

Sound Transit Citizen Oversight Panel Virtual Meeting Summary May 5, 2021

COP Members Present: Fred Auch, Brett Johnson, Scott Lampe, James Peyton, Helen Powell, Larry Sauv , Joe Scorcio, Paul Thompson

COP Members Absent: None

Others Present: Kathy Albert, Katie Flores, Adam Montee, Taylor Wilkinson

Realignment Update

- Matt Shelden – Deputy Executive Director – Planning and Integration
- Ryan Fisher – Director of Financial Planning and Budget

Sound Transit staff gave an update on the realignment work currently underway. The long range plan is being updated more frequently than usual with the help of third party consultants in order to more closely track changes in revenue. Current estimates show the affordability gap at \$7.9 billion, down from \$11.5 billion, primarily due to a \$4.6 billion increase in projected tax revenue through 2041, a \$527 million increase in American Rescue grants, and a \$595 million projected capital cost. The lessened gap is primarily due to updated revenue projections and more precise project cashflow projections.

Additional stimulus funding in December 2020 and March 2021, additional vaccine availability and economic recovery that moved reopening ahead, five additional months of tax collection data, and updated national and regional economic indicators have added to the improved forecast. Overall, long-term tax revenue projections, while still below pre-COVID levels, improved by \$4.6 billion from the Fall 2020 forecast, consistent with forecasts by the State and other local jurisdictions.

Although the affordability gap has narrowed, the ST3 program remains unaffordable without realignment. Long range financial projections remain uncertain because tax revenue forecasts fluctuate with economic cycles, capital projects not yet in construction are at very early stages of design, and purchased transportation cost growth has tracked higher than the rate assumed in the ST2/3 plan. If not contained, purchased transportation costs could ultimately add \$1 billion to the plan.

All projects not in construction in Spring 2020 were paused when it became clear that the program had become unaffordable. Projects not in construction were delayed by five years as a placeholder while the Board considers next steps in the realignment process. Evaluation criteria and a four-tier framework to delay projects by two, four, six, and ten years were developed to prioritize projects, preserve flexibility, and respond to changing conditions. Going forward, a new, annual program review will be performed to evaluate shifts in financial capacity and opportunities to advance tiers of projects prior to budget and TIP preparation. The Chief Financial Officer will provide regular updates on the ability to deliver each tier.

The Board is expected to discuss its priorities in May, develop a realignment framework and plan(s) in June, and consider potential action to adopt the plan(s) in July.

Northgate Link Extension

- Rick Capka – Deputy Project Director – Northgate
- Lori Fredrick – Principal Construction Manager
- Mitzi McMahan – Civil Rights, Equity and Inclusion Compliance Manager

Project staff began their presentation by noting that the first week of May is Construction Safety Week. Sound Transit's contractors, consultants, and staff were thanked for ensuring the safety of the workforce, the public, and the Agency's assets.

The Northgate Link Extension is a 4.3-mile project from the UW Station to Northgate that includes three light rail stations and a 450 stall parking garage. Revenue service will begin on October 2, 2021. Service from Northgate to Downtown will take 14 minutes, and serve three academic facilities and three business districts. Transit oriented development (TOD) is planned or underway at all three station sites.

The baseline budget is \$1.899 billion, which, as of March, was 91 percent committed and 90 percent incurred. Estimated cost to complete shows a project surplus of at least \$52 million.

Northgate Station was substantially completed in December 2020. Punchlist close out, documentation and permit closeout, and pedestrian bridge construction by the Seattle Department of Transportation, are ongoing.

Roosevelt Station was substantially completed in October 2019. Change order work, documentation and permit closeout, interim equipment maintenance, and adjacent TOD construction, are ongoing.

U District Station was substantially completed in April 2020. Change order work, documentation and permit closeout, interim equipment maintenance, and vent shaft upgrades for future TOD, are ongoing.

Systems construction is 93 percent complete, and alignment testing for each major system is underway. Vibration and electromagnetic interference mitigation testing under the UW campus is ongoing, as is emergency response and familiarization training.

Labor and workforce statistics show 4.8 million labor hours worked, including 31.5 percent by people of color, 8.6 by women, and 18 percent by apprentices. The small business goal is 8.5 percent; actual to date is 13.9 percent. The disadvantaged business goal is 5.5 percent; actual to date is 6.48 percent.

Discussion

Realignment – COP members expressed appreciation for the timely update, which helps the panel perform its oversight role. Although the revenue shortfall is now \$1.5 billion, cost estimates are up \$12 billion from the original plan, which could imply that cost increases rather than revenue shortfalls are at issue. Members looked forward to receiving the independent consultant's report regarding cost estimating/escalation.

Panel members remain concerned about station area access, social, racial, and economic equity, and the impacts on local jurisdictions if planning parking garages are deferred in the realignment process.

Northgate Link Extension – COP members appreciated hearing how well the project is going, and look forward to its opening on October 2, 2021. Staff agreed to provide additional information about workforce statistics for the project.

The summaries of the April 7, 2021, and the April 21, 2021, meeting were approved.

Scott Lampe noted with regret that Dan Parker had resigned from the COP because of increased personal and professional demands on his time.

Member Reports

None

2021 Focus Areas

- Adequacy and appropriateness of station access, including use of emerging technologies
- Monitoring and review of social equity, racial equity, fare enforcement, and inclusion policies
- Uses of peer comparison data
- Asset management plan progress
- Reliability and availability of federal, state, local, and third party funding sources
- Customer experience focused metrics across the RTA region and transit agencies within it
- Covid-19, contingency planning, and disaster preparedness
- Program realignment, interagency cooperation and interoperability
- Coordination with local jurisdictions to mitigate impacts of unauthorized parking around stations

Outstanding Questions

None

Next Virtual Meeting: Wednesday, May 19, 8:30 – 11:00 AM

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