

Amended and Restated Urban Partnership Agreement
by and between
U.S. Department of Transportation
and its
Seattle-Area Urban Partner

Executive Summary

This Amended and Restated Urban Partnership Agreement sets forth an agreement in principle between the U.S. Department of Transportation (the "Department") and the Department's Seattle-Area Urban Partner, comprised of the Washington State Department of Transportation ("WSDOT"), the Puget Sound Regional Council, and King County. Under this agreement, the Urban Partner agrees to (i) implement variable pricing on SR-520 between I-5 and I-405 and, to the extent necessary to maintain free flow traffic in the through-lanes, on all collectors and distributors for SR-520; (ii) use advanced technologies to employ "active traffic management" along SR-520 and the Lake Washington corridor; (iii) increase transit capacity along SR-520 by enhancing express bus service and constructing transit improvements, including bus facilities (stops/station/terminals) and expansions to existing park-n-ride lots; (iv) improve regional ferry boat service; (v) provide travelers with real-time multi-modal transportation information; and (vi) work to increase the use of telecommuting, flexible scheduling, and employer-based alternative commute programs within the region. In addition, the Urban Partner agrees that tolling, active traffic management and enhanced bus services on SR 520 will be in operation by no later than June 30, 2011. In exchange for these commitments, the Department intends to allocate \$154.5 million in Federal grant funding for projects (i) through (v) according to the terms of a grant agreement (or a series of grant agreements) to be negotiated by the Department and the Urban Partner. The Urban Partner will be responsible for funding the telecommuting, flexible scheduling, and employer-based alternative commute programs.

THIS AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING (this "MOU"), dated as of September 30, 2009, is made by and among the Secretary of Transportation (the "Secretary"), the Federal Highway Administration ("FHWA"), the Federal Transit Administration ("FTA"), the Research and Innovative Technology Administration ("RITA") (the Secretary, FHWA, FTA, RITA, collectively, the "Department"), and the undersigned State, county and/or municipal governmental entities, as the case may be (collectively, the "Urban Partner").

Agreement in Principle

1. Agreement in Principle. This MOU sets forth an agreement in principle among the undersigned concerning the terms and conditions of Federal assistance to be provided by the Department for the transportation projects described herein. This MOU represents solely the intent of the parties (including, without limitation, the intent of the Department to allocate funds as set forth in Section 4(a) below), and no party shall be legally bound hereby. Any agreement between the Department and the Urban Partner concerning funding of the transportation projects described herein shall be set forth in a grant agreement (or a series of grant agreements) (the "Grant Agreements") to be negotiated and executed by the parties to this MOU. The Department reserves the right, in its discretion, not to fund the transportation projects (or any part thereof) described in this MOU or otherwise set forth in the application filed by the Urban Partner to the Urban Partnership Program.

2. Background. Transportation system congestion is one of the greatest threats to our Nation's economic prosperity and way of life. Whether it takes the form of trucks stalled in traffic, cargo stuck at overwhelmed seaports, or airplanes stuck on the tarmac, congestion costs the Nation an estimated \$200 billion a year. The problem of traffic congestion in our major metropolitan areas in particular is severe and worsening. In 2003, traffic jams in the Nation's largest 85 urban areas cost Americans 3.7 billion hours and 2.3 billion

gallons of fuel. Congestion is also affecting the quality of life in America by robbing us of time that could be spent with families and friends and in participation in civic life.

The signatories to this MOU do not believe that gridlock is our inevitable fate. In May 2006, the Department announced a major initiative to reduce transportation system congestion. This plan, the *National Strategy to Reduce Congestion on America's Transportation Network* (the "Congestion Initiative"), provides a blueprint for Federal, State, and local officials to consider as they work together to reverse the alarming trends of congestion. One major component of the Congestion Initiative is the Urban Partnership Agreement (or "UPA"). As announced in the Department's solicitation for Urban Partners published in the Federal Register on December 8, 2006 (at 71 FR 71231 (2006)) (the "Federal Register Notice"), applicants designated by the Department as Urban Partners would adopt the "Four Ts:" tolling (congestion pricing), transit, telecommuting and technology – strategies believed to be effective on a combined basis in reducing traffic congestion. In return for such commitment, the Department, to the extent requested and appropriate, would support its Urban Partners' implementation of the Four Ts with financial resources, regulatory flexibility, and dedicated expertise and personnel.

