



Summary Minutes

Board Meeting
November 16, 2023

Call to order

The meeting was called to order at 3:03 p.m. by Chair Dow Constantine in a Virtual Meeting via telephone and video conference.

The meeting was recorded and can be found at <https://www.soundtransit.org/get-to-know-us/board-directors/livestream-video>.

Roll call of members

Chair	Vice Chairs
(P) Dow Constantine, King County Executive	(P) Dave Somers, Snohomish County Executive (A) Kent Keel, City of University Place Councilmember

Board members	
(A) Nancy Backus, City of Auburn Mayor	(P) Joe McDermott, King County Councilmember
(P) David Baker, City of Kenmore Councilmember	(P) Cordelia Crockett, WSDOT Secretary Alternate
(P) Claudia Balducci, King County Councilmember	(P) Ed Prince, City of Renton Councilmember
(A) Bruce Dammeier, Pierce County Executive	(P) Kim Roscoe, City of Fife Mayor
(A) Cassie Franklin, City of Everett Mayor	(P) Dave Upthegrove, King County Council Chair
(A) Christine Frizzell, City of Lynnwood Mayor	(P) Peter von Reichbauer, King County Councilmember
(P) Bruce Harrell, City of Seattle Mayor	(P) Kristina Walker, City of Tacoma Deputy Mayor
(A) Debora Juarez, City of Seattle Council President	

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

Report of the Chair

Business Items requiring a Supermajority and re-ordering of the Agenda

Chair Constantine noted that today's agenda includes two items – Resolution Nos. R2023-35 and R2023-36 – that require a supermajority vote of the Board to approve final adoption.

Chair Constantine also stated his intent to re-order the meeting to expedite consideration of the items by holding public comment limited to the two Resolutions before returning to the CEO Report, any remaining Public Comment, and the rest of the Business items.

Public Comment

Chair Constantine 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:

Bill Hirt

Nicolas Flesher, John Considine, William King, Betty Lau, Ashok Parasa, Travis DePrato, Isaac Gloor, Hamza Qaiser. Dave Schuldt, Alex Anzivino, Jensen Royer, Jonathan Sanchez, Stephen Fesler

The following people provided in-person verbal public comment to the Board:

Kathleen Johnson
Brien Chow
Joe Kunzler

CEO Report

CEO Timm provided the report.

Q1 2024 Service Disruption

CEO Timm noted that, during the Rider Experience and Operations Committee, staff reported on several State of Good Repair projects would be performed in the Downtown Tunnel early next year from January 13th to February 4th. The necessary work will significantly reduce 1 Line service and is expected to include 4 weekend DSTT closures (supported by a bus bridge) and 3 weeks of single-tracking between Capitol Hill and Stadium stations, with reduced frequencies across the system.

She added that to minimize overall impacts, the agency will be combining several projects that, if performed individually, would require multiple disruptions. Scheduling the disruption in January and early February represents the period of time during which ridership is lowest, with few sporting or large civic events. Completing the work in the winter will also reduce disruptions and service delays once the 1 Line is extended to Lynnwood next year. Staff are in the process of putting out advance communications, and CEO Timm asked local community leaders to help spread the word.

Ballard Link Extension Feasibility Study Action in December

CEO Timm reported that the System Expansion Committee received a presentation on a potential new location concept for the Denny and South Lake Union Stations along the Ballard Link Extension. Building-off of the Denny Westlake “Shifted West” option, the new station concept would potentially allow for the Denny Westlake and South Lake Union stations to be shifted westward and maintain two stations. Additional work is necessary to provide the information to the Board for possible inclusion in the DEIS.

During Committee Discussion, Board members expressed interest in the concept and asked staff to return in December with the necessary actions to authorize a feasibility study. Should the Committee and Board vote to authorize the study, staff would expect to return in late Spring 2024 with the results and recommendations for next steps.

Projects advancing into Activation

Sound Transit and King County Metro continue with pre-revenue service activities and coordination on construction completion items needed to advance the East Link Starter Line opening in Spring 2024. The team continues to overcome issues and is staying focused on the work for a safe beginning of service. Staff is also working with regional partners to advance necessary work to enter into pre-revenue service for the Lynnwood Link Extension this spring, to support a Fall 2023 opening.

