

Program Realignment

Illustrative Scenarios

02/25/2021

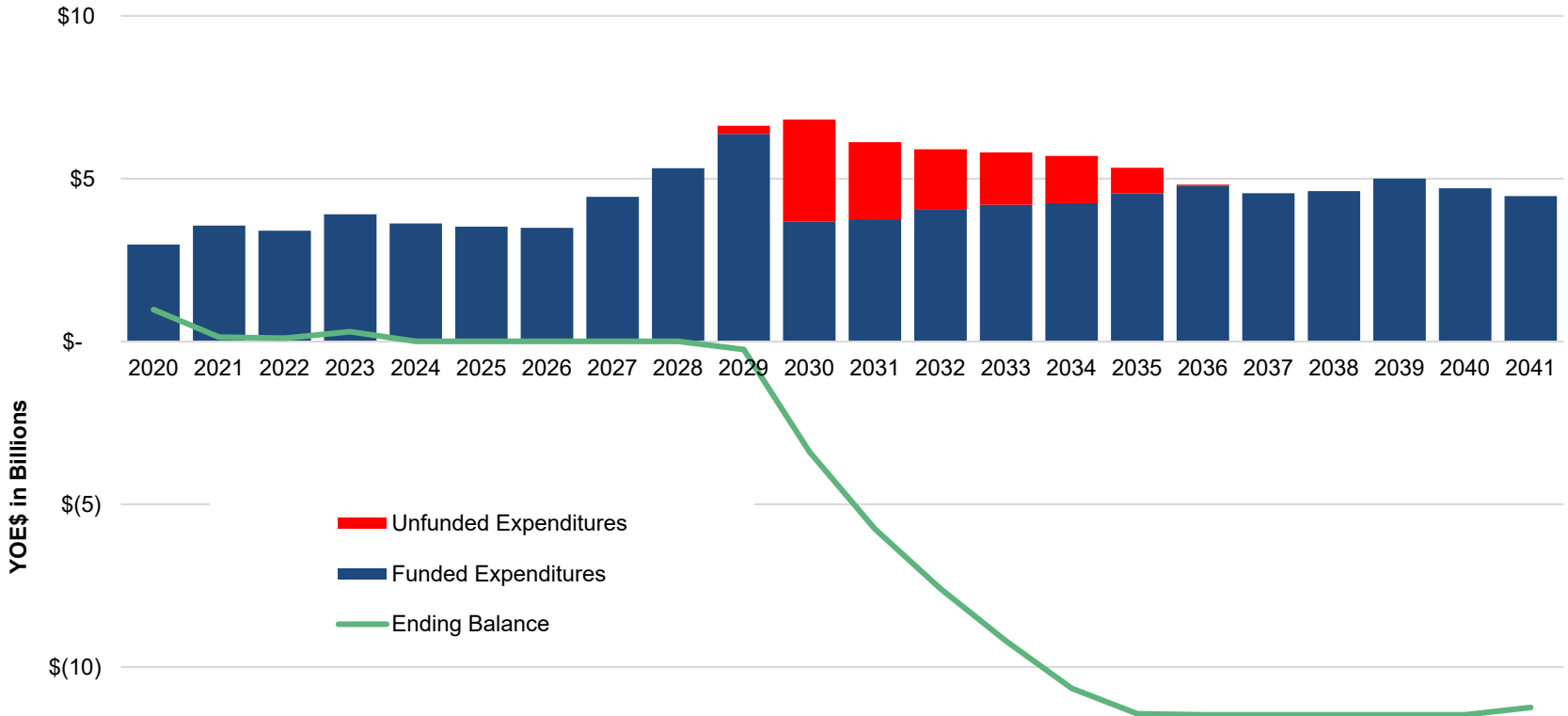
Financial Situation

Financial projections key takeaways

- Current forecasts render the program unaffordable without realignment, triggering Board realignment process.
- Insufficient funds to pay for expenditures starting in 2029 based on current project schedules and budgets.
- Total expenditures (Capital and Operations) exceed available funds yielding affordability gap of \$11.5B through 2041.
- Next update in April.

Affordability gap

Projected \$11.5B, or 11% of the remaining program through 2041



Next financial updates

- March – Initial report from independent cost review.
- April – revenue update, final cost estimate review, and affordability gap update.

