



## STAFF REPORT

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**DATE:** December 14, 2020

**TO:** Sacramento Regional Transit Board of Directors

**FROM:** Laura Ham, VP, Planning and Engineering

**SUBJ:** STREETCAR UPDATE AND APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN SACRT AND THE CITY OF WEST SACRAMENTO AS THE FRAMEWORK FOR DEVELOPING THE OPERATING AND MAINTENANCE (O&M) AGREEMENT FOR THE DOWNTOWN RIVERFRONT STREETCAR PROJECT

### RECOMMENDATION

Adopt the Attached Resolution.

### BACKGROUND

On September 14, 2020, the Board of Directors conditionally approved the following: 1) the reimbursement agreement for the redesign of Downtown Riverfront Streetcar Project and Small Starts grant update with the Riverfront Joint Powers Authority; 2) the third amendment to the Contract for Downtown Riverfront Street Design with HDR, Inc.; 3) the first amendment to the Contract for Downtown Riverfront Streetcar Environmental Support Services with AECOM and; 4) termination of the Subrecipient and Interagency Agreement, authorizing project sponsorship and ownership to transfer to SacRT, and directing the General Manager/CEO to negotiate replacement agreements with the Cities prior to the dissolution of the Authority. These Resolutions are contingent upon SacRT and the City of West Sacramento entering into an Operations and Maintenance (O&M) Agreement or agreeing on the terms of the future O&M agreement prior to December 31, 2020 that would be a precursor to the City of West Sacramento annexing into the District. In addition, the Cities are required to commit to funding the budget shortfall necessary to progress the Downtown Riverfront Streetcar Project up to the award of the Small Starts Grant and hold SacRT harmless for pre-development cost and cost-overruns from the construction and operations of the future project.

The City of West Sacramento and SacRT determined that a Memorandum of Understanding (MOU) describing the terms of the future O&M is the most expeditious mechanism to commit both parties to further developing the O&M prior to the award of the Federal Small Starts Grant.

On November 18, 2020, the City of West Sacramento approved the Memorandum of Understanding (MOU) between the City of West Sacramento and SacRT as the framework for developing an O&M Agreement for the Downtown Riverfront Streetcar Project. Concurrent with the City's recent action, staff is requesting that the Board of Directors approve the MOU (Attachment 1) between the City of West Sacramento and SacRT as one of the conditions of the September 14, 2020 Resolutions. The second

condition is still outstanding as SacRT and both Cities continue to work on identifying how the shortfall approximately \$711,000 to advance the project up to the award of the Federal Small Starts Grant will be funded by the Cities. Staff intends to present an update to the Board at an upcoming future Board meeting regarding the second condition and any progress towards achieving the condition imposed by the Board through the September 14, 2020 Resolutions.

**Project Update:** The Downtown Riverfront Streetcar Project (Project) received approval from Federal Transit Administration (FTA) to enter Project Development as a Small Starts Project in 2014. The original scope of the Project was environmentally cleared, designed, and issued for bid in November 2018, with Construction Bids received in January of 2019. Unfortunately, the bids received for the Project came in significantly higher than expected. In March 2019, the Mayors of both Cities subsequently directed the formation of a Mobility Technical Working Group (MTWG). The goal of the MTWG was to present technical alternatives to the currently proposed Streetcar Project (independent of funding and regulatory obstacles) that achieve the best mobility for and between both Cities. The alternatives were to be “forward looking,” allow for future innovation, be achievable in phases, and implemented within five years. The project team was expanded to include representatives from Sacramento Municipal Utility District (SMUD), the Sacramento Metropolitan Air Quality Management District (SMAQMD), the Sacramento Mayor’s Office and Congresswoman Matsui’s Office. Over the next several months, over a half-dozen MTWG meetings were held to establish clear objectives and explore various project alternatives to reduce costs and to deliver a project consistent with the original intent, purpose, and need.

