



## 2012 SOUND TRANSIT BOARD MEETING

### Summary Minutes

June 28, 2012

### CALL TO ORDER

The meeting was called to order at 1:34 p.m. by Vice Chair Julia Patterson, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

### ROLL CALL

#### Chair

(P) *Pat McCarthy, Pierce County Executive*

#### Vice Chairs

(P) *Julia Patterson, King County Councilmember*

(A) *Aaron Reardon, Snohomish County Executive*

#### Boardmembers

(P) *Claudia Balducci, Bellevue Councilmember*

(P) *Fred Butler, Issaquah Deputy Council President*

(P) *Richard Conlin, Seattle Councilmember*

(P) *Dow Constantine, King County Executive*

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

(P) *David Enslow, City of Sumner Mayor*

(P) *Paula Hammond, WSDOT Secretary*

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

(P) *Joe McDermott, King County Councilmember*

(P) *Mike McGinn, City of Seattle Mayor*

(P) *Mary Moss, Lakewood Councilmember*

(P) *Larry Phillips, King County Councilmember*

(P) *Paul Roberts, Everett Councilmember*

(P) *Marilyn Strickland, City of Tacoma Mayor*

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

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

### REPORT OF THE CHAIR

Board Vice Chair Patterson announced that Board Chair Pat McCarthy was unable to attend the meeting in person, but asked to participate by phone.

**It was moved by Boardmember McDermott, seconded by Boardmember Butler, and carried by unanimous vote that Board Chair McCarthy be allowed to participate in the Board meeting by telephone.**

Vice Chair Patterson informed Boardmembers that Fast Jobs Coalition had requested a meeting with Sound Transit Boardmembers who are also on the King County Council. Fast Jobs Coalition requested the meeting because they believe that Traylor Frontier Kemper (TFK), the contractor who is building tunnels from UW to Capitol Hill, is using hiring and retention practices that are harming workers and violating Sound Transit's Project Labor Agreement.

Ms. Patterson asked CEO Joni Earl to describe an investigation into TFK's hiring and retention practices. Ms. Earl noted that Sound Transit monitors its contractors for adherence to the project labor agreement and contract provisions. All contractors are required to comply with non-discrimination provisions. Sound Transit became aware of equal employment opportunity complaints against TFK in early 2011. Sound Transit executives met with TFK executives and agreed on corrective actions. Additional complaints were registered in July through December of 2011, which prompted an internal investigation of TFK's hiring and termination practices. Significant issues and discrepancies were uncovered in the internal investigation so Sound Transit engaged an independent investigator to look at allegations of race and gender discrimination in hiring and termination, hostile work environment for men and women, and age discrimination. The investigation has been underway for several months, and has included interviews with over 45 individuals. Sound Transit also contracted with an outside statistician to review employment data in the certified payroll and dispatch records. The data was compared to other similar tunneling projects in the local area. The investigator's report is in the final stages and should be ready in time for the July Board meeting.

Ms. Patterson asked that a briefing on the investigation and action plan be added to the July Board meeting agenda. She announced that under public comment, three individuals would be allowed to speak on the issue even though the usual practice is to only hear comments on action items.

## **CHIEF EXECUTIVE OFFICER'S REPORT**

Ms. Earl announced that on Tuesday, Sound Transit joined the City of Bothell for a ribbon cutting at the SR522 HOV Improvements Project, known as the Wayne Curve project. Boardmember Butler represented Sound Transit. Former Boardmember Jack Crawford championed the project and his wife was at the event.

Ms. Earl reported on an agreement between the United States House of Representatives and United States Senate to reauthorize federal transportation programs through September 2014. A vote by each body is expected before the current extension expires on June 30, 2012. The proposed bill would maintain transportation funding at current levels and preserve the New Starts program. Older rail systems would now be eligible to compete in the New Starts program. The bill increases funding for the Transportation Infrastructure Finance and Innovation Act, a federal credit program. The bill changes the formula for calculating the region's funding by no longer including bus service operated on HOV lanes, this reduces funding for Sound Transit and King County Metro.

Two important agreements for the extension to South 200th are on the consent agenda. The SeaTac Development Agreement outlines Sound Transit capital commitments, passenger accessibility and safety improvements, and provides City staff to support the fast track design-build process. The Port of Seattle Memorandum of Understanding provides the framework for Sound Transit design-build activities on Port property; it specifies property-use terms and compensation for the Port's design review and construction support services. Ms. Earl thanked key individuals from the City of SeaTac, the Port of Seattle, and Sound Transit who worked on the two agreements.

