

A low-angle, close-up shot of a Sound Transit train. The train is white with a teal and blue wave-like graphic along its side. Several windows are visible, reflecting the sky and the station structure. The train is positioned diagonally across the frame, moving from the top left towards the bottom right. The background shows a station platform with a glass and metal roof structure.

# Introduction to Proposed 2018 Budget

October 26, 2017

 **SOUNDTRANSIT**

# 2018 Presentation Schedule

Proposed 2018  
Budget & TIP

Oct 26 – Full Board  
Nov 2 – O&A  
Committee  
Nov 2 – Citizen's  
Oversight Panel  
Nov 9 – Capital  
Committee  
Nov – Subarea  
Briefings

Service  
Implementation  
Plan

Oct 19 – Citizen's  
Oversight Panel  
Nov 2 – O&A  
Committee  
Nov 16 – Full  
Board

Agency  
Financial Plan

Oct 26 – Full Board  
Nov 2 – Executive  
Committee  
Nov – Subarea  
Briefings  
Dec 7 – Executive  
Committee

Committees  
Recommend/  
Board Adopts

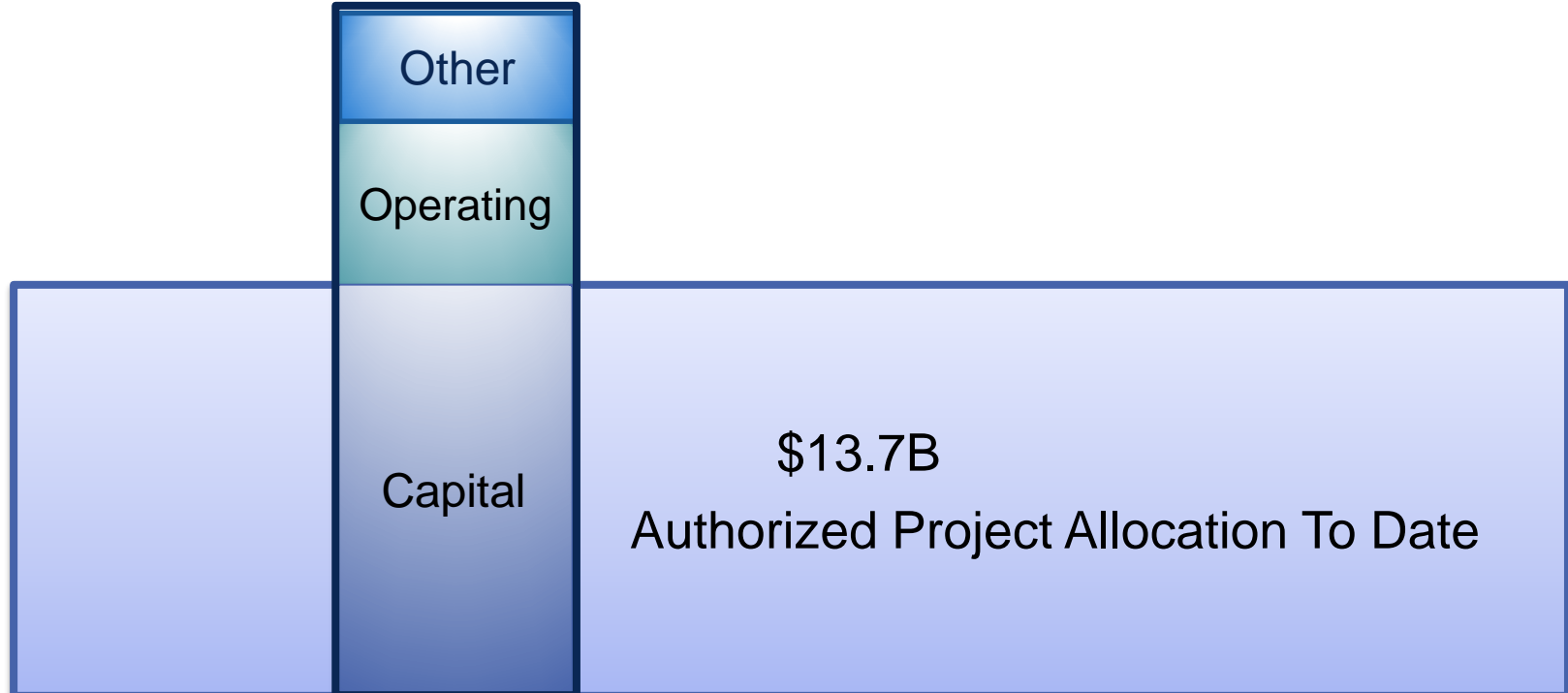
Dec 7 – O&A  
Committee  
Dec 14 – Capital  
Committee  
Dec 21 – Full  
Board

