

Enterprise Initiative: Updating the ST3 System Plan

Executive Committee

05/07/2026

Why we are here

Briefing purpose

- Review Resolution R2026-11, which updates the ST3 System Plan
 - » *Adaptive program management plan and project delivery framework*
 - » *Affordable capital program and Enterprise Initiative opportunities*
 - » *Financial capacity and risk management*
 - » *Enterprise workplan*
- Provide a summary of public engagement and initial findings
- Share next steps for Board action to update ST3

***Enterprise Initiative background
& engagement summary***

Enterprise Initiative overview

Ensuring a balanced and affordable system plan

- The Enterprise Initiative is Sound Transit's effort to ensure we can deliver the greatest benefits of ST3 within available financial capacity
- Launched at the May 2025 Board retreat in recognition of significant cost pressures and risks to program affordability
- Two additional Board retreats and multiple briefings to the Board and Committees since then
- Today is an important milestone in the Enterprise Initiative process

Principles guiding the Enterprise Initiative

Established by the Board via M2025-36

Advance regional connectivity

- serve our population and job centers
- complete the regional transit spine
- benefit the whole region and achieve the objectives of ST3

Support future growth

- maintain and grow ridership
- align investments with current land use and future growth
- engender broad future support

Prioritize the passenger experience

- prioritize the riders' experience
- maximize connections and ridership
- keep everyone safe
- ensure our system is dependable

Protect public investments with fiscal integrity

- be careful stewards of public resources
- seek cost savings and efficiencies
- maintain strong oversight and accountability
- understand trade-offs

Board-established process elements

To help inform the Board on how to best achieve the planned outcomes of the Enterprise Initiative

- Engage communities through inclusive collaboration
- Build trust through transparent governance
- Drive decisions with data and insight

Ongoing public engagement

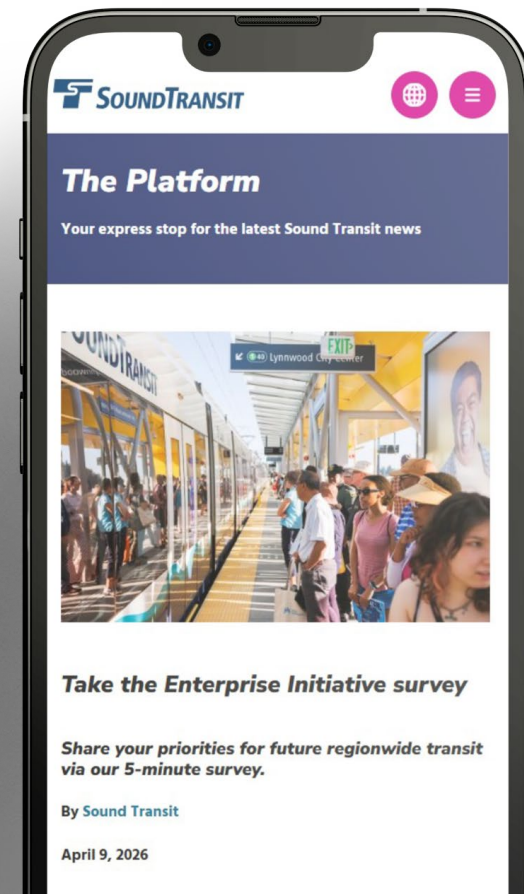
Preliminary themes summary today with full report delivered prior to the May 28 Board meeting

| Engagement activities to date | Upcoming activities |
|--|---|
| <ul style="list-style-type: none">• Online survey (7 languages; March 30–May 1)• Email (64,000 subscribers)• Website, blog, and social media promotion• Transportation Choices Coalition townhalls with Board members:<ul style="list-style-type: none">✓ East King (March 30)✓ Snohomish (April 14)✓ Pierce (April 27)✓ North King (May 5)• Other community events (16) | <ul style="list-style-type: none">• Website, blog, and social promotion (ongoing)• Transportation Choices Coalition townhall with Board members:<ul style="list-style-type: none">→ South King (May 13)• Additional community events and briefings• EnterpriseInitiative@soundtransit.org email to give public comment |