In order to increase efficiencies and effectiveness of the separate groups, CEO Timm reported that a single, consolidated department had been established to provide better accountability and decision-making around the necessary activation work. Activation fully resides in the System Integrity Department under Chief System Quality Officer Moises Gutierrez and serves to transition capital assets from construction into active operations. Kerry Pihlstrom is serving in an acting capacity over the new group while recruitment for a permanent Director for the Asset Transition Office is underway.

Consent Agenda

Voucher Certification: October 2023

Minutes: Minutes for the October 26, 2023, Board of Directors Meeting

Motion No. M2023-93: Revising two key business terms of an affordable housing transaction with BRIDGE Housing at the Operations and Maintenance Facility East in Bellevue, Washington.

Motion No. M2023-94: Adopting the Sound Transit 2024 State Legislative Program and directing staff to evaluate and engage in issues that impact the agency as it continues to implement a regional high-capacity transit system.

Motion No. M2023-95: Reappointing Mark Riker as the Labor Liaison to the Sound Transit Board for another four-year term beginning January 1, 2024 and expiring December 31, 2027.

The consent agenda was moved by Board member Balducci and seconded by Board member Roscoe.

It was carried by the unanimous vote of the 11 Board members present that the Consent Agenda be approved as presented.

Business items

Resolution No. R2023-34: Adopting a policy on public comment on fare changes and major service changes and supersedes the public engagement portion of the current fare policy, Resolution No. R2010-10 as amended by Resolution No. R2014-27.

Chair Constantine reported that this action is needed to resolve a deficiency identified in the most recent FTA Triennial review dated May 5, 2023, and Sound Transit must take action by the end of this year.

Resolution No. R2023-34 was moved by Board member Roscoe and seconded by Board member Balducci.

Chair Constantine added that the key policy elements in the Resolution are consistent with Sound Transit practice, but Board action is needed to codify the policy update to comply with the FTA. He noted that the Executive Committee considered the item at its meeting earlier this month and forwarded the Resolution with a do-pass recommendation.

Chair Constantine called for a voice vote on Resolution No. R2023-34.

It was carried by a unanimous vote of the 11 Board members present that Resolution No. R2023-34 be approved as presented.

Reports to the Board

Briefing on Link Fares and fare structure

Alex Krieg, Director of Access, Integration, and Station Area Planning, began the presentation by noting that the initial set of slides distributed to the Board and posted online is a longer version of what is being presented for today's meeting.

Mr. Krieg first summarized the current Link Fare rate and structure, adding that Link fares were last updated in 2015. The rationale for engaging on a Fare update at this time is to prepare for the complexity that would be introduced with the opening of the ST2 extensions and due to Board member feedback about looking at a flat fare. Her also shared the guiding framework in use by the team and highlighted the key terms of "regionally integrated", "ridership", "equitable", "simple", and "financial stewardship" which will be used to anchor the analysis in today's report.

There are five fare rates that have been under consideration by Sound Transit, 2 distance-based with a base fare of either \$2.50 or \$2.75, and 3 flat fares with options at \$3.00, \$3.25, or \$3.50.

For “Regionally Integrated,” Mr. Krieg compared the 5 options to other local transit options. He noted that no other agency in the region uses a distance-based fare and the variability of a distance-based fares makes it difficult to align with other agencies. At this time, no other agency has a \$3.00 flat fare, but ST Express costs \$3.25 and the Seattle Center Monorail costs \$3.50. King County Metro and Community Transit also have potential near-term fare changes under consideration.

Mr. Krieg noted that all fare changes have the potential to impact ridership. Increasing the base fare for distance-based fares by \$0.25 or \$0.50 would result in a ridership decrease of 3% and 6% respectively. For the flat fare options, the \$3.00 fare could decrease ridership by 3%, the \$3.25 fare could decrease it by 6%, and the \$3.50 fare by 9%. Mr. Krieg explained that Sound Transit uses an elasticity factor, in line with industry standards, in ridership models to estimate the ridership impact from fare increases. He noted the analysis is not precise enough to say where in the system ridership decreases would occur, but staff expect that increasing distance-based fares would have greater impact on longer trips and that adopting a flat fare would have greater impacts on short trips.

