

## **SOUND TRANSIT EXECUTIVE COMMITTEE MEETING**

### **Summary Minutes**

**May 5, 2016**

#### **CALL TO ORDER**

The meeting was called to order at 10:40 a.m. by Chair Constantine, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

#### **ROLL CALL**

##### Chair

(P) Dow Constantine, King County Executive

##### Vice Chairs

(A) Marilyn Strickland, Tacoma Mayor

(P) Paul Roberts, Everett Councilmember

##### Boardmembers

(P) Fred Butler, Issaquah Mayor

(P) Pat McCarthy, Pierce County Executive

(P) Joe McDermott, King County Council

(P) Roger Millar, WSDOT Acting Secretary

(P) Ed Murray, City of Seattle Mayor

(P) Amy Scarton, WSDOT Assistant Secretary

(P) Dave Somers, Snohomish County Executive

Katie Flores, Board Administrator, announced that a quorum of the committee was present at roll call.

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

Chair Constantine informed the committee that Boardmembers Pat McCarthy and Joe McDermott asked to participate in the 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 Boardmember Murray, seconded by Boardmember Roberts and carried by unanimous vote that Boardmembers McCarthy and McDermott be allowed to participate in the Executive Meeting by teleconference.**

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

Mr. Rogoff reported that Sound Transit worked closely with the City of Seattle, WSDOT and all transit partners to prepare for and address changes in commuting patterns during the recent Viaduct closure to ensure service continuity, also noting that ridership reached 83,000 on the first day of the closure.

Mr. Rogoff provided an update on recent incidents related to a home fire near the Capitol Hill station and a sinkhole that developed above the alignment near the Roosevelt Station. Though smoke was detected in the station, the station remained open. Sound Transit staff worked in concert with the contractor continue to investigate and examine excavation data to determine cause. Sound Transit has relocated the families while assessment of their homes is completed. In closing, Mr. Rogoff reported that he recently met with Senate Transportation Chair, Curtis King, to continue the dialog about Sound Transit's relationship with WSDOT for transit projects in the region.

## **REPORTS TO THE COMMITTEE**

Chair Constantine asked Ric Ilgenfritz, Executive Director of PEPD to provide an update on ST3 Draft Plan activities. Mr. Ilgenfritz reported that the public involvement period on the ST3 system planning effort has completed. Staff is analyzing and finalizing written comments which will be included in the full public comment report presented to the Capital committee later this month.

### ST3 Draft Plan: Preliminary Public Outreach Results

Geoff Patrick, Senior Manager of Media Relations and Public Information and Ian Stewart of EMC Research provided the report. Mr. Patrick reviewed the breadth of public outreach related to ST3 which began three years ago with input on Sound Transit's long range plan. Other milestones included input on candidate projects and on the draft package identified by the Board on March 24, 2016.

Sound Transit sought to include diverse participation by advertising in 13 publications serving diverse communities and translating online comment forms into 7 languages. The agency also included translated social media posts and posters.

Mr. Patrick provided an overview of participation and online survey results. The SoundTransit3.org website received 183,800 unique page views, over three times the number of visitors during the previous comment period. Site visitors spent an average of 4.5 minutes on the site. 34,706 online surveys were completed, a 40% increase over the previous comment period. More than 17 thousand visitors responded with open ended comments in addition to the 2,320 written comments provided. Over 1,250 attended the seven public meetings and Sound Transit received 90 letters/emails from jurisdictions and stakeholder organizations. Mr. Patrick also provided a summary of participation by subarea. Mr. Patrick noted that the online survey results portray feedback from self-selected participants. Of those who chose to participate, 91% "support somewhat" or "strongly support" continued mass transit expansion and 88% felt that light rail expansion should be prioritized. Finally, Mr. Patrick reviewed projects by subarea selected by participants as the projects they are most interested in. Those projects included: Lynnwood to Everett light rail via Paine Field, I-405 Bus Rapid Transit, Bellevue/Overlake to Downtown Redmond light rail, Kent/Des Moines to Tacoma light rail, parking at rail stations, Kent/Des Moines to Tacoma Dome light rail, Tacoma Link light rail connecting downtown Tacoma to Tacoma Community College, Ballard to Downtown Seattle light rail via Seattle Center and South Lake Union (including a new downtown rail tunnel), and West Seattle to Downtown Seattle light rail.

Mr. Patrick introduced Ian Stewart to provide the qualitative results of the telephone survey of registered voters in the Sound Transit district conducted by EMC Research. Mr. Stewart explained that the scientific phone study has a statistical margin of error and can be projected to all voters in the Sound Transit district. The survey completed on April 30, 2016 included 1,001 total interviews weighted to reflect overall districtwide voter population using key demographics. Snohomish, East King, South King and Pierce were oversampled to provide an effective margin of error by sub area. All survey responses were then combined and reweighted back to appropriate proportions for a final proportion with a districtwide effective margin of error of 778 interviews.

