



2012 SOUND TRANSIT BOARD MEETING

Summary Minutes

February 23, 2012

CALL TO ORDER

The meeting was called to order at 1:33 p.m. by Chair Pat McCarthy, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

ROLL CALL

Chair

(P) Pat McCarthy, Pierce County Executive

Vice Chairs

(P) Julia Patterson, King County Councilmember

(P) Aaron Reardon, Snohomish County Executive

Boardmembers

(P) Claudia Balducci, Bellevue Councilmember

(P) Fred Butler, Issaquah Deputy Council President

(P) Richard Conlin, Seattle Councilmember

(P) Dow Constantine, King County Executive

(A) David Enslow, City of Sumner Mayor

(A) Paula Hammond, WSDOT Secretary

(P) John Marchione, City of Redmond Mayor

(P) Joe Marine, City of Mukilteo Mayor

(A) Joe McDermott, King County Councilmember

(P) Mike McGinn, City of Seattle Mayor

(P) Mary Moss, Lakewood Councilmember

(P) Larry Phillips, King County Councilmember

(P) Paul Roberts, Everett Councilmember

(P) Marilyn Strickland, City of Tacoma Mayor

(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

Chair McCarthy recognized former Boardmember Jake Fey for his service on the Sound Transit Board and presented him with a commemorative plaque and framed picture of Tacoma Link. Boardmember Fey served on the Board for two years starting in January 2010. During his time on the Board and Capital Committee, he participated in the alignment decision for East Link, Alternatives Analysis work on the North Corridor, the agreement with BNSF for four new round trips on South Sounder, and accelerating the Link extension to South 200th Street. He also contributed to the partnership with the City of Tacoma that led to the City adding the new Commerce Street stop in downtown Tacoma to the Tacoma Link system.

Chair McCarthy announced committee appointments as follows:

Executive Committee

Pat McCarthy (Chair)

Julia Patterson (Vice Chair)

Aaron Reardon (Vice Chair)

Fred Butler

Dow Constantine

Dave Enslow

Paula Hammond

Mike McGinn

Paul Roberts

Operations and Administration Committee

Paul Roberts (Chair)

John Marchione (Vice Chair)

Fred Butler

Dave Enslow

Joe McDermott

Mary Moss

Capital Committee

Fred Butler (Chair)
Richard Conlin (Vice Chair)
Claudia Balducci
Joe Marine
Pat McCarthy
Mike McGinn
Julia Patterson
Larry Phillips
Marilyn Strickland
Pete von Reichbauer

Audit and Reporting Committee

Dave Enslow (Chair)
Larry Phillips (Vice Chair)
Fred Butler
Dow Constantine
John Marchione
Joe Marine
Mary Moss
Stuart Scheuerman (Citizen Oversight Panel
Chair)

CHIEF EXECUTIVE OFFICER'S REPORT

State Legislature and US Congress. Sound Transit is pursuing two bills in the State Legislature associated with the ORCA program, one related to fare enforcement and one related to defining personally identifying information for public disclosure. Legislation that would eliminate a conflict between state and federal requirements for contract retainage and a bill that would give Sound Transit the authority to use Job Order contracting are also being sought.

The Washington State House and Senate have released their proposed 2012 supplemental transportation budgets. Both include direct funding to transit through a formula distribution agreed to by all transit agencies. The House proposal appropriates \$10 million annually and the Senate appropriates \$3.5 million annually.

Sound Transit's State Partnership Report was included in Boardmember packets. The report highlights some of the projects and services where Sound Transit partners with the State of Washington.

Congress is considering reauthorization of the federal transportation programs which are set to expire at the end of March. On behalf of the Board, Chair McCarthy sent a letter to our Congressional delegation urging them to oppose the revenue title that would eliminate the Mass Transit Account of the Highway Trust Fund.

The \$110 million payment on the University Link Full Funding Grant Agreement was included in President Obama's proposed FY 2013 budget. The Congressional appropriations process will begin in spring.

Sustainability Targets. Seventy-one percent of the 2011 sustainability targets were completed in 2011 and 23 percent will be completed this year. The targets help Sound Transit develop near term management plans for natural resources and integrate sustainability into agency processes.

Fourth-quarter service delivery report. Total ridership for 2011 was just over 25 million, a 10% percent increase over 2010. Fourth quarter boardings were up 12% over the same period in 2010, and average weekday boardings were up 14%. The fourth quarter showed ridership growth for all modes of service including a 19% increase on Tacoma Link.

