

Capital Program Realignment

05/28/20

Why we are here

Informational only, no Board action

- Describe past priorities and criteria for adjusting voter-approved plans and provide a financial update.

Sept. 2010 Board workshop

Project realignment – high priorities






- Achieve goals of voter-approved System Plan.
- Preserve projects underway or near completion.
- Maintain current assets.

Sept. 2010 Board workshop

Project realignment – lower priorities

- Projects meeting fewer System Plan goals.
- Discretionary programs.
- Maintaining project reserves.
- Projects with undefined scope or uncertain partner commitments.
- Projects or services with low ridership.

ST2 project realignment categories

-  **Design & construct** as planned.
-  **Continue** with schedule and affordability risk.
-  **Retain limited funding** to develop future options.
-  **Suspend indefinitely and remove** from finance plan.
-  **Delete** project from program entirely.

Realignment status per corridor (2010)

North/Central Corridors

- University Link
-  Mountlake Terrace Freeway Station
- Northgate Link
- Edmonds Permanent Station

-  Northgate-Lynnwood HCT
- Mukilteo Station South Platform

-  Edmonds ST2 Station

Realignment status per corridor (2010)

South Corridor



D St to Lakewood
Sounder easements



Link South of 200th
PE/ROW 272–Tac. Dome
South King Sounder Access



Link S. 200th (accelerated)
Tacoma Link Extension
Sounder track work
Tukwila Sounder Station



Sounder platform extension

Realignment status per corridor (2010)

East Corridor



Kirkland Transit Center
R8A



East Link



Overlake–Redmond PE



Eastside rail corridor partnership
Renton HOV direct access
Bothell TC

Realignment status per corridor (2016)

North/Central Corridors

University Link

Mountlake Terrace Freeway Station



Northgate Link

Edmonds Permanent Station

Northgate-Lynnwood HCT



Mukilteo Station South Platform



Edmonds ST2 Station

Realignment status per corridor (2016)

South Corridor

-  D St to Lakewood
Sounder easements
Link S. 200th (accelerated)
Tacoma Link Extension
Sounder track work
Tukwila Sounder Station
-  Link South of 200th
South King Sounder Access

New Category

-  Kent/Des Moines – Fed Way
Fed Way – Tacoma Dome
Sounder Platform Extension

Realignment status per corridor (2016)

East Corridor



Kirkland Transit Center, R8A
East Link



Bothell TC



Overlake–Redmond PE



Eastside rail corridor partnership
Renton HOV direct access

Three levels of evaluation

Summary of ST2 & ST3 development and ST2 realignment

- Program affordability.
- Project – core principles.
- Project – other considerations.

Economic & Financial Update

Economic and Financial update

- 16.4% April national retail sales decline.
- 43% in WA work in high job loss industries.
- 28% of the WA workforce filed unemployment claims.
- March sales tax down 25% over 2019.
- April MVET down 25%.
- Rental Car Tax down 87%.
- ST Ridership down 86%.
- Fare-free service on Link/Sounder March 20–May 31.
- Fare-free service continues on ST Express.

Economic and Financial update

- Actual tax receipts for April, May.
- Duration of the recession.
- Depth of the recession.
- What recovery may look like.

Current Recession Scenarios

Moderate Recession Scenario			
	2020	2021	2020&2021 Revenue Loss
Sales Tax Loss	-26%	-27%	\$ (766,210,083)
Total Tax and Fares Loss	-23%	-21%	\$ (908,870,557)
CARES ACT			\$ 166,000,000
Net Revenue Loss			\$ (742,870,557)
Severe Recession Scenario			
	2020	2021	2020&2021 Revenue Loss
Sales Tax Loss	-31%	-35%	\$ (975,969,211)
Total Tax and Fares Loss	-27%	-27%	\$ (1,118,629,851)
CARES ACT			\$ 166,000,000
Net Revenue Loss			\$ (952,629,851)

