

SOUND TRANSIT

MOTION NO. M99-78

**2000 Legislative Program
BACKGROUND AND COMMENTS**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Public & Government Affairs Committee	11/5/99	Discussion/Possible Action to Recommend Board Approval	Sheila Dezarn, Government Relations Manager	(206) 398-5071
Public & Government Affairs Committee	12/3/99	Action to Recommend Board Approval	Patrice Hardy, State Government Relations Specialist	(206) 689-4928
Board of Directors	12/9/99	Action		

ACTION:

Adoption of the Sound Transit 2000 State Legislative Program and directing staff to (1) continue evaluating issues for possible inclusion in the adopted legislative program and (2) regularly report status of, and seek policy guidance on issues as they develop.

BACKGROUND:

On July 16th, staff reviewed two issues for possible inclusion in Sound Transit's 2000 State Legislative Program with the Public and Government Affairs Committee. The Committee directed staff to further research and analyze these issues and undertake discussions with stakeholders, legislators, and state legislative committee staff.

Since then Board members and staff have met with numerous stakeholders, including legislators representing the Sound Transit District, the co-chairs and vice chairs of the House Transportation Committee, the Chair of the Senate Transportation Committee, leadership in both the House and the Senate, and the Governor's office. We have had discussions with many of our partnering agencies, including the city of Seattle, King County, the City of Tacoma, and Pierce County and will be meeting soon with Snohomish County, the Cities of Everett and Bellevue. We have also met with representatives of the contracting community, labor and the trial lawyers.

Response to this effort has generally been very positive, has generated greater understanding and support for our issues and has assisted us in refining our issues. Board members and staff continue to meet with legislators and stakeholders regarding our issues.

Based upon Board member and staff discussions, and the research we have conducted, we are recommending that the following two issues be adopted as priority legislation for the 2000 state legislative session:

- Seek state financial partnership to add to Sound Transit's local and federal funding sources.
- Seek legislative authority to undertake an Owner Controlled Insurance Program for general and excess liability for major construction projects

Further, we are recommending that Sound Transit monitor several issues for potential support or opposition , e.g., monitoring legislation regarding HOV lane operations.

Please see attached issue brief.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

Sound Move, the Ten-Year Regional Transit System Plan, May 31, 1996.

Motion No. 99-2, Grant Policies, February 11, 1999

Public and Government Affairs Committee discussion, July 16, 1999.

KEY FEATURES:

Advocate:

- State financial partnership.

Sound Move is currently funded through a variety of revenue sources: sales and use tax; motor vehicle excise tax; federal funds; revenue generated from fares; revenue generated from bonding.

While the Sound Move financial plan did not assume state funding, there is growing regional support to develop a financial partnership with the state. The agency and the Board have had supportive conversations with the legislature and the Governor and will continue to work with our state partners to develop a funding array that promotes a clear financial commitment for the state of Washington. The array of options that will continue to be evaluated and explored include, but are not limited to:

1. High Capacity Transit Account
2. Direct appropriations
3. Tax deferrals
4. Sale and use tax credits
5. Other.

- Authority to undertake an Owner-Controlled Insurance Program (OCIP) for general and excess liability for major construction projects.

Sound Transit could achieve several objectives by utilizing an OCIP for major construction projects (e.g., construction of the central Link light rail project):

OCIP's can provide major advantages such as:

- (1) Higher insurance limits.
- (2) Small businesses can compete more effectively.
- (3) More control or better oversight of the project by the owner or prime contractor (i.e. Sound Transit).
- (4) Cost savings.

Cost savings from this approach could range from 1 to 3 percent of the project. Factors that contribute to these savings include:

- (1) Economies of scale – a single program eliminates administrative redundancies and creates purchasing leverage, as well as opportunities to negotiate advantageous cash flow programs because of premium volume.
- (2) Elimination of mark-ups by contractors. Under an OCIP, insurance charges are not included in contractor bids.
- (3) Services such as loss control, claim handling, administration and auditing can be obtained more efficiently through an OCIP.

