



Summary Minutes

System Expansion Committee Meeting September 12, 2024

Call to order

The meeting was called to order at 1:40 p.m. by Committee Chair Balducci and was available for viewing in person and online.

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 Chair
(P) Claudia Balducci, King County Councilmember	(P) Kim Roscoe, Fife Mayor
Board Members	
(P) Nancy Backus, Auburn Mayor (P) Angela Birney, Redmond Mayor (A) Cassie Franklin, Everett Mayor	(A) Bruce Harrell, Seattle Mayor (P) Jim Kastama, Puyallup Mayor (P) Dave Somers, Snohomish County Executive (P) Dan Strauss, Seattle Councilmember

Alejandro Monzon, Board Relations Specialist, announced that a quorum of the System Expansion Committee was present at roll call.

Report of the Chair

Lynnwood Link Opening

Chair Balducci offered her congratulations to Board member Somers and the other Snohomish County Board members on the successful opening of the Lynnwood Link Extension and noted the incredible opening day.

CEO Report

Interim Chief Executive Officer Goran Sparman provided the report.

Lynnwood Link Opening Report out

CEO Sparman celebrated the August 30th opening of the Lynnwood Link Extension for revenue service. This was the third Link opening over the last year and marks Sound Transit’s historic expansion into Snohomish County. Sound Transit partnered with over 350 community organizations, non-profits, and local businesses to execute a truly memorable first day of service and community night market celebrations. Almost 32,000 passengers joined on opening day, with roughly 71,000 riders served over the busy Labor Day weekend.

Activation Update

There are still non-critical open items that will be completed as part of system activation along the Lynnwood Link Extension, and work is being closely tracked to ensure new riders continued to have a

quality experience. On the Downtown Redmond Link Extension, systems integration testing is progressing, and the project continues to strive toward a Spring 2025 opening.

At-grade Crossing Safety update

The At-grade Crossings program is continuing work on the Safety Master Plan as directed by the Board. The current 1-year communications and engagement plan is being expanded to 3-years to build focus on meaningful and equitable engagement. In addition to a live multilingual survey that went live on August 10th, a program-specific website is in development and plans to be launched in the coming weeks. In August, the program conducted outreach at Cinema Under the Stars, Othello Park International Festival, and Rainier Valley Back to School Bash for over a thousand interactions with the public. CEO Sparrman re-iterated that the program will provide a report to the Board in October on the Rainier Valley Master Plan.

CFO Leadership Transition

CEO Sparrman noted that filling the position of Deputy CEO of Finance and Business Administration before the end of the year is top priority for the agency. The job was posted last week, and a national search was underway.

Welcome Bard Owen

Bard Owen joined Sound Transit as a new Executive Director in the Capital Delivery Department. Mr. Owen spearheaded the planning, development, and supervision of LA Metro's programs which encompassed state of good repair, highways, bus rapid transit, and active transportation. His past work required extensive collaboration with local jurisdictions, and Brad models a strong commitment to supportive diversity and inclusive participation in decision-making. As a direct report to Deputy CEO Terri Mestas, Brad will lead the West Seattle Link Extension and Ballard Link Extension projects.

Mr. Owen briefly introduced himself and stated his excitement to join Sound Transit.

Public comment

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

Written public comments:

Matthew Hahnfeld
Kody Zalewski
Jeffrey Baldwin
Arielle Benyo
Betty Lau
Bill Hirt

In-person Verbal Public Comments:

Isabelle Heeler

Virtual Verbal Public Comments:

Joe Kunzler

Business items

For Committee Final Action

Minutes: August 8, 2024 System Expansion Committee meeting

It was moved by Board member Backus, seconded by Vice Chair Roscoe, and carried by unanimous voice vote that the minutes of the August 8, 2024 System Expansion Committee meeting be approved as presented.

For Recommendation to the Board

Resolution No. R2024-19: Authorizing the chief executive officer to acquire certain real property interests, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for the construction, operation, and maintenance of the Operations and Maintenance Facility South project.

Clint Dameron, Acting Real Property Director, gave the staff presentation for this action.

Board member Balducci noted that many of the property owners have been engaged on this project are ready for the project to move into the next phase. She urged support for the motion to recommend the Resolution to the full Board.

It was moved by Vice Chair Roscoe, seconded by Board member Backus, and carried by the unanimous voice vote of all committee members present that Resolution No. R2024-19 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2024-20: Authorizing the chief executive officer to acquire certain real property interests, contingent on receipt of any necessary federal approvals, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for the West Seattle Link Extension project.

Clint Dameron, Acting Real Property Director, gave the staff presentation for this action.

