



Summary Minutes

System Expansion Committee Meeting March 13, 2025

Call to order

The meeting was called to order at 1:32 p.m. by Committee Chair Balducci 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/meeting-videos>.

Roll call of members

Chair	Vice Chair
(P) Claudia Balducci, King County Councilmember	(P) Kim Roscoe, Fife Mayor

Board Members	
(P) Nancy Backus, Auburn Mayor	(P) Bruce Harrell, Seattle Mayor
(P) Angela Birney, Redmond Mayor	(P) Ryan Mello, Pierce County Executive
(A) Cassie Franklin, Everett Mayor	(P) Dave Somers, Snohomish County Executive
	(P) Dan Strauss, Seattle Councilmember

Alejandro Monzon, Board Relations Specialist, announced that a quorum of the System Expansion Committee was present at roll call.

Report of the Chair

Welcome Committee member Mello

Chair Balducci noted that the Board updated committee membership and welcomed Board member Ryan Mello to the System Expansion Committee. Board member Mello stated his excitement to join the Committee.

CEO Report

Deputy Chief Executive Officer Terri Mestas provided the report, as CEO Sparrman was meeting with federal partners and stakeholders in Washington, DC.

Lynnwood Link Extension award update – The Lynnwood Link Extension received its 15th major industry award – a Grand Award in Engineering Excellence from the American Council of Engineering Companies (ACEC). This award also qualifies the project for additional awards from ACEC.

Downtown Redmond Link Extension Activation update – Ms. Mestas reported that simulated service along the Downtown Redmond Link Extension is expected to begin later this month and continue for six weeks until the May 10 opening date.

East Link Extension Activation update – Work has been underway to prepare the 2 Line to provide cross-lake service between Lynnwood and Redmond. Later this spring, there will be another closure of the Downtown Seattle Transit Tunnel to allow for further integration work. The agency continues to target an opening in late-2025.

Federal Way Link Extension Activation update – In South King County, the agency is weeks away from opening the bus loop at Federal Way Downtown Station. On March 30, 2025, riders on ST Express, King County Metro, and Pierce Transit buses will begin to use the new loop, which is immediately adjacent to the future station and a few hundred feet southeast of the current transit center. After a ribbon-cutting ceremony and routing of buses to the new loop, the contractors will demolish the old bus loop and complete construction around the station.

Potential future action on contracts with former TAG members – Deputy CEO Mestas shared that the Committee members may see an action related to approving consulting contracts with former members of the Technical Advisory Group on the Board agenda later this month, subject to Board Chair Somers's approval. She provided a high-level summary of the anticipated action and thanked Chair Balducci for her flexibility in allowing the action to potentially move forward without Committee recommendation.

System Expansion Monthly Status Report – Deputy CEO Mestas thanked the Committee for its patience as staff have worked to streamline the monthly reporting on System Expansion projects in coordination with other relevant stakeholders. The Agency Progress Report and Project Performance Tracker have been officially retired and combined into a new System Expansion Monthly Report. Staff are continuing to evaluate the key performance indicators and data that would best indicate performance on current and future projects. In the future, this report will be generated from the Project Management Information System (PMIS) tool. Next month, staff will issue and distribute the reports covering January and February. A brief presentation to hear feedback is planned for later in the meeting.

Public comment

Chair Balducci announced that public comment would be accepted via email to meetingcomments@soundtransit.org and would also be accepted verbally.

Written public comments:

Betty Lau
Bill Hirt
Unnamed Commenter
Cameron Thompson
Brandon Miles, on behalf of the City of Tukwila
Brien Chow
Michelle Eggert

In-person Verbal Public Comments:

Brien Chow
MaryKate Ryan

Virtual Verbal Public Comments:

Will Knedlik
Tukwila Mayor Thomas McLeod
Joe Kunzler

Business items

For Committee Final Action

Minutes: February 13, 2025 System Expansion Committee meeting

It was moved by Vice Chair Roscoe, seconded by Board member Birney, and carried by unanimous voice vote that the minutes of the February 13, 2025 System Expansion Committee meeting be approved as presented.

For Recommendation to the Board

Update on South Graham Street Infill Station and South Boeing Access Road Infill Station projects.

Brian Macik, Senior Project Manager, gave the staff presentation. He was joined by Brad Owen, Executive Director over the projects. He noted that much of work on both the Graham Street and Boeing Access Road Infill Stations was being completed by the same team and are being evaluated in a wholistic manner due to the construction impacts to the current operating 1 Line.

For the S. Graham Street Infill Station project, staff are updating the Board on the intent to advance one design option into environmental review. Mr. Macik noted that no Board action is needed to advance the project as the representative site for the project is not changing.

