

RESOLUTION NO. R2018-44
Proposed 2019 Budget

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Board	12/20/2018	Final Action	Tracy Butler, Chief Financial Officer Ann Sheridan, Budget Director

PROPOSED ACTION

Adopts an annual budget for the period from January 1 through December 31, 2019, adopts the 2019 Transit Improvement Plan, and permits systemwide allocation of financial benefits of certain grants.

KEY FEATURES SUMMARY

- The Proposed 2019 Budget requests funding authorization of \$2.9 billion. This request is comprised of:
 - \$504.4 million for Operating budgets (including \$345.4 million for transit modes, \$2.3 million for ORCA expenses, and \$156.7 million in charges to projects);
 - \$2.4 billion for Projects; and
 - \$152.1 million for Other Budgets (including debt service).
- With the revisions in Attachment B, the 2019 funding authorization request totals \$2.9 billion.
- The Proposed 2019 TIP totals \$18.7 billion in authorized project allocations to date.
- With the revisions in Attachment B, the 2019 TIP totals \$18.7 billion.
- The Proposed 2019 Budget would be funded by an estimated \$2.4 billion in revenues and an estimated \$1.5 billion in unrestricted cash balances projected for the end of 2018. As of November 2018, the agency had an unrestricted cash balance of \$1.6 billion.
- This Resolution No. R2018-44 adopts and approves a new grant benefit allocation policy for subarea reporting purposes. The new policy will grant the agency the flexibility to allocate certain federal grant reimbursements as deemed to be in the best interest of system instead of allocating the reimbursements directly to recipient subareas.
- The Proposed 2019 Budget and Proposed 2019 TIP, with revisions, are fully affordable within the agency’s existing revenue projections and financial policies.

BACKGROUND

The Sound Transit Board adopts the Sound Transit annual budget, which contains the agency’s budget for revenue and financing, administrative expenses, transit mode expenses, projects, and debt service. The Sound Transit Board adopts the TIP, a cumulative total of authorized project allocations to date for all active projects. Sound Transit’s annual budget and TIP are organized by three primary program areas: Operating Budgets (including transit modes), Project Budgets, and Other Budgets.

The resolution approves the following revenues and expenditures for 2019:

Revenues – \$2.4 billion of estimated revenues include:

- \$1,366.0 million from Retail Sales and Use Tax
- \$339.1 million from Motor Vehicle Excise and Rental Car Taxes

- \$151.5 million from Property Tax
- \$318.4 million from federal grants
- \$0.9 million from local and state contributions
- \$102.6 million from passenger fare revenues
- \$33.7 million in interest income
- \$12.2 million in miscellaneous revenues
- \$100.0 million in TIFIA loan proceeds

Operating Budgets – \$504.4 million includes:

- \$345.4 million for transit modes made up of \$5.0 million for Tacoma Link, \$137.8 million for Link Light Rail, \$54.9 million for Sounder Commuter Rail and \$147.7 million for ST Express.
- \$156.7 million for administrative project support costs is distributed and recognized in the Project Budgets.
- \$2.3 million for the regionally shared operation and maintenance costs under for the ORCA fare collection system.

Revisions to the Proposed 2019 Operating Budgets are \$4.0 million, for a new authorized operating expenses of \$508.4 million.

Project Budgets – \$2.4 billion for the delivery of projects:

System Expansion Projects – \$2.2 billion which includes:

- \$2,051.9 million for Link
- \$37.4 million for Sounder
- \$86.2 million for Regional Express
- \$24.0 million for Other

Enhancement Projects – \$37.0 million

State of Good Repair Projects – \$72.6 million

Administrative Projects – \$88.9 million

Revisions to the Proposed 2019 Project Budget are \$38.5 million, for a new authorized project outlays of \$2.4 billion.

Other Budgets – \$152.1 million includes:

- \$135.0 million for Debt Service
- \$10.1 million for Tax Collection and Fees
- \$7.0 million for Donations to Other Governments

A revision to the Proposed 2019 Other Budgets is \$(0.6) million, for new authorized operating expenses of \$151.5 million.

Reserves – The resolution also provides for the agency to reserve funds for the following purposes:

- \$84.1 million for the Operations & Maintenance Reserve equal to two months of operating expenses (a contribution of \$6.2 million is budgeted for 2019).
- \$29.6 million for the Emergency/Loss Reserve (a contribution of \$5.5 million is budgeted for 2019).
- \$4.0 million for the Regional Affordable Housing Revolving Loan Fund (new for 2019; a contribution of \$4.0 million is budgeted for 2019).
- The agency also maintains a minimum \$300.0 million in the Capital Replacement Reserve (no contribution is budgeted for 2019).