After falling from 2014 levels, the survey shows that voter optimism is holding steady with just over half feeling the region is headed in the right direction and the percentage of participants that feel the agency is on the wrong track is close to a ten year low. Sound Transit's favorable rating remains steady and high.

The next survey question asked participants to rate the urgency of transportation projects. Results showed that expanding transit and specifically light rail are top priorities, both overall and in intensity. Spending more on roads is least urgent by a large margin. A large majority, 76% of respondents, support Sound Transit expansion, with 58% strongly supporting expansion. Only 13% oppose expansion, and 7% strongly oppose expansion. 11% of participants indicated they had no opinion about expansion. Mr. Patrick provided additional information about support within each subarea that make up the overall ratings.

Participants were provided with specific project information, estimated costs and timelines. Results from this portion of the survey showed that project timelines has the largest impact on support, dropping both overall and strong support by 4 points. Overall support stands out at just under 60% after timeline information was provided. Opposition also increases by 4 points overall, although strong opposition is unchanged.

Similar to Sound Transit's online survey, the telephone survey also asked participants to select services and projects they are most interested in. Snohomish County participants selected light rail to Everett, additional parking for the Sounder North line, and a station at NE 130<sup>th</sup> as top priority projects and also included bus rapid transit and a light rail connection from West Seattle to downtown Seattle via the existing DSTT as priority projects. In North King, light rail to West Seattle is by far the most selected project. Light rail to Ballard and increased reliability and decreased travel times for Metro lines C and D are also priorities. Other selected projects included improvements to increase bus speeds and reliability with bus on shoulder and a potential new light rail station at North East 130<sup>th</sup> Street in Seattle. Among those in East King, the three most selected projects include light rail, including West Seattle. Bellevue to Issaquah via Eastgate and Bellevue Overlake to Downtown Redmond had the highest percentage of "extremely important" ratings. Other projects included improvements to Sounder commuter service on the South line including enhanced access and new bus rapid transit service to connect a light rail station at NE 145<sup>th</sup> Street to Lake Forest Park, Kenmore, and Bothell via SR-522. Top rated projects in South King included a new light rail station near Boeing Access Road, light rail between Kent/Des Moines and Federal Way, and light rail from West Seattle via the existing DSTT. Other projects included light rail connecting Federal Way to the Tacoma Dome and improvements to Sounder commuter service on the South line. Finally, Pierce County projects included two Sounder improvement projects and light rail connecting Federal Way to Tacoma. Other projects were an extension of the Tacoma Link light rail connecting Tacoma Community College to downtown Tacoma and improvements to increase bus speed and reliability along Pacific Avenue in Tacoma.

Mr. Stewart concluded his presentation with a summary of key takeaways. Support for the package is a strong majority of 65%. Projects geographically closest to a respondent tend to be the most popular. Light rail is always among the top three priority projects in all subareas. Bus Rapid Transit and Sounder are also among the top projects in subareas where such services are geographically close. Mr. Patrick reported that this is a preliminary review of public input. Staff will provide a digest of all written comments to the Board.

Chair Constantine asked for additional information about the list of projects included in the surveys and Mr. Patrick clarified that all participants were provided the entire list of projects regardless of which subarea they reside in. While the online survey project list was grouped by subarea, the telephone survey project list was provided in a randomized order.

### Draft ST3 Financial Policies

Brian McCartan, Executive Director of Finance and IT provided the report. The ST3 plan will include financial policies in a separate appendix. The policies form the framework the Board will

use to manage the plan going forward. The core principles and commitments to prudent use of debt financing, strong open public accountability for the program, commitment by the board for a tax roll-back at the end of the program and continued commitment to subarea equity and reporting are unchanged from previous policies. Mr. McCartan noted that proposed changes to the financial policies are primarily editorial rather than substantive.

Mr. McCartan reviewed elements carried forward from the ST2 plan into the ST3 financial plan including policies around debt financing. The agency issues debt and the full agency credit and revenues are pledged to repayment of those bonds. Policies establish a prudent minimum coverage target of 1.5, meaning the agency can cover all operations costs, all debt service costs while maintaining a 50% contingency.

In the event that revenues drop or costs exceed the base plan, the Board has four primary tools to address any shortfall. These include identification of unused agency bonding capacity, reduction of costs or scope within the projects, extending the length of the program to offset any cost increases or revenue changes, use of additional resources from 3<sup>rd</sup> parties or request of additional resources from voters. These tools were effective in 2008 during the recession and have proven a flexible, effective way for the Board to manage change.

