

SOUND TRANSIT BOARD MEETING
Summary Minutes
August 23, 2018

CALL TO ORDER

The meeting was called to order at 1:42 p.m. by Vice Chair Marchione, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

ROLL CALL

Chair

(P) *Dave Somers, Snohomish County Executive*

Vice Chairs

(P) *John Marchione, City of Redmond Mayor*

(A) *Ron Lucas, City of Steilacoom Mayor*

Board Members

(P) *Nancy Backus, City of Auburn Mayor*

(P) *David Baker, City of Kenmore Mayor*

(P) *Claudia Balducci, King County Councilmember*

(A) *Dow Constantine, King County Executive*

(A) *Bruce Dammeier, Pierce County Executive*

(P) *Jenny Durkan, Seattle Mayor*

(P) *Dave Earling, City of Edmonds Mayor*

(A) *Rob Johnson, Seattle Councilmember*

(A) *Kent Keel, City of University Place Mayor*

(P) *Joe McDermott, King County Council Chair*

(P) *Roger Millar, WSDOT Secretary*

(P) *Paul Roberts, Everett Councilmember*

(P) *Dave Upthegrove, King County Councilmember*

(A) *Peter von Reichbauer, King County Councilmember*

(A) *Victoria Woodards, City of Tacoma Mayor*

Katie Flores, Board Administrator, announced that there was not a quorum of the Board present at roll call.

REPORT OF THE CHAIR

Vice Chair Marchione announced that Resolution No. R2018-30 requires a supermajority vote. Once there is a supermajority present in the room, the Board may take action on this resolution.

Two members of the Board have asked to participate by teleconference. An action to allow this will be taken when a quorum of the Board is present in the room. CEO Peter Rogoff will also be joining the meeting by phone.

DEPUTY CHIEF EXECUTIVE OFFICER'S REPORT

Annual Report

Mike Harbour, Deputy CEO, stated that the Sound Transit 2017 Annual Report was included in the Board members' packets. The report shows the agency's milestones, financial and operating highlights, and financial statements.

Post Tensioning – I-90 Floating Bridge

Mr. Harbour advised that crews successfully completed post-tensioning of the Homer M. Hadley I-90 floating bridge earlier this month. This is a major technical milestone for bringing light rail to the Eastside as part of the East Link Extension.

Post-tensioning is a technique that uses steel tendons to pull the concrete pontoons closer together and compresses the concrete to increase the bridge's longevity and durability. It also prepares the bridge for

light rail operation and allows the bridge to withstand stronger winds and higher waves. This is one of the longest applications of post tensioning ever completed and was only possible with the agency's strong partnership and guidance from WSDOT.

In addition to Sound Transit's talented staff, other major contributors to achieving this milestone include the designers WSP and KPFF, the contractors Kiewit-Hoffman and SDI, and the Jacobs construction management team.

Congressional Delegation Staff

In the last few weeks, staff has had the opportunity to take Congressional delegation staff on tours of East Link construction. Washington D.C. staff from Representatives Adam Smith and Suzan DelBene's offices and from Senator Murray's office saw first-hand the construction progress on East Link.

Sound Transit participated in the Senator's staff "Transit Roundtable" held at Union Station. Senator Murray's staff brought updates from Washington D.C. on the outlook for transit funding and programs to all the transit providers in the region and the Puget Sound Regional Council.

EnoMAX

The week of July 31, Sound Transit hosted LA Metro, Dallas Area Rapid Transit, and the Eno Center for Transportation as part of the Eno Center's EnoMAX program. The EnoMAX program brings together peer transit agencies from around the country to maximize one another's expertise so agencies can learn from each other and set competitive benchmarks for success.

During the week, the cohort learned the details and challenges of Sound Transit's robust program and system expansion. The group toured the Downtown Seattle Transit Tunnel, Sounder North, and East Link. They also rode three modes: light rail, commuter rail, and articulated and double decker buses.

Service Delivery Performance Report

Mr. Harbour stated that the second quarter Service Delivery Performance Report was included in the Board member packets. Ridership increased by 2.9 percent during the second quarter of 2018 compared to the same period in 2017. The report provides full details for the quarter.

