

2025 Board Annual Program Review

Keeping the region moving.



soundtransit.org



Letter from the CEO



Dow Constantine
Chief Executive Officer

Dear Board Member,

I'm pleased to present our 2025 Board Annual Program Review (BAPR), the fourth edition of this report. As directed by R2021-05, it offers an overview of Sound Transit's financial health and program performance, focusing on service delivery and active capital projects. This aligns with our Enterprise Initiative, addressing affordability challenges in areas like system resilience, operations, light rail vehicle replacement and procurement, capital delivery, and financial risks.

Sound Transit is thriving, with Link light rail expansions boosting ridership and demand for high-capacity transit. Communities rely on us to not only deliver the Sound Transit 3 (ST3) program, but provide equitable access to the most fundamental needs in life which is essential to our vision of *enthusiastically transforming the map of Central Puget Sound and connecting people to opportunity through safe, secure, clean, frequent, and reliable transit*. However, rising costs, increased demands, and revenue reductions challenge ST3's affordability.

Inaction is not an option, and we are taking proactive steps to maintain program affordability while also being intentional in ensuring equitable practices are embedded into the core business of Sound Transit.

Proactive steps include strategic investments and a clear, equitable plan for progress. Our future framework focuses on operating and enhancing our regional transit system to meet mobility needs, guided by the Enterprise Initiative to address affordability challenges through strategic planning and service improvements. In the near-term, our key goals for 2026 include:

- **Open the Crosslake Connection**
- **Reduce service disruptions and recover quickly**
- **Establish long-term financial stability**

As we look forward, Sound Transit stands at a pivotal moment: delivering on the nation's largest transit system expansion while navigating affordability challenges and a rapidly changing mobility landscape. This report details our efforts to continue advancing strategies that improve program affordability while delivering enhanced and equitable community connectivity in the Puget Sound region and ensure a sustainable transit future.

Respectfully,

A handwritten signature in black ink that reads "Dow Constantine".

Dow Constantine
Chief Executive Officer

2025 Board Annual Program Review

At-A-Glance Summary

2025 marks a pivotal point in Sound Transit's multi-year transformation. Our investments, operational improvements, and service expansion efforts are delivering tangible benefits to the Puget Sound region. The Board Annual Program Review highlights our performance this year, as shown in the snapshot below.

Service delivery

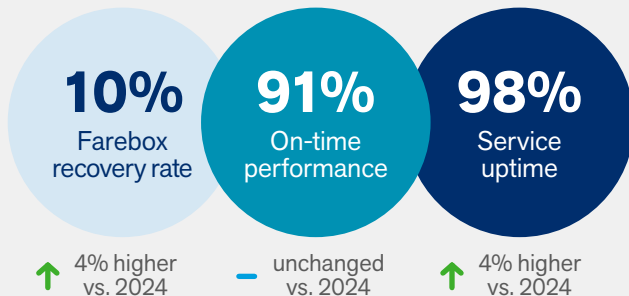
Our **Service Delivery** team is focused on delivering exceptional system performance for all riders, and in 2025 we saw growth and improvements across the system.

Shifts in transit service

Since 2019, we've seen a 36% increase in Link service, as a percentage of overall agency revenue vehicle hours.

	2019	2026 (est.)
Link (1, 2, T)	 27%	 63%
Sounder (N,S)	 8%	 4%
ST Express	 65%	 33%

Key highlights



As of August 2025

Capital delivery

Our **Capital Delivery** team is leading the charge for the nation's largest transit system expansion, including opening six stations and 12 miles of new track in 2025.

Recent openings

- 
Lynnwood Link Extension
 8.5-mile extension connecting multiple transit modes and adding four new stations
Aug. 2024
- 
Federal Way Transit Center Bus Loop
 Bus loop improving pedestrian safety and connection to light rail
March 2025
- 
Downtown Redmond Link Extension
 3.4-mile extension and adding two new stations
May 2025

Key highlights

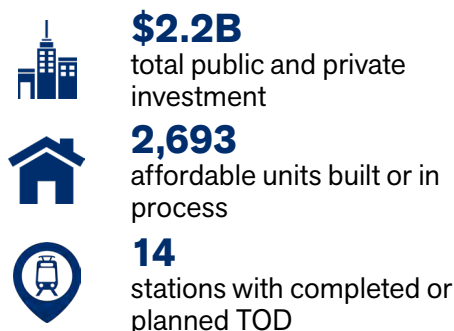


As of August 2025

Regional contributions and benefits

Advancing TOD

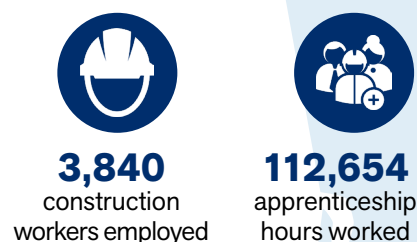
Our work extends beyond transit infrastructure to also supporting transit-oriented development projects in 2025.



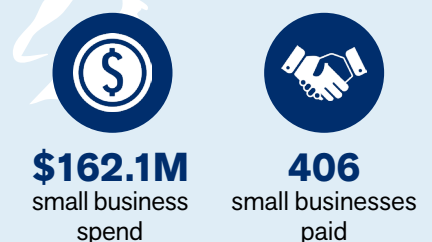
Regional investments and partnerships

Sound Transit's projects, regional partnerships, and strategic investments are creating jobs, supporting local businesses, and fostering vibrant, equitable communities throughout the region.

Developing the workforce



Small business contracting

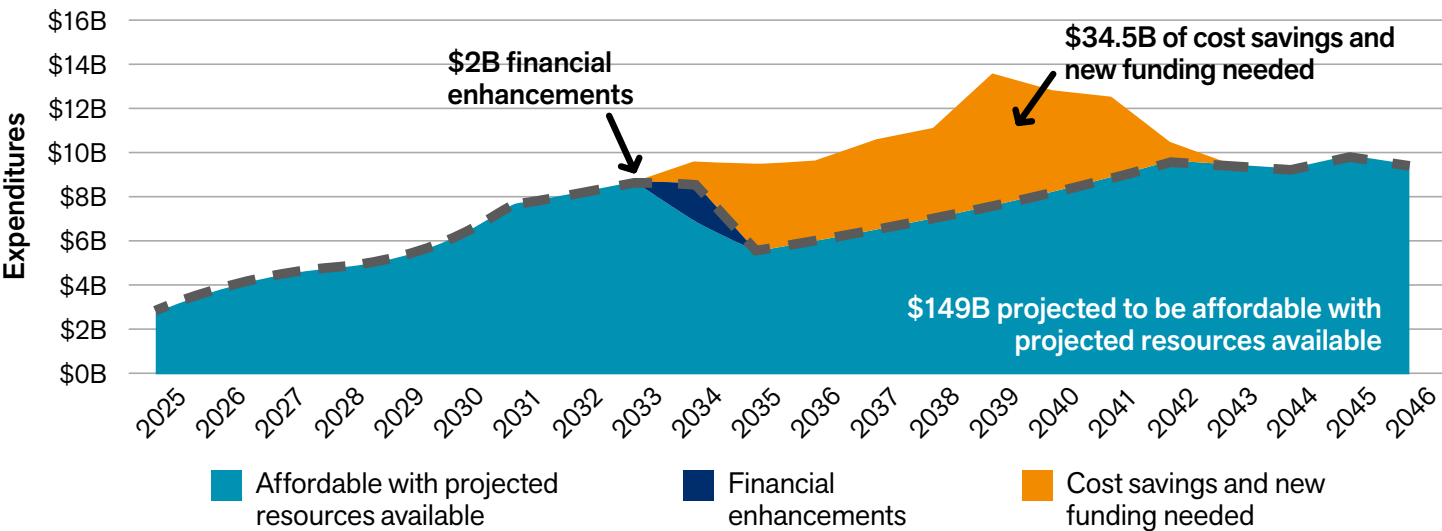


Federal Fiscal Year 2024

Affordability snapshot

While updated financial assumptions have increased financial capacity by \$2B, Sound Transit forecasts long-term affordability challenges by 2034 that require new strategies to maintain ST3 program affordability.

Since the 2016 Voter Approved ST3 Plan, total estimated capital and operating costs to deliver the ST3 program continue to rise, with substantial increases in recent and upcoming years. The Fall 2025 Long-Range Financial Plan, based on updated cost and revenue assumptions, estimates an additional \$34.5 billion needed to fully fund the ST3 program. Sound Transit projects that \$149 billion in total program spending is affordable. Staff are developing an ambitious strategy through the Enterprise Initiative to reduce costs as well as identify new funding.



Enterprise Initiative

As the 2025 BAPR provides a snapshot of Sound Transit's performance and challenges, it also provides information about the next steps for Enterprise Initiative implementation.

The Enterprise Initiative is Sound Transit's strategy to deliver the greatest possible benefits to the region within the agency's current and projected financial capacity, applied across four primary workstreams:

Workstreams	Cost drivers	Affordability strategies
Planning & policy Reviewing existing and emerging system conditions to modify planning assumptions and update policies that guide plan implementation.	Evolving system conditions since 2016 plan	Update ST3 System Plan and adopt a new Long-Range Plan to address value capture and savings
Capital delivery Identifying programmatic cost savings approaches and project efficiencies to deliver projects within available financial resources.	- Increased construction, ROW, and soft costs - Inflation, tariffs, labor shortages, and supply chain disruptions	Cost-savings levers can yield ~4-5% programmatic cost reductions and co-benefits across project, interdepartmental, external, or phasing levels
Service delivery Developing better cost data for operating and state of good repair needs, and optimizing service across modes to maintain resilient, reliable transit services for passengers.	- New LRVs - Resiliency investments - Higher O&M costs	Strategic investments in operational efficiencies, flexibility, and technologies offer the best opportunity for cost savings
Finance Assessing overall financial capacity, refining financial planning assumptions, and maximizing existing and new revenue opportunities to deliver the ST3 program.	- Slowing regional economy and lower fare revenues - Increased project costs lead to higher financing need	\$2 billion immediate financial capacity increase from recent enhancements

Interactive system map

Use the interactive future system map below to take a deeper dive into Sound Transit projects across the region.





Table of contents

01 Introduction

02 Our system today

03 Accountability and transparency

03 Cost pressures and program affordability

04 Enterprise Initiative

05 Service delivery

05 Performance and achievements

11 Agency cost drivers: Delivering service

12 Capital delivery

13 Performance and achievements

15 Project status snapshot

18 Agency cost drivers: Delivering capital projects

19 Regional impact

19 Partnerships and industry engagement

20 Construction labor market

20 Small and minority-owned businesses

20 Transit-oriented development and affordable housing

22 Community engagement

23 Our framework for the future

24 Anticipated system expenditures and affordability

24 The need for a next-generation network plan and our vision

25 System expenditures

26 Financial capacity and long-term affordability

27 Operating, maintaining and expanding the regional transit system: *The next generation of Sound Transit*

28 Enterprise Initiative

Table of figures

03	Figure 1. Long-Range Financial Plan projected debt capacity availability, unconstrained (2025 to 2046)
04	Figure 2. Sound Transit Enterprise Initiative workstreams
05	Figure 3. Post-COVID ridership, all modes (2019 to 2024)
06	Figure 4. Ridership month-over-month percent change, compared to peer agencies
06	Figure 5. System expansion and service changes (2019 to 2026)
07	Figure 6. Average on-time performance, by mode
08	Figure 7. Unplanned disruptions (2024 to July 2025)
09	Figure 8. Series 3 LRV procurement information
10	Figure 9. Passenger Experience Survey results, 1 Line (2020 to 2024)
12	Figure 10. ST3 system expansion project status (as of August 31, 2025)
13	Figure 11. Project Management Information System (PMIS)
14	Figure 12. Sound Transit project status analytics dashboards
15	Figure 13. ST3 program safety performance (August 2024 to August 2025)
19	Figure 14. CDD leadership at the ST/ACEC Summit in Bellevue, WA (April 28, 2025)
21	Figure 15. TOD program pipeline map
22	Figure 16. Ride Transit 2025 Youth Conference in Union Station
25	Figure 17. Estimated expenditures by program category (2017 to 2046)
26	Figure 18. Long-Range Financial Plan expenditure projections (Fall 2025)
27	Figure 19. Recent and near-term Sound Transit service expansions
28	Figure 20. Enterprise Initiative workstreams and key activities (2025 and beyond)
30	Figure 21. Capital delivery cost-saving levers
32	Figure 22. ST3 Capital cost-saving measures, by stage
33	Figure 23. Long-term financial variables and risk management

Table of tables

16	Table 1. Summary of baselined projects, cost, schedule, and safety KPIs, and forecast opening
17	Table 2. Summary of pre-baselined projects, cost and schedule KPIs, and phase

Introduction

Consistent with the requirements of Board Resolution R2021-05, Section 4, the Board Annual Program Review comprehensively assesses the agency's "shifts in projected financial capacity arising from updated cost metrics, revenue streams, and debt capacity projections" as well as project readiness to capitalize on such shifts. In compliance with Section 8 of R2021-05, this report, alongside the annual budget and Long-Range Financial Plan, comprises the requisite biannual reporting of current and anticipated cost drivers.

