



Summary Minutes

Board Meeting
June 24, 2021

Call to order

The meeting was called to order at 1:39 p.m. by Board Chair Kent Keel in a Virtual Meeting via telephone and video conference.

Roll call of members

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

Board members	
(P) Nancy Backus, City of Auburn Mayor	(P) Ed Prince, City of Renton Councilmember
(P) David Baker, City of Kenmore Mayor	(P) Kim Roscoe, City of Fife Mayor
(P) Claudia Balducci, King County Council Chair	(P) Nicola Smith, Lynnwood Mayor
(P) Bruce Dammeier, Pierce County Executive	(P) Dave Somers, Snohomish County Executive
(A) Jenny Durkan, Seattle Mayor	(P) Dave Upthegrove, King County Councilmember
(P) Debora Juarez, Seattle Councilmember	(P) Peter von Reichbauer, King County Councilmember
(P) Joe McDermott, King County Council Vice Chair	(P) Victoria Woodards, City of Tacoma Mayor
(P) Roger Millar, Washington State Secretary of Transportation	

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

Report of the Chair

Future Board meetings – Chair Keel noted that he would like to begin a conversation with Board members on how the Board holds meetings following the pandemic and would ask for Board member input at the next Executive Committee meeting.

CEO Report

CEO Rogoff provided the report.

External Engagement Highlights – The monthly External Engagement report was distributed which summarizes some of the engagement work underway across the region. Sound Transit staff met with the Seattle City Council's Transportation and Utilities Committee to update them on realignment work and the cost work programs that both TriUnity and Kimberly Farley are leading. CEO Rogoff also noted that he has been invited back to the Seattle Chamber of Commerce for another discussion about realignment. Boardmembers Prince, Baker and Balducci also hosted a virtual meeting for East side mayors in June.

Federal Update – Mr. Rogoff reviewed the status of a \$1.2 trillion infrastructure package, transit is reported to receive just under \$50 billion in the bipartisan agreement. The House Transportation and Infrastructure Committee bill is slated to be considered by the full House next week and includes a similar provision that would require the Secretary of Transportation to provide up to a 30 percent increase in federal assistance for Capital Investment Grant (CIG) projects based on total project costs.

Sound Transit has two projects with CIG agreements, Lynnwood Link and Federal Way Link. If enacted, this provision has the potential to provide significant new federal assistance to help address the affordability gap.

The House reauthorization bill also incorporates some significant improvements to assist the Sound Transit TOD program, including legislation introduced by Congressman Smith entitled the Promoting Affordable Housing Near Transit Act. Smith's bill establishes a process by which a non-profit organization or other third party entity can receive a land transfer from a federal transit grant recipient at zero cost. Finally, the House bill includes two "earmarks" for Sound Transit projects. This first is funding requested by Congresswoman Jayapal to provide \$5.36 million for project development activities for WSBLE and \$2 million requested by Representative Smith for the BRT station at Tukwila International Boulevard.

The Senate is working on both a surface reauthorization and the broader infrastructure package. Sound Transit will continue to work closely with Senators Murray and Cantwell on the inclusion of S.837 which they introduced with other Senate colleagues earlier this year.

Finally, Mr. Rogoff noted that he had the opportunity to attend the Eastside Transportation Partnership meeting this month where Congresswoman DeBene was the Partnership's special guest. She included in her remarks how impressed she is with the construction progress we are making as she travels throughout her district and across the region.

Update on Fare Engagement Work – Mr. Rogoff reported that the Q2 report on fare engagement would be provided to the Board via email, given the full Board agenda and conversation around realignment. Mr. Rogoff noted a couple of highlights including job postings for Fare Ambassadors and the Fare Ambassador Supervisor for the Fare Engagement Pilot, and the hiring of a youth program specialist, Ryan Young, to develop and lead our fare engagement youth focus program. Sound Transit is also conducting a second round of listening sessions with five BIPOC-led organizations, with plans to add more organizations throughout the summer. Staff will provide an update this fall after the pilot is officially kicks off in August and will plan for a full briefing to the Board in September.

Pre-apprenticeship Programs in Pierce and Snohomish County – Mr. Rogoff noted that Sound Transit has been working on a number of workforce development initiatives to help retain a skilled workforce on Sound Transit projects, and to minimize the impact of a workforce shortage in the region. Sound Transit is supporting two new programs in Pierce County -- Palmer Pathway's new Pre Apprenticeship program beginning in the fall of this year, and a PACE cohort by ANEW in Pierce County which will begin on July 19, 2021. Both of these programs will enroll 25 students each. In addition, thanks to the leadership of Board member Smith, Sound Transit is partnering with Edmonds College and Everett Community College to provide support for a Snohomish County Pre-Apprenticeship training initiative, including support in attaining state certification, program curriculum and participation on the Edmonds/Evcc Pre Apprenticeship Pathways Steering Committee. Sound Transit will provide \$150,000 towards the setup of this training initiative.

