

**Citizens' Year-End 1998**  
**Performance Report on Sound Transit**

**April 13, 1999**

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Sound Transit Finance Committee  
Honorable Greg Nickels, Chair  
1100 Second Avenue, Suite 500  
Seattle, WA 98101

Dear Chair Nickels and Committee Members:

We are pleased to submit to you this performance report on the second half of 1998. The Citizen Oversight Panel found in its year-end evaluation that Sound Transit made excellent progress on the implementation of Sound Move. As full-scale environmental analysis and preliminary design of facilities began on numerous fronts, there were a few set-backs, as might have been expected. Nevertheless, we felt that overall Sound Transit is moving forward on mission and on schedule.

In preparing this mid-year report on Sound Transit's performance, we have sought the views of the public, of stakeholder groups and of local agencies. We have brought the various perspectives of our members, representing the five subareas, to our deliberations and have concluded that Sound Transit is meeting its commitments to the public and to the region in most respects.

There are a few areas that we and other observers in the region would point to as needing improvement. Foremost among these is how Sound Transit, while meeting its regional objectives, interacts with and responds to local communities and stakeholders. COP members felt that, while Sound Transit is committed to its regional mission, the individualism of local communities is posing challenges to the successful implementation of *Sound Move*. In our report we find that, overall, Sound Transit has done a commendable job of staying on mission, on budget and on schedule. However, we also find that several communities and citizen groups feel that they were not heard. In the Panel's opinion, this is the result of an outreach effort not keeping pace with the aggressive schedule of *Sound Move*. We urge the Board and staff to seek new ways to build and articulate the vision of a regional system. We are encouraged by recent efforts by management to organize itself to meet this challenge.

Details of Sound Transit's accomplishments at year-end 1998, as well as suggested areas for improvement, are outlined in the attached report. It is our intent to report to you again mid-year in 1999. In the meantime we will continue to monitor Sound Transit's

activities and relationships and note concerns brought to our attention. We welcome all citizen and agency comments that are addressed to us.

Sincerely,

Steve Goldblatt  
Chair

Reid Shockey  
Chair-Elect

cc: Paul Miller, Sound Transit Board Chairman

# Sound Transit Citizen Oversight Panel

## Citizens' Year-End 1998 Performance Report on Sound Transit

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# **Sound Transit Citizen Oversight Panel**

## **Citizens' Year-End 1998 Performance Report on Sound Transit**

### **Executive Summary**

#### **Introduction**

In November 1996 Sound Transit (legally known as the Central Puget Sound Regional Transit Authority) went before the voters of the region seeking approval of a ten-year plan for investments in public transportation called *Sound Move*. In that plan, the Board and agency promised to appoint a Citizen Oversight Panel (Panel or COP) to monitor performance and report regularly on potential areas for improvement. COP, a group of fifteen independent citizen volunteers from throughout the Sound Transit district, has now been meeting for two years. This is our fourth report to the Sound Transit Board and covers the second half of 1998.

The Citizen Oversight Panel uses an evaluation framework based on commitments made in *Sound Move*. The framework focuses on such questions as: Is the agency on mission? Is it on schedule? Is it on budget? The framework is organized into four main topic areas: 1) overall agency performance; 2) performance by the three modal divisions, regional express, commuter rail and light rail; 3) citizen involvement and public process; and 4) finance and budgets.

The complete evaluation process, conducted twice each year, involves staff briefings, review of agency materials, and personal contacts with a variety of constituencies. Also included is a group evaluation in which Panel members evaluate Sound Transit on each key question in the evaluation framework. The body of this report discusses the findings, conclusions and recommendations in each topic area evaluated for this period.

#### **Summary of Sound Transit Performance**

The Citizen Oversight Panel found that in 1998 the agency continued to move forward in developing regional bus service, community connection facilities, commuter rail and light rail. It experienced a major success in negotiating a region-wide fare integration system. The agency has stayed on mission and has focused rigorously on meeting the schedules and staying within the budgets to which it committed.

Budget constraints have become evident in almost every area of the agency's work. The original 1995 cost estimates have begun to be tested against 1999 reality and found in some cases to

require adjustment to designs and service plans. Despite these adjustments, the Panel finds that the fundamental mission of the agency has not been substantially compromised. Nevertheless, citizens and communities in some instances have not been pleased to discover that their expectations may not be able to be met.

COP members felt that, while Sound Transit is committed to its regional mission, the Puget Sound may not yet have created a culture hospitable to regional thinking. Instead we tend to employ a very localized “grass-roots” approach to decision-making. The individualism and desire for local control among our communities are posing challenges to the successful implementation of *Sound Move*. In the areas of mission, schedule and budget which we examined, COP found that the tendency in our region is to satisfy local wishes, draw out processes and add scope changes without reference to a fixed schedule and budget, approved by voters in 1996.

In the face of this reality, Sound Transit staff have continued to communicate with and respond to the input of interested parties and affected groups regarding these issues. Yet we urge them to commit themselves to increasing their efforts to minimize controversies as the system evolves. We urge the Board and staff to seek new ways to articulate and build the vision of a regional system.

The following examples illustrate some of the highlights of the last half of 1998:

- **Overall Performance.** Sound Transit is functioning at close to full staffing and in excellent partnership with its co-located consultants. With a few exceptions, the agency has established good working relationships with cities, transit agencies and other partners. Even where disagreements have arisen, the agency has made ongoing good faith efforts to respond, negotiate and resolve issues.
- **Regional Express.** Sound Transit successfully negotiated a fare integration agreement and regional fare policy with four other transit agencies. Sound Transit completed its Service Implementation Plan for regional bus service on schedule and adopted initial policies on contracting with local transit agencies to deliver the service.
- **Souder Commuter Rail.** Community-based Technical Advisory Committees were formed and station design began in Tukwila, Kent, Auburn, Sumner and Puyallup. Despite the emergence of difficult technical issues, good progress continued to be made on the environmental analyses for the Tacoma-Lakewood and Seattle-Everett corridors.
- **Link Light Rail.** The light rail division successfully met a tight timeline and delivered its Draft Environmental Impact Statement (DEIS) for the central Link corridor on time. Additionally, it provided a well-presented staff-recommended set of route alternatives that facilitated community discussion and input.

- **Communication and Community Outreach.** In 1998, Sound Transit stepped up its level of communication and outreach considerably. It began publishing a quarterly newsletter and it issued an informative annual report. It worked actively with the many communities affected by Regional Express, Sounder and Link project development. While the agency generally receives credit from stakeholders and the public for being accessible and open, there are pockets of dissatisfaction that are described below under Areas for Improvement.
- **Financial Policies.** Sound Transit has adhered to the adopted financial policies with respect to budgets, debt management, subarea equity and the regional fund. After a rigorous review by the rating agencies Standard & Poor's and Moody's, Sound Transit was awarded among the highest bond ratings of any transit agency in the nation. The agency received its second annual unqualified financial audit for 1998 from the independent auditors. Sound Transit conducted external performance audits in the areas of financial reporting, cost allocation and contract change order management and as a result initiated process improvements in a number of areas.

## Areas for Improvement

In the second half of 1998, all three of Sound Transit's modes continued to work in earnest with communities to make decisions and to implement programs for Regional Express, Sounder and Link. As the time for making decisions on bus service, route alignments and various station and facility designs has approached and become final, community expectations vs. what is ultimately "doable" have begun to emerge as issues. In some instances the mandate of a regional agency and the interests of local communities have begun to conflict. COP found that Sound Transit's relationships with a number of communities have become fragile and that existing processes have not been as effective as they could be in articulating the regional mandate of the *Sound Move* program. We urge the Board to be involved in a new proactive role in championing Sound Transit's benefits to the region.

In its mid-year 1998 report COP highlighted areas for improvement in how these issues are handled. Now at year-end, these issues need to be raised again as continuing concerns. Additionally, new issues have been identified that relate to adequate Board representation of all communities and to the level of risk in Sound Transit's financial plans.

### 1. Involving and Responding to Communities

**Keeping stakeholders fully informed and fully involved.** Sound Transit leadership knows that if the agency is to succeed in its mission, it must not only bring *Sound Move* in on time and on budget, but do so in a manner that leaves citizens and stakeholders feeling that processes have been fair, open and complete, even if they disagree with the ultimate outcome. In its meetings with stakeholders, COP learned of a number of examples in which communities do not feel this has occurred. The Board and agency management are urged to seek stakeholder feedback in ongoing ways to address such concerns before they become real problems.