3. Designation as Urban Partner. In accordance with the Federal Register Notice and for purposes of this MOU, the Department designates each of the following entities, collectively, as an "Urban Partner:"

- (a) Washington State Department of Transportation ("WSDOT");
- (b) Puget Sound Regional Council; and
- (c) King County, WA.

4. Grant Agreements. The Department and the Urban Partner agree to negotiate a grant agreement (or a series of grant agreements) that would reflect the following terms and conditions:

(a) **Federal Projects and Sources of Funding.** The Department shall provide funding for each of the following projects (the "Federal Projects") under the Federal programs and in the amounts provided below, in each case subject to the statutes, regulations and the implementing guidance of the Department governing such programs and subject to the Urban Partner's agreement to commence the Local Projects set forth in Section 4(b):

Project	Source of Funding	Amount of Funding
<i>Tolling (congestion pricing) projects</i>		
<ul style="list-style-type: none"> • Variable pricing on SR-520. The Urban Partner will implement variable pricing (based on the level of demand) on all through lanes of SR-520 between I-5 and I-405 and, to the extent necessary to maintain free flow traffic in the through-lanes, on all collectors and distributors for SR-520 between I-5 and I-405. The Urban Partner will provide discounted or free access for vehicles with 3+ occupants. 	<ul style="list-style-type: none"> • FHWA's Innovative Bridge Research and Deployment Program 	<ul style="list-style-type: none"> • \$5.1 million in contract authority funds made available for obligation for Fiscal Year 2007
	<ul style="list-style-type: none"> • FHWA's Transportation, Community, and System Preservation Program (TCSP) 	<ul style="list-style-type: none"> • \$24.0 million in contract authority funds made available for obligation for Fiscal Year 2007
	<ul style="list-style-type: none"> • FHWA's Value Pricing Pilot Program ("VPPP") 	<ul style="list-style-type: none"> • \$10.0 million in contract authority funding shall be made available for obligation from either Fiscal Year 2007, 2008, or 2009; such funding will be made available no later than Fiscal Year 2009, subject to availability for obligation

Project	Source of Funding	Amount of Funding
	<ul style="list-style-type: none"> RITA's Intelligent Transportation Systems Operational Testing to Mitigate Congestion ("ITS-OTMC") Program 	<ul style="list-style-type: none"> \$23.9 million in funds appropriated when needed and available, but in any event no later than the end of Fiscal Year 2009; funding subject to appropriation
Transit projects		
<ul style="list-style-type: none"> Enhanced bus service along SR-520. The Urban Partner will expand transit capacity along SR-520 by adding 90 one-way peak period trips on core and other supporting bus routes operated by King County Metro and Sound Transit. New transit improvements along SR-520 corridor. The Urban Partner will construct transit facilities to include stops/stations/terminals, expansion of existing park-n-ride lots, and the provision of real time information signs at transit stations to support the tolling of SR-520. 	<ul style="list-style-type: none"> FTA's Bus and Bus-Related Facilities Discretionary Grant Program ("Section 5309") 	<ul style="list-style-type: none"> \$41.0 million in funds appropriated for Fiscal Year 2006 or Fiscal Year 2007
<ul style="list-style-type: none"> Improvements to regional ferry service. The Urban Partner will carry out a number of projects to improve regional ferry boat service, as described in applications filed for funding under FHWA's Ferry Boat Discretionary Program and as set forth on <u>Appendix A</u> attached hereto. 	<ul style="list-style-type: none"> FHWA's Ferry Boat Discretionary Program 	<ul style="list-style-type: none"> \$27.4 million in contract authority funds made available for obligation for Fiscal Year 2007
Technology projects		
<ul style="list-style-type: none"> Real-time multi-modal traveler information. The Urban Partner will use intelligent transportation system ("ITS") technology to provide real-time traveler information (including current toll rates) for SR 520 and the Lake Washington corridor. Dynamic message signage prior to traveler decision points will provide opportunities for re-routing in order to access alternate travel routes (I-90, I-405, I-5). SR-520 active traffic management. The Urban Partner will implement technology to provide active traffic management of the Lake Washington Corridor (SR 520, I-90, I-5 and I-405). 	<ul style="list-style-type: none"> RITA's Intelligent Transportation Systems Operational Testing to Mitigate Congestion ("ITS-OTMC") Program 	<ul style="list-style-type: none"> \$23.1 million in funds appropriated when needed and available, but in any event no later than the end of Fiscal Year 2009; funding subject to appropriation