This resolution adopts and approves a new grant reimbursement allocation policy. The agency's most recent financial forecasts show cost increases on recent projects, increased projected inflation, and decreased revenue projections in certain regions indicate that some subareas potentially may not be able to afford to complete their projects by 2041, the ST3 end date. Because the program remains affordable on an agency-wide basis, the potential subarea revenue shortfalls may be remedied by adopting a new allocation policy for certain FTA grant reimbursements awarded to specific projects.

- Currently, federal grant reimbursements are allocated directly to the project for which they are received, and the subareas responsible for payment of the recipient project share the reimbursement pro rata. However, the financial policies adopted by the voters permit the Board to allocate grant reimbursements to other subareas as it deems in the best interest of the agency in consideration of the funding needs to complete the system plan.
- The ST3 plan assumed a flat 16% federal grant allocation to each subarea. This assumption was based on past federal funding levels, but it did not guarantee grant revenue to each subarea.
- This new policy will permit flexible allocation of reimbursements from FTA Capital Investment Grants and FTA Formula funding grants to subareas other than where the project is located. When the agency receives a reimbursement from either of these grant programs, the CFO may designate the reimbursement as a systemwide grant asset. In order to make the systemwide designation the following conditions must be met:
 - Based on the most recent financial forecast, the grant recipient subarea must be able to afford all future projects without the grant funds to be reallocated;
 - The most recent financial forecast shows the agency as a whole has sufficient funding to deliver the entire system as approved by voters;
 - Reallocation of the reimbursement must not adversely affect the affordability of the project that originally received the grant as determined by the baseline cost budget adopted by the Board; and
 - The reallocation must not violate the terms of the FTA grant.
- After the reimbursement has been designated as systemwide grant funds, the CFO may then allocate those grant funds to other subareas to complete projects as financially necessary.
- The new policy would:
 - Permit the entire capital program to be completed by 2041 under current projections;
 - Allow agency to retain flexibility so seek federal grants based on project competitiveness, rather than subarea necessity; and
 - Allow all taxes to be rolled back at the earliest possible time.

The resolution also authorizes:

- Revisions and cash flow changes approved by the Capital Committee and the Operations and Administration Committee and those adopted by the Board as part of this action. Approved revisions are shown in Attachment B.
- The Proposed 2019 TIP plus revisions includes changes to the authorized project allocation to date for 23 projects and the establishment of 6 projects with an authorized project allocation to date increase of \$662.0 million (Attachment C).
- The Board Administrator may file any administrative forms necessary for the collection of Sound Transit's property tax. Any property tax estimates required for property tax collection may not exceed the previous year's collections unless expressly authorized by the Board.

FISCAL INFORMATION

The Proposed 2019 Budget and Proposed 2019 TIP are fully affordable within the agency's existing revenue projections and financial policies.

Sound Transit's Proposed 2019 Budget requests funding authorization totaling \$2,895,557,315 in operating expenditures and project costs. The agency's expenses and outlays will be funded by an estimated \$2,424,413,521 in revenue and other financing sources and by a projected positive cash position in January 2019 of \$1,546,832,518. As of November 30, 2018, the agency had an unrestricted cash balance of \$1,573,604,391.

With the revisions in Attachment B, the 2019 funding authorization request totals \$2,937,467,979 in operating expenditures and project costs.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

The Sound Transit Board reviewed the Proposed 2019 Budget and Proposed 2019 Transit Improvement Plan at public meetings that took place in October and November 2018 and reviewed revisions to both in December. On November 1, 2018, a public hearing was held in order to provide an opportunity for testimony from interested members of the public.

TIME CONSTRAINTS

A one-month delay would postpone adoption of the Proposed 2019 Budget and Proposed 2019 Transit Improvement Plan into the 2019 fiscal year and the agency would have no spending authority beginning January 1, 2019.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2018-23: Adopted a Budget Policy and superseding Resolution No. R2002-08.

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

Resolution No. R72-1: Superseded Resolution 72, and amended the financial policies to include a strategic property acquisition program as an enumerated purpose of the Regional Fund.