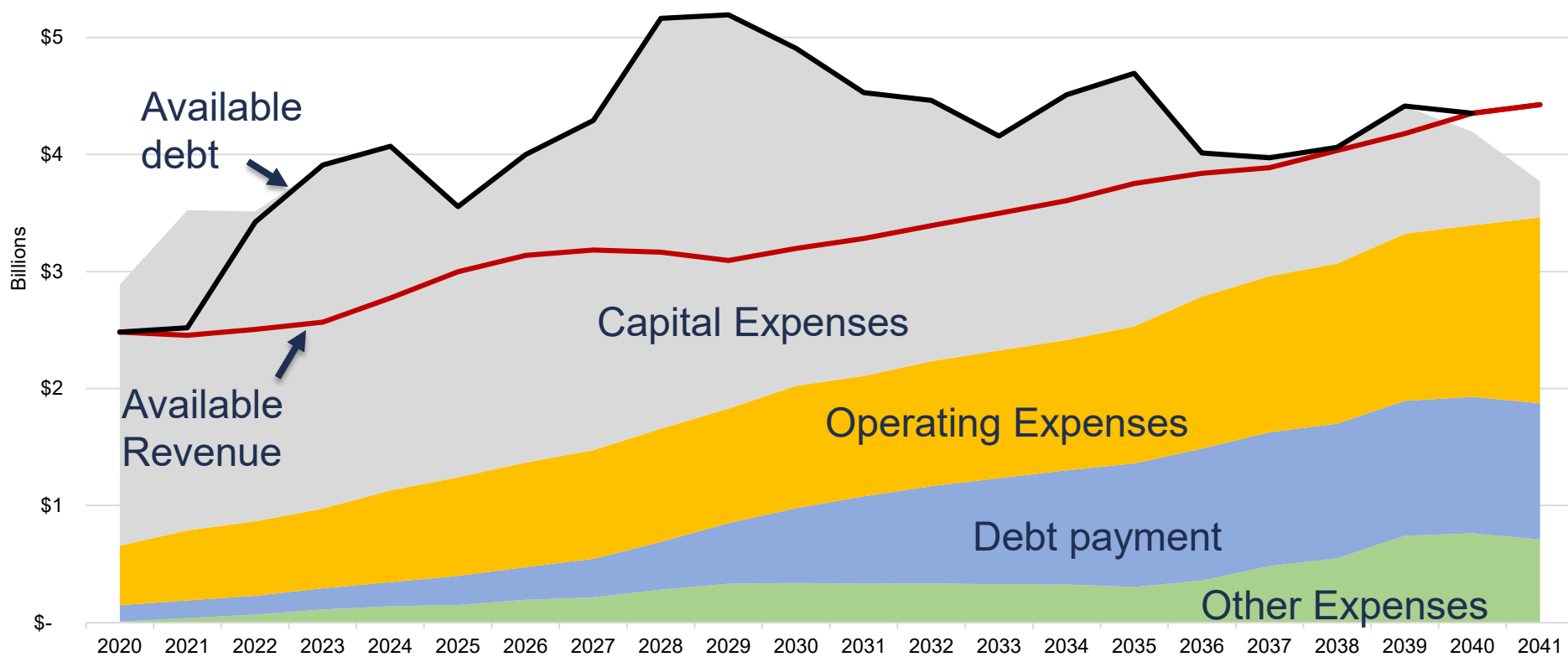
Program affordability

Major affordability considerations:

- Revenues.
- Capital, operating and other costs.
- Debt payment.
- Borrowing capacity.
- Cash flow timing.
- Duration of the program.

Affordability Illustration – Affordable Scenario

Fall 2019 Projections



Borrowing Capacity driven by 3 measures

- ***Legal debt capacity***

1.5% of ST's assessed property value. This limit will change as property values change.

