

Policy Opportunity Register: March 2026 DRAFT

This document provides an overview of the Policy Opportunity register. It also provides summary information on promising policies that may be of interest for additional analysis. These are a range of potential policy opportunities that could reduce revenue loss, improve delivery, or help improve affordability. As with other opportunity registers, development involved examining the array of opportunities identified by subject matter experts in Capital Delivery, Transit Operations, Planning and Finance, grouping ideas by major category, and then filtering the list to those that were promising and could warrant further exploration. Teams considered ideas broadly and with a cross-functional lens, which means the Finance and Transit Operations Opportunity registers repeat some policies or have policies that interrelate with those on this register.

Options	Description	Benefit to Financial Plan	Implementation
Revenue Tools			
<i>Service Design Changes: ST Express</i>	<i>Adjust STX service according to established ST3 baseline</i>	\$	●
<i>Service Design Assumptions: LINK</i>	<i>Optimize headways for LINK</i>	\$	●
<i>Service Assumptions: SOUNDER</i>	<i>Adjust schedule, add or eliminate trips on Sounder</i>	\$	●
Parking	Deploy paid parking strategy	\$	●
TOD	Adjust Discount Rate	\$	●
TOD Acquisition Authority	Adjust ST enabling statute to also allow acquisition of parcels within station boundary specifically for TOD (near term step Board could reinforce policy to be strategic in identifying parcels for construction so that they are well-configured for future TOD)	\$	●
Value Capture Tool	<i>Create a value capture tool that secures increments of value in station area over long-term (initial step, enable ST to join TIFs; See Bellevue's increase in the TIF); also consider assessment districts , local improvement districts, community facilities districts.</i>	\$	●
Expand Development Authority	Provide authority to ST to engage in development	\$	●
Debt Service Coverage Ratio	Reduce net coverage to 1.35x.	\$	●
Bond Term	Assume 55-year bond. Requires legislative change to issue debt over 40 years. / Assume all future bond issuances have 35- to 40-year terms rather than 30-years.	\$	●
Cap & Invest program	Program changes or allocation that could benefit affordability.	\$	●
Rental car tax increase	DRAFT content - Rental car tax is currently levied at a lower rate than allowed by statute and can be raised by Board vote	\$	●
Clean Fuel Standard	<i>The number of credits available for sales can be increased as the agency expands Link light rail and transitions ST Express bus and Sounder commuter rail services to electricity and/or alternative fuels.</i>	\$	●
Fare Gates	<i>Increase fare compliance through expansion of the pilot fare gates program more widely across the system</i>	\$	●
Fare Increases	Build in standard fare increases at specific time intervals	\$	●
Speed Delivery/ Reduce Costs			
Permitting Reform	<i>Includes some level of self-permitting and with consideration of fire codes/ nonstandard approaches</i>	\$\$	●
Process Improvements	Acceleration of environmental review and other permitting processes to enable faster project delivery	\$	●
P3 for Parking assets	<i>Adjust public/private partnership authority to more easily enable the delivery of parking assets through p3 delivery models</i>	\$	●

Legend

Italics indicates summary explanation included in Policy Digest

Benefit to Financial Plan	Implementation
\$ Less than \$500 M	Requires voter or state legislature approval ●
\$\$ \$500M - \$1B	Requires Board approval or other coordination with jurisdictions ●
\$\$\$ \$1B - \$3B	Can be changed or implemented by ST staff ●
\$\$\$\$ Above \$3B	

Potential service design changes

Agency staff have identified a range of service design levers across ST’s three primary modes (ST Express bus, Link light rail, and Sounder commuter rail) that could be deployed as part of the Enterprise Initiative to deliver the ST3 program. These levers reflect genuine tradeoffs between the financial envelope available and the service that the agency is able to deliver across the region. This document summarizes the options under consideration, organized by mode with estimates for anticipated cost and outcomes.

ST Express Bus Levers

ST Express operates under a set of baseline assumptions that have guided service planning. The core principle is that as Link light rail expands, ST Express services in corridors where Link operates would be eliminated or truncated to avoid duplication with the rail network. Stride Bus Rapid Transit will also replace three ST Express routes (S1 replacing the 560, S2 replacing the 535, and S3 replacing the 522) when those services open in 2028-2029.

