



Summary Minutes

System Expansion Committee Meeting January 14, 2021

Call to order

The meeting was called to order at 1:37 p.m. by Committee Chair, Claudia Balducci virtually on WebEx.

Roll call of members

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

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

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

Report of the Chair

Monthly Contract Report – The monthly contract report is included in the materials. The report includes contracts within the CEO’s authority including competitive, proprietary or sole source contracts.

CEO Report

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

Construction Highlights – Livewire testing beneath the University of Washington campus was completed the previous week and vibration testing is progressing, with a completion goal of June 2021. Over 500 tons of foundation column stone was installed for the Puyallup Station Parking and Access Improvements Project. Construction continued for the Federal Way Link Extension. Substantial completion was reached for the Operations and Maintenance Facility East in December. A temporary service suspension will take place over the weekend to test trains on the Northgate Link Extension.

Sounder North Service Suspension - Due to the continued rains and subsequent landslide risk along the Sounder Northline tracks, service has been suspended for the week. A bus bridge will be in effect during the suspension to provide service.

Federal Update - The 117th Congress was called into session earlier in the week and the Georgia special election results resulted in a Democratic control of the Senate and its committees. Washington State Senators Cantwell and Murray will become full committee chairs once the new senators are sworn in. Veteran of the Board, Marilyn Strickland also began her tenure as representative of the 10th Congressional District, and will join Congressman Rick Larsen of the 2nd Congressional District on the House Transportation Committee. Before the 116th Congress completed its business in 2020, it passed an omnibus spending bill with funding to support \$100 million each for the Lynnwood Link and Federal Way Link extensions. Included in the bill was COVID relief of \$15 billion for transit funding. Details were

still emerging, but Sound Transit was expected to receive between \$180 and \$188 million. Finally, CEO Rogoff announced that the US Department of Transportation awarded Sound Transit a \$1.4 million grant, which would offset the cost of the planned safety improvements at the Puyallup Sounder Station Parking and Access project.

Craig Davison Resignation - CEO Rogoff announced that Chief Communications Officer Craig Davison was stepping down effective February 19. He thanked Mr. Davison for his invaluable contributions over his seven years at Sound Transit and wished him well.

Public comment

Chair Balducci announced that public comment would be accepted via email to emailtheboard@soundtransit.org and would also be accepted verbally. No written public comment was received.

The following people provided verbal public comment to the Committee:

Justin Fogle

In response to concerns raised by Mr. Fogle about Sounder service frequency, Chair Balducci noted that while South King County would be served better by increased Sounder service, the Board had overseen increased service over the past years.

CEO Rogoff added that Sounder ran on BNSF tracks, and therefore had to negotiate with them for track time. Negotiations would not take place in the future, but that this concern was a known issue.

Business items

For Committee Final Action

Minutes: December 10, 2020 System Expansion Committee meeting

It was moved by Boardmember Backus, seconded by Boardmember Baker and carried by unanimous vote of the five Boardmembers present that the December 10, 2020 System Expansion Committee minutes be approved as presented.

Motion No. M2021-01: Authorizing the chief executive officer to execute an amendment to Task Order B-13 under Agreement GCA 3361 with the Washington State Department of Transportation to provide construction administration and construction oversight services to the Lynnwood Link Extension in the amount of \$1,263,260 for a total authorized amount not to exceed \$2,954,220.

Randy Harlow, Executive Project Director of the Lynnwood Link Extension, provided the staff report and presentation.

Motion No. M2021-01 was moved by Boardmember Backus and seconded by Boardmember Baker. Chair Balducci called for a roll call vote.

Ayes

Nancy Backus
David Baker
Nicola Smith
Dave Upthegrove
Claudia Balducci

Nays

It was carried by unanimous vote of the five Boardmembers present that Motion No. M2021-01 be approved as presented.

For Recommendation to the Board

Motion No. M2021-02: Authorizing the chief executive officer to execute an amendment to a construction and funding agreement with the Washington State Department of Transportation (WSDOT) for Sound Transit to design and construct WSDOT noise walls as part of the Federal Way Link Extension, for which WSDOT will reimburse Sound Transit.

Linneth Riley-Hall, Executive Director of the Federal Way Link Extension, and Nathan Galer, Deputy Construction Manager, provided the staff presentation.

Motion No. M2021-02 was moved by Boardmember Upthegrove and seconded by Boardmember Backus. Chair Balducci called for a roll call vote.

Ayes

Nancy Backus
David Baker
Nicola Smith
Dave Upthegrove
Claudia Balducci

Nays

It was carried by unanimous vote of the five Boardmembers present that Motion No. M2021-02 be forwarded to the Board with a do-pass recommendation.

Motion No. M2021-03: Authorizing the chief executive officer to execute an easement with the City of Tacoma for the City of Tacoma's storm drain surface water interceptor project, for a total authorized agreement amount of \$5,704.

