



## Summary Minutes

**Board Meeting  
September 28, 2023**

### Call to order

The meeting was called to order at 1:32 p.m. by Chair Dow Constantine in a Virtual Meeting via telephone and video conference.

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 Chairs
(P) Dow Constantine, King County Executive	(P) Dave Somers, Snohomish County Executive (P) Kent Keel, City of University Place Councilmember

Board members	
(A) Nancy Backus, City of Auburn Mayor	(P) Joe McDermott, King County Councilmember
(P) David Baker, City of Kenmore Councilmember	(A) Roger Millar, WSDOT Secretary
(A) Claudia Balducci, King County Councilmember	(P) Ed Prince, City of Renton Councilmember
(A) Bruce Dammeier, Pierce County Executive	(P) Kim Roscoe, City of Fife Mayor
(A) Cassie Franklin, City of Everett Mayor	(P) Dave Upthegrove, King County Council Chair
(P) Christine Frizzell, City of Lynnwood Mayor	(P) Peter von Reichbauer, King County Councilmember
(P) Bruce Harrell, City of Seattle Mayor	(P) Kristina Walker, City of Tacoma Deputy Mayor
(P) Debora Juarez, City of Seattle Council President	

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

### Report of the Chair

#### Business Items requiring a Supermajority

Chair Constantine noted that today’s agenda includes an item – Resolution No. R2023-28 – that requires a supermajority vote of the Board to approve final adoption.

#### Hilltop Tacoma Link Extension Opening

Chair Constantine took a moment to congratulate the staff on the opening of the Hilltop Tacoma Link Extension. He added that while he was unable to attend to the grand opening, he did have the opportunity to ride the new extension in advance and noted that it is a great addition to the cityscape and an benefit to the community.

### CEO Report

CEO Timm provided the report.

#### Impact of Federal Shutdown

CEO Timm, having seen no positive news since the morning, reported on the impacts of the potential government shutdown on Sound Transit. Since the last federal shutdown, funding for the Federal Transit Administration (FTA) was transferred to the Highway Trust Fund which protects the agency’s staff from

furlough. For the Federal Railroad Administration, essential employees would not be furloughed, so there are no anticipated impacts to Sounder service nor to the Agency's partners at BNSF and Amtrak.

#### Finance and Audit Committee comments and recommendation for Delegated Authority Policy update

CEO Timm reported that the Finance and Audit Committee held a special meeting to discuss updates to the Delegated Authority Policy. After discussion, the Committee endorsed the staff proposal to raise the CEO's authority to enter into most contract and agreements under \$10 million, to include the development of more detailed contract reporting to the Board. She added that the Committee also endorsed updates related to Sole Source Contracts, emergency procurements, thresholds related to bids exceeding cost estimates, real property agreements, and preliminary project planning contracts.

She added that staff will bring an action consistent with the recommendations to the October Executive Committee for further consideration, and hopefully to the October Board meeting for final passage.

#### Regular Reporting at REO (Metrics on Operations and Safety) and SEC (Project Performance Tracker)

CEO Timm noted that, over the last few months, Sound Transit staff have rolled out or revamped monthly system reports to the Rider Experience & Operations and System Expansion Committees.

The REO Metrics presentation covers the System Performance Tracker, which highlights Operations and Passenger Experience information including ridership numbers, service statistic broken down by transit mode, the state of vertical conveyance assets, and passenger feedback on cleanliness and perception. Additionally, staff intend to begin incorporating safety and security metrics beginning in October.

At the System Expansion Committee, Chief System Quality Office Moises Gutierrez has been delivering a brief presentation to highlight updates to the Project Performance Tracker for the Agency's major capital projects in planning and construction. While not a deep-dive into each projects, the presentation provides an opportunity for the Committee to hear a summary of the capital program and to have awareness when there are changes to the schedule or budget risk for each project.

CEO Timm indicated that these presentations are meant to be helpful to the Board members, regarding the status for topics under each committee's oversight responsibilities. Staff welcome feedback to improve or adjust these reports.

#### Public Engagement

CEO Timm reported out on several upcoming public engagement opportunities.

On September 22, Sound Transit and the FTA released a combined NEPA Draft EIS and SEPA Supplemental Draft EIS for the Operations and Maintenance Facility South project. A public comment period is currently underway through November 6, 2023, with an online open house, virtual public hearing on October 19, 2023, and in-person public hearing in Federal Way on October 24, 2023. There is Board action expected at the immediate conclusion of the public comment period. After the public comment period, a Final EIS will be developed responding to the comments. The Board will then be asked to select the project to be built in mid-2024.