Two of the principal objectives driving the analysis included: 1) Preservation of the Congressionally appropriated \$50 million to complete the Streetcar Project; and 2) Connect the two Cities and the region with frequent, high-quality mass-transit service over the Sacramento River. The decision was made by the MTWG to move forward with a reduced-scope rail project that preserved the portion of the original Downtown Riverfront Streetcar connecting West Sacramento from Sutter Health Park (formerly Raley Field) with Sacramento Valley Station (SVS). This alternative offered some of the benefits of the original Streetcar Project, in that the West Sacramento to SVS connection:

- ) is within the original environmentally-cleared alignment, requiring minimal environmental document updates;
- ) was substantially designed by the consulting engineering team, requiring minimal design revisions;
- ) maintained three of the planned Streetcar stations along the existing route;
- ) provided an opportunity to preserve the \$50 million federal appropriation to the project; and
- ) would establish the much-needed regional mass-transit connection between the two Cities.

The Streetcar Project stakeholders, with leadership and direction from Congresswoman Matsui, agreed to proceed with the reduced-scope project. After several discussions with the FTA, SACOG and SacRT (with support from the Cities) sent a letter to the FTA on February 13, 2020, outlining the revised project, expressing commitment to the

Streetcar Project as revised, and committing to deliver a full Streetcar Project update (including updated environmental documentation, engineering design, revised project management plan, operating plan, and associated studies by January 2021), and notified the FTA of their intent to submit an updated Small Starts Grant application. During this time period, SacRT remained in a technical advisory role to the project stakeholders; however, SacRT developed many of the options and costs for the group's consideration and once a decision was made that the project would be reduced in scope, it was prudent to consider transitioning ownership of the Project to SacRT.

Between January of 2018 and October of 2019, staff requested project related actions or provided project updates to the SacRT Board of Directors at eight separate meetings. The recent conditional actions were presented at the September 2020 meeting. The revised Project is a 1.51-mile segment from the Sacramento Valley Station (SVS) (Sacramento's intermodal transportation facility) to Sutter Health Park (formerly known as Raley Field) in West Sacramento. The Streetcar would depart the SVS at 3rd Street, turn west on Capitol Mall, cross the Sacramento River on the Tower Bridge and continue on Tower Bridge Gateway to Sutter Health Park. The Streetcar project would add new Streetcar Stations at Sutter Health Park, Capitol Avenue and the SVS.

The revised Project will improve transit service and local circulation by connecting West Sacramento and downtown Sacramento with an alternative (non-auto) mode and support existing and future development in the City of West Sacramento and downtown Sacramento.

As mentioned previously, SacRT and the Cities, and SACOG are working on the Small Start Submittal Update, as requested by the FTA. The Small Starts Update consists of a revised Travel Forecast, an Updated Land Use/Economic Development plan specific to the reduced scope (alignment/stations) and an updated Financial Plan which is expected to maintain an acceptable project rating. SacRT, the Cities, and SACOG intended to submit the update by August 28, 2020, which was the deadline by the FTA for project submittals for requesting additional appropriations. However, SacRT was recently informed by FTA that because this is not a new project, and we are not requesting an additional budget appropriation, we are able to submit an update for project re-rating at any time. Based on initial evaluations, staff believes the Project will receive at least a medium rating.

In addition to the updated application, the environmental documentation and the design are required to be updated in order for the FTA to perform a project readiness review. A successful review will ensure that the \$50 million Small Starts Grant Agreement will be executed prior the expiration of the 2017 appropriation in September 2021. These updates will be performed by the environmental and design consultants that previously performed work on the Project through new amendments. Funding this work requires the execution of the reimbursement agreement between the Riverfront Joint Powers Authority (Authority) and SacRT as presented in this report, which allows the Authority to reimburse SacRT for these contract services.

## RESULT OF RECOMMENDED ACTION

The approval of the MOU between SacRT and the City of West Sacramento will be the framework for developing an O&M Agreement for the Downtown Riverfront Street

Project, which is anticipated to be approved prior to the award of the Federal Small Starts Grant.

## FISCAL IMPACT

No fiscal impact with this action. The fiscal impact will be addressed through an O&M agreement which will be submitted to the SacRT Board of Directors for approval once completed.

## DISCUSSION

### Operating & Maintenance:

Staff has estimated that the O&M cost of the Project will be \$2.3 million annually. The proposed MOU is the framework for developing the O&M agreement between SacRT and the City of West Sacramento. The prior O&M Agreement approved as part of the governance documents expired at the same time as the Design, Procurement and Construction (DPC) Agreement. Staff expects that the Cities will be parties to the agreement and that operating costs will be shared between West Sacramento, SacRT, and potentially other partners, and funded by sources such as LCTOP, Cap and Trade, SACOG's innovative project programs, a future sales tax measure, and other sources. West Sacramento is not a member or participating entity of SacRT; therefore, a separate O&M agreement is being developed with the approval of MOU as the initial step. This agreement could be similar to the light rail O&M agreement between SacRT and the City of Folsom, which was in place for almost 15 years, prior to Folsom joining SacRT in late 2018. In order to avoid having SacRT be responsible for the operating cost deficits, the stakeholders must enter into an O&M agreement prior to award of the SSGA.

