



## Resolution No. R2026-11

### Updating the ST3 System Plan

Meeting:	Date:	Type of action:
Executive Committee	05/07/2026	Discussion Only
Board	05/28/2026	Final Action

Staff name:	Staff title:
Dow Constantine	Chief Executive Officer
Alex Krieg	Deputy Executive Director – Enterprise Planning

### Proposed action

Updates the Sound Transit 3 System Plan to be affordable within available and projected financial capacity.

### Key features summary

- Modifies and updates the voter-approved ST3 System Plan consistent with the financial policies identified in Appendix B to use available resources to fund the most necessary projects and services that best achieve the objectives of ST3.
- Directs the CEO to establish an adaptive program management plan and approach to ensure program affordability challenges are more actively and transparently managed in the future with direction to present how this plan will be implemented by Q4 2026.
- Identifies a capital program (Attachment A) that is balanced and affordable at the system level and complies with financial policies related to subarea equity.
- As permitted by ST3 financial policies, regionalizes costs associated with debt interest in 2027 using the systemwide allocation, which is based on the share of local tax revenues generated by each of the Sound Transit district's five subareas.
- Establishes an Enterprise workplan (Attachment B) to continue identification, assessment, and implementation of opportunities that will save cost, speed project delivery, and increase agency financial capacity.
- Modifies the anticipated Board adoption of an updated Regional Transit Long-Range Plan to 2028 to ensure sufficient time to identify further costs savings and increased financial capacity, to complete additional analysis and environmental review, to conduct robust and equitable public engagement, and to be informed by high-capacity transit corridor studies.

## Background

The Sound Transit Board of Directors established the Enterprise Initiative at the May 29, 2025 Board retreat in recognition of program affordability challenges that jeopardized the agency's ability to deliver the full voter-approved ST3 System Plan. The agency identified cost growth on the West Seattle Link Extension project in late 2024, which led to the Board adopting Motion No. M2024-59 that established a capital delivery cost savings workplan and precipitated efforts to update cost estimates on seven additional light rail investments identified in ST3. In addition, service reliability and resiliency challenges that emerged following the rapid expansion of the light rail system beginning with the Northgate Link Extension in 2021 also indicated potential risks to the program. Finally, uncertainty related to the broader regional, national, and global economies as well as travel behavior following the COVID-19 pandemic contributed to lower-than-expected revenue projections and a need to ensure that agency investments matched regional travel demand.

In August 2025, Sound Transit staff presented information that identified program affordability challenges at the scale of approximately \$30 billion to \$40 billion in a year-of-expenditure dollars (YOES). Of this total, approximately \$22 billion to \$30 billion (YOES) was identified within the capital program, with these increases primarily driven by extraordinary COVID-era construction inflation, right-of-way cost escalation, and the added complexity of project design and delivery. Approximately \$5 billion (YOES) was associated with transit operations, specifically related to updated costs for light rail vehicles, improvements to system resiliency, and higher costs for operations and maintenance. Reduced sales tax projections, lower projected fare revenue, and higher financing costs due to market factors and the effect of increased capital and service delivery costs informed an estimated \$4 billion to \$5 billion (YOES) in lower than previously projected revenues. The total was further refined to \$34.5 billion (YOES) in cost savings or added revenue to deliver the full ST3 program through the fall 2025 update of the agency's Long-Range Financial Plan.

Also in August 2025, the Board of Directors adopted Motion No. M2025-36, which established principles and a process to help guide the Board on how best to achieve the planned outcomes of the Enterprise Initiative, including an update to the ST3 System Plan by the end of Q2 2026 and an update to the Long-Range Financial Plan by Q4 2026. The process elements included in Motion No. M2025-36 include engaging communities through inclusive collaboration, building trust through transparent governance, and driving decisions through data and insight. The principles include advancing regional connectivity, supporting future growth, prioritizing the passenger experience, and protecting public investments with fiscal integrity.

Throughout the summer and fall of 2025, staff engaged the Board on the various Enterprise Initiative workstreams of Policy & Planning, Transit Operations, Capital Delivery, and Finance. Information presented focused on the specific cost pressures in each workstream as well as the opportunities to address and resolve them. This Board engagement also informed the development of Enterprise Initiative work plan that was required by Motion No. M2025-36 and was presented and reviewed at the November 13, 2025 Board retreat. At that Board retreat, the Board directed staff to develop plausible, affordable approaches for an updated capital program and to summarize opportunities to save cost and increase financial capacity across each Enterprise Initiative workstream.

