

Ordinance No. 121565

Council Bill No. 114981

AN ORDINANCE relating to proposed streetcar lines in Seattle, stating the conditions under which the Seattle City Council will consider approving construction of a streetcar line in South Lake Union; and releasing certain funds to the Seattle Department of Transportation to proceed with preliminary plan development, compliance with SEPA procedures, design, and engineering for a potential South Lake Union Streetcar project and to undertake a preliminary review of a potential extension of the proposed South Lake Union alignment to the University District and a potential extension of the Waterfront Streetcar to South Jackson Street Corridor.

CF No. _____

Date Introduced:	AUG 2 - 2004		
Date 1st Referred:	AUG 2 - 2004	To: (committee)	TRANSPORTATION
Date Re - Referred:		To: (committee)	
Date Re - Referred:		To: (committee)	
Date of Final Passage:	8/16/04	Full Council Vote:	7-0
Date Presented to Mayor:	8/16/04	Date Approved:	8/24/04
Date Returned to City Clerk:	8/25/04	Date Published:	6 p.p.
Date Vetoes by Mayor:		Date Veto Published:	
Date Passed over Veto:		Veto Sustained:	

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The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: *Int*

CONLIN



Committee Action

8/10/04 passed as amended
Conlin, Rasmussen, G...
Licata, Della, D...

8-16-04 Passed 7-0 (Excused: Com...

8/10/04 - 60 p.p.

This file is complete and ready for presentation to Full Council. C

Law Dept. Review

OMP
Review

City Clerk
Review

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The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by:

CONLIN

Co-sponsor

Councilmember

John F. Gordon
Jean Gordon

(CNS)

Committee Action:

8/10/04 passed as amended 6-0 yes
Conlin, Rasmussen, Gordon,
Licata, Della, Drago

8-16-04 Passed 7-0 (Excused: Compton, Steinbrunn)

8/10/04 - 6-0 yes

This file is complete and ready for presentation to Full Council.

Committee:

RC 8/10/04
(Initial/Date)

PORTATION

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F.T. ☐

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ORDINANCE 121565

AN ORDINANCE relating to proposed streetcar lines in Seattle; stating the conditions under which the Seattle City Council will consider approving construction of a streetcar line in South Lake Union; and releasing certain funds to the Seattle Department of Transportation to proceed with preliminary plan development, compliance with SEPA procedures, design, and engineering for a potential South Lake Union Streetcar project and to undertake a preliminary review of a potential extension of the proposed South Lake Union alignment to the University District and a potential extension of the Waterfront Streetcar along the South Jackson Street Corridor.

WHEREAS, in Resolution 30610, the Seattle City Council affirmed its commitment to support the redevelopment of the South Lake Union area as the region's most competitive location for biotech and high-tech research and manufacturing; and

WHEREAS, the Seattle City Council has taken numerous actions in support of the redevelopment of South Lake Union for this purpose, including selling City property in South Lake Union to enable its redevelopment, approving zoning adjustments that support biotech, allowing certain modifications to building height restrictions, adding South Lake Union to the City's multi-family tax exemption program, contributing to the development of 226 low-income housing units, and contributing funds towards the development and improvement of South Lake Union Park and Cascade Playground; and

WHEREAS, the Seattle City Council will be considering additional measures that would further promote economic development in South Lake Union, such as adjusting zoning in certain areas to enable multi-family residential development, making improvements to the pedestrian environment, and designating South Lake Union as an Urban Center, which could make it eligible for certain grants and other priority funding; and

WHEREAS, the City Council appreciates the efforts and enthusiasm by certain parties to build a streetcar in South Lake Union as a possible way to accelerate development to the area and provide additional public transportation alternatives; and

WHEREAS, the City of Seattle has made budget reductions of approximately one hundred million dollars in the last three years and continues to face challenges in maintaining city services; and

WHEREAS, the City's transportation infrastructure requires more than five hundred million dollars worth of investment to maintain street surfaces and bridges; and

WHEREAS, while the Seattle City Council believes that a South Lake Union streetcar could provide an additional attraction to development in South Lake Union, the Council is concerned about using scarce City resources for the streetcar capital costs and future operating and maintenance given the longstanding needs in other neighborhoods and the challenges of maintaining adequate funding levels for city services and transportation infrastructure maintenance; and

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1 WHEREAS, while a streetcar may have the potential to help organize and accelerate development in South
2 Lake Union, development in South Lake Union is proceeding at a rapid pace and it is not likely
dependent on the installation of a streetcar line; and

3 WHEREAS, the City of Seattle is willing to pay a special assessment not exceeding any special benefit
4 accruing to its property within a Local Improvement District (LID) for a South Lake Union streetcar
5 if a Special Benefits Study is conducted and if sufficient property owners within the proposed Local
Improvement District boundaries, including the City of Seattle, support formation of a Local
Improvement District for the purposes of constructing a South Lake Union Streetcar; and

6 WHEREAS, the City has secured and continues to pursue public grants to help pay for the construction of
7 the South Lake Union Streetcar; and

8 WHEREAS, the Executive is encouraged to review how other cities pay for the operation and maintenance
9 costs associated with streetcars, such as in Tampa, Florida, which created an assessment district and
endowment fund to pay for its streetcar's operations and maintenance costs.