**Being highly skilled listeners, problem solvers and communicators.** Even with partners who have effective working relationships with Sound Transit, concerns were raised that some Sound Transit staff are not good listeners, do not appear to know how to respond to stakeholder concerns in a proactive and empathetic manner, and are sometimes defensive when issues are raised. It is essential that Sound Transit be sensitive and skillful in its processes of involving and communicating with the communities it serves.

*Note:* The Panel wishes to emphasize that these observations pertain to community involvement efforts and not to the substantive decisions made in early 1999 regarding actual alignments. Because the period of review for the Panel in this report is July to December 1998, there will be no comment on these decisions until our mid-year 1999 report, to be issue late this summer.

## **2. Ensuring Adequate Representation of All Parts of the Sound Transit District**

Stakeholders and elected officials in a number of communities in King County have raised the concern that current Board composition is not adequately representative of all parts of the county. Communities in suburban north and south King County feel underrepresented in comparison to the major urban areas of the region. Given the potential for loss of community support in these areas, we would encourage the three county executives and county councils to look into these concerns as they make future Sound Transit Board appointments.

## **3. Financial Plan Risks**

In each of the three modes, serious fiscal constraints are emerging. Community expectations are high, scope changes are being introduced, agency overhead costs are going up and environmental and real estate costs in some cases are coming in higher than originally estimated. Cumulatively the future effects of these factors are unknown. To date, Sound Transit has, in its budgets and finance plans and in its communications to the public, continued to make the assumption that these financial risks are within a manageable range.

The Citizen Oversight Panel has no reason at this point in time to question this. But it has begun to be aware of the long-term financial risks inherent in these factors and to be concerned about the great fiscal restraint that will be necessary to keep budgets from getting out of control. COP urges the agency's management to provide early warning about emerging risks and the Board to exercise great caution before entering into new financial commitments.

# Sound Transit Citizen Oversight Panel

## Citizens' Year-End 1998 Performance Report on Sound Transit

### Introduction

In going before the voters of the region in November 1996, the Sound Transit Board promised to be held to the highest standards of public accountability. As part of that promise, the Board committed to appointing a Citizen Oversight Panel (Panel or COP) charged with monitoring performance and reporting regularly on potential areas for improvement. Within two months of voter approval, the Board moved to begin a selection process for the Oversight Panel.

The Board specified that the Citizen Oversight Panel should consist of fifteen volunteer members, of whom at least two should live or work in each of the five Sound Transit district subareas. Panel members were to broadly represent the demographic make-up of the Sound Transit district and to include a wide array of skills and experiences necessary to perform its function. The Board appointed fifteen citizens to the Panel. Initially, Panel members were appointed for either a two-year or a three-year term and may be re-appointed up to a maximum of six years.

The Panel met for the first time in April 1997 and has met every month since then. Steve Goldblatt served as the Panel's first chair from 1997 to 1999. On April 13, 1999, COP elected Reid Shockey as its new chair and Diane Carlson as vice chair. The Panel has developed and agreed to a set of operating principles. The principles include:

- Panel members agree to abide by the Sound Transit Board's ethics policy and to avoid even the appearance of conflicts of interest.
- Citizen Oversight Panel meetings are open to the public.
- Panel meetings shall rotate throughout the region to provide visibility to the public of the Panel's activities.
- Members will provide a subarea perspective, for the subarea in which he or she lives and/or works, as well as a district-wide perspective whenever issues for the good of the region may arise.

The Citizen Oversight Panel is independent of Sound Transit management. While accepting logistical support from the Sound Transit staff and reporting to the Board through the Finance Committee, the Panel has selected its own independent, part-time staff person who is paid by Sound Transit. The Panel enjoys an open and cooperative relationship with the agency, however, the Panel holds to its belief that an independent, arms-length status best ensures a meaningful role in the fulfillment of its mission.

This is the Panel's fourth report and covers Sound Transit's performance in meeting its commitments through the end of 1998. Our previous reports are available upon request and on the Sound Transit website at [www.soundtransit.org](http://www.soundtransit.org). Brief biographical summaries of COP members are provided in the attachment to this report. Panel members welcome comments and input to their work and may be contacted by calling Susan Hellein at Sound Transit at 206-684-1348 or by writing to Citizen Oversight Panel, 1100 Second Avenue, Suite 500, Seattle, WA 98101-3423.

### **Citizen Oversight Panel Mission**

It is the mission of the Citizen Oversight Panel to ensure that Sound Transit succeeds in meeting its commitments to the public by monitoring its performance and reporting to the Board on potential areas for improvement. Areas to be monitored will address:

- Sound Transit's adherence to its public commitments
- the open and timely involvement of citizens in the Sound Transit district in decisions affecting local communities and the district as a whole
- the process of evaluating project alternatives
- the capital and operating budgets and finance plans
- management of the regional fund
- equity in subarea budgets and reporting
- adherence to schedules and budgets, and
- review of annual performance audits

It is worth noting that the Citizen Oversight Panel feels its responsibility extends to highlighting the good news and accomplishments as well as the criticisms and areas for improvement at any given time. The Panel's work on behalf of the citizenry of the urbanized Central Puget Sound region is intended to help ensure the success of the plans and investments in improving regional transit through vigilance, continuous feedback and constructive suggestions.

### **The Process Used to Prepare the Performance Evaluation**

The Citizen Oversight Panel is an unpaid body of citizen volunteers who meet once or twice a month to conduct their business, receive briefings on Sound Transit's efforts, and to prepare semi-annual reports on Sound Transit's performance. COP members wish to remain focused on their mission of reviewing performance and avoid digressions into the Board's domain of setting policy and representing citizens or the staff's domain of running the agency. They wish to use the resources and knowledge of the Sound Transit staff while maintaining the independence and objectivity needed to assess the agency's performance. Additionally, COP wishes to operate as a body of knowledgeable citizens, not as ombudsmen, technical specialists or as auditors.

To meet these objectives, the Panel took a number of steps. First, it retained the services of an independent staff person to help conduct outside research, prepare independent briefings and reports, act as liaison with Sound Transit staff and facilitate meetings as needed. Next, the Panel agreed that it would use three different sources of information in conducting its reviews:

1. The Panel uses Sound Transit staff and resources to remain briefed on day-to-day operational progress of the agency. Sound Transit staff make regular presentations to the Panel at its meetings and Panel members are mailed all materials prepared for the Sound Transit Board, including resolutions, policy guides, budgets and financial reports, action plans and other work products and documents.
2. Second, the Panel members conduct independent research of their own by attending Board meetings, community meetings, civic and professional meetings, and by maintaining a set of contacts to stay actively attuned to citizen views in their subareas and throughout the district. As part of the current review, Panel members conducted telephone and in-person interviews with selected local groups and governments identified below.
3. Third, the Panel uses the resources of other independent experts and specialists to study specific issues that may arise. During this evaluation period, COP retained Sharon Greene & Associates of Tustin, California to conduct an independent review of the Link Light Rail Draft Environmental Impact Statement (DEIS) and preliminary staff recommended Locally Preferred Alternative (LPA).

To remain focused on evaluating Sound Transit's performance, the Citizen Oversight Panel developed an evaluation framework of key benchmark questions that are based on the commitments made in *Sound Move*, the ten-year plan that was approved by voters. During the last half of 1998, COP revised its evaluation framework to acknowledge the increasing emphasis on the implementation of programs and facilities in the three departments, Regional Express, Sounder Commuter Rail and Link Light Rail. The revised framework consists of six key topic areas: 1) overall agency performance, 2) Regional Express, 3) Commuter Rail, 4) Light Rail, 5) citizen involvement and public process, and 6) financial plans and policies.

Within these topic areas there are key questions such as, "Is the system implementation proceeding in accordance with adopted schedules?" "Is the system implementation proceeding in accordance with adopted budgets?" "Has Sound Transit adhered to the adopted financial policies?" The framework used for this evaluation is provided as an attachment to this report.

The complete evaluation process thus involves ongoing staff briefings, review of agency materials by Panel members, personal contacts by members with a variety of constituencies, and a group evaluation in which Panel members evaluate Sound Transit on each key question in the evaluation framework. The last step involves group discussion and identification of accomplishments, issues, concerns and areas for improvement.

