

Program Realignment

*Citizen Oversight Panel
July 7, 2021*

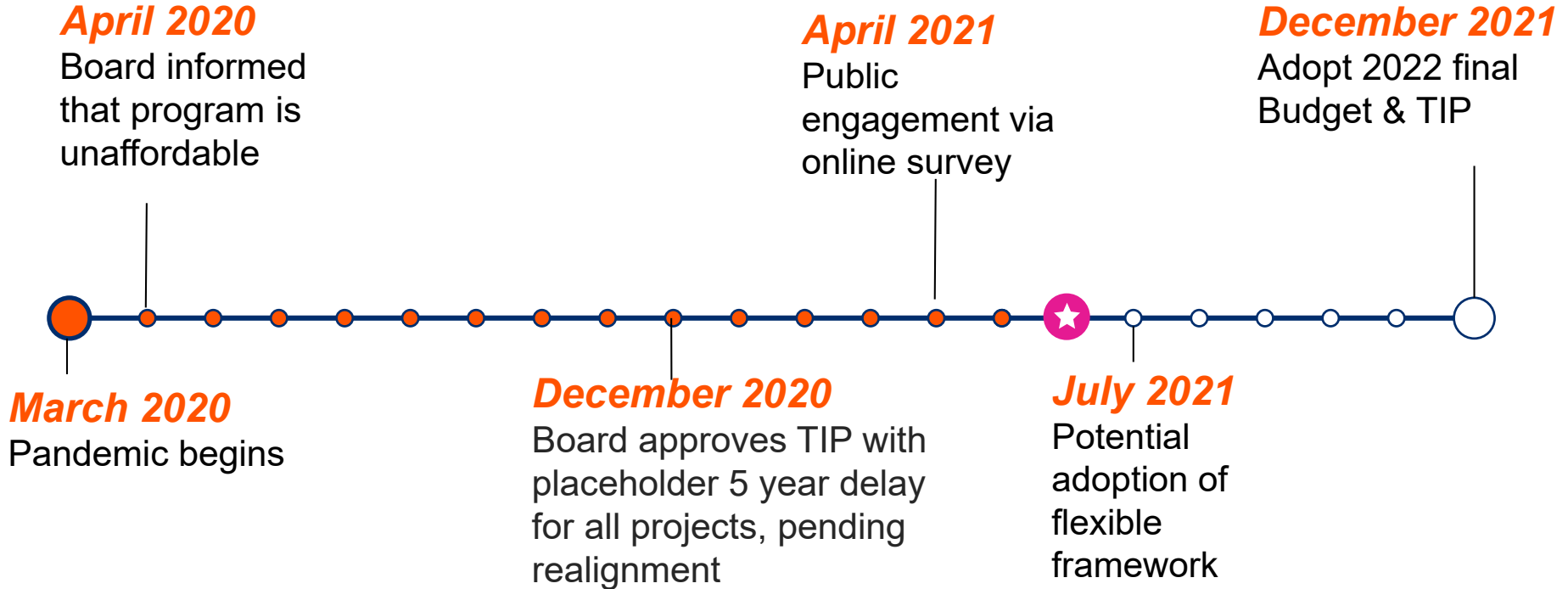


Overview

- Realignment timeline and scenario development
- Financial challenges
- Annual program review
- Chair's proposed realignment scenario
- Next steps
- Questions & discussion

Realignment Timeline and Scenario Development

Realignment timeline overview



Realignment scenario development

June 2020 → July 2021

- **Criteria:** Board workshop leads to criteria adopted in June 2020 (M2020-36) including ridership, equity, and connecting centers
- **Project evaluation results:** December 2020 briefing book and January 2021 Board workshop
- **Illustrative scenarios:** February 2021 scenarios based on single criterion; March 2021 scenarios based on multiple criteria
- **Hybrid scenarios:** Perform well against multiple criteria; integrate with partner plans; account for subarea equity

Project Schedule Impacts

Project delays in all scenarios include both planning and financial impacts

- **Planning impacts:** Incurred or anticipated to occur during environmental review for active projects. Many active projects in planning are experiencing ~2 years of delay – in part from the burden COVID placed on co-lead and cooperating agencies.
- **Financial impacts:** Includes any additional years found to be necessary for the scenario to be affordable at the subarea and agency level based on current cost and revenue projections.