Under the Title VI analysis for the fare change, none of the fare rate under consideration create a disparate impact to minority populations or a disproportionate burden to low-income riders. The analysis used two main data sets, passenger data from 2018 origin-destination survey and Census data for all current Link stations. Compared to the distance-based fares under consideration, the flat fares under consideration would result in lower average fare increased for minority and low-income riders based on the longer average trips for these groups.

Chair Constantine asked for a pause in the presentation so that the Board could consider Resolution No. R2023-35 as a supermajority of members is present.

Business items (continued)

Resolution No. R2023-35: (1) Amending the Light Rail Vehicle Fleet Expansion project baseline budget by increasing the allocated project baseline budget by \$96,156,000 from \$740,718,000 to \$836,874,000 to allow for the purchase of 10 additional light rail vehicles, additional spare parts, and to replenish contingency for the remainder of commissioning Sound Transit’s existing 152 vehicle order, (2) revising the Project Completion Milestone from September 2024 to two distinct Completion Milestones -- Q4 2025 for Conditional Acceptance of the existing order of 152 light rail vehicles, and Q1 2028 for Conditional Acceptance of the additional 10 light rail vehicles, and (3) changing the project name from “Light Rail Vehicle Fleet Expansion” to “Series 2 Light Rail Vehicle Fleet Expansion.”

Russ Arnold, Chief Service Delivery Officer, gave the staff presentation.

Board member Dammeier asked for clarification on the need for a higher Light Rail Vehicle (LRV) spare ratio. Mr. Arnold responded that a higher LRV spare ratio would allow the agency to continue with necessary retrofitting and State of Good Repair work while maintaining a higher number of LRVs as ready for daily operations. Mr. Arnold also noted that the original planning was for a 15% ratio and that through experience, there is a recognized need to increase it to 20%, in line with industry standards. Board member Dammeier asked if the original 15% spare ratio was unrealistically optimistic. Mr. Arnold responded that it was overoptimistic but not incredibly so, and that experience with operating Link has shown that the 20% provides consistency for service.

Resolution No. R2023-35 was moved by Board member Balducci and seconded by Board member Roscoe.

Board member Balducci summarized the System Expansion Committee’s discussion of the action and noted that the Committee forwarded the Resolution with a do-pass recommendation. She added that staff had provided responses to the earlier questions that were raised in previous reports.

Chair Constantine called for a roll call vote on Resolution No. R2023-35.

Ayes

David Baker
Claudia Balducci
Bruce Dammeier
Bruce Harrell
Joe McDermott
Ed Prince

Nays

Kim Roscoe
Dave Somers
Dave Upthegrove
Peter von Reichbauer
Kristina Walker
Dow Constantine

It was carried by a unanimous vote of the 12 Board members present that Resolution No. R2023-35 be approved as presented.

Reports to the Board (continued)

Briefing on Link Fares and fare structure (continued)

Mr. Krieg resumed the presentation by reviewing the passenger impacts from the Flat fare considerations. Under a flat fare, all trips would be the same fare, meaning short trips would cost more and longer trips would cost less. The riders would most be impacted with a change to a flat fare structure would be existing passengers taking short trips on Link who remember to tap on and tap off. A key consideration for flat fares is the removal of the tap off requirement for riders. Mr. Krieg demonstrated the change to several model trips.

Key considerations for distance-based fares include that fares will increase for many people who would be assumed to switch from ST Express and King County Metro buses as Light Rail reaches their areas, housing affordability limits who can live in the central part of the Link system and make shorter trips, and passengers would still be on the hook for tapping off. Mr. Krieg noted that approximately 30% of passengers who pay the full fare do not tap off. Mr. Krieg demonstrated the change to several model trips.

