

SOUND TRANSIT BOARD MEETING

Summary Minutes**October 26, 2017**

CALL TO ORDER

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

ROLL CALL

Chair*(A) Dave Somers, Snohomish County Executive*Vice Chairs*(A) John Marchione, City of Redmond Mayor**(P) Marilyn Strickland, City of Tacoma Mayor*Board Members*(A) Nancy Backus, City of Auburn Mayor**(P) Kent Keel, University Place Pro Tem Mayor**(A) Claudia Balducci, King County Councilmember**(P) Joe McDermott, King County Council Chair**(P) Tim Burgess, City of Seattle Mayor**(P) Roger Millar, WSDOT Secretary**(P) Fred Butler, City of Issaquah Mayor**(P) Mary Moss, Lakewood Councilmember**(P) Dow Constantine, King County Executive**(P) Paul Roberts, Everett Councilmember**(P) Bruce Dammeier, Pierce County Executive**(P) Dave Upthegrove, King County Councilmember**(P) Dave Earling, City of Edmonds Mayor**(P) Peter von Reichbauer, King County**(P) Rob Johnson, Seattle Councilmember**Councilmember*

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

(Board Member Earling arrived at this time.)

Katie Flores announced that a quorum of the Board was now present.

REPORT OF THE CHAIR

Board Members Request to Participate via Teleconference

Vice Chair Strickland announced that Board Members Backus, Balducci, Dammeier, and von Reichbauer have 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 Millar, seconded by Board Member Keel, and carried by unanimous vote that Board Members Backus, Balducci, Dammeier, and von Reichbauer be allowed to participate in the Board meeting by telephone.

Board Vote for a Chair Pro Tem

Vice Chair Strickland advised that she would be leaving the meeting early. The Board's rules state that in the absence of the chair and vice chair, a quorum of the Board must select a member to act as Chair Pro Tem. The selection of the Chair Pro Tem must be by an affirmative vote of the majority of the members in attendance.

Board Member Roberts nominated Board Member Butler to serve as Chair Pro Tem for the remainder of the meeting when Vice Chair Strickland departs.

It was moved by Board Member Keel, seconded by Board Member Moss, and carried by unanimous vote that Board Member Butler serve as Chair Pro Tem when Vice Chair Strickland leaves the meeting.

CHIEF EXECUTIVE OFFICER'S REPORT

State Senate Public Work Sessions

Mr. Rogoff, Chief Executive Officer, commented that this past month, the Senate Law & Justice Committee held two work sessions to discuss Sound Transit and the ST3 ballot measure. Sound Transit staff were fully cooperative throughout the entire process of interviews and providing testimony to the Committee. The work sessions confirmed that Sound Transit staff worked throughout the entire process of seeking legislative approval and developing the ballot measure to educate and inform the full scope and costs of investing in a transit program that will make the region internationally competitive.

This week, the Chair and Vice Chair of the Committee issued an executive summary of the hearings. Mr. Rogoff stated that the summary does not appear to be reflective of facts or testimony that was provided to the Committee during the work sessions, and minority members of the Committee have mentioned publicly that they were not informed about the summary or given an opportunity to review the document prior to its release. It has been stated publicly that this report will likely be used in discussions during the next legislative session to discuss reforms that some legislators want to propose to the Sound Transit structure.

APTA Annual Conference

During the APTA Conference held earlier this month, Mike Harbour accepted an award given to Sound Transit by the Acting FTA Administrator, K. Jane Williams. The Outstanding Achievement Award for Excellence in Environmental Document Preparation award was given in recognition of Sound Transit's exceptional work on the Federal Way Link Extension's Final EIS.

The FTA stated that the FEIS document is impressive with its use of reader-friendly language, graphics, and tables to create a well-received public document. He recognized Kent Hale, Environmental Planning Manager, and his staff for producing an exceptional document.

Meeting with Property Owners

Mr. Rogoff updated the Board on some short-term and long-term improvements to the property acquisition process. At the September Board meeting, a number of citizens from Shoreline spoke regarding notifications they had received about the possible condemnation of their property. On Tuesday evening, he and several staff members had a good meeting with property owners. Staff shared information about the property acquisition process, the rights of property owners, and the extensive amount of assistance Sound Transit provides when required to obtain someone's residence to build projects.

