Summary Minutes
Executive Committee Meeting
November 4, 2021

Call to order
The meeting was called to order at 10:35 a.m. by Committee Chair Kent Keel virtually on WebEx. The meeting was streamed on:
https://soundtransit.webex.com/soundtransit/onstage/g.php?MTID=e270d769680d9c84bb2cc55e48a8d8bc7

Roll call of members

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<th>Chair</th>
<th>Vice Chair</th>
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<tr>
<td>(P) Kent Keel, University Place Councilmember</td>
<td>(P) Paul Roberts, Everett Councilmember</td>
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<td>(P) Kent Keel, University Place Councilmember</td>
<td>(P) Dow Constantine, King County Executive</td>
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Board Members

| (P) Claudia Balducci, King County Councilmember | (A) Jenny Durkan, Seattle Mayor |
| (P) Bruce Dammeier, Pierce County Executive | (P) Roger Millar, WSDOT Secretary |
| (P) Dave Somers, Snohomish County Executive | (P) Dave Somers, Snohomish County Executive |

Adam Montee, Board Administration Program Manager, announced that a quorum of the Committee was present at roll call.

Report of the Chair

New Committee Appointments – Chair Keel announced that he would introduce a motion at the November 2021 Board meeting to appoint Boardmember Nancy Backus to the Executive Committee and Boardmember Kristina Walker to the Rider Experience and Operations Committee. These appointments would fill the vacancies left by former Boardmember Victoria Woodards. As an added benefit, Boardmember Backus is Chair of the agency’s Finance and Audit Committee, which would bring all committee Chairs into the Executive Committee.

Officer Election for 2022-2023 Board Chair and Vice Chair – The end of 2021 required the Board to embark on the election of Board officers. The Executive Committee would develop recommendations to the full Board for the Board Chair and two Vice Chairs with each representing a different county. The election must take place before the end of the current term, meaning it would be discussed at the December 9, 2021 Executive Committee meeting and the December 16, 2021 Board of Directors meeting.

Monthly Contract Report
The monthly contract report was included in members’ meeting packets for review.

CEO Report
CEO Rogoff welcomed back Ken Simonson with AGC of Washington. Mr. Simonson presented to the
System Expansion Committee in 2020.

CEO Rogoff noted the Infrastructure bill and the Build Back Better bill were being monitored on whether they would be passed and sent to the President. Voting could have taken place as soon as November 4, 2021 but staff would report as soon as progress was made. There was funding for public transportation in both bills and about $9.25 billion in funding for a new joint program with the Department of Housing and Urban Development on affordable access to transit.

**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:

Joyce Hengesbach

The following people provided verbal public comment:

Joyce Hengesbach

**Business items**

**Items for Final Committee Action**

October 7, 2021, Executive Committee meeting minutes

It was moved by Boardmember Somers, seconded by Boardmember Constantine and carried by consent of all Board members present that the minutes of the October 7, 2021 Executive Committee meeting be approved as presented.

**Items for Recommendation to the Board**

Motion No. M2021-65: (1) Approving key business terms of a transaction for transit-oriented development at the OMF East, and (2) delegating to the chief executive officer the authority to execute and subsequently amend as necessary transaction agreements with the development entities to develop the OMF East TOD project, subject to the Board-approved key business terms.

Thatcher Imboden, Director of Land Use Planning and Development, and Dustin Akers, Senior Project Manager for Transit Oriented Development, provided the staff presentation.

**Motion No. M2021-65** was moved by Boardmember Balducci and seconded by Vice Chair Roberts.

Chair Keel called for a roll call vote.

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<th>Ayes</th>
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It was carried by unanimous vote of seven committee members present that Motion No. M2021-65 be forwarded to the Board with a do-pass recommendation.
Boardmember Balducci commented on this action being a result of long range creative planning. She noted the difficulties for Board representatives looking into their subareas at the need to place Operations and Maintenance Facilities (OMF) and that was the position the Board was in a few years prior to support the ST2 expansions to Lynnwood and East Link. In order to get to that agreement, the Board participated in creative engineering to free up possible space and use the land, in partnership with the city, to create a space to serve as locations near transit stations, transit oriented development (TOD) housing and using the location to its full capabilities. She expressed gratitude towards staff and all who worked on these efforts.

Vice Chair Constantine echoed Boardmember Balducci. He said it would take conversation to expand the agency’s ability to accommodate multiple groups while building these facilities. The success in the Spring District would provide inspiration for other stations and facilities in the region. He commented on the agency’s maturity in not only focusing on expanding link service but also focusing on building mobility and community.