Construction Updates – Work is currently taking place on Tacoma Link to install a new track switch connecting the current alignment with the new expanded OMF Facility and Yard. Tacoma Link is expected to resume regular revenue service on June 30, 2021. Up North, Sound Transit's Safety and Construction Management teams recently hosted a pop-up vaccination site at the Lynnwood Link construction site as an opportunity for construction workers to get a Covid vaccine. Staff is looking into additional construction field sites and possible expansion to construction workers' families. Finally, crews working on Lynnwood Link will be closing the southbound lanes of I-5 South from 220th Street SW to SR 104 in Mountlake Terrace overnight on June 26, 2021 for construction that will allow the light rail alignment to cross over the highway. Northbound traffic lanes will remain open. The closure is necessary for a large concrete pour for the future elevated guideway over I-5.

Link service disruption this Sunday – This Sunday morning from the start of service until approximately 11am, Link trains will not serve stations between SODO–Capitol Hill due to WSDOT's periodic overhead inspection on I-90, which requires Sound Transit to power down the overhead wires that power the trains. During the disruption, there will be free bus service between the closed stations. Sound Transit is advising all riders to allow plenty of time to navigate the bus bridge, and staff is working to identify strategies to shorten delays for similar work in the future.

Green Direct Program (with mention of Climate Plan shared with the FTA) – Mr. Rogoff provided an update on the status of the Green Direct program with Puget Sound Energy. In early June, the Washington Utilities and Transportation Commission (UTC) amended the method for how the state's customers pay for renewable energy as part of a rate negotiation with PSE. The changes just approved by the UTC are now estimated to cost Sound Transit about \$35,000 a year above the predicted regional rate. This contrasts with the analysis of the initial PSE agreements, which indicated that Sound Transit would save utility costs. However, the program remains the most cost-effective way to eliminate GHG emissions from agency operations. Sound Transit will engage directly with PSE and others to advocate for lowering the cost of this program over the long-term and will keep the Board apprised of any developments.

Amazon TOD Funding Partnership/ Revolving Loan Fund – Last Wednesday, Sound Transit and Amazon announced a new partnership through which Amazon will help fund affordable housing as a part of Sound Transit's transit-oriented development program. Through this partnership, Amazon will make available \$100 million in low-cost, flexible loans to support the creation of up to 1,200 affordable homes on our surplus properties by 2025. Amazon's funding is in addition to Sound Transit's \$20 million revolving loan fund approved by the voters to create affordable housing near stations. With Amazon's \$100 million, the Board will have greater flexibility in finalizing the revolving loan fund program later this year.

Chief Communications Officer – Mr. Rogoff announced the selection of a new Chief Communications Officer, Andy Izquierdo who will join Sound Transit on July 26, 2021. Mr. Izquierdo has more than two decades of proven experience leading communications and public affairs efforts across a variety of industries, including government, pharmaceuticals, retail and hospitality, most recently as Chief Communications Officer at Waste Management, Inc. The role will report directly to the CEO.

Introduce Sound Transit Staff – Emily Rogers – Mr. Rogoff also introduced Emily Rogers a new member of Board Administration. Emily will work with Board members to provide Board and Committee meeting materials and gather attendance information now that Josephine Gamboa has accepted a new position in Board Administration supporting the Rider Experience & Operations Committee and Finance & Audit Committee as a Board Relations Specialist.

Public Comment

Chair Keel announced that the Board was accepting public comment via email and verbally through the virtual meeting platform.