The following routes were identified for elimination or truncation at each Link opening but have not yet been implemented:

Link Line Opening	Changes Not Implemented
Northgate Link Extension	586 (Tacoma – UW) elimination
Lynnwood Link Extension	510 (Everett – Seattle) elimination
Federal Way Link Extension	577 (Federal Way – Seattle) elimination 578 (Puyallup – Seattle) truncation to Federal Way 590 (Tacoma – Seattle) truncation to Federal Way 592 (DuPont – Seattle) truncation to Federal Way 594 (Lakewood – Seattle) truncation to Federal Way 595 (Gig Harbor – Seattle) elimination
Crosslake Connection	545 (Redmond – Seattle) elimination

However, three different approaches can be taken with ST Express routes as part of the broader Enterprise Initiative:

Levers	Near-Term Actions	At Rail Extensions	Net Cost Impact
Cost Savings	Full baseline reductions implemented	Eliminate parallel service; no reinvestment of freed hours	\$450-510M savings through 2047
Cost Neutral	Restructuring in 2028 with 20% reduction in corridors where Link operates or serves the same destinations	Eliminate parallel service; reinvest ~25% of freed service hours into improved connections	Roughly flat
Cost Increase	No near-term changes.	Eliminate parallel service; reinvest ~50% of freed hours into connections and new coverage areas.	Additional \$420-460M through 2047

Link Light Rail

Sound Transit has identified three categories of service design levers for Link operations. Each involves a tradeoff between cost, ridership capacity, and operational flexibility.

Levers	Description	Trade-Offs
Headways	Reduce train frequency on select lines or segments, lowering service hours and fleet needs.	Must verify ridership demand can still be met at adjusted frequency
Span of Service	Start service later in the morning and/or end earlier at night, reducing operating costs and expanding the overnight maintenance window.	Coverage gaps may require bus substitution at off-peak hours
Train Consist Size	Run fewer cars during low-demand periods to reduce maintenance costs and potentially lower fleet requirements.	Mid-day trainset configuration changes add operational complexity

Souder Commuter Rail

Souder lever options are still being developed and will be informed by ongoing staff analysis of the S Line specifically. Two considerations are in scope: the cost and ridership implications of extra trip additions, and the status of operating agreements governing a subset of S Line trips that will require renegotiation in the coming years. Staff will present Souder S Line planning options for Board consideration as part of the broader scenario development process.

Policy: Adjusting Real Property Discount Rate for Affordable Housing

Opportunity Description

Sound Transit is committed to meeting the requirements of WS State Statute RCW 81.112.350, which requires us to offer a minimum of 80% of surplus property as housing and that 80% of those housing units must be affordable to households earning 80% of area median income or below. Sound Transit has thus far offered 96% of property for affordable housing since the state statute went into effect.

Sound Transit, while still meeting the requirements of RSW 81.112.350, could increase revenue from its TOD program by 1) increasing the mix of market-rate TOD projects from the current 4% to closer to 20%, and 2) by reducing the depth of land value discounting it provides to affordable housing TOD projects. Both of these changes can be made consistent with the 80/80/80 policy and are at the Board's discretion.

Benefit	Likelihood
Low	Medium

Current Baseline

Beginning in 2016, WA State Statute RCW 81.112.350 has required Sound Transit to offer a minimum of 80% of its surplus properties, including air rights, that are suitable for development as housing, first to qualified entities (local governments, housing authorities, or nonprofit affordable housing developers) for development of affordable housing. Of the housing units created, 80% must be affordable to households earning 80% of area median income or below. Under these conditions, Sound Transit can discount the value of its property to facilitate affordable housing outcomes.

The agency's long-range financial plan assumes \$130M (YOES) from the disposition of the agency's ST2 surplus property. Sound Transit has received or is under contract/award for approximately \$76 million through surplus property and ground leases. ST3 did not assume any additional revenue from ST3 surplus/TOD/joint development property, as to provide the agency with maximum flexibility on how to implement the statute.

Sound Transit's Equitable Transit-Oriented Development Policy, Resolution 2018-10 adopted by the Board in 2018, states that any property discount will be determined through a gap analysis and financial assessment and that it will be commensurate with the affordable housing outcomes achieved. Between 2016-2025, Sound Transit transferred or awarded 10 property offerings to achieve affordable housing outcomes, creating more than 2,100 affordable housing units, and forgoing nearly \$100 million in revenue. Sound Transit has thus far offered 96% of property for affordable housing since the state statute went into effect.

If Implemented

If this policy were to be implemented, Sound Transit would change its current discounting practice such that either a lower discount would be applied or a smaller percentage of its

property portfolio would be offered for affordable housing, or some combination of the two. Such changes would increase the revenue generated from sales or leases of surplus property for affordable housing development.

Applying a lower discount is a policy that could be enacted by Sound Transit's Board. The Board could choose to adjust the land value discount for affordable housing to be, for instance, a percentage of the property's value, tied to specific high priority housing outcomes (provision of 30% AMI or family-sized units), a per square foot flat rate.

Reducing the percentage of properties offered for affordable housing would require statutory change. It should be noted that while Sound Transit currently outperforms the requirement of offering 80% of properties for affordable housing development, it does offer property at fair market value for market rate development. Regardless of any statutory change, the proportion of properties offered at fair market value for market rate development will increase going forward as timebound funding sources and programmatic focus shift.

Assessment and Consultation

The property discounting approach is currently being analyzed as a part of the 2026 TOD Strategic Plan effort. The strategic planning effort is also looking at options for expanding more market-rate TOD by expanding the joint development in the ST portfolio of projects.

This analysis assumes that Sound Transit would retain its commitment to facilitating affordable housing development on the agency's surplus property such that a reasonable level of property discount would continue to be applied to achieve that outcome.

