

# ***Board Retreat & Enterprise Initiative Overview***

*Community Oversight Panel*

07/09/25

# Retreat Purpose & Outcomes

- Build **trust and rapport** among Board members and agency leadership for regional problem-solving.
- Develop a **shared understanding** of the nature and scale of challenges and opportunities facing the agency, and what the Board can do about them.
- Begin establishing **shared principles and priorities** that will inform decision making.



***Sound Transit History:  
The “Eras” Tour***

# 35 Years of Sound Transit, in 5 Eras

Beginnings	Startup & Survival	First Openings & ST2	Momentum & ST3	A Changed World
1990-1996	1997-2003	2004-2010	2011-2019	2020-2025

## *Overview for each era will cover:*

- System size.
- Milestones.
- Major themes.
- Plan adoption(s) and “realignments.”
- Exogenous events and agency responses.

# Beginnings: 1990-1996

## Beginnings

1990-1996

### *Milestones*

- **1990:** ST authorizing legislation passes.
- **1990:** Downtown Transit Tunnel opens to Metro buses.
- **1993:** County Councils approve agency formation.
- **1994:** First long-range plan adopted.
- **1995:** Failed public vote.
- **1996:** Sound Move passes.

### *Major themes*

- Regional recognition of the need for high-capacity regional transit.
- Sound Transit taxing district created, mission aligned with urban growth boundaries.
- Subarea Equity policy adopted, seeking to ensure balanced investments throughout service district.



**Regional Transit Authority**

### *System Size*

- **Link:** none
- **Sounder:** none

# Startup & Survival

Beginnings

1990-1996

Startup & Survival

1997-2003

## Milestones

- **1999:** ST Express begins, Link project selected (SeaTac–U District).
- **2000:** Sounder launches (Tacoma–Seattle).
- **2000:** Link project pauses, agency survival threatened.
- **2001:** First “realignment” reduces Central Link to Westlake–Tukwila.
- **2003:** Tacoma Link service begins, Sounder launches between Everett–Seattle, Link breaks ground, Link operating agreement signed with Metro.

## Major themes

- Success of first service launches for ST Express, Sounder, Tacoma Link.
- Importance of regional partners in early operations.
- Major Link cost increase, leading to agency crisis, audits, grant suspension
- First significant modifications to voter-approved plans.



(Peter McLaughlin)

## System Size

- **Link:** 1.6 miles (Tacoma)
- **Sounder:** 74 miles

# First Openings & ST2

Beginnings	Startup & Survival	First Openings & ST2
1990-1996	1997-2003	2004-2010

## Milestones

- **2003-2008:** Central Link construction.
- **2005:** Long range plan update.
- **2007:** Roads & Transit measure fails.
- **2008:** ST2 passes, approving phased expansion to Northgate, Redmond, Lynnwood, and Federal Way.
- **2009:** Link opens in July (Seattle-Tukwila), expands to SeaTac in Dec, construction begins to UW.
- **2010:** Great Recession forces second realignment, reduces ST2 scope.

## Major themes

- Long range plan updated, system plan adopted, first significant revenue shortfall and *program-wide* realignment.
- First 13 Link stations open.
- Joint bus-rail operations in Downtown Seattle introduce long-term operating compromises.



## System Size

- **Link:** 17.2 miles
- **Sounder:** 74 miles

# Accelerating Momentum

Beginnings	Startup & Survival	First Openings & ST2	Momentum & ST3
1990-1996	1997-2003	2004-2010	2011-2019

## Milestones

- **2012:** Construction begins UW–Northgate, Sounder expands to Lakewood.
- **2014:** Long range plan updated.
- **2016:** Link expands to Capitol Hill, UW, Angle Lake; ridership increases sharply.
- **2016:** ST3 system plan adopted, gets voter approval to become one of the largest transit expansion in North America.
- **2017:** I-90 Express Lanes close, East Link breaks ground.
- **2019:** Joint bus-rail operations end, Lynnwood Link breaks ground.

## Major themes

- System complexity increases, operating challenges become more apparent.
- Strong regional support for completion of the regional system.



## System Size

- **Link:** 22 miles
- **Sounder:** 81 miles



# A Changed World

Beginnings	Startup & Survival	First Openings & ST2	Momentum & ST3	A Changed World
1990-1996	1997-2003	2004-2010	2011-2019	2020-2025

## Milestones

- **2020:** COVID-19 decimates ridership and permanently changes travel demand, causes yo-yo recession, inflates property values and materials costs.
- **2021:** Link (now 1 Line) expands to Northgate, third program realignment.
- **2023:** Tacoma Link (now T Line) expands to Stadium and Hilltop.
- **2024:** 2 Line launches (South Bellevue–Redmond Technology), 1 Line expands to Lynnwood.
- **2025:** 2 Line expands to Downtown Redmond.