The following people provided written public comment to the Board:

Joint comment from Kirkland Mayor Penny Sweet, John Reihler, Julia Bent, Jonathan Melusky, Diana H, Janelle Callahan, and Janet Quinn

Joint comment from Seattle Metropolitan Chamber of Commerce, Seattle Southside Chamber, Everett Station District Alliance, and Downtown Everett Association

Joint comment from 46 Tukwila community leaders, businesses and residents

Joyce Hengesbach

Seashore Transportation Forum

Joint Letter from 31 Cities and Organizations

Joint comment from City Climate Action Committee and League of Women Voters; Seattle/King County

Economic Alliance Snohomish County

J.C. Smith

Bellevue Downtown Association

The following people provided verbal public comment to the Board:

MAK Mitchell, League of Women Voters – Seattle/King County

Kenmore Deputy Mayor Nigel Herbig

Joyce Hengesbach

Bellevue Mayor Lynne Robinson

Ryan McIrvine, City of Renton

Keith McGlashan, City of Shoreline

Kirkland Deputy Mayor Jay Arnold

Bothell Mayor Liam Olsen

Justin Clark, Seattle Design Commission

Matt Jack, Bellevue Downtown Association

Joe Kunzler

Report to the Board

Realignment Update

Don Billen, Executive Director of Planning, Environment and Project Development, provided the presentation. He reviewed the steps taken to date on realignment and noted that the Board had been working on realignment for about a year with an expected action in the next few months, which is close to the same time it took to realign the ST2 program during the Great Recession 10 years ago. The Board identified criteria for realignment in June 2020, and in December the Board received the project evaluation results in a briefing book and reviewed the results at a Board workshop in January 2021. Staff prepared illustrative examples in February 2021 based on a single criterion, and in March 2021 based on multiple criteria. Hybrid scenarios were then developed that performed well against multiple criteria and also integrated with partner plans and subarea equity considerations.

Mr. Billen reviewed impacts to project schedules, both planning impacts due to the budget COVID placed on co-lead and partner agencies, and financial impacts due to current affordability gaps at the subarea and agency level based on cost and revenue projections. The years of delay listed in the presentation are the total delays due to both planning and financial impacts. He also reviewed the work that would take place for projects in each tier.

Mr. Billen then reviewed the process for the new annual program review. He noted that the Chief Financial Officer would provide a regular annual program status review to inform annual budget and Transit Improvement Plan development. That review would include an assessment of the affordability of each tier based on the latest financial forecasts. It would also review any changes in project readiness, updates to project costs and a review of the current financial capacity.

Following Mr. Billen's presentation, Chair Keel stated that he had developed a realignment proposal based on the all the work over the last 14 months, and the feedback from individual Board members, stakeholders and the public. He encouraged Board members to use his proposal as a starting point and asked Board members to carefully review it and offer edits and amendments if the proposal doesn't capture their policy or project priorities. The proposal was distributed to Board members yesterday along with the exhibits that would be included in the final resolution to allow time for review a full month before the Board is scheduled to take action.

Chair Keel noted that the proposal's flexibility will allow the Board to speed up the delivery of projects as capacity allows, and directs staff to continue to reduce project costs with the help of an independent consultant. That work has already started but it will take place on every project. Chair Keel stated that the proposal prioritizes completing the regional light rail spine as soon as possible and expedites projects with strong ridership. It delivers on the equity criteria by expediting projects that expand mobility for transit-dependent, low-income and/or diverse populations, and prioritizes unfinished projects from ST2 in the first tier. Specifically it would new light rail extensions and open Stride BRT as quickly as possible, while temporarily deferring most other investments, including ST3 Sounder and parking investments. The proposal also would place an interim terminus in Southwest Everett in the first tier to complete the regional spine as quickly as possible with only a two year delay, offset by an additional one year of delay to reach Everett Station with light rail. In the South, the proposal extends light rail to Tacoma by deferring ST3 Sounder capacity investments to Tier 3. In the central corridor, light rail to West Seattle would take place in Tier 1 and the extension to Ballard in Tier 2. Stride BRT in the 522 corridor and in the southern segment of the 405 corridor would be in Tier 1, while BRT in the north corridor would be in Tier 2 because of funding challenges experienced by WSDOT. The 3 in-fill stations would take place in the second Tier of the framework. The proposal is balanced to comport with subarea and agency financial capacity.

Mr. Billen highlighted a few other elements of Chair Keel's proposal, he noted that maintenance facilities would be constructed in advance to be ready when needed, and the Sounder Maintenance base would be aligned with ST3 Sounder Expansion delivery date of 2036, which is a tight deadline that would require quick Board action to remain on track. On light rail, all the termini being proposed have good opportunities for integration with local bus service and non-motorized access. Parking facilities would be delayed, so transit integration and access will be important.

Boardmember Balducci acknowledged all the work that has been done to get to this point. She noted that she has been working with Don Billen and other staff on a modified alternative that is based on maintaining schedule as much as possible, and would like to offer that as a comparison for Board consideration.

Boardmember Roberts advocated for completing projects quickly to address climate change and thought that finding funds to do that was important, he spoke in favor of getting light rail to Southwest Everett to reach important centers and lower income communities.