Reducing the rate by which Sound Transit discounts surplus property for affordable housing would generate revenue that would otherwise be foregone by the agency.

This policy change would increase ST's revenue from real estate assets. The trade off is that change could result in fewer total or less ambitious affordable housing projects being realized near ST transit stations. Another result could be longer development timelines, as developers would need to pursue larger amounts of public and private financing to cover land costs. The policy could also impact ST's partnerships with public and private affordable housing funders, which are premised on the assumption of ST's significant land use discount.

Estimated Financial Impact & Implementation

Preliminary analysis found that policy around discounts is relatively more impactful to revenue assumptions versus amending RCW 81.112.350 to remove the percentage of statutory offerings. A combination of a modest 10% decrease in the number of statutory offerings coupled with Board policy that reduces and/or further conditions discounts may provide an optimization point in terms of revenue generation and facilitation of affordable housing outcomes.

The Board approves the pricing for property offerings and could direct staff to pursue a new discounting policy. CDO's current strategic planning process can examine options and offer a new recommended approach by the end of 2026, and the practice could be implemented thereafter. Adjustments to RCW 81.112.350 would require state legislation and would be a longer-term policy change.

Policy: Leveraging Community TOD through District-Based Value Capture

Opportunity Description

This measure considers expanding the enabling legislation for tax increment financing (TIF) districts to apply this tool to Sound Transit high-capacity transit (HCT) station areas. This would provide a revenue-backed financing tool independent of existing constrained revenue sources and could yield a range of direct and indirect benefits to Sound Transit, including reducing capital costs related to restoration works and betterments, or financing future recapitalization needs beyond those accounted for in the ST3 financial plan.

Benefit	Likelihood
High	Medium

Current Baseline

Sound Transit investments are historically a significant driver of land value in station areas. Current state legislation, most recently reflected in HB 1491 (signed into law in May 2025), requires cities to implement minimum densities within the service areas of HCT stations. These laws reinforce the value uplift by driving zoned development capacity to HCT station areas. Separately, the Washington State Legislature created a path in 2021 to authorize district-based tax increment finance (TIF) as practiced elsewhere in the United States, allowing municipal legislative bodies to form TIF districts without a separate action or vote by a supermajority of property owners. The current authorization of TIF districts in RCW 39.114 limits the total assessed value of properties within all TIF districts in a jurisdiction to \$200 million and limits the number of districts that can be formed by any authorized entity (counties and cities) to two. These thresholds effectively exclude TIF Districts from being deployed at scale in the Central Puget Sound region.

Sound Transit’s Equitable TOD Policy (R2018-10) supports many of the ideas underpinning expansion of TIF, including value capture for public benefit and proactive coordination with local jurisdictions and stakeholders to invest in quality placemaking, access, and housing in station areas (defined generally as Community TOD). Sound Transit’s enabling statutes also empower it to enter into agreements and covenants with a range of political subdivisions and municipal corporations.

If Implemented

To realize greater deployment of TIF districts in the Sound Transit district, engagement with the Washington State Legislature would be required to revise TIF authorizing statutes. At a minimum, the geographic and value limits would be increased. Ideally, a special category of TIF district could be created that permits chaining across jurisdictional limits and that ties creation to, at minimum, the Sound Transit Board action identifying the HCT project alternative to be built. Sound Transit’s enabling legislation could also be amended to enable it to form TIF

districts directly, however this type of amendment would be unlikely given that state law vests authority to form TIFs solely with general purpose governments.

Depending on the factors identified above, TIF districts could result in several benefits to Sound Transit:

1. *Cost savings from scope reduction.* Cities or counties could use TIF district funding for station area infrastructure improvements, such as utility, street restoration and betterments which are a major source of budget pressure for Sound Transit capital projects.
2. *Accelerating and improving delivery outcomes.* A stated use of TIF revenues could be in helping municipalities deliver third-party funding enhancements that support Sound Transit's project scope, such as secondary entrances or special architectural or landscape treatments above and beyond Sound Transit standard specification.
3. *Generate new revenue.* A TIF could be reauthorized or created anew in future years to address recapitalization or upgrade needs for Sound Transit facilities or services as they reach the end of their useful life.

Assessment and Consultation

Sound Transit is assessing district-based value capture, including an effort to refine the value proposition and define specific parameters for future partnering and policy. This effort is envisioned to include some consultation with local jurisdictions that have already expressed interest in pursuing revisions to TIF authorization. It would be advantageous to develop a broad-based coalition representing the various subareas of the Sound Transit district. The idea has additional roots in the agency's efforts to identify funding sources and strategies to close the ST3 budget gap and was considered and endorsed in the 2025 Ernst & Young analysis.

There are many historical and contemporaneous examples of TIF districts being created to complement and augment investments in transit, including the Rosslyn-Ballston corridor in Northern Virginia (WMATA), multiple lines and station areas in the Dallas-Fort Worth Metroplex (DART), a part of Chicago's Red Line corridor (CTA), and most recently proposals for the expansion of Miami's Metrorail system.

