# 2026 Proposed Budget and TIP

*Motion No. M2026-47*

*System Expansion Committee*

*11/12/2026*

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# *Why we are here*

- ***Provide information on the 2027 proposed budget and Transit Improvement Plan (TIP)***
- ***Request that the System Expansion Committee recommend the portions under purview to advance to the Finance and Audit Committee***
    - Modal System Expansion Projects: Link, Tacoma Link, Sounder, ST Express, and Stride
    - System expansion indirect costs

# Budgets within Committee Purview

| Committee | Budget/TIP Sections |
|---|---|
| Rider Experience and Operations | • Modal operating<br>• Service delivery programs<br>• Other expenditures<br>• Agency contingency |
| System Expansion | • System expansion programs – Link, Sounder, Regional Express, Stride |
| Executive | • System expansion programs – systemwide<br>• Debt service |
| Finance and Audit Committee | Other committees recommend budgets to FAC; FAC recommends overall budget to Board |

# *2027 budget, TIP, and long-range financial plan*

**Budget 2027** *Board Approved*

**Annual Budget** of revenues, sources, and expenditures for 2027.

**Transit Improvement Plan (TIP) to 2032** *Board Approved*

**Authorized Allocation** (lifetime) for all active project costs, including past actuals. (Includes pre-baselined and baselined projects as well as service delivery projects.)

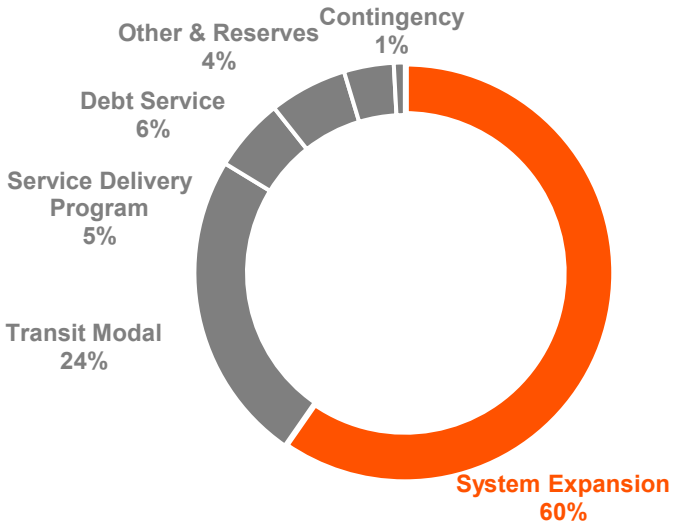
**Long-Range Financial Plan (2017 – 2052)** *Board Updated*

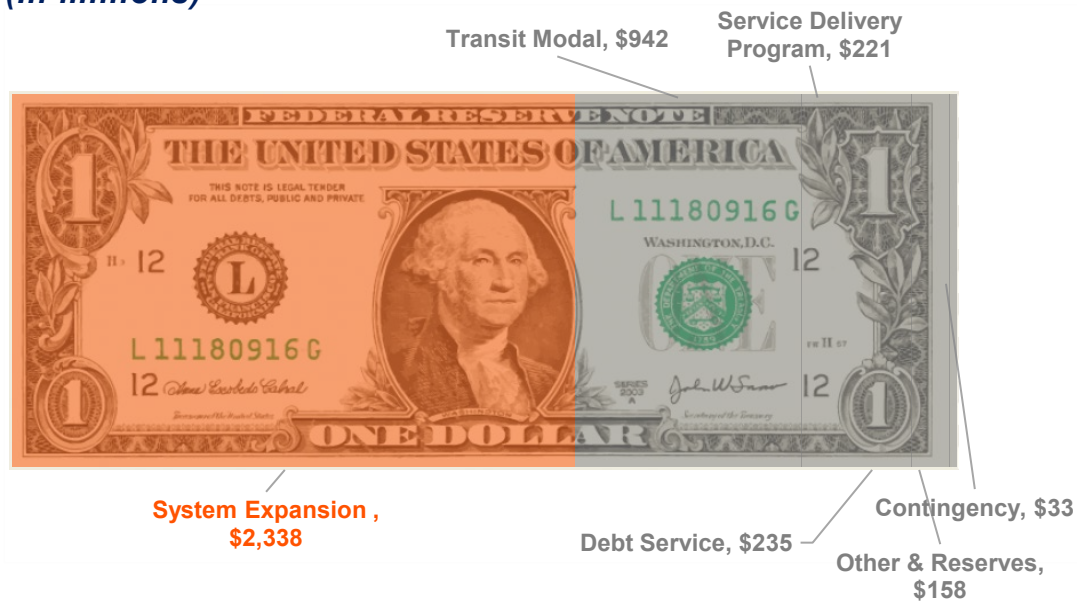
Includes Sound Move, ST2, and ST3 sources and uses through 2052, as updated by the 2026 System Plan, R2026-11.