Building on the framework established by R2021-05, this year's BAPR also supports the agency's "Enterprise Initiative" to inform decision-making regarding future strategies to maintain program affordability. This initiative draws upon relevant agencywide efforts including but not limited to: Sound Transit's capital program cost savings work

plan, operational resiliency efforts, Transportation Improvement Plan, annual budget, and Long-Range Financial Plan.

This year's BAPR is an agencywide, holistic snapshot of Sound Transit's overall performance from August 2024 to August 2025 that highlights recent successes, plainly communicating challenges that should be addressed, and describing what we're doing about these challenges and opportunities. This multi-disciplinary, cross-functional cooperation facilitates a balanced assessment of the agency's financial wellbeing and program effectiveness in relation to service delivery and ongoing expansion. Additionally, the BAPR offers boardmembers, agency team members and leadership, and the public a balanced summary of how we got here, where we stand today, and where we're headed to promote transparency and alignment across the organization.

This report is organized into two main sections:



Our system today

A retrospective and current view of the agency's performance, recognizing both the achievements and challenges Sound Transit currently faces. It offers a synthesis of current performance, recent developments, cost drivers, and observed trends in service delivery programs, and community engagement initiatives.



Our framework for the future

Identified emerging challenges and risks that may influence agency operations. It frames the strategic direction for the agency to adapt to or mitigate associated risks in the context of the Enterprise Initiative.



Our system today

2025 marks a year of transformation for Sound Transit, including major expansion milestones, strategic recalibration, and bold action to address agencywide challenges and position the agency for the future. This section of the report offers a snapshot of where we stand today: the strategies, systems, and structures that are shaping our performance and helping us deliver and expand transit service across the Puget Sound region.



Accountability and transparency

As the agency faces rising costs and program affordability challenges, Sound Transit's multifaceted Enterprise Initiative is helping maintain ST3 program affordability through rigorous oversight, programmatic cost savings, and cross-functional planning.

Service delivery

Strategic investments in maintenance, resiliency, and technology improvements are helping improve system reliability and enhance the passenger experience to provide a great ride every day.

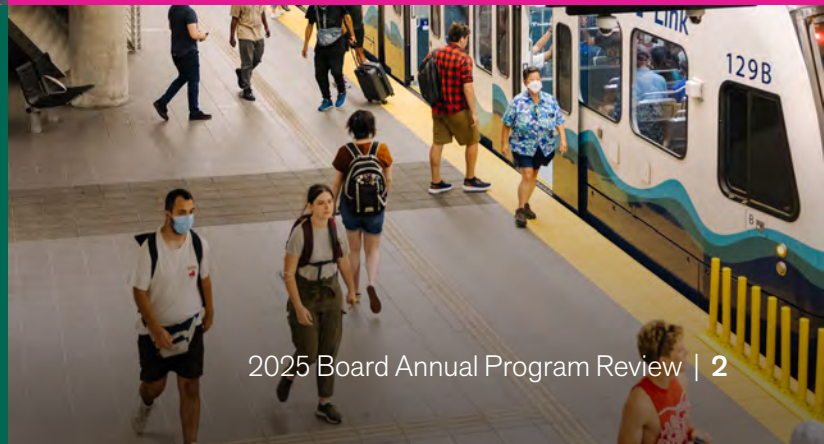


Capital delivery

We've advanced key project milestones across multiple corridors, opened new stations, implemented cost-control measures, and embraced innovative delivery methods to navigate market volatility and labor constraints.

Regional impact

Through regional partnerships, transit-oriented development, and extensive community engagement, we're helping shape economically vibrant and accessible communities.



Accountability and transparency

Transparent disclosure of shortfalls, cost drivers, projected impacts, and actions Sound Transit is taking to minimize financial gaps and passenger impacts is a key element of our approach, reflecting the agency's commitment to openness and proactive problem-solving.

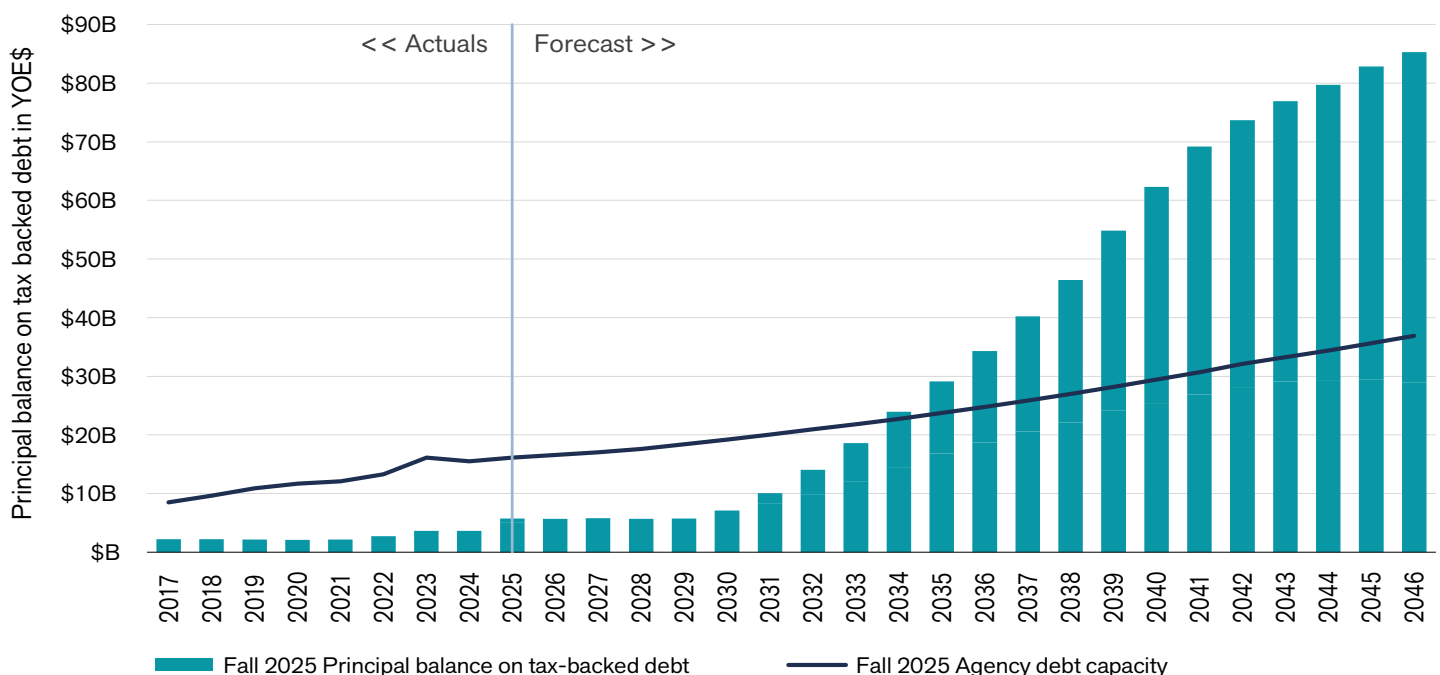
Cost pressures and program affordability

Since the 2024 BAPR, the total estimated capital and operating costs to deliver the full ST3 program on the existing schedule have risen significantly. The agency's Fall 2025 update to the Long-Range Financial Plan (which projects costs, revenues, and debt capacity through 2046) indicates that an additional estimated \$34.5 billion is needed to fully fund the ST3 program. This is driven largely by rising construction costs, supply chain disruptions, and evolving market conditions.

Unless we take significant steps to reduce expenses or identify new funding, Sound Transit will exceed its legally available 1.5% debt capacity as early as 2034, shown below in **Figure 1**. This means that without meaningful changes, the agency would not be able to take out loans or bonds to finance all remaining projects on the existing ST3 schedule within current legal limits.

Addressing these financial pressures now is essential to preserving the promise of ST3 and delivering frequent, reliable transit to millions of riders. This year, the agency welcomed new leadership and launched ambitious agency initiatives to address program challenges head on while also supporting efforts in agency strategy, agency oversight, agency controls, and external partnerships. To address the agency's program affordability challenges, Sound Transit initiated a multifaceted, cross-departmental effort that includes rigorous cost controls, enhanced oversight measures, and ongoing collaboration with partner agencies. These coordinated, agencywide efforts are introduced further in the next section.

Figure 1. Long-Range Financial Plan projected debt capacity availability, unconstrained (2025 to 2046)



Enterprise Initiative

The Enterprise Initiative is Sound Transit's comprehensive effort covering policy and planning, capital delivery, service delivery, and finance to ensure we can deliver the greatest benefits of ST3 within available financial capacity and meet both current and future regional mobility needs. This work includes analyzing how the region has changed since 2016 and new conditions that have emerged since 2021. The Enterprise Initiative builds on this analysis of current conditions to better understand the scope and scale of challenges, and it also identifies ways to use available agency tools to solve these challenges and what additional tools may need to be created. **Figure 2** details each of these key workstreams and what they entail.



Figure 2. Sound Transit Enterprise Initiative workstreams

What will each workstream entail?



Planning & policy

Reviewing existing plans, policies, assumptions, and changed conditions.



Service delivery

Identifying cost savings and developing better cost data for operating and state of good repair needs.



Capital delivery

Identifying cost savings approaches to deliver projects within existing resources.



Finance

Assessing overall financial capacity to deliver the program and maximizing existing revenue opportunities.

See [Section 3: Our framework for the future](#) to learn more about the next phases of the Enterprise Initiative and collaborative actions to maintain system affordability and reliability of our future transit network.

Service delivery

Keeping the region moving is at the heart of Sound Transit's mission, and service delivery is where that commitment becomes tangible for passengers. Teams within our Service Delivery department focus on the day-to-day operations of the agency's various transit modes, which includes system maintenance, keeping trains and buses running on-time to meet demand, or rolling out new initiatives that improve the passenger experience. As of August 2025, Sound Transit achieved the following:

8%

increase in
overall ridership
since Aug 2024

91%

average OTP
across all modes

98%

service uptime

Performance and achievements

Ridership

As Sound Transit navigates the post-pandemic recovery phase, we've observed encouraging signs of ridership rebounding with steady ridership increases year over year. **Figure 3** and **Figure 4** illustrate increasing annual ridership post-COVID across all modes and monthly comparison to national peers, respectively.

Since January 2024, average monthly system ridership across all modes increased 1.84%, compared to peer national average ridership increase of 0.69% shown in **Figure 4** on the following page. We anticipate continued ridership increases, especially as a result of our system expansion efforts.