10 WHEREAS, the Seattle City Council encourages interested parties to continue working on identifying non-
City funds to build and operate the streetcar; and

11 WHEREAS, the City Council affirms its support for the extension of the existing Waterfront streetcar
12 through the Chinatown/International District along the South Jackson Street corridor to 12th
13 Avenue South initially and then to 23rd Avenue South, and requests the Executive join the
Council in recommending the consideration and study of this route as part of Sound Transit
Phase II and in setting this as the next priority for securing transit-related grants; and

14 WHEREAS, the City Council encourages the Executive to develop plans for a more extensive and
15 linked streetcar network, to include: the South Lake Union streetcar with possible extensions to
16 the University District; the Waterfront streetcar with possible extensions to the south and east on
17 Jackson to the Central District as noted in Section 1F of the June 30th *Seattle Streetcar Network
and Feasibility Analysis*, possible relocation or extension on Western Avenue with connections
to the Seattle Center and South Lake Union, and possible extensions to the north, including
Fremont and Ballard; and a single maintenance base to maximize efficiency and reduce costs;
18 NOW THEREFORE,

19 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

20 Section 1. The Seattle City Council will consider approving a streetcar project for South Lake
21 Union and releasing additional funds, beyond those authorized in this ordinance, to proceed with further
22 planning, compliance with SEPA procedures, design, engineering and construction of a South Lake Union
23 Streetcar, only if all the following conditions are satisfied:
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1 A. Except as otherwise provided in this ordinance, the City of Seattle will not financially
2 contribute to or be responsible for any costs associated with the administration of the construction,
3 administration of a Local Improvement District (LID), design, engineering, construction or any other
4 capital costs, including any project cost overruns and financing costs, associated with the South Lake
5 Union streetcar, except for any special assessment the City may be responsible for as a property owner
6 within a streetcar LID. In order to demonstrate compliance with this condition, the Executive must
7 present a funding plan that addresses how the capital costs of the South Lake Union Streetcar will be
8 paid for and how any potential cost overruns will be addressed.

9 B. All necessary grants and other funds required for the construction and any other capital costs
10 of a South Lake Union streetcar are certain and have been identified.

11 C. Streetcar operations and maintenance will be funded without using existing City General
12 Fund dollars, and any future general fund revenues except as noted in this subsection. To demonstrate
13 compliance with this condition, the Executive will present a long-range, sustainable business plan that
14 covers all operation and maintenance costs associated with the South Lake Union Streetcar and that
15 relies on a realistic fare box recovery strategy and ridership estimates. The business plan shall
16 acknowledge and adhere to the funding restrictions outlined in this ordinance. This subsection C does
17 not preclude the Executive from presenting a business plan that proposes to use developer fees or other
18 new revenue sources that are specifically devised to pay for the costs of the proposed South Lake Union
19 streetcar, as long as the use of those revenue sources are consistent with City policy approved by the
20 Council.

21 D. No funds resulting from the sale of surplus City property in South Lake Union may be used
22 to support the operations and maintenance of the proposed South Lake Union Streetcar. No funds
23 resulting from the sale of surplus property in South Lake Union may be used to support construction of
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1 the proposed South Lake Union Streetcar, except as the City Council may authorize in accordance with
2 Resolution 30334.

3 E. The City Council will not preclude consideration of the use of new, incremental Metro bus
4 hours that the City of Seattle may be entitled to, so long as it is demonstrated that the use of those hours
5 for the SLU Streetcar represent a responsible, effective, and efficient allocation of the City's share of
6 Metro bus service hours.

7 F. An existing transit agency is willing, able, and legally committed to operating and
8 maintaining the South Lake Union streetcar.

9 G. A Special Benefits Study, per the ordinance introduced as C.B. 114982, has been completed
10 so that the City Council can determine the appropriate level and allocation of assessments for a potential
11 streetcar LID.

12 H. Given that the LID is a critical piece of funding for the streetcar, the City Council has held a
13 preliminary LID formation hearing to determine property owner support for a streetcar LID.

14 I. The City Council has reviewed the results of the preliminary design and engineering allowed
15 for under this ordinance, after the Seattle Design Commission and Seattle Planning Commission have
16 had the opportunity to review and comment on the preliminary design plans.