Scenarios Utilize Tiers to Schedule Work

Keeps ST3 plan affordable and shovel ready

Project Tiers	Total Estimated Years Delay*	Work plan
1	≤ 2	Environmental Full design Full ROW Construction
2	≤ 6	Environmental Full Design Full ROW
3	≤ 9	Environmental Preliminary Design Strategic ROW
4	10 +	Pause work

Financial Challenges

Financial Challenges

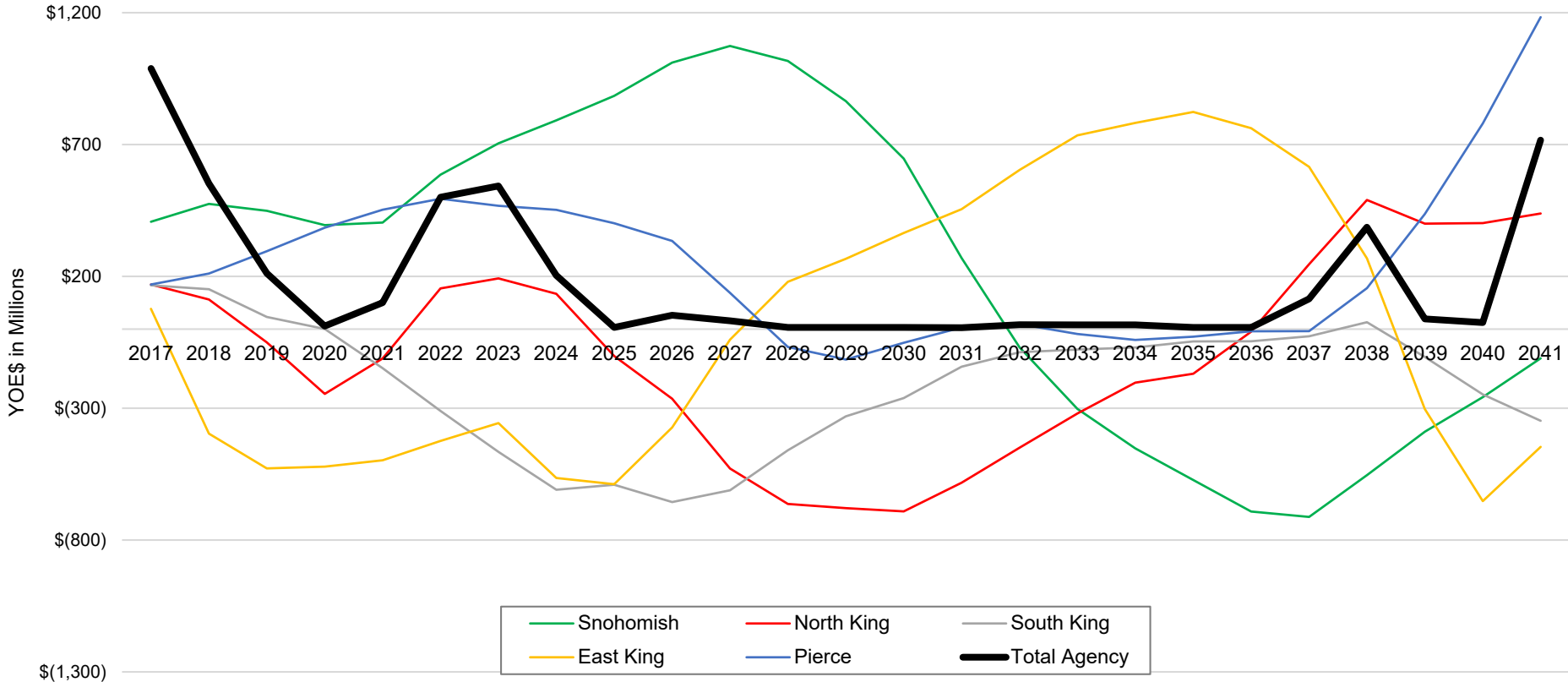
25-year ST3 program runs 2016-2041

The Sound Transit Board is required to maintain an affordable financial plan, defined as have sufficient projected funds to cover projected expenditures through 2041.

