

SOUND TRANSIT EXECUTIVE COMMITTEE MEETING
Summary Minutes
May 6, 2010

Call to Order

The meeting was called to order at 10:40 a.m. by Chair Aaron Reardon in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Aaron Reardon, Snohomish County Executive

Vice Chairs

(P) Fred Butler, Issaquah Deputy Council President

(P) Claudia Thomas, Lakewood Councilmember

(A) Dow Constantine, King County Executive

(P) David Enslow, Sumner Mayor

(P) Paula Hammond, WSDOT Secretary

(A) Pat McCarthy, Pierce County Executive

(P) Mike McGinn, Seattle Mayor

(A) Julia Patterson, King County Council Chair

Board Administrator Marcia Walker announced that a quorum of the committee was present at roll call.

Report of the Chair

The Board retreat will be held on May 14, 2010 at the Kitsap Conference Center in Bremerton. Boardmembers will receive a packet of materials in advance.

CEO Report

Brian McCartan, CFO, gave the report in the absence of Joni Earl, CEO.

Ms. Earl was in Washington DC last week and met with the Washington State Congressional delegation, FTA Administrator Peter Rogoff, and FRA Deputy Administrator Karen Rae.

May is Bike to Work Month, and more than 80 Sound Transit employees are participating in the Group Health Commute Challenge, up from 50 in 2009. Last year Sound Transit finished 22nd out of 500 participating organizations.

Reports to the Committee

ST2 Contingencies and Reserves

Mr. McCartan reported on ST2 contingencies and reserves. The framework for program management is drawn from the implementation guidelines developed in 2009 in response to the economic recession. The five-phase approach accelerates design work to address risks, targets low end of cost estimates, positions Sound Transit to reduce operating and maintenance costs, optimizes project phasing to save money, and continually evaluates schedules.

Sound Transit has lost \$3.1 billion in projected revenue for ST2. To absorb the loss, project reserves and cost estimates have been reduced by \$2.1 billion, the inflation contingency has been lowered by \$400 million, the net coverage has been lowered by \$500 million and administrative costs have been reduced by \$90 million.

Mr. McCartan demonstrated how cost estimates were reduced, using a light rail project as an example. Sound Transit works with a consultant to develop construction costs. The construction costs include a design allowance, an amount of money not specifically related to quantities or labor. The original ST2 cost

estimate includes 30% contingency and approximately 12% of program costs. In response to the recession, Sound Transit eliminated project reserves and reduced most non-construction elements by 5%.

As a project progresses, less contingency is required. University Link is under construction, and currently has 37% allocated and unallocated contingency; East Link is at approximately 15% design and has 37% allocated and unallocated contingency; North Link is further along than East Link with less contingency remaining. The greatest risk with eliminating the project reserve is with projects that are in conceptual engineering. The Denver light rail system requires 30% contingency when a project reaches 30% design.

Ric Ilgenfritz, PEPD Executive Director, explained the precision of the estimated contingency increases with the level of design. A comprehensive cost analysis for East Link at the end of preliminary engineering and again at the completion of final design will provide strong risk-based quantification for the allocation of contingency.

Ahmad Fazel, DECM Executive Director, clarified that design allowances are defined in advance of a contract award while allocated and unallocated contingencies are unknown risks that are applied after a contract is awarded.

When a project is baselined, a cost estimate is established, the scope is well-defined, there is a Record of Decision from the FTA, the Board has selected the project to be built, and design is 50% to 60% complete. The Board then adopts a project's scope, schedule, and budget.

Sound Transit's current reserves include \$128 million in the Initial Segment reserve, \$38 million in subarea reserves, and financial reserves retain some flexibility.

A variety of tools are in place for the Board and staff have to address funding challenges, including; clear and consistent reporting; scope and schedule control and management; value engineering; risk assessment; and the Phase/Gate and budget processes.

Parking Pricing Study

Greg Walker, Planning and Development Director, and Kate Lichtenstein, Associate Planner, presented the findings of the Sound Transit Parking Pricing Study. The study responds to the Transit Operations Task Force's request to examine the costs and benefits of charging parking fees at Sound Transit facilities.

The study analyzed the Sounder south corridor and was conducted over the last year. The study included data analysis, peer review, and coordination with local jurisdictions and service partners. The corridor carries 8,250 daily riders and has over 5,000 parking spaces, most of which Sound Transit owns. Utilization in 2009 was at 93% and is at 90% 2010. 60% of riders drive to a station and 80% use a transit pass.

The pricing model used in the study built upon the experiences of peer agencies that have instituted parking fees. There was little affect on ridership or parking utilization at \$1 parking fee. There is a relevant shift in ridership and parking demand at \$3 and higher. Parking utilization drops by 9% at \$3 while ridership would only drop 3-4%, meaning riders would find alternative means to access the station.