ENVIRONMENTAL REVIEW

KH 12/13/18

LEGAL REVIEW

DB 12/14/18

RESOLUTION NO. R2018-44

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting an annual budget for the period from January 1 through December 31, 2019, adopting the 2019 Transit Improvement Plan, and permitting systemwide allocation of financial benefits of certain grants.

WHEREAS, the Central Puget Sound Regional Transit Authority, hereinafter referred to as Sound Transit, has been created 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 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, Sound Transit is successfully building and operating the first, second and third phases of the regional transit system plan that were approved by voters in 1996, 2008, and 2016; and

WHEREAS, Sound Transit is meeting a high standard of public accountability through effective monthly progress reports and quarterly financial reporting; and

WHEREAS, the Sound Transit Board adopted financial policies to govern the financing and implementation of the regional transit system and to specify budgetary guidelines for providing subarea equity in accomplishing the same; and

WHEREAS, permitting the designation of reimbursements from Federal Transit Administration's (FTA) Capital Investment Grant program and FTA Formula funding grants not necessary to complete a subarea's projects as systemwide grant funds available to complete the voter-approved system plans is consistent with the financial policies adopted as part of the voter-approved plans and could (1) allow the Board to roll back taxes at the earliest possible date, and (2) permit all projects, including rail segments connecting the subareas, to be completed on schedule based on current financial projections. To the extent the funds legally available to a subarea are sufficient to complete the subarea projects as scheduled, reimbursements from those FTA grants not necessary to meet the subarea's project's baseline cost budget as set by the Board, can be designated a systemwide grant funds so long as the designation does not violate the grant requirements; and

WHEREAS, the chief executive officer submitted a Proposed 2019 Budget and Proposed 2019 Transit Improvement Plan (TIP) for Board consideration; and

WHEREAS, the Proposed 2019 Budget and Proposed 2019 TIP are consistent with and affordable under Sound Transit Financial Policies as adopted by Resolution No. R2016-16 and complies with the Budget Policies as adopted by Resolution No. R2018-23; and

WHEREAS, in 2010 the Sound Transit Board designated the Capital Committee and the Operations and Administration Committee as permanent committees with specific responsibilities,

including reviewing proposed annual budgets, and authorized project allocations to date included in the TIP and providing recommendations to the Board; and

WHEREAS a public hearing was held on November 1, 2018, to take public testimony on the Proposed 2019 Budget and Proposed 2019 TIP; and

WHEREAS, at its December 6, 2018, meeting, the Operations and Administration Committee adopted Motion No. M2018-156 recommending the Proposed 2019 Operating Budgets (including agency revenues and other financing sources, operating expenses including transit mode budgets, debt service, tax collection and fees, donations to other governments, and contributions to reserves) and revisions approved by the Committee to the Board; and

WHEREAS, at its December 13, 2018, meeting, the Capital Committee adopted Motion No. M2018-142 recommending the Proposed 2019 Project Budgets (annual and authorized project allocations to date) and revisions approved by the Committee to the Board; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to adopt the Proposed 2019 Budget and Proposed 2019 TIP with revisions.

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

Section 1a – Revenues. The Proposed 2019 Budget projects the collection of \$2,424,413,521 in total revenues including \$1,366,029,422 for Sales and Use Tax, \$339,109,703 for Motor Vehicle Excise Tax and Rental Car Tax, \$151,500,000 for Property Tax, \$318,373,143 for federal grants, \$920,000 for local and state contributions, \$102,564,377 for passenger fare revenues, \$33,682,988 for investment income, \$12,233,888 for miscellaneous revenues, and \$100,000,000 for TIFIA loan proceeds and/or such amounts as are contained in revisions to the Proposed 2019 Budget as adopted by the Board.

Section 1b – Operating Budgets. Sound Transit is authorized to incur \$504,394,985 in operating expenses, including \$345,438,694 for transit mode budgets, \$2,294,984 for ORCA expenses, and \$156,661,307 for charges to projects.

- Transit Modes: Sound Transit is authorized to incur \$147,740,768 for ST Express bus expenses; \$5,005,006 for Tacoma Link light rail expenses; \$137,794,202 for Link light rail expenses; \$54,898,718 for Sounder commuter rail expenses; and/or such amounts as are contained in revisions to the Proposed 2019 Budget as adopted by the Board.
- ORCA: The chief executive officer is authorized to incur \$2,294,984 for the regionally shared operation and maintenance costs under the Interlocal Agreement (ILA) for the ORCA fare collection system.
- Charges to projects of \$156,661,307 include direct charges of salaries and benefits for employees that work on projects and allocations of administrative overhead to assets and administrative projects.
- And/or such amounts as are contained in revisions to the Proposed 2019 Budget as adopted by the Board.
- Revisions to the Proposed 2019 Operating Budgets are \$4,018,193, for new authorized operating expenses of \$508,413,178.