Considering the number of properties Sound Transit requires for capital projects, there are few complaints. That is a testament to the efforts that the community outreach and real estate teams make in contacting residents when we are required to acquire property. Even so, the residents who came to the Board meeting pointed out areas that could be improved. There are improvements that can be made for communicating with homeowners and renters, and the legal language often used in the letters can cause an unnecessary level of concern. For example, some Shoreline residents understood that Sound Transit was going to be taking their home, when in reality the agency wanted the right to cross their yard so that Sound Transit property could be maintained, or to allow a crane to pass above the airspace of their home.

Sound Transit will do better in communicating what the agency plans are in language that is easily understood. Since last month's Board meeting, staff has augmented the letter going out to residents to include a description of the acquisition. Whenever possible, a map displaying the property to be taken will be included. In addition, staff will work toward clearly indicating the plans and minimizing the likelihood that the plans will be changed as the project progresses.

Mr. Rogoff stated that he is appointing a task force to look at both the condemnation process and the final design process. The task force will include Sound Transit staff and outside professionals.

Washington D.C. Testimony

Mr. Rogoff stated that he was invited to Washington D.C. by the U.S. House Transportation and Infrastructure Committee to testify on possible scenarios related to new infrastructure at the Federal level. He was the only transit representative on the panel, which presented an opportunity to make the case for funding for the Lynnwood Link Extension, the Federal Way Link Extension, and other projects.

His comments were focused on the need for continued federal investment in transit, and in the Federal Transit Administration's Capital Investment or New Starts Grant program, which the Administration has proposed eliminating in its FY 2018 budget.

Mr. Rogoff stated that he urged the Committee to continue the program and to take note of the self-sacrifice the regional taxpayers have already gone through and the reasonableness of continued Federal contribution toward these projects.

While in Washington, he took the opportunity to meet with a few members of the Congressional delegation, staff who work for the appropriations and authorizing committees, and some Administration officials. Sound Transit continues to wait on a waiver from the U.S. Department of Transportation on the disadvantaged business enterprise program. He met with the acting general counsel at the USDOT and they committed to following up on when Sound Transit could expect the waiver.

TIGER Grant

Sound Transit submitted a \$5 million TIGER grant to support the implementation of advanced transit parking management systems, including integration of parking fees into the ORCA and ORCA LIFT program.

Consistent with the Board's adopted policy to begin charging for parking, the initiative will improve the efficiency of the regional transit network while providing discounted parking rates for low-income riders to keep transit affordable and accessible to all users. This is also consistent with the goals of the ORCA LIFT program, which is the nation's largest reduced-fare program for lower-income transit riders.

Popular Science Recognition

Sound Transit has received a Popular Science 2017 Best of What's New award in the engineering category. The award is for the technology that will enable light rail trains to travel across Lake Washington on the floating I-90 bridge when East Link opens in 2023. Recognized by Popular Science as a significant step forward in its category, the I-90 bridge project is one of 100 products and technologies across 11 categories selected for inclusion in the Best of What's New issue that was published Oct. 17.

Building light rail across a floating bridge is a world's-first achievement, made possible by innovative engineering to create a track bridge that will compensate for six ranges of lake motion. A video illustrating the track bridge technology can be viewed on the Sound Transit website.

Agency Modifications

Mr. Rogoff mentioned that in the coming two months, many of the staff will have their offices moved as the corridor teams and project teams are co-located. The southern corridor team is currently being moved to the lower level of Union Station. In November, the Executive Leadership Team move to be co-located on one floor.

PUBLIC COMMENT

Paul W. Locke
Alex Tsimerman, Stand Up America
Alex Eklund
Elton Mason
Fred Anderson
Bob Armstead
Frank Lemos

CONSENT AGENDA

Minutes of the September 28, 2017, Board Meeting.

Voucher Certification for September 2017.

It was moved by Board Member Butler, seconded by Board Member Roberts, and carried by unanimous vote that the consent agenda be approved as presented.

