

MEMORANDUM OF UNDERSTANDING

TriMet and City of Milwaukie Umbrella Agreement For Transit Improvements in Milwaukie 2008-2018

This Memorandum of Understanding ("MOU"), dated June 17, 2008, is by and between the City of Milwaukie ("Milwaukie") and the Tri-County Metropolitan Transportation District of Oregon ("TriMet") (collectively the "Parties").

A. Recitals

TriMet and Milwaukie have a joint interest in serving Milwaukie, north Clackamas County and the Portland Metro region with high quality, convenient public transit, expected to include light rail in the SE McLoughlin corridor with construction of the Phase II South Corridor Light Rail Project ("Project"). The Project will provide a reliable, high frequency transportation option for Milwaukie and Clackamas County commuters, and will benefit north Clackamas County and City of Milwaukie residents and workers by providing car-free linkages to multiple destinations in the TriMet system.

As importantly for the City of Milwaukie, the Project offers the City a transportation investment that can help catalyze Milwaukie's downtown revitalization as described in local and regional land use plans.

The Parties recognize that serving the public interest requires exceptional coordination and partnership, and that the relationship between the Parties must be strengthened as part of the decision to construct a significant new transit facility in Milwaukie.

B. Function of this Memorandum Of Understanding

This non-binding Memorandum of Understanding ("MOU") is a framework for developing subsequent and more definitive agreements between the Parties and is a statement of intent to develop plans, funding strategies, service enhancements, and facility improvements over the next ten years. Although this MOU does not contain a complete set of dates by which the specified activities contained herein must occur, this is due to the fact that the Project is currently at a preliminary stage. However, should the Project be approved, the Parties agree to proceed as quickly as is reasonable and to pursue the development of the Project and the activities related thereto in a timely manner.

C. Background and Understandings

1. Light Rail Local Match Commitment

a. Background

Milwaukie and TriMet are two of several partners in the Project, all with an interest in the Project's success and each with a relative obligation to the "local match" portion of the Project funding. The State of Oregon has committed \$250,000,000 to the Project, and the region has committed \$72,000,000 in flexible funds through the Metropolitan Transportation Improvement Program (MTIP). The remainder of the local match portion is being sought from all Project Partners.

b. Understandings

Milwaukie and TriMet will each make contributions toward the local match share of the Project's funding. The Parties will make these commitments through a funding agreement, which is expected to be finalized by December 31, 2008. The Parties recognize that amendments to the Project scope will necessarily occur during final engineering and construction, and also that opportunities to improve the Project may present themselves when considering how the Project can best integrate with City plans, utilities and infrastructure. If such scope changes occur, the financial commitments of the Parties may change and Project staff or partners may request approval of additional funding by the Milwaukie City Council. Such changes will be addressed by amending the funding agreement between the Parties.

2. Light Rail Safety and Security

a. Background

TriMet recognizes that the expansion of its transit system brings increasing law enforcement obligations, and TriMet and Milwaukie also recognize that additional actions should be taken to raise public confidence in Clackamas County regarding transit safety and security. To those ends, TriMet has recently expanded its Transit Police force, and has initiated a continuing process to evaluate and improve overall system safety, including a determination of the number of officers required. TriMet and Milwaukie recognize that establishing a South Precinct in Clackamas County will help in this cause by raising the police presence and interoperability between TriMet security forces and those of local jurisdictions in Clackamas County. The appropriate staff size, location, and precinct boundaries for the South Precinct are being evaluated. TriMet seeks to expand the effectiveness and deployment of its Transit Police Division safety and security operations on the TriMet transit system, in particular by assigning additional sworn officers to the South Precinct. Milwaukie also seeks to enhance security measures on TriMet's transit system and the Project, and has encouraged TriMet to locate the South Precinct office in the City of Milwaukie. The Parties agree that a focused presence of additional police personnel and the establishment of a South Precinct would be effective measures to expand and enhance MAX and transit system safety and security.

b. Understandings

The Parties recognize that transit system safety and security is a cooperative effort requiring coordinated strategies, design efforts, operations and information sharing between transit police and local jurisdiction law enforcement. The Parties agree that this coordinating function will improve through a newly established forum among command staff of the TriMet Transit Police, the Milwaukie Police, the Clackamas County Sheriff and others with law enforcement jurisdiction in the Clackamas County area of the TriMet district. TriMet agrees to coordinate and participate in this forum by the opening of the I-205/Portland Mall light rail project.