Nancy Bennett, Property Management Manager, provided the staff presentation.

Motion No. M2021-03 was moved by Boardmember Backus and seconded by Boardmember Baker. Chair Balducci called for a roll call vote.

Ayes

Nancy Backus
David Baker
Nicola Smith
Dave Upthegrove
Claudia Balducci

Nays

It was carried by unanimous vote of the five Boardmembers present that Motion No. M2021-03 be forwarded to the Board with a do-pass recommendation.

(Boardmember Durkan arrived at this time).

Motion No. M2021-04: Authorizing the chief executive officer to increase the contingency for the contract with Kiewit-Hoffman, East Link Constructors for the construction of the Seattle to South Bellevue Segment (E130) within the East Link Extension in the amount of \$10,000,000, for a new total authorized contract amount not to exceed \$721,660,541, all within the Board approved project budget.

Mike Bell, Executive Project Director of the East Link Extension, and Jon Lebo, Deputy Project Director, explained that he would provide a project update in addition to a report on Motion Nos. M2020-04, M2020-05, and M2020-06.

Mr. Bell reviewed the project timeline and outlined challenges, including impacts of the COVID-19 pandemic, and upcoming milestones. Four of the project's civil contracts were substantially complete.

Mr. Lebo reviewed the status of each station along the alignment. Mr. Bell reviewed five weekend Link closures, scheduled for Quarter two in 2021.

Mr. Bell reviewed the three actions in front of the committee for recommendation to the Board, Motion Nos. M2021-04, M2020-05, and M2020-06.

Chair Balducci asked if unknown risks were less likely to appear moving forward. Mr. Bell advised that as heavy civil contracts began to wrap up, related risks also lessened. He clarified that one outstanding risk was COVID-19 related claims. Mr. Rogoff added that resolving those claims could take a long time after when service began, even.

Motion No. M2021-04 was moved by Boardmember Backus and seconded by Boardmember Baker. Chair Balducci called for a roll call vote.

Ayes

Nancy Backus
David Baker
Jenny Durkan
Nicola Smith
Dave Upthegrove
Claudia Balducci

Nays

It was carried by unanimous vote of the six Boardmembers present that Motion No. M2021-04 be forwarded to the Board with a do-pass recommendation.

Motion No. M2021-05: Authorizing the chief executive officer to increase the contingency for the contract with Stacy and Witbeck/Atkinson, a Joint Venture for construction of the Downtown Bellevue to Spring District Segment (E335) within the East Link Extension, in the amount of \$10,000,000, for a new total authorized contract amount not to exceed \$423,488,121, all within the Board approved project budget.

Chair Balducci explained that the Committee had received a report on this action in the previous presentation.

Motion No. M2021-05 was moved by Boardmember Backus and seconded by Boardmember Baker. Chair Balducci called for a roll call vote.

Ayes

Nancy Backus
David Baker
Jenny Durkan
Nicola Smith
Dave Upthegrove
Claudia Balducci

Nays

It was carried by unanimous vote of the six Boardmembers present that Motion No. M2021-05 be forwarded to the Board with a do-pass recommendation.

Motion No. M2021-06: Authorizing the chief executive officer to increase the contingency for the contract with Max J. Kuney Company for construction of the Bel-Red Segment (E340) within the East Link Extension in the amount of \$5,000,000, for a new total authorized contract amount not to exceed \$107,487,012, all within the Board approved project budget.

Chair Balducci explained that the Committee had received a report on this action in the previous presentation.

Motion No. M2021-06 was moved by Boardmember Backus and seconded by Boardmember Baker. Chair Balducci called for a roll call vote.

Ayes

Nancy Backus
David Baker
Jenny Durkan
Nicola Smith
Dave Upthegrove
Claudia Balducci

Nays

It was carried by unanimous vote of the six Boardmembers present that Motion No. M2021-06 be forwarded to the Board with a do-pass recommendation.

Reports to the committee

Capital Program Cost Estimates Update - Kimberly Farley, Deputy Chief Executive Officer, provided the report. She explained that the report would focus on the Tacoma Dome Link Extension and the West Seattle and Ballard Link Extension and that this latest review applies only to cost estimates for projects not yet baselined. Current construction was not affected by the details of this report and 7 of 8 projects currently under construction are below budget and on schedule. However, similar cost pressures increased baseline budgets for the Lynnwood and Federal Way extensions prior to beginning construction.

She outlined the ST3 plan cost estimate methodology and the determination of a State-appointed expert review panel on September 26, 2016. The panel found that the level of allowances, contingencies and reserves at this very early stage of planning and design was appropriate, and the capital cost estimating methodology was sound and consistent with good industry practice. Ms. Farley noted that at this stage of project planning (and when the projects go to the ballot) the necessary environmental work has not begun for most of the projects. This makes cost estimating with any precision difficult.

