

2024 Proposed Budget and TIP

System Expansion Committee

11/09/2023

Why we are here

Today we are here to provide information

- Proposed 2024 Budget summary
- 2024 Budgets and TIP within the System Expansion Committee's purview
 - System Expansion Projects: Link, Tacoma Link, Sounder, Regional Express and Stride
- Budget timeline and next steps

Budgets within Committee purview

Committee	Budget/TIP Sections
Rider Experience and Operations	<ul style="list-style-type: none">• Transit operations• Non-system expansion projects (State of Good Repair, Enhancement, and Administration)
System Expansion	<ul style="list-style-type: none">• System expansion projects – Link, Tacoma Link, Sounder, Regional Express, and Stride
Executive	<ul style="list-style-type: none">• System expansion projects – systemwide• Debt service and other costs
Finance and Audit Committee	Other committees recommend budget to FAC; FAC recommends to Board

***2024 Proposed budget -
summary***

Executive summary – revenues and financing

(In millions)

TOTAL REVENUES - 2024 Proposed Budget					
CATEGORY	Forecast	Budget	% Variance	Proposed	% Change
	2023	2023	2023F to 2023B	2024	2023B to 2024B
TAX REVENUES	\$2,318.7	\$2,295.5	1.0%	\$2,397.6	4.4%
PASSENGER FARE REVENUES	51.8	52.4	-1.1%	59.4	13.5%
GRANTS & LOCAL CONTRIBUTIONS	515.9	283.0	82.3%	216.7	-23.4%
INVESTMENT INCOME	136.0	40.4	236.6%	115.0	184.7%
MISCELLANEOUS REVENUES	17.1	10.9	57.3%	16.7	53.4%
BOND & TIFIA LOAN PROCEEDS	994.6	.0		93.3	-
Grand Total	\$4,034.2	\$2,682.2	50.4%	\$2,898.8	8.1%

- *Tax revenue: 4.4% above 2023 budget*
- *Fares: East Link Starter Line and Lynnwood opening*
- *Grants: 2024 lower due to funds accelerated in 2023 originally assumed for 2024*
- *Bonds and TIFIA: Hilltop TIFIA draw*

Executive summary – expenditures

TOTAL EXPENDITURES - 2024 Proposed Budget					
CATEGORY	Forecast	Budget	% Variance	Proposed	% Change
	2023	2023	2023F to 2023B	2024	2023B to 2024B
MODAL OPERATING EXPENSES	\$455.3	\$495.3	8.1%	\$634.2	28.0%
SYSTEM EXPANSION PROJECTS	2,010.9	2,047.9	1.8%	1,850.7	-9.6%
NON-SYSTEM EXPANSION PROJECTS	236.0	261.3	9.7%	306.7	17.4%
DEBT SERVICE	229.4	229.4	0.0%	179.7	-21.6%
TAX COLLECTION & FEES	26.2	23.1	-13.7%	19.4	-15.7%
CONTRIBUTIONS TO PARTNER AGENCIES	5.0	5.0	0.0%	.0	-100.0%
LEASES	15.9	16.8	5.5%	12.9	-22.9%
AGENCY CONTINGENCY	-	10.6		19.0	78.5%
OTHER NON-OPERATING EXPENSES	.6	.6	6.6%	.6	2.4%
Grand Total	\$2,979.2	\$3,089.9	3.6%	\$3,023.3	-2.2%

