



May 11, 2020

Dear Scott Lampe,

As Sound Transit's Board Chair, I would like to thank you and the Citizen Oversight Panel (COP) for your 2020 Year-End Report. With your focus on quality and fiscal responsibility, your oversight helps ensure that Sound Transit fulfills our commitments to Puget Sound voters.

Due to the COVID-19 pandemic, in 2020 we paused certain actions as we assessed our rapidly-changing financial position. However, construction continued at a steady pace, keeping us on track to more than double the network in the next five years. Progress in 2020 included:

- Completing the Connect 2020 project.
- Announcing a new line naming system.
- Breaking ground on our Federal Way Link Extension.
- Committing to becoming an anti-racist organization.
- Reaching 25 percent completion on the Lynnwood Link Extension.
- Completing the downtown Bellevue tunnel.
- Beginning major construction on the Downtown Redmond Link Extension.

Your oversight role will become ever more relevant as we continue through our capital realignment process as a result of the coronavirus-induced recession and the cost growth burdening our major light rail extensions.

Below you will find Sound Transit staff responses to your Year-End Report. Your report was positive and noted support for several Sound Transit initiatives such as our Fare Engagement policy work, attention to equity and inclusion, reorganization of our Safety department, appointment of David Wright as our Chief Safety Officer, and more.

As always, please feel free to follow up with staff for details on any of these issues.

Agency operations

Thank you for acknowledging the adaptability of staff as they kept our transit facilities and modes operating while adjusting to the needs of our passengers during the "Stay Home, Stay Healthy" order. Balancing the needs of staff while meeting the expectations of our passengers remains an ongoing effort. In addition to normal transit operations, the staff's focus has been on preparing for revenue service as projects near completion. Staff remain resilient while awaiting ridership to return and for work teams to return back to an office environment.

Capital project construction

Thank you for acknowledging our large expansion program and our success in staying on schedule with multiple major projects currently under construction. While 2020 was a challenging year for all due to the COVID-19 pandemic, we are proud that we were able to continue construction on our major capital program in anticipation of opening five

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major extensions in the next four years, beginning with the opening of the Northgate Link Extension on October 2. We appreciate the COP's continued insight and oversight of our ongoing portfolio.

Transit-Oriented Development (TOD)

Sound Transit continues to see the results of implementing equitable transit-oriented development (TOD) on its surplus properties, with more than 600 units of affordable housing starting construction in 2020. The agency worked closely with affordable housing funders to plan and implement projects in an effort to maximize the creation of affordable housing in close proximity to Sound Transit stations. The agency also started active planning for future TOD opportunities from several ST2 projects in Kent, Federal Way, Lynnwood, Redmond, Bellevue, and Seattle.

Reliability of state and federal funding sources

Sound Transit will continue to aggressively pursue federal, state and local/third party revenues to help manage the agency's affordability gap. As the impacts of the pandemic began to take effect, the Sound Transit Board adopted a motion (M2020-56) urging that the agency pursue alternative funding sources. In response to that direction, the Board sent letters to members of the State Legislature and the U.S. Department of Transportation urging their help to address the agency's affordability gap.

Historically, the State of Washington has not provided direct funding for Sound Transit, and the agency is currently prohibited from competing for state transportation grant programs. The 2021 legislative session is still underway, so it is unclear if the State will be responsive to the Board's request.

Meanwhile, at the federal level, the agency is deeply grateful for the three COVID relief packages approved by Congress with strong support from the Puget Sound Congressional delegation: the American Rescue Plan (ARP), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the Coronavirus Aid, Relief and Economic Security (CARES) Act. We are particularly grateful that the American Rescue Plan, through our hard work, included a discrete appropriation to boost the Federal contribution to those transit agencies with existing Full Funding Grant Agreements (FFGAs) with a priority on those with low Federal shares. Sound Transit has two such agreements and this provision alone will yield us an additional \$253 million. All three packages provided funding for Sound Transit. The agency continues to work closely with the delegation and USDOT on other funding opportunities with a particular focus on approval of a provision modeled after Section 103 of H.R.2, which passed the U.S. House of Representatives last year. In the Senate last month, Senator Murray, along with Senator Cantwell, introduced legislation (S.837) that would increase federal funding for our FFGA projects by 30% based on total project costs. This legislation – The Public Transit Capital Investment Relief Act - is based on the provision in HR 2 that passed the House in 2020.

Sound Transit will continue to urge adoption of this provision and other investments in public transit as the Congress begins consideration of the Biden Administration's American Jobs Act infrastructure proposal and the reauthorization of the Federal surface transportation programs.

Sound Transit is also pursuing additional federal financing opportunities through the USDOT's TIFIA program. Sound Transit has the largest portfolio of TIFIA loans in the country, and the agency is working to expand that portfolio by adding new scope, and lower the interest rate on existing loans through refinancing. Favorable federal loan terms will expand agency' financial capacity to help address the affordability gap.

Asset Management

Sound Transit's Strategic Asset Management Plan was approved by the CEO in February 2021. This plan was submitted to WSDOT, in accordance with the FTA's Transit Asset Management requirements. Sound Transit will continue to inform the Board and the public about the agency's asset management implementation progress via regular reports to the Board, with emphasis on the agency's progress toward achieving ISO 55001 Asset Management certification by 2024. Additionally, in Q2 2021, the agency will post to its website five passenger experience indices, which reflect Sound

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Citizen Oversight Panel Chair
June 22, 2021
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Transit's asset performance and asset management process performance. These indices are: safe, available, dependable, clean and informed.

Safety

Thank you for acknowledging our work on the safety assurance activities as we work to resume service on the Point Defiance Bypass. April 2021, staff will provide the Board with the Annual Safety Update detailing the new organizational structure and a brief on the agency's 2020 safety performance.

Equity and Inclusion

Thank you for acknowledging our agency's commitment to diversity, equity & inclusion and for placing such high value on this important work. We appreciate the COP's continued support.

Fare Policy and Enforcement

Thank you for acknowledging the effort put forth to address the very challenging issue of Fare Policy and Enforcement and the importance of fares as a component of the Agency's financial capacity to provide ongoing, equitable transportation throughout the region. We appreciate the COP's continued insight into our ongoing initiative.

Conclusion

As you noted in your March 25, 2021 Annual Report, 2020 presented unique and unprecedented challenges for every person in our region. We face many difficult decisions in the year to come, but I am confident that, with the input of the community at large and bodies such as the Citizen Oversight Panel, we will continue forward to deliver the world class transit system our region deserves.

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

As the realignment moves forward, we will post updates and documents at www.soundtransit.org/system-expansion/realignment.

Sincerely,

Kent D. Keel
Chair, Sound Transit Board

Cc: Dow Constantine, King County Executive, Vice Chair, Sound Transit Board
Paul Roberts, Everett City Councilmember, Vice Chair, Sound Transit Board
Peter M. Rogoff, Chief Executive Officer, Sound Transit