

2026 Proposed Budget and Transit Improvement Plan

Executive Committee

11/06/2025



Why we are here

- *Provide information on the 2026 proposed budget and Transit Improvement Plan (TIP)*
- *Request that the Executive Committee recommend the portions under purview to advance to the Finance and Audit Committee*
 - System Expansion Projects – Other (projects not associated with a single mode)
 - Debt service

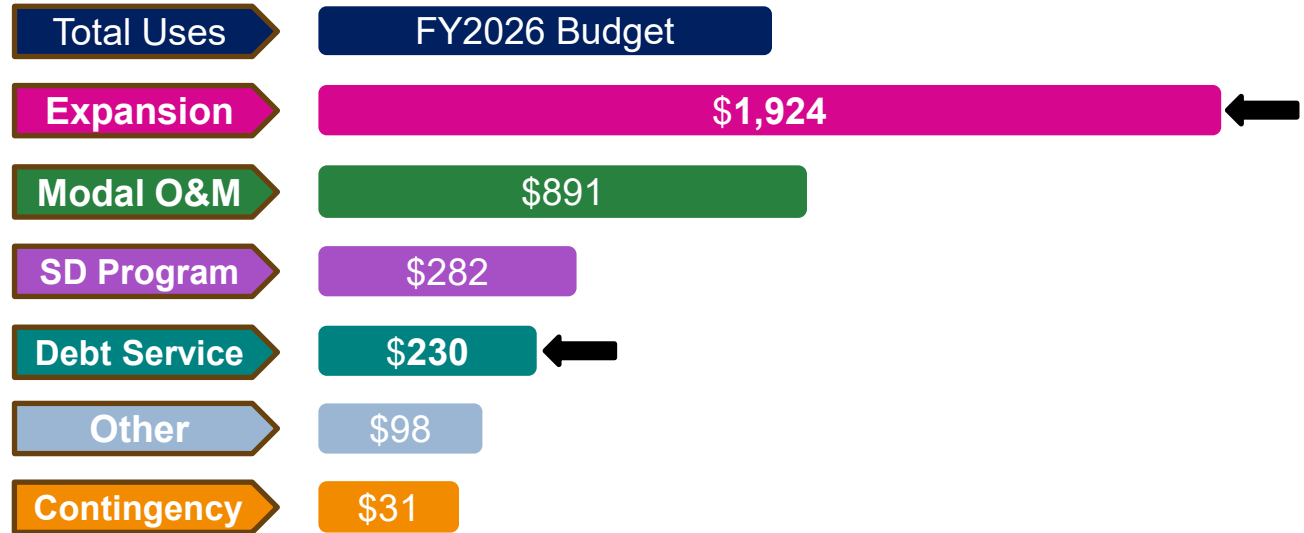
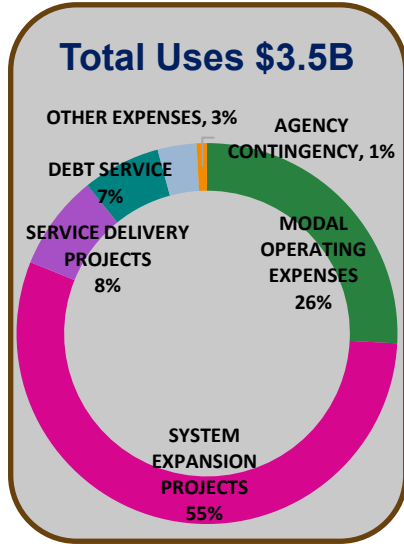
Budgets within Committee Purview

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

2026 Proposed Budget Summary

FY 2026 Overview – Expenditures

(In millions)

