



SOUND TRANSIT CAPITAL COMMITTEE MEETING

Summary Minutes

April 13, 2017

CALL TO ORDER

The meeting was called to order at 1:33 p.m. by Committee Chair Fred Butler, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

ROLL CALL

Chair

(P) Fred Butler, Issaquah Mayor

Vice Chair

(P) Claudia Balducci, King County Councilmember

Boardmembers

(A) Nancy Backus, Auburn Mayor

(P) Dave Earling, Edmonds Mayor

(A) Rob Johnson, Seattle Councilmember

(P) Kent Keel, University Place Mayor Pro Tem

(P) Mary Moss, Lakewood Councilmember

(P) Dave Upthegrove, King County Councilmember

Jane Emerson, Board Coordinator, announced that there was a quorum of the committee present at roll call.

REPORT OF THE CHAIR

Transit-Oriented Development Workshop

Chair Butler announced that the Board would hold a workshop on Transit-Oriented Development on Friday, April 21, 2017, in the Ruth Fisher Boardroom. The workshop will begin a conversation with Board members about a number of significant choices to make as the agency works to implement the 2017 TOD work plan alongside the new state law on affordable housing.

CEO REPORT

Olympia Update

CEO Peter Rogoff reported on the activity in the State House and Senate relating to Sound Transit motor vehicle excise tax (MVET) revenues. Last week, Senate Bill 5893, sponsored by Senator Steve O'Ban, was approved by the Senate 25-24 along party lines. The bill would require Sound Transit to collect MVET based on Kelley Blue Book or National Automobile Dealers Association Values. The bill limits the Department of Licensing's collection of MVET to 0.5 percent. This would cut the MVET rate by more than half from the voter-approved rate of 1.1 percent. The bill also adds \$1 per MVET payment fee that Sound Transit would be required to remit for highway projects under the State Motor Vehicle Fund. The initial estimates of the impact of this proposal is a loss of at least \$5 billion in direct revenue with an overall negative impact of at least \$12 billion to Sound Transit's financial plan.

Last night, the House passed House Bill 2201, sponsored by Representative Mike Pellicciotti, by a bipartisan vote of 64-33. This bill is the House response to the legislation passed last week. The bill is similar to an amendment proposed by Senator Marko Liias and orders the development of a program to rebate taxpayers the difference between the 1999 and 2006 depreciation schedules. Implementing this policy is estimated to be a net revenue loss of \$780 million for the agency, with a total fiscal impact of \$2.2 billion. The bill also stipulates that top priority for projects must be in the following order: light rail,

express bus service, commuter rail service, and finally parking facilities. The House bill moves over to the Senate, where its future is uncertain.

If either the House or Senate-passed bill becomes law, there would be impacts to Sound Transit's finances, creating the potential to affect Sound Transit's ability to deliver the voter-approved plan. The analysis of these bills is based on the financial methodologies and assumptions the agency has been using for many years, including those applied to the development of the Sound Transit 3 (ST3) plan. These methodologies were evaluated and deemed appropriate by the State's Expert Review Panel prior to the consideration by the voters of the ST3 plan.

In addition, there are legal risks and uncertainties related to these legislative proposals. For example, the legislative proposals may be determined by a court to violate the financial framework of Sound Transit's outstanding bonds. Case law in Washington State indicates any change to the financial framework under which the bonds were sold will be considered an impairment to bond contracts.

Mercer Island Update

Last week, WSDOT Secretary Roger Millar transmitted the I-90 and Mercer Island Mobility Study to Sound Transit and other signatories of the 1976 I-90 Memorandum of Agreement. His letter identifies next steps leading up to the opening of the new HOV lanes and the transfer of the center roadway for East Link construction.

After completion of the consultation, WSDOT will make a final determination as to whether there is a loss of mobility and what measures might be required to address any loss. Sound Transit will continue working with WSDOT and Mercer Island on options relating to I-90 operations after the closure of the center lanes and opening of the new HOV lanes. Sound Transit Board representatives will also seek to advance negotiations with Mercer Island toward agreements on East Link project details and mitigation, consistent with the direction at the March Board meeting. The first of those meetings is scheduled to take place later this month.

