

SOUND TRANSIT BOARD MEETING

Summary Minutes

May 25, 2017

CALL TO ORDER

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

ROLL CALL

Chair

(P) *Dave Somers, Snohomish County Executive*

Vice Chairs

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

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

Board Members

(A) *Nancy Backus, City of Auburn Mayor*

(P) *Claudia Balducci, King County Councilmember*

(P) *Fred Butler, City of Issaquah Mayor*

(P) *Dow Constantine, King County Executive*

(P) *Bruce Dammeier, Pierce County Executive*

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

(P) *Rob Johnson, Seattle Councilmember*

(A) *Kent Keel, University Place Pro Tem Mayor*

(P) *Joe McDermott, King County Council Chair*

(A) *Mary Moss, Lakewood Councilmember*

(P) *Ed Murray, City of Seattle Mayor*

(P) *Paul Roberts, Everett Councilmember*

(P) *Patty Rubstello, Alternate for WSDOT Secretary*

(P) *Dave Uptegrove, King County Councilmember*

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

Katie Flores, Board Administrator, announced that a quorum of the Board was present at roll call.

REPORT OF THE CHAIR

Boardmember Request to Participate via Teleconference

Chair Somers announced that Vice Chair Strickland asked to participate in the meeting by phone. The Board's Rules and Operating Procedures allow members to attend meetings by teleconference with a two-thirds affirmative vote of those members in attendance.

It was moved by Board Member Roberts, seconded by Board Member Johnson, and carried by unanimous vote that Vice Chair Strickland be allowed to participate in the Board meeting by telephone.

(Vice Chair Strickland joined the meeting via teleconference.)

Mercer Island

Chair Somers updated the Board on discussions with Mercer Island regarding permits for the East Link project on Mercer Island and the I-90 center roadway closure to begin construction.

Over the last month, he and the two Vice Chairs have participated in four multi-hour negotiating sessions with Mercer Island Councilmembers to work toward resolving their issues of concern related to East Link. The Board motions enabling these negotiations declared a specific scope of items for discussion, including bus/rail integration, permitting and staff funding, parking, and intra-island transit. Included along with a scope of items for discussion was an expiration date of May 25, 2017, for Sound Transit Board

Member negotiating authority. Chair Somers reported that both parties undertook this endeavor with integrity, but following the final 3-1/2 hour session on May 22, 2017, they were not able to reach a settlement.

While the authority granted by the Board to negotiate with Mercer Island has expired, he and the Vice Chairs are committed to continuing to work with Mercer Island and other eastside communities to manage the impacts of East Link construction.

Process Changes

Chair Somers announced a change to the public comment procedure. Rather than filling out individual sign-up sheets, there will be a sign-up sheet available in the Boardroom. Speakers will be called on in the order they signed up.

Concerning real estate actions that include condemnation authority, these will now be included under Business Items on the agenda and no longer on the Consent Agenda.

New WSDOT Secretary Designee

Chair Somers announced that Secretary Millar has designated a new alternate to service on the Sound Transit Board in his absence. The designee is Patty Rubstello, WSDOT Assistant Secretary for Tolling.

CHIEF EXECUTIVE OFFICER'S REPORT

Federal Report FY 2018 Budget

Peter Rogoff, Chief Executive Officer, stated that the Trump Administration has released its full FY 2018 budget proposal. Building on its earlier "skinny" budget released in April, the Administration is proposing to eliminate funding for the Federal Transit Administration's (FTA) Capital Investment Grant (CIG) program, except for those projects that have signed full funding grant agreements.

The Lynnwood Link and Federal Way Link projects are in the CIG pipeline and scheduled for full funding grant agreements in 2018. He mentioned that the Sound Transit region, along with Los Angeles and Denver, were mentioned in the rationale in the Administration's Office of Management and Budget documents as a reason not to fund the program. The Administration asserts that local communities should pay for transit infrastructure without federal funds.

Sound Transit's Congressional delegation is supportive of retaining funding for the CIG program and has been advocating for the projects. The "skinny" budget was released just as Congress was finalizing the FY 2017 spending bill. Through the hard work of the delegation, \$100 million was included in that bill for Lynnwood Link as the first installment against the \$1.17 billion the FTA committed to when they authorized Lynnwood to enter into the Engineering phase of the very rigorous and competitive CIG process last February.