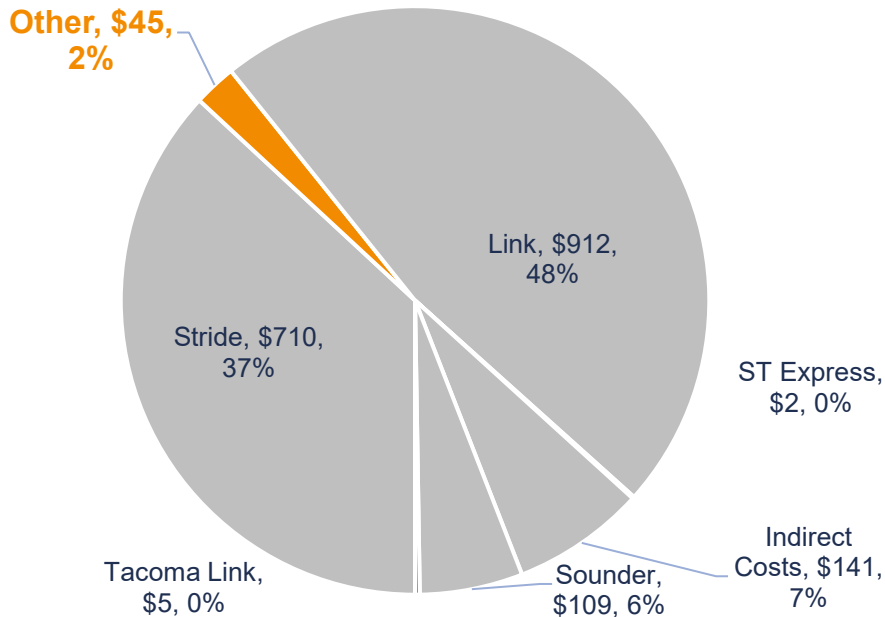


- Expansion Projects: Link shifts to spending on projects in planning, heavy Stride construction
- Modal Ops: Full year of Downtown Redmond and Federal Way; opening Crosslake Connection
- Service Delivery Program: Fund critical agency IT, SOGR, resiliency, and World Cup needs
- Debt service: Interest begins with drawdown of TIFIA loans; retirement of variable bonds in 2025

System Expansion Projects-
Other

System Expansion Other 2026 Proposed Budget: \$45M

\$1.9B System Expansion Projects (million)



2026 Highlights:

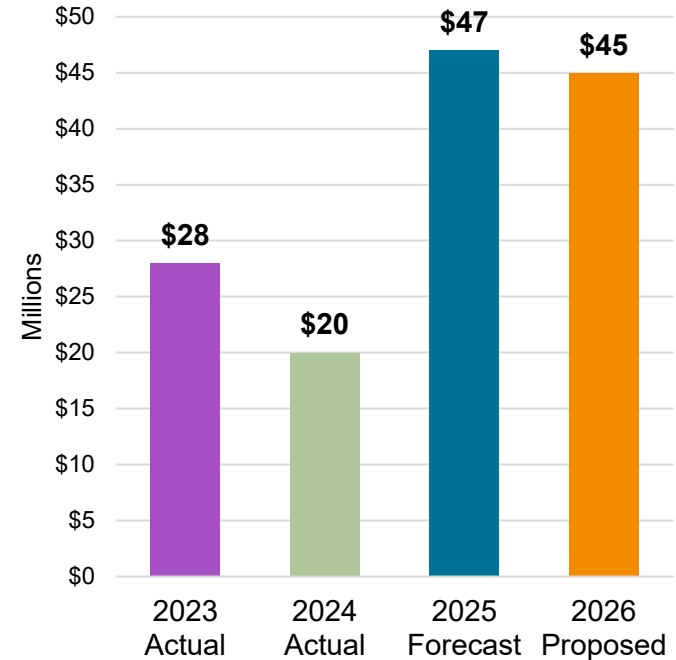
- **Innovation & Tech:** Unified Control Center technology solutions, enhanced trip planning, and a faregate pilot.
- **ST Art:** Fabrication of BRT art, installation at FWLE, and finish sounder garage art.
- **ST3 Planning:** Long-range transit plan, ridership forecasting, and ST3 system plan.
- **TOD Planning:** Advancing joint development sites for Link projects in planning.
- **ORCA Next Gen:** PCI compliance and LIFT registry state of good repair.