UW Station Escalators

Mr. Harbour spoke to escalator performance and reliability issues customers have been experiencing at UW Station. Safety and reliability are among the agency's top priorities when it comes to the experience of customers. Sound Transit understands the frustration that accompanies the sight of an immobile escalator and a long line for the elevator.

In April 2018, staff gave an update to the Board regarding ongoing efforts to manage the escalator maintenance issues and reduce the delays that can occur when one of these instances arises, with a promise to return in October to report on their findings. This work included an engineering study, as well as the evaluation of temporary short-term fixes such as the use of emergency exit stairs for access to and from the platform. Staff will give an interim report on the status at the September Operations and Administration Committee meeting.

CEO Peter Rogoff commented that some of the performance issues were exacerbated by maintenance work that closed some of the elevators. Staff intends to present a comprehensive report in October based on the findings of how well the reliability improvement program has worked, as well as some options the Board might want to consider on how to make them even more reliable as the agency moves forward.

Boardmember Balducci thanked Sound Transit staff for providing information related to her concerns after the recent breakdown at the UW Station and some of the wait times that were being reported. She encouraged the Board to think about the allocation of risk and whether it would be beneficial to have Sound Transit take on more risk to provide better service. She has been speaking with Boardmember Roberts, Operations and Administration Committee Chair, and will have further conversations when the topic comes back to the Board.

Boardmember Roberts stated that the Operations and Administration Committee had a lively discussion on these issues, which led to the study referred to earlier.

(Boardmember Upthegrove arrived at this time.)

PUBLIC COMMENT

Tim Parham, Plymouth Housing Group
Alex Tsimerman, Stand Up America
Marguerite Richard
Will Knedlik
Honorable Michael B. Fuller

Board Member Request to Participate via Teleconference

Vice Chair Marchione noted that a quorum was now present and announced that Chair Somers and Boardmember Woodards have asked to participate in the meeting by phone. The Board's Rules and Operating Procedures allow members to attend meetings by teleconference with a two-thirds affirmative vote of those members in attendance.

It was moved by Boardmember Durkan, seconded by Boardmember Balducci, and carried by unanimous vote that Chair Somers and Boardmember Woodards be allowed to participate in the Board meeting by telephone.

CONSENT AGENDA

Minutes of the June 28, 2018, Board of Directors meeting.

Voucher Certification for July 2018.

Motion No. M2018-96: Approving the submittal of the Transit Development Plan 2018-2023 and 2017 Annual Report to the Washington State Department of Transportation.

It was moved by Boardmember Backus, seconded by Boardmember Roberts, and carried by unanimous vote that the consent agenda be approved as presented.

2017 ANNUAL SUSTAINABILITY REPORT

Amy Shatzkin, Sustainability Manager, reviewed the Sustainability Program. The sustainability staff is responsible for developing Sound Transit's sustainability strategy and annual report to the Board; administering the agency's environmental and sustainability management system; and providing technical expertise throughout the organization.

Working to increase transit ridership and efficiency is the agency's largest sustainability contribution to the Central Puget Sound. In 2017, Sound Transit provided over 47 million rides. Data indicates that with few changes to the overall service, ridership increased by 10 percent and used the same amount of energy to carry more passengers. For every ton of emissions produced by Sound Transit operations, the agency

averts the emissions of more than six times that throughout the region when residents choose transit. This year, the agency displaced five percent more emissions than in 2016.

In addition to greenhouse gas emissions savings, the air pollution related to ST Express Bus and Sounder Services continues to be significantly reduced. The ongoing turnover of the bus fleet, coupled with the implementation of wayside energy power for Sounder, resulted in a significant reduction in the nationally regulated criteria air pollutants.

Planning for the future with sustainability in mind, staff is ensuring that sustainability principles are integrated in new capital projects from the beginning. Two new staff members will work as part of the collaborative project teams to implement sustainable design and infrastructure across capital projects.

Sound Transit's Sustainability Plan includes a goal that ST Express service will be carbon neutral by the year 2050. The agency is in the early phases of evaluating battery electric bus and other zero emissions technologies. An initial cost-benefit analysis and high-level feasibility study were performed in 2017 to evaluate battery electric bus technology. As part of the Bus Rapid Transit (BRT) program, staff will continue to evaluate whether and how the bus base should be designed to accommodate battery electric bus charging infrastructure as an option for the BRT bus fleet.