As part of this evaluation, COP members conducted in-person meetings or telephone interviews with representatives of Bothell, Redmond, Tukwila, SeaTac, the Port of Seattle, King County Metro, Puyallup, Sumner, Tacoma, Seattle, the Eastside Transportation Partnership, SeaShore, the South King County Alliance for Transportation (SKCAT Board), the Rainier Valley neighborhood and the University District neighborhood.

The body of this report discusses the findings, conclusions and recommendations in each of the topic areas evaluated for this period.

## **General Summary of Sound Transit Performance**

The Citizen Oversight Panel found that in 1998 the agency moved forward in developing commuter rail, light rail, regional bus service and community connection facilities. It experienced a major success in negotiating a region-wide fare integration system. The agency's leadership is committed to carrying out the mission of enhancing and integrating the region's public transit investments. Sound Transit management and staff have been dedicated in keeping to the commitment to build a regional system, even as numerous local pressures to satisfy individual communities have emerged. The agency has stayed on mission and has focused rigorously on meeting the schedules to which it committed.

Budget constraints have become evident in almost every area of the agency's work. The original 1995 cost estimates have begun to be tested against 1999 reality and found to require adjustment to designs and service plans. This was to be expected and the Panel finds that the fundamental mission of the agency has not been compromised as a result. Nevertheless, citizens and communities in some instances have not been pleased to discover that their expectations may not be able to be met.

COP members felt that, while Sound Transit is committed to its regional mission, the Puget Sound may not yet have created a culture hospitable to regional thinking. Instead we tend to employ a very localized "grass-roots" approach to decision-making. The individualism and desire for local control among our communities are posing challenges to the successful implementation of *Sound Move*. In the areas of mission, schedule and budget which we examined, COP found that the tendency in our region is to satisfy local wishes, draw out processes and add scope changes without reference to the fixed schedule and budget approved by voters in 1996.

In the face of this reality, Sound Transit staff have continued to communicate with and respond to the input of interested parties and affected groups regarding these issues but should redouble their efforts to minimize controversies as the system evolves. We urge the Board and staff to seek new ways to articulate and build the vision of a regional system.

The following examples illustrate some of the highlights of the last half of 1998:

- **Overall Performance.** Sound Transit is functioning at close to full staffing and in partnership with its large contingent of co-located consultants. Staff are viewed as professional, motivated and generally responsive to emerging situations. With a few exceptions, the agency has established good working relationships with cities, transit agencies and other partners. Even where disagreements have arisen, the agency has made ongoing good faith efforts to respond, negotiate and resolve issues. Basic systems relating to information technology, budgeting, financial reporting, procurement and the development of a permanent headquarters are in place or underway.
- **Regional Express.** Sound Transit successfully negotiated a fare integration agreement and regional fare policy with four other transit agencies. Sound Transit completed its Service Implementation Plan for regional bus service and adopted initial policies on contracting with local transit agencies to deliver the service. The agency continued its early support of high-demand service by adding to the Tacoma-Seattle and Bellevue-Seattle express routes. Sound Transit met its commitment to conduct an Evaluation of Transportation Systems Management (TSM) Alternatives to HOV Direct Access Ramps. Further, it has continued to make progress on preliminary engineering and environmental analysis on major HOV and community connection projects.
- **Souder Commuter Rail.** Upon receiving its Finding of No Significant Impact (FONSI) for the Tacoma-Seattle commuter rail corridor, community-based Technical Advisory Committees were formed and station design began in Tukwila, Kent, Auburn, Sumner and Puyallup. Despite the emergence of difficult technical issues, good progress continued to be made on the environmental analyses for the Tacoma-Lakewood and Seattle-Everett corridors. The contract for fare vending equipment was executed in a timely manner. A major consumer research study was conducted and a marketing plan developed in anticipation of service beginning in 1999.
- **Link Light Rail.** The light rail division successfully met a tight timeline and delivered its Draft Environmental Impact Statement (DEIS) for the central Link corridor on time. Additionally, it provided a well-presented staff-recommended set of route alternatives that facilitated community discussion and input.
- **Communication and Community Outreach.** In 1998, Sound Transit stepped up its level of communication and outreach considerably. It began publishing a quarterly newsletter and it issued an informative annual report. It worked actively with the many communities affected by Regional Express, Souder and Link project development. While the agency generally receives credit from stakeholders and the public for being accessible and open, there are pockets of dissatisfaction that are described below under Areas for Improvement.
- **Financial Policies.** Sound Transit has adhered to the adopted financial policies with respect to budgets, debt management, subarea equity and the regional fund. After an in-depth review

by the rating agencies Standard & Poor's and Moody's, Sound Transit was awarded among the highest bond ratings of any transit agency in the nation. The agency received its second annual unqualified financial audit for 1998 from the independent auditors. Sound Transit conducted external performance audits in the areas of financial reporting, cost allocation and contract change order management. The independent auditors found that "Sound Transit is a young organization still in the process of developing and formalizing its processes and procedures" and that its employees are "continually striving to improve the operations" of the agency.<sup>1</sup> In response to the audit recommendations, the agency has initiated process improvements in a number of areas.

## **Areas for Improvement**

In the second half of 1998, all three of Sound Transit's modes continued to work in earnest with communities to make decisions and to implement programs for Regional Express, Sounder and Link. As the time for making decisions on bus service, route alignments and various station and facility designs has approached and become final, some interests in each community became aware that they would not get what they had expected or hoped for. Budget constraints and technical feasibility issues emerged as the "spoiler" in several instances.

Community expectations vs. what is ultimately "doable" have begun to emerge as issues and in some instances the mandate of a regional agency and the interests of local communities have begun to conflict. COP found that Sound Transit's relationships with a number of communities have become fragile and that existing processes have not been as effective as they could be in articulating the regional mandate of the *Sound Move* program. We urge the Board to be involved in a new proactive role in championing Sound Transit's benefits to the region.

In its mid-year 1998 report the Citizen Oversight Panel highlighted areas for improvement in how these issues are handled. Now at year-end, these issues need to be raised again as continuing concerns. Additionally, issues have been identified that relate to adequate Board representation of all communities and to the level of risk in Sound Transit's financial plans.

### **1. Involving and Responding to Communities**

**Keeping stakeholders fully informed and fully involved.** Sound Transit leadership knows that if the agency is to succeed in its mission, it must not only bring Sound Move in on time and on budget, but do so in a manner that leaves citizens and stakeholders feeling satisfied that processes have been fair, open and complete, even if they disagree with the ultimate outcome. A number of specific examples have been cited in which communities do not feel this has occurred. While COP does not necessarily agree with all of these examples, members do wish to bring them to the attention of the Sound Transit Board.

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<sup>1</sup> Deloitte & Touche LLP: *Sound Transit Performance Audits*, January 14, 1999, pages 1-2.

- **Eastside bus routes.** Stakeholder groups and elected officials in Bothell, Woodinville and Redmond feel that two of the bus routes that were promised in *Sound Move* have been dropped without adequate consultation of the affected communities and with insufficient explanation of the criteria and decision processes that led to the decisions to drop the routes.
- **South King County light rail route alignments.** In SeaTac and Tukwila, where staff recommendations on alignments and station sites went against the preferences of the communities, city staff and elected officials feel that Sound Transit was not fair and unbiased, that the processes to resolve issues were not genuine, that staff misrepresented issues, and did not deal with them in good faith.
- **Seattle light rail route alignments.** In the Rainier Valley, in the University District and in Roosevelt, there are citizens who feel Sound Transit did not disclose all of its information to the public fully and in a timely manner and was not forthcoming with alternatives and solutions that might address community concerns.

**Being highly skilled listeners, problem solvers and communicators.** Even with partners who have effective working relationships with Sound Transit, concerns were raised that some Sound Transit staff are not good listeners, do not appear to know how to respond to stakeholder concerns in a proactive and empathetic manner, and are sometimes defensive when issues are raised.

In all of these instances, stakeholders have expressed their concern that there will be no support for a potential Phase 2 if community expectations are not met in Phase 1. It is essential that Sound Transit be sensitive and skillful in its processes of involving and communicating with the communities it serves.