# Proposed 2018 Budget - \$2.2B



2016 2017 **2018** 2019 2020 2021 2022 2023 2024

# Proposed 2018 TIP Capital - \$13.7B



2016

2017

**2018**

2019

2020

2021

2022

2023

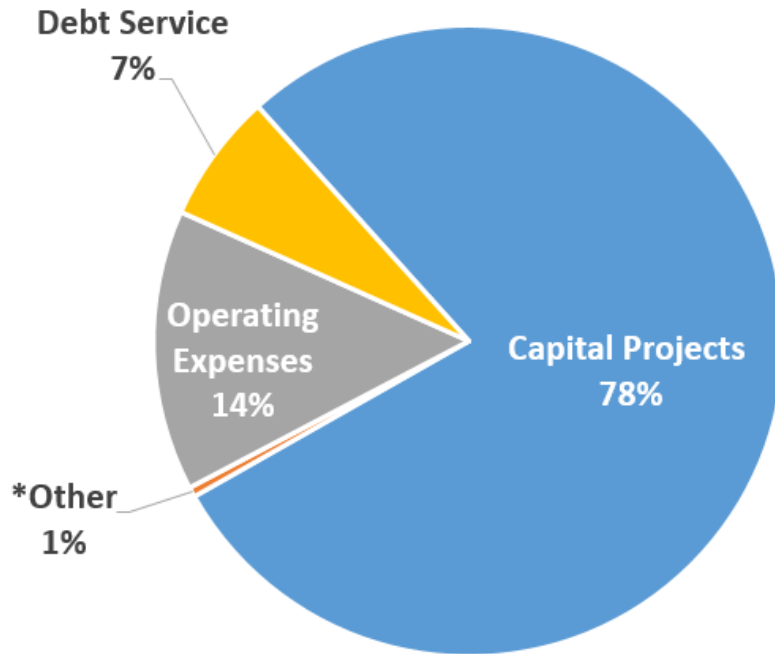
2024

# Proposed Annual 2018 Budget – Key Drivers

- New System Expansion Implementation Plan.
- Construction activity reaching its highest level to date.
- Right-of-way and construction cost increases.
- Customer experience enhancements.
- Link ridership growth.



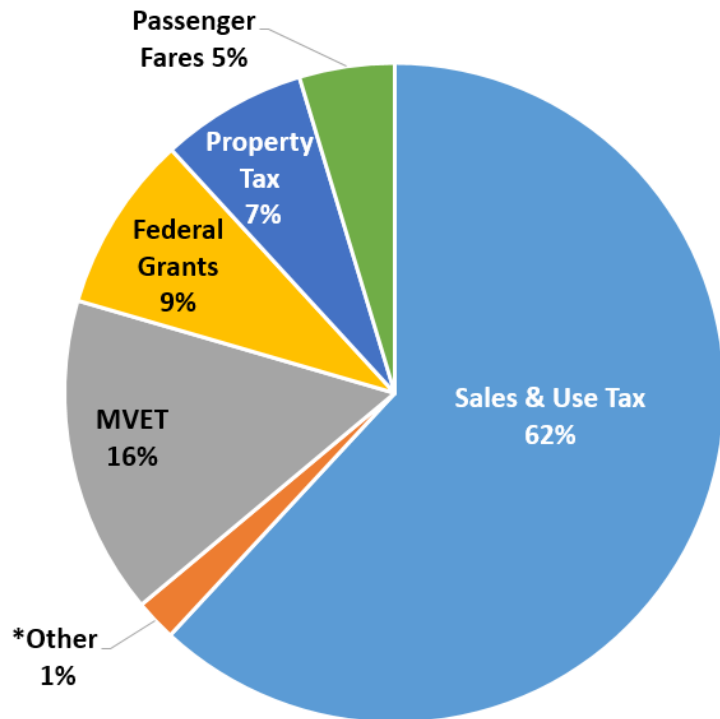
# Proposed 2018 Annual Budget - \$2.2B



- Project budgets are \$1.7B – primarily Link extensions and Sounder improvements.
- Transit mode operating budgets are \$318M driven by higher service levels and increase in number of staff.
- Debt service is \$146M.