For design and construction, staff has updated the design criteria to require third party certifications that create a standardized, industry accepted approach to green building and infrastructure. Sound Transit will be piloting the sustainable infrastructure rating standard ENVISION on the Downtown Redmond and Federal Way Link extensions. Last spring, the Angle Lake Station received the agency's first LEED gold certification. More stations will be required to meet LEED green building standards in the future.

The dirtiest diesel equipment is not only being restricted from all construction sites, but also as of 2017, prime contractors are required to ensure that 75 percent of their equipment meets the highest EPA standards. This effort includes allowances for Small Disadvantaged Business and Disadvantaged Business Enterprise firms to ensure that the agency is creating a level playing field for all contractors. In 2017, a strong compliance record was maintained across all construction projects.

In 2017, the Operations Department hired a Resource Conservation Manager to focus on energy, water, and waste reduction. One of the agency's more notable accomplishments last year was the Board's authorization of the innovative ten-year power purchase agreement with Puget Sound Energy (PSE) that will allow Link light rail trains to run on 100 percent clean energy starting in 2019. The agreement enables Sound Transit to purchase wind energy directly from PSE's new wind farm in Lewis County.

Future efforts will include updating the Sustainability Plan, evaluating bus propulsion technology, developing a plan for carbon neutrality and on-site renewable energy, expanding utility agreement, deepening energy conservation; and updating access and transit oriented development strategic plans.

BUSINESS ITEMS

Motion No. M2018-91: Authorizing the chief executive officer to (1) execute a new power purchase agreement with Puget Sound Energy (PSE) through its Green Direct – Phase 2 program to purchase locally produced renewable wind and solar power starting in 2021 with a 10-year fixed-rate contract for 32 Sound Transit electricity accounts and (2) execute an amendment letter with PSE for the Green Direct – Phase 1 program that is projected to lower Sound Transit's costs to purchase wind power for six Link light rail accounts for a 10-year fixed rate contract starting in 2019.

John Marchione, Executive Committee Vice Chair, stated that the Executive Committee received a staff presentation on this proposed action on August 2, 2018. This action would authorize the second phase of the Green Direct program, the first phase of which has already been approved by the Board, and would authorize an amendment to the first Green Direct program agreement lowering the 10-year fixed rate.

It was moved by Boardmember Earling, seconded by Boardmember Backus, and carried by unanimous vote that Motion No. M2018-91 be approved as presented.

Resolution No. R2018-29: Updating the Expulsion and Suspension Policy and superseding Resolution No. R2010-07.

Vice Chair Marchione stated that the Executive Committee received a staff presentation on this proposed action at their August meeting. This policy update is to bring the policy into alignment with current practice for suspension and expulsion, with minor changes being made to the existing policy. He asked staff to present the specific changes.

Stephen Tucker, Deputy Director of Public Safety, summarized that the action includes clarifications on the agency's partnership of enforcement of policies with partner agencies. One adjustment to wording was made to allow security staff discretion in whether or not to book an individual that is being removed from Sound Transit premises through the criminal justice system. The original policy stated that if law enforcement is suspending a person from agency property for a period of time, they also must arrest them and charge them with a crime.

Boardmember Balducci commented that this is going to be taken up at the King County Mobility Committee. She likes the idea of trying to make policies work together.

Vice Chair Marchione asked staff to comment on how Sound Transit is coordinating with other transit jurisdictions that are contemplating on changing the rules. Mr. Tucker stated that King County Metro (KCM) recently had an internal audit on its fare enforcement program. KCM's fare enforcement program is very different from Sound Transit's. Many of the issues identified in their audit are not present in Sound Transit's system because of the way Sound Transit's system was designed, is implemented, and is monitored. The other regional transit agencies also have their own programs. The goal is to eventually have all the agencies consistent on fare enforcement.

It was moved by Boardmember Baker, seconded by Boardmember Roberts, and carried by unanimous vote that Resolution No. R2018-29 be approved as presented.

Motion No. M2018-98: Authorizing the chief executive officer to execute a Master Service Agreement with Seattle City Light to perform system improvements to support the ST2 Link light rail capital expansion projects in the amount of \$3,117,775, with a contingency of \$193,903, for a total authorized agreement amount not to exceed \$3,311,678.