Annual Trends - System Expansion Other Projects

**3% projected decrease 2025
forecast to 2026 proposed
budget**

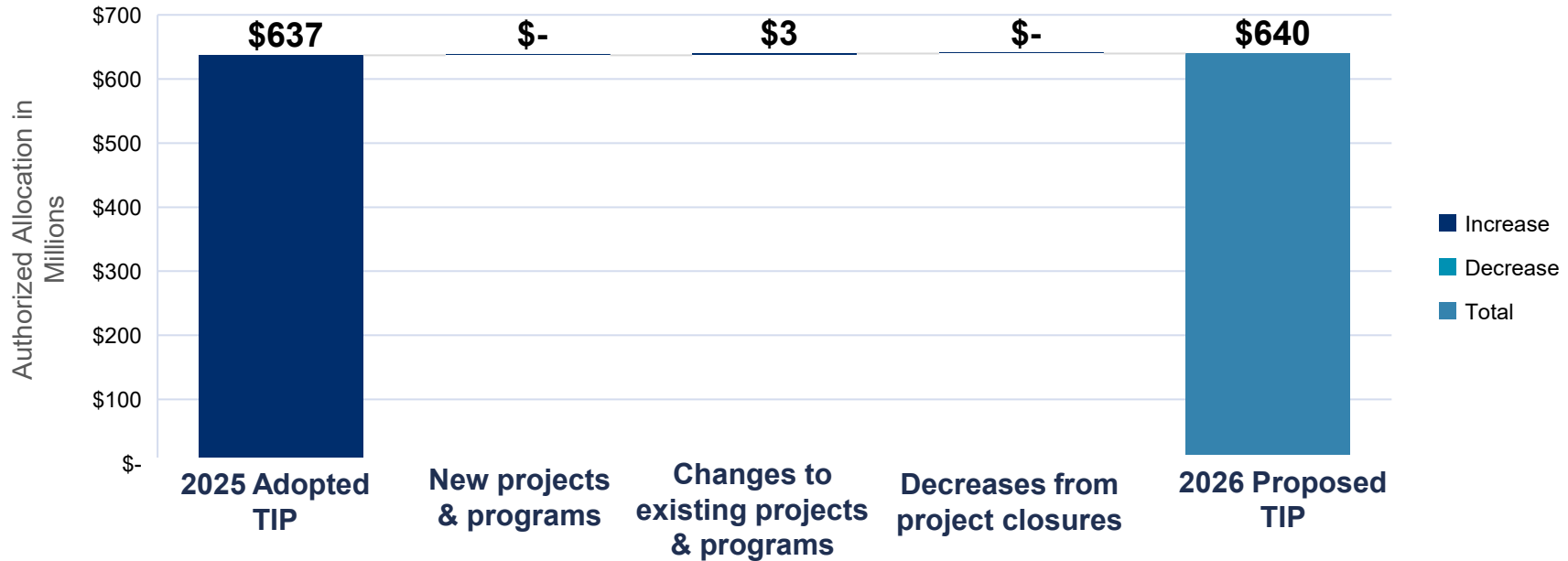
Major drivers include:

- ST Art
- Transit system access program
- Fare administration



Changes to Transit Improvement Plan: 2025 Adopted TIP to 2026 Proposed TIP

\$2.7M (0.4%) increase in total authorized dollars for system expansion – other

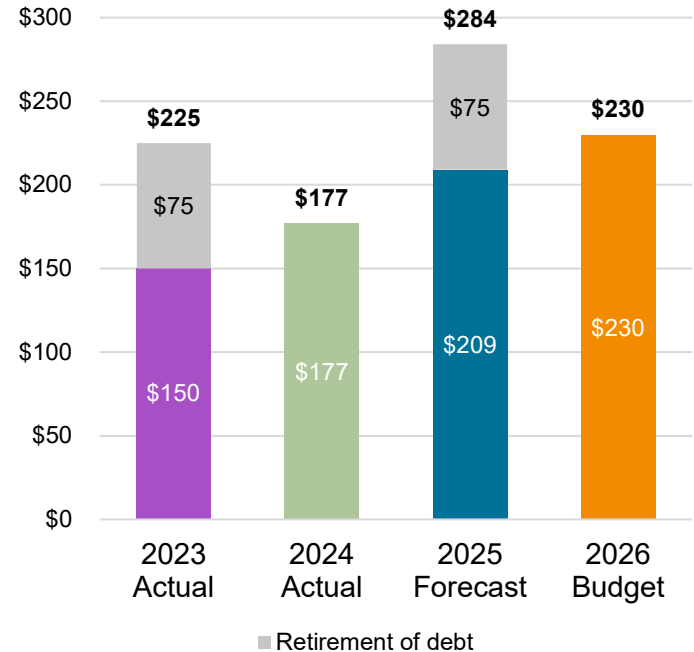


Debt Service

Debt Service 2026 Proposed Budget: \$230M

19% decrease from 2025

- Principal and interest on existing bonds and loans
- Interest on TIFIA loans for Pinehurst and Sounder Access draws



Budget Timeline and Next Steps

Timeline

October – long-rang plan, budget overview, and property tax approval

- ✓ **10/9** – Public hearing for proposed 2026 budget & property tax levy
- ✓ **10/9** – Finance & Audit Committee – Overview of Long-Range Financial Plan projections and proposed 2026 budget and TIP
- ✓ **10/23** – Board – budget overview and property tax levy approval

November – budget recommendation and approval

- ➡ **11/6** – Executive Committee – recommends to FAC
 - **11/6** – Rider Experience and Operations Committee – recommends to FAC
 - **11/13** – System Expansion Committee – recommends to FAC
 - **11/20** – Finance and Audit Committee – recommends to Board
 - **11/20** – Board – adoption of the proposed 2026 Budget and TIP

Thank you.



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