17 Section 2. The restrictions imposed by the following budget provisos are removed to the extent
18 of the modifications shown:

Department	Greensheet	Proviso	BCL/Project Code
Seattle Department of Transportation	#96-3-B-3	None of the \$6,000,000 available for the South Lake Union Streetcar Project (#TC366260) in 2004 can be spent until authorized by a future ordinance, except that <u>SDOT may</u> <u>spend up to ((\$295,000)) \$2,687,000</u> <u>((can-be-spent))</u> to pay for certain activities as specified if the funds are	Policy, Planning, and Major Project Development (18310) Project TC366260



		from a federal or state grant source and the expenditures are eligible for reimbursement from that source even if the streetcar line is not built. Of the \$2,687,000, \$295,000 has already been approved for work associated with a Council Statement of Legislative Intent and the additional \$2,392,000 may be spent only for the purposes set out in Attachment A.	
Seattle Department of Transportation	#96-3-B-3	((None of the \$295,000 available for the South Lake Union Streetcar Project (TC366260) in 2004 can be spent on preliminary design and engineering.))	Policy, Planning, and Major Project Development (18310) Project TC366260

Section 3. This ordinance does not constitute final approval by the Seattle City Council to proceed with the South Lake Union Streetcar. The Seattle City Council will consider approving a streetcar project for South Lake Union and the release of additional funds, beyond those authorized in this ordinance, once the preceding conditions have been met.

Section 4. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the 16th day of August, 2004, and signed by me in open session in authentication of its passage this 16th day of August, 2004.

Approved by me this 24th day of August, 2004.

Kandrago
President of the City Council

Gregory J. Nickels
Gregory J. Nickels, Mayor

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Filed by me this 25th day of August, 2004.

City Clerk

Justin E. Pippin

(Seal)

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FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Legislative	Christa Valles/684-5336	

Legislation Title:

AN ORDINANCE relating to proposed streetcar lines in Seattle; stating the conditions under which the Seattle City Council will consider approving construction of a streetcar line in South Lake Union; and releasing certain funds to the Seattle Department of Transportation to proceed with preliminary plan development, compliance with SEPA procedures, design, and engineering for a potential South Lake Union Streetcar project and to undertake a preliminary review of a potential extension of the proposed South Lake Union alignment to the University District and a potential extension of the Waterfront Streetcar along the South Jackson Street Corridor.

Summary of the Legislation:

This legislation releases \$2,392,000 to the Seattle Department of Transportation (SDOT) to undertake activities related to preliminary design and engineering for a potential streetcar in South Lake Union (SLU) and to investigate the feasibility of extending the proposed SLU streetcar route to the University District and the feasibility of extending the existing waterfront streetcar along the South Jackson Street corridor. Of the \$2,392,000 appropriated, \$2,032,000 is appropriated for activities related to the SLU streetcar, \$195,000 is appropriated for activities related to the University District, and \$160,000 is appropriated for activities related to the Waterfront streetcar extension (see Attachment A for more detail).

The legislation also outlines the conditions under which Council will approve moving forward on the SLU streetcar, beyond the preliminary design and engineering allowed under this ordinance. These conditions are:

- The Executive must develop and submit a business plan that details how the O&M costs associated with the SLU streetcar will be funded. The business plan should not rely on existing or future City General Fund to pay for the streetcar's O&M but the legislation does allow for the potential development of new revenue sources to help pay for the O&M.
- The Executive must demonstrate that all necessary grants and other funding required for construction are certain and have been identified.
- None of the proceeds from land sales in South Lake Union can be used to fund the O&M costs of the streetcar.
- The City Council will not preclude consideration of the use of new, incremental Metro bus hours that the City of Seattle may be entitled to, so long as it is demonstrated that the use of those hours for the SLU Streetcar represent a responsible, effective, and efficient allocation of the City's share of Metro bus service hours. An existing transit agency must be willing, able, and legally committed to operating the streetcar.



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- A special benefit study has been conducted per C.B. 114981 that authorizes Council to retain an appraiser.
- City Council must hold preliminary LID formation hearing to determine property owner support for SLU streetcar.
- City Council reviews preliminary design and engineering allowed for under this ordinance.

Background:

During last year's budget deliberations, the Seattle City Council restricted the Executive's use of \$6 million in grant funds obtained by the Seattle Department of Transportation (SDOT) for a potential South Lake Union (SLU) streetcar line. The Council raised several questions that needed answered before it could consider proceeding with the proposed project (see Attachment A). The budget proviso restricted SDOT to \$295,000 in expenditures, which SDOT could use to hire a consultant to help respond to Councilmember questions. Based on the responses provided by the Executive, Council expected to make a "threshold" decision about whether the City should proceed with the proposed streetcar project in SLU.

On July 13, 2004, the Executive presented a report prepared by Parsons Brinckerhoff ("Parsons report") that responds to some of the City Council's questions regarding the proposed SLU streetcar project. While the Parsons report provides some useful information, several key questions remain outstanding. These are:

1. How will the full construction of the streetcar be financed?
2. Who will pay for the operations and maintenance costs of the SLU streetcar?
3. Who will operate and maintain the streetcar?

What follows are some outstanding issues associated with SLU streetcar costs and funding:

Constructions cost estimates are not firm. The Parsons report provides "Order of Magnitude" cost estimates (essentially, a "best guess") that are still considered preliminary and are based on Portland's construction costs (it is not clear if Portland's costs reflect the recent substantial increases in steel and concrete). Until SDOT conducts some amount of preliminary design and engineering, it will not be able to firm up project costs.