On March 18, 2026, the Board of Directors held their third retreat on the Enterprise Initiative. At that retreat, staff presented three plausible, affordable capital program approaches to generate Board discussion around policy trade-offs and performance characteristics relative to the Board's adopted principles guiding the Enterprise Initiative. The Board also participated in a series of small group breakouts focused on each Enterprise Initiative workstream to review and discuss potential opportunities for the Board to pursue that would save costs or expand agency financial capacity to preserve as much of the ST3 capital program as possible. At the April 2 Executive Committee, staff summarized key

themes and the most promising opportunities to pursue and received direction from the Executive Committee to develop an updated ST3 System Plan for Board consideration.

Resolution No. R2026-11 will update the ST3 System Plan to ensure proposed investments and services align with agency financial capacity. The following sections summarize the key elements of an updated ST3 System Plan.

### **Adaptive program management plan**

Resolution No. R2026-11 directs the CEO to develop an adaptive program management plan that will help the agency avoid the kinds of program affordability challenges like the 2021 Realignment process and the current Enterprise Initiative in the future.

An adaptive program management plan will help achieve the following goals:

- Institutionalize lifecycle cost savings by building on the identification and implementation of cost-saving opportunities consistently throughout the full project lifecycle.
- Ensure transparency and rigor in reporting by providing clear, timely, and easily understandable information on risks, schedules, and costs.
- Enable effective issue and opportunity management by establishing a system in which project-level challenges and opportunities are vetted, verified, and addressed at the appropriate project and subarea levels, while allowing overall program progress to continue while minimizing delays.
- Apply active program-level financial management by using tools that align revenues and costs and support timely responses to both opportunities and risks.
- Apply equal scrutiny to all cost-saving efforts by ensuring that agency administration and operational policies and expenses are reviewed with the same rigor as project delivery costs.

While more work will be done to formally present and operationalize an adaptive program management plan, staff anticipate the following key elements to be part of the overall framework:

- A programmatic agency plan that outlines how the agency manages projects and operates the system, coordinates input at key milestones, aligns reporting, and supports Board oversight and direction.
- Adaptive decision-making that establishes a process for Board review of costs, risks, and schedule at major milestones of project development and provides the Board with opportunities to reassess and potentially pause projects facing affordability challenges without impacting the entire program.
- Improved program-level oversight through frequent, transparent, and concise enterprise-wide reporting that aligns with project-level management, and institutionalizes opportunity registers across planning, policy, capital delivery, transit operations, and finance to identify cost savings and increase financial capacity to deliver ST3.

### **Affordable ST3 capital program**

Attachment A of Resolution No. R2026-11 and the table below identify the projects and investments that are affordable within the agency's Long-Range Financial Plan and are consistent with the voter-approved financial policies and subarea equity.

Affordable within existing resources	Construction not currently affordable within existing resources	Deferred
<p><b>Fully funded projects</b>  Tacoma Dome Access Improvements  West Seattle Link (no Avalon Station)  Tacoma Dome Link  Everett Link, phase 1  Ballard Link initial segment (Seattle Center)  Everett Link, phase 2  T Line to Tacoma Community College (<i>now 2043</i>)*  South Kirkland to Issaquah Link (<i>now 2050</i>)*  Link Operations and Maintenance Facility South  Link Operations and Maintenance Facility North  Sounder Maintenance Base</p>	<p>Ballard Link (Seattle Center to Market Street)  Boeing Access Road Infill Station  Graham Street Infill Station  Sounder Additional Trips (remainder)  Sounder Extension to DuPont (final design and construction)  ST4 Planning/High-Capacity Transit Corridor Studies (remainder)</p>	<p>Tacoma Dome Link Parking  Everett Link Parking  Stride Parking  North Sammamish Park &amp; Ride  Edmonds &amp; Mukilteo Parking and Access  Bus on Shoulder Project  SR 162 Corridor Improvements  Sounder South Platform Extensions  Sounder South Access Improvements  ST Express Bus Base (remainder)</p>
<p><b>Partially funded projects or projects funded through planning and design</b>  Ballard Link (through final design)  Boeing Access Road Infill Station (through final design)  Graham Street Infill Station (through final design)  Sounder South Additional Trips (partially funded)  Sounder Extension to DuPont (planning phase only)  Regional Parking Fund  ST Express Bus Base (partially funded)  ST4 Planning/High-Capacity Transit Corridor Studies (partially funded)</p>		