O&M costs were estimated based upon the current travel time of 20 minutes round trip using one vehicle and 10 minutes during peak hours utilizing two vehicles. Maintenance of the vehicles will be done at SacRT's existing Light Rail Maintenance Facility at Academy Way.

### Ownership:

The last remaining governance document approved by the Board is the Subrecipient and Interagency Agreement between SacRT, the Authority, and both Cities. That document designates the Authority to be the owner of the Project and for SacRT to manage the state and federal grant funds. Through several discussions with both Cities and SACOG, the parties are now proposing that SacRT become the owner and operator of the completed Project upon dissolution of the Authority and approval of the SacRT Board of Directors. This will require termination of the Subrecipient and Interagency Agreement and a petition from SACOG to the FTA to transfer the Project sponsorship from SACOG to SacRT.

Due to the Project delay, the parties will likely be required to request an extension of the 2017 \$50 million federal appropriation.

### Recommended Actions:

STREETCAR UPDATE AND APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN SACRT AND THE CITY OF WEST SACRAMENTO AS THE FRAMEWORK FOR DEVELOPING THE OPERATING AND MAINTENANCE (O&M) AGREEMENT FOR THE DOWNTOWN RIVERFRONT STREETCAR PROJECT (December 14, 2020)

Staff recommends that the Board approve the Memorandum of Understanding (MOU) between SacRT and the City of West Sacramento, which sets out the framework for developing an Operating and Maintenance Agreement prior to the award of the Federal Small Starts Grant.

**Streetcar Service Memorandum of Understanding for Development of an  
Operating and Maintenance Agreement Between the  
City of West Sacramento and Sacramento Regional Transit District**

**THIS MEMORANDUM OF UNDERSTANDING FOR THE STREETCAR PROJECT (“MOU”)** is entered into effective this \_\_\_\_\_ day of \_\_\_\_\_, 2020 (“Effective Date”), by and between **SACRAMENTO REGIONAL TRANSIT DISTRICT (“SacRT”)** and the **CITY OF WEST SACRAMENTO (“CITY”)**. SacRT and CITY will each be referred to herein as a “Party” or collectively as “Parties”.

**1.0 RECITALS**

1.1 The City of Sacramento and the City of West Sacramento entered into a Joint Exercise of Powers Agreement for the Riverfront Joint Powers Authority (“JPA Agreement”) for the purpose of, in part, acquiring, planning, designing, financing, constructing, operating, holding and maintaining a fixed-rails streetcar system that will operate within and between the two Cities (“Project”);

1.2 SacRT has extensive experience in the operations and maintenance of regional transit projects similar to the Project;

1.3 Throughout the Project development phase the Cities have desired that SacRT provide certain operation and maintenance services for the Project as required by the Federal Transit Administration (FTA) under the future Grant Agreement. SacRT as the grantee is required to provide the appropriate level of operations for the useful life of the Project;

1.4 SacRT put out an Invitation to Bid for the construction of the Project on October 18, 2018;

1.5 The lowest responsive and responsible bid was significantly greater than the Project budget and the Engineer’s estimated cost for the Project;

1.6 The Parties are prepared to redesign the Project to reduce the scope and reduce the cost of the Project as presented and approved to proceed by the Sacramento City Council on August 18, 2020; by the West Sacramento City Council on August 19, 2020; and conditionally approved to proceed by the SacRT Board of Directors on September 14, 2020, as described in the Board approved Resolution attached hereto as Exhibit A;

1.7 On September 14, 2020, the SacRT Board of Directors conditioned the progression of the Project on the occurrence of a number of events, including the immediate commencement of negotiations with the CITY and completion of an agreement between the Parties by December 31, 2020 having the CITY join SacRT either through annexation or through an Operations & Maintenance Agreement (“O&M Agreement”) and to fully implement the terms of the annexation agreement or O&M Agreement upon

acceptance of award of a Small Starts Grant Agreement (“SSGA”) with the US Federal Transit Administration (“FTA”);

1.8 The Parties have commenced negotiations for an O&M Agreement but due to the complexity of issues that must be addressed, an O&M Agreement cannot be executed by December 31, 2020; therefore the Parties have agreed to enter into this Memorandum of Understanding (“MOU”) as an interim step, setting forth all of the issues that will be addressed in the O&M Agreement and have committed to fully executing an O&M Agreement before the acceptance of award of an SSGA for the Project.