Strong survey response regionwide

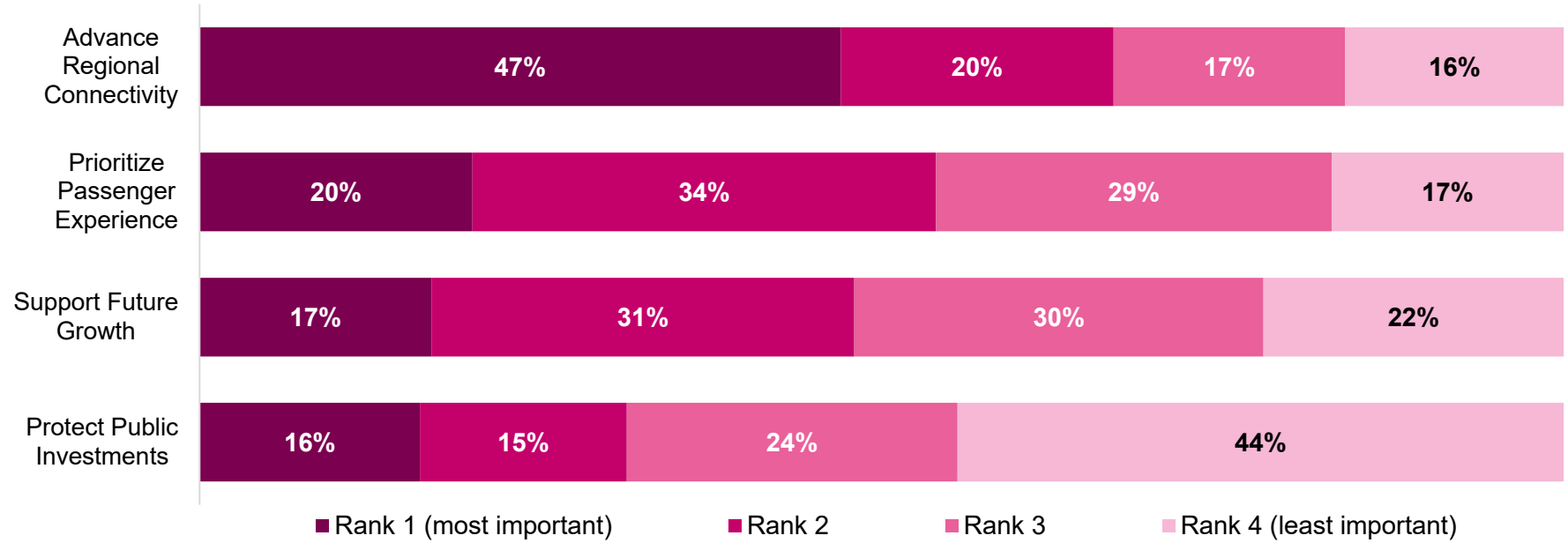
Survey designed to maximize participation:

- Open March 30–May 1
- 17,600+ responses; 27,000 open-ended comments
- Strong response from each subarea, highest volume from North King
- Analysis in preliminary phase, with clear themes emerging across all subareas
- Full report prior to the May 28 Board meeting