*\*Funded at the 2024 Long-Range Financial Plan level; future planning will confirm whether scope reductions or additional funding is required to deliver the full investment*

Before identifying the affordable ST3 capital program described above, the Board of Directors reviewed and provided feedback on three illustrative capital program approaches at their March 2026 Board retreat. Information presented on these approaches at the March Board retreat included updated data related to project benefits, costs, capacity, reliability, ridership, and other performance characteristics associated with the ST3 System Plan (as described in Appendix C of ST3) and the Board’s adopted principles guiding the Enterprise Initiative. Additional information related to the performance of the

affordable ST3 capital program described above will be presented as part of the Board's deliberation on Resolution No. R2026-11 and summarized in a forthcoming associated Enterprise Initiative Evaluation report.

To ensure compliance with subarea equity, and as permitted by ST3 financial policies, debt interest associated with repayment of bond issues will be allocated as a regional, systemwide expense using the systemwide allocation, which is based on the share of local tax revenues generated by each of the Sound Transit district's five subareas. Because Sound Transit issues debt at the agency-level to bridge the gap between the timing of expenditures and the receipt of revenues, the Board assesses that it is in the best interest of Sound Transit to allocate debt interest as a regional expense.

### **Enterprise workplan**

In recognition of the Board's intent to fully deliver the voter-approved ST3 program, Resolution No. R2026-11 directs the CEO to implement an Enterprise workplan to continue to identify and implement opportunities to save costs, accelerate project delivery, and increase agency financial capacity to ensure full delivery of the voter-approved ST3 system plan.

The Enterprise workplan is incorporated as Attachment B of Resolution No. R2026-11 and is organized according to the Enterprise Initiative workstreams that staff have used to support Board decision-making to update the ST3 system plan to align with currently available financial capacity. The specific activities identified reflect the need for additional analysis and Board engagement as well as the fact that many of the opportunities identified require engagement with and potentially action on the part of different levels of government (e.g., local, state, or federal).

### **Fiscal information**

Since the Fall 2024 Long-Range Financial Plan projections, the total estimated capital and operating costs to deliver the full ST3 program on the existing schedule have risen significantly. The Fall 2025 Long-Range Financial Plan projections estimate the identification of \$34.5 billion in cost savings or new funding required to fully fund the ST3 program.

The agency uses debt to bridge the gap between the timing of expenditures and the receipt of revenues. By state law Sound Transit cannot issue debt in excess of 1.5% of the assessed valuation of real property located within the regional transit authority district. The increased project costs lead to the agency not being able to meet legal debt capacity and issue sufficient debt to finance the program, which means that the full voter-approved ST3 plan is not currently affordable.

In addition to incorporating cost savings identified by capital delivery project teams and phasing and deferring projects as identified above and in Attachment A of Resolution No. R2026-11, the agency incorporated multiple assumptions to save costs or increase financial capacity within the remaining Enterprise Initiative workstreams. Those assumptions are summarized below.

### **Policy & Planning**

- Updated Link service assumptions per the affordable ST3 capital program defined in Attachment A of Resolution No. R2026-11
- Updated ST Express service assumptions
- Updated parking revenue assumptions
- Assumes the discontinuation of Sounder N Line beginning in 2033

## **Transit Operations**

- Updated resiliency and state of good repair assumptions
- Updated light rail vehicle costs reflecting needs per the affordable ST3 capital program defined in Attachment A of Resolution No. R2026-11
- Updated future staffing assumptions

## **Finance**

- Use of remaining rental-car tax authority
- Updated federal grant assumptions
- Incorporated anticipated savings from underspend on ST2 projects nearing project closeout

The proposed update of the ST3 System Plan fully utilizes agency financial capacity to deliver as much of the ST3 program as possible within available resources. Any loss of revenue or increase in costs is likely to require additional Board action to bring projected expenditures and projected revenues back into alignment. It is the intent of the agency to utilize the adaptive program management framework and approach to ensure that the Board is continuously aware of these risks and can also proactively engage on opportunities to maximize agency resources to enable full delivery of the voter-approved ST3 program.

