



Summary Minutes

Executive Committee Meeting January 7, 2021

Call to order

The meeting was called to order at 10:40 a.m. by Committee Chair Kent Keel virtually on WebEx.

Due to the Governor's Safe Start, Stay Healthy Order, public viewing of the meeting was only available via WebEx. The meeting was streamed on

<https://soundtransit.webex.com/soundtransit/onstage/g.php?MTID=e61dca59c55a9737decf41c4d80791bcc>

Roll call of members

Chair	Vice Chair
(P) Kent Keel, University Place Councilmember	(P) Paul Roberts, Everett Councilmember (P) Dow Constantine, King County Executive

Board Members	
(P) Claudia Balducci, King County Councilmember	(P) Jenny Durkan, Seattle Mayor
(A) Bruce Dammeier, Pierce County Executive	(A) Roger Millar, WSDOT Secretary
	(P) Patty Rubstello, WSDOT Secretary Alternate
	(P) Dave Somers, Snohomish County Executive
	(A) Victoria Woodards, Tacoma Mayor

Katie Flores, Board Administrator, announced that a quorum of the Committee was present at roll call.

Report of the Chair

Chair Keel welcomed Boardmembers Ed Prince and Kim Roscoe to the Executive Committee meeting. He noted that they were not members of the committee, but the Board rules allowed for any Boardmember to join a committee meeting as non-voting participant.

He welcomed the committee to the first meeting of the New Year, noting that there was much work to be done.

He advised that the Committees and Board would begin receiving verbal public comment in addition to written comment starting with today's Executive Committee meeting.

He reminded the committee that they received a draft committee work plan for 2021, which would be discussed in more detail at the February Committee meeting.

Finally, he noted that the CEO Monthly Contract Report was included in Boardmembers' packets.

CEO Report

(Vice Chair Constantine joined at this time.)

CEO Peter Rogoff gave the CEO Report.

Federal update – The 117th Congress was called into session earlier in the week and the Georgia special election results resulted in a Democratic control of the Senate and its committees. Both

Washington State Senators Cantwell and Murray would become full committee chairs once the new senators were sworn in. Veteran of the Sound Transit Board, Marilyn Strickland also began her tenure as representative of the 10th Congressional District, and would be joining Congressman Rick Larsen of the 2nd Congressional District on the House Transportation Committee. Before the 116th Congress completed its business in 2020, it passed an omnibus spending bill with funding to support \$100 million each for the Lynnwood Link and Federal Way Link extensions. Included in the bill was COVID relief of \$15 billion for transit funding. Details were still emerging, but Sound Transit was expected to receive between \$180 and \$188 million. CEO Rogoff announced that news sources indicated that Secretary of Transportation Chow was stepping down as well.

Sounder North Landslides and Service Disruption – With the heavy rains experienced in the region over the previous week, a blocking event occurred on Sounder North between Edmonds and Mukilteo the night of January 2. Prompting cancellation of service on all Sounder North line trains for Monday, January 4. A second blocking event occurred on Monday after Commuting hours, prompting service to be cancelled through the end of the week. Sound Transit worked with its partner agencies to set up bus bridges throughout the week.

Point Defiance Bypass Update – On January 16 and 17, 2021, Sound Transit, in partnership with WSDOT and Amtrak, would run trains on the Point Defiance Bypass for railroad signal testing. Trains would be running at speeds up to 79 miles per hour. Much outreach was performed with the surrounding jurisdictions to coordinate the testing.

Vice Chair Roberts applauded the work of Sound Transit, WSDOT, noting that in a period of heavy rains, the early warning system was working.

Public comment

(Boardmember David Baker joined at this time.)

Chair Keel announced that public comment would be accepted via email to emailtheboard@soundtransit.org and would also be accepted verbally. The following people submitted email public comments prior to the meeting:

No written public comment was received.

The following people provided verbal public comment to the Committee:

Will Knedlik
Joe Kunzler

Business items

Items for Committee final action

December 10, 2020, Executive Committee meeting minutes

Approval of the minutes of the December 10, 2020 Executive Committee was moved by Boardmember Roberts and seconded by Boardmember Somers.

With no objections from committee members, Chair Keel declared the minutes of the December 10, 2020 Executive Committee meeting approved as presented.

Reports to the Board

Capital Program Cost Estimates Update

Kimberly Farley, Deputy Chief Executive Officer provided the presentation. She explained the projects being discussed were all in the development phase. Specifically, those projects for which design and environmental work had begun, but for which final budgets had not been adopted. It included the West Seattle and Ballard Link Extension, Tacoma Dome Link Extension, Operations and Maintenance Facility – South, the SR 522 and I-405 Bus Rapid Transit, and Bus Base North projects. The cost estimates, factors that went into the estimates, and a plan to have a third party assess the estimating methods would all be presented.

