

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2001-16

Select Initial Segment of the Central Link Light Rail Project to be Constructed and Operated

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Board	11/29/01	Discussion/Possible Action	Ahmad Fazel, Acting Link Light Rail Director	206-398-5389

OBJECTIVE OF ACTION

To select the initial segment of the Central Link Light Rail Project to be constructed and operated by 2009.

ACTION

- Selects an initial segment of the Central Link Light Rail Project ("Initial Segment") to be constructed and operated, consisting of the alignment, station locations, maintenance base site, and operational parameters.
- Authorizes the Executive Director to begin construction of the Initial Segment as soon as reasonably practicable in 2002 and to begin passenger service on the Initial Segment no later than 2009.
- Adopts the estimated capital budget of \$2,070 million in year of expenditure dollars for the implementation of the Initial Segment through completion in 2009.
- Establishes a project reserve fund, establishes uses of fund, requires Board authorization for expenditures from the fund, and requires remaining funds to be applied to extending Link Light Rail north and south.
- Designates the Initial Segment as the new Minimum Operable Segment (MOS) for purposes of seeking funding from the Federal Transit Administration (FTA).
- The Initial Segment is made part of the Locally Preferred Alternative (LPA) adopted in Resolution No. R99-34.
- Authorizes the Executive Director to take all steps necessary to implement the provisions of this Resolution subject to the Board's approval as provided in Resolution No. 78-1.

KEY FEATURES

Highlights of Action:

The 14-mile Initial Segment of the Central Link Light Rail Project to be constructed and operated shall consist of the alignment, station locations, maintenance base site, and operational parameters set forth below:

- an interim north terminus at Convention Place,
- passenger service beginning at the South 154th station in the City of Tukwila through the Rainier Valley into downtown Seattle ending at Westlake station,

- 11 passenger stations at Westlake, University Street, Pioneer Square, International District, Lander, Beacon Hill, McClellan, Edmunds, Othello, Henderson, and South 154th (construction of the Royal Brougham, Graham and Boeing Access Road stations are deferred),
- an operations and maintenance base located on South Forest Street,
- Tukwila Freeway Route alignment,
- an interim south terminus at South 154th Station with a park-and-ride facility and shuttle bus service to Sea-Tac Airport,
- joint bus/rail operations in the Downtown Seattle Transit Tunnel (DSTT).

Adopts a schedule and budget for the Central Link initial segment:

- Construction of the initial segment is scheduled to begin in 2002, with passenger service starting in 2009.
- Estimated capital cost of the Initial Segment is approximately \$2,070 million in year of expenditure dollars.

Establishes a project reserve fund estimated at \$128 million to meet unanticipated cost increases.

- Prohibits use of fund for additional project enhancements, mitigation, or third-party agreements beyond elements contained in the November 2001 cost estimates.
- Requires expenditures from the fund to be authorized by Sound Transit Board approval of a budget amendment (super-majority 2/3 vote).
- Requires that unexpended project reserve funds will be applied to extending Link Light Rail north and south.

Designates the Initial Segment as the new Minimum Operable Segment for purposes of seeking federal funding from the FTA.

Capital Budget

The estimated total lifetime capital budget for Initial Segment of the Central Link Light Rail Project has been established at \$2,070 million, in year of expenditure dollars. Included within this amount are: administration, preliminary engineering, final design, right of way, construction, vehicle and other system-wide procurements, and testing and start-up. Not included are revenue operations, the Community Development Fund, the art program, DSTT transfer costs and the unallocated project reserve.

Creating A Federal Minimum Operable Segment (MOS) Budget

Over the next several months staff from Sound Transit and FTA will be reviewing all cost elements included in Sound Transit's finance plan for the initial segment. During this review, a baseline cost estimate for the Full Funding Grant Agreement will be developed according to federal requirements. The baseline cost estimate is used for determining the percentage of federal and local funding for each contracting package, thus establishing a reimbursement formula. For purposes of a federal funding agreement, the baseline cost estimate will include

the estimated capital budget of \$2,070 million and may include other components of the financial plan such as project reserves and a portion of the debt service related to construction interest.