# *2027 Proposed Budget - Summary*

# FY 2027 overview – uses $3.9B

*(In millions)*




- Expansion Projects: Stride construction and moving forward with May System Plan update
- Modal Ops: Full year of Crosslake Connection
- Service Delivery Program: Increased investment in resiliency, safety, and agency modernization
- Debt service: Interest increase as all TIFIA/RIFF loans now fully drawn

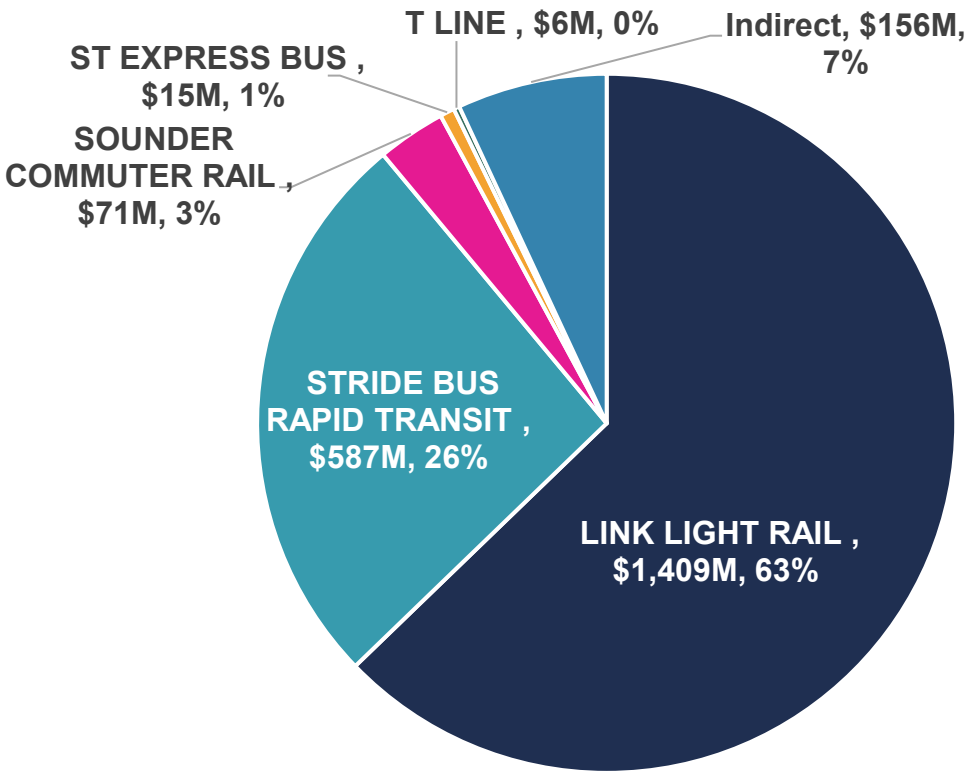
# *Proposed 2027 Annual Budget – System Expansion*