- ***Financial Policy - Net Coverage Ratio:***

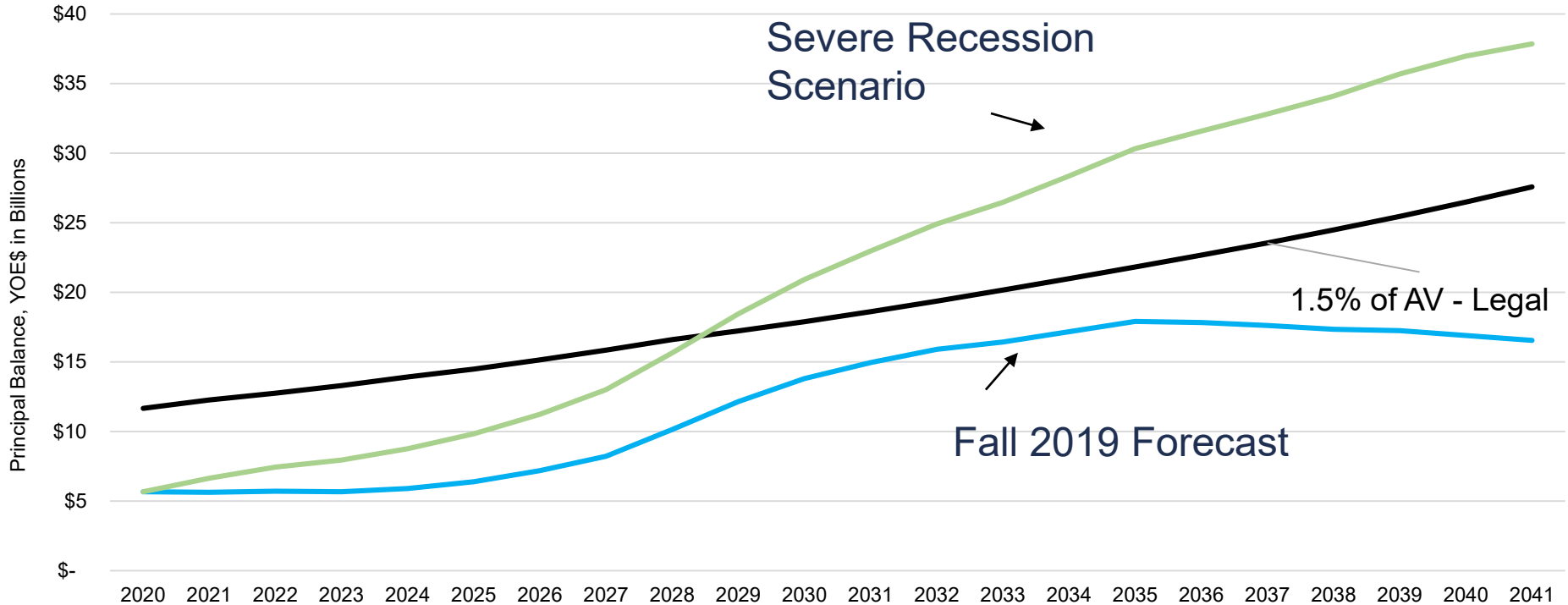
Ensure ability to pay for operations and to bondholders.