Referencing the larger slide deck, Mr. Krieg briefly touched on the complex table that would be associated with distance-based fares once the ST2 extensions come into service.

Mr. Krieg displayed a table showing the financial impact to the agency resulting from the adoption of either distance-based fare increase. For Debt Capacity, the \$0.25 increase to the base fare would hold the agency steady when it comes to debt, while the \$0.50 increase would slightly improve the debt metrics over the life of the finance plan. He stressed that there is a key assumption of \$0.25 increases every four years and a gradual increase in fare compliance to 75% by 2029.

He similarly summarized the financial impacts resulting from the flat fare options under consideration, plus a \$2.75 option heard during community engagement. With the same key assumptions, both the \$2.75 and \$3.00 options put strain the debt metrics, while the \$3.25 and \$3.50 options bolster the debt metrics.

Using a chart to summarize the considerations for both distance-based fares and flat fares compared to the key words pulled from the guiding framework. Both structures are neutral when it comes to ridership, equity, and financial stewardship, while the flat fare structure has better impacts to regional integration and simplicity. Mr. Krieg stated that staff will recommend that the Board adopt a flat fare structure on Link, but noted staff are not yet prepared to make a recommendation on the fare rate.

A similar table compared the three flat fares under consideration to the key guiding framework. The \$3.25 option yielded a better impact on regional integration, the \$3.50 option had a worse impact on ridership. All three options are neutral on equity and have better impacts on simplicity. While the \$3.00 option is neutral in regards to financial stewardship, both the \$3.25 and \$3.50 options demonstrated better impacts. Mr. Krieg paused for questions before covering the final slides and next steps.

Chair Constantine noted the difficulty in deciding to switch to a flat fare without truly knowing what the final fare recommendation would be. He further noted the \$3.50 flat fare would have a great on those who do live in dense, transit-oriented urban centers.

Board member Balducci stressed her support in shifting to a flat fare to help remove the perceived stress to new and infrequent riders.

Chair Constantine elaborated on the dynamic interplay of factors that go into what mode of transportation a potential rider chooses to use. Mr. Krieg expressed his agreement with that sentiment and that staff are seeking to balance those considerations. Chair Constantine added that since the last fare discussion, the Board has approved low-income fares and free fares for those under 18 years old.

Boardmember Dammeier expressed partial support with Board member Balducci on the point of simplicity that arises from flat fares with regards to having to tap off the system. He did express the importance of maintaining the tapping on to ensure payment.

Board member Balducci noted that she was not disagreeing with the tapping on portion of using the system, solely the tapping off component. Board member Dammeier noted his full agreement with Board member Balducci.

Mr. Krieg continued with the presentation to cover proposed mitigations and next steps that accompany the fare change. He highlighted that staff would market the fare change aggressively, report back to the Board on a road map to fare capping, participate in a King County Metro-led regional effort regarding reduced fare program administration, and consider convening a regional fare forum in 2024.

He also covered next steps toward a comprehensive fares strategy which includes updating the fare policy to include clearer policy direction about when to pursue fare increases, expanding the parking program to include daily fees, and developing other methods to increase or supplement fare revenue.

In December, staff will first bring an action to the Rider Experience and Operations Committee on the fare structure and fare change, with Board action slated for the 12/15 Board meeting. In February, staff expect to brief the Executive and Rider Experience and Operations Committee on the parking program engagement findings, with potential actions brought to the March Executive Committee and Board meetings.

Chair Constantine asked for Board members to consider the materials presented and be ready for a decision in December.

Other business

Noting that there were now only 11 Board members present, Chair Constantine informed the Board that the remaining business item, Resolution No. R2023-36, would have to be postponed and considered at a special meeting of the Board since it required a supermajority vote.

Next meeting

The next regular Board meeting would be held on December 15, 2023, 10:30 a.m. to 1:00 p.m. in the Ruth Fisher Board Room and as a virtual meeting via WebEx.

Adjourn

The meeting adjourned at 4:07 p.m.

Dow Constantine
Board Chair

APPROVED on _____, AJM.

ATTEST:

Kathryn Flores
Board Administrator