

Sound Transit's Response to COVID-19 and Program Realignment

*Citizen Oversight Panel
July 8, 2020*



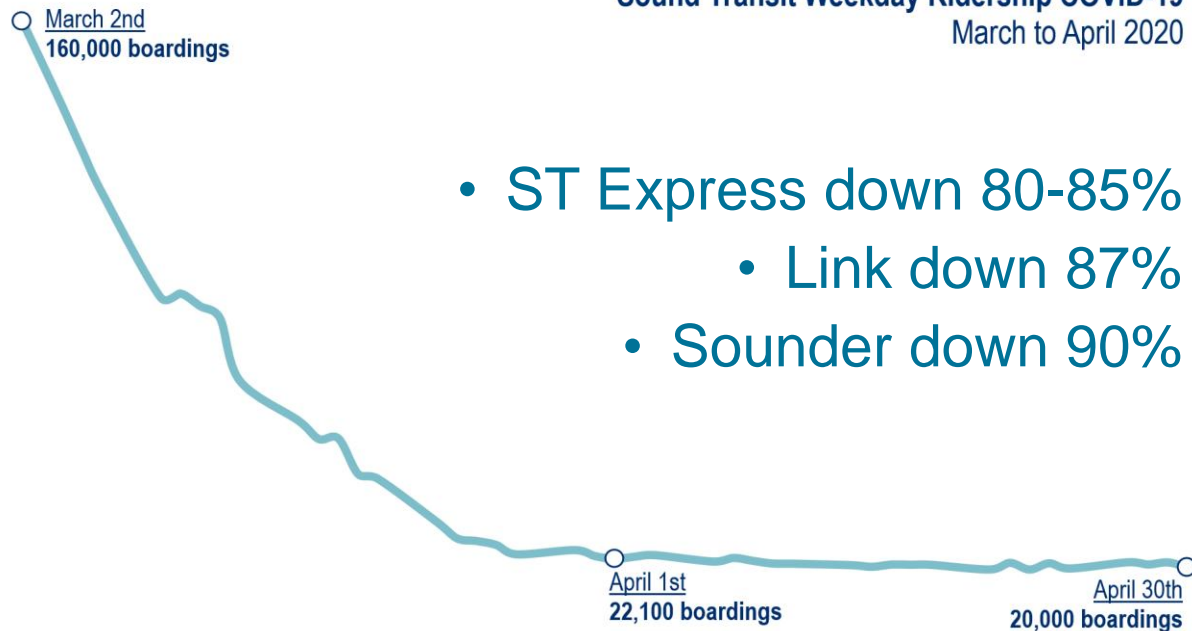
What we'll cover today

- Agency's Covid-19 response
- Program affordability
- Near term priorities
- Realignment framework
- I-405 BRT project overview

