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

- ST Express down 80-85%
- Link down 87%
- Sounder down 90%

Sound Transit Weekday Ridership COVID-19
March to April 2020

- March 2nd: 160,000 boardings
- April 1st: 22,100 boardings
- April 30th: 20,000 boardings
**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

Severe recession

Debt Capacity

2019 Finance Plan

2020 2025 2030 2035 2040
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

- 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

Criteria: framework for discussion
- June Board

Construction and project development plans through 2021
- Q3/Q4 2020

Comprehensive program realignment
- July ’21 Board
### Q3/Q4 actions focus on 2021

| Project                        | '20 | '21 | '22 | '23 | '24 | '25 | '26 | '27 | '28 | '29 | '30 | '31 | '32 | '33 | '34 | '35 | '36 | '37 |
|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Funding agreements            |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| I-405 BRT                     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| SR 522/NE 145th BRT           |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Sounder South improvements    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Link OMF South                |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| West Seattle Link             |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Tacoma Dome Link              |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Ballard Link                  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Link OMF North                |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
| Everett Link                  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |

Legend:
- **Planning**
- **Design**
- **Construction**
- **Select project to build**
- **Baseline**
- **Initiate project**

_Funding agreements, I-405 BRT, SR 522/NE 145th BRT, Sounder South improvements, Link OMF South, West Seattle Link, Tacoma Dome Link, Ballard Link, Link OMF North, Everett Link_
Process to develop comprehensive realignment

- Criteria framework
- Scenario building
- Board review
- Revised schedule/funding

Scenarios include multiple revenue outcomes
Verify affordability within finance plan and policies

On-going public engagement
Maintain shovel readiness
## Five year delay would be affordable

<table>
<thead>
<tr>
<th>Project</th>
<th>Year (Planning)</th>
<th>Year (Design)</th>
<th>Year (Construction)</th>
<th>Year (Select project to build)</th>
<th>Year (Baseline)</th>
<th>Year (Delayed delivery)</th>
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- **Planning**: 2021
- **Design**: 2022
- **Construction**: 2023
- **Select project to build**: 2024
- **Baseline**: 2025
- **Delayed delivery**: 2026

*Source: Sound Transit*
## A framework for conversation

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