

SOUND TRANSIT CAPITAL COMMITTEE MEETING

**Summary Minutes
December 10, 2015**

CALL TO ORDER

The meeting was called to order at 1:30 p.m. by Committee Chair Fred Butler, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

ROLL CALL

Chair

(P) Fred Butler, Issaquah Mayor

Vice Chair

(P) Joe McDermott, King County Councilmember

Boardmembers

(P) Claudia Balducci, Bellevue Mayor

(A) Dave Earling, Edmonds Mayor

(P) John Marchione, Redmond Mayor

(A) Pat McCarthy, Pierce County Executive

(P) Mike O'Brien, Seattle Councilmember

(P) Dave Upthegrove, King County Councilmember

Jane Emerson, Board Coordinator, announced that a quorum of the Committee was present at roll call.

REPORT OF THE CHAIR

None.

ACTING CEO REPORT

None.

REPORTS TO THE COMMITTEE

None.

PUBLIC COMMENT

Alex Zimmerman
Queen Pearl

BUSINESS ITEMS

Items for Committee Final Action

Minutes of the November 12, 2015, Capital Committee Meeting

It was moved by Boardmember Balducci, seconded by Boardmember O'Brien, and carried by unanimous vote that the November 12, 2015, Capital Committee minutes be approved as presented.

Motion No. M2015-118: Authorizing the chief executive officer to execute a contract with Mass Electric Construction Company to provide pre-construction services for the Northgate Link and East Link Extensions systems construction in the amount of \$2,993,538, with a 10% contingency of \$299,354, for a total authorized contract amount not to exceed \$3,292,892.

Ron Lewis, Executive Project Director East Link, Don Davis, Executive Project Director Northgate Link, and Craig DeLalla, Corridor Design Manager, provided the staff report.

Mr. DeLalla stated that the General Contractor/Construction Manager (GC/CM) contract is a two-phase process. This action before the Capital Committee is for the pre-construction phase. During this phase, the construction contractor works with Sound Transit on the construction planning effort, the coordination with the civil contractors, a cost estimate, and a construction schedule. The second phase is the construction phase. At the end of the pre-construction phase, staff will negotiate the maximum allowable contract cost with the contractor and return to the Board for approval to proceed into the construction phase.

The systems contract includes traction electrification, train control, communication, and the SCADA system. It is for both the Northgate Link Extension and East Link Extension projects. The recommendation to join the two construction projects into one systems project was a value engineering idea to reduce cost of oversight, Sound Transit efforts, submittals, and material quantities. In addition, the contractor will benefit from efficiency of work crews on the two projects.

It was moved by Boardmember O'Brien, seconded by Boardmember Marchione, and carried by unanimous vote that Motion No. M2015-118 be approved as presented.

Motion No. M2015-119: Authorizing the chief executive officer to execute an agreement with the Washington State Department of Transportation to pay WSDOT to mitigate East Link Extension construction impacts to the SR520 Maintenance Spoil Processing Site in the amount of \$1,381,105.

Ron Lewis, Executive Project Director East Link, and Eza Agoes, Construction Manager, presented Motion No. M2015-119.

Ms. Agoes stated that the 1.8-mile segment of the East Link Extension includes the light rail guideway, two light rail stations, one parking garage, and two pedestrian bridges. The alignment begins at NE 120th Street and 140th Avenue NE in Bellevue and ends at the Overlake Transit Center in Redmond. This is largely within the Washington State Department of Transportation (WSDOT) right-of-way along the southern part of SR520. Within the alignment, WSDOT operates the maintenance spoil processing site (MSPS).

During the three years of construction for this segment, WSDOT will be required to haul and dispose of spoils at other permitted disposal facilities. The action before the Capital Committee would provide a fixed lump sum payment for the additional costs to WSDOT and addresses the restoration of useable fill capacity at the MSPS site when Sound Transit returns the site to WSDOT.

It was moved by Boardmember Marchione, seconded by Boardmember Balducci, and carried by unanimous vote that Motion No. M2015-119 be approved as presented.

Motion No. M2015-120: Authorizing the chief executive officer to execute a five-year on-call contract with two one-year options to extend with Applied Ecology, LLC to provide On-Call Sensitive Area Landscape Maintenance Services for Sound Transit Capital projects for a total amount not to exceed \$1,600,000.

