



Summary Minutes

System Expansion Committee Meeting December 14, 2023

Call to order

The meeting was called to order at 1:33 p.m. by Committee Chair Balducci.

The meeting was recorded and can be found at <https://www.soundtransit.org/get-to-know-us/board-directors/livestream-video>.

Roll call of members

Chair	Vice Chair
(P) Claudia Balducci, King County Councilmember	(P) Kim Roscoe, Fife Mayor

Board Members	
(P) Nancy Backus, Auburn Mayor	(P) Kent Keel, University Place Councilmember
(P) David Baker, Kenmore Councilmember	(P) Joe McDermott, King County Councilmember
(A) Cassie Franklin, Everett Mayor	(A) Dave Somers, Snohomish County Executive
(P) Bruce Harrell, Seattle Mayor	

Alejandro Monzon, Board Relations Specialist, announced that a quorum of the System Expansion Committee was present at roll call.

Report of the Chair

Monthly Contract Report and Agency Progress Report

Chair Balducci noted that the Committee would be working from a revised Agenda for today's meeting, with Resolution No. R20223-39 and several reports being removed from consideration.

Monthly Contract Report and Agency Progress Report

The meeting packet included the monthly contract report and the September agency progress report, as well as a link to the Project Performance Tracker.

Recognizing Departing Committee Members

Chair Balducci recognized Board members Baker, Keel, and McDermott for their service on the System Expansion Committee, noting that their terms on the Sound Transit Board would be expiring at the end of the year.

Recognizing News of CEO Timm's departure

Chair Balducci also recognized CEO Timm, who recently announced her intent to depart from Sound Transit in January 2024. Chair Balducci thanked CEO Timm for her work and assured the public that work will continue on delivery the System Expansion Program.

CEO Report

CEO Julie Timm provided the report.

Activation Update

CEO Timm reported on several aspects of the East Link Extension project. She shared that the Agency anticipates opening the Overlake Village Station pedestrian bridge in early 2024 and noted that the team continues to coordinate with Microsoft on the opening of the Redmond Technology Station Connector bridge. Regarding pre-revenue service on the East Link Starter Line, CEO Timm reported that Sound Transit and King County Metro continue to work collaboratively, and that staff are nearing completion on the majority of the operator familiarization work. There is also continued outreach to schools in the area as part of the safety campaign. She added that tile work at the South Bellevue and Spring District Stations continues, as does the assessment of tile conditions at the other stations. In partnership with King County Metro, staff have identified a window of opportunity to implement the necessary tile repairs this winter, with the goal of addressing issues as they arise prior to the beginning of revenue service in Spring 2024.

Reporting on the Lynnwood Link Extension, CEO Timm stated that the staff continues to advance systems integration testing which will prepare the agency to begin pre-revenue service once any issues are addressed. She also shared that Sound Transit, King County Metro, and Community Transit are actively working on opportunities to improve projected transit service in the corridor to support the crowding levels on the 1 Line when it is extended.

Angle Lake TOD Groundbreaking

CEO Timm noted that earlier this month, Mercy Housing Northwest broke ground on the Mercy Angle Lake Family Housing Transit Oriented Development project. The project will provide 130 units of affordable housing and will serve as the new headquarters for the Arc of King County. This project is the first to benefit from Sound Transit's Memoranda of Understanding with Amazon and the Washington State Housing Finance Commission to dedicate funding for affordable housing on Sound Transit's TOD sites. It is also the first project in the country to benefit from a new provision championed by WA Congressman Adam Smith that allows FTA interest to be extinguished from properties transferred to nonprofits for affordable housing. She further congratulated the all the team members and partners who support this effort.

Public comment

Chair Balducci announced that public comment would be accepted via email to meetingcomments@soundtransit.org and would also be accepted verbally.

Written public comments:

Patrick D'Amelio for Fare Start, Dan McGrady for PEMCO, Julia Bell, Khushbu Vyas, Nisha Nariya, Sophia Miyazaki, Christine Martin, Bill Friedman, Kelli Maguire, Chris Griffin, Zhara Megji, Kim Callahan, Tiffany Clark, Samir Daftary, Zahoor Ahmed, Xuemin, Micky Singh, Narita Ghumman, Padma Venkatachalam, Neha Nariya, Phil Bouie, Avani, Matt Wittman, Iris Cruz, Kyran Hynes, Juergen Oswald, and unnamed commenters

Uptown Alliance

James Vegas, for the Museum of Pop Culture

Betty Lau

John Ho

In-person Verbal Public Comments:

Julie Holland

Steve van Til

Catherine Stanford

Reza Marashi

Marykate Ryan
Lilly Hayward
Jared Axelrod
Neha Nariya
Sugu Venkatachalam
Greg Clark

Virtual Verbal Public Comments:

Joe Long
Michele Smith
Leonard Jerome
Zakariya Osman

Project Performance Tracker Update

Moises Gutierrez, Chief System Quality Officer, shared that the information for the most recent update to the online Project Performance Tracker is from the end of October 2023 and was updated on December 7, 2023.