Budget 2027

***Annual Budget** refers to annual 2027 component of authorized allocation*

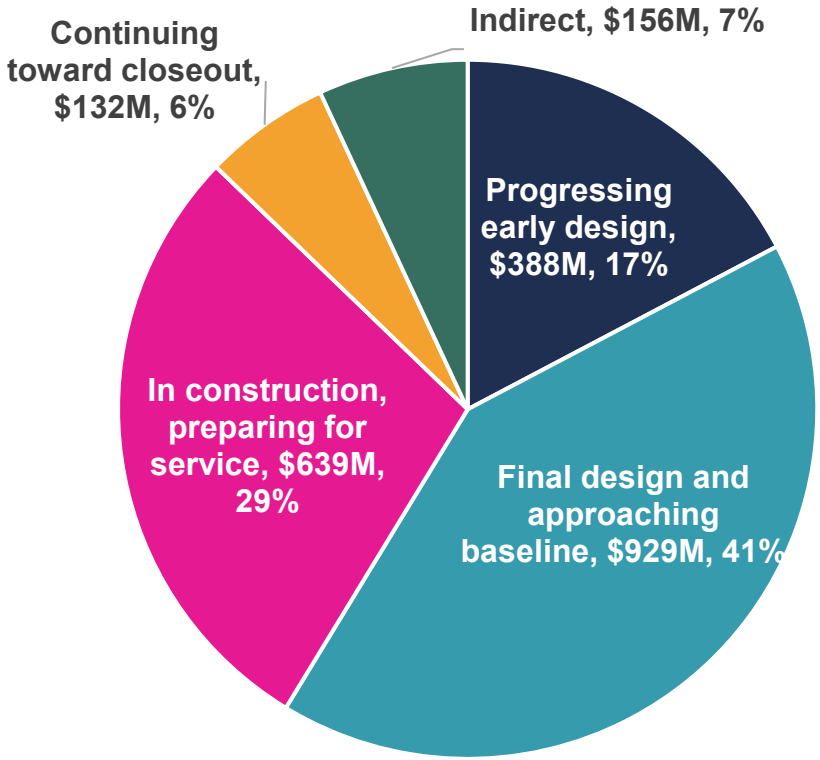
# System expansion (modal) 2027 budget: $2,244M

- Link extensions progress through design and right of way acquisitions, enacting May System Plan
- Stride continues heavy construction
- Sumner, Kent, and Auburn garages set to complete construction and open



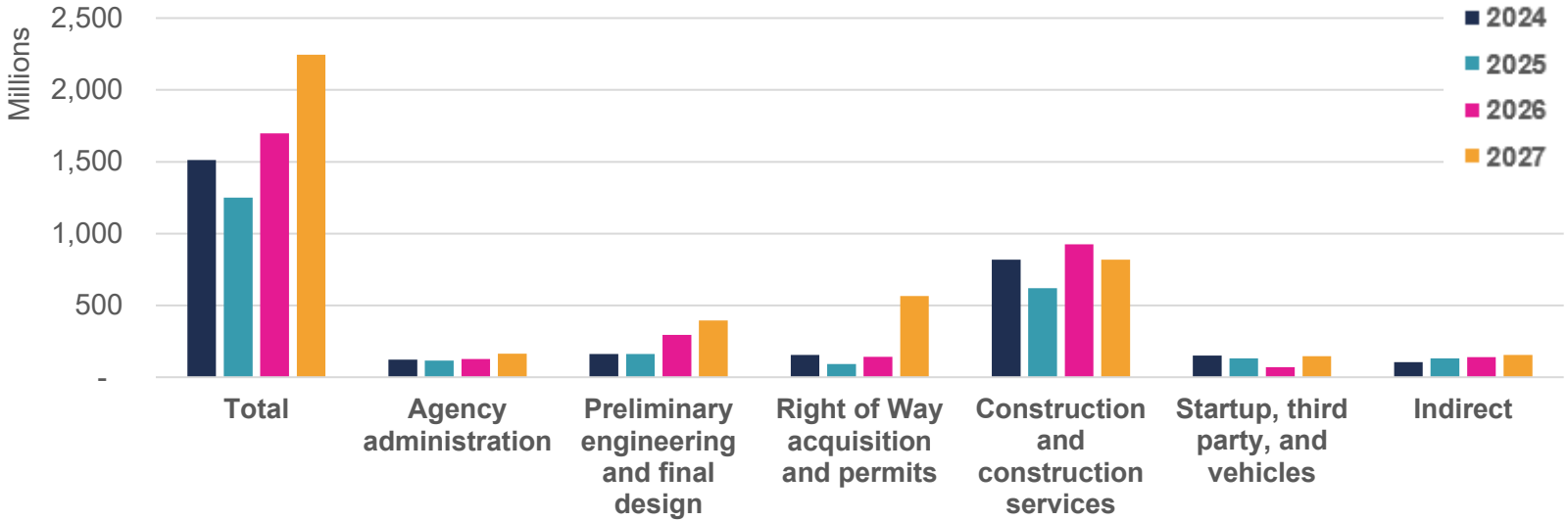
# System expansion (modal) 2027 budget: $2,244M

- 58% for pre-baselined project activity, ahead of major baselining actions in 2027 and 2028.
- 29% supports projects in construction, with services opening in 2027 and 2028.
- 6% for follow-on work to prepare legacy projects for closure.



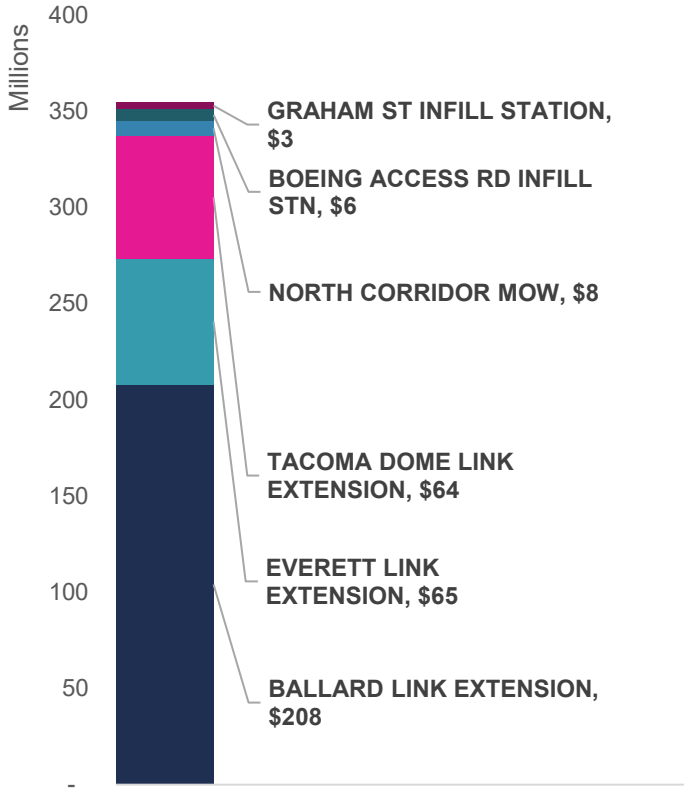
# Annual expenditures by phase

- Increasing Stride and OMF South construction spending, offset by decreases in Link extensions recently opened.
- Increasing right of way and preliminary engineering and final design due to major Link extensions (West Seattle, Ballard, Tacoma Dome, and Everett)



# Progressing early design - Link: $355M

| | |
|---|---|
| **Ballard Link** | • Publish Final Environmental Impact Statement<br>• Complete preliminary engineering<br>• Acquire right of way |
| **Everett Link Ext** | • Publish Final Environmental Impact Statement<br>• Award and progress to 30% design preliminary engineering |
| **Tacoma Dome Link** | • Publish Final Environmental Impact Statement<br>• Award and progress to 30% design preliminary engineering |
| **Graham and Boeing Access Road Infills** | • Complete preliminary engineering<br>• Acquire permits<br>• BAR funding plan |



# Progressing early design - other: $33M

**DuPont Ext and Sounder South Capacity Exp**

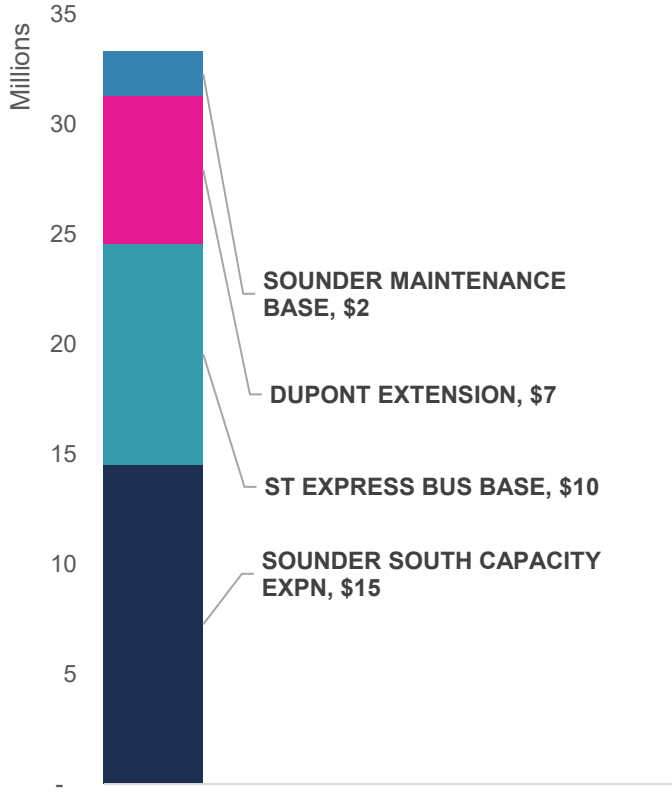
- Complete DuPont alternative service study
- Continue preliminary engineering for King Street and rail improvements
- Resolve Lakewood right of way encroachments

**ST Express Bus Base**

- Continue preliminary engineering
- Update cost estimate

**Sounder Maintenance Base**

- Tacoma public utilities easement and relocation
- Start NEPA evaluation update



# Final design and approaching baseline: $929M

**West Seattle**

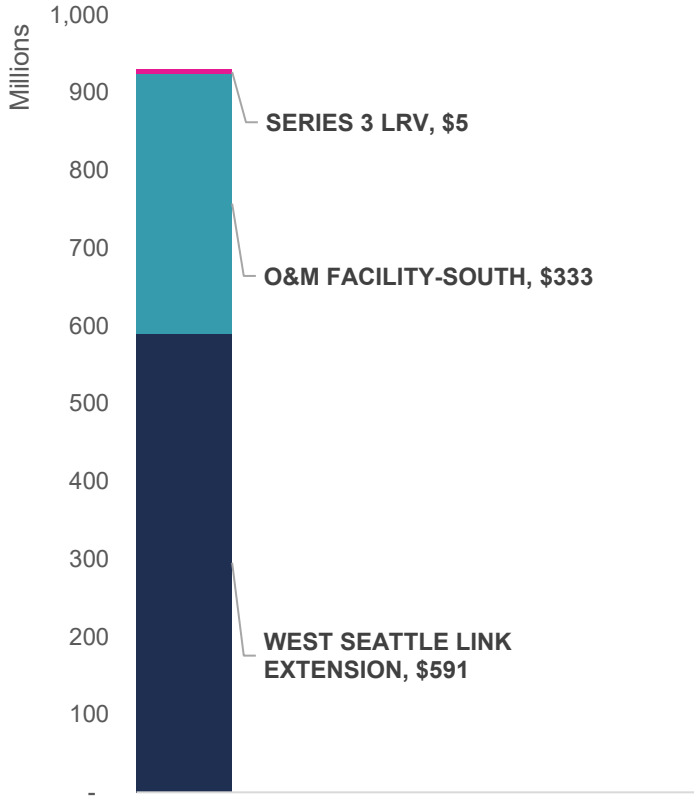
- Advance to final design
- Continue property acquisition and begin early construction work
- Apply for Federal grant funding

**O&M Facility South**

- Complete design
- Start early construction works
- Complete third-party reviews and right of way acquisitions

**Series 3 LRVs**

- Support car builder procurement process
- Evaluate car builder proposals and select builder
- Establish long-term baseline budget






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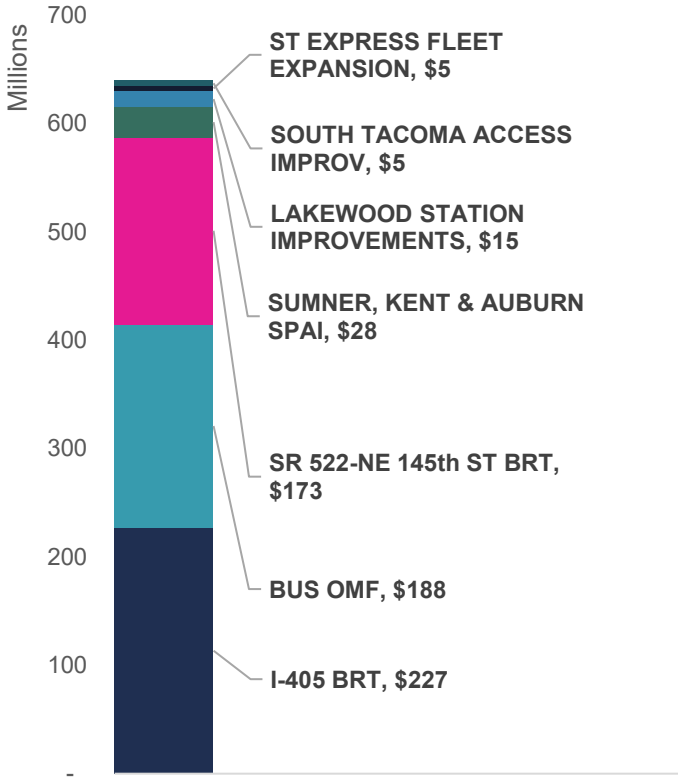
# *In construction, preparing for service: $639M*

**Stride**

- Substantial completion of I-405 Renton and Burien transit centers, and Bus OMF
- Delivery of most Seattle/Shoreline segment platforms

**Sounder access improvements**

- Open Sumner, Kent, and Auburn garages for revenue service
- Complete Lakewood and Tacoma final design and issue construction bids

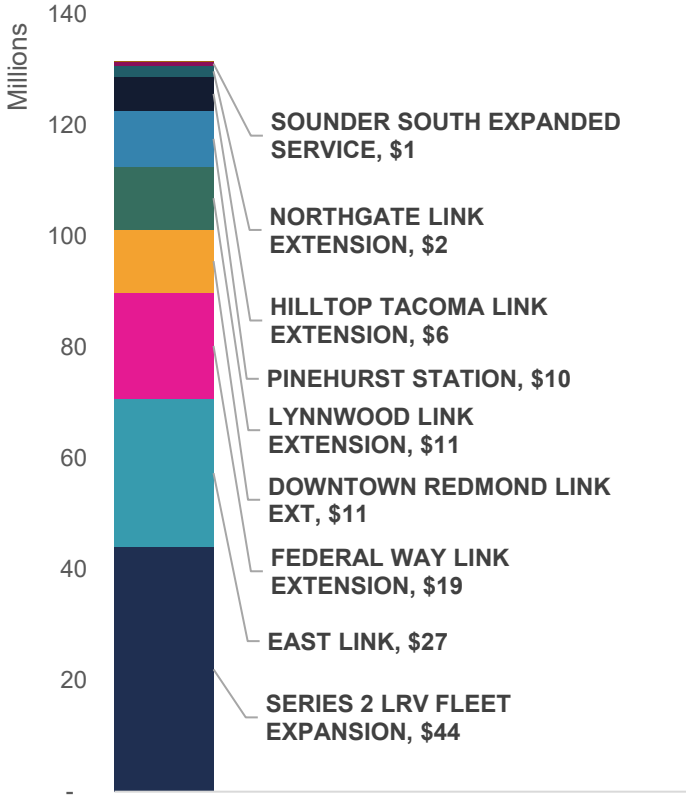





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# Continuing toward closeout: $132M

| | |
|---|---|
| **Legacy Link extensions** | • Final acceptance of Series 2 LRVs<br>• Continue follow on work, including open safety and resiliency components |
| **Pinehurst Station** | • Project closeout activities, including fish passage culvert design |
| **Hilltop Tacoma Link** | • Support closeout activities |
| **Sounder South Expanded Service** | • Bingham Creek culvert improvements |



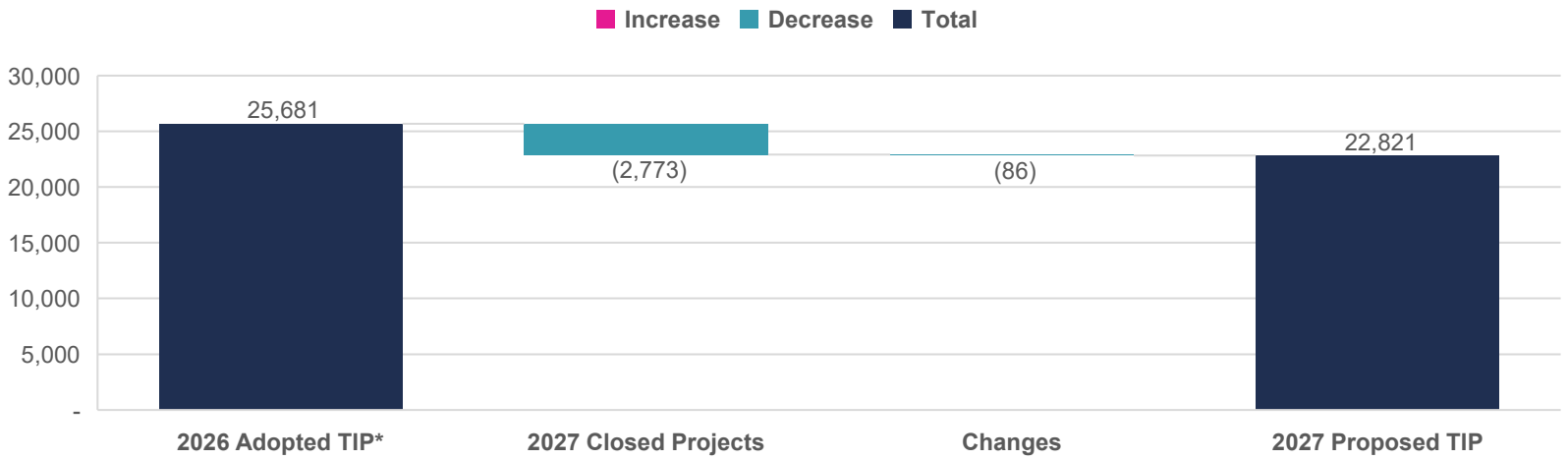
# *Proposed Changes to Transit Improvement Plan for System Expansion Projects*