Figure 3. Post-COVID ridership, all modes (2019 to 2024)

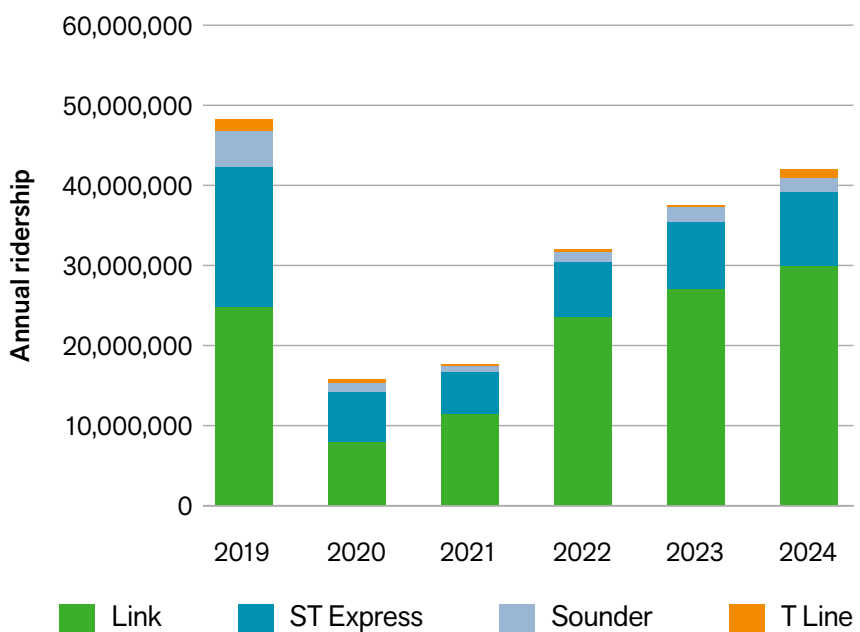
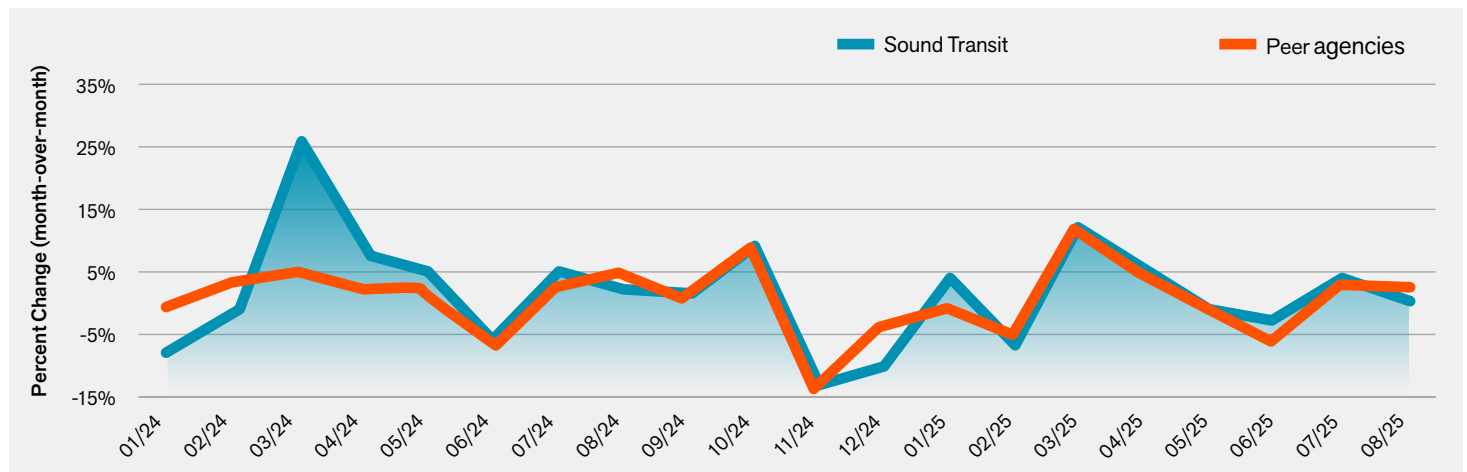


Figure 4. Ridership month-over-month percent change, compared to peer agencies



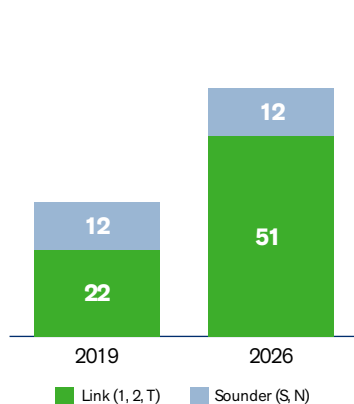
Post-COVID, the agency underwent significant system expansion and service changes. In this same period, we also observed a greater shift in Link demand. The number of Link stations and track miles more than doubled from 22 to 51, and 22 miles to 63 miles, respectively. While ridership is incrementally increasing across all modes, the greatest increase and majority of total Sound Transit service hours are shifting from ST Express to Link, now at an estimated 63% of agency revenue vehicle

hours with the future opening of the Crosslake Connection versus 27% in 2019 (see **Figure 5**).

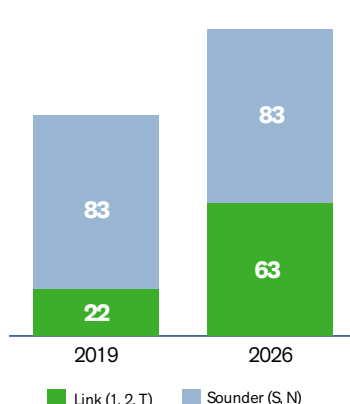
In 2025, Link light rail expansion led to record ridership, and demand for new high-capacity transit connections continues to grow across the region. Through August 2025, Sound Transit achieved a 5% year-over-year increase in Link ridership and an overall ridership increase of 8% across all modes, as compared to August 2024.

Figure 5. System expansion and service changes (2019 to 2026)

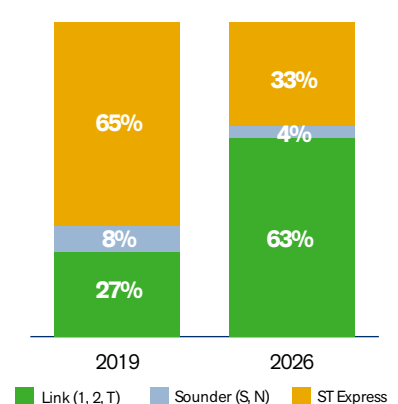
Number of Sound Transit rail stations
2019 vs. 2026



Track miles
2019 vs. 2026



% of agency revenue vehicle hours
2019 vs. 2026



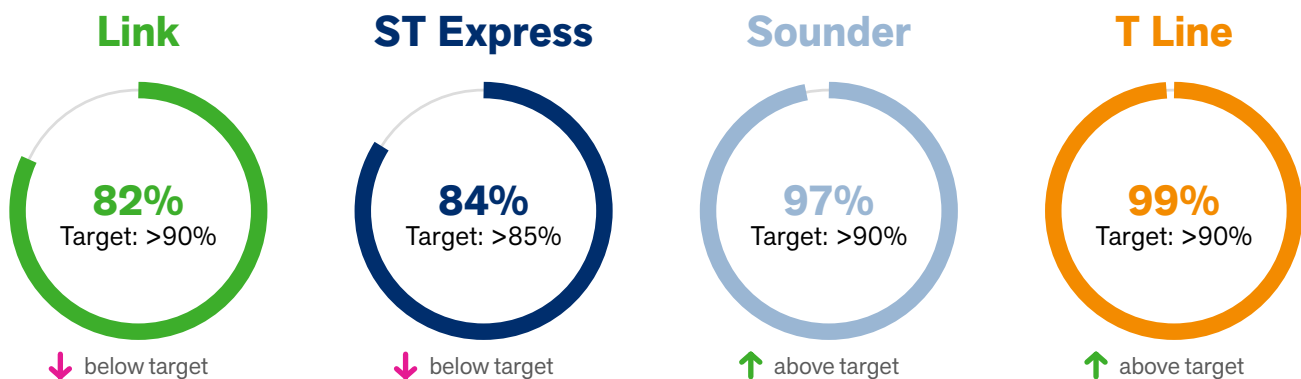
To effectively respond to these trends, Sound Transit is leveraging sophisticated travel demand models and real-time data analytics such as ORCA data analysis and Open Transit Data. This approach allows us to better understand and respond to changing needs and traveler preferences.

On-time performance

On-time performance is a metric that measures the punctuality of service, by calculating the percentage of trip arrivals that occur within a specified number of minutes of the scheduled time (e.g., Link OTP is defined in ST's OTP Dashboard by 90% of headways within four minutes of schedule). As of August 2025, Sound Transit achieved an average OTP rate of 91% across all transportation modes. Earlier this year, Link encountered a series of unplanned service disruptions which, in part, caused OTP to drop to 78% between May and June. In response, the agency commissioned an independent assessment of the entire Link system to examine the causes

of the recent increase in disruptions. In parallel, the agency advanced Link reliability enhancements by addressing these disruptions and implementing rapid improvements. Tasks, such as cleaning tracks in tunnels to reduce electrical faults caused by debris, deploying troubleshooting crews more quickly, and training operators on how to clear brake faults have significantly reduced disruption times. Link OTP has rebounded to 82%, and we anticipate this positive trend to continue. **Figure 6** represents the on-time performance breakdown for each mode of service.

Figure 6. Average on-time performance, by mode



Reducing unplanned disruptions through operational resiliency

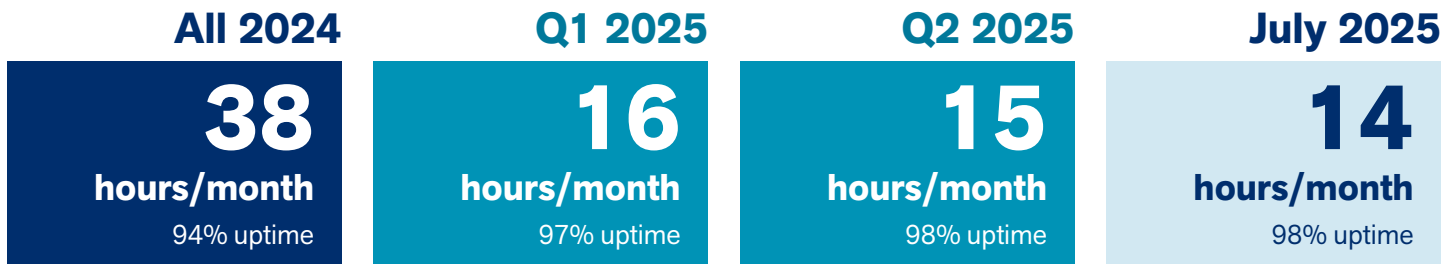
Operational resiliency refers to our ability to anticipate, prepare for, respond to, and recover from potential disruptions or operational challenges while continuing to deliver core transit services. In today's dynamic environment, operational resiliency and system "uptime" or "availability" is critical to delivering the reliable service that riders expect.

In February 2025, a detailed Link Light Rail Operational Resiliency Study was completed and published including detailed findings and 80 recommendations in the areas of

governance; operations; maintenance; traction power and substations; train control and signaling system; emergency ventilation and fire alarms; automation and monitoring; vehicles; facilities; and track.

As of July 2025, Sound Transit met an uptime performance of 98% with continued decrease in unplanned disruptions through the year (14 hours per month as of July 2025 compared to 38 hours per month on average in 2024). See **Figure 7**.

Figure 7. *Unplanned disruptions (2024 to July 2025)*



As of September 2025, nine recommendations from the Operational Resiliency Study have been successfully implemented, with 32 underway through Q2 2026, and 39 identified as longer-term actions involving major projects with capital needs and feasibility studies to be completed in the near term.

State of good repair initiatives

Service delivery projects involve construction, installation and removal, and renewal of physical assets in the operating realm. The largest number of projects within the service delivery scope are categorized as “state of good repair,” or SOGR. These projects are aimed at keeping existing assets in a condition that meets or exceeds their expected useful life and minimizes service disruptions.

As part of a broader multiyear business transformation effort, the agency is implementing and integrating use of a new Enterprise Asset Management System (EAMS) with capability to link digital documentation, spare parts lists, operating manuals, and as-built drawings to each asset, helping the agency move towards more data-driven, proactive maintenance and asset lifecycle planning. This translates into reduced risk of sudden equipment failures and increased uptime and reliability for passengers. In 2025, Sound Transit made significant progress toward the EAMS transformation, completing business process and capability work leading up to a new EAMS solution procurement. The agency also pivoted toward Asset-Based Portfolios and Programs budgeting, to be launched in FY2026.

The agency intentionally chose to transition to asset-based budgeting in alignment with industry standards while supporting both integrity and prudent decision-making with the use of public funds. In this transition, the underlying projects and business units comprising Transit Improvement Plan budgets will be re-categorized into Asset-Based Programs, but the associated scope and budgets will not change.

Benefits of this transition include:

- Increased flexibility for program budget use, allowing the owners to prioritize work as needed, which can assist with funding mid-year requests.

- Control and transparency of program budgets to the asset owners.

- Improved reporting, tracking, and understanding of project work.

- Better opportunities for bundling work, which will increase performance volume.

- Ability to compare projects to asset-based long-range forecast.

Light rail vehicles

Sound Transit's LRV fleet continues to evolve in tandem with the region's transit needs, and we will be purchasing new, higher-capacity ST3 vehicles, the characteristics of which could offer a range of improvements. By reconfiguring seating areas and incorporating open gangways, these new vehicles

would expand onboard capacity without sacrificing passenger comfort. These new vehicles, detailed in **Figure 8** below, would also include advanced diagnostic systems, enabling real-time monitoring of critical components.

Figure 8. Series 3 LRV procurement information



Due to evolving conditions around our system expansion efforts, we anticipate needing 118-140 Series 3 LRVs to meet system demand. The new vehicles would be designed to improve access for maintenance staff, and they would be equipped with condition-monitoring tools and analytical capabilities to promote predictive maintenance, thus improving reliability and reducing maintenance downtime.

Along with adding new cars, Sound Transit is undertaking significant midlife upgrades for the existing LRV fleet. We are working to replace aging propulsion systems, refresh interior layouts, and introduce improved passenger information displays. Each of these updates puts passengers first, offering clearer route details, faster boarding, and better overall accessibility.