Boardmember Somers thanked staff for their work, and spoke in favor of being up front with voters about when projects could be delivered, while also looking for opportunities to move things back to the original schedule if possible through the annual review process.

Boardmember Roscoe noted that the Pierce County Board members and the Puyallup Tribe of Indians both provided letters on their priorities.

Boardmember Dammeier felt the approach proposed by Chair Keel was thoughtful and balanced and hoped that the Board would work within the existing financial constraints for each subarea.

Boardmember Backus acknowledged that not everyone will be 100 percent happy with the proposal, but felt the plan was balanced and included something for everyone, not everything for one member.

Boardmember Woodards agreed with what had been said, and thought the success of the system depends on completing projects in every area of the system and every tier, even in spite of delays. She also noted the importance of working with local tribes including the Puyallup Tribe of Indians.

Chair Keel reviewed future project steps including additional discussion at the July 1, 2021 Executive Committee. Proposed amendments to the realignment action are due July 8, 2021 to allow time for staff to confirm they conform to legal requirements and are balanced from a subarea and agency financial perspective. This early distribution of proposed amendments is very similar to the process the Board used before when putting together the ST3 plan and other comprehensive action like the Equitable TOD strategy.

Independent Cost Estimating Work

Jonnie Thomas, Andrew Kean and Jane Donovan from TriUnity, provided the presentation on the Task 2 Final Report. The report looked at why ST3 cost estimates increased, and the drivers for those increases to provide recommendations for the future. Since the last presentation, Triunity conducted additional conversations with staff on cost estimating, and ranked the drivers in order of impact to cost estimates along with the overall amount. TriUnity also held a workshop with WSDOT and Sound Transit staff to gather additional knowledge on best practices on cost estimating.

There were eight key drivers that led to increased cost estimates, they were presented in ranked order with inaccurate original assumptions having the largest impact at 40% estimated impact, followed by Right of Way (ROW) formula, ROW quantities, Market conditions, Unit Cost Library Updates, Prescriptive estimating practices, Second opinions and ROW estimating ownership. The current cost estimates are appropriate for this level of design.

Mr. Kean provided additional detail on each of the eight drivers. Inaccurate original assumptions underestimated project complexity in areas like foundations. These were later corrected at a higher level of design, but resulted in a cost increase. The ROW formula was used for ST3 plan estimates, but estimates were later reviewed by Sound Transit's real property group and adjusted for current market conditions. The ROW buffer method was successful as an estimating approach in the past, but the latest estimates are now based on a more defined project footprint later in design. The Unit cost library was adjusted over time and also added to project cost estimates. Prescriptive estimating practices were used to develop estimates, but were later changed when additional site work and alignment profiles were better known. Second opinions pertains to utilizing an outside review when developing estimates. Finally, the real property staff that were not available to review estimates due to work load from ST2 projects.

Ms. Donovan reviewed ROW-related recommendations including involving ROW specialists earlier and using appropriate deviations to better estimate ROW costs when needed. In the area of policies and procedures, use of an independent opinion to validate estimates, use of a responsibility matrix and the addition of a project-level contingency were all recommended. In the area of internal communication, recommendations included utilizing the new portfolio services office in program-level process oversight, involving subject matter experts early and often, and maintaining a fully developed risk register with associated costs. Recommendations also included annual program status updates with the Board and a public dashboard to provide project status, and the use of ranges with initial cost estimates to add clarity, particularly in early design.

Next steps include scheduling an estimating 101 workshop and the presentation of the Task 3 draft report at the July Board meeting.

Chair Keel thanked TriUnity for their work, and asked if TriUnity was concerned about cost estimates increasing again in the future. Ms. Donovan noted that if Sound Transit can keep costs contained, the agency can stay on track with the current cost estimates. Chair Keel also asked whether Triunity had

seen examples of project cost savings being found for major rail transit projects without shortening the route or eliminating stations. Ms. Donovan stated she wasn't aware of examples and thought that major savings might require major scope changes.

Boardmember Somers hoped that the recommendations would be taken and incorporate into future work, he also supported independent cost review for project estimates going forward.

Boardmember Roberts asked for additional information on the schedule for receiving additional recommendations.

Consent Agenda

Voucher Certification: May 2021

Minutes of the May 27, 2021 Board Meetings

Motion No. M2021-37: (1) Authorizing the release of matching funds in the amount of \$2,500,000 to be provided to the City of Lynnwood as prescribed under the previously approved Development and Access Enhancements Agreement and (2) authorizing the chief executive officer to execute an amendment to the agreement.

