

**MEMORANDUM OF AGREEMENT  
NO. GCA 6444  
ALASKAN WAY VIADUCT AND  
SEAWALL REPLACEMENT PROGRAM  
BORED TUNNEL ALTERNATIVE**

This agreement (“Agreement”) for the Alaskan Way Viaduct and Seawall Replacement Program (“AWVSRP”) is made and entered into between the State of Washington (“State”) and the Port of Seattle (“Port”), collectively the “Parties” and individually the “Party.”

WHEREAS, in the 1950s, the City of Seattle (“City”) and the Washington State Department of Transportation jointly designed and built the Alaskan Way Viaduct (“Viaduct”) to accommodate passenger and freight mobility into the foreseeable future; and

WHEREAS, the central waterfront section of the Viaduct is a critical north-south transportation facility of regional, state and national significance, one of two limited access routes through Seattle’s urban core carrying more than 100,000 vehicles daily; and

WHEREAS, the Duwamish and Interbay industrial areas in Seattle are served by the SR 99 corridor and constitute a significant portion of Seattle’s maritime and industrial sector which accounts for more than 120,000 jobs and an estimated \$28.5 billion in annual revenue city-wide; and

WHEREAS, in 2001 the Nisqually earthquake damaged the Viaduct and Seawall; and

WHEREAS, the Viaduct and Seawall are at risk of sudden and catastrophic failure in an earthquake and are nearing the end of their useful lives; and

WHEREAS, a failure to maintain the Viaduct capacity would result in unacceptable congestion for freight and other traffic within the harbor and industrial areas; and

WHEREAS, in March 2007, the Washington State Governor, the King County Executive, and the Mayor of Seattle pledged to advance a series of key SR 99 projects (Moving Forward Projects) that will facilitate the removal and/or repair of key portions of SR 99, which are Yesler Way Vicinity Stabilization Project, Electrical Line Relocation, Battery Street Tunnel Fire and Life Safety Upgrades, SR 99 Lenora to Battery Street Tunnel Improvements, the SR 99 South Holgate Street to South King Street Viaduct Replacement Project, and Transit Enhancements and Other Improvements; and

WHEREAS, in 2008 the State and its partners agreed to guiding principles for replacing the Viaduct: improve public safety; provide efficient movement of people and goods now and in the future; maintain or improve downtown Seattle, regional, Port and state economies; enhance Seattle’s waterfront, downtown and adjacent neighborhoods as a place for people; create solutions that are fiscally responsible; and improve the health of the environment; and

WHEREAS, in 2008 the State and its partners considered public comment from 16 meetings of a stakeholder advisory committee made up of representatives from business, labor, environmental,

and neighborhood interests and more than one thousand public comments collected during quarterly public meetings; and more than 50 community briefings; and

WHEREAS, on December 15, 2008 the Port of Seattle Commission (Port Commission) cited the advantages of a sub-surface option and approved a motion calling for further study of a sub-surface option coupled with surface and transit improvements; and

WHEREAS, in January 2009, the Governor of Washington state, the Mayor of Seattle and the King County Executive jointly recommended replacing the Viaduct with a bored tunnel beneath downtown Seattle in conjunction with improvements in surface streets and transit service, and Port of Seattle CEO, Tay Yoshitani, endorsed the deep-bore tunnel concept; and

WHEREAS, the Washington State Legislature passed ESSB 5768 and the Governor signed the bill into law designating and funding the Bored Tunnel Program as the replacement for the Viaduct; and

WHEREAS, in October 2009, the City and the State entered into a Memorandum of Agreement agreeing to principles to proceed with the AWVSRP; and

WHEREAS, the State and the Port are committed to a replacement for the Viaduct that will improve transportation access to and through the waterfront, including access for over eight million annual ferry riders, ensure connectivity between the Interbay, Ballard and Duwamish industrial areas and Seattle-Tacoma International Airport, including a corridor for oversized vehicles, provide access to port cargo, fishing and cruise facilities, minimize construction disruption, and increase opportunities for the public and freight to access the shoreline and waterfront; and

WHEREAS the Port's international trade, aviation, economic development, tourism and passenger terminal activities are vital to the economic growth of the region and the state, supporting nearly 194,000 jobs in the region, and the State and the Port support infrastructure improvements necessary to achieve growth in trade and jobs and increase our region's competitiveness in global markets; and

WHEREAS the Viaduct corridor is crucial to the region's freight mobility because it provides for 1.5 million freight trips annually by grade-separation of through traffic, rail lines and industrial corridors near the Port's marine terminals, which support the movement of \$30 billion in international and domestic cargo through the Port each year; and

WHEREAS the improvements to the surface street system in the vicinity of the corridor segment from S. Holgate Street to King Street are designed to increase access to Terminal 46 and other port waterfront facilities; and

WHEREAS the Port is funding projects that are part of or complement the AWVSRP and which will provide capacity for future growth and improved safety, including the East Marginal Way Overpass, Spokane Street widening, Duwamish Intelligent Transportation System (ITS) and the SR 519 South Seattle Intermodal Access Project Phase 2; and

WHEREAS, the parties recognize the uniqueness of the City's Mercer Corridor West Project (Mercer Corridor West) in providing access for freight, cruise buses and public transit, and the need to sustain north-south mobility in the period following completion of the tunnel and during construction of waterfront street improvements.

NOW, THEREFORE, the Parties agree to the following principles to proceed with the AWVSRP:

**I.** GENERAL PRINCIPLES:

A. The Port supports the proposed AWVSRP with the bored tunnel alternative and related system improvements, as the design which affords essential transportation capacity, significant environmental benefits, and minimizes construction-related disruption on the waterfront.