## **REPORTS TO THE BOARD**

### Phase Gate 8 Report: Project Close Out of Completed Regional Express and Sounder Projects

Pete Rogness, Director of Budget and Financial Planning, reported that 32 ST Express and 17 Sounder projects are now complete. Seven projects included in the report were removed from the Sound Move program. Sound Move projects that have work remaining or open contracts are not included in the report. Six projects were completed above the baseline budget, 35 were completed under the baseline budget for a total budget savings of \$99 million. The completed projects will no longer be included in future annual Transit Improvement Plans.

## **PUBLIC COMMENT**

(Comments on file with the Board Administrator)

Verlene Jones, Seattle King County NAACP  
Sean Bagsby, Fast Jobs Coalition  
Rashad Pearson  
Todd Cutts, City of SeaTac City Manager  
Wayne Grotheer, Port of Seattle  
Suzanne Baugh, Move Bellevue Forward  
Leslie Lloyd, Bellevue Downtown Association  
Paul W. Locke

Jorgen Bader  
Will Knedlik  
Chuck Ayers  
Lisa Quinn, Feet First  
Kevin Kelly, Bellevue Chamber of Commerce  
Tim Bond  
Allen Stowers

## **CONSENT AGENDA**

Minutes of the April 26, 2012 Board Meeting  
Voucher Certification for May 1, 2012 through May 15, 2012  
Voucher Certification for May 16, 2012 through May 31, 2012

Motion No. M2012-33: Authorizing collection of regular Sound Transit Express bus fares and changing fare collection procedures at all times of day for trips taken within the current downtown Seattle Ride Free Area upon the elimination of the Ride Free Area on September 29, 2012.

Resolution No. R2012-12: Authorizing the chief executive officer to purchase two perpetual commuter rail easements in The BNSF Railway Company's right of way between Seattle and Tacoma in the amount of \$52,000,000 for Easement 3 and \$48,000,000 for Easement 4, consistent with a Purchase and Sale Agreement with The BNSF Railway Company.

Motion No. M2012-29: Authorizing the chief executive officer to execute a Memorandum of Agreement with the Port of Seattle for the development of the South Link – Airport to South 200<sup>th</sup> Project on Port property; and to execute all other subsequent agreements that may be necessary to implement this agreement in an amount not to exceed \$9,397,792.

Motion No. M2012-36: Adopting the permanent facility and station names for the North Link and University Link Projects.

Motion No. M2012-37: Authorizing the chief executive officer to execute a contract with Stacy and Witbeck, Inc., for procurement of rail and rail fasteners for the University Link systems construction for a total authorized contract amount not to exceed \$7,139,169.

Motion No. M2012-38: Authorizing the chief executive officer to increase the contingency for the contract with MidMountain Contractors, Inc. for the construction of the D Street to M Street Track and Signal Project in the amount of \$3,700,000, for a new total authorized contract amount not to exceed \$67,583,109.

Motion No. M2012-40: Authorizing the chief executive officer to (1) execute a Development and Transitway Agreement with the City of SeaTac for the South Link – Airport to South 200th Street Project, specifying the terms and conditions for development of the project from SeaTac/Airport Station to South 200th Street, and establishing the use of City of SeaTac public right-of-way, and (2) to execute all other subsequent agreements with the City of SeaTac as may be necessary to implement this Agreement for a total authorized expenditure not to exceed \$3,442,300.

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

## **ACTION ITEMS**

### Items not referred by Committee

Resolution No. R2012-13: (1) Revising the alignment that was selected by the Board in 2006 for the North Link – UW Station to Northgate Project (currently known as the Northgate Link Extension); (2) adopting the Northgate Link Extension baseline schedule and budget, which constitutes Board approval of Gate 5 within Sound Transit's Phase Gate System by (a) amending the project Lifetime Budget from \$465,500,000 to \$2,131,400,000 and (b) amending the project 2012 Annual Budget from \$76,248,584 to \$47,247,600; (3) establishing a Northgate Link Extension Project Reserve with a Lifetime Budget of \$50,000,000 and an Annual Budget of \$0; and (4) amending the Initial Segment Project Reserve by reducing the Lifetime Budget from \$58,495,000 to \$8,495,000.

Ahmad Fazel, Executive Director of Design, Engineering and Construction Management, Don Davis, North Link Project Director, and Ron Endlich, Deputy Project Director for University Link gave a staff presentation on the Northgate Link Extension.

The project is currently at 60% design. Modifications to the original scope include a change to the location of the north portal, and to the configuration of the U District Station. This action approves the baseline project and baseline schedule. This action approves an amendment to the budget to establish a \$50 million project reserve that can only be used for unanticipated cost overruns on approved project scope. The baseline budget was established at \$2.1 billion and it is scheduled to open in September 2021.

**It was moved by Boardmember Butler and seconded by Boardmember Conlin that Resolution No. R2012-13 be approved as presented.**

Board Vice Chair Patterson called for a roll call vote because amending the adopted budget requires a two-thirds affirmative vote of the Board (12 members).