Discontinuation of the Downtown Seattle Ride-Free Area. The Ride-Free Area is scheduled to be eliminated in October 2012 based on King County Council direction last August. The ride free area exists through an agreement between Seattle and King County Metro. Sound Transit is not a party to that agreement but will be affected by the elimination of the ride free area. The impact of beginning to charge fares downtown will be reviewed with the Executive and Operations and Administration Committees.

CITIZEN OVERSIGHT PANEL YEAR-END REPORT

Stuart Scheuerman, Citizen Oversight Panel (COP) Chair, and Josh Benaloh, COP Vice Chair reviewed the panel's 2011 Year-End Report. The COP has monitored Sound Transit's performance for 15 years.

Sound Transit has responded well to the revenue shortfall. The agency continues to deliver service while accomplishing major design and construction tasks. Accomplishments include completing an agreement

with the City of Bellevue for the East Link project, completing design of the D Street to M Street project, and completing construction of the Mountlake Terrace Freeway Station and the Kirkland Transit Center. University Link construction is also underway. Ridership was up on all modes. Last year COP's System Access Task Force urged the Board to increase ridership and the increase may be a result.

There are three areas of concern—revenue forecasting, Sounder North ridership, and operations agreements with partners. Finance plans show a revenue increase of 4-5%, which may be too optimistic. The COP encourages additional testing and publicly reporting the findings. COP has monitored Sounder North ridership over the past year and has established a task force to look at this issue. Agreements with CT, PT and KCM to provide service are high cost areas. Agreements will be expiring in 2016 and the Board should look at renegotiating or looking for competitive procurement.

On behalf of COP, Mr. Scheuerman thanked the Board for its recent appointment of Karen Mask to represent East King County.

The Board thanked the panel members for their report highlighting both accomplishments and areas of concern. The Board requested information from the task force on Sounder North be presented to the Board in time for the 2013 budget process.

REPORTS TO THE BOARD

Financial Report

Brian McCartan, Chief Financial Officer, gave an overview of the fourth quarter financial results. Actual revenues are 10% below the budget for 2011 to date. Nationally, sales tax has been growing annually at 5%, but at 2.5% in the Pacific Northwest. Transit Operations is at 98% of the budget. The Operations and Administration Committee has been briefed that Transit Operations may be over budget and a budget amendment may be needed once final numbers are known. The Capital budget is at 75%. East Link design work and property acquisition are under budget. North Link property acquisition near Brooklyn Station is also under budget. The University Link project is at 96% of the budget.

Seven external audits are underway; an ORCA audit, a state performance audit, federal, financial statement, subarea, and an FTA audit of the Full Funding Grant Agreement for the Link Initial Segment. A FEMA audit of a grant for closed-circuit TVs and a state compliance audit for 2010 have been completed with no findings. In addition, there are a dozen internal audits underway or near completion.

University Link Project Update

Joe Gildner, Executive Project Director reported that the University Link project is 40% complete and \$107 million below budget with 172 days of project float. Tunneling from the University of Washington to Capitol Hill is 75% complete and tunneling from Capitol Hill to the Pine Street Stub Tunnel is 65% complete. The tunnel boring machine from the University of Washington will arrive at the Capitol Hill station in March. Sound Transit has been working with property owners on issues related to tunneling; the agency does not anticipate any adverse structural impacts to surrounding buildings. The majority of tunneling work will be completed by the end of this year.

Roosevelt Station TOD Overbuilding

Ahmad Fazel, Executive Director of Design, Engineering and Construction Management, and Ron Endlich, Project Support Services Manager, gave the presentation. Final design began on the North Link project in 2011 and is approaching 60% design. In 2012, scope, schedule and budget will be baselined and construction will begin. At 30% design, staff discussed the approach to transit oriented development (TOD) was discussed with the community and with the Capital Committee in December. The current approach assumes TOD opportunities adjacent to the station and does not include overbuilding the station. The Capital Committee asked that the full Board discuss overbuilding the station.

Mr. Endlich noted that overbuilding the station has been reviewed. The station design was based on urban design principles, providing a transition between low-rise and mid-rise facilities in the area, and minimizing impacts to residents in nearby condominiums. The design refinements since the 30% design include reducing the footprint of the headhouses, the height of the vents, and expanding the plazas. An open house on the 60% design is scheduled for April 11, 2012.

The evaluation of overbuilding the station looked at how the housing could extend over the station. Two to four floors could be built to increase the number of units by 24-48 units. The overbuild design assumed that the station headhouse structure would need to be modified to add support structures and bracing, that the fans and vents also be redesigned and insulated, and that groundbourne noise may require use of a floating slab to reduce operational noise to within FTA standards.

