 Seattle Streetcar Service Plan

The City will provide the County with a proposed service plan for 2007 and 2008 not later than 90 days prior to the start date of revenue passenger service and not later than March 30 each year thereafter for the coming calendar year. The proposed service plan will include headways and hours of operation. The City and County will meet to discuss the plan prior to the County's adoption of the final plan. If the parties cannot agree on the content of the plan, the dispute resolution process described in this Agreement shall be used to resolve any disagreement. The service plan may be amended during the year upon agreement of the parties in writing.

6.2 Scheduling and Staff Assignments

Based upon the adopted service plan, the County will prepare streetcar schedules and assignments of personnel and equipment to meet the requirements of the plan.

6.3 Special Events

The City will inform the County in writing at least 30 days prior to any special events that may affect streetcar service. The County will make every effort to provide personnel and equipment for special events not listed in the annual service plan per the City's request. Special events known when the proposed annual service plan is prepared by the City shall be specified in that plan. Special events may include non-revenue service operations associated with vehicle sponsorships.

7.0 Operations

7.1 Operations Plan

The County will develop plans for regular service operations, special services, and emergency operations. The County will develop operating procedures for the guidance of its staff. Together, these plans will constitute the Seattle Streetcar Operations Plan (Operations Plan). The Operations Plan will be presented to the City at least three (3) months prior to the anticipated date of the first day of revenue passenger service for the City's review and approval, such approval not to be unreasonably withheld, delayed or conditioned. Any significant revisions to the Operations Plan will require the City's review and approval.

7.2 Unusual Occurrence Report

The County will send a copy of its daily Unusual Occurrence Report covering Seattle Streetcar operations at the end of each day's operation. This report will include any delays to trains exceeding 10 minutes, any accidents resulting in serious injury or serious damage to streetcar equipment. The County will give an immediate report of any accident or incident resulting in notice being given to the media, or which can reasonably be expected to be reported in the public media. This notice to the City should be given as soon as practicable after the County has dispatched its response personnel to deal with the incident.

7.3 Bus Bridge

In case of Streetcar service disruption, the County will arrange for substitute bus service, subject to vehicle availability, in accordance with its existing Standard Operating Procedure governing such service. The City shall reimburse the County for the cost of the substitute bus service as provided herein.

8.0 Maintenance

8.1 Overall Services

The County shall undertake its maintenance responsibilities as described in this Section 8 in accordance with the manufacturer's recommendations, warranty requirements, industry practices, and information provided by designers or installers of the equipment or systems. The County will implement maintenance procedures for these items.

8.2 Non-Revenue Vehicles and Equipment

The County will provide Non-Revenue Vehicles to be used in support of the Seattle Streetcar operation. The costs of such vehicles will be included as provided for in Exhibit E.

8.3 Tools and Equipment

The City of Seattle will provide all special tools or test equipment that the County will use to perform its duties under this Agreement.

8.4 Documentation

The City will provide the County with copies of all as-built drawings and maintenance manuals for Seattle Streetcar facilities and equipment.

8.5 Configuration Management

The City will be responsible for configuration management. The county may propose changes to Seattle Streetcar capital assets via a change proposal consistent with the System Safety Program Plan. The City will be responsible for the configuration management component of any audit conducted by a regulatory agency having oversight responsibility for the Seattle Streetcar. The County will assist the City in preparation for the audit. The City will provide the County with copies of all Configuration Management documents.

8.6 Facilities and Equipment Maintenance

The responsibilities for maintenance of Seattle Streetcar facilities and equipment are delineated in Exhibit D.

8.7 Vehicle Maintenance

As identified in Exhibit D, the County will be responsible for maintaining the Seattle Streetcar vehicles.

- a. Heavy Repair and Major Overhaul.** The County shall analyze options for heavy repair and major overhauls of streetcars and present the options to the City for mutual written agreement concerning scope, cost, and schedule for such work. These are not considered ongoing maintenance and all costs for this work

will be borne by the City. The City and County will agree on a streetcar vehicle overhaul cycle.

b. Component Repair. The County will conduct all component repairs.

c. Maintenance of Car History. The City will cause the carbuilder to deliver Car History Books to the County.

8.8 Systems and Electrical Maintenance

As identified in Exhibit D, the County will be responsible for all maintenance of Seattle Streetcar electrical facilities and systems. This will include both hardware and software elements of traction power substations, overhead contact system, electrical switchgear, yard and shop power distribution and lighting, fire alarms, and electrical facilities. The City will be responsible for maintenance of traffic signals including train-to-wayside communications (TWC) equipment connected to the traffic signal system controls. TWC equipment on the streetcars will be maintained by the County.

9.0 Customer Service, Information, and Marketing

9.1 Overview

The County will be responsible for providing customer information for the Seattle Streetcar. The County shall compile and print schedules for public dissemination and posting at stations. The Parties agree to coordinate and, at times, work jointly in marketing the Seattle Streetcar service, including special events.

9.2 Fare Media Sales

The County will be responsible for fare media sales.

9.3 Sign Hardware and Changeable Message System

As part of startup, the City will prepare station and vehicle signage. Sizes are to conform to existing County signs for interchangeability. The County agrees to assist the City in locating signs and maps. If the City elects to request County assistance in preparation of the signage, those costs will be reimbursed as provided for in Section 16.3.3.

9.4 Media Relations

Except as otherwise identified in this Agreement, the County shall be responsible for maintaining communications with the media about the Seattle Streetcar. The County shall be solely responsible for maintaining communications with the media about any incidents or accidents involving the Seattle Streetcar. The City shall be responsible for media communication about construction activities prior to the start date of revenue service operations.

10.0 Safety

10.1 System Safety Program Plan

The County will maintain a System Safety Program Plan (SSPP) in accordance with 49 CFR 659.