FINANCIAL IMPACTS

Impact on Current Year Budget: Preliminary engineering activities have exceeded the current year 2001 budget. However, due to redefining the project, there is sufficient total budget in the 2001 approved budget to complete all work planned for 2001. The proposed 2002 budget incorporates the increased preliminary engineering costs into the baseline budget.

Impact on Sound Move Budget: Sound Move envisioned an alignment running from NE 45th in the University District to South 200th in Sea-Tac. The Initial Segment runs from Convention Place in the north to South 154th in the south. Alignment options analyses north of Convention Place and south of South 154th are currently underway. Once alignments are established, cost estimates can be completed and financial plans created. A comparison of the initial segment to Sound Move in terms of cost is not appropriate due to scope differences.

Impact on Cost-to-Complete: Establishes an estimated cost at completion baseline for capital costs (1997-2009) of \$2,070 million for the initial segment. (See previous section "Creating an MOS Budget" for discussion of costs not included in the capital budget.)

Impact on Subarea(s) Budget(s): The Initial Segment of the Central Link Light Rail Project is located within the North King and the South King subareas only. The budget for North King is \$1,469 million and for South King is \$601 million. According to the draft updated 2002 financial plan, as presented to the Finance Committee on November 15, 2001, Sound Transit can afford to complete this work within available subarea resources and have additional financial capacity remaining. Additional capacity to be applied to future segments including costs to-date is \$414 million (\$368 million for North King and \$46 million for South King).

Additional Financial Information: A Capital Project Reserve, estimated at \$128 million, is established in the draft updated 2002 financial plan. The project reserve is authorized to meet unanticipated cost increases for the existing project scope, alignment, and identified budget elements in the November 2001 cost estimates. Expenditures from the project reserve will not be authorized for additional project enhancements, mitigation, or third-party agreements beyond elements contained in the November 2001 cost estimates. Expenditure of funds from the project reserve constitutes a major budget action and will require a budget amendment (2/3 super-majority vote of the Sound Transit Board). Any funds unexpended from the project reserve will be applied to extending Link Light Rail north and south.

HISTORY OF PROJECT

On November 18, 1999, following completion of a Final Environmental Impact Statement (FEIS), the Sound Transit Board selected the alignment and profiles, station locations, and vehicle maintenance base site to be built for the Central Link Light Rail Project (Resolution No. R99-34). For purposes of pursuing federal funding, the Board designated the section of the alignment from NE 45th Street in the University District to the Operations and Maintenance Base south of downtown Seattle as the MOS.

The Board also approved a study to analyze an alternative alignment through the City of Tukwila (Motion No. M99-85). This action was taken in response to City of Tukwila's request

that a newly proposed Tukwila Freeway Route be considered as an alternative to the International Boulevard route selected by the Board in Resolution No. R99-34.

In May 2000, the Board authorized the agency to initiate and complete the formal environmental process under the State and National Environmental Policy Acts (SEPA and NEPA) for the Tukwila Freeway Route (Motion No. M2000-44). On February 8, 2001, the Board identified the Tukwila Freeway Route as the Preferred Alternative for purposes of completing the Tukwila Freeway Route Final Supplemental Environmental Impact Statement ("SEIS"), and directed the Sound Transit staff to identify alternatives for funding the additional cost of the Tukwila Freeway Route and to develop the terms of a potential agreement with the City of Tukwila to implement the Preferred Alternative (Motion No. M2001-02). The Board intended to consider the financing plan and a proposed implementation agreement with the City of Tukwila following issuance of the Final SEIS.