Olympia Update

Earlier this week, the first 30-day legislative special session came to an end without resolution on Operating or Capital Budgets, which are tied up in discussions on education funding. On Tuesday, Governor Inslee called a second special session to begin immediately and last up to 30 days.

During the first special session, two bills impacting Sound Transit were passed by the Senate- SB 5001 would require a change to the governance model of the Sound Transit Board, and SB 5987 requiring Sound Transit to use Kelley Blue Book for MVET valuation. Sound Transit staff has worked

cooperatively with legislative and agency staff during that time to answer any questions or provide data when requested.

UW Escalators Update

Earlier this year, performance issues with the escalators at the University of Washington Station were reported to the Board. The presentation noted that there were a number of premature failures of the equipment, resulting in availability numbers that have not met the agency's standards.

Mr. Rogoff reported that all of the escalators are back to regular service, and over the past thirty days escalator availability has exceeded the 95% threshold, which has helped improve the customer experience at that station. This has been done with intense oversight and maintenance, but isn't sustainable long term, so work is proceeding on an engineering study of the escalators at the new stations.

The findings from the study will be brought to the Board within the next few months. The conditions have improved, but have not come at a small cost. Staff will be working with the consultant to report to the Board on expected longer-term challenges and costs.

Partnership Agreements

Mr. Rogoff updated the Board on the agency's progress on reaching major agreements with our municipal partners. Everywhere Sound Transit extends its services requires working with local partners. Close communication and collaboration with partners during all phases of projects is essential as we work to meet the needs of our communities.

At last month's Board meeting, staff rolled out the System Expansion Implementation Plan. An important part of that plan was to reengage even more aggressively with local communities to try to get to early partnership agreements, term sheets, and memorandums of understanding in order to work cooperatively with municipalities to get projects built. The agency has shown great results over the last year and a half.

Since the beginning of 2016, it has been the most productive period in the agency's 20-year history in reaching major partnership agreements with municipalities. During this period, the agency has reached major agreements or memorandums of understanding with the City of Seattle on Lynnwood Link Extension, as well as separate term sheets with the cities of Shoreline, Mountlake Terrace, and Lynnwood. A Memorandum of Understanding was amended with the City of Bellevue in connection with transit-oriented development and permitting. Memorandums of understanding have been reached with the cities of Des Moines, Kent, and Federal Way for the Federal Way Link Extension. A term sheet agreement has been reached with the City of Sumner for Sumner Station Access Improvements and the Traffic Avenue Overpass Interchange Project. A joint use agreement has been reached with the City of Tacoma on the Tacoma Dome Segment. The agency reached a multi-party term sheet agreement with the Federal Way School District and King County Metro on the Redondo Heights Park-and-Ride Property and the Mark Twain Elementary School property.

Mr. Rogoff stated that with good cooperation on the part of municipalities and the attitude that staff brings to the negotiations, the agency will continue to make good progress on reaching major agreements and meeting the expectations of the System Expansion Implementation Plan.

REPORTS TO THE BOARD

2016 Sustainability Progress Report

Amy Shatzkin, Sustainability Manager, provided an overview of the 2016 sustainability progress report for Sound Transit. Sound Transit continues to provide sustainability by helping to increase transit ridership and efficiency. During 2016, the agency provided approximately 43 million rides; ridership increased by 23 percent from December 2015 to December 2016 and used 9 percent less fuel for each passenger mile traveled. For every ton of greenhouse gas (GHG) emissions produced by Sound Transit operations, more than seven times that is offset throughout the region when residents take transit. The savings from Sound Transit services are equal to the GHG emissions from powering 46,000 homes per year or burning more than 50 million gallons of gasoline annually.

Sound Transit also benefits the region by significantly reducing the air pollution from its services. From 2015 to 2016, the particulate matter emissions was reduced by 25 percent and carbon monoxide emissions by 59 percent, both of which have significant impacts on respiratory health. These reductions were the result of continued fuel efficiency efforts and pollution control efforts on ST Express and Sounder.

At the end of 2016, staff compared the agency performance metrics against the short-term goals, which were set in the 2015 Sustainability Plan to be met by the end of 2017. When that data was analyzed, it revealed that the agency has already made significant progress and met a number of these quantitative targets. Sound Transit worked with Puget Sound Energy to participate in a direct purchase of wind power to provide Link light rail 100 percent clean electricity and potentially saving utility costs. Staff is currently working with the Regional Climate Collaborative, sponsored by the Puget Sound Regional Council (PSRC), to work across jurisdictions to strengthen infrastructures resiliency to climate change and extreme weather events.