CEO Rogoff acknowledged the cooperation from City of Bellevue staff for their collaborative efforts.

Chair Keel expressed how intriguing it was that funds were being returned to the agency and how that showed positive efforts between a public and private partnership.

**Reports to the Board**

**Supply-chain, cost, and COVID challenges to construction**

Sonja Forster and Kenneth Simonson, with Associated General Contractors (AGC) of Washington, provided the presentation. Mr. Simonson briefed on construction employment since the beginning of the pandemic, the time frame of February 2020 to September 2021. Residential construction combined homebuilders and general contractors plus special trait contractors. Nonresidential building contractors included many firms that would bid on Sound Transit projects. There was a decline in both fields from February to April 2020 in construction employment, which matched the total nonfarm payroll employment. Construction rebounded faster once stop work orders were lifted and homebuyers were able to revisit new opportunities. The industry made use of paycheck protection program loans which enabled previously furloughed workers to return to work. After June 2020, employment rates started to diverge. The demand for home construction and renovation continued its pace so residential construction succeeded towards the end of the year whereas nonresidential construction stalled. There were large differences in data state to state and Washington state construction employment steadily grew, making it one of 14 states that were able to exceed the February 2020 employment level.

Mr. Simonson reviewed Metro construction employment changes from September 2020 to September 2021, which showed the Seattle-Bellevue-Everett Division as the second largest increase in construction employment of the 358 divisions that AGC studies. Metro Area construction employment has increased by 4 percent compared to the past two years. The Tacoma-Lakewood Vision showed the employment rates had stayed slightly ahead compared to 2020 and leveled with data from 2019. An AGC Workforce of over 20,000 companies gathered over 2,100 responses to the 2021 AGC Workforce Survey, which included 88 firms that noted Washington as their principal state of operation. A third of the firms said they had to reduce headcount over the previous 12 months, while the remaining said they expected to add to their headcount over the following 12 months. 91 percent of firms were searching for hourly craft workers, which resulted in harder to fill positions. Salaried positions were less difficult to fill due to available candidates not meeting industry requirements and delays to shortage of workers. He stated two concerns about construction worker supply. The first being a low vaccination rate, 57 percent for construction workers and 81 percent for other occupations. The second being a shrinking premium for construction wages relative to total private sector. Average hourly earnings were running slightly less than total private sectors between March 2006 and September 2021.
January to September 2021 year to date construction spending compared to January to September 2020 spending showed a decrease in private nonresidential and public spending. Transportation totaled about 3 percent in construction spending with about 2 percent for mass transit.

The producer price indexes (PPIs) from the Bureau of labor statistics reflected data of material pricing. Inputs to construction increased by 26.7 percent from April 2020 to September 2021 with ‘bid price’ to new non-residential building constructions steadily increasing by 5.1 percent. Steel mill products have nearly doubled in price, copper and brass mill shapes increased by a third of the price, amongst other increases in product pricing. Lumber and plywood pricing had rebounded since the dip recorded in September 2021. There was roughly a two-year gap recorded in the difference between year over year change in materials versus bid prices.

He reviewed a number of medium-term impacts as recovery would begin, including that economic recovery looked more certain but the virus risks would remain, especially for construction and low worker vaccination rate and possible pullback by owners on project starts. Slower rebound than for other sectors as owners, investors/lenders, institutions, and public agencies face uncertainty about future demand, project costs and completion times. Continuing cost and supply challenges may lead to more project deferrals. If the Senate-passed infrastructure bill becomes law, that would boost transit funding but also private electric vehicles which had mixed impact on transit demand. Infrastructure funds would take time to distribute and be awarded to individual projects, muting the medium-term impact on labor and materials supply, and population movements within and between states may differ from the past. Washington population had been slowing down while population had been migrating to the inter-mountain west. He commented that while the population could begin to move back to the area, not necessarily to dense areas, it would maintain the need for mass transit.

Mr. Simonson concluded by noting nonresidential construction spending and employment was likely to start increasing in 2022 but the sector faces continuing challenges from volatile prices, supply-chain bottlenecks and competition for labor. Owners such as transit agencies should expect higher, and possibly fewer, bids as contractors try to pass on materials and labor cost increase. Owners could cushion the shock with price adjustment clauses, earlier buying of materials, flexibility about materials and design changes. It is too soon to note how mix of core city/fringe/non-metro growth will change, but overall the population growth is slowing.

