



Summary Minutes

Executive Committee Meeting May 4, 2023

Call to order

The meeting was called to order at 10:33 a.m. by Committee Chair Dow Constantine and was available for viewing in person and online.

The meeting was recorded and can be found at <https://www.soundtransit.org/get-to-know-us/board-directors/livestream-video>.

Roll call of members

Chair	Vice Chair
(P) Dow Constantine, King County Executive	(A) Kent Keel, University Place Councilmember (P) Dave Somers, Snohomish County Executive

Board Members	
(P) Nancy Backus, Auburn Mayor (P) Claudia Balducci, King County Councilmember (A) Bruce Dammeier, Pierce County Executive	(P) Cassie Franklin, Everett Mayor (P) Bruce Harrell, Seattle Mayor (P) Dylan Counts, WSDOT Secretary Alternate

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

Report of the Chair

Monthly Contract Report

The monthly contract reports were included in members' meeting packets for review.

CEO Report

CEO Julie Timm provided the CEO report.

Updates on Westlake Station

Link was still operating with single tracking service through downtown as a safety measure given recent damage to the roof of the station structure. The damage, caused on April 25, 2023, was the result of a non-Sound Transit contractor working at the street level to remove a clock tower immediately above the Westlake Station. The contractor dug too deeply into the sidewalk and made significant contact with the station ceiling causing damage to post-tension cables and the ceiling girder that provided structural support for the sidewalk and bike path above the stations Northbound platform and tracks.

Due to the confined location of the damage, a full assessment of the structural condition of the girder required a contractor to build temporary scaffolding and open up the area to provide the necessary safe access for engineers to further inspect the structure and then to design and implement additional mitigation measures and permanent repairs.

CEO Timm noted more information would become available when the station was able to re-open for full

service and the timeline for permanent repairs would be known once the full extent of damage had been confirmed.

CEO Timm shared gratitude towards Sound Transit's quick call to action to assess the situation and the emerging developments to make the right call to close the area under the damaged ceiling to keep riders safe and for the Sound Transit team that quickly mobilized to support riders around transfers and closed stations. CEO Timm had tasked the team to develop an after-incident review to identify specific actions to improve response on future emergencies and actions that may help to avoid impacts to infrastructure in the future.

Recognizing Dylan Counts

CEO Timm recognized Dylan Counts, the Director of Regional Transit Coordination, who would retire at the end of the May 2023. He joined the meeting as the alternate for WSDOT Secretary Roger Millar and was recognized for his work at WSDOT as a partner in delivering Sound Transit projects. Over many years, he worked closely with Sound Transit staff, including being co-located at Sound Transit for the past several years.

Public comment

Chair Constantine announced that public comment would be accepted via email to meetingcomments@soundtransit.org and would also be accepted in-person and virtually.

The following people provided written public comment:

Bill Hirt

The following people provided in-person public comment:

Alex Tsimerman

The following people provided virtual public comment:

Joe Kunzler

Business items

Items for Final Committee Action

April 6, 2023, Executive Committee meeting minutes

It was moved by Boardmember Backus, seconded by Boardmember Balducci and carried by consent of all Board members present that the minutes of the April 6, 2023 Executive Committee meeting be approved as presented.

Items for Recommendation to the Board

Resolution No. R2023-14: (1) Approving the chief executive officer's declaration that portions of three parcels adjacent to the Lynnwood City Center Station are surplus upon completion of Lynnwood Link Extension construction; (2) declaring the TOD site as suitable for development as housing; (3) authorizing staff to offer the TOD site first to qualified entities for affordable housing development; and (4) authorizing staff to offer the TOD site at a discounted land value price to facilitate affordable housing outcomes.

Mara D'Angelo, Deputy Director of Transit Oriented Development, provided the presentation.

Resolution No. R2023-14 was moved by Committee Vice Chair Somers and seconded by Boardmember Franklin.

Chair Constantine called for a roll call vote.

Ayes

Nays

Nancy Backus
Claudia Balducci
Cassie Franklin
Bruce Harrell
Dave Somers
Dow Constantine

It was carried by unanimous vote of six committee members present that Resolution No. R2023-14 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2023-15: Updating the Link Noise Mitigation Policy and superseding Motion. No. M2004-08.