Mr. Endlich reviewed advantages and disadvantages of overbuilding identified by the consultant. Advantages include the opportunity to create more units, along with more revenue and ridership and the higher popularity of a 65-foot high site. Disadvantages include increased complexity for the construction and possible reduction in demand for the property as a result, increased cost to Sound Transit to provide the structural support necessary for overbuilding the station, and decreased popularity of an 85-foot high site. The estimated cost of the overbuild is \$3.3 million; the potential development value would increase by only \$800,000 to \$1.6 million creating a loss of \$1.7 to \$2.5 million to Sound Transit.

Policy considerations include whether Sound Transit should spent transit tax dollars to provide housing to potential riders, whether the additional 25-50 weekday boardings would be worth an additional \$1.7 to \$2.5 million, and the effect on the public open space that is in the current design. Based on the Board's current TOD policy, projects must be supported with market and financial feasibility studies; must be consistent with Sound Transit's project development, timing and budget; must generate revenue to offset the cost of construction or transit investment; and must reflect the values of the community.

Boardmember Conlin presented a white paper to the Board about considering additional factors in evaluating TOD projects and using other ways to value TOD. He indicated he was looking forward to the in-depth discussion of TOD at the Board retreat.

Chair McCarthy indicated that the Board was comfortable with staff moving forward with the current design.

PUBLIC COMMENT

(Comments on file with the Board Administrator)

Valerie Kinast, Seattle Light Rail Review Panel
Patti Mullen, Federal Way Chamber of Commerce
Andrew Austin, Transportation Choices Coalition
Will Knedlik, Eastside Rail Now
Robert Scheuerman
Larry Yok, Highline Community College
Bob Adams, Atkinson Construction
John Welch, Harbor Pacific Contractors
Lee Newgent, Seattle Building and Construction Trades Council
David Myers, Washington State Building and Construction Trades Council
Mark Martinez, Pierce County Building and Construction Trades Council
Bob Armstead, National Association of Minority Contractors Washington Metropolitan Area Chapter
Dave Johnson, Hoffman Construction
Jerry Dinndorf, Associated General Contractors Seattle District Manager
Peter Guzman, Chair of the Sound Transit Diversity Oversight Committee
Paul W. Locke
Diane Davies, Seattle Vocational Institute Pre-Apprenticeship Construction Training
The Pierce County Chamber of Commerce was unable to attend the meeting and requested their letter be distributed to the Board.

CONSENT AGENDA

Minutes of the January 26, 2012 Board Meeting

Resolution No. R2012-03: Authorizing the chief executive officer (1) acquire, dispose, or lease certain real property by negotiated purchase, by condemnation (including settlement of condemnation litigation), or entering into administrative settlements, and to pay eligible relocation and re-establishment benefits to affected owners and tenants as necessary for the South Link – Airport Station to South 200th Street project.

Resolution No. R2012-04: Authorizing the chief executive officer to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation (including settlement), by condemnation litigation, or by administrative settlement; and to pay eligible relocation and re-establishment benefits to affected parties as necessary for Sounder Commuter Rail Lakewood Layover Facility.

Resolution No. R2012-05: Authorizing the chief executive officer to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation (including settlement) to the extent permitted by law, by condemnation litigation, or by administrative settlement; and to pay eligible relocation and re-establishment benefits to affected parties as necessary for Sounder Commuter Rail D to M Street Facility.

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

ACTION ITEMS

Resolution No. R2012-02: Establishing a policy for naming Sound Transit facilities, including stations, maintenance bases, portals and other facilities and a naming structure for Link system lines and extensions.

It was moved by Boardmember Patterson, seconded by Vice Chair Butler, and carried by the unanimous vote of all Boardmembers present that Resolution No. R2012-02 be approved as presented.

Resolution No. R2012-06: Amending the Adopted 2012 Budget to create the Light Rail Vehicle Onboard Energy Storage Project and approving (a) the 2012 Annual Project Budget of \$1,525,000, and (b) the Project Lifetime Budget in the amount of \$1,643,085, (2) approving Gate 1 within Sound Transit's Phase Gate process, (3) approving an alternate gate path for the project.

Resolution No. R2012-06 was moved by Boardmember Marine and seconded by Boardmember Strickland.

Chair McCarthy called for a roll-call vote because amending the adopted budget requires a 2/3 affirmative vote of the entire Board.

Ayes

Nays

Claudia Balducci	John Marchione	Aaron Reardon
Fred Butler	Mike McGinn	Paul Roberts
Richard Conlin	Mary Moss	Marilyn Strickland
Dow Constantine	Julia Patterson	Pete von Reichbauer
Joe Marine	Larry Phillips	Pat McCarthy

It was carried by the unanimous vote of 15 Boardmembers present that Resolution No. R2012-06 be approved as presented.