10.2 Safety Oversight

The Washington State Department of Transportation (WSDOT) will conduct a triennial audit of the Seattle Streetcar's SSPP. The City and the County will develop corrective action plans to respond to any noted deficiencies. The cost of the audit charged by the state and the County's cost in facilitating the audit and creating the corrective plan shall be paid by the City.

10.3 System Security Plan

Metro will include the Seattle Streetcar in its System Security Plan, All-Hazards Response Plans and associated training and exercise programs.

11.0 Code of Conduct

The County will apply and enforce its code of conduct on the Seattle Streetcar and Seattle Streetcar stations pursuant to Ch. 28.96 KCC and its implementing administrative policies and procedures.

12.0 Administration

12.1 Personnel

The County will be solely responsible for managing its Streetcar personnel. The County will apply its policies and procedures regarding recruitment, discipline, appearance, drug use and drug testing.

12.2 Benefits and Records

The County will handle all payroll, benefits and employee records for its personnel operating and maintaining the Seattle Streetcar.

13.0 Audits, Inspections, and Reports

13.1 Audits

The City, County Auditor, the State Auditor, federal auditors, and their representatives may audit either party's records relative to the Seattle Streetcar.

13.2 Record retention

Records pertaining to the Seattle Streetcar shall be retained by the Parties as specified by their respective record retention schedules.

14.0 Performance Requirements and Reporting

14.1 Ridership Reporting

Ridership, National Transit Database, and performance data will be compiled and reported using a methodology established prior to the first day of service.

15.0 Material and Warranty Management

15.1 Warranty Administration

The County will process warranty claims for Seattle Streetcar vehicles, systems, and equipment through its existing warranty claims process, to the full extent of warranty coverage. Warranty claims will be submitted directly to the responsible manufacturer or vendor. In the event that a vendor or manufacturer contests a warranty claim made by the County, the County will immediately notify the City of the dispute, and will provide all information about the claim to the City.

15.2 Material Management

During Startup, the City will purchase the manufacturers' recommended Start-Up Quantities of spare parts. The County will thereafter maintain inventory levels and other supplies and consumables to maintain Seattle Streetcar vehicles and equipment.

16.0 Compensation

16.1 Start-up and Operating Phases

This section defines how the City will compensate the County for its work associated with Seattle Streetcar start-up and operation. Compensation will vary during the three phases of operation; Start-up, Phase 1, and Phase 2.

16.2 Start up Costs

The City will compensate the County for agreed-upon costs during the Start-Up Period as shown in Exhibit E and as amended upon mutual agreement of the parties in writing.

16.3 Operating and Maintenance Cost

Operating and Maintenance Cost (O&M Cost) refers to the annual cost of the County's work to provide the scheduled level of service identified in the Seattle Streetcar Service Plan and in this Agreement beginning on the first day of revenue passenger operations. O&M Cost will be estimated annually for the coming calendar year, with costs for the following year identified no later than October 31 based on the agreed upon service plan for that year. O&M Cost will include direct and indirect costs of staff involved in carrying out the work described in this agreement and the overhead support for that staff. In addition, materials and supplies associated with maintaining and operating the system will be included in O&M Cost. The methodology for calculating O&M costs is included in Exhibit E. Payment of the O&M costs shall be as follows:

16.3.1 Phase 1. The City will pay the County 100% of the estimated O&M costs remaining after fare revenue has been subtracted from costs as identified in Exhibit E.

16.3.2 Phase 2. The City will pay the County 25% of the estimated O&M costs remaining after the fare revenue has been subtracted from costs, as identified in Exhibit E.

16.3.3 Other mutually agreed upon costs related to the Streetcar shall be reimbursed by the City to the County based on costs agreed upon in advance of the expenditure as provided in Sections 16.5 or 16.6 herein.

16.3.4 As described in section 26.2. The Parties intend to amend the operating agreement prior to December 31, 2014 to address operations beyond Phase 2.

16.4 Fares

Fares will be consistent with County fare policies; provided that the County, as a policy, may decide that transfers will not be issued to riders paying cash or the equivalent electronic media. Fares collected for the streetcar will be calculated as described in Exhibit E.

16.5 Adjustment of Costs due to Changes in Service Plan

Any change in compensation due to changes in the Service Plan during the year, including costs associated with special events requested by the city, will be calculated by the County and included in the monthly invoice for the month in which they occurred.

16.6 Other Operating and Maintenance Cost Adjustments

The Parties acknowledge that there may be unforeseen, non-recurring costs such as emergencies or other material costs arising from circumstances beyond the County's control. In an emergency, the County will notify the City of an upcoming expenditure as provided for in Exhibit E. The City Director of Transportation may give oral approval of emergency expenditures, provided that, within two working days of receiving approval, the County will provide the City with a written description of the work, a proposed schedule for completion, and an estimated cost. In non-emergency cases, the County will provide the City with the written documentation described above prior to incurring any costs.

16.7 Invoices and Payment

The County shall submit a completed monthly invoice with the required reports to the City not later than the 25th of the month for services provided during the previous month. Prior to the beginning of revenue passenger service, the invoice will include actual costs of staffing and other agreed-upon costs.

During Start-up, the amount invoiced should include actual costs for the previous month.

During Phase 1, the amount invoiced should include one-twelfth of the O&M Cost and any cost adjustments that the City has agreed to pay for the current year minus monthly fare revenue.

During Phase 2, the amount invoiced should include one-twelfth of 25% of the difference of the O&M Cost minus monthly fare revenue, and any cost adjustments that the City has agreed to pay for the current year.

