

SOUND TRANSIT BOARD MEETING
Summary Minutes
October 8, 2009

Call to Order

The meeting was called to order at 1:34 p.m. by Chair Greg Nickels, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(P) Greg Nickels, City of Seattle Mayor

Vice Chairs

(P) Aaron Reardon, Snohomish County Executive

(P) Claudia Thomas, Lakewood Councilmember

Boardmembers

(P) Julie Anderson, Tacoma Deputy Mayor

(A) Joe Marine, City of Mukilteo Mayor

(P) Mary-Alyce Burleigh, Kirkland Councilmember

(A) Pat McCarthy, Pierce County Executive

(P) Fred Butler, Issaquah Deputy Council President

(A) Julia Patterson, King County Councilmember

(A) Richard Conlin, Seattle Council President

(P) Larry Phillips, King County Councilmember

(P) Dow Constantine, King County Council Chair

(P) Paul Roberts, Everett Councilmember

(P) David Enslow, City of Sumner Mayor

(P) Kurt Triplett, King County Executive

(P) Paula Hammond, WSDOT Secretary

(A) Peter von Reichbauer, King County

(P) John Marchione, City of Redmond Mayor

Councilmember

Ms. Marcia Walker, Board Administrator, announced that a quorum of the Board was not present at roll call, but additional members were expected to arrive.

Report of the Chair

- The agenda has been revised. The Capital Improvement Program (CIP) presentation was removed from the CEO Report and the Sound Move-ST2 Integration and Implementation Discussion Item was added to the agenda.
- On October 5, 2009, the Seattle City Council approved an ordinance related to the First Hill Streetcar.

Chief Executive Officer's Report

- The Seattle City Council approved the First Hill Streetcar agreement by unanimous vote on October 5, 2009. The Board approved the agreement at the September 24, 2009 Board meeting. Under the agreement, the City of Seattle will construct and operate the streetcar, using Sound Transit funds, to replace the First Hill Link light rail station. The agreement defines the scope of work, including fleet and facilities and a light maintenance and vehicle storage facility. The agreement caps Sound Transit's capital contribution at \$120 million (2007 dollars) less Sound Transit's costs to administer payments to the City to review the design and contract documents, and to monitor progress and adherence to the agreement. Sound Transit will make an initial contribution of up to \$5.44 million for early design and environmental work on the project. If the Board decides to proceed with the project after completion of the environmental review, Sound Transit will contribute the remaining funds.
- At the September 10, 2009 Board meeting, the Citizen Oversight Panel Operating Cost Task Force presented a letter concerning the staff operating budget. Chair Nickels asked Joni Earl, CEO, to prepare a response to the Task Force's findings and recommendations. Ms. Earl detailed the response letter:
 - Sound Transit recognizes the importance for strong budgeting, reporting tools, and effective cost management.
 - In 2009, Sound Transit is reorganizing the agency, leading to difficulty in adjusting adopted budget systems.
 - Sound Transit tracks all employee costs by individual employee, business unit, division and department. Human Resources creates a weekly report on open positions. Several reports on

filled and vacant positions by department are produced quarterly. Sound Transit agrees with COP's recommendation for more frequent reports to track FTE costs.

- COP recommends creating an "Updated Budget" combining actual expenditures for the periods known and the remaining budget for the year. For the 2010 Budget, managers were asked to forecast expenditures through the end of the year rather than assuming all remaining budget would be spent, creating a more accurate forecast.
- COP sees "little benefit of comparing to the original 2009 Budget." The Adopted Budget is approved by the Board and provides legally authorized spending levels. The agency must continue to report against these Board approved budget levels and provide variance reporting for line items that are above or below approved levels.
- COP recommends greater detail on contingency line items and high level of management approval of contingency budgets. Executive contingency and service line contingency are the only areas for contingency. The amounts budgeted in contingency are for unknown or unexpected budgetary expenditures. In the Proposed 2010 Budget, the contingency budgets for transit operations have been consolidated into a separate, stand-alone budget in the Service Delivery area, which will be available for use in all operating modes if needed and will require the CEO's authorization for use.
- COP findings show that since 2000, 50% of staff budget increases have been driven by adding new staff to meet capital and operating requirements, and 50% due to compensation of existing staff. In 2010 about 57% of the total increase to the base cost will be due to new positions.
- COP endorses Sound Transit's performance-based employee compensation system. To respond to the recession, senior management salaries have been frozen and performance-related salary increases for other staff have been reduced from 4% to 2%.