Marti Louther, Senior Environmental Planner, and Ric Ilgenfritz, Executive Director Planning, Environment & Project Development, presented Motion No. M2015-120.

Ms. Louther explained that the on-call contract is for conducting sensitive area landscape maintenance activities at various Sound Transit environmental mitigation sites. This contract will satisfy environmental permit requirements and conditions as well as the associated maintenance requirements. Impacts to wetlands, streams, and buffers often occur in order to accommodate a project footprint. During the environmental review of the permitting process, Sound Transit is required by local, federal, and state agencies to mitigate or offset the impacts by constructing a wetland, stream, or buffer in another location. The requirement includes monitoring and maintaining the projects to be sure they are successful.

It was moved by Boardmember Balducci, seconded by Boardmember O'Brien, and carried by unanimous vote that Motion No. M2015-120 be approved as presented.

Motion No. M2015-121: Forwarding the Project Budgets of the Proposed 2016 Budget, Proposed 2016 Transit Improvement Plan, and any amendments approved by the Committee to the Board of Directors for consideration.

Chair Butler advised that the Capital Committee would now complete its review of the Project Budgets portion of the Proposed 2016 Budget and Proposed 2016 Transit Improvement Plan. Pete Rogness, Director of Budget and Financial Planning, gave an overview of the Project Budgets portion of the budget.

Motion No. M2015-121 was moved by Boardmember Marchione and seconded by Boardmember O'Brien.

Chair Butler stated that there were 27 proposed amendments before the Capital Committee. The amendments were identified by Sound Transit staff and were reviewed by the Committee at last month's meeting. He advised that the committee would review and consider amendments C-1 through C-12 separately and then consider the Cash Flow amendments, C-13 through C-27. Following action on the amendments, the committee would consider a motion to forward the Project Budgets portion of the Proposed 2016 Budget and Proposed 2016 Transit Improvement Plan, and approved Amendments, to the Board of Directors.

Amendment C-1: Amending the budget by \$2,000,000 to create a new project to provide preliminary engineering for transit improvements and enhancements to station access in conjunction with the Tacoma Link Expansion. The grant deliverables include: (1) a multi-modal mobility plan, including a complete streets design for all six expansion stations and (2) a new Equity and Empowerment (E&E) Initiative designed to secure tangible benefits from new Tacoma downtown public and private investments for disadvantaged residents in the Hilltop community that includes four of the Tacoma Link Expansion stations. This scope of work is independent of the Tacoma Link Expansion Project.

It was moved by Boardmember Balducci, seconded by Boardmember Marchione, and carried by unanimous vote that Amendment C-1 to the Proposed 2016 Budget be approved as presented.

Amendment C-2: Amending the budget by \$731,058 to create the Tacoma Link LRV Overhaul project to provide funds for the overhaul and mid-life maintenance of the Tacoma Link LRV Fleet.

It was moved by Boardmember Balducci, seconded by Vice Chair McDermott, and carried by unanimous vote that Amendment C-2 to the Proposed 2016 Budget be approved as presented.

Amendment C-3: Amending the budget by \$26,184,555 to create a new ST Express Fleet Expansion project to fund expansion of the ST Express bus fleet by 27 buses to support added peak service hours.

Following Committee member discussion, the Committee members elected to bring the amendment to the full Board for action.

Amendment C-4: Amending the budget by \$1,000,000 to recognize additional planning costs for Project #700723 Downtown Seattle Transit Tunnel Mitigation. This amendment would fund additional planning work related to surface street improvements.

It was moved by Committee Vice Chair McDermott, seconded by Boardmember Marchione, and carried by unanimous vote that Amendment C-4 to the Proposed 2016 Budget be approved as presented.

Amendment C-5: Amending the budget by \$150,000 for Furniture for Leased Space for project #802000 Administrative Capital. This amendment would provide an increased lifetime and annual budget to allow for the procurement of furniture for space to be used by final design consultants.

It was moved by Boardmember Marchione, seconded by Boardmember O'Brien, and carried by unanimous vote that Amendment C-5 to the Proposed 2016 Budget be approved as presented.

Amendment C-6a: Amending the budget by \$797,033 for project #809100 ST3 Planning to transfer unspent budget from corridor projects. This amendment recognizes a transfer of \$797,033 in unspent budget from corridor projects back to the ST3 Planning project.