## Major themes

- Prior generational investments open for service; system massively expands in a short time.
- Link light rail becomes regional, doubling from 22 stations to 45, serving 8 cities.
- Operational shortcomings become increasingly apparent as new extensions open.
- Capital and operating cost increases threaten program affordability.
- Board directed implementation reforms (TAG etc.)



## System Size

- **Link:** 48 miles
- **Sounder:** 81 miles

# Key Takeaways

- We have already made successful generational investments, and our voter-approved system is approximately 50% complete today.
- ST's governance structure and financial policies anticipated that capital and operating cost forecasts will always be moving targets and active, ongoing board management of the capital program was required.
- The Board has successfully navigated three major program adjustments. These program adjustments were multi-year efforts in order to have time to develop quality input for decisions.
- Maintaining momentum is key during program adjustments. Delay is itself a major cost driver.
- Transparency, trust and collaboration between Board members and ST staff is essential.
- Strong partnerships with cities, local communities, and state and federal governments are necessary to define, permit, and fund the regional system.

# *Future challenges and opportunities*

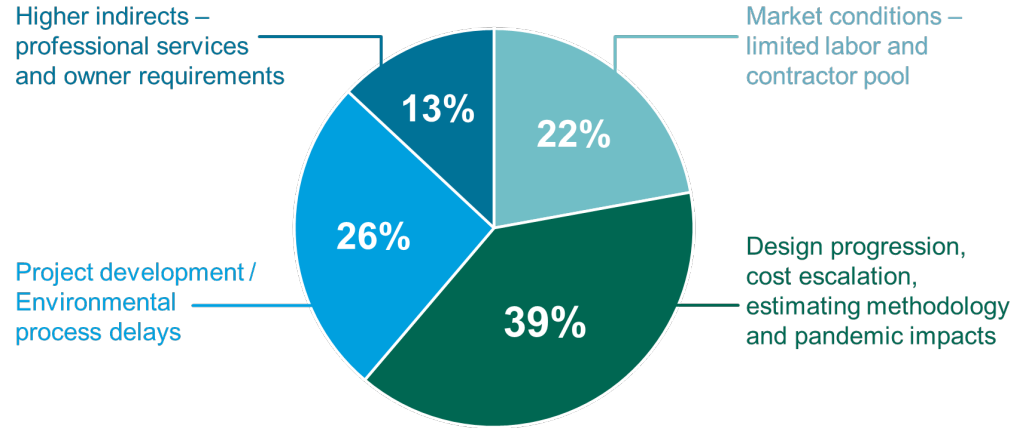
## *Overview*

- We have solved program affordability challenges before, and we can do so again.
- We must face this challenge differently than in previous eras, with heavier focus on operations, maintenance, and systemwide thinking.
- Upcoming challenges are significant, multifaceted, and interconnected, but we also have the tools and resources to solve each of them.
- We must integrate work across our capital delivery, service delivery, finance, and planning/policy programs.

# Future challenges and opportunities

## Capital program

- West Seattle not an isolated situation – cost growth on all projects.
- Some cost growth is unprecedented, industry/economy-wide, and outside of agency control.
- Some cost growth relates to agency process, procedure, and delays since ST3 adoption.