***Expanded Capacity
Background***

Possible New Federal Sources to Address Affordability Gap (YOE\$, 2021-2041)

- Increase federal share of new FFGAs: **\$1.5–4.5 billion**
- HR2 (increase federal share of current FFGAs): **\$1.9 billion**
- American Rescue Package - Formula: **\$195 million**
- American Rescue Package - CIG: **\$180–200 million**
- DTRLE Loan and TIFIA Refinance: **\$500 million-\$1 billion**

Amounts are approximate and based on latest assumptions

Possible New State Sources to Address Affordability Gap (YOE\$, 2021-2041)

- Direct appropriation to ST through state transportation package: **\$46 million-\$3.8 billion**
- Authorize ST to receive state grants: **\$50-166 million**
- Reduce ST fees to DOR for tax collection: **\$137 million**

Amounts are approximate and based on latest assumptions

Possible New Local Sources to Address Affordability Gap (YOE\$, 2021-2041)

- RTA vote to increase ST's debt capacity limit: **\$1-3 billion**
- Employer Head Count Tax: **\$685 million**
- Rental Car Tax Increase: **\$71 million**

Amounts are approximate and based on latest assumptions

Impact to Affordability Gap

Source	Range, YOES\$ in Billions
Federal	\$2.2 - \$7.8
State	\$0.1 - \$4.1
Local	\$1.0 - \$3.7
Total	\$3.3 - \$15.7
Impact to Affordability Gap	\$2.3 - \$11.1

The timing of revenue and expenditures change the impact on the affordability gap.

Illustrative Realignment Scenarios

Initial scenarios

Plan-required approach

- Four program scenarios that emphasize different Board criteria.
 - Ridership.
 - Equity.
 - Completing the spine.
 - Tenure + initial approaches to phasing.
- No additional revenue assumed.

Expanded capacity approach

- Tests effects of adding \$4, \$6 and \$9 billion additional capacity to each.

Scenarios are illustrative

Inform discussion only, none are recommended

- Tested to show tradeoffs and prompt discussion.
- Test impacts of various levels of enhanced capacity.
- Not consistent with ST2/ST3 because they do not address the multiple objectives in the plans.
- Subarea equity impacts have not been assessed.
- None of these illustrative scenarios could be adopted in full.

Performance approach

Performance Tiers	Tier 1	Tier 2	Tier 3	Tier 4
Daily Ridership	Above 45,000	23,000-45,000	5,000-23,000	Below 5,000
Equity	High	Medium-High	Medium-Low	Low
Complete the Spine	Everett Tacoma Dome	All other projects		
Tenure/Phasing	ST2 Sounder Stations Minimum Operating Segments O&M Facilities	Retain original ST3 phasing	Rest of LRT + Sounder	All other projects

Daily ridership – project performance

	Tier 1 Above 45,000	Tier 2 23,000-45,000	Tier 3 5,000-23,000	Tier 4 Below 5,000
North	OMF-North*	Everett		NE 130 th St. Edmonds & Mukilteo
East			405 & 522 BRT Bus Base North S Kirkland-Issaquah	N. Sammamish
Central	Ballard 2nd downtown Seattle tunnel	West Seattle		Graham St. Boeing Access Rd. RapidRide C/D
South		Tacoma Dome OMF-South ST3 Sounder	Tacoma Link - TCC	Kent, Auburn, Sumner, S Tacoma, Lakewood DuPont Sounder SR-162

Years of delay under ridership criterion

	No new revenue	\$4 billion	\$6 billion	\$9 billion
OMF-North, Ballard, 2 nd downtown Seattle tunnel	2	2	2	1*
Everett, West Seattle, Tacoma Dome, OMF-South, ST3 Sounder	7	4	2	1*
405 & 522 BRT, Bus Base North, S Kirkland-Issaquah	9	6	6	1*
NE 130 th Street, Edmonds & Mukilteo, N. Sammamish, Graham Street, Boeing Access Road, RapidRide C/D, Other Sounder projects, SR 162	11	8	8	2

Equity – project performance

	Tier 1 High	Tier 2 Medium-High	Tier 3 Medium-Low	Tier 4 Low
North		Everett OMF-North	NE 130 th St.	Edmonds & Mukilteo
East		405 BRT South Bus Base North	522 BRT	405 BRT – North S Kirkland-Issaquah N Sammamish
Central	Graham St. Boeing Access Rd.	Second downtown Seattle tunnel	West Seattle RapidRide C/D	Ballard
South	Kent & Lakewood ST3 Sounder	Auburn & S Tacoma Tacoma Dome OMF-South Tacoma Link - TCC	DuPont Sounder	Sumner SR-162

Years of delay under equity criterion

	No new revenue	\$4 billion	\$6 billion	\$9 billion
Graham Street, Boeing Access Road	2	2	2	1*
Everett, OMF-North , 405 BRT South, Bus Base North , Second downtown Seattle tunnel , Auburn & S Tacoma, Tacoma Dome, OMF-South , Tacoma Link-TCC	6	2	2	1*
NE 130 th St, 522 BRT, West Seattle RapidRide C/D, DuPont Sounder	8	6	2	2
Edmonds & Mukilteo, 405 BRT-North, S Kirkland-Issaquah, Ballard, Sumner, SR 162	10	8	4	2