Construction costs do not appear to include all associated project costs. There are no line items for interim financing costs, bond underwriting costs, a LID guarantee fund (City must guarantee payment of outstanding assessments), and LID administration costs (typically 10-15% of LID).

The estimated costs for a streetcar maintenance base do not include the cost of land. SDOT is proposing to lease land for a maintenance base. Leasing costs are not addressed in the O&M projections provided in the Parsons report. However, SDOT believes it may be possible to construct a maintenance base on city-owned property, in which case, leasing costs would not be a factor. SDOT should attempt to determine potential locations earlier rather than later so that this potential cost can be taken into account if necessary.

It is uncertain how the projected gap in construction cost funding will be addressed. The gap is \$2.5 million if project cost estimates are correct and \$9 million in pending grant applications are approved.

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It is uncertain who will be responsible for potential project cost overruns. If preliminary engineering and design indicates a SLU streetcar project would cost more than is currently estimated or unexpected costs arise once construction commences that exceed the budgeted contingency, it is not clear who would be responsible for covering these additional costs should they arise.

It is uncertain how the operation and maintenance costs will be addressed. Metro and Sound Transit have indicated an interest in operating a SLU streetcar, but it is unlikely that these agencies will pay for the operation of the streetcar out of their existing budgets. Metro will likely require its operation costs related to the proposed SLU streetcar to be funded through Seattle's share of any new transit hours that might be available during the next 6-year planning cycle. (The current planning cycle runs through 2007 and Metro has already allocated Seattle's share of new transit hours --20,000 hours-- for this period).

Even assuming that a SLU streetcar can recover 35% of its O&M costs through fare box and advertising revenues (Portland only recovered 9% of its O&M costs through fare and advertising revenues in 2002-2003) and that \$1.4 million in projected O&M costs is accurate, a \$910,000 gap in operating costs would remain. This is equivalent to 9,300 Metro bus hours (budgeted at \$98 per hour), or almost half of the additional bus service hours that Seattle received during Metro's 2002-2007 planning cycle.

Farebox revenue projections may be overly optimistic. The Parsons report estimates between \$330,000 and \$380,000 in potential farebox revenues in the initial years of operation. This estimate appears to "double count" riders who will have previously used the bus. It is also not clear whether a fare for the streetcar would impact projected ridership or if the fare would be integrated with Metro's fare system. In terms of fare collection, there could be costs associated with enforcement. Portland employs an honor system after determining that the costs associated with fare boxes and enforcement personnel were not worthwhile.

This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

☒ **This legislation has financial implications.** (Please complete all relevant sections that follow.)

Appropriations:

SDOT has obtained approximately \$8.5 million in state and federal grants that can be used for the planning and construction of the SLU streetcar. The City Council appropriated \$6 million in grants for 2004 but a budget proviso restricted the use of these grants until SDOT returned with more information about the proposed streetcar project. This legislation would release \$2,392,000 in grant monies for the purposes outlined in Attachment A.

Spending/Cash Flow: It is not clear how quickly SDOT will spend the funds released by the City Council but it is likely that some of the released funds will not be expended until 2005.

What is the financial cost of not implementing the legislation?

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There would not be a financial cost to the City, per se, but it is possible that the grant monies may need to be returned at some point if they are not expended, though the Executive has not indicated that there is a deadline for spending the grants.

What are the possible alternatives to the legislation that could achieve the same or similar objectives? Transportation needs in SLU could be met with increased bus service to SLU. In fact, a streetcar in SLU is not likely to obviate the need for improved bus service in SLU in the future. Another alternative to a streetcar is a trolley bus, though critics of this option argue that it does not have the same sense of permanence as fixed rails. Given that the funding for the capital and O&M costs for the proposed SLU streetcar remain uncertain, another option is to require more information and certainty about how these costs would be funded before proceeding with preliminary design and engineering.

Is the legislation subject to public hearing requirements: No

Other Issues (including long-term implications of the legislation):

Capital Costs and Funding for the Proposed SLU Streetcar

In addition to releasing grant funds obtained for the planning and construction of a possible SLU streetcar, this legislation outlines the conditions under which Council would consider approving the construction of a SLU streetcar.

The Executive estimates that the SLU streetcar will cost \$45 million to construct, but this is only a planning estimate and the actual costs could be greater depending on what is found during the preliminary design and engineering. This estimate does not include the cost of purchasing land for a maintenance base.

The Executive has obtained \$8.5 million in state and federal grants and has submitted additional grant applications that total \$9 million. If the planning estimates for the SLU streetcar remain at \$45 million and the City receives \$9 million in requested grants, the funding gap for construction is \$2.5 million.

This legislation says that the City will contribute to the construction costs of the SLU streetcar to the extent that it is assessed as a property owner within a potential Local Improvement District (LID) for a SLU streetcar. Under the Executive's proposed assessment methodology for a LID, property owners within the proposed LID boundaries would be charged based on the square feet of their property and proximity to the streetcar. The Executive is proposing to cap the LID at \$25 million. Under this proposal, the City's share of the LID would be \$2.5 million.

