

## **SOUND TRANSIT BOARD MEETING**

### **Summary Minutes**

**October 27, 2011**

### **CALL TO ORDER**

The meeting was called to order at 1:50 p.m. by Vice Chair Fred Butler, 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

(P) 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

(A) Paula Hammond, WSDOT Secretary

(P) 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**

Vice Chair Butler announced that he was chairing the meeting, but Chair Reardon and Boardmember von Reichbauer asked to participate by phone.

**It was moved by Boardmember Phillips, seconded by Vice Chair Thomas, and carried by the unanimous vote of 15 members present that Chair Reardon and Boardmember von Reichbauer be allowed to participate in the Board meeting by telephone.**

Boardmember Marine announced that he needed to leave the meeting early but would like to participate by phone for the remainder of the meeting.

**It was moved by Boardmember McDermott, seconded by Vice Chair Thomas, and carried by the unanimous vote of 15 members present that Boardmember Marine be allowed to participate in the Board meeting by telephone.**

Vice Chair Butler also announced that public comment on East Link would be taken after the staff presentation on Motion No. M2011-77.

Boardmember Phillips spoke about the passing of State Senator Scott White Thursday evening while attending a leadership conference in Cle Elum. Senator White served in the Washington State legislature. He was considered a rising star and a great champion for several causes including transportation and transit. He served two years in the House of Representatives for two years, then for two years in the Senate. He served as the vice chair the Senate Transportation

Committee. Mr. White sponsored and supported various pieces of legislation important to Sound Transit and King County Metro. He was a leader in advocating for new funding for public transportation. He will be missed.

Mr. Butler asked that a resolution of the Sound Transit Board honoring Senator White be read into the record.

**It was moved by Boardmember Phillips, seconded by Boardmember McDermott, and carried by the unanimous vote of all members present that Resolution No. R2011-17 honoring Senator Scott White be approved as presented and that a signed copy be sent to his family.**

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

Joni Earl, CEO noted two items on the agenda can be delayed, the financial report and the phase gate action for East Link.

### TIGER Grant for South Link

Sound Transit submitted a \$24 million application for a TIGER grant for the South Link project in order to reach a \$40 million grant target for the project. TIGER is a very competitive program, with only \$397 million available nationwide for projects in urban areas. Decisions on grant awards will likely be made in early 2012. The proposal has support from the Washington State Congressional delegation, the Governor and state officials, local elected officials, the business and labor communities, and most importantly, the South King community. More than 170 letters signed by individuals were submitted in support of the grant.

The PSRC Executive Committee approved the project earlier in the day. Boardmember Conlin noted that the City of Seattle did not submit an application for a TIGER grant because the South Link project is so important to South King County.

A video was submitted along with the grant application that includes testimonials from Boardmember Julia Patterson, Bob Drewel at the PSRC, Lee Newgent representing labor, and residents of SeaTac.

### Sound Transit Mobile Website

Sound Transit launched the new mobile website for smartphones. Users can plan trips, see schedules and locate stations and facilities by using their phone. In the future, Sound Transit also plans to provide real time information and maps and make the mobile site available for standard web-enabled cell phones.

## **PROPOSED 2012 BUDGET REPORT CAPITAL AND OPERATIONS & ADMINISTRATION COMMITTEES**

Boardmember Marine reported that the 2012 capital budget includes \$732 million in additional public transit investment in the region. There are changes to Sounder, Regional Express and Link project lifetime budgets including increases for the Sounder south line, Lakewood layover, and positive train control. There are decreases in the capital budget for Regional Express due to cost savings. The budget also includes a request of \$13 million for noise abatement for Link light rail. The CEO is requesting 30.5 positions to help deliver the growing capital program.

Boardmember Enslow, Operations & Administration Committee Chair, reported that the Committee has been reviewing the \$198 million Service Delivery budget and \$112 million Agency

Administration budget. The Committee's review focused on drivers for cost increases in transit operations and the justification for the additional 11 requested positions to support agency operations. The budget includes provisions for starting Sounder service to Lakewood in 2012.

The Committees are scheduled to take action in November to recommend the respective budgets to the Executive Committee.

## **REPORTS TO THE BOARD**

None.