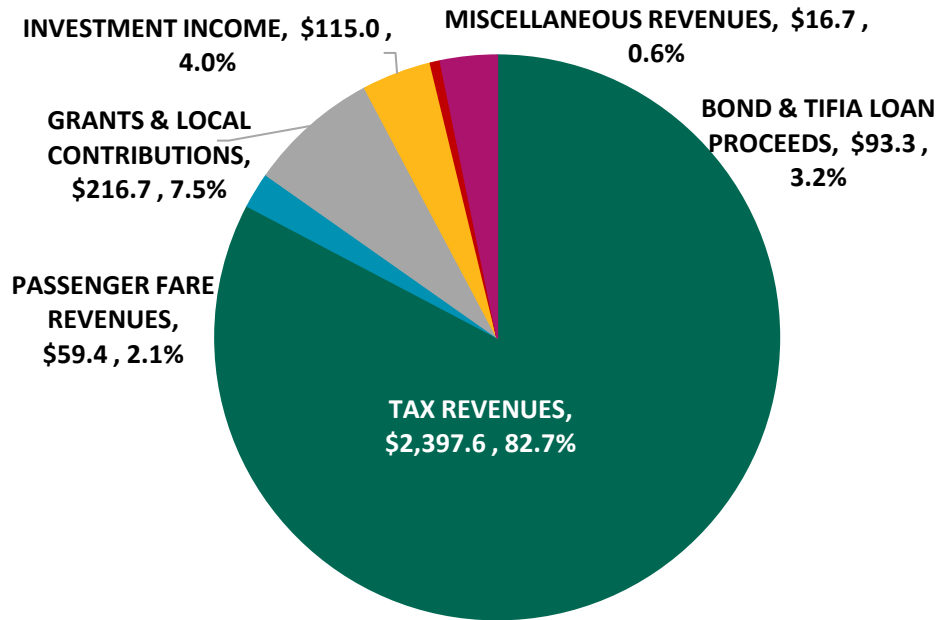
*2023 budget includes changes to the 2023 adopted budget due to Board actions.

- Existing cash balance from 2023 TIFIA draws will be used to balance sources and uses, reducing our net cash position
- Agency contingency is 3% of proposed modal operating budget to help mitigate risks in escalating transportation costs

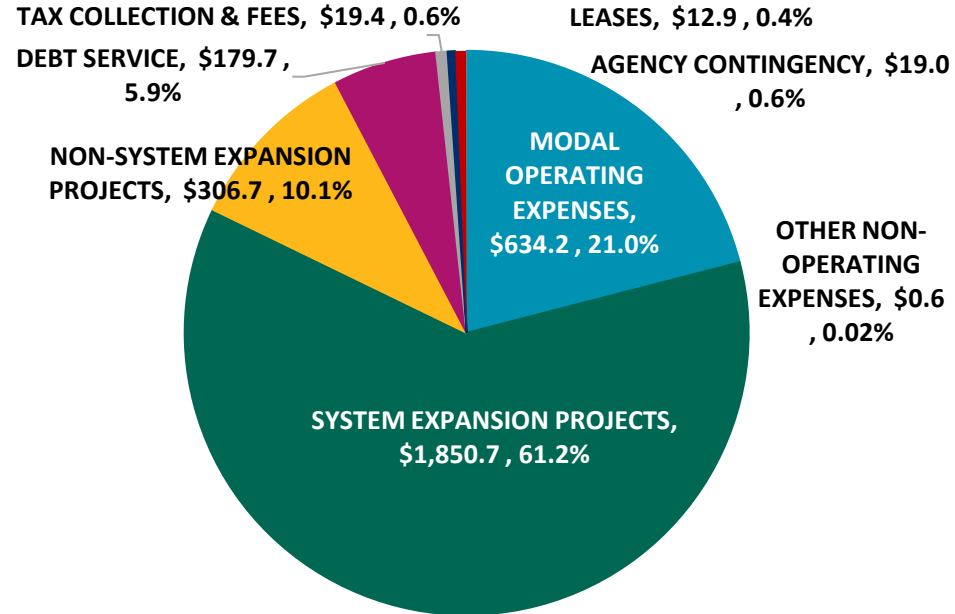
Proposed 2024 Budget

Sources lower than expenditures, gap will be covered by existing cash balance.