## **Public involvement**

Sound Transit implemented a multifaceted engagement approach to reach communities across the region, including digital communications through agency platforms, in-person outreach at community events, and shared materials and/or briefed community-based organizations, jurisdictions, agency partners, tribal governments, and elected officials at the local, state, federal, and Tribal level. The agency launched a regionwide survey that received more than 16,000 responses and partnered with community-based organizations to engage more broadly, including staff and Board member participation in town halls hosted by Transportation Choices Coalition in each subarea and attendance at over 30 in-person community events and gatherings to share information about how to engage. Materials and opportunities for participation were intentionally designed to be accessible, including offering the survey in seven languages and providing multiple ways for the public to submit feedback.

## **Time constraints**

A one-month delay would still comply with Board direction in Motion No. M2025-36 to update the ST3 System Plan by the end of Q2 2026 but would create further delay in advancing certain capital projects that are unable to move forward until ST3 is updated.

## **Prior Board/Committee actions**

Motion No. M2025-36: Adopted principles and a process to help guide the Board on how best to achieve the planned outcomes of the Enterprise Initiative work, including an update to the current system plan (Sound Transit 3) and long-range finance plan.

Motion No. M2024-59: Directed the chief executive officer to develop a workplan on measures the agency will pursue to address rising project costs and inform future baselining decisions on the West Seattle Link Extension project.

Resolution No. R2021-05: Established a flexible and accountable framework to implement ST2 and ST3 projects not yet in construction as close as possible to the dates promised to the voters that (1) allows project work to proceed right away within the confines of an affordable financial plan; (2) prioritizes maintaining project schedules through an accountable and transparent process to update the agency's revenue assumptions and financing approach and address cost increases at the project and program level; and (3) positions the agency to react quickly as new information becomes available, particularly on the revenue side, and provides greater oversight for the Board and transparency to the public through oversight mechanisms, including an annual Board program review of updated revenue and cost projections to allow the Board to revisit the realigned capital plan assumptions based on shifts in projected financial capacity and opportunities to expedite projects.

Resolution No. R2016-17: Called an election to approve certain local taxes to implement Sound Transit 3: The Regional Transit System Plan for Central Puget Sound; describing the proposed high-capacity transportation system improvements; setting forth the ballot title and confirming and fixing the Authority's boundaries for said election.

Resolution No. R2016-16: Adopted the Sound Transit 3 Regional Transit System Plan.

### **Environmental Compliance**

As part of the update to the ST3 System Plan, a State Environmental Policy Act (SEPA) addendum to the Final Supplemental Environmental Impact Statement on the Regional Transit Long-Range Plan, was prepared pursuant to RCW 43.21C, WAC 197-11-625, and Sound Transit Resolution No. R2016-17. The addendum provides additional information and analysis regarding the changes to implementing the ST3 plan, including project phasing, project deferral, and project modification. The addendum concludes that the potential changes to the ST3 Plan do not substantially change the analysis of significant impacts and alternatives evaluated in the existing environmental documents. No new, probable significant adverse environmental impacts would arise, and no additional mitigation measures would be warranted. The principal differences resulting from the proposed changes to the plan are that some impacts would be delayed, deferred, or eliminated, while some environmental benefits would not be realized or would be delayed.

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**Environmental review** – KH 5/6/26

**Legal review** – DB 5/6/26



## Resolution No. R2026-11

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority approving a plan to implement the ST3 Plan.

WHEREAS, the Central Puget Sound Regional Transit Authority (Sound Transit), is the regional transit authority for Pierce, King, and Snohomish counties pursuant to chapters 81.104 and 81.112 RCW; and

WHEREAS, in a general election held on November 8, 2016, voters approved local funding for the ST3 Plan to provide bus rapid transit service on I-405/SR518 and SR522/NE145th, expand commuter-rail facilities and service to DuPont, and extend light-rail service to West Seattle, Tacoma Dome, Everett, Ballard, Tacoma Community College, South Kirkland, and Issaquah; and

WHEREAS, the Board finds that the rationale and purpose of the voter-approved plans of 1996, 2008 (ST2), and 2016 (ST3) for mobility, sustainability, equity, and community development have only grown in importance since the voters adopted them; and

