

## **SOUND TRANSIT BOARD MEETING**

### **Summary Minutes**

**April 28, 2011**

#### **CALL TO ORDER**

The meeting was called to order at 1:46 p.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

##### Boardmembers

(A) Claudia Balducci, Bellevue Councilmember

(P) Richard Conlin, Seattle Council President

(P) Dow Constantine, King County Executive

(P) David Enslow, City of Sumner Mayor

(P) Jake Fey, Tacoma Councilmember

(P) Paula Hammond, WSDOT Secretary

(A) John Marchione, City of Redmond Mayor

(P) Joe Marine, City of Mukilteo Mayor

(P) Pat McCarthy, Pierce County Executive

(P) Joe McDermott, King County Councilmember

(P) Mike McGinn, City of Seattle Mayor

(P) Julia Patterson, King County Councilmember

(P) Larry Phillips, King County Councilmember

(P) Paul Roberts, Everett Councilmember

(P) Peter von Reichbauer, King County Councilmember

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

#### **REPORT OF THE CHAIR**

An event was held last Thursday in the Ruth Fisher Boardroom to thank three departing Citizen Oversight Panel members, Dick Chapin, Miriam Helgeland, and Karen Miller. All three members served eight years, from 2003 – 2010 and Mr. Chapin and Ms. Miller also served in the capacity of COP chair for two years each.

Chair Reardon also announced that the May 5, 2011 Executive Committee meeting has been cancelled.

#### **CHIEF EXECUTIVE OFFICER'S REPORT**

Celia Kupersmith, Deputy CEO reported that CEO Joni Earl is doing well with cardiac rehabilitation and will likely return part-time in May.

The regular state legislative session ended the prior Friday, but a special session has begun to allow completion of an operating budget and some bills necessary to implement the various budgets, including transportation. Sound Transit did not proactively seek any bills this year but will receive \$5.2 million in Regional Mobility Grant funding for the South 200th Link station. Sound Transit did not receive the recommended \$4.5m for Sounder vehicles in the South corridor because legislators rearranged the project list with an emphasis on construction projects that create jobs. Staff will provide an analysis of bills Sound Transit engaged in during the regular and special sessions and their impact on the agency. Boardmember Patterson noted that Representatives Joe Fitzgibbon and Dave Upthegrove worked hard to keep the Sounder vehicle funding in the Urban Mobility Grant list and deserve thanks.

Thirty-seven QFC stores are now among the nearly 100 retail locations in King, Kitsap, Pierce, and Snohomish counties where customers can purchase E-purse value or transit passes for their previously issued ORCA cards. Forty-nine percent of all transit trips in the region are now being made with an ORCA card.

Chair Reardon announced that he was changing the order of the agenda to take Reports to the Board after public comment and discussion of Motion No. M2011-33.

## **PUBLIC COMMENT**

(Comments on file with the Board Administrator)

Will Knedlik  
Paul W. Locke  
Robert Scheuerman

## **ACTION ITEMS**

### Items not referred by Committee

Motion No. M2011-33 – Authorizing the chief executive officer to execute a purchase and sale agreement with the Port of Seattle in the amount of \$13,752,393 for the acquisition of 1) a 1.1 mile segment of the Woodinville Subdivision rail corridor located in Bellevue for construction and operation of the East Link project, and 2) easements for high-capacity transit throughout the remainder of the Woodinville Subdivision rail corridor.

Ms. Kupersmith reported that in 2009 the Sound Transit Board authorized CEO Joni Earl to negotiate purchase of a 1.1 mile segment of the BNSF Corridor in Bellevue and high-capacity transit easements throughout the remainder of the Woodinville Subdivision corridor. Sound Transit would acquire these rights as part of a larger effort by multiple agencies to purchase the Woodinville Subdivision corridor for public ownership. The Port of Seattle is the current owner of the property and the Port Commission will consider the agreement with Sound Transit in May.