It was moved by Boardmember Marchione, seconded by Boardmember O'Brien, and carried by unanimous vote that Amendment C-6a to the Proposed 2016 Budget be approved as presented.

Amendment C-6b: Amending the budget by (\$850,000) for project #4X446 South Corridor Alternatives Analysis to recognize project savings. This is project is the planning study for Federal Way to Tacoma High Capacity Transit Corridor. The project is projected to close in 2015 and savings are being recognized.

It was moved by Boardmember O'Brien, seconded by Boardmember Marchione, and carried by unanimous vote that Amendment C-6b to the Proposed 2016 Budget be approved as presented.

Amendment C-6c: Amending the budget by \$52,963 for project #809103 Central and East HCT Study to reduce projected savings to cover additional costs. This is project studied the high capacity transit options in Central and East King County. Project is preparing to closeout.

It was moved by Boardmember O'Brien, seconded by Boardmember Marchione, and carried by unanimous vote that Amendment C-6c to the Proposed 2016 Budget be approved as presented.

Amendment C-7: Amending the budget by (\$613,794) for project #5X410 Research and Technology for a phase adjustment and lifetime budget correction. This is a lifetime budget correction to an error in the lifetime budget in the proposed budget and a phase shift in the annual budget.

It was moved by Boardmember O'Brien, seconded by Boardmember Marchione, and carried by unanimous vote that Amendment C-7 to the Proposed 2016 Budget be approved as presented.

Amendment C-8: Amending the budget for project #4X100 Northgate Link Extension to include the UW over-build agreement. Amends the 2016 Annual budget for the Northgate Link Extension to include changes as a result of previous amendment actions for removing the LRV vehicle costs from the project and including the UW Overbuild. The Lifetime budget was amended in September and October by Resolution Nos. R2015-23 and R2015-25 resulting in a net reduction in the lifetime budget of (\$231,645,500).

It was moved by Boardmember O'Brien, seconded by Boardmember Marchione, and carried by unanimous vote that Amendment C-8 to the Proposed 2016 Budget be approved as presented.

Amendment C-9: Amending the budget for project #400032 ST2 LRV Fleet Expansion to establish a 2016 Annual Budget. This action establishes the 2016 Annual Budget for this project. This project was established in September 2015 by Resolution No. R2015-24.

It was moved by Boardmember Balducci, seconded by Boardmember Marchione, and carried by unanimous vote that Amendment C-9 to the Proposed 2016 Budget be approved as presented.

Amendment C-10: Amending the budget for project #4X115 Lynnwood Link Extension to amend the 2016 Annual Budget for the project. The 2016 Annual increase will allow for completion of PE, commencement of final design and early ROW activities. This action is in conjunction with a November 2015 Lifetime budget Amendment and Phase Gate 4 increasing the project lifetime budget by \$423,742,313.

It was moved by Boardmember Balducci, seconded by Boardmember O'Brien, and carried by unanimous vote that Amendment C-10 to the Proposed 2016 Budget be approved as presented.

Amendment C-11: Amending the budget for project #400008 Tacoma Link Expansion to establish a 2016 Annual Budget for the project. The 2016 Annual increase will allow for completion of PE, commencement of final design and early ROW activities. This action is in conjunction with a December 2015 Lifetime budget Amendment and Phase Gate 4 increasing the project lifetime budget by \$25,216,228.

It was moved by Boardmember Balducci, seconded by Boardmember O'Brien, and carried by unanimous vote that Amendment C-11 to the Proposed 2016 Budget be approved, subject to Board approval of the approval of the lifetime budget, and consistent with the lifetime budget.

Amendment C-12: Amending the budget for project #400009 Link Operations & Maintenance Satellite Facility to establish a 2016 Annual Budget for the project. The 2016 Annual increase will allow for completion of PE, commencement of final design and early right-of-way activities. This action is in conjunction with a December 2015 Lifetime budget Amendment and Phase Gate 4 increasing the project lifetime budget by \$96,499,895.

It was moved by Boardmember Balducci, seconded by Committee Vice Chair McDermott, and carried by unanimous vote that Amendment C-12 to the Proposed 2016 Budget be approved, subject to Board approval of the approval of the lifetime budget, and consistent with the lifetime budget.

Chair Butler explained that amendments C-13 through C-17 are cash flow change requests. These requests transfer budget into different years and between project phases, with no change to the lifetime budgets.

