

Capital Program Realignment: Consideration of Paused Actions

*September Board Meeting
September 24, 2020*



Why we are here

Paused actions

- Economic overview
- Review of staff recommendations regarding paused actions
- Review and consideration of Motion No. M2020-55

Economic Overview

Revenue loss projections

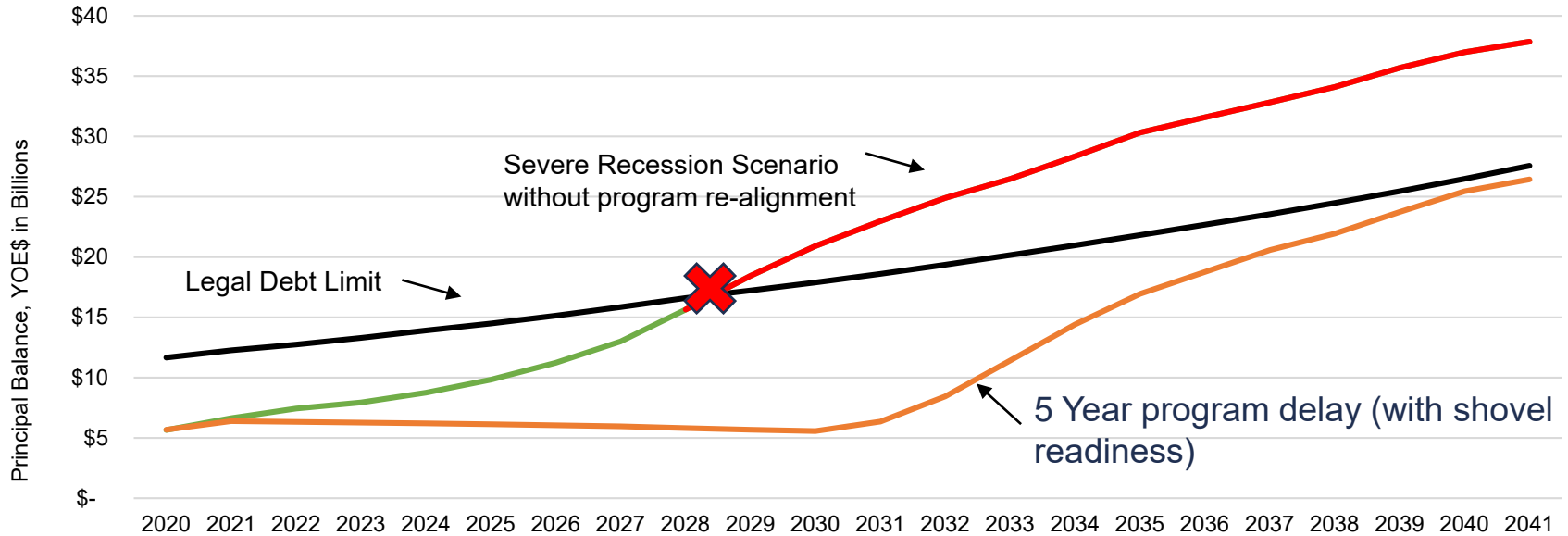
Severe recession scenario – Beginning of Covid baseline scenario

- \$921 million (-26%) in 2020 and 2021.
- \$11.9 billion (-18%) through 2041.

	2020 - 2021	2020 - 2041	2020 - 2041 (%)
Sales Tax	\$ (1,000,406,173)	\$ (10,893,385,566)	-23%
All Tax and Fare Revenues	\$ (1,087,155,409)	\$ (12,086,300,972)	-18%
Net Loss After CARES Act	\$ (921,155,409)	\$ (11,920,300,972)	-18%

