

# ***2023 Proposed Budget***

*System Expansion Committee*

*11/10/2022*

# ***Why we are here***

*Today we are here to provide information*

- Summary of the 2023 proposed agency budget
- Briefing on budget sections within Committee purview

# ***Budgets within Committee purview***

| Committee                       | Budget/TIP Sections   |
|---------------------------------|---|
| Rider Experience and Operations | <ul style="list-style-type: none"><li>• Transit operations</li><li>• Non-system expansion projects</li></ul>                          |
| <b>System Expansion</b>         | <b>System expansion projects – Link, Tacoma Link, Sounder, Stride, and ST Express</b>   |
| Executive                       | <ul style="list-style-type: none"><li>• System expansion projects – other (programs)</li><li>• Debt service and other costs</li></ul> |
| Finance and Audit Committee     | Other committees recommend budget to FAC; FAC recommends to Board   |

# ***2023 Proposed Budget***

## ***2023 budget priorities***

- Maintain long term financial sustainability
- Resource allocation consistent with August 2021 capital expansion resolution and agency DEIC priorities
- Operating resources to support new services and assets
- Service levels/budget reflect current ridership demand

# 2023 proposed sources: \$3.1B

| <i>In \$million</i>           | <i>2022<br/>Forecast</i> | <i>2022<br/>Budget</i> | <i>2023<br/>Proposed</i> | <i>Budget %<br/>Change</i> |
|-------------------------------|--------------------------|------------------------|--------------------------|----------------------------|
| Tax Revenues                  | 2,238                    | 2,256                  | 2,298                    | 2%                         |
| Passenger Revenues            | 41                       | 36                     | 52                       | 44%                        |
| Federal Grants                | 612                      | 498                    | 282                      | -43%                       |
| Investment/Misc.              | 4                        | 31                     | 52                       | 67%                        |
| Bond & TIFIA Loan<br>Proceeds | 615                      | 615                    | 0                        | -100%                      |
| Cash Balance                  | 0                        | 0                      | 390                      | N/A                        |
| <b>Total</b>                  | <b>3,510</b>             | <b>3,437</b>           | <b>3,075</b>             | <b>-11%</b>                |

- Sales and use tax is 65% of all 2023 total revenue and financing sources
- Federal grants lower in 2023 due to ARP funding in 2022
- Fare revenues increase with increased ridership
- Higher ORCA regional reimbursement

- No TIFIA draws for 2023

# 2023 proposed expenditures: \$3.1 billion

| <i>In \$million</i> | <i>2022<br/>Forecast</i> | <i>2022<br/>Budget*</i> | <i>2023<br/>Proposed</i> | <i>Budget %<br/>Change</i> |
|---------------------|--------------------------|-------------------------|--------------------------|----------------------------|
| Projects            | 2,134                    | 2,359                   | 2,369                    | 0%                         |
| Transit Operating   | 384                      | 433                     | 500                      | 15%                        |
| Other**             | 198                      | 230                     | 205                      | -11%                       |
| <b>Total</b>        | <b>2,717</b>             | <b>3,022</b>            | <b>3,075</b>             | <b>2%</b>                  |

\*2022 budget includes budget adjustments via Board actions and R2020-24 Budget Policy Section 3.4.2.

\*\*Other includes debt service, tax collection & fees, contributions to partner agencies, operating leases, non-operating expenses, and operating contingency.

Note: Numbers may not add correctly due to rounding.

# ***System Expansion Committee Budget Review***

- ***Project budgets***



# 2023 system expansion projects: \$2.1B

| <i>In \$million</i> | <i>2022<br/>Forecast</i> | <i>2022<br/>Budget</i> | <i>2023<br/>Proposed</i> | <i>Budget %<br/>Change</i> |
|---------------------|--------------------------|------------------------|--------------------------|----------------------------|
| Link                | 1,649                    | 1,783                  | 1,686                    | -5%                        |
| Sounder             | 65                       | 70                     | 42                       | -40%                       |
| Regional Express    | 16                       | 24                     | 35                       | 44%                        |
| Stride              | 109                      | 164                    | 288                      | 76%                        |
| Tacoma Link         | 66                       | 66                     | 10                       | -85%                       |
| Other Projects      | 44                       | 47                     | 37                       | -20%                       |
| <b>Total</b>        | <b>1,950</b>             | <b>2,154</b>           | <b>2,099</b>             | <b>-3%</b>                 |

Examples of system expansion projects – other:

- Transit System Access Program, ST Art, IT Program, TOD Planning Program Capital, ST3 Planning, Fare Admin, and ORCA NEXT GEN

Note: Numbers may not add correctly due to rounding.

***System Expansion  
Link and Tacoma Link***

# *Hilltop Tacoma Link Extension, \$10.3M*

- Begin Revenue Service
- Project documentation and closeout
- Claim resolution and associated legal activity



# ***East Link Extension, \$128.8M***

- Advances civil and systems contract work.
- Testing, commissioning and other start-up related activities



# ***Downtown Redmond Link Extension, \$236.3M***

- Continue major construction of guideway and trackwork, stations and Marymoor Village Garage.
- Systems work begins and in full production.





# ***Federal Way Link Extension, \$442.8M***

- Major construction continues with garages, stations, and guideway / trackwork.
- Traffic Mitigation construction contract anticipated award and NTP by Q4.
- ROW acquisitions & relocations.



# ***Lynnwood Link Extension, \$431.1M***

- Substantial completion of civil construction
- Systems procurement and installation of major equipment, completion of permanent power
- Testing and commissioning activities.



# ***NE 130th Station (Lynnwood Link), \$26.9M***

- Completion of heavy civil construction by the Lynnwood Link contractor
- Award and commencement of the station finishes contract.





# *Light