*Note:* The Panel wishes to emphasize that these observations pertain to community involvement efforts and not to the substantive decisions made in early 1999 regarding actual alignments. An independent assessment of the DEIS and the preliminary staff-recommended Locally Preferred Alternative (LPA), commissioned by the Citizen Oversight Panel, found that, “The process used by Sound Transit for evaluating project alternatives meets and exceeds federal and state requirements.”<sup>2</sup> Because the period of review for the Panel in this report is July to December 1998, there will be no comment on the Board’s LPA decisions until our mid-year 1999 report to be issued in late summer.

## **2. Ensuring Adequate Representation of All Parts of the Sound Transit District**

Stakeholders and elected officials in a number of communities in King County have raised the concern that current Board composition is not adequately representative of all parts of the

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<sup>2</sup> Greene & Associates, Inc.: *Evaluation of Sound Transit’s Process for Selecting a Locally Preferred Alternative for the Central Link Light Rail Transit Project*, March 4, 1999, page 6.

district in King County. Communities in suburban King County feel underrepresented in comparison to the major urban areas of the region. Given the potential for loss of community support in these areas, we would encourage the three county executives and county councils to look into these concerns as they make future Sound Transit Board appointments.

### **3. Financial Plan Risks**

In each of the three modes, serious fiscal constraints are emerging. Community expectations are high, scope changes are being introduced, agency overhead costs are going up and environmental and real estate costs in some cases are coming in higher than originally estimated. Each of these factors individually is contributing to pressure on budgets. Cumulatively their future effects are still unknown. The highest risk element that is not yet factored in to such cumulative effects is that of construction costs. These will not be known in some instances for many months or years.

In order to meet internal control and audit recommendations, staff positions have been increased and administrative costs have risen. In developing actual appraisals for land costs to acquire station sites, Sound Transit has experienced real estate values two to three times as high as the original estimates.

Yet citizens and communities are continuing to express strong wishes, preferences and even demands for investments above and beyond available budgets. Other communities have begun to express concerns about the “breaching” of existing financial policies. To date, Sound Transit has continued, in its budgets and finance plans and its communications to the public, to make the assumption that these financial risks are within a manageable range.

The Citizen Oversight Panel has no reason at this point in time to question this. But it has begun to be aware of the long-term financial risks inherent in these factors and to be concerned about the great fiscal restraint that will be necessary to keep budgets from getting out of control. COP urges the agency’s management to provide early warning about emerging risks and the Board to exercise great caution in entering into future financial commitments.

### **Detailed Evaluation of Sound Transit Performance**

The following sections of this report lay out in greater detail the evaluation conducted by the Citizen Oversight Panel. While numerous issues in this evaluation overlapped the end of 1998 and the beginning of 1999, we attempted to limit our conclusions to events that occurred in 1998. The most significant event that relates to the events of 1998, but is not included in the period under consideration, is the Sound Transit Board’s February 25, 1999 decision on its Locally Preferred Alternative for Link Light Rail. That Board decision will be addressed in the COP’s next evaluation report, for mid-year 1999.

## Overall Sound Transit Performance

**AI.1 On Mission.** Does Sound Transit have policies and practices in place to ensure the overall agency delivers on the mission as committed to voters? If changes are necessary, have appropriate decision processes been implemented?

The Panel gave Sound Transit a high score on this question. COP members found that overall the agency is delivering on the mission to which it committed. Individual comments included:

*Positives:*

- Overall, the project is on track. There is disagreement on detail but the commitment to mission is there.
- Staff have been diligent in following required procedures in all areas.
- Staff are viewed as highly capable and responsive to emerging situations.
- The agency has established good working relationships with most cities and transit agencies.

*Concerns identified:*

- There is not much latitude in the schedule and this makes it difficult always to meet the commitments for full citizen input.
- The processes to change the mission are not fully defined.
- One suggestion for improvement -- the agency needs to make more visible how citizen input is actually factored into decisions.
- Policies regarding "indirect" programs, such as economic and community development, should be better articulated and publicized.
- Sound Transit has authorized expenditures in the Regional Fund for Phase 2 planning but has not begun to use them.

**AI.2 On Schedule.** Is the overall system implementation proceeding in accordance with adopted schedules?

COP members gave among their highest ratings for management's commitment to meeting schedules and showing the public that a large and complex public project can be managed to a tight timeline. Numerous stakeholders and observers gave the agency high marks on this question.

*Positives:*

- The agency has exhibited a strong sense of urgency. Everything appears to be on or ahead of schedule.
- The issuance of the Light Rail DEIS was a considerable milestone during this time period.
- The Tacoma-Seattle and Bellevue-Seattle bus service is ahead of schedule.

*Concerns identified:*

- The schedule appears to be the overall driver of the system. In some cases, too much dedication to schedule can leave some people behind and result in criticism of the citizen outreach.
- There is some uncertainty on the Seattle-Everett commuter rail schedule. EPA review processes and current and future state and federal matching funding could lead to delays.
- HOV and other transportation funding issues in Olympia could raise obstacles for Regional Express.

**AI.3 On Budget.** Is the overall system implementation proceeding in accordance with adopted budgets?

The Panel found that in 1998 the agency completed its work on budget and gave it a good rating. COP members did express some concerns about future budget risks that are emerging. Scope changes and technical design issues are among the factors that are unknowns at this time.

*Positives:*

- Generally, the agency has been on budget for 1998 time period.
- Revenues are exceeding forecasts in some subareas, providing a welcome cushion.

*Concerns identified:*

- The staff-recommended Link proposal was over budget \$270 million due to changes to north and south subarea scope.
- Some concern was expressed over federal funding and the feeling that there is a risk that the dollars will not be there. One member expressed a sense that the downside impacts are not being sufficiently assessed.
- Another concern about future budgets was expressed relating to the move from preliminary design to more detailed engineering and then construction.

**AI.4** Are Sound Transit Board and management generally performing up to the public's expectations?

COP concluded that management deserves credit for moving into high gear in delivering on the **Sound Move** plan as adopted by the voters. It is doing so through effective partnerships with most major stakeholders. Panel members did hear from some citizen and constituent groups whose expectations have not been met, but COP felt that in some cases expectations may be too high and may not sufficiently factor in budgetary and schedule constraints. It appeared to the Panel that, although the public voted down the more expensive and extensive 1995 ballot proposition, some people still seem to expect its products to be delivered.

Further, it is difficult for Panel members to praise the agency's attention to mission, schedule and budget, while criticizing decisions that seem to comport with those goals. To the Panel, the issue seemed more one of communication with constituents than the substance of decision-making.

*Positives:*

- General management of the agency rates highly.
- The leadership appears committed to enhancing and integrating the region's public transit investments.
- The agency has good working relationships with most cities, transit agencies and other partners.

*Concerns identified:*

- Some communities were unhappy with their interactions with the agency in 1998. They feel staff did not listen and sometimes seemed arrogant. In the view of some, keeping on schedule seems to be more important than listening to citizens.
- Some have expressed the feeling that the Board is not paying attention.
- There is an issue with representation of some of the areas that are affected by Sound Transit decisions; they feel they are not represented in the body of the Board.
- One member felt the Board should consider enlarging its membership from 18 to 20 to add representation from South King County (Tukwila, SeaTac, Burien) and North King County (Bothell, Kenmore, Shoreline, Lake Forest Park).

**A1.5** Has Sound Transit conducted independent performance audits and has it promptly addressed any audit findings?

Sound Transit began conducting performance audits in 1998. Topics addressed were: financial reporting, cost allocation and subarea equity. The auditors gave the agency an unqualified audit report, but did make recommendations on process improvements which staff have begun to implement. Since the report of the auditors was submitted in 1999, evaluation of this question was deferred by COP to its mid-year 1999 report.

**A2** Has Sound Transit been timely in meeting all of its commitments and ensuring that the overall agency has a reputation for responsiveness?

COP members felt this question was addressed elsewhere in the evaluation and did not address it separately.

**A3.1 System Integration.** Has Sound Transit worked to ensure that all three modes are well integrated with each other and with the region's other transportation systems?

COP felt there was visible progress on system integration in the second half of 1998 as a region-wide integrated fare agreement was reached in a very timely fashion. While Panel members gave a good rating on this topic, there was some variability of opinion about service integration.

*Positives:*

- Staff did an excellent job negotiating and crafting a fare integration policy with other transit agencies in the region.

*Concerns identified:*

- There has been little public visibility of integration of Regional Express with local service.
- Service integration was an item COP flagged in its last report. There has not been much evidence that things have progressed very far since then.

