

Resolution No. R2026-01

Budget Increase for East Link Extension

Meeting:	Date:	Type of action:
System Expansion Committee	01/08/2026	Recommend to Board
Board	01/22/2026	Final Action

Staff name:	Staff title:
Terri Mestas	Capital Delivery Deputy CEO
Michael Morgan	Capital Delivery Executive Director
Tony Raben	East Link Extension Executive Project Director

Proposed action

Amends the East Link Extension project baseline budget and adopted 2026 budget to provide funding to complete the East Link Extension project by the forecast revenue service date by a) increasing the authorized project allocation by \$60,000,000 from \$3,757,150,000 to \$3,817,150,000 and b) increasing the 2026 annual project budget by \$60,000,000 from \$50,617,534 to \$110,617,534.

Key features summary

- Since construction began in 2016, the project has encountered significant delays which have consumed remaining project float and extended construction and support contracts longer than anticipated. Key contributing factors include the global COVID-19 pandemic, an extended ready-mix concrete delivery strike, quality issues, and contractor challenges meeting planned production rates.
- Staff performed a quantitative risk assessment in July 2024 which indicated a high probability of delay to the project revenue service date to late 2025 or early 2026 and cost increases as a result.
- The proposed budget amendment represents a 1.6 percent increase over the baseline budget as previously amended, and provides funding for additional startup costs, additional resiliency scope, design support during continued construction, extended construction management and quality oversight services, and extended third party support.
- Increased costs in Administration, Final Design, Third Party, Construction and Construction Services phases are due to:
 - Extended durations to achieve substantial completion and the start of revenue service adding staff and consultant support time and agency requested changes including continued operation and technical support for the cathodic protection system; added activation, resiliency, and security work; and extended support from key contractors through 2026.
 - Additional agency administrative level of effort required to support the project through completion and project closeout activities.

- Additional design support during construction, which includes systems engineer of record support for testing and commissioning to supplement agency staff.
- Additional construction management support, which includes schedule and increased inspection support. Agency and consultant support of the project is required through completion of construction and during project closeout phase.
- Construction on the East Link Extension is currently 99 percent complete. Remaining work includes punchlists, roadway restoration, systems completion, and operational testing and familiarization.

Background

East Link extends light rail 14 miles, with 10 stations from Seattle's International District to Judkins Park, across I-90 to Mercer Island and South Bellevue, through downtown Bellevue and the Bel-Red area to Redmond Technology Station. Revenue service commenced in April 2024 between the South Bellevue and Redmond Technology Stations. Revenue service for the full East Link Extension is anticipated to begin by May 31, 2026.

East Link Extension challenges include construction quality and durability concerns about plinths, the raised concrete structures that support the tracks on the I-90 segment (except for the floating bridge). The contractor's work to repair the plinths supporting the tracks led to the identification of further nonconformities including issues with mortar pad and rebar placements and track fasteners. The contractor has replaced the plinths to ensure they resolve the issues and assure the long-term durability, reliability, and safety of the extension.

Corrective actions have extended the duration of the I-90 civil construction contract, resulting in delays to the subsequent systems contract and extended durations for quality oversight, design support, third party support, and construction management contracts.

Project status

Project Development Phase: Construction

Percent complete (measured to revenue service date): 99.7%

Current project status, performance metrics, and additional information are located on pages 21-22 of the November 2025 System Expansion Monthly Status Report.

Fiscal information

This action increases the project budget without adding scope. The current authorized project allocation for the East Link Extension is \$3,757,150,000. This action would increase the authorized project allocation by \$60,000,000 to \$3,817,150,000 for increased agency administration, construction, final design, construction services, third parties, system testing and start-up costs.

The proposed 2026 annual project budget for the East Link Extension is \$50,617,534. This action increases the annual project budget by \$60,000,000, resulting in a revised total of \$110,617,534.

East Link Extension

(in thousands)

Project Phase	2026 Proposed Annual Project Budget			Authorized Project Allocation		
	Adopted Annual Project Budget	Budget Amendment	Revised Annual Project Budget	Current Authorized Project Allocation	Allocation Revision	Revised Authorized Project Allocation
Agency Administration	\$6,369	\$5,000	\$11,369	\$184,480	\$5,000	\$189,480
Preliminary Engineering				54,776		54,776
Final Design & Specifications	1,515	1,000	2,515	270,068	1,000	271,068
Right of Way	105		105	281,536		281,536
Construction	37,952	43,000	80,952	2,607,942	43,000	2,650,942
Construction Services	3,512	9,500	13,012	314,122	9,500	323,622
Third Parties	1,164	1,500	2,664	44,225	1,500	45,725
Vehicles						
Contingency						
Total	\$50,618	\$60,000	\$110,618	\$3,757,150	\$60,000	\$3,817,150

Notes:

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

For detailed project information, see page 138 of the 2026 Proposed Budget & Financial Plan.