Two of these three tasks have been completed. The Final Supplemental Environmental Impact Statement for the Tukwila Freeway Route was issued on November 16, 2001. Financing alternatives have been identified by deleting the Regional Express Southcenter Flyer Stop and transferring the funding for that project to the Central Link budget. While the funds will remain within the South King County subarea budget, this will require a change in Sound Move and will be considered by the Board during formal 2002 budget action. However, a Memorandum of Agreement (MOA) with the City of Tukwila has not yet been executed. Because many of the southern Link design contracts were paused in order to focus on the north in Spring 2001, design has not progressed enough along the Tukwila alignment for the City of Tukwila and Sound Transit to develop a detailed agreement. In addition, because the Final SEIS for the Tukwila Freeway Route was recently issued, the City of Tukwila has not been able to complete its review of the mitigation portion of that environmental work in order to develop a detailed agreement with Sound Transit. While there is not an MOA available for adoption at the Board meeting on November 29, 2001, Sound Transit and the City are optimistic that an MOA can be completed and be ready for adoption early in 2002 because both parties have informally agreed that there do not appear to be any remaining significant issues of disagreement that cannot be resolved. The City is preparing a letter to the Board that will be presented on November 29, 2001.

In fall 2000, the estimated cost for the Central Link project rose over previous estimates. On January 11, 2001, the Sound Transit Board authorized execution of a Full Funding Grant Agreement with the FTA to fund a portion of the cost of constructing Central Link, amended the Link project budget and schedule and approved a six-month work plan (Resolution No. R2001-01). The work plan focused on reducing the project cost of the northern portion of the Central Link alignment. Implementation of this work plan meant that many of the design contracts that were focused on the south portion of the alignment were paused.

In April 2001, the U.S. Department of Transportation Inspector General recommended holding federal funding for FY 2001 in abeyance. The Inspector General's interim report stated that Sound Transit's future federal funding assumptions were too high. These actions impacted the project's affordability. As a result, the Board began to re-examine the project to see if there were other ways to move forward with building Central Link, consistent with the objectives identified in Sound Move. The Board's desire was to maintain subarea equity, construct the project within available funds, and continue the federal partnership and open for revenue service no later than 2009.

In spring 2001, the Board directed staff to study constructing the southern portion of Central Link first. This would allow time to evaluate the more complex design issues on the northern

portion of the project and consider more cost-effective ways to build the northern portion of the project. The Board's responses to a series of seven questions at the June 28, 2001 meeting provided direction to staff, which was outlined in a three-month work program.

With this refocus on the southern portion of the alignment, the Board began to consider a preferred initial segment with South 154th as a potential interim southern terminus for Central Link. This caused a delay in the completion of the Tukwila Freeway Route Final SEIS because additional work was required to design a South 154th terminus and to evaluate the environmental impacts associated with this terminus. During the summer, Sound Transit staff developed information on interim terminus options, joint bus/rail operations in the Downtown Seattle Transit Tunnel, South Lake Union route alternatives for extending Central Link north, deferred stations, and project costs to facilitate the Board's identification of a preferred initial segment.

On September 27, 2001, the Board identified a preferred, 14-mile initial segment, with an the interim northern terminus near Convention Place, Westlake Station as the interim northern passenger light rail station, South 154th Station as the interim southern terminus, joint bus/rail operations in the DSTT, a maintenance and operations facility in the Duwamish industrial area, the Tukwila Freeway Route, deferred construction of the Boeing Access Road Station, added construction of the Beacon Hill Station and shuttle service between the South 154th Station and Sea-Tac Airport. The Board approved continued coordination with the Port of Seattle's north end development project, and funds for completing final design from South 154th Station to South 200th Station (Motion No. M2001-103). In addition, the Board directed staff to evaluate Central Link Light Rail routes and station alternatives between Convention Place and Northgate (Motion No. 2001-104).

The estimated capital cost of the Initial Segment is approximately \$2,070 million in year of expenditure dollars. The project finance plan assumes \$500 million in federal funds. Construction of the Initial Segment is scheduled to begin as soon as reasonably practicable in 2002, with passenger service starting 2009.