Statutory debt limits and program affordability

Severe recession scenario with and without 5 year program delay



**In addition to legal debt capacity, debt capacity constraints also include financial policy and debt covenants.*

Revenue loss projections

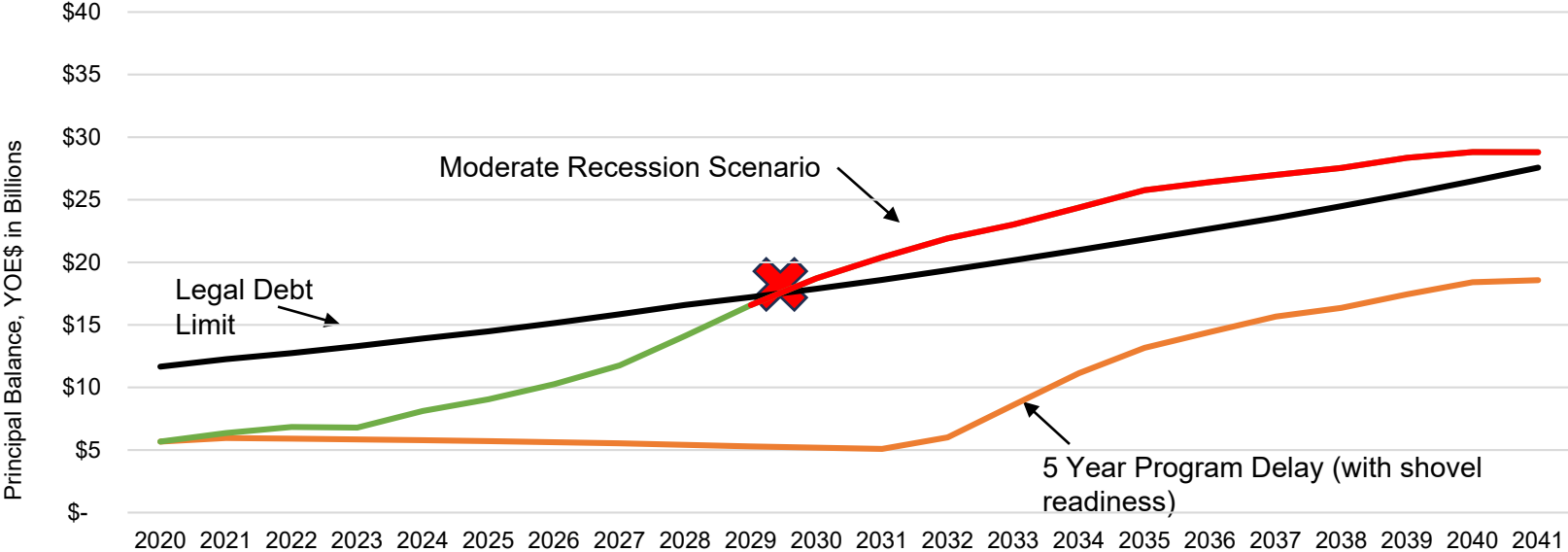
Moderate recession scenario – current baseline scenario

- \$656 million (-19%) in 2020 and 2021.
- \$7.2 billion (-11%) through 2041.

	2020 - 2021	2020 - 2041	2020 - 2041 (%)
Sales Tax	\$ (735,396,920)	\$ (6,119,918,364)	-13%
All Tax and Fare Revenues	\$ (822,146,155)	\$ (7,312,833,770)	-11%
Net Loss After CARES Act	\$ (656,146,155)	\$ (7,146,833,770)	-11%

Statutory debt limits and program affordability

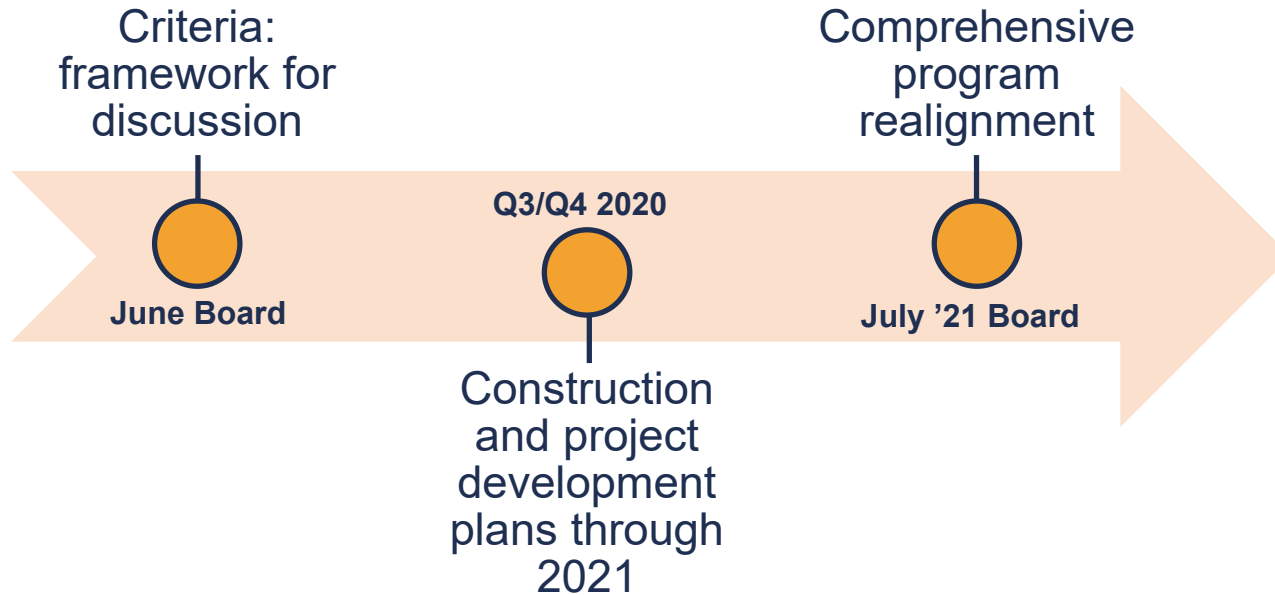
Moderate recession scenario with and without 5-year program delay



