



Summary Minutes

System Expansion Committee Meeting February 13, 2020

Call to order

The meeting was called to order at 1:37p.m. by Committee Chair, Claudia Balducci, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll call of members

Chair	Vice Chair
(P) Claudia Balducci, King County Councilmember	(P) Victoria Woodards, Tacoma Mayor

Board Members	
(P) Nancy Backus, Auburn Mayor	(A) Kent Keel, University Place Mayor
(P) David Baker, Kenmore Mayor	(P) Dave Upthegrove, King County Councilmember
(A) Jenny Durkan, Seattle Mayor	

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

Report of the Chair

Committee Chair Balducci approved Boardmember Backus' and Boardmember Woodards' requests to participate in the meeting via teleconference and welcomed Boardmember Juarez, who also participated in the committee meeting.

Proposed 2020 System Expansion Committee Work Program

Chair Balducci reported that a copy of the Proposed 2020 Work Program for this committee was included in today's materials. 2020 will be a very busy year for the Board, and Chair Balducci would like to outline our work to ensure the Committee can be prepared for the many important projects to come. Chair Balducci noted that the work plan is meant to be a working document and asked that the Committee members review the work plan and suggest any additional items.

Welcome New Boardmember

Chair Balducci welcomed New Boardmember Nicola Smith to the Board and System Expansion Committee.

CEO Report

Chief Executive Officer Peter M. Rogoff provided the CEO Report.

Supreme Court ruling

This morning the Supreme Court ruled in Sound Transit's favor in a case alleging that Sound Transit does not have the legal authority to collect the eight-tenths motor-vehicle excise tax approved by votes in 2016. This decision is not related to I-976 or yesterday's court ruling on a lawsuit to which Sound Transit is not a party. In the case that was before the Supreme Court, the plaintiffs argued that the

depreciation schedule for collecting the MVET was incorrectly described in the state law outlining our Sound Transit 3 revenue authority and therefore that collections after voters approved ST3 are invalid.

The Supreme Court rejected this argument and held that the depreciation schedule to be used was readily ascertainable from the reading the statute. Sound Transit legal staff is confident in our legal position and are very pleased the Supreme Court dismissed this suit. Sound Transit General Counsel Desmond Brown led the agency's response at both the trial court and Supreme Court levels, and today we are very appreciative of his work and that of his team.

Sound Transit will now work to address a second lawsuit filed by the same plaintiffs. This second lawsuit alleges that the 1999 vehicle depreciation schedule should not be used to calculate the three-tenths motor-vehicle tax but rather a different depreciation schedule passed by the Legislature in 2006. The plaintiffs are seeking a refund of the difference between the amounts that would have been collected under the 2006 and 1999 depreciation schedules.

I-976 litigation

CEO Rogoff reported that a King County judge issued a ruling rejecting a majority of the claims brought by King County, the City of Seattle and a number of other plaintiffs in the lawsuit they filed challenging the constitutionality of I-976. Sound Transit will continue to monitor this matter, with the plaintiffs having emphasized they will file an appeal. Following our past discussions on I-976, CEO Rogoff emphasized that the measure allows, and state law requires, Sound Transit to continue collecting its current voter-approved motor vehicle excise tax and its rental car tax until all bond and other debts secured by the taxes are repaid.

The initiative seeks to have Sound Transit accelerate repayment of these bonds and other debts at which point the Sound Transit MVET could be reduced or eliminated. Agency staff will continue to evaluate legal issues specific to Sound Transit at the same time we monitor the other parties' appeal. Sound Transit is very well aware of the impact the initiative would have on partner agencies and other jurisdictions around the state. As Sound Transit responds to inquiries we will continue to emphasize that an elimination of Sound Transit's MVET revenues would pose serious potential impacts on commuters and would significantly increase costs for local taxpayers.

Sound Transit would have to collect additional taxes obtain the money required to repay its bonds and debts early, and to do so would also have to divert revenues specifically approved by voters to fund transit projects identified in ST3. Early bond and debt repayment in order to eliminate a projected \$7.2 billion in MVET and rental car tax revenue would mean the Board would have to cut or significantly delay projects and services.

Olympia Update

Board Chair Roberts and CEO Rogoff testified to the Senate Transportation Committee two weeks ago on legislation that would both remove Pierce County from the Sound Transit District and legislation from Sen. Marko Liias to create a new MVET depreciation schedule at the cost of approximately \$3 billion from the Sound Transit capital program. Staff are continuing to work to inform legislators about the cost of this legislation and seek to ensure legislation would be revenue neutral and constitutionally valid.