This analysis is agnostic to the various directions that TIF districts as value capture could take. It has assessed one pathway: expanding the existing authorization, tweaking the limits on assessed value and number of districts per general purpose jurisdiction, and attempting the creation of a special type of TIF district tied to the Puget Sound context and the unique opportunities and challenges of Sound Transit system expansion.

An expanded TIF tool would have several potential affordability benefits. These include:

1. *Cost savings from scope reduction.* By creating an additional revenue source for station area infrastructure improvements that could be internalized by cities and counties, reducing a major source of budget pressure for Sound Transit capital projects around utility and street restoration works and betterments.
2. *Accelerated and improved delivery outcomes.* A stated use of TIF revenues could be in "third party funding" enhancements to transit project scope such as secondary entrances or special architectural or landscape treatments above and beyond Sound Transit

standard specification. A TIF district bond for build out neighborhood-level infrastructure could be constructed ahead of the Sound Transit project, which would reduce overall station area project schedule.

3. *New revenue generation.* A TIF could be reauthorized or created anew in future years to address recapitalization or upgrade needs for Sound Transit facilities or services.

As noted above, the greatest benefits are likely to be realized in the near term in cost savings from betterments being funded through a TIF district, reducing expectations on already-strained project budgets. In the long term, TIF districts may also become a tool to fund system recapitalization or state of good repair activities, particularly if the expectations of the local jurisdiction and adjacent property owners exceed the exigencies of Sound Transit's amortization schedule.

Implementation

The ability to leverage Community TOD via TIF districts requires revisions to state law that currently limit the usefulness of TIF in higher-value areas like the Puget Sound region. It is unlikely that there will be a constituency to support granting Sound Transit authority to create TIFs, so revisions are best sought through coalition-building with cities and counties within and outside of Sound Transit's service area. Sound Transit could attach applicability of TIFs to the the Board decision making milestone concerning the final project to be built. This linkage would provide Sound Transit some leverage in the timing of and execution of TIF district formation.

Pilot Project: One option to advance the TIF concept would be to partner with several local jurisdictions on the ST system to develop integrated plans for station area improvements and TOD, leveraging both agency and community properties, and to pilot an expansion of the current TIF enabling legislation to fund implementation of those plans. This would build a partnership between ST and local jurisdictions in advocating for legislative changes. The pilot would allow the agency, at a manageable scale, to demonstrate the potential for TIF districts to support shared outcomes in terms of funding local infrastructure improvements around ST Stations as well as supporting local needs.

Policy: Clean Fuels Standard Revenue

Opportunity Description

Washington State’s [Clean Fuels Standard](#) (RCW [Chapter 70A.535](#)) provides revenue in perpetuity to the agency for providing decarbonized transportation. Sound Transit earns revenue annually by selling credits generated from its low carbon transportation services, currently including Link Light Rail as well as electric vehicle charger use. The number of credits available for sales can be increased as the agency expands Link light rail and transitions ST Express bus and Sounder commuter rail services to electricity and/or alternative fuels.

Benefit	Likelihood
Medium	High

Current Baseline

The Washington State Clean Fuels Standard (CFS) has been in effect since January of 2023 and is administered by the Washington Department of Ecology. The CFS is a market-based policy designed to provide incentives for low carbon fuels. The CFS aims to reduce greenhouse gas emissions from transportation fuels by 45% below 2017 levels by 2038. Since the program began, Sound Transit has earned \$1.94M in revenue from 2.75 years of participation.

Existing & Future Implementation

Sound Transit generates and sells credits by providing transportation propelled by electricity as well as alternative fuels. Sound Transit’s sources of credit generation are the following in order of volume: Link light rail electricity consumption, Tacoma Link electricity consumption, and EV chargers at agency parking facilities. Once Stride BRT opens for service it will be the second largest source of credit generation for Sound Transit.

There are two means for expanding CFS revenue:

1. *Expanding scope of decarbonization:* As the agency fully decarbonizes ST Express Bus and Sounder commuter rail services (per Motion M2026-06) the agency will be able to increase its revenue from CFS credit sales as well as expanding EV infrastructure.
2. *Future rulemaking changes:* The Department of Ecology indicated that there will be additional opportunities to amend rulemaking. The agency might expand credit potential by campaigning for the inclusion of the following credit sources.
 - Beyond traction power, there are critical aspects of light rail electricity consumption that Sound Transit believes merit consideration for credit generation eligibility. In addition to traction power, electricity consumption for station lighting, vertical conveyance and wayside infrastructure is necessary to ensure safe, reliable light rail service.
 - The CFS should incentivize the adoption of zero emission railroad technologies. Electricity used to charge or power zero emission locomotives should qualify for credit generation like other battery-electric or hydrogen fuel cell transit vehicles under the CFS.