System Expansion Implementation Plan

Mr. Rogoff stated the he will be presenting the Board with the detailed System Expansion Implementation Plan at the April 27, 2017, Board meeting. With the voter-approved ST3 plan, Sound Transit will be undertaking an ambitious mass transit system expansion. The plan outlines changes that will be taking place with the operation of the agency and how the agency liaises with communities to build out the ST3 plan.

Tacoma Link Expansion – Open House

Sound Transit will hold an open house on Thursday, April 13, 2017, at Stadium High School to share an update on the next steps for the Tacoma Link Expansion and to collect community input. Attendees will speak with Sound Transit staff to receive updates on station design plans and the next steps for the expansion.

PUBLIC COMMENT

None.

REPORTS TO THE COMMITTEE

None.

BUSINESS ITEMS

Items for Committee Final Action

Minutes of the March 9, 2017, Capital Committee Meeting

It was moved by Boardmember Moss, seconded by Boardmember Earling, and carried by unanimous vote that the March 9, 2017, Capital Committee minutes be approved as presented.

Motion No. M2017-45: Authorizing the chief executive officer to execute a contract with Jacobs Project Management Company to provide civil and systems construction management consultant services for the preconstruction phase of the Tacoma Link Expansion project in the amount of \$525,691, with a 10% contingency of \$52,569, for a total authorized contract amount not to exceed \$578,260.

Madeleine Greathouse, Project Director, reported that in March 2017, the Tacoma Link Expansion project design reached the 60 percent design milestone. This action authorizes Phase 1 Preconstruction Services including constructability reviews, cost estimating, construction schedule reviews, assistance with certification reviews, management support, and monitoring of third party utility relocations.

It was moved by Vice Chair Balducci, seconded by Boardmember Keel, and carried by unanimous vote that Motion No. M2017-45 be approved as presented.

Items for Recommendation to the Board

Motion No. M2017-46: Authorizing the chief executive officer to execute a contract with KBA Inc. to provide design-build project management services for the Link Operations & Maintenance Facility: East in the amount of \$17,512,000, with a contingency of approximately 7% or \$1,288,000, for a total authorized contract amount not to exceed \$18,800,000.

Tracy Reed, Executive Project Director, presented the staff report. The Operations & Maintenance Facility: East project includes delivery of the administrative and maintenance facilities necessary to support future East Link and Lynnwood Link light rail extensions. The contract is to secure the resident engineering and consultant services needed to compliment the in-house management team during final design and construction.

It was moved by Vice Chair Balducci, seconded by Boardmember Keel, and carried by unanimous vote that Motion No. M2017-46 be forwarded to the Board with a do pass recommendation.

Motion No. M2017-47: Authorizing the chief executive officer to execute an agreement with the Washington State Department of Transportation to reimburse Sound Transit for review services and coordination for WSDOT's I-5 Mounts Road to Thorne Lane Corridor Improvements.

Jodi Mitchell, Project Manager, stated that the Washington State Department of Transportation (WSDOT) is initiating a series of projects along I-5 near Joint Base Lewis-McChord to reduce traffic congestion and increase personal and freight mobility in that area. WSDOT's projects are adjacent to Sound Transit's right-of-way and cross over the Pt. Defiance Bypass rail corridor. The projects include a shared-use path along Sound Transit's right-of-way, and grade separation of three crossings that will crossover the Pt. Defiance Bypass in Lakewood significantly enhancing safety along the rail corridor.

The agreement provides reimbursement to Sound Transit for staff time and direct costs associated with reviewing design documents; coordination efforts; and impacts to Sound Transit right-of-way, potentially to Amtrak, Sounder, Tacoma Rail, and BNSF service.

It was moved by Boardmember Keel, seconded by Boardmember Moss, and carried by unanimous vote that Motion No. M2017-47 be forwarded to the Board with a do pass recommendation.

Motion No. M2017-48: Authorizing the chief executive officer to execute a contract amendment with Jacobs Project Management Company to provide construction management consultant services for the construction phase of the Seattle to South Bellevue segment of the East Link Extension in the amount of \$37,106,157, with a 5% contingency of \$1,855,308, totaling \$38,961,465, for a new total authorized contract amount not to exceed \$43,919,350.