Ric Ilgenfritz, Executive Director of Planning, Environment and Project Development, and Jennifer Belk, Senior Legal Counsel gave the staff presentation. The rail corridor is in federal land bank status, which means the primary protected use is trail use, but permission could be granted by the Surface Transportation Board to permit freight service in the corridor. Ms. Kupersmith reported that \$3.5 million is for the 1.1 mile segment and the remaining amount is for the high-capacity transit easement. The purchase would come out of the East King County subarea. Ms. Belk noted that the transaction offered to Sound Transit by the Port of Seattle includes both rights inside and outside the Sound Transit district as one package. The agreement represents the most cost effective way to purchase property needed for East Link, even with the cost of the easements included. The agreement assumes the trail use and necessary accommodations and anticipates that King County will take over ownership of the portions of the corridor not purchased by Sound Transit. King County will likely build the trail in the rail bed where Sound Transit does not anticipate using the corridor for transit. The Federal Transit Administration has approved this transaction.

Mr. Ilgenfritz indicated that any utility and transit conflicts would need to be negotiated with Puget Sound Energy, but Sound Transit would retain the ability to initiate condemnation proceedings, if necessary. The value of the high-capacity easement takes into account the utility easement.

**It was moved by Vice Chair Thomas, seconded by Vice Chair Butler, and carried by the unanimous vote of all Boardmembers present that Motion No. M2011-33 be approved as presented.**

## **REPORTS TO THE BOARD**

### South Corridor Plan

Mr. Ilgenfritz and David Beal, Planning and Project Development Manager, reported on the South Corridor Plan. The Board asked staff to review the south corridor, including timing and affordability, following the Board's ST2 program alignment.

Mr. Beal called the Board's attention to a memo summarizing the preliminary conclusions based on staff work to date. It is possible to mitigate the revenue shortfall and implement most projects within the 2023 ST2 timeframe. The revenue shortfall has reduced the South King County subarea revenues by 31% or \$850 million below the estimates at the time of ST2 adoption. The revenue shortfall also reduces the amount that South King can borrow.

The work plan includes a review of project costs, ridership, and financial information, to determine alternative ways to phase the projects to deliver the best value. The work plan includes: looking at how far the light rail line could be extended from the Airport; a reassessment of Sounder capital program requirements; a determination of how long Sound Transit would need to collect taxes to deliver all of the projects in the program; and identification of other affordable capital and service improvements to best achieve the goals of the ST2 plan.

Phase one of the work plan was completed by staff, using existing data. Phase two would review extending light rail in the South Corridor to Highline Community College, and phase three would be a more detailed study that would include mid- and long-term components.

ST2 included three segments of light rail in the South Corridor; Airport to South 200<sup>th</sup>, South 200<sup>th</sup> to Highline Community College, and Highline to South 272<sup>nd</sup>. It included fleet expansions and contributions to maintenance and storage facilities, as well as improvements to Sounder stations and platforms.

The work plan assumes that the principle of subarea equity, current financial policies, and ST2 project cost assumptions would be maintained. The 2011 capital realignment was used as a base scenario. However, only the Link extension from the Airport to South 200<sup>th</sup> was included. The exception to that realignment is that link light rail is only included from the Airport to S 200<sup>th</sup>.

Studies currently underway that will affect the Board's decisions include the initial work on Sounder and ST Express maintenance facilities. In May, the ST2 Link maintenance facility and fleet requirement study will be completed. Major changes to the ST2 program do not need to be made until these studies are completed. The Sounder Station Access Study will be completed in early 2012.

Incremental extension of light rail to Highline Community College (HCC) and fleet project is possible by 2023, but with delayed completion of South King County park and ride projects and without any South King County subarea contributions to maintenance base projects. ROW expenses for light rail beyond South 272<sup>nd</sup> Street could be delayed. In addition, the Sounder platform extension program could be delayed because current projections do not show a need for eight-car trains until past 2023. Planning efforts to identify an alignment or station locations could help with local planning efforts.

