



Governor Christine O. Gregoire
State of Washington

Executive Ron Sims
King County

Mayor Gregory J. Nickels
City of Seattle

**A Letter of Agreement
Between the State of Washington, King County, and the City of Seattle**

January 13, 2009

**Consensus on the Recommended Alternative for Replacing the
Alaskan Way Viaduct & Seawall**

Over the course of the last 18 months, after developing and evaluating numerous scenarios, the State of Washington, City of Seattle, and King County have reached consensus on replacement for the SR 99 Alaskan Way Viaduct and Seawall.

We have decided jointly that a four-lane bored tunnel, together with improvements to city streets, the city waterfront, and transit, is the recommended alternative for replacing the existing viaduct, referred to as "The Project." This letter represents the governments' commitment to this solution and outlines responsibilities for funding and implementation.

The total estimated cost of this solution is approximately \$4.24 billion and the allocation of specific project responsibility to each jurisdiction carries with it the responsibility for project management, environmental work, design, construction, and project cost overruns.

The State of Washington is responsible for taking down the existing viaduct structure, building a bored tunnel from approximately north of S. Royal Brougham Way to Harrison St., providing a surface connection from approximately Yesler Way to Elliott Avenue, completion of the projects associated with the Moving Forward program and partial construction transportation mitigation. The total estimated cost to the State of this work is \$2.82 billion.

King County is responsible for additional Rapid Ride and peak express bus service to downtown Seattle. In addition, the County will simplify downtown trolley service and provide city street improvements related to improved bus operations. The total estimated cost of this work for King County is \$190 million in capital and \$15 million in annual operating expenses which shall be paid for through a countywide 1% Motor Vehicle Excise Tax imposed by the King County Council for transit services.

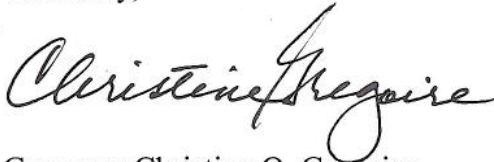
The City of Seattle is responsible for Seattle public utility relocation costs associated with the project, a promenade along the central waterfront, other city street improvements, and a First Avenue streetcar. The total estimated cost of this work for the City is \$937 million.

The Port of Seattle is being asked to contribute \$300 million to portions of the program that benefit their operations.

The parties agree to seek state legislative approval of the project and will support efforts to obtain state legislative authority for King County to implement a 1% Motor Vehicle Excise Tax. In addition, the parties agree to support efforts to obtain local authority for the development of a Local Infrastructure Financing Tool. The parties further agree to support an \$88 million allocation of anticipated federal economic recovery funds, currently distributed as \$8 million to King County for transit facilities and \$80 million to the City of Seattle for portions of the Mercer and Spokane Street projects, which will be ready for construction by the summer of 2009.

Eight years ago the Nisqually earthquake warned us of the dangers posed by the existing viaduct. After years of extensive review and discussion, today we join together calling for action. We are confident that a bored tunnel replacement, with improvements to transit and city streets, is the best solution for Seattle, the region and the state.

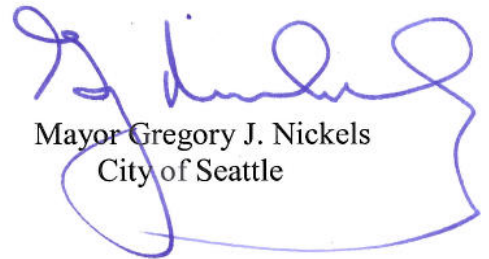
Sincerely,



Governor Christine O. Gregoire
State of Washington



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King County



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