



Summary Minutes

Executive Committee Meeting May 6, 2021

Call to order

The meeting was called to order at 10:32 a.m. by Committee Chair Kent Keel virtually on WebEx.

Due to the Governor's 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=e8c2a5c3c161306a3cdc5d7a1578c8082>

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
(P) Bruce Dammeier, Pierce County Executive	(P) Roger Millar, WSDOT Secretary
	(P) Dave Somers, Snohomish County Executive
	(P) Victoria Woodards, Tacoma Mayor

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

Report of the Chair

Monthly Contract Report

The monthly contract report was included in members meeting packets for review.

CEO Report

CEO Peter Rogoff gave the CEO Report.

Federal Update – CEO Rogoff reported that the week prior, President Biden rolled out his American Families Plan, which combined with the American Jobs Plan, totaled \$4 billion in investments. The House of Representatives' Transportation and Infrastructure Committee was expected to take up legislation to reauthorize the surface transportation programs as early as May 25, 2021 as well. Staff would stay in communication with the region's two congress people on the committee to advocate for a provision that would increase federal funding for the two Full Funding Grant Agreements in place.

State Update – The State Legislature completed its regular legislative session on April 25, 2021, but there was speculation that a special session for transportation spending would take place. Work continued on two provisions, which were both included in the final transportation budget. One precluded Sound Transit's ability to negotiate on land leases for property in the Washington State Department of Transportation's right-of-way and the other increased the cost of Sound Transit's contract with the Department of Licensing to collect the Motor Vehicle Excise Tax. Board leadership sent a letter to Governor Inslee immediately following final passage of the budget asking for a partial veto of both policies. CEO Rogoff met with the Governor's staff to reinforce the request and they advised that they

received several expressions of support for Sound Transit's veto request. The Governor was expected to sign the final budget in the next two weeks.

(Boardmember Constantine and Woodards arrived at this time.)

Public comment

Chair Keel announced that public comment would be accepted via email to emailtheboard@soundtransit.org and would also be accepted verbally.

The following people provided written public comment:

David Shumate
Sean Albert
Joyce Hengesbach
Patty Cokus
Joe Kunzler and Kelli Refer

The following people provided verbal public comment:

Joyce Hengesbach
Andrea Reay – Ms. Reay was unable to provide verbal comment due to technical difficulties.
Joe Kunzler

Chair Keel noted that the Committee would return to Ms. Reay later in the meeting to try to receive comment at that time.

Business items

Items for Committee final action

April 1, 2021, Executive Committee meeting minutes

It was moved by Boardmember Roberts, seconded by Boardmember Woodards and carried by consent of all Board members present that the minutes of the April 1, 2021 Executive Committee meeting be approved as presented.

Reports to the Board

(Boardmember Dammeier arrived at this time.)

Realignment Discussion

Don Billen, Executive Director of Planning Environment and Project Development, provided the presentation. He reviewed the progress of the program realignment efforts to-date and advised that he would outline a number of scenarios.

Mr. Billen noted that work was continuing to take place between Sound Transit, Boardmember Roberts, and the Snohomish Delegation that used project level evaluation data to develop composite scores that could be used to generate a scenario. Results would be provided at a later meeting.

The first scenario was an iteration of the integrated network hybrid scenario reviewed at the March 2021 Executive Committee meeting. An integrated network would include a system with phased or segmented projects that would be introduced in a logical manner that interfaced well with the local transit network and would allow riders proper access to the system. The first scenario showcased four tiers within the North, East, Central, and South Subareas that included segmentation of the Light Rail system and phases of delayed ST3 Parking to allow for earlier service. Tier 1 showed Everett Link would have an interim terminus at Mariner, East Corridor would bring on the full 405 Bus Rapid Transit (BRT) service, Central Corridor