**Prior Board or Committee Actions
and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
M99-14	Identified the locally preferred alternative for alignment, station locations, and location of a vehicle maintenance facility for the Central Link light rail line.	2/25/99
R99-34	Selected the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link light rail line. States that Sound Transit will actively seek public-private partnerships to complete Royal Brougham station as soon as possible.	11/18/99
M99-85	Directed staff to analyze an alternative alignment through Tukwila for the Central Link Light Rail Project.	11/18/99
M2000-44	Directed staff to initiate and complete the "formal" environmental process under the State and National Environmental Policy Acts (SEPA and NEPA) for the Tukwila freeway route for the Central Link light rail line and providing further direction as related to the Central Link light rail alignment through the City of Tukwila.	5/25/00
R2001-01	Authorized execution of a full funding grant agreement with the United States Department of Transportation--Federal Transit Administration, and to amend the Central Link Light Rail Project budget and the Sound Move Ten-Year Regional Transit System Plan, and adoption of a 6-month work plan.	1/11/01
M2001-02	Identified a preferred alternative for the Central Link light rail project in the City of Tukwila for the purposes of completing the Supplemental Environmental Impact Statement.	2/8/01
M2001-21	Adopted a work program for the Airport Link portion of the Central Link light rail project for the 2001-2003 time period.	3/8/01
M2001-68	Directed the Executive Director to implement a work plan for Central Link that is consistent with the selected items in the attached Board decision matrix and that supersedes the previously adopted 6-month and Airport Link work programs	6/28/01
M2001-103	Identified the preferred initial segment to be constructed and operated first for Central Link light rail.	9/27/01
M2001-104	Directed the Executive Director to evaluate Central Link Light Rail routes and station alternatives between Convention Place and Northgate.	9/27/01

CONSEQUENCES OF DELAY

- **Federal Funding** – A decision delay could impact the agency's ability to maintain the federal funding commitment of \$500 million. The current schedule allows project details to be clarified and discussions to occur with Sound Transit's federal partners so that the federal funding commitment can be reviewed and approved in fall 2002.
- **Schedule and Cost** – A decision delay will likely affect Sound Transit's ability to open the system by 2009, which would increase the project cost. Staff needs to proceed with design in order to stay on schedule.
- **Political/Community Support** – A decision delay will most likely have a negative effect on the political and community support for the project.

REGIONAL PARTNERSHIP AND COOPERATION

- Sound Transit is partnering with the cities of Seattle, Tukwila, and SeaTac through which the Initial Segment will run to design the project in a manner that fits the local communities.
- Sound Transit is working cooperatively with King County Metro, the City of Seattle, and Community Transit to address the Downtown Seattle Transit Tunnel and downtown bus circulation issues, both during the retrofit of the transit tunnel and once trains are running in 2009. Sound Transit is partnering with the Port of Seattle on light rail's connection with Sea-Tac Airport and King County regarding bus service integration at light rail stations.
- Sound Transit is working with the Puget Sound Regional Council, Washington State Department of Transportation and the Muckleshoot, Suquamish and Duwamish tribes and with the National Marine Fisheries Services, U.S. Fish and Wildlife Agency and other agencies to identify issues of concern and to minimize project impacts.
- Sound Transit is working closely with the U.S. Department of Transportation, the Federal Transit Administration and the Washington congressional delegation to ensure that they are fully informed and have the information they need to provide guidance as the project is implemented.

PUBLIC INVOLVEMENT

The Sound Transit Board has encouraged and received public testimony on Central Link issues at nearly all of its monthly meetings since spring 2001. To support the Board's decision on the initial light rail segment, Sound Transit staff has made a concerted effort this summer and fall to reach out and meet with community groups and constituents in the Sound Transit District. Ongoing public involvement activities have included attending community and neighborhood meetings and events to provide project updates, sending biweekly "E-Wave" email updates and Board meeting summaries to interested individuals, keeping the Sound Transit web site current, distributing fact sheets and other informational materials. Since May 2001, Sound Transit has held regular media briefings prior to Board meetings when key briefings or decisions were being made.

At the Board's direction, Sound Transit held a public forum on June 22, 2001 to present options for constructing an initial light rail segment of the Central Link project and to receive comments on the options. During the summer, Sound Transit staff engaged in a three-month work program, developing briefing materials on interim terminus options, joint bus/rail operations,

South Lake Union route alternatives, and project costs. As briefing materials were developed, the information was posted on the Sound Transit web site and staff met with citizens' groups, project partners, and local government officials to discuss the details.

