

Resolution No. R2025-26

Adjust the I-405 BRT project budget for accounting treatment of King County Metro Funding Agreements at Renton Transit Center and Bellevue Transit Center

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	09/11/2025 09/25/2025	Recommend to Board Final action	Terri Mestas, Deputy CEO, Capital Delivery Manan Garg, Executive Director Rick Capka, Executive Project Director, BRT

Proposed action

Amends the Adopted 2025 Budget to adjust the I-405 Bus Rapid Transit project baseline budget for accounting treatment of King County Metro Funding Agreements at Renton Transit Center and Bellevue Transit Center by increasing the authorized project allocation by \$52,000,000 from \$1,269,000,000 to \$1,321,000,000.

Key features summary

- This action is required to properly account for two funding agreements with King County Metro (Metro) within the I-405 BRT project budget. The project budget will be increased by the same amount as the funding agreements.
- The agreements cover Metro's improvements that Sound Transit will build on Sound Transit's own facilities.
- A \$50M funding agreement with Metro for scope of work associated with the Renton Transit Center was approved by the Sound Transit Board under Motion No. M2024-80 on December 19, 2024. The agreement was fully signed and executed in June 2025, after the establishment of the I-405 BRT project baseline budget in 2023.
- A \$2M funding agreement with Metro for scope of work associated with the Bellevue Transit Center (BTC) has been finalized and is within the CEO's delegated authority to approve. This contribution supports the implementation of passenger experience improvements at BTC and includes upgraded lighting and real-time information signage, work that is also supported by the Stride Program's station access allowance. This agreement was not anticipated at the time the I-405 BRT project was baselined in 2023.
- This Budget Amendment is net neutral and will not affect the affordability of the agency's finance plan.

Background

A Bus Rapid Transit (BRT) system is part of Sound Transit's 2016 voter-approved system expansion program ST3. BRT will provide fast, reliable high-capacity transit service every ten minutes at peak for both the I-405, and SR-522/NE 145th Street BRT corridors (and every 15 minutes off-peak for the I-405 BRT), providing connections to light rail service in Bellevue, Tukwila, Shoreline and Lynnwood. The I 405 BRT project will establish a BRT system from the Lynnwood City Center to the Burien Transit

Center via I-5, I-405, and SR 518. The project consists of several elements, including new and upgraded transit centers, including Renton Transit Center, and in-line freeway BRT stations.

After the adoption of ST3, Sound Transit and Metro worked collaboratively on planning and design process at the Renton Transit Center with the understanding that the design of the new facility will be based, in part, on relocating Metro services and functions that currently occur in downtown Renton and the South Renton Park and Ride.

In December 2024, the Sound Transit Board approved Motion No. M2024-80, authorizing a funding agreement with King County Metro (Metro) for Metro to reimburse \$50,000,000 to Sound Transit in support of delivering the Renton Transit Center (RTC). The funding agreement was fully executed in June 2025. Metro’s \$50 million commitment is based on its proportional operational use of the RTC, including active bus bays, layover spaces, and other support facilities.

In July 2023, the Sound Transit Board adopted Resolution No. R2023-18 establishing the I-405 Stride BRT project baseline budget at \$1,269,000,000. In the baseline budget, Metro’s improvements at the RTC were categorized as a betterment, and Metro’s reimbursement was anticipated as a project credit to offset the cost of its scope of work. As a result, the I-405 BRT budget does not currently reflect the full cost of the RTC. However, because Sound Transit will own the RTC, the full cost of the improvements must be capitalized as an asset in accordance with accounting procedures. Therefore, it is necessary to incorporate the \$50 million value of the RTC funding agreement with Metro into the I-405 BRT budget.

Sound Transit and Metro have finalized a funding agreement for Metro’s facility improvements at the Bellevue Transit Center (BTC), with a scope of work valued at \$2,000,000. These improvements are included in Stride’s Stations, Fit-ups, Systems, and Amenities construction contract. As with the RTC, because Sound Transit owns the BTC, the full cost of these improvements must be capitalized as an asset. Accordingly, it is necessary to incorporate the \$2 million value of the BTC funding agreement with Metro into the I-405 BRT budget.

The approval of these funding agreements alone does not automatically increase the project’s budget. To incorporate these funding agreements into the budget, a Board Resolution is required. Since the project budget will be increased by the same amount as the funding agreements, this action will have no impact on the agency’s finance plan.