**A3.2** Has Sound Transit worked with local jurisdictions and transit providers to integrate fares?

The Panel felt that the regional fare integration agreement and fare policy are an outstanding piece of work. The staff who worked on it should be commended. The effort to forge consensus among diverse interests was challenging and required skillfulness.

**A3.3** Has Sound Transit worked with local jurisdictions and transit providers to ensure that local and regional transit schedules mesh and that parallel, competing services are avoided?

Since service agreements are still being developed, COP felt that evaluation of this question was premature. The Panel noted that the Sound Transit Board in 1998 adopted a policy on redeployment of freed-up service hours and local transit agencies agreed to it.

**A4** *Systemwide Standards and Criteria.* Have standards and criteria been developed that allow for location and design of facilities that offer maximum local benefits? Do they provide standard features? Were they developed in a collaborative manner?

COP found that systemwide standards and design guidelines have been developed and adopted by the Board and that this commitment has been met. COP made no observation on whether the development occurred in a collaborative manner.

**B1** **Regional Express**

**B1.1** *On Mission.* Does Sound Transit have policies and practices in place to ensure Regional Express delivers on the mission as committed to voters? If changes are necessary, have appropriate decision processes been implemented?

COP found that the Regional Express department has been committed to the mission of *Sound Move* and has been moving forward in its implementation.

*Positives:*

- Regional Express completed development of its initial Service Implementation Plan in the second half of 1998 and the Board adopted it.
- The negotiation of the service agreements with local transit agencies is progressing and more detailed service plans are in development.
- Progress is being made on preliminary engineering and environmental analysis on major HOV and community connection projects.

- The agency completed the Evaluation of Transportation System Management (TSM) Alternatives to HOV Direct Access Ramps as committed.
- Staff have been good at anticipating problems and being honest about potential pitfalls.

*Concerns identified:*

- There is concern especially among suburban communities that the estimated redeployed service hours will not materialize as expected.
- Some stakeholders and elected officials in north and east King County feel they were not kept involved in decision-making and sometimes did not hear about decisions until they were already made.
- Some communities feel their concerns and expectations from *Sound Move* are not being met.

**B1.2 On Schedule.** Have individual parts of the system been brought on line in accordance with adopted schedules?

COP rated Sound Transit very high on the commitment to stick to adopted schedules.

*Positives:*

- Staff are highly committed to meeting schedules and so far there do not appear to be any problems.
- The agency is ahead of schedule on two routes and two park and rides. Early implementation of the Bellevue-Seattle express service was commendable.

**B1.3 On Budget.** Have individual parts of the system been brought on line in accordance with adopted budgets?

In 1998, Regional Express did a good job of staying within Sound Move budgets in designing the regional bus routes. COP members gave among the highest scores for this effort.

*Positives:*

- Staff made good efforts to ensure that Regional Express bus service stays within adopted budgets, even at the cost of having to drop two routes and phase in some service.
- The Sound Transit Board did well in directing staff to continue to work with the affected communities to identify feasible service options and supplement the service that was dropped.

*Concerns identified:*

- A concern was expressed about the lack of flexibility in Federal Way where moving funds among projects could achieve efficiencies. COP acknowledged that a Board process exists to take savings from one project and move it to another, but that the flexibility to reallocate project funds resides with the Board, not the local jurisdiction.

**B1.4** Are Sound Transit facilities designed to allow each HOV access ramp and community connection facility to reflect and fit its community, including meeting local land use goals?

These facilities are still very early in the design stage, and COP members felt they had insufficient information to issue any findings on this topic.

- One member related that some officials in Redmond feel disappointed about the Overlake Transit Center design process and feel that schedule pressures appear to be driving design decisions.

**B1.5** Has Sound Transit adhered to the principles of subarea equity in delivering facilities and services?

COP gave Sound Transit a high rating on the issue of adherence to subarea equity. (More on this topic can be found under section D3.1.)

*Positives:*

- It was noted as a positive achievement that the Regional Express Service Implementation Plan included subarea allocations.

Has Sound Transit contracted out or evaluated contracting out the operation of all transit service?

- COP members noted that the commitment to evaluate the contracting out of service was met in 1998.

## **B2 Sounder Commuter Rail**

**B2.1 On Mission.** Does Sound Transit have policies and practices in place to ensure Sounder Commuter Rail delivers on the mission as committed to voters? If changes are necessary, have appropriate decision processes been implemented?

COP gave a very high rating to Sounder for staying committed to its mission.

*Positives:*

- Sound Transit has been involving community-based Technical Advisory Committees (TACs) in the design of commuter rail stations in Tukwila, Kent, Auburn, Sumner and Puyallup.
- Progress is being made on environmental work for the Tacoma-Lakewood and Seattle-Everett segments.
- The agency has done a very good job in coming up with the alternative lower cost route for the Lakewood extension.
- The marketing plan has been developed in anticipation of service begin by the end of 1999.

*Concerns identified:*

- Some factors outside the control of Sound Transit may affect the ability to stay on mission: Environmental Protection Agency concerns and the lack of promised state funding for maintenance facilities and track improvements could pose obstacles.
- Some concern was expressed about the status of negotiations with the railroads. Issues include the amount of capital investment and the need to convince ports that commuter rail will not impact freight mobility.

**B2.2 On Schedule.** Have individual parts of the system been brought on line in accordance with adopted schedules?

The Panel found that the commuter rail effort appears to be on schedule and gave among its highest ratings for adherence to schedule. Indications are good at this point that commuter rail will begin service as expected in December of 1999.

*Positives:*

- Despite a very tight schedule, the pieces appear to be falling into place.
- In Pierce County, stakeholder comments have been positive about efforts to keep on schedule even though schedule, budget and design issues are starting to arise.

*Concerns identified:*

- Sound Transit is behind schedule in completing negotiations with the railroads on capital improvements.

**B2.3 On Budget.** Have individual parts of the system been brought on line in accordance with adopted budgets?

COP gave a very strong rating on the issue of budget adherence. Despite some unanticipated environmental issues, Sounder commuter rail seems to be on track to deliver within budget estimates.

*Positives:*

- The agency appears to be making every effort to stay on budget, despite real estate appraisals for station sites and parking areas that are coming in several times as high as the original 1995 estimates.

*Concerns identified:*

- The date distinction is important here, as at the end of 1998 budgets were on track. In early 1999, however, budget issues arose in Puyallup and Sumner as land acquisition costs started coming in high.
- Some concern was expressed about budget risks if the negotiations with the railroads cannot be resolved within budget constraints.

**B2.4** Are Sound Transit facilities designed to allow each station to reflect and fit its community, including meeting local land use goals?

Sounder Commuter Rail made excellent efforts in working with community technical advisory committees to develop and meet local visions and plans.

*Positives:*

- Staff at Tacoma were very complimentary on the design work and efforts to involve the community.
- It was noted that the processes in the communities were good, but if there is insufficient budget then a good process will be moot.

*Concerns identified:*

- Sound Transit has been developing master plans with the TACs for commuter rail stations in Pierce County, even though there is risk that available budgets may not be able to include amenities that the communities wanted.

**B2.5** Has Sound Transit adhered to the principles of subarea equity in delivering facilities and services?

The Panel found that the principles of subarea equity have been met to date. (More on this topic can be found under section D3.1.)

*Concerns identified:*

- It was noted that since much of the commuter rail budget is subject to confidential negotiation with two railroads and with WSDOT, no financial details have been available. One member felt that because complete financial information has not been made available to the Panel, no opinion could be rendered at this time.
- Subarea allocation could become an issue for the North King and Snohomish subareas if the provisional Richmond Beach and Ballard stations become a reality. The stations are in the North King County subarea where no Commuter Rail funds were allocated. If the stations are approved, the Board would have to re-open the equity allocation issue.

### **B3 Link Light Rail**

**B3.1 On Mission.** Does Sound Transit have policies and practices in place to ensure Link Light Rail delivers on the mission as committed to voters? If changes are necessary, have appropriate decision processes been implemented?

COP gave Link Light Rail a strong rating for having stayed on mission in 1998. While COP members heard from stakeholders about a variety of community concerns, the Panel found that Sound Transit was balancing a difficult set of technical, budgetary and schedule issues against

sometimes conflicting community preferences and in doing so was able to stay focused on the critical mission objectives.

