

**Interlocal Agreement for Trolley Service between the  
City of Gig Harbor and Pierce County Public Transportation Benefit Area**

Pursuant to ch. 39.34 RCW, this interlocal agreement ("Agreement") is made by and between Pierce County Public Transportation Benefit Area ("Pierce Transit") and the City of Gig Harbor ("Gig Harbor"), a Washington municipal corporation, all of which entities may be referred to hereinafter individually as "Party" or collectively as the "Parties."

**RECITALS**

Whereas, Pierce Transit and Gig Harbor have identified a need for a tailored trolley service within Gig Harbor; and

Whereas, the Parties participated in an interlocal agreement for cost sharing for the 2013 Gig Harbor Trolley Demonstration Project; and

Whereas, the Parties desire to enter into an agreement to provide such seasonal transit service between Memorial Day and Labor Day weekends ("the Season" or "Seasonal"); and

Whereas, the Pierce Transit Board of Commissioners approved operationalizing the seasonal Trolley Service ("PT Trolley" or "the Service") at their October 14, 2013 meeting utilizing the usual local Pierce Transit adult, youth, and discounted fares; and

Whereas, the City of Gig Harbor has requested to participate in the PT trolley Service by contributing partnership funds to reduce the trolley service adult fare that is otherwise ordinarily charged to customers;

Now, therefore, the Parties agree as follows, incorporating by reference the above Recitals:

**1. PURPOSE OF AGREEMENT**

- 1.1 The purpose of this Agreement is to enter into a mutually beneficial contractual relationship to provide seasonal PT Trolley Service in Gig Harbor.
- 1.2 This Agreement establishes the general responsibilities of the Parties in relation to the Service, including methods for financing, implementing, improving and terminating the Service.
- 1.3 By February 28th of each year, the Parties will enter into a cost-sharing agreement based on the estimates for the upcoming Season's PT trolley service hours and cost per service hour. At all times, the Parties acknowledge their intent to preserve a farebox recovery rate target of at least 16% of overall cost of the service. If the parties are unable to reach a cost-sharing agreement by March 31st of any year, this agreement will automatically terminate, with each party to bear its own costs associated with such termination.

- 1.4 Because of the benefit of the service to Gig Harbor, the parties wish to partner in order to reduce the adult fare that is charged to customers for the adult fare.

## **2. SERVICE DESCRIPTION**

- 2.1 The seasonal PT Trolley Service will connect the historic Gig Harbor downtown waterfront district to the Uptown shopping district and provide a connection at the Kimball Park & Ride to provide access to other Pierce Transit and Sound Transit routes. The PT Trolley is a tailored transit solution that will aid in Gig Harbor's unique transportation challenges. The PT Trolley will help reduce congestion in downtown, connect the downtown and uptown districts and renew interest in public transportation. The Service will offer trips every 30 minutes beginning at approximately 11:00 a.m. to 7:30 p.m. Mondays, Wednesdays, and Thursdays, with extended service to approximately 10:00 p.m. on Tuesdays and Fridays. Saturday service will operate from approximately 9:30 am – 10:00 pm. Sunday service will operate from approximately 11:00 am – 5:30 pm. Service span and hours may be adjusted periodically utilizing ridership data to guide service planning decisions.
- 2.2 Service under this agreement shall be seasonal and commence on the Saturday before Memorial Day and terminate on Labor Day each year.

## **3. PIERCE TRANSIT'S RESPONSIBILITIES**

- 3.1 Pierce Transit will provide and maintain the vehicles and operate the Service as described in Section 2 Service Description.
- 3.2 Pierce Transit will pay its financial share as agreed in the parties' annual cost-sharing agreement.
- 3.3 In addition to providing and maintaining the vehicle and operating the Service, Pierce Transit will:
  1. Promotion:
    - a) Pierce Transit will advertise the seasonal PT Trolley Service via its normal marketing channels, and will include the Service information in Pierce Transit rider alert timetable and on Pierce Transit's web site.
  2. Trolley Stops:
    - a) Pierce Transit will identify, locate and install trolley stop signs. Pierce Transit will maintain trolley stop areas.