It was moved by Board member Roscoe and seconded by Board member Backus, that Resolution No. R2024-20 be forwarded to the Board with a do-pass recommendation.

Chair Balducci noted that early property acquisitions are a tool to help keep projects moving and to potentially help with property acquisition costs but would like to hear more information on hardship acquisition processes given that this is the first hardship acquisition she can remember.

Mr. Dameron noted that in his preparation for the meeting, he met with Sound Transit and Washington State Department of Transportation to find previous examples of early hardship acquisitions, and none were uncovered. He responded that there is an internal Sound Transit assessment process which weighs the potential early acquisitions against the strict requirements allowed by Federal Transit Administration (FTA) guidance.

Chair Balducci inquired into the specifics of the considerations. Rhonda Thomsen, Senior Real Property Project Manager, noted that the property owner has to document their inability to sell the property at fair market value due to a project's current or potential future impact. Chair Balducci noted that she would like to get more specific information on the policies and procedures, while keeping the action moving legislatively.

Chelsea Levy, Acting Executive Director in Capital Delivery, stated that the team will bring more information to the full Board meeting, and clarified that there is two step process related to early acquisitions with an internal Sound Transit assessment of the specific acquisition followed by FTA approval once documentation is evaluated and submitted by Sound Transit.

Vice Chair Roscoe asked if the current early acquisition is in line with prior requests brought to the Board. Ms. Levy responded that the agency has brought early acquisitions under other criteria, but none due to hardship.

Chair Balducci asked if Vice Chair Roscoe and Board member Backus would accept a friendly amendment to forward Resolution No. R2024-20 to the Board without recommendation, given the open question on policies and procedures around early hardship acquisitions. They both accepted the amendment as friendly.

It was carried by the unanimous voice vote of all committee members present that Resolution No. R2024-20 be forwarded to the Board without recommendation.

Reports to the Committee

Chair Balducci noted that major ST3 project milestones are coming before the Committee over the fall and into early next year. The presentations on today's agenda provide an opportunity to reflect on the agency's progress and look toward opportunities and challenges of the future. She mentioned upcoming updates on the West Seattle Link Extension, Infill Stations at Graham Street and South Boeing Access Road, Tacoma Dome Link Extension, and then Ballard Link Extension. As more information comes forth, the committee will learn more about station locations, alignments, design progress, and costs which are seeing significant pressures locally and nationally.

Speaking to the West Seattle Link Extension, Chair Balducci noted that the Final Environmental Impact Statement will be formally published on September 20, 2024, with a presentation planned at the September 26, 2024 Board of Directors Meeting. This will prepare the Committee and Board for consideration of the project to be built in October.

Sound Transit Recent Accomplishments and Lookahead

Luke Lamon, Executive Director of Communications and Marketing, began the presentation by noting the progress made within the agency and its expansion program over the past year. The work of the Board and staff has delivered three light rail openings within the last year, with 76% more stations and Link's reach extending 60% farther than a year ago. In just one year, 173,000 more people now live within one mile of a Link station. Link Service is now available in all subareas of the Sound Transit District.

Through the expansion program, 3,470 homes have been built or are in process at Sound Transit stations, with 75% of those marked as affordable units. The agency's first integrated joint development, an office building above U District Station, is set to be completed this fall. From just the Lynnwood Link Extension alignment, 10,000 homes are either in the development pipeline, under construction, or complete.

Efforts are also improving access to the stations, with new secure, hourly bike lockers at all new stations and seamless access to Eastrail at Wilburton Station thanks to partnerships with King County and City of Bellevue. Partnerships with Community Transit, Pierce Transit, and King County Metro have led to designs for integrated bus infrastructure to maximize access to Link stations and bus-rail connections. New parking garages/lots have been opened in Bellevue, Redmond, Shoreline, Mountlake Terrance, Puyallup, and Lynnwood, with approximately 5,600 new parking stalls for those who park and ride.

Progress of fare payment over the last year has seen the implementation of \$1 ORCA Lift fares and a \$3 flat fare on Link for adult riders which has eliminated the need to tap-off the system. The cost of a regional day pass was lowered from \$8 to \$6, and mobile ORCA payment has been introduced for Android devices while planning is in progress for additional payment options.

While expanding the system, Sound Transit has also worked to improve the passenger experience. Real-time arrival information at all Link stations was launched with updated digital signage. With the opening of Lynnwood Link and the opportunity to update all signage, University Street Station was renamed to Symphony to eliminate passenger confusion and stations pictograms were replaced with stations code to follow global best practices for secondary stations identifiers. Investments in safety and

security have almost doubled the number of staff in the field focusing on the well-being of riders and employees.