Section 1c – Project Budgets. Sound Transit is authorized to incur a total of \$2,398,048,133 for project outlays, comprised of budgets for the following project types: System Expansion – Link \$2,051,923,817; System Expansion – Sounder \$37,395,181; System Expansion – Regional Express \$86,214,000; System Expansion – Other \$24,031,034; Enhancement projects

\$36,980,372; State of Good Repair projects \$72,601,274; and Administrative projects \$88,902,454; and/or such amounts as are contained in revisions to the Proposed 2019 Budget as adopted by the Board.

Revisions to the Proposed 2019 Project Budgets are \$38,502,471, for new authorized project outlays of \$2,436,550,604.

Section 1d – Debt Service. Sound Transit is authorized to incur \$100,936,712 in fixed and variable rate interest and fees on debt and \$34,070,000 in principal repayments for a total of \$135,006,712 for debt service on outstanding bonds, and/or such amounts as are contained in revisions to the Proposed 2019 Budget as adopted by the Board.

Section 1e – Donations to Other Governments. Sound Transit is authorized to donate \$7,000,000 to other governments, and/or such amounts as are contained in revisions to the Proposed 2019 Budget as adopted by the Board.

Section 1f – Tax Collection and Fees. Sound Transit is authorized to incur \$10,063,777 in tax collection and fees, and/or such amounts as are contained in revisions to the Proposed 2019 Budget as adopted by the Board.

A revision to the Proposed 2019 Tax Collection and Fees Budget is \$(610,000), for a new authorized tax collection and fees of \$9,453,777.

Section 1g – Reserves. Sound Transit is authorized to place in reserve the following amounts: \$5,500,000 for Emergency/Loss, \$6,246,831 for Operations and Maintenance, and \$4,000,000 for Regional Affordable Housing Revolving Loan Fund.

Section 1h—Grant Benefit Allocation. In the event both (1) the actual and projected funds legally available to a subarea are sufficient to complete all future voter-approved subarea projects, and (2) the voter-approved program remains affordable for the entire agency, reimbursements from FTA's Capital Investment Grant program and FTA Formula funding grants not necessary for recipient projects to remain affordable based on the baseline cost budget established by the Board, may, for subarea accounting purposes, be designated systemwide grant funds so long as the designation does not violate the grant requirements. The chief financial officer may then, if financially necessary to complete the ST2 or ST3 system plans, allocate designated systemwide grant funds to complete projects in another subarea. This Section 1h authorization continues in effect as adopted policy after December 31, 2019.

Section 2. The Proposed 2019 TIP includes changes in authorized project allocations to date in the amount of \$662,020,598, including \$640,092,598 for existing projects and \$21,928,000 for new projects. Revisions to the Proposed 2019 TIP are \$24,448,612, for new authorized project allocations of \$18,740,501,657. The specific projects impacted are referenced in Attachment C – Changes to Authorized Project Allocations to Date in the Proposed 2019 TIP.

Section 3. The budget for the period January 1, 2019 to December 31, 2019 as set forth in Attachment A (2019 Financial Plan and Proposed Budget), and the approved revisions to the Proposed 2019 Budget and Proposed 2019 TIP in Attachment B, together constitute the Adopted 2019 Budget and Adopted 2019 TIP as adopted by this Resolution.

Section 4. The Adopted 2019 Budget and Adopted 2019 TIP are not an exclusive authorization of expenses or capital outlays, except as specified in Section 1b – ORCA and Section 1d – Debt

Service. Authorization of expenditures must comply with Sound Transit's Procurement, Agreements and Delegated Authority Policy, Resolution No. R2018-40.

Section 5. The Board authorizes the Board Administrator to execute and file any collection estimate legally required to collect Sound Transit's property tax. The Board Administrator may estimate the tax to be levied for the next year either in the same total amount estimated and levied for the current year or, if approved by the Board, in an increased amount. This Section 5 continues in effect as adopted policy after December 31, 2019.