The bill, SB 6606, is now in the Senate Rules Committee awaiting a vote that would bring it to the Senate floor for a vote, which would require a 2/3rds majority to pass. CEO Rogoff committed to keep the Board updated as events unfold in Olympia over the next 28 days that remain in the 2020 legislative session.

Connect 2020 Update

Over the last weekend, crews completed major work on the northbound tracks at International District/Chinatown Station that have been closed for the past five weeks. On Monday, those new tracks opened for service as work moves to the southbound tracks that will now be closed until mid-March.

This was a huge effort that drew on staff throughout the agency working at all hours of the day and night to get everything checked out and certified and then get service back up and running and I couldn't be more proud of their collective efforts.

Looking forward to the next five weeks, crews will connect the southbound tracks to the new pocket track in the median of International District/Chinatown station, allowing future Eastside trains to access the SODO maintenance facility. They will also build the track junction where eastbound trains will fly over the current tracks before heading across I-90. Once this and other work is complete in mid-March, Sound Transit will have a final weekend closure of downtown stations to complete the Connect 2020 work.

2021 Federal Budget

On Monday, the Trump Administration released its proposed FY 2021 budget. Consistent with the federal funding schedules in the Full Funding Grant Agreements for the Lynnwood Link and Federal Way Link extensions, the U.S. Department of Transportation requested \$100 million for each project in the proposed budget. Congress will begin hearings on the proposed Federal Transit Administration budget soon and work to pass appropriations bills by October 1 when fiscal year 2021 begins. We will be working with our Congressional delegation to ensure that sufficient funding is included to fully fund our 2021 FFGA allocations for both of these critical extensions.

2020 Annual Progress Report

Starting around President's Day, residents throughout the Sound Transit taxing district will receive our 2020 annual progress report in the mail. Each subarea will receive a version that highlights projects in their subarea, though all five have agency wide project and financial information as well. This is Sound Transit's second annual report, and our goal is to keep taxpayers informed about our progress over the past year and to preview upcoming milestones in 2020 and beyond. At 32 cents each to print and mail, we consider this an important investment to keep taxpayers informed and to assure that we remain transparent about how we are using their tax dollars.

Black History Month Celebration

This February Sound Transit is honoring Black History Month, a time to celebrate and pay tribute to the achievements, contributions and history of African Americans. These events are a testament to the power of our Employee Resource Groups to bring the agency together and celebrate our colleagues. Mr. Rogoff thanked the staff who are working hard to make these events successful and for creating a more welcoming, inclusive environment for everyone.

Executive Director Departure

It is with regret that I must announce that Executive Director of Operations, Bonnie Todd, is resigning from Sound Transit to return to Florida as Senior Vice President, Chief Operations Officer at the Jacksonville Transportation Authority. Her last day will be March 13, 2020. He thanked Ms. Todd for her leadership and collaboration and wished her the best as she takes on her next challenge.

In the coming weeks Sound Transit will name an Acting Executive Director and launch a nationwide search for Ms. Todd's replacement.

NE 130th Street Infill Station

Today, the committee will hear presentations and be asked to make recommendations on the NE 130th Street Infill Station. In September of 2018, the Sound Transit Board authorized staff to advance preliminary engineering work to determine if part or all of the station could be constructed in conjunction with Lynnwood Link Extension. Last month, staff returned with the results of that work, and today the committee will decide how to advance the project.

Souder Parking and Access Improvements Projects

The Committee's agenda also includes actions related to the Kent Station Parking and Access Improvements project, which is one of the Souder station improvements projects. Each of the Souder parking and access improvement projects are facing cost pressures. There are specific site conditions for each project that contribute to increases in the estimates, but they are all facing increased labor, materials and vertical circulation costs.

The Puget Sound region is facing pressures that are leading to higher construction costs. As Ken Simonson, Chief Economist of AGE, shared with the Board last year, material costs have risen sharply over the past two years. Labor costs are accelerating as the pool of experienced unemployed jobseekers dries up. Additionally, higher right-of-way costs are still impacting projects. Although the conceptual estimates have increased, the fall 2019 finance plan can accommodate these changes in cost, and they do not impact the delivery of the other projects. Staff will discuss these projects, updated estimates, and options on how to advance them.