Vice Chair Constantine and Chair Keel thanked AGC of Washington for the depth and information of their presentation.

Chair Keel mentioned realignment to Mr. Simonson and asked that future arrangements be considered with AGC to allow questions from the Board. Mr. Simonson agreed to Chair Keel’s request.

Review of the proposed 2022 Systemwide Program budgets

Ryan Fisher, Deputy Executive Director of Financial Planning, Analysis and Budget, kicked off the presentation. He noted the team would provide a summary of the 2022 proposed agency budget and a briefing on budget sections within the Executive Committee’s purview, including other system expansion projects, debt service and other costs.

The 2022 revenue and other financing sources budget was $3.4 billion, comprised primarily of higher retail sales and use tax. Taxes expected a 6 percent increase over 2021 forecast. He noted there was uncertainty with the economy and was significantly above 2021 actuals. The last two quarters showed a slower growth rate. Federal grants was 37 percent lower primarily due to the low stimulus funding from Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan (ARP). Fare revenues showed a 79 percent increase largely due to the opening of Northgate as the agency regained ridership. Investment and miscellaneous revenues had an 18 percent increase due to ORCA regional
reimbursement. TIFIA draws were expecting $615 million due to rules relating to substantial completion for Operations and Maintenance Facilities East (OMFE) and Northgate.

2022 proposed expenditures were $3 billion, mainly comprised of $2.4 million in projects, a 7 percent increase. A majority of the projects were related to system expansion but also included State of Good Repairs (SOGR), enhancements and admin projects. Transit operating budget was proposed at $444 million, a 21 percent increase, about 18 percent of the budget would be due to restoring and expanding services and related inflation with service costs. Debt service and other budget was a 10 percent increase, $157 million related to debt service, $29 million to tax collection and fees, $17 million related to operating leases and $12.5 million for operating contingencies.

Mr. Fisher provided an overview of the 2022 budget priorities which included maintaining long term financial sustainability. The agency had implemented a prioritization process and operating targets over the past few years and would expand the targets in 2022 to include all non-system expansion projects. Other budget priorities included resource allocation consistent with the Board approved realignment resolution from August 2021 and agency priorities, adequate resources to support new services and assets and lastly, service levels/budget to reflect current ridership demand.

Jenny Stephens, Director of Financial Planning, Analysis and Budget, provided an overview of the system expansion projects that are categorized as Other and debt service projects that fall within the Committee’s purview. The projected 2022 budget was $2.4 billion with $2.1 million for system expansion projects, which comprised of Link, Sounder, ST Express, Stride, Tacoma Link and Other. The Other category was proposed at $47 million for 2022 and comprised of system expansion projects such as fare programs, Transit Oriented Development (TOD), System Access, ST3 Planning, Sustainability and STart.

Don Billen, Executive Director of Planning, Environment and Project Development (PEPD), briefed on the projects managed by PEPD with a $21.1 million proposed 2022 budget. A few 2022 project highlights included continued implementation of awarded projects by third parties. More than 20 System Access Funds funded projects would be underway in 2022. ST3 Planning included stormwater activities, Ridership forecasting and King County Metro (KCM) and Community Transit (CT) Integration coordination activities. Efficiency and Sustainability would continue LED bulb replacement and a power storage feasibility study was active. TOD activities at Roosevelt, Overlake Village, U District, Mount Baker, Operations Maintenance Facility (OMF), East, Lynnwood, Angle Lake, Federal Way Transit Center (FWTC) Kent-Des Moines, SE Redmond and Revolving Loan Fund.

Chad Davis, Deputy Director of Fares, briefed on the projects managed by Finance with a $12.7 million proposed 2022 budget. The budget would include $9.9 million for Next Generation ORCA for fare equipment and installation, and $2.8 million for Fare Administration for ORCA card expenditures, subsidized Annual Pass pilot and additional ORCA LIFT outreach.

