

SOUND TRANSIT BOARD MEETING

Summary Minutes
November 20, 2014

CALL TO ORDER

The meeting was called to order at 1.37 p.m. by Chair Dow Constantine, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

ROLL CALL

Chair

(P) Dow Constantine, King County Executive

Vice Chairs

(P) Marilyn Strickland, City of Tacoma Mayor

(P) Paul Roberts, Everett Councilmember

Boardmembers

(P) Claudia Balducci, City of Bellevue Mayor

(P) Fred Butler, City of Issaquah Mayor

(P) Dave Earling, City of Edmonds Mayor

(P) David Enslow, City of Sumner Mayor

(P) John Lovick, Snohomish County Executive

(P) John Marchione, City of Redmond Mayor

(P) Pat McCarthy, Pierce County Executive

(P) Joe McDermott, King County Council Vice Chair

(P) Ed Murray, City of Seattle Mayor

(P) Mary Moss, Lakewood Councilmember

(P) Mike O'Brien, Seattle Councilmember

(A) Lynn Peterson, WSDOT Secretary

(P) Larry Phillips, King County Council Chair

(A) Dave Upthegrove, King County Councilmember

(A) Peter von Reichbauer, King County Councilmember

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

Chair Constantine announced that Vice Chair Paul Roberts, Boardmember Lovick, and Boardmember Balducci asked to participate in today's meeting by phone. The Board Rules and Operating Procedures allow members to attend meetings by teleconference with a two-thirds affirmative vote of those members in attendance.

It was moved by Vice Chair Strickland, seconded by Boardmember Marchione, and carried by unanimous vote that Vice Chair Roberts, Boardmember Lovick, and Boardmember Balducci be allowed to participate in the Board meeting by telephone.

REPORT OF THE CHAIR

Chair Constantine announced that Resolution No. R2014-30, which deals with a TIFIA loan, requires supermajority approval and will be the first action discussed today.

Edna Shim, Director of Government and Community Affairs for Seattle Children's Hospital, will address the today as the representative of the Operations and Maintenance Satellite Facility (OMSF) Stakeholder Group, which the Board impaneled to consider options for the proposed facility on the Eastside. The Board's usual practice is to hear public comment only on final action items on the agenda, Ms. Shim will be allowed to speak under Public Comment without the two-minute time limit normally imposed on Public comments.

The Board will go into an executive session after all of the action items. No actions will be considered following the executive session.

CHIEF EXECUTIVE OFFICER'S REPORT

Third Quarter Service Delivery Performance Report

Mike Harbour, Deputy Chief Executive Officer, delivered the Third Quarter Service Delivery Performance Report. Total ridership continued to increase during the third quarter, even though service levels have not

increased. Total boardings were up nearly 10% compared to the same period in 2013, and are trending ahead of forecasts for 2014. Sounder, Central Link, and ST Express set new quarterly records for average weekday boardings. Central Link had the highest ridership growth at 15.3%, and surpassed 1.1 million boardings in August to set an all-time monthly ridership record. ST Express and Central Link hit all of the performance targets for YTD 2014. Sounder met the target for percentage of scheduled trips operated in the third quarter; however, cancellations due to mudslides in the first and second quarters will impact year to date (YTD) 2014 performance for the remainder of the year. Sounder met the target for on-time performance in the third quarter, but fell short for YTD 2014 due to Tukwila Station construction delays as well as delays from freight interference throughout the third quarter of this year. Tacoma Link fell short of the ridership performance targets for the quarter and YTD 2014, continuing a trend that began in late 2012.

Mr. Harbour announced that the second tunnel boring machine for the Northgate Link Extension has launched and will begin operating today or tomorrow.

An open house on East Link Station Design was held today in the Santa Fe room. The open house included displays showing artist renditions, key facts, next steps, and other information for each East Link station.

REPORTS TO THE BOARD

Operations and Maintenance Satellite Facility Stakeholder Outreach Report

Mike Williams, Deputy Director of Planning, Environment, and Ric Ilgenfritz, Executive Director of Planning, Environment, and Project Development (PEPD), gave the report.

Last November, when the Board identified the BNSF site as the preferred alternative for the Operations and Maintenance Satellite Facility (OMSF), they asked staff to conduct additional work to maximize TOD on the site, maximize compatibility with the Bel-Red plan, consider site modifications and value engineering recommendations and obtain input from stakeholder workshops. In order to promote compatibility of the planned Sound Transit OMSF and the Bel-Red Plan land use codes and to gain the support of stakeholders in the area, the Board directed Sound Transit Staff to collaborate with a committee of Bel-Red Corridor Stakeholders.