WHEREAS, the need to decarbonize our transportation system in order to address climate change has only accelerated since the adoption of the voter-approved plans and Sound Transit's voter-approved projects continue to be the most climate-friendly transportation investments in the state; and

WHEREAS, mobility is a key to the continued economic growth of the region; and

WHEREAS, the forecasted cost to plan, design, construct, operate, and maintain the ST3 Plan improvements as planned is estimated to exceed available agency and subarea revenue by \$34.5 billion through 2046. The revised financial projections reflect increased knowledge of the time and work required to build and operate the system and the extraordinary increases in materials, labor, and administration costs; and

WHEREAS, when the plan improvements and services become unaffordable, the ST3 voter-approved Ballot Measure provides that the Board must use the available revenue to fund the most necessary projects and services that best achieve the ST3 Plan goal to connect the identified urban centers. To identify the projects, or portions thereof, to fund, the Board considered extensive comment at board and community meetings and considered comprehensive briefings from planning, financial, and engineering staff about each project's local and systemwide ridership benefits, cost, and available subarea and grant revenue to determine which projects, or portions thereof, are most necessary, practical, feasible, and affordable after consideration of the Financial Policies; and

WHEREAS, the ST3 Ballot Measure also provides that when forecasted costs exceed available subarea revenue and funding sources by more than five percent, the Board must exercise the authority granted by the voter-approved Financial Policies to match project cost with each subarea's available resources. To balance project cost with subarea revenue and funding sources, the Board may: (1) extend the time to complete projects and/or reduce project scope, (2) allocate funding from one subarea to construct projects in another subarea when the project substantially benefits the funding subarea's residents, and (3) designate bond interest a systemwide expense; and

WHEREAS, the Board is committed to finding agency efficiencies and additional resources to deliver the entire ST3 Plan when revenue is available while ensuring the existing system is operated and maintained in a way to meet regional travel demands with reliable service; and

WHEREAS, the environmental consequences of implementing the proposed changes to the ST3 Plan are addressed in the May 2026 Addendum to the Final Supplemental Environmental Impact Statement for the Regional Transit Long-Range Plan Update (November 2014) issued in compliance with the State Environmental Policy Act and considered by the Board; and

WHEREAS, notwithstanding the funding constraints described herein, the Board reaffirms its commitment to deliver all projects approved by voters in the ST3 Ballot Measure. The actions taken in this resolution reflect the Board's determination to manage the ST3 program responsibly within current financial realities while actively pursuing cost reductions, additional financial capacity, and innovative delivery strategies to advance the full ST3 program. The Board recognizes its obligation to the voters who approved ST3 and intends to honor that commitment to the fullest extent that available resources allow and pursue additional financial tools.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

Section 1: The Board affirms its commitment to deliver the full voter-approved ST3 Plan to the fullest extent that available resources allow. The funding constraints identified herein represent the current state of available resources and do not reflect a decision to permanently defer or eliminate any voter-approved project. The chief executive officer is directed to actively pursue all available means to advance the full ST3 program, including but not limited to: reducing project costs, pursuing federal, state, and local grant opportunities, identifying opportunities to increase financial capacity, and pursuing operational and administrative efficiencies.

Section 2: Because insufficient funding exists to plan, design, construct, operate, and maintain the ST3 Plan improvements, the projects and services described in Attachment A are determined to be the most necessary to best achieve the ST3 Plan goals after consideration of each project's benefits, costs, revenues, capacity, reliability, and performance characteristics identified in ST3 Plan—Appendix C, and after consideration of the ST3 Plan Financial Policies—Appendix B.

Section 3: Consistent with the updated subarea sources and uses projections in Attachment A, the chief executive officer is directed to take all appropriate actions to plan, design, or construct the projects identified in Attachment A-Table 1 if sufficient subarea revenue and other funding sources for each project are available.

Section 4: The chief executive officer is directed to develop and implement an adaptive program management plan that establishes a continuous cycle of monitoring, assessment, and adjustment to ensure the ST3 Plan remains on track to deliver all voter-approved projects within available resources. The program management plan will approach program delivery as an iterative process in which new information – including changes to project costs, schedules, grant availability, and subarea revenues – is systematically incorporated into agency decision-making and reported to the Board. The plan will include:

- (a) *Monitoring and risk identification* – A formal agency-wide risk register at the project and program level, updated no less than quarterly, that identifies material risks to project cost, schedule, and scope together with mitigation measures in place or planned for each identified risk. The register will reflect current conditions and be updated as new information becomes available, not solely on a fixed schedule.
- (b) *Escalation thresholds* – Definitions for the conditions under which emerging risks must be escalated to the Board, including thresholds for cost growth, schedule delay, and material changes to grant assumptions. Each escalation will include a staff assessment of available response options and a recommendation for Board action.

- (c) *Regular Board reporting* – A quarterly report to the Board for each active project that includes: current budget status, current schedule status, grant application status and any materials changes to grant assumptions, subarea finances, a summary of active risks and the status of mitigation efforts, and a forward-looking assessment of any emerging risks or opportunities anticipated.
- (d) *Independent oversight* – Periodic external reviews of program assumptions for costs and schedules and individual project risk assessments, with findings reported directly to the Board.

The chief executive officer will present the adaptive program management plan and the long-range finance plan update to the Board in fourth quarter 2026. Together, these plans must provide an integrated framework for collectively managing the agency's transit operations, capital delivery, policy and planning, and administrative and financial work. The Board will review and approve updates to the adaptive program management plan no less than annually thereafter.

Section 5: The chief executive officer is further directed to implement the Enterprise workplan described in Attachment B to identify cost-saving and revenue enhancement opportunities that can accelerate projects and support full delivery of the ST3 Plan. Workplan progress will be regularly reported to the Board as part of the adaptive program management plan.

Section 6: The chief executive officer is directed to develop a project delivery framework for Board approval. The framework shall be designed to ensure that each project remains affordable and that the Board retains clear visibility and decision-making authority at key project milestones. At a minimum, the framework will:

- (a) Establish primary Board decision points for confirming project affordability;
- (b) Define the conditions and criteria, including but not limited to the Board's adopted guiding principles for the Enterprise Initiative as defined in Motion M2025-36, available agency capacity, and subarea finances at the time resources become available, under which projects identified in Attachment A that are partially funded or have a construction phase that is not currently affordable may be advanced when new funding becomes available, reflecting the Board's desire to deliver the full ST3 program. The framework will establish a clear and transparent process for prioritizing and advancing these projects consistent with subarea affordability and the objectives of the ST3 program; and
- (c) Define the options available to the Board when a project can no longer be advanced consistent with subarea equity as defined in the Financial Policies—Appendix B.

The chief executive officer must present the project delivery framework to the Board for approval no later than fourth quarter 2026.

Section 7: As permitted by the ST3 Financial Policies, the Board deems it is in the best interest of Sound Transit to allocate debt interest as a systemwide expense.

Section 8: At the time the annual budget is proposed, the chief financial officer is directed to certify that the proposed annual expenditures for operations and maintenance, state-of-good repair, and agency administration conform to the projections in the long-range financial plan. This certificate will be supported by a report submitted to the Board with the proposed annual budget.

Section 9: The third-quarter 2026 update to the agency's Regional Transit Long-Range Plan will occur in 2028 to provide time to identify further cost savings and increased financial capacity, complete additional analysis and environmental review, conduct robust equitable public engagement, and incorporate findings from the high-capacity transit studies identified in Attachment B. The chief executive officer is directed to begin work on an updated Regional Transit Long-Range Plan for Board adoption in 2028.

Section 10: The chief executive officer is directed to implement Board motions and resolutions authorizing property acquisitions, contracts or any other actions to plan, design, construct, operate, or maintain the projects and services identified in Attachment A.

Section 11: Resolution No. R2021-05 is superseded.

ADOPTED by no less than 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 \_\_\_\_\_.

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Dave Somers  
Board Chair

**Attest:**

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Kathryn Flores  
Board Administrator



## Resolution No. R2026-11

### Attachment A

Table 1

The following projects and investments are affordable within the agency’s long-range financial plan and consistent with the Financial Policies and subarea equity. The fully funded projects listed below are in the order the agency plans to sequence them to open, except for the maintenance facilities, which will be phased as required to support system operations and maintenance. All previously baselined projects are proceeding on their adopted schedules.