Spine – project performance

	Tier 1 Complete Spine	Tier 2 All others
North	Everett OMF-North	All other projects
East		All projects
Central	Second downtown Seattle tunnel	All other projects
South	Tacoma Dome OMF-South	All other projects

Years of delay under spine criterion

	No new revenue	\$4 billion	\$6 billion	\$9 billion
Everett, OMF-N, OMF-S, Second downtown Seattle tunnel, Tacoma Dome	2	2	2	1*
All other projects	9	6	4	2

Phasing projects

First Segment

- Common approach elsewhere; Sound Transit has used before.
- Spreads costs over more time to better match financial capacity.
- Build an operable portion of project instead of waiting until the full project can be completed.
- Needs an interim terminus that connects to existing transit services.
- Phasing can adjust project length and/or project features.
 - E.g. interim terminus with all parking vs. full-length project but with no parking

Everett Link Extension

- Possible interim terminus at Mariner with additional track leading to OMF-North.



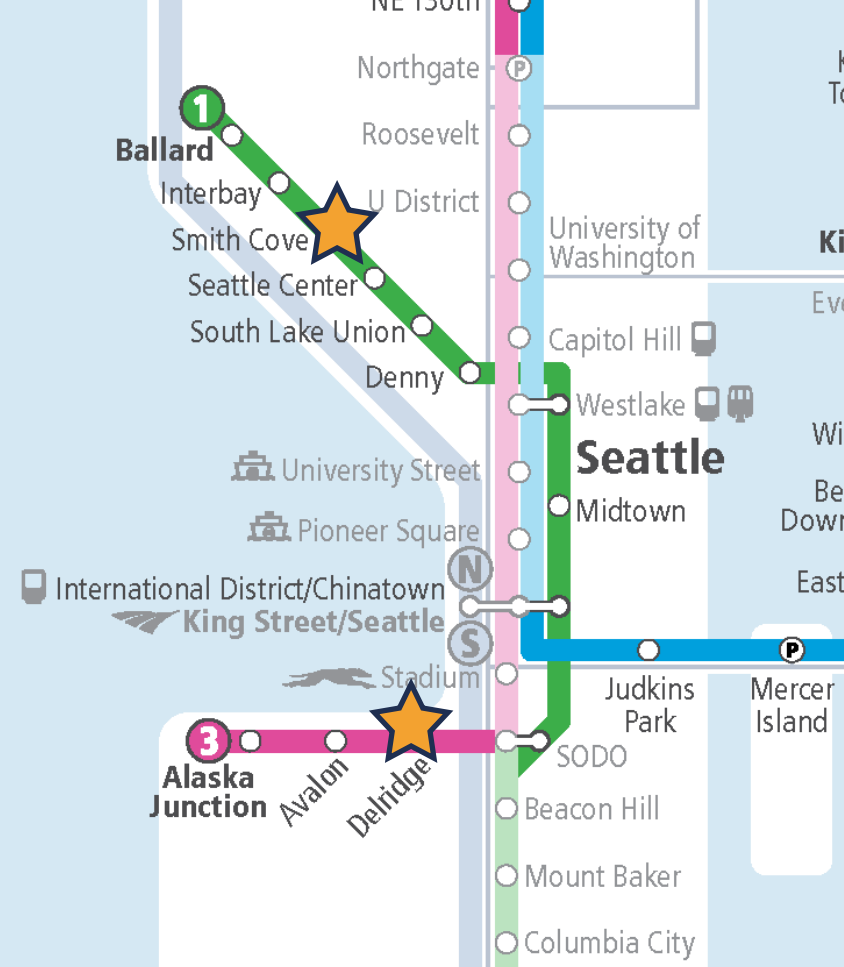
Tacoma Dome Link Extension

- Possible interim terminus at Fife.