*Positives:*

- Staff and Board appear to be moving forward with every intent of delivering on Sound Move as committed.
- In Tacoma, stakeholders feel that light rail planning is going very well and that the agency is effectively working with the community.
- Members noted that Sound Transit was wise in issuing a staff-recommended Locally Preferred Alternative (LPA) for route alignments that facilitated community discussion and input.

*Concerns identified:*

- Some noted that the framework for deciding among alternatives is not always clear. In some communities, citizens feel it was not clear which criteria were the most important in making alignment recommendations.
- There were things in the *Sound Move* plan that have since been changed, e.g., to serve the stadiums; these scope changes will have an as-yet undetermined impact on system costs.
- Citizens in the University District felt disappointed and angry that their involvement in the process was short-changed by financial, technical and schedule issues.
- University of Washington physics faculty felt their concerns about vibration impacts to sensitive instruments were not adequately addressed despite almost two years of raising these issues with Sound Transit.
- There was a strong feeling that in late 1998 new information was overtaking the DEIS analysis even as the DEIS was being issued, leaving community members without accurate information during the crucial comment period.
- It was felt by some that the geological challenges in Portage Bay were not fully researched and that the deep tunnel solution was not well evaluated. One member felt that more alternatives should have been analyzed.

**B3.2 On Schedule.** Have individual parts of the system been brought on line in accordance with adopted schedules?

Light Rail received one of the highest ratings given by COP in this evaluation period for its adherence to a very tight timeline.

*Positives:*

- The DEIS was issued on schedule despite what many felt was a very compressed timeline.
- COP members heard from City of Seattle staff that the management of the DEIS process to schedule was excellent. They cited the “Herculean effort” of the staff and consulting team.

*Concerns identified:*

- The tightness of timelines is short-circuiting what some citizens feel is adequate time for analysis and consideration of alternatives.

**B3.3 On Budget.** Have individual parts of the system been brought on line in accordance with adopted budgets?

COP gave Sound Transit credit for working creatively to address difficult technical issues within budget parameters.

*Positives:*

- The Panel felt positive on the analysis of the downtown tunnel and the way the costs and future operational options have been thoughtfully laid out with contingencies.
- It was noted that light rail contingencies appear to be thoughtfully scoped and planned.
- A detailed analysis of the MLK tunnel option was done at the request of the Board in response to desires expressed by Rainier Valley citizens.

*Concerns identified:*

- The staff-recommended Locally Preferred Alternative (LPA) included scope changes beyond the original *Sound Move* plan (e.g., the Beacon Hill alignment). These choices resulted in higher costs.
- Some members expressed concern about the need for and timing of the Rainier Valley tunnel analysis.

**B3.4** Are Sound Transit facilities designed to allow each station to reflect and fit its community, including meeting local land use goals?

The Panel found that in the staff-recommended LPA Sound Transit did a good job balancing a variety of difficult factors and still making recommendations that will fit communities and meet local land use goals. Though some of the recommendations were controversial and not all community members agreed with them, COP felt that the agency deserves good marks for balancing overall regional goals with local community needs.

*Positives:*

- In Tacoma COP members heard very positive comments regarding facility design integration with local land use goals.
- Staff have done as good a job as was possible. In some instances, community expectations may simply be greater than the ability to fulfill them.
- One member noted that the existing downtown Seattle tunnel stations are unique and beautiful and have set a high standard for the rest of the system to follow.

*Concerns identified:*

- There is high concern about cost constraints limiting the agency's ability to fulfill all of the public's expectations.
- The surprise about the deep stations in the University District left citizens who had been at the planning table for many years deeply disappointed. There is concern in that community that the vision of transit stations as magnets for pedestrian and transit-oriented redevelopment will not be fulfilled.
- In the Rainier Valley some citizens feel anxiety that at-grade rail may hinder rather than further community development goals.
- In the Roosevelt community citizens expressed concern that the proposed station will not be underground nor directly serve the business district as had been planned for many years.
- In SeaTac, officials are very disappointed that station sites were not able to be agreed upon that met the community's city center aspirations. City staff feel Sound Transit was not collaborative in helping to meet those aspirations.
- In Tukwila, city staff and elected officials were disappointed that the route that would serve Southcenter did not prevail in the staff recommended LPA.
- It remains to be seen whether such factors as security monitoring, lighting and protection from the elements can be incorporated in the designs of stations. These are important to attract ridership.

**B3.5** Has Sound Transit adhered to the principles of subarea equity in delivering facilities and services?

COP was not aware of any subarea equity issues at this time and gave Sound Transit a good rating on this issue. (More on this topic can be found under section D3.1.)

Has Sound Transit evaluated an SR-99 alignment and an alternative using Interurban to Southcenter between Boeing Access Road and SeaTac?

COP members noted that this *Sound Move* commitment was met in the DEIS issued in 1998.

Have alternative alignments been evaluated giving consideration to which alignment generates the most new ridership vs. shifting from another transit mode?

COP members noted that this *Sound Move* commitment was met in the DEIS issued in 1998.

Has Sound Transit worked to address bus operational issues due to light rail use of the Seattle transit tunnel?

COP members noted that this *Sound Move* commitment was worked on in 1998 and continues in process with the City of Seattle and local transit agencies operating in the tunnel.

## **C. Citizen Involvement and Decision Processes**

***C1.1 Open and timely involvement of citizens.*** Do participants feel they have had meaningful opportunities for input at all stages of planning and development? Has a representative cross-section of interests had opportunities to provide input?

The Panel concluded that the agency did a good job in reaching out to citizens in 1998. It stepped up the level of direct outreach in each of the three modal lines of business, created new newsletters and publications to inform citizens and ran two community field offices, one in Tacoma and the other in Rainier Valley.

*Positives:*

- The majority of comments from stakeholders are very complimentary regarding the efforts of Sound Transit to involve a variety of groups.
- Tacoma felt Sound Transit staff had done a good job of involving the community and the outreach was effective.
- Sound Transit has done a great job of taking input, but it's not always clear how the data is used.
- Even though each community is developing solutions to fit its own goals the best way possible, somewhere regional considerations preempt local wishes. Sound Transit kept the regional point of view and COP can not blame all of the dissatisfied citizens on schedule and budget issues.

*Concerns identified:*

- It was noted that there have been a lot of meetings with a great number of people. In some cases, however, people feel that the input was not taken very seriously.
- Some citizens commented that the process provided opportunities for input one-way, but that it was not always a dialogue and there was seldom response to their comments until the final decisions were made by the Board.
- Despite all of the excellent outreach activities, citizens are consistent in some of what they say: they feel lectured by staff; certain people at the agency have to learn how to listen; citizens submit input and never hear back. It has been commented that there is a need for staff to learn creative listening.
- One member noted that some of these issues could be resolved with training, but much of it has to do with the schedule pressure (not enough time for meaningful discussion).
- SeaTac and Tukwila participants felt not heard and not listened to. They perceived that staff were pushing a pre-determined agenda and that there was a sense that there was a Sound Transit party line and that budget and schedule were preempting full consideration of options.

***C2.1 and 2.2 The process of evaluating project alternatives.*** Has a joint process been developed for coordinating land use and regional transit development at the regional, corridor and community levels? Do all interested jurisdictions feel they have had opportunity to participate? Have collaborative processes been developed for coordinating the location, design and

construction of all community facilities? Do interested stakeholders feel they have had opportunity to participate?

COP concluded that overall Sound Transit did a good job of designing and carrying out joint planning processes with jurisdictions, communities, stakeholders and citizens. Panel members did hear from some groups and individuals who did not feel siting and design processes were collaborative. But in weighing all the views, COP found that it was generally those whose preferences did not prevail who were unhappy about the process.

*Positives:*

- City of Seattle staff were very complimentary about their relationship with Sound Transit staff in coordinating land use goals and neighborhood planning.
- One member commented on a very good transit center design exercise in Lynnwood and added that Transit-Oriented Design (TOD) processes are producing results.
- It was noted that Sound Transit is working this issue hard, even though there is considerable criticism from those who are unhappy with specific substantive decisions.

*Concerns identified:*

- One member noted that the operative word here is “collaborative” and that there has not always been enough collaboration.
- Not all Eastside cities feel involved; the participation has been centered in Bellevue and Kirkland, with some smaller cities and groups feeling left out.
- Smaller cities, especially in north and south King County expressed that they feel they have not had the political clout and representation to be fully heard.