Public comment

Renee Staten

Eugene Wasserman

Mike Withey

Jim Jenson

Jan Jarvis

Karen Andersen-Bittenbender

John Lombard

Amalia Leighton

Keiko Budech

Kristen Toms

Laura LoeBernstein

Jay McGrew

Alex Zimmerman

Boardmember Juarez asked that the record reflect that hate speech should be stopped by the Sound Transit Board. Chair Balducci and Boardmember Durkan acknowledged Boardmember Juarez's concerns. Boardmember Durkan asked that Sound Transit look at a format of written comments for individuals who disobey the rules. CEO Rogoff mentioned that Chair Keel has also asked staff to look into future rule changes.

Business items

For Committee Final Action

Motion No. M2020-09: Authorizing the chief executive officer to execute a five-year contract, with two one-year options to extend, with McKee Appraisal to provide on-call appraisal consulting services for properties acquired, or to be acquired, for Sound Transit projects for a total authorized contract amount not to exceed \$5,500,000.

Joe Gray, Director of Real Property and Robert Hartner, Appraisal Manager provided the presentation. Committee Chair Balducci reminded that this presentation also covered the briefing for the next three actions. Chair Balducci asked Katie Flores to read all of the actions together in as one vote.

Motion No. M2020-10: Authorizing the chief executive officer to execute a five-year contract, with two one-year options to extend, with CIC Valuation Group Inc. to provide on-call appraisal consulting services for properties acquired, or to be acquired, for Sound Transit projects for a total authorized contract amount not to exceed \$4,000,000.

Motion No. M2020-11: Authorizing the chief executive officer to execute a five-year contract, with two one-year options to extend, with ABS Valuation to provide on-call appraisal consulting services for properties acquired, or to be acquired, for Sound Transit projects for a total authorized contract amount not to exceed \$4,000,000.

Motion No. M2020-12: Authorizing the chief executive officer to execute a five-year contract, with two one-year options to extend, with SOVA Consulting to provide on-call appraisal consulting services for properties acquired, or to be acquired, for Sound Transit projects for a total authorized contract amount not to exceed \$4,000,000.

It was moved by Boardmember Upthegrove, seconded by Boardmember Durkan, and carried by unanimous vote that Motion No. M2020-09, Motion No. M2020-10, Motion No. M2020-11 and Motion No. M2020-12 be approved as presented.

For Recommendation to the Board

Motion No. M2020-13: Identifying an implementation approach for the NE 130th Street Infill Station.

Kamuron Gurol, High Capacity Transit North Corridor Development Director, John Sleavin, Executive Technical Advisor, and Stephanie Ball, Finance Manager, gave the staff presentation.

Committee Chair Balducci requested that staff expand on the difference between the two actions. Specifically the differences in the financial costs. Mr. Gurol responded by stating that the cost question isn't decided today. The budget proposals will fund final design process and first construction package and staff will be coming back in a year for further financial decisions.

Boardmember Upthegrove asked what additional information will be available in the future to aid Board decision making. Don Billen, Executive Director of Planning Environment and Project Development stated that additional time will provide the opportunity for staff to negotiate with the Lynnwood construction contractor and present the Board with negotiated contract costs versus estimated costs. CEO Rogoff added that there have been questions about the city's plan to zone this area. Sound Transit staff will have a better information on the city's plan for that area in the future.

Boardmember Durkan stated that she would like to offer a revised version of Motion No. M2020-13 that uses the word 'progressively' instead of 'incrementally' to describe the second implementation option, selects 'Advance progressively' as the implementation approach for the NE 130th Street Station, and directs staff to return to the Board with financial, operational and construction information so the Board can determine whether to authorize the second or both the second and third construction packages.

Committee Chair Balducci called for a recess to allow staff to work with Boardmember Durkan on the amended language to the motion document at 3:08pm.

The meeting was called back to order at 3:28pm.

Motion No. M2020-13 as offered by Boardmember Durkan was moved by Boardmember Durkan and seconded by Boardmember Baker.

Boardmember Juarez thanked Mayor Durkan, members of the public who provided comments and community members. Specifically noting Renee Stanton who specifically who worked on this since 2015, pushing hard for the full build out option three. Boardmember Juarez also mentioned that she met with the Puyallup tribe and they support the NE 130th Street Station and the jobs it may bring to the community. Boardmember Baker stated that he is happy with the modification to the language. Committee Chair Balducci remarked that this is a no brainier and that she was happy to move this to the full Board. Boardmember Upthegrove echoed what Committee Chair said and mentioned that this is a positive move for the entire system. Boardmember Durkan thanked the Boardmembers for their support.

It was carried by unanimous vote that Motion No. M2020-13 as offered by Boardmember Durkan be forwarded to the Board with a do pass recommendation.