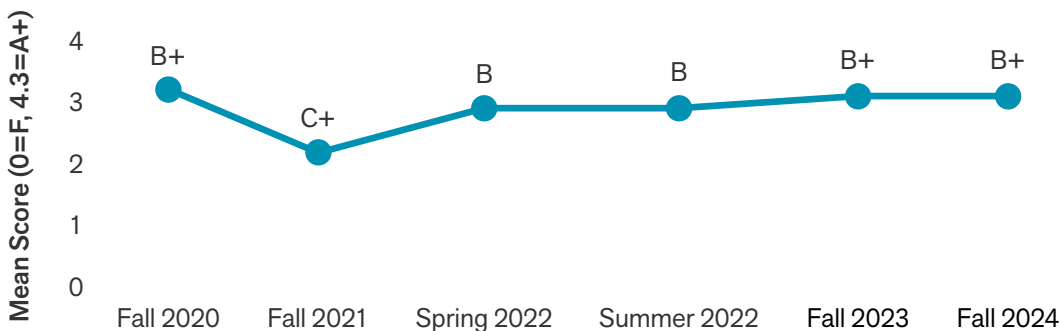
Passenger feedback

Sound Transit engages passengers through regular survey to gather insights into their expectations and experiences. This feedback loop helps Sound Transit remain attuned to the community's transit experiences and needs in order to refine ongoing service planning and passenger experience improvements.

Feedback from our most recent Passenger Experience Survey, conducted in fall 2024, highlighted areas of strength and opportunities for improvement. More than 17,000 Link, Sounder and ST Express riders across the region shared their perceptions of our service.

Respondents gave above-average ratings for availability and dependability, marking these aspects as key drivers of the overall grade (B+, on a grading scale where "A" equals excellent, "C" means average, and "F" is failing). Survey results also highlighted opportunities for improvement, including for increased safeguards from harassment on vehicles and at stations, as well as maintaining cleanliness on vehicles and at stations. **Figure 9**, representing 1 Line results, highlights a dip in satisfaction in Fall 2021, followed by a recovery to a consistent B+ from Fall 2023 to Fall 2024, indicating an overall positive trend in recent periods.

Figure 9. Passenger Experience Survey results, 1 Line (2020 to 2024)



The overall grade given by 1 Line respondents remained a B+, consistent with Fall 2023.

In line with passenger feedback, Sound Transit has identified key areas for improvement and has implemented several actions:

Enhancing personal safety and security: Additional staff from the King County Sheriff and specialized teams have been deployed, and the "See Something, Say Something" campaign encourages passenger reporting.

Upgrading facility maintenance and cleanliness: Upgrades to elevators and escalators, as well as a new "Redefine Clean" program, have been introduced.

Improving vehicle cleanliness: The expansion of the end-of-line cleaning program and transitioning seat covers from fabric to vinyl.

Strengthening communication around unplanned disruptions: Passenger Information Coordinators have been placed in the Link Control Center, and digital communication systems have been enhanced.



Agency cost drivers: Delivering service

Sound Transit's service footprint continues to expand as the agency delivers on ST3 projects, which also leads to growing costs and resource constraints in other areas of the agency. These include staffing, operations and maintenance, project openings, and service disruptions. Each new line or extension requires additional light rail vehicles, a corresponding uptick in maintenance expenses, and new or expanded maintenance facilities. Without a dedicated facility in certain regions, vehicles must travel greater distances for repairs, increasing labor and fuel costs.

We anticipate approximately \$5 billion in year-of-expenditure dollars related to potential added costs specific to several key service delivery program elements. The increases in our service delivery costs fall into three categories:

- 1 **Cost pressures for new and replacement light rail vehicles**
- 2 **Investments required to achieve promised/desired system performance**
- 3 **Higher than forecasted daily operations and maintenance costs**

New and replacement light rail vehicles

Through the recent procurement of 10 additional LRVs and industry engagement, we have determined that much of the cost pressures for new and replacement LRVs are driven by external market forces related to higher base costs following post-COVID inflation and potential tariff impacts. Other cost pressures relate to the potential need for additional LRVs based on existing service assumptions, which we will revisit through the Enterprise Initiative.



Investments to improve light rail system resiliency

The agency is undertaking multiple feasibility studies to explore the potential for strategic investments that can improve the resiliency, performance, and cost-efficiency of the system. These include exploring potential signal system upgrades and improvements in the existing downtown Seattle transit tunnel, including but not limited to communications-based train control (CBTC).

Higher costs to operate and maintain service over the life of the plan

Rapid system expansion is revealing the potential need for additional staff and resources to operate and maintain our growing system. These needs exist at Sound Transit, our partners who operate service on our behalf, and through our vendors. Work to validate potential cost growth and to assess opportunities for cost savings across our Service Delivery portfolio is currently underway.



The agency is undertaking additional work to validate these preliminary cost estimates, and we are taking proactive steps to mitigate future affordability and reliability challenges. Staff provided a light rail vehicle and resiliency update to the Rider Experience and Operations Committee in September 2025, and we continue to:

Develop more accurate information across each service area to more clearly determine if identified cost pressures will materialize.

Revisit system design service assumptions to inform future LRV fleet needs and future operating and maintenance costs.

Collaborate with the Capital Delivery team to understand system expansion changes and implications for service delivery through the Enterprise Initiative.

Capital delivery

Sound Transit's capital delivery program is the engine driving the nation's most ambitious transit system expansion of contemporary times. Between Aug. 1, 2024, and Aug. 31, 2025, Sound Transit achieved several significant milestones that illustrate our progress:



In 2025, our teams delivered on multiple high-impact initiatives, guiding major light rail, commuter rail, and bus infrastructure projects to remain on course despite volatile market conditions and rapidly shifting funding landscapes.

Delivering on the next generation of transit infrastructure requires coordinated efforts across disciplines, from environmental review to engineering and construction and community engagement. **Figure 10** outlines the status of ST3 system expansion projects as of August 31, 2025.

Figure 10. ST3 System expansion project status (as of August 31, 2025)



Performance and achievements

Sound Transit is improving project readiness and delivery through its people, processes, tools, and actions to be an “owner of choice.”

People

People are at the heart of delivering our ambitious capital expansion plan. Since the beginning of the fiscal year, Sound Transit hired four new Executive Directors to lead their respective delivery teams, providing guidance and support to the project staff, and establishing new and innovative approaches to delivery on the agency's ambitious capital expansion plan and commitments. We've also filled additional specialist roles in environmental protection, grants, and performance under the agency's capital delivery transformation initiatives.

Processes

Sound Transit's Capital Delivery Department also established a new Center of Excellence as a central capital delivery support function, improving coordination across projects, sharing of lessons learned, and milestone tracking and integration at a master capital project level. The agency has also updated its Project Control Policies and Procedures as well as its Construction Manual to guide current project standards.

We're also assessing and applying opportunities to make ST3 projects more affordable as part of the Cost Savings Workplan initiative generated by [Board Motion M2024-59](#), passed in October 2024. As of August 2025, we've identified more than 600 cost-saving measures at project and programmatic levels, and we've moved more than 80 into implementation so far. More details on the current status and next steps for ST3 Cost Savings Workplan are outlined under **Section 3: Our framework for the future.**

Tools

After selecting a Project Management Information System in 2024, Sound Transit's Capital Delivery Department led the agency through a process of market research and peer agency interviews. We then rigorously tested potential applications and developed an agile PMIS, as shown in **Figure 11** below.

Figure 11. Project Management Information System (PMIS)



Starting in 2025, Sound Transit's PMIS team, in partnership with our vendor and consultants, launched the first in a series of phased deployments. The initial release, Project Directory, provides a centralized catalog of all projects funded in the budget book. It enables project managers to record updates, gives leadership access to dashboards and reports, and offers

stakeholders a single source of truth for Capital Delivery project information.

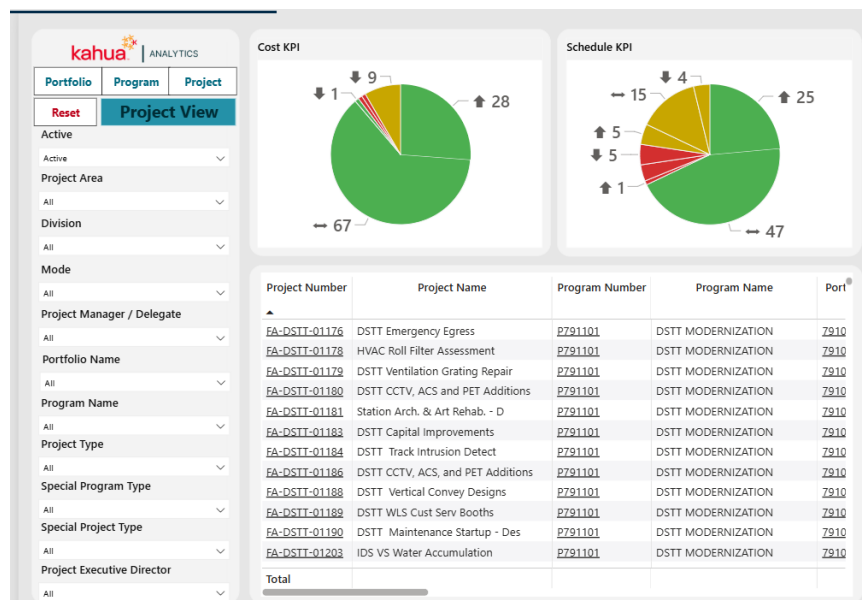
To support adoption, the implementation team hosted targeted training and working sessions with project managers. The PMIS team refined the associated dashboards, in **Figure 12** below, through iterative testing and expert feedback.

Owner of choice

Being an “owner of choice” means that our industry partners, including contractors, consultants, and developers, actively seek out opportunities to work with Sound Transit because of the agency's consistent collaboration, fairness, and reliability. Sound Transit strives to build trust-based relationships rooted in transparent communication, equitable risk-sharing, and streamlined procurement processes. Rather than simply awarding contracts, we focus on creating regional success through collaborative partnerships that look for ways to jointly solve problems and deliver projects more efficiently.

Sound Transit is pursuing collaborative delivery models, such as progressive design-build and Multiple Award Task Order Contracts, that bring qualified teams on board early and encourage shared accountability. By offering a stable work pipeline, maintaining high safety and quality standards, and fostering an inclusive atmosphere for diverse contractors and small businesses throughout the delivery of our projects.

Figure 12. Sound Transit project status analytics dashboards



Project status snapshot

Completed projects and infrastructure improvements

Between Aug. 1, 2024, and Aug. 31, 2025, Sound Transit successfully completed and opened the following system expansion projects on time:



Lynnwood Link Extension

The 8.5-mile extension connecting multiple transit modes and adding four new 1 Line stations opened August 30, 2024.



Federal Way Transit Center Bus Loop

A new multi-bay facility improving pedestrian safety and future connection to light rail opened March 30, 2025.



Downtown Redmond Link Extension

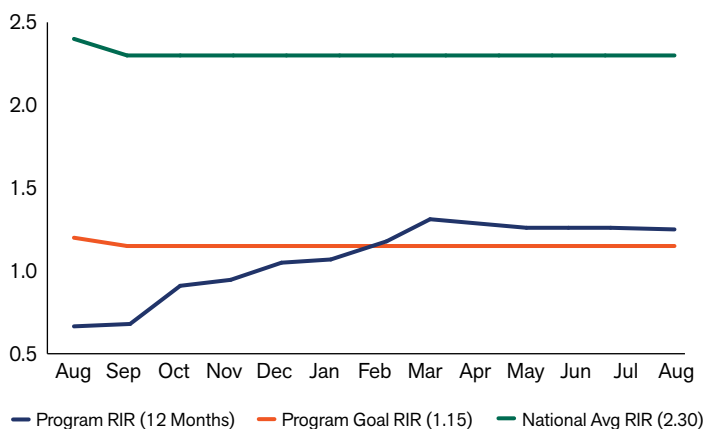
The 3.4-mile extension with two new 2 Line stations opened May 10, 2025.