The agency continues to plan for future sustainability through environmental review of the projects to consider climate change and to ensure that sustainability principles are integrated into the projects from the beginning. The capital expansion plan provides funding that will enable projects to include green infrastructure and building features, from concrete that uses less energy intensive materials to solar powered installations and increased water and energy efficiencies features.

Sustainability and design is an increasingly important component of current projects. The Angle Lake Station includes a 64 KW solar power array, which is the first of the agency's six renewable installations that are planned between now and 2023. In 2016, the agency completed its first green building, the maintenance of way facility, which received its LEED silver certification in early 2017. On the construction side, the dirtiest diesel equipment is being restricted from all construction sites, with allowances for small and disadvantaged business firms, to reduce pollution while creating a level playing field for contractors.

In the next year, the agency will continue to focus on implementing the green building and infrastructure allowance in capital projects and launching a systemwide efficiency and sustainability fund. Staff will upgrade the Environmental and Sustainability Management System to the newest version of the International Organization of Standardization's management system standard (ISO 14001). Efforts will continue to deepen to reduce pollution around construction and renew attention of conserving resources across existing facilities.

Board Member Roberts asked staff to share this information with the Puget Sound Clean Air Agency who is working together with PSRC to develop metrics and move forward on sustainability measures.

Board Member Johnson asked about the implications of construction on storm water management and whether that is fully included in the report's objectives concerning capital projects having better

sustainable design and infrastructure. Ms. Shatzkin responded that over the last few years there has been an increased emphasis on low-impact development and storm water management. Sound Transit has an excellent environmental compliance record around storm water management; however, there is more that the agency can do to continue these efforts.

East Link Extension Update

Ron Lewis, Executive Project Director – East Link, and Tracy Reed Executive Project Director – Operations and Maintenance Facility East, provided an update on the East Link Extension.

The East Link Extension project was baselined in April 2015 and the project is within the budget and on schedule for revenue service to begin in 2023. All major civil and systems construction contracts have been awarded and property acquisitions are nearing completion. By summer 2017, the East Link Extension project will be in construction throughout the entire alignment and will be more visible and interactive with the communities.

The I-90 Two-Way Transit & HOV project is underway and nearing completion. Sound Transit funds the project and the contract is being administered by the Washington State Department of Transportation (WSDOT). The final configuration of I-90 will have light rail in the center roadway and the HOV lanes in the outer roadway. The HOV lanes will be operational in early June 2017. The project is within budget and on schedule.

Civil and systems designs for the I-90 segment are complete. Sound Transit has reached concurrence with WSDOT and the Federal Highways Administration on all 23 Independent Review Team issues identified during the previous phase of the job. This concurrence was a precursor to completing all the approvals necessary to move forward with the East Link Extension. Testing of the track bridge was completed in Pueblo, Colorado, with two full-scale track bridges along with two light rail vehicles.

The Bellevue segment is very active. The South Bellevue Park-and-Ride will be closing on May 30, 2017, for construction needs. This will be the construction hub for staging equipment and materials for building the light rail guideway, the South Bellevue Station, and the parking garage. Permitting with the City of Bellevue is moving forward, and in downtown Bellevue the tunnel construction work continues. In the Spring District and Bel-Red portions of the alignment, contractors are preparing submittals to begin construction.

In the SR 520 segment, reviews have been completed on the 60 percent design submitted by the contractor. Because this is a design-build contract, the design does not have to be 100 percent complete before construction can begin. This summer, the contractor will start of some elements that have received 100 percent design.

The agency has maintained a high level of community outreach throughout the corridor. For each station or groups of stations, staff has continued to engage regularly with the public both at Sound Transit meetings and meetings set up by the communities. Sustainability is an important part of the project. Sound Transit invites the neighbors to come in and do plant salvage before heavy demolition. For building salvage, the agency partnered with three local salvage companies to remove and reuse materials.

The issues and challenges for the project include completing property acquisition for contractor access, submission and issuance of construction permits, contractor mobilization and start of heavy construction throughout the alignment, production rates of tunnel excavation, refining Redmond Technology Center pedestrian bridge design, and third-party utility relocations.