The draft policies also maintain the existing approach to subarea equity and define the principle in the same way as previous plans. Local revenues must be used for the benefit of each of the five subareas. Subareas are not defined by statute but are established by the Board in this policy. The Board has rules about allocation of costs and revenues between subareas including the use of Federal Grant funds. It creates a strong reporting framework to manage the subarea framework and defines what costs benefit the system as a whole and are therefore paid for by the whole region. Another element, if unchanged, would require the agency to return to the voters for approval of any capital program beyond what has been previously approved.

The plan provides the Board with the ability to roll back taxes in the event that the Board determines they are no longer engaged in capital expansion. In that instance, existing bonds would be paid off and taxes rolled back to a level necessary to cover operations and maintenance only. This provides voters an important assurance that taxes will only be collected to meet the program they approve in the voter package. The plan includes strong, best in class accountability measures. Policies commit to very strong equity reporting, the participation of an independent Citizen Oversight Panel, and a strong audit program including financial and performance audits.

Mr. McCartan continued with information about elements of the policy that have changed. These changes include the updating of projects, new language reflecting the agency's existing loans with the Federal government and intent to continue to include this in the program. At the direction of the Board, policies have been updated with strong language related to innovative financing. New language is included to address the Board's commitment to Asset Management. If these policies are incorporated, the Board would be prioritizing the use of agency resources to ensure that the program stays in a state of good repair. The asset management program will set aside enough funds and keep programs in place to ensure that assets built under previous and current capital programs are high performing, quality, and safe assets into the future. The last change reviewed is the addition of new elements to reflect the system wide costs including system access, Transit Oriented Development (TOD), the innovation fund, and application of system wide regional transit assets. Chair Constantine noted that the asset management language provides certainty for future generations that this capital investment will last and will be appropriately maintained over its lifetime.

Mr. McCartan discussed the allocation of system wide costs. In both Sound Move and ST2 plan, many assets are clearly attributable to the subarea where they are located. Other assets that have system wide or regional benefits, have been allocated to multiple subareas. For example, the rail system, track costs, vehicle maintenance bases, communication systems and vehicles. ST3 regional asset allocation requires Board guidance, as the plan connects the entire region and has rail assets running along both the spine and the eastside of King County.

Secretary Millar noted that the policy does not contain language on alternative project delivery methods. Mr. McCartan answered that there is language in two places that direct the agency to use public/private partnerships as a financing means but does not speak specifically to procurement. Staff will look into adding language related to procurement and scheduling pieces that intersect with financing for possible inclusion to take further advantage of opportunities to accelerate projects.

Chair Constantine provided an overview of information to be presented to the Capital Committee at the May meeting. This information included a complete report about comments from both the public and jurisdictions on the draft plan, additional information on finances and the results of efforts to examine ways to shorten project delivery times. The Committee will also see draft ST3 Plan language for system access, transit-oriented development, sustainability, the innovation fund and project delivery. Chair Constantine also noted that the Board would review the plan documents and discuss potential changes to the plan at the May Board meeting.

## **PUBLIC COMMENT**

Chair Constantine noted that the Executive Committee typically receives public comment only on business within its authority for final action. Today, the Committee will accept comment on the Draft ST3 Plan released on March 24, 2016.

Paul W. Locke  
Alex Tsimerman, StandUp America  
Santos Contreras

## **BUSINESS ITEMS**

### Items for Committee Final Action

#### Minutes of the April 7, 2016 Executive Committee Meeting

**It was moved by Boardmember Roberts, seconded by Boardmember Somers, and carried by unanimous vote that the minutes of the April 7, 2016 Executive Committee meeting be approved as presented.**

### Items for Recommendation to the Board

#### Motion No. M2016-45: Adopting performance objectives for Peter M. Rogoff, Sound Transit Chief Executive Officer.

Chair Constantine explained that the employment contract with Sound Transit's CEO provides that the Executive Committee meet and confer with Mr. Rogoff to discuss appropriate annual performance objectives for the coming year. Attachment A to the motion includes five performance objectives.

It was moved by Boardmember Roberts, seconded by Boardmember Millar, and carried by unanimous vote that Motion No. M2016-45 be forwarded to the Board with a do pass recommendation.

**EXECUTIVE SESSION**

None

**OTHER BUSINESS**

None

**NEXT MEETING**

Chair Constantine noted that the June 2, 2016 Executive Committee Meeting would be cancelled so that a Special meeting of the Board of Directors could be held.

Thursday, July 7, 2016  
10:30 a.m. to 12:00 p.m.  
Ruth Fisher Boardroom

**ADJOURN**

The meeting was adjourned at 11:49 a.m.

  
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Dow Constantine  
Executive Committee Chair

ATTEST:

  
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Kathryn Flores  
Board Administrator

APPROVED on November 17, 2016, LM