Construction safety

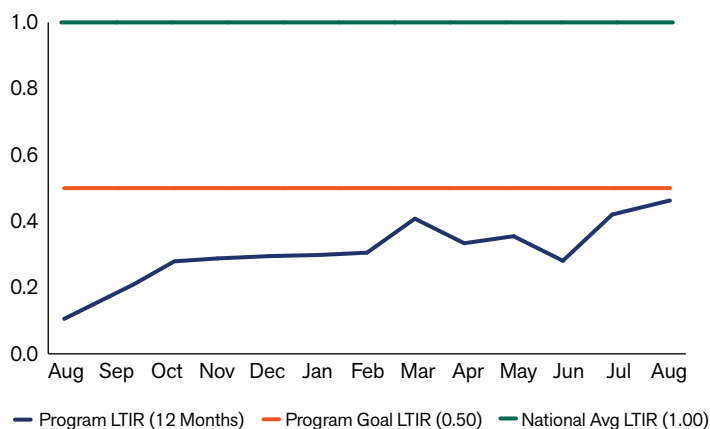
Sound Transit proudly maintains high safety standards while delivering one of the nation's largest capital expansion programs. As of August 2025, our construction program safety metrics performed at 1.26 for Program Average Recordable Injury Rate (RIR)¹, 46% higher performance over the national average of 2.30. Our Lost Time Injury Rates (LTIR)² also outperformed the national average at 0.46, as compared to 1.00 nationally. **Figure 13** illustrates the monthly RIR and LTIR program averages between August 2024 and August 2025.

Figure 13. ST3 Program safety performance (August 2024 to August 2025)

Capital Projects Program Recordable Injury Rates (RIR) August 2024 - August 2025



Capital Projects Program Lost Time Injury Rates (LTIR) August 2024 - August 2025



¹ RIR represents the number of OSHA-recordable injuries and illnesses that occur among 100 full-time employees during one year. Program averages are based on a rolling 12-month average.

² LTIR represents the number of incidents resulting in employees missing work due to work-related injuries, expressed per 100 employees. Program averages are based on a rolling 12-month average.

Projects in construction (baselined)

Baselined projects include system expansion projects where the scope, budget, and schedule have been formally submitted to the Federal Transit Administration and approved by the Board, establishing the benchmark for monitoring and measuring of its performance. Project baselining typically occurs before 30% design and we update and refine the project baseline as design progresses. Currently, Sound Transit's baselined projects largely represent ST3 projects in

construction. As of August 2025, Sound Transit is managing 10 baselined system expansion projects (except for the Stride I-405 BRT and Stride SR 522, NE 145th which are managed by WSDOT and a third party, respectively). **Table 1** provides a summary of current baselined projects, cost, schedule, and safety KPIs, as well as forecast opening.

Table 1. Summary of baselined projects, cost, schedule, and safety KPIs, and forecast opening

Projects in construction	Cost KPI	Schedule KPI	Safety KPI	Forecast opening
East Link Extension (Crosslake Connection)	 ³	 ⁴		Early 2026
Federal Way Link Extension				December 6, 2025
Pinehurst Station (formerly NE 130th St. Infill Station)			 ⁵	Q2 2026
Sumner, Kent, Auburn Station Parking & Access Improvements				Sumner: Late 2026 Kent: Q2 2027 Auburn: Q1 2027
Stride BUS OMF/Bus Base North				Q4 2027
Series 2 Light Rail Vehicle Fleet Expansion			N/A	152 LRVs: Q4 2025 10 additional LRVs: Q1 2028
Stride I-405 BRT				S1 Line I-405 S: Q3 2028 S2 Line I-405 N: Q2 2029
SR522/NE 145th Street Stride BRT				Q2 2028
Lakewood Station Access Improvements			N/A	TBD
South Tacoma Station Access Improvements			N/A	TBD
Status indicator (as of August 2025 System Expansion Monthly Status Report)				
	Favorable trend	Level trend	Unfavorable trend	
Meets or exceeds target				Color indicates performance against target. Arrow direction indicates trend. Up arrow is favorable. Down arrow is unfavorable.
Not meeting target minor variance				
Not meeting target major variance				

³ Project costs are currently driven by E130 claims resolution, which may exceed available budget.

⁴ Schedule KPI is measured against target date of Q1 2026 and is currently driven by commissioning of the cathodic protection system. Project is currently in system integration testing phase.

⁵ The project's 12-month average rate is currently still above the Program Goal and the National Average. See project TIFIA report for more details.

Projects in planning (pre-baselined)

Pre-baselined projects include system expansion projects where the scope, budget, and schedule have not yet been formally submitted to the FTA and approved by the Board. These projects are typically in early planning and scope, budget, and schedule commitments are still being refined through design development.

At present, Sound Transit is managing 11 pre-baselined system expansion projects in addition to another 17 voter-approved projects that are in pre-planning stages. **Table 2** provides a summary of current pre-baselined projects, cost and schedule KPIs, and phase.

Table 2. Summary of pre-baselined projects, cost and schedule KPIs, and phase

Projects in planning and design	Cost KPI	Schedule KPI	Phase
Ballard Link Extension	 ⁶	 ⁷	DEIS / PE
Boeing Access Road Infill Station	 ⁸	 ⁹	Env Review / CE
Everett Link Extension	 ¹⁰		DEIS / PE
Graham Street Infill Station	 ¹¹	 ¹²	Env Review / CE
Operations & Maintenance Facility South			Design and Construction Procurement
Souder DuPont Extension			CE / NEPA DCE
Souder South Capacity Expansion Program			Planning / Design
Tacoma Dome Link Extension	 ¹³	 ¹⁴	FEIS / PE
Tacoma Dome Access Improvements			Alternatives Analysis
West Seattle Link Extension	 ¹⁵	 ¹⁶	FEIS / PE
Series 3 Light Rail Vehicles		 ¹⁷	Planning

⁶ Based on cost trends, comparative cost estimates are expected to exceed the financial plan value. The project team is applying the Cost Opportunity Workplan actions to this project and has begun to identify efficiencies and cost savings. A Board update is planned for Q4 2025.

⁷ The project is advancing preliminary engineering and preparing to publish a Draft EIS in late 2025 or early 2026, pending final FTA guidance regarding executive orders. Board action to confirm/modify Preferred Alternative would follow.

⁸ Based on cost trends, future cost estimates may exceed financial plan. An opinion of probable cost is under development and targeted to be complete in Q4 2025.

⁹ Project is advancing design option refinement and additional analysis as well as environmental review and conceptual engineering. Expected completion is late 2026.

¹⁰ The Draft EIS to be published in Q1 2026 will have the latest comparative cost information to support analysis of the alternatives. Based on cost trends, the comparative cost information is expected to exceed the Financial Plan Value. The project team is applying the Cost Opportunity Workplan actions and has begun to identify efficiencies in schedule and cost savings.

¹¹ Based on cost trends, future cost estimates may exceed financial plan. Opinion of probable cost in development with a target completion of Q4 2025.

¹² Project is advancing design option refinement and additional analysis as well as environmental review and conceptual engineering. Expected completion is late 2026.

¹³ Based on cost trends, future cost estimates may exceed the Financial Plan Value. Project team is applying the Cost Opportunity Workplan actions and has begun to identify efficiencies and cost savings.

¹⁴ The Draft EIS was published Dec 2024. The Board confirmed, modified, and/or identified the Preferred Alternative June 26, 2025. Following the Board action, the project will advance design and begin preparing the Final EIS. The project team continues examining potential schedule efficiencies.

¹⁵ Latest cost data exceeds the Finance Plan budget for this project. Evaluation of potential cost reduction and financing opportunities through Cost Opportunity Workplan/Register is underway with reporting to the Board quarterly.

¹⁶ Design team is continuing to validate cost-saving measures and develop additional cost-saving opportunities. Updated cost-saving information is anticipated in late Q4 2025.

¹⁷ Industry review on draft RFP received by ST. Delays to RFP publication due to additional analysis on ST3 project needs anticipated. Q3 2025 targeted for Board presentation and RFP publication is anticipated in Q4 2025.

Agency cost drivers: Delivering capital projects

Due to a variety of market pressures and inherent program complexities impacting capital delivery, including construction cost escalation, workforce constraints, and supply chain disruptions, the agency is facing significant cost growth on the capital program. If no action is taken, the Fall 2025 Long-Range Financial Plan projections estimate \$34.5B required in cost savings and/or new funding to fully fund the ST3 program, including \$28B for capital program cost increases (excluding the Series 3 LRVs) covering:

- The West Seattle, Ballard, Tacoma Dome, Everett, Tacoma Community College, and South Kirkland-Issaquah Link extensions
 - Infill stations at Graham Street and Boeing Access Road
- Combined with cost pressures in service delivery and other revenue and financing challenges, in total this represents a 20%-25% increase above the previous, Fall 2024 Long-Range Financial Plan. Our updated cost estimates have increased due to the following factors:

- **Inflation:** Historic inflation is one significant factor contributing to these increased estimates; highway construction costs have surged by 71.5% since the end of 2020, according to FHWA's National Highway Construction Cost Index. In early 2024, costs were rising at an annualized rate of nearly 10%, driven by escalating prices in labor, materials, and supply chains, which dramatically impact project budgets and delivery timelines.
- **Updated estimating methods:** Based on our experience updating cost estimates for the West Seattle Link Extension, other light rail project teams employed a modified bottom-up estimating approach (appropriate to each project's level of design) to better account for project-specific construction challenges and construction cost inflation.
- **Scope:** Design advancement and scope changes — and better knowledge of design for more complex project elements, in particular — also contributed to cost growth.
- **Soft costs:** Soft costs include things like administrative costs and professional services that are calculated as a percentage of the overall project cost and so increased proportionally as a result.
- **Contingency:** Increased construction cost estimates require increased construction contingency set-asides.

These cost drivers are not felt consistently across the capital program. Projects with more complexity in their scope are subject to higher potential cost growth. This complexity includes elements like water crossings and tunneled segments where additional design detail based on current market conditions give us an improved understanding of potential cost.

These additional costs represent conservative and unmitigated cost estimates, before any cost savings opportunities are applied.

Following Board Motion No. M2025-36, the agency is exploring a number of programmatic cost-saving opportunities that will maintain or improve passenger benefits and deliver on ST3 outcomes through the Capital Delivery Cost Savings Workplan. This report describes cost drivers in more detail and additional cost-saving strategies under evaluation in the section, [Our framework for the future](#).

Regional impact

Sound Transit's impact extends beyond transit, driving economic growth, equity, and sustainability across the region. We are a regional partner, working with cities, counties, and community organizations. In 2025, our strategic initiatives and partnerships enhanced regional mobility and contributed to community development, enabling the agency to serve as a cornerstone of the region's progress.

Partnerships and industry engagement

Regionwide partnerships

Transit solutions don't happen in isolation. We rely on a range of partnerships including service and operational agreements to deliver on our transit services and projects throughout the region. In collaboration with the City of Seattle, King County Metro, Pierce Transit Community Transit, Amtrak, surrounding municipalities, and other local and industry partners, we are working to promote integrated transit service, shared infrastructure, and complementary project improvements.

Since the last BAPR, Sound Transit underwent a functional analysis in partnership with our Link operating partner, King County Metro to understand opportunities for structural optimization and efficiencies. The CEO Office has established a dedicated focus on cultivating external relationships to bolster operational ties with King County Metro through organizational change management initiatives, shared staffing goals, and cost oversight mechanisms, ensuring more cohesive service across ecosystem boundaries.

Industry engagement

Beyond government and transit agency partners, Sound Transit is increasingly engaging with industry associations such as the American Council of Engineering Companies (ACEC), seen in **Figure 14**, the Associated General Contractors of America (AGC), and the National Association of Minority Contractors (NAMC) to advance best practices, increase diverse contracting opportunities, and share innovation strategies. Subcontractors and consultants provide valuable guidance on operational enhancements, including the ongoing functional analyses with King County Metro exploring structural optimizations and potential cost savings.

Sound Transit is working with King County Metro to renegotiate our Link Intergovernmental Agreement in a way that includes a new approach to budgeting, outlines cost constraints, and enables more detailed invoicing and cost reporting. This will allow for a clearer picture of staffing requirements to meet business needs and drive increased accountability for all Link-related costs.

Figure 14. CDD leadership at the ST/ACEC Summit in Bellevue, WA (April 28, 2025)



Construction labor market

Sound Transit's expansion program is a powerful driver of economic mobility across the Central Puget Sound region, providing thousands of high-paying jobs that support working families as well as serving as a change leader in the industry nationally. In 2025, expansion projects employed more than 3,840 construction workers, who worked more than 986,104 labor hours.

Sound Transit also supports apprenticeship and pre-apprenticeship programs to develop our future workforce, including for incarcerated individuals (Washington is one of only a few states with registered construction craft pre-apprenticeship programs within its Department of Corrections system).

In this last year, Sound Transit supported a total of 434 apprentices, who contributed 112,654 hours of work through the Construction Trades Apprenticeship (CTAP) and Trades Related Apprenticeship Coaching (TRAC) programs. Additionally, nine individuals graduated from the pre-apprenticeship program, amassing a total of 4,364 hours. Now recognized as the largest pre-apprenticeship program in the state, CTAP, together with TRAC, serves an integral role in developing a proficient workforce equipped to meet the region's growing infrastructure demands, underscoring Sound Transit's dedication to community development.

