



Potential Boardmember Amendments to the ST3 Program Realignment Resolution and Exhibit A presented at the June 24, 2021 Board meeting and Substitute Resolution, Substitute Exhibit A and Substitute Exhibit B presented at the July 22, 2021 Board meeting. The Substitute Resolution is based on an affordability gap of \$6.5 billion.

Proposed Amendments received as of July 30, 2021

No.	Page No.	Amendment	Board Sponsor	Financial Impact
1	Page 1-4	Amend Resolution No. R2021-05 by substitution with the following documents: <ul style="list-style-type: none">• Substitute Resolution• Substitute Exhibit A – Affordable Schedule• Substitute Exhibit B – Initial Target Schedule• Substitute Exhibit C – Sources and Uses• Substitute Exhibit D – ST2 & ST3 Project Benefits And, offer Exhibit E – Financial Policies as a new exhibit.	Chair Keel and Boardmember Balducci	This resolution brings the agency from a \$6.5M affordability gap to an affordable financial plan at both the agency and subarea level.

No.	Page No.	Amendment	Board Sponsor	Financial Impact
2	Page 2	<p>Amend Section 2 of Resolution No. R2021-05 as follows:</p> <p><u>Section 2:</u> To ensure that funding remains available to complete all voter approved projects, the Board also establishes a program schedule that is affordable utilizing current financial projections and cost estimates <u>to serve as the general order in which projects will advance</u>. The affordable schedule establishes tiers of projects to prioritize, fund and manage program work over time based upon the Board’s review of project evaluations using the criteria established in the Ballot Measure (Resolution No. R2016-17), and Motion No. M2020-36, <u>and the five core principles identified in both Motion No. M2020-36 and Motion No. M2020-37</u>. The tiers and currently affordable completion date for each project are depicted in Exhibit A (Affordable Schedule).</p> <p>And amending Resolution No. R2021-05 to add the following as Section 3:</p> <p><u>Section 3: The criteria set forth in Motion No. M2020-36 and Motion No. M2020-37 expanding regional transit to the Central Puget Sound region are essential to address climate change, reduce greenhouse gas emissions, and build a sustainable future for the Puget Sound region.</u></p>	Boardmember Roberts, Smith and Somers	N/A

Amend Section 4 of Resolution No. R2021-05 as follows to improve financial capacity:

Boardmember
Durkan

N/A

Section 4. In order to improve projected financial capacity, reduce project affordability gaps and deliver projects in a timely manner, the chief executive officer is directed to:

- Pursue expanded financial capacity per Motion No. M2020-37 to enable timely delivery of voter approved plans including, but not limited to, state funds, additional federal funds, reduced borrowing costs through federal and other sources, increased debt capacity, and other new sources such as tax increment financing partnerships; and
- Develop and implement a cost savings work plan, to be overseen by the System Expansion Committee with regular ~~quarterly~~ reports, for projects and programs currently in development ~~for which will identify a menu of options to address~~ project level affordability gaps; and
- Review operations and maintenance, administrative and personnel costs outside of the capital budget to identify cost savings for the Sound Transit budget; and
- Identify opportunities to reduce cost and planning delays, including creating an ad-hoc technical advisory group of several outside experts to meet for several months with the mission of looking for all possible ways to accelerate system expansion, highlight schedule risk including current project delivery timelines, and identify opportunities to mitigate risk, streamline third party negotiations, reduce permitting delays and expedite the delivery of said projects; and
- Engage project stakeholders in intensive discussions to address the trade-offs between project scope, schedule, and new financial resources to inform Board decision-making on project schedules; and
- Solicit the engagement of all Board members, as appropriate, to advance the processes cited in this section.

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4	Page 3	<p>Amend Section 4 of Resolution No. R2021-05 by inserting the following as the last bullet:</p> <ul style="list-style-type: none"> • <u>As part of the annual program review, identify opportunities and make recommendations to deliver flexible, innovative and affordable methods to get people to transit stations, if structured parking facilities have to be delayed.</u> 	Boardmember Baker	N/A

5 Page 3 and Page 6 Amend Section 5 of Resolution No. R2021-05 as follows: Boardmember Somers and Boardmember Dammeier N/A

Section 5: Schedule assessments based on available agency projected financial capacity and subarea affordability as well as project readiness will occur during project development to determine if projects can continue to progress on the Initial Target Schedule or if the Affordable Schedule is needed. If the affordability gap is partially reduced, staff will assess whether a completion date between the Initial Target and Affordable Schedules is affordable and achievable.