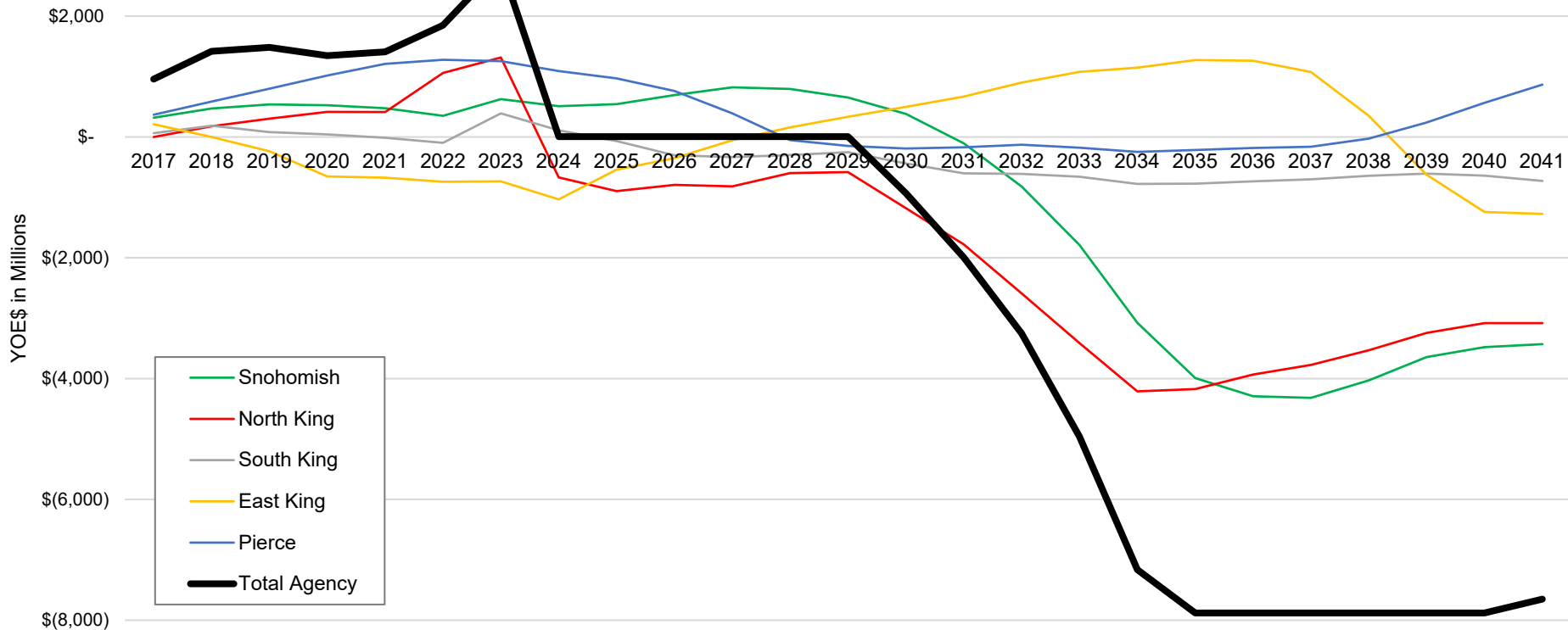
Current estimated affordability gap of \$7.9 billion mainly driven by

- **Lower tax revenues:** The COVID recession will reduce long term revenue by an estimated \$1.5 billion.
- **Higher cost estimates:** Net impact of \$6.4 billion through 2041 (with higher grants and bonds)

2016 Financial Plan Subarea Balances through 2041



\$7.9 Funding Gap Financial Plan Subarea Balances through 2041



Annual Program Review

New annual program review

BOARD APPROVES

BOARD APPROVES

BOARD BRIEFED



- **New** annual program review to evaluate project readiness, project costs, and shifts in financial capacity prior to budget and TIP preparation

Annual program review

Evaluate shifts in project readiness, cost and financial capacity and provide guidance to annual TIP

- **Project readiness:** Environmental review, preferred alternative decisions, 3rd party agreements, permitting, ROW acquisition
- **Project costs:** Current estimates, savings opportunities, and risks
- **Financial capacity:** Prior year actuals, current revenue forecasts, current debt capacity, inflation indices, grants, and financing/refinancing opportunities

***Chair's Proposed
Realignment Scenario***

Chair's proposed realignment scenario

	Tier 1 ≤ 2 years delay	Tier 2 ≤ 6 years delay	Tier 3 ≤ 9 years delay	Tier 4 10+ years delay
System	Bus Base North (2025) OMF South (2029) OMF North (2035)	2 nd DSTT (2038)	Southern Maintenance Base (2034)	ST2 Bus Base (2045) Bus-on-Shoulder (2045)
North	Lynnwood-SW Everett NP (2038)	SW Everett-Everett NP (2042)		Edmonds & Mukilteo (2034) Everett Link Parking (2046)
East	405 Stride S. NP (2026) 522 Stride NP (2026)	405 Stride N. NP (2027) S. Kirk.-Issaquah (2045)		522 Stride parking (2034) 405 Stride parking (2034) N Sammamish P&R (2045)
Central	Alaska Jct.-SODO (2032)	SODO-Smith Cove (2038) Smith Cove-Ballard (2040) NE 130 th (2037) Graham St. (2037)		RapidRide C/D (2045)
South	Kent, Auburn, Sumner (2025) T-Dome Link NP (2032) Lakewood, S Tacoma (2032) TCC Tacoma Link (2041)	Boeing Access (2037)	Southern platforms & access (2036) Southern trips (2045) DuPont Sndr (2045)	T-Dome Link Parking (2040) SR-162 (2045)

16 *No delay due to finances, only delayed because of slow downs in environmental review during COVID, 3rd party negotiations, permitting, right-of-way acquisition, or extended timelines for selecting EIS alternatives and preferred alternatives.*

Next Steps

Next steps

Anticipated realignment work through July

Ongoing public engagement

- July 1** Executive Committee
Consider resolution, discuss amendments
- July 8** System Expansion Committee
Amendments due
- July 15** Finance and Audit Committee meeting
Discuss resolution with focus on finances
- July 22** Board Meeting – Consider action

Thank you.



 [soundtransit.org](https://www.soundtransit.org)