BUSINESS ITEMS

Motion No. M2017-124: Authorizing the chief executive officer to execute a contract with Transportation Management & Design, Inc. to provide service planning consulting support, in the amount of \$1,250,000, with a 15% contingency of \$187,500, for a total authorized contract amount not to exceed \$1,437,500.

Mr. David Huffaker, Deputy Executive Director of Operations and Support Services, and Mr. Michael Couvrette, Service Planning Manager, provided the staff report. The consultant contract will support four main elements: Service Standards Update, Comprehensive Operational Analysis, the ST Express 2025 Network Plan, and ST Express 2025 Network Plan Outreach. These elements will form the baseline for the development of the annual Service Implementation Plan (SIP).

The Service Standards Update will simplify, clarify, and improve service current standards and performance measures for all modes. The standards and performances measures provide guidelines for service evaluation and service modification based on various metrics, including on-time performance and crowding. The update will incorporate previously adopted Title VI policies, and will help develop service standards and performance measures for Sound Transit's new bus rapid transit (BRT) system.

Comprehensive Operational Analysis (COA) will improve efficiency, consistency, and productivity of the ST Express system. Through the annual SIP, staff conducts reviews of existing ridership and service performance of the ST Express system; however, the last major systemwide COA of the ST Express system was close to ten years ago. The COA analysis will include analysis of system operations, ridership, and on-time performance. The end goal of the COA analysis is to improve quality of service for customers, increase value of the system for the region, and inform the recommendations developed through the 2025 Network Plan for ST Express.

The ST Express 2025 Network Plan will establish a network plan for ST Express leveraging Link and BRT investments. The main element of this contract will be to create a 2025 Network Plan for the ST Express system, which will begin to outline how the ST Express changes in the coming years with the BRT and Link extensions coming on-line. The plan will have both short-term and long-term recommendations. The short-term recommendations will be service changes and improvements that

would make the system more efficient. The long-term recommendations will look at maximizing the high-capacity investments. It is important to note that although this plan will identify and form the framework for potential service changes in the coming years, individual service changes will still need to go through outreach and Board approval processes.

ST Express 2025 Network Plan Outreach will engage the agency, the public, and stakeholders on key tradeoffs, choices, and priorities for services design. This element will develop strategies to engage typically underrepresented and non-English speaking communities. Various tools will be used to gather feedback including online surveys, targeted open houses, and interactive maps showing the 2025 Network.

A key priority for Service Planners is to design customer-oriented service. In the coming years as voter-approved projects are delivered, many existing customers may have questions about how their service will change as Link and BRT reach their communities. Although there will be a lot of technical analysis produced by this contract, from a customer's perspective the key questions they want answered about the future may include how staff monitors service and proposed changes, how growing regional congestion will impact their service, when will their route change, and how will their travel experience change when transferring between modes. Over the coming years and with the support of the Board and the public, staff will develop answers to these questions.

Board Member Millar asked staff how this work will be coordinated with the feasibility work that will be done for the Bus on Shoulder. Mr. Huffaker replied that these will be done concurrently. The Bus on Shoulder work will happen prior to most of the 2025 Network Plan being complete, but it would be focusing through service planning to coordinate the Bus on Shoulder. System access and alternative forms of access to the system, and mobility throughout the region will also be incorporated in the analysis.

It was moved by Board Member Roberts, seconded by Board Member Butler, and carried by unanimous vote that Motion No. M2017-124 be approved as presented.

Motion No. M2017-126: Authorizing the chief executive officer to execute a contract with Anchor QEA, LLC to provide the Federal Transit Administration (FTA) with FTA environmental review assistance consulting services for Sound Transit's capital program in the amount not to exceed \$2,500,000.

Mr. Kent Hale, Environmental Planning Manager, provided the staff report. This action will allow Sound Transit to provide assistance and resources to the FTA consistent with the FAST Act, which allows grantees to provide FTA assistance consistent with provision for efficient environmental reviews for project decision making. This action aligns with Sound Transit's goals for accelerating project delivery expressed in the System Expansion Implementation Plan.

Board Member Butler asked if the FTA supports the selection of the contractor. Mr. Hale said they do support the selection and concurred with the evaluation.