Projects can move forward incrementally through the budget processes and as more is learned through the planning process. Staff will initiate stakeholder briefings and will make a report at the Board meeting in May. The Board should give direction for the next phase of the South Corridor Study in 2011. The next phase would look at alternatives analysis for the next segment of light rail. That work would need to be programmed into the 2012 budget. Phase three of the study would look at improvements at HCC station so it could function as a terminal station for a longer period, possible changes to the ST Express network to coordinate with that work, the timing of an ST3 vote, and possible other funding sources for South Corridor work. Phase 3 could be initiated in 2011 and conclude in 2012 or 2013.

### Financial Report

Brian McCartan, Chief Financial Officer, reported on inflation impacts to Sound Transit. The Consumer Price Index shows inflation at low levels, 1.5% annual increase in inflation in the Seattle area. Inflation affects Sound Transit through wage levels and the purchase of goods and services. Only modest price pressures are anticipated at this time. Gasoline and diesel prices are an exception. The cost impacts bus and commuter rail operations, the budget assumed \$2.53 a gallon for this year. Every \$0.10 increase affects the budget by increasing it \$400,000. If prices remain around \$3.90 per gallon, Sound Transit will exceed the budget by \$2.2 million. Most existing construction costs are structured so that increased fuel costs are borne by the contractor, but some contracts have modest fuel escalation clauses. New bids could come in higher based on fuel costs. Fuel costs have had a positive impact on ridership and Sound Transit anticipates a 3-7% increase in ridership if fuel costs stay at these levels.

Construction costs are measured through the building cost index, which focuses on materials, and the construction cost index, which focuses on labor costs. Inflation for construction is 4% for both indexes. Sound Transit forecast 3.5% inflation for building costs in 2011 and 4.2% for 2012.

### **CONSENT AGENDA**

Minutes of the March 24, 2011 Board Meeting  
Voucher Certification for March 1, 2011 through March 15, 2011  
Voucher Certification for March 16, 2011 through March 31, 2011  
Motion No. M2011-28  
Motion No. M2011-30  
Motion No. M2011-31

**It was moved by Boardmember Marine, seconded by Boardmember Roberts, and carried by the unanimous vote of all members present that the consent agenda be approved as presented.**

### **ACTION ITEMS**

The following two actions came directly to the Board for consideration.

Motion No. M2011-32 – Appointing Ms. Annette Bailes to the Citizen Oversight Panel for a term of four years beginning May 2011 and expiring May 2015.

Ms. Kupersmith presented the staff report. Ms. Bailes was present and commented that she is honored to be asked to contribute and is looking forward to joining the Citizen Oversight Panel.

**It was moved by Boardmember Roberts, seconded by Boardmember Marine, and carried by the unanimous vote of all Boardmembers present that Motion No. M2011-32 be approved as presented.**

Motion No. M2011-34 – Ratifying the chief executive officer's action to amend a contract with JEM Contractors, Inc. to provide for emergency repairs of frozen fire protection standpipes within Central Link and Airport Link in the amount of \$237,538.27, for a new total authorized contract amount not to exceed \$2,471,464.51.

Ms. Kupersmith gave the staff presentation. Boardmembers asked for information on who is liable for the cost of the emergency repairs. Henry Cody, Construction Manager indicated that he would provide the information on insurance coverage for the incident.

**It was moved by Vice Chair Thomas, seconded by Boardmember Roberts, and carried by the unanimous vote of all Boardmembers present that Motion No. M2011-34 be approved as presented.**

**EXECUTIVE SESSION**

None.

**OTHER BUSINESS**

None.

**NEXT MEETING**

Thursday, May 26, 2011  
1:30 to 4:00 p.m.  
Ruth Fisher Boardroom

**ADJOURN**

The meeting was adjourned at 3:10 p.m.

  
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Aaron Reardon  
Board Chair

ATTEST:

  
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Marcia Walker  
Board Administrator

APPROVED on May 26, 2011, KWF