Discussion Item: Sound Move-ST2 Integration and Implementation

Ms. Earl stated that after the successful ST2 vote, Sound Transit brought together a team of experts to draft an ST2 implementation plan. In February 2009, the Board was briefed on a projected revenue shortfall of \$2.1 billion caused by the global economic recession. At the Board retreat, the Board directed Sound Transit staff to use the tools in the ST2 plan to provide options to the Board on how to proceed.

Brian McCartan, CFO, updated the Board on Sound Transit's current financial situation. Dick Conway and Associates (DCA) is Sound Transit's independent revenue forecast provider, and in February 2009, DCA's revenue forecast demonstrated a projected shortfall of 15% or \$2.1 billion. The current forecast has projected revenues down 20% or \$3.1 billion. In the most recent forecast, DCA notes that the economy is recovering and that Washington State was slower in entering the recession and likely will be slower in recovery. Washington State will not regain 2000 employment levels until 2010 and pre-recession revenues will not be regained until 2013. Long-term Puget Sound growth is forecasted to be stronger than the national average. Sound Transit's 20% revenue loss is permanent unless the economy outperforms historic growth levels. MVET base growth is forecasted at under 4%, compared to historic levels of 6 to 7%. The Snohomish subarea is forecasted to suffer the most significant impact.

Sound Transit has experienced some near term economic gains; borrowing rates of 3.5% compared to the assumed rate of 6% in the financial plan, lower than anticipated bids on projects, and increases in federal grant programs. The revenue loss was offset by slower inflationary growth and reductions in the amount of additional reserves in capital projects costs.

Mr. McCartan and Ric Ilgenfritz, PEPD Executive Director, summarized the "Draft ST2/Sound Move Integration and Implementation White Paper" (on file with Board Administrator). Staff will seek feedback and guidance from the Board throughout the fall. Proposals in the White Paper will be included in the 2010 Proposed Budget and the Capital Improvement Plan.

Ms. Earl stated that the White Paper is a tool to keep project budgets, scope, and schedules in line; it does not include any decisions and no actions are required.

Boardmember Butler proposed the addition of "transparency on risks and challenges" as a fifth guiding principle for the implementation strategies.

Chair Nickels requested the Board review and consider changing Sound Transit's Scope Control Policy.

Discussion Item: East Link Preliminary Engineering and FEIS Progress

Mr. Ilgenfritz and Don Billen, East Corridor Program Manager, presented an update on the East Link project's preliminary engineering (PE) and final environmental impact statement (EIS). Staff will refine the alternatives based on community input and lessons learned during the early stages of the project, update the Board on the progress and seek Board concurrence on any substantial changes.

Mr. Billen stated that the preferred alternative for crossing I-90 is in the center roadway with two stations and joint bus and light rail transit along the D2 Transitway. Sound Transit will evaluate partnership proposals from the City of Mercer Island for new park-and-ride capacity. Due to the fixed alignment and to allow additional time to study rail expansion joints, the engineering for the I-90 segment of the alignment will have advanced beyond the typical 30% for PE. Sound Transit has incorporated the design recommendations of the Joint Transportation Commission's (JTC) independent review team. WSDOT is currently reviewing the JTC's recommendations on the median barrier on the I-90 bridge. Sound Transit is working with WSDOT on the I-90 valuation, prior to the negotiation, for the conversion of the center roadway to light rail transit. In July 2009, the independent consultants reported to the Board on the valuation methodologies. In August 2009, Sound Transit and WSDOT submitted appraisal instructions to the consultants. The appraisal from the consultants is expected to be completed by the end of October. Following the appraisal, Sound Transit will enter into negotiations with WSDOT to establish the terms for the conversion.