This week, the team launched the public engagement period for proposed changes in Link fares and ST garage parking. Engagement will include an online open house in 10 languages, in-person street teams at Sound Transit stations, information sessions, and focus groups. CEO Timm noted that there is also a public survey available on the Sound Transit website and encouraged all to share the survey link.

The Sounder South team will be seeking public input for the Lakewood Station Improvement project on proposals for better walking, rolling, biking, and transit connections. Additionally, the Sounder South Strategic Plan Update launched an online open house earlier this week. This seeks community input on

how ST3 investments in Sounder South – additional trips and longer trains – should be prioritized. Further information is available on the Sound Transit website.

#### South Bellevue Station Tile Replacement

CEO Timm reported that a survey of tiles at the South Bellevue station found they were unsatisfactorily installed, and Sound Transit is requiring them to be replaced per approval of a contract at the September System Expansion Committee meeting. Work began on Monday, September 25, 2023 and is estimated to be complete by February 2024. This work will be closely coordinated with the remaining system testing and pre-revenue activities required to open the East Link Starter Line in Spring 2024.

Staff are also completing a survey of all other station in construction to confirm that all platforms are installed to our quality and safety standards. For example, at the 120<sup>th</sup>/Spring District Station, Sound Transit is evaluating whether one of the four tile types installed required additional treatment. The Agency intends to take all required action to recover costs associated with repairing or replacing unsatisfactory installation and materials.

#### Hilltop Tacoma Link Extension Opened

More than 300 partners and community members came out to Tacoma to celebrate the Hilltop Tacoma Link Extension opening outside the Tacoma Urban Performing Arts Center on September 16. Board members Walker, Keel, and Roscoe, Senator Maria Cantwell, Representative Marilyn Strickland, Mayor Woodards, State House Transportation Chair Jake Fey, and State House Speaker Jenkins were on hand to help cut the ribbon.

While too early to have much in the way of ridership data, CEO Timm noted that the agency is happy to welcome UW Tacoma students back for the school year.

CEO Timm shared that tomorrow afternoon, she and members of the Sound Transit team will host FTA Administrator Nuria Fernandez for a tour of the extended T Line and discussion on the important ST/FTA partnerships to deliver transit projects across the region.

#### Redmond Technology Station Garage Opening

CEO Timm reported that the agency is very close to announcing an opening date for the Redmond Technology Station garage. There are a few remaining items needed to be addressed to safely open, including elevator accessibility and security, which the agency is working with our partners on completing.

CEO Timm estimated an opening date to occur in just about a month from today's meeting and committed to keeping the Board informed as the opening approaches.

#### Pride Place TOD opens on Capitol Hill

CEO Timm shared that residents are moving into Pride Place, a brand-new Transit Oriented Development in Capitol Hill providing affordable homes serving the LGBTQ+ senior community.

Sound Transit facilitated the project through a property exchange with Seattle Central College and discount a portion of the property cost to facilitate Pride Place. The building has 118 housing units, all of which are affordable to those earning 60% of area median income or below. She noted an opening celebration is being planned for October.

## **Public Comment**

Chair Constantine announced that the Board was accepting public comment via email and verbally through the virtual meeting platform.

Before hearing public comments, Chair Constantine announced that an individual had violated Board Operating Rule 3.16.8(a) requiring that comments be related to an agenda item or matters designated for public comment, and Rule 3.16.8(e) prohibiting comments for the purpose of assisting a campaign for elective office, at the August 24th Board Meeting and the September 7th Executive Committee meeting. Pursuant to the rules, Chair Constantine announced his intention to exclude Mr. Alex Tsimerman from providing verbal public comment to the Sound Transit Board of Directors and Committees for a period of 90 days. Chair Constantine explained that Mr. Tsimerman is still able to submit written public comment during his exclusion from verbal comment.

Chair Constantine asked if Boardmembers had any objection to the exclusion. There were no objections.