**NOW, THEREFORE**, in consideration of the mutual promises hereafter set forth, the Parties agree as follows:

## **Terms and Conditions**

### **2.1 General**

The Parties hereto have agreed to enter into this MOU setting forth each of the terms and conditions that will be negotiated between the Parties in an O&M Agreement governing the operation and maintenance of the Streetcar Service between and within the cities of Sacramento and West Sacramento. The Parties intend to have the CITY join SacRT through the O&M Agreement and include CITY on SacRT’s governing Board as a voting member. This MOU identifies the areas that will be addressed in the O&M Agreement and provides a roadmap guiding the Parties in negotiations of the issues that will be addressed and included in the O&M Agreement. The goal of the Parties is to have a fully executed and effective O&M Agreement no later than upon acceptance of an SSGA, which is expected to happen in September 2021.

### **2.2 Streetcar Service Route**

The O&M Agreement into which the Parties will enter, will govern the operation and maintenance of the Streetcar Service between the City of Sacramento and the City of West Sacramento. The O&M Agreement will describe who will operate and maintain the Streetcar Service and will provide a description of the route(s). As a starting point for negotiations, the Parties agree that SacRT will operate the 1.5 Track Mile Route (“Streetcar Service”) and that the route will travel between a station/platform on Tower Bridge Gateway at Sutter Health Park between 3<sup>rd</sup> and 5<sup>th</sup> Streets in West Sacramento, heading east over Tower Bridge on Capitol Mall to a median station/platform between Front Street and 2<sup>nd</sup> Street, then proceed north on 3<sup>rd</sup> Street into the Sacramento Valley Station to a new station/platform near or at the existing light rail platform in Sacramento. The O&M Agreement will include any other necessary provisions describing the route and how it will be operated.

### **2.3 Operation and Service Costs**

The Parties agree to negotiate and develop an equitable, proportional cost-sharing methodology that will fairly allocate costs between the CITY and SacRT and the

methodology will be included in the O&M Agreement. The O&M Agreement will also contain an agreed upon schedule for the Streetcar Service. As a starting point for negotiation of the O&M Agreement, the Parties generally agree that the Streetcar Service will operate at approximately 15- and 30-minute intervals depending on the number of rail cars in operation. Streetcar Service headways operating a single vehicle are anticipated to be no greater than 30 minutes, with Peak Hours operating with two vehicles are anticipated to have headways that are no greater than 15 minutes. Hours of Operations are anticipated to be between 6:00 a.m. to 8:00 p.m., Monday through Friday and 8:00 a.m. to 8:00 p.m. on the weekends. The Parties will use the proposed schedule and route description contained in this MOU and use it as a starting point that will guide negotiations for the O&M Agreement. The Parties agree that Streetcar Service hours and headways will be timed and coordinated to the extent practicable to coincide with existing SacRT light rail services, to improve access to transit services, to minimize passenger wait/transfer time and to respond to ridership demand.

#### **2.4 Changes in Service**

The Parties will negotiate and include a methodology for making service changes to the Streetcar Service and will include that in the O&M Agreement. As a starting point for those discussions, the Parties agree that SacRT will be authorized to make any changes to the Streetcar Service that SacRT determines is necessary or desirable, including but not limited to changes for operational efficiency or safety, while ensuring the minimum agreed level of service is provided to the CITY. The CITY will not be obligated to pay for a change to Streetcar Service resulting in an increase in service miles or hours above the level described Article 2.3 above, unless both CITY and SacRT agree to the change. The CITY and SacRT will negotiate changes in service, but if SacRT makes a change to Streetcar Service resulting in a decrease in service hours below the minimum amount agreed to in the O&M Agreement, SacRT will charge the CITY only for the Streetcar Service hours that SacRT actually provides.