The study examined several fee collection options to determine ease of implementation, ease of use for customer, and operating costs. The representative technology used for cost estimates was pay-by-space, where a customer pays the fee at a kiosk for a specific parking space. Options for pay-by-space include paying by phone and balance adjustments.

Several focus groups were conducted during the study. Customers value parking as a limited resource, but see parking fees as a penalty rather than as a parking management tool. Customers believe there are a significant amount of fare evaders, and Sound Transit should invest in fare enforcement to increase revenues before charging parking fees. Customers were generally supportive of parking fees being used to parking upkeep or service improvements. Additionally, customers were concerned about parking spillover into neighborhoods.

Peer transit systems that charge parking fees are primarily heavy rail systems. Systems similar to Sound Transit's light rail and commuter rail systems have not instituted parking fees, but several are examining implementing parking fees. Most peer transit systems implemented or are examining implementing parking fees to serve as a parking management tool. As long as the fee was not excessive, there was a parking demand reduction without a drop in ridership; however, over time the parking demand increases.

The estimated capital costs for instituting a pay-by-space parking system is between \$800,000 to \$900,000 and the annual operations and maintenance costs would be \$600,000 to \$700,000. The potential net revenue, based on a \$1 to \$3 parking fee, would be between \$600,000 to \$2,000,000.

Other study findings include a potential near-term ridership loss, spillover parking management and local and regional coordination requirements.

ST2 included cost estimates for parking expansion at each station. ST2 committed to performing an access and demand study prior to building new parking in an effort to shift people into alternative modes of access to Sound Transit facilities. Sound Transit is reviewing consultant proposals for an access and demand study and the Sound Transit Parking Pricing Study will be incorporated into the access and demand study.

Possible next steps include a review of existing Sound Transit parking policies, reporting results of the parking pricing study and discuss with partners and jurisdictions, and initiate a regional discussion of parking pricing and management.

Sound Transit conducts regular surveys of park-and-ride users to determine what percentage of lot users are transit riders.

There are several technologies available for parking management and fee collection, including the possibility of a reservation system, monthly permits, and transponders.

Sound Transit will initiate discussions with jurisdictions and partners at the staff level. PSRC could play a lead role in organizing a regional discussion.

Chair Reardon requested staff present the parking pricing study to the Operations and Administration Committee and brief the Board on existing parking policies and further analysis of the implications of charging parking fees.

Business Items

Non-Routine Items

Resolution No. R2010-07 – Adopting an Expulsion and Suspension Policy

Ken Cummins, Chief Security Officer, and Ron Griffin, Sound Transit Chief of Police, presented the staff report. Chief Griffin stated that currently, a person who commits a transit violation is cited and arrested, this policy fills the gap of having to make an arrest.

Chief Griffin likened a suspension to a no-contact order, although it may not prevent a suspended person from using a Sound Transit facility it provides an additional law enforcement tool.

Mr. Cummins stated that the policy will be posted on the Sound Transit website and may also be posted at Sound Transit facilities. Currently, the Unlawful Transit Conduct law is posted at Sound Transit facilities.

It was moved by Vice Chair Butler, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that Resolution No. R2010-07 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2010-08 – Adopting a Great Hall Use Policy and superseding Motion No. M99-35

Ron Klein, Communications and External Affairs Executive Director, presented the staff report. Desmond Brown, General Counsel, suggested a technical amendment that would clarify the Board's intent to increase revenues from use of Great Hall by charging marking rates.

It was moved by Vice Chair Butler and seconded by Boardmember Enslow that Resolution No. R2010-08 be forwarded to the Board with a do-pass recommendation.

It was moved by Boardmember McGinn, seconded by Vice Chair Butler, and carried by the unanimous vote of all members present to amend Attachment A of Resolution No. R2010-08 to add "and may charge market rates as appropriate" in Section 3:

Sound Transit will generally charge fees for Great Hall use by outside parties to cover the direct and indirect costs associated with the use of the Great Hall for an event and may charge market rates as appropriate.

It was carried by the unanimous vote of all members present that Resolution No. R2010-08 be forwarded to the Board with a do pass recommendation, as amended.

Other Business

None.

Executive Session

None.

Next Meeting

Thursday, June 3rd, 2010
10:30 a.m. to 12:00 p.m.
Ruth Fisher Boardroom

Adjourn

The meeting was adjourned at 11:53 a.m.

APPROVED on August 5, 2010.

ATTEST:



Marcia Walker
Board Administrator



Aaron Reardon
Executive Committee Chair