The following people provided written public comment to the Board:

Stephen Fesler  
Michael King  
Nelly  
Scott Bader  
Steve Homiack  
Jared Johnson on behalf of Seattle Chinatown International District Preservation and Development Authority  
Amy Chen Lozano  
Elizabeth Agi on behalf of International Community Services

The following people provided in-person verbal public comment to the Board:

Kathleen Barry Johnson  
Liz Agi  
Casey Treat  
Michael Patterson  
Betty Lau  
Brian Chow  
Amy Chen Lozano  
Nora Chan  
Jessa Timmer

The following people provided virtual verbal public comment to the Board:

Carol Helland

## **US & Washington Construction Outlook**

CEO Timm introduced guest presenters Ken Simonson and Sonja Forster. Mr. Simonson is the Chief Economist for Associated General Contractors (AGC), and Ms. Forster is the Seattle District Manager with Associated General Contractors of Washington.

Mr. Simonson began the presentation by reviewing the recent employment trends in the construction industry, noting that Nonresidential Construction firms (like those that would be doing most of the work for Sound Transit projects) has seen an increase of 3.7% in year-over-year employment from August 2022 to August 2023. He added that in early 2020, construction employment in general plunged by about 15% but did see rebounds when stay-at-home order were gradually relaxed. He elaborated that most states are seeing positive trends in construction employment, with both Oregon and Idaho outpacing Washington and perhaps contributing to strains in employment in the state. However,

Washington is outpacing the national average in increasing construction employment when compared to the low points of February 2020.

Taking a more local look at the employment trends, Mr. Simonson noted that the Seattle-Bellevue-Everett Metro division has remained relatively flat since last year (.6% increase) while the Tacoma-Lakewood Metro division has seen a 5.1% increase over the same time.

Per a survey from AGC, 85% of contractors report having openings for hourly craft workers and 88% of contractors are also reporting difficulties in filling those positions. When parsing the data against 21 different positions, Washington contractors reported equal or greater difficulty in the top three positions of concrete workers, carpenters, and cement masons. The survey also found that of the national respondents, 68% found that available candidates are not qualified, 33% cited that potential employees could not pass a drug test, and 26% stated that unreliable transportation to and from job sites were main reasons for difficulties in filling positions.

In comparing job opening and new hires (based on the figures from the last day of July from 2001-2023), Mr. Simonson called out record numbers of job opening over the last three years, hovering near 385,000 openings. This has been tracking closely with the number of new hires, which tends to be a more impacted by lulls in hiring. Mr. Simonson stated his belief that this means that contractors are still looking to fill hobs, perhaps at double the rate they have been able to. He also pointed out that the construction industry, which usually has a higher rate of unemployment than most other industries, is sitting at a 3.9% unemployment rated as of August 2023.

Mr. Simonson added that the construction industry has historically paid a wage “premium” to attract craft and other hourly workers, usually around 20%. During the early months of the COVID-19 Pandemic, this premium dipped down to 15% and is now competing against other industries who have raised their starting wages, such as food preparation and delivery services. In terms of year-over-year average hourly earnings for craft workers, the trend has sat around 5% since June 2021, with the costs of construction inputs (not labor) having soared during supply chain constraints and recently dropped back to near zero year-over-year.

Speaking directly to individual construction costs, Mr. Simonson noted that over the last year, cement prices have risen 12.6% and ready-mix concrete by 10.4%. He added that pre-cast concrete, a major component of Sound Transit projects is also seeing similar increases, as well as long lead times. Mr. Simonson also added that lead times have grown up to 90-100 weeks for specialized electrical components.

Mr. Simonson highlighted that construction firms alternate between times when prices of inputs rise above the bid prices, most recently during 2020 and 2021. While the trend has flipped recently, these firms are still needing to recuperate loses incurred.

While total construction is up 6% from July 2022 to July 2023, Transportation-related construction is up 8%. When removing air and private rail/truck projects, transit construction is down 10% over the same period, but Mr. Simonson expects that to change as money flows from the Infrastructure Investment and Jobs Act. He also pointed out that while multi-family private residential construction is up by 25%, the current housing finance market may see that number fall once current projects wrap-up, which may free up laborers for Transit-related projects.

Mr. Simson indicated he is optimistic on avoiding a recession but did add that there are trends in the construction industry that may see slowing of specific development, primarily due to tightening lending standards and interest rates. This may free up additional labor for transit-related construction.

Ms. Forster first thanked Sound Transit for their collaboration with the construction industry on delivering the system expansion program.