- Sound Transit also encourages the Department of Ecology to consider station wayside power as a permissible credit generating activity. Wayside power technology is an important tool to reduce diesel combustion and emissions. During extended layovers, Sound Transit uses wayside power to electrically operate vehicle lights, HVAC, and doors, rather than the train's diesel engine (head end power) engine.

Assessment and Consultation

Sound transit will continue participation in CFS and would potentially expand engagement with partners to best anticipate program changes and how agency practice influences credit generation. This includes:

- Decarbonizing the agency's fleets, resulting in increased, ongoing revenue.
- Increasing levels of service from existing electrified services, resulting in increased revenue.

Shaping future CFS rulemaking could expand the available revenue streams such as wayside electricity, electricity for station lighting and other station power uses.

Benefits: Participation in the CFS is pre-existing.

Challenges: Implementing a decarbonization program for ST Express bus and Sounder commuter rail is a longer-term, complex endeavor that the agency has just initiated. It is a longer-term program that will not begin to transition the fleet until after 2030.

Sustainability staff worked with Finance to review and revise existing projections for CFS revenue previously developed by agency staff as well as with the consultant hired to sell CFS credits on behalf of the agency. Results of further study and estimates of the credit revenue will be developed for adjustments to the long-range financial plan.

This policy aligns with current agency practice and Board-adopted policy. The CFS program provides revenue to the agency on a quarterly basis following quarterly reporting, credit generation and sales.

Policy: Fare Gates

Opportunity Description

Sound Transit is currently studying the costs and benefits of adding fare gates to the system.

Benefit	Likelihood
High	High

Currently, Sound Transit has an open, proof of payment fare system where fare payment stanchions are located at the entrance to an identified “fare paid zone” (FPZ). In December 2025, the board approved Motion M2025-64.

A motion of the Board of the Central Puget Sound Regional Transit Authority directing the chief executive officer to (1) conduct a fare gate retrofit implementation study; (2) if study findings support further action, develop a fare gate retrofit pilot proposal; and (3) report the fare gate retrofit implementation study findings to the Board and provide a staff recommendation that may include a fare gate retrofit pilot proposal based on the study findings.

The initial results and findings of the study have been documented and are in review by Sound Transit SMEs. A recommendation for a pilot study is being prepared for Board consideration in Q2.

Assessment and Consultation

Installing fare gates at Sound Transit stations (both Link and Sounder) has been studied for several years. In December of 2022, Cambridge Systematics, Inc. published a report titled “Sound Transit Fare Gates Study”. This study performed a high-level assessment of the feasibility, costs, and considerations for converting the current system to fare gates. The process, assumptions, results, challenges, and recommendations for retrofitting are contained within the report. Sound Transit followed this report in the spring of 2023 with a draft conceptual study and cost plan that looked at including fare gates at University Street (now Symphony), University of Washington, Northgate, and Othello stations. These were selected to sample an underground, above/underground, arial, and at grade station, respectively. The process, assumptions, and draft cost estimates are contained within the report.

The more recent analysis looked at fare gates in proposed stations within ST3, including the West Seattle, Ballard, Everett, Tacoma Dome, and Issaquah extensions as well as infill stations. Designs for ST3 stations can easily include fare gates as it is a straightforward design change, given the status of design. Results showed that retrofitting fare gates at the 5 highest trafficked stations in the 1 line would have a significant return on investment (ROI) and should be a starting point for implementation in existing stations.

One factor in the analysis of return on investment is the rate of fare evasion. When the evasion rate is high, the return on investment is sooner. The study is also analyzing the overall approach

to fare collection to assess the role of the fare ambassador program, which was designed for an open system. Fare ambassadors could be redeployed.

Another consideration is maintenance, as current maintenance staff would need to be trained to troubleshoot any issues with the fare gates, and/or a maintenance contract with the gate supplier, would need to be procured.

Benefits and Challenges

The main benefit of fare gates is the increase in revenue collection. Additionally, fare gates have been identified as a factor in increased safety, improved passenger experience, and minimized maintenance costs, all referenced by agencies as a key factor in decision making. Fare gates are also a helpful factor in enabling safer and cleaner restroom facilities, a topic of concern since the opening (and closing) of the Northgate and Lynwood station restrooms. Finally, an associated benefit of this measure includes a possible reduction in staff requirements for security, cleaning and maintenance.

While rough cost estimates for both the installation costs and potential revenue have been performed, the current work is producing station specific estimates. Station specific estimates help to expand the understanding of return on investment, beyond the assumption that stations with high ridership will have a return on investment sooner.

Implementation Plan

Fare gates would constitute a significant change in the operations of the stations and the system. The study work is underway and is being coordinated across the organization to ensure implementation issues are identified and vetted by agency subject matter experts and stakeholders. The study includes analysis of existing stations, identifying the costs of installing fare gates, mapping out the pilot project, and subsequent implementation for board consideration. The results of the study and recommended pilot project are anticipated for board review in Q2, 2026.

