

Enterprise Initiative: Scenario development & policy/planning

Executive Committee

02/05/2026



Briefing purpose

Why we are here

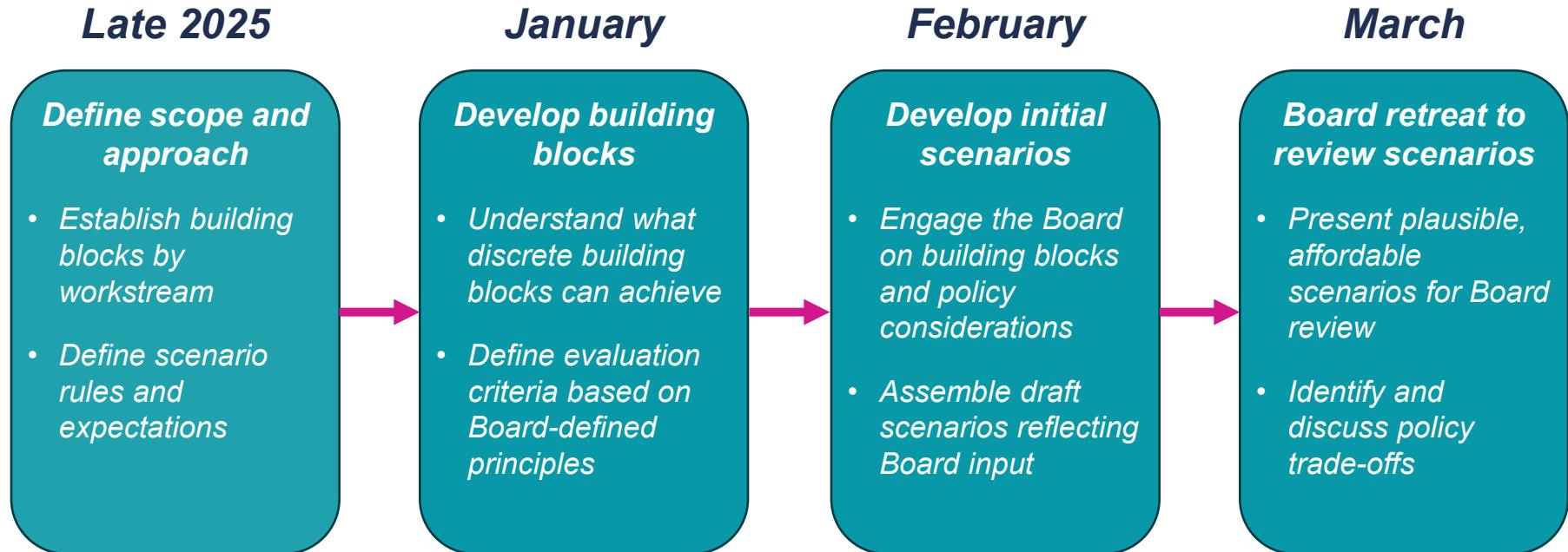
- Scenario development & the policy/planning workstream
- Update on the policy opportunity register
- Review ST3 service assumptions

Scenario development

Rules & expectations

- **Ensure meaningful differences:** Scenarios 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 scenarios 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 scenarios

Scenario development process



Building blocks by workstream

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

Capital delivery

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

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

Finance

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

**name changed to align with updated department name*

Policy opportunity register overview

Opportunity registers overview

Role in the Enterprise Initiative

Objective: identify opportunities for saving costs, speeding project delivery, and expanding financial capacity while still achieving ST3 system plan objectives

Approach: quantify benefits, summarize implementation risks – including financial risk – and assess impacts to operations and passenger experience

- Policy opportunity register is upstream: many policy opportunities identified would positively influence capital delivery, service delivery, and finance workstreams
- Work is ongoing to assess benefits, risks, and impacts across each opportunity register
- We will share opportunity registers in advance of the Board retreat

Policy opportunity register

Initial takeaways

- Many of these opportunities will have a positive effect on program affordability, but none solve the problem alone
- Some are contingent, which reduces certainty that we will realize the potential benefits identified
- Some require both Sound Transit and another entity to act
- Opportunities that require others to act are likely to take more time, and most opportunities will require work beyond the update of the ST3 System Plan
- Scenarios will include select policy actions to understand the influence of cost savings and expanded financial capacity

Policy opportunity register: categories

Opportunities identified:

- Policies that save the agency costs to deliver ST3 or speed project delivery
- Policies that expand agency financial capacity

Policy-making authority:

- Sound Transit Board of Directors
- Others, including local, state, and federal

Saving costs & speeding project delivery

Example policies

Policy opportunity	Description	ST Board action?	Third-party action?
Permitting changes*	Changes that provide greater schedule certainty for Sound Transit in local permitting processes		
Station optimization	Adjust or eliminate requirements that increase station size, while maintaining functionality		
Passenger restrooms	Clarify requirements for passenger restrooms to ensure accurate cost assumptions		
Public-private partnerships (P3)	Pursue promising opportunities for delivery and/or operation of ST assets (e.g., parking)		
Construction MATOCs*	Streamline procurement processes for construction activities		

**currently under consideration in Olympia*

Expanding financial capacity

Example policies

Policy opportunity	Description	Within ST authority?	Within others' authority?
Fare, parking, and advertising revenue	Increase revenue from fares, parking, and advertising through rate increases or physical infrastructure	✓	✗
Rental car tax	Utilize remaining rental car tax authority that is already within the Board's authority	✓	✗
Financial policy changes	Adjust financial policies and practices including subarea equity and the debt service coverage ratio	✓	✗
Joint development	Pursue joint development opportunities that offset capital costs, increase future revenue, or expand the ability to capture value	✓	✓
Bond terms*	Enable longer terms for debt issuance, particularly federally-backed loan products	✗	✓

*currently under consideration in Olympia

Policy opportunity register

Board discussion

- Does our approach make sense?
- Do you have any questions about example policies identified?
- Are there other, specific policies you would like us to explore?
- What additional information do you need that will support your understanding of policy opportunities?

ST3 service assumptions

ST3 service design

Approach in the Enterprise Initiative

- Service design and assumptions influence infrastructure planning and capital costs
- Service design and assumptions also influence project operations & maintenance and state of good repair costs, and light rail vehicle needs
- We plan to revisit service design and assumptions to validate they meet ridership needs and travel patterns based on capital program building blocks
- We will also explore opportunities to design for forward compatibility in support of future service and infrastructure expansion



Link service expansion

Current expansion assumptions

2032: West Seattle Link

2035: Tacoma Dome Link

2037: Everett Link, phase 1

2039: Ballard Link + spine segmentation

- 1 Line: *Tacoma-Ballard in new tunnel*
- 2 Line: *Redmond-Mariner in existing tunnel*
- 3 Line: *West Seattle-Everett in existing tunnel*

2041: Everett Link, phase 2 & Tacoma Link extension

2044: South Kirkland-Issaquah Link



Link service assumptions

- Current operating assumptions:
 - » 1 Line running Tacoma–Ballard
 - » 2 Line running Redmond–Mariner
 - » 3 Line running West Seattle–Everett
 - » 4 Line running South Kirkland–Issaquah
- Planned headways for all lines:
 - » 6-minute peak
 - » 10-minute off-peak
- Assumes combined 3-minute peak service between Mariner and International District/Chinatown



Link service assumptions

Anticipated changes

- Capital delivery building blocks will include changes in scope, phasing, and project sequencing
- Service assumptions will be updated based on the capital delivery building blocks
- The Board can also consider additional changes to service levels and line termini

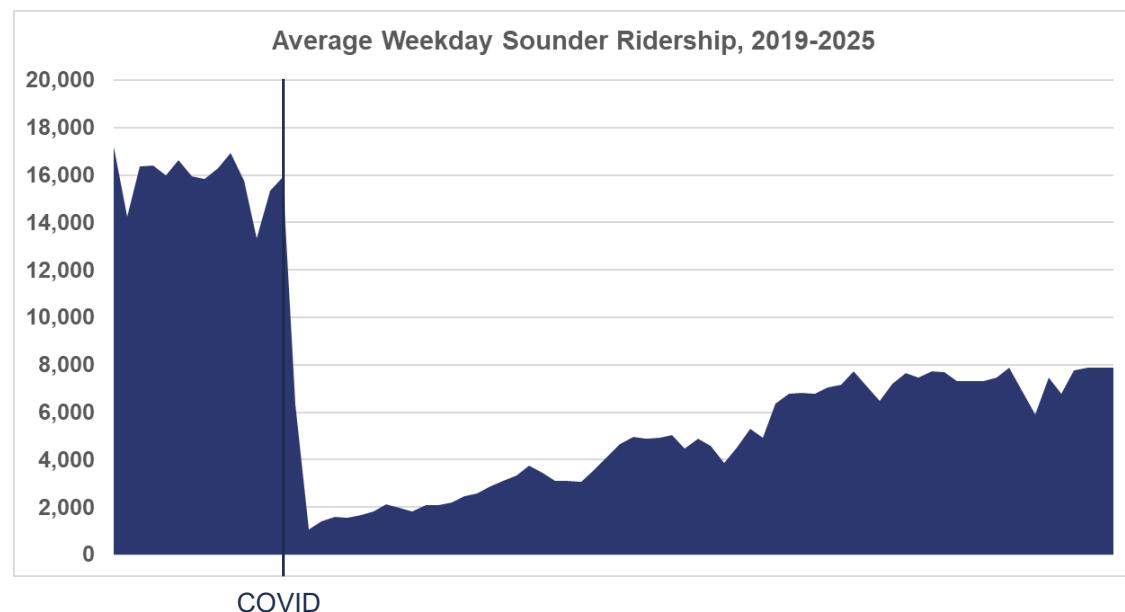


Sounder: Pre-baselined projects

Sounder project	Completion year	Cost estimate (YOE\$)
Sounder South: Tacoma Dome Parking & Access Improvements	2032	\$23M
Sounder Maintenance Base	2034	\$333M
Sounder North: Edmonds & Mukilteo Access Improvements	2034	\$87M
Sounder South: Platform Extensions (including King Street Station improvements)	2036	\$454M
Sounder South: Access Improvements (Pierce subarea)	2036	\$155M
Sounder South: Access Improvements (South King subarea)	2041	\$121M
Sounder South: DuPont Extension	2045	\$882M
Sounder South: Additional Trips	2046	\$1.55B
Total		\$3.6B

Changing ridership patterns: Sounder

- Sounder South ridership remains at less than 50% of 2019 demand
- Sounder North ridership remains at less than 65% of 2019 demand
- The current ST3 System Plan reflects capital improvement plans based on conditions, such as crowding, that no longer exist
- The Enterprise Initiative will consider adjusting Sounder for current and future travel demand



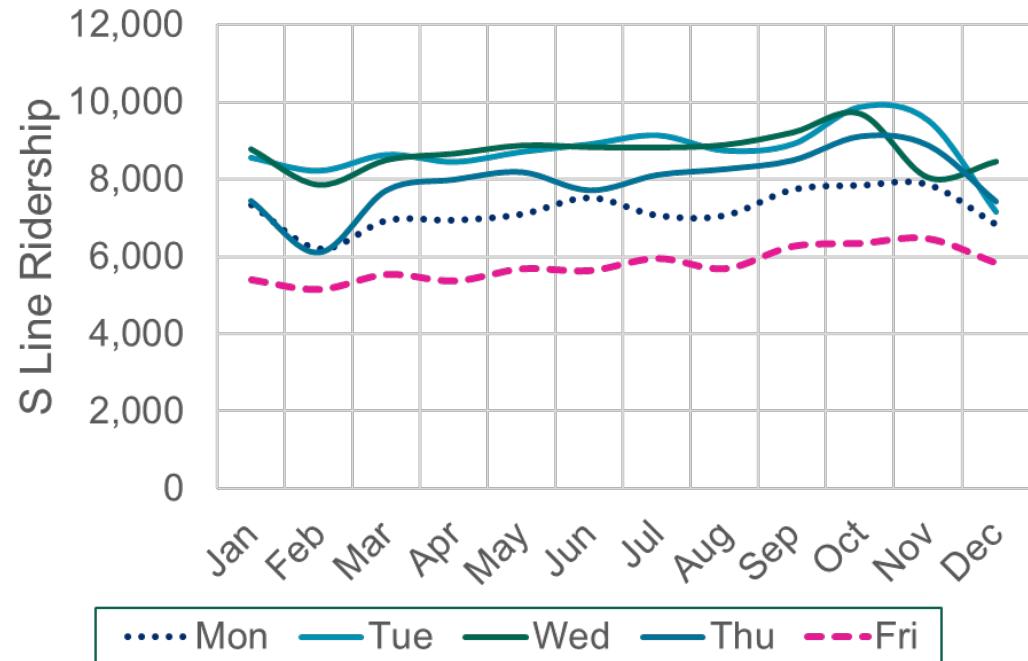
Sounder South: 2025 Ridership

2019

- ~16,000 average weekday boardings

2025

- ~7,700 average weekday boardings
- Friday ridership is ~70% of ridership mid-week



Sounder: Enterprise Initiative considerations

- Maintenance operating model: Sounder base investment enables options for how maintenance function is performed
- Sounder South Line operating model: move from service focused on the peak (commuter rail) to all-day service (regional rail)
- Viability and cost-benefit of maintaining Sounder North Line service levels
- Grant and other coordination opportunities with WSDOT/Amtrak Cascades

Sound Transit Express (STX)

Future role of STX

- Potential changes to the capital program will affect assumptions for STX service
- This will raise considerations related to future asset needs (e.g., fleet, bases) to support STX service, which may have a cost impact
- Assessment of future operating models for STX (partner-operated model) and Stride (contracted service model)
- Ultimately, we will assess and confirm the role and function of STX and overall relationships between ST modes of service

Thank you.



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