

July 9, 2020

## MEMORANDUM

**To:** Seattle City Councilmembers  
**From:** Brian Goodnight, Analyst  
**Subject:** Council Bill 119815: Second Addendum to Monorail Westlake Center Agreement

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On July 13, 2020, the Council will discuss and possibly vote on [Council Bill \(CB\) 119815](#), proposed legislation that would approve the execution of the Second Addendum and Amendment to the City's Monorail Operating and Easement Agreement with Westlake Center, LLC. This memo provides background information on the current agreements with Westlake Center and the Monorail's operator, and summarizes the purpose and impacts of the proposed amendment.

### Background

In January 1987, the Council approved [Ordinance 113272](#) authorizing the Seattle Center Director to enter into an agreement with the owners of Westlake Center relating to the construction, maintenance, and operation of the Monorail facilities at Westlake Center. The agreement also provided the City with the necessary easements for use of facilities, such as the platform and accessways, that are required for Monorail operations. The agreement has been modified two times previously: an amendment in 1988 relating to the scope of work for the construction of a portion of the elevated tracks, and a First Addendum in 2014 relating to the relocation of certain easements for access to the platform. All three of these documents, the original agreement, the 1988 amendment, and the 2014 addendum, are attached to CB 119815 as [Attachment 1](#).

The City also has a related agreement with Seattle Monorail Services, LLC (SMS) for the operation and maintenance of the Monorail system. This concession agreement was originally approved in December 2014 ([Ordinance 124674](#)) and was modified by an amended and restated agreement in December 2019, the terms of which were approved by the Council in September 2019 ([Ordinance 125942](#)). The intent of the amended and restated agreement was to facilitate the implementation of the One Regional Card for All (ORCA) smartcard as a method of fare payment, which occurred in October 2019, and to require privately-funded capital improvements to the Monorail's Westlake Station.

### Second Addendum and Amendment

The purpose of the Second Addendum and Amendment to the Monorail Operating and Easement Agreement, attached to CB 119815 as [Attachment 2](#), is to allow for capital improvements to occur at Westlake Station. The capital improvements will include enlarging the station area, increasing the platform capacity, adding signage, and adding additional ticket kiosks, all of which are intended to allow for quicker boarding and reduced wait times.

Assuming that large events are able to resume by next year, the fall 2021 opening of the remodeled arena, now known as Climate Pledge Arena, is expected to increase Monorail usage above pre-pandemic levels.

As a system, the Monorail is conceptually capable of accommodating up to 6,000 riders per hour in each direction. Achieving this ridership capacity, however, will require capital improvements to Westlake Station. The capital improvements that will be funded and constructed by SMS are estimated to cost approximately \$6.6 million, including the cost to relocate an existing tenant. The amortized cost of the improvements will be reimbursed with Monorail revenues over the remaining 14 years of the SMS concession agreement.

If approved, the Second Addendum to the agreement would supersede and replace the First Addendum in its entirety, and it would grant the City the easements necessary for the Monorail station platform, the planned additions, and all of the associated improvements. The improvements covered by these easements would expand the platform by approximately 800 square feet. In return for this additional space, the addendum requires an additional cost of \$3,167 per month, or approximately \$38,000 per year, which will increase annually for inflation. Per the terms of the City's concession agreement with SMS, these leasing costs are the responsibility of SMS and will be funded with Monorail operating revenues.

cc: Kirstan Arestad, Executive Director  
Dan Eder, Deputy Director