The Operations and Maintenance Facility East (OMF:E) project includes delivery of administrative, maintenance, and storage facilities necessary to support Link light rail expanded operations for East

Link, Lynnwood Link, Downtown Redmond Link, and Federal Way Link. The facility will be completed the end of 2020 providing Sound Transit with additional capacity to receive light rail vehicles and manage the continued delivery of the new fleet. The OMF:E will not be operationally connected to the existing mainline until commissioning is substantially underway and nearing completion on the East Link Extension.

This design-build contract will include final design, permitting, and construction of the OMF:E. The design-build contract will allow Sound Transit to receive land use entitlement for the future development of the surplus property. A transit-oriented development (TOD) scope could move ahead with design while the facility is in construction. The developer would not be building simultaneously as the OMF:E construction, but TOD could potentially open in the 2023 timeframe in conjunction with the East Link Extension opening.

The issues and challenges for the project include maintaining the schedule and ensuring the facility is ready for vehicle delivery. Other issues include risk of unanticipated requirements from jurisdictions, system s interface risks with East Link contracts, potential for land value escalation, and vehicle maintenance during integrated testing.

Lynnwood Link Extension Station Area Access Enhancements

Rod Kempkes, Executive Project Director, and Michelle Ginder, Chief of Staff – DECM, presented a report on the Lynnwood Link Extension station area access enhancements. The Lynnwood Link Extension is at 60 percent design and at the beginning of the land use process with the cities.

In 2015, the Board selected the final project to be built for the Lynnwood Link Extension through Resolution No. R2015-05. One of the elements of that action included “Consistent with Sound Transit's System Access Policy, Sound Transit will partner with the cities of Seattle, Shoreline, Mountlake Terrace and Lynnwood during project final design to identify and implement appropriate pedestrian, bicycle and vehicular access enhancements to stations focused generally within a quarter mile of the stations.”

During preliminary engineering of the project, the cost estimates included improvements at the stations and mitigation for impacts identified in the Final Environmental Impact Statement and Record of Decision. Additional access enhancements mentioned in the Board resolution were not included in the preliminary engineering cost estimate. The Board direction received in 2015 for the Lynnwood Link Extension project is unique since other ST2 projects that did not have similar directions to partner on access enhancements, and future ST3 projects will include access enhancement allowances within their budgets.

Staff shared with the Board a proposal and information on access enhancements to help facilitate discussions with the cities when moving forward with the land use permitting process. Two main factors were look at for developing an approach on access enhancements: the Sound Transit System Access Policy and the ST3 methodology for allocating access for projects moving forward.

The ST3 System Access Methodology and cost estimates for ST3 projects included access allowance for additional pedestrian/bike access investments outside the footprint of the station with the potential to increase ridership. The proposed access enhancement uses the ST3 methodology with an allowance for 50/50 partnering with the cities. Guidelines in the proposal include: enhancement projects must follow the Sound Transit System Access Policy goals; enhancements will generally be within ¼ mile of the station area; Sound Transit is to allocate funds for enhancement projects up to the max capped amount based on each city's ability to match those contributions; development of an agreement with each city; and flexibility should a city not have the matching funds or enough enhancements. Sound Transit would reserve the right to release unmatched funds toward other Lynnwood Link Extension access enhancements.

Next steps will be to bring the proposal to the Board for action in June 2017; negotiate access enhancement agreements with the cities by the end of third quarter 2017; receive city land use permits third quarter 2017; and baseline the project in November 2017.

Mr. Rogoff mentioned that he had spoken with each of the city mayors or their staff and Sound Transit will continue those discussions prior to coming to the Board for action.

PUBLIC COMMENT

Paula Revere
Marguerite Richard
Alex Tsimerman, Stand Up America
Scott Cooper
Jay Lazerwitz
Honorable Michael B. Fuller
A. J. Honorè
Tim Trohimovich, Futurewise
Paul W. Locke (not present)
Elizabeth Buckley
Katy Haima
Susan Boyd
Abigail Doerr

CONSENT AGENDA

Board Member Dammeier asked that Motion No. M2017-74 be removed from the Consent agenda and considered separately.

Minutes of the April 27, 2017, Board Meeting.

Voucher Certification for April 2017.