The invoice must be complete in order for it to be processed by the City. The City will notify the County within ten (10) working days if the invoice is defective. The City will pay the County within thirty (30) days of receipt of a completed invoice. The invoice will be submitted to:

Seattle Department of Transportation
Attention: Seattle Department of Transportation Major Projects Division Director
PO Box 34996
Seattle, WA 98124-4996

16.8 Annual Reconciliation

By May 1, or as soon as possible following that date, actual costs from the County's audited financial statement and fares for the previous year will be determined by the County. The difference between the City's portion of the actual operating and maintenance costs for the previous year and the sum of the invoices for that year will be credited or billed to the City so that the City's total payment for the previous year is equal to their actual costs minus fares.

16.9 System Expansion and Improvement

The City will retain responsibility for necessary improvements or modifications of vehicles, equipment or facilities required to support service levels agreed to in the Seattle Streetcar Service Plan, including track extensions or modifications, additional stations, increased substation capacity, traffic signal modifications and increased car fleet.

17.0 Federal Funding Requirements

In the event the City plans to utilize federal financial assistance to pay for any County work under this Agreement, it shall notify the County at least 120 days in advance of any such payment to the County, and meet with the County to determine costs and other impacts of such utilization. When federal funds are utilized, the County and City will meet to determine how the County will comply with any applicable federal contract and funding requirements. No such funding will relieve the city of its obligations to compensate the county under the terms of section 16 of this agreement.

18.0 Designated Representatives

The Parties shall designate representatives responsible for communication and coordination between the Parties. The representatives are responsible for coordinating the work of other staff members on the Seattle Streetcar project, the periodic reporting and review of documents required under this Agreement, preparation for the revision of this Agreement and its attachments, and for identifying and resolving issues.

19.0 Indemnification

19.1 Indemnity for Design

The City shall protect, defend, indemnify and save harmless the County, its officers, officials, employees and agents, from any and all claims, demands, suits, penalties, losses, damages, judgments or costs of any kind whatsoever, (hereinafter "claims"), arising out of or in any way resulting from the design of the Seattle Streetcar project caused by the acts or omissions of the City, its officers, employees, agents, consultants and/or sub consultants of all tiers. The City agrees that it is fully responsible for the acts and omissions of its subcontractors, acting within the scope of their employment as such, as it is for the acts and

omissions of its own employees and agents. The City agrees to indemnify and defend the County from any claim, demand, and/or cause of action brought by or on behalf of any of the City's employees, or agents. The foregoing duty is specifically and expressly intended to constitute a waiver of the City's immunity under Washington's Industrial Insurance act, RCW Title 51, as respects the County only, and only to the extent necessary to provide the County with a full and complete indemnity and defense of claims made by the City's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

19.2 Indemnity for Construction

The City shall protect, defend, indemnify and save harmless the County, its officers, officials, employees and agents, from any and all claims, demands, suits, penalties, losses, damages, judgments or costs of any kind whatsoever, (hereinafter "claims"), arising out of or in any way resulting from the construction of the Seattle Streetcar project caused by the acts or omissions of the City, its officers, employees, agents, vendors, suppliers, contractors and/or subcontractors of all tiers,. The City agrees that it is fully responsible for the acts and omissions of its subcontractors, acting within the scope of their employment as such, as it is for the acts and omissions of its own employees and agents. The City agrees to indemnify and defend the County from any claim, demand, and/or cause of action brought by or on behalf of any of the City's employees, or agents. The foregoing duty is specifically and expressly intended to constitute a waiver of the City's immunity under Washington's Industrial Insurance act, RCW Title 51, as respects the County only, and only to the extent necessary to provide the County with a full and complete indemnity and defense of claims made by the City's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

19.3 Indemnity for Manufacturer's Liability

The City shall protect, defend, indemnify and save harmless the County, its officers, officials, employees and agents, from any and all claims, demands, suits, penalties, losses, damages, judgments or costs of any kind whatsoever, (hereinafter "claims"), arising out of or in any way resulting from the design, construction, manufacturer or modification of the streetcar trolleys provided for the Seattle Streetcar project caused by the acts or omissions of the City, its officers, employees, agents, vendors, suppliers and/or subcontractors of all tiers,. The City agrees that it is fully responsible for the acts and omissions of its subcontractors, acting within the scope of their employment as such, as it is for the acts and omissions of its own employees and agents. The City agrees to indemnify and defend the County from any claim, demand, and/or cause of action brought by or on behalf of any of the City's employees, or agents. The foregoing duty is specifically and expressly intended to constitute a waiver of the City's immunity under Washington's Industrial Insurance act, RCW Title 51, as respects the County only, and only to the extent necessary to provide the County with a full and complete indemnity and defense of claims made by the City's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

19.4 Indemnity for City of Seattle Maintenance Responsibilities

The City shall protect, defend, indemnify and save harmless the County, its officers, officials, employees and agents, from any and all claims, demands, suits, penalties, losses,

damages, judgments or costs of any kind whatsoever, (hereinafter "claims"), arising out of or in any way resulting from its Streetcar Maintenance Responsibilities as outlined in Exhibit D, now or as hereinafter amended, caused by the acts or omissions of the City, its officers, employees, agents, vendors, suppliers and/or subcontractors of all tiers,. The City agrees that it is fully responsible for the acts and omissions of its subcontractors, acting within the scope of their employment as such, as it is for the acts and omissions of its own employees and agents. The City agrees to indemnify and defend the County from any claim, demand, and/or cause of action brought by or on behalf of any of the City's employees, or agents. The foregoing duty is specifically and expressly intended to constitute a waiver of the City's immunity under Washington's Industrial Insurance act, RCW Title 51, as respects the County only, and only to the extent necessary to provide the County with a full and complete indemnity and defense of claims made by the City's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