Affordable within Existing Resources	
<u>Fully Funded Projects</u> (opening order)	<u>Partially Funded Projects or Projects Funded through Planning and Design</u>
Tacoma Dome Access Improvements	Ballard Link (through final design)
West Seattle Link (no Avalon Station)	Boeing Access Rd. Link Infill Station (through final design)
Tacoma Dome Link	Graham St. Infill Station (through final design)
Everett Link, phase 1	Souder South Additional trips (partially funded)
Ballard Link initial segment (Seattle Center)	Souder Extension to DuPont (planning phase only)
Everett Link, phase 2	Regional Parking Fund
T Line to Tacoma Community College (now 2043)*	ST Express Bus Base (partially funded)
S Kirkland to Issaquah Link (now 2050)*	ST4 Planning/High-Capacity Transit Corridor Studies (partially funded)
<u>Maintenance Facilities</u> Link Operations Maintenance Facility South Link Operations Maintenance Facility North Souder Maintenance Base	

\* These projects are funded using 2024 long-range financial plan cost projections.

Table 2

Construction of the following projects is not currently funded in the agency's long-range financial plan, but as costs and agency revenue uncertainties are resolved, the Board will evaluate options for restoring additional funding for these projects. Projects in this category will be given funding based on available agency capacity and subarea finances at the time resources become available.

<b>Construction Not Currently Affordable within Existing Resources</b>
Ballard Link (Seattle Center to Market St.)
Boeing Access Rd. Link Infill Station
Graham St. Link Infill Station
Souder Additional Trips (remainder)
Souder Extension to DuPont (remainder)
ST4 Planning/High-Capacity Transit Corridor Studies

Table 3

The following projects are not funded in the agency's long-range financial plan. If additional party funding becomes available for these projects, the Board will consider allocating agency resources to advance delivery.

<b>Defer Until Resources Identified</b>
Tacoma Dome Link Parking
Everett Link Parking
Stride Parking
North Sammamish Park & Ride
Edmonds & Mukilteo Parking and Access
Bus on Shoulder Project
SR 162 Corridor Improvements
Souder South Platform Extensions
Souder South Access Improvements
ST Express Bus Base (remainder)

## Updated Sources and Uses



### Financial Plan - Sources & Uses Summary

#### May 7 Proposal

2017 through 2052; YOY Dollars in Millions

	Snohomish	North King	South King	East King	Pierce	System-wide	Total
<b>Sources of Funds</b>							
<b>Tax Revenues</b>							
Sales and Use	12,120	31,982	12,771	27,134	18,679	-	102,685
Motor Vehicle Excise Tax	1,791	2,629	1,510	3,445	2,356	-	11,730
Property Tax	860	2,776	868	2,435	1,102	-	8,040
Rental Car Tax	25	57	374	41	35	-	532
<b>Total Tax Revenues</b>	<b>14,795</b>	<b>37,444</b>	<b>15,523</b>	<b>33,055</b>	<b>22,172</b>	-	<b>122,988</b>
<b>Other Revenue</b>							
Grant Revenue	4,594	10,558	3,453	854	4,114	4,215	27,787
Fare Revenue	521	3,769	931	1,033	606	-	6,860
Other Revenue	21	190	132	90	83	472	989
Interest Earnings	-	-	-	-	-	2,282	2,282
<b>Total Other Revenue</b>	<b>5,136</b>	<b>14,517</b>	<b>4,516</b>	<b>1,977</b>	<b>4,803</b>	<b>6,969</b>	<b>37,918</b>
Bond Proceeds (with DSRF)	5,796	10,988	6,232	4,788	448	-	28,252
TIFIA / RRIF Proceeds	479	1,259	1,014	1,398	174	-	4,325
Changes in Cash (addtl funding to offset deficits)	74	652	1,097	1,753	(2,425)	(2)	1,149
<b>Total Sources</b>	<b>26,281</b>	<b>64,860</b>	<b>28,382</b>	<b>42,970</b>	<b>25,172</b>	<b>6,967</b>	<b>194,631</b>
<b>Uses of Funds</b>							
<b>System Expansion Expenditures</b>							
Light Rail Transit	13,308	22,183	7,425	16,054	5,366	9,365	73,701
Tacoma Link	-	-	-	-	1,944	-	1,944
Commuter Rail	60	-	1,284	-	2,000	-	3,343
Regional Express Bus	44	66	34	175	247	-	566
Bus Rapid Transit	60	405	398	1,784	(117)	-	2,530
System-wide	105	102	57	106	92	382	843
<b>Total System Expansion Expenditures</b>	<b>13,576</b>	<b>22,756</b>	<b>9,197</b>	<b>18,119</b>	<b>9,532</b>	<b>9,747</b>	<b>82,927</b>
<b>O&amp;M Expenditures</b>							
Light Rail Transit	3,691	18,509	5,651	5,563	1,219	-	34,634
Tacoma Link	-	-	-	-	1,384	-	1,384
Commuter Rail	181	-	1,977	-	2,381	-	4,539
Regional Express Bus	889	-	637	2,983	1,902	-	6,412
Bus Rapid Transit	265	493	348	1,380	-	-	2,486
System-wide	0	0	0	0	0	3,177	3,177
<b>Total O&amp;M Expenditures</b>	<b>5,027</b>	<b>19,002</b>	<b>8,613</b>	<b>9,927</b>	<b>6,886</b>	<b>3,177</b>	<b>52,632</b>
<b>Service Delivery Projects</b>							
Service Delivery Projects - Capital	1,337	5,833	2,556	2,941	1,848	4,840	19,355
Service Delivery Projects - Operations	390	1,694	748	862	550	931	5,175
<b>Total Service Delivery Project Expenditures</b>	<b>1,727</b>	<b>7,527</b>	<b>3,304</b>	<b>3,802</b>	<b>2,398</b>	<b>5,771</b>	<b>24,530</b>
<b>Other Expenditures</b>							
Debt Service	4,268	11,467	5,428	7,683	4,128	-	32,973
Reserve Contributions*	263	528	302	276	97	103	1,568
System-Wide Activities	1,420	3,580	1,537	3,162	2,132	(11,831)	-
Changes in Cash (cumulative surplus)	-	-	-	-	-	-	-
<b>Total Uses</b>	<b>26,281</b>	<b>64,860</b>	<b>28,382</b>	<b>42,970</b>	<b>25,172</b>	<b>6,967</b>	<b>194,631</b>

\*Includes Capital Replacement, Debt Service Reserve Fund, Affordable Housing, Emergency Loss, and O&M Reserves.

## **Resolution No. R2026-11**

### **Attachment B**

This Enterprise workplan defines activities for the agency to continue to identify and implement opportunities to save costs, accelerate project delivery, and increase agency financial capacity to ensure full delivery of the voter-approved ST3 system plan.

The workplan is organized according to the Enterprise Initiative workstreams that staff have used to support Board decision-making to update the ST3 system plan to align with currently available financial capacity.

#### **Policy & planning**

- Perform various high-capacity transit studies and update the Regional Transit Long-Range Plan, including appropriate environmental review
- Conduct policy analysis on various topics to assess their potential effects to generate cost savings, to accelerate project delivery, and to increase agency financial capacity, including, but not limited to, the following:
  - Permitting reform
  - Value capture/value generation from ST station and station area investments
  - Financing tools such as extended bond terms and other instruments that improve agency financial capacity
  - Public-private partnerships
- Assess and propose policy changes associated with fare and parking policies to enable additional financial capacity from those revenue sources
- Propose updated service standards and develop a network plan and service guidelines
- Advance the fare gates pilot and make a recommendation about whether, how, and when to implement fare gates on the Link light rail system

#### **Transit operations**

- Analyze and assess changes to existing operating models related to Link, Sounder, Stride, and ST Express for potential cost savings and greater cost certainty
- Develop a conditions-based maintenance program
- Refine approach, costs, and scope for system resiliency and core capacity investments and develop a System Investment Master Plan
- Develop a communications-based train control implementation plan

#### **Capital delivery**

- Partner with permitting authorities across all projects in active planning and design to streamline regulatory processes and accelerate project delivery
- Assess delivery methods and procurement strategies to ensure efficient project development and delivery of the ST3 capital program

#### **Finance**

- Actively engage local jurisdiction partners to explore opportunities to use available debt capacity to support delivery of more of the ST3 program
- Bring forward changes to the agency's debt service coverage ratio and associated financial policies in conjunction with the Q4 2026 update to the long-range finance plan
- Continue to identify and pursue additional funding opportunities with local, state, and federal partners
- Convene a Sound Transit and Board staff working group to explore costs across the system and how they are allocated to ensure ongoing financial sustainability over the long term