Section 6. The Board further authorizes the chief executive officer to take any actions necessary to implement the policies and determinations of the Board pursuant to this Resolution.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Sound Transit Board at a regular meeting thereof held on December 20, 2018.



Dave Somers
Board Chair

ATTEST:



Kathryn Flores
Board Administrator

**Resolution No. R2018-44
Attachment B – Approved Amendments**

Amendments approved by the Operations and Administration Committee on December 6, 2018

O-1 Operations Department/Link: Increase Annual Operating Budget to Fund Light Rail Vehicle Repairs

Total Revision: \$631,527

Description: This revision increases the annual Link modal operating budget for light rail vehicle repairs.

Justification: A contract to repair a damaged vehicle was originally planned and awarded in 2018 per Motion No. M2018-27. The work was planned for 2018 but is now expected to be completed in 2019 so funds are requested to be included in 2019 budget.

O-2 Operations Department/Link: Increase Annual Operating Budget to Fund Rail Grinding and Polishing

Total Revision: \$1,050,726

Description: This revision increases the annual operating Link modal budget for rail grinding work between Westlake Station and the Airport Station. Rail grinding and polishing restores the railhead profile and minimizes the wear and tear on the train wheel. The work is expected to begin in January 2019 and take five to six weeks to complete. It will be done in the evening using single tracking, and customer impacts are expected to be minimal.

Justification: Rail grinding maintains the track in a state of good repair, ensures ride quality, and reduces train noise and vibration. The work was originally planned and contract awarded in 2018 per Motion No. M2018-132. Due to a delayed start by the vendor, the work is deferred from 2018 into early 2019, necessitating the increase in the operating budget in 2019.

O-3 Operations Department/Facilities: Increase Annual Operating Budget to Fund Enhanced Escalator Maintenance Contract

Total Revision: \$1,300,000

Description: This revision increases the annual Link modal operating budget to include an enhanced maintenance contract for escalators at University of Washington Station.

Justification: A new contract will transfer maintenance to the original equipment manufacturer (OEM), Schindler Inc., per an action approved at the October 25, 2018, ST Board meeting. The scope of the new service contract includes a comprehensive maintenance package and incentivizes call-out responsiveness and reliable equipment performance. The budget increase also provides for on-site technician standby during weekday peak ridership and special events. ST expects these changes will improve escalator reliability, reduce equipment downtime, improve customer experience by minimizing access impacts, and drive efficiencies in obtaining OEM engineering solutions to new and existing issues inherent with this specific equipment.

O-4 Operations Department/ST Express: Increase Annual Operating Budget to Fund Bus Commissioning

Total Revision: \$960,000

Description: This revision increases the annual operating ST Express modal budget for bus commissioning services performed by Pierce Transit and Community Transit to increase the bus fleet by 19 additional buses.

Justification: The required buses are currently in storage and require servicing before being put into service. These buses will be used to support routes 540 and 541, which are currently supported by King County Metro. The service plan for these routes was not decided until after the 2019 Proposed Budget was published, necessitating this revision.

O-5 Operations Department/Link: Increase Annual Operating Budget to Fund New OMF Warehouse Lease

Total Revision: \$550,000

Description: This revision increases the annual operating Link modal budget for a new Operations and Maintenance Facility warehouse lease.

Justification: The current warehouse is not large enough to support the delivery of spare parts for the new Siemens LRVs, which will begin being delivered in 2019. The volume and timing of materials to be delivered was underestimated at the time the Proposed 2019 Budget was published. The existing warehouse lease expires in 2019 and the new larger space will replace the existing leased space.

O-6 Design, Engineering and Construction Management Department/Real Property: Decrease Annual Operating Budget to Adjust for Updates to Office Lease, Common Area Maintenance (CAM) Costs, and Deferred Rent

Total Revision: \$(474,060)

Description: This revision decreases the annual operating budget to account for updated lease payments, common area maintenance costs, and deferred rent estimates.

Justification: The lease for office space at Suite 160, 605 5th Avenue S and deferred rent credits for other administrative space were not included in the Proposed 2019 Budget, due to an oversight.

O-7 Tax Collection and Fees/Sales and Use Tax Offset Fee: Decrease in Sales and Use Tax Offset Fee

Total Revision: \$(610,000)

Description: As part of the ST3 plan, the agency will pay a 3.25% fee on eligible construction contract payments for new ST3 projects, up to a total of \$518.0M.

