

**SOUND TRANSIT EXECUTIVE COMMITTEE MEETING**  
**Summary Minutes**  
**November 17, 2016**

**CALL TO ORDER**

The meeting was called to order at 1:40 p.m. by Chair Constantine, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

**ROLL CALL**

Chair

(P) Dow Constantine, King County Executive

Vice Chairs

(A) Marilyn Strickland, Tacoma Mayor

(A) Paul Roberts, Everett Councilmember

Boardmembers

(P) Fred Butler, Issaquah Mayor

(P) Pat McCarthy, Pierce County Executive

(A) Joe McDermott, King County Council

(P) Roger Millar, WSDOT Acting Secretary,  
arrived at 2:10 p.m.

(A) Ed Murray, City of Seattle Mayor

(A) Amy Scarton, WSDOT Assistant Secretary

(P) Dave Somers, Snohomish County Executive

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

**REPORT OF THE CHAIR**

Chair Constantine reported that Boardmember Millar would be arriving late and that business items that require a vote would be held until a quorum was present.

**CHIEF EXECUTIVE OFFICER'S REPORT**

Mr. Rogoff stated that a press conference was held Thursday, November 10, 2016, to announce the passage of Sound Transit 3 (ST3). Work will begin immediately on ST3 projects, and some actions scheduled for the November 29, 2016, Board meeting will decide the advancement of major ST3 projects. Mr. Rogoff thanked the Board members for their continued support of ST3.

Mr. Rogoff noted that on November 7, 2016, the Seattle Chapter of the American Institute of Architects awarded the University District Light Rail Station with a 2016 Merit Award. The Sound Transit design team included Principal Architect Doug Powell and Public Art Program Manager Barbara Luecke, as well as LMN Architects and Moniz Art and Architecture.

Sound Transit's annual giving campaign for 2016 just concluded and raised over \$94,709 dollars for various nonprofit groups, including \$5,235 dollars for Northwest Harvest.

**REPORTS TO THE COMMITTEE**

Sound Transit 3 Financing

Brian McCartan, Executive Director of Finance and IT, previewed future actions related to Sound Transit 3 (ST3) financing. With the passage of ST3, voters approved a \$.25 per \$1,000

property tax for the district. In order to implement this tax in 2016, consistent with the voter approved plan, the Board will need to authorize some actions at the November Board meeting. Staff is preparing a resolution for consideration which will include three elements: identifying a levy, authorizing the preparation of levy certificates for the collecting counties, and authorizing the CEO to enter into contracts for tax collection administrative services. The resolution will also identify the initial estimated assessed value.

In 1997, when the initial sales tax and motor vehicle excise tax (MVET) was approved by the voters for Sound Move, the Board, consistent with state law, imposed a .08% rental car tax, in lieu of MVET. The state and several counties also collect this tax. That rental car tax amounted to \$4,000,000 last year, and is part of the pledge of taxes that the agency provides to bond holders when bonds are sold. With the passage of ST3 the Board will consider authorization of the increase of the rental car tax by 1.4 percent, to a total of 2.172 percent. This option was disclosed within the ST3 financial documents.

Sound Transit entered into a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan with the United States Department of Transportation for the EastLink project. There are advantages to the loan for Sound Transit, including locking in low interest rates, and an increased overall financial capacity. The Board authorized this loan and the agency was entered in to a \$1.3 billion dollar TIFIA loan. In November 2015, Sound Transit submitted a letter of interest for a Master Credit Agreement (MCA) with the Department of Transportation. The Master Credit Agreement is an umbrella agreement that would allow for a series of TIFIA loans. The proposed Master Credit Agreement would cover four separate TIFIA loans for four projects: Northgate, Lynnwood, Kent-Des Moines, and OMSF: East. These four projects would total to a \$1.6 billion dollar Master Credit Agreement. On November 9, the agency heard that the department has received the letter of interest and is moving forward, by requesting a formal application, which Sound Transit has submitted. In addition, with the passage of ST3, a further \$400 million can be folded in to the MCA agreement, consistent with the voter approved plan, which would fund the Federal Way project. In order to close this agreement by end of year, the Board would need to authorize the CEO to finalize the agreement at the November 2016 meeting.

Risks to the capital program of Sound Transit 2 (ST2) from lowering bonds rates have raised agency concerns. Since November 1, 2016, interest rates have been rising, and all indications show that this trend will continue. Staff is evaluating a potential bond sale as early as possible to lock in attractive rates, and to help finance the remaining ST2 capital programs, and begin to fund the ST3 capital programs. The agency would pledge ST2 and ST3 revenues, not including the property tax. The authorizing resolutions will be provided at the November Board meeting, at which time the Board will also be reviewing the master Bond agreement.