\*Other includes \$5M in donations and \$6M in tax revenue collection costs.

# Proposed 2018 Annual Revenue & Financing - \$2.0B



## First Full Year of ST3 Revenues for:

- Sales & use tax – 0.5% rate increase effective April 2017.
- MVET – 0.8% rate increase effective March 2017.

## Property Tax - \$150M:

- Includes increase of 1%.

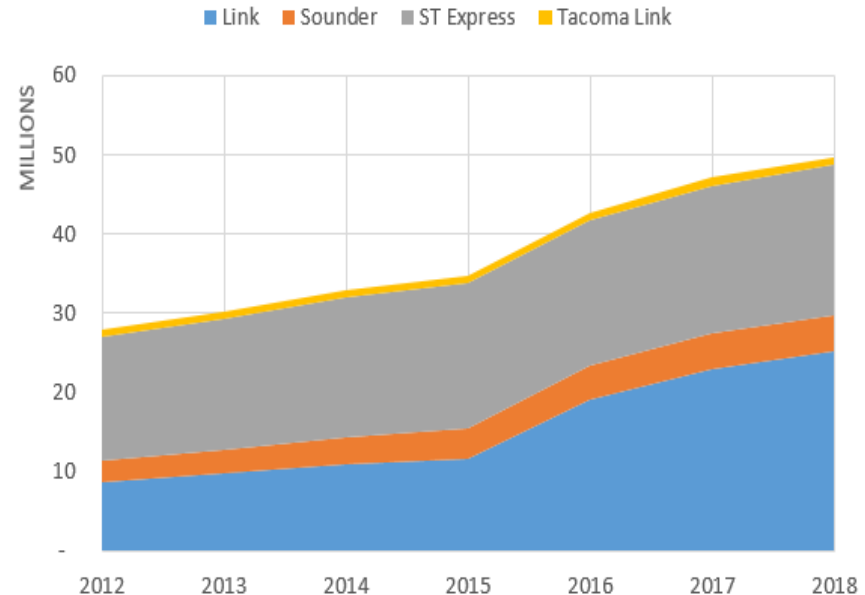
Budget will require ~\$200 million drawdown in agency Cash balances

\*Misc. includes investment income, local & state contributions, rental car tax, etc.



# 2018 Ridership Could Surpass 50M

- Ridership to reach 49.7M, up by 4.3%.
- Link continues to grow with 7.7% increase.
- Sounder up by steady 3.3%.
- ST Express up by 0.5%.
- Tacoma Link up by 3.3%.

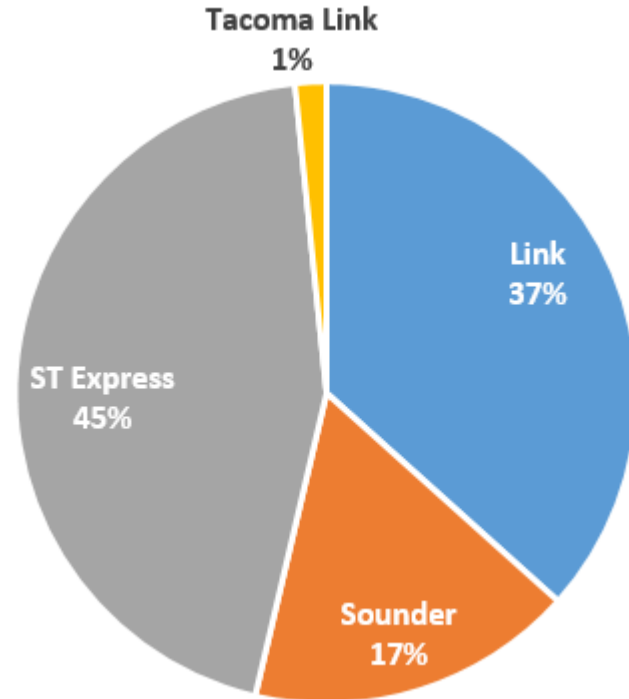


Please note % change is from 2017 Ridership Forecast.