A stakeholder group was established that included developers, business interests, housing and healthcare advocates, environmental groups, pedestrian and bike groups and local community groups. A series of three stakeholder meetings were held.

Mr. Williams reviewed three charrettes that were developed by a City of Bellevue consultant and presented at the first stakeholder meeting. The three charrettes included a North/South orientation that would relocate 120th Ave. NE, an East/West Orientation that would require relocation of the King County East Base and elevates 120th Ave. NE over the OMSF, and a Split Orientation that would split the OMSF functions across two sites that would connect across 120th Ave. NE. The stakeholder group decided to focus on the North/South and East/West orientations. Sound Transit's consultant team presented some new concepts at the 2nd Stakeholder group meeting. Scheme A-1 would leave 120th Ave NE in its current location and maximize development opportunity at the South end of the base. Scheme A-2 would move 120th Ave. NE with some impact to the King County East Base. Scheme B would rotate the facility in an east/west orientation. The stakeholder group identified six key elements in the development of the OMSF: provide 1.5 million square feet of TOD development within a quarter mile of the 120th station, identify developable land parcels, accommodate streets and utilities in the design, provide bike and pedestrian connections, include potential open space, and design a "Great Place" by providing development potential on both sides of 120th leading to the station.

The collective group developed a two-phase plan for the OSMF. In Phase 1, 120th Ave. NE stays in its current location with two potential parcels on the southern end of the site, with potential for partial overbuild with parcel two. It has connection to the trail system, and contains approximately 1.3 million square feet of development potential within that quarter mile. In Phase 2, 120th Ave. NE would be realigned to the East, and factoring in the 20 bus parking spaces for King County, would have the potential for two more parcels to the north end of the site, with the potential of 2.2 million square feet of development potential within a quarter mile

or more of the station. These phases address many of those key elements defined above. The phased development is still being discussed between Sound Transit and the City of Bellevue.

The project is currently in the Environment Review and Record of Decision stage. The goal is to have the record of the decision and final adoption of the site in late 2015, which would then lead into final design and purchase of right of way, followed by construction with a target of opening in late 2020 or early 2021.

Lynnwood Link Extension Update

Matt Shelden, Light Rail Development Manager, and Rod Kempkes, Corridor Design Manager, presented the update. The Lynnwood Link Light Rail Extension would create an 8.5 mile extension from Northgate to Lynnwood Transit Center. There are four stations: Shoreline at NE 145th Street, Shoreline at NE 185th Street, Mountlake Terrace at the Mountlake Terrace Transit Center, and in Lynnwood at the Lynnwood Transit Center. There are about 1,500+ stalls of added P&R capacity in 3 new garages located at all stations except for Mountlake Terrace, which has existing garage capacity. At the Boards' request, additional station design options are being evaluated that include potential stations in North Seattle at 130th Street, and at 220th Street in Mountlake Terrace, as well as an I-5 median option in Snohomish County.

The draft preliminary engineering 30% design package is completed and needs to be finalized; cost estimates are being updated; the preliminary final EIS is drafted and is under review; constructability, value engineering and risk reviews are completed; and preparations for FTA New Starts project rating and Engineering application are underway.

Mr. Kempkes noted that the FTA New Starts application requires the applicant to identify the proposed project delivery method. Sound Transit developed project implementation goals and evaluated different contract packaging approaches. The goals include opening for service by end of 2023, not exceeding the project budget, maintaining Full Funding Grant Agreement eligibility and maximize federal partnership opportunities, having a high-quality, safe, environmentally responsible, durable and maintainable project, minimizing inconvenience to the community and travelling public, and maintaining and minimizing impacts to transit operations while maximizing service integration. Based on this work, the contract packaging approach for construction includes two Heavy Civil GC/CM construction packages each including guideway, track, stations and parking garages, one early works bridge and roadway construction package, performed by WSDOT, and one early Northgate Link-Lynnwood Link connector package. For systems, there will be one Heavy Civil GC/CM Systems construction package including traction power, signals and communications. For final design and Construction Management there will be one civil final design contract, one systems final design contract, and two construction management contracts for civil and system construction work.

Mr. Sheldon identified the top risks of the project schedule right now as getting FTA environmental and New Starts approvals, and FHWA environmental and right-of-way approvals. The cost risks are inflation and the availability of and competition for FTA New Starts. Next steps include completing the final 30% design package and publishing the final EIS in the first quarter of 2015. Sound Transit Board selection of a final project to be built, currently scheduled for the first quarter of 2015. A New Starts Engineering application will be submitted to the FTA in the second quarter of 2015. Revenue service is scheduled for 2023.

