

**Sound Transit
Board Meeting Summary Minutes
November 16, 2000**

Call to Order

Board Chair Dave Earling called the meeting to order at 2:38 p.m. in the Board Room, Union Station, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Dave Earling, City of Edmonds Councilmember

Vice Chairs

(P) Greg Nickels, King County Councilmember

(A) Doug Sutherland, Pierce County Executive

Board Members

(P) Jack Crawford, City of Kenmore Deputy Mayor

(P) Ann Davis, City of Lakewood Councilmember

(P) Bob Drewel, Snohomish County Executive

(P) David Enslow, City of Sumner Councilmember

(P) Mary Gates, City of Federal Way Councilmember

(P) Jane Hague, King County Councilmember

(P) Ed Hansen, City of Everett Mayor

(P) Richard McIver, City of Seattle Councilmember

(P) Rob McKenna, King County Councilmember

(P) Renee Montgelas, representing Sid Morrison,
WSDOT Secretary

(P) Kevin Phelps, City of Tacoma Councilmember

(P) Paul Schell, City of Seattle Mayor

(P) Ron Sims, King County Executive

(P) Cynthia Sullivan, King County Councilmember

(P) Jim White, City of Kent Mayor

Ms. Marcia Walker, Board Administrator, indicated a quorum of the Board was present.

The following Board members arrived after roll call:

Jane Hague, King County Councilmember

Renee Montgelas, representing Sid Morrison, WSDOT Secretary

Public Comment

The following individuals presented comments to the Board:

Mr. George Curtis

Ms. Ruth Korkowsky

Mr. Mark Dublin

Mr. Philip Grega

Mr. Thao Tran

Mr. Reginald Fry

Report of the Chair

Mr. Earling noted that the Board was working from a revised agenda. Item nine, presentation of Central Link Light Rail Design/Build Contract Technical Memorandum and Engineering Options, item ten, Executive Session, and item eleven, Board Discussion had been added to the agenda. Also, the reports of the committee chairs would be heard under item five of the agenda.

Mr. Kevin Phelps reported that an agreement had been reached with the City of Tacoma to use 1.3 miles of track along Tacoma Rail, allowing Sounder Commuter Rail to move ahead with initiating service to Freighthouse Square.

Executive Director Report

Mr. Bob White, Executive Director, commented that the agreement with the City of Tacoma noted by Mr. Phelps not only allows service to proceed to Freighthouse Square, but also will allow Sounder Commuter Rail to schedule a third train during peak hours.

Committee Reports

Finance Committee

Mr. Greg Nickels introduced Mr. Brian McCartan, Finance/Budget Manager, who provided an overview to the Board of the briefings that staff has been giving to the Finance Committee over the last month regarding the 2001 budget and the agency's financing plan.

(Ms. Montgela arrived at this time.)

Sound Transit had \$70 million more in ending cash reserves than Sound Move anticipated. As well as delivering on Sound Move, Sound Transit can also provide some enhancements and new program elements. All costs are covered within the existing reserves while maintaining subarea equity. Over the ten years of Phase I, Sound Transit has \$718 million more in reserves than was anticipated in Sound Move, due to tax revenues, grants, and higher than anticipated interest earnings.

Sound Move had a cost of \$3.9 billion. In addition, the Board has been able to fund an additional \$210 million in enhancements, \$150 million in new projects and \$182 million in financing assumption changes. The \$4.6 billion, an 18% increase over the original \$3.9 billion, is the total for Sound Move. Sound Transit has received the highest bond rating. There are three subareas that have fully utilized their capacity: Pierce County, North King County and South King County. The 2001 budget can be fully funded with existing resources.

Mr. Hugh Simpson, Finance Director, presented the financial plan summary by program element and subarea, and demonstrating Sound Move changes and enhancements. Mr. Simpson said there were two common themes in throughout the subareas: All of the changes from Sound Move, with the enhancements and new programs, are available within the financial policies and the 1996 approved taxes; and all subareas have benefited from the enhancements and new programs.

Mr. Nickels told the Board that the Finance Committee would have further discussions and bring the 2001 budget to the Board with more expenditure information.

Central Link Task Force

Mr. Richard McIver reported that at its last meeting the Central Link Task Force discussed property acquisition and relocation in Rainier Valley. Staff gave an overview of acquisitions and the rationale for them, and Task Force members considered what the appropriate time would be for acquisitions to take place.