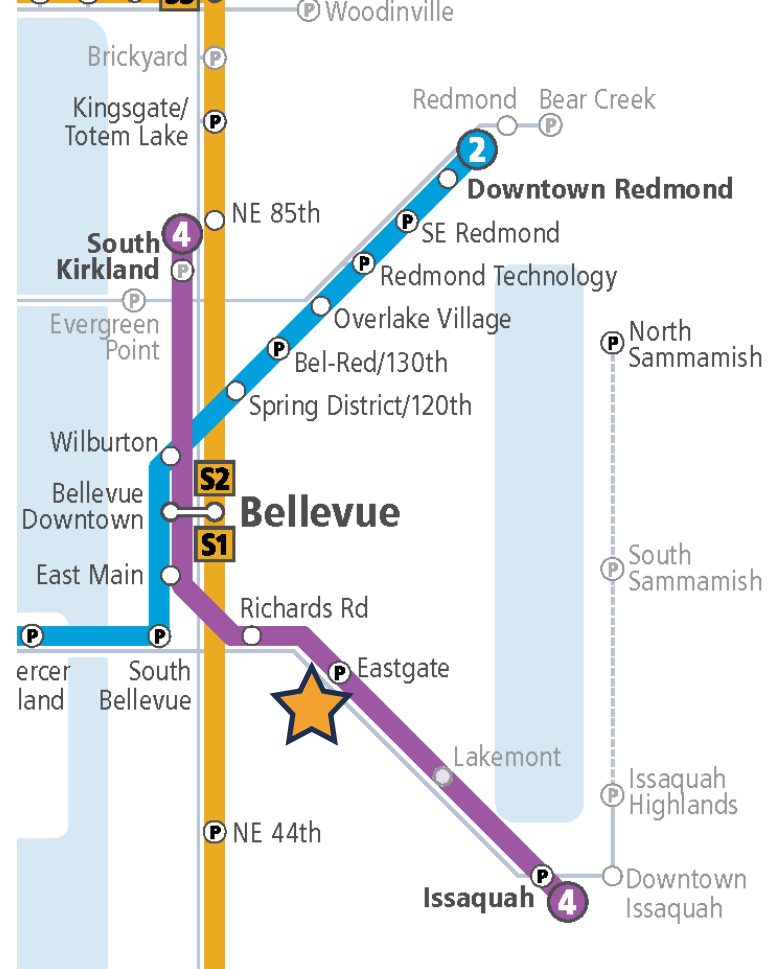
West Seattle and Ballard Link Extensions

- Possible interim termini at Smith Cove (1 Line) and Delridge (3 Line).



South Kirkland-Issaquah

- Possible interim terminus at Eastgate.



Tenure/phasing – project performance

	Tier 1	Tier 2	Tier 3	Tier 4
North	Lynnwood-Mariner OMF-North		Mariner-Everett	NE 130 th St. Edmonds & Mukilteo
East	405 BRT South 522 BRT: all but parking Bus Base North S. Kirkland to Eastgate	405 BRT North 522 BRT: parking		N Sammamish Eastgate-Issaquah
Central	Smith Cove-Delridge	Delridge-Alaska Junction	Smith Cove- Ballard	Graham St. Boeing Access Rd. RapidRide C/D
South	Kent*, Auburn*, Sumner*, S Tacoma*, Lakewood* Federal Way-Fife OMF-South ST3 Sounder: platforms	Fife-Tacoma Dome	Hilltop-TCC DuPont Sounder ST3 Sounder: trips & access	SR-162

Years of delay under tenure/phasing criterion

	No new revenue	\$4 billion	\$6 billion	\$9 billion
Lynnwood-Mariner, OMF-N , 405 BRT South, 522 BRT (w/o parking), Bus Base North , S. Kirkland-Eastgate, Smith Cove-Delridge, Sounder ST2 projects, Federal Way-Fife, OMF-S , Sounder platforms	2	2	2	1*
405 BRT North, SR 522 BRT (parking), Delridge-Alaska Junction, Fife-Tacoma Dome	4	2	2	1*
Mariner-Everett, Smith Cove-Ballard, Hilltop-TCC, DuPont, Sounder trips and access	12	7	4	2
NE 130 th St, Edmonds & Mukilteo, N. Sammamish, Eastgate-Issaquah, Graham Street, Boeing Access Road, RapidRide C/D, SR162	14	14	14	2

Phasing facilitates progress in all corridors

	No new revenue	\$4 billion	\$6 billion	\$9 billion
Lynnwood-Mariner, OMF-N , 405 BRT South, 522 BRT (w/o parking), Bus Base North , S. Kirkland-Eastgate, Smith Cove-Delridge, Sounder ST2 projects, Federal Way-Fife, OMF-S , Sounder platforms	2	2	2	1*
405 BRT North, SR 522 BRT (parking), Delridge-Alaska Junction, Fife-Tacoma Dome	4	2	2	1*

- Limited delay at all funding levels while expanding regionally
- Creates time to pursue additional capacity to complete projects

Next Steps

Next steps

Anticipated realignment work through July

March	Discuss realignment framework and public engagement.
April	Seek public feedback; discuss affordability gap update.
May	Discuss public feedback and Board priorities.
June	Develop realignment plan(s).
July	Take final action to adopt realignment plan(s).

Thank you.



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