## **4. GIG HARBOR'S RESPONSIBILITIES**

- 4.1 Gig Harbor will pay its financial share as described in the Parties' annual cost-sharing agreement. Gig Harbor's financial share will be based on a targeted 16% recovery of the cost of services as described in Attachment A.

4.2 Gig Harbor will provide the transit service enhancements as described:

1. Promotion:

Provide promotional materials about the seasonal PT Trolley. This will be accomplished through:

a) Lead from City of Gig Harbor's Economic Development to aid in marketing Trolley Service including participation in a marketing team developing promotional opportunities for the PT Trolley.

b) Links and information on the City's web site.

2. Special Event Traffic Assistance:

a) Provide lead and support to Pierce Transit service impacts staff to identify detour routes and aid PT Trolley and trolley bus access around special events occurring during the seasonal PT Trolley Service period.

3. Trolley Stop Signs:

a) The City of Gig Harbor will assist with permitting for trolley stop signs for the project.

**5. COST OF SERVICE**

The estimated cost of service is based on the cost per service hour using Pierce Transit's cost allocation model and uses service hours for the duration of the seasonal Trolley Service.

**6. PERIOD OF AGREEMENT**

This Agreement covers the time period when the service commences on Saturday, May 24, 2014 and runs indefinitely, unless terminated pursuant the terms found as Section 10 herein or until the expiration or non-renewal of the party's annual cost-sharing agreement.

**7. INVOICES/PAYMENT PROCEDURES**

7.1 Pierce Transit will invoice Gig Harbor for their financial share under the cost-sharing agreement at the end of the seasonal service, for the transit service provided for herein.

7.2 The total service costs based on scheduled service hours for the seasonal Service is shown in Attachment A, and the parties shall reach a new cost-sharing agreement similar to Attachment A by February 28<sup>th</sup> of each year.

7.3 Gig Harbor shall make payment within thirty (30) days after receipt of an invoice.

7.4 In kind donations by Gig Harbor, if any, that further support marketing and outreach efforts for the Trolley Service are considered above and beyond Gig Harbor's contribution towards a 16% recovery of the estimated service costs and will not be considered as partial payment of this cost.

## **8. REPRESENTATIONS, INDEMNIFICATION AND DISPUTE RESOLUTION**

8.1 It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other person or entity. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of one Party or its contractors or subcontractors shall be deemed, or represent themselves to be, employees, agents, contractors or subcontractors of the other Party.

8.2 Each Party shall comply, and shall ensure that its contractors and subcontractors, if any, comply with all federal, state and local laws, regulations, and ordinances applicable to the work and services to be performed under this Agreement.

8.3 Each Party shall defend, indemnify and hold harmless the other Party, its elected officials, officers, officials, employees and agents while acting within the scope of their employment as such, from any and all costs, claims, judgments, and/or awards of damages, arising out of or in any way resulting from the indemnifying Party's own sole or concurrent negligent acts or omissions in the performance of this Agreement. Each Party agrees that it is fully responsible for the acts and omissions of its own subcontractors, their employees and agents, acting within the scope of their employment as such, as it is for the acts and omissions of its own employees and agents. Each Party agrees that its obligations under this provision extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees or agents. The foregoing indemnity is specifically and expressly intended to constitute a waiver of each Party's immunity under Washington's Industrial Insurance Act, RCW Title 51, as respects the other Party only, and only to the extent necessary to provide the indemnified Party with a full and complete indemnity of claims made by the indemnitor's employees. The Parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

8.4 Each Party's rights and remedies in this Agreement are in addition to any other rights and remedies provided by law or in equity.

8.5 This Agreement shall be interpreted in accordance with the laws of the State of Washington. The Superior Court of Pierce County, Washington located in Tacoma, Washington, shall have exclusive jurisdiction and venue, as provided by law, over any legal action arising under this Agreement.

8.6 The Parties agree that each will be solely responsible for payment of its own attorney fees, witness fees, and/or costs associated with any dispute arising out of this Agreement.

8.7 The provisions of this section shall survive any termination of this Agreement.

## **9. CHANGES AND MODIFICATIONS**

This Agreement may be amended or modified only by prior written agreement signed by the Parties hereto.