These schedule assessments will occur before the following milestones:

- the start of preliminary engineering (which for large projects occurs after the Draft Environmental Impact Statement and preferred alternative update); and
- the project to be built decision (which occurs after environmental review is complete); and
- project baselining (which occurs before construction)

The funding likely to be available will inform preliminary engineering design, including contract packaging and phasing options. At the project to be built milestone, a full funding plan must be in place to determine a timeline for final design, rights-of-way (ROW) acquisition, and planned construction that will not impact the ability to deliver other system expansion projects on the Affordable Schedule. At project baselining, all funding must be secured before a project enters full construction. The Board will not authorize final design, ROW, or construction expenditures on any individual project which would cause delay to the Affordable Schedule for other projects unless the project's funding gap has been offset.

And, amend Section 6 of Resolution No. R2021-06 as

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		<p>follows:</p> <p><u>Section 6:</u> The chief executive officer is further directed to prepare a 2021 TIP and financial plan. The new TIP will replace the five-year delay assumed in the 2020 TIP. Project development and environmental reviews will be adequately funded so as to ensure the opportunity to deliver projects based on the Initial Target Schedule without impacting the Affordable Schedule. The Schedule assessments described in Section 5 will determine inform the schedules for final design, ROW acquisition, and construction.</p>		

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6	Page 4	<p data-bbox="338 131 1129 164">Amend Section 7 of Resolution No. R2021-05 as follows:</p> <p data-bbox="338 180 1129 245"><u>Section 7:</u> To support continued Board oversight and accountability, the CEO is directed to:</p> <ul data-bbox="338 261 1129 1507" style="list-style-type: none"> <li data-bbox="338 261 1129 326">• Report biannually to the System Expansion Committee the status of current and anticipated cost drivers; and <li data-bbox="338 342 1129 521">• Expand the scope of the independent cost consultant contract to include development of recommended project management practices to enhance scope, change, and cost control and to review the potential cost saving options; and <li data-bbox="338 537 1129 667">• Hire an independent consultant to report directly to and assist the Board in reviewing the cost savings work plan and the structure of the new annual program review; and <li data-bbox="338 683 1129 894">• Separate from the regular reporting cycle, notify the Board in a timely manner of any information that may materially impact the cost or schedule of projects so that the System Expansion Committee can review that information as part of the committee’s ongoing oversight of projects; and <li data-bbox="338 911 1129 1122">• In concert with the chief financial officer, report to the Board before each baselining action on the affordability of the project to be baselined and whether such baselining action influences the affordability and delivery timeline for all other projects in the capital program; and <li data-bbox="338 1138 1129 1507">• Routinely inform the Board of Directors on the agency’s adherence to schedule milestones during the planning and design process for all projects and identify where any delays in these pre-construction activities are processes is likely to trigger a delay in the final delivery date of any project <u>and establish new milestones to monitor during the construction and testing phases for the same monitoring and report any construction and testing delays that will trigger a delay in final project delivery.</u> 	Boardmember Durkan	N/A

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7	Exhibit A, Page 1	<p>Amend Exhibit A of Resolution No. R2021-05 to:</p> <p>Move the NE 130th Infill Station from Tier 2 to Tier 1, and change the estimated completion date from 2036 to 2025, and</p> <p>Move the Graham St. Infill Station from Tier 2 to Tier 1, and change the estimated completion date from 2036 to 2031, and</p> <p>Move the Boeing Access Road Infill Station from Tier 2 to Tier 1, and change the estimated completion date from 2036 to 2031, and</p> <p>Delay Smith Cove-Ballard by one year to 2040, and</p> <p>Amend Exhibit B of Resolution No. R2021-05 to:</p> <p>Move the NE 130th Infill Station from Tier 2 to Tier 1, and change the estimated completion date from 2036 to 2025, and</p> <p>Move the Graham St. Infill Station from Tier 2 to Tier 1, and</p> <p>Move the Boeing Access Road Infill Station from Tier 2 to Tier 1.</p>	Chair Keel	No substantive impact to agency or subarea finances because the changes offset each other.
8	Exhibit A, Page 1 and Exhibit B Page 1-2	<p>Amend Exhibit A and B of Resolution No. R2021-05 to:</p> <p>Move the Graham St. Infill Station from Tier 2 to Tier 1, and change the estimated completion date from 2036 to 2031, and</p> <p>Amend Exhibit B of Resolution No. R2021-05 to:</p> <p>Move the Graham St. Infill Station from Tier 2 to Tier 1.</p>	Boardmember Durkan	These changes would reduce agency debt capacity by \$40M and would reduce the North King subarea's ending balance by \$50M. These changes increases the risk profile of the program and the potential for subsequent unaffordability. Additionally, they will increase the amount of individual project offsets required on other projects within the subarea and potentially other subareas to reach the Initial Target Schedule.

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9	Exhibit A, Page 1 and Exhibit B Page 2	Amend Exhibit A and B of Resolution No. R2021-05 to: Move Tacoma Dome Link parking from Tier 4 to Tier 3, change the estimated completion dates from 2040 to 2038, and delay Sounder Additional Trips to 2046.	Boardmember Dammeier, Roscoe, and Woodards	No substantive impact to agency or subarea finances because the changes offset each other.