Sources: \$2.9B



Expenses: \$3.0B



***System expansion by Project
– 2024 Budget***

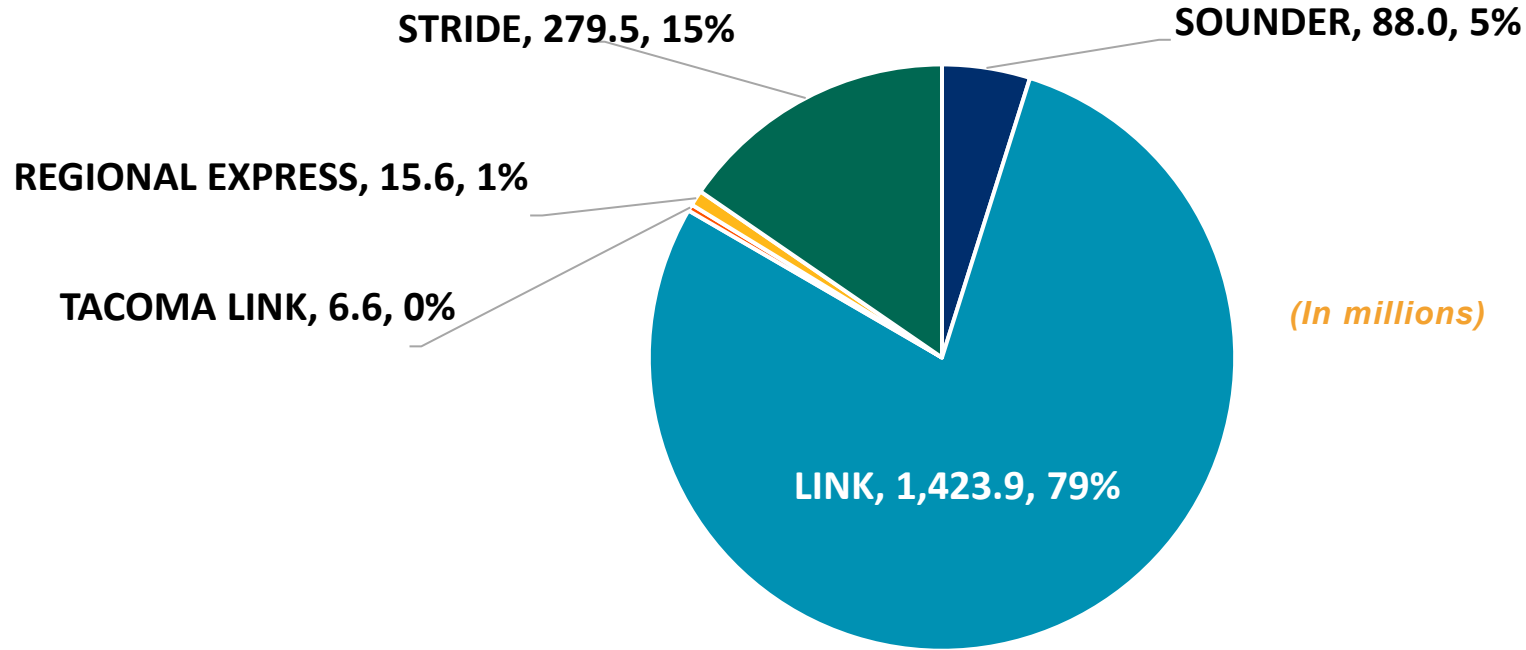
System expansion – modal: \$1,809M

(In millions)

SYSTEM EXPANSION PROJECT EXPENSES - 2024 Proposed Budget					
CATEGORY	Forecast	Budget	% Variance	Proposed	% Change
	2023	2023	2023F to 2023B	2024	2023B to 2024B
SOUNDER	65.3	76.7	14.8%	88.0	14.9%
LINK	1,657.5	1,664.3	0.4%	1,419.5	-14.7%
TACOMA LINK	21.5	28.0	23.4%	6.6	-76.6%
REGIONAL EXPRESS	23.0	34.6	33.3%	15.6	-54.9%
STRIDE	204.0	204.0	0.0%	279.5	37.0%
SYSTEMWIDE	39.5	40.2	1.7%	41.5	3.1%
Grand Total	\$2,010.9	\$2,047.9	1.8%	\$1,850.7	-9.6%

- *Decrease in annual Link and Tacoma Link expenditures as projects under construction enter or approach revenue service*
- *Increase in Stride and Sounder expenditures as construction ramps up*