## **10. TERMINATION OF AGREEMENT**

10.1 Any of the Parties may terminate this Agreement, in whole or in part, for any reason provided, however, that insofar as practicable, the Party terminating the Agreement will give not less than ninety (90) calendar days prior notice to non-terminating Party. Such termination shall be by written notice delivered by certified mail, return receipt requested, of intent to terminate.

10.2 If Gig Harbor terminates, Gig Harbor will pay Pierce Transit the full financial obligation as described in Attachment A to offset the startup and operation costs for the seasonal Trolley Service.

10.3 If the Parties are unable or unwilling to reach a cost-sharing agreement for the upcoming Season by February 28<sup>th</sup> of any year and update Attachment A, this agreement shall automatically terminate on March 31 of that year.

## **11. FORCE MAJEURE**

Either Party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by a cause beyond its control, including, but not limited to: any incidence of fire, flood, earthquake or acts of nature; strikes or labor actions; commandeering material, products, or facilities by the federal, state or local government; and/or national fuel shortage; when satisfactory evidence of such cause is presented to the other Party, and provided further that such non-performance is beyond the control and is not due to the fault or negligence of the Party not performing. In no event, however, shall this provision eliminate the obligation to make payment to Pierce Transit for work performed in accordance with this Agreement.

## **12. WAIVER OF DEFAULT**

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement unless stated to be such in writing, signed by authorized Parties and attached to this Agreement.

## **13. ASSIGNMENT**

This Agreement shall be binding upon the Parties, their successors, and assigns; provided, however, that neither Party shall assign nor transfer in any manner any

interest, obligation or benefit of this Agreement without the other's prior written consent.

**14. NO THIRD PARTY BENEFICIARIES**

Nothing in this Agreement, express or implied, is intended to confer on any person or entity other than the Parties hereto and their respective successors and assigns any rights or remedies under or by virtue of this Agreement.

**15. MUTUAL NEGOTIATION AND CONSTRUCTION**

This Agreement and each of the terms and provisions hereof shall be deemed to have been explicitly negotiated between, and mutually drafted by, the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either Party.

**16. ALL TERMS AND CONDITIONS**

This Agreement merges and supersedes all prior negotiations, representations and agreements between the Parties related to the subject matter hereof and together with any attachments hereto, constitutes the entire agreement between the Parties. This Agreement may be amended only by written agreement of the Parties.

This Agreement and any attachments hereto contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the Parties hereto.

**17. CONTACT PERSONS**

The Parties shall designate a contact person for purposes of sending inquiries and notices regarding the execution and fulfillment of this Agreement.

	<b>City of Gig Harbor</b>
Contact Name	Denny Richards
Organization	City of Gig Harbor
Title	City Administrator
Address	3510 Grandview Street Gig Harbor, WA 98355
Telephone	(253) 851-6127
Fax	(253) 853-7597
E-Mail	richardsd@cityofgigharbor.net

	<b>Pierce Transit</b>
Contact Name	Tina Lee
Title	Service Innovation Administrator
Address	PO Box 99070 Lakewood, WA 98496
Telephone	253-589-6887
Fax	253-581-8075
E-Mail	tlee@piercetransit.org

Each Party warrants and represents that its execution of this Agreement has been authorized by its governing body.

18. **Effective Date.** This Agreement shall take effect when it is signed by all the Parties hereto.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the 24<sup>th</sup> day of February, 2014.