The Task Force received an update on the Community Development Fund Steering Committee. The committee has met three times, and is currently developing bylaws.

Consent Agenda

Minutes of September 14 and September 28, 2000 Board Meetings

The Board of the Central Puget Sound Regional Transit Authority does hereby approve the voucher certification for the period July 2000 through September 2000 totaling \$61,542,354.28.

It was moved by Mr. Nickels and seconded by Mr. Drewel that the Consent Agenda be approved as presented.

Mr. McKenna asked that the minutes of September 14, 2000 be corrected to reflect his arrival prior to Mr. Laing's comments.

It was carried by the unanimous vote of all Board members present that the Consent Agenda be approved with the correction to the September 14, 2000 minutes noted by Mr. McKenna.

Action Items

Finance Committee Recommendations

Motion No. M2000-94 - Authorizing the Executive Director to negotiate and execute contract No. RTA/CR 100-00 with PCL Construction Company for the design and construction of a parking garage at the Auburn Commuter Rail station for a contract amount of \$7,760,790 and a five percent contingency of \$388,040 for a total amount not to exceed \$8,148,830

It was moved by Mr. Nickels and seconded by Ms. Gates that Motion No. M2000-94 be approved as presented.

Mr. Nickels noted that Sound Transit has an agreement for the City of Auburn's contribution to the project. The City of Auburn will pay the costs of the sixth level of parking, and also for part of the retail space. The City of Auburn's contribution is similar to the City of Kent's contribution to the Sound Transit parking facility there, but it is organized differently. They will be directing their contributions by helping with the infrastructure in the surrounding neighborhood.

Mr. Paul Krauss, City of Auburn Planning Director, said that the City of Auburn anticipates using the additional parking to support the transit oriented development in the vicinity of the station.

(Ms. Hague arrived at this time.)

The motion to approve Motion No. M2000-94 was carried by the unanimous vote of all Board members present.

Motion No. M2000-103 - Amending contract number RTA/PG 101-00 with Cocker Fennessy, Inc. by extending the contract term to December 31, 2001 and increasing the contract amount by \$285,000 for a total authorized contract amount not to exceed \$318,000

It was moved by Mr. Nickels and seconded by Mr. Crawford and carried by unanimous vote of all Board members present that Motion No. M2000-103 be approved as presented.

Items Not Referred by Committee

Resolution No. R2000-15 - Authorizing the Executive Director to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation, by settling condemnation

litigation or entering administrative settlements, and to pay eligible relocation and re-establishment benefits to affected parties as necessary for the Central Link Light Rail project (Design Contract Segment D710-D720/D730/D740 from Beacon Hill to Boeing Access Road)

It was moved by Mr. Schell, seconded by Mr. Sims and carried by the unanimous vote of all Board members present that Resolution No. R2000-15 be tabled for two months.

Presentation of Central Link Light Rail Design/Build Contract Technical Memorandum Engineering Options

Mr. Jim Parsons, Consultant, PSTC presented an overview of the efforts underway for the last two and a half months between Sound Transit, the design consultants and Modern Transit Constructors (MTC).

Mr. Parsons also discussed tunnel and route options for the section of Link between the downtown Seattle bus tunnel, west of 8th and Pine, to a tailtrack northeast of NE 45th. That segment, as proposed, was to be twin bore with three deep mined stations and one cut and cover station. Options included alternatives for a station near 8th Avenue and an alignment that would include purchasing part of Convention Place Station, station options for Capitol Hill, single tunnel as opposed to a twin tunnel design, and options for providing tunnel access for passengers.

Executive Session:

Mr. Earling delivered the following statement before recessing for executive session:

“The Board will now adjourn to the Olympian Room for an executive session to review the tunnel contract negotiations for the design and construction of the tunnel from downtown Seattle through Capitol Hill to the University District.

The executive session will be limited to a discussion of issues and information bearing on the current status of the contract negotiations, the agency's negotiation position and future negotiating strategy with respect to the contract.

The executive session is necessary because public discussion of the agency's negotiation position and strategy would cause a likelihood of increased contract cost.

The Board will also discuss potential litigation with its legal counsel.

The executive session is expected to last for one hour. Following the executive session, I will reconvene the open session, at which time the Board will continue with the agenda.