Ron Lewis, Executive Project Director, and Christy Sanders-Meena, Principal Construction Manager, presented the staff report. Jacobs Project Management Company currently has a contract with Sound Transit to provide Phase 1 – Pre-construction Services for the Seattle to South Bellevue segment of the East Link Extension. This action would amend Jacobs Project Management Company's contract to provide Phase 2 – Construction Management Services for the project. The Seattle to South Bellevue segment is approximately seven miles of light rail with two stations beginning at the International District and terminating on the east side of the East Channel Bridge.

It was moved by Vice Chair Balducci, seconded by Boardmember Earling, and carried by unanimous vote that Motion No. M2017-48 be forwarded to the Board with a do pass recommendation.

Motion No. M2017-49: Authorizing the chief executive officer to execute a construction contract with Mass Electric Construction Company to provide Heavy Civil General Contractor/Construction Manager services for the Northgate Link and East Link Extensions systems construction in the amount of \$360,428,571 with a 5% contingency of \$18,021,429 for a total authorized contract amount not to exceed \$378,450,000.

Craig DeLalla, Deputy Director Systems, presented the staff report. This action would authorize the construction phase for the systems elements of the Northgate and East Link Extensions. The contract package includes train control, traction electrification including overhead catenary, communication systems, and the expansion of the supervisory control and data acquisition (SCADA) system.

The Northgate Link Extension is a 4.3-mile extension from the University of Washington Station north to a temporary terminus at the Northgate Station and includes two subterranean stations and an elevated station. The East Link Extension extends light rail 14 miles from the International District to the Redmond Technology Center on the Microsoft campus. The extension traverses the I-90 floating bridge and contains three tunnel sections and ten passenger stations. Both extensions are complex and will involve close coordination of work and access between the civil contractors and the systems contractor. Also included in the contract is a provision for Sound Transit work associated with tunnel electrical upgrades for the Convention Place development systems retrofit project.

There are three main advantages to grouping the services for both extensions together under one contract: (1) this approach will provide consistent equipment across the projects, (2) there are efficiencies due to concurrent work enabling the contractor to adjust crews as work becomes available, and (3) there will be just one set of product submittals for review.

It was moved by Boardmember Moss, seconded by Boardmember Keel, and carried by unanimous vote that Motion No. M2017-49 be forwarded to the Board with a do pass recommendation.

Resolution No. R2017-15: (1) Amending the ST2 Light Rail Vehicle Fleet Expansion project baseline budget to allow for the procurement of 30 additional light rail vehicles by (a) increasing the baseline budget by \$7,712,000 from \$733,006,000 to \$740,718,000 and (b) increasing the 2017 Annual Budget by \$12,400,000 from \$59,534,335 to \$71,934,335; and (2) adopting Light Rail Vehicle Fleet Expansion as the new project name.

Tracy Reed, Executive Project Director; Don Billen, Deputy Director-Capital Project Development; and Paul Denison, Light Rail Operations Director, presented Resolution No. R2017-15 and Motion No. M2017-50.

The ST2 Light Rail Vehicle Fleet Expansion project was created in September 2015 to procure additional light rail vehicles (LRVs) required to support the ST2 light rail projects. The Board authorized Motion No. M2016-101 to procure 122 LRVs and Notice to Proceed was given to Siemens Industry, Inc. on September 27, 2016, prior to the voters approving the ST3 plan. At that time, the contract included an option to purchase 30 additional vehicles.

With the passage of ST3 and the commitment to deliver service to the Federal Way Transit Center and the Downtown Redmond stations by 2024, Sound Transit will need to exercise the option for 30 additional LRVs and additional parts. Resolution No. R2017-15 will amend the project baseline budget to allow for the procurement of the additional LRVs, and Motion No. M2017-50 is a contract amendment with Siemens Industry, Inc. to exercise the option to procure 30 additional LRVs.