Abby Chazanow, Passenger Experience Chief of Staff, briefed on the projects managed by Passenger Experience with a $5.6 million proposed 2022 budget for innovation and technology. The 2022 Project highlights included passenger-facing technology, which would be a new program for upcoming year that would be focused on digital implementation for passengers and pilot for innovation station for wayfinding navigation. Another highlight was program development includes Cambridge technical advisor and innovation station marking. Data and analytics projects would include research for the innovation station and passenger experience survey and rider/non-rider survey. Data and analytics contract with University of Washington featured survey tool that was utilized for multiple surveys. Mobility partnership projects included University of Washington course and capstone projects, partnership with the Evans school, curb space management, smart city park and ride project, employer coordination and other data related projects that would address regional data feed. User-centered design focused on emergent needs from other groups that would include and require research. Lastly, the fare ambassador program would complete the pilot study.
Ms. Stephens briefed on the projects managed by Design, Engineering and Construction Management (DECM) and Information Technology with a $7.9 million proposed 2022 budget comprised of START programs with $5.6 million proposed and Research and Technology with $2.3 million proposed. Project highlights included fabrication and installation for Lynnwood and East Link artwork and fabrication of Federal Way Link Extension (FWLE) artwork. There would be ongoing maintenance including deep cleaning, repainting and system-wide LED replacement. Research and Technology would complete Phase 1 of their network redesign.

Debt service and other costs had a $220 million proposed 2022 budget. The majority of the budget, $156.7 million, was for debt service including principal repayment, interest expense and financing expenses. $9.1 million for tax collection fees payed to WA Department of Revenue (DOR) for rental car and sales and use taxes, and Department of Licensing (DOL) for Motor Vehicle Excise Tax (MVET) collection. $19.6 million for sales and use tax offset fee which was based on 3.25 percent of eligible construction costs for FWLE and Downtown Redmond Link Extension (DRLE). $5 million for partner contributions to the City of Seattle for operations and maintenance of First Hill Street Car. $17.3 million for leases which would cover office space, facilities, land and equipment that support the operating of the agency and modes. Lastly, $12.5 million for Operating contingency, or 2 percent of proposed budget, which was consistent with prior years.

Ms. Stephens reviewed a few potential budget adjustments that may be needed in 2022 due to uncertainty with the pandemic and how it affects ridership. A few mid-year budget adjustments that may be requested from the Board included increased service to meet higher ridership demand, continued COVID-related cost increase and adjustment to projects resulting from Annual Program Review. She noted the Finance team presented the overview of Long-Range projections to the full Board and Finance and Audit Committee in October 2021. During the Committee meetings in November 2021, the Finance team would provide detailed budget overview presentations to each Committee. In December 2021, the Finance team would present the Committee’s recommendations to the Finance and Audit Committee. The Finance and Audit Committee would then recommend to the full Board for adoption.

Chair Keel requested that charts and diagrams displaying debt capacity since realignment be presented at the December Board meeting.

Access and Integration Program briefing

Alex Krieg, Deputy Director of Access and Integration, provided the presentation. He provided an overview of the System Access Implementation Plan which established implementation actions to carry out Board policy on improving passenger access. It also provided tools, resources, and guidance for improving access and relied on collaboration within the agency and key partners who were essential for providing access infrastructure services. He noted the policy foundation and stated the work was built from the System Access Policy from 2013, the ST3 System Plan from 2016 and the System Expansion Implementation Plan from 2017. The programs goals and objectives were referenced and included to grow ridership, increase connectivity, advance social equity, enhance the passenger experience and improve safety and human health.

Mr. Krieg briefed on the importance of partnership in creating a high-quality passenger access as a collaborative effort. Sound Transit, local jurisdictions, transit agency, WSDOT and other partners all play an important role. Context in and around the stations matter for access. The number and diversity of stations required establishing a Station Access Typology. The typology was based on how most passengers access a station and other key features in the station area, especially current and future land use context, applied to both existing and future stations, assisted with understanding station-specific needs in a systematic way and identified key access features necessary to support high-quality passenger access. Walk, bike, and roll stations were types of stations require access elements that support safe and environmental options. Multimodal stations access were split between various access modes such as walking, rolling, or shared vehicles. These stations are frequent points where many transit modes connect so they require access elements that support seamless transfers between services. Auto stations were mostly accessed by drop off.
or pick up. They include access elements such as curb space and parking and seek to prioritize walking and rolling connection areas and minimize conflict between vehicle and pedestrian modes. Mr. Krieg noted the need to consider how alternate auto access and potential parking service solutions may fit in the auto stations category.

In order to have a system that is easy to access, Mr. Krieg listed a few core questions to ensure the existing system works well. Questions such as, how do passengers access the system and how is that changing over time, what about stations and station environments makes access easy or difficult, what is needed to monitor and report on for improvement and how can stations and facilities by used to increase high-quality passenger access.

He reviewed information on passenger access post-COVID and reflected on the trends for mode of access/egress which showed walk and roll as the highest. Systemwide parking utilization was much lower compared to September 2019. Mr. Krieg noted some stations levels are different and getting closer to pre-COVID levels, such as Puyallup and Sumner Sounder Stations and Tukwila International Boulevard link stations. Parking at Northgate station showed reaching at or very close to capacity since its opening in October 2021.