Mr. Rogness stated that cash flows for the project budgets are typically developed in the June/July timeframe. This provides staff an opportunity to anticipate expenditures that were going to occur around the end of the year to see if they have happened or if they will move to the next year. The amendments allow dollars to be moved between the years to be more accurate for each year. There are 15 projects that are proposed to be amended. Four of the projects have shifts between phases and the lifetime budget and have no change to the bottom line of the project. One project has only shifts between the phases for 2016. The remainder of the projects have shifts in dollars anticipated to be expended in 2016. The net effect of the combined amendments is a reduction in budget of approximately \$16.9 million.

It was moved by Boardmember Marchione, seconded by Committee Vice Chair McDermott, and carried by unanimous vote that Amendments C-13 through C-27, cash flow changes, be approved as presented.

It was carried by unanimous vote that Motion No. M2015-121, including amendments approved by the Committee, be approved.

Motion No. M2015-124: Authorizing the chief executive officer to increase the contingency with KBA, Inc. for construction management services for the Sounder Mukilteo Station South Platform in the amount of \$100,000, for a new total authorized contract amount not to exceed \$1,750,000.

Mark Johnson, Project Director, provided the staff report. He explained that construction of the Sounder Mukilteo Station South Platform has extended approximately 16 months longer than originally scheduled due to restricted access issues and design modifications. The action would increase the contingency to allow KBA, Inc. to provide extended construction management services.

It was moved by Boardmember Marchione, seconded by Boardmember O'Brien, and carried by unanimous vote that Motion No. M2015-124 be approved as presented.

Items for Recommendation to the Board

Motion No. M2015-122: Authorizing the chief executive officer to (1) execute the Second Restated Land Bank Agreement with the Washington State Department of Transportation amending the 2003 Restated Land Bank Agreement; and (2) execute new cooperative lease agreements, monitoring well agreements, and temporary construction cooperative lease agreements; and (3) execute cooperative lease agreements to replace existing airspace leases, all under the terms of the Second Restated Land Bank Agreement.

Eric Beckman, Deputy Executive Director Business and Construction Services, and Betty Ngan, Senior Legal Counsel, provided the staff report.

Mr. Beckman stated that this action is the second restated land bank agreement with the Washington State Department of Transportation (WSDOT). Highlights of the cooperative agreement include more flexible terms in calculating rent and compensation; acknowledgement of the ability for WSDOT to waive the federal interest in the properties; and a change in terms from the current 20-year increments with 20-year extension to 50-year increments with a 25-year extension.

It was moved by Boardmember O'Brien, seconded by Committee Vice Chair McDermott, and carried by unanimous vote that Motion No. M2015-122 be forwarded to the Board with a do pass recommendation.

Resolution No. R2015-33: (1) Amending the Adopted 2015 Budget by (a) increasing the lifetime capital budget for the Tacoma Link Expansion project by \$25,216,229 from \$7,785,771 to \$33,002,000 and (b) increasing the 2015 Annual Budget by \$478,257 from \$3,225,500 to \$3,703,757; and (2) authorizing the project to advance through Gate 4 within Sound Transit's Phase Gate Process.

Sue Comis, Tacoma Link Project Development Manager, and Madeleine Greathouse, Project Director Tacoma Link, provided the staff report.

Ms. Comis mentioned that in addition to increasing the Tacoma Link route, the project would include traction power substations that will be a smaller streetcar style with a single wire, expanding the Operations and Maintenance Facility for Tacoma Link, and adding five new vehicles. To date, the project has completed preliminary engineering plans; the cost estimate; constructability, value engineering, and cost risks reviews;

environmental documentation; and in November 2015, the Board selected the project to be built. This action would authorize the project to advance through Phase Gate 4, Enter Final Design, and move the project to the Design, Engineering & Construction Management (DECM) department.

Ms. Greathouse stated that a cross-departmental team was assembled to determine the most suitable contract packaging and project delivery approach. The decision was to have a single final design contract, which would address the design for the civil systems and operations and maintenance facility expansion elements. As the project moves into construction, it was determined that having one large contracting package would address the mainline construction including guideway track work, systems, and stations. Earlier in the project, two smaller procurements will enable advanced utility relocations and building out the operations and maintenance facility in order to accept the vehicles when delivered. Construction is expected to begin in 2018 with revenue services beginning in 2021.

