

**Sound Transit
Finance Committee Summary Minutes**

August 19, 1999

Call to Order

The meeting was called to order at 12:04 p.m. by Committee Chair Greg Nickels.

Attendance

(P) Greg Nickels, Chair	(P) Rob McKenna
(P) Mary Gates, Vice Chair	(P) Paul Miller
(P) Dave Enslow	(A) Cynthia Sullivan
(P) Ed Hansen	

Report of the Chair

Mr. Nickels indicated that, in the interest of time, he would defer his report. He stated that the mid-year budget update for Link Light Rail and Regional Express, which had been scheduled for the Report of the Chair, would be scheduled for a future meeting (copy on file).

Mr. Nickels thanked Ms. Gates for chairing the last meeting in his absence.

Finance Director's Report

Ms. Hendrickson referred Committee members to the June Agency Progress Report (copy on file).

Action Items

Resolution No. R99-20 - Authorizing the Executive Director to execute an agreement with the City of Kent for design and potential development of the parking garage for the Kent Commuter Rail station

Ms. Val Batey, Project Development Manager, provided background information to the Committee.

Mr. Nickels asked for an update on the project budget and funding gap.

Ms. Batey responded that a \$4 million gap to build the parking garage has been identified. That number is based on preliminary design; staff is hopeful that the amount can be reduced in the design process. In addition, potential cost savings in the South King County subarea might be able to be used toward the funding gap. Staff has also identified potential grant sources that the City of Kent could pursue as well as a few potential grant sources that the City and Sound Transit could pursue jointly. The agreement with the City does not commit Sound Transit to make up any budget shortfall for the parking garage.

Mr. Miller indicated that he had been concerned about the budget and the increased costs for this project. Those costs have gone up, in part, because of under-estimation in Sound Move, but also because of the increase in parking capacity, from 150 to 810 stalls. He relayed his concern that the message being sent to the other communities in the south is that Sound Transit will not be able to build what was promised in Sound Move.

He continued to say that he would support the resolution, and that most of his concerns had been addressed. However, he stated that an unresolved issue was that while King County Metro would benefit from the increased parking capacity at the Kent station, Metro has been unwilling to help bridge the funding gap. He asked that Metro examine this issue.

Mr. McKenna stated that the issue would be examined, particularly in the context of the upcoming Six-Year Plan. However, he stated his reservation about surplussing property because the Metro park-and-ride may still be needed, even after commuter rail service begins, because that additional parking will be used by commuter rail riders. In addition, the park-and-ride lot may continue to be necessary because of the relative infrequency of the commuter rail service as compared to bus service.

Mr. Nickels acknowledged the presence of City of Kent Mayor and Sound Transit Board member Jim White, and thanked him for his leadership on this issue.

It was moved by Ms. Gates, seconded by Mr. Miller and carried by the unanimous vote of all members present that Resolution No. R99-20 for forwarded to the Board with a do-pass recommendation.

Motion No. M99-51 - Authorizing the Executive Director to execute a contract with Ron Main and Randy Scott for state government relations representation in Olympia and throughout the state for the period September 1, 1999 to August 31, 2000, with an option for two one-year extensions. The initial contract would be for one year for the period of September 1, 1999 to August 31, 2000, for an annual amount not to exceed \$112,000 or \$56,000 per consultant, with the option of two additional one-year extensions (i.e. through August 31, 2002) for a total amount not to exceed \$336,000

Ms. Sheila Dezarn, Government Relations Manager, indicated that members of the Public and Government Affairs Committee had been polled and that they all supported the Finance Committee's passage of this motion.

It was moved by Mr. Miller, seconded by Ms. Gates and carried by the unanimous vote of all members present that Motion No. M99-51 be approved as presented.

Motion No. M99-52 - Authorizing the Executive Director to execute a contract with Entranco for the preliminary engineering and environmental review for he 112th Street SE/I-5 direct access improvements and Silver Lake Park and Ride/Flyer Stop in the City of Everett, in an amount not to exceed \$1,698,520, and an additional authorization for a 10% contingency of \$169,852

It was moved by Mr. Miller, seconded by Ms. Gates and carried by the unanimous vote of members present that Motion No. M99-52 be approved as presented.

Motion No. M99-53 - Authorizing the Executive Director to execute an agreement with the Washington State Department of Transportation for preliminary engineering and environmental review for the 112th Street SE/I-5 direct access improvements and Silver Lake Park and Ride/Flyer Stop in the City of Everett, in an amount not to exceed \$371,924 and an additional authorization of a 10% contingency in the amount of \$37,192

It was moved by Mr. Enslow, seconded by Ms. Gates, and carried by the unanimous vote of all members present that Motion No. M99-53 be forwarded to the Board with a do-pass recommendation.

Items for Discussion/Possible Action

Mr. Miller indicated that he would ask for an executive session before taking action on Resolution Nos. R99-22 and R99-23 to discuss points of negotiations with the Burlington Northern Santa Fe Railway. He suggested that

the remaining discussion/possible action items be taken first, and that Resolution Nos. R99-22 and R99-23 be held to the end of the meeting.

Mr. Nickels asked the other Committee members if they were amenable to Mr. Miller's suggestion. There were no objections.