B. The Port recognizes the economic importance of an efficient SR 99 roadway network with complementary system improvements for the effective movement of freight and goods locally, nationally and internationally.

C. The Port and State will continue to work collaboratively toward the successful completion of the AWVSRP.

D. Complementary system upgrades to the transportation system will be completed, including SR 519, Spokane Street Widening, Mercer Corridor from Interstate 5 to Elliott Avenue, East Marginal Way Overpass, North Argo Access, Duwamish Intelligent Transportation Systems, Seawall Replacement (or rehabilitation), and transit enhancements, to support the priorities of the efficient movement of freight, cruise-related traffic and public transit.

E. The State and the Port will work together to review funding plans by the City and King County for their implementation of the aforementioned complementary elements of the AWVSRP.

**II.** RESPONSIBILITIES:

**A. STATE:**

1. The State shall endeavor to open the bored tunnel for operation by the end of 2015.

2. The AWVSRP will be designed to provide functionality equal to or better than what is available today to facilitate efficient movement of freight and other traffic on the west side corridors of the Seattle transportation system from the Duwamish neighborhood to Ballard-Interbay and protect access to fishing, cruise and other Port facilities. Of critical importance is the ability of the 15<sup>th</sup>/Elliott and Mercer corridors to provide sufficient capacity for the purposes listed above.

3. The design of the north and south portals and their connection to the street system shall be designed to accommodate freight movements and provide access for buses serving the port's cruise facilities. The State will coordinate with the Port prior to making any changes to the design elements reviewed by the Port under II B below.

4. The State shall work to minimize and mitigate its construction impacts on Port activities, customers and tenants, and will coordinate with the Port and its tenants to ensure productive operations during construction.

5. The central waterfront segment from Pine Street to Colman Dock will have two lanes in each direction plus a turning lane; the segment south of Colman Dock will have three lanes in each direction plus a turning lane.

**B. PORT:**

1. Port staff shall participate in timely review and comment of the State's design elements of the tunnel and north and south portals and the Central Waterfront surface street to ensure adequate connection to freight and cruise facilities.

2. Port staff shall participate in the State's planning for construction mitigation and maintenance of traffic.

**III. FUNDING:**

**A. STATE:** As defined by ESSB 5768, the total state contribution for AWVSRP is \$2.4 billion in state funds and no more than \$400 million in toll revenue for a total state contribution of \$2.8 billion toward the following state program elements:

1. The proposed bored tunnel from north of S. Royal Brougham Way to Harrison Street; and

2. Surface street connection from S. King Street along Alaskan Way to Elliott and Western avenues, ending at Battery Street, including replacement of the Marion Street pedestrian overpass; viaduct removal; Battery Street Tunnel decommissioning; and

3. Completion of the Moving Forward Projects; and

4. Central Waterfront Construction Mitigation.

**B. PORT:** To the extent feasible and authorized by the Port Commission, the Port shall fund or procure funding within the life of the project not to exceed \$300 million toward the state's program elements, except as described in Section 4 below:

1. Funding must be for elements that will improve transportation access to and through the waterfront; ensure connectivity for freight and cruise-related vehicles between Interbay, Ballard and Duwamish industrial areas, Interstate 5 and Interstate 90 and Seattle-Tacoma International Airport; provide access for port cargo, fishing and cruise facilities; minimize construction disruption; and increase opportunities for the public and freight to access the shoreline and waterfront.


2. The Port will take steps to obtain funding as described herein while retaining at all times the strategic financial capability to meet its overarching public obligations: maintaining current assets; responding to emerging customer or market demands; continuing significant environmental remediation and restoration projects; and maintaining sufficient transportation access in and around its facilities.

3. The Port and State acknowledge that contributions will be made during the life of the AWVSRP but no funds are being authorized by the Port Commission upon approval of this Agreement. The Parties intend to request authorization from the Port Commission for a portion of the Port's contribution to AWVSRP as early as possible in 2010.

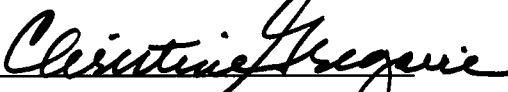
4. The sum of \$25 million will be counted toward the Port's \$300 million contribution to the AWVSRP as follows:
- a. Up to \$19 million for existing or recently completed Port funding commitments on transportation projects related to the SR 99 system (such as the East Marginal Way Overpass, SR 519 Phase 2, the Spokane Street Viaduct, and the Duwamish ITS).
  - b. The remaining \$6 million will be allocated to those projects complementary to the AWVSRP, such as Mercer Corridor West, as negotiated by the Parties. Allocation of the \$6 million under this subsection will be based upon valid data and traffic analysis agreed to by the Parties.
5. A funding plan describing the specific timing and amounts of the Port's contribution over the life of the AWVSRP will be developed by the Parties. It is understood that the majority of the Port's contribution will occur in the years 2016-2018.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the last day and year written below.


**PORT OF SEATTLE**

By:   
 Print: William Bryant  
 Title: President, Seattle Port Comm.  
 Date: 4-12-2010

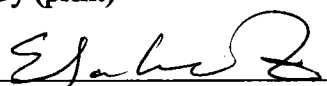
**STATE OF WASHINGTON**

By:   
 Print: CHRISTINE GREGOIRE  
 Title: GOVERNOR  
 Date: 4-12-2010

**PORT OF SEATTLE**

By:   
 Print: YOSHITANI  
 Title: CEO  
 Date: 4-12-2010

**APPROVED AS TO FORM:**

Elizabeth H. Lagerberg  
 By (print)  
  
 Signature  
 Assistant Attorney General  
 Date: 4-5-2010