19.5 Indemnity for King County Maintenance Responsibilities

The County shall protect, defend, indemnify and save harmless the City, its officers, officials, employees and agents, from any and all claims, demands, suits, penalties, losses, damages, judgments or costs of any kind whatsoever, (hereinafter "claims"), arising out of or in any way resulting from its Streetcar Maintenance Responsibilities as outlined in Exhibit D, now or as hereinafter amended, caused by the acts or omissions of the County, its officers, employees, agents, vendors, suppliers and/or subcontractors of all tiers,. The County agrees that it is fully responsible for the acts and omissions of its subcontractors, acting within the scope of their employment as such, as it is for the acts and omissions of its own employees and agents. The County agrees to indemnify and defend the City from any claim, demand, and/or cause of action brought by or on behalf of any of the County's employees, or agents. The foregoing duty is specifically and expressly intended to constitute a waiver of the County's immunity under Washington's Industrial Insurance act, RCW Title 51, as respects the City only, and only to the extent necessary to provide the City with a full and complete indemnity and defense of claims made by the County's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

19.6 General Indemnity

Each party shall indemnify the other party from any and all loss that arises out of, is connected with, or is due to the performance or non-performance of the indemnifying party's obligations set forth in this agreement.

19.7 Indemnity for Ordinance or Regulation

In executing this Agreement, the County does not assume liability or responsibility for or in any way release the City from any liability or responsibility which arises in whole or in part from the existence or effect of City ordinances, rules or regulation, policies or procedures. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any City ordinance, rule or regulation is at issue, the City shall defend the same at its sole expense and if judgment is entered or damages are awarded against the City, the County, or both, the City shall satisfy same, including all chargeable costs and attorney's fees.

19.8 Release and Waiver

Except as provided for in Section 19.1 through 19.6 above, each party releases, waives and forever discharges any and all causes of action against the other arising out of the Operation and Maintenance of the Seattle Streetcar.

19.9 Attorney Fees

In the event either party incurs attorney's fees, costs or other legal expenses to enforce the provisions of this section against the other party, all such fees, costs and expenses shall be recoverable by the prevailing party.

19.10 Allocation of Liability

The County and City agree that the administration, handling, defense and disposition of all Design, Construction and/or Manufacturers Liability claims arising out of the Seattle Street Car will be the responsibility of the City of Seattle as defined in Section 19 above. Upon the receipt of claims involving allegations of Design, Construction and/or Manufacturers Liability the City shall accept tender of that portion of said claims attributable to the allegations of Design, Construction and/or Manufacturers Liability. The County and the City agree to associate in the defense and control of any claim, suit or proceeding relative to an occurrence where the claim or suit involves or appears to involve allegations of Design, Construction and/or Manufacturers Liability and allegations arising out of the Operations and Maintenance of the Seattle Street Car in which event the County and the City shall cooperate in all things in the defense of such claim, suit or proceeding.

20.0 Insurance**20.1 Property Damage Insurance**

The City shall insure the streetcars, spares, equipment, platforms and the streetcar maintenance facility under its property damage insurance coverage. In the event a City vehicle is so damaged that the City determines to replace it rather than have it repaired, such replacement vehicle shall be procured by the City at City expense. The City shall be solely responsible for its deductible and the prosecution and handling of all first party claims with its insurer(s). The City shall cause its insurer(s) to waive its rights of subrogation and the City's rights of recovery against the County.

20.2 Risk Management Program

The County maintains a Risk Management Program in accordance with Chapter 4.12 of the King County Code. The City understands, acknowledges and agrees that the County is self-funded for all of its liability exposures. The County agrees to maintain, through its self-funded program or an alternative risk of loss financing program, coverage for all of its liability exposures for the duration of this Agreement. The County agrees to provide the City with at least 30 days prior written notice of any material change in the County's self-funded program or alternative risk of loss financing program. The County agrees that nothing in this Section 20.2 or in the County's Risk Management Program shall limit or modify in any way the County's indemnity obligations under this Agreement.

20.3 Workers' Compensation

The County maintains a Safety and Workers' Compensation Program in accordance with RCW Chapter 51. The City understands, acknowledges and agrees that the County is self-funded for all of its Workers' Compensation liability exposures. The County agrees to maintain, through its self-funded program or an alternative risk of loss financing program, coverage for all of its Workers' Compensation liability exposures for the duration of this Agreement. The County agrees to provide the City with at least 30 days prior written notice of any material change in the County's self-funded program or alternative risk of loss financing program. The cost of including the Seattle Streetcar activities under this Agreement in its self-funded program or alternative risk of loss finance program shall be included in the calculation of the O&M cost and shall be subject to reconciliation adjustment as part of the Annual Review.

Should a County employee bring claim against the City arising out of a work related injury related to the Operation and Maintenance of the Seattle Streetcar, The County agrees to indemnify and defend the City from any claim, demand, and/or cause of action brought by or on behalf of any of the County's employees. The foregoing duty is specifically and expressly intended to constitute a waiver of the County's immunity under Washington's Industrial Insurance act, RCW Title 51, as respects the City only, and only to the extent necessary to provide the City with a full and complete indemnity and defense of claims made by the County's employees. The parties acknowledge that these provisions were mutually negotiated and agreed upon by them.

21.0 Claims Management

21.1 Process

Claims involving injuries to persons and property damage of others and recovery claims for injuries and damage to Seattle Streetcar personnel will be paid and handled, including defense of litigation, by the King County Risk Management Program in accordance with established claims handling practices. Workers' Compensation claims filed by Seattle Streetcar personnel, who are County employees, will be handled by the County's self-insured Workers' Compensation program.

21.2 Notice of Occurrence

Upon the happening of any occurrence or accident reasonably likely to involve participation by the City, written notice shall be given to the City as soon as practicable.