(b) **Local Projects to be Implemented by Urban Partner.** In connection with the implementation of the Federal Projects, the Urban Partners shall agree to commence the following projects (the "Local Projects"):

- (i) The Urban Partner will work with large employers within the corridor area, local Transportation Management Associations, downtown associations, State and local governments, and residential neighborhoods to increase the use of telecommuting, flexible scheduling, and employer-based alternative commute programs. Examples

of such employer-based programs will include closely-coordinated work schedule/telecommuting promotions, targeted marketing, parking cash-out promotions, and employer-based incentives for commuting by transit, vanpool, carpool, walking, or biking.

- (c) **Completion of Projects.** Unless otherwise agreed by the Department and the Urban Partner, tolling, active traffic management, and enhanced bus services on SR 520 will be in operation by no later than June 30th, 2011. For all other projects, see Appendix C attached. In the event that the action(s) funded in connection with the Urban Partnership Agreement experience delay due to circumstances beyond the control of the Urban Partner, the Department may either negotiate an extended completion date or terminate the action(s).
- (d) **Other Terms and Conditions.** Each of the Grant Agreements shall additionally provide that:
- (i) The Urban Partner shall be entitled to draw down the funds set forth on Appendix B attached hereto immediately upon their obligation by the Department, so long as such funds shall be used for the purposes specified therein. No other funds obligated by the Grant Agreements may be drawn down unless and until there shall be duly enacted by the State of Washington the legal authority necessary to implement variable tolling on the SR 520 Bridge, which legal authority shall be enacted during the 2009 session of the Washington State Legislature.
 - (ii) No funds obligated by the Grant Agreements shall be drawn down by the recipient unless and until each member of the Urban Partner with the authority to toll has agreed to exempt privately operated over-the-road buses from tolls to the same extent it exempts (or proposes to exempt) public transportation from tolls in connection with the Federal Projects;
 - (iii) The Department reserves the right to de-obligate funds obligated under any of the Grant Agreements (or to require the return of such funds) in the event a recipient breaches or otherwise fails to perform under any of the Grant Agreements;
 - (iv) The recipient shall not assess congestion charges against any vehicles owned or operated by any foreign government or international organization or its representatives, officers, or employees if notified by the U.S. Department of State that, pursuant to U.S. international legal obligations, the vehicles are exempt from such charges;
 - (v) The recipient makes customary representations to the Department that the Federal Projects comply (or will comply) with all applicable Federal, State and local laws;
 - (vi) The recipient agrees to provide to the Department (and its designees) access to the Federal Projects and all data collected by the recipient, subject to applicable State law concerning the disclosure of personal information, with respect to the Federal Projects for purposes of the Department's oversight of the Federal Projects; and
 - (vii) To the extent requested by the Department, the recipient agrees to designate an independent third party to perform all program evaluations required by law or as

reasonably directed by the Department in order to assist in the evaluation of the Federal Projects.