**In addition to legal debt capacity, debt capacity constraints also include financial policy and debt covenants.*

Capital Program Realignment

Path forward



Context for staff recommendations

Consideration of paused actions **not** final realignment decisions

- Changes necessary because of COVID-19 will be determined by Board's July 2021 realignment decisions.

However, the Board does need to decide this fall which project actions to advance

- Continue progress on expansion program
- Better inform realignment decisions next year

Basis for staff recommendations

Staff recommendations are practical in nature

Analysis focused on:

- Which near-term actions we believe can help inform the Board in making realignment choices next year;
- Which projects could benefit from waiting for more updated information to yield better informed decisions next year;
- Avoiding any presupposing of the decisions the Board might make next year; and
- Ensuring that none of the recommended Board actions this fall would lock the Board into any subsequent decision next year

***Souder Projects Staff
Recommendation***

Souder Projects

- *◆ Souder South Platform Extensions (Tukwila to Tacoma Dome)
- *◆ South Tacoma and Lakewood Station Parking and Access Improvements
- *▲ Edmonds & Mukilteo Station Parking and Access Improvements
- *▲ Kent and Auburn Station Parking and Access Improvements
- *● Sumner Station Parking and Access Improvements
- *● Souder Maintenance Base
- *■ Puyallup Parking and Access Improvements



Actions recommended for advancement this fall

Project	Paused Action(s)	Value	Reasoning
Kent and Auburn Station Parking and Access Improvements	Execute DBPM consultant contract with focus on cost savings alternatives	\$4 million	<ul style="list-style-type: none"> Develop lower cost scope and contract packaging options to determine if the projects can be delivered within the Transportation Improvement Plan (TIP) estimates
Sumner Station Parking and Access Improvement	Execute DBPM consultant contract with focus on cost savings alternatives	\$6 million	

Defer until 2021

Project	Paused Action(s)	Value	Reasoning
Edmonds & Mukilteo Station Parking and Access Improvements	Authorize Phase 2: Environmental review/conceptual engineering consultant contract	\$2 million	<ul style="list-style-type: none"> • Allow more time to analyze the effect of telework on commuter based service • Improvements likely to have shorter lead time than other projects
South Tacoma and Lakewood Station Parking and Access Improvements	<ul style="list-style-type: none"> • South Tacoma: Budget amendment to start project development • South Tacoma and Lakewood: Authorize Phase 1: Alternatives Development consultant contract 	\$4 million	<ul style="list-style-type: none"> • Allow more time to analyze the effect of telework on commuter based service • Improvements likely to have shorter lead time than other projects

