



Citizen Oversight Panel Year-End Report 2016

March 2017

*The Sound Transit Citizen Oversight Panel
is a 15-member volunteer body appointed by the Sound Transit Board to oversee and monitor
the implementation of **Sound Move, ST2, and ST3.***

*Previous Citizen Oversight Panel reports are available upon request and on the Sound Transit
website at www.soundtransit.org.*

*Panel members welcome comments and input to their work and may be contacted by calling
Shelly Brown, Project Manager at Citizen Oversight Panel at (206) 525-3168, by email at
sbrown@shellybrownassociates.com or by writing to:*

*Citizen Oversight Panel
Union Station
401 South Jackson Street
Seattle, WA 98104*



March 23, 2017

Sound Transit Board
The Honorable Dave Somers
401 South Jackson Street
Seattle, WA 98104

Re: Citizen Oversight Panel 2016 Year-End Report

Dear Chair Somers:

This report represents the 20th year that the Citizen Oversight Panel (COP) has reported to the Board and to the public our current assessment of Sound Transit's performance. We appreciate the support we receive from Sound Transit staff to undertake our work and the seriousness with which the Board considers our findings.

The COP's authorizing legislation requires it to monitor seven major areas of the Agency's performance:

- Sound Transit's adherence to its public commitments
- The open and timely involvement of citizens in the Sound Transit district in decisions affecting local communities and the district as a whole
- The process of evaluating project alternatives
- The capital and operating budgets and finance plans
- Equity in subarea budgets and reporting
- Discipline in management of schedules and budgets
- Review of Agency performance audits

For 2016, the COP has not found the Agency to be out of compliance in any of these areas.

It would be inappropriate for us to note our Areas of Concern without first mentioning the many significant accomplishments achieved by Sound Transit this year.

Major Accomplishments in 2016

Bond Ratings

The COP commends the Agency's financial management team for Sound Transit's upgrade in November to Moody's highest bond rating, Aaa/Aa1.

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Capital Programs

The University Link extension opened in March, six months ahead of schedule and more than \$150 million below budget. The South 200th Street extension opened in September, \$40 million below budget and four years early. The Northgate and East Link extensions are in construction and on schedule. The Federal Way Link extension alignment has been selected and construction on the design-build project is scheduled to begin in 2019. The Lynnwood Link extension has entered final design and is expected to begin construction in 2018. The Link Operations and Maintenance Facility – East (OMF:E), a design/build project, will enter final design in 2017. Final design for Sounder station improvements in Puyallup and Sumner will begin in 2017. Preliminary draft designs for the Tacoma Link expansion have been completed and made available for public comment. Field work, including street surveys along the route, is underway.

ST3 Plan Approved by Voters in November

Voters approved Proposition 1, a 25-year, \$54 billion plan that will add 62 more miles of light rail, extend commuter rail service, and add bus lanes, access, and park and ride spaces to the region. The COP commends Sound Transit for the extensive work that was necessary to develop the plan in time for voter consideration on November 8, 2016.

Ridership Increases

Total Sound Transit ridership increased by 23 percent during 2016 compared to the prior year. Light rail ridership is up more than 66 percent compared to 2015, due primarily to the opening of the University and South 200th Street Link extensions. Weekend ridership has also increased due to University of Washington (UW) sporting events that were not served by Link in 2015. For the year, ST Express ridership is up 0.9 percent, Sounder commuter rail ridership is up 8.1 percent overall, and ridership on the north Sounder line is up 11.4 percent. Paratransit ridership increased by 4.8 percent.

Public Involvement

As they have in the past, COP members applaud Sound Transit's public participation process. The Agency informs the public early of the availability of project information and actively seeks community participation at all steps of project planning. A variety of communication tools are used to reach diverse communities, including those with limited English proficiency and economic barriers. As actively engaged citizens, COP members attend numerous public meetings and see firsthand the benefits of the Agency's outreach efforts.

Transit Integration

Coordination efforts underway since the June 2014 executive order directing King County Metro (Metro) to work with Sound Transit on joint planning of bus service and full integration of buses and rail continue to benefit the region. Stakeholders in the opening of University Link, including Sound Transit, Metro, the UW, and Seattle Children's Hospital, coordinated on capital improvements that led to the highly successful opening of University Link. Only a week later, Metro implemented one of the largest restructures in its history to provide frequent bus connections to the Capitol Hill and University of Washington stations and improved service to surrounding neighborhoods and employment centers. Transit integration also played an important role in the ST3 system plan, and will continue to be a central element in the development of projects.

ORCA LIFT

On March 1, 2016, reduced fares for low-income riders became effective on all ST services. The COP commends the Agency for fully implementing this initiative that is also available to riders on Metro and Kitsap Transit buses, the King County Water Taxi and the Seattle Streetcar.

Areas of Concern

Robustness of the Data Network, Including Security

A series of well-publicized breaches of U.S. companies and government agencies in recent years has made clear that cyberattacks are an increasing threat that has particularly serious implications for public transit agencies. The COP recommends that the Agency study how other private companies and public entities have added Information Security expertise at the senior management level, with an eye to assessing and strengthening Sound Transit's management capability to properly assess, plan and implement appropriate procedures to protect the Agency's Information Technology and Operational Technology systems.