Beginning with Projects in Planning, Mr. Gutierrez noted there were four projects with a status change to note. The North Corridor Maintenance of Way facility is seeing a delay to the next milestone (selecting the project to be built), which is the result of design and permitting taking longer than expected, with the current delay estimated at 24 months (a delay of six or more months triggers the red status in the tracker). Mr. Gutierrez added that staff have a mitigation plan – the completion of a temporary facility – to be operational in time to support the opening of the Lynnwood Link Extension. Similarly, the Series 3 Light Rail Vehicle project is projecting a delay to the next milestone, which pushes the establishment of a Baseline budget for the project to early 2026. Delivery of the fleet is still tracking to begin in 2032. The next two projects – South Boeing Access Road and South Graham Street Infill stations – are both experiencing a delay to the next milestone of about 2 months. This was due to bids for Project Development Services coming in higher than expected, and additional negotiating time needed for the contract.

For Projects in Construction, Mr. Gutierrez noted that there were two status changes. For the Hilltop Tacoma Link Extension, the budget status has shifted from green to red, meaning it has gone over the 5% over-budget threshold. This currently reflects possible additional cost impacts to address items such as follow on work. For the Lynnwood Link Extension, Mr. Gutierrez highlighted that the schedule risk has shifted from yellow to red, but added the measure is based on scheduled contingency, with the balance falling to 26 days and the threshold for a red status being 42 days. This change is driven by multiple factors, such as delays to approval of fire protection systems from jurisdictions and delays in obtaining electrical utility service. Mr. Gutierrez also noted that the Revenue Service Date for the Lynnwood Link Extension has not yet been formally adjusted to occur with the Fall 2024 Service change.

In concluding, Mr. Gutierrez highlighted work that is planned to be rolled-out in 2024. He noted that there will be a project quality metric added to the tracker which will be used for Projects in Construction. He elaborated that there is a goal to continued to develop further quality metrics for the tracker.

Chair Balducci asked that if any committee members have additional feedback after the meeting, to provide to her via email so she can help facilitate the conversations with staff.

Board member Keel thanked the staff for the presentation and appreciated the evolution he has seen in this presentation over the past months. He inquired if there is work underway to attempt to close the delay in reporting. Mr. Gutierrez responded that conversation are occurring, and that the staff responsible for supporting the Project Performance Tracker are engaging with the finance team on how to conduct additional forward looking financial projections.

Board member Backus inquired into the Sumner, Kent, and Auburn Station Parking and Access Improvement projects, noting that her staff in Auburn have highlighted a few key pinch points, and wondered when or if that information would be captured in the tracker. Mr. Gutierrez noted that once the project teams confirm that either delays or overruns are likely, that is when they would highlight it as a potential change in the presentation, with a formal update to the tracker coming after the issues are confirmed. He also committed to reaching out to the team and providing more information to the Committee in a future meeting.

Chair Balducci noted that Mr. Gutierrez and his team are mindful of the struggle of when to bring forward potential shifts in the status.

Business items

For Recommendation to the Board

Motion No. M2023-109: Directing staff to assess the feasibility of an additional alternative in the South Lake Union area for potential inclusion in the Draft Environmental Impact Statement for the Ballard Link Extension project.

Cathal Ridge, Executive Corridor Director, gave the staff presentation for this and the following action.

Board member Harrell thanked the Committee for their consideration of another alignment action for the Ballard Link Extension and thanked staff for their preparation of the materials. He highlighted some of the potential benefits this new study could uncover on the new potential station location, and noted that the study will help answer any remaining questions.

Vice Chair Roscoe concurred with Board member Harrell that the new location is worthy of further study and highlighted that future Board decisions will need to consider the project schedule and budget.

Chair Balducci thanked the Vice Chair for her comments and stated her support for the actions today, as they will set-up the Committee and Board with more information on the potential location that could help address key concerns with the current alternatives in the Draft Environmental Impact Statement. Chair Balducci, in highlighting the comments for the Museum of Pop Culture, asked if key stakeholders for engagement have been identified. Mr. Ridge responded that the team is aware of several potentially impacted property owners with whom meetings must occur to further understand their concerns and work on potential solutions.