However, this legislation requires that a market based appraisal method for a LID be conducted, referred to as a Special Benefit Study. This is a market-based analysis of each parcel within the potential LID boundaries to determine the special benefits that would accrue to property owners. Under this appraisal method, the City's share of the LID could vary from the amount that would be levied under the Executive's proposal. The amount by which it would vary would depend on the outcome of a market analysis of the City's property.

Operations and Maintenance Costs and Funding for the Proposed SLU Streetcar

The Executive has estimated that it will cost ~\$1.4 million to operate two streetcars at 15 minute headways and \$2.1 million to operate three streetcars at 10 minute headways. The Executive has

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not proposed how these O&M costs will be covered. These O&M costs do not includes costs associated with enforcement of fares, should fares be charged, and the costs associated with leasing land for a maintenance base.

This legislation requires the Executive to develop and submit a business plan that proposes how the O&M costs of the proposed SLU streetcar will be funded. The legislation also states that General Fund revenues cannot be used to pay for the streetcar's O&M costs. However, this does not prohibit the development of new revenue sources that could be used to pay for O&M associated with the streetcar.

This legislation allows for the operation and maintenance costs of the SLU streetcar to be potentially funded using future Metro bus service hours that the City of Seattle may be entitled to, so long as it is demonstrated that the use of those hours for the SLU Streetcar represent a responsible, effective, and efficient allocation of the City's share of Metro bus service

This legislation does not allow for the use of proceeds from property sales in South Lake Union for O&M costs associated with the streetcar but Council has allowed for the possibility of using these funds for the construction.

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Operations and Maintenance Costs and Funding for the Proposed SLU Streetcar

The Executive has estimated that it will cost ~\$1.4 million to operate two streetcars at 15 minute headways and \$2.1 million to operate three streetcars at 10 minute headways. The Executive has not proposed how these operation and maintenance costs will be covered.

This legislation requires the Executive to develop and submit a business plan that proposes how the O&M costs of the proposed SLU streetcar will be funded. The legislation also states that General Fund revenues cannot be used to pay for the streetcar's O&M costs. However, this does not prohibit the use of creative financing mechanisms that could be developed to pay for the streetcar.

This legislation allows for the operation and maintenance costs of the SLU streetcar to be potentially funded using Metro bus service hours that the City of Seattle may be entitled to. It would be necessary, however, to demonstrate that streetcar service would allow for the elimination of an existing bus route serving SLU or that additional bus service would be needed and provided if the SLU streetcar were not in operation.

This legislation does not allow for the use of proceeds from property sales in South Lake Union for either the capital or O&M costs of the streetcar.

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Attachment A: Permitted Use of Funds

\$1.8 million dollars can be used only to conduct up to 30% preliminary design and engineering for a South Lake Union streetcar. Tasks to be addressed include:

- Determination of final track alignment, including termini configuration, crossover locations and station/platform locations.
- Determination of utility impacts, utility company coordination, resolution of major conflicts and initial utility relocation details performed by this project.
- Identification of stormwater requirements, coordination with adjacent stormwater management issues and preliminary design of detention or treatment facilities.
- Completion of all survey and base mapping requirements.
- Associated street reconstruction requirements including impacts to adjacent properties, relocation of loading zones, curb cuts, etc.
- Traffic engineering including modifications to signals, channelization, parking area impacts, etc.
- Geotechnical investigations and recommendations.
- Urban design and streetscape concept development and coordination with adjacent developments
- Location, programming and configuration of Maintenance Facility.
- Development of track design details.
- Systems design (traction power, etc.)
- Identification of Right-of-Way needs, if any.

Environmental Review and Permitting

Critical permits will be identified, coordination with the appropriate agencies will begin, and development of information required for obtaining these permits will commence.

Streetcar Vehicles

Criteria for streetcar vehicles will be developed. If appropriate, purchase of vehicles through Portland Streetcar Inc. options with Skoda will be evaluated. Other potential suppliers will be identified and their availability and competitiveness will be assessed.

Operations and Maintenance

A preliminary operations plan will be developed to include hours of operations, fare collection procedures coordination with traffic operations and signal requirements. A maintenance plan for the system, including vehicles will also be developed.

Contracting Strategies

Evaluate the use of traditional and alternative contracting strategies.

\$160,000 can be spent only for additional technical work related to an extension of the potential South Lake Union streetcar line from South Lake Union to the University of Washington/University District. \$35,000 can be used only to assess the viability of a LID for the extension of the potential SLU streetcar from South Lake Union to the University District.

Tasks to be addressed include the following:

1. Develop additional alignment, operational, technical and environmental information and begin work with community stakeholders.
2. Retain a professional appraiser to review the potential for an LID. The expenditures for an appraiser shall only be used to evaluate whether the total special benefits conferred on property owners could support a potential Local Improvement District. The appraiser should not attempt to



identify preliminary individual assessments for property owners nor should the Executive negotiate potential assessment methods or amounts with property owners as this is a decision made by the Council. The Executive should assume a Special Benefit Study would be required as part of any decision to form a LID.