Kent Hale, Director of Environmental Planning, to provide the presentation.

Resolution No. R2023-15 was moved by Boardmember Backus and seconded by Boardmember Balducci.

Chair Constantine called for a roll call vote.

Ayes

Nays

Nancy Backus
Claudia Balducci
Cassie Franklin
Bruce Harrell
Dave Somers
Dow Constantine

It was carried by unanimous vote of six committee members present that Resolution No. R2023-15 be forwarded to the Board with a do-pass recommendation.

Executive Committee recommendation for North King County Community Oversight Panel Appointment

Chair Constantine announced that the North King County Board members reviewed applications received from people who live or work within North King County and had one nomination to recommend.

The nominee was Donia Zaheri. Ms. Zaheri was a data scientist and deputy project manager with WSP. She moved to the United States from Iran to pursue a master’s degree in transportation engineering and then began a career in transportation engineering consultation. She was passionate about providing inclusive mobility and accessibility, and brings experience in community engagement, project planning and alignment decision, budgeting and financial planning, project schedule and budget adherence, social justice and equity, and passenger experience.

Chair Constantine thanked all of the applicants who put their names forward to serve on the volunteer panel and asked staff to staff to prepare an action for the Board to consider at the May 2023 Board meeting to appoint this nominee to the panel since there were no objections.

Reports to the Committee

Fare Strategy Briefing – Farebox Recovery Targets

Alex Krieg, Director of Access, Integration, and Station Area Planning provided the presentation. Mr. Krieg reminded the committee of the upcoming Board actions that were required to move toward a comprehensive fares strategy. Those actions included the considerations of adjusting existing fare structures, fare levels, and categories to meet established targets and reviewing and considering modifying revenue and farebox recovery targets.

Mr. Krieg explained that the farebox recovery ratios being the percentage of operating expenses made up by passenger fares. Washington State law required Sound Transit to have a farebox recovery policy. Farebox recovery below the minimum recovery targets signaled that fare revenues were not keeping pace with costs of operations and that the financial plan was threatened. Per Board policy, when farebox recovery falls below the established levels, a fare change process is triggered. Link farebox recovery was well below 40 percent policy. Sounder farebox recovery was well below 23 percent policy. ST Express farebox recovery was well below 20 percent policy.

Mr. Krieg reviewed how Sound Transit compared to peer transit agencies with existing farebox recovery targets by mode. Fare revenue played an important revenue source in the finance plan. Fare revenues were \$6.5 billion, or 4.4 percent, of the 2023 finance plan. The finance plan assumed stable and rising annual fare revenue. Trends showed substantial fare revenue declines since 2019 – the impact was still being analyzed. Reduced fare revenue impacted overall affordability and ability to deliver service and capital projects.

Mr. Krieg shared the farebox recovery ratio equation: fare revenue divided by operating expenses. Projected fare revenue trends in the finance plan had declined by \$3 billion since 2019. Projected fare revenue in the 2019 finance plan was \$9.5 billion and projected fare revenue in the 2023 finance plan was \$6.5 billion. Projected operating costs in the finance plan had increased by \$7.8 billion since 2019. Projected operating costs in the 2019 finance plan was \$32.5 billion. Projected operating costs in the 2023 Finance Plan was \$40.3 billion. There was significant decrease in ridership and fare revenue between 2019 and 2020. Link fares would become an increasing share of fare revenue over time, 43 percent in 2018, 76 percent in 2027, and 84 percent in 2046.

ORCA business account revenue trends showed employers pay half of fare revenue. There was continued uncertainty about the future of hybrid workforces and thus ridership recovery rates. Business account revenue for 2019 was \$48 million, 50 percent of total, and for 2022 was \$20.3 million, 45 percent of total. Near term trends for operating expenses increase as the system expands. Link operating expenses would become an increasing share over time, 38 percent in 2018, 62 percent in 2027, and 71 percent in 2046.

Fare revenue includes ridership, fare compliance, and fare rates. Current ridership as percent of 2019 for system total was 71 percent, Link was 99 percent (including the new Northgate, Roosevelt, and U District stations, Sounder was 30 percent, ST Express was 43 percent, and T Line was 32 percent.