Ayes

Claudia Balducci  
Fred Butler  
Richard Conlin  
Dow Constantine  
Dave Earling  
Dave Enslow

Paula Hammond  
John Marchione  
Joe McDermott  
Mike McGinn  
Mary Moss  
Julia Patterson

Nays

Larry Phillips  
Paul Roberts  
Marilyn Strickland  
Pete von Reichbauer  
Pat McCarthy

**The motion to approve Resolution No. R2012-13 carried by unanimous vote of 17 Boardmembers.**

Motion No. M2012-42: Authorizing the chief executive officer to complete a Northgate access improvement study to identify potential additional pedestrian and bicycle access improvements to enhance access to the current Northgate Transit Center and future Northgate Station inter-modal transit facility as part of the Northgate Link Extension Project. The Northgate access improvement study would include: a two-step study process that will include a connectivity analysis followed by an access study to identify and prioritize specific improvements that could be funded by Sound Transit in partnership with the City of Seattle, King County Metro, and other local, state, and federal sources; Sound Transit's funding contribution for proposed Northgate pedestrian and bicycle access improvements would be capped at \$10 million, which includes credits for current Project commitments as included in the baselined Northgate Link Extension Project budget; and before Sound Transit dollars will be authorized towards the improvements, the City of Seattle must match Sound Transit's \$10 million funding contribution, must complete appropriate environmental review for the proposed pedestrian and bicycle access improvements, and must have full funding partnership agreements in place to complete the improvements by 2021.

Motion No. M2012-42 was changed after it was distributed to the Board to add minor clarifications. The correct version was on blue paper.

The Capital Committee asked staff to prepare this motion which reflects a policy paper presented by Boardmember Richard Conlin at the June Capital Committee meeting. The motion establishes a process for identifying pedestrian and bicycle improvements and a multi-agency review process for funding priorities. Sound Transit funds for bicycle and pedestrian facilities will be matched by the City of Seattle. The improvements will help attract future riders to the Northgate Station. The City of Seattle will credit the cost of permitting conditions or use fees towards Sound Transit's contribution. Environmental work still needs to be completed before the Board authorizes any funding for the pedestrian bridge or other improvements.

Mr. Conlin explained that the intent of the motion is to implement multi-modal access and transit oriented development into the Northgate station. The motion includes a funding contribution of up to \$5 million for a pedestrian bridge if funding partners are identified by July 2015. Sound Transit will receive credit for the station design that will be applied to the funding contribution. The motion also includes \$5 million for pedestrian and bike improvements to be matched by the City of Seattle with a deadline to complete the improvements by 2021. The Seattle City Council unanimously approved a resolution that commits the \$10 million in matching funds for this work.

**It was moved by Boardmember Conlin, seconded by Boardmember Balducci, and carried by unanimous vote that Motion No. M2012-42 be approved as presented.**

Motion No. M2012-39: Authorizing the chief executive officer to execute a nine-year contract with two one-year options to extend with North Star, a joint venture of CH2M Hill, Inc., and Jacobs Project Management Company, to provide construction management services for the Northgate Link Extension in the amount of \$75,482,233, plus a 10% contingency of \$7,548,223, for a total contract amount not to exceed \$83,030,456.

**It was moved by Boardmember Butler, seconded by Boardmember McDermott, and carried by unanimous vote that Motion No. M2012-39 be approved as presented.**

Motion No. M2012-41: Endorsing the Sound Transit and City of Bellevue Cost Savings Work Plan for the East Link Project attached as Exhibit A.

Ron Lewis, Executive Project Director for East Link, and Don Billen, Deputy Project Director for East Link gave the staff presentation. The proposed plan is the result of collaboration between Sound Transit and the

City of Bellevue. A steering committee made up of City and Sound Transit staff as well as the Leadership Group with members of the Sound Transit Board and Bellevue City Council worked on the plan. There was also an extensive community outreach process.

The motion endorses the work, but does not adopt the options or make a final design on them. The cost savings options will require additional engineering and design and possible additional environmental work. Endorsement of the work plan will allow additional review of the selected options.

In downtown Bellevue the first cost savings idea would retain a tunnel station under 110<sup>th</sup> Avenue with two station entrances with stacked tracks and a narrower tunnel. The initial design has station entrances located in current travel lanes, so additional work will look at shifting the entrances or mitigating traffic impacts. A second cost savings option would shift the station east onto NE 6<sup>th</sup> Street, out of the tunnel, with a single station entrance on 110<sup>th</sup> Avenue. Future work will look at impacts to City Hall parking and police department facilities.