Resolution No. R2020-01: Amending the adopted budget for the NE 130th Street Infill Station to allow the project final design phase to begin in 2020. This action supports the Advance Incrementally or Advance Fully options for the NE 130th Street Infill Station by (a) increasing the authorized project

allocation from \$6,769,000 to \$28,904,000, and (b) increasing the adopted 2020 annual project allocation from \$2,297,648 to \$17,038,167.

John Sleavin, Executive Technical Advisor, provided the presentation.

It was moved by Boardmember Backus, seconded by Boardmember Durkan, and carried by unanimous vote that Resolution No. R2020-01 be forwarded to the Board with a do pass recommendation.

Motion No. M2020-14: Authorizing the chief executive officer to increase specific contracts and agreements as necessary to support the Advance Incrementally or Advance Fully options for the NE 130th Street Infill Station, for a total limited funding authorization amount not to exceed \$20,000,000 contingent upon Board approval of Resolution No. R2020-01.

John Sleavin, Executive Technical Advisor, provided the presentation.

It was moved by Boardmember Backus, seconded by Boardmember Durkan, and carried by unanimous vote that Motion No. M2020-14 be forwarded to the Board with a do pass recommendation.

Resolution No. R2020-02: Selecting the non-motorized, transit and parking improvements to be constructed to improve access to the Kent Sounder Station as part of the Kent Station Parking and Access Improvements project.

Jon Mihkels, Project Director of New Facilities, Chelsea Levy, South Corridor Development Director and Melvin Hamilton, Real Property Project Manager provided the presentation.

Boardmember Upthegrove asked for reassurance that the plans for the bus layover is acceptable to both parties. Staff confirmed that both parties are onboard. Committee Chair Balducci stated that cost pressures being seen in the area may drive the Board of Directors to change projects and reassess policy. Boardmember Upthegrove wanted to recognize this represents a significant milestone to the City of Kent, mentioning that this project speaks to the difficult decisions made by the past Boardmembers. Boardmember Backus echoed Boardmember Upthegrove's remarks on how important it is to be able to move forward on these projects which were postponed in the past.

It was moved by Boardmember Baker, seconded by Boardmember Upthegrove, and carried by unanimous vote that Resolution No. R2020-02 be forwarded to the Board with a do pass recommendation.

Motion No. M2020-15: Authorizing the chief executive officer to execute a contract modification with HNTB Corporation to exercise contract options for design-build project management services for the Kent and Auburn Stations Parking and Access Improvement projects in the amount of \$3,633,637, with a 10 percent contingency of \$363,363, totaling \$3,997,000, for a new total authorized contract amount not to exceed \$8,896,552.

Jon Mihkels, Project Director of New Facilities, Chelsea Levy, South Corridor Development Director and Melvin Hamilton, Real Property Project Manager provided the presentation.

Committee Chair Balducci reminded that Motion No. M2020-15 is for Committee Final Action.

It was moved by Boardmember Backus, seconded by Boardmember Baker, and carried by unanimous vote that Motion No. M2020-15 be approved as presented.

Resolution No. R2020-03: Authorizing the chief executive officer to acquire or lease 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 Kent Station Parking and Access Improvement project.

Melvin Hamilton, Real Property Project Manager, provided the presentation. Committee Chair Balducci asked if there has been any communication with the land owners or tenants that the Board should be aware of. Mr. Hamilton stated that all affected tenants have received an official letter.

CEO Rogoff stated that one business owner was surprised to receive a letter, he was under the assumption that his property would not be affected. Sound Transit Staff is reaching out to this business owner directly.

It was moved by Boardmember Baker, seconded by Boardmember Durkan, and carried by unanimous vote that Resolution No. R2020-03 be forwarded to the Board with a do pass recommendation.

Motion No. M2020-16: Authorizing the chief executive officer to execute a system expansion transit integration agreement with the Snohomish County Public Transportation Benefit Area Corporation (Community Transit) in support of coordinated capital facility and service planning in Sound Transit projects.

Alex Krieg, Deputy Director of Planning and Innovation, provided the presentation.

It was moved by Boardmember Smith, seconded by Boardmember Upthegrove, and carried by unanimous vote that Motion No. M2020-16 be forwarded to the Board with a do pass recommendation.

Reports to the committee

Due to the lack of time remaining in the agenda, Committee Chair Balducci asked Ron Lewis, Executive Director of Design, Engineering, and Construction Management, to postpone his presentation until April.

Executive session

None.

Other business

None.

Next meeting

Thursday, March 12, 2020
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

Adjourn

The meeting adjourned at 4:21 p.m.



Claudia Balducci
System Expansion Committee Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on April 9, 2020, TW