Updating Sound Transit's Long-Range Plan

Chair Constantine introduced the Long-Range Plan (LRP). The discussion and direction today will help staff synthesize the volume of ideas and move us closer to the December adoption of the LRP.

Karen Kitsis, Planning and Development Manager, gave a brief overview of the current proposed LRP amendments. There are currently 20-25 potential map amendments, and over 15 potential text amendments to the already robust plan. The map amendments collectively propose changes to all modes. One group involves clarifying amendments, such as extending service to Everett to serve Boeing/Payne field, and service in Issaquah to extend from the I-90 corridor further into the city. Another group of amendments proposes service options in new corridors, especially in West Seattle. There are several service proposals that overlap or run parallel to current options, so those especially should be closely evaluated against the existing plans.

One text amendment is the inclusion of a revised Chair markup from the Board workshop in October, to move goals and objectives closer to what they were in the 2005 plan, and updating language in relation to policies taken by the Board since the adoption of the 2005 LRP. Ms. Kitsis provided a summary of the text amendments: a desire to include evaluation criteria used in development of ST2; support for several goals that would improve place-making, health, access, and regional integration goals; strengthening land use and transit connections; maintaining speed and reliability on HOV/managed lanes for transit; efficient, high-frequency, and accessible transit service to low-income and minority populations; inclusion of project cost estimates developed during system planning that include funding for access, Transit Oriented Development (TOD) planning, and sustainability; establishing an Innovation Fund that could look at innovative ways of solving and improving transit operations; and prioritizing Link Light Rail service on the spine and on corridors that offer the highest ridership potential.

There were also recommendations, including a focus on advancing environmental work on HCT study corridors based on available funding; exploring options to address significant regional facilities; and clarifying that deferred infill stations in Sound Move and ST2 can be part of a future system plan. Amendments also incorporated additional language from TOD policy, including that Sound Transit will foster relationships with jurisdictions, regional agencies, private developers, local residents, businesses, community groups and other stakeholders to facilitate TOD, and to look into encouraging creation of housing options, that could include market-rate and affordable units.

Boardmember Butler commented that East King County Sound Transit Boardmembers had a meeting with Kirkland Mayor Amy Wayland and Kirkland City Manager Kurt Triplet regarding the LRP. They support the vision of high capacity transit in the corridor; however, it goes through many single family neighborhoods. They requested that heavy rail commuter rail be removed from the LRP as an option in Kirkland. Boardmember Butler asked that staff draft language related to this request for possible inclusion in the LRP update.

Chair Constantine suggested that Boardmembers consult within their subareas to prioritize the amendments when considering the LRP amendments, and work with staff to coordinate approaches to areas of common interest. While the Long-Range Plan is the Sound Transit financially unconstrained "vision", the Chair also noted that, as a point of comparison, there were only six map amendments in the 2005 update. Vice Chair Strickland added that when planning a regional transportation system it is important to especially consider where to direct growth, job centers, and density, as the direction of the transportation system will guide those factors.

On November 26, 2014 the Supplemental Final EIS will be published. In December, the Board will consider the amendments to the Long Range Plan. The Board is scheduled to adopt the updated Long-Range Plan at the December 18, 2014 Board meeting. Adoption of the LRP in December will put Sound Transit in a position to determine whether to start the planning work for the next phase in January 2015.

PUBLIC COMMENT

Edna Shim, Representing the Operations and Maintenance Satellite Facility Stakeholder Committee – (A transmittal of Stakeholder Recommendations on the OMSF was provided to the Board)

Amy Walen, Kirkland Mayor

Kevin Snider

Alex Zimmerman

John Niles

Will Kenevlik

Paul W. Locke

CONSENT AGENDA

Voucher certification for October 2014

Resolution No. R2014-29: (1) Authorizing the chief executive officer to establish a trust (the "Trust") under Section 115 of the Internal Revenue Code of 1986, as amended (the "Code") to be used solely for the

payment of health and welfare benefit costs incurred by Sound Transit as authorized by Board-adopted budgets, and (2) authorizing the chief executive officer to appoint a third party trustee/custodian to hold Trust assets and a third party plan administrator to administer the Trust, and (3) authorizing the chief executive officer to deposit into the Trust an amount equal to the savings achieved by the agency's health reimbursement account (the "HRA") and use the Trust funds to pay future benefit costs, and (4) authorizing the chief executive officer to deposit into the Trust all or a portion of any budgeted HRA funds that have not been expended in fiscal years.