## **PUBLIC COMMENT**

(Comments on file with the Board Administrator)

Paul W. Locke

## **CONSENT AGENDA**

Voucher Certification for August 1, 2011 through August 15, 2011

Voucher Certification for August 16, 2011 through August 31, 2011

Minutes of the August 25, 2011 Board Meeting

Minutes of the September 22, 2011 Board Meeting

Resolution No. R78-2: Updating the existing delegated authority and policy for the procurement of contracts, materials, services, and work; for the acquisition, use, and disposal of real and personal property; for the execution of agreements with other public entities; and superseding Resolution No. 78-1.

Resolution No. R2011-14: (1) waiving competitive bidding requirements due to special facilities and market conditions, and (2) authorizing the chief executive officer to execute a task order under the King County Operating Agreement to install a steel bracing system for new noise walls along the Initial Segment project guideway in the City of Tukwila in the amount of \$498,600, with a 10% contingency of \$49,900, for a total authorized task order amount not to exceed \$548,500.

Motion No. M2011-75: Authorizing the chief executive officer to execute an amendment to the agreement with the King County Sheriff's Office to fund two one-year options for law enforcement services in the amount of \$13,800,000 with a 5% contingency of \$700,000 totaling \$14,500,000, for a new total authorized agreement amount not to exceed \$31,300,000.

Motion No. M2011-76: Authorizing the chief executive officer to execute a three-year labor agreement with the Amalgamated Transit Union Local 758 covering Tacoma Link Light Rail vehicle operators.

**It was moved by Boardmember Phillips, seconded by Boardmember Roberts, and carried by the unanimous vote that the consent agenda be approved as presented.**

## **EXECUTIVE SESSION**

At 2:18 p.m., Vice Chair Butler announced that the Board would convene an executive session for 15 minutes. Desmond Brown, Legal Counsel, stated the executive session was appropriate under RCW 42.30.110 subsection (1)(i) to discuss a proposed course of action which poses legal risk to the agency, and whose public discussion would likely result in an adverse legal consequence or financial consequence.

Vice Chair Butler reconvened the meeting at 2:33 p.m.

## **ACTION ITEMS**

### Item not referred by Committee

Motion No. M2011-77: Authorizing the chief executive officer to (1) execute an Umbrella Memorandum of Understanding with the City of Bellevue to reduce Sound Transit's costs associated with the construction of a tunnel alignment in downtown Bellevue, and (2) execute a Transitway Agreement with the City of Bellevue to grant Sound Transit non-exclusive use of City right-of-way to construct, operate, and maintain the East Link Project provided that the Bellevue City Council promptly approves and authorizes execution of the documents in a form substantially consistent with the terms and conditions described herein.

Ric Ilgenfritz, Executive Director of Planning, Environment and Project Development, and Don Billen, East Link Development Manager, gave the staff presentation. Sound Transit has reached a preliminary agreement with the City of Bellevue. Preliminary engineering and environmental work was completed in July 2011. The Board selected the East Link alignment on July 28, 2011 and authorized a preliminary term sheet agreement with the City of Bellevue for a funding and implementation partnership. The Board set a deadline of October 25, 2011 for completion of a binding agreement (MOU) with the City of Bellevue to implement the project and funding as well as a transitway agreement.

The Board's directives for the agreement with the City of Bellevue include a funding commitment of \$160 million from the City, approval of the project selected by the Board, a cooperative permitting process, use of City right-of-way, and commitments to manage scope, schedule, and budget. Sound Transit staff met with City of Bellevue staff to work on the agreement throughout September and October.

The MOU outlines receipt of \$160 million from the City of Bellevue through a combination of cost reductions and contributions. There is a \$100 million up-front contribution regardless of the final cost of the project. Most of the \$100 million contribution comes from property owned by the City that Sound Transit would use for no cost. Property that will be purchased by the City of Bellevue will be jointly used by Sound Transit and the City. The City of Bellevue will grant Sound Transit an easement for those properties for construction and operation of the system. There are also reductions because of utility relocations, the relocation of private utilities as well as the depreciated value of utilities owned by the City that will be moved by Sound Transit. Tax revenue generated by the construction will also be donated to Sound Transit by the City.