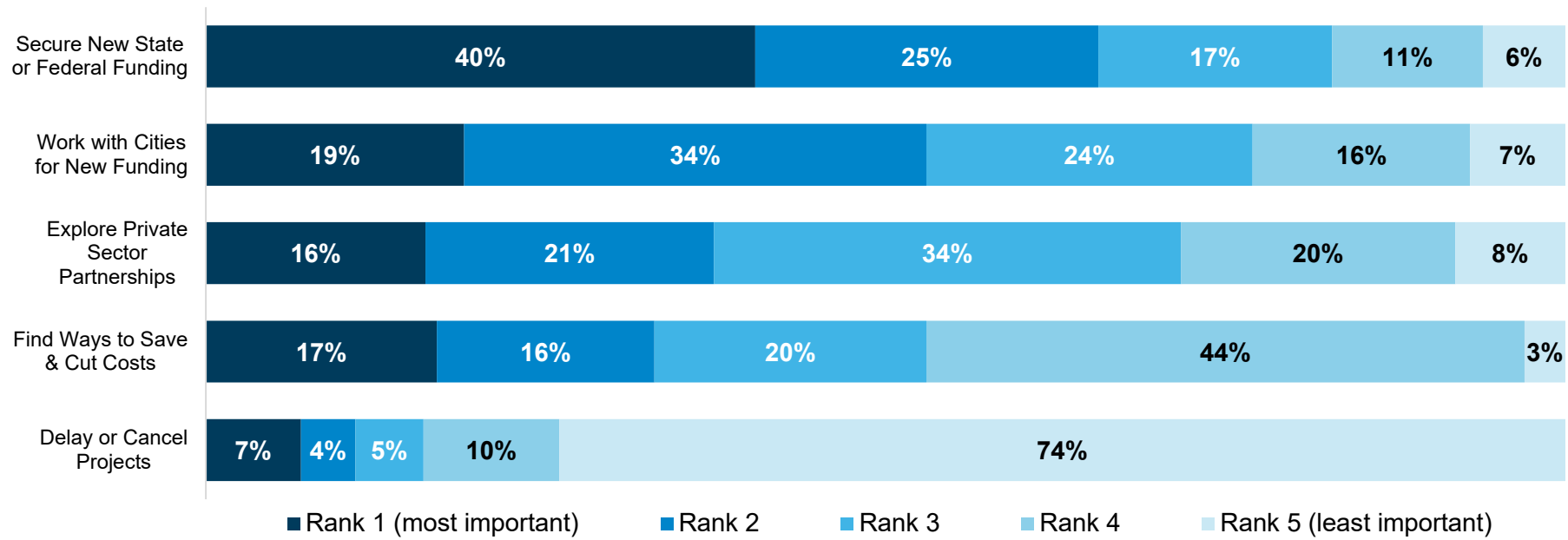
Guiding principles

Advancing regional connectivity was the highest ranked guiding principle by most respondents.