The preferred alternative for Segment B in South Bellevue includes a station at the South Bellevue park-and-ride and expansion of the park-and-ride, a major focal point of bus transfers. The environmental review process led to modifications in response to community concerns, including minimizing construction impacts on Bellevue Way and 112th, and to provide separation from the residential neighborhoods. The City of Bellevue recommended a variation of B-3 that will place the alignment on the east side of Bellevue Way and 112th. Engineering work is under way to develop this alternative further in conjunction with the City. A public workshop will be held the week of October 12, 2009 on the B3 alternative. Moving the alignment to the east side of Bellevue Way minimizes construction impacts on the arterial and improves light rail operations through smoother curves and improved operating speeds. The Board previously directed Sound Transit staff to attempt to achieve an at-grade station in South Bellevue; however, an elevated alignment may be a more efficient design due to the amount of circulation in the area. The Winters House, a historic home, likely needs to be relocated under the east side alignment alternative.

All of the alternatives included in the draft EIS are still under consideration. Recommendations on the draft EIS require adding variations to the final EIS. The City recommended a jog in the alignment at SE 8th, which creates a longer route and additional business displacements, but reduces wetlands impacts. This variation meets the standard of being a reasonable option and will be covered in the final EIS.

The Surrey Downs neighborhood propose a modification along the B7 alignment which would move the 118th Station north into a new proposed parking garage at SE 8th. The new garage would have 2,500 to 3,000 parking spaces on nine floors and direct access ramps to I-405. The station would add substantial cost, in excess of \$100 million, and access benefits appear to be minimal. The EIS will continue to reflect the South 118th Station; however, the SE 8th parking garage station will be addressed in the response to comments section of the final EIS.

Mr. Billen described the preferred alternative through Downtown Bellevue, which is an at-grade couplet on 108th and 110th. The Board previously directed Sound Transit staff to conduct a peer review of the traffic analysis. Sound Transit and the City of Bellevue have selected a consultant to administer the peer review, and an expert review panel meeting will be held in the upcoming weeks.

Mr. Billen stated that with Motion No. M2009-41, the Board identified a preferred tunnel alternative (C3T) for future consideration subject to available funding. The proposed tunnel is primarily a deep bore tunnel with a cut-and-cover station adjacent to the Bellevue Transit Center. Under direction provided by Motion No.

M2009-41, staff determined that an elevated alignment east of the Ashwood/Hospital Station is feasible. The elevated alignment will be developed further and the Board will be updated of the progress.

Mr. Billen noted that Motion No. 2009-41 includes a series of questions regarding downtown Bellevue tunnel alignments to be answered. C3T aligns along 108th and was the Board preferred alternative as opposed to the City of Bellevue's preferred alternative of a 106th tunnel (C2T). Comments on the draft EIS suggest examining an alternative tunnel alignment along 110th (C9T). To answer the questions posed in Motion No. M2009-41 and review the draft EIS comments, Sound Transit assembled a tunnel peer review team. The peer review team recommended further review of C9T. C9T would begin at the East Main Station, cross 112th elevated, into the hillside, through a tunnel beneath 110th to a subway station near the Bellevue Transit Center. Out of the Transit Center, the tunnel would pass through the Bellevue City Hall plaza and parking garage before climbing to an elevated guideway over I-405 to the Ashwood/Hospital Station. The benefits of C9T include a much shorter tunnel, good access to the Bellevue Transit Center without adverse impacts, a southside alignment on NE 6th Street, and avoids medical buildings along NE 12th. The limitations of C9T include the Downtown Bellevue Station being a block east from the optimal location and the tunnel would likely require cut-and-cover construction.

Mr. Billen detailed the preferred alternative in the Bel-Red corridor, which has at-grade stations at Bel-Red and Overlake Village that would be connected by at-grade and elevated guideway. Motion No. M2009-41 directed staff to evaluate a retained cut at 124th Station; and in the Overlake Village area examine a route on the north side of NE 24th. The Overlake Village modification has been developed and addresses the traffic impacts and improves operations though increased speeds. The retained cut at 124th Station is the western node of Bellevue's Bel-Red plan. During conceptual engineering, the Bel-Red plan was not yet developed. Sound Transit is looking at options to integrate Bellevue's proposed road and development plans, and reduce right-of-way impacts and cost. At this point, it appears that the at-grade alternative is the most promising to continue with in PE. There are increased costs and urban design challenges with the retained cut alternative.