Operations changes

Sound Transit Weekday Ridership COVID-19

March to April 2020



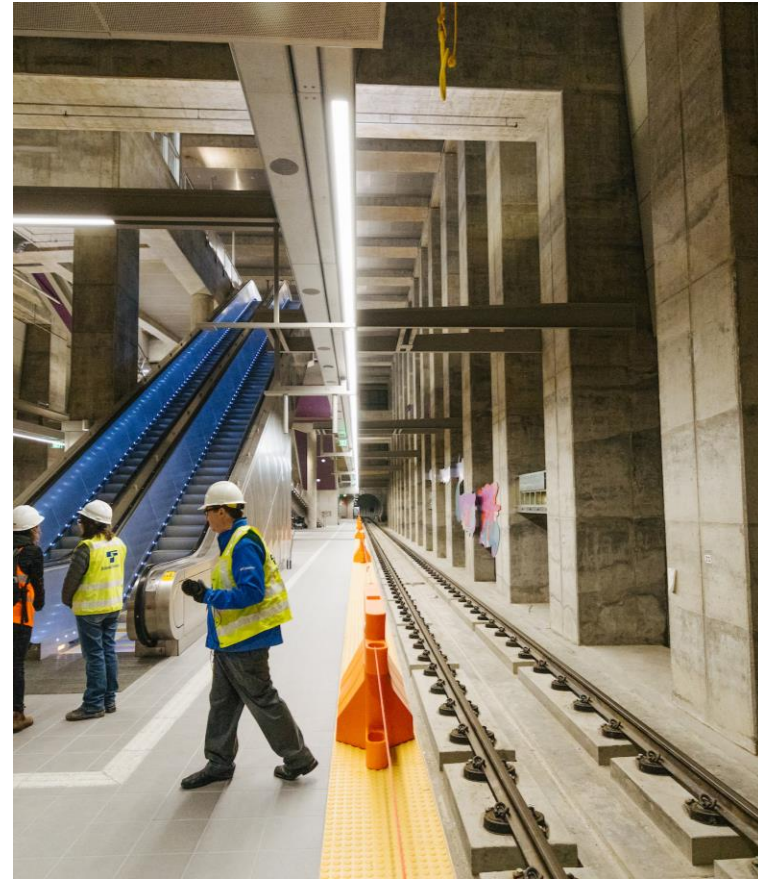
Operations changes

- Suspended fares and reduced service on Link, Sounder, ST Express
- Fares resumed on Link/Sounder on June 1
- Fares resumed July 1 on ST Express
- Service is ramping up around region.



Construction changes

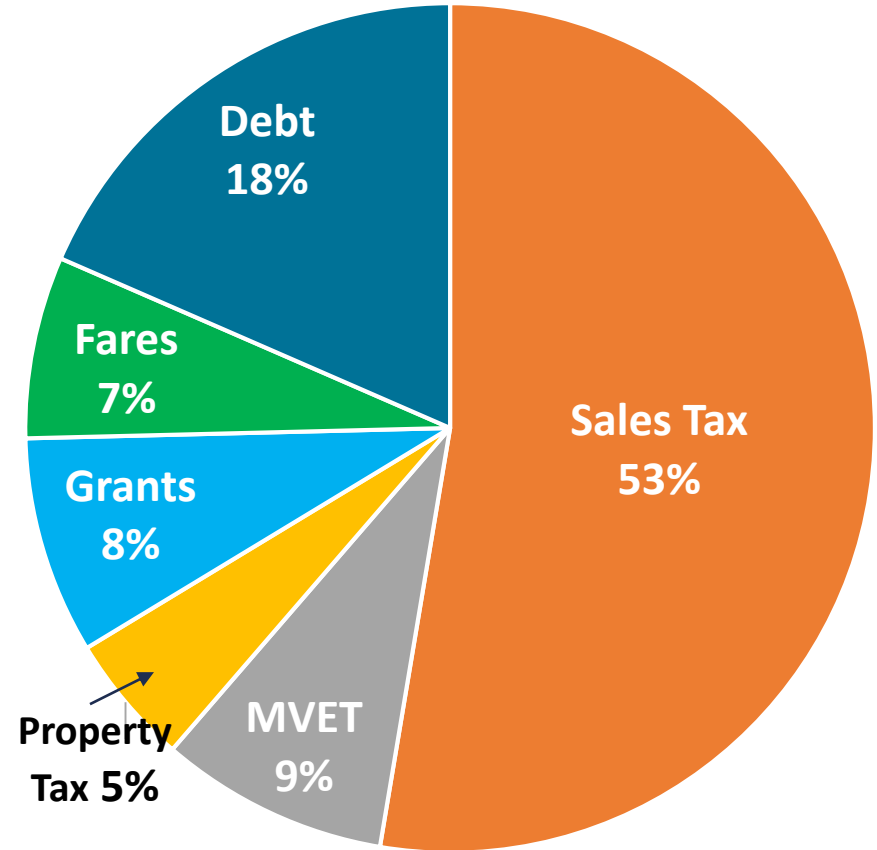
- Suspended 80% of construction in early April.
- Resumed most construction in May under strict safety protocols.