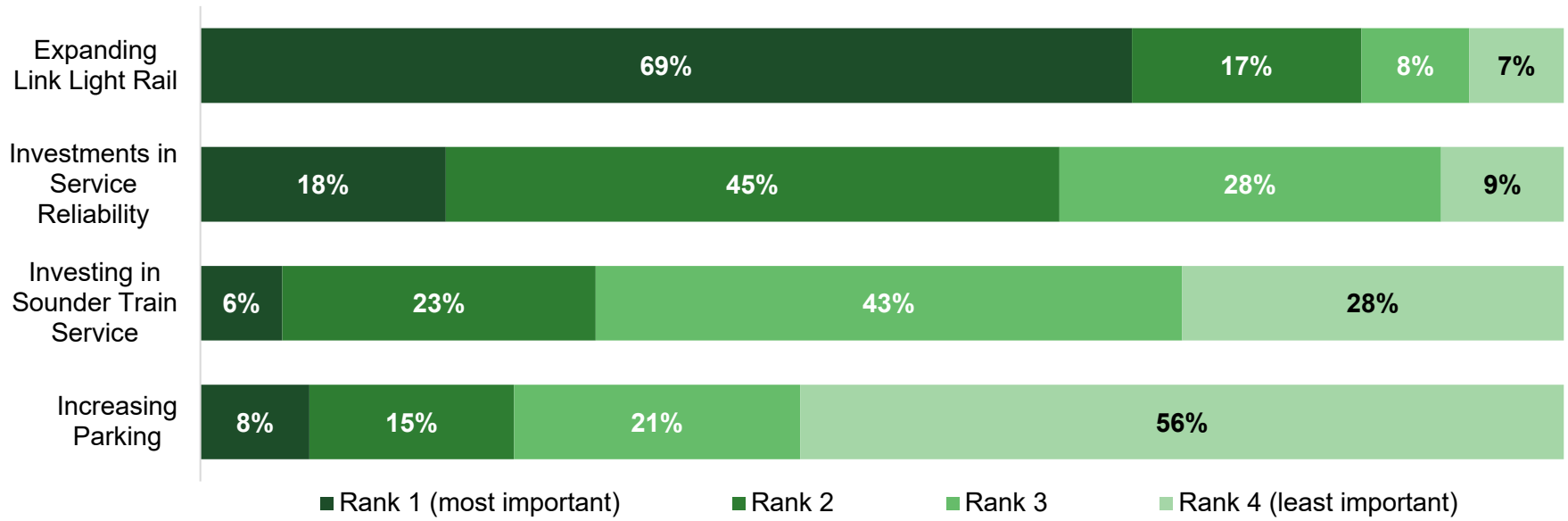
Funding actions

Securing new funding was the highest ranked priority among respondents. A majority **do not want to see projects delayed or canceled**.



Investment priorities

Expanding light rail was ranked as the highest importance by most respondents



In-person events and open-ended survey questions

Broad and strong support for Sound Transit's mission; key insights can inform current and future decision-making.



Support for local projects and priorities

East King respondents express support for S. Kirkland–Issaquah; Snohomish and Pierce for completing the spine, etc.

Ongoing support for full ST3, and to use every tool available

Includes federal and state funding, value capture, longer-term bonds, and cost saving measures. Phasing, deferrals, or delays preferred over canceling projects

Desire for meaningful, timely engagement and easy access to information

Interest in project timelines, alignment, and station-design information; “plain-speak” communications and materials; and factors behind \$34.5B gap

Resolution R2026-11

Resolution R2026-11

Updating the ST3 System Plan – key elements

- Adaptive program management plan and project delivery framework
- Affordable capital program (Attachment A)
- Enterprise Initiative workstream opportunities
- Agency financial capacity and program risk
- Enterprise workplan (Attachment B)
- Next steps and amendments process

***Adaptive program
management plan & project
delivery framework***

ST3 program's scale and complexity necessitates a step up

01

We have the pieces and need to strengthen alignment.

Sound Transit is managing multiple concurrent mega-programs while continuing to mature as an operating organization. Stronger alignment across programs and initiatives is needed to support durable decision-making and responsible allocation of resources.

02

Changing conditions call for adaptability

Today's dynamic environment necessitates a Board review process for costs, risks, and schedule that enables decision-making at key checkpoints while preserving program continuity. In parallel, we must explore additional revenue streams and cost savings.

03

Execution depends on all of us.

Adaptive program management will institute agencywide governance for how programs and projects are planned, controlled, and delivered. Improved visibility, stronger connectivity across programs, and rigorous reporting are essential to effective oversight.

Adaptive program management plan

Goals

- Institutionalize lifecycle cost savings
- Ensure transparent and rigorous reporting
- Enable effective issue, risk, and opportunity management
- Apply active program-level financial management
- Apply equal scrutiny to agency-wide cost savings efforts