Boardmember Enslow asked for staff clarification about the property tax rate and if it increases upon increased property value assessment. Mr. McCartan replied that that is correct, and that property tax is limited by certain regulations.

#### Citizen Oversight Committee Nominations for Recommendation to the Full Board

Katie Flores, Board Administrator, provides the staff report. There are vacancies on the Citizen Oversight Panel for positions representing North King County and East King County, and an additional four seats which are occupied by individuals whose terms are expiring.

Sound Transit has received a total of 13 applications for positions, which have been distributed to the Board. Today's process, as was decided in 2012, will allow for members of the Board from the sub areas with vacancies to nominate the individuals for placement on the Board.

Boardmember Fred Butler stated that on behalf of the Board members from East King County, he would like to nominate both Scott Lampe and Paul Thompson. Mr. Lampe has experience with policy implementation, and has been an actively engaged citizen in the development of the East Link project. Mr. Thompson is an experienced engineer, with transportation asset management experience who has worked worldwide.

Chair Constantine stated that on behalf of the Board members from North King County, he nominated Bill Roach and Ron Davis to fill two vacancies. Mr. Roach has served 19 years on the commute trip reduction Board, and Mr. Davis has extensive experience as a startup engineer who is passionate about regional transit options.

There were no other nominations. Chair Constantine requested that staff prepare a motion for the full Board to consider that would appoint these individuals for the standard four-year terms.

## **PUBLIC COMMENT**

Alex Tsimmerman

## **BUSINESS ITEMS**

Katie Flores, Board Administration, clarified that a quorum is now present.

### Items for Recommendation to the Board

Chair Constantine stated that the rules and procedures of the Board stipulate that the Executive Committee meet in November and develop recommendations for Board officers for the coming year for discussion and approval at the December Board meeting. Board officers are selected by a majority vote of the full board, and the officer terms are two years. The Board Chair and the two Vice Chairs must all be from different counties. The rules do not stipulate the method of nominations, in the past the Board has used nominations from the floor.

**It was moved by Chair Constantine, seconded by Dave Somers, and carried by unanimous vote that the system of nominations from the floor continue to be used.**

Boardmember Butler nominated Snohomish County Executive Dave Somers on behalf of Paul Roberts, who was unable to be at the meeting today. Boardmember Butler thanked Chair Constantine, and past Chair Pat McCarthy. Executive Somers is the Vice President of the Puget Sound Regional Council, and a strong proponent of Mass Transit.

**It is moved by Boardmember Butler, seconded by Chair Constantine, and carried unanimously to nominate Dave Somers as the incoming Board Chair, for consideration by the full Board.**

Boardmember Pat McCarthy nominated Tacoma Mayor Marilyn Strickland to serve as Vice Chair. Mayor Strickland serves on the Puget Sound Regional Council Executive Committee, and the Economic Development Board for Pierce County. She has also served as Vice Chair for the past three years.

**It is moved by Boardmember McCarthy, seconded by Chair Constantine, and carried unanimously to nominate Marilyn Strickland as Vice Chair, for consideration by the full Board.**

Chair Constantine nominated Redmond Mayor John Marchione to serve as the second Vice Chair of the Board. Mayor Marchione has been a strong advocate and leader of transit development in his City, and throughout the region as a whole. He is the current Board President of the Puget Sound Regional Council.

**It is moved by Chair Constantine, seconded by Boardmember Butler, and carried unanimously to nominate John Marchione as Vice Chair, for consideration by the full Board.**

Chair Constantine then directed staff to prepare the correct motions to bring those three nominations before the Board at the December 15, 2016, meeting.

Minutes of the May 5, 2015 Executive Committee Meeting

**It was moved by Boardmember Somers, seconded by Boardmember McCarthy, and carried by unanimous vote that the minutes of the May 5, 2016 Executive Committee meeting be approved as presented.**

**EXECUTIVE SESSION**

At 2:15 p.m., Chair Constantine announced that the Executive Committee would convene an executive session that would last 15 minutes. Desmond Brown, General Counsel, announced that the executive session is authorized under RCW 42.30.110.

Chair Constantine reconvened the meeting at 2:30 p.m.

**OTHER BUSINESS**

None.

**NEXT MEETING**


Thursday, December 1, 2016  
10:30 a.m. to 12:00 p.m.  
Ruth Fisher Boardroom

**ADJOURN**

The meeting was adjourned at 2:31 p.m.

ATTEST:

  
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Kathryn Flores  
Board Administrator

  
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Dave Somers  
Executive Committee Chair

APPROVED on April 6, 2017, PIA