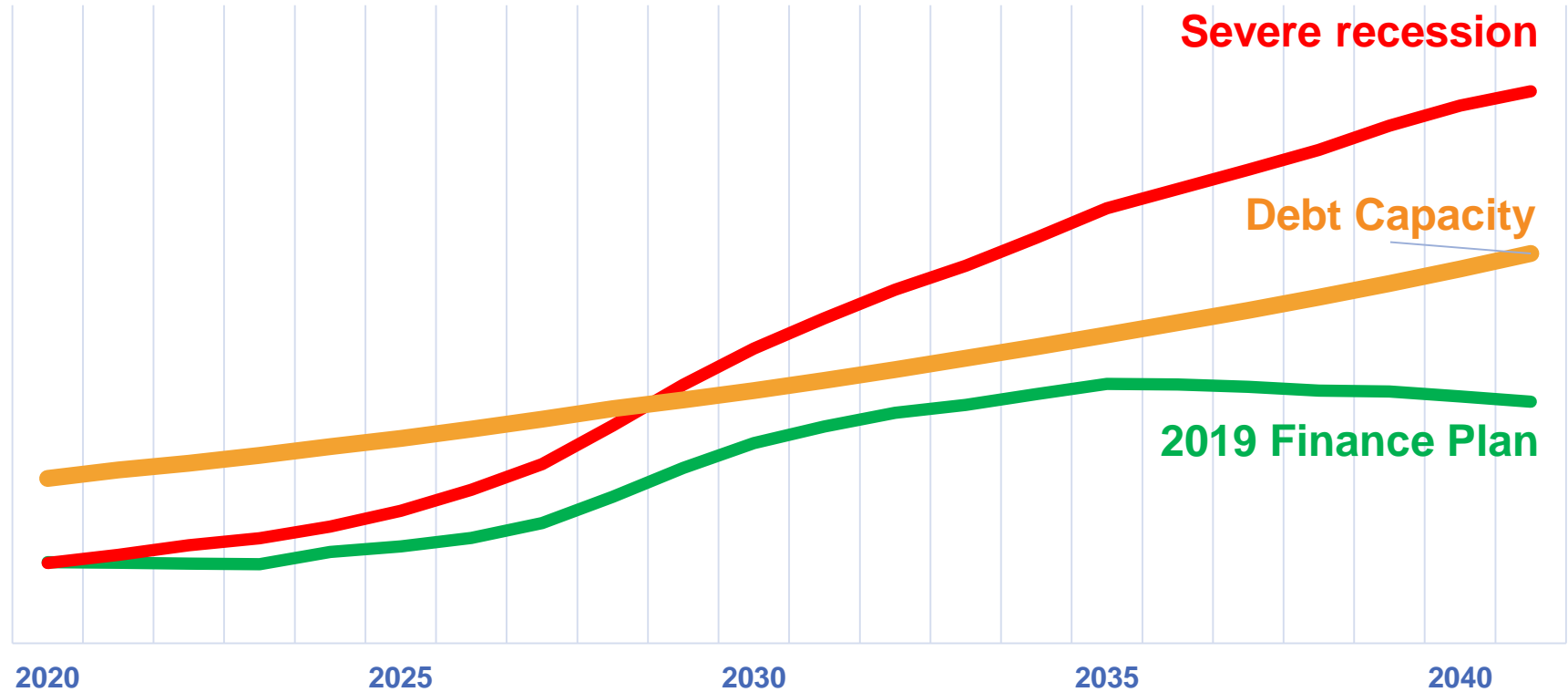
Finance Plan Sources and Uses

- Includes capital, operations, maintenance, debt service etc.
- Tax revenues fund 66%.
- Debt funds 18%.
- Fares fund 7%.

These sources are received on an ongoing basis and are all reduced by recession.



Recession threatens affordability



Economic and financial update

What we know

- National retail sales for April down 15% as compared to April 2019.
- WA unemployment rate at 14.8% in May.
- ST Sales tax collections down 20.7% for March and April compared to 2019.
- ST MVET collections down 14.2% for March to May compared to 2019.
- ST Rental Car Tax down 81.9% for March to April compared to 2019.
- ST Ridership down 82.2%.