Board Member Dammeier stated that his frustration that Sound Transit has to hire a contractor for the FTA so that the agency's documents can be reviewed. Mr. Rogoff replied that the FTA processes more grants and documents per employee than most agencies. Sound Transit, as an agency in their region, has quadrupled their volume of work, but that does not mean they can quadruple their staff. Federal agencies are currently under a hiring freeze and it has affected Sound Transit getting documents processed.

It was moved by Board Member Moss, seconded by Board Member Roberts, and carried by majority vote that Motion No. M2017-126 be approved as presented with Board Member Dammeier voting in the minority.

Motion No. M2017-127: Authorizing the chief executive officer to execute an amendment to the Funding Agreement with the City of Tacoma for the Tacoma Link Extension.

Madeleine Greathouse, Project Director Tacoma Link Extension; Sue Comis, High Capacity Transit Development Manager; and Rob Blackburn, Tacoma Link Light Rail Operations Manager, provided the staff report.

In March 2017, the Board approved the funding agreement, which estimated the City's contribution to be \$43.3 million based on an estimated project cost of \$175 million. This action would amend the funding agreement with the City of Tacoma to revise the City's total contribution to \$47.7 million based on the baselined project budget.

Vice Chair Strickland commented that the City's has committed to this contribution. The residents of Tacoma are eager for this project to get completed.

It was moved by Board Member Butler, seconded by Board Member Keel, and carried by unanimous vote that Motion No. M2017-127 be approved as presented.

Motion No. M2017-128: (1) Increasing the amount authorized to reimburse the City of Tacoma under the City Services Agreement with the City of Tacoma for expedited design, design review, and construction services for the Tacoma Link Extension by \$3,237,824, for a total authorized agreement amount not to exceed \$4,393,924; (2) authorizing acceptance of in-kind contributions from the City in an amount not to exceed \$5,819,176; and (3) authorizing the chief executive officer to execute work orders 5 through 10 under the agreement.

Madeleine Greathouse, Project Director Tacoma Link Extension; Sue Comis, High Capacity Transit Development Manager; and Rob Blackburn, Tacoma Link Light Rail Operations Manager, provided the staff report.

In February 2017, the Board authorized Sound Transit to execute a City Services Agreement with the City of Tacoma. At that time, the action included four work orders; this action would authorize work orders 5 through 10 under the agreement.

It was moved by Board Member Moss, seconded by Board Member Earling, and carried by unanimous vote that Motion No. M2017-128 be approved as presented.

(Chair Pro Tem Butler took over the meeting at this time.)

Motion No. M2017-129: Authorizing the chief executive officer to increase the contingency for the construction services contract with Flatiron West, Inc., for the Tacoma Trestle Track and Signal Project in the amount of \$3,275,000, for a new total authorized contract amount not to exceed \$89,393,208.

Mark Johnson, Project Director, stated that the Tacoma Trestle Track and Signal project includes a number of elements that are ST2 funded and elements funded by WSDOT using the American Recovery and Reinvestment Act funding. This action concerns those elements related to the Sound Transit funding.

Staff is requesting an increase in contingency for the contract to meet the December 18, 2017, service date. To reach the commitment date made to the Federal Railway Administration that the Amtrak Cascades service will begin in 2017, the contractor will need to accelerate some work. In addition, the project ran into some unforeseen site conditions related to the relocation of utilities, particularly storm sewers and sanitary sewers, which may result in some costs.

Board Member Dammeier asked why the action is to increase contingency and not to increase the project cost to cover some of the known future costs and past activities. Mr. Johnson replied that staff has not been able to complete negotiations with the contractor for these costs and does not have a final number to increase the contract. Increasing the contingency gives staff the freedom to negotiate the remaining costs.

It was moved by Board Member Keel, seconded by Board Member Moss, and carried by unanimous vote that Motion No. M2017-129 be approved as presented.

Resolution No. R2017-36: 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.

Kevin Workman, Director of Real Property, stated that the action would authorize acquiring 20 properties needed for the Lynnwood Link Extension. The owners were notified via certified mail on October 11, 2017, and notices of the acquisition will be in the Seattle Times and The Herald of Everett on October 13, 2017, and October 20, 2017.