System expansion (modal) 2024 Budget: \$1,809 million



Link Projects in Planning: \$528.7 million

LINK PROJECTS IN PLANNING (millions)					
CATEGORY	Forecast 2023	Budget 2023	% Variance 2023F to 2023B	Proposed 2024 Budget	% Change 2023B to 2024B
BALLARD LINK EXTENSION	43.2	67.1	35.5%	94.2	40.3%
BOEING ACCESS RD INFILL STATION	.5	4.1	87.5%	3.7	-9.0%
EVERETT LINK EXTENSION	16.4	49.8	67.1%	42.9	-13.9%
GRAHAM ST INFILL STATION	.3	1.7	83.8%	1.8	5.8%
NORTH CORRIDOR MOW	19.7	8.8	-122.5%	4.5	-48.6%
SERIES 3 LRV	2.3	1.3	-72.6%	9.8	629.0%
TACOMA DOME LINK EXTENSION & OMFS	51.4	138.1	62.8%	265.3	92.1%
WEST SEATTLE LINK EXTENSION	13.9	23.9	41.7%	106.6	345.0%
Grand Total	\$147.8	\$294.9	49.9%	\$528.7	79.3%

- *West Seattle and OMFS planning to begin major ROW purchases*
- *Continuation of environmental review for Ballard, Tacoma Dome, Everett, and Graham and Boeing Access Infills*
- *Series 3 LRV preparing RFP for car builders*

Link Projects in Construction: \$897.4 million

LINK PROJECTS IN CONSTRUCTION (millions)					
CATEGORY	Forecast	Budget	% Variance	Proposed	% Change
	2023	2023	2023F to 2023B	2024 Budget	2023B to 2024B
DOWNTOWN REDMOND LINK EXT	231.6	236.3	2.0%	152.6	-35.4%
EAST LINK	177.9	133.2	-33.5%	117.9	-11.5%
FEDERAL WAY LINK EXTENSION	534.3	410.1	-30.3%	278.3	-32.1%
HILLTOP TACOMA LINK EXTENSION	21.5	28.0	23.4%	6.6	-76.6%
LINK O&M FACILITY EAST	5.9	3.6	-67.3%	2.8	-21.8%
LRV FLEET EXPANSION	95.1	121.5	21.8%	93.5	-23.1%
LYNNWOOD LINK EXTENSION	426.0	431.1	1.2%	149.4	-65.3%
NE 130TH STREET INFILL STATION	29.0	26.9	-7.8%	84.8	214.6%
NORTHGATE LINK EXTENSION	9.8	6.1	-62.2%	11.1	82.9%
OTHER IN-SERVICE	.1	.6	84.2%	.5	-10.0%
Grand Total	\$1,531.2	\$1,397.4	-9.6%	\$897.4	-35.8%

- *Decreased spending as projects reach or approach revenue service*
- *NE 130th infill station to continue station finishes construction*

Sounder, Regional Express, and Stride Projects in Planning: \$28.9 million

(In millions)

SOUNDER, REX, AND STRIDE PROJECTS IN PLANNING (millions)					
CATEGORY	Forecast 2023	Budget 2023	% Variance 2023F to 2023B	Proposed 2024 Budget	% Change 2023B to 2024B
<i>Sounder</i>					
DUPONT EXTENSION	1.4	1.9	27.2%	3.3	76.3%
LAKWOOD STATION IMPROVEMENTS	2.0	2.0	2.4%	2.3	15.0%
SOUNDER MAINTENANCE BASE	.6	1.2	53.4%	.7	-46.4%
SOUNDER SOUTH CAPACITY EXPN	4.1	5.3	22.4%	7.2	36.9%
SOUTH TACOMA ACCESS IMPROV	2.0	2.1	1.1%	1.9	-9.6%
TDS PARKING AND ACCESS IMPROV	.0	.0	40.9%	.3	819.4%
<i>Regional Express and Stride</i>					
RAPIDRIDE C and D	20.3	26.0	21.8%	12.5	-51.8%
OTHER	.4	6.2	93.2%	.7	-88.7%
Grand Total	\$30.8	\$44.7	31.1%	\$28.9	-35.3%

- Continuation of environmental review for DuPont Ext, Sounder South Capacity Exp, and Lakewood, South Tacoma, and Tac Dome Parking and Access Improvements