Small and minority-owned businesses

Sound Transit is committed to ensuring that all procurements and contracts are administered without discrimination on the basis of race, color, sex, or national origin, and that Disadvantaged Business Enterprises have equal opportunity to compete for and participate in all agreements, contracts, and subcontracts awarded by Sound Transit or its contractors. In Federal Fiscal Year 2024 (FFY 2024), Sound Transit awarded \$20,895,990 to DBE firms, exceeding our agency's annual DBE goal of 18.17% with 21% DBE attainment. Sound Transit disaggregates DBE performance with each semiannual report to better understand DBE performance per gender/ethnicity group and equitably inform outreach and communication strategies.

In addition, in FFY 2024 Sound Transit continued our partnership with WSDOT to provide businesses technical assistance in the form of the Capacity Building Mentorship Program. The program is intended to enhance the capabilities and participation of small and minority-, veteran-, and women-owned business enterprises, and underserved businesses that can perform work on transportation-related projects. The Capacity Building Mentorship Program has served a total of 94 participants.

Small business outreach and engagement in 2025:

- **Re-established the Diversity Oversight Committee**

- **Launched monthly vendor onboarding sessions** at Tabor 100, a non-profit association of entrepreneurs and business advocates, the first Thursday of every month

- CREI-EDD team members offered **more than 100 office hours** in community at the Tabor HUB

Additionally, in 2025, the department of Civil Rights, Equity and Inclusion re-launched the Diversity Oversight Committee (DOC) and welcomed six new members for a total new membership of 10. Recruitment continues across King, Snohomish, and Pierce counties to fill five additional vacancies. The DOC works with Sound Transit to advise and provide oversight regarding compliance with the guiding principles for employment and contracting. DOC leadership represents the concerns of the community related to contracting and jobs for small and disadvantaged businesses and facilitates changes that result in the financial stability and health of the communities and industries we serve.

Transit-oriented development and affordable housing

As we strengthen regional connections and people rely less on cars, transit-oriented development around station areas helps neighborhoods thrive. TOD bolsters ridership; creates retail space, restaurants, offices, community spaces; and, most importantly, generates thousands of urgently needed new affordable housing units across the region.

Sound Transit partners with developers to build TOD projects on surplus property we no longer need for transit construction. We work with communities as we develop these projects to understand what type of housing people need and the kinds of businesses and services they want near transit.

Sound Transit's TOD program is empowered by the voter approved ST3 plan to create diverse, vibrant, and mixed income communities around transit. To achieve these outcomes, Sound Transit offers surplus property for the development of affordable housing in accordance with the 80/80/80 policy, a Washington State statute that requires the agency to offer at least 80% of surplus property that is suitable for housing to qualified entities to develop housing, at least 80% of which is affordable to families at 80% of area median income or less.

TOD program 2025 milestones:

- Began construction on 234 affordable rental homes located at Spring District Station in Bellevue
- Broke ground on three projects that will result in a combined 65 affordable homes for purchase along Martin Luther King Jr. Way South in Seattle
- Completed and opened 130 affordable rental homes at Angle Lake Station in SeaTac
- Completed and opened four affordable homes for purchase located near the Columbia City Station in Seattle
- Completed and opened 263,000 square feet of commercial space above the U District Station in Seattle

In addition, TOD projects associated with other ST2 projects are also underway, as shown in **Figure 15**, and the agency is in early planning and evaluation of TOD opportunities on ST3 projects.

Potential joint development TOD projects that are built above or integrated with transit facilities have been identified at stations on the West Seattle Link Extension and Ballard Link Extension, as well as deferred park-and-ride garages on other ST3 projects. In 2025, the agency has advanced design on multiple integrated joint development opportunities.

TOD program 2025 updates:

- **Total public and private investment in TOD projects: \$2.2 billion**
- **Total number of units built or in process: 3,493**
- **Total number of affordable units built or in process: 2,693**
- **Total stations with completed or planned TOD: 14**

Figure 15. TOD Program Pipeline Map



Community engagement

We prioritize building authentic relationships and equitable engagement to keep our communities' unique needs and voices centered in the work we do. In 2025, Sound Transit hosted more than 90 events, including project-specific, safety, and youth-focused events, as shown in **Figure 16**.

Our engagement efforts on social media platforms successfully reached over 750,000 people and generated nearly 1.5 million impressions, highlighting key updates such as crossing safety improvements, potential changes to ST Express fares and N Line schedules, and major milestones like the Tacoma Dome Link Extension DEIS and the opening of the Federal Way Downtown Station bus loop.

This summer, the Federal Way Link Extension engagement team attended six fairs and festivals across the project area, engaging more than 4,000 attendees. At these community events, the engagement team shared details about the project, including three new stations and additional roadway and pedestrian improvements that will serve the cities and communities along the new alignment. Community members received information about future system expansions that will further extend the 1 Line, ORCA resources and how to access them, giveaways and transit passes. Events attended include:

- Federal Way Touch-a-Truck
- Kent International Festival
- Des Moines Waterfront Farmers Market
- Federal Way Community Festival
- SeaTac East African Heritage Festival
- Taste of Federal Way

Further, our engagement teams addressed public concerns about project impacts such as parking, nighttime work, and restoration activities and coordinated closely with adjacent property owners and local partners throughout the process. These conversations guided station design decisions, service enhancements, and upcoming fare system innovations, ensuring that local priorities remain front and center.

Some statistics of our community engagement efforts in 2025 include:

90 community engagement events, including safety and youth-focused events

750,000 people



1.5 million impressions

Figure 16. Ride Transit 2025 Youth Conference in Union Station



Our framework for the future

Sound Transit's strategic direction is firmly rooted in the strength of diverse partnerships, a steadfast commitment to the ongoing resiliency of the Puget Sound region, and a strategic emphasis on technology—both existing and emerging—which is central to our transformation efforts. As we chart the course for the future, Sound Transit is harnessing technology and innovative practices to analyze patterns and to anticipate and plan for the needs of tomorrow's transit users. Through key initiatives involving Artificial Intelligence (AI), Enterprise Resource Planning (ERP) system modernization, enterprise asset management, 5G, digital twins, and next-generation networking, we are reshaping transit delivery, improving system intelligence, and preparing our infrastructure for the future.



System trends

In this period of evolving travel patterns and cost pressures, Sound Transit is seizing momentum from new service expansions and the Enterprise Initiative to set the future course for effectively delivering reliable service and growing our regional transit system.

Emerging issues

The agency faces long-term affordability pressures, rising costs, and evolving service demands as the system expands. We're pursuing new financial tools, cost-saving strategies, and operational efficiencies to maintain high-quality service.



The next generation of Sound Transit

We are focused on operating, maintaining, and building a modern regional transit system that addresses evolving mobility needs. Sound Transit is laying the foundation for resilient, cost-effective, and passenger-centric transit solutions in the Puget Sound region. This includes implementing the Enterprise Initiative in response to our long-range affordability challenges, inclusive of planning, capital delivery, service delivery, and financial strategies.



Anticipated system expenditures and affordability

The need for a next-generation network plan and our vision

Sound Transit has navigated evolving conditions in recent years that demand strategic adjustments to our operating and system expansion plans. The 2016 ST3 System Plan was originally crafted to address peak demand in regional travel and suburb-to-central business district connections. However, conditions have changed over the last decade. In response to financial pressures and fluctuating transit demand post-COVID, we need to reevaluate resource allocation while also improving resiliency and reliability.

Following system expansion openings, Sound Transit has seen an increased demand for Link services compared to other Sound Transit modes, a shift toward flatter weekday peak-hour ridership, and higher ridership during mid-day periods and during evenings and weekends. These dynamics have cost implications that necessitate Board action through the Enterprise Initiative, pushing Sound Transit to reevaluate its resource allocation and network plan that result in effective and efficient operational outcomes amidst these evolving conditions.

In October 2025, Sound Transit established a new vision for the agency: **"Enthusiastically transforming the map of Central Puget Sound and connecting people to opportunity through safe, secure, clean, frequent, and reliable transit."**

The backbone of Sound Transit's success in achieving this vision lies in its skilled and dedicated workforce.

As part of its comprehensive approach, Sound Transit is focused on attracting and retaining top talent in today's competitive labor market. This involves offering robust training programs to develop essential skills, fostering an inclusive work environment that champions diversity, and ensuring equitable labor agreements that reflect the value of its workforce. By adopting these strategies, the agency ensures that it has the capacity and expertise needed to operate effectively, adapt to emerging challenges, and drive innovation in regional transit solutions.

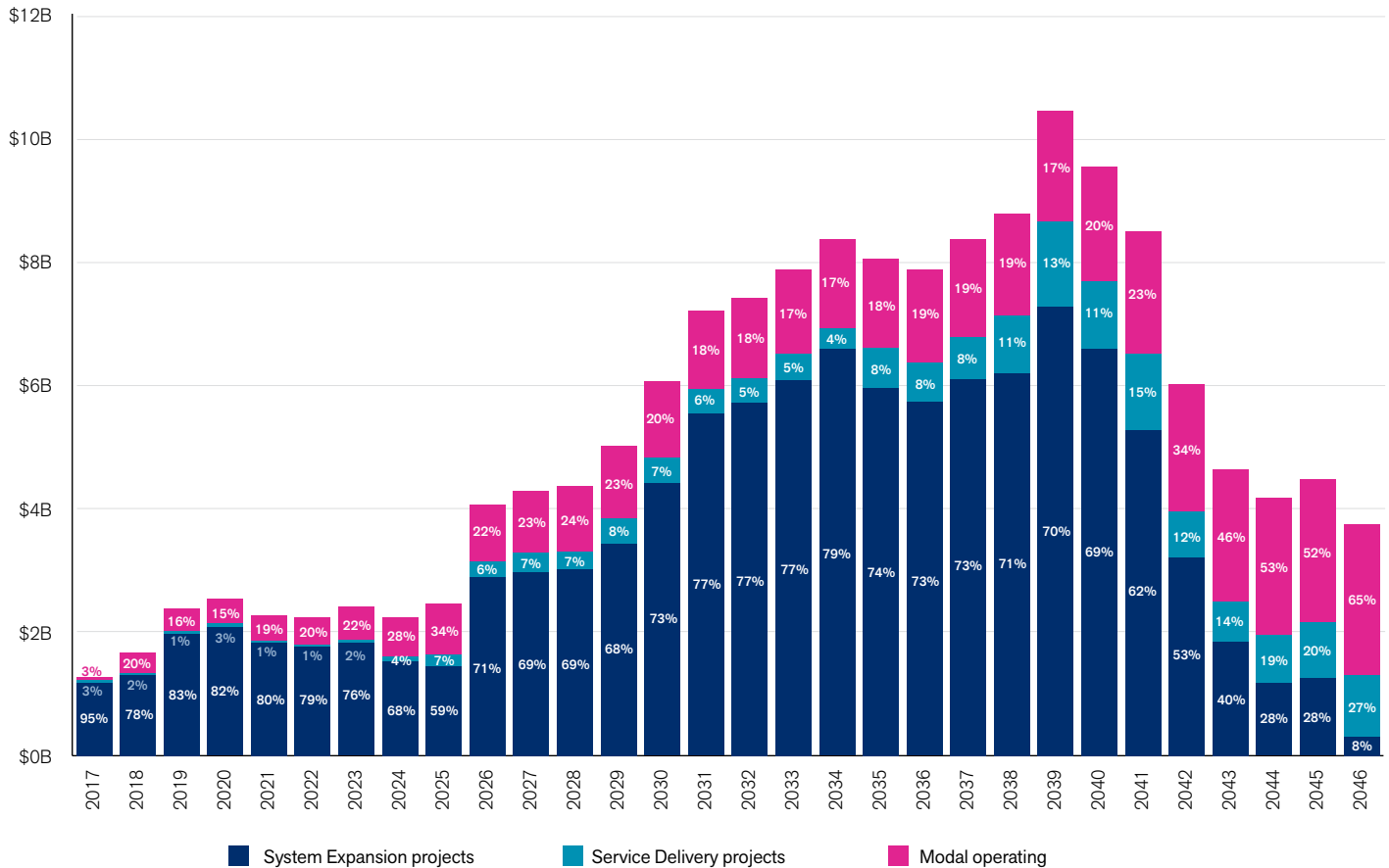
Additionally, Sound Transit is looking to develop and implement a five-year Strategic Workforce Plan. The Strategic Workforce Plan for 2026-2031 will align with the organization's strategic objectives to proactively manage our talent needs by ensuring the health and vibrancy of our diverse workforce to build and operate a world class transit system in the near and long term.



