



August 22, 2025

Tina Pierce

Community Oversight Panel Chair

SENT VIA EMAIL

Dear Ms. Pierce,

As Sound Transit Board Chair, I would like to thank you and the Community Oversight Panel (COP) for your 2024 Year-End Report. Your continued oversight and commitment to quality and fiscal responsibility helps ensure that Sound Transit delivers on our promises to Puget Sound voters.

In 2024, Sound Transit made significant progress on our dual mandate: operating a strong transit system and simultaneously expanding it to all corners of the district. In 2024 we continued to increase system ridership as well as opening Link Extensions on the Eastside and to Lynnwood.

On the operations side:

- We increased total boardings by 11 percent.
- We doubled Sounder North frequencies, adding two Northbound and Southbound trips.
- We updated our Fare Policy and introduced flat \$3 fares for Link.
- We continued our participation in King County's income-based fare program.

On the construction and expansion side:

- We opened eight new 2 Line stations in Bellevue and Redmond.
- We expanded Link service into Snohomish County, with four new stations along the 1 Line to Lynnwood.
- We selected the project to be built for both the West Seattle Link Extension (WSLE) and the Operations and Maintenance Facility South (OMF-S).
- We continued work to ensure smooth openings of the Downtown Redmond Link Extension and final I-90 segment of the East Link Extension.

Additionally, we completed major Service Delivery projects, including replacing rail and East Link signal testing in the Downtown tunnel, and train power tie-ins between the upcoming Federal Way Link Extension (FWLE).

Finally, we advanced our support for local affordable housing production through our Transit Oriented Development (TOD) program, selecting development teams for two sites in Lynnwood and Seattle, and successfully completing our first integrated TOD project in the Gateway Building, atop the University District Station.

Below you will find Sound Transit staff responses to the COP's Year-End Report. The Board is glad you noted support for several Sound Transit initiatives, such as: continued ridership recovery, improvements in the Fare Ambassador program, and implementing the Technical Advisory Group (TAG) recommendations, and more. We're committed to working with you over the course of the year to address the issues you raised.

Financial Stability

COP Concern

Staff have presented several issues affecting the agency's financial stability. The 2025 proposed budget and long-range financial plan reveal challenges, as decreased capital spending from ST2 projects transitioning to service contrasts with increased spending for upcoming ST3 projects. This shift, alongside rising operating costs, strains the agency's funding capacity. The COP is particularly concerned about the Link system's expansion from ST2 to ST3 and the uncertainty of future capital budgets. A critical focus is the anticipated financial pinch point in 2049, when the debt service coverage ratio is projected to decline to 1.56x, approaching the agency's minimum policy threshold of 1.5x. Additionally, the COP is monitoring how cost escalations in specific sub-area projects and expensive route selections, like a West Seattle tunnel, may impact overall ST3 project timelines and finances.

Another factor influencing financial stability is farebox recovery. The agency recently revised its fare policy, adjusting previous targets to those more aligned with peer agencies and more feasible with current circumstances: a minimum of 17% and target of 22% for light rail, 13% minimum and 18% target for Sounder, and 8% minimum with a 13% target for ST Express. These adjustments align with fare revenue projections in the 2023 financial plan.

Given the current environment and changes in federal administration, the COP is also concerned about potential threats to federal funding, FTA staffing capacity, rising material costs, and tariff impacts. The COP is keen to understand how lessons from previous administrations may assist the agency in navigating these challenges.

Sound Transit Response

The agency is continuously evaluating the regional economy and national developments (including items such as tariffs) that impact our revenues, system, and expansion plan. In October 2024, the System Expansion committee put forward a motion that directed the agency to develop a workplan on the programmatic, financial, and project-level measures and opportunities the agency will pursue to improve the agency's financial situation. Currently, the agency is reassessing the estimates to complete the ST3 projects. We will also be updating our long-term revenue forecast. This will provide more data so we can build potential scenarios to address the financial concerns. In past economic cycles and during previous affordability challenges, the Sound Transit Board has utilized available tools to keep the expansion program moving forward and assure service continuity.