Craig DeLalla, Deputy Director Systems Engineering, presented the action for a Master Service Agreement with Seattle City Light for supporting the Link light rail ST2 primary electrical services. These services provide power to the tunnel facilities and to the traction power system. This agreement would support the portion within the Seattle City Light territory for the Lynnwood Link, Northgate Link, East Link, and University Link extensions.

Starting in 2015, Sound Transit and Seattle City Light have been collaborating to develop the lowest cost solutions for highly reliable power to the Sound Transit facilities. The agreement accommodates for the projected increases in light rail demands as established by the approved operating plan. This agreement establishes a common understanding of the Sound Transit project schedule, the electrical systems, and their reliability requirements. The agreement is similar to the Master Service Agreement that was in place for the Link light rail initial segment.

It was moved by Board Member Roberts, seconded by Board Member Backus, and carried by unanimous vote that Motion No. M2018-98 be approved as presented.

Motion No. M2018-99: Authorizing the chief executive officer to increase the contract contingency for McMillen Jacobs Associates to provide additional Civil Design Support During Construction services for the Northgate Link Extension in the amount of \$3,700,000, for a new total authorized contract amount not to exceed \$104,208,106.

Don Davis, Executive Project Director; Rick Capka, Deputy Project Director-Northgate Link Extension; and John Weston, Corridor Operations Director, presented the staff report. The action provides funding for additional civil design support services for the Northgate Link Extension. This will fund items that were not anticipated in the original contract request. Many of the additional work items were budgeted under different line items in the project budget; there will be offsets to these costs from line items in the budget.

It was moved by Boardmember Roberts, seconded by Boardmember Earling, and carried by unanimous vote that Motion No. M2018-99 be approved as presented.

Vice Chair Marchione announced that item Resolution No. R2018-30 would be pulled from the agenda since there was not a supermajority of the Board in attendance. He stated that this action would go to the September Capital Committee and Board meetings.

Motion No. M2018-100: Authorizing the chief executive officer to execute a Land Exchange Agreement between Sound Transit and the Washington State Department of Transportation for the Federal Way Link Extension and SR 509 Completion project.

Dan Abernathy, Federal Way Link Executive Project Director, and Mike Bulzomi, Sr. Real Property Agent, presented the staff report. Sound Transit anticipates purchasing, and Washington State Department of Transportation (WSDOT) anticipates selling, certain WSDOT property (WSDOT surplus property) in fee for construction of at-grade guideway or other facilities as part of the FWLE, subject to all necessary approvals.

Sound Transit will be acquiring property for the Federal Way Link Extension that will result in bisecting some of the properties. This would leave portions of the properties landlocked or isolated between the alignment and WSDOT property that is needed for their SR 509 expansion. In lieu of purchasing the property from Sound Transit, and due to the fact that Sound Transit has the need to purchase WSDOT property in the same vicinity, staff has worked with WSDOT to develop this land exchange agreement. At the end of the transfer of the properties, any balances will be reconciled back to the existing land bank agreement with WSDOT.

Boardmember Millar stated that at this time, appraisals have not been done on these properties. The agreement calls for an appraisal methodology. The agreements are subject to the procedures of Sound Transit, WSDOT, the Federal Transit Administration, and the Federal Highway Administration and will be reviewed by Sound Transit's Legal department and the Washington State Attorney General's office.

It was moved by Boardmember Uptegrove, seconded by Boardmember Balducci, and carried by unanimous vote that Motion No. M2018-100 be approved as presented.

Motion No. M2018-102: (1) Approving the key business terms of a Transit Oriented Development Agreement with Bellwether Housing and Plymouth Housing Group for the development of a high-rise, mixed-use affordable housing project on the First Hill Transit Oriented Development Site located at 1400 Madison Street and 1014 Boylston Avenue in Seattle, and (2) delegating to the chief executive officer the authority to execute and subsequently amend as necessary the Transit Oriented Development Agreement and associated documents, including a purchase and sale agreement, all subject to the Board-approved key business terms.

Brooke Belman, Director of Land Use and Development, stated that in June the Board approved the final step for the Roosevelt transaction to move forward. Staff has been working to advance the First Hill Site and the Capitol Hill Site D transactions quickly. These transactions are important because the cycle for the funding for the City of Seattle and King County will close in September. By taking action today, the development teams will be able to apply for funding this year.