Vice Chair Roscoe inquired into what could be done to address the key pinch points earlier in the review process to avoid late changes to alternatives and station locations. Don Billen, Executive Director of Planning, Environment, and Project Development, responded that after ST3, the agency developed a System Expansion Implementation plan which identified early stakeholder engagement and consensus building as key to keeping projects on-schedule. He added that while much of that work was successful, there are no real guardrails to prevent additional ideas from coming forward as the environmental review process moves forward. He cautioned that the agency would have to balance the risks and reward of additional ideas as they occur. Vice Chair thanked him for the response and re-iterated the importance of weighing all the potential pros and cons once the feasibility study results are complete.

Board member Harrell thanked Vice Chair Roscoe for her comments and stated his concern on the same issues.

It was moved by Board member Baker, seconded by Board member Harell, and carried by the unanimous vote of all committee members present that Motion No. M2023-109 be forwarded to the Board with a do-pass recommendation.

Motion No. M2023-110: Authorizing the chief executive officer to execute a contract modification with HNTB Corporation to prepare a feasibility assessment under the contract for project development

services for the West Seattle-Ballard Link Extensions, in the amount of \$776,247, with a 10% contingency of \$74,801 totaling \$851,048, for a new total authorized contract amount not to exceed \$319,693,752, contingent upon approval of Motion No. M2023-109 and Resolution No. R2023-40.

It was moved by Board member Baker, seconded by Board member Harrell, and carried by the unanimous vote of all committee members present that Motion No. M2023-110 be forwarded to the Board with a do-pass recommendation.

For Committee Final Action

Motion No. M2023-111: Authorizing the chief executive officer to execute a contract with WSP USA, Inc., a Joint Venture Member, Mott MacDonald LLC, a Joint Venture Member, and Connect Seattle Partners Joint Venture for Program Management Support Services for the West Seattle and Ballard Link Extensions in the amount of \$37,945,116, with a 10 percent contingency of \$3,794,512, for a total authorized contract amount not to exceed \$41,739,628, contingent upon approval of Resolution No. R2023-40.

Ron Endlich, DECM Project Director, gave the staff presentation for this action.

Vice Chair Roscoe asked about which previous projects the consultants had worked on and whether the contract has a mechanism should the contractors wish to exit early. Mr. Endlich listed the California High-speed Rail project, the Sydney Metro Expansion, the Cross Rail project in London, and several Middle East projects as previous projects the proposed consultants had led and supported. He noted that the consultants would be obligated to complete the work for each phase as negotiated and executed, but there are off ramps for both the Agency and consultants when renegotiation begins.

Board member Keel inquired into project control functions and the planned relationship between the consultants and Agency staff. Mr. Endlich answered that one of the first items will be the development of a Project Control plan which will help guide the work and hopefully find efficiencies to avoid problems that other projects have faced, specifically noting cost estimating. He added that the agency will value the technical expertise brought by the consultant team.

It was moved by Board member Keel, seconded by Board member Roscoe, and carried by the unanimous vote of all committee members present that Motion No. M2023-111 be approved as presented.

Motion No. M2023-112: Recommending that the portions of the Proposed 2024 Budget and Transit Improvement Plan reviewed by the System Expansion Committee, including revisions to the Proposed 2024 Budget and Transit Improvement plan in Attachment A, be forwarded by the Finance and Audit Committee to the Board with a do-pass recommendation.

Ryan Fisher, Deputy Executive Director of Financial Analysis and Budgeting, and Stephanie Ball, Director of Financial Analysis and Budgeting, gave the staff presentation for this action.

When opening the floor for questions, Chair Balducci noted that Board members have been receiving budget-related presentation since October, so a lack of questions is not a cause for concern.

It was moved by Board member Baker, seconded by Board member McDermott, and carried by the unanimous vote of all committee members present that Motion No. M2023-112 be approved as presented.

Minutes: November 9, 2023 System Expansion Committee meeting

It was moved by Board member McDermott, seconded by Board member Baker, and carried by unanimous voice vote that the minutes of the November 9, 2023, System Expansion Committee meeting be approved as presented.

Reports to the Committee

Operations and Maintenance Facility South Update on project scope and cost trade-offs, and DEIS public comments

Curvie Hawkins, Project Development Director for the OMFS project, began the staff presentation by summarizing that the report will focus on providing an overview of the NEPA DEIS comment period and provide an update on the opinion of probable cost, which was last presented in August 2023.

Mr. Hawkins briefly noted the project's current status as shown in the Project Performance Tracker and provided a short recap of the project and the current sites under environmental review. He highlighted that staff anticipate publication of the Final EIS in mid-2024, followed by the Board selecting the Project to be Built soon after. Mr. Hawkins briefly touched on the engagement on the Draft EIS comment period, which ran from Sept. 22 – Nov. 6, 2023. Key takeaways from the comments included preferences for both the Midway Landfill and Preferred Alternative sites, concerns over noise, traffic impacts, and displacements, comments from the Environmental Protection Agency related to Environmental Justice, and comments from the City of Federal Way on the transportation analysis and information on changes to existing land uses.