21.3 Assistance and Cooperation

The City shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the County arising out of the Operations and Maintenance of the Seattle Streetcar but the City shall have the right and shall be given the opportunity, at its own expense, to associate with the County in the defense and control of any claim, suit or proceeding relative to an occurrence where the claim or suit involves or appears reasonable likely to involve the City's payment obligation in Section 20.2, in which event the County and the City shall cooperate in all things in the defense of such claim, suit or proceeding. The City and County further agree to fully cooperate in the enforcement of any right against any person or entity which may be liable

for the injury or damage arising out of the Operations and Maintenance of the Seattle Streetcar and or damage or impairment to any Seattle Streetcar asset.

21.4 Confidentiality

The parties hereby acknowledge that materials and information, in document form and oral, may be generated by the claims management process that, under applicable law, may be kept confidential and privileged ("Confidential Materials"). Such Confidential Materials are presumed to include, but are not necessarily limited to:

- a. statements of potential witnesses;
- b. legal advice, notes, or memoranda of legal counsel;
- c. information assembled and reports prepared by consulting and potentially testifying experts ;
- d. statements, documents, and information regarding preparation, strategy, and tactics for litigation or other dispute resolution process.

The parties intend by this Agreement to protect the privileged and confidential nature of any Confidential Materials. Each party agrees that all oral and/or written Confidential Materials received from one of the other parties shall be held in strictest confidence and shall not be given, shown, made available, communicated or otherwise disclosed in any way to anyone outside of the City and the County without the express consent of the party from whom the Confidential Materials were received, except pursuant to a judicial order to disclose the materials. If either the City or the County receives a request from an outside party for Confidential Materials, the recipient of the request shall immediately notify the other party to this Agreement, who shall be entitled to bring a motion in court to oppose the request. The recipient of the request may also bring a motion to oppose the request, but is not obligated to do so.

22.0 Hazardous Substance

22.1 Indemnification.

City agrees to indemnify, defend and hold County its appointed and elected officials, employees, from and against any and all claims, liabilities, damages, and expenses, including reasonable attorney's fees, asserted against County by a third party, including without limitation, any agency or instrumentality of the federal government, state or local government, for bodily injury, including death of a person, physical damage to or loss of use of property, or clean-up activities (including but not limited to investigation, study, response, remedial action, or removal), fines or penalties arising out of or relating to the presence, release, or threat of release of a Hazardous Substance existing or emanating from the premises, except to the extent caused by the act or omission of County. The obligations under this paragraph shall survive the expiration or other termination of this agreement.

22.2 Definition of Hazardous Substances

"Hazardous Substances" as defined in this agreement shall mean:

- a. Any toxic substances or waste, sewage, petroleum products, radioactive substances, medicinal, bacteriological, or disease-producing substances; or

- b. Any dangerous waste, hazardous waste, or hazardous substance as defined in:
 - i. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereinafter amended (42 U.S.C. 9601 et seq.);
 - ii. Resource Conservation and Recovery Act, as now or hereinafter amended (42 U.S.C. 6901 et seq.);
 - iii. Hazardous Waste Management Act and Washington Model Toxics Control Act, as now or hereinafter amended (R.C.W. Chs. 70.105, and 70.105D); or
- c. Any other pollutant, contaminants, or substances, posing a danger or threat to public health or welfare, or to the environment, which are regulated or controlled by any federal, state and local laws, and regulation, as now or hereafter amended.

23.0 Dispute Resolution

The City and the County agree to use their best efforts to resolve any disputes arising under this Agreement using good faith negotiations. The City's Seattle Streetcar Project Manager and the County's Light Rail Manager shall communicate regularly to discuss the status of the tasks and services to be performed and to prevent disputes from arising. Except as otherwise provided in this Agreement, the Parties agree to use the following dispute resolution process.

23.1 Step One

The City's Department of Transportation Major Projects Division Director and the County's Light Rail Manager shall confer and attempt to resolve the dispute within ten (10) business days of written notification by either party.

23.2 Step Two

In the event the City's Department of Transportation Major Projects Division Director and the County's Light Rail Manager are unable to resolve the dispute within ten (10) business days as provided in Step One, either Party may refer the dispute to the City's Director of Transportation and the County's Transit General Manager. They shall confer and attempt to resolve the dispute within ten (10) business days of receiving the referral.

23.3 Prerequisite to Litigation

Neither Party shall have the right to seek relief in a court of law until and unless these first two procedural steps in Section 23.1-23.2 are exhausted.

23.4 Mediation

In the event the Parties are unable to resolve the dispute utilizing the process set forth in Sections 23.1-23.2, the Parties may, by agreement, choose to submit the matter to a non-binding mediator. The Parties shall share equally in the cost of the mediator. Mediation shall not be a prerequisite to litigation.

23.5 Continued Performance

At all times during the course of the conflict or dispute resolution efforts, the Parties agree to continue to perform their respective responsibilities under this Agreement with due diligence.

24.0 Termination**24.1 Default**

Either Party may terminate this Agreement in writing if the other Party substantially fails to fulfill any material obligation under this Agreement through no fault of the terminating Party, provided that insofar as practicable, the Party terminating the Agreement will give:

- a. Written notice of intent to terminate no less than 30 days prior to the date of termination stating how the other Party has failed to perform the obligations under this Agreement; and
- b. An opportunity for the other Party to cure the default within a specified time, not to exceed 30 days, from the date of notice of the intent to terminate. The notice of intent to terminate shall state the time period within which cure is permitted and any other appropriate conditions.

If the other Party fails to remedy the default or the breach to the satisfaction of the other Party within the time period established in the notice of termination or any extension thereof, granted by the terminating Party, the Agreement shall be deemed terminated.