Adequacy of Local Transit Service to Sound Transit Park and Ride Lots

Although the COP is pleased with ongoing coordination efforts in the region, more work is needed. Improved local feeder bus service to area park-and-rides, which are at capacity increasingly early in the day, could mitigate the severe overcrowding. Communities north of Seattle seem particularly impacted by transit riders parking in large and disruptive numbers in residential neighborhoods near ST Express and Metro Rapid Ride lines. A scarcity of convenient park and ride lots is also impacting transit riders on the eastside during East Link construction. The COP encourages the Agency to explore innovative partnering opportunities, including private ridesharing services, to address these and other "first and last mile" transit issues.

I-90 Track Interface Issues

The track attachment on the I-90 floating bridge has been the subject of extensive work for several years, as has the design of the track transition from the floating bridge pontoons to the fixed structures. The COP understands that significant progress has been made resolving these two challenges, and commends the Agency for its work on this complex project. The COP recommends continued attention from the Board to ensure that these critical elements are satisfactorily completed and do not delay the East Link extension.

Souder North Ridership

Ridership on Souder North, which comprises about ten percent of all Souder ridership, is up 11.4 percent over last year, exceeding the overall ridership increase of 9.2 percent on both lines. Landslide mitigation undertaken by the Burlington Northern Santa Fe and the Washington State Department of Transportation (WSDOT) has reduced wintertime slides and therefore service cancelations. The COP notes these improvements, but remains concerned about the overall relatively low ridership and high cost per rider on the line. The COP will continue to monitor this issue.

Operating Costs in Comparison to Peers

Operating costs per vehicle hour declined slightly on Link, rose .5 percent on ST Express, and rose 3.7 percent on Sounder. Overall, these statistics reflect continued improvement in slowing the pace of operating cost increases across all modes. Because Sound Transit is a relatively new operating agency with a unique mix of services, peer-to-peer comparisons are difficult. However, the COP notes that the Agency's operating costs remain relatively high in comparison to other transit agencies and encourages continuing efforts to bring them down. The COP will continue to monitor this issue.

ORCA Card Integration

Sound Transit, as one of the seven partner agencies in the ORCA system, is engaged with other transit agencies in developing Next Generation ORCA to replace the current system, which has become dated since it was developed in the mid-2000s. New payment methods will be account-based rather than card-based, which will allow many additional types of media to function as the ORCA card does now. Importantly, the new system will be an open one, rather than the current proprietary one, which will facilitate a more competitive procurement process and opportunities for increased compatibility with other modes such as bike and rideshare services, and transit agencies outside the region. As Next Generation ORCA is developed, special attention should be paid to information security in order to minimize the risks of breaches that could impact operations, revenues and even passenger safety.

Social Equity

As noted in the Major Accomplishments section of this report, the COP commends the Agency for its ORCA LIFT program. The COP also notes and supports the Board's identification of social equity as one of its core principles for ST3. Panel members desire that social equity principles benefit all of the region's citizens to ensure equal access to social goods and services, including public transportation. Extreme income disparities in the region make the Agency's work on reduced fares, routing, Transit Oriented Development (TOD) and the use of disadvantaged and minority owned businesses of particular importance in providing more equitable opportunities for all members of the community.

Impacts of Downtown Seattle Construction on Regional Transportation

The COP is concerned about the transportation impacts of a number of major capital projects underway in downtown Seattle. Among them, removal of the remaining buses in the Downtown Seattle Transit Tunnel (DSTT) could potentially take place as early as fall 2018, when expansion of the Washington State Trade and Convention Center requires closure of the northern bus entrance and access ramps at Convention Place Station. As a partner in the One Center City initiative, Sound Transit is participating in the development of a long range plan for addressing these and other issues related to the region's historic growth. Care must be taken during the planning process underway to assure that the Agency is able to continue to provide the safe, reliable and convenient service that riders expect and have voted to expand.

Conclusion

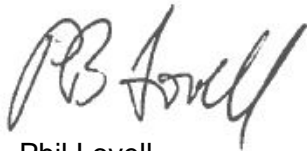
The year ahead holds much opportunity and challenge for the Agency. Sound Transit has benefited for many years from its dedicated leadership team and staff, 21 percent of whom are currently eligible to retire. The continued build-out of ST2 and the launch of ST3 will strain the

Agency's existing staffing levels. The COP commends the Agency's ongoing Knowledge Transfer Initiative - designed to facilitate succession planning and keep the workforce prepared, productive and innovative - as an important component of the Agency's ability to continue attracting and maintaining the high quality workforce that is integral to its ongoing success.

Finally, the COP notes, as it has in the previous reports, the leadership and vision of the Agency's executive team. Former CEO Joni Earl, who retired in March 2016, will be remembered throughout the region for rebuilding Sound Transit after its tumultuous beginning into the nationally acclaimed organization that it is today. Deputy CEO Mike Harbour seamlessly performed multiple roles during Joni's extended medical leave. In less than one full year on the job, CEO Peter Rogoff has brought his expansive knowledge of public transportation issues to bear in the region, where his engagement in the development of the ST3 plan contributed to the success of Proposition 1 in November.

Sincerely,

CITIZEN OVERSIGHT PANEL

A handwritten signature in black ink, appearing to read "Phil Lovell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Phil Lovell,
Chair

c: Peter M. Rogoff, CEO
Citizen Oversight Panel