System expenditures

Figure 17 highlights the growing share of costs to operate and maintain the system. Service delivery expenditure increases are estimated at 41% of overall costs in 2025 with increases to 92% of overall costs by year 2046.

Figure 17. Estimated expenditures by program category (2017 to 2046)



The rapid expansion of the Link system has brought both substantial travel benefits and significant operating challenges including signal malfunctions, power outages, and mechanical issues. Addressing these challenges through the Enterprise Initiative involves investments not contemplated in the 2016 ST3 System Plan and a thorough assessment of operation and maintenance costs. Some investments, if approved by the Board, would be net increases in the Long-Range Financial Plan to meet service levels approved by voters, while others may have the potential to improve operational efficiency and reduce long-term costs.

The Board will carefully consider investment options, weighing all benefits and drawbacks before making a decision. The agency's asset-based budgeting model enables asset owners to efficiently manage service projects by organizing them into specific asset programs. This model will allow asset owners to exercise improved oversight and management over their respective asset classes, facilitating more effective budget utilization and resource allocation.



Financial capacity and long-term affordability

Based on reasonable assumptions and vetting with our investment bankers and financial advisors, the Fall 2025 Long-Range Financial Plan projections include increased projected financial capacity from:

Reduced future long-term borrowing rate from **5.3% to 5.0%**

Increased assumed cash interest earnings by 50 basis points, from **2.0% to 2.5%**

Decreased assumed debt issuance cost from **1.25% to 1.00%** of par value

Assumed **\$80M** of clean fuel standard revenue through 2046

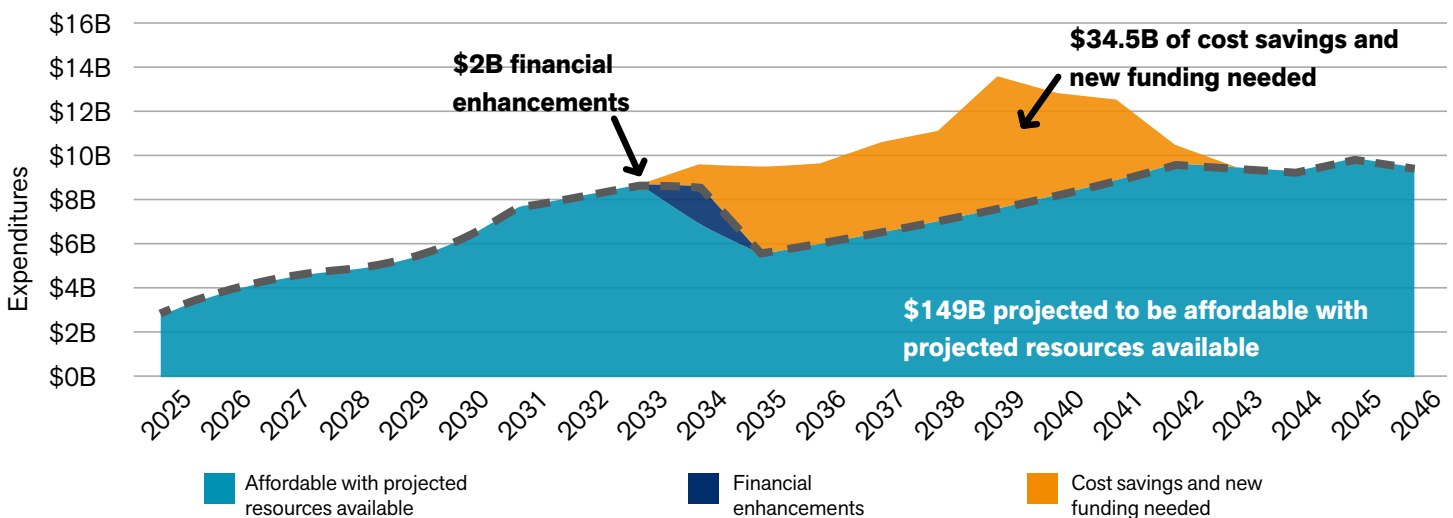
Removed property tax under-collection assumption

Updating these assumptions in the LRFP projections led to immediate capacity gains of \$2B as shown in **Figure 18** below. Note that we would need to adjust these assumptions if trends move in an unfavorable direction for interest earnings, borrowing rates, or issuance costs.

Despite the \$34.5B in cost savings/new funding identified to fully fund the ST3 program (inclusive of the \$2B financial capacity increase), the Fall 2025 Long Range Financial

Plan projects \$149B in total spending to still be affordable, including \$51B in ST3 pre-baselined expansion and extension investments. During 2025 and 2026, ST will continue executing on a workplan that informs and provides options for the Board to prioritize specific projects or elements of the ST3 program and define a program that would be projected to be affordable within agency resources. Financial risks and considerations are discussed further in the next section.

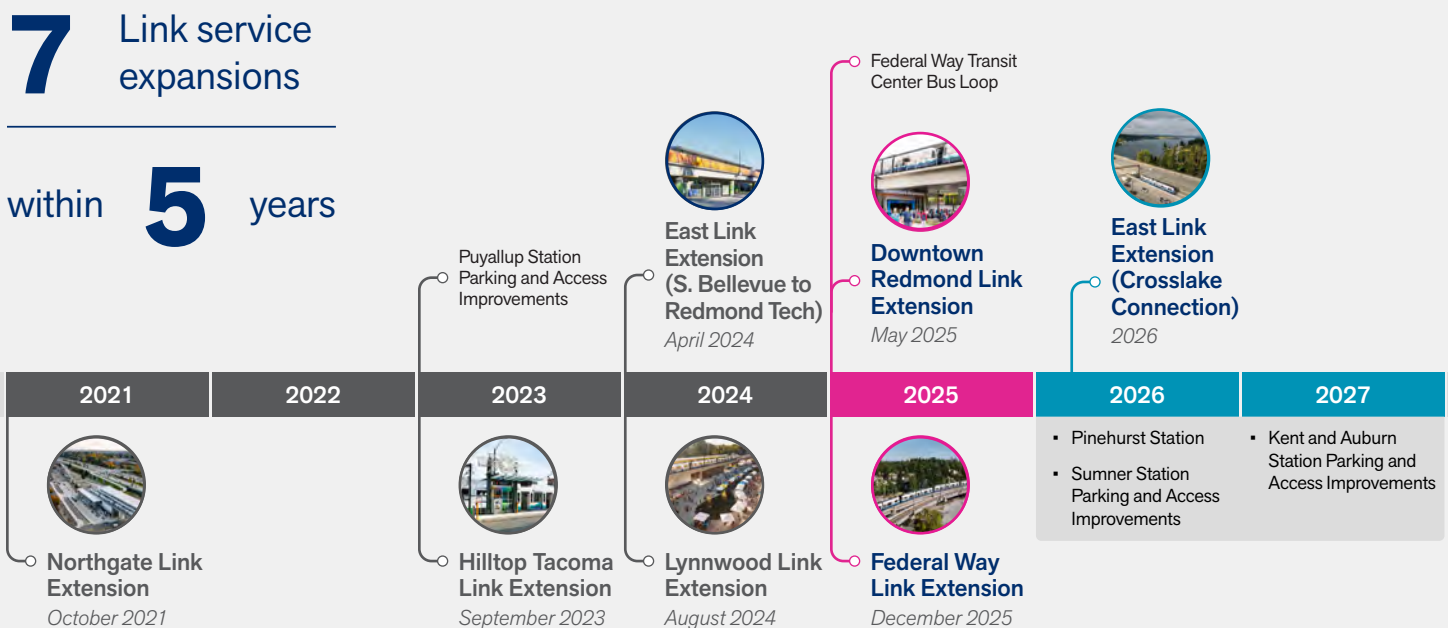
Figure 18. Long-Range Financial Plan expenditure projections (Fall 2025)



Operating, maintaining and expanding the regional transit system: *The next generation of Sound Transit*

Following implementation of the Sound Move and ST2 plans, Sound Transit remains dedicated to delivering the ST3 program. This commitment includes significant investments in strategic planning, operational resiliency concurrent with system expansion, and technological advancements to meet the changing conditions and transportation needs of the Puget Sound region. **Figure 19** provides a snapshot of recent progress and near-future milestones as we continue to advance ST3 and shape the next generation of Sound Transit.

Figure 19. Recent and near-term Sound Transit service expansions



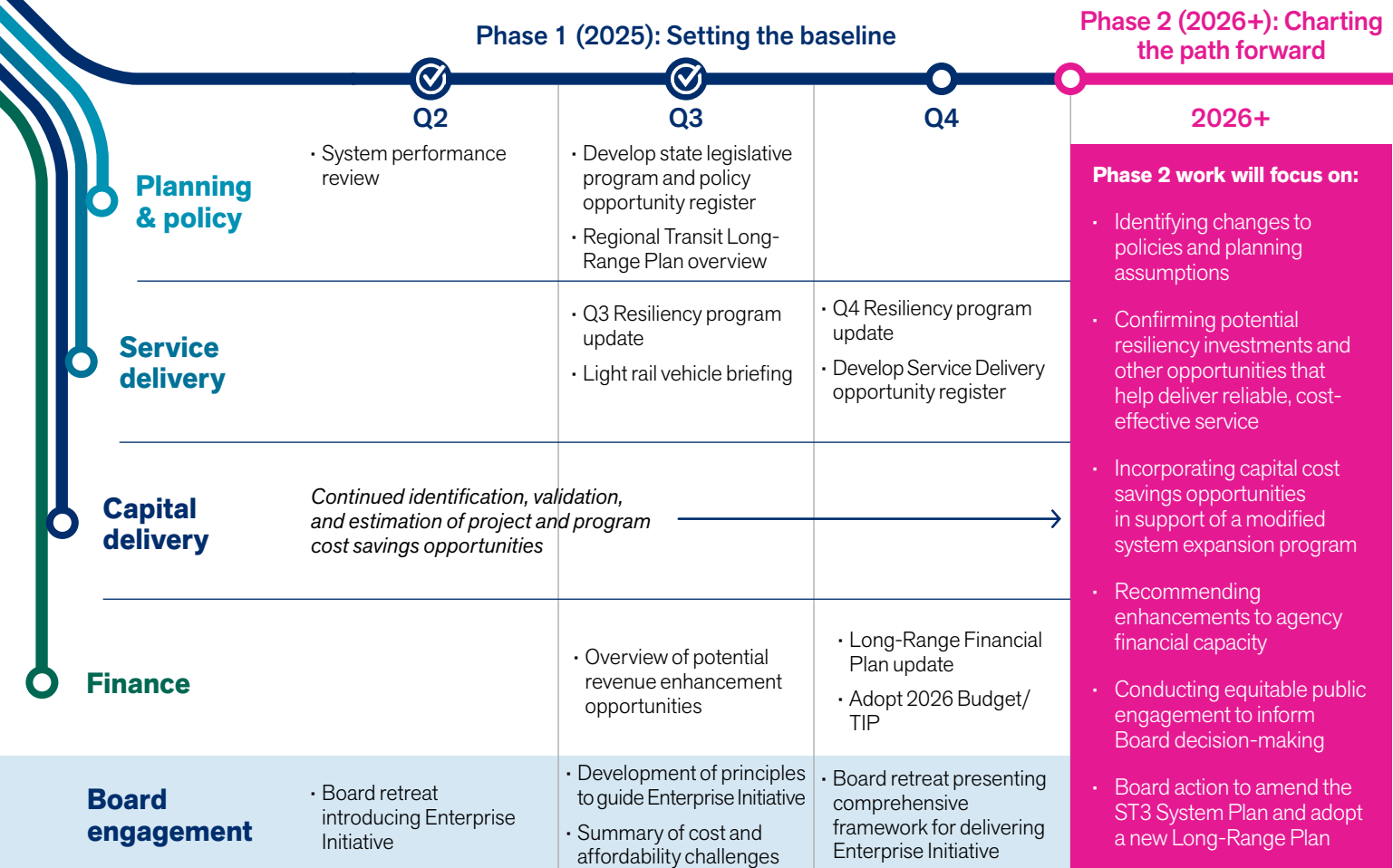
While the BAPR provides an annual assessment of the agency's shifts in projected financial capacity in response to Board Resolution R2021-05, it also helps inform Board decision-making regarding future strategies to maintain system affordability. Our Enterprise Initiative is a comprehensive effort aimed at delivering the maximum benefits of ST3 within

our available financial resources. This initiative unites all departments to address current and future regional mobility needs. By aligning across multiple departments, we can effectively operate, maintain, and expand a resilient regional transit system, setting the foundation for the next generation of Sound Transit.

Enterprise Initiative

This year, substantial progress we have achieved across the four primary Enterprise Initiative workstreams as introduced in [Section 1: Enterprise Initiative](#). **Figure 20** outlines key workstream activities and deliverables accomplished in 2025 as well as anticipated next steps or considerations as we look to develop an updated ST3 System Plan.