\$145,000 can be spent only to pay for additional technical work related to an extension of the Waterfront Streetcar to the South Jackson Street Corridor. \$20,000 can be spent only to assess the viability of a LID for the extension of the waterfront streetcar to the South Jackson Corridor. Tasks to be addressed include the following:

1. Develop additional alignment, operational, technical and environmental information and begin work with community stakeholders.
2. Retain a professional appraiser to review the potential for an LID. The expenditures for an appraiser shall only be used to evaluate whether the total special benefits conferred on property owners could support a potential Local Improvement District. The appraiser should not attempt to identify preliminary individual assessments for property owners nor should the Executive negotiate potential assessment methods or amounts with property owners as this is a decision made by the City Council. The Executive should assume a Special Benefit Study would be required as part of any decision to form a LID.

\$232,000 can be spent only to pay for city staff costs and direct costs (i.e. printing and mailing) associated with the above tasks

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AN ORDINANCE relating to proposed streetcar lines in Seattle; stating the conditions under which the Seattle City Council will consider approving construction of a streetcar line in South Lake Union; and releasing certain funds to the Seattle Department of Transportation to proceed with preliminary plan development, compliance with SEPA procedures, design, and engineering for a potential South Lake Union Streetcar project and to undertake a preliminary review of a potential extension of the proposed South Lake Union alignment to the University District and a potential extension of the Waterfront Streetcar along the South Jackson Street Corridor.

WHEREAS, in Resolution 30610, the Seattle City Council affirmed its commitment to support the redevelopment of the South Lake Union area as the region's most competitive location for biotech and high-tech research and manufacturing; and

WHEREAS, the Seattle City Council has taken numerous actions in support of the redevelopment of South Lake Union for this purpose, including selling City property in South Lake Union to enable its redevelopment, approving zoning adjustments that support biotech, allowing certain modifications to building height restrictions, adding South Lake Union to the City's multi-family tax exemption program, contributing to the development of 226 low-income housing units, and contributing funds towards the development and improvement of South Lake Union Park and Cascade Playground; and

WHEREAS, the Seattle City Council will be considering additional measures that would further promote economic development in South Lake Union, such as adjusting zoning in certain areas to enable multi-family residential development, making improvements to the pedestrian environment, and designating South Lake Union as an Urban Center, which could make it eligible for certain grants and other priority funding; and

WHEREAS, the City Council appreciates the efforts and enthusiasm by certain parties to build a streetcar in South Lake Union as a possible way to accelerate development to the area and provide additional public transportation alternatives; and

WHEREAS, the City of Seattle has made budget reductions of approximately one hundred million dollars in the last three years and continues to face challenges in maintaining city services; and

WHEREAS, the City's transportation infrastructure requires more than five hundred million dollars worth of investment to maintain street surfaces and bridges; and

WHEREAS, while the Seattle City Council believes that a South Lake Union streetcar could provide an additional attraction to development in South Lake Union, the Council is concerned about using scarce City resources for the streetcar capital costs and future operating and maintenance given the longstanding needs in other neighborhoods and the challenges of maintaining adequate funding levels for city services and transportation infrastructure maintenance; and

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1 WHEREAS, while a streetcar may have the potential to help organize and accelerate development in South
2 Lake Union, development in South Lake Union is proceeding at a rapid pace and it is not likely
dependent on the installation of a streetcar line; and

3 WHEREAS, the City of Seattle is willing to pay a special assessment not exceeding any special benefit
4 accruing to its property within a Local Improvement District (LID) for a South Lake Union streetcar
5 if a Special Benefits Study is conducted and if sufficient property owners within the proposed Local
Improvement District boundaries, including the City of Seattle, support formation of a Local
Improvement District for the purposes of constructing a South Lake Union Streetcar; and

6 WHEREAS, the City has secured and continues to pursue public grants to help pay for the construction of
7 the South Lake Union Streetcar; and

8 WHEREAS, the Executive is encouraged to review how other cities pay for the operation and maintenance
9 costs associated with streetcars, such as in Tampa, Florida, which created an assessment district and
10 endowment fund to pay for its streetcar's operations and maintenance costs.

11 WHEREAS, the Seattle City Council encourages interested parties to continue working on identifying non-
12 City funds to build and operate the streetcar; and

13 WHEREAS, the City Council affirms its support for the extension of the existing Waterfront streetcar
14 through the Chinatown/International District along the South Jackson Street corridor to 12th
15 Avenue South initially and then to 23rd Avenue South, and requests the Executive join the
16 Council in recommending the consideration and study of this route as part of Sound Transit
17 Phase II and in setting this as the next priority for securing transit-related grants; and