Justification: The original estimate of 2019 ST3 construction expenditures has been revised lower, resulting in a lower sales and use tax offset fee payment.

Amendments approved by the Capital Committee on December 13, 2018

C-1 #4X630 Downtown Redmond Link Extension – Increase Annual Project Budget

TIP Revision: \$0 Annual Project Budget Revision: \$54,734,000

Description: This revision increases the annual budget for the project.

Justification: The baseline budget was adopted in October after the proposed budget was published. This revision adjusts the 2019 Budget to include the baseline action.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration	1,076	5,876	6,952	77,000		77,000
Preliminary Engineering	2,308	2,693	5,001	23,000		23,000
Final Design		608	608	4,500		4,500
Third Party Agreements	700	1,729	2,429	17,000		17,000
Right of Way	98,442	-4,656	93,786	199,000		199,000
Construction		44,609	44,609	1,151,500		1,151,500
Construction Services	1,150	3,875	5,025	58,000		58,000
Vehicles						
Contingency						
Total	103,676	54,734	158,410	1,530,000	0	1,530,000

C-2 #300056 Sounder South Capacity Expansion Program – Increase Annual Project Budget for Administrative and Preliminary Engineering Phases

TIP Revision: \$0 Annual Project Budget Revision: \$2,272,000

Description: This revision establishes the annual project.

Justification: The project was established by Board action in October of 2018. This revision adds the budget for 2019.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration		687	687	774		774
Preliminary Engineering		1,585	1,585	1,822		1,822
Final Design						
Third Party Agreements						
Right of Way						
Construction						
Construction Services						
ART						
Vehicles						
Contingency						
Total	0	2,272	2,272	2,596	0	2,596

C-3 #400115 130th Street Station Project – Increase Annual Project Budget

TIP Revision: \$0

Annual Project Budget Revision: \$6,454,000

Description: This revision establishes the annual project budget.

Justification: The project was established by Board action in September of 2018. This revision adds the budget for 2019.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration		1,180	1,180	1,370		1,370
Preliminary Engineering		4,139	4,139	4,189		4,189
Final Design						0
Third Party Agreements		1,013	1,013	1,088		1,088
Right of Way		22	22	22		22
Construction		100	100	100		100
Construction Services						
ART						
Vehicles						
Contingency						
Total	0	6,454	6,454	6,769	0	6,769

C-4 #400008 Hilltop Tacoma Link Extension– Increase Annual Project Budget for Construction Phase and Revise Project Phase Allocation to Increase the Construction Phase

TIP Revision: \$0

Annual Project Budget Revision: \$470,000

Description: This revision authorizes an increase to the annual project and revises the project phases to increase budget for the construction phase.

Justification: The project received revised cost estimates for utility relocations after the Proposed 2019 Budget was published, necessitating the transfer of budget allocation from the right-of-way to the construction phase to fund the additional cost.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration	2,331		2,331	16,948		16,948
Preliminary Engineering				5,559		5,559
Final Design	1,195		1,195	11,330		11,330
Third Party Agreements	25		25	1,466		1,466
Right of Way	150	-30	120	2,780	-510	2,270
Construction	46,273	500	46,773	129,615	510	130,125
Construction Services	3,500		3,500	10,291		10,291
ART						
Vehicles	7,400		7,400	32,792		32,792
Contingency				6,565		6,565
Total	60,874	470	61,344	217,346	0	217,346

C-5 #500050 I-405 Bus Rapid Transit – Increase Total Project Allocation and Annual Project Budget for Increases to Right of Way and Preliminary Engineering Phases.

TIP Revision: \$24,500,000

Annual Project Budget Revision: \$13,000,000

Description: This revision authorizes an increase to the annual project budget for right-of-way and increases the project allocation to date in the right-of-way and preliminary engineering project phases.

Justification: A revised appraisal for acquisition of the Canyon Park property, performed after the submission of the proposed budget, resulted in an increase to the cost of acquisition of the property. Additionally, negotiations advanced with WSDOT to the point of being able to budget for preliminary engineering services needed for the NE 85th BRT station and interchange reconstruction.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration	3,835		3,835	13,673		13,673
Preliminary Engineering	12,649		12,649	28,980	11,500	40,480
Final Design						
Third Party Agreements	278		278	1,000		1,000
Right of Way	15,313	13,000	28,313	45,050	13,000	58,050
Construction	28,400		28,400	130,240		130,240
Construction Services						
ART						
Vehicles						
Contingency						
Total	60,475	13,000	73,475	218,943	24,500	243,443

C-6 #700720 ST Express Fleet Expansion – Increase Total Project Allocation for Increases to Vehicles Phase

TIP Revision: \$7,000,000

Annual Project Budget Revision: \$0

Description: This revision authorizes an increase to the authorized project allocation in the vehicles phase to purchase six additional buses.

