

Program Realignment

*Board of Directors
July 22, 2021*

Two approaches to realignment

Schedule based

- Develop affordable schedules under the current financial plan utilizing project tiers to reflect Board priorities
- Work to improve those schedules by identifying cost savings and seeking additional financial capacity to fill agency funding gap

Cost and revenue based

- Define target schedule as close to ST3 Plan schedules as possible
- Work to meet those schedules by identifying and filling project funding gaps through cost savings and seeking additional financial capacity

Hybrid approach to realignment

Combine merits of both approaches

- Work towards target schedule with the affordable schedule as safety net
- Engage stakeholders to tackle project level funding gaps through cost savings and seeking additional financial capacity
- Prepare environmental documents to support the target schedule
- Identify project milestones by which decisions are made as to whether to continue on the target schedule
- Prioritize reaching the target schedule on Tier 1 and Tier 2 projects first

Affordable Schedule

Affordable schedule approach: **\$7.9B gap**

	Tier 1 ≤ 2 years delay	Tier 2 ≤ 6 years delay	Tier 3 ≤ 9 years delay	Tier 4 10+ years delay
System	Bus Base North (2025) OMF South (2029) OMF North (2035)	2 nd DSTT (2038)	Sounder Maintenance Base (2034)	ST2 Bus Base (2045) Bus-on-Shoulder (2045)
North	Lynnwood-SW Everett NP (2038)	SW Everett-Everett NP (2042)		Edmonds & Mukilteo (2034) Everett Link Parking (2046)
East	405 Stride S. NP (2026) 522 Stride NP (2026)	405 Stride N. NP (2027) S. Kirk.-Issaquah (2045)		522 Stride parking (2034) 405 Stride parking (2034) N Sammamish P&R (2045)
Central	Alaska Jct.-SODO (2032)	SODO-Smith Cove (2038) Smith Cove-Ballard (2040) NE 130 th (2037) Graham St. (2037)		RapidRide C/D (2045)
South	Kent, Auburn, Sumner (2025) Tacoma Dome Link NP (2032) Lakewood, S Tacoma (2032) TCC Tacoma Link (2041)	Boeing Access (2037)	Sounder platforms & access (2036) Sounder trips (2045) DuPont Sndr (2045)	T-Dome Link Parking (2040) SR-162 (2045)

5 *No delay due to finances, only delayed because of slow downs in environmental review during COVID, 3rd party negotiations, permitting, right-of-way acquisition, or extended timelines for selecting EIS alternatives and preferred alternatives.*

Affordable Schedule: *Improvement w/ \$6.5B gap*

	Tier 1 ≤ 2 years delay	Tier 2 ≤ 6 years delay	Tier 3 ≤ 9 years delay	Tier 4 10+ years delay
System	Bus Base North (2025) OMF South (2029) OMF North (2034)*	2 nd DSTT (2037)	Souder Maintenance Base (2034)	ST2 Bus Base (2045) Bus-on-Shoulder (2045)
North	Lynnwood-SW Everett NP (2037)*	SW Everett-Everett NP (2041)		Edmonds & Mukilteo (2034) Everett Link Parking (2046)
East	405 Stride S. NP (2026) 522 Stride NP (2026)	405 Stride N. NP (2027) S. Kirk.-Issaquah (2044)		522 Stride parking (2034) 405 Stride parking (2034) N Sammamish P&R (2045)
Central	Alaska Jct.-SODO (2032)	SODO-Smith Cove (2037) Smith Cove-Ballard (2039) NE 130 th (2036) Graham St. (2036)		RapidRide C/D (2045)
South	Kent, Auburn, Sumner (2025) T-Dome Link NP (2032) Lakewood, S Tacoma (2032) TCC Tacoma Link (2041)	Boeing Access (2036)	Souder platforms & access (2036) Souder trips (2045) DuPont Sndr (2045)	T-Dome Link Parking (2040) SR-162 (2045)

6 *Yellow = No delay due to finances, only delayed because of slow downs in environmental review during COVID, 3rd party negotiations, permitting, right-of-way acquisition, or extended timelines for selecting EIS alternatives and preferred alternatives. Green = one year improvement from \$7.9B affordability gap. * = change triggered by operational need.*

Target Schedule

Target Schedule (ST3 + planning delays)

	Tier 1 No financial delay	Tier 2 No financial delay	Tier 3 No financial delay	Tier 4 No financial delay
System	Bus Base North (2025) OMF South (2029) OMF North (2033)	2 nd DSTT (2037)	Sounder Maintenance Base (2026)	ST2 Bus Base (2026) Bus-on-Shoulder (2024+)
North	Lynnwood-SW Everett NP (2036)	SW Everett-Everett NP (2036)		Edmonds & Mukilteo (2025) Everett Link Parking (2036)
East	405 Stride S. NP (2026) 522 Stride NP (2026)	405 Stride N. NP (2027) S. Kirk.-Issaquah (2041)		522 Stride parking (2026) 405 Stride parking (2026/27) N Sammamish P&R (2024+)
Central	Alaska Jct.-SODO (2032)	SODO-Smith Cove (2037) Smith Cove-Ballard (2037) NE 130 th (2031) Graham St. (2031)		RapidRide C/D (2025)
South	Kent, Auburn, Sumner (2025) Tacoma Dome Link NP (2032) Lakewood, S Tacoma (2030) TCC Tacoma Link (2039)	Boeing Access (2031)	Sounder platforms & access (2031) Sounder trips (2036) DuPont Sndr (2041)	T-Dome Link Parking (2032) SR-162 (2025+)

8 *No delay due to finances, only delayed because of slow downs in environmental review during COVID, 3rd party negotiations, permitting, right-of-way acquisition, or extended timelines for selecting EIS alternatives and preferred alternatives.*

Target Schedule with Tier 3 & 4 affordable schedules

	Tier 1 No delay due to finances	Tier 2 No delay due to finances	Tier 3 ≤ 9 years delay	Tier 4 10+ years delay
System	Bus Base North (2025) OMF South (2029) OMF North (2033)	2 nd DSTT (2037)	Sounder Maintenance Base (2034)	ST2 Bus Base (2045) Bus-on-Shoulder (2045)
North	Lynnwood-SW Everett NP (2036)	SW Everett-Everett NP (2036)		Edmonds & Mukilteo (2034) Everett Link Parking (2046)
East	405 Stride S. NP (2026) 522 Stride NP (2026)	405 Stride N. NP (2027) S. Kirk.-Issaquah (2041)		522 Stride parking (2034) 405 Stride parking (2034) N Sammamish P&R (2045)
Central	Alaska Jct.-SODO (2032)	SODO-Smith Cove (2037) Smith Cove-Ballard (2037) NE 130 th (2031) Graham St. (2031)		RapidRide C/D (2045)
South	Kent, Auburn, Sumner (2025) Tacoma Dome Link NP (2032) Lakewood, S Tacoma (2030) TCC Tacoma Link (2039)	Boeing Access (2031)	Sounder platforms & access (2036) Sounder trips (2045) DuPont Sndr (2045)	T-Dome Link Parking (2040) SR-162 (2045)

9 *No delay due to finances, only delayed because of slow downs in environmental review during COVID, 3rd party negotiations, permitting, right-of-way acquisition, or extended timelines for selecting EIS alternatives and preferred alternatives.*

Calculating project affordability gaps

Applies to projects where target schedule is sooner than affordable schedule

- Calculate affordable budget for each project if delivered on Target and Affordable Schedule
- Budget estimates will account for system financial capacity, subarea affordability, and system requirements
- Difference between the two budgets is how much in project offsets - cost savings and/or revenue - would enable project to be delivered on the target schedule

Funding offsets: \$7.9B affordability gap

Tier 1 & 2 Projects that would still need offsets

Project Examples	Affordable Schedule	Target Schedule	What is the funding offset needed (2019\$)?
Everett Link	2038/2042	2036	\$853M (17%)
Ballard Link	2038/2040	2037	\$2,554M (21%)
130 th /Graham/BAR	2037	2031	\$134M (26%)
Issaquah/Kirkland Link	2045	2041	\$123M (4%)
TCC Tacoma Link	2041	2039	\$28M (4%)

Agency capacity, subarea affordability, and system requirements need to be assessed in conjunction with the offsets for individual projects. This scenario assumes all projects are simultaneously offset.

Funding offsets: \$6.5B affordability gap

Tier 1 & 2 Projects that would still need offsets

Project Examples	Affordable Schedule	Target Schedule	What is the funding offset needed (2019\$)?
Everett Link	2037/2041	2036	\$ 602M (12%)
Ballard Link	2037/2039	2037	\$ 1,824M (15%)
130 th /Graham/BAR	2036	2031	\$ 98M (19%)
Issaquah/Kirkland Link	2044	2041	\$ 93M (3%)
TCC Tacoma Link	2041	2039	\$ 21M (3%)

Agency capacity, subarea affordability, and system requirements need to be assessed in conjunction with the offsets for individual projects. This scenario assumes all projects are simultaneously offset.

Schedule Assessment Milestones

Determine whether to continue on Target Schedule or if Affordable Schedule is needed

- Start of preliminary engineering (after draft EIS)
 - Funding likely to be available informs contract packaging and phasing
- Project to be built decision (after final EIS)
 - Full funding plan informs final design & ROW acquisition
- Project baselining (before start of construction)
 - All funding must be secured
 - CFO will provide assurance that individual projects and the whole system remain affordable before baselining action

Next steps

Anticipated realignment work through July

Ongoing public engagement

July 26th Final substitute resolution distributed

July 29th Amendments due

August 5th Special Board Meeting – Consider action

Thank you.



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