*Drivers of cost growth on  
West Seattle Link Extension project*

# ***Future challenges and opportunities***

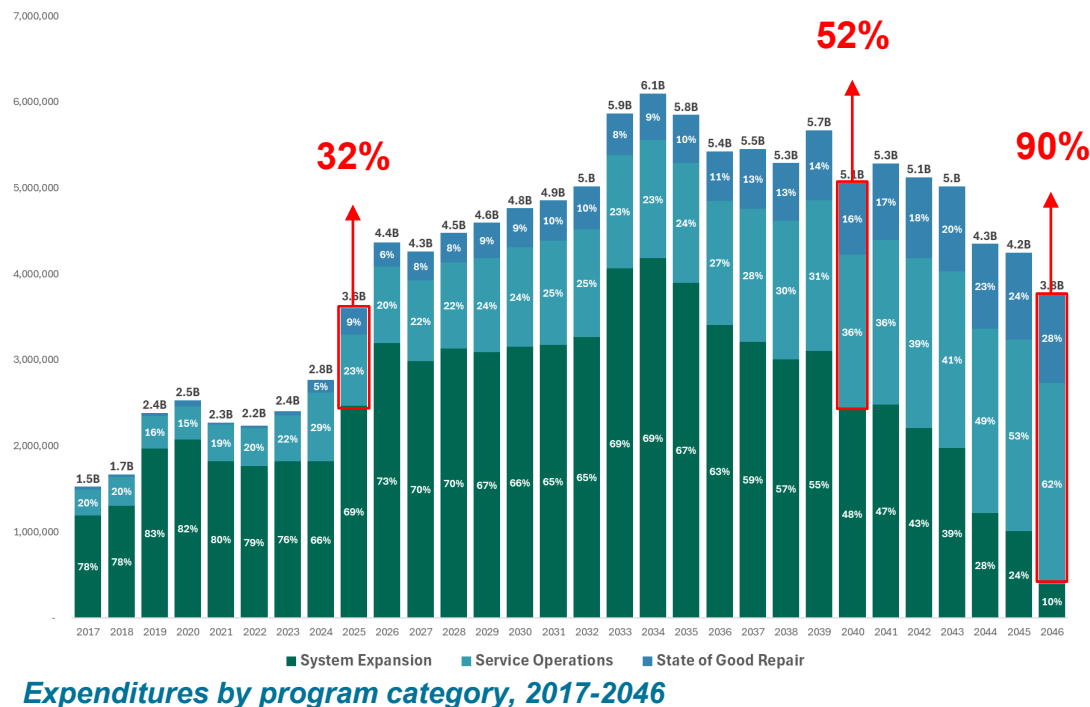
## ***Capital program***

- Board direction stemming from WSLE actions in late 2024 means a capital delivery team is at work already.
- We will keep advancing projects to ensure we are not a source of delay.
- Available tools to solve these challenges:
  - Find project-specific and program efficiencies.
  - Modify or reduce project scopes.
  - Open projects in phases.
  - Reconsider projects.

# Future challenges and opportunities

## Service delivery

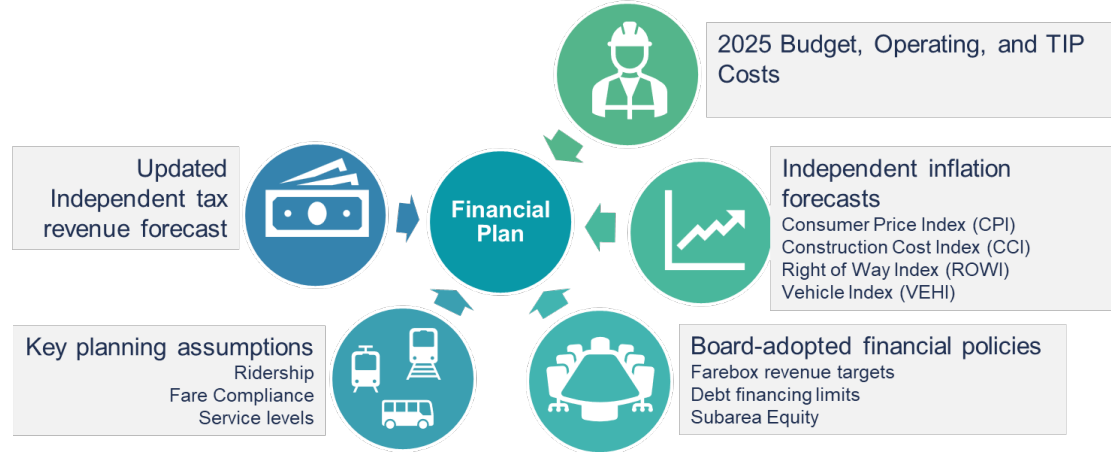
- Costs to operate and maintain the system are an increasingly large share of the long-range financial plan.
- Operating costs are connected to the capital program, past and future.
- Active efforts underway related to light rail system resiliency to help confirm that we have the necessary resources to provide a safe, reliable service for passengers.



# Future challenges and opportunities

## Finance

- Capital and service cost risks as previously covered.
- Persistent inflation and macroeconomic uncertainty is compounded by tariffs and trade impacts to costs and revenues.
- We will be proactive in assessing and maximizing existing financial capacity.

