

**SOUND TRANSIT EXECUTIVE COMMITTEE MEETING**  
**Summary Minutes**  
**August 5, 2010**

**Call to Order**

The meeting was called to order at 10:52 a.m. by Chair Aaron Reardon in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

**Roll Call**

Chair

(P) Aaron Reardon, Snohomish County Executive

Vice Chairs

(P) Fred Butler, Issaquah Deputy Council President

(P) Claudia Thomas, Lakewood Councilmember

(P) Dow Constantine, King County Executive

(P) David Enslow, Sumner Mayor

(A) Paula Hammond, WSDOT Secretary

(P) Pat McCarthy, Pierce County Executive

(P) Mike McGinn, Seattle Mayor

(A) Julia Patterson, King County Council Chair

Board Administrator Marcia Walker announced that a quorum of the committee was present at roll call.

**Report of the Chair**

Chair Reardon announced the Committee would be taking the Reports to the Committee in a different order than listed on the agenda.

**Chief Executive Officer's Report**

Joni Earl, CEO, announced that Michael Miller, Sound Transit's Accessibility Manager, was selected to attend a White House reception hosted by President Obama. Mr. Miller was in Washington, D.C. for the National Council on Disabilities Policy Summit and was one of only 20 summit participants to receive the White House invitation. The summit outlined the proposed federal government disability policy in the areas of transportation, housing, education and employment. The summit also celebrated the 20th anniversary of the Americans with Disabilities Act.

On August 6, 2010, the Joint Transportation Committee panel will hold its second meeting on the role of state funding of public transportation. Ms. Earl will represent Sound Transit at the meeting. The other transit agencies serving on the panel are King County Metro, Island Transit, and Link Transit in Wenatchee. American Public Transportation Association President Bill Millar will address the panel.

On August 3, 2010, there was a three-hour Central Link service interruption due to an accident. Sound Transit did not relay service information out fast enough for customers. Sound Transit will work with King County Metro on technical responses to accidents and relaying information to customers. The driver of the vehicle that collided with the light rail vehicle has admitted fault in the accident.

**Reports to the Committee**

**Public Art Program Report**

Ms. Earl reviewed the background for the Sound Transit art program, STart. In 1997, the Board adopted Motion No. 40, establishing a policy committing to the "integration of public art in the implementation of the Sound Transit system". The 1997 Adopted Budget and Motion No. 40 authorized Sound Transit staff to initiate work to develop a public art program and to prepare a master plan.

In January 1998, the Board approved Resolution No. 98-1, which established program guidelines for *STart*, adopted an art budget policy, and established the art budget as 1% of capital construction costs, excluding the cost of tunneling.

Barbara Luecke, Public Art Program Administrator, reviewed the history of the *STart* program and provided examples of *STart* projects. Sound Transit has completed more than 100 public art projects, spread out over all five sub-areas. The program has won multiple awards and is looked at as a model by other public agencies. Art can be stand-alone or it can be integrated into functional elements of the transit system, such as the OCS poles in the Rainier Valley. Artists collaborate with project design teams to create wayfinding and landmarks. Some projects are temporary to mitigate construction, including recent projects on Capitol Hill and at the University of Washington Station construction site. Sound Transit facilitates the artist selection process and engages local communities by allowing them to help choose the artists for the stations and facilities in their neighborhoods.

The current budget is based on 1% of capital construction costs, excluding tunneling, and ten percent of *STart* funding is reserved for maintenance of the art projects. Vice Chair Thomas suggested that Sound Transit partner with cities and community organizations to maintain some of the public art projects.

The Federal Transit Administration (FTA) recommends and allows 0.5% to 5% of capital costs to be allocated to public art. According to the FTA, design and art improves the appearance and safety of a transit facility and contributes to the goal of creating liveable communities with transit facilities.

Ms. Luecke provided an overview of other local agencies' public art funding commitments. The City of Seattle provides 1% of capital costs; King County provides 1% of project costs, including consultant and design costs, and excluding below-grade capital costs, Pierce and Snohomish Counties provide 1% of capital costs on projects costing \$100,000 or more, and Washington State provides 0.5%.

A 1% of capital costs calculation for *STart* was included in ST2 to provide a cost estimate. A 1% commitment for ST2 would provide \$36 to \$39 million (2007\$).