The Tukwila Freeway Route Supplemental EIS scoping process involved extensive outreach prior to and during preparation of the Supplemental EIS including a mailing, public meeting and open houses in February and March 2000. Additionally, Sound Transit visited properties and phoned property owners and occupants along the alignment to provide information. An agency-only scoping meeting was held in August 2000 to solicit comments from federal, state and local agencies. The draft Supplemental EIS had a public hearing and a 45-day comment period that ended on December 4, 2000. Comment letters were considered and responded to in the Final SEIS.

DESCRIPTION OF POLICY

- Selection of the initial light rail segment enables Sound Transit to continue moving forward with implementing Sound Move which includes a "starter electric light rail system" as a major component. The Sound Move plan states "the electric light rail component adds a new form of high-capacity transit for our region," and "...expands on existing local transit services with a convenient, reliable, easy-to-use regional system that is less susceptible to congestion than current services."
- The initial light rail segment fits with the region's Metropolitan Transportation Plan, King County Countywide Planning Policies, local city comprehensive plans and Seattle neighborhood plans.
- The proposed budget and financial plan are within Sound Transit's financial capacity.

FACTORS TO CONSIDER

- **Federal Funding**– Selection of the Initial Segment as the new MOS is a necessary step toward meeting the requirements of the U.S. Department of Transportation to secure the federal funding commitment.
- **North Link** – The Board has expressed a strong commitment to completing Central Link from Northgate to SeaTac. To that end, on September 27, 2001, by Motion 2001-104, the Board directed staff to evaluate Central Link Light Rail routes and station alternatives between Convention Place and Northgate. Sound Transit has begun an 18-month to two-year process of preparing a supplemental environmental impact statement, and developing the preliminary engineering and design to support further analysis of alternatives to construct Central Link north. After the study is complete, the Board can select the project route north, a financial plan, and schedule to move forward.
- **South Link Extension** – On September 27, 2001, the Board approved Motion M2001-103 identifying an initial segment for Central Link with a preliminary proposed budget of \$2.1 billion. Included in this amount was \$10 million for the cost of design and coordination of the approximately three-mile extension from South 154th Station to South 200th Station. Sound Transit will coordinate closely with the Port of Seattle and City of SeaTac to identify how light rail can best integrate with Sea-Tac Airport. A work plan for this extension is being brought before the Board simultaneously with this action for possible approval.

ALTERNATIVES

Authorize construction and operation of an initial segment with changes in scope, budget, or schedule.

RECOMMENDATION(S)

Staff recommends that the Board:

- select an initial 14-mile segment of the Central Link Light Rail Project as the Initial Segment to be constructed and operated by 2009. The Initial Segment would consist of the alignment, station locations, maintenance base site, and operational parameters set forth below:
 - an interim north terminus at Convention Place,
 - passenger service beginning at the South 154th station in the City of Tukwila through the Rainier Valley into downtown Seattle ending at Westlake station,
 - 11 passenger stations at Westlake, University Street, Pioneer Square, International District, Lander, Beacon Hill, McClellan, Edmunds, Othello, Henderson, and South 154th (construction of the Royal Brougham, Graham and Boeing Access Road stations are deferred),
 - an operations and maintenance base located on South Forest Street,
 - Tukwila Freeway Route alignment,
 - an interim south terminus at South 154th Station with 440 to 670-space park-and-ride facility and shuttle bus service to Sea-Tac Airport,
 - joint bus/rail operations in the Downtown Seattle Transit Tunnel (DSTT)
- authorize the Executive Director to begin construction of the Initial Segment as soon as reasonably practicable in 2002 and passenger service on the Initial Segment no later than 2009,
- adopt the estimated capital budget of \$2,070 million in year of expenditure dollars for the implementation of the Initial Segment of the Central Link Light Rail Project through completion in 2009,
- establish a project reserve fund estimated at \$128 million to meet unanticipated cost increases; establish uses of the fund, require a budget amendment (2/3 vote of the Board) for expenditures from the fund, and require remaining funds to be applied to extending Link north and south,
- designate the initial segment as the new MOS for purposes of seeking funding from the FTA,
- incorporate the Initial Segment into the Locally Preferred Alternative (LPA) adopted in Resolution R99-34,
- authorize the Executive Director to take all steps necessary to implement the provisions of this Resolution, except as to those matters that are subject to Board approval as provided in Resolution No. 78-1 or other applicable law .