After approval of this action, adequate budget will be available to fund the remaining work in the affected phases as contained in the current cost estimates.

This Resolution is being submitted in conjunction with Motion No. M2026-02.

Affordability Impact

Funding for this increase to the baseline budget will come from the Agency's current \$8 billion fund balance. This cost increase contributes non-materially to the Agency's projected affordability gap currently being addressed through the Enterprise Initiative established in Motion No. M2025-36 to achieve a balanced and affordable long-range financial plan.

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

Not applicable to this action.

Time constraints

Approval of this action and the related contract modifications (Motion No. M2026-02 for contingency authorization) will allow the project to continue to progress design and construction activities for the I-90 segment (Contracts E130 and E750) for the East Link Extension project to complete the work.

Prior Board/Committee actions

Resolution No. R2024-23: Amended the East Link Extension project baseline budget to settle certain delay claims and to provide funding to complete the extension by the forecast revenue service date by increasing the authorized project allocation by \$80,000,000 from \$3,677,150,000 to \$3,757,150,000.

Resolution No. R2024-13: Amended the adopted 2024 Budget to transfer \$3,600,000 from the project administration phase to the final design phase for the East Link Extension project, while maintaining the baseline budget of \$3,677,150,000.

Resolution No. R2015-14: (1) Adopted the East Link Extension baseline schedule and budget, which constitutes Board approval of Gate 5 within Sound Transit's Phase Gate process by (a) amending the

project Lifetime Budget from \$798,346,894 to \$3,677,150,000, and (b) amending the project 2015 Annual Budget from \$142,944,766 to \$165,636,000; (2) approved Gate 6 within Sound Transit's Phase Gate process to allow the project to proceed to construction; (3) confirmed that the alignment selected by the Board in 2013 includes a 120th Avenue Station in a retained cut; (4) incorporated the Overlake Village Bridge project into the East Link Extension by (a) amending the Lifetime budget from \$5,185,585 to \$0 and (b) amending the annual budget from \$1,163,000 to \$0 to reflect the transfer of budget to the East Link Extension; and (5) established a project revenue service date of June 2023.

Environmental review – KH 12/22/25

Legal review – JSA 1/6/25

Resolution No. R2026-01

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the East Link Extension project baseline budget and adopted 2026 budget to provide funding to complete the East Link Extension project by the forecast revenue service date by a) increasing the authorized project allocation by \$60,000,000 from \$3,757,150,000 to \$3,817,150,000 and b) increasing the 2026 annual project budget by \$60,000,000 from \$50,617,534 to \$110,617,534.

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 October 2024, the Board adopted Resolution No. R2024-23 which amended the East Link Extension Budget by \$80 million to settle certain delay claims and provide funding to complete the extension; and

WHEREAS, in November 2025, the Board adopted Resolution No. R2025-29, adopting an annual budget for the period from January 1 to December 31, 2026, and adopting the 2026 Transit Improvement Plan; and

WHEREAS, in July 2024 staff performed a quantitative risk assessment in which indicated a high probability of delay to the project revenue service date to late 2025 or early 2026 and cost increases as a result; and

WHEREAS, the proposed budget amendment represents a 1.6 percent increase over the baseline budget as previously amended, and provides funding for additional startup costs, additional resiliency scope, design support during continued construction, extended construction management and quality oversight services, and extended third party support; and

WHEREAS, increased projects costs are due to extended durations to achieve substantial completion and the start of revenue service; added activation, resiliency, and security work, and extended support from key contractors.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the East Link Extension project baseline budget and adopted 2026 budget be amended to provide funding to complete the East Link Extension project by the forecast revenue service date by a) increasing the authorized project allocation by \$60,000,000 from \$3,757,150,000 to \$3,817,150,000 and b) increasing the 2026 annual project budget by \$60,000,000 from \$50,617,534 to \$110,617,534.

ADOPTED by a supermajority of the Board Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Dave Somers
Board Chair

Attest:

Kathryn Flores
Board Administrator