Ms. Forster commented on three of the recommendations from the Technical Advisory Group's report issued earlier this year as having potential to tackle inflationary and economic troubles. She explained that Recommendation 2 – introduce an experienced megaproject capital program executive team and Recommendation 3 – develop procedures to expedite the decision-making process can go hand-in-hand to support timely decision-making to keep the contracting market attracted to Sound Transit projects. She also highlighted Recommendation 4 – align procedures with industry best practices as supporting that collaborative relationship and strengthening the contracting market for Sound Transit. She also noted that Recommendations 3 & 4, disproportionately help local, small and minority owned firms succeed and build capacity on Sound Transit contracts.

Boardmember Roscoe inquired into the definition of "Transportation Equipment." Mr. Simonson responded that the category is for the construction of manufacturing plants related to automobiles, electric vehicles, and aircraft. He added that the decrease in the latest data was unexpected, but he is hopeful it will rebound.

Vice Chair Keel asked Mr. Simonson that if he was given ultimate authority to solve the economic problems for Sound Transit, what solutions would he pursue. Mr. Simonson advised being prepared to face upward construction labor costs, in the ballpark of 5-7% each year. He also advised to not expect further declines in materials costs, specifically noting recent jumps in diesel fuel and crude oil.

## **Consent Agenda**

Voucher Certification: August 2023

Minutes: Minutes for the August 24, 2023 Board of Directors Meeting

Motion No. M2023-73: (1) Approving the key business terms of a real estate purchase and sale agreement with Bellwether Housing for the sale of surplus property adjacent to Overlake Village Station for the creation of a mixed-use project comprised primarily of affordable housing; and (2) delegating to the chief executive officer the authority to execute and subsequently amend as necessary the real estate purchase and sale agreement and related agreements, covenants, conditions, and easements for the transit oriented development project, all subject to the Board-approved key business terms.

Motion No. M2023-74: (1) Declaring the surplus parcel known to Sound Transit as RV119, located in Rainier Valley, suitable for development as housing; (2) the key business terms of a purchase and sale agreement with a developer for the sale of the parcel, upon which the developer plans to construct a mixed-use development; and (3) delegating to the chief executive officer the authority to execute and subsequently amend as necessary a purchase and sale agreement and associated documents, all subject to the Board-approved key business terms.

Motion No. M2023-77: Authorizing the chief executive officer to execute a three-year labor agreement with the Amalgamated Transit Union Local 758 covering Tacoma Link Light Rail vehicle operators.

Motion No. M2023-82: Authorizing the chief executive officer to execute a funding agreement with the City of Seattle for design and construction of the city's NE 130th St./NE 125th St. Corridor Improvement project in an amount not to exceed \$4,600,000 to come from the budgeted system access allowance for the project.

**It was moved by Boardmember Baker, seconded by Boardmember Walker that the Consent Agenda be approved as presented.**

Vice Chair Somers noted he intends to support the Consent Agenda and wished to comment briefly on M2023-73. He stated that while the significant discount of the property demonstrates a commitment by the Agency to support affordable housing, there is still a target amount that Sound Transit expects to

earn back on property transactions from ST2 and ST3 projects. He asked for a near-future discussion or presentation on the likelihood of achieving that goal.

**It was carried by the unanimous vote of the 12 Boardmembers present that the Consent Agenda be approved as presented.**

## **Business items**

Resolution No. R2023-28: Amending the adopted budget for the Vertical Conveyance Program by increasing the total authorized project allocation by \$4,500,000 from \$22,889,520 to \$27,390,000 to fund the modernization of vertical conveyance assets at the International District Station.

John Carini, Deputy Director of Vertical conveyances, gave the staff presentation.

Vice Chair Keel asked if the requested increase is only for the International District Station, or if it includes other vertical conveyance modernization throughout the system. Mr. Carini responded that this is only for the International District Station assets. Contracts and budget requests for the additional assets are expected to be brought to the Board for consideration next year.

Noting earlier constraints with vertical conveyance repairs, Vice Chair Keel asked if this modernization effort would be able to work through or avoid those issues. Mr. Carini explained that Sound Transit Staff sat down with 4 vertical conveyance manufacturers in November 2022 and held individual meetings with each to hear their potential solutions. Mr. Carini stated that these conversations help reshape the path toward modernization by pivoting to an in-truss modernization that includes working within the current structures while modernizing the components. He further noted that the Agency will get the vertical conveyances as close to the American Public Transportation Association standard's as possible, given the constraints of the current structures. This includes more robust components, increased water resistance, etc.