LEGAL REVIEW

DB 11/19/01.

SOUND TRANSIT

RESOLUTION NO. R2001-16

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority to select the initial segment of the Central Link Light Rail Project to be constructed and operated by 2009.

WHEREAS, a Regional Transit Authority ("Sound Transit") was created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, on November 5, 1996, Central Puget Sound area voters approved local funding for Sound Move, the ten-year plan for regional high-capacity transit in the Central Puget Sound Region; and

WHEREAS, one component of Sound Move is an electric light rail project with up to 25 miles of track connecting some of the state's largest employment and education centers, highest density residential areas, and highest regional transit ridership areas, located in the Cities of SeaTac, Tukwila and Seattle ("Central Link Light Rail Project"); and

WHEREAS, implementing the light rail element of Sound Move is intended to expand transit capacity within the region's most dense and congested corridor, provide a practical alternative to driving a car on increasingly congested roadways, support comprehensive land use and transportation planning, provide environmental benefits, and improve mobility for travel-disadvantaged residents in the corridor; and

WHEREAS, Resolution No. R99-34 selected the location of the alignment, station locations, and vehicle maintenance base for the Central Link Light Rail Project; and

WHEREAS, in response to a request from the City of Tukwila to study an alternative alignment within Tukwila ("Tukwila Freeway Route"), Sound Transit conducted the engineering and environmental studies necessary to analyze the proposed alternative alignment, including

the environmental studies required to comply with the Washington State and National Environmental Policy Acts; and

WHEREAS, on February 8, 2001, the Sound Transit Board identified the Tukwila Freeway Route as the preferred route for that segment of the alignment for purposes of completing the supplemental environmental impact statement, and evaluated the Tukwila Freeway Route in the final supplemental environmental impact statement, which was published on November 16, 2001; and

WHEREAS, on September 27, 2001, the Sound Transit Board identified the preferred initial 14-mile light rail segment to be constructed and operated for the Central Link Light Rail Project (Initial Segment). The alignment, station locations and maintenance base site for Initial Segment are set forth in this resolution. An addendum to the final environmental impact statement and the supplemental environmental statement for the Central Link Light Rail Project has been completed pursuant to the State Environmental Policy Act (SEPA) to document and analyze the potential environmental impacts associated with the project changes that occurred after completion of the final and supplemental environmental impact statements; and

WHEREAS, on November 26, 2001, the Board Chair and the Executive Director of Sound Transit sent a letter to the Greater Seattle Chamber of Commerce, in which they identified the Board's objectives and made commitments on behalf of the agency and the Board in response to issues raised in a September 27, 2001, letter received from the Chamber, including objectives for system expansion, improved accountability, strengthened oversight, and strict control of project scope and costs; and

WHEREAS, the agency will fully pursue the content of the November 26, 2001, letter on the Board's behalf; and

WHEREAS, construction of the Initial Segment of the Central Link Light Rail Project can begin in 2002 and can be completed and ready for passenger service in 2009; and

WHEREAS, the estimated total project capital cost for implementation of the Initial Segment is \$2,070 million in year of expenditure dollars; and

WHEREAS, after due consideration of the planning, environmental, engineering, financial, project implementation work plans, and other issues relevant to the construction of the Central Link Light Rail Project, the Sound Transit Board finds that it is in the best interest of the citizens of the Sound Transit district to authorize construction and operation of the Initial Segment of the project and to designate said segment as the new Minimum Operable Segment for federal funding purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority as follows:

Section 1. The initial 14-mile segment of the Central Link Light Rail Project (Initial Segment) to be constructed and operated shall consist of the alignment, station locations, maintenance base site, and operational parameters set forth below:

- interim north terminus at Convention Place,
- passenger service beginning at the South 154th station in the City of Tukwila through the Rainier Valley into downtown Seattle and ending at Westlake station,
- 11 passenger stations at Westlake, University Street, Pioneer Square, International District, Lander, Beacon Hill, McClellan, Edmunds, Othello, Henderson, and South 154th (construction of the Royal Brougham, Graham and Boeing Access Road stations are deferred),
- an operations and maintenance base located on South Forest Street,
- Tukwila Freeway Route alignment,
- interim south terminus at South 154th Station with a park-and-ride facility and shuttle bus service to Sea-Tac Airport,
- joint bus/rail operations in the Downtown Seattle Transit Tunnel (DSTT).

Section 2. The Executive Director is authorized to commence construction of the Initial Segment as soon as reasonably practicable in 2002 and is further directed to commence passenger service on the Initial Segment no later than 2009.

Section 3. The estimated capital budget for the implementation of the Initial Segment of the Central Link Light Rail Project through completion in 2009 shall be \$2,070 million in year of expenditure dollars.

Section 4. The light rail project scope includes the potential for cost savings. As net cost savings from the initial segment are realized they will be designated for either extending the project north of Convention Place for North King County or south of South 154th for South King County, provided that current project scope is not reduced, unless done so through regular Board procedure.

Section 5. A project reserve fund, estimated at \$128 million, shall be established to meet unanticipated cost increases for the existing project scope, alignment, and identified budget elements. Expenditures from the project reserve shall not be authorized for additional project enhancements, mitigation, or third-party agreements beyond elements contained in the November 2001 cost estimates. Expenditures from the project reserve shall require approval of a budget amendment by the Sound Transit Board (supermajority 2/3 vote). Any unexpended project reserve funds will be applied to extending Link Light Rail north and south.

Section 6. The light rail project scope shall include the potential for relocating and placing the utilities along Martin Luther King, Jr. Way South underground. The work necessary to place the utilities underground will be performed only if the cost to Sound Transit shall not exceed \$13.5 million and the other elements included within the project scope to underground the utilities can be completed for an amount that does not allow Sound Transit's expenditures to exceed the \$2,070 million project budget. Sound Transit will continue to pursue additional external funding sources to supplement the existing budget in order to pay the cost to underground the utilities as provided in Motion No. M2001-103.

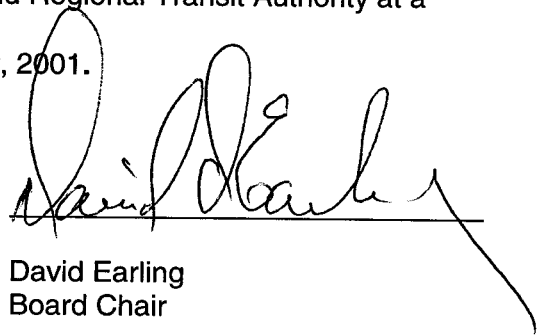
Section 7. The Initial Segment is hereby designated as the new Minimum Operable Segment for purposes of seeking funding from the Federal Transit Administration.

Section 8. The Executive Director shall solicit input from the Citizen Oversight Panel, the Project Review Committee, other transit properties and external sources on methods and mechanisms for strengthening oversight of project development and construction, improving agency accountability, controlling project scope, processing third-party agreements, and containing project costs. Based on this work, the Executive Director shall develop options and recommendations to be presented to the Board no later than January 24, 2002.

Section 9. The Initial Segment is hereby incorporated into and made part of the Locally Preferred Alternative (LPA) adopted in Resolution No. R99-34. The LPA adopted in Resolution No. R99-34 shall remain unchanged except as modified by this resolution to incorporate and reflect the changes included within the Initial Segment.

Section 10. The Executive Director is authorized to take all steps necessary to implement the provisions of this Resolution, except as to matters that are subject to Board approval as provided in Resolution No. 78-1 or other applicable law.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 29th day of November, 2001.



David Earling
Board Chair

ATTEST:



Marcia Walker
Board Administrator