These investments into the system are paying off with record-breaking ridership, having surpassed the impacts from the COVID-19 Pandemic. The 1 Line regularly exceeds 100,000 daily boarding in summer and during special events, with more than 85,000 daily riders year-round. As noted earlier in the meeting, 71,000 people boarded Link from the four new stations.

With the expansion projects, Sound Transit is also creating high quality, family-wage careers across skilled trades. The Lynnwood Link Extension project hired 8,500 union construction workers, including 1,500 apprentices, who worked more than 6 million labor hours. Twenty percent of those apprentices were women, and 44% were people of color. Similar results are being realized on the Federal Way Link Extension and the I-90 East Link completion.

Pivoting toward internal agency improvements, Mr. Lamson highlighted the hiring of Deputy CEO Terri Mestas and the megaproject expertise she brings and is actively recruiting to lead the agency's capital program. In addition to signing the Equity in Infrastructure Pledge during a ceremony in the Great Hall, Sound Transit is building a talent pipeline to meet regional needs by partnering with schools and apprenticeship programs.

Consistent throughout all the recent work is the importance of our partnerships with both private and public businesses. Along with King County Metro and Community Transit, Sound Transit is working to maximize 1 Line service frequency while work on the I-90 segment of East Link continues. Strong partnership with contractors has overcome construction challenges by designing a new long-span bridge for the Federal Way Link Extension and replacing plinths and other elements along East Link.

Looking forward to the next 24 months, Mr. Lamson noted that openings are planned for the Downtown Redmond Link Extension, I-90 segment of the East Link Extension, and the Federal Way Link Extension, in addition to the NE 130th St Infill Station. These will bring 8 new Link stations and extend Link with 18 new miles of track to serve three new cities. Service will also double between Lynnwood and downtown Seattle once the full 2 Line can cross Lake Washington.

Board member Strauss recounted his excitement with the Lynnwood Link Extension connecting Snohomish County to downtown Seattle, stating that he was exploring the new operational segments even after the opening day celebrations. He praised the fare-related improvement and noted the higher ridership coming south from Snohomish County. He noted his optimism with the improvements that Sound Transit is implementing.

Chair Balducci noted that she also rode Link after opening day and was pleased to see members of the Sound Transit executive staff completing ambassadors shifts and helping new riders understand the service.

Report from the Technical Advisory Group

Grace Crunican, Technical Advisory Group (TAG) Chair, began the presentation and introduce the other member who would be available to answer questions and provide insights later in the presentation.

Ms. Crunican briefly reminded the Committee of the six main recommendations issued by the TAG and explained that the presentation would focus on the work that has been underway at the agency to implement these recommendations.

The TAG believes that the agency is moving in the right direction. Ms. Crunican highlighted efforts to build a more effective capital delivery structure, cultivate a stronger relationship between the Board and staff, approve a new Betterments policy, and engage with partners in owner of choice conversations. She noted that change is difficult and can cause pinch points and encouraged the Board to stand behind the improvements being advanced by executive leadership.

She re-iterated the importance of building momentum to sustain and solidify the improvements, as well as the essentialness of keeping projects moving as delays will cost money as costs escalate nationally for all capital infrastructure projects. Ms. Crunican pointed out that service expansion to new areas of the region could help bolster future support as lives are improved by greater access to Sound Transit services.

Ms. Crunican concluded by thanking the Board, executive leadership, and staff for their openness and willingness to meet the big issues and work on the necessary improvements to better the agency. She invited the other TAG members to add other feedback.

Roger Natsuhara added that while there still issues to confront as the projects advance, he feels comfortable that agency leadership is equipped and prepared to tackle those with the Board.

Jim Linthicum lauded the Board and staff for the updated Betterments policy that could be a model for other agencies. He expressed optimism in seeing its implementation.

Connie Crawford noted that recent talent acquisitions for the capital delivery program are top-notch talent and will be crucial to supporting the Board through future project challenges.

Chair Balducci, pulling on a main thread of the presentation, noted that the agency is about to embark on executing a workload that surpasses the cumulative total of the previous system plans, in an environment that will lead to tough choices and decisions. She thanked the TAG members for their advice and recommendations.

Board member Backus also expressed her thanks for the TAG members and their recommendations.

CEO Sparrman echoed the thanks for the TAG and their feedback.

Capital Delivery Program Update

Terri Mestas, Deputy Chief Executive Officer for Capital Delivery, began the presentation and explained that the report will cover progress on ST3, the current construction environment, opportunities for the capital program, and an update on work related to the TAG recommendations.