TriMet is currently working to establish a South Precinct prior to the time Portland to Milwaukie light rail opens, and will enter into a separate agreement with police agencies related to the establishment and operation of the South Precinct.

TriMet will communicate and collaborate with Milwaukie's public safety officials on safety and security issues throughout the Project's planning, design, engineering, construction and operational phases. In the design stage of the Project, the Parties will collaborate in applying Crime Prevention Through Environmental Design (CPTED) principles to the design of Project elements in Milwaukie. The Parties will have in place a Security Operations Plan for the Project prior to the Project's opening, taking into consideration appropriate input from other impacted law enforcement agencies. TriMet will install security cameras and appropriate lighting at Project park and rides and stations built in Milwaukie, and will take measures to promote effective law enforcement capabilities at park and rides in Milwaukie. TriMet agrees to research industry standards and best practices related to sharing and monitoring security

cameras and will work with Milwaukie toward the application of these practices and methods to Project park and rides and stations in Milwaukie.

Prior to the Project completion, TriMet will provide, at its cost, an information campaign to the Milwaukie community to regarding safe and unsafe activity near the rail right of way. TriMet will also conduct focused informational outreach to students, parents and teachers of the Portland Waldorf School, St. John the Baptist School, Milwaukie Elementary School and Milwaukie High School.

3. Light Rail Facility Design, Engineering, Construction and Maintenance

a. Background

The Federal Transit Administration (“FTA”) is a partner in the Project, and the FTA and other Project partners will play a role in the design, construction and funding of the Project. During design and construction of the Project, the Parties will be required to accommodate various competing interests and needs. Recognizing that flexibility regarding the design and construction of the Project is important, the Parties understand that the presence of light rail in downtown Milwaukie causes unique concerns in that Milwaukie desires to maximize downtown Milwaukie real estate for transit-oriented development and desires to locate light rail support infrastructure, such as substations, operator break rooms or surplus storage track for trains, in such a way that these facilities are integrated into the surrounding environment to the extent practicable in light of other Project goals and funding limitations. TriMet is also aware that Project design in the City of Milwaukie is subject to Milwaukie design guidelines and regulations, and that the Milwaukie community will have the opportunity to comment and influence the design of Milwaukie’s light rail station and park and ride elements.

b. Understandings

The Parties agree that they will enter into a Design and Construction IGA that will clarify each party’s roles and responsibilities regarding the design and construction of the Project. The Design and Construction IGA will address various Project issues, and will formalize TriMet’s agreement to collaborate with City staff in designing and constructing the Project elements that will be built in Milwaukie, and to allow Milwaukie staff to have the opportunity to influence the design of Project elements in Milwaukie, with the understanding that certain Project elements tolerate minimal design discretion. Milwaukie is prepared to assign staff to the Project as necessary to oversee coordination and facilitation of the City’s various roles in the design, permitting and construction of the Project. However, Milwaukie does not have the resources to dedicate staff to the Project at the optimal level of involvement. The Design and Construction IGA will fund one Milwaukie FTE beginning with FTA approval of Preliminary Engineering to address the staffing needs of the City and any other Project financial obligation to Milwaukie for providing the necessary staff support.

TriMet will develop a Conduct of Construction plan with its construction contractor that will address construction-related concerns from Milwaukie schools, businesses, neighborhoods and property owners affected by construction. Prior to completion of the Project, the Parties agree to establish a Project Maintenance Agreement to clarify maintenance responsibilities between the Parties for the light rail facilities within the City.

4. Light Rail Mitigation Measures

a. Background

The Supplemental Draft Environmental Impact Statement (“SDEIS”) for the Project was published in The Federal Register on May 9, 2008. The Parties expect to select the locally preferred alternative (“LPA”) in the summer of 2008 and complete the Final Environmental Impact Statement (“FEIS”) in the summer of 2009.

b. Understandings

The Parties agree that the best possible Project is one that integrates into the Milwaukie community as comfortably as possible for adjacent land users, with minimal disruption to existing ecosystems and businesses. Although both Parties recognize that federal processes are in place to define certain impacts and require certain mitigations, TriMet agrees to exert its best efforts to mitigate the concerns listed in this section, along with other concerns that Milwaukie may provide to TriMet prior to completion of the FEIS. Milwaukie agrees to exert its best efforts to help TriMet meet the needs of adjacent land users and other interested parties while accomplishing the Project in a manner that allows it to be successfully funded, built, operated and integrated into the regional light rail system.