Ms. Walker clarified that the Board would need to approve a new art funding policy to provide public art funding for ST2 projects.

Committee members expressed support for *STart* and requested a menu of funding options. Committee members also expressed concerns with the revenue shortfall. Chair Reardon requested a follow-up presentation on *STart* to discuss the ST2 funding commitment, policy considerations, and ongoing maintenance costs.

### Financial Report

Brian McCartan, CFO, provided an update on the revenue forecast. Dick Conway and Associates (Conway) provides revenue forecasts for Sound Transit. The economy is coming out of the recession slower than predicted. The consensus among economists is that the recession has ended and a "double-dip" recession is unlikely.

Conway predicts 1% sales tax growth in 2010, compared to the 3% growth prediction in the forecast last year. Additionally, the rebound is projected to stop at 6.5% compared to the previously forecasted 7%. The trend forecast shows little change from the initial ST2 forecast. Historically, sales tax grows at 6% to 6.5%, while ST2 and the current economic forecast are predicting growth to be slightly below 5%.

The ST2 plan forecasted \$14 billion in sales tax revenue between 2009 and 2023. The 2009 forecast projected sales tax revenue over that period to be \$11.4 billion and the current forecast projects sales tax revenue of \$10.7 billion.

Historically, motor vehicle excise tax (MVET) has grown in the range of 7.5% to 8%, but Conway projects long-term growth below 6%. The 2010 forecast predicts a \$453 shortfall in MVET revenue.

The total revenue shortfall for 2009 to 2023 is now predicted to reach \$3.9 billion or 25%, up from the 2009 forecast of a \$3.1 billion or 20% revenue shortfall. South King County is projected to experience the greatest impact with a projected shortfall of 31% below ST2 revenue projections. North King County is projected to suffer the smallest impact with a shortfall of 16%.

The \$3.1 billion shortfall projected in the 2009 revenue forecast was absorbed through reductions in project reserves and cost estimates, lowering the inflation contingency, lowering net overage, and reducing administrative costs. The ST2 White Paper provides principles on managing projects to the low end of cost estimates, saving operating costs, advancing design, and optimizing the schedule.

The additional \$767 million shortfall requires program adjustments. The CEO will release the Proposed 2011 Budget in September. The budget will contain steps to deal with the additional shortfall. Through the budget process, options for addressing the shortfall will be provided for Board consideration. The options will include scope, schedule, and operating cost adjustments and pursuing additional revenues or innovative financing.

Ms. Earl stated that the 2011 Proposed Budget will be presented to the September 2010 Executive Committee and a budget workshop is scheduled for September 30, 2010. The budget and any program adjustments will be flexible to respond to potential increases or decreases in the revenue shortfall.

#### Transit Oriented Development Program Report

Ric Ilgenfritz, PEPD Executive Director, and Scott Kirkpatrick, Transit Oriented Development Manager, provided an update on Sound Transit's transit oriented development (TOD) program.

Staff is seeking input from the Executive Committee on the TOD policy framework that will guide the TOD strategic plan. The Board has approved TOD policies to guide the program, determined how TOD projects are evaluated, and adopted a Real Estate Disposition Policy.

A memo on the Sound Transit TOD program was included in Board packets and highlighted several TOD accomplishments.

Committee members requested further discussion of the TOD program and strategic plan at a future Executive Committee meeting.

#### **Business Items**

##### Minutes from the April 1, 2010 Executive Committee meeting

**It was moved by Boardmember Enslow, seconded by Boardmember McCarthy, and carried by the unanimous vote of all members present that the minutes of the April 1, 2010 Executive Committee meeting be approved as presented.**

##### Minutes from the May 6, 2010 Executive Committee meeting

**It was moved by Vice Chair Butler, seconded by Boardmember McCarthy, and carried by the unanimous vote of all members present that that the minutes of the May 6, 2010 Executive Committee meeting be approved as presented.**

#### **Other Business**

None.

#### **Next Meeting**

Thursday, September 16, 2010  
10:30 a.m. to 12:00 p.m.  
Ruth Fisher Boardroom

**Adjourn**

The meeting was adjourned at 12:10 p.m.

APPROVED ON September 16, 2010.



Aaron Reardon  
Executive Committee Chair

ATTEST:



Marcia Walker  
Board Administrator