#### **2.5 Notices**

The O&M Agreement will set forth the notice requirements each Party must follow when notifying the other Party of any changes in service. As a starting point, the Parties agree that the O&M Agreement will set forth that SacRT will provide the CITY with at least 90 days advanced written notice of any proposed permanent change to Streetcar Service. The O&M Agreement will also contain a provision that will authorize SacRT to prepare a revised O&M Agreement if SacRT makes a permanent change to Streetcar Service resulting in an increase or decrease in hours of Streetcar Service. If the CITY agrees to increase the level of Streetcar Service or SacRT makes a permanent decrease to the level of Streetcar Service, the O&M Agreement must be revised to reflect the change and the change must be approved in writing by SacRT and CITY. Any changes to the O&M Agreement described herein will be effectuated either by the adoption of a new restated O&M Agreement or a formal written amendment to the then existing O&M Agreement. Acceptance of the new O&M Agreement or an amendment to the O&M Agreement will



be evidenced by the signatures of the West Sacramento City Manager as designated by the West Sacramento City Council, and the SacRT General Manager/CEO.

## **2.6 Street Maintenance**

The Parties agree that the O&M Agreement will address each Party's distinct responsibility to maintain CITY infrastructure including the streets on which the Streetcar rail right of way will operate. The Parties hereby agree that the O&M Agreement will expressly require that SacRT will maintain paving between points along a distance two feet from each outside operating rail on CITY right of way in a condition satisfactory to the CITY as determined by the City Manager or City Manager's Designee. The O&M Agreement will address the intervals at which maintenance will occur, whether and to what extent street maintenance costs will be apportioned and any other terms necessary to ensure the proper maintenance of CITY streets immediately adjacent to the rail right of way.

## **2.7 SacRT Facilities**

The O&M Agreement will also address maintenance of SacRT owned and/or controlled facilities. The Parties agree that SacRT will repair and maintain SacRT right of way, buildings, landscaping, vehicles, and equipment within the CITY using the same standards and criteria that SacRT applies to all SacRT right of way, buildings, landscaping, vehicles and equipment that SacRT operates and maintains. SacRT will endeavor to remove graffiti on SacRT buildings and equipment along the Streetcar right of way within 24 hours after receipt of CITY's request to SacRT's Facilities Department in writing or by phone. The O&M Agreement will contain pertinent details regarding notification protocols, as well as identify the parties who will be responsible for receiving such notices.

If SacRT reconstructs its facilities and equipment within CITY boundaries, it will comply with CITY standards for protection of the designated West Sacramento District to the extent such requirements do not conflict with applicable state or federal safety requirements or standards. For clarification, if a State or Federal design or safety standard or requirement differs from the CITY's design standard, SacRT will apply the State or Federal design standard if the State or Federal design standard is more restrictive. SacRT will be required to seek prior approval from the CITY for any new structures or elimination of existing natural features which are necessitated by operation or maintenance of the rail system, unless an immediate safety hazard exists which requires immediate removal of existing natural resources. SacRT will be required pursuant to the O&M Agreement to inform the CITY when such action has been taken.

The O&M Agreement will require SacRT to repair and maintain rail stations located in the CITY using the same standards and criteria that SacRT applies to all Stations that SacRT operates, including but not limited to, daily trash removal, station cleaning and graffiti removal. SacRT will endeavor to repair station damage posing a threat to public safety

within 24 hours after SacRT is notified or otherwise becomes aware of the damage. Other station repairs will be completed as quickly as practicable depending on availability of replacement parts and personnel.

## **2.8 Police/Security Services**

The Parties will negotiate and develop a methodology to ensure that the Streetcar Service in the CITY will receive an appropriate level of security and police protection. While the Parties believe that it would be preferable to have SacRT provide police/security services for Streetcar Service operations within CITY, the Parties understand that law enforcement jurisdictional issues may require a different model for security. The Parties agree that specific security services will be identified and addressed as part of the Streetcar O&M Agreement between SacRT and CITY.

## **2.9 Transit Services Coordination**

The Parties agree that the O&M Agreement will address how transit services between transit systems operated in both CITY and the City of Sacramento will be coordinated. As a starting point for negotiations, SacRT and CITY will coordinate any future transit connection as planned or deemed necessary at each of the termini stations. The Parties agree that Streetcar Service hours and headways will be timed and coordinated to the extent practicable to coincide with existing light rail transit services operating at Sacramento Valley Station to improve access to services and reduce passenger wait/transfer time, and to respond to ridership demand.