Adaptive program management plan

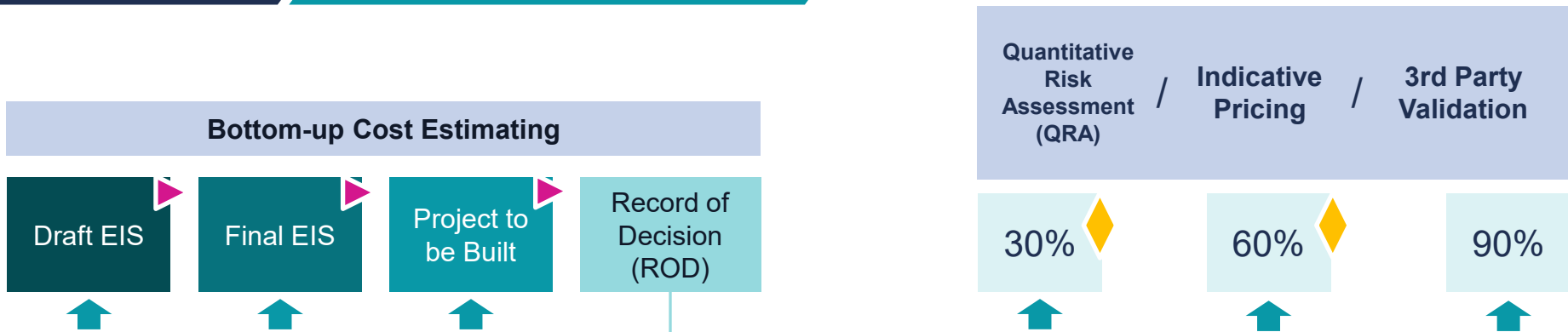
Establishes a continuous cycle of monitoring, assessment, and adjustment to ensure ST3 remains on track

Will define:

- Monitoring and risk identification
- Escalation thresholds
- Regular Board reporting
- Independent oversight

Plan development timeline

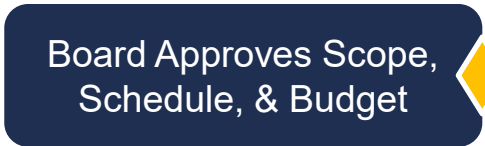
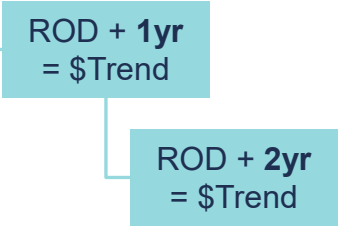
- *Q2-Q3 – Adaptive PMP framework & Plan developed*
- *Q4 2026 – Board adopts the Adaptive PMP*
- *Q4 2026 / ongoing – reporting tied to financial plan updates*



Institutionalized Cost Savings and Resource Identification

Framework Ideas

- Contingency pooling/hierarchy
- Board oversight
- Delegation



EIS = Environmental Impact Statement

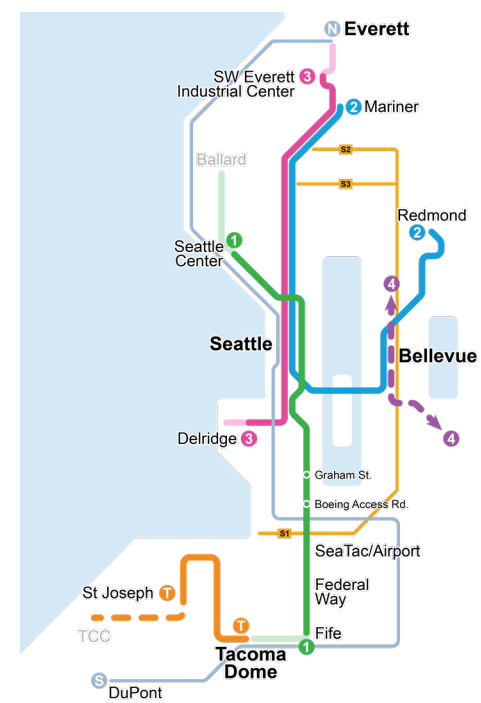
▶ = Board Direction/Validation

◇ = Project Off-ramp

***Affordable ST3
capital program***

Three illustrative approaches to surface trade-offs

Solid dashed lines indicate alignments are not confirmed. Light lines indicate deferred projects.