Motion No. M2014-82: Authorizing the chief executive officer to extend the existing interagency service agreement with King County Metro through June 30, 2015.

Motion No. M2014-83: Authorizing the chief executive officer to extend the existing interagency service agreement with Pierce Transit through June 30, 2015.

Motion No. M2014-90: Authorizing the chief executive officer to execute a construction contract with Walsh Construction Company II, LLC to provide advanced utility relocation work in the vicinity of the Northgate Station within the Northgate Link Extension in the amount of \$9,370,000, with a 10% contingency of \$937,000 for a total authorized contract amount not to exceed \$10,307,000.

Motion No. M2014-91: Authorizing the chief executive officer to add contingency to the contract with Northlink Transit Partners, Joint Venture to provide additional design services during construction for the University Link Extension in the amount of \$1,548,989, for a new total authorized contract amount not to exceed \$64,616,668.

It was moved by Vice Chair Strickland, seconded by Boardmember Marchione, and carried by unanimous vote that the consent agenda be approved as presented.

BUSINESS ITEMS

Resolution No. R2014-30: Authorizing the issuance of the not to exceed \$1,325,978,000 (plus capitalized interest thereon) sales tax bond, series 2014T-1 (East Link Project: TIFIA – 2014-_____), to evidence the payment obligations of the Authority pursuant to a TIFIA loan agreement between the Authority and the United States Department of Transportation; approving the loan, fixing the terms of the bond, providing for the delivery of the bond to the United States Department of Transportation; and providing for other matters properly relating thereto.

Resolution No. R2014-30 was moved by Vice Chair Strickland and seconded by Boardmember Marchione.

Brian McCartan, Executive Director of Finance and IT, presented the staff report, accompanied by Dick Schober, Financial Advisor from Piper Jaffray; Mark Greenig, Bond Council from Foster Pepper & Shefelman; and Tracy Butler, the TIFIA Project Lead.

Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Agreement with the United States Department of Transportation would obligate Sound Transit to repay the TIFIA loan after paying bonds, but before any other agency expenses. It is expected that Sound Transit will finalize loan documents, set interest rate, and close the TIFIA loan by the end of January 2015 with a 39-year draw on the bonds. If fixed today, the interest rate would be approximately 3.1%. The loan pledges repayment from total agency Sales & Use Tax and Rental Car Tax. Sound Transit could fund the capital program with traditional tax-exempt bonds instead of the TIFIA loan; however, the TIFIA loan helps to lock in the cost of capital, and provides Sound Transit with more structural benefits than the tax-exempt bonds.

Chair Constantine commented that if finalized and executed later this year, the agreement could help to manage the Sound Transit portfolio, including projects or services that were affected or cancelled due to the national recession in 2010.

	<u>Ayes</u>	<u>Nays</u>
Claudia Balducci	Pat McCarthy	Paul Roberts
Fred Butler	Joe McDermott	Marilyn Strickland
Dave Enslow	Mary Moss	Dow Constantine
John Lovick	Ed Murray	
John Marchione	Mike O'Brien	

It was carried by the unanimous vote of 13 Boardmembers present that Resolution No. R2014-30 be approved as presented.

Motion No. M2014-84: Adopting the Sound Transit 2015 State Legislative Program and directing staff to evaluate and engage in issues that impact the agency as it continues to successfully implement the regional high capacity transit system.

Motion No. M2014-84 was moved by Boardmember Strickland and seconded by Boardmember O'Brien.

Chair Constantine noted that transit demand is at an all-time high. By 2040, a million more people will be in the region, and another three-quarter of a million jobs will be created. The growth in this region means we need more transit to keep the economy moving and give commuters options. Sound Transit approval ratings are strong, ridership is rising, and we know our citizens want more transit. In a survey this summer, 85% support expanding transit in this region.

Melanie Smith, State Relations Officer, presented the staff report. Boardmembers spoke in favour of pursuing additional funding authority from the legislature to meet the transit needs of the region.

	<u>Ayes</u>	<u>Nays</u>
Claudia Balducci	Mary Moss	Paul Roberts
Fred Butler	Ed Murray	Marilyn Strickland
Pat McCarthy	Mike O'Brien	Dow Constantine
Joe McDermott	Paul Roberts	

It was carried by the unanimous vote of 11 Boardmembers present that Motion No. M2014-84 be approved as presented.