With the conclusion of the DEIS comment period, staff have been coordinating with the Federal Transit Administration (FTA) on the Final EIS and have identified that some of the comments will require adjusting the approach to the Final EIS, which could cause delay in the publication. He committed to keeping the Board informed as discussions continue.

Mr. Hawkins turned to the update on the Opinion of Probable Cost, noting that all alternatives are facing upward cost pressures, as was stated in August. He added that many of the drivers are similar to recent experience with other major Sound Transit and Washington State Department of Transportation projects. A hot regional construction market combined with inflation is generating escalations in materials costs, accounting for about 23% of the increase. Scope Changes to address agency operational needs and permit requirements with the City of Federal Way and other jurisdictions account for 20%, and an overall market condition adjustment is about 25% of the increase. Mr. Hawkins also explained that as engineering has progressed on the alternatives, the cost estimate methodology has been updated to shift from a Unit Cost Library to a Bottoms-Up approach. TriUnity also reviewed the costs and found that the estimate was adequately conducted and appropriate for the level of design.

The Fall 2023 Agency Finance Plan includes just over \$1.9 billion for the OMFS project; however, the updated opinion of probable costs range is \$2.5 to \$2.9 billion, which is a variance between \$592 million to just over \$1 billion above the assumed Finance Plan. Mr. Hawkins explained that staff are actively attempting to manage the project back to the current Finance Plan assumption.

Two key mitigation strategies were identified: Optimizing the scope to save roughly \$200M dollars with minimal impact to operability and structuring the Design-Build procurement to incentivize innovation and cost efficiency. Elaborating on the second strategy, Mr. Hawkins stated that the design-build method allows the proposers to advance final design further than what is typical in the proposal development phase of the procurement which would reduce project risk and the expected design allowance the contract would include. If successful, soft costs that are calculated as a percentage of the construction costs would be less than identified in the updated estimate. He added that there is opportunity in the procurement to consider the potential additional Light Rail Vehicle storage capacity.

Mr. Hawkins briefly displayed the next steps for the project, which includes both staff work on the procurement and Board actions that are expected.

Chair Balducci inquired into whether the \$1.9 billion figure came out of realignment. Don Billen responded that is the case, with the only additional note being the allocation of \$152 million from the Light Rail Support Facilities fund for additional test track.

Chair Balducci also inquired into what planning is occurring regarding optimizing the project scope. Mr. Hawkins responded that the project team conducted a workshop with the Operations department to be sure that changes wouldn't affect operability and they were able to identify about \$200 million dollars in savings. Chair Balducci followed-up by asking what could be affordable to the Finance Plan. Mr. Billen responded that the project team's goals is to manage it back to the Finance Plan and deferred the question on what could be affordable using debt to the Finance team.

Chair Balducci asked for more information on the design-build procurement and its structure. Tracy Reed, DECM Deputy Executive Director, responded that the procurement will include the affordable cost with the optimized scope, minus some soft costs that wouldn't be allocated to the construction or construction management phases of the project budget. Chair Balducci also asked about the inclusion of the additional Light Rail Vehicle storage capacity, as it is a key pinch point in future service delivery. Ms. Reed responded that the base procurement will include an option that contractors could attempt to include, but the overall cost and scope will be for the OMFS without the additional storage.

Board member Keel asked if there were any potential process improvements that could've helped to keep costs down. Mr. Billen made several observations in his responses. First, the shift from a Unit Cost Library to the Bottoms-up estimating methodologies have differing perspectives, with the Unit Cost Library pulling from previous experience. Secondly, the hot infrastructure construction market is a constant squeeze. Mr. Billen noted that a few scope changes may have contributed, but the main drivers are the updated methodology and construction market.

Executive session - None.

Other business

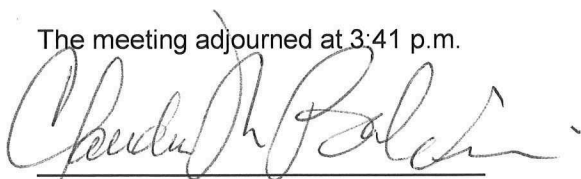
Before closing, Chair Balducci thanked key staff members for their work to support the Committee.

Next meeting

Thursday, December 14, 2023
1:30 p.m. to 4:00 p.m.
Ruth Fisher Board Room &
Virtually via WebEx

Adjourn

The meeting adjourned at 3:41 p.m.



Claudia Balducci
System Expansion Committee Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on January 11, 2024, AJM.