How we developed these approaches

Rules & expectations

- **Ensure meaningful differences:** Approaches should reveal real trade-offs and illustrate policy considerations for Board members
- **Focus on what matters:** Prioritize and vary components that truly move the needle
- **Keep it simple:** Complex approaches collapse under their own weight; clarity is critical
- **Build on existing work:** Leverage cost-savings opportunities as the foundation; supplement with additional technical work
- **Expect a blended outcome:** The eventual ST3 System Plan update put forward to the Board is likely to combine elements from multiple approaches

| Board Principles | ST3 Baseline | Approach 1 | Approach 2 | Approach 3 |
|---|-------------------------------|--------------------------------------|--------------------------------------|----------------------------------|
| Advance Regional Connectivity | | | | |
| Spine completion | Yes (Everett to Tac. Dome) | Yes (Everett to Tac. Dome) | Yes (Everett to Tac. Dome) | No (SW Everett Ind. to Fife) |
| Regional centers served by rail | +6 | +3 | +3 | +2 |
| Support Future Growth | | | | |
| Daily Sound Transit rail boardings* | 630,000 | 550,000 (87% baseline) | 550,000 (87% baseline) | 540,000 (86% baseline) |
| Population & jobs with access to rail | +430,000 | +280,000 (66% baseline) | +310,000 (72% baseline) | 300,000 (70% baseline) |
| Zero-vehicle households with access to rail | +13,000 | +9,100 (71% baseline) | +8,800 (68% baseline) | 8,800 (68% baseline) |
| Passenger Experience | | | | |
| Regional travel time reduction | High | Medium | Medium | Low |
| Fiscal Integrity | | | | |
| Program competitiveness | <i>Not applicable</i> | High | Medium | Low |
| Project readiness | <i>Not applicable</i> | High | Low | Medium |

* Baseline ridership was developed from 2024 ST3 forecast update

Themes from Board discussion

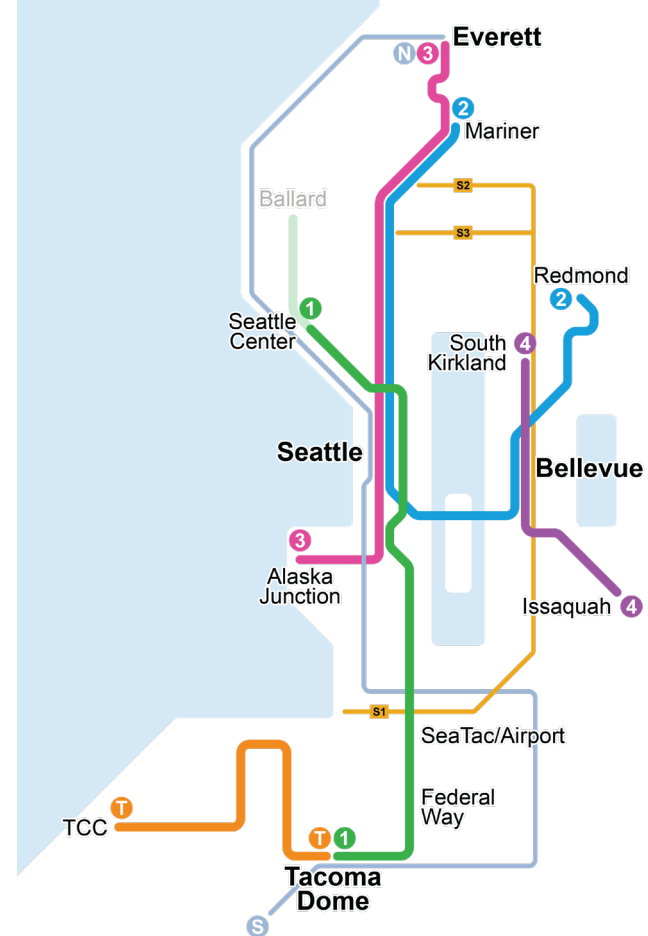
Where we go from here: capital program approaches