Motion No. M2012-06: Authorizing the chief executive officer to add ST2 light rail construction projects to the scope of Sound Transit's Project Labor Agreement.

Ms. Earl explained that the original Project Labor Agreement (PLA) has been in place since 1999 and was negotiated between Sound Transit and the national and local building and construction trades and local and national unions. It included specific light rail and Sounder construction contracts.

Agreement Dynamics was selected to conduct a study of the PLA in order to determine if the Board's original goals in using the PLA were achieved. The consultant interviewed over 140 individuals and looked at recent PLAs for other projects. The study was presented to the Executive Committee in February. The Committee

discussed three options for going forward: continue the PLA for the projects currently included but not add any new ST2 projects, renegotiate the PLA, or amend the PLA to add the light rail projects included in ST2. The Executive Committee directed staff to prepare an action for Board consideration based on the Committee's discussion and preference to amend the PLA to add the light rail projects included in ST.

Leslie Jones, Director of Diversity Program, and Rhonda Hilyer reviewed the study findings. The Board identified objectives when it implemented the PLA in 1999. The study found that all the original Board objectives for the PLA were supported. The report also looked at other issues including cost versus savings, grievances, administration, non-union subcontractors, no strike provisions, jurisdictional disputes, prevailing wage, community representation, and PLA comparison. The study included suggestions for improvements; primarily focused on administrative changes. Ms. Hilyer noted that the study found there were some savings, but because of the number of variables, such as the no-strike clause, the study cannot make a final determination about whether a PLA costs money or saves money. The PLA insulates Sound Transit from job disruptions and gives Sound Transit the ability to standardize work rules and compensation.

It was moved by Boardmember Patterson, seconded by Boardmember Strickland, and carried by the unanimous vote of all Boardmembers present that Motion No. M2012-06 be approved as presented.

Resolution No. R2012-07: (1) Expanding the scope of the South Corridor HCT–South 200th Street to Kent/Des Moines project to include alternatives analysis, environmental review, and conceptual engineering to the Federal Way Transit Center; (2) amending the Adopted Lifetime Budget for the South Corridor HCT project to increase it by \$24,327,240 from \$17,515,899 to \$41,843,139; (3) amending the Adopted 2012 Budget for the South Corridor HCT project to increase it by \$1,254,486 from \$2,576,500 to \$3,830,986; (4) reducing the scope of the South Corridor Alternatives Planning project for the portion of the Federal Way extension that was already budgeted within that project; (5) amending the Adopted Lifetime Budget for the South Corridor Alternatives Planning project to decrease it by \$1,478,681 from \$5,542,319 to \$4,063,638; (6) amending the Adopted 2012 Budget for the South Corridor Alternatives Planning project to decrease it by \$739,341 from \$3,122,250 to \$2,382,909; and (7) approving Gate 1 within Sound Transit's Phase Gate process for the revised South Corridor HCT project and changing the name of the project to the South Corridor HCT–South 200th Street to Federal Way Transit Center project.

Resolution No. R2012-07 was moved by Boardmember von Reichbauer and seconded by Vice Chair Butler.

Chair McCarthy called for a roll-call vote because amending the adopted budget requires a 2/3 affirmative vote of the entire Board.

	<u>Ayes</u>	<u>Nays</u>
Claudia Balducci	John Marchione	Aaron Reardon
Fred Butler	Mike McGinn	Paul Roberts
Richard Conlin	Mary Moss	Marilyn Strickland
Dow Constantine	Julia Patterson	Pete von Reichbauer
Joe Marine	Larry Phillips	Pat McCarthy

It was carried by the unanimous vote of 12 Boardmembers present that Resolution No. R2012-07 be approved as presented.

Motion No. M2012-07: Authorizing the chief executive officer to execute a lease agreement with Eaton Properties, for office space located in Lakewood, WA, for a five-year term and with five one-year options for a total authorized agreement amount not to exceed \$314,053.

Nancy Bennett, Property Management Manager, gave the staff presentation.

It was moved by Boardmember Roberts, seconded by Boardmember Constantine, and carried by the unanimous vote of all Boardmembers present that Motion No. M2012-07 be approved as presented.

EXECUTIVE SESSION

None.

OTHER BUSINESS

None.

NEXT MEETING

Thursday, March 22, 2012
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

ADJOURN


It was moved by Boardmember Strickland, seconded by Boardmember Conlin, and carried by the unanimous vote of all Boardmembers present to adjourn the meeting.

The meeting was adjourned at 4:46 p.m.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator

APPROVED on March 22, 2012, KWF