Defer until 2021

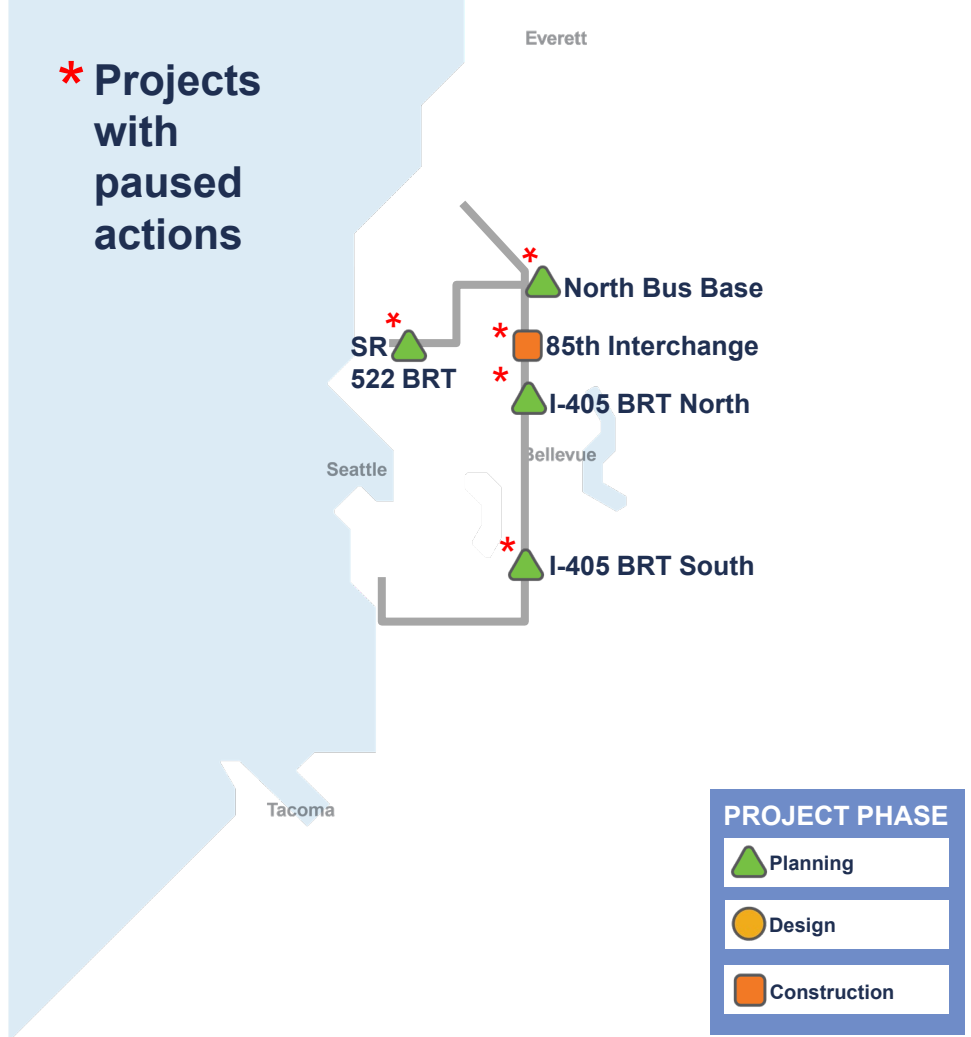
Project	Paused Action(s)	Value	Reasoning
Sounder Platform Extensions	<ul style="list-style-type: none"> Budget amendment to start project development Authorize Phase 1: Alternatives Development consultant contract 	\$3 million	<ul style="list-style-type: none"> Allow more time to analyze the effect of telework on commuter based service
Sounder Maintenance Base	Execute DBPM consultant contract	\$2 million	<ul style="list-style-type: none"> Limited scope of work for DBPM without advancing baseline decision
	Baseline for construction	\$210 million	<ul style="list-style-type: none"> Long term savings opportunity depends on size of ST fleet and future decisions regarding train and platform lengths

***Bus Rapid Transit
Staff Recommendation***

Bus Rapid Transit: Stride

- *  I-405 BRT North
- *  I-405 BRT South
- *  SR 522 BRT
- *  North Bus Base
- *  NE 85th St. Interchange Agreement

* Projects with paused actions



Actions recommended for advancement this fall





Project	Paused Action(s)	Value	Reasoning
I-405 BRT North & I-405 BRT South	<ul style="list-style-type: none"> Authorize Phase 3: Preliminary Engineering (PE) consultant contract Authorize General Engineering consultant (GEC) 	\$13 million	<ul style="list-style-type: none"> I-405 BRT PE: preserve the option of opening BRT segments as the WSDOT toll lanes are completed and obtain better cost estimates GEC: review scope, phasing, contract packaging options, and partner capacity
SR 522	Authorize General Engineering consultant (GEC)	\$1 million	<ul style="list-style-type: none"> GEC: review scope, phasing, contract packaging options, and partner capacity