Economic and financial update

What we don't know

- Very limited actual tax collection data.
- Recession duration and depth.
- What recovery will look like.

Current revenue loss projections

- \$0.7 billion (-22%) to \$1 billion (-27%) in 2020 and 2021.
- \$8 billion (-12%) to \$12 billion (-18%) through 2041.

Near-term priorities

Maintain Board's flexibility and readiness for uncertain future

Keep construction going safely

- Light rail extensions: Northgate, East Link, Lynnwood, Federal Way, Downtown Redmond, Hilltop Tacoma.
- Operations & Maintenance Facility East.

Near-term priorities

Flexibility and readiness for uncertain future

Continue current phases of project work

- Maintain readiness for variable revenue/grant scenarios.
- Slower, more incremental approach in some instances as longer-term realignment takes shape.

Wait to advance projects into final design or construction

- Avoid over-commitment until Board priorities become clearer.

Board tools to manage affordability

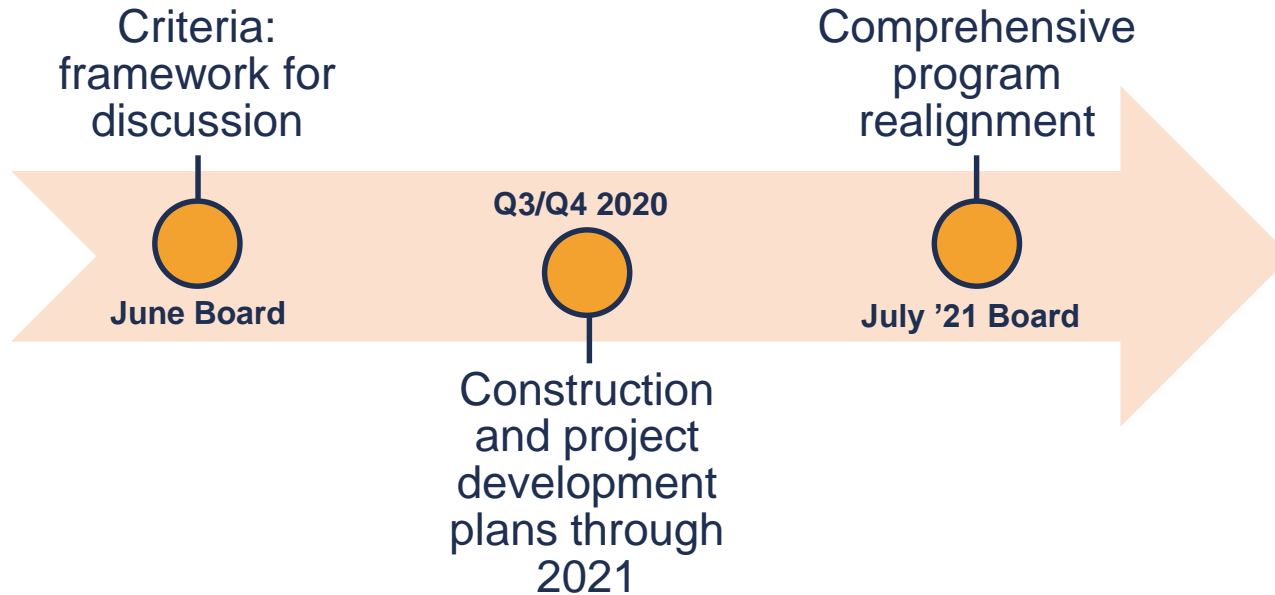
Tools established in ST3 plan documents

- Delay project completion.
- Modify project scope (alignments/stations, etc).
- Secure new grant funding or funding partners.
- Request a tax increase.