24.2 For Convenience.

Either Party may terminate this Agreement, in writing, for its convenience provided that the other Party will be given:

- a. Written notice of intent to terminate no less than 180 days prior to the intended termination date;
- b. Opportunity for consultation with the Party initiating the termination prior to the termination date; and
- c. Provided, however, the County's obligation to perform the work of this Agreement beyond the current appropriation year is conditional upon appropriation by King County of sufficient funds to support said work. Should such an appropriation not be enacted, this Agreement will terminate automatically at the close of the then-current appropriation year. The appropriation year ends on December 31 of each year.

24.3 Activities upon Termination and Expiration

Upon termination of this Agreement by expiration of the term or as provided in this Section, the City and the County agree to work together cooperatively to develop a coordinated plan for terminating the services rendered up until the time of termination, determining reasonable contract close-out costs for termination for convenience or termination by the County for the City's breach and accounting and transfer of equipment provided by the City in the manner the City directs. In the event of termination for a County default or breach,

the City shall compensate the County only for the services satisfactorily rendered to the date of termination at the rates and amounts and in the manner provided in this Agreement, with no payment for contract closeout costs as otherwise provided in this Section.

25.0 General Provisions

25.1 Rights and Remedies

The rights and remedies of the Parties to the Agreement are in addition to any other rights and remedies provided by law, except as otherwise provided in this Agreement.

25.2 No Joint Venture or Partnership

No joint venture or partnership is formed as a result of this Agreement.

25.3 No Third Party Rights

It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties.

25.4 Compliance with Laws

25.4.1 In General

Each Party shall comply, and to the best of its ability shall ensure, that its employees, agents, consultants, contractors and representatives comply with all federal, state, and local law, regulations, and ordinances, including, but not limited to, applicable public works and procurements laws and regulations, bonding, prevailing wage, nondiscrimination, retainage, insurance, and workers compensation requirements.

25.4.2 Licensing and Certification of Employees

Each Party shall comply, and to the best of its ability shall ensure, that its employees, agents, consultants, contractors and representatives comply with all federal, state and local licensing, registration, filing and/or certification standards, all applicable accrediting standards, and any other standards or criteria established by any agency of the State of Washington or of the federal government applicable to the work or services for which it is responsible under this Agreement.

25.5 Venue

Any legal action between the Parties with regard to this Agreement shall be brought in the Superior Court of King County.

25.6 No Employee Relationship

Each Party and its employees, agents, consultants and representatives shall not be deemed or construed to be employees or agents of the other Party. No employee, agent, consultant or representative of either Party shall make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of the other Party. Each Party shall be solely responsible for any claims for wages or compensation by its employees, agents,

and representatives, including consultants and shall indemnify and hold the other Party harmless from any such claims.

25.7 Notice

All written notices required in this Agreement shall be either personally delivered, sent by certified mail, return receipt requested, postage prepaid, or sent by facsimile transmission (with confirmation receipt printed). All notices or requests shall be sent to the City and County addressed as follows:

King County: Transit General Manager
King County Metro Transit
201 South Jackson Street, Mailstop KSC-TR-0415
Seattle, Washington 98104-3856
Fax (206) 684-1778

City of Seattle: Director, Seattle Department of Transportation
P.O. Box 34996
Seattle, Washington 98124-4996
Fax (206) 684-5180

25.8 Waiver or Default

Waiver of any default under any provision of this Agreement shall not be deemed to be a waiver of any subsequent default and shall not be construed to be a modification of the terms of this Agreement.

25.9 Force Majeure

If any Party is rendered unable, wholly or in part, by a Force Majeure, to perform or comply with any obligation or condition of this Agreement then, upon giving notice and reasonably full particulars to the other Party, such obligation or condition shall be suspended only for the time and to the extent reasonably necessary to allow for performance and compliance and restore normal operations.

25.10 Assignment/subcontracting

No Party shall assign or subcontract any interest, obligation, or benefit in this Agreement or transfer any interest in the same, whether by assignment, contract or notation, without prior written consent by the other Party.

25.11 Binding on Successors and Assigns

This Agreement, together with all exhibits and attachments now or hereafter made a part, shall be binding on the Parties hereto and their respective, successors and assigns.

25.12 Severability

If any of the terms and conditions of this Agreement are determined to be invalid or unenforceable by a court of competent jurisdiction, the remaining terms and conditions unaffected thereby shall remain in full force and effect. The Parties agree to negotiate in good faith to reform the Agreement to replace any invalid or unenforceable term and/or

condition with a valid and enforceable term and/or condition that comes as close as possible to the intention of the stricken term and/or condition.

25.13 Warranty of Right to Enter Into Agreement

The Parties each warrant they have the authority to enter into this Agreement and that the persons signing this Agreement on behalf of each Party have the authority to bind that Party.

25.14 Exhibits

All exhibits referenced in and attached to this Agreement are incorporated by this reference.

25.15 Amendments and Modifications

This Agreement and its exhibits shall only be amended or modified by mutual agreement of the Parties in writing. Amendments and revisions to Exhibits A, C, D and E can be authorized and executed on behalf of the City by its Director of Transportation and on behalf of the County by its Transit General Manager. Exhibit B may be amended only by actions of both the Seattle City Council and the Metropolitan King County Council.

25.16 Survival of Certain Provisions

The following sections shall survive any termination or expiration of this Agreement:

Section 13.0 Audits, Inspections and reports
 Section 19.0 Indemnification
 Section 20.2 Risk Management Program
 Section 20.3 Workers' Compensation
 Section 22.0 Hazardous Substance
 Section 23.0 Dispute Resolution
 Section 24.0 Termination
 Section 26.0 Effective Date and Term

25.17 Meetings

The parties will meet at least quarterly during 2008 and at least semi-annually thereafter to discuss necessary changes or adjustments to the Agreement's scope of work as new information, circumstances or technology become available. Such discussions will include opportunities to improve the efficiency of the operation and maintenance of the Seattle Streetcar.