Thatcher Imboden, TOD Manager, presented the staff report for this action. The First Hill site consists of two sites just west of Broadway on Madison Street. The site is zoned for a considerable amount of density

and is unique as it allows for a high-rise building. In 2017, a Request for Proposal (RFP) was issued and the development team of Bellwether Housing and Plymouth Housing Group was selected. The team proposed a 13-story all affordable housing project in exchange for the property at no cost.

The key business terms include at least 250 units in a minimum 12-story building; 100 percent of the units at or below 60 percent area medium income (AMI) and at least 80 units at or below 30 percent AMI. Other terms include at least 8 percent of the units are sized for families with two or more bedrooms; at least 4,000 square feet of active storefront space; designed to meet or exceed the Washington State Evergreen Standard for sustainability; and incorporates TOD design principles. If those key business terms are met, Sound Transit would exchange the property at no cost. To manage the project and its performance, milestones are used that relate back to the project's ability to get financing as well as to get designs approved.

Since the business terms were identified, the Federal rules have changed and the development team requested some flexibility. In March 2018, the Federal government passed the Consolidated Appropriations Act, which allows the low-income housing tax credit to average incomes in a project using that financing tool. Before, every unit that was funded by these tax credits must serve people who earn 60 percent of AMI or below. With income averaging, people who earn between 60 and 80 percent could be served within the building so long as all of the units are an average of 60 percent of the AMI or below.

States and local governments are still reacting to the change. The development team has requested that Sound Transit allow flexibility so that they can explore ways to exceed their original proposal to Sound Transit and provide more units than initially proposed. Additionally, providing more units could mean that they can provide the units on a more cost effective basis. Sound Transit has agreed through the key business terms to allow them to explore income averaging so long as they exceed the original proposal of 308 units.

This action represents the fourth action on this site in support of its disposition. Any change in the key business terms, if approved today, would require Board approval in the future.

Mr. Rogoff reminded Board members about the extensive Board discussion about the extent of discounting the property. It is an ambitious project seeking to do a high-rise project that will exceed the level of affordable units than what has been achieved in the past. The Board also stated that should the project be diminished in anyway in terms of affordable units, the discounting question would be brought back to the Board. To date, all indications from the development team is that they are going to achieve what they has presented.

Boardmember Durkin stated that it is exciting to have the first approved project for TOD that will provide much needed housing. It is a critical time for the region to show that it can start tackling affordable housing concerns. The City of Seattle stands ready to work with developers to see if can move up the time schedule.

It was moved by Boardmember Durkan, seconded by Boardmember McDermott, and carried by unanimous vote that Motion No. M2018-102 be approved as presented.

Motion No. M2018-103: (1) Approving the key business terms of a Four Party Property Exchange Agreement between Sound Transit, the State Board for Community and Technical Colleges, Seattle Central College, and Capitol Hill Housing Improvement Program for the exchange of properties in order to develop equitable transit-oriented development in the Capitol Hill Station area, and (2) delegating to the chief executive officer the authority to execute and subsequently amend as necessary the Agreement and associated documents, including an exchange agreement and a disposition and development agreement, all subject to the Board-approved key business terms.

Brooke Belman, Director of Land Use and Development, and Thatcher Imboden, TOD Manager, presented the staff report. The Capitol Hill Site D is a transaction that has a lot of moving parts, including a four-party transaction. After many years of working on this site, a path has been developed that meets the collective goals of all the entities.

There are five surplus sites surrounding the Capitol Hill Station. Site D is located between the west station entrance and Seattle Central College (SCC). When the tunnel easement was obtained from SCC to construct the University Link Extension, the college obtained a first right of offer from Sound Transit for Site D. Since that time, work has been ongoing to come up with a plan that works with SCC's goal and meets Sound Transit's goal to have TOD and affordable housing in the station area.

The transaction is a swap of properties between SCC and Sound Transit. The college would get Site D and Sound Transit would get a site known as the Atlas Site. The Atlas Site is a block south on Broadway and is larger and better shaped for housing. Prior to this deal, SCC had considered affordable housing for the site and had put out an RFP to the development community. SCC selected Capitol Hill Housing. Staff's proposal is to retain Capitol Hill Housing to develop the housing they submitted.