18 WHEREAS, the City Council encourages the Executive to develop plans for a more extensive and
19 linked streetcar network, to include: the South Lake Union streetcar with possible extensions to
20 the University District; the Waterfront streetcar with possible extensions to the south and east as
21 noted in Section 1F of the June 30th *Seattle Streetcar Network and Feasibility Analysis*; possible
22 relocation or extension on Western Avenue with connections to the Seattle Center and South
23 Lake Union, and possible extensions to the north, including Fremont and Ballard; and a single
24 maintenance base to maximize efficiency and reduce costs; NOW THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Seattle City Council will consider approving a streetcar project for South Lake
Union and releasing additional funds, beyond those authorized in this ordinance, to proceed with further
planning, compliance with SEPA procedures, design, engineering and construction of a South Lake Union
Streetcar, only if all the following conditions are satisfied:

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1 A. The City of Seattle will not financially contribute to or be responsible for any costs
2 associated with the administration of the construction, administration of a Local Improvement District
3 (LID), design, engineering, construction or any other capital costs, including any project cost overruns
4 and financing costs, associated with the South Lake Union streetcar, except for any special assessment
5 the City may be responsible for as a property owner within a streetcar LID. In order to demonstrate
6 compliance with this condition, the Executive must present a funding plan that addresses how the capital
7 costs of the South Lake Union Streetcar will be paid for and how any potential cost overruns will be
8 addressed.

9 B. All necessary grants and other funds required for the construction and any other capital costs
10 of a South Lake Union streetcar are certain and have been secured.

11 C. No City General Fund dollars will be used to subsidize streetcar operations and maintenance,
12 including any future revenues that may accrue to the General Fund. In order to demonstrate compliance
13 with this condition, the Executive must present a long-range, sustainable business plan that addresses
14 how all of the projected and actual operation and maintenance costs associated with the South Lake
15 Union Streetcar will be funded and that relies on a realistic fare box recovery strategy and ridership
16 estimates. The business plan shall acknowledge and adhere to the funding restrictions outlined in this
17 ordinance.

18 D. No funds resulting from the sale of surplus City property in South Lake Union may be used
19 to support the construction or operations and maintenance of the proposed South Lake Union Streetcar.

20 E. Funding of operations and maintenance costs will not require the use of any existing or future
21 Metro service hours that the City of Seattle is or may be entitled to unless it is demonstrated to the City
22 Council that the streetcar service allows for the elimination of an existing bus line serving South Lake
23 Union or that additional bus service would be needed and provided if the streetcar were not in operation.

24

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F. An existing transit agency is willing, able, and legally committed to operating and maintaining the South Lake Union streetcar.

G. A Special Benefits Study, per the ordinance introduced as C.B. 114982, has been completed so that the City Council can determine the appropriate level and allocation of assessments for a potential streetcar LID.

H. Given that the LID is a critical piece of funding for the streetcar, the City Council has held a preliminary LID formation hearing to determine property owner support for a streetcar LID.

I. The City Council has reviewed the results of the preliminary design and engineering allowed for under this ordinance, after the Seattle Design Commission and Seattle Planning Commission have had the opportunity to review and comment on the preliminary design plans.

Section 2. The restrictions imposed by the following budget provisos are removed to the extent of the modifications shown:

Department	Greensheet	Proviso	BCL/Project Code
Seattle Department of Transportation	#96-3-B-3	None of the \$6,000,000 available for the South Lake Union Streetcar Project (#TC366260) in 2004 can be spent until authorized by a future ordinance, except that SDOT may spend up to (((\$295,000)) <u>\$2,287,000</u> ((can be spent)) to pay for certain activities as specified if the funds are from a federal or state grant source and the expenditures are eligible for reimbursement from that source even if the streetcar line is not built. <u>Of the \$2,287,000, \$295,000 has already been approved for work associated with a Council Statement of Legislative Intent and the additional \$1,992,000 may be spent only for the purposes set out in Attachment A.</u>	Policy, Planning, and Major Project Development (18310) Project TC366260
Seattle	#96-3-B-3	((None of the \$295,000 available for	Policy, Planning, and Major



1 Department of		the South Lake Union Streetcar	Project Development
2 Transportation		Project (TC366260) in 2004 can be	(18310) Project TC366260
		spent on preliminary design and	
		engineering.)	

3 Section 3. This ordinance does not constitute final approval by the Seattle City Council to
4 proceed with the South Lake Union Streetcar. The Seattle City Council will consider approving a
5 streetcar project for South Lake Union and the release of additional funds, beyond those authorized in this
6 ordinance, once the preceding conditions have been met.

7 Section 4. This ordinance shall take effect and be in force thirty (30) days from and after its
8 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after
9 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

10 Passed by the City Council the ____ day of ____, 2004, and signed by me in open
11 session in authentication of its passage this ____ day of ____, 2004.