Transit Improvement Plan (TIP) to 2032

**Authorized Allocation (lifetime)** for all active project, including past actuals

# Changes to Transit Improvement Plan: 2026 Adopted TIP to 2027 Proposed TIP

## $2.9B (11%) decrease in total authorized dollars for system expansion - modal

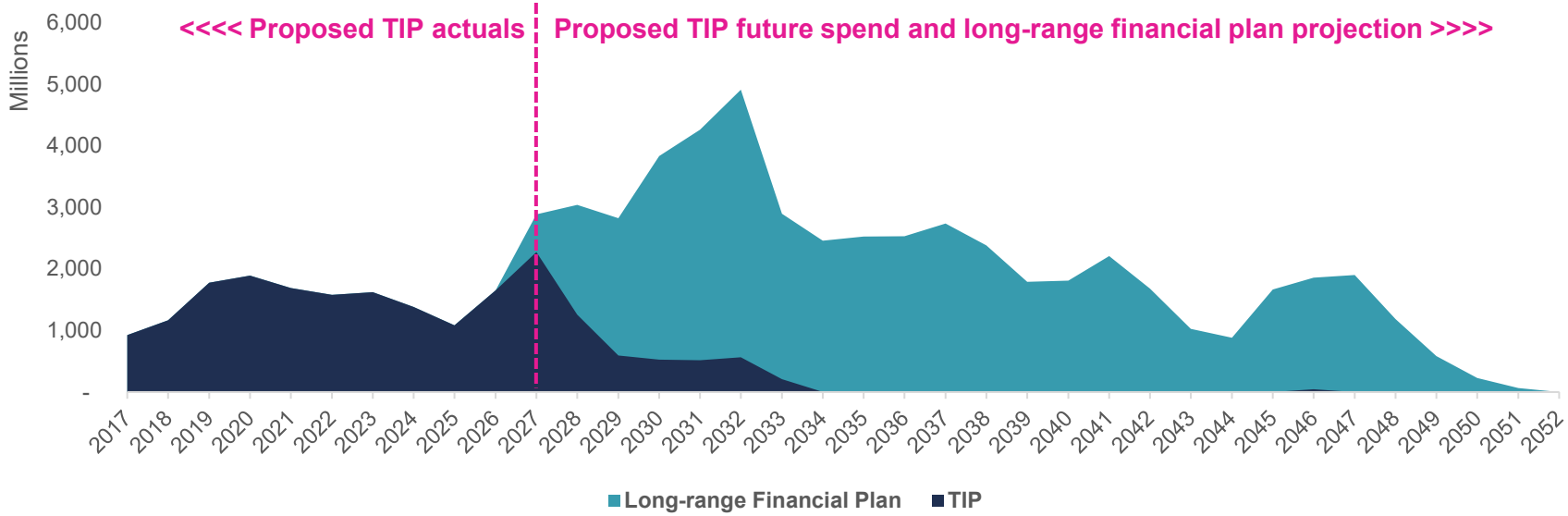





*Includes Board-approved budget amendments through October 2026.

# System expansion look-ahead: $60B projected 2027 and beyond

- $6 billion in authorized allocation (TIP) remaining
- $54 billion in projected project costs not yet included in TIP






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# *Budget Timeline and Next Steps*

# Timeline – 2027 proposed budget and TIP

## October – budget overview, and property tax approval

- ✓ **10/8** – Public hearing for proposed 2027 budget and property tax levy
- ✓ **10/8** – Finance and Audit Committee – overview of proposed 2027 budget and TIP
- ✓ **10/22** – Board – budget overview and property tax levy approval

## November – budget recommendation and approval

- ✓ **11/5** – Executive Committee – recommends to FAC
- ✓ **11/5** – Rider Experience and Operations Committee – recommends to FAC
- ➡ **11/12** – System Expansion Committee – recommends to FAC
- **11/19** – Finance and Audit Committee – recommends to Board
- **11/19**– Board – adoption of the proposed 2027 Budget and TIP

*Thank you.*

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