Defer until 2021

Project	Paused Action(s)	Value	Reasoning
Bus Base North	Execute DBPM consultant contract	\$12 million	<ul style="list-style-type: none"> Potential program phasing options for I-405 Stride and SR 522 Stride that have not yet been examined impacts the scope and timing needed for Bus Base North
NE 85th Interchange St. Agreement	Authorize agreement with WSDOT to rebuild interchange	~\$275 million	<ul style="list-style-type: none"> Nearly one-third the cost of the I-405 BRT program Agreement could be completed in 2021 and still support pre-COVID plan of I-405 North service in 2025

***Link Light Rail
Staff Recommendation***

Link Projects

- *  Everett Link and OMF North
-  North Corridor Maintenance of Way (MOW)
-  Tacoma Dome Link (TDLE) and OMF South
-  West Seattle/Ballard (WSBLE)
-  130th St. Station
-  Federal Way Link
-  Northgate Link
-  East Link
-  Downtown Redmond Link
-  Lynnwood Link
-  OMF East
-  Hilltop Tacoma Link



Action recommended for advancement this fall

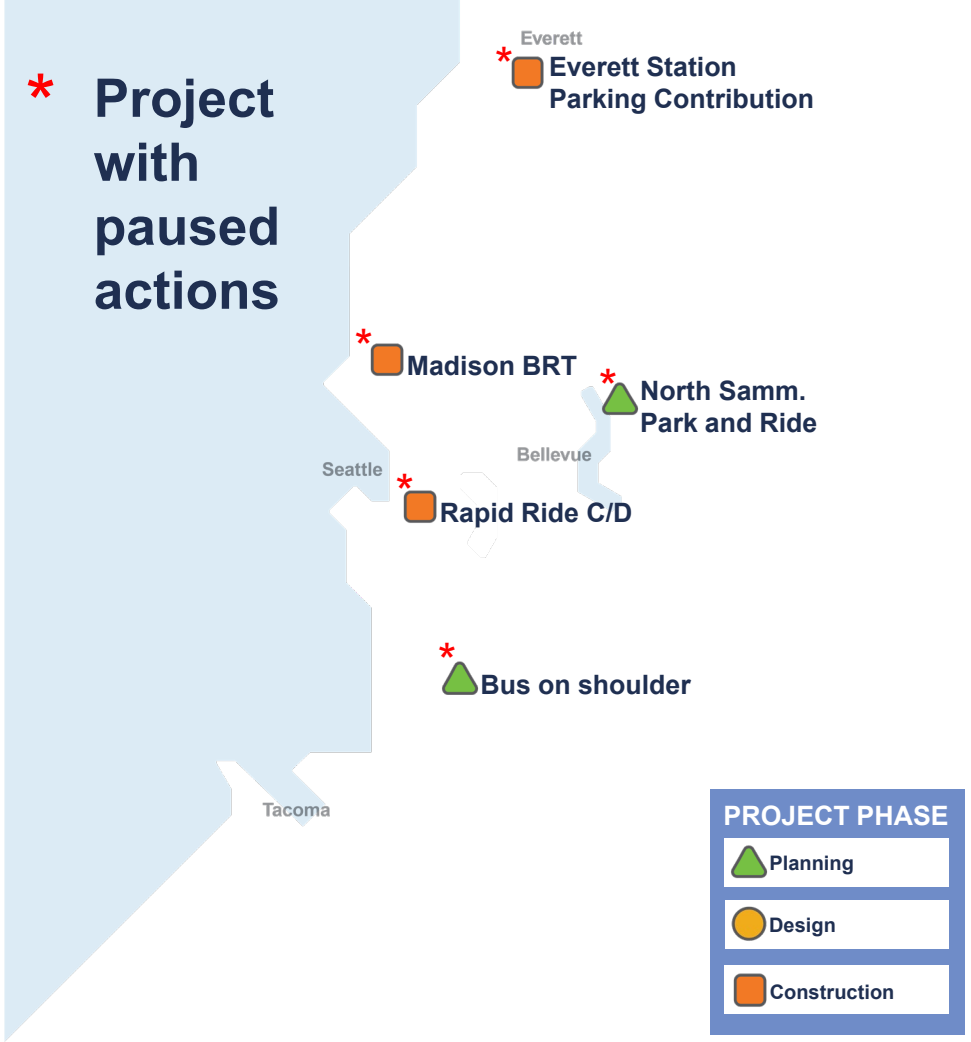
Project	Paused Action(s)	Value	Reasoning
Everett Link and OMF North	Authorize consultant contract to start Alternatives Development and project development	\$16 million	<ul style="list-style-type: none">• OMF North: Long planning lead time for a facility that supports multiple alignments• Everett Link: Develop phasing options and better cost estimates for the longest ST3 light rail extension