Project Delays

COP Concern

The COP is concerned about project delays on the West Seattle and Ballard Link Extensions, which have significant financial implications. The preliminary engineering estimate for West Seattle has risen from \$4

billion to \$6.7-7.1 billion due to factors like market conditions, advanced design, additional site data, and project delays. The Ballard Link Extension faces challenges with federal approvals, city permitting, and construction market conditions, leading to its separation into its own project. The COP urges transparency in alignment and planning decisions to honor the commitments made to voters with ST3.

Sound Transit Response

Last October, the Sound Transit Board adopted Motion No. M2024-59 directing the agency to develop a workplan to identify programmatic, financial, and project-level opportunities to improve the agency's financial position and move WSLE and other ST3 projects forward. The work is actively underway for WSLE, as well as for Ballard Link Extension (BLE) and the full ST3 portfolio. The Board will receive quarterly updates on this effort.

To clarify the project history: WSLE and BLE were always intended to be separate projects, but were initially studied together for environmental review purposes. The Board formally separated the two projects when WSLE advanced into its Final Environmental Impact Statement (EIS), while BLE remained in the Draft EIS phase.

As part of the ongoing workplan, staff are coordinating with the City of Seattle to streamline the permitting process for both the WSLE and BLE projects. We continue to partner with the Federal Transit Administration (FTA) so we can publish a new BLE Draft EIS later this year. The Draft EIS will include updated cost comparisons based on current design and market conditions. Following the public comment period, the Board will have the opportunity to confirm or modify the preferred alternative.

Leadership Vacancies and Reorganization Impacts

COP Concern

Frequent changes in leadership, with three CEOs in as many years, raise concerns about leadership gaps. The COP appreciates the interim leadership of CEO Goran Sparrman and the hiring of senior executives like Terri Mestas. However, the COP seeks more information on the impact of recent reorganizations on staff, particularly the Mobilize One Sound Transit (MOST) initiative, and wanted greater transparency in the executive search process, including candidate scoring criteria and finalist disclosure.

Sound Transit Response

We appreciate the panel's interest in greater transparency for the CEO recruitment process. In line with state law and past agency practice, the Board led the CEO search and included interest holders from across the region. This approach is consistent with past practices for CEO and Deputy CEO recruitments, which protects the privacy of candidates who may already be employed and enables the agency to recruit a rich pool of qualified candidates.

In 2024, we executed Project MOST to strengthen organizational structure and culture that empowers every Sound Transit team member so they can contribute effectively, hold one another and our partners accountable, and make good decisions quickly at the lowest level possible.

Project MOST took a holistic, consolidated agency view to create a structure that: facilitates a One ST mindset to improve collaboration across teams; streamlines the organization to drive efficiency; elevates critical functions to create a culture of innovation; matures the organization to clarify roles, responsibilities, and accountability to increase quality outcomes; and empowers employees by creating a human-centric culture committed to a thriving, healthy and purposeful work environment. Departments and divisions participated in the Team Mobilization process during Q1 2025.

The cultural alignment workstream, Mission in Motion, has kicked off with employee-led focus groups, an anonymous survey, and leadership engagement to complete a current-state assessment.

In May 2025, the Executive Leadership Acceleration Program (ELAP) is launched with two cohorts at the Executive Director and Deputy Executive Director levels. This is designed to develop increased leadership quality through the new leadership competency framework developed with research-based indicators of success.

As always, staff welcome the opportunity to present to the COP on current updates to the Team Mobilization, Mission in Motion, ELAP programs and current senior leadership searches underway.

Technical Expertise Support

COP Concern

While pleased with the implementation of TAG recommendations, the COP sees value in continuing external technical expertise support. This advisory role is crucial as the agency grows and undertakes complex project deliveries.

Sound Transit Response

We appreciate the comment and agree with the need for subject matter experts to assist the agency as we undertake complex projects. The agency receives assistance from a wide array of technical experts nationwide on technical and operational areas related to the capital program and service delivery. We have also received significant value from the Technical Advisory Group (TAG) members. The Board took action in May to approve a contract to retain four of the experts that comprised the TAG for a 12-month period of performance.

Risk Management

COP Concern

The COP identifies system reliability as a key risk, with challenges in fleet service and operational disruptions. While staff have taken steps to enhance system resiliency, ongoing monitoring is essential. Safety also remains a concern, with fatalities and safety issues at stations. The COP recommends leveraging passenger feedback from surveys to guide improvements. The partnership with the Puyallup Tribe of Indians is critical for the Tacoma Link Extension, as their collaboration mitigates delivery risks.