26.0 Effective Date and Term

26.1 Effective Date and Term

This Agreement shall take effect upon its signing by both parties and shall expire on December 31, 2014.

26.2 Agreement Review

Eighteen (18) months prior to the end of the term, the City and the County will initiate a review process for consideration of whether the Parties will agree to extend the term of this Agreement for up to five (5) additional years. If the Parties agree to an extension of this Agreement, they shall execute a written extension, along with any amendments, at least

twelve (12) months prior to the expiration of this Agreement, or within such lesser time as may be agreed to by the Parties in writing.

26.3 Expiration

In the event the Parties do not execute an extension to this Agreement, it shall expire at the end of the term as specified in Section 26.1.

27.0 Execution of Agreement

This Agreement may be executed in counterparts, any one of which shall be regarded for all purposes as one original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth below their signatures.

King County
("The County")

City of Seattle
("The City")

Ronald Sims
King County Executive

Gregory J. Nickels
Mayor of Seattle

Date: _____

Date: _____

Approved as to form:

Approved as to form:

Deputy Prosecuting Attorney

Assistant City Attorney

Date: _____

Date: _____

Exhibit A

Definitions

Accident: An unexpected loss-causing event that results in a fatality, bodily injury, or property damage.

Bus Bridge: A substitute bus service operated in place of rail service when all or a portion of a rail transit line is out of service.

Capital Improvements: Placement of new assets into the streetcar system characterized by one-time cost exceeding One Thousand Dollars (\$1,000) and having a life expectancy exceeding one year.

Capital Repairs: Repair intended to extend the life of an existing asset having a one-time cost exceeding One Thousand Dollars (\$1,000) with a life expectancy exceeding one year.

Car History Book: A record maintained by the carbuilder that shows all modifications to the car during its construction, including quality control exceptions and their corrections.

Changeable Message System: A system for providing information to the public by means of electrically illuminated signs which may be easily changed as needed.

Component Repair: Restoration of a component to reliable operative condition.

Configuration Management: The control and documentation of changes that are made to the hardware, software, firmware, and documentation throughout the life of a system.

Emergency: As used in section 16.6, emergency refers to an unexpected disruption of streetcar service due to a defect in the streetcar infrastructure, having a cost of repair exceeding \$5,000.

Emergency Operations: Refers to operations of the streetcar system when a portion of the system is inoperative due to defect, blockage of the track, or other disruption.

Equipment: The streetcar rolling stock. Also, articles used to equip the streetcar facility.

Fixed Physical Plant: Those elements of the streetcar system that are immobile in character; such as track, buildings, overhead wires, station platforms, etc.

Fleet-wide Modifications: Changes to streetcars that affect the entire inventory of cars of a particular type.

Force Majeure: Any delay resulting from any cause beyond a Party's reasonable control resulting in the Party's inability to perform its obligations under this Agreement. The causes may include, but are not limited to, acts of nature, accident, fire, strikes, delays resulting from legal or administrative challenge by parties other than the signatories to this Agreement, etc.

Heavy Repair: Any repair of a car system that requires its removal from the car in order to do the work, or any repair of damage requiring restoration of structural parts.

Incident: A specific event or circumstance that has a negative effect on operations.

Maintenance: Performing work to prevent degraded performance of a system or sub-system.

Maintenance Procedure: A written set of instructions describing the work to be done and the proper sequence of actions to be taken to maintain any component of the streetcar system.

Major Overhaul: A process that restores a worn subsystem or device to nearly new condition.

MMIS: Maintenance Management Information System.

Non-revenue vehicles: Vehicles used in support of transit operations that do not carry passengers for fare.

Operating Phases:

Startup: The period between the effective date of the Seattle Streetcar Operations and Maintenance Agreement and 12:01 AM of the first day of revenue passenger service .

Phase 1: The period between 12:01 AM of the first day of revenue passenger service and 12:01 AM of the first day of the service change following the start of Link Light Rail service .

Phase 2: The period between the end of Phase 1 and 11:59 PM December 31, 2014.

Operations Plan: The County's plans for regular service operations, special services, emergency operations, and the operating procedures for the guidance of the County's staff.

Overhaul Cycle: The interval at which streetcars will be given an overhaul.

Pre-Revenue Service: Operation of streetcars in accordance with the proposed schedule that will be used after the beginning of revenue service, but without passengers. The "Pre-revenue Service" period is used to test the proposed schedule and to train personnel on the procedures to be used under normal and extraordinary conditions.

Seattle Streetcar: This term is used interchangeably with "South Lake Union Streetcar."

Seattle Streetcar Service Plan: The document that outlines the service to be provided by the Streetcar subject to annual review for changes. The plan sets forth hours of operation, headways, special operations, and other details of the service.

Special Event: An event that requires a deviation from the normal operating routine of the Streetcar. These may include extended hours of service for holidays, anticipated delays due to parades or construction work, and the opening of new Streetcar lines.

Startup Quantities: The quantity of spare parts and consumable items specified in contracts for streetcars and facilities as the initial volume of spare part stock provided by the contractor to be delivered before the closure of the contract.

System Safety Program Plan: A document developed by the transit agency describing its safety policies, objectives, responsibilities, and procedures

Support Vehicle: See Non-Revenue Vehicles.




Train-to-Wayside Communications: A system of digital communication between trains (streetcars) and equipment located along the wayside for the purpose of routing trains automatically to their destination and other uses.

Unusual Occurrence Report (UOR): A daily report created by Streetcar management for executive management. The UOR typically includes entries regarding delays to service, incidents, mechanical failures, and other unusual events.