12
13 _____
President of the City Council

14 Approved by me this ____ day of ____, 2004.

15 _____
Gregory J. Nickels, Mayor

16 Filed by me this ____ day of ____, 2004.

17 _____
18 City Clerk

19 (Seal)
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Attachment A: Permitted Use of Funds

\$1.6 million dollars can be used only to conduct up to 30% preliminary design and engineering for a South Lake Union streetcar. Tasks to be addressed include:

- Determination of final track alignment, including termini configuration, crossover locations and station/platform locations.
- Determination of utility impacts, utility company coordination, resolution of major conflicts and initial utility relocation details performed by this project.
- Identification of stormwater requirements, coordination with adjacent stormwater management issues and preliminary design of detention or treatment facilities.
- Completion of all survey and base mapping requirements.
- Associated street reconstruction requirements including impacts to adjacent properties, relocation of loading zones, curb cuts, etc.
- Traffic engineering including modifications to signals, channelization, parking area impacts, etc.
- Geotechnical investigations and recommendations.
- Urban design and streetscape concept development and coordination with adjacent developments
- Location, programming and configuration of Maintenance Facility.
- Development of track design details.
- Systems design (traction power, etc.)
- Identification of Right-of-Way needs, if any.

Environmental Review and Permitting

Critical permits will be identified, coordination with the appropriate agencies will begin, and development of information required for obtaining these permits will commence.

Streetcar Vehicles

Criteria for streetcar vehicles will be developed. If appropriate, purchase of vehicles through Portland Streetcar Inc. options with Skoda will be evaluated. Other potential suppliers will be identified and their availability and competitiveness will be assessed.

Operations and Maintenance

A preliminary operations plan will be developed to include hours of operations, fare collection procedures coordination with traffic operations and signal requirements. A maintenance plan for the system, including vehicles will also be developed.

Contracting Strategies

Evaluate the use of traditional and alternative contracting strategies.

\$65,000 can be spent only for additional technical work related to an extension of the potential South Lake Union streetcar line from South Lake Union to the University of Washington/University District. \$35,000 can be used only to assess the viability of a LID for the extension of the potential SLU streetcar from South Lake Union to the University District. Tasks to be addressed include the following:

1. Develop additional alignment, operational, technical and environmental information and begin work with community stakeholders.
2. Retain a professional appraiser to review the potential for an LID. The expenditures for an appraiser shall only be used to evaluate whether the total special benefits conferred on property owners could support a potential Local Improvement District. The appraiser should not attempt to



identify preliminary individual assessments for property owners nor should the Executive negotiate potential assessment methods or amounts with property owners as this is a decision made by the Council. The Executive should assume a Special Benefit Study would be required as part of any decision to form a LID.

\$45,000 can be spent only to pay for additional technical work related to an extension of the Waterfront Streetcar to the South Jackson Street Corridor. \$20,000 can be spent only to assess the viability of a LID for the extension of the waterfront streetcar to the South Jackson Corridor. Tasks to be addressed include the following:

1. Develop additional alignment, operational, technical and environmental information and begin work with community stakeholders.
2. Retain a professional appraiser to review the potential for an LID. The expenditures for an appraiser shall only be used to evaluate whether the total special benefits conferred on property owners could support a potential Local Improvement District. The appraiser should not attempt to identify preliminary individual assessments for property owners nor should the Executive negotiate potential assessment methods or amounts with property owners as this is a decision made by the City Council. The Executive should assume a Special Benefit Study would be required as part of any decision to form a LID.

\$232,000 can be spent only to pay for city staff costs and direct costs (i.e. printing and mailing) associated with the above tasks

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Attachment A



STATE OF WASHINGTON - KING COUNTY

--SS.

176223
CITY OF SEATTLE, CLERKS OFFICE

No. ORDINANCE TITLE ONLY

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:121561,564-121569 121565

was published on

8/27/2004



Mel Del

Subscribed and sworn to before me on

8/27/2004

Jennifer A. Patzer

Notary public for the State of Washington,
residing in Seattle

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State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on August 16, 2004, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 854-8344.

ORDINANCE NO. 121569

AN ORDINANCE appropriating money to pay certain audited claims and ordering the Payment thereof.

ORDINANCE NO. 121568

AN ORDINANCE relating to the City Light Department, accepting various easements for overhead and underground electrical distribution rights in King County, Washington, and placing said easements under the jurisdiction of the City Light Department.

ORDINANCE NO. 121567

AN ORDINANCE related to the proposed South Lake Union Streetcar, reducing an appropriation in the Seattle Department of Transportation's 2004 Adopted Budget, reappropriating that money to the Legislative Department for a Special Benefit Study for a potential Local Improvement District and transferring cash to support the reappropriation.

ORDINANCE NO. 121565

AN ORDINANCE relating to proposed streetcar lines in Seattle, stating the conditions under which the Seattle City Council will consider approving construction of a streetcar line in South Lake Union; and releasing certain funds to the Seattle Department of Transportation to proceed with preliminary plan development, compliance with SEPA procedures, design, and engineering for a potential South Lake Union Streetcar project and to undertake a preliminary review of a potential extension of the proposed South Lake Union alignment to the University District and a potential extension of the Waterfront Streetcar along the South Jackson Street Corridor.

ORDINANCE NO. 121564

AN ORDINANCE relating to the City Light Department, accepting various easements for overhead and underground electrical distribution rights in King County, Washington, and placing said easements under the jurisdiction of the City Light Department.

Publication ordered by JUDITH PIPPIN,
City Clerk.
Date of publication in the Seattle Daily
Journal of Commerce, August 27, 2004.
927(176223)

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