The MOU also includes a \$60 million contingent contribution. If costs within the City of Bellevue have declined when the project is baselined compared to current cost estimates, the contingent contribution will be reduced by that amount. This is an incentive for the City to work towards completion of the project in a cost effective way. Whatever amount remains of the contingent contribution will be applied to tunnel construction contingency as the last dollar spent in project contingency. This will encourage the City to work with Sound Transit on the tunneling which is one of the highest risk elements of the project. Mr. Ilgenfritz explained that the City of Bellevue is able to get credit for cost saving elements within the City of Bellevue during the design process. After baselining, savings outside of the tunnel construction will be Sound Transit's savings to manage.

The agreement also includes a collaborative design process; the City has requested to participate in the design process and this will help both parties look for efficient designs. There is also a commitment to resolve issues at the lowest possible level to keep the project schedule moving. Value engineering work will be done as part of final design and the City will offer comments on the preliminary engineering elements. The cooperative permitting process included in the MOU ensures that there will not be additional permitting requirements that add cost to the project. The permitting process will include three steps; the City Council will review land use code changes to allow a consolidated permitting process, in 2013 a development agreement will establish all the major permitting costs for the project—this will occur before project baselining. Finally, final design

will be completed and final land use approvals will follow. The MOU will also allow the City to review technical codes and review codes that are in conflict with the process.

The MOU includes the City of Bellevue's support for the project with some modifications on 112<sup>th</sup> Avenue. The City Council submitted a letter to the Sound Transit Board specifying a preference for Option B which would have light rail travel on the east side of 112<sup>th</sup> Avenue, transition to an elevated structure to the west side of the street into a retained cut. This alignment will have traffic, noise, and visual benefits, and eliminates at-grade crossings which would allow grade-separated operation from Lynnwood through Seattle and to the Bel-Red corridor.

The City Council letter expresses concerns over neighborhood impacts. Eleven new properties are impacted because of the design changes on 112<sup>th</sup> Avenue. Eight properties will likely be partial acquisitions and three will likely be full acquisitions. The City Council has requested that there be no partial acquisitions. The MOU includes language that if the City of Bellevue elects to acquire the full properties, the City will receive credit for what Sound Transit would have paid for the partial agreement. The City would retain ownership of its portion of the parcel.

Mr. Billen reviewed how risks would be managed. The MOU addresses some of the risks including the City and Sound Transit working together to bring the project within budget if it is above the preliminary engineering estimate. The MOU also includes options for termination if certain milestones are not met and if the project is not affordable or feasible.

Brian McCartan, Chief Financial Officer reviewed the finance plan for the East Link project. The finance plan is consistent with all the MOU elements and is based on the most recent revenue and cost estimates. It assumes a revenue service date of 2023 and includes the assumption that right-of-way will be sold. The plan assumes reduced long-term borrowing costs by 25 basis points to 5.75% through 2023. The plan also assumes the \$160 million in contributions included in the MOU and assumes an additional \$25 million in scope savings. Some areas for scope savings have already been identified. The plan also includes a \$110 million cost allocation to the North King Subarea to recognize the benefits to the North King Subarea and infrastructure located in the subarea.

Ms. Earl noted that the Board would adopt the funding plan around the 60% design through the Board's formal phase gate process, when scope, schedule, and budget are adopted. If the Bellevue City Council takes action on the MOU, the Board will consider an implementation action at the November 17, 2011 meeting.

Public comment on Motion No. M2011-77  
(Comments on file with the Board Administrator)

Don Davidson, Mayor of Bellevue  
Scott McCall, City of Shoreline  
Sue Baugh, President of Move Bellevue Forward  
Leslie Lloyd, Bellevue Downtown Association  
John Niles, Co-Chair of the Coalition for Effective Transportation Alternatives  
Arjun Sirohi

**It was moved by Boardmember Balducci and seconded by Boardmember Conlin that Motion No. M2011-77 be approved as presented.**

The Board directed Ms. Earl to respond to the Bellevue City Council's letter to inform them she is authorized to sign the MOU, but adoption of the MOU at the next Bellevue City Council meeting is necessary for the East Link project to move forward as adopted by the Board.

**The motion to approve Motion No. M2011-77 carried by majority, with Boardmember Roberts voting in the minority.**

**OTHER BUSINESS**

None.

**NEXT MEETING**

Thursday, November 17, 2011  
1:30 to 4:00 p.m.  
Ruth Fisher Boardroom

**ADJOURN**

The meeting was adjourned at 3:51 p.m.

  
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Aaron Reardon  
Board Chair

ATTEST:

  
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Marcia Walker  
Board Administrator

APPROVED on December 15, 2011, MW