would develop an operating segment between Delridge and Smith Cove including the second Downtown tunnel, and the South Corridor would build the full Tacoma Dome Link project. It would also include some ST2 Sounder parking projects. Tier 2 would complete the ST3 Light Rail and BRT service, including Everett, 522 BRT, Infill Graham St. Station, and Tacoma Community College Tacoma Link. Tier 3 would extend the South Sounder platforms from eight to 10 cars and Tier 4 would build ST3 parking investments along with the remaining ST3 projects in North Sammamish, NE 130th Infill St., Rapid Ride C/D and SR-162 transit priority investments. Financially, this scenario would balance with a two-year delay on Tier 1, five-year delay on Tier 3, eight-year delay on Tier 3, and Tier 4 would be a combination of a 10-year delay with ST parking being delivered in 2051. Tier 1 would include a fully developed work plan, Tier 2 would include completion environmental review and some initial designs and strategic acquisitions, Tier 3 would complete environmental review to remain shovel ready but wouldn't move forward to design and construction until reaching the point of affordability with construction. Tier 4 would keep projects funded but pause additional work.

The second scenario was a slight variation of the first, with differences in the Tier 1 Central Corridor plans to begin SODO to Smith Cove. Tier 2 would remain the same as showcased in the first scenario. Platform extensions previously shown in Scenario 1: Tier 3, would move to Tier 4. Tier 4 projects would be delivered within 10 years of the original date and would include all ST3 parking.

The third scenario showed advancements to the ST2 Sounder investments based on South King Boardmember feedback, which brought the Kent and Auburn station projects to Tier 1. The agency had capacity with system and subarea level of affordability to make these advancements.

The fourth scenario incorporated North King Boardmember feedback on NE 130th Infill St to Tier 2 rather than Tier 4. The agency had capacity with system and subarea level of affordability to advance to Tier 2 rather than Tier 4.

Tracy Butler, Chief Financial Officer, reviewed the subarea balances as outlined in the ST3 plan. She then reviewed the state of the subarea balances with the \$7.9 billion funding gap projected at the time. If no adjustments are made, the balances would decline rapidly between 2029 until 2044. To avoid depletion, higher utilization of capacity and other adjustments would need to be made. Finally, she reviewed a hybrid scenario of subarea balances through 2051.

Geoff Patrick, Deputy Executive Director of Communications, provided an overview of the public outreach effort which took place regarding program realignment. In addition to the engagement with many area organizations and groups, an online open house was available to the public to gather input on project priorities. The three-week open house period resulted in over 31,000 visits to the online open house, nearly 10,000 survey responses, 202 emails and 55 voicemails from the general public.

Chair Keel advised that he drafted a letter in response to the letter received by Boardmembers Balducci, Constantine, and Durkan. The letter explained that the path forward began with adopting a flexible framework for decisions. The Board needed to address the reality that an affordability gap of nearly \$8 billion existed. Adopting the framework did not set any decisions in stone, and allowed for moving forward with project decisions later in the year.

He asked CEO Rogoff to expand the scope of the contract with Triunity consultants for cost containment. Deputy CEO Kimberly Farley was preparing a comprehensive process for cost review that would be presented at the May System Expansion Committee meeting then to the full Board. The consultants would then be able to provide helpful guidance and ideas for the process.

Durkan asked for clarification on the tiered project development dates. Mr. Billen stated that the tiers were measured against the original ST plan date.

Boardmember Balducci asked for a detailed set of project delivery dates.

Boardmember Dammeier noted that the graph outlining the subarea balances highlighted the need to realign the program.

Boardmember Durkan advised that she was not comfortable with the current approach towards program realignment because she did not have enough information to make an informed decision. The driving factor for the need to realign was cost increases and knowing what was driving those costs was important. She asked that an updated financial projection be provided to the Board in July 2021 before any decisions were made. She also stressed her desire to be more aggressive with the program delivery.

Vice Chair Roberts explained that the Snohomish County Boardmembers discussed a scenario to focus on four of the criteria, which would focus on climate impacts. It would make the program more compatible with the federal funding and advocated to move forward with the process. Additionally, he advocated for completion of the spine in order to get more people to more places, quickly.

Boardmember Balducci explained that the program realignment process began in 2020 when it appeared that the program would be unaffordable due to decreased revenues. Now the unaffordability was driven almost completely by costs. She urged the Board to reassess its approach to analyze realignment and be as aggressive as possible.