This is a four-party agreement with Sound Transit, Capitol Hill Housing, Seattle Central College, and the State Board for Community and Technical Colleges. Because the Atlas property is larger, it has a higher value, and Capitol Hill Housing (CHH) has agreed to pay SCC the delta value between the two sites. CHH will pay Sound Transit at least \$700,000 for the ground floor commercial unit of the Atlas Site.

Site D was paid with Federal dollars. In consultation with the FTA, Sound Transit intends to move the grant funding from Site D to another eligible grant that will reduce the cost of that project and eliminate the interest in Site D.

The key business terms for the Atlas Site include a target of 78 units, but no fewer than 70; 100 percent of the units will be affordable at 60 percent AMI or below; it will include street-level commercial space; and it will be designed to meet or exceed Washington State Evergreen Standards. There is a historic façade on the building that will become part of the development for the new building. To manage the project and its performance, milestones are used that relate back to the project's ability to get financing as well as to get designs approved.

This action represents the fourth action on this site in support of its disposition. Assuming approval, each site would enter into the phase for seeking funding for each of these projects. It is anticipated that Capitol Hill Housing will apply for funding in this round, but the agency is giving them flexibility for a second round if they need it to get all of their funding secured. The college will seek funding through their administrative process.

It was moved by Boardmember McDermott, seconded by Boardmember Durkan, and carried by unanimous vote that Motion No. M2018-103 be approved as presented.

REPORTS TO THE BOARD

Northgate Link Extension Briefing

Don Davis, Executive Project Director; John Weston, North Corridor Operations Director; and Rick Capka, Deputy Project Director, presented the briefing on the Northgate Link Extension. The project is a 4.3-mile extension from the UW Station to Northgate. It is estimated that there will be 60,000 weekday boardings by 2030. There will be stations at U-District, Roosevelt, and Northgate, and TOD efforts are moving ahead at all three stations.

The project baseline budget is \$1.9 billion and 86 percent of the budget has been committed to date. The estimated cost to complete the project shows a potential of \$52 million in savings. All of the major construction contracts have been awarded and are underway. Revenue service is scheduled for September 2021 and the project schedule float remains at about five months.

In March 2018, the project achieved substantial completion on the tunnel contract and the tunnel alignment was handed over to the follow-on contractors. A lot of progress has been made on the Northgate Station, guideway, and garage in 2018. The major structural concrete work has been completed along the guideway and station. The 529-stall parking garage is nearly complete and will open later this year.

The major below grade structural concrete work has been completed at Roosevelt Station. The contractor is now in the process of building out the above grade structures. In the below grade station, the interior walls and floors are being built out and the train way has been transferred to the track work contractors.

At the U District Station, the main underground has been built out up to ground level. The contractor is currently in the process of building the roof structure. The interior structure has begun below grade.

Trackwork for the tunnels and the Maple Leaf Portal site has been turned over to the contractors. Ninety percent of the floating slab segments have been installed under the University of Washington campus. The initial construction of systems installation began early 2018. This contract provides all the traction power, communications, and power for the project.

The top risks for the Northgate Link Extension are multiple contract interfaces, construction market conditions, shortage of skilled labor, and third-party approvals.

Boardmember Roberts asked if the project labor agreements are allowing the project to continue without interruption and disruptions. Mr. Davis stated that there were some interruptions, mostly because of the operators union striking of the cement plants. Currently there are no impacts under the project labor agreements.

REPORTS TO THE BOARD

None.

OTHER BUSINESS

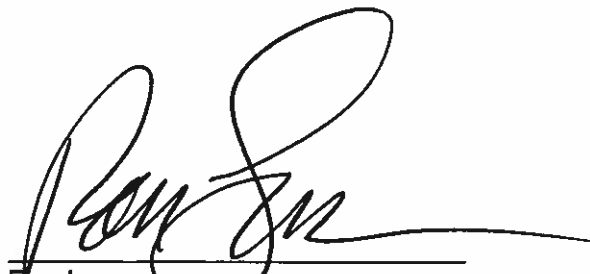
None

NEXT MEETING

Thursday, September 27, 2018
1:30 p.m. to 4:00 p.m.
Ruth Fisher Boardroom

ADJOURN

The meeting adjourned at 3:22 p.m.



Ron Lucas
Board Vice Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on October 25, 2018, JE