Board Member Keel mentioned the testimony given by citizens at the Board meetings in October and today regarding changes occurring to the notifications sent to property owners. He asked when this is expected to begin. Mr. Workman replied that they have already begun making change to improve the notification process. This notification included a clearer description of the property rights that will be needed for the project. The task force that Peter is forming will give staff additional input to the changes in notifications.

It was moved by Board Member Roberts, seconded by Board Member Earling, and carried by unanimous vote that Resolution No. R2017-36 be approved as presented.

Resolution No. R2017-37: Authorizing the chief executive officer to execute a Memorandum of Understanding establishing a cooperative relationship for regional transportation planning and coordination with the Puget Sound Regional Council, Snohomish County Public Transportation Benefit Area Corporation (Community Transit), City of Everett, Transportation Services (Everett Transit), King County Marine Division, King County Metro, Kitsap Public Transportation Benefit Area (Kitsap Transit), Pierce County Public Works (Pierce County Ferry System), Pierce County Public Transportation Benefit Area (Pierce Transit), and City of Seattle.

Trinity Parker, Regional Government & Community Relations Manager, presented the staff report explaining that the action is a Memorandum of Understanding (MOU) with the Puget Sound Regional Council (PSRC), Sound Transit, and the local transit agencies. The MOU was created in 1994 and was updated in 1998 and 2009. In 2016, new Federal Transportation rules were enacted requiring an update to the MOU.

The MOU provides a framework for cooperative transportation planning to ensure consistency with PSRC's development, refinement, and maintenance of its Metropolitan Transportation Plan (MTP) and provides a framework for developing, adopting, and maintaining a multi-year regional Transportation Improvement Program that is consistent with the MTP. The MOU satisfies both State and Federal requirements.

Board Member Dammeier commented that he would like additional time to review the MOU. The staff report states that a one-month delay would not create a significant impact to the project schedule. He asked to postpone the action on Resolution No. M2017-37 to the November 16, 2017, Board meeting.

Board Member Millar asked that Board members also be forwarded the agreement between WSDOT and PSRC.

It was moved by Board Member Dammeier, seconded by Board Member Millar, and carried by unanimous vote that Resolution No. R2017-37 be postponed to the November 16, 2017, Board meeting.

REPORTS TO THE BOARD

Proposed 2018 Budget and 2018 Financial Plan

Mr. Rogoff advised the Board that beginning this year the proposed budget and financial plan will be introduced at the same time. The Operations and Administration Committee and the Capital Committee will have more in-depth reviews in November and December.

Proposed 2018 Budget

Peter Rogoff and Brian McCartan, Executive Director Finance and Information Technology, provided an introduction and overview of Sound Transit's Proposed 2018 Budget. The major drivers of the 2018 budget include the new System Expansion Implementation Plan; construction activity reaching its highest level to date; right-of-way and construction cost increases; customer experience enhancements; and Link ridership growth.

The Proposed 2018 Budget totals approximately \$2.2 billion, which includes \$1.7 billion for capital expenses, \$318 million for operating expenses, and \$157 million for other expenses. The Proposed 2018 Transit Improvement Plan (TIP) is a roll-up of all of the capital project approvals to date and what is anticipated to be approved during 2018.

The Proposed 2018 Budget is funded by \$2.0 billion in agency revenues. Sales taxes account for 62 percent of total revenues. Motor Vehicle Excise taxes are expected to be \$312 million, Federal grants are expected to be \$173 million, property taxes \$150 million, and passenger fares \$93 million. There is \$40 million made up of investment income, local and state contributions, rental car tax, etc. The budget will also require a \$200 million drawdown in agency cash balances.

The ridership forecast for 2018 is expected to reach 49.7 million, which is up by 4.3 percent. Link continues to grow with a 7.7 percent increase, Sounder up by 3.3 percent, ST Express up by 0.5 percent, and Tacoma Link up by 3.3 percent.

Board Member Johnson stated that he expects to see fluctuation on the project budgets. He asked staff to have a more in depth conversation with him on the forecasted operating budget variances.