Work: All work required to be provided by the County and its contractors under this Agreement, including all services, labor, equipment and materials, facilities and all other things necessary and proper for, or incidental to, start-up, and operating and maintaining the South Lake Union streetcar.

Exhibit B

LEGEND

-  Proposed Streetcar Alignment
-  Proposed Station Locations
-  Proposed Maintenance Facility Site



▲ NORTH Scale: 0 200 400



SOUTH LAKE UNION STREETCAR

Route Alignment and Stop Locations



Exhibit C

Startup Responsibilities

City of Seattle

1. Approval of Streetcar Operations Plan
2. Cooperation with Metro in development and review of Streetcar Service Plan
3. Arrange for required utility connections and service to Streetcar facilities
4. Contract for any service not assigned to Metro, including capital repairs and replacement beyond normal maintenance of facilities and equipment
5. Test the facilities and equipment, conduct integrated testing, certify and commission systems
6. Select revenue passenger service date
7. Provide all special tools or test equipment needed by County to perform its duties under the Streetcar Agreement
8. Deliver equipment maintenance requirements and drawings to Metro
9. Obtain "Startup Quantity" of spare parts
10. Prepare Car and Station signage
11. Install Passenger Information System changeable signs
12. Marketing of the streetcar opening

King County

1. Develop Streetcar Service Plan, Operations Plan, System Safety Program Plan
2. Incorporate the Seattle Streetcar into Metro's System Security Plan
3. Comply with regulatory requirements
4. Hire and train staff
5. Develop and implement operating and maintenance procedures
6. Operate and maintain the streetcars
7. Consult with City regarding Revenue Passenger Service date
8. Assist with operational testing
9. Conduct emergency preparedness drills
10. Prepare train schedules, operator runs and car assignments
11. Prepare "Bus Bridge" plan
12. Provide Non-Revenue Vehicles
13. Arrange Lost and Found handling
14. Develop media relations procedures
15. Establish procedure to collect and report ridership, NTD, and performance data

Exhibit D

Seattle Streetcar Maintenance Responsibilities

City of Seattle

1. Utility Connections
2. Pavement
3. Traffic signals
4. Traffic signs
5. Streetcar signs
6. Pavement markings
7. Stations
8. Station landscaping
9. Lighting
10. Shelters and furnishings
11. Information posters
12. Poles – joint use
13. Track Drains – all except the portion between the rails
14. Driveway crossings – maintain pavement

King County

1. Wheel Truing
2. TWC on Cars
3. Radio
4. Maintenance Facility
5. Cranes
6. Shop Machines
7. Roll-up Doors
8. Phones and Networks
9. Track
10. Track Drains – between rails
11. Driveway crossings – maintain rails
12. Overhead centenary system
13. Trolley bus crossings
14. Poles – strain poles
15. Span wires
16. Substations
17. 750 VDC Vaults
18. Fencing

Exhibit E

Cost Methodology for payments by City to County

The City shall pay the County consistent with the following cost methodologies for costs incurred in streetcar activities:

Start-up Cost Methodology

Direct costs for staff dedicated to the Seattle Streetcar operation and maintenance activities, including salaries, benefits, overtime and a charge for workers compensation costs.

Direct and indirect costs for training and maintenance support from Metro's Power and Facilities Section for the OCS, substations, maintenance facility and trackway once turned over to the County for maintenance. Costs will include direct staff salaries and benefits, section administration, support vehicles and a charge for workers compensation costs.

Indirect and general administration costs including Transit Division and King County support services allocated based on methodology used for reporting to National Transit Database (NTD) and reflecting costs reported to NTD, and Light Rail Section administrative costs.

Direct materials and supplies, including parts, shop supplies and office equipment and supplies.

One time costs for incorporating Seattle Streetcar parts into the vehicle maintenance inventory system, adjustments to scheduling and customer information software systems, staff hiring and customer information signage.

Purchase of non-revenue vehicle(s) to support service operation.

O&M Cost Methodology

Direct costs for staff dedicated to the Seattle Streetcar operation and maintenance activities, including salaries, benefits, overtime and a charge for workers compensation costs.

Direct and indirect costs for maintenance support from Metro's Power and Facilities Section for the OCS, substations, maintenance facility and trackway. Costs will include direct staff salaries and benefits, section administration, support vehicles and a charge for workers compensation costs.

Indirect and general administration costs including Transit Division and King County support services allocated based on methodology used for reporting to National Transit Database (NTD) and reflecting costs reported to NTD, insurance premiums in proportion to the county's overall ridership, risk and claims costs associated with the streetcar as described in the terms of the agreement, and Light Rail Section administrative costs.

Direct materials and supplies, including parts, shop supplies and office equipment and supplies.

Other service provided by the County outside of the operating scope such as emergency operating and maintenance expenditures, bus bridges, body work, moving streetcars to other locations for major overhauls, etc. These and any other activities negotiated under separate agreements will be charged based on actual cost incurred.

2008 projected O&M costs are approximately \$2,000,000

Fare Calculation Methodology

Cash fares will be based on actual revenue collected through the on-board cash farebox.

Pass fare revenue will be established based on Metro's reimbursement from the regional fare account(s) based on ridership initially obtained via a passenger survey. When available, data from the regional fare coordination system (ORCA) will be used to determine the value of pass fare revenue.

When available for use, fares paid by electronic purse will be treated as if they were cash fares adjusted for any transfer activity.

If sufficient data is not collected electronically, fare revenue from transfers from other Metro services will be determined via a passenger survey conducted at least every 3 years.

Any special fare media used on the Seattle Streetcar will count as Seattle Streetcar revenue equal to the amount paid to Metro when the fare media was issued.

2008 projected fare revenue, based on current fares, is \$300,000.