I would like to ask our legal counsel if these topics are appropriately discussed in executive session.”

Mr. Desmond Brown, legal counsel, confirmed that the information being discussed was appropriate for executive session.

The Board recessed into executive session at 3:53 p.m.

At 4:40, Board Administrator Marcia Walker announced to the public that the executive session would continue for an additional half-hour.

Mr. Earling reconvened the Board meeting at 5:13 p.m.

Board Discussion

Mr. Earling stated that during the executive session, Mr. White gave the board a report concerning the tunnel contract and provided three handouts to board members. He announced that the documents were available for the public on the back table.

Mr. White stated that it was his judgement that Sound Transit would not be able to reach a fair agreement with MTC, the contractor Sound Transit was negotiating with for the Link Light Rail tunnel between Northeast 45th Street and Convention Place. He stated that the recommendation he made in executive session was that Sound Transit suspend negotiations with MTC so the Board could consider alternatives for proceeding.

Mr. Sims made the following Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority directing Sound Transit staff as follows:

- 1) Suspend negotiations with Modern Transit Constructors until December 14, 2000 at which time the Board shall consider options for proceeding; and
- 2) Work with the Federal Transit Administration and our Congressional delegation to maintain federal funding commitments; and
- 3) Report back to the Board at the December 14, 2000 meeting with the following:
 - An explanation of why the tunnel cost estimate is different than what was budgeted for the project. The report should include not just why the numbers are different, but also a review of the process that brought Sound Transit to this point.
 - Alternatives for getting light rail to at least the University District. The alternatives, whether design/build or design/bid/build, should include approaches for reducing the tunnel cost and options for crossing Portage Bay, including a bridge, that are affordable within Sound Transit's financial policies, including respecting subarea equity.
 - An estimate of the total cost to complete an operating light rail system between Sea-Tac and the University District.
 - An open process for discussing alternatives and for involving the public in that discussion.

It is further moved that:

The Sound Transit Board of Directors thanks Norm Rice for his willingness to serve as chairman of an independent review of the tunnel contract and Sound Transit's financial capability. Due to the changed circumstances of the tunnel contract and the Board's direction to staff on exploring alternatives, it seems that the services of Mr. Rice and his committee are at the very least premature and may not be needed at all. The Board acknowledges Mr. Rice's generous offer to delve into this important and complex issue.

Mr. Sim's motion was seconded by Mr. Drewel.

Mr. Schell made a friendly amendment so that the language of the motion directs Sound Transit staff to report back to the Board "as soon as possible but not later than the December 14, 2000 Board meeting."

Mr. Schell voiced his continuing support for the Link Light Rail project.

Mr. McKenna asked how this decision would impact the Federal Full Funding Grant Agreement (FFGA).

Mr. Sims stated that he had been in contact with the Federal Transportation Administration (FTA) Administrator in Washington, D.C. and informed her of the action the Board would be considering at this meeting. She indicated that as long as Sound Transit was looking at alternatives within the scope of the EIS and moving forward, they will not withdraw the FFGA, and that FTA would work with Sound Transit over the next several months.

Mr. McKenna asked what other areas of Link would be affected.

Mr. White stated that over the next month, as part of the response to Mr. Sims' motion, staff would evaluate the current activities and schedules for the portion of Link affected by the motion for the next one to two quarters to see if adjustments were indicated.

In response to a question by Ms. Hague, Mr. Brown stated that the motion suspends negotiations to a fixed date at which time the Board would evaluate options so it is clear that Sound Transit is not abandoning negotiations entirely.

Mr. Brown reread the second paragraph of the motion, which incorporates Mr. Schell's amendment:

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

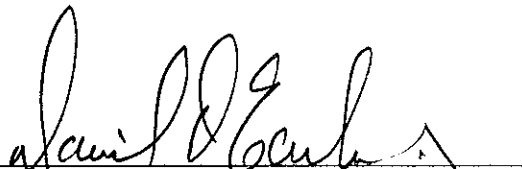
Next Meeting

The next Board meeting was originally scheduled to be held in Tacoma. It will now be held:

Thursday, December 14, 2000
2:30 to 4:30 p.m.
Union Station Board Room
401 S. Jackson Street
Seattle, Washington


Adjourn

The meeting was adjourned at 5:40 p.m.



David Earling
Board Chair

ATTEST:



Marcia Walker
Board Administrator