It was moved by Boardmember Marchione, seconded by Boardmember O'Brien, and carried by unanimous vote that Resolution No. R2015-33 be forwarded to the Board with a do pass recommendation.

Motion No. M2015-123: Authorizing the chief executive officer to execute a contract amendment with HDR Engineering, Inc. to provide construction management consultant services for the construction phase of the Bellevue segment of the East Link Extension in the amount of \$97,409,091, with a 10% contingency of \$9,740,909, totaling \$107,150,000, for a new total authorized contract amount not to exceed \$110,940,000.

Tony Raben, Principal Construction Manager East Link Extension, and Ron Lewis, Executive Project Director East Link Extension, provided the staff report.

Mr. Raben stated that the motion was to amend the HDR Engineering, Inc. (HDR) preconstruction contract to provide construction management services for the Bellevue segment of the East Link Extension project. The construction management consultant services contract for the Bellevue segment of the East Link Extension is being implemented in two phases. Phase 1 – Pre-construction Services was authorized under Motion No. M2014-47 and is currently in progress. The proposed action would authorize Phase 2 – Construction Management Services.

HDR will provide construction management support to the East Link Extension team in managing all construction elements of the Bellevue segment. The scope of work includes resident engineering; office engineering; technical support and inspection; construction cost estimating; contract change management; scheduling; construction safety oversight; quality assurance activities; document control; tracking of diversity/small business/project labor agreement requirements; continued management of the General Contractor/Construction Manager pre-construction work; and oversight of work by adjacent private and public developments as well as public and private utility relocations.

It was moved by Boardmember Balducci, seconded by Committee Vice Chair McDermott, and carried by unanimous vote that Motion No. M2015-123 be forwarded to the Board with a do pass recommendation.

Resolution No. R2015-34: (1) Amending the 2015 Adopted Budget by (a) increasing the lifetime capital budget for the Operations and Maintenance Satellite Facility Project by \$96,799,895 from \$36,828,105 to \$133,628,000 and (b) decreasing the 2015 Annual budget by \$2,182,397 from \$6,672,645 to \$4,490,248; and (2) authorizing the project to advance through Gate 4 within Sound Transit's Phase Gate Process.

Don Billen, HCT Project Development Director, and Miles Haupt, Operations and Maintenance Satellite Facility Project Director, provided the staff report.

Mr. Billen mentioned that the ST2 expansion would require a larger fleet of light rail vehicles and an Operations and Maintenance Satellite Facility. During the course of development, it was determined that some of the original ST2 assumptions would not provide the most cost effective operations. For this reason, the project selected by the Board and analyzed in the EIS is larger than the ST2 assumptions and on the east side rather than in South King County. The finance plan has been recalibrated to match the selected site. This project needs to be completed by the end of 2020 in order to be available to receive vehicles being procured for the East Link and Lynnwood Link Extensions.

Mr. Haupt stated that a cross-departmental team was convened to investigate and recommend the delivery method and contract packaging approach. Project goals and risks were assessed with respect to various types of contract packages and delivery methods. The panel recommended a design-build method due to the high amount of design and construction coordination required between the buildings, track work, and systems. The design-build method offers the least schedule risk, the least agency risk for design errors, and a competitive best value procurement. Potential ways to integrate options for facilities maintenance and/or some level of development for the TOD parcels into the design-build procurement are being studied.

It was moved by Boardmember Balducci, seconded by Boardmember Marchione, and carried by unanimous vote that Resolution No. R2015-34 be forwarded to the Board with a do pass recommendation.

Resolution No. R2015-35: Authorizing the chief executive officer to acquire or lease certain real property interests, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for the Operations and Maintenance Satellite Facility Project.

Kevin Workman, Real Property Director, provided the staff report. The action is for acquisition of property rights needed for the Operations and Maintenance Satellite Facility project. The acquisition is for eight parcels and one temporary construction easement needed for construction of the facility.

It was moved by Boardmember Balducci, seconded by Boardmember Upthegrove, and carried by unanimous vote that Resolution No. R2015-35 be forwarded to the Board with a do pass recommendation.

EXECUTIVE SESSION

None

OTHER BUSINESS

None

NEXT MEETING

Thursday, January 14, 2015
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

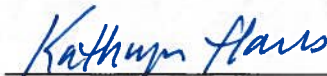
ADJOURN

The meeting adjourned at 3:16 p.m.



Fred Butler
Capital Committee Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on January 14, 2016, JE