Ms. Farley explained the process of refining estimates. ST3 Plan estimates were conceptual in nature and based on very limited design. The plan identified risks for cost to grow beyond initial estimates. ST3 project estimates were developed in 2015, refined in 2016 and updated in 2019 and 2020. Inevitable early design uncertainty requires significant contingencies (70 percent or more in ST3). Current estimates reflect approximately 10 percent design for light rail projects. The Board formally baselines project costs and schedules, usually at 30-60 percent design, contingencies are reduced as designs advance and are typically in the 15-20 percent range entering construction.

She explained that cost pressures were driven by three broad categories, real estate, construction costs, design scope changes and contingencies. Construction costs and real estate values continued to increase, despite the COVID-19 related recession. Better understandings of site conditions through continued project development, jurisdictional requirement changes, and other factors.

Chelsey Levy, South Corridor Project Director outlined the Tacoma Dome project. She explained that as design work had progressed, costs became clearer. Construction costs increased by 10-16 percent and were driven primarily by guideway, station, and storm water drainage needs. Storm water vaults were chosen because drainage vaults minimize footprint and impacts to urban areas.

Station design changes were driven by changes to side-platform design at Portland Ave. Station and added mezzanine due to design requirements and refinements to bridge crossing location. The increased height and added mezzanine at Enchanted Parkway Station were developed to accommodate operational flexibility. Escalators (22) and elevators (5) were needed to meet Sound Transit requirements.

Boardmember Balducci asked where the designs emanate from. Ms. Levy said that they're Sound Transit Design requirements, for example the increased elevation was needed to ensure the guideway was at the appropriate slope.

Paul Bennett, Project Director, provided a clearer explanation for Portland Ave. explaining that the height of the bridge was higher and the need for the mezzanine. He noted that guideway cost increases are due to changing approximately three miles of guideway from surface to elevated. This change avoids conflicts with existing transportation infrastructure and responds to business concerns about visual impacts from I-5. The changes also minimize potential for impacts to tribal/cultural and environmental resources (Hylebos Creek/Wapato Creek).

Cathal Ridge, Executive Corridor Director, reviewed the West Seattle and Ballard Link Extension cost increases. Right of way, construction, and soft costs and contingencies were some of the cost drivers.

Right of way cost increases were around \$2.13 billion. New development, higher rates of real estate costs, and a better understanding of needs were the reason for the increase. Assessment values increased by around 21 percent, where original estimates were 6.5 percent. As design continued, a better understanding of right-of way needs grew, adding to costs.

Construction costs increased by 26 percent, or \$1.27 billion. As design work developed, and as alignments were determined, a better understanding of design needs drove costs. Mr. Ridge outlined the various design considerations which added more than \$480 million to the project. Advanced station planning needs increased the costs by approximately \$275 million. Early utilities investigation increased the cost by \$240 million, driven by needed drainage detention vaults, and various utilities relocations discovered by continued and more detailed design work. Finally, environmental study increased costs by \$230 million due to development of the environmental impact study work. Mr. Ridge reviewed updated cost estimates for tunnel alternatives in the Ballard and West Seattle areas.

Ms. Farley explained that due to the scale of the cost increases, an independent review and assessment was necessary, and this work was expedited to inform the upcoming realignment decision.

At the request of Chair Keel, monthly written reports to the Executive Committee and Committee chairs would be provided. They Board will also engage with the independent consultant directly through presentations to the Board.

Ms. Farley explained the cost updates to the Long-Range Financial Plan -- \$5.2 billion in assumed costs were added for projects in development, and \$2.7 billion (2019\$) was assumed for later light rail projects, a 36 percent increase. The total increase to financial plan assumptions was \$7.9 billion (2019\$), or \$12 billion (year-of-expenditure dollars), to be adjusted through ongoing design and independent cost estimate review.

Ms. Farley reviewed the next steps including future presentations, and noted that this was the time to make these adjustments, when planning was still underway.

Chair Balducci noted that this program was large, much larger than ST2. She advised that perhaps value engineering was required, and protective property acquisitions should be more aggressively pursued.

Boardmember Durkan suggested confidence intervals to understand variances, while the Board moves into decision making. She also requested opportunities to provide input on what would be presented in the future.

Boardmember Smith asked what contact the agency had with proponents of gondolas as a mode for the West Seattle Link Extension. Mr. Rogoff advised that senior staff would be contacting the group to discuss the matter.

Executive session

None.

Other business

None.

Next meeting

Thursday, February 11, 2021

1:30 to 4:00 p.m.

WebEx Virtual Meeting

Committee Chair Balducci noted that if the committee is not able to have an in-person meeting, a virtual meeting will be held. Information will be provided on the Sound Transit website.

Adjourn

The meeting adjourned at 3:47 p.m.



Claudia Balducci

System Expansion Committee Chair

ATTEST:



Kathryn Flores

Board Administrator

APPROVED on 2/11/2021, TW