She clarified that projects currently under construction were not affected by these cost estimates, and that seven out of the eight projects were currently under budget and on schedule. Similar, but more significant cost pressures to those which increased the baseline budgets for the Lynnwood and Federal Way Link Extensions prior to the beginning of construction would be the topic of conversation.

Under State law, the process to shape ballot measures like Sound Move, ST2, and ST3 require an independent review panel to ensure that key assumptions used in the development of high capacity transit plans are reasonable. Ms. Farley outlined the process for which the ST3 plan was reviewed, adding that the agency went into any ballot measure with the understanding that cost estimates were volatile and the possibility of substantial changes. Resources for design work prior to approval of a ballot measure are quite limited, and the ST3 plan ballot measure called highlighted that risk, noting that the projects were conceptual in nature and based on limited design.

Following estimates in 2015 and 2016, additional design work continued leading to cost updates in 2019. Since then, design advanced to approximately 10 percent for Link projects and between 10 and 30 percent for BRT projects. In November 2020, cost estimates were updated and troubling trends became apparent, which staff felt needed to be shared with the Board. Typically, projects are baselined at 60 percent design completion, at which point there is sufficient information to establish the respective scope, schedule, and budget. That becomes the fixed reference point by which progress is measured.

Ms. Farley explained that the largest factor for the cost pressures was in real estate. Property values continued to rise at an unprecedented rate, with a 52 percent growth in prices since 2015, when the ST3 ballot measure was developed. Construction costs were another factor increasing estimates. Higher material costs, shortages of skilled labor, higher bid prices and longer completion times all fed into this. Counterintuitively, these trends continued through 2020, despite the downturn caused by COVID-19, and were expected to continue in the coming years. Other factors inherent to learning more about projects raised costs, such as changes in project scope due to unforeseen site conditions, jurisdictional regulatory requirements, and lessons learned from other projects. Finally, contingencies and soft costs grew as the costs for these projects grew. Transit agencies across the country were facing similar cost pressures, like the San Francisco Metropolitan Transit Agency, the VTA and BART Partnership expansion in Silicon Valley, and Los Angeles Metro.

Don Billen, Executive Director of Planning, Environment, and Project Development, explained the cost pressures were especially acute for light rail projects in urban areas, which were seeing the most growth. Property values were increasing the most in these areas and in some cases, rapid development was increasing the costs of right-of-way.

Total light rail project costs increased by between \$4.84 billion and \$6.17 billion, representing a 42 to 50 percent rise. The Tacoma Dome Link Extension represented a 10 percent increase over 2019 estimates, totaling \$3.308 billion due to three miles of needed elevated track and complying with stormwater requirements.

The Operations and Maintenance Facility South, experienced a 54 to 77 percent increase, totaling between \$1.167 billion and 2.424 billion above 2019 estimates. The wide range was a result of the possible project locations. The high end of the range corresponded to the Midway Landfill Superfund site. Additional operational analysis identified need for additional track work to accommodate a larger proportion of the link fleet, and system wide storage facilities, leading to a 50 percent larger site footprint. Stormwater requirements applied to this site as well.

The West Seattle and Ballard Link Extension was always expected to be large, however it experienced a 53 to 59 percent increase, totaling between \$12.1 billion and \$12.58 billion. The most significant driver of the increases was \$2.13 billion for right-of-way acquisitions, which included newly built commercial or multi-family developments. Construction costs added \$1.27 billion, as larger aerial guideways, higher mined station costs, and a better understanding of utilities through development were needed. Finally \$775 million in soft costs and contingencies accompanied the other cost increases.

The SR 522 & NE 145th Street Bus Rapid Transit program experienced a 17 percent reduction over 2019 estimates totaling \$544 million, in large part due to design refinements that reduced right-of-way needs and partnership opportunities. The I-405 Bus Rapid Transit program experienced a seven percent reduction over 2019 estimates, totaling \$1.016 billion. Little had changed since planning and previous cost estimates, and the program benefited from use of existing and planned WSDOT infrastructure. The program also leveraged opportunities with partnerships in many locations.

The BRT Bus Base, sited in the Canyon Park area of Bothell experienced a 14 percent increase in costs, totaling \$238 million, which was largely due to increased size to accommodate more busses, and increased property costs. In fact, the location costs increased by 60 percent in just three years, between when the Board authorized a protective property acquisition and when the property closed in 2020.

Ms. Farley explained that because the cost estimates increased by such drastic amounts, a third-party, independent review of the methodologies was warranted. Staff was procuring a consultant to do just that, and the work would be expedited to ensure the information was available in April to inform the realignment process.