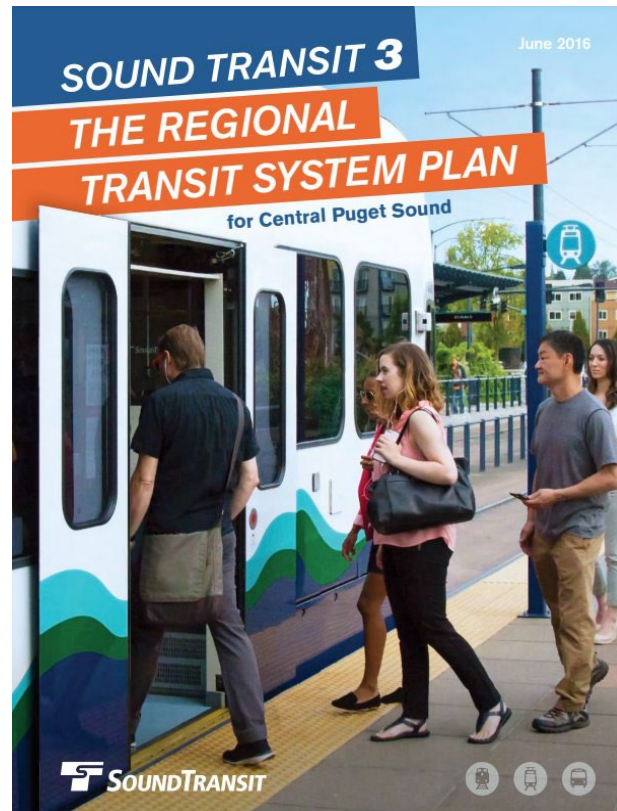


*Key inputs to the Long-Range Financial Plan*

# Future challenges and opportunities

## Planning & policy

- ST3 adopted in 2016 with significant, historic change since then.
- COVID-19 has had a generational effect on transit demand, reducing it at peak hours and increasing it mid-day, evening, and on weekends.
- The maturing light rail system should change the way that we look at future operating, maintenance, and planning assumptions.
- We believe that our plans *should* frequently adapt to observed realities over time, maximizing the benefits that our transit system can bring to the region.





# ***Board Retreat principles***

## **Chair proposed principles:**

- Do what is best for the region.
- Put passengers first.
- Collaborate inclusively.
- Steward taxpayer funds responsibly.
- Act transparently.
- Inform all decision-making with data.

## **Additional principles staff heard during Board discussion:**

- Think through the interplay or possible tension between proposed principles.
- Be adaptive, be willing to respond to changing conditions.
- Prioritize ridership.
- Avoid scarcity mindset, focus on long-range thinking.
- This time is different, be creative, and think expansively about possible tools and approaches.

# ***Enterprise Initiative Overview***

# *Enterprise Initiative*

## **What is the Enterprise Initiative?**

- Sound Transit's effort to ensure we can deliver the greatest benefits of ST3 within available financial capacity.
- A comprehensive effort touching planning, capital, operations, maintenance, and finance to ensure we are meeting both current and future regional mobility needs.

## **What are the ultimate outcomes?**

- Adopting an updated **System Plan**, with modified capital and operating plans.
- Adopting a balanced and affordable long-range finance plan.
- Achieving high confidence in our ability to deliver on System Plan commitments.
- Establishing new processes to proactively and iteratively manage these issues going forward.

# *Enterprise Initiative*

## **Why are we undertaking this effort?**

- Since our last Long-Range Plan (2014) and System Plan (2016), much has changed for Sound Transit and other large public agencies due to increasing inflation, post-pandemic ridership patterns, rising materials and labor costs, and increased federal uncertainty.
- If we don't act, the ST3 program will be unaffordable, and we won't be able to operate a dependable, resilient, and safe system.
- These affordability challenges are broader than capital delivery. They require a new, agencywide, comprehensive approach.
- The good news: we have the tools to successfully manage these challenges, and we will be able to create an affordable plan and operate a dependable, resilient, and safe system.

# Enterprise Initiative

	Planning & Policy	Capital Delivery	Service Delivery	Finance
What will this workstream entail?	Reviewing existing plans, policies, assumptions, and changed conditions.	Identifying cost savings approaches to deliver projects within existing resources.	Identifying cost savings and developing better cost data for operating and state of good repair needs.	Assessing overall financial capacity to deliver the program and maximizing existing revenue opportunities.
What tools and levers does the Board have?	Modifying planning assumptions and updating policies that guide plan implementation.	Finding project and program efficiencies, and the potential for scope changes, phasing projects, reconsidering some projects.	Adjusting service levels across modes of service, updating staffing and resource levels, and clarifying asset management needs.	Changing financial planning assumptions and considering potential revenue enhancements.

# ***Enterprise Initiative***

## **Phase 1 (2025): setting the baseline**

- Analyzing how the region has changed since 2016.
  - Building a deep understanding of the scope and scale of challenges facing the agency across each major workstream.
  - Understanding how to use available agency tools to solve these challenges or what tools may need to be created.
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## **Phase 2 (2026): charting the path forward**

- Identifying approaches for updating ST3 System Plan and adopting a new Long-Range Plan.
- Conducting equitable public engagement to inform Board decision-making.
- Board action to amend the ST3 System Plan and adopt a new Long-Range Plan.
- We anticipate this will conclude in mid-2026, but our process will be flexible and Board-driven.

# ***Enterprise Initiative: Next Steps***

- Begin engaging Committees on workstream content, challenges, and approaches to address in July.
- Concurrently advance technical work to inform Board engagement.
- We know most about what's happening in the near-term and will adjust anticipated work beyond that based on Board engagement.
- We will engage the full Board periodically and anticipate additional Board retreats/workshops to guide this Enterprise Initiative.

*Thank you.*



 [\*soundtransit.org\*](https://soundtransit.org)