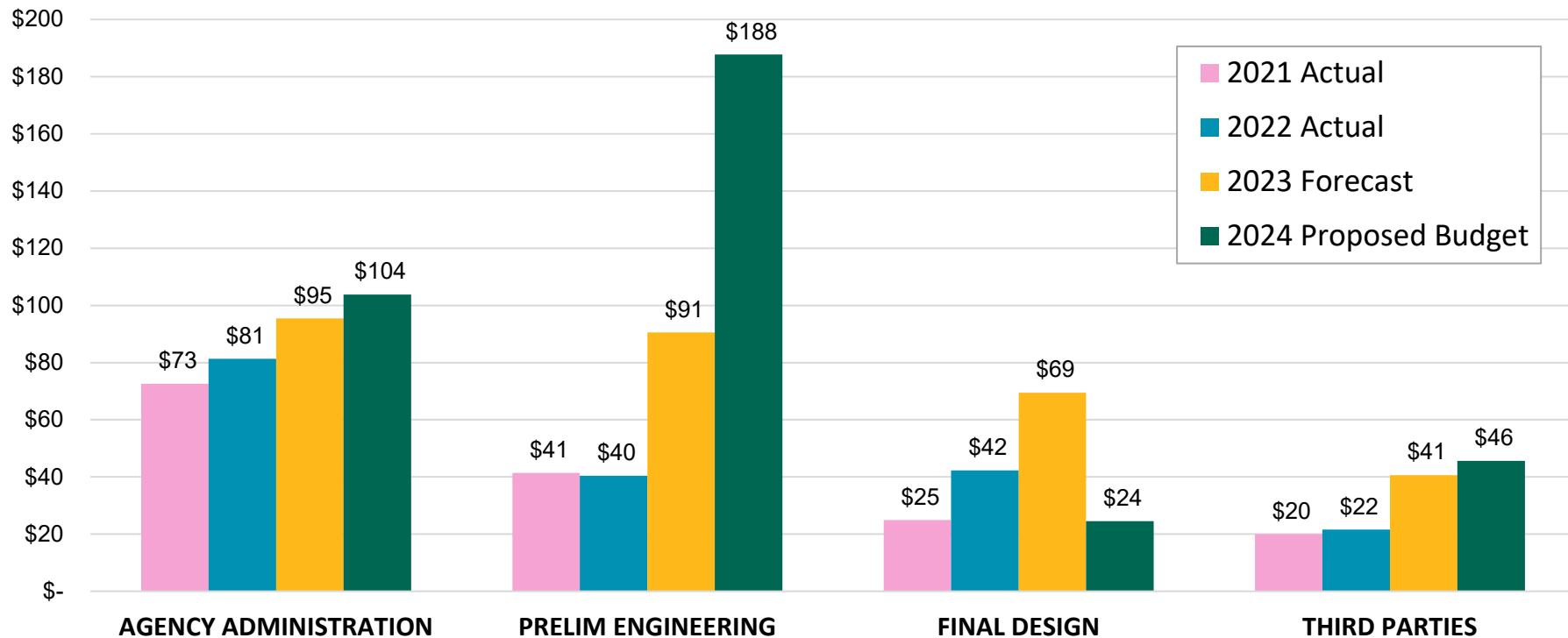
Sounder, Stride, and REX Projects in Construction: \$354.3 million

SOUNDER, REX, and STRIDE PROJECTS IN CONSTRUCTION (millions)					
CATEGORY	Forecast 2023	Budget 2023	% Variance 2023F to 2023B	Proposed 2024 Budget	% Change 2023B to 2024B
<i>Sounder</i>					
PUYALLUP STATION IMPROVEMENTS	3.8	3.5	-8.3%	.9	-75.0%
SOUNDER FLEET EXPANSION	7.0	8.8	20.3%	6.0	-31.9%
SUMNER, KENT & AUBURN SPAI	44.3	51.5	14.0%	65.5	27.1%
<i>Stride and Other In-Service Projects</i>					
I-405 BRT	122.0	122.0	0.0%	174.1	42.7%
SR 522-NE 145th ST BRT	60.7	60.7	0.0%	54.6	-10.0%
BRT MAINTENANCE BASE	21.3	21.3	0.0%	50.5	137.0%
OTHER IN-SERVICE PROJECTS	2.5	2.8	11.1%	2.6	-4.7%
Grand Total	\$261.6	\$270.6	3.3%	\$354.3	30.9%

- *Stride projects baselined in 2023 moving forward with more construction*
- *Sumner, Kent, and Auburn parking access increase construction activities*