Issues requiring mitigation could include freight access in the North Industrial district; noise and vibration concerns near the Portland Waldorf School; safety and security concerns near the Waldorf School, St. John's Catholic School and Milwaukie neighborhoods; construction-related concerns from affected businesses, schools and parks users; and environmental and recreational concerns near Kellogg Creek and the Trolley Trail.

Regardless of findings in the Final Environmental Impact Statement, TriMet understands Milwaukie's desire to limit light rail train noise within the Milwaukie downtown area. The Parties agree that they will collaborate to jointly pursue a Quiet Zone designation or equivalent from the Federal Railroad Administration ("FRA") for the SE Harrison, SE Monroe, SE Washington and SE 21st Avenue intersections of the alignment. TriMet agrees that to the extent practicable it will seek to design the Project in a way that it believes will increase the likelihood of FRA approval of the Quiet Zone designation.

5. Transit Facilities, Amenities, and Programs

a. Park and Ride Facilities

i. Background

The Project will require a considerable effort to fully integrate and develop the transit facilities and amenities that the Project requires, including the considerable increase of park and ride capacity in and around Milwaukie. Milwaukie recognizes this necessity and supports the establishment of park and ride facilities that comply with transit policies enumerated in the City's Transportation System Plan. Of the four park and ride facility locations studied for the project, two are within the city limits (Southgate/Milwaukie and McLoughlin/Washington) and two are just outside city limits (Tacoma and Park Avenue). There will be impacts in Milwaukie from building any of the four facilities.

ii. Understandings

To successfully achieve its purpose and need, the Project requires considerable attention and effort to fully integrate and develop park and ride facilities, bus shelters, and to accommodate bus layover needs in Milwaukie. The Parties agree that the EIS process will suitably address the traffic, environmental and other related impacts from construction of these facilities and that mitigation due to the traffic generated at these facilities will be especially important.

The Parties agree to establish a Parking Agreement to address any relevant issues if construction of a park and ride facility in downtown Milwaukie is included in the Project. Such an agreement shall consider the existing policies of TriMet and Milwaukie regarding park and rides and Town Center development, as well as best practices from elsewhere on the TriMet and other transit agency systems. The intent of the

Parties is that such a park and ride in downtown Milwaukee would be a pedestrian-friendly, multi-level, mixed use structure for both transit and municipal use.

b. Bus Facilities

i. Background

Milwaukee's 2007 Transportation System Plan ("TSP") update surveyed the Milwaukee community's transportation needs, resulting in a Plan with exceptionally high community approval. The TSP contains over 100 transportation improvement projects desired in Milwaukee. The second highest ranked project on this list is "Downtown Transit Center Improvements," which includes the "dissolving" of the transit center currently occupying parts of 21st Street and Jackson Street in downtown Milwaukee. TriMet has supported the concept of dissolving the transit center through its work with Milwaukee in the 2003 light rail "Working Group" process and the 2007 TSP update process. Dissolving the transit center will occur by improving and distributing downtown bus boarding/deboarding activity with new architectural shelters and amenities, and by physically separating the bus layover function from the shelter areas, with the layover function preferably (per City policy) located outside the downtown core. In late 2006 and early 2007, Milwaukee and TriMet collaborated with the Milwaukee community to select a new layover facility site. At a City Council meeting on April 3, 2007, TriMet agreed to focus on using the former Southgate theater site for the layover facility, a decision that conformed to Milwaukee's preference.

In March 2008, as the light rail Project advanced, it was recognized that a park and ride facility at the Southgate site may be a short-term facility that might not fit into the eventual design of the light rail line and that the layover function might not be accommodated at the Southgate site for financial and operational reasons. TriMet and Milwaukee therefore seek to dissolve the downtown transit center, by distributing its functions, and completing the facility improvements warranted in downtown Milwaukee.