Along 112<sup>th</sup> Avenue, one cost savings idea would replace a retained cut under SE 4<sup>th</sup> Street with an at-grade alignment. Access to the Surrey Downs neighborhood would be affected. Future work will look at options to improve access to that neighborhood. Under another cost savings option on 112<sup>th</sup> Avenue near SE 15<sup>th</sup> the alignment would cross from the east to the west side of 112<sup>th</sup> Avenue by travelling at-grade under an elevated road.

Near the Winters House historic structure, one cost savings option would bring light rail to an at-grade alignment by shifting Bellevue Way west. The work plan recommends this option if the City of Bellevue advances a project to add an HOV lane to Bellevue Way. The retaining walls needed along the west side of Bellevue Way for the HOV project could also benefit the cost savings option. If the City does not add an HOV lane to Bellevue way, the work plan would pursue a cost savings option to shift the Winters House east and bring light rail to at-grade.

On June 25, 2012 the Bellevue City Council endorsed the work plan with one amendment. The amendment expresses a preference for shifting Bellevue Way west whether or not the City of Bellevue moves forward with the HOV project on Bellevue Way. The Bellevue City Council is scheduled to take an action on the HOV project on July 16, 2012; if the project moves forward the work plans would be the same.

Boardmember Butler provided an update on the Leadership Group's work. The group agrees with the work plan.

**It was moved by Boardmember Butler, seconded by Boardmember Balducci, and carried by unanimous vote that Motion No. M2012-41 be approved as presented.**

Resolution No. R2012-14: Amending and restating Master Resolution No. R2009-15, which amended and restated Resolution No. R98-47, and authorizing Sales Tax and Motor Vehicle Excise Tax Bonds of the Authority to be issued in one or more series to finance a portion of the Authority's Regional Transit System Plan.

Brian McCartan, Executive Director of Finance and Information Technology, Greg Sundberg, Merrill Lynch/Bank of America and Nancy Neraas, Foster Pepper, gave the staff presentation on Resolution No. R2012-14, R2012-15 and R2012-16. The action will refund 2005 bonds for a savings of approximately \$130 million. The action also amends the master resolution that covers all bonds pledged on sales tax, motor vehicle excise tax and rental car tax. The amendment strengthens projections for bond holders; this maintains Sound Transit's high credit ratings.

Resolution Nos. R2012-15 and R2012-16 cover the refunding of Series 2005A bonds. Changes in Washington State law now allow the Board to delegate authority to the CEO or CFO to price the bonds with the underwriters. Both resolutions have parameters for the pricing of the bonds. The parameters include a maximum amount of bonds that can be issued, requirements that interest rates are below 4% and savings are above 3%, limits on the terms of the bonds, and a time limit for completing the transaction.

Sound Transit had to renew its credit ratings in order to seek the bonds. The Moody's rating of AA1 was retained for the first tier bonds and AA2 for the second tier bonds. Standard and Poors affirmed AAA ratings for both bond series.

**It was moved by Boardmember Butler, seconded by Boardmember Roberts, and carried by unanimous vote that Resolution No. R2012-14 be approved as presented.**

Resolution No. R2012-15: Authorizing the issuance of Sales Tax and Motor Vehicle Excise Tax Refunding Bonds, Series 2012P-1 to refund a portion of the Authority's outstanding Sales Tax Bonds, Series 2005A; approving parameters for the terms of the bonds, and delegating authority to the designated authority representative to approve the final terms of and bond purchase contract for the bonds.

**It was moved by Boardmember Butler, seconded by Boardmember Roberts, and carried by unanimous vote that Resolution No. R2012-15 be approved as presented.**

Resolution No. R2012-16: Authorizing the issuance of Sales Tax Refunding Bonds, Series 2012S-1 to refund a portion of the Authority's outstanding Sales Tax Bonds, Series 2005A; approving parameters for the terms of the bonds, and delegating authority to the designated authority representative to approve the final terms of and bond purchase contract for the bonds.

**It was moved by Boardmember Butler, seconded by Boardmember Hammond, and carried by unanimous vote that Resolution No. R2012-16 be approved as presented.**

### **EXECUTIVE SESSION**

At 4:08 p.m., Vice Chair Patterson announced that the Board would convene an executive session for 20 minutes to consider litigation or potential litigation to which the agency is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. The executive session is authorized by RCW 42.30.110 subsection (1)(i).

At 4:27 p.m., the executive session was extended by 25 minutes.

Vice Chair Patterson reconvened the meeting at 4:47 p.m.

### **OTHER BUSINESS**

None.

### **NEXT MEETING**

Thursday, July 26, 2012  
1:30 to 4:00 p.m.  
Ruth Fisher Boardroom

### **ADJOURN**

The meeting was adjourned at 4:47 p.m.

  
Julia Patterson  
Board Vice Chair

ATTEST:

  
Marcia Walker  
Board Administrator

APPROVED on August 23, 2012, MW