The total cost to procure the additional LRVs is approximately \$137 million. A savings realized last year through the procurement process of \$129 million offsets this amount. The resolution to amend the budget results in a \$7.7 million increase in the project baseline budget.

It was moved by Boardmember Earling, seconded by Boardmember Moss, and carried by unanimous vote that Resolution No. R2017-15 be forwarded to the Board with a do pass recommendation.

Motion No. M2017-50: Authorizing the chief executive officer to execute a contract amendment with Siemens Industry, Inc. to exercise options for 30 additional Light Rail Vehicles and additional spare parts in the amount of \$124,236,840, with a 6% contingency of \$7,400,000, totaling \$131,636,840, for a new total authorized contract amount not to exceed \$685,491,565.

It was moved by Boardmember Moss, seconded by Boardmember Earling, and carried by unanimous vote that Motion No. M2017-50 be forwarded to the Board with a do pass recommendation.

Motion No. M2017-51: Authorizing the chief executive officer to execute a contract amendment with HDR Engineering, Inc. to provide professional services for the Federal Way Link Extension in the amount of \$10,187,468 with a 10% contingency of \$1,018,747, totaling \$11,206,215 for a new total authorized contract amount not to exceed \$43,283,124.

Dan Abernathy, Executive Project Director Federal Way Link Extension, presented the staff report. The next phase of work for the Federal Way Link Extension is to prepare for the design-build procurement documents. The design-build procurement support activities include development of the of the procurement documents; preparation of all documentation and studies to support property acquisition; and support for the environmental permitting, public outreach, and preparation for the full funding grant agreement application.

Chair Butler noted that after this action, the financial table shows \$12,000 remaining for this phase. Mr. Abernathy stated that the existing budget should be sufficient through the end of the year when the project will be baselined. At that time, the project costs will be identified and the project will move into the next phase of work.

It was moved by Boardmember Moss, seconded by Boardmember Keel, and carried by unanimous vote that Motion No. M2017-51 be forwarded to the Board with a do pass recommendation.

Motion No. M2017-52: Authorizing the chief executive officer to execute a task order with the Washington State Department of Transportation for engineering review services for the Federal Way Link Extension in the amount of \$1,177,593, with a 10% contingency of \$117,759, for a total authorized amount not to exceed \$1,295,352.

Dan Abernathy, Executive Project Director Federal Way Link Extension, stated that the action would authorize a task order with the Washington State Department of Transportation for continued support with design review and engineering support, structural and geotechnical review, right-of-way activities, and other agreement activities related to the preparation of a design-build Request for Proposal. The scope of work also provides for the project-related services during the transition from preliminary engineering to the design-build procurement.

It was moved by Vice Chair Balducci, seconded by Boardmember Earling, and carried by unanimous vote that Motion No. M2017-52 be forwarded to the Board with a do pass recommendation.

Resolution No. R2017-16: Authorizing the chief executive officer to acquire certain real property interests, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for the Federal Way Link Extension.

Mr. Rogoff stated that the action pertains to the potential condemnation for properties needed for the Federal Way Link Extension. Among the properties subject to this action is the 1/10 of an acre that could impact Mark Twain Elementary School. He assured the Board that Sound Transit continues to have active discussions with the Federal Way Public School District on the potential of a land swap with the Redondo Park-and-Ride property for Mark Twain Elementary.

Kevin Workman, Director of Real Property, stated that the action would authorize acquiring all or portions of 63 parcels needed for the Lynnwood Link Extension. The owners were notified via certified mail on April 11, 2017, and notices of the acquisition will be in the Seattle Times and the Tacoma News Tribune on April 14, 2017, and April 21, 2017.

It was moved by Boardmember Uptegrove, seconded by Boardmember Keel, and carried by unanimous vote that Resolution No. R2017-16 be forwarded to the Board with a do pass recommendation.

EXECUTIVE SESSION

None

OTHER BUSINESS

None

NEXT MEETING

Thursday, May 11, 2017
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

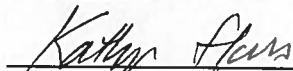
ADJOURN

The meeting adjourned at 2:32 p.m.



Fred Butler
Capital Committee Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on June 8, 2017, JE