Vice Chair Keel also asked if this work would result in less downtime when assets are damaged. Suraj Shetty, Executive Director of Operations, responded that the current response time, on average, is less than 2 hours. He noted that there are two assets with malfunctioning components that are not included in that number, but the staffing in the industry is adequate to respond to outages. He also added that the modernization will only decrease the number of outages.

CEO Timm echoed similar sentiments to the team, while cautioning that there will always be a need to have a team ready to perform repairs.

Boardmember Baker asked if this modernization effort is repairing broken aspects of the system or replacing those assets. Mr. Carini responded that this is a full modernization for all components except the actual cab of the elevators.

**It was moved by Boardmember Walker and seconded by Boardmember Baker that Resolution No. R2023-28 be approved as presented.**

Boardmember Walker noted that the Rider Experience and Operations Committee reviewed this item at its meeting earlier this month and unanimously recommended its approval.

Boardmember Baker asked how many of the elevators inherited by Sound Transit are malfunctioning. Mr. Carini responded that there is only one long-term outage at the University of Washington, which is expected to be repaired by the middle of next month.

CEO Timm added that just recently, all assets were functional, so this one is a new issue.

**Chair Constantine called for a roll call vote on Resolution No. R2023-28.**

**Ayes**

**Nays**

David Baker	Kim Roscoe
Christine Frizzell	Dave Somers
Bruce Harrell	Dave Upthegrove
Debora Juarez	Peter von Reichbauer
Kent Keel	Kristina Walker
Joe McDermott	Dow Constantine

**It was carried by a unanimous vote of the 12 Boardmembers that Resolution No. R2023-28 be approved as presented.**

Resolution No. R2023-26: Authorizing the chief executive officer to acquire certain real property interests, contingent on receipt of any necessary federal approvals, 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 in order to secure properties for construction, operation, and maintenance of the Tacoma Dome Link Extension and the Operations and Maintenance Facility South project.

Boardmember Roscoe summarized the action, noted that the System Expansion Committee forwarded the Resolution with a do-pass recommendation during its August meeting, and indicated that she plans to offer an amendment on behalf of staff to update portions of the Staff Report.

**Resolution No. R2023-26 was moved by Boardmember Roscoe and seconded by Boardmember McDermott.**

Amendment – offered by Boardmember Roscoe

To amend the key features and background sections of the staff report for Resolution No. R2023-26 as annotated in the document titled “Proposed Amendment to Resolution No. R2023-26”

**It was moved by Boardmember Roscoe and seconded by Boardmember Keel that Resolution No. R2023-26 be amended with the amendment offered by Boardmember Roscoe.**

Faith Roland, Real Property Director, explained that the recommended amendment updates the staff report in line with recent FTA guidance as to which project, between the Tacoma Dome Link Extension and Operations and Maintenance Facility South projects, is more applicable to the Belmor property.

Boardmember Walker asked for clarification on the separate consideration given to each property by FTA. Ms. Roland responded that the FTA is reviewing the acquisitions for the Christian Faith Center parcels separately from the Belmor Mobile Home Park parcel. She added that the FTA has already approved the Hardship exclusion for the Christian Faith Center. Boardmember Walker followed-up by asking if there are any further actions needed to complete the hardship acquisition. Ms. Roland responded that since the FTA has already approved that exclusion, there are no further steps needed before the Board considers the Christian Faith Center acquisitions.

Vice Chair Keel noted that while he usually has difficulty in supporting property acquisition, he is pleased to have heard from the property owners during public comment regarding the need for action and good communication with Sound Transit staff. He thanked staff for their work.

**Chair Constantine asked if there was any objection to the motion to amend Resolution No. R2023-26. No objection was heard.**



Chair Constantine called for a roll call vote on Resolution No. R2023-26 as amended.

**Ayes**

David Baker  
Christine Frizzell  
Bruce Harrell  
Debora Juarez  
Kent Keel  
Joe McDermott

**Nays**

Kim Roscoe  
Dave Somers  
Dave Upthegrove  
Peter von Reichbauer  
Kristina Walker  
Dow Constantine

It was carried by a unanimous vote of the 12 Board members present that Resolution No. R2023-26 be approved as amended.

**Other business** - None.

**Next meeting**

The next regular Board meeting would be held on October 26, 2023, 1:30 to 4:00 p.m. in the Ruth Fisher Board Room and as a virtual meeting via WebEx.

**Adjourn**

The meeting adjourned at 3:08 p.m.



Dow Constantine  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator

APPROVED on October 26, 2023, AJM.