System performance data and information that would be used to improve access included passenger use trends and changes over time, station infrastructure characteristics and quality and identification of gaps and needs as informed by the Station Access Typology. He listed implementation actions which included performance monitoring, which would monitor system trends and diagnose needs and gaps. Parking management, which would expand permit parking program to include a daily option. On-demand bicycle lockers, which would carry out Board direction to add new on-demand bicycle lockers. Lastly, mobility on demand strategy, which would establish an agency approach that would balance trade-offs for emerging modes of access.

Mr. Krieg briefed on what would be reviewed to ensure the expanded system would work well from the beginning. That includes reviewing what elements must a high capacity transit (HCT) project include to ensure high-quality passenger access, what access elements and features would Sound Transit emphasize and prioritize in station design and what was Sound Transit’s planning process throughout the project development life cycle and how does it ensure high-quality passenger access for all modes.

System Expansion project definitions provided clarity on defining the core HCT project and its access elements, would rely on Station Access Typology and Station Experience Design Manual, and give clear and transparent process with expectations for Sound Transit and partner roles. He reviewed that from the in development access in station design manual, as stages progress through project development, station design details matter in how access features and elements are arranged in specific locations. Partnership was important for how the right of way was allocated and organized for implementation purposes. The design manual supports a standardized approach regardless of where the project was being built. Access project development guidelines established the expected scope, outputs and decisions by project phase for primary access modes, including non-motorized access, transit integration and curb space and parking as a service.

Parking as a service was an approach to parking per ST3 and Realignment policy direction. It was stated to treat parking as a service to provide passengers, not only as a fixed capital asset to deliver. It would optimize new parking to local land use context and vision. Board action on Realignment deferred to parking but encouraged flexible, innovative and affordable options. Parking as a service could support Board direction by emphasizing leased, surface and potential join development opportunities.

Implementation actions for System expansion program support would lead access and integration work in all ST3 capital project development. Bus-rail integration would manage internal and partner efforts to deliver high-quality bus-rail integration for light rail projects opening through 2024 and parking as a service implementation would have additional program development and carry out Board direction from Realignment.
Funding to support performance and expansion would mean the ST3 System Plan would provide significant resources to implement the Board’s policy direction. Including $100 million for System Access Fund and $230 million for non-motorized access allowance. Mr. Krieg provided a recap of the System Access Fund. In 2019, the Board awarded $40.6 million in System Access Funds through a competitive process. Through October 2021, $28.3 million had been committed to partners. Monitoring implementation took place and first projects supported by the System Access Fund were beginning to complete.

He reviewed the evaluation and prioritization framework and approach for administering the nonmotorized access allowance. It included standard process across capital projects and consistent evaluation criteria based on program objectives. He noted the seeking and leverage of local funds and to look to local jurisdictions to deliver the improvements given that many would be outside the agency’s constructional footprints. System Access Fund would continue to administer funding authorized by the Board via Motion No. M2019-97. Station access allowance administration would identify, evaluate and prioritize allowance funds across ST3 capital projects.

Boardmember Balducci suggested that the Committee review the 2013 system access policy in order to update language and standards and criteria to since it included language on ST3. She noted three areas to review—standards and criteria, policies of use of access funds to meet standards and criteria, and how to implement language from the Board’s Realignment action that was sponsored by Boardmembers Prince and Baker, which was related to driver access to stations. Matt Shelden, Deputy Executive Director of Planning and Integration, responded to Boardmember Balducci and said actions were taken to figure out how to engage with the Board on the wide range of topics presented by Mr. Krieg. For consideration, Mr. Shelden offered for the team to return on a quarterly basis throughout 2022 to provide a thorough briefing on system performance, system expansion and access funding resources alongside any requests that may come from the Board such as the specific request from Boardmember Balducci above.

Chair Keel and Boardmember Roscoe expressed gratitude towards the team for the thorough presentation that was given.

**Executive Session**

None.

**Other business**

None.

**Next meeting**

Thursday, December 9, 2021
10:30 a.m. to 12:00 p.m.
Virtual via WebEx

**Adjourn**

The meeting was adjourned at 12:16 p.m.

ATTEST:

______________________________  ______________________________
Kent Keel                          Kathryn Flores
Executive Committee Chair          Board Administrator

APPROVED on ________________, JG