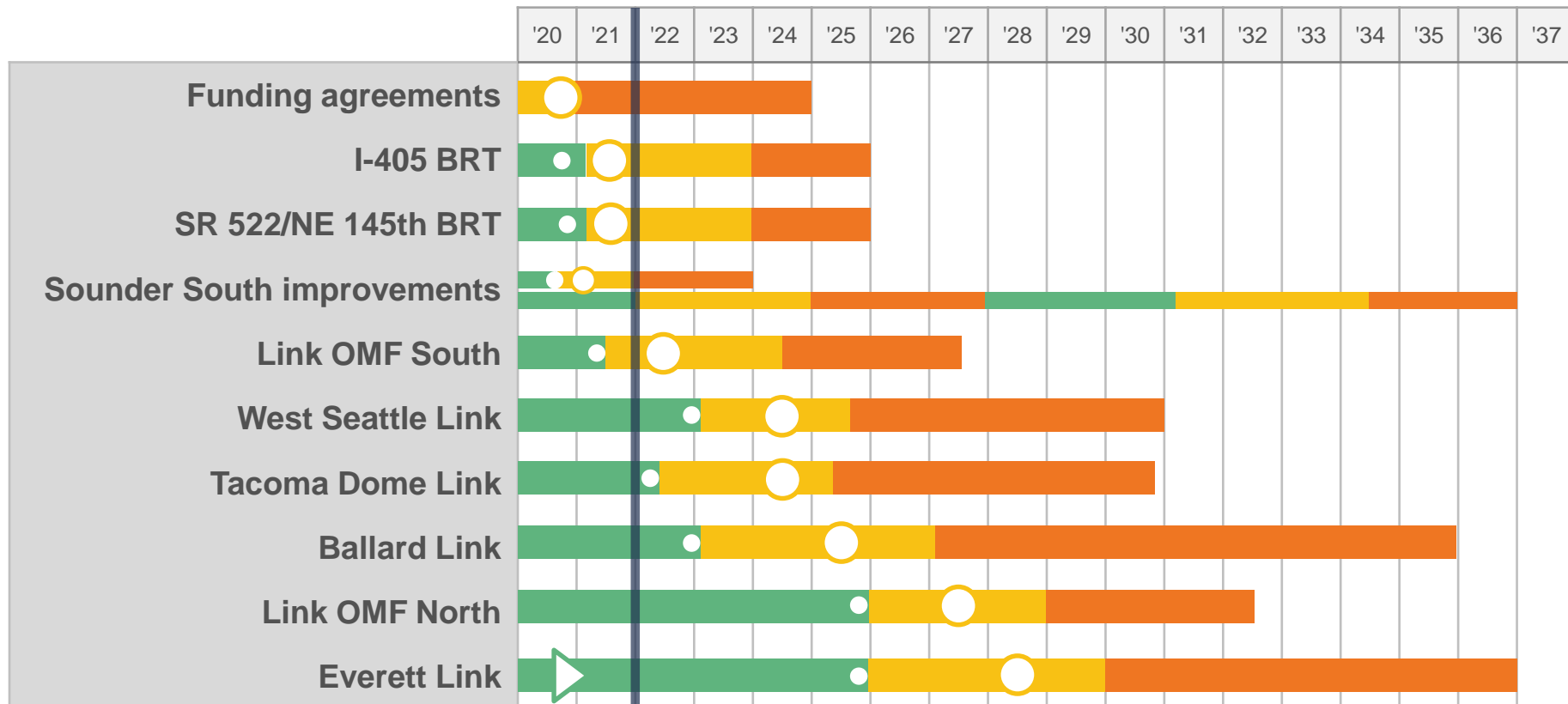
Uncertain outlook for new revenues

- Federal capital grants
- Additional stimulus funding
- State funding
- New local taxes