Justification: Six additional 60-foot hybrid-diesel buses are needed to maintain service levels on high capacity routes. The service plan for these routes was not decided until after the Proposed 2019 Budget was published, necessitating this revision. This revision is necessary to allow procurement actions to occur in 2019 while the buses will not be delivered and paid for until 2020.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration						
Preliminary Engineering						
Final Design						
Third Party Agreements						
Right of Way						
Construction						
Construction Services						
Vehicles				39,757	7,000	46,757
Contingency						
Total	0	0	0	39,757	7,000	46,757

C-7 #500117 North Sammamish Park-and-Ride – Establishes the Project Budget.

TIP Revision: \$2,065,000

Annual Project Budget Revision: \$455,000

Description: This revision authorizes the establishment of the project and funds the beginning of the preliminary engineering phase.

Justification: The project requires coordination with King County Metro and the City of Sammamish regarding the location of new park-and-ride stalls. The project received internal approval after the publication of the Proposed 2019 Budget and TIP and so is now proposed as a revision. Project budget is needed in 2019 to meet the planned early delivery date of 2024.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration		220	220		750	750
Preliminary Engineering		210	210		1,105	1,105
Final Design						
Third Party Agreements		25	25		210	210
Right of Way						
Construction						
Construction Services						
ART						
Vehicles						
Contingency						
Total	0	455	455	0	2,065	2,065

C-8 #TBD Escalator Modernization Program – Establishes the Project Budget.

TIP Revision: \$4,963,000

Annual Project Budget Revision: \$4,963,000

Description: This revision authorizes the establishment of the project.

Justification: The decision to move forward to begin scoping and design for escalator modernization was reached in October necessitating the revision to the proposed budget.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration		394	394		394	394
Preliminary Engineering						
Final Design		263	263		263	263
Third Party Agreements						
Right of Way						
Construction		3,964	3,964		3,964	3,964
Construction Services		342	342		342	342
ART						
Vehicles						
Contingency						
Total	0	4,963	4,963	0	4,963	4,963

C-9 #809100 ST3 Planning – Decrease Total Project Allocation and Increase Annual Project Budget for Increases to Preliminary Engineering Phase

TIP Revision: (\$11,120,905)

Annual Project Budget Revision: \$2,000,000

Description: This revision reduces the overall authorized project allocation while changing the project cash flow to accelerate environmental analysis into 2019.

Justification: Surplus funds have been identified and are being defunded. Ongoing coordination with the Washington Department Ecology identified the need to accelerate environmental analysis into 2019, after the Proposed 2019 Budget was published.

Phase	2019 Annual Budget			Project Allocation to Date		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration	150		150	5,009	100	5,109
Preliminary Engineering	1,600	2,000	3,600	47,632	-14,221	33,411
Final Design						
Third Party Agreements	800		800		3,000	3,000
Right of Way				7		7
Construction						
Construction Services						
Vehicles						
Contingency						
Total	2,550	2,000	4,550	52,648	-11,121	41,527

C-10 #7X701 ST Express Fleet Replacement – Decrease Annual Project Budget

TIP Revision: \$0

Annual Project Budget Revision: \$(39,535,046)

Description: This revision decreases the annual budget for the project.

Justification: Twenty-five replacement buses authorized under Motion No. M2018-162 will be delivered in 2020.

Phase	2019 Annual Budget <i>(in thousands)</i>			Project Allocation to Date <i>(in thousands)</i>		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Construction	0	0	0	47		47
Vehicles	39,535	(39,535)	0	189,222		189,222
Total	39,535	(39,535)	0	189,269	0	189,269

C-11 # 700777 Central Link Overhead Catenary System Tie Switch – Decrease Annual Project Budget and Revise Project Phase Allocation to Decrease the Construction Phase

TIP Revision: \$(2,958,483)

Annual Project Budget Revision: \$(2,958,483)

Description: This revision decreases the annual budget for the project and reduces the overall authorized project allocation.