# Proposed 2018 Operating Budget - \$318M

- Operating expenses for transit mode budgets are up 6.0% from 2017 budget.
- Purchased Transportation is \$177M, up 8.6% - increases in labor rates, partner agency staff, and Link vehicle hours.
- Security is \$25M, up 17.9% - DSTT takeover in 2019.
- Contract maintenance is \$35M, up 6.7% - higher share of tunnel costs and aging assets.



# Proposed 2018 Project Budget - \$1.7B

- Peak of construction activity to date.
- Link - 82% of total 2018 construction spending.
  - East Link \$575M.
  - Northgate Link \$311M.
  - Federal Way Link \$123M.
  - Lynnwood Link \$148M.
  - Tacoma Link \$20M.



# 28 New Projects: Budget \$42.1M / TIP \$516.8M

- Link extensions.
  - Tacoma Dome Link Extension.
- Rider experience.
  - SR522 Bus Rapid Transit.
  - Sounder North Parking/Access.
  - Bus on Shoulder.
  - Digital Ridership Information Program.
  - ORCA Next Generation.
- Programs.
  - Transit System Access.
  - Efficiency and Sustainability.
  - Innovation and Technology.
  - Transit Oriented Development Planning.



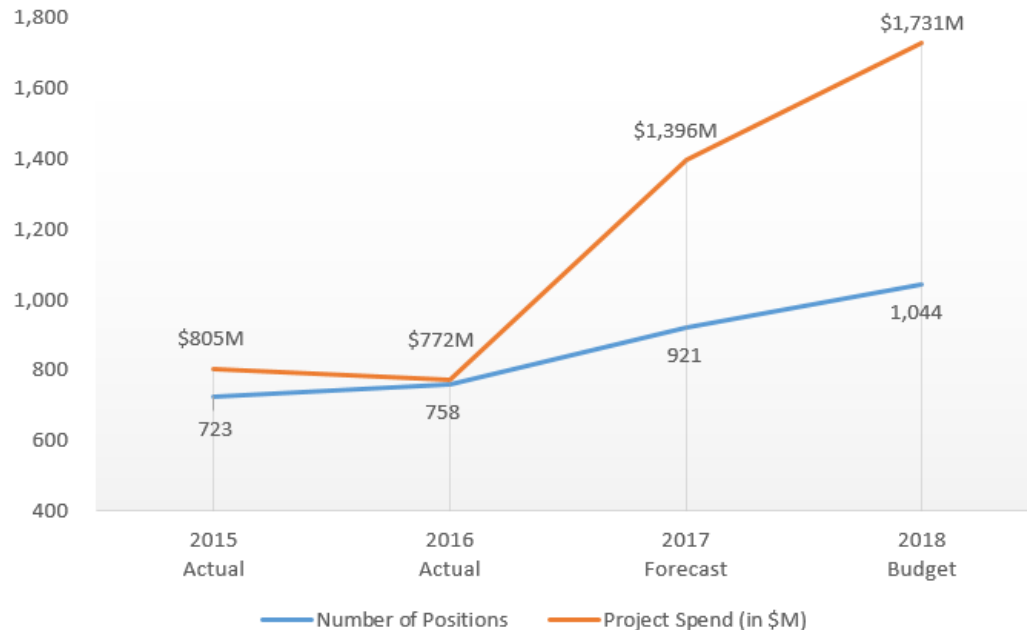
# 28 New Projects - Continued

- Safety & security.
  - Safety Improvements at At-Grade Crossings.
  - Everett Station Security Improvements.
- Facilities
  - LED Lighting Program.
  - Replacement of King St Station Vertical Window Glazing.
- State of good repair and enhancements.
  - Link LRV Overhaul.
  - Maintaining Information Technology and communication systems.



# Workforce Growth to Support Capital Program

Project Spend vs. Positions by Year



## 123 New Positions Proposed from 2017 to 2018:

- 79 to support increasing capital project activities.
- 23 to support growing operations.
- 21 to support growing administrative needs.

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 **SOUNDTRANSIT**  
RIDE THE WAVE

 **SOUNDTRANSIT**