- ***Bond Covenants - Gross Coverage Ratios & Add Bond Tests***

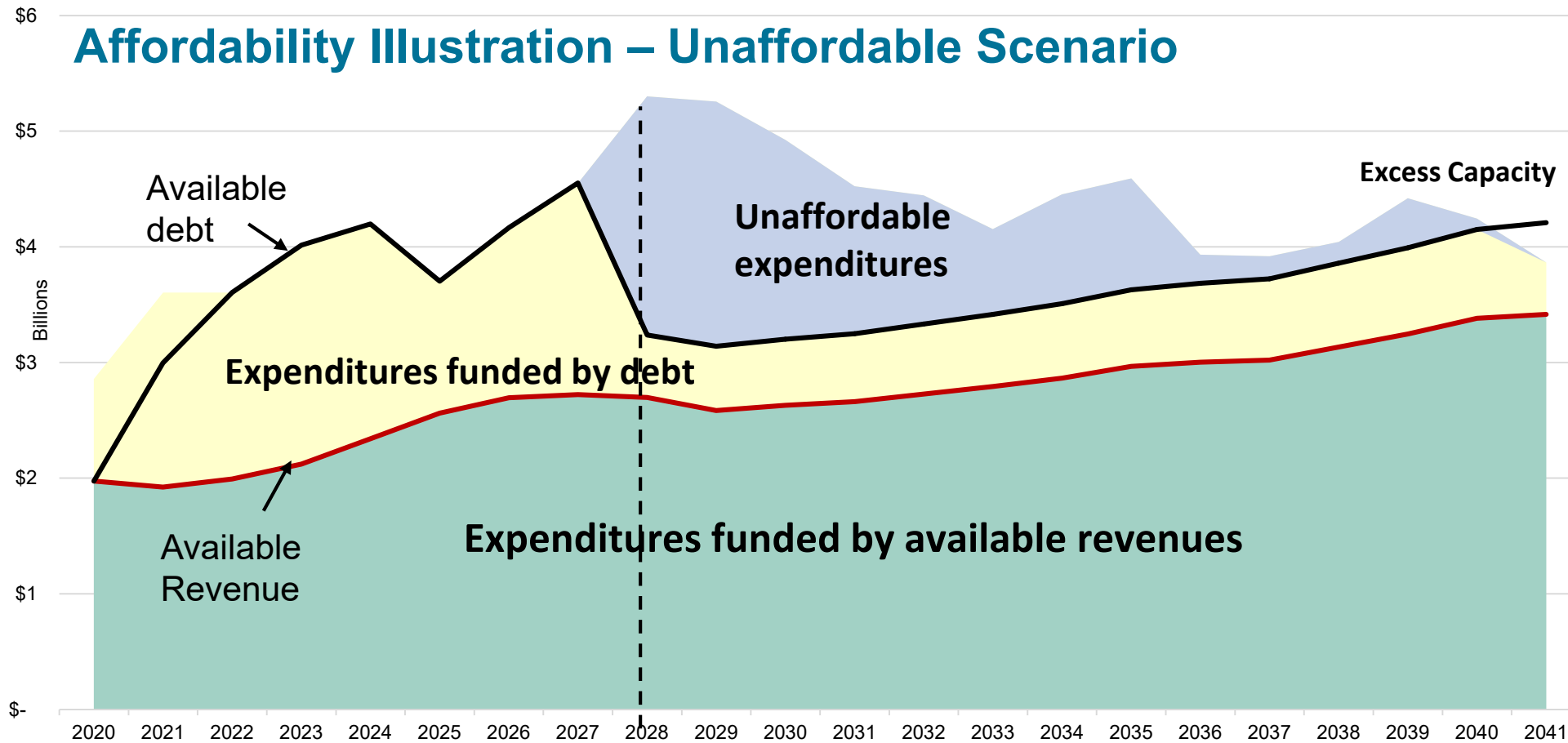
Ensure bondholder protection.