Vice Chair Constantine expressed concern with the direction of the realignment process as financial projections improved. He still supported the approach requested in the letter he sent to Chair Keel, which prioritized near-term projects advancing as more research was done on the rest of the program. He preferred to build the program as approved and find creative ways to proceed the voter approved projects.

Boardmember Somers explained that he was committed to building the system voters approved and not cutting any projects, however a cost problem existed. The only way to understand the cost projection increases was to make priorities and advance forward.

Boardmember McDermott advised that the difference in costs between aerial, surface, and tunnel options in West Seattle were narrowing. He also echoed the comments made by Boardmembers Durkan, Balducci, and Constantine. He voiced concern that in prioritizing projects into tiers, less information would be gathered for learning opportunities towards certain projects.

Boardmember Millar advised that perhaps the Board was trying to satisfy the desires of all stakeholders, and should instead approach the project costs differently and reflect on what is required rather than desired.

CEO Rogoff explained that Deputy CEO Kimberly Farley would provide an update on the work being done on cost increases to the upcoming System Expansion Committee. Mr. Rogoff extended an invitation to Boardmember Millar to attend, as he is not a member of the System Expansion Committee.

Boardmember Durkan explained that in engineering terms, perhaps there were no overruns, but the costs were higher than what the voters approved. She voiced lack of confidence in the accuracy of the projected costs because the Board hasn't received the independent cost consultant reviews to determine the current financial state. Lastly, she notes the improvement of the economy and believes revenue will increase and increased activity with cost containment will allow the agency to push forward with more voter-approved projects.

Boardmember Woodards advised that due to the uncertainty surrounding this process, a flexible realignment plan needed to be put in place. She supported adopting a framework as we continue to push projects forward throughout the communities

Boardmember Dammeier explained that a cost problem and scope creep problem was what faced the Board. Sustainable and different approaches were needed to address these problems. However, that work and realignment were both needed. He agreed with Boardmember Woodards that the agency needed to develop a flexible plan in order to prioritize and manage expectations.

Boardmember Balducci explained that her position as System Expansion Committee Chair was not to ignore the facts and hope the problem goes away. She noted that a vote to adopt a revamp of the program would result in some projects going forward expeditiously while some slide backwards. It will change programmatically from what the voters were promised, and she stressed that she did not believe it all needed to be completed in 2021. She thought the Board needed information to make choices and get the decision right the first time. She did not feel that July 2021 should be seen as the critical date to make these important decisions.

In response to Boardmember Balducci's comment, Chair Keel noted the financial graph showcased the agency's affordable plan and it highlights the importance of making a decision in July 2021. Chair Keel emphasized that decisions made in July do not equate to final plans because new information will continuously be provided and reassessed.

Boardmember Durkan requested a Board only Executive Session at the upcoming Board meeting to discuss legal matters in respect to realignment as well as a personnel issue.

Boardmember Balducci suggested the Committee extend a formal invitation to the Finance Committee Chair to join future meetings that would include financial realignment discussions.

CEO Rogoff explained that a response to the scenario request outlined in the letter sent by Boardmembers Balducci, Constantine, and Durkan was underway. In response to comments made by several Board members, Mr. Rogoff emphasized the engagement and efforts to refinance the agency's TIFIA portfolio. He recognized Boardmember Durkan's request for an Executive Session and noted he will consult with the General Counsel to ensure the legal matters involving realignment will qualify for an Executive Session.

Public comment (Continued)

Chair Keel gave a final opportunity to the member of the public to provide their verbal public comment, as there were previous technical difficulties earlier in the meeting. Andrea Reay was not able to join the call. Katie Flores, Board Administrator, provided her written comment submission and noted it would be forwarded to the Committee.

Executive Session – None

Other business – None

Next meeting

Thursday, June 3, 2021
10:30 a.m. to 12:00 p.m.
Virtually via WebEx

Adjourn

The meeting was adjourned at 12:13 p.m.

ATTEST:

Kent Keel
Executive Committee Chair

Kathryn Flores
Board Administrator

APPROVED on _____, JG