Project status

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Project Identification	Project Refinements	Conceptual Engineering/ Environmental Review	Preliminary Engineering	Final Design	Construction

The Open for Service baseline milestones for the I-405 BRT project are Q3 2028 for the S1 Line and Q2 2029 for the S2 Line.

Current project status, performance metrics, and additional information are located on page 19 of the July 2025 System Expansion Monthly Status Report.

Fiscal information

This action increases the Baseline Budget for the I-405 BRT project. This action funds King County Metro funding agreements by increasing the construction services phase of the baseline budget.

The current baseline budget for the I-405 BRT project is \$1,269,000,000. This action increases the baseline budget by \$52,000,000, resulting in a revised total of \$1,321,000,000.

I-405 BRT

(in thousands)

Project Phase	2025 Annual Project Budget			Baseline Budget		
	Adopted Annual Project Budget	Budget Amendment	Revised Annual Project Budget	Current Baseline Budget	Allocation Revision	Revised Baseline Budget
Agency Administration	\$7,678		\$7,678	\$59,324		\$59,324
Preliminary Engineering	1,350		1,350	43,013		43,013
Final Design & Specifications	6,593		6,593	31,322		31,322
Right of Way	315		315	42,060		42,060
Construction	171,567		171,567	973,523	52,000	1,025,523
Construction Services	2,827		2,827	27,468		27,468
Third Parties	140		140	5,670		5,670
Vehicles	23,411		23,411	86,620		86,620
Contingency						
Total	\$213,881	\$	\$213,881	\$1,269,000	\$52,000	\$1,321,000

Notes:

Amounts are expressed in Year of Expenditure \$000s.

For detailed project information, see page 168 of the 2025 Adopted Budget & Financial Plan.

The impact of this budget amendment is offset by corresponding revenues generated through the agreements described above; this action is net neutral and has no impact on the affordability of the Agency's Long Range Financial Plan.

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

Not applicable to this action.

Time constraints

Delay in approving this action would delay the approval of Motion No. M2025-xxx Renton Transit Center Construction, which could have significant impacts, including potential cost increases and delays, to the project's budget and schedule.

Prior Board/Committee actions

Motion No. M2024-80: Authorizes the chief executive officer to execute a funding agreement with King County Metro Transit (Metro) for Metro to reimburse \$50,000,000 to Sound Transit in support of delivering the Renton Transit Center as part of the I-405 Stride Bus Rapid Transit project.

Motion No. M2024-15: Authorizes the chief executive officer to execute funding agreements at the not-to-exceed amounts and with the local jurisdictions identified in Attachment A and Attachment B to come from budget station access allowance funding included as part of the Stride Program.

Resolution No. R2023-18: Adopted the I-405 Stride Bus Rapid Transit project baseline schedule and budget.

Environmental review – KH 8/27/25

Legal review – MT 9/3/25

Resolution No. R2025-26

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2025 Budget to adjust the I-405 Bus Rapid Transit project baseline budget for accounting treatment of King County Metro Funding Agreements at Renton Transit Center and Bellevue Transit Center by increasing the authorized project allocation by \$52,000,000 from \$1,269,000,000 to \$1,321,000,000.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, in November 2016, the voter approved ST3 Plan included funding to implement a regional high-capacity Bus Rapid Transit (BRT) system; and

WHEREAS, the I-405 BRT project is one component of the Stride BRT Program; and

WHEREAS, the Board adopted a baseline budget and schedule for the I-405 BRT project in July 2023 via adoption of Resolution No. R2023-18; and

WHEREAS, in June 2025, Sound Transit fully executed a Board-approved agreement with King County Metro for Sound Transit to be reimbursed \$50,000,000 in support of delivering the Renton Transit Center, based on Metro's proportional operational use of the site; and

WHEREAS, Sound Transit and King County Metro have finalized a funding agreement for the incorporation of Metro's facility improvements, with a scope of work valued at \$2,000,000, at the Bellevue Transit Center; and

WHEREAS, the full cost of both sets of improvements must be capitalized as assets in accordance with accounting procedures; and

WHEREAS, increasing the I-405 BRT project baseline budget is offset by the funding agreements and has no impact on the agency's finance plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Adopted 2025 Budget is amended to adjust the I-405 Bus Rapid Transit project baseline budget for accounting treatment of King County Metro Funding Agreements at Renton Transit Center and Bellevue Transit Center by increasing the authorized project allocation by \$52,000,000 from \$1,269,000,000 to \$1,321,000,000.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Dave Somers
Board Chair

Attest:

Kathryn Flores
Board Administrator