Briefly summarizing the size and scope of the ST3 system plan, Ms. Mestas noted that the projects in the portfolio are still predominantly in the planning phase and environmental review process. She added that she will cover opportunities available in the planning and design phases to tackle some of the pressures noted by the TAG members.

Adding to the list of accomplishments presented earlier in the meeting, Ms. Mestas highlighted progress already made on ST3 projects, including the groundbreaking on Stride BRT construction, the opening of RapidRide G, the selection of the project to be built for the Operations and Maintenance Facility South, and the upcoming publication of the Final Environmental Impact Statement for the West Seattle Link Extension.

Ms. Mestas summarized a graphic showing projected infrastructure expenditures in the region from Sound Transit, WSDOT, Port of Seattle, and City of Seattle. There remains continued strong demand for contractors across the agencies and the demand will continue to strain the capacity of regional contractor and professional service firms. She noted that the constrained contractor labor market is one factor that contributes to the cost pressures in the national construction market. She also highlighted rising costs of materials – asphalt, cement, and concrete – and sustained growth in non-residential infrastructure projects as impactful to the construction market as well. Using an example from the East Link Downtown Bellevue to Spring District segment, reinforced concrete accounted for 56% of construction materials costs. With the expectation is that materials costs will continue to grow, Ms. Mestas noted that the agency is developing strategies to respond to these cost pressures.

In the Pacific Northwest, there is an additional constraint on the number of large builders that are working in the transportation sector with the capacity to support projects with scopes surpassing \$1

billion. She mentioned that while some contractors may pursue joint ventures to accept Sound Transit work, the agency will also look at sizing contracts appropriately for regional contractors.

Looking ahead to the Board Annual Program Report that will be published in the fall, Ms. Mestas pointed out that cost trends indicators will be added to visually represent the need to take early actions, including the strategies that she will outline over the next slides.

The opportunities to confront these challenges have been ranked by the agency in terms of high, medium, and low control by agency decisions. High control strategies related to scope control, risk allocation, and indirect costs. Ms. Mestas highlighted offsite construction, alignment of indirect costs, reduction of overhead costs, collaborative delivery methods, bundling contracts and alternate work into contracts as incentives, and target value design as potential strategies that the agency has a high degree of control over as projects advance. In the medium control category, strategies include implementing the new Betterment policy, engaging earlier on permitting conditions, entering into memoranda of understandings, rallying the construction industry, and earlier investment in gathering site conditions. While the agency has less control over the low range strategies, Ms. Mestas highlighted the use of prefabricated elements, early procurement and buying materials in volume, and specific vendor agreements with fixed unit pricing.

Walking the committee through the work and opportunities in the Planning and Design phases of projects, Ms. Mestas pointed out key decision points, such as selecting the project to be built, that allow staff to dive into implementing the strategies above to a given project. As design progresses, conversations occur with finance to assess capacity and what tool can be leveraged as the agency prepares to bring the action to set a baseline budget for the construction phase.

Tying together improvements in the Capital Delivery program and implementation of the TAG recommendations, Ms. Mestas spoke to an inaugural Cost Estimating Summit between agency staff and 15 companies that produced new frameworks and optimism. She added that while Brad Owen joined this week, two additional Executive Directors are set to join the agency later in the month.

Board member Birney thanked Ms. Mestas for the presentation, noting that it was enough to give her a sense of where the agency is going, and the progress being made to improve practices.

Chair Balducci asked about what the near-term future related to Capital Delivery looks like for the Board and agency. Ms. Mestas noted that work is underway on analyzing the cost savings measures that will be complete in first quarter 2025, as improvements on cost estimating is happening concurrently. She added that reviews of lessons learned from ST2 are also underway to compliment the other work and support upcoming decisions with the most accurate and helpful information possible. CEO Sparrman added that the next specific steps will be moving forward on the West Seattle Link Extension at the Board meeting this month and selecting the project to be built next month.

Chair Balducci noted that this is the time for Board members to dig in and prepare for big decisions.

Board member Strauss noted that over the next few months he'll be heavily involved as the Budget Chair for the Seattle City Council. While he might not make every meeting, he assured others that he intends to be keeping up with the information.

Executive session - None.

Other business - None.

Next meeting

Thursday, September 12, 2024

1:30 p.m. to 4:00 p.m.

Ruth Fisher Board Room & Virtually via Zoom

Adjourn

The meeting adjourned at 3:23 p.m.

ATTEST:

Claudia Balducci
System Expansion Committee Chair

Kathryn Flores
Board Administrator

APPROVED on _____, AJM.