The project would add a new at-grade station along Martin Luther King, Jr. Way between South Graham Street and South Morgan Street, bridging the gap between Columbia City and Othello station and increasing access in the Rainier Valley. The project will also include roadway access, safety, and utility improvements, and the project team is working closely with the agency's at-grade crossing safety team to incorporate best practices. The planning phase of the project is expected to conclude in 2026, design is scheduled from 2026-2028, with construction lasting from 2028-2031. Mr. Macik briefly touched on the recent and future steps to complete the planning phase of the project and recapped the design refinement process. The process included feedback from the local community and key stakeholders which saw three design option refined down to one.

Mr. Macik summarized the engagement performed in 2024 and early 2025, which includes stakeholder interview with community organization, community events, door-to-door outreach, and open houses and surveys. The team reported safety enhancements, minimized disruption and impacts to local businesses, increased access and connections, and service as soon as possible as key feedback.

The three design options presented during the February 2025 open house included 1) side platforms, 2) center platform – middle, and 3) center platform – offset. The project team is recommending moving forward with the center platform – offset design as it best reflects the community priorities of safety, access, minimizing construction effects and displacement concerns, and delivering the station quickly. The platform will be located just south of Graham Street, providing access to a more complete street grid to the east. A center platform also means that riders only have to cross one track to access the platform, and trains headed both north and south are serviced by the same platform which is convenient for expected and unexpected disruptions. The project also intends to include automatic pedestrian crossing gates. Mr. Macik also highlighted the need to avoid a sewer line in the southbound lanes so that the project can be delivered as soon as possible. Additional work with the City of Seattle and local property owners is expected during environmental review.

Mr. Macik summarized staff's recommendation to move forward with the center platform – offset option and laid out next steps for the project.

Vice Chair Roscoe inquired into the expected daily boardings for the project. Mr. Macik responded that, when the system is fully built out, the Graham Street Station is estimated to average 2,700-4,100 daily boardings. He also noted that for the Boeing Access Road Station, the range is 1,600-2,100 daily boardings. Vice Chair Roscoe asked about the numbers at opening in 2031. Mr. Macik stated he could find those numbers and share them after the meeting, but estimated they are 5-10% lower.

Chair Balducci, noting the usual tension between short-term construction impacts and long-term rider experience, asked how the recommended option best serves the agency's riders. Mr. Macik noted that the project having to re-construct a portion of the track provides the project a bit more flexibility to be

creative in addressing rider needs. He noted the safety benefits and the importance of having bi-directional service from the center platform option. He added that the agency intends to build a new crossover just north of the station which, combined with the center platform, can help address planned and unplanned disruption in the Rainier Valley.

Chair Balducci asked about the road impacts due to the offset design of the platform. Mr. Macik noted that while impacts will be greater on the east side of the track, the west side will also be impacted on the scale of inches to feet. The inclusion of pedestrian gates also requires the construction of refuge areas. Further work in the environmental and design process is necessary to fully understand those impacts.

Board member Strauss thanked staff for their in-depth briefing and thanked them for their work.

Board member Birney also offered her thanks to the team for their thinking and creative planning work.

Motion No. M2025-14: Identifying the East Marginal Way location as the proposed location of the South Boeing Access Road Infill Station for environmental review.

Brian Macik, Senior Project Manager, and Brad Owen, Executive Director, gave the staff presentation.

Board member Birney thanked Mr. Macik for the presentation and additional information that helped her to better understand the area around the infill station. She also highlighted Tukwila Mayor McLeod's testimony from public comment.

Vice Chair Roscoe asked if, prior to Realignment, the infill stations were scheduled to open after the Tacoma Dome Link Extension reached Pierce County. Mr. Macik noted that he wasn't sure on the timing but explained that the infill stations date back to Sound Move and were deferred when the Board selected the project to be built for Central Link. They were incorporated into the ST3 initiative and identified as a Tier 1 project in Realignment.

Board member Strauss noted that the original proposed site in Sound Move was intended to interface with a future Sounder station that didn't materialize in ST2 or ST3. Without the interfacing Sounder station and with the changes in the local community, he agrees with the new proposed site on E Marginal Way. He also sought confirmation that today is not a decision to build the station, but rather just to authorize further environmental work. Mr. Macik confirmed the action is solely for the next phase of planning work. Board member Strauss noted that there would be future opportunities to discuss the trade-offs of building where and when.

Chair Balducci asked how the recommended option best serves the agency's riders. Mr. Macik responded that staff are recommending the E. Marginal Way site and a major reason is accessibility. The original site is hemmed in by I-5, a highway interchange, railroads, and local roads, which carries construction and accessibility constraints as improvements around the station itself would be difficult. The recommended site is closer to developed communities and amenities, which also provides the opportunity to make local improvement to the station's walkshed, including to the Green River Trail. Mr. Macik noted that work is still needed on ensuring accessibility to communities east of I-5. Chair Balducci stated her support for the motion.