Lower fare compliance impacted revenue. Non-fare boarding rate had increased significantly since 2019. Non-fare boardings were all rides without an associated fare. This included boardings that do not require a fare (e.g., youth, peace officers) and people who should pay a fare, but don't. Implementation of updated fare compliance policy intended to address this trend.

Mr. Krieg reviewed the fare rates of existing fares on Sound Transit services and reviewed the fare structures for distance-based and flat fare considerations. Initial fare revenue projections for three Link flat fare options were \$2.75, \$3.00, and \$3.25. Key assumptions included pace of system expansion, non-fare boardings rate, pace of fare increases, and fare increase implementation in 2025. Analysis was compared to current finance plan assumptions with distance-based fares. Financial criteria to evaluating flat fare options included fare revenue and farebox recovery. Passenger experience criteria included ridership changes, impacts to passengers traveling short distances (traveling less than 12 miles), impacts to passengers traveling longer distances (traveling more than 12 miles), impacts to passengers

using ST Express (paying \$3.25 and expected to shift to Link), impacts to King County Metro passengers switching to Link, and impacts to Community Transit passengers switching to Link. Mr. Krieg displayed three key ranges of impact: benefit or neutral impact (green), medium impact (yellow), and cautionary impact (red).

Flat fare option 1 was \$2.75. Key takeaways included same fare as the current King County Metro fare, neutral to 1 percent decrease in ridership, increased fares for Link passengers traveling short distances, and lower fares for longer trips and for ST Express and Community Transit passengers. Passenger experience criteria showed green across the board, except for yellow on impact on short trips.

Flat fare option 2 was \$3.00. Key takeaways included higher fare revenue and farebox recovery, medium impacts to ridership, still higher fares for short distance Link passengers, and lower fares for longer trips and ST Express and Community Transit passengers. Ridership impact and impact on Metro passengers were yellow. Impact on short trips was red and the remaining criteria was green.

Flat fare option 3 was \$3.25. Key takeaways included same fare as ST Express, higher fare revenue and farebox recovery, but larger impact to ridership, much higher fares for Link passengers traveling short distances, and lower fares for longer trips and Community Transit passengers. Ridership impact and impact on short trips was red. Impact on Metro passengers was yellow and the remaining criteria was green. Mr. Krieg reviewed a table listing a summary of all the flat fare options and showed the finance plan impact of each flat fare option.

Mr. Krieg reviewed policy questions for the committee given farebox recovery and fare structure and rates.

Committee Vice Chair Somers asked if the flat fare options would make a difference to the financial plan or would it help reach financial goals. Mr. Krieg replied that fare revenues were one revenue source. Committee Vice Chair Somers noted ridership was important as revenue but acknowledged other avenues such as parking.

Boardmember Balducci noted the simplicity of the flat fare options and importance of fare recovery and creating a welcoming environment for passengers to ride the service and remaining consistent with agency partners.

Chair Constantine commented on the other fields that would welcome passengers to the services would not only include an attractive price but focus on cleanliness or security on services. He expressed interest in flat fare options to create simplicity for riders. He noted it was too soon to make a decision, but expressed the importance to stay consistent with regional partners.

Mr. Krieg shared next steps which included a briefing for the Rider Experience and Operations Committee, parking management presentations to both Executive and Rider Experience and Operations Committees in June 2023, public and passenger engagement beginning July through September 2023, followed by potential Board action in Fall 2023 or early 2024.

Boardmember Balducci asked how staff would determine what to bring to the public for engagement. Mr. Krieg replied staff would return to the Executive and Rider Experience and Operations Committees to provide a preview of the engagement's scope.

Executive Session – None

Other business – None


Next meeting

Thursday, June 1, 2023
10:30 a.m. to 12:00 p.m.

Ruth Fisher Boardroom and Virtually via WebEx

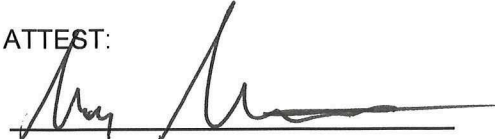
Adjourn

The meeting was adjourned at 11:44 a.m.



Dow Constantine
Executive Committee Chair

ATTEST:



Adam Montee, on behalf of
Kathryn Flores
Board Administrator

APPROVED on August 3, 2023, JG