Motion No. M2021-38: Authorizing the chief executive officer to increase the contract contingency with Jacobs Project Management Company to provide construction management consultant services for the Seattle to South Bellevue segment of the East Link Extension in the amount of \$5,000,000, for a new total authorized contract amount not to exceed \$48,919,350.

It was moved by Boardmember Roberts, seconded by Boardmember Smith and approved by the unanimous consent of 15 Boardmembers present that the Consent Agenda be approved as presented.

Business items

Resolution No. R2021-02: Amending Sound Transit's existing legal boundary description to include an annexation to the City of Everett.

Resolution No. R2021-02 was moved by Boardmember Roberts and seconded by Boardmember Baker.

Mike Strong, GIS Administrator, provided the presentation. The action updates the legal description approved by the Board in 2019 to incorporate an annexation in the City of Everett.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus

David Baker

Claudia Balducci

Bruce Dammeier

Debora Juarez

Joe McDermott

Roger Millar

Ed Prince

Nays

Paul Roberts

Kim Roscoe

Nicola Smith

Dave Somers

Dave Upthegrove

Victoria Woodards

Kent Keel

It was carried by the unanimous vote of 15 Boardmembers present that Resolution No. R2021-02 be approved as presented.

Resolution No. R2021-03: Authorizing the issuance of the not to exceed \$520,981,378 (plus capitalized interest thereon) sales tax and motor vehicle excise tax bond, series 2021T-1 (Downtown Redmond

Project: TIFIA – 2021 – 20211006A), to evidence the payment obligations of the Authority pursuant to a TIFIA loan agreement between the Authority and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau; and providing for other matters properly relating thereto.

Resolution No. R2021-03 was moved by Boardmember Backus and seconded by Boardmember Baker.

Tracy Butler, Chief Financial Officer, provided a staff presentation on Resolution No. R2021-03 and the next action, Resolution No. R2021-04. The first action would authorize a \$521 million Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Agreement for the Downtown Redmond Link Extension project, and the second would authorize the refunding of one or more of the five current TIFIA Loan Agreements with the United States Department of Transportation if the refinancing rate at the time of closing is lower than the existing loan rate and it is economically feasible to do so. Ms. Butler noted that the terms of each current TIFIA loan will remain the same and the new TIFIA loan for Downtown Redmond Link Extension will match the terms in the Master Credit Agreement and other TIFIA loans. Sound Transit is hoping to close the loans in July with between \$70 million and \$380 million in expanded financial capacity depending on the rate at the time of loan close.

Chair Keel noted that this item requires a supermajority vote, or 12 affirmative votes, for approval and called for a roll call vote on Resolution No. R2021-03.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Bruce Dammeier
Debora Juarez
Joe McDermott
Roger Millar
Ed Prince

Nays

Paul Roberts
Kim Roscoe
Nicola Smith
Dave Somers
Dave Upthegrove
Victoria Woodards
Kent Keel

It was carried by the unanimous vote of 15 Boardmembers that Resolution No. R2021-03 be approved as presented.

Resolution No. R2021-04: Authorizing the issuance of sales tax and motor vehicle excise tax bonds, in one or more series, to evidence the payment obligations of the Authority pursuant to one or more TIFIA loan agreements between the Authority and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau, each for the purpose of prepaying, refunding, and/or terminating and canceling an outstanding bond if the interest rate on each loan can be reduced to effect a debt service savings, paying or reimbursing a portion of the costs of certain projects, and paying costs of issuance of the bond; and providing for other matters properly relating thereto.

Resolution No. R2021-04 was moved by Boardmember Backus and seconded by Boardmember Roscoe.

Chair Keel noted that this item requires a supermajority vote, or 12 affirmative votes, for approval and called for a roll call vote

Ayes

Nancy Backus
David Baker
Claudia Balducci
Bruce Dammeier
Debra Juarez
Joe McDermott
Roger Millar
Ed Prince

Nays

Paul Roberts
Kim Roscoe
Nicola Smith
Dave Somers
Dave Upthegrove
Victoria Woodards
Kent Keel

It was carried by the unanimous vote of 15 Boardmembers that Resolution No. R2021-04 be approved as presented.

Executive Session

None.

Other business

None.

Next meeting

The next regular Board meeting would be held on Thursday, July 22, 2021, 1:30 to 4:00 p.m. as a virtual meeting via WebEx.

Adjourn

The meeting adjourned at 3:58 p.m.



Kent Keel
Board Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on July 22, 2021, TW.