Motion No. M2017-58: Authorizing the chief executive officer to execute a five-year contract, with two one-year options, with Stacy and Witbeck, Inc. to provide track, signal, and bridge maintenance services for Sound Transit's Tacoma-to-Nisqually right of way for a total authorized contract amount not to exceed \$21,488,421.

Motion No. M2017-67: Authorizing the chief executive officer to execute a contract amendment with Right! Systems, Inc. to purchase CISCO telephony equipment, network equipment, software and hardware maintenance services through May 2019 in the amount of \$3,853,500, for a new total authorized contract amount not to exceed \$6,353,500.

Motion No. M2017-69: Authorizing the chief executive officer to execute (1) a City Services Agreement with the City of Federal Way for expedited design, design review, permitting and construction services for the Federal Way Link Extension and (2) Task Order 1, for the design-build Request for Proposal preparation phase, in the amount of \$273,373, and a 10% contingency of \$27,337, for a total authorized amount not to exceed \$300,710.

Motion No. M2017-70: Authorizing the chief executive officer to execute (1) a City Services Agreement with the City of Des Moines for expedited design, design review, permitting and construction services for the Federal Way Link Extension and (2) Task Order 1, for the design-build Request for Proposal preparation phase, in the amount of \$165,000, and a 10% contingency of \$16,500, for a total authorized amount not to exceed \$181,500.

Motion No. M2017-71: Authorizing the chief executive officer to execute (1) a City Services Agreement with the City of SeaTac for expedited design, design review, permitting and construction services for the Federal Way Link Extension and (2) Task Order 1, for the design-build Request for Proposal preparation

phase, in the amount of \$178,560, with a 9% contingency of \$15,856, for a total authorized amount not to exceed \$194,416.

Motion No. M2017-73: Authorizing the chief executive officer to increase the amount authorized under the Sumner Station Agreement with the City of Sumner by \$4,850,000, for a total not to exceed Agreement amount of \$7,550,000.

Resolution No. R2017-18: Authorizing the chief executive officer to execute an agreement to (1) acquire certain real property interests from the Port of Everett and (2) reimburse the Port of Everett for utility infrastructure improvements that serve the Mukilteo Sounder Station platform, for a total agreement amount of \$1,234,000.

It was moved by Board Member Johnson, seconded by Board Member Dammeier, and carried by unanimous vote that the consent agenda be approved as amended.

Motion No. M2017-74: Authorizing the chief executive officer to execute a contract amendment with Northwest Transit Systems Partners to provide construction management consultant services for the Northgate Link and East Link systems construction phase, and the preconstruction phase of the Lynnwood Link systems construction in the amount of \$36,680,922, with a contingency of \$3,588,242, totaling \$40,269,163, for a new total authorized contract amount not to exceed \$44,106,455.

Board Member Dammeier commented that he asked to have the action removed from the consent agenda because of the large dollar amount of the contract amendment. The action is a significant expansion of scope and he felt the Board should be given a presentation.

Peter Brown, Director – Systems Engineering & Integration, and Ben Neeley, Principal Construction Manager – Systems, presented the staff report. The original contract amount was preconstruction services for the Lynnwood Link systems construction. At that time, staff did not have sufficient information about the contractor's construction schedule to forecast the construction management consultant support that would be required through the life of both the Northgate Link Extension and East Link Extension projects.

In March 2016, the Board authorized a contract with Northwest Transit Systems Partners for Phase 1 Preconstruction Services for the Northgate and East Link Extensions systems construction management consultant in the amount of \$3.8 million. Over the last year, staff has worked with the contractor and the construction management consultant to determine that the level of staffing needed to support the two projects is correct to support the contracting schedule. This action covers the construction phase of the Northgate Link and East Link Extensions and for the preconstruction phase for the Lynnwood Link Extension.

It was moved by Board Member Butler, seconded by Board Member Earling, and carried by unanimous vote that Motion No. M2017-74 be approved as presented.

BUSINESS ITEMS

Resolution No. R2017-20: (1) Declaring that the Roosevelt Station – Central Transit-Oriented Development Site property is suitable for housing; (2) directing staff to offer the property first to qualified entities to support affordable housing creation; and (3) authorizing staff to establish a price for the property in the offering that is sensitive to and reflects the goals of the local municipality and community, complies with state statute requirements, and is aligned with the Federal Transit Administration Joint Development and local funding programs.

Ric Ilgenfritz, Executive Director PEPD; Brooke Belman, Land Use and Development Director; and Thatcher Imboden, Senior TOD Analyst presented the staff report. This action would authorize staff to move forward with soliciting proposals to plan, develop, and deliver equitable transit-oriented development (TOD) on a 1.2-acre site adjacent to the Roosevelt Station to open concurrently with the Northgate Link Extension in 2021.

The Roosevelt Station is an underground station and the TOD site is adjacent to the station. Station construction on the site is expected to be completed by the end of 2019, and TOD development could potentially begin in early 2020. There are multiple options for development on this property to offer 225 to 300 housing units. The fair market value for this property is high which presents challenges for affordable housing creation.

The resolution addresses three issues: (1) whether the property is suitable for development as housing, (2) whether the property should be offered first to qualified entities, and (3) how the agency should price the property.

Suitability for housing considerations included looking at local plans and the property's zoning; whether the environmental conditions are conducive for housing; strong community and city support for housing, especially affordable housing on the property; and that there is a real estate market for housing in the community. All of these factors were positive and the action before the Board would declare the property is suitable for development as housing.

Under the new state statute, the Board needs to evaluate whether to offer property that is suitable for housing first to qualified entities, which is defined as local governments, housing authorities, and non-profit developers. Should one of those entities take possession of the property, they would be expected to create affordable housing on the property. Considerations included whether the property was declared suitable for housing; whether there was the opportunity to create significant affordable housing; was there strong community and city support; and whether the property offering would reflect the intent of the new statute. All of these factors were positive and the action before the Board would direct staff to first offer the property to qualified entities.

There is a shortage of affordable housing and one of the barriers is property value. The new state statute gives the Board flexibility in determining the value. Staff analyzed several pricing models and came up with three different evaluation processes.

Option A – Fair Market Value – Unrestricted (highest and best use): This model is standard practice to identify the likely price for a property in a competitive and open market. This model is how Sound Transit typically prices its surplus property for sale or lease.

Option B – Restricted Value – Statute Minimums, 80% AMI (area median income): This model prices the property with the state statute requirements that 80 percent of the units be made affordable to those earning 80 percent of the area median income. There were no comparable projects in the market that could be used to establish value, which indicates there is greater likelihood that the agency will not receive a viable proposal for a project reflecting these requirements.

Option C – Restricted Value – Aligned with Housing Funding Programs, 60% AMI: This model prices the property with restrictions that 100 percent of the units be made available to those earning no more than 60 percent of the area median income. This model better aligns with existing affordable housing funding programs and the FTA Joint Development program, which establishes 60 percent of AMI as the highest income threshold for affordable housing eligibility. By pricing the property to reflect alignment with existing funding programs, the high fair market value is adjusted downward to reduce the price premium present in the Roosevelt trade area, increasing the viability of affordable housing creation.

The majority of property purchased by Sound Transit is done with federal funding. The federal participation in the Roosevelt property is at 86.5 percent or \$16 million. Typically, when properties are disposed of that have a federal participation, the agency is able to transfer any federal participation to another project. The other option is to pay back the federal government for its participation.

When looking at the three pricing options, in Option A, if the property was sold for \$18.5 million, Sound Transit would either transfer \$16 million to another project or pay it back to the federal government. Option B is more complicated under the federal participation. By meeting the state statute, the property would first be offered to qualified entities, which is a conflict with FTA's competitive requirements and 80 percent does not meet the FTA's threshold goal for affordability to be eligible to maintain the FTA contribution in the property. Sound Transit would most likely have to pay the federal government back \$16 million. With Option C, the agency would move forward with a joint development plan. In this option,

there is flexibility in looking at the federal interest under joint development, FTA would encourage that money to go into the project, and Sound Transit would be able to keep it with that project if 60 percent AMI is achieved. Staff believes this option has the best ability to meet the goal of keeping the federal interest. The action before the Board uses Option C to price the property.

Board Member Johnson asked how the agency would respond if affordable housing developers came back asking for a lower land valuation or discount. Ms. Belman responded that if that trend were noticed while reviewing proposals, staff would come back to the Board to discuss whether the Board was interested in further discounting the value of the property. The \$6.75 - \$9 million range is the anticipated value of the land in order to accomplish affordable housing projects.