It was moved by Vice Chair Roscoe, seconded by Board member Backus, and carried by unanimous voice vote that Motion No. M2025-14 be forwarded with a do-pass recommendation.

Reports to the Committee

Presentation on Construction Costs and National Market Trends – Ken Simonson, Chief Economist, Associated General Contractors of America

Terri Mestas introduced Ken Simonson, Chief Economist of the Associated General Contractors of America, and noted that he periodically provides the Committee with a well-rounded look at current conditions in the construction industry.

Mr. Simonson briefly provided an introduction into the Associated General Contractors (AGC) of America and thanked the Committee for the opportunity to return and provide his outlook.

In 2024, construction employment increased in most of the country (38 states), with the national rate of increase at 2.4%. In Washington State, construction employment increased at 3.5%. Mr. Simonson explained that the area served by Sound Transit is split between the Seattle-Bellevue-Everett division which had a 2% increase and the Tacoma-Lakewood division which saw a 5% increase. Other metro areas around the state also saw significant increases. In the long-term, construction employment growth has cooled in Washington since late 2023 after recovering from the impacts of the COVID-19 pandemic.

Mr. Simonson presented the results of an AGC Outlook Survey which asks AGC members whether they expect an increase or decrease in the value of projects available to bid on in the coming year. He noted that the survey covers 17 project categories and has information specific to Washington. He found that 29% net of respondents believed that bids will be higher for Transportation projects nationally, with a 40% net in Washington. He noted that airport and intercity rail projects seem to be increasing across the country.

When it comes to headcount, the survey found that 69% of national responses and 56% of WA responses indicate an expectation that firms will increase their headcount in 2025, but that they also expect it to be harder to hire hourly craft workers.

Shifting to wage trends, Mr. Simonson explained that the Bureau of Labor Statistics (BLS) generated monthly reports on the wages of craft and office workers in construction. He also compared that to the average wages in the total private sector and noted that this indicates that there is a wage premium paid to incentivize entering the construction workforce. For non-residential building projects, the premium is roughly 27%, while for heavy and civil construction firms, like those working on Sound Transit projects, the premium is almost 25%. He also highlighted that first-year union settlements rose 5.2% in the region and noted that could build a floor under the wages expected over the next 3 years. A similar figure is being seen for non-union workers in the construction industry.

While the average hourly earning has increased by steady amounts since 2020, the costs of materials have been volatile. Following a slump in the 2022, costs spiked from 2021-2023, before settling out over 2024. He noted recent figures indicate a slight upward trend developing, before the imposition of tariffs. Over the last five years, the cost of construction inputs has risen 38%. For context, Mr. Simonson noted that the Consumer Price Index has risen 23% over the same period. He also highlighted particularly volatile prices for copper and brass mill shapes, steel mill products, and diesel fuel.

Another area of concern Mr. Simonson highlighted is that the construction industry is more reliant on immigrant laborers than other sectors. In Washington, 27% of construction workers are immigrants, while it is more concentrated with some key crafts having over 50% of workers as foreign-born. The shift in immigration policy seems to be having a chilling effect on workers applying for and even showing up to jobs, regardless of immigration status.

Pivoting to total transit construction spending, Mr. Simonson noted there has been a 15% decline over the last two years. Actual transit construction spending fell to nearly the same levels as a decade ago, with taking inflation into account. We added that this could result in less competition from other transit agencies in procuring firms.

In general, Mr. Simonson stated that the US economy has been resilient in the years since the beginning of the pandemic and that the level of general uncertainty has increased. He listed several key challenges that will likely affect transit construction.

Chair Balducci thanked Mr. Simonson for his insights as having information will better equip the agency to handle the road ahead.

Board member Birney asked how much of key materials, such as aluminum, lumber, steel, etc., come from trading partners impacted by tariffs, such as Canada and Mexico. She also asked if the agency should expect domestic manufacturing to raise their prices in response to tariffs. Mr. Simonson responded that the last round of 25% steel tariffs in 2019 resulted in a roughly 24% increase in domestically produced steel. He added that the domestic steel industry has built up production capacity such that there is room for market share growth. Conversely, the US aluminum capacity has been declining over decades. He also highlighted that components, not just final products, will be impacted by the tariffs. He also noted that as domestic producers receive more orders, that could result in increased costs and longer lead times.