Policy: Agency Self Permitting – Local Option

Opportunity Description

Sound Transit could partner with local governments to allow ST to self-permit agency capital projects. ST would solicit and enter into intergovernmental agreements with local governments to independently review, approve, inspect and ensure agency capital projects in accordance with minimum code requirements including required state and local codes and standards.

Benefit	Likelihood
High	Low

Following the February 2023 Technical Advisory Group recommendations, ST committed to studying the possibilities of acquiring state-level permitting authority to reduce delays associated with project delivery. Permitting authority would require Sound Transit to restructure how the agency manages the delivery of capital projects.

Assessment and Consultation

Several ST departments and offices would be involved with a self-permitting strategy, as was demonstrated by the examples from partner transit agencies that possess permitting authority, such as LA Metro in Los Angeles, WMATA in Washington DC, MTA in New York City, and others. These transit agencies and others have municipal level authority as granted by their respective state legislatures. Sound Transit, as a regional transit authority (Special Purpose District), lacks this authority and would require a legislative change to possess similar authority.

Benefits, and Challenges

This proposal would reduce the time and complexity associated with code review which is currently led by several dozen, separate local building departments. This should make the process more efficient and predictable, as an agreed-upon set of development standards can be uniformly applied across all remaining extensions with one dedicated team providing consistent review of projects. The estimated financial impact would be a reduction of costs by, potentially, several million dollars through elimination of permitting and inspection fees over the remainder of the capital program. Additional cost savings are also possible by limiting or eliminating the over-the-shoulder review process currently in place with local jurisdictions.

Benefits:

- Utilizes existing authority granted to the Agency and local AHJs.
- Streamlines permitting by consolidating responsibilities under one internal authority.
- Significantly reduces or eliminates AHJ review costs.
- Speeds delivery and stabilizes costs by eliminating related permit fees.
- Improves consistency and predictability in project delivery.
- ROW-related elements may be successfully designed and delivered by local AHJ's through negotiated agreements.

Challenges:

- Requires ST Board and executive advocacy to gain support.
- Requires creation of an autonomous internal building department (or similar structure) with independent oversight.
- Savings may be offset by new internal staffing or consultant costs.
- Creates a potential single point of failure if the internal building department struggles to balance competing project priorities.
- Requires time to hire, train, and establish new permitting staff and processes, slowing early project delivery.
- Local permits may still be required for land use, ROW, ancillary improvements, adjacent impacts, or early project development phases.
- **State permits would still be required for environmental, conveyance, electrical, and factory assembled structures.**
- Imposes long-term regulatory compliance responsibilities on ST, increasing asset management costs and reducing long-term savings.

Estimated Financial Impact

The estimate of savings was developed by analyzing the historical permitting costs for light rail extensions in the affected jurisdictions, prior design coordination (over-the-shoulder) funding agreements and current costs of applicable permits across affected jurisdictions. Historically, negotiated permitting and design coordination costs average, approximately, \$10 million per project. Assuming 60% percent of design coordination fees and up to 100% of permitting costs are recoverable, the potential direct recoupment is approximately \$16 million per project, or \$80 million total in today's dollars.

Implementation Plan

This proposal would be executed by the ST Board through a series interlocal agreements signed, executed and managed by each County Executive, as negotiated by affected jurisdictions. A new internal building department would need to be established and staffed to perform plans review, issue permits, perform inspections and maintain an ongoing record of code compliance for the life of all assets issued permits under this new department. Close coordination, led by the Board and Executive team, with local leadership and permitting department heads will be necessary to build consensus and support for this proposal. This proposal is designed to be achievable using existing regulatory authority, without State legislative intervention. Implementation could be achieved within 12-24 months.

Note, WA Senate Bill 6309 (HB 2517) was recently passed by the State Legislature. SB 6309 provides more clarity about the rights and powers granted to regional transit authorities for permitting and will be considered thoroughly by Sound Transit. The ideas explored in this policy opportunity would be considered in addition to and considering that bill.

Policy: Agency Self Permitting – State Option

Opportunity Description

In this measure, Sound Transit would receive state-level authorization to self-permit its capital projects. ST would independently review, approve, inspect and ensure agency capital projects meet minimum code requirements according to required state and local codes and standards. Note, WA Senate Bill 6309 (HB 2517) was recently passed by the State Legislature. SB 6309 provides more clarity about the rights and powers granted to regional transit authorities for permitting and will be considered thoroughly by Sound Transit. The ideas explored in this policy opportunity would be considered in addition to and considering that bill.

Benefit	Likelihood
High	Low

Current Baseline

Following the February 2023 Technical Advisory Group recommendations, ST has committed to studying the possibilities of acquiring state level permitting authority to reduce delays associated with project delivery. SB 6309, recently passed by the State Legislature, provides more clarity about the rights and powers granted to regional transit authorities for permitting and will be considered thoroughly by Sound Transit.

If Implemented

The approach proposed in this policy opportunity would require restructuring how the agency manages delivering capital projects. Sound Transit would be required to establish a new independent internal building safety department (i.e., building department), obtain enhanced indemnities, and create an associated reporting structure.