***Additional Projects and Third
Party Agreements
Staff Recommendation***

Additional Projects/ Third Party Agreements

- *  North Sammamish Park and Ride
- *  Bus on Shoulder
- *  Everett Station Parking Contribution
- *  Madison BRT Funding Agreement
- *  Rapid Ride C/D Funding Agreement

* Project with paused actions



Actions recommended for advancement this fall

Project	Paused Action(s)	Value	Reasoning
Everett Parking Agreement	Authorize agreement with City of Everett for contribution to project	\$0.7 million	<ul style="list-style-type: none">Leverages City funding to cost effectively provide 90 parking stalls
Madison BRT Agreement	Authorize agreement with City of Seattle for contribution to project	\$35.8 million	<ul style="list-style-type: none">Sound Transit funding needed, amongst other factors, for the City to pursue federal Small Starts funding grant

Defer until 2021

Project	Paused Action(s)	Value	Reasoning
North Sammamish Park and Ride	Authorize Phase 2: Environmental Review and Conceptual Engineering	\$2 million	<ul style="list-style-type: none"> Further work at risk until site preference clarified
Bus on Shoulder	Authorize Phase 2: Environmental Review and Conceptual Engineering	\$1 million	<ul style="list-style-type: none"> Initial project development identified modest travel time savings
Rapid Ride C/D Agreement	Authorize agreement with City of Seattle and King County	~\$25 million	<ul style="list-style-type: none"> Project definition still in preliminary stage

Summary of Staff Recommendations

Actions recommended for advancement this fall

Project	Paused Action(s)	Value
Kent and Auburn Station Parking and Access	Execute DBPM consultant contract	\$4 million
Sumner Station Parking and Access	Execute DBPM consultant contract	\$6 million
I-405 BRT North & I-405 BRT South	Authorize Preliminary Engineering (PE) and General Engineering Consultant (GEC) contracts	\$13 million
SR 522 BRT	Authorize General Engineering Consultant (GEC) contract	\$1 million
Everett Link and OMF North	Authorize consultant contract to start project planning	\$16 million
Everett Parking Agreement	Authorize agreement with City of Everett for contribution to project	\$0.7 million
Madison BRT Agreement	Authorize agreement with City of Seattle for contribution to project	\$35.8 million

Total: \$76.5 million

Motion 2020-55

Motion 2020-55

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Madison BRT Agreement	Authorize agreement with City of Seattle for contribution to project	\$35.8 million
Rapid Ride C	Authorize agreement with City of Seattle and King County Metro	\$4.5 million

Motion 2020-55

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Kent and Auburn Station Parking and Access	Execute DBPM consultant contract	\$4 million
Sumner Station Parking and Access	Execute DBPM consultant contract	\$6 million
I-405 BRT North & I-405 BRT South	Authorize Preliminary Engineering (PE) and General Engineering Consultant (GEC) contracts	\$13 million
SR 522 BRT	Authorize General Engineering Consultant (GEC) contract	\$1 million
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Everett Parking Agreement	Authorize agreement with City of Everett for contribution to project	\$0.7 million
Madison BRT Agreement	Authorize agreement with City of Seattle for contribution to project	\$35.8 million
Rapid Ride C	Authorize agreement with City of Seattle and King County Metro	\$4.5 million

Total: \$81 million

Board realignment process & schedule

	Near-term Decisions	Full Program Realignment
September	Direct which paused actions to consider	
October	Consider & possibly approve paused actions	Review and update Financial Plan
November	Consider & possibly approve paused actions	
December	Consider adoption of 2021 Budget & TIP	Establish 2021 schedule for completion of realignment process
Q1 2021	Consider further short-term actions, including any results from advancing paused actions.	Determine realignment scenarios; gather public feedback
Q2 2021		Develop draft realigned program
July 2021		Adopt final realigned program and consider any budget revisions

Thank you.



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