Many local and government agencies have used OCIP to control insurance costs such as the Public Facility District, the Public Stadium Authority and the Washington Convention Center as well as transit agencies across the nation including San Francisco's BART system, Baltimore, Dallas, Atlanta and Portland's Tri-Met. Cost savings derived from using an OCIP for the Link system could be re-invested in the agency to provide additional funds for the Link project.

Over the interim, Sound Transit has worked with Labor, the Trial Lawyers Association, Associated General Contractors and the Department of Labor and Industries to reach consensus on the preferred approach for securing an OCIP. In addition, we have also reviewed this issue with several key legislators. Our discussions have been encouraging and generally supportive.

- Monitor for potential support or opposition:
 1. Sound Transit supports transportation funding proposals that recognize and financially support public transit's role as an integral element of a comprehensive transportation plan for the state.
 2. Sound Transit supports additional financial support for its transit partners and opposes any reduction in state financial support for transit services.
 3. Sound Transit supports policies and legislation that enhances its successful partnerships with the state, local governments and the private sector which are critical to the efficient delivery of Sound Transit Services.

4. Sound Transit is investing significant funds in HOV direct access ramps to assure fast, reliable ST Express service. The HOV lanes play a critical role in the delivery of ST services and other transit services provided by our partners. Sound Transit opposes any proposal to limit their use for these purposes.
5. Sound Transit opposes any legislation that amends Sound Transit's enabling legislation without the consent of the Sound Transit Board and further opposes any legislation which preempts the authority of the Board to exercise its authority under its enabling legislation.
6. Sound Transit will monitor legislation that affects the operation of the agency such as growth management, human resources, finance and contracting issues.

FUNDING: N/A

ALTERNATIVES:

- Board members may have amendments or revisions to the proposed state program.
- Staff or Board members may recommend changes to the Program prior to the date that the Legislature convenes (January 10, 2000) during the session, and subsequent to the pending election. Recommended changes will be reviewed by Public and Government Affairs Committee and direction given to staff.

CONSEQUENCES OF DELAY:

Sound Transit needs to be prepared to represent its interests to the Washington State Legislature when the session gets underway.

LEGAL REVIEW:

The legal department has reviewed and approved the motion and background and comments as to legal sufficiency.

SOUND TRANSIT

MOTION NO. M99-78

A motion of the Board of the Central Puget Sound Regional Transit Authority adopting the 2000 State Legislative Program.

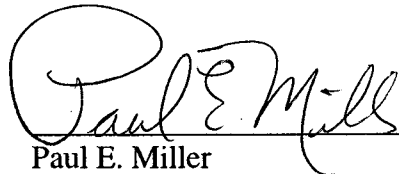
Background:

To provide policy guidance to Sound Transit staff in Olympia, the Board annually adopts a State Legislative Program and directs staff to regularly report on activities affecting the agency prior to and during the legislative session.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the attached 2000 State Legislative Program be adopted.

Approved by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof on the 9th day of December, 1999.


Paul E. Miller

Board Chair

ATTEST:



Marcia Walker
Board Administrator

**Attachment
Motion No. M99-78**

Sound Transit 2000 Legislative Program

I. Priority Legislation

- State financial partnership to add to Sound Transit's local and federal revenues. For example, one financial mechanism Sound Transit may pursue is a state sales tax credit on total construction costs.
- Authority to undertake an Owner-Controlled Insurance Program (OCIP) for general and excess liability for major construction projects.

II. Monitor for potential support or opposition

- Transportation funding proposals and legislative response to I-695.
- Legislation which affects Sound Transit or our partner agencies and jurisdictions.
- Legislation related to the operation of high occupancy vehicle (HOV) lanes and related facilities.
- Legislation that amends Sound Transit's enabling legislation.
- Sound Transit will monitor legislation that affects the operation of the agency such as Lease leaseback, Growth Management, Human Resources, Finance and Contracting issues.
- Monitor the Governor's Blue Ribbon Commission on Transportation committees. Seek opportunities to obtain state funding for transit in general and Sound Transit in particular through the Blue Ribbon Commission recommendations to the state legislature in 2001.