Have participants had access to clear, objective, comparative information on alternatives? Have Sound Transit staff and Board provided clear information on the criteria and process that will be used in making a decision?

Without making a formal rating, the Panel offered the following observations:

*Positives:*

- The Link Light Rail DEIS provided excellent comparative tables on all the alternatives.
- At public meetings, the Board and members of the staff have responded to input, for example in the Rainier Valley, in Tukwila and in the University District.

*Concerns identified:*

- Some staff in public settings have given good factual information, but it is not always understood; for example, the term “subarea equity” is just jargon to people who are not familiar with it.
- The criteria and process for evaluating alternatives are a bit of a “black box;” it is not always clear what happens with all of the input. Sound Transit needs to develop a process that is well understood.

- It was noted that the 1999 Sound Transit budget document states that decisions are based on regional needs. The agency should be clear about that rationale.

**C2.3 and C2.4** Has Sound Transit included alternative and innovative systems in its evaluation process? Has Sound Transit fully complied with all federal, state and local environmental processes?

COP considered these questions premature at this stage and did not evaluate them.

- One member observed that the Rainier tunnel study was not a supplemental EIS but it looked like one. Because of that, people felt the comment period should have been extended.

## **D. Financial Policies**

**D1.1** *The capital and operating budgets and finance plans.* Has Sound Transit adhered to the adopted financial policies?

COP concluded that Sound Transit has adhered to all financial policies and gave the agency a strong rating in this area.

- The independent auditors Deloitte & Touche gave Sound Transit an unqualified opinion with no adverse findings.

**D1.2** Has Sound Transit developed and adopted operating and capital budgets in a timely and professional manner? Has it adhered to those budgets as projected?

COP members gave Sound Transit high marks for developing its budgets in a comprehensive and timely manner.

**D1.3** Has Sound Transit managed its debt capacity prudently and conservatively to ensure strong bond ratings?

The Panel issued an almost perfect score on this topic. When it issued its first debt in December 1998, Sound Transit achieved among the highest public agency bond ratings in the nation. The ratings were awarded after an in-depth review of all aspects of the agency's management by the rating agencies Standard & Poor's and Moody's.

**D2.1** *Management of the regional fund.* Has Sound Transit appropriately used the regional fund to pay for systemwide elements of the plan (such as fare integration, agency administration, contingencies, innovative technologies, planning for future capital investments)?

COP felt that the agency did a good job of adhering to policies regarding the Regional Fund. This was one area, however, where members identified some concerns:

*Concerns identified:*

- The agency has identified potential cost overruns in the Regional Fund. These are attributed to the increase in staffing levels especially in the administrative areas that relate to contract management and internal controls. Not all of these costs can be allocated to capital projects.
- The agency has had a hard time deciding how much Regional Fund support to provide to the small business program.
- Although funds have been authorized, there have been no expenditures yet in the Regional Fund on R&D or on Phase 2 planning.

**D3.1 Equity in subarea budgets and reporting.** Has Sound Transit developed, maintained and monitored annual budgets for the five subareas, including the subareas' projected share of revenues and related expenditures? Has Sound Transit evaluated the equity principle based on the subarea budgets?

The Panel gave Sound Transit credit for meeting all subarea equity commitments.

*Positives:*

- Annual budgets for the subareas have been developed and monitored.
- The equity principle was evaluated in the 1999 budget with the finding that some subareas' revenues are exceeding revenue projections and others are falling short. The Board has chosen to take no action based on these projections at this early stage.
- In the 1998 financial audit, Deloitte & Touche reviewed accounting transactions for adherence to subarea principles and found no exceptions.

*Concerns identified:*

- Some communities in the East King County subarea, which has an unanticipated surplus in subarea revenues, are concerned that the Board may consider borrowing from one subarea to assist another, and have written to the Board expressing their concern that the "firewalls" established in the financial policies be maintained.

**D3.2** Have appropriate processes been developed for allocating revenues and expenditures to the subareas and have processes been incorporated for considering any disagreements over equity interpretations?

The Panel concluded that Sound Transit has met subarea equity commitments with respect to allocating revenues and expenditures.

*Positives:*

- Sound Transit has established accounting systems that allocate costs and track expenditures based on subarea principles.
- In the 1998 financial audit, Deloitte & Touche reviewed accounting transactions for adherence to subarea principles and found no exceptions.

*Concerns identified:*

- COP members have asked for a summary of the decision rules that guide subarea expenditure allocation. Such a summary has not yet been completely developed or been made available for review.

# ATTACHMENT 1

## Sound Transit Citizen Oversight Panel

**Bruce Agnew.** Mr. Agnew, a resident of Edmonds, is Director of the Cascadia Project at the Discovery Institute, an effort to encourage the development of high speed passenger rail from Vancouver, B.C., to Eugene, Oregon. He is a former elected Snohomish County Councilman and was president of the Puget Sound Regional Council in 1985. Mr. Agnew served as chief of staff to Congressman John Miller from 1987 to 1993.

**Diane M. Carlson.** Ms. Carlson is a transportation specialist with the Association of Washington Cities and has previous professional experience with the Washington State Department of Transportation, as a budget analyst and as a legislative aide. She holds degrees in finance and in public administration and is a resident of Tacoma.

**Arlington W. (Art) Carter Jr.** Mr. Carter is the retired Corporate Vice President of Facilities and Continuous Quality Improvement at The Boeing Company. Mr. Carter was with Boeing since 1961 in a career that included management positions with the Rail Dynamics Laboratory, the Air Launched Antisatellite program and including general management of the Defense and Space Group. An electrical engineer by training and a resident of Seattle, Mr. Carter has served on numerous community boards. He was selected 1990 Black Engineer of the Year by a national selection committee.

**Allan B. Darr.** Mr. Darr is legislative representative with the Washington State Building and Construction Trades Council (AFL-CIO) and serves as president of the Snohomish County Labor Council. A resident of Everett, he is also active in a number of community activities including the Everett Public Library board of directors and the Western Washington University Alumni board. Mr. Darr's involvement with transportation includes board roles with the Roads Coalition for Transportation Efficiency and the Washington Transportation Alliance.

**Bertha Eades.** Ms. Eades is a City of Redmond Planning Commissioner and a long-standing member of the League of Women Voters of Lake Washington East where she has served as president and in many other Board positions. She has also served on the Redmond Trails Committee and the Metro Citizen Water Quality Advisory Committee as well as numerous issue study groups at the local and King County levels.

**Steven M. Goldblatt.** Mr. Goldblatt is associate professor and former chairman of the Department of Construction Management and former associate dean of the College of Architecture and Urban Planning at the University of Washington. He has mediated and arbitrated many construction disputes and has served on a number of construction dispute review

boards in Washington. He holds degrees in engineering and law, is the author of numerous articles on construction law, and resides in Seattle.

**Virginia Gunby.** Ms. Gunby is a retired King County Council staff person and former member of the Washington State Highway/Transportation Commission. Her recent activities as citizen activist include 1000 Friends of Washington (board president), Municipal League of King County (Sound Transit Ballot Measure Committee) and League of Women Voters of King County. Ms. Gunby also serves on the PSRC's Growth Management Policy Committee and on the Trans-Lake Study.

**Frederick M. Hart.** Mr. Hart is the owner of La Tienda Folk Art Gallery in the University District and a resident of Seattle. He has been a board member with the University District Chamber of Commerce and was active as its Land Use and Transportation Committee chair from 1990 to 1995. Mr. Hart has also represented the U-District business community on the Seattle Transportation Committee, the Neighborhood Business Council and the City-University Citizen Advisory Committee.

**Michael A. (Tony) Hudson.** Mr. Hudson is a financial consultant with Merrill Lynch and previously spent 20 years as a commercial banker with Seafirst where he commuted for over 12 years from Tacoma to Seattle. Mr. Hudson has a long history of civic involvement, including serving on the Pierce County Citizen Advisory Committee for Regional Transit, the Pierce County Growth Management Committee, the Washington Community Development Loan Fund Credit Committee, the Tacoma Urban League and the Washington State Commission on African-American Affairs.