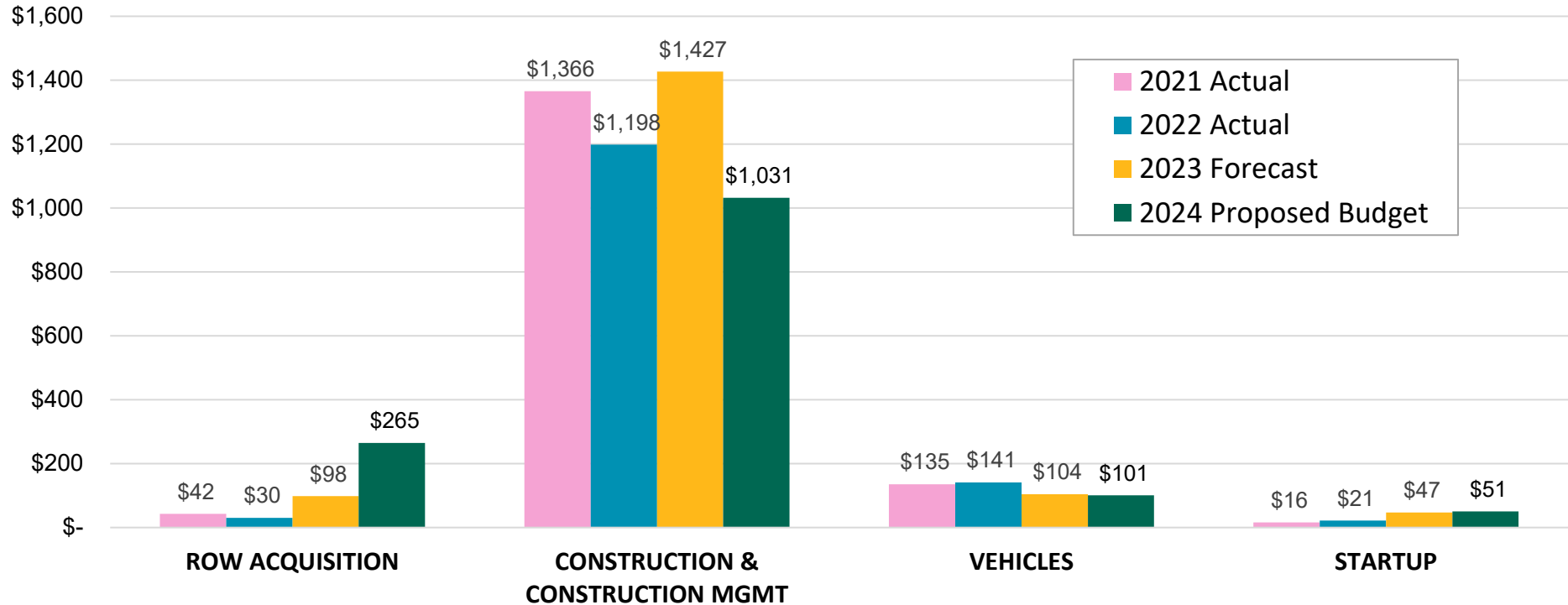
Trends by Phase – Admin, PE, Final Design, and Third Party Spending