## **2.10 Public Information**

The Parties agree that SacRT will provide Streetcar Service route and schedule information to the public through SacRT's Customer Call Center and refer request for local transit service routes and schedules made by the public, to the CITY, which will be responsible for providing such information to the riding public. The O&M Agreement will reflect this division of responsibility.

## **2.11 Special Events**

The O&M Agreement will address the issue of how special events may be served by SacRT through the Streetcar Service. As a starting point for negotiations, SacRT agrees that it will consider requests from the CITY for additional service for special events and will endeavor to accommodate such requests conditioned upon CITY following the methodology that will be agreed upon by the Parties and included in the O&M Agreement for such requests.

The Parties agree that if CITY desires to increase Streetcar Service, the methodology that will be employed for making such requests will be set forth in the O&M Agreement and will require CITY to give SacRT at least 180 days' notice of its desire to expand Streetcar Service within the City (i.e. increased service span on weekdays, weekends,

holidays or increased frequency). Such timeframe is necessary to allow SacRT the necessary time to complete the process for implementing service changes, which may require negotiating with SacRT's labor unions and approval by the SacRT Board of Directors. SacRT's preference is to make Streetcar Service changes effective as close to the beginning of a fiscal year as possible and the O&M Agreement will reflect that preference. Approval of such changes will be evidenced in an approved writing executed by the City Manager of West Sacramento and the SacRT General Manager/CEO. The O&M Agreement will include a description of how agreement will be manifested between the Parties and could be as simple as both Parties executing a revised Exhibit to the O&M Agreement depicting the change in service.

## **2.12 Terms of Agreement**

The Parties will include a term in the O&M Agreement and have preliminarily agreed that the initial term will be 5-years consistent with FTA requirements as specified by the Small Starts Grant Agreement. The Parties may include a provision in the O&M Agreement that allows for the extension of the term of the Agreement by mutual agreement through an amendment to the O&M Agreement. The O&M Agreement will include a provision allowing for an annual adjustment to the number of hours of Streetcar Service and the estimated cost per revenue train hour to be made based upon SacRT's total Streetcar Service for the applicable fiscal year.

## **2.13 Net Operating Costs and Estimated Operating Costs**

When negotiating the O&M Agreement, the Parties will determine each Party's proportional share of the Net Operating Costs. The Parties agree that CITY will pay its proportional share of the "Net Operating Costs" for the Streetcar Service. The "Net Operating Cost" will be calculated each fiscal year by determining SacRT's "Estimated Operating Cost" for Streetcar Service, and providing a credit for : (i) fare revenue and (ii) in-kind services, which will be defined in the O&M Agreement.

The "Estimated Operating Costs" will include all maintenance, security, and operations costs for the Streetcar Service. The Parties have agreed that the Estimated Operating Costs will be defined in the O&M Agreement as an amount equal to the estimated cost of Streetcar Service between Sutter Health Park in West Sacramento and the Sacramento Valley Station in the City of Sacramento. When determining the factors that will go into determining the Estimated Operating Cost, the Hours of Rail Service will be included in the calculation. The Hours of Rail Service will include a proportional share of layover hours calculated by taking the Layover Time and multiplying that by the Running Time from Sutter Health Park to Sacramento Valley Station. Layover Time, as will be defined in the O&M Agreement, will mean the time during which a train is waiting at the terminus station prior to start of any trip. Running Time as will be defined in the O&M Agreement will mean the time during which the train is operating between the two termini stations.

The O&M Agreement will include the methodology for how the Net Operating Cost and the Estimated Operating Cost are to be determined during the term of the Agreement and

any other details necessary, including allocation of overhead, labor costs, etc., to determine such costs and the appropriate share each Party will be required to fund, subject to the definitions included herein.

#### **2.14 Payment**

The Parties will negotiate how invoices are to be delivered and processed by the receiving Party and the agreed upon payment methodology and include those in the O&M Agreement. The O&M Agreement will also include the methodology for calculating interest and the maximum interest that may be imposed on late payments.

#### **2.15 Fare Structure**

The fare structure for the Streetcar Service will be negotiated between the Parties but will not be addressed in the O&M Agreement. Instead the Parties will negotiate a separate Transfer Agreement between the Parties that will set forth the fare structure and the mutual acceptance of fare media between the CITY's transit system and the SacRT system. The Parties agree that the Transfer Agreement will be approved by SacRT and CITY no later than the start of Streetcar Revenue Service. In addition, the inclusion of Yolobus routes and schedules in the "SacRT Bus and Light Rail Timetable Book" will be addressed under the separate Transfer Agreement and not in the O&M Agreement.