**Thomas M. Luthy.** Mr. Luthy is Senior Vice President, Wood Products, with Weyerhaeuser. Mr. Luthy lives in Bellevue and works in Federal Way. He holds master's degrees in mechanical engineering and in business administration and has held senior management positions with Weyerhaeuser since 1978. He also serves on two outside boards, one in the non-profit sector, the other in the forest products industry.

**Kristi A. Mandt.** Ms. Mandt is president of Millikin Mandt Associates, Inc., a stock brokerage and financial planning firm located in Bellevue. Ms. Mandt is a resident of West Seattle and is past president and executive committee member of the West Seattle Chamber of Commerce. She is a board member with the Seattle Chinese Garden Society, Eastside Women's Forum, King County Women's Advisory Board, Women Business Owners and Treasurer of the Governor's Conference on Small Business.

**David Osaki.** Mr. Osaki resides in Federal Way and works at the City of University Place as a planner. For a number of years he commuted to his job with a major employer in Bellevue where he was responsible for reviewing and commenting on local comprehensive plans for South King and Pierce County cities. Mr. Osaki's community involvement includes service on the Puyallup Planning Commission and Puyallup Housing Authority Board.

**Larry E. Shannon.** Mr. Shannon retired in 1993 after 25 years with the U.S. Army Corps of Engineers, where he held the position of Chief of Design and Project Management. He has extensive engineering and management expertise on large public works facilities and is familiar with public works regulations, policy development and fund control. He was recognized as Government Engineer of the Year in 1993 by the Puget Sound Engineers Council. Mr. Shannon is a resident of Bellevue and serves as Chair of the Bellevue Transportation Commission.

**Reid Shockey.** Mr. Shockey, an Everett resident since 1970, is the former Community Development Director for the City of Everett and has owned his own land use and planning consulting firm since 1980. He is a past president of the Everett Chamber of Commerce and past board member of the Providence General Medical Center. He is vice chair of the Snohomish County Economic Development Council and is currently president of the Snohomish County Committee for Improved Transportation. He has served on a number of panels and forums on Sound Transit.

**Al Stipe.** Mr. Stipe, a resident of Federal Way, is a retired financial consultant for Merrill Lynch with a specialization in conservative money management and an emphasis on tax free bonds. He also served as a lieutenant colonel in the Air Force. Mr. Stipe has been a community activist in Federal Way with several city council campaigns and with the planning of the final Sound Transit proposal that was presented to the public.

### **Former Panel Members**

**Anoop Batra.** Federal Way, served 1997.

**Terry Lukens.** Bellevue, served 1997-1999.

**Katherine Rose.** Tacoma, served 1997-98.

**Stephanie Weber.** Kirkland, served 1997-98.

## ATTACHMENT 2

### Evaluation Framework Used for Year-End 1998 Performance Report

#### A General Sound Transit Performance

##### A1 On Time, On Budget, On Mission

###### A1.1 On Mission

Does Sound Transit have policies and practices in place to ensure the overall agency delivers on the mission as committed to voters? If changes are necessary, have appropriate decision processes been implemented?

###### A1.2 On Schedule

Is the overall system implementation proceeding in accordance with adopted schedules?

###### A1.3 On Budget

Is the overall system implementation proceeding in accordance with adopted budgets?

###### A1.4 Are Sound Transit Board and management generally performing up to the public's expectations?

###### A1.5 Has Sound Transit conducted independent performance audits and has it promptly addressed any audit findings?

##### A2 Timely and Responsive Services

Has Sound Transit been timely in meeting all of its commitments and ensuring that the overall agency has a reputation for responsiveness?

##### A3 System Integration

###### A3.1 Has Sound Transit worked to ensure that all three modes are well integrated with each other and with the region's other transportation systems?

###### A3.2 Has Sound Transit worked with local jurisdictions and transit providers to integrate fares?

###### A3.3 Has Sound Transit worked with local jurisdictions and transit providers to ensure that local and regional transit schedules mesh and that parallel, competing services are avoided?

##### A4 Systemwide Standards and Criteria

Have standards and criteria been developed that allow for location and design of facilities that offer maximum local benefits? Do they provide standard features? Were they developed in a collaborative manner?

## **B Modal Commitments**

### **B1 Regional Express**

#### **B1.1 On Mission**

Does Sound Transit have policies and practices in place to ensure Regional Express delivers on the mission as committed to voters? If changes are necessary, have appropriate decision processes been implemented?

#### **B1.2 On Schedule**

Have individual parts of the system been brought on line in accordance with adopted schedules?

#### **B1.3 On Budget**

Have individual parts of the system been brought on line in accordance with adopted budgets?

#### **B1.4 Are Sound Transit facilities designed to allow each HOV access ramp and community connection facility to reflect and fit its community, including meeting local land use goals?**

#### **B1.5 Has Sound Transit adhered to the principles of subarea equity in delivering facilities and services?**

Has Sound Transit contracted out or evaluated contracting out the operation of all transit services?

### **B2 Sounder Commuter Rail**

#### **B2.1 On Mission**

Does Sound Transit have policies and practices in place to ensure Sounder Commuter Rail delivers on the mission as committed to voters? If changes are necessary, have appropriate decision processes been implemented?

#### **B2.2 On Schedule**

Have individual parts of the system been brought on line in accordance with adopted schedules?

#### **B2.3 On Budget**

Have individual parts of the system been brought on line in accordance with adopted budgets?

B2.4 Are Sound Transit facilities designed to allow each station to reflect and fit its community, including meeting local land use goals?

B2.5 Has Sound Transit adhered to the principles of subarea equity in delivering facilities and services?

### **B3 Link Light Rail**

#### **B3.1 On Mission**

Does Sound Transit have policies and practices in place to ensure Link Light Rail delivers on the mission as committed to voters? If changes are necessary, have appropriate decision processes been implemented?

#### **B3.2 On Schedule**

Have individual parts of the system been brought on line in accordance with adopted schedules?

#### **B3.3 On Budget**

Have individual parts of the system been brought on line in accordance with adopted budgets?

B3.4 Are Sound Transit facilities designed to allow each station to reflect and fit its community, including meeting local land use goals?

B3.5 Has Sound Transit adhered to the principles of subarea equity in delivering facilities and services?

Has Sound Transit evaluated an SR-99 alignment and an alternative using Interurban to Southcenter between Boeing Access Road and SeaTac?

Have alternative alignments been evaluated giving consideration to which alignment generates the most new ridership vs. shifting from another transit mode?

Has Sound Transit worked to address bus operational issues due to light rail use of the Seattle transit tunnel?

### **C Citizen Involvement and Decision Processes**

#### **C1 Open and timely involvement of citizens**

C1.1 Do participants feel they have had meaningful opportunities for input at all stages of planning and development? Has a representative cross-section of interests had opportunities to provide input?

## **C2 The process of evaluating project alternatives**

C2.1 Has a joint process been developed for coordinating land use and regional transit development at the regional, corridor and community levels? Do all interested jurisdictions feel they have had opportunity to participate?

C2.2 Have collaborative processes been developed for coordinating the location, design and construction of all community facilities? Do interested stakeholders feel they have had opportunity to participate?

Have participants had access to clear, objective, comparative information on alternatives?

Have Sound Transit staff and Board provided clear information on the criteria and process that will be used in making a decision?

C2.3 Has Sound Transit included alternative and innovative systems in its evaluation process?

C2.4 Has Sound Transit fully complied with all federal, state and local environmental evaluation processes?

## **D Financial Policies**

### **D1 The capital and operating budgets and finance plans**

D1.1 Has Sound Transit adhered to the adopted financial policies?

D1.2 Has Sound Transit developed and adopted operating and capital budgets in a timely and professional manner? Has it adhered to those budgets as projected?

D1.3 Has Sound Transit managed its debt capacity prudently and conservatively to ensure strong bond ratings?

### **D2 Management of the regional fund**

D2.1 Has Sound Transit appropriately used the regional fund to pay for systemwide elements of the plan (such as fare integration, agency administration, contingencies, innovative technologies, planning for future capital investments)?

**D3 Equity in subarea budgets and reporting**

D3.1 Has Sound Transit developed, maintained and monitored annual budgets for the five subareas, including the subareas' projected share of revenues and related expenditures?

Has Sound Transit evaluated the equity principle based on the subarea budgets?

D3.2 Have appropriate processes been developed for allocating revenues and expenditures to the subareas and have processes been incorporated for considering any disagreements over equity interpretations?