Justification: This project has been canceled.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration	0		0	37		37
Construction	2,958	(2,958)	0	2,963	(2,958)	5
Total	2,958	(2,958)	0	3,000	(2,958)	42

C-12 #700710 Locomotive Inboard Cameras – Decrease Annual Project Budget

TIP Revision: \$0

Annual Project Budget Revision: \$(190,000)

Description: This revision decreases the annual budget for the project.

Justification: This project has been deferred.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration	19	(19)	0	30		30
Final Design+Specifications	19	(19)	0	30		30
Construction	152	(152)	0	240		240
Total	190	(190)	0	300	0	300

C-13 #700711 Sounder Passenger Emergency Intercom – Decrease Annual Project Budget

TIP Revision: \$0

Annual Project Budget Revision: \$(1,500,000)

Description: This revision decreases the annual budget for the project.

Justification: This project has been deferred.

Phase	2019 Annual Budget (in thousands)			Project Allocation to Date (in thousands)		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Agency Administration	150	(150)	0	150		150
Final Design+Specifications	300	(300)	0	300		300
Construction	1,050	(1,050)	0	1,050		1,050
Total	1,500	(1,500)	0	1,500	0	1,500

C-14 #700689 Pierce Transit - Global Positioning System Repeater– Decrease Annual Project Budget

TIP Revision: \$0

Annual Project Budget Revision: \$(1,662,000)

Description: This revision decreases the annual budget for the project.

Justification: This project has been deferred.

Phase	2019 Annual Budget <i>(in thousands)</i>			Project Allocation to Date <i>(in thousands)</i>		
	Proposed Annual Budget	Proposed Revision	Revised Proposed Budget	Proposed Project Allocation	Proposed Revision	Revised Proposed Allocation
Construction	1,662	(1,662)	0	1,662		1,662
Total	1,662	(1,662)	0	1,662	0	1,662

Resolution No. R2018-44
Attachment C – Changes to Authorized Project Allocation to Date in Transit Improvement Plan

Adoption of the Proposed 2019 Transit Improvement Plan will approve the changes to the authorized project allocation to date for the following projects:

	2019 Changes
Existing Projects	
0X002 - AGENCY ADMIN OPERATING	347,570,356
300004 - SOUNDER MAINTENANCE BASE	4,000,308
300017 - PUYALLUP STATION IMPROVEMENTS	766,000
300018 - SUMNER STATION IMPROVEMENTS	740,000
300035 - KENT STATION ACCESS IMPRVMENTS	8,953,000
300040 - AUBURN STATION ACCESS IMPRVMENT	4,783,000
400046 - CONVENTION PL SYSTEM RETROFIT	450,850
500050 - I-405 BUS RAPID TRANSIT	155,390,000
500051 - SR 522 BUS RAPID TRANSIT	34,000,000
600080 - BIKE PARKING PROGRAM	9,060,000
700677 - LINK LRV OVERHAUL	4,626,847
700686 - SECURITY RADIO SYSTEM	338,107
700716 - OTHELLO TPSS PARKING LOT	76,159
700720 - ST EXPRESS FLEET EXPANSION	7,000,000
700770 - SOUNDER VEHICLE OVERHAUL PROG	21,107,520
700771 - STATION MIDLIFE MAINTENANCE	1,648,100
700777 - CENTRAL LINK OVERHEAD CATENARY SYSTEM TIE SWITCH	(2,958,483)
700781 - NON-REVENUE SUPPORT VEHICLES	1,620,439
7X740 - SMALL WORKS PROGRAM	(346,623)
7X753 - BIKE LOCKER PROGRAM	(112,077)
802000 - ADMINISTRATIVE CAPTIAL	45,000,000
809100 - ST3 PLANNING	(11,120,905)
870100 - IT TECH INFRASTRUCTURE	7,500,000
Subtotal Existing Projects	\$ 640,092,598
New Projects	
400112 - ESCALATOR MODERIZATION PROGRAM	4,963,000
400116 - DSTT CAPITAL IMPROVEMENTS	10,000,000
400117 - DSTT SINGLE TRACKING	3,500,000
500117 - NORTH SAMMAMISH PARK AND RIDE	2,065,000
700665 - VIDEO MNGMNT SYSTEM UPGRADE	900,000
700666 - LAKEWOOD MOW RENOVATION	500,000
Subtotal New Projects	\$ 21,928,000
Total	\$ 662,020,598