#### **2.16 Board Membership**

The Parties will negotiate and include the process by which CITY will join SacRT and be provided with a seat on SacRT's governing Board. The process for gaining membership on the SacRT Board of Directors will be included in the O&M Agreement.

### **General Provisions**

#### **3.1 Authority to Bind**

Each of the signatories to this MOU represent that they are authorized to sign the MOU on behalf of such party and that all approvals, resolutions and consents which must be obtained to bind such party have been obtained that no further approvals, acts or consents are required to bind such party to this Contract.

#### **3.2 Severability**

In the event any provision of this MOU is held to be unenforceable for any reason, such provision will be severable from this MOU if it is capable of being identified with the apportioned to reciprocal consideration or to the extent that it is a provision that is not essential and the absence of which would not have prevented the parties from entering into this Agreement. The unenforceability of a provision that has been performed will not

be grounds for invalidation of this MOU under circumstances in which the true controversy between the Parties does not involve such provision.

**3.3 Integration & Modifications**

This MOU supersedes all previous agreements between the parties and constitutes the entire Agreement between the parties with respect to the subject matter of this Agreement. No oral statement or prior written material not specifically incorporated herein will be of any force or effect. This MOU may not be amended except by a writing duly executed by all of the Parties to this MOU.

**3.4 Counterparts**

This MOU may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute but one and the same agreement.

**3.5 Communications**

Any notice, demand, or communication required, permitted, or desired to be given hereunder will be deemed effectively given when emailed to the individual listed below:

If to SacRT:

Name Sacramento Regional Transit District  
Address 2811 O Street, Sacramento, 95816  
Attn: Darryl Abansado, Director, Engineering and Construction  
Phone: 916-321-3876  
Email: dabansado@sacrt.com

If to CITY, to:

Name: City of West Sacramento  
Address: 1110 West Capitol Avenue, West Sacramento, 95691  
Attn: Capital Projects and Transportation Dept.  
Jason McCoy, Supervising Transportation Planner  
Phone: 916-617-4832  
Email: mccoymj@cityofwestsacramento.org

**3.6 Ambiguities**

The parties have each carefully reviewed this Contract and have agreed to each term of this Contract. No ambiguity is presumed to be construed against either party.

**3.7 Time is of the Essence**

Time is of the essence for performance of each of the obligations under this MOU.

**3.8 Termination**

Either Party to this MOU may terminate this MOU for its convenience (without cause) at any time, in whole or part, by giving at least 30 days' advance written notice to the other Party of such termination and specifying the effective date thereof.

**3.9 Governing Law**

The laws of the State of California will govern this MOU.

**3.10 Nonwaiver**

Failure of a Party to insist on strict compliance with any of the terms, covenants, or conditions of this MOU by the other Party will not be deemed a waiver of that term, covenant or condition, nor will any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

**IN WITNESS WHEREOF**, the Parties have caused this MOU to be executed by their respective duly authorized representative as of the Effective Date.

**SACRAMENTO REGIONAL TRANSIT  
DISTRICT**

**CITY OF WEST SACRAMENTO**

By: \_\_\_\_\_  
Henry Li, General Manager/CEO

By: \_\_\_\_\_  
Aaron Laurel, City Manager

RESOLUTION NO. 20-12-0150

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 14, 2020

**STREETCAR UPDATE AND APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN SACRT AND THE CITY OF WEST SACRAMENTO AS THE FRAMEWORK FOR DEVELOPING THE OPERATING AND MAINTENANCE (O&M) AGREEMENT FOR THE DOWNTOWN RIVERFRONT STREETCAR PROJECT**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Memorandum of Understanding (MOU) between Sacramento Regional Transit District, therein referred to as "SacRT," and the City of West Sacramento therein referred to as "CITY," as the framework for developing an Operating and Maintenance Agreement, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing Memorandum of Understanding (MOU) for the Downtown Riverfront Streetcar Project between the Sacramento Regional Transit District (therein "RT") and the City of West Sacramento (therein "CITY").

\_\_\_\_\_  
STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary