

SOUND TRANSIT BOARD MEETING

Summary Minutes

May 26, 2016

CALL TO ORDER

The meeting was called to order at 1:33 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) Paul Roberts, Everett Councilmember

(A) Marilyn Strickland, City of Tacoma Mayor

Boardmembers

(P) Nancy Backus, City of Auburn Mayor

(P) Claudia Balducci, King County Councilmember

(P) Fred Butler, City of Issaquah Mayor

(P) Dave Earling, City of Edmonds Mayor

(P) David Enslow, City of Sumner Mayor

(P) Rob Johnson, Seattle Councilmember

(P) John Marchione, City of Redmond Mayor

(P) Pat McCarthy, Pierce County Executive

(P) Joe McDermott, King County Council Chair

(P) Mary Moss, Lakewood Councilmember

(P) Ed Murray, City of Seattle Mayor

(P) Amy Scarton, Alternate for WSDOT Acting Secretary

(P) Dave Somers, Snohomish County Executive

(P) Dave Upthegrove, King County Councilmember

(P) Peter von Reichbauer, King County Councilmember

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

REPORT OF THE CHAIR

Chair Constantine announced that Boardmember von Reichbauer 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 Marchione, seconded by Boardmember McCarthy, and carried by unanimous vote that Boardmember von Reichbauer be allowed to participate in the Board meeting by telephone.

A Special Board meeting has been scheduled for June 2, 2016, from 9:00 a.m. to 12:00 p.m. in the Ruth Fisher Boardroom.

Chair Constantine noted that he had received a large number of requests to give public comment. To ensure each individual has time to speak, he stated that each speaker would be given a minute and a half to speak.

CHIEF EXECUTIVE OFFICER'S REPORT

Quarterly Operations Report

Mr. Rogoff, Chief Executive Officer, reported that ridership continued to increase during the first quarter of 2016. Total boardings were up 10 percent and trending slightly higher than the 2016 forecast. ST Express boardings increased 1 percent and average weekday boardings increased 3 percent. Sounder commuter rail boardings were up 15 percent overall and for the first time since service began, there were over 1 million boardings in a quarter. Tacoma Link ridership declined 5 percent compared to last year. Link light rail experienced a 27 percent increase in boardings with the greatest contributing factor being the start of revenue service on the University Link Extension.

Amended Budget Language

Mr. Rogoff updated the Board on new language for discussing budget changes when a project advances to the next phase of project development. Staff will no longer use the word amendment when talking about an allocation of resources that are still within the project cost estimate. Under the new approach, the Board will be asked to establish a phase budget at each project stage.

Clean Financial Audit

Mr. Rogoff reported that Sound Transit received a clean 2015 financial audit from KPMG.

PUBLIC COMMENT

(Boardmember Upthegrove and Boardmember McDermott arrived at this time)

David Baker, Kenmore Mayor; Davina Duerr, Bothell Deputy Mayor; Bernie Talmas, Woodinville Mayor; Keith McGlashan, Bothell Councilmember; and Catherine Stanford, Lake Forest Park Deputy Mayor
Randy Corman, Renton City Council President
John Galle, Sumner City Administrator
Alex Tsimerman, Stand Up America
Stacy Goodman, Issaquah City Council President
Jon Cracolici, Seattle Subway
Janet Quinn, 522 Transit
Joe Pestinger, Orting Mayor
Queen Pearl
Patrice Thomas
David Whalen
David Greschler, Save Our Trail
Jonathan Dubman
Charles Cooper
Ruth Krizan
Ross Dam
Ellicott Dandy, One America
Mark Dublin
Mike Hansen
Larry Finnestad
Debora Nelson
Mike Todd, Snohomish County Cities President
Jay Arnold, Kirkland Deputy Mayor
Fred Anderson
Erik Nordheim
Vicky Baxter, Renton Chamber of Commerce
Patrick Pierce
Hodan Hassan
Giulia Pasciuto, Puget Sound Sage
Ubox Gardheere, Puget Sound Sage
Will Knedlik
Elton Mason
Abigail Doerr, Transportation Choices Coalition

REPORTS TO THE BOARD

ST3 Draft Plan

Chair Constantine commented that today the Board would begin to finalize the Sound Transit 3 Plan to put before the voters in November. Following presentations on the ST3 project delivery and finance plan,

Boardmember representatives from each of the five subareas will present proposed scope changes to the ST3 Draft Plan.

Project Delivery

Peter Rogoff, Chief Executive Officer, gave a presentation on reducing ST3 project delivery times. Staff is taking a preliminary look at internal processes to determine how the agency might deliver projects sooner. Potential opportunities for earlier delivery include early consensus on project scope, early procurement strategy, streamline permitting, and property acquisition.

Early consensus on project scope would be achieved by developing interagency project management structure; obtaining earlier interstate right-of-way use concurrence from WSDOT and the Federal Highway Administration (FHWA); and establishing a transparent schedule to drive timely decision-making.

Early procurement strategy would be through establishing a standing committee to make early decisions on alternative delivery methods; better utilizing alternative procurement methods; beginning procurement of final design (FD) prior to completion of preliminary engineering (PE); and considering combining PE and FD contract where appropriate.

To streamline permitting, Sound Transit will need to build trust with its partners by developing model set of term sheets that will allow adopting a fast track for land use permit decisions; convening task force groups to inform the process; establishing criteria for permit approvals; and establishing for all partners a project development and permitting dashboard.

Sound Transit acquires a lot of property. It is often a difficult process, especially when it is necessary to go through the condemnation process. Given the amount of property that will need to be acquired for ST3, the agency will need to grow its in-house talent for specialized disciplines such as appraisals and relocations. Achieving earlier property acquisition will require strengthening in-house resources and implementing a mentoring program; certifying property needs earlier in the project design process; continuing early protective acquisitions of at-risk properties; and obtaining earlier interstate right-of-way use approvals from WSDOT and FHWA.

The challenge is not just procedural; the agency needs to transform its culture to use different approaches. Mr. Rogoff commented that staff has embraced the opportunity to take an internal look to discover ways to change the approach to project delivery.

Finance Plan Update

Brian McCartan, Executive Director Finance and IT, presented the financial plan for the ST3 Draft Plan. In 2015, an initiative was launched to work toward optimizing the agency's bonding capacity for the ST3 program. There were some complexities concerning how the ST2 and ST3 programs would work together, particularly the bonding. This led Sound Transit to take a cautious approach and use conservative assumptions in the ST3 Draft Plan.

Staff has worked with the agency's banking team, Piper Jaffrey, and PB Consulting on how to overlay the ST2 Plan with the ST3 Draft Plan. It has been determined that there is additional capacity within the ST3 finance plan that would aid the acceleration of the program. The additional bonding capacity is still within the traditional conservative bonding approach.

Discussion on Proposed Changes to the ST3 Draft Plan

Chair Constantine stated that Boardmembers have been working with their peers, citizens, and staff to develop proposed changes to the ST3 Draft Plan. He called on one Boardmember from each subarea to present their proposed amendments.

Boardmember Somers presented the proposed amendments to the ST3 Draft Plan for the Snohomish County subarea. The amendments primarily concern light rail service between 128th Street SW and Everett Station.

The change is to travel north via I-5 after serving the SW Everett Industrial Center. Light rail would go out to I-5 and up to Everett. This change saves both time and money and would be completed five years earlier than in the ST3 Draft Plan. The second change would be to make the station at SR99 and Airport Road a provisional project.

Boardmember Murray presented the proposed amendments to the ST3 Draft Plan for the North King County subarea. Amendments are for light rail service and include light rail from Downtown Seattle to West Seattle delivered three years earlier; light rail between Ballard and Downtown Seattle delivered three years earlier and fully elevated on 15th Avenue; Graham Street infill light rail station five years earlier; and 130th Street infill light rail station to be funded in the plan. The other two amendments are adding Madison Street Bus Rapid Transit (BRT) as an early deliverable and extending the West Seattle HCT study to Renton via Tukwila.

Boardmember Balducci presented the ST3 Draft Plan proposed amendments for the East King County subarea. The amendments include delivering light rail between the Redmond Technology Center and Downtown Redmond four years earlier and extending the light rail line between Bellevue and Issaquah to South Kirkland with additional parking. On the I-405 BRT system Lynnwood to Burien project, the addition of approximately 600 parking spaces at Kingsgate and coordination with partners for potential Transit-Oriented Development; in Renton, the addition of a NE 44th a freeway station, direct access ramps, and surface parking. Early deliverables would include adding a North Sammamish Park-and-Ride. Systemwide, East King County would like to make two amendments to the HCT studies, (1) to include connecting light rail to Renton in the West Seattle to Burien via Tukwila study and (2) in the Bothell to Bellevue Environmental Study, examine multiple north/south corridor options.

Boardmember Upthegrove spoke to the ST3 Draft Plan proposed amendments for the South King County subarea. The light rail amendments being proposed will deliver service between Angle Lake and Federal Way four years earlier and the infill station at Boeing Access Road would be delivered five years earlier. Amendments to the Sounder South Improvements would include ten-car platforms and additional track and signal improvements. Under Systemwide HCT studies, include connecting light rail to Renton in the West Seattle to Burien via Tukwila study.

Boardmember McCarthy presented the ST3 Draft Plan proposed amendments for the Pierce County subarea. The proposed scope refinements include delivering light rail between Federal Way and the Tacoma Dome three years earlier and the Tacoma Link extension to Tacoma Community College two years earlier. The Sounder South Improvements would include ten-car platforms, additional track and signal improvements, and additional parking in DuPont. Early deliverables would include Bus Speed and Reliability improvements between Lakewood and Tacoma Dome. Under Systemwide HCT studies, include Tacoma Dome to Tacoma Mall.

Boardmember McCarthy asked Sound Transit staff to provide Boardmembers with information on what provisional status in the ST3 Plan would provide, allow, and legal ramifications.

Chair Constantine asked Brian McCartan, Executive Director Finance and IT, to provide the Board with financial information about the affordability of the subarea proposals.

Mr. McCartan stated that the ST3 Draft Plan, including the amendments proposed by the subareas, is fully affordable and within the agency's existing conservative financial policies. The plan provides transparent accounting, meets the requirements of subarea equity, and will allow continuation of high credit ratings. Mr. McCartan stated that the findings were independently confirmed by PB Consulting, Ben Porter & Associates, and Sound Transit's investment banking team. The plan will deliver \$36 billion in capital improvements to the region. Sources of funding for the plan include taxes, bonds, fares, and grants.

Chair Constantine thanked Boardmembers for their work to develop the proposed amendments. He stated that the proposals would be acted on at the June 2, 2016, meeting. At that time, the Board will also begin reviewing specific language that will be included in the ST3 Draft Plan document. Chair Constantine asked staff to develop the draft plan documents to reflect the proposed changes and bring the revised document to the June 2, 2016, meeting.

The plan language will be refined between the June 2 and June 23, 2016, Board meetings. The Board will act on any amendments to the plan language at the June 23 meeting. Chair Constantine reminded Boardmembers that the ST3 Plan will serve as the regional transit law for the next 25 years and will need to be written to endure over time.

CONSENT AGENDA

Minutes of the April 28, 2016, Board Meeting.

Voucher Certification for April 2016.

Motion No. M2016-48: Authorizing the chief executive officer to execute a design-build contract with Kiewit-Hoffman East Link Constructors, a joint venture between Kiewit Infrastructure West Co. and Hoffman Construction Company of Washington, to complete the final design and construction of the civil work for the SR-520 to Overlake Transit Center Segment within the East Link Extension in the amount of \$225,336,088 with a 10% contingency of \$22,533,609, for a total authorized contract amount not to exceed \$247,869,697.

Motion No. M2016-49: Authorizing the chief executive officer to execute a contract amendment with LTK Engineering Services, Inc. to provide design services during construction for the East Link Extension in the amount of \$6,455,000 for a new total authorized contract amount not to exceed \$24,361,805.

Resolution No. R2016-11: Authorizing the chief executive officer to grant a permanent easement to the City of Redmond on Sound Transit owned property located at the intersection of 152nd Avenue NE and NE 28th Street in Redmond, Washington, for a sale price of \$115,000.

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

Motion No. M2016-51: Authorizing the chief executive officer to execute a contract with Stacy and Witbeck-Kiewit-Hoffman, a Joint Venture, to provide pre-construction services for the Northgate Station to NE 200th Street contract within the Lynnwood Link Extension in the amount of \$5,114,580, with a 10% contingency of \$511,458, for a total authorized contract amount not to exceed \$5,626,038.

Resolution No. R2016-14: Authorizing the chief executive officer to acquire or lease certain real property interests, including acquisition by condemnation, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for the Puyallup Station Access Improvement Project.

Mr. Rogoff commented that Resolution No. R2016-14 states that legal notices were published in the Tacoma News Tribune and Seattle Times newspapers on May 13 and 20, 2016. The Tacoma News Tribune's first notice was actually published on May 14, 2016, due to an error at the paper. The later date is in compliance with state law regarding public notification.

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

BUSINESS ITEMS

Motion No. M2016-53: Authorizing the chief executive officer to execute a one-year contract with four one-year options with The Athena Group, LLC to provide continuous process improvement consulting services for a total authorized amount not to exceed \$1,500,000.

Kathy Albert, Strategic Business Officer, presented the staff report. Sound Transit has been developing and implementing agencywide continuous process improvement (CPI) to improve core processes used to deliver Sound Transit projects and improve communications and processes for cross-departmental projects.

The on-call consultant services will provide expertise to help staff facility and plan process improvement events, provide strategic advice to the leadership team, and help train staff.

It was moved by Vice Chair Roberts, seconded by Boardmember McDermott, and carried by unanimous vote that Motion No. M2016-53 be approved as presented.

Motion No. M2016-54: Authorizing the chief executive officer to execute amendments to the Commuter Rail Service Agreement (Seattle to Nisqually), the Joint Use Agreement (Seattle to Tacoma), the Commuter Rail North Service Agreement, and the Joint Use Agreement (Everett to Seattle), all with the BNSF Railway Company, to adjust insurance provisions to reflect the passenger rail liability cap increase under federal law.

Jordan Wagner, Senior Legal Counsel, reported that in December 2015, President Obama signed into law the Fixing America's Surface Transportation Act, which among other things, raised the liability limitation for passenger rail from \$200 million to \$295 million for a single accident, with adjustments every five years to reflect the change in the Consumer Price Index.

Under the four agreements with the BNSF Railway Company, Sound Transit is currently required to maintain \$200 million in comprehensive railroad liability insurance. These amendments adjust Sound Transit's contractual insurance requirements to meet the new liability cap under federal law.

It was moved by Vice Chair Roberts, seconded by Boardmember McDermott, and carried by unanimous vote that Motion No. M2016-54 be approved as presented.

Resolution No. R2016-12: (1) Selecting the project to be built for the Sounder Yard & Shops Facility, and (2) renaming the working project name to Sounder Maintenance Base.

Claudia Balducci reported on the Capital Committee's discussion on the action and asked Don Billen, HCT Project Development Director, to review the project for the Board.

Don Billen, HCT Project Development Director, stated that the proposed location for the Sounder Maintenance Base is between South Tacoma and Lakewood, principally on railroad right-of-way owned by Sound Transit. The environmental review is complete, mitigation has been identified, and the action would complete the site selection. With the Board's authorization on the action, staff will return to the Board with budget and contract amendments to continue the design work.

It was moved by Boardmember Balducci, seconded by Boardmember Butler, and carried by unanimous vote that Resolution No. R2016-12 be approved as presented.

Resolution No. R2016-13: Selecting the bicycle, pedestrian, and parking access improvements to be built for the Sumner Station Improvements project.

Claudia Balducci reported on the Capital Committee's discussion on the motion and asked Don Billen, HCT Project Development Director, to review the project for the Board.

Don Billen, HCT Project Development Director, stated that the Sumner Station Improvements project has completed environmental review and is ready for the selection of the project to be built. Earlier in the month, the Sumner City Council voted 5-2 in support of the project as recommended.

It was moved by Boardmember Balducci, seconded by Boardmember Enslow, and carried by unanimous vote that Resolution No. R2016-13 be approved as presented.

EXECUTIVE SESSION

None

OTHER BUSINESS

None

NEXT MEETING

Special Board Meeting
Thursday, June 2, 2016
9:00 a.m. to 12:00 p.m.
Ruth Fisher Boardroom

Board Meeting
Thursday, June 23, 2016
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

ADJOURN

The meeting adjourned at 3:47 p.m.



Dow Constantine
Board Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on June 23, 2016, JE