- (e) **Actions Prior to Execution of Grant Agreements.** Prior to the execution of the Grant Agreements, the Department shall have received the following, in addition to usual and customary deliverables:
- (i) A new or amended application to each of the following grant programs, as required by the Department: FHWA Ferry Boat Discretionary Grant Program; and
 - (ii) An opinion of counsel, satisfactory in form and substance to the Department, concerning the Federal Projects.

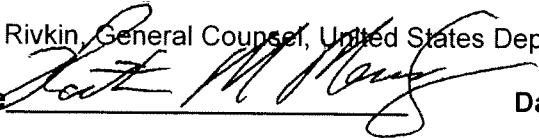
5. Non-Disclosure. Prior to the public announcement of the Urban Partner by the U.S. Secretary of Transportation, the undersigned agree not to disclose the contents hereof to any third party, except by written agreement of the Department or as required by law.

[Signatures appear on the following page.]

United States Department of Transportation

Signature _____ Date _____

Robert S. Rivkin, General Counsel, United States Department of Transportation

Signature  Date 9/30/09

Victor M. Mendez, Federal Highway Administrator

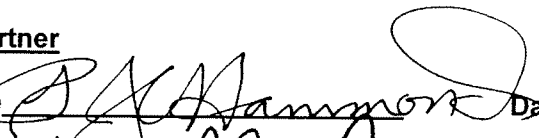
Signature _____ Date _____

Peter Rogoff, Federal Transit Administrator

Signature _____ Date _____

Peter H. Appel Research and Innovative Technology Administrator

Urban Partner

Signature  Date 9/21/09

Paula J. Hammond, Secretary, Washington State Department of Transportation

Signature  Date 9/23/09

Robert J. Drewel, Executive Director, Puget Sound Regional Council

Signature  Date 9/23/09

Kurt Triplett, County Executive, King County, WA

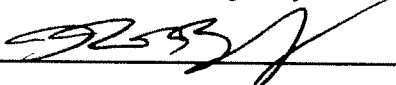
United States Department of Transportation