Motion No. M99-54 - Authorizing the Executive Director to execute a contract with Anchor Environmental Services, L.L.C. for consulting services related to obtaining environmental permits for the Everett to Seattle Commuter Rail project, for an amount not to exceed \$537,083, with a 20% contingency (\$107,417) for a total amount not to exceed \$644,500

It was moved by Mr. Miller, seconded by Mr. Enslow, and carried by the unanimous vote of all members present that Motion No. M99-54 be approved as presented.

Motion No. M99-55 - Authorizing the Executive Director to execute an agreement for the lease of up to twenty King County Metro Breda buses in an amount not to exceed \$3,000,000

Ms. Veronica Parker, Regional Bus Program Manager, provided background on the proposed motion.

Mr. Nickels pointed out that the title of the motion on the agenda was incorrect; it should read \$3,000,000, not \$3,500,000.

Ms. Parker agreed and confirmed that the dollar amount was \$3,000,000.

It was moved by Mr. Miller and seconded by Ms. Gates that Motion No. M99-55 be approved as presented.

It was moved by Ms. Gates, seconded by Mr. Miller, and carried by the unanimous vote of all members present that the motion and background and comments be amended so that the word "lease" becomes "lease/use."

The motion, as amended, was carried by the unanimous vote of all members present.

Resolution No. R99-30 -Authorizing the Executive Director to execute an agreement for operation and maintenance with King County Metro related to implementation of Regional Express bus service

It was moved by Mr. Miller, seconded by Mr. Enslow, and carried by the unanimous vote of all members present that Resolution No. R99-30 be forwarded to the Board with a do-pass recommendation.

Ms. Parker indicated that Sound Transit staff was pleased with the agreement, and expressed her appreciation to the staff at King County.

Motion No. M99-56 - Approve amendment of contract RTA CR21-97 with Robert Kessler and the joint venture of Gordon Thomas Honeywell/Jane North and Harkins Cunningham for railroad negotiations increasing the contract by \$275,000 to an amount not to exceed \$925,000

(Mr. Hansen arrived.)

Mr. Nickels clarified that the effect of the motion would be to increase the contract amount for railroad negotiations by \$275,000, so that the total contract amount would not exceed \$925,000.

Mr. Desmond Brown, Chief Legal Counsel, provided background information on the proposed motion.

It was moved by Mr. Miller, seconded by Ms. Gates, and carried by the unanimous vote of all members present that Motion No. M99-56 be approved as presented.

Resolution No. R99-22 - Authorizing the Executive Director to execute a contract with the Burlington Northern and Santa Fe Railway (BNSF) for operation of Seattle-to-Tacoma Sounder commuter rail service. The contract provides for a 40-year Operating Agreement, at an initial cost of about \$4.6 million per year, modified annually to account for service levels and proportional cost of maintenance-of-way; such annual budget to be approved by the Board. The contract also provides for a Capital Improvement package of \$270 million, of which \$200 million is a Sound Transit obligation, with the remaining \$70 million coming from a pooled public agency investment (\$60 million from the State of Washington and \$10 million in other federal, state and local funds).

At this point, Mr. Miller asked that the Committee convene an executive session to discuss points of negotiations with BNSF.

Mr. Nickels asked Mr. Brown if negotiations would be a suitable topic under the Open Public Meetings Act for an executive session, and Mr. Brown replied that it was. Mr. Nickels estimated that the executive session would last approximately 10 minutes.

The Committee convened an executive session to discuss points of negotiations with BNSF at 12:35, and reconvened its open business meeting at 12:53.

It was moved by Mr. Enslow, seconded by Mr. Miller, and carried by the unanimous vote of all members present that Resolution No. R99-22 be forwarded to the Board with a do-pass recommendation.

Mr. Hansen stated that while he was supportive of the resolution, he had concerns regarding indemnification and would continue to monitor that.

Resolution No. R99-23 - Authorizing the Executive Director to execute Amendment No. 1 of the Sound Transit (ST)/Burlington Northern and Santa Fe Railway (BNSF) Final Engineering Agreement, for long lead capital items needed for the Seattle-to-Tacoma commuter rail project, with a total contract addition of \$17,043,311, which is a component of the Capital Improvement package of the BNSF/ST Operating Agreement

Mr. Price indicated that Resolution No. R99-23 would represent the first part of the capital necessary to bring the commuter rail project forward.

Mr. Miller clarified that the long-lead time items would be the only "sunk costs" should I-695 pass in November and leave an unfilled funding gap. The balance of the rest of the costs associated with this project would not come until after the November vote.

Mr. Price indicated that Mr. Miller was correct.

It was moved by Mr. Miller, seconded by Ms. Gates and carried by the unanimous vote of all members present that Resolution No. R99-23 be forwarded to the Board with a do-pass recommendation by the Committee.

Adjourn

As there was no other business, the meeting was adjourned at 12:58 p.m.

Next Meeting

Thursday, September 16, 1999 from Noon to 1:25 p.m. at the King County Council Chambers in the King County Courthouse, 516 Third Avenue, Seattle, Washington.

Recorded by Amy Ebersole
Board Coordinator

ATTEST:

Greg Nickels
Finance Committee Chair

Marcia Walker
Board Administrator