Vice Chair Roscoe asked if AGC is aware of any state-wide initiatives or collaborations to address the construction worker shortage. Mr. Simonson responded that AGC of Washington works with local schools and firms to implement more robust funding for career and technical education for the construction industry. Vice Chair Roscoe asked if it is known how many of the foreign-born construction workforce in Washington is at risk of deportation or loss of legal status and whether the waves in construction spending tend to fall into expansion or maintenance buckets. Mr. Simonson noted he doesn't have an answer to the first question but heard story about a Columbia University green cardholder who was detained, so he feels that there is no safety guarantee. For the second question, he responded that it varies on the agency but observed that it seems like more agencies are focusing on maintenance and upgrading systems recently.

Chair Balducci asked if private sector construction is similarly exposed to the trends that impact public works projects. If so, there may be opportunities to partner for advocacy efforts. Mr. Simonson opined that he believes there is room to partner and stated that he thinks local agencies with dedicated funding sources may be able to benefit from uncertainty in funding for private projects.

Update on the System Expansion Monthly Status Report

Katie Drake, Deputy Executive Director of Capital Delivery Transformation, and Brad Owen, Capital Delivery Executive Director, began the presentation.

Ms. Drake explained that the new System Expansion Monthly Status Report will provide program and project status and performance data for working in planning and construction. The report replaces and combines elements from the retired Agency Progress Report and Project Performance Tracker. The goal was to streamline the report into a more digestible format combining written information and key performance indicator (KPI) data.

Mr. Owen explained that the report includes information on projects in planning and construction, with the underlying data provided by assigned and responsible project staff. The tables in the report include visual indicators updated monthly that largely reflect the prior information in the Project Performance Tracker. Currently, the three main KPIs are safety, cost, and schedule. He highlighted that some projects have more rigorous reporting requirements due to receiving TIFIA loans. Those reports are included in full as well.

Ms. Drake noted that the Reports will be distributed to the Committee along with the other materials and also posted online for public access. She stated that staff intend to issue the reports for January and February 2025 for the next Committee meeting. In the future, the Project Management Information System will be used to generate the reports, and refinements based on industry best practices and board feedback will be made.

Board member Roscoe inquired in what format the committee will receive the report. Alejandro Monzon, Committee Clerk, responded that Board Administration intends to distribute the report similarly to how the Agency Progress Report was distributed. Committee members will receive a link in their materials packet, as there are size constraints for email attachments. Vice Chair Roscoe agreed that having it printed out seems excessive.

Chair Balducci inquired into how staff intend to deliver the report to the Committee, aside from directly providing access to it, as she wouldn't be able to sift through 95 pages of reporting. Ms. Drake responded that the TIFIA reports are the bulk of the 95 pages, while the new report itself is approximately 20 pages. Chair Balducci expressed her desire to have a dashboard-like presentation at System Expansion Committee meetings to briefly show the trends and information. Should that presentation spark any concerns, then a Board member or member of the public could dive into the report provided for more granular information. She added her concern that the level of regular reporting has dipped in the last year.

Deputy CEO Mestas noted that her team will work on taking the feedback and improving on how to present this report to the Committee.

Board member Somers added that he feels this discussion would be a great topic for a Board Retreat, perhaps covering information flow and management in general.

Vice Chair added that the report itself looks fine and is well linked to other applicable resources.

Board member Birney noted that she would also benefit from a broader periodic report that covers the program as a whole and refreshes the Committee on the general state of the expansion program. Ms. Drake noted that an annual report is already produced and there may be opportunity to start from there. Board member Birney stressed the importance of maintaining a high-level view.

Board member Strauss asked when the team expects for the PMIS generation of reports to be online. Ms. Drake responded that the vendor was selected in December and a work with internal staff kicked-off in January. She noted that there is a phased approach planned for the PMIS, and that they expect report generation to be stood up within the year.

Board member Somers clarified his early remark that there is so much information from Sound Transit available, but navigating and understanding it all is difficult without intense support. He noted that this is not unusual for large organizations and that the Board setting some guidance during a retreat might be helpful.

Chair Balducci requested that this report be included on the next agenda, and that staff prepared to re-review the structure of the report, but also the substance of what the report is communicating.

Executive session - None.

Other business — None

Next meeting

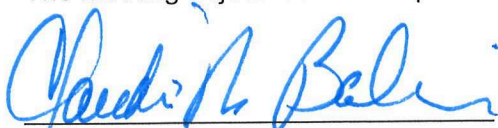
Thursday, April 10, 2025

1:30 p.m. to 4:00 p.m.

Ruth Fisher Board Room & Virtually via Zoom

Adjourn

The meeting adjourned at 3:10 p.m.



Claudia Balducci
System Expansion Committee Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on April 10, 2025, AJM.