Legal debt capacity

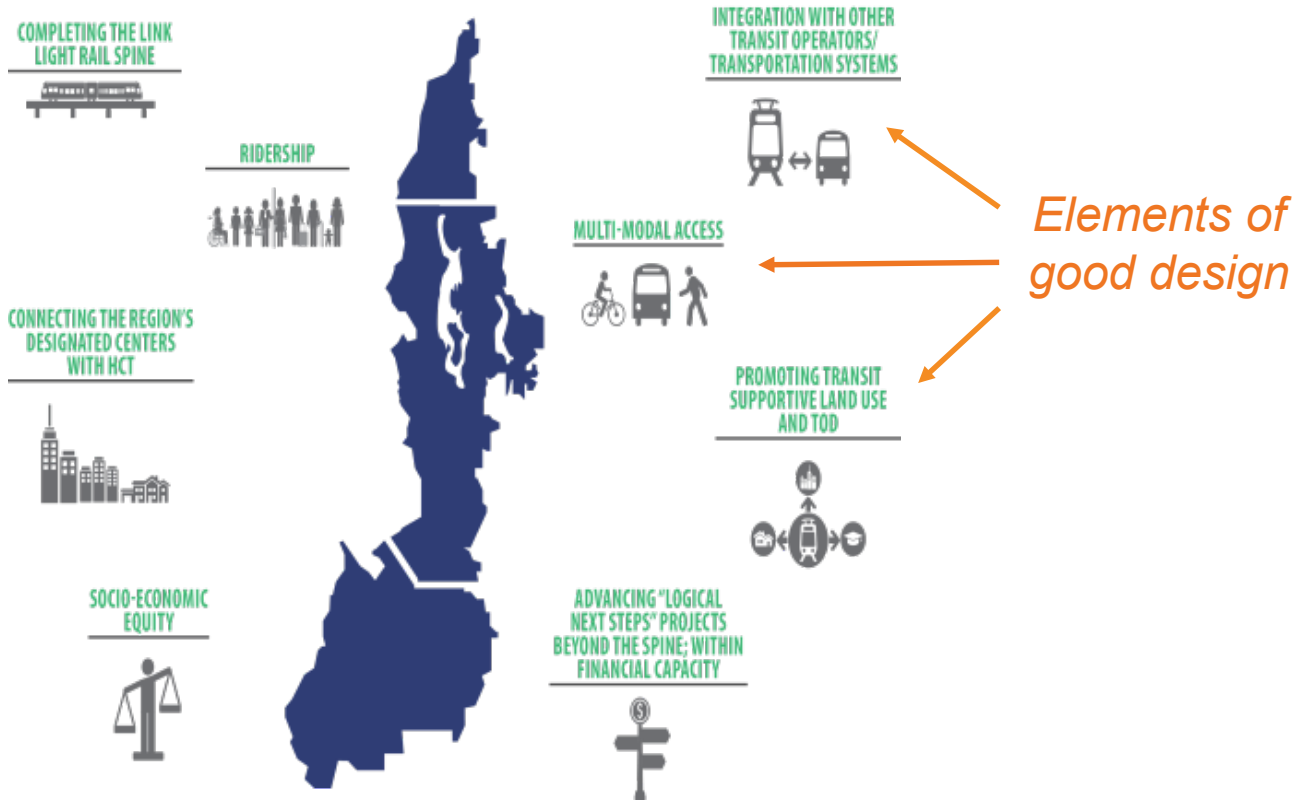
Fall 2019 Projections vs. Severe Recession Scenario



Affordability Illustration – Unaffordable Scenario



ST Board's Core Priorities for ST3



Project level – core principles

Drawn from ST3 core priorities

Does the project:

- Help complete the regional Link light rail **spine**?
- Connect regional **centers**?
- Have good **ridership** potential?
- **Equitably** serve the region's population?
- **Advance logically** beyond the spine?

Project level – other considerations

- Are other projects **dependent** on this project's completion?
- Can the project be built and opened in **increments**?
- What is the project's state of **readiness** to open?
- Is the project **necessary to operate** the expanded system?
- **How long** have voters been waiting for the project?
- Do affected communities have **other transit options**?

Design considerations

Built into all projects

- Safety
- Multimodal access
- Transit system integration
- Transit-supportive land use and TOD opportunities

Capital projects

North/Central Corridor

Northgate Link

Lynnwood Link

SR 522/NE 145th BRT

NE 130th St. Infill Station

Everett Link

OMF North

Souder North Parking/Access

West Seattle Link

Ballard Link & 2nd Tunnel

Graham S& BAR Infill Stations

Under construction

East Corridor

East Link

Downtown Redmond Link

OMF East

BRT Maintenance Base

I-405 BRT

Issaquah-S Kirkland Link

N Sammamish P&R

South Corridor

Hilltop Tacoma Link

Federal Way Link

Puyallup Access

Tacoma Dome Link

OMF South

Souder Maintenance Base

Souder South Capital

Souder Access Program

Sumner Access

Auburn Access

Kent Access

DuPont Souder Extension

TCC Tacoma Link

Bus Reliability

RapidRide C/D & Madison BRT

SR-7/Pacific BRT

Bus-on-Shoulder

Board tools to manage affordability

- Extend the time to complete the system.
- Modify project scope.
- Secure new grant funding or funding partners.
- Suspend or delete projects.
- Request a further tax increase from the legislature and voters.

Next steps

- **Wed, June 3rd - Program Realignment Board Workshop**
(finance plan, schedules, tools)
- **Thurs, June 4th - Executive Committee Meeting**
(criteria)
- **Thurs, June 25th - Board Meeting**
(criteria)

Thank you.



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