The COP also highlights the need for a comprehensive performance audit and the development of an enterprise risk management program, with a particular focus on cybersecurity. Additionally, the Board should be aware that cost estimates for project alternatives, such as in the CID, NID, and SID station selections, may change, and different alternatives carry varying risk profiles.

Sound Transit Response

Sound Transit acknowledges that enterprise risk management (ERM) plays a critical role in identifying and mitigating agency-wide risks. As part of Project MOST, a new ERM function has been established within the Agency Oversight department. This newly formed business unit has begun actively developing a robust ERM framework, working to identify and assess enterprise-level risks. Although Sound Transit's Information Security team continues to actively manage cybersecurity risks, these efforts will also be integrated within the ERM framework to ensure they are assessed alongside other strategic risks and also inform broader agency-level decision making.

Sound Transit remains focused on identifying and addressing safety and security concerns. Utilizing data to prioritize when and where to utilize resources, specifically, staffing levels by location has allowed Sound Transit to be more impactful with security throughout the system. Identifying and addressing safety concerns at stations to provide a safe transit environment for passengers and staff is part of our comprehensive hazard management program. The station lighting enhancement project is an example of a 2024 safety and security improvement project as it improved the lighting at select stations on the 1 Line. Not only is this project an energy efficiency enhancement but also a safety improvement for both passengers and staff. Passengers benefit from a well-lit platform allowing them clear sightlines. Staff benefit from newer, longer-lasting LED lightbulbs, which reduces the frequency of bulbs replacements that can only be performed by adhering to required safety precautions to replace.

Communications and Engagement Using Technology

COP Concern

The COP acknowledges the agency's efforts in passenger technology and innovation, yet emphasizes the need for timely communication through a centralized app. This app could provide real-time updates, manage disruptions, and collect rider feedback. Community engagement should focus on understanding the perspectives of those funding Sound Transit to identify areas for improvement.

Sound Transit Response

Sound Transit's website is mobile optimized and includes real time arrival information, service alerts, and feedback mechanisms.

Sound Transit is in the process of public beta testing a new regional trip planning tool. Details can be found here: <https://www.soundtransit.org/blog/platform/beta-test-new-sound-rideguide-trip-planner>

Delivery of Service Quality Promised to Voters

COP Concern

The COP stresses the importance of fulfilling commitments in the Sound Transit 3 System Plan. While alternative delivery methods are possible, they must uphold the quality promised to voters. Recent alternatives, particularly for the West Seattle and Ballard Link Extensions, have not always assured the COP of meeting these goals, highlighting a need for ongoing monitoring.

Sound Transit Response

We appreciate the COP's commitment to ensuring Sound Transit upholds the promises made to voters under the ST3 System Plan.

Sound Transit is prioritizing two key strategies to maintain service quality as we adapt project delivery methods for projects like the light rail extensions.

1) Embedding Service Quality Standards into All Delivery Methods:

Regardless of whether projects are delivered through traditional design-bid-build, design-build, or progressive models, Sound Transit is ensuring that the core voter-approved service quality expectations—including reliability, capacity, accessibility, and travel times—are fully embedded into all contractual and design requirements.

- These standards are being established as performance outcomes, not optional targets.

- Project teams are required to demonstrate how evolving designs continue to achieve these service quality benchmarks before advancing to each major project milestone.
- 2) Strengthening Configuration Management and Scope Control:
- To preserve the original ST3 commitments, Sound Transit adheres to its configuration management processes to ensure that any design modifications, delivery method changes, or contractor-driven innovations remain aligned with voter expectations.
- Configuration baselines for critical elements (such as station locations, travel times, system integration, and accessibility features) are being maintained to ensure no degradation of service quality.
 - Any proposed changes are subject to internal review and must demonstrate that service quality will be preserved or improved.
 - Changes that affect promised outcomes cannot proceed without validation and transparent reporting.

Thank you in advance for continuing to stay engaged. If you have questions or comments, please don't hesitate to reach out to CEO Dow Constantine at Dow.Constantine@soundtransit.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Somers', followed by a long horizontal line.

Dave Somers

Chair, Sound Transit Board

cc: Sound Transit Board

Dow Constantine, Chief Executive Officer