Assessment and Consultation

Several ST departments and offices would need to work together to develop a self-permitting strategy. This idea follows examples from other partner transit agencies that feature some level of jurisdictional authority, such as LA Metro in Los Angeles, WMATA in Washington DC, and MTA in New York City. This proposal was developed internally by ST Construction Permitting in partnership with ST Legal and Strategic Agreements, modeling in part an interlocal agreement between the Port of Seattle (SeaTac Airport) and the City of SeaTac. These agencies have municipal level authority as granted by their respective state legislatures. Sound Transit as a regional transit authority (Special Purpose District) lacks this authority and would require a change to enabling legislation to achieve similar authority.

This proposal simplifies meeting the code requirements and review processes of dozens of local building departments down to one internal department. This would make the process more efficient and predictable, as one set of development standards can be uniformly applied across all remaining extensions with one dedicated team providing consistent review of projects. This

should reduce costs by potentially several million dollars in permitting and inspection fees over the remainder of the capital program. Additional cost savings are also possible by limiting or eliminating the jurisdiction design coordination process.

Benefits:

- Streamlines permitting by consolidating responsibilities under one internal authority.
- Significantly reduces or eliminates local jurisdiction's review costs.
- Speeds delivery and stabilizes costs by eliminating related permit fees.
- Improves consistency and predictability in project delivery.
- ROW-related elements may be successfully designed and delivered by local governments through negotiated agreements.

Challenges:

- Savings would be adjusted for internal staffing or consultant support needs.
- Consideration of local control and public safety responsibilities.
- Strong ST Board and Executive advocacy is required to build support.
- An autonomous, internal building department with independent oversight would need to be created
- Creates a potential single point of failure if the internal building department struggles to balance competing project priorities.
- Requires time to hire, train, and establish new permitting staff and processes, slowing early project delivery.
- Local permits may still be required for land use, ROW, and ancillary improvements or early project development phases.
- Imposes long-term regulatory compliance responsibilities on ST.

Estimated Financial Impact

Analyzing the available historical permitting costs for light rail extensions in the affected jurisdictions, prior over-the-shoulder funding agreements and current costs of applicable permits across affected jurisdictions. Historically, negotiated permitting and design coordination with local jurisdictions costs on average are allocated at approximately \$10 million per project. Assuming 60% of design coordination fees and up to 100% of permitting costs are recoverable, the potential direct recoupment is approximately \$16 million per project, or \$80 million total in today's dollars.

Implementation

This proposal will require modification of Sound Transit's enabling legislation, which may take up to several years to achieve. Additionally, Board and Executive collaboration with local leadership and permitting department heads would be needed to build consensus and support for this proposal both locally and with the State Legislature. Implementation anticipated between 2-4 years depending on legislative cycle and interlocal engagement. Internally, a new internal building department would be established and staffed to perform plans review, issue permits, perform inspections and maintain an ongoing record of code compliance for the life of all assets issued permits under this new department.

Policy: P3 Parking - Enterprise Station Access & Parking Fund

Opportunity Description

Replace delayed capital investment in Sound Transit delivered parking structures at ten stations with an Enterprise Station Access & Parking (ESAP) Fund, as a basis to incentivize public-private partnership (P3) delivery of parking structures. The fund would be limited to 5-10% of the existing project budget for parking. This opportunity also considers additional means to optimize the cost-effective delivery of passenger access in each major ST3 travel corridor, in alignment with available resources.

Benefit	Likelihood
Medium	Medium

Current Baseline

The ST3 package included hundreds of millions of dollars dedicated to capital expenditure on ten new parking facilities. The budget for these ST3 projects assumed the acquisition of land and the design, permitting, construction, and delivery of stand-alone parking facilities, mostly in the form of multi-level parking structures, for the exclusive use of transit passengers.

However, the voter approved (2016) ST3 Regional Transit System Plan provided clear guidance for agency staff to “assess demand for access and parking [and to] evaluate opportunities for leased or shared parking, and/or parking built in conjunction with new TOD projects,” before moving forward with project development and implementation of parking structures.

Subsequent Board guidance (R2021-045) included direction that, where ST3 parking projects were delayed in the 2021 Realignment, agency staff shall “identify opportunities and make recommendations to deliver flexible, innovative, and affordable methods to get people to transit.”

If Implemented

In coordination with capital project teams, and the Office of Planning and Development, the Passenger Access Services (PAS) team in Transit Operations could conduct corridor-level planning and analysis to identify opportunities for leased or shared parking near stations, including stations that were not scoped for parking investments in ST3. The objective would be to identify opportunities to support access for passengers in ways that are substantially more cost-effective than the exclusive, structured parking projects originally planned.

