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):

<table>
<thead>
<tr>
<th>Project</th>
<th>Source of Funding</th>
<th>Amount of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tolling (congestion pricing) projects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Variable pricing on SR-520. The Urban</td>
<td>• FHWA’s Innovative Bridge Research and Deployment</td>
<td>• $5.1 million in contract authority funds</td>
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<tr>
<td>Partner will implement variable pricing</td>
<td>Program</td>
<td>made available for obligation for Fiscal Year</td>
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<tr>
<td>(based on the level of demand) on all</td>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>through lanes of SR-520 between I-5 and</td>
<td>• FHWA’s Transportation, Community, and System</td>
<td>• $24.0 million in contract authority funds</td>
</tr>
<tr>
<td>I-405 and, to the extent necessary to</td>
<td>Preservation Program (TCSP)</td>
<td>made available for obligation for Fiscal Year</td>
</tr>
<tr>
<td>maintain free flow traffic in the</td>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>through-lanes, on all collectors and</td>
<td>• FHWA’s Value Pricing Pilot Program (“VPPP”)</td>
<td>• $10.0 million in contract authority funding</td>
</tr>
<tr>
<td>distributors for SR-520 between I-5 and</td>
<td></td>
<td>shall be made available for obligation from</td>
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<tr>
<td>I-405. The Urban Partner will provide</td>
<td></td>
<td>either Fiscal Year 2007, 2008, or 2009; such</td>
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<tr>
<td>discounted or free access for vehicles</td>
<td></td>
<td>funding will be made available no later than</td>
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<tr>
<td>with 3+ occupants.</td>
<td></td>
<td>Fiscal Year 2009, subject to availability for</td>
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<td></td>
<td></td>
<td>obligation</td>
</tr>
<tr>
<td>Project</td>
<td>Source of Funding</td>
<td>Amount of Funding</td>
</tr>
<tr>
<td>---------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Transit projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Enhanced bus service along SR-520.</td>
<td>• RITA’s Intelligent Transportation Systems Operational Testing to Mitigate Congestion (“ITS-OTMC”) Program</td>
<td>• $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</td>
</tr>
<tr>
<td>• New transit improvements along SR-520 corridor.</td>
<td>• FTA’s Bus and Bus-Related Facilities Discretionary Grant Program (“Section 5309”)</td>
<td>• $41.0 million in funds appropriated for Fiscal Year 2006 or Fiscal Year 2007</td>
</tr>
<tr>
<td>• Improvements to regional ferry service.</td>
<td>• FHWA’s Ferry Boat Discretionary Program</td>
<td>• $27.4 million in contract authority funds made available for obligation for Fiscal Year 2007</td>
</tr>
<tr>
<td>Technology projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Real-time multi-modal traveler information.</td>
<td>• RITA’s Intelligent Transportation Systems Operational Testing to Mitigate Congestion (“ITS-OTMC”) Program</td>
<td>• $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</td>
</tr>
<tr>
<td>• SR-520 active traffic management.</td>
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</tbody>
</table>

(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.]
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September 30, 2009
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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
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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

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