The net effect of the increases was an additional \$5.2 billion in assumed costs added for projects in development, and a \$2.7 billion adjustment for later light rail projects, adding \$7.9 billion in 2019 dollars, or \$12 billion in year-of-expenditure dollars, to the financial plan assumptions.

CEO Rogoff explained that staff decided to bring the updated cost estimates to the Board prior to the third-party assessment because of the overall size and also to inform the realignment process which kicked off that month. He noted that while the numbers were sobering, they were not catastrophic. The Board had tools of project phasing, scope control, and others, to address these increases. He reaffirmed that staff was dedicated to fully delivering the projects, and working with all necessary parties to do so as soon as possible.

Vice Chair Constantine supported the third party review, he acknowledged that continued development drove costs up, however the same growth pushed the need to build the high capacity transit system. He expressed a need to build the system that voters approved, and to work with partners and secure funding.

Vice Chair Roberts noted that it was important to move forward. He asked if the agency had the tools needed to protect or acquire right of way. He also asked how the information provided during the presentation inform or change requests and the approach to state and federal cooperation. CEO Rogoff explained that the agency used protective acquisitions in order to acquire property before the price increased. A challenge with that tool was that purchasing property so far ahead of planning could lead to unneeded property, such as the first hill property. Sound Transit was in a good position for projects to begin shortly, and to bring them to federal partners for funding.

Boardmember Balducci argued that the need for expanding the system was more urgent following the COVID-19 pandemic, as it was learned that so many were so dependent on transit in their lives. She explained that challenges would be transparency, and the ability to be nimble with the many adversities facing the agency. She asked if the third party reviewer could look at the original ST3 estimates. She also asked for a more in-depth review at a future System Expansion Committee meetings.

Boardmember Durkan said that she was committed to delivering the voter approved program. She argued that the demand existed and it was necessary to fight climate change. She expressed concerns about the estimates and the timing of when the Board was informed. She asked that the independent review consultant report directly to the Board.

WSDOT Secretary Alternate Rubstello complimented Sound Transit for bringing operational cost needs into consideration earlier in the planning process.

Chair Keel acknowledged that there was difficult work ahead, but expressed optimism because the Board had the mechanisms in place to address the increased costs. The ability to realign the program, the relationships with lawmakers in Olympia, and especially the Board's commitment to delivering the voter approved program were among them.

Sustainability Plan Update

Amy Shatzkin, Director of Sustainability provided the presentation. She reviewed the agency's missions and the Sustainability Program's focus, noting that in addition to the environment, the program was dedicated to supporting the region's communities and economic development.

The Program's focus was broad, tasked with implementing sustainable business practices in all areas of the agency from planning and design to construction and operations. To reflect that, the sustainability plan was organized around a few key areas, ranging from ensuring that social equity was addressed and implemented as an agency value to supporting economic sustainability by ensuring efficiency in how operations uses natural resources. Progress in that plan was measured annually and compared against its long-term goals.

The six year plan was underway, with three goals completed, 31 in progress, and 11 yet to begin. Battery Electric Busses were determined to be viable on the SR522 Bus Rapid Transit service. The current focus was to collaborate regionally to create infrastructure for battery electric busses. In 2020, Link Light Rail became the first carbon free light rail system in the country when the Skookumchuck wind farm opened. Additionally, a Phase 2 Green Direct agreement was signed with Puget Sound Energy to power all energy received with renewable sources by 2021. Finally, 100 kilowatts of solar panels were installed on the Operations and Maintenance Facility East.

In regards to capital projects, four stations under construction and the Operations and Maintenance Facility East were pursuing the LEED green building certification, and Federal Way and Downtown Redmond Link Extension corridors were pursuing ENVISION green infrastructure certification, which also focuses on socio-economic impacts, community engagement, and racial equity in a manner that supports the agency's work in those arenas.

Chair Keel asked whether the link carbon free status would remain as the system grew. Ms. Shatzkin expressed confidence in the ability for the agency to do so.

Vice Chair Roberts also expressed pride in the status, and noted that it would be a good selling point in continued funding from the incoming presidential administration. He also noted that he expected that when COVID-19 was addressed, the changing climate would be the world's largest crisis, and the agency needed to continue to meet real climate objectives.

Other business

CEO Rogoff confirmed that the Realignment Board Workshop would be occurring on January 21, 2021. Chair keel encouraged all Boardmembers to try to attend the meeting.

Next meeting

Thursday, February 4, 2021
10:30 a.m. to 12:00 p.m.
Virtually on WebEx

Adjourn

The meeting was adjourned at 12:24 p.m.

ATTEST:

Kent Keel
Executive Committee Chair

Kathryn Flores
Board Administrator

APPROVED on _____ . AM