- Shared commitment to delivering regional mobility benefits
- Support for advancing light rail investments over other investments in ST3
- Maintain momentum for projects in planning and design to refine potential cost savings and confirm cost risks
- Interest in advancing initial project development phases for projects not yet in planning
- Need for a clearer path for projects/project phases that may be deferred

Affordable ST3 capital program

Project categories

- Affordable within available resources
 - » *Fully funded projects*
 - » *Partially funded projects*
- Projects with unfunded construction phases or funded through planning/design
- Deferred projects



Affordable ST3 capital program

Affordable within existing resources

Fully funded projects

- *Tacoma Dome Access Improvements*
- *West Seattle Link (no Avalon Station)*
- *Tacoma Dome Link*
- *Everett Link, phase 1*
- *Ballard Link initial segment (Seattle Center)*
- *Everett Link, phase 2*
- *T Line to Tacoma Community College (now 2043)*
- *South Kirkland to Issaquah (now 2050)*
- *Link OMF – South*
- *Link OMF – North*
- *Souder Maintenance Base*

Partially funded projects or projects funded through planning and design

- *Ballard Link, through final design*
- *Boeing Access Road Station, through final design*
- *Graham Street Station, through final design*
- *Souder South Additional Trips, partially funded*
- *Souder Extension to DuPont (planning phase only)*
- *Regional Parking Fund*
- *ST Express Bus Base (partially funded)*
- *ST4/High-Capacity Transit Corridor Studies (partially funded)*

Affordable ST3 capital program

Projects with construction or full delivery currently unfunded

- *Ballard Link (Seattle Center to Market Street)*
- *Boeing Access Road Station*
- *Graham Street Station*
- *Souder South Additional Trips (remainder)*
- *Souder Extension to DuPont (final design and construction)*
- *ST4/High-Capacity Transit Corridor Studies (remainder)*

Affordable ST3 capital program

Deferred projects

- *Tacoma Dome Link Parking*
- *Everett Link Parking*
- *Stride Parking*
- *North Sammamish Park & Ride*
- *Edmonds & Mukilteo Parking and Access*
- *Bus on Shoulder Project*
- *SR 162 Corridor Improvements*
- *Souder South Platform Extensions*
- *Souder South Access Improvements*
- *ST Express Bus Base (remainder)*

| Board Priorities | ST3 Baseline | Affordable ST3 Plan per R2026-11 |
|---|---------------------------------|-----------------------------------|
| Advance Regional Connectivity | | |
| Spine completion | Yes (Everett to Tacoma Dome) | Yes (Everett to Tacoma Dome) |
| Regional centers served by rail | +6 | +5 |
| Support Future Growth | | |
| Daily Sound Transit rail boardings* | 650,000 | 600,000 (92% baseline) |
| Population & jobs with access to rail | +430,000 | +360,000 (84% baseline) |
| Zero-vehicle households with access to rail | +13,000 | +10,000 (77% baseline) |
| Passenger Experience | | |
| Regional travel time reduction | High | Medium |
| Fiscal Integrity | | |
| Program competitiveness | <i>Not applicable</i> | High |
| Project readiness | <i>Not applicable</i> | High |

* Baseline ridership was updated for this Enterprise Initiative analysis

***Enterprise Initiative
workstream opportunities***

Enterprise Initiative workstream levers

Policy & planning

- Policy changes (by Sound Transit or others) that save capital and operating costs, speed project delivery, or expand financial capacity
- Updated service assumptions based on modified capital program and ridership projections

Transit operations

- Potential new resiliency investments (e.g., modern signal system, existing tunnel upgrades)
- Revised operating & maintenance and light rail vehicle costs based on updated service assumptions

Capital delivery





- Cost savings opportunities
- Adjusted phasing and sequencing of project investments
- Updated cost allocations for shared/systemwide assets
- Potential deferral of some projects

Finance

- Updated financial planning assumptions (e.g., federal grant strategy)
- Policy changes and exercising existing available revenue authority
- Potential third-party funding opportunities




Policy & planning opportunities

Revised assumptions

-  Updated Link service assumptions based on affordable capital program
-  Updated ST Express service assumptions
-  Assumes Sounder N Line service is discontinued in 2033
-  Updated parking fee assumptions




Transit operations opportunities

Revised assumptions

-  Updated resiliency and state of good repair assumptions
-  Updated light rail vehicle costs based on capital program and service modifications
-  Updated future staffing and administrative cost assumptions

Finance opportunities

Revised assumptions

-  Use remaining rental car tax authority
-  Updated federal grant assumptions per modified capital program
-  Anticipated savings from underspend on ST2 projects nearing project closeout

***Financial capacity and
program risk management***

ST3 System Plan update

Maximizing available agency financial capacity

- The proposed ST3 System Plan update fully utilizes agency financial capacity
- Unanticipated fluctuations in costs or reductions in revenue could potentially require Board action to adjust the plan
- The program continues to carry financial and delivery risk, and the adaptive program management plan and project delivery framework are necessary to manage and mitigate that risk

Key ST3 finance plan changes

Getting to a balanced plan at system and subarea level

- Extends the finance plan duration from 2046 to 2052
- Incorporates approximately \$11-13B of capital cost savings within the affordable capital program
- Need to identify approximately \$11-13B for capital investments that aren't currently affordable
- Includes approximately \$6-8B in cost savings and additional capacity from other Enterprise workstreams and future program efficiencies
- Makes debt interest a systemwide expense to ensure compliance with subarea equity reflecting that the agency bonds collectively

Enterprise workplan

Enterprise workplan

Continued efforts to save costs, speed project delivery, and add financial capacity to deliver ST3

- Policy and planning
- Transit operations
- Capital delivery
- Finance

Enterprise workplan

Policy & planning

- Perform various high-capacity transit studies and update the Regional Transit Long-Range Plan
- Conduct policy analysis on various topics (e.g., permitting reform, value capture/value generation, financing tools, public-private partnerships) to assess their capacity to save costs, accelerate project delivery, or increase revenue
- Assess and propose changes associated with fare and parking policies to generate additional revenue from those sources
- Advance the fare gates pilot and consider implications for fare revenue/compliance
- Propose updated service standards and develop a network plan and service guidelines

Enterprise workplan

Transit operations

- Assess operating models for Link, ST Express, Stride, and Sounder vehicle maintenance
- Develop a conditions-based maintenance program
- Develop a communications-based train control implementation plan
- Refine approach, costs, and scope for system resiliency and core capacity investments and create a System Investment Master Plan

Enterprise workplan

Capital delivery

- Partner with permitting authorities to streamline regulatory processes and speed project delivery
- Assess delivery methods and procurement strategies to ensure efficient project development and delivery of ST3

Enterprise workplan

Finance

- Bring forward changes to the agency's debt service coverage ratio and associated financial policies with the Q4 update to the Long-Range Financial Plan
- Actively engage local partners to explore opportunities to use available debt capacity to deliver more of ST3
- Continue to identify and pursue additional funding opportunities and partnerships with local, state, and federal governments
- Convene a Sound Transit and Board staff working group to explore how costs are allocated across the system and propose potential changes that ensure ongoing financial sustainability over the long term

***Next steps and
amendments process***

Resolution R2026-11

Next steps and amendments process

- Tentative Executive Committee meeting to continue discussion on and potentially advance R2026-11 on May 14
- Initial amendments due to staff on **May 13 at 12:00pm**
- Final amendments due by **close of business May 20**
- Amendments distributed with **Board mailing on May 22**
- Board consideration of R2026-11, amendments offered, and potential action on proposed update to ST3 System Plan at May 28 Board meeting

Thank you.



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