Board Member Dammeier questioned staff on the federal participation. He asked if the federal government is loaning Sound Transit the money or are they participating in the development of the system. Ms. Belman stated that once the project is completed and the property is not needed for maintenance or to support the system, the agency moves through a process of disposing of the surplus property. Transit-oriented development is one way of disposing of the property. When the property is no longer needed and it has federal interest, the agency can either transfer the interest to another project or repay the federal government. If the property were disposed of under the normal circumstances, the sale proceeds would be applied against future grant authorizations toward other projects.

Board Member Murray stated that the ST3 legislature has changed the nature of the agency and the Board has work to do to integrate this housing affordability aspect to achieve the policy expertise to head up the policies and protocols. He stated that this is an incredible opportunity to create affordable housing in the Roosevelt neighborhood. The type of housing the community wants and at the level they want is for families, not just studio apartments. He stated that do to the current market, it cannot be assumed that because the City of Seattle has a housing levy, that there will be a lot more housing. There is a point where, if the property offer is to buy it at a higher price, it does not make economic sense. He wanted to be clear that there is not a lot more money to be put on the table.

Board Member Dammeier stated his appreciation of the work being done on this process. He has three concerns with the action. First, over the past five months, there have been large contract amendments, there is uncertainty about the federal participation in two key segments of the system plan, and there is an issue with Mercer Island best described as highly contentious and controversial. The Board has a responsibility to deliver a full transit system for \$54 billion. His second concern is with the ongoing discussions around the MVET valuation schedule and the controversy it has created. The citizens he represents are at the end of the system line and he has concerns about their money being used to subsidize affordable housing in the Roosevelt neighborhood. His third concern, from a Board perspective, is that this policy is going to be challenging as it is implemented. He is concerned that as a Board, this is starting at an aggressive level. The Board will have a difficult time backing down from this level. He stated that he would be voting no on the action.

Vice Chair Marchione stated that he felt Option C, Restricted Value – Aligned with Housing Funding Programs, 60% AMI, is the most conservative of the pricing options because it allows the agency to take federal money and keep the federal money while meeting the state's statute. If there were no state statute, the Board would probably be having a different conversation. Sound Transit inherited a lot from the state. The state legislature approved both the affordable housing statute and the car tabs valuation. He stated that Option A appears to be a violation of the state statute, Option B does not seem to pencil out, and Option C allows Sound Transit to use the federal money to get the greatest advantage so the agency does not have to return federal government money. From a financial point of view, he felt Option C is the best. He added that the funding will come out of the North King County subarea equity and will not be paid through other subareas.

It was moved by Board Member Johnson, seconded by Board Member Murray, and carried by majority vote that Resolution No. R2017-20 be approved as presented with Board Member Dammeier voting in the minority.

Resolution No. R2017-17: Amending the adopted 2017 annual operating budget in the amount of \$3,814,704 to pay for additional staffing and other mobilization costs required to facilitate early Sound Transit 3 work.

Ann Sheridan, Budget Director, explained that the \$3.8 million amendment to the adopted 2017 operating budget would begin mobilizing the ST3 program by funding an additional 74 positions. Included in this amount is \$630,000 to support recruiting; \$523,879 for IT hardware, software, and communication costs for new staff; \$125,000 for Downtown Transportation Association dues; and \$2.5 million for the new positions for one quarter of 2017.

It was moved by Board Member Roberts, seconded by Board Member Earling, and carried by unanimous vote that Resolution No. R2017-17 be approved as presented.

Motion No. M2017-72: Authorizing the chief executive officer to execute a contract with Hensel Phelps Construction Co. to provide design-build construction services for the Link Operations and Maintenance Facility: East project in the amount of \$218,912,000, with a 10% contingency of \$21,891,200 for a total authorized contract amount not to exceed \$240,803,200.

Board Member Butler stated that the Capital Committee received a presentation on this item to authorize design-build construction services for the Link Operations and Maintenance Facility: East. This contract will design, permit, and construct the Link OMF East project in the City of Bellevue. The facility includes 14 service bays, a LRV wash facility, yard storage for up to 96 light rail vehicles, storage space, parking, and office space. The facility supports expanded operations for East Link, Lynnwood Link, Downtown Redmond Link, and Federal Way Link Extensions.

The committee asked about the TOD procurement and development window. Staff advised the committee that a developer could start design while the OMF: East is begin constructed, but would not be building simultaneously. TOD could potentially open in the 2023 timeframe in conjunction with the East Link Extension opening.