Signature _____ Date _____

Robert S. Rivkin, General Counsel, United States Department of Transportation

Signature _____ Date _____

Victor M. Mendez, Federal Highway Administrator

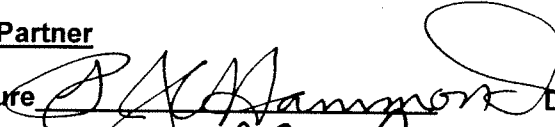
Signature  _____ Date 9/30/09

Peter Rogoff, Federal Transit Administrator

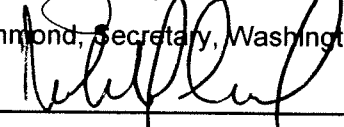
Signature _____ Date _____

Peter H. Appel Research and Innovative Technology Administrator

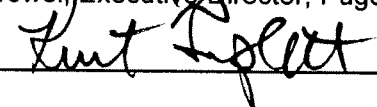
Urban Partner

Signature  _____ Date 9/21/09

Paula J. Hammond, Secretary, Washington State Department of Transportation

Signature  _____ Date 9/23/09

Robert J. Drewel, Executive Director, Puget Sound Regional Council

Signature  _____ Date 9/23/09

Kurt Triplett, County Executive, King County, WA

United States Department of Transportation

Signature _____ Date _____

Robert S. Rivkin, General Counsel, United States Department of Transportation

Signature _____ Date _____

Victor M. Mendez, Federal Highway Administrator

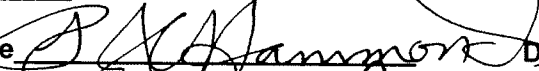
Signature _____ Date _____

Peter Rogoff, Federal Transit Administrator

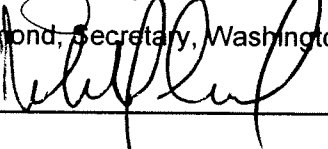
Signature  Date 9-29-09

Peter H. Appel Research and Innovative Technology Administrator

Urban Partner

Signature  Date 9/21/09

Paula J. Hammond, Secretary, Washington State Department of Transportation

Signature  Date 9/23/09

Robert J. Drewel, Executive Director, Puget Sound Regional Council

Signature  Date 9/23/09

Kurt Triplett, County Executive, King County, WA

Appendix A
List of Regional Ferry Service Improvements

1. System-Wide Vessel Preservation (WSDOT)
2. New Vessel Construction (WSDOT)
3. Mukilteo Multimodal Terminal (WSDOT)
4. Small Passenger Only Vessels (Kitsap Transit)
5. Vashon Island Passenger Replacement Ferry: Ferry Acquisition (King County)
6. Kingston Seattle Passenger Only Ferry (Port of Kingston)
7. Steilacoom Ferry Landing Loading/Unloading Slip (Pierce County)
8. Guemes Island Ferry Dock Repair (Skagit County)

An application for such uses of funds shall be duly filed with the Department, if not already filed as of the date of this MOU.

Appendix B
Funds Immediately Available Upon Obligation

- Of the \$27.4 million provided through FHWA's Ferry Boat Discretionary Program under paragraph 4(a) of the MOU, the amount of \$7.9 million (upon obligation thereof by the Department) shall be immediately available for draw down by WSDOT, and shall not be subject to the provisions of paragraph 4(c) or 4(d)(i) and (ii) of the MOU, provided such funds are used for projects specified in the UPA Agreement (and as set forth in an application by WSDOT to be filed with FHWA's Washington Division office or the FTA Regional office as appropriate); provided, further that WSDOT represents to FHWA or FTA in writing that WSDOT is ready to expend such funds on such projects.
- Of the \$10.0 million provided through FHWA's Value Pricing Pilot Program under paragraph 4(a) of the MOU, the amount of \$8.03 million (upon obligation thereof by the Department) shall be immediately available for draw down by WSDOT, and shall not be subject to the provisions of paragraph 4(c) or 4(d)(i) and (ii) of the MOU, provided such funds are used for critical tolling and "Active Traffic Management" design activities, as contemplated by the MOU; provided, further that WSDOT represents to FHWA or FTA in writing that WSDOT is ready to expend such funds for such purposes.
- Of the \$41.0 million provided through FTA's Bus and Bus-Related Facilities Discretionary Grant Program under paragraph 4(a) of the MOU, the amount of \$2,163,750 (upon obligation thereof by the Department) shall be immediately available for draw down by King County, State of Washington ("King County"), and shall not be subject to the provisions of paragraph 4(c) or 4(d)(i) and (ii) of the MOU, provided such funds are used for the design and/or construction of the Redmond, Washington, Park and Ride project; provided further that King County represents to FTA in writing that King County is ready to expend such funds for such purposes.

Appendix C
Schedule by Project

Projects	Operational Date (No Later Than)
Variable Pricing on SR 520	June 30 2011
Enhanced Bus Service on SR 520	June 30 2011
New transit improvements along SR-520 corridor	June 30 2011
Redmond P&R Lot	June 30 th , 2009
Kirkland P&R Lot	October 15 th , 2014
Real Time Information Signs & Passenger Facilities	June 30 2011
Improvements to Regional Ferry Service	
System-Wide Vessel Preservation (WSDOT)	July 31 st , 2010
New Vessel Construction (WSDOT)	July 31 st , 2010
Mukilteo Multimodal Terminal (WSDOT)	July 31 st , 2009
Small Passenger Only Vessels (Kitsap Transit)	June 30 th , 2010
Vashon Island Passenger Replacement Ferry: Ferry Acquisition (King County)	January 31 st , 2012
Kingston Seattle Passenger Only Ferry (Port of Kingston)	September 30 th , 2010
Steilacoom Ferry Landing Loading/Unloading Slip (Pierce County)	December 31 st , 2015
Guemes Island Ferry Dock Repair (Skagit County)	December 31 st , 2010
Real-time multi-modal traveler information	June 30 2011
SR-520 active traffic management	
SR 520	June 30 2011
I-90	June 30 2011