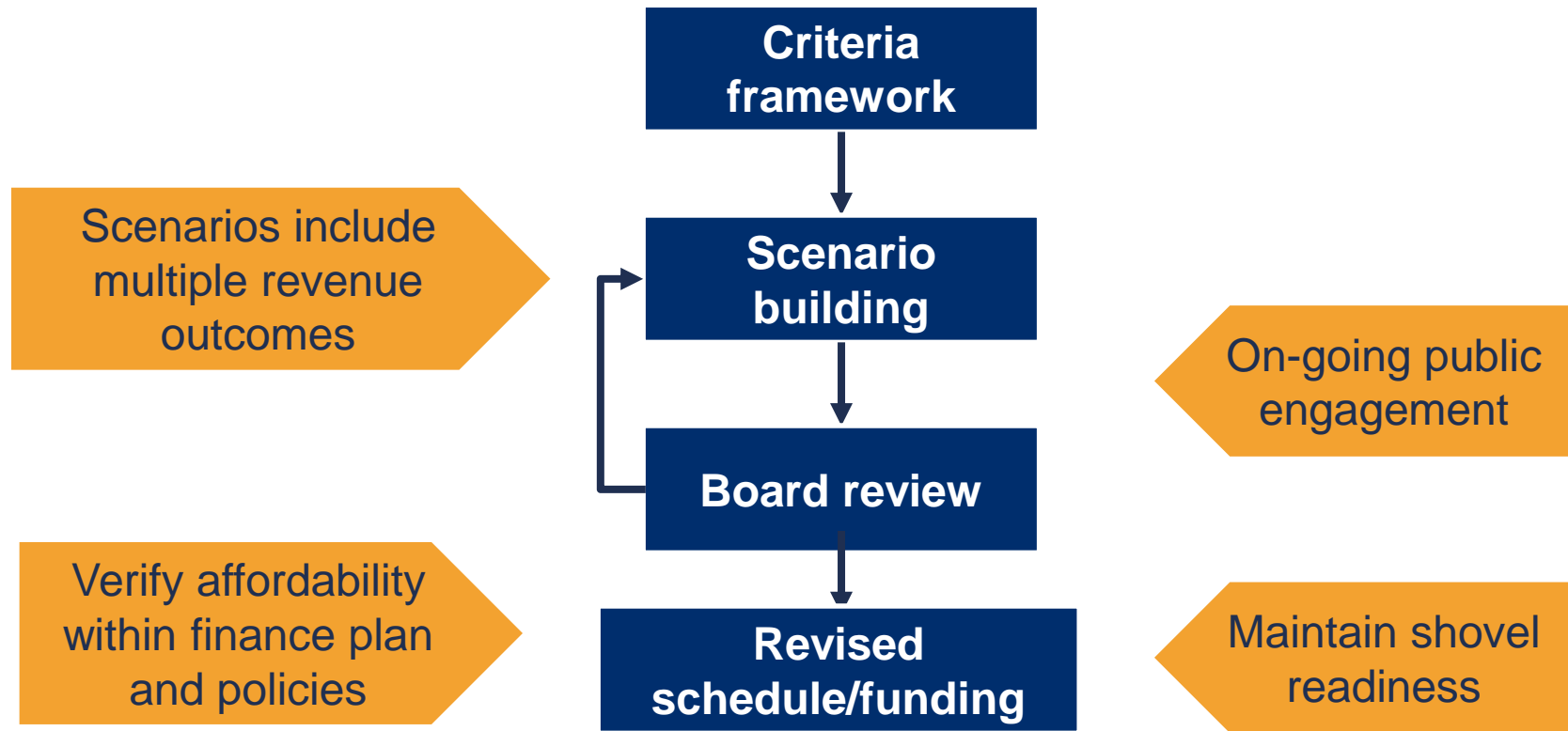
Path forward



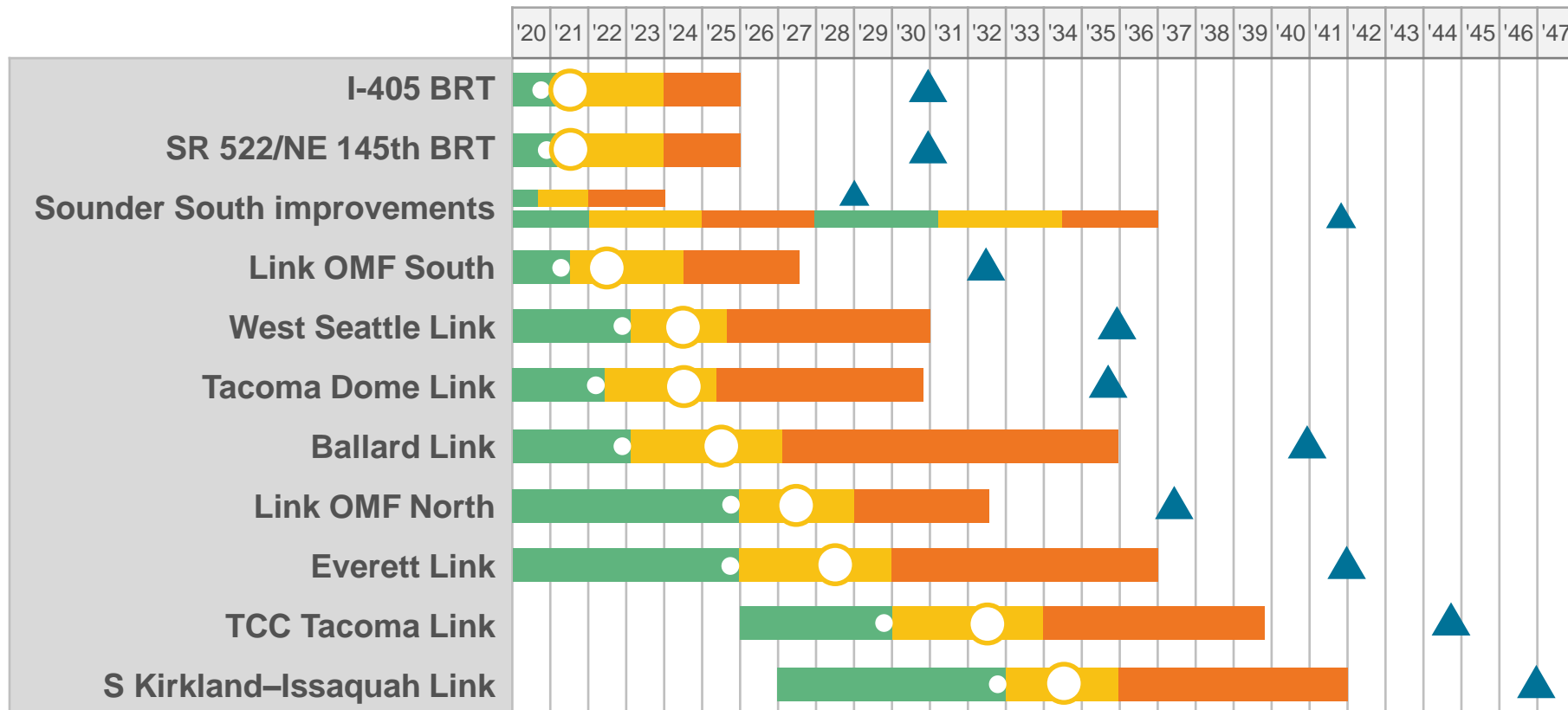
Q3/Q4 actions focus on 2021



Process to develop comprehensive realignment



Five year delay would be affordable



A framework for conversation

Criterion	Concept
Ridership potential	How many daily riders is the project projected to serve?
Socio-economic equity	How well does the project expand mobility for transit-dependent, low-income, and/or diverse populations?
Connecting centers	Does the project connect designated regional centers?
Tenure	How long have voters been waiting for the project?
Outside funding	Are other funding sources available, secured or at risk?
Completing the spine	Does the project advance development of the regional HCT spine?
Advancing logically beyond the spine	Is the project a 'logical next step' beyond the spine and within financial capacity?
Phasing compatibility (constructability)	Can the project constructed and opened for service in increments?

Next steps

Ongoing

Scenario development and review.

2020

Q3/Q4 Program status briefings / 'shovel readiness' actions.

Q4 2020 Budget and TIP adoptions / construction plans.

2021

Q1/Q2 Engage public and refine scenarios.

July 2021 Comprehensive realignment.

Thank you.



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