Mr. Rogoff mentioned that staff continues to work with the FTA on the eligibility of the OMF:E for being part of the Lynnwood Link Extension federal full funding grant agreement.

It was moved by Board Member Butler, seconded by Board Member Roberts, and carried by unanimous vote that Motion No. M2017-72 be approved as presented.

Resolution No. R2017-19: 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 Lynnwood Link Extension.

Board Member Butler stated that the Capital Committee reviewed this action at its May meeting. The action would authorize the acquisition of 46 parcels consisting of full and partial acquisition, temporary construction easements, and/or permanent easements. The parcels are located in the cities of Seattle and Shoreline.

It was moved by Board Member Butler, seconded by Board Member Earling, and carried by unanimous vote that Resolution No. R2017-19 be approved as presented.

Motion No. M2017-75: Selects the south plaza at Northgate Station to be named after Scott White and selects the Union Station Great Hall to be named after Joni Earl in response to Motion No. M2016-107.

Kristin Hoffman, Senior Project Manager, and Ron Endlich, North Link Deputy Project Director, presented the staff report. As part of the Washington State legislation authorizing funding sources for ST3, the Sound Transit Board was required to consider the inclusion of the name Scott White into the naming convention of either the U District or Roosevelt stations. In 2016, through Motion No. M2016-107, the Board directed staff to identify naming opportunities that meet selection criteria and to work with stakeholders as appropriate to develop options for Board consideration. In addition, the Board required consideration of the name Joni Earl in the naming convention of an appropriate Sound Transit station or facility.

Following a review of the facility naming selection criteria, a review of possible naming options suggested by Board members, and stakeholder outreach, the Northgate Station south plaza is the recommended option to be named after Scott White, and the Union Station Great Hall is the recommended option to be named after Joni Earl. The recommendations are reflected in the motion.

It was moved by Board Member Butler, seconded by Vice Chair Marchione, and carried by unanimous vote that Motion No. M2017-75 be approved as presented.

Motion No. M2017-76: Reappointing Mr. Fred Auch to the Citizen Oversight Panel to serve a second term of four years beginning June 2017 and expiring June 2021.

Katie Flores, Board Administrator, presented the staff report. Mr. Auch was appointed to serve on the Citizen Oversight Panel (COP) for a term of four years from June 2013 until June 2017. Mr. Auch is near completion of his first four-year term and is eligible and willing to serve a second four-year term. Mr. Auch represents East King County and currently serves as Vice Chair of the COP.

It was moved by Board Member Balducci, seconded by Vice Chair Marchione, and carried by unanimous vote that Motion No. M2017-76 be approved as presented.

EXECUTIVE SESSION

At 4:15 p.m., Chair Somers announced that the Board would convene an executive session that would last 10 minutes. The Board may consider action following the executive session. Desmond Brown, General Counsel, announced that the executive session is authorized under RCW 42.30.110(1)(i) to discuss pending litigation to which the agency is a party and to which public discussion would result in adverse legal consequences to the agency.

At 4:25 p.m., the executive session was extended 10 minutes.

At 4:35 p.m., the executive session was extended 10 minutes.

At 4:45 p.m., the executive session was extended 10 minutes.

Chair Somers reconvened the meeting at 4:55 p.m.

Motion No. M2017-77: Extending the authority granted by Motion No. M2017-53 to July 27, 2017, to accommodate the City of Mercer Island's request this week to consider information regarding I-90 and East Link on Mercer Island.

Board Member Balducci offered Motion No. M2017-77. The action extends the authority granted by Motion No. M2017-53 to accommodate some additional discussion between the three appointed Sound Transit Board Members and Mercer Island elected officials.

It was moved by Board Member Balducci, seconded by Board Member Upthegrove, and carried by majority vote that Motion No. M2017-77 be approved as presented with Vice Chair Strickland and Board Member Dammeier voting in the minority.

OTHER BUSINESS

None.

NEXT MEETING

Friday, June 22, 2017
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

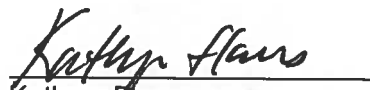
ADJOURN

The meeting adjourned at 4:58 p.m.



Dave Somers
Board Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on July 27, 2017, JE