In millions



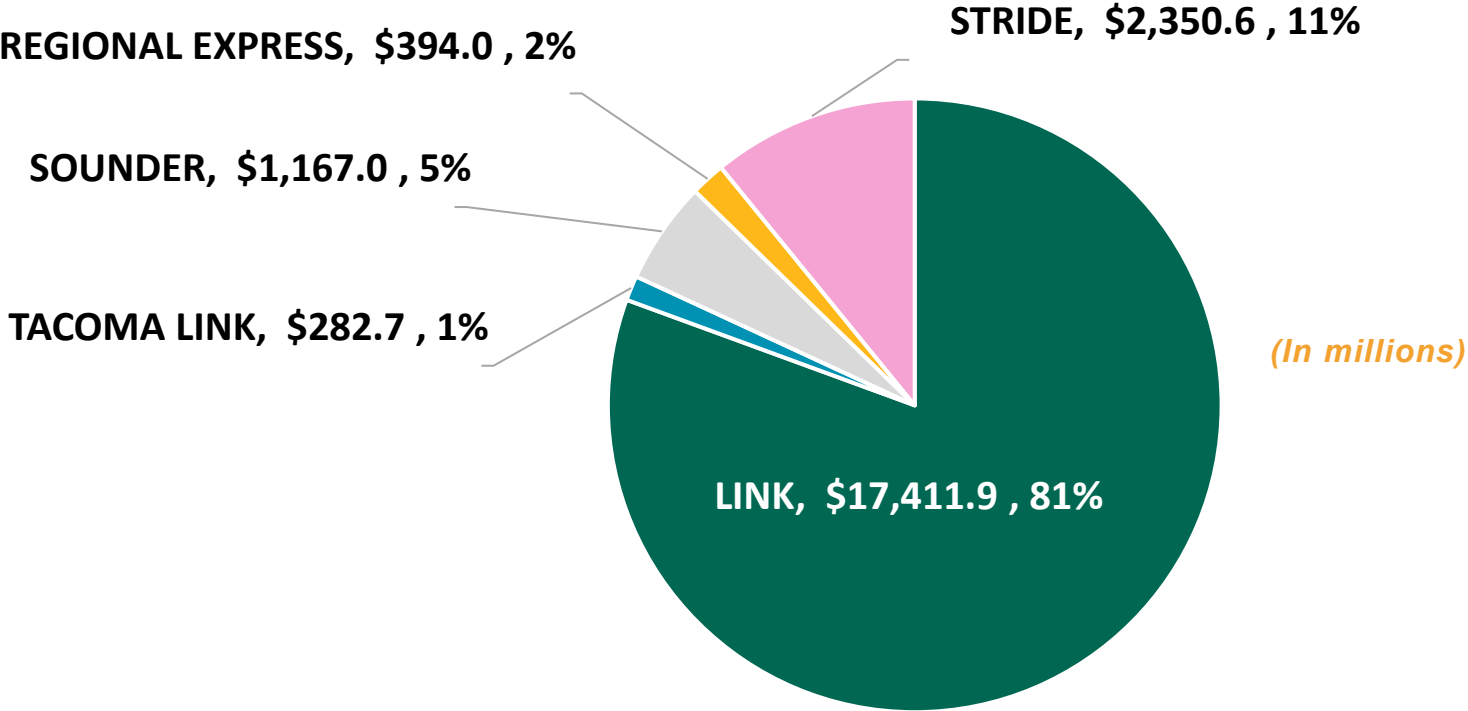
Trends by Phase – ROW, Construction, Vehicles, and Startup

In millions



***System expansion changes to
authorized allocation***

System Exp. (Modal) Proposed 2024 TIP Authorized Allocation: \$21,606 million



Changes to Transit Improvement Plan (modal)

(In millions)

Transit Improvement Plan Expenses - 2024 Proposed Budget

CATEGORY	Authorized Allocation
2023 ADOPTED TIP	20,685.7
STRIDE BASELINE	950.0
NEW PROJECTS	0.6
INCREASES TO ALLOCATION	344.5
DECREASES TO ALLOCATION	-374.4

2024 Proposed Transportation Plan (MODAL)

21,606.3

- \$950M for Stride Baseline
- New projects: BRT parking garages
- Increases to allocation for PE and ROW for projects in planning
- Decreased allocation for U Link, Northgate Link, and OMFE due to expected surplus

***Budget timeline
and next steps***

Timeline

October – budget and Financial Plan kickoff

- **10/26** – Board Meeting – Overview of Long-Range Financial Plan projections and budget

November – budget overview and property tax levy approval

- **11/2** – Executive Committee – budget overview
- **11/2** – Rider Experience and Operations Committee – budget overview
- **11/2** – Public hearing – budget and property taxes
- **11/9** – System Expansion Committee – budget overview
- **11/16** – Board Meeting – request for approval of the property tax levy

Timeline continued

December – budget recommendation and approval

- **12/7** – Rider Experience and Operations Committee – recommends to FAC
- **12/7**– Executive Committee – recommends to FAC
- **12/14** – **System Expansion Committee – recommends to FAC**
- **12/15** – Finance and Audit Committee – recommends to Board
- **12/15**– Board – adoption of the Proposed 2024 Budget and Transit Improvement Plan

Thank you.



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