Prior to the construction of the Project, TriMet expects to begin to establish a pair of Bus Stop Shelter Areas in downtown Milwaukee, with high quality bus shelters and related amenities (known at TriMet as Level 3 transit features). It is expected that one of these Bus Stop Shelter Areas will be located at or near the existing transit center location at 21st and Jackson Street and the other at or near the intersection of 21st and Washington Street. The Parties recognize the location of the proposed stop at SE 21st and SE Washington Street may need to be modified to best connect with the downtown Milwaukee light rail station location. The Parties recognize that locating the layover facility near one of the Bus Stop Shelter Areas minimizes fiscally and environmentally irresponsible out-of-direction bus travel.

ii. Understandings

The Parties agree that they will enter into a separate binding agreement to create improved Bus Stop Shelter Areas in downtown Milwaukee, under which TriMet will agree to pursue Federal Transit Administration concurrence to use the balance of federal grant funds appropriated for transit improvements in Milwaukee (approximately \$420,000) for this purpose and Milwaukee will agree to identify an appropriate site that meets the needs of both Parties and sufficiently integrates these facilities into the future Project, and to provide the necessary approvals for installation of the shelters at the chosen site. The agreement will also address the bus stop standards, shelter types, and amenities to be installed. The Parties will use their best efforts to finalize this agreement no later than December 2008. The second (southerly) Bus Stop Shelter Area improvements in Milwaukee will be funded as part of the Project. TriMet will also continue to reformat bus service so as to reduce bus layovers in Downtown Milwaukee, with layovers limited to only those required by lines 70 and 75 by September 2009. TriMet agrees that, to the extent practicable, it will design any downtown bus layover sites at a location that creates minimal visual and functional disruption to nearby residential, commercial and industrial uses and protects neighboring uses from visual and functional disruptions. Milwaukee agrees to work with TriMet help locate an appropriate site and to permit the bus layover facility. This may include processing a

Community Service Use application, allowing bus stop zones, curb extensions and/or managing the reallocation of on or off-street parking spaces as necessary

c. Joint Development

i. Background

Enhancing Milwaukie's viability and vitality as a Town Center is a basic Project goal and is fundamental to the region's continued investment in the light rail system. Public investment in the Project can and should stimulate related public and private investment in Milwaukie's land, building stock and businesses to increase economic opportunity in Milwaukie and the region. The FTA recognizes and encourages joint development that enhances the effectiveness of a public transportation project and is related physically or functionally to that public transportation project, or establishes new or enhanced coordination between public transportation and other transportation, and provides a fair share of revenue for public transportation that will be used for public transportation. The Project is likely to present joint development opportunities that both Parties believe could boost Milwaukie's revitalization efforts.

ii. Understandings

TriMet and Milwaukie agree to examine joint development opportunities on sites that are appropriate for such usage and, if appropriate, to enter into future agreements regarding joint development. TriMet agrees to include joint development in the New Starts submittal. Potential sites that may be appropriate for joint development may include the following:

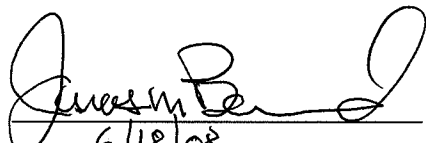
- a. The "triangle site" of vacant land west of 21st Street and north of Lake Road;
- b. The "Cash Spot site" located at McLoughlin Boulevard and Washington Street;
- c. Sites near the Tacoma Station and Park and Ride.

The Parties also agree to work jointly with ODOT to develop an appropriate end use plan for the Historic ODOT Building and ODOT yard at Main Street and Beta Street

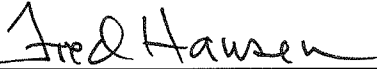
D. Authorization

Each party represents that it has the authority to enter into this MOU on its behalf and the individual signatory for a party represents that it has been authorized by that party to execute and deliver this MOU.


CITY OF MILWAUKIE

By: 
Date: 6/18/08
James Bernard, Mayor

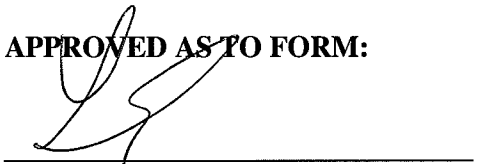
**TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF
OREGON**

By: 
Date: 6/23/08
Fred Hansen, General Manager

APPROVED AS TO FORM:


Milwaukie City Attorney

APPROVED AS TO FORM:


TriMet Legal Department