Chair Constantine asked the Board to provide specific direction on what revenue tools are needed from the Legislature, now that the agenda has been approved by the Board. In conjunction with Paul Roberts, Marilyn Strickland and Pat McCarthy, he proposed asking the legislature for .5% sales tax; .8% MVET; and 25 cents on \$1,000 of assessed value in property tax, was well as looking for other sources. The Board would not necessarily exercise the full authority of these sources, the final decision will be based on Board decisions in working towards a plan to put before voters, and would be subject to voter-approval.

Chair Constantine noted that the next items, C. and D. were on the November 6, 2014 Executive Committee agenda. However, there wasn't a quorum at that meeting the items are coming to the Board without a recommendation.

Resolution No. R2014-27: Amending Resolution No. R2010-10 Attachment A--Fare Policy to establish "Low Income Adult" as a new Reduced Fare category.

Because the two agenda items are related, Brian Brooke, Research, Policy & Business Development Manager, presented a joint staff report on Resolution Nos. R2014-27 and R2014-28. Resolution No. R2014-27 would amend the Board's Fare Policy to add a Low Income Adult fare category defined as an eligible participant in the Kitsap Transit Low Income Pass program, the King County Metro low income fare program, or other equivalent low-income transit discount fare programs implemented by ORCA partner agencies, which utilize the "Low Income" fare category functionality in the ORCA or other regional fare collection systems.

It was moved by Vice Chair Strickland, seconded by Boardmember Marchione, and carried by unanimous vote that Resolution No. R2014-27 be approved as presented.

Resolution No. R2014-28: (1) Selecting an option to set fare rates for the low income adult fare category, and (2) superseding the fare rates established in Resolution No. R2007-06, Resolution No. R2010-11, and Resolution No. R2013-24 with the rates established by this action as shown in Attachment A.

Resolution No. R2014-28 is related to setting rates for a low income adult fare category if one is established by the Board. At the Operations and Administration Committee meeting on November 6, 2014, the Committee forwarded option 2 as the option at which to set fare rates for the low income adult fare category. Option 2 would implement the low income fare on Link light rail only; and increase fares by \$0.25 for all other riders on Link light rail only, including non-low income adults, seniors, persons with disabilities and youth to help fund the new low income fare and to remain consistent with King County Metro's fare rates. Chair Constantine spoke in favor of the action to establish a low income adult fare category.

It was moved by Vice Chair Strickland, seconded by Boardmember Marchione, and carried by unanimous vote that Resolution No. R2014-28 be approved as presented.

Motion No. M2014-89: Authorizes the chief executive officer to execute a purchase and sale agreement with MHNW 9 Othello East LP for the parcel at 6930 Martin Luther King Jr. Way South, Seattle, WA for a proposed mixed-use affordable housing transit-oriented development project for \$1,900,000

Ms. Walker noted that the motion included a corrected address. Fred Butler, Capital Committee Chair, spoke to the item since it was forwarded by the Capital Committee. This action and the next action, Motion No. M2014-92 are within the Capital Committee's authority, but were forwarded to the Board because of the Board's interest in Transit-Oriented Development.

It was moved by Vice Chair Strickland, seconded by Boardmember Butler, and carried by unanimous vote that Motion No. M2014-89 be approved as presented.

Motion No. M2014-92: Authorizes the chief executive officer to execute an agreement of cooperation with the City of Seattle, MHNW 9 Othello East LP and Mercy Housing Northwest, to share information about the Myrtle Street Apartments, a TOD project at Othello Station, and creates a process for corrective action if the developer defaults under its loan obligations to the City or if the project falls behind schedule

Fred Butler, Capital Committee Chair, spoke to the item since it was forwarded by the Capital Committee.

It was moved by Vice Chair Strickland, seconded by Boardmember Butler, and carried by unanimous vote that Motion No. M2014-92 be approved as presented.

EXECUTIVE SESSION

At 3:51 p.m., Chair Constantine announced that the Board would convene an executive session that would last 20 minutes. Desmond Brown, General Counsel, announced that the executive session is authorized under RCW 42.30.110.

Chair McCarthy reconvened the meeting at 4:02 p.m.

OTHER BUSINESS

None.

NEXT MEETING

Thursday December 18, 2014
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

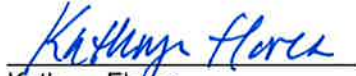
ADJOURN

The meeting was adjourned at 4:02 p.m.



Dow Constantine
Board Chair

ATTEST:



Kathryn Flores
Acting Board Administrator

APPROVED on February 26, 2015 KWF