Mr. Billen stated that the rail will be separated from the road across the Spring District development site, resulting in better traffic flow and development conditions. By going north at this point in the alignment, Sound Transit can avoid some costly property acquisitions. Sound Transit would displace some parking for a property owner with this alternative. Heading east along the alignment, different options will need to be considered to pass a pond and a large undeveloped parcel. Bellevue requested the alignment in Segment D be elevated over NE 20th. To mitigate traffic impacts at Overlake Village the at-grade alternative can be shifted to the north side of the street or the alignment may remain elevated.

The preferred alternative for the future extension to Downtown Redmond (Segment E) is two stations with a 1,400 space park-and-ride at the SE Redmond Station. Segment E has been developed to the conceptual engineering level for the final EIS and appears to be viable.

Mr. Billen detailed the remaining schedule for completing the EIS process and stated it would be prudent to submit a supplemental EIS due to the number of emerging alternatives and modifications. Staff is scheduled to update the Board on the East Link project on November 12, 2009 during the first quarter 2010.

Mr. Billen asked the Board for concurrence on performing additional work on C9T to bring it up to a conceptual engineering level and report back to the Board in November with a cost estimate.

Bellevue Mayor Grant Degginger presented on the City of Bellevue's work regarding identifying funding for tunnel options through downtown Bellevue. City of Bellevue staff have been working with Sound Transit staff and Mayor Degginger and Bellevue Deputy Mayor Claudia Balducci have met regularly with East King County Sound Transit Boardmembers to discuss tunnel funding options. The City has convened a committee of executives to assist the City in reviewing alternatives for tunnel funding. The City expressed interest in C9T. C9T addresses some of the City's concerns; the 110th tunnel is shorter, aligns with the 6th Street alignment which is the Bellevue City Council's preferred alternative, and avoids the 12th Street crossing concerns. Mayor Degginger recommended that the Board approve moving forward with further study of C9T. Mayor Degginger stated that the City of Bellevue is willing to work with Sound Transit staff and outside organizations to review and refine C9T and to address financial impacts.

Chair Nickels noted that C9T impacts City of Bellevue property at City Hall and asked Mayor Degginger if that is acceptable to the City. Mayor Degginger responded that the impact to City property is only an inconvenience, not a fatal flaw. Mayor Degginger stated that C9T is a significant and positive enough development to prompt further study. Mayor Degginger acknowledged that there will never be a perfect alignment and the City of Bellevue is willing to make accommodations.

Public Comment

(Comments on file with the Board Administrator)

Leslie Lloyd, Bellevue Downtown Association

Mayor Nickels announced Board concurrence for staff to move ahead with conceptual engineering and environmental review of C9T and requested staff report back to the Board in November with findings.

Public Comment

(Comments on file with the Board Administrator)

Betsy Blackstock

Action Item

Voucher Certification for September 1, 2009 through September 15, 2009

It was moved by Vice Chair Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that the consent agenda be approved as presented.

Executive Session

None.

Other Business

None.

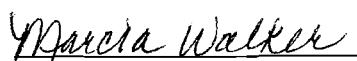
Next Meeting

Thursday October 22, 2009
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

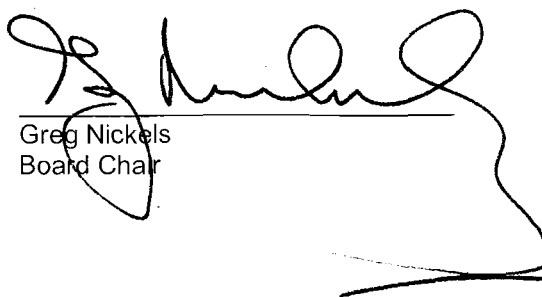
Adjourn

The meeting was adjourned at 3:27 p.m.

ATTEST:



Marcia Walker
Board Administrator



Greg Nickels
Board Chair