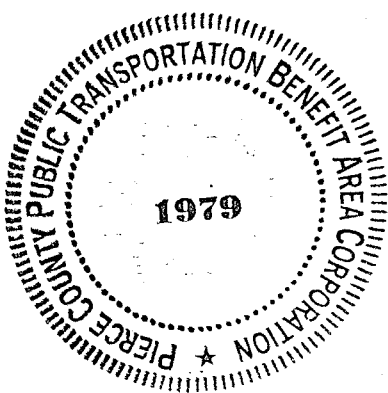
**CITY OF GIG HARBOR**

By: [Signature]  
 Title: Mayor  
 Date: 2/24/14

**PIERCE COUNTY PUBLIC  
 TRANSPORTATION BENEFIT AREA  
 CORPORATION**

[Signature]  
 Lynne Griffith  
 Chief Executive Officer  
2/18/14  
 Date

[Signature]  
 Wayne Fanshier  
 Chief Financial Officer  
2/14/14  
 Date



ATTEST:  
[Signature]  
 Deanne Jacobson, CMC  
2-18-14  
 Date

**Attachment A**

**2014 Cost-Sharing Agreement  
City of Gig Harbor and Pierce Transit**

I. **Service Cost Estimates and Monetary Contributions:** Monetary contributions by the City of Gig Harbor and Pierce Transit pursuant to Interlocal Agreement for Trolley Service (# \_\_\_\_\_) for the 2014 Seasonal PT Trolley Service are described below.

A. The estimated cost is a planning level estimate based on the hours and miles identified by Pierce Transit. The actual hours and miles needed to operate the service is determined by Pierce Transit during the scheduling of the service prior to implementation. The actual start up and operating costs may be higher or lower than the estimate provided in this agreement.

B. Pierce Transit's targeted system average farebox recovery rate is 16% based on a \$2.00 adult fare. The City of Gig Harbor partnership will allow customers to be charged a \$.50 adult fare, a 75% discount to customers of the usual adult fare, for the seasonal 2014 Trolley Service. The City of Gig Harbor agrees to contribute 75% of the estimated targeted 16% fare box recovery to achieve the \$.50 adult fare.

C. The City of Gig Harbor's estimated cost is \$36,340. Pierce Transit's estimated cost is \$266,492. If actual costs exceed the estimated amount, Pierce Transit will be liable for the higher cost as long as the service provided does not change significantly. If the parties agree to alter the service in ways that result in an increase in service hours, then this cost-sharing agreement will be renegotiated.

II. **2014 Trolley Service Estimates:**

Estimated 2014 Trolley Service Hours	2,132	
2014 Budgeted Cost Per Service Hour	\$ 144	
Estimated Cost to Operate Service	\$307,008	
PT Targeted Average Farebox Recovery Rate	16%	
Estimated Target Fare Box Recovery	\$49,121	(16% x Estimated Cost to Operate Service)
<b>Community Investment Needed to Reach Targeted 16% Farebox Recovery with \$.50 Fare</b>	<b>\$36,841</b>	(Estimated Fare Box Recovery x .75)
Community Investment @ \$.50 Adult Fare	\$36,841	
Estimated Passenger Fares	\$12,280	(Estimated 24,216 passengers @ \$.50)
Estimated Fare Box Recovery	\$49,121	



Financial Contributions

Pierce Transit	\$270,167
City of Gig Harbor	\$ 36,841
Estimated Cost to Operate Service	\$307,008

Pursuant to the terms of the Parties' Agreement (# \_\_\_\_\_), dated \_\_\_\_\_, Gig Harbor agrees to pay the Community Investment amount listed above for the 2014 PT Trolley Service to offset the adult fare charged to customers of the Service.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the 24<sup>th</sup> day of February, 2014.

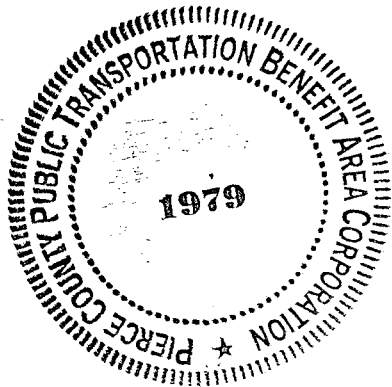
**CITY OF GIG HARBOR**

By: *Bill Gunn*  
Title: Mayor  
Date: 2/24/14

**PIERCE COUNTY PUBLIC  
TRANSPORTATION BENEFIT AREA  
CORPORATION**

*Lynne Griffith*  
Lynne Griffith  
Chief Executive Officer  
2/18/14  
Date

*Wayne Fanshier*  
Wayne Fanshier  
Chief Financial Officer  
2/14/14  
Date



ATTEST:  
*Deanne Jacobson*  
Deanne Jacobson, CMC  
2-18-14  
Date