2017 Financial Plan

Peter Rogoff and Brian McCartan provided an overview of Sound Transit's October 2017 Financial Plan. The Financial Plan forecast combines the most recent review and cost information from across the agency. This includes external revenue and inflation forecasts, input from the proposed budget, the long-term capital and operating costs forecast, key planning assumptions about interest rates, and the federal grant program. The Financial Plan now includes all agency capital and operating costs through 2041.

The Financial Plan looks at both sources of funds and uses of funds. Included in the sources of funds are tax revenues at 66 percent of the revenue, 15 percent in bonds, 4 percent in TIFIA loans, 8 percent in grant revenues, and 7 percent in fare revenues. The majority of uses of funds are 52 percent for capital and 24 percent for operations and administration. Key challenges for the agency include the potential elimination of the Federal funding, potential legislative action on motor vehicle excise tax, and maintaining scope discipline on capital projects.

The updated forecast reflects a stronger economic performance in the near term. In 2017, the agency is seeing 7 percent revenue growth and it is forecasted to continue into 2018. The key risk is that the plan does not include a near-term recession. The plan does include an updated inflation forecast, which is

currently being experienced, but does not include inflation that may continue beyond the normal expectation.

East Link Extension Briefing

Ron Lewis, Senior Executive Project Director – East Link, provided an update on the East Link Extension. The overall budget for the project is \$3.6 billion; committed to date is \$2.8 billion; incurred to date is \$902 million; and the contingency draw down is tracking to plan.

Mr. Lewis provided an update on the Spring Street District. In 2013, the Board directed staff to work with the Spring Street developer, Wright Runstad, to see if a retain-cut station could be incorporated into the Spring District that they were developing. When the East Link Extension was baselined in 2015, staff confirmed the retain-cut station and included that as a project to be built.

Staff worked collaboratively with the developer to integrate the light rail development into the adjacent development by the Spring District. From the standpoint of property access and the use, the general terms of the agreement included Sound Transit getting the required and necessary permanent rights and temporary construction easements to deliver the job. Time was spent with the developer to identify opportunities for shared use and access to the plaza, public streets, and the new private development; utility coordination; demolition; civil, structural and architectural design; construction coordination; and coordinated operations and maintenance.

In the I-90 corridor, WSDOT's R-8A Stage 3 project was completed and the center roadway was transferred to Sound Transit enabling construction to begin. The contractor was able to get 10 of the 20 anchor frames placed inside the pontoons before the winter work window closed. Placement of the 10 anchor frames will allow the contractor to work on mounting and placing those into the pontoons over the winter months. Site work and foundation construction has begun at the Mercer Island Station.

South Bellevue has active construction in the transition from the center roadway on I-90 to the South Bellevue Station. The first phase of major utility relocation will be completed before the end of November. The contractor will be resurfacing the roadway when the work is completed. The South Bellevue Station site is underway with foundation work.

The Downtown Bellevue segment has created a great deal of interest with the tunneling project, which is going well and is on schedule. Currently, the tunnel has progressed 750 feet into the 2,500-foot tunnel. The contractor recently closed 110th in front of Bellevue City Hall for an extended closure to prepare for the station work in that location.

The Bel-Red area has had challenges including utility strikes and environmental issues. There have been instances where utilities have been hit and caused disruptions. Drill shafts are going into a wetland very close to the column location, which has posed some construction challenges to protect the environment.

In the Redmond area, the alignment is adjacent to SR 520 as it heads toward the Redmond Technology Center Station and Microsoft campus. There is site preparation underway and a stormwater detention vault is being constructed at the Overlake Village Station. This is a project that is being funded by the City of Redmond under an agreement with Sound Transit to provide stormwater detention for the entire area.

The issues and challenges for the project include the Downtown Bellevue to Spring District procurement for the four stations, securing the building permit from Mercer Island, Microsoft's redesign of the pedestrian bridge, consistent compliance with environmental requirements through the winter months,

public and private utility coordination, construction impacts and mitigation, and betterment management.

OTHER BUSINESS

None

NEXT MEETING

Thursday, November 16, 2017
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

ADJOURN

The meeting adjourned at 3:56 p.m.



Dave Somers
Board Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on November 16, 2017, JE