Figure 20. Enterprise Initiative workstreams and key activities (2025 and beyond)



Key strategies, plans, activities, and considerations under each workstream to address long-term affordability and support the updated ST3 System Plan are outlined below.

Planning & policy

Since our last Regional Transit Long-Range Plan (2014) and ST3 System Plan (2016), much has changed for Sound Transit and its peer agencies due to increasing inflation, post-pandemic ridership patterns, rising materials and labor costs, and increased federal grant uncertainty. The affordability challenges are broader than system expansion. They require a new, comprehensive agency wide approach, and the good news is that we have a range of policy and planning tools or levers to address these evolving challenges if we take action now.

Addressing long-term affordability challenges from a policy perspective involves evaluating a range of options that increase financial capacity and/or reduce costs to meet our affordability constraints.

Examples of current policies we're evaluating include:

- Financial policies that increase agency financial capacity**
- Delivery policies that improve the speed of project delivery and save time**
- Program policies that improve outcomes like transit-oriented development, passenger access, and sustainability**

Sound Transit is also comprehensively reviewing and assessing the ST3 planning assumptions and key policies against changed conditions and addressing cross-disciplinary topics such as value capture and fare revenue and enforcement. Through late 2025, we are identifying the necessary policy updates and modifications to planning assumptions.

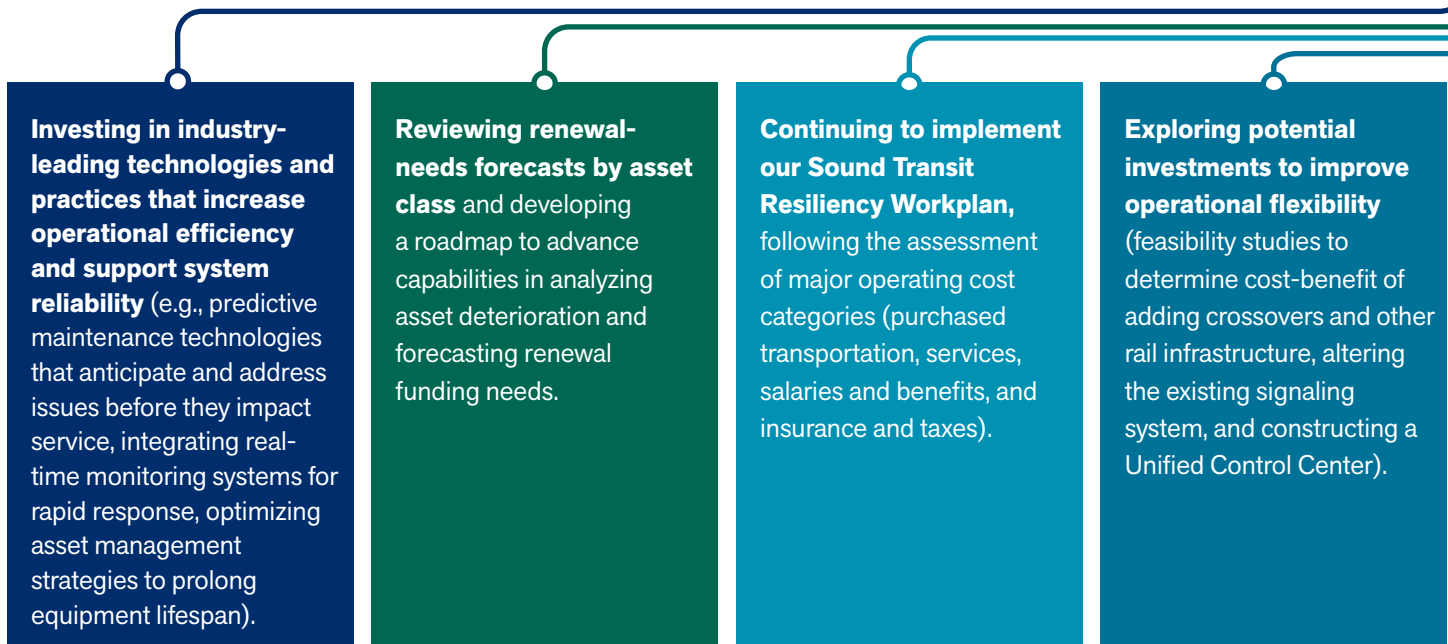
Anticipated planning outputs as a result of changing conditions include a new Regional Transit Long-Range Plan that clarifies the vision for a built-out transit network and updated ST3 System Plan. Recent Link reliability challenges and resiliency efforts have underscored the need for comprehensive planning efforts to reduce service disruptions and future-proof the regional system. This may include full weekday bus bridge capabilities, better interagency network planning to improve parallel and redundant service, and state of good repair projects

that prioritize speed, reliability, flexibility, and necessary system retrofits.

In the interim, the 2026 Service Plan focuses on both rail and bus services to better meet the transportation needs of the region. With the Rail Service Plan, Sound Transit will begin serving new stations, increase train frequencies, and make key schedule adjustments to enhance service. The 2026 Service Plan also addresses the ST Express bus services with proposed changes such as discontinuing certain routes in light rail corridors, adding overnight services, and ensuring high ridership corridors maintain robust service options. These efforts, coupled with extensive public engagement activities, aim to align service offerings with rider needs and preferences while maintaining equitable access.

Service delivery

Sound Transit recognizes that effective operations and maintenance are fundamental to sustaining high-quality service delivery and places a strong emphasis on resiliency and risk management to ensure long-term reliability and safety of its transit operations. As a result, we are:



Resiliency Workplan progress Following the initial 12% of recommendations implemented, key Resiliency Workplan activities include implementation of a further 40%, or 32 out of the 80 recommendations, by Q2 2026. Immediate activities through January 2026 include:



Contractor procurement



System improvement implementation



Software update implementation



Agency requirements and standards updates

These solutions aim to improve system monitoring, enhance system redundancy and reduce service interruptions.

Capital delivery

The upcoming light rail expansions to Federal Way and across Lake Washington are pivotal components of Sound Transit's strategy to deliver more efficient and accessible transit solutions. These projects are designed to shorten commute times, reduce congestion, and connect more communities to Sound Transit's expansive transit network. By extending service lines into these critical areas, Sound Transit is laying the groundwork for enhanced mobility options that will facilitate seamless travel across the region. This expansion initiative not only addresses immediate transportation needs but also accommodates anticipated population growth and increases in travel demand, supporting a next generation transit system that remains responsive and resilient.

In response to rising capital costs, the agency began developing a comprehensive capital cost savings workplan that includes evaluating innovative design and construction methods to reduce expenses while maintaining quality standards. This effort, known as the Cost Savings Workplan, has since been expanded as part of the current Enterprise Initiative.

The Cost Savings Workplan involves four "levers" to reduce ST3 capital costs. These levers, from easiest to most challenging to implement, are depicted in **Figure 21** and include: project level, interdepartmental collaboration external coordination, and phasing.

Figure 21. Capital delivery cost-saving levers



Initial activities focus on project-specific and programmatic opportunities for cost savings across capital projects.

Project-specific opportunities

are unique to a single project. We assess and implement them at the individual project level, though some solutions and benefits may be applicable across multiple projects. We're identifying opportunities for all ST3 Link projects, as well as other capital projects, such as the Sounder Commuter Rail Program and the Stride Bus Rapid Transit program. These opportunities can provide benefits that go beyond cost savings, like schedule optimization, increased quality, improved rider experience and other benefits.

Programmatic opportunities

are cost-saving opportunities that support and benefit the portfolio of projects. Current opportunities under implementation show an initial target savings of 4-5% across ST3 projects.

Project cost-saving example:

Station optimization

We are exploring opportunities to:

- Reduce platform size and improve efficiency
- Optimize elevator configuration, design, and location
- Enhance art and advertising strategies
- Improve wayfinding and signage integration
- Adopt an enterprise view of maintenance practices and requirements
- Optimize fire and life safety measures

Programmatic cost-saving example:

Reducing procurement time

We are exploring strategies to reduce procurement duration, including:

- Improving contracting strategy
- Focusing on collaborative delivery approaches
- Implementing progressive design-build methods
- Utilizing Multiple Award Task Order Contracts

These efforts aim to achieve cost and schedule savings, reduce administrative burdens, and support Sound Transit's goal of being an owner of choice.



Figure 22 outlines the evaluation process at a high level for cost saving capital measures. At the project level, cost-saving opportunity measures are categorized by design optimization, indirects (soft costs), construction efficiencies, market conditions, and right-of-way. As of August 2025, we've

identified approximately 600+ cost-saving measures at the project and programmatic levels. An additional 330+ are currently in feasibility assessments, and more than 80 moved into implementation.

Figure 22. ST3 Capital cost-saving measures, by stage



Some of the greatest opportunities for cost saving exist in pre-baselined projects (projects in planning or design). Key pre-baselined projects in the Cost Savings Workplan currently include: the West Seattle, Ballard, Tacoma Dome, and Everett Link extensions; Operations and Maintenance Facility South and OMF North; and Graham Street and Boeing Access Road infill stations.

Finance

In response to anticipated long-term affordability challenges, we are evaluating new revenue tools and opportunities that can provide the necessary financial support to sustain critical project timelines. These opportunities can include potential partnerships that provide supplemental revenues or expense sharing or seeking alternative grant revenue opportunities given recent changes to federal funding priorities.

Since August 2025, LRFP projections for revenue and financing challenges have decreased by approximately \$4B due to an improving forecast for sales tax revenues and a range of financial enhancements. Sound Transit is continuing to update revenue projections to identify upcoming financial challenges and identify financial enhancements.

While Sound Transit has a robust and enduring source of long-term voter-approved funding, there are risks to revenue in three main areas:

● Slowing regional economy

● **Fare revenue** projections are lower than assumed in the ST3 System Plan, principally due to pandemic-influenced structural ridership changes.

● **Uncertainty in the federal grant environment** may reduce the current assumption of an approximately 16% federal share of capital construction costs in ST3.

Figure 23 outlines the long-term financial planning variables – revenue sources, uses, and level of risk control for Board consideration.

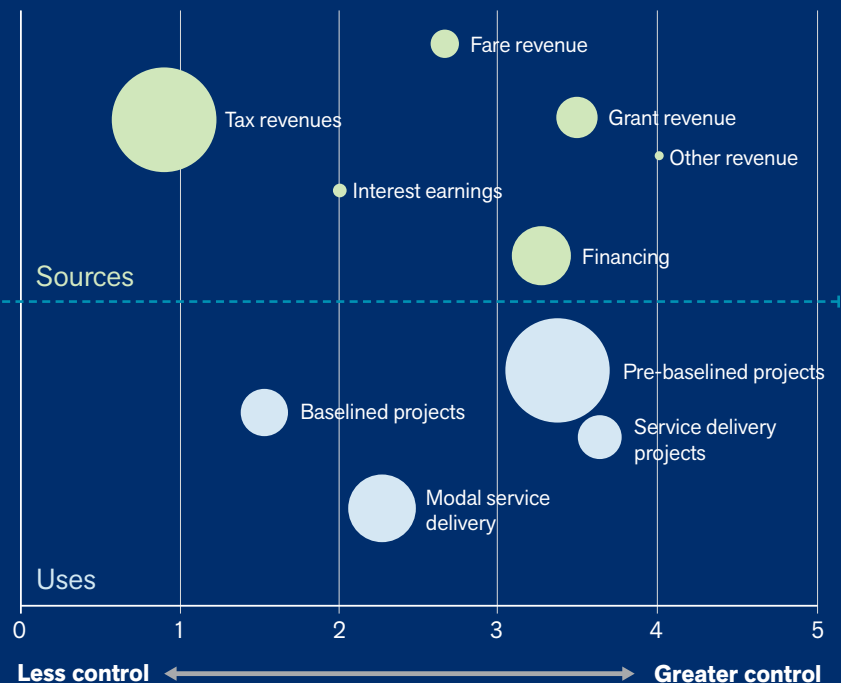
Figure 23. Long-term financial variables and risk management

Sources

- Board has greater influence over underlying assumptions
- Board has less influence over changes in tax rates
- Staff are beginning to explore tools to enhance existing agency financial capacity

Uses

- Capital, service, and planning teams are exploring cost savings opportunities
- Pre-baselined projects are easier to influence



Next steps

Bringing the Enterprise Initiative workstreams and outputs together, in the coming year Sound Transit will:



Identify approaches for updating the ST3 System Plan

01

02

Develop a new Regional Transit Long-Range Plan



Conduct equitable public engagement to inform decision-making

03

04

Present the amended ST3 System Plan and Long-Range Plan to the Board for adoption.





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