Where promising opportunities are identified during transit capital project final design, or construction phases, project teams, ODP, or PAS may collaborate to propose fund investments for Board consideration. To identify opportunities for development of shared parking, or parking integrated with and shared by new TOD projects (with potential capital and operations cost

savings for both ST and the public or private developer), the Corridor parking planning team could recommend Board authorization of limited capital funding (e.g. \$2-4m) to be offered to potential developers and operators willing to partner in the delivery of mutually beneficial project(s) that provide passenger parking during periods of peak demand, while providing accessory parking for residential and commercial uses overnight and on weekends.

Assessment and Consultation

Process

This proposal for a corridor-level ESAP fund follows Board discussion of options for delivery of parking ‘as a service,’ in May 2020 that refocused parking project planning on delivery of a service that provides access for passengers, rather than the simple, but costly conventional capital project development and delivery process.

Following the 2021 realignment and Board direction (R2021-05) to “identify opportunities” to deliver “innovative, flexible, and affordable” investments in “parking or other methods of access,” Sound Transit’s Access & Integration team worked with consultants develop a *Parking-as-a-Service Evaluation Framework (2024)* [in order to “proactively pursue and cultivate joint development opportunities that can deliver cost-effective shared transit parking,” “define metrics and considerations [to] support decision-making for parking investments,” and “establish a menu of parking and access delivery options that considers local context, partnership opportunities, and phasing strategies.”

Assumptions

This proposal to identify and develop opportunities for limited and potentially phased delivery of access and parking services in the S1, S2, EVLE, and TDLE corridors, as an alternative to or replacement for the structured parking projects originally planned in ST3, would require maintenance and dedication of a limited budget for (e.g. \$750,000-1.5m for staff and/or consultant support over 5-years) for corridor-level planning and opportunity/project development.

It also assumes that any proposals for major (>\$1m) capital or operating expenditure on development or delivery of parking or access related projects and services would need to be Board approved, with Board amendment to ST3, when and as needed.

Key implications

Sound Transit could maximize the number of parking spaces delivered (or more broadly, the number of passenger access trips accommodated) with a limited budget for each corridor by analyzing demand and administering the fund – including potential grants to public and private sector partners – at the corridor-level. This wider view is in line with passenger travel behavior (many passengers choose between one of several station park and rides each time they access transit) and would allow staff to explore more cost-effective parking and access delivery options in each corridor, including some in station areas not scoped for parking expansion in ST3.

Benefits and Challenges

This flexible, corridor-based approach offers the opportunity to deliver parking and access services at lower cost, and likely much sooner, than would be feasible if ST3 parking capital investments were to be further delayed. It is scalable to the resource available following the Enterprise Initiative and offers corridor constituents some opportunity for new investment in station access, even if quite limited in comparison to the original ST3 plans.

A key challenge is the difference between the timeline for transit capital project development and delivery (e.g. project such as S2 and S3 have broken ground and EVLE is in Phase 3) and the timeframe for identification, development and deployment of many types of alternative investments in parking and access services. For example, ST may not find willing partners to negotiate and execute a lease agreement allowing passenger use of private parking until shortly before the opening of new transit extensions. This factor argues for itemizing and holding funds for future expenditure (e.g. establishing the ESAP in ST budgeting) if and when needed.

Estimated Financial Impact

The opportunity for cost savings with a flexible, corridor-based Enterprise Station Access and Parking Fund (ESAP) include:

- Reduction in the scope (e.g. # of vehicles accommodated w/ parking, or # of passenger access trips accommodated) in alignment with the level of resource available, and/or revised demand analysis.
- Identification of new and perhaps smaller sites to deliver surface parking (est. cost of approximately \$8,000-\$20,000 per space) in lieu of structured parking.
- Land cost savings where project teams can identify opportunities to deliver surface parking on land used for construction staging (including at stations that were not identified for parking investments in the ST3 plan).
- Opportunities to lease limited access (e.g. limited by time or usage) to and shared use of existing underutilized parking facilities by ST passengers. With shared use, this analysis assumes continued access for and value accrued by private property owners, and a consequent willingness to share capital and operating expenses, resulting in an estimated 33% cost savings for Sound Transit.
- Opportunities to lease limited access to and shared use of new parking developed in conjunction with a joint transit-oriented development (TOD) project. With shared use, this analysis assumes shared costs of development, delivery, operations and management and potential cost savings of 33% for Sound Transit.

Application

The cost savings of this opportunity are scalable to the level of resources available to support passenger parking and access in each major transit corridor.

Implementation Plan

The Enterprise Station Access and Parking (ESAP) fund could be established by the Board along with an amendment to the ST3 plan either further delaying delivery of ST3 parking capital projects (beyond the 2034-2046 opening dates established in R2021-05), or replacing those projects with a commitment to evaluate station access and parking demand and to identify and make recommendations for limited investments in cost-effective opportunities to provide parking or other access improvements and services serving the same transit travel corridors as those where parking was initially (in 2021) delayed.

Initial responsibility for the formation and administration of the ESAP fund for each corridor (S1, S2, EVLE, and TDLE) would be held by the Office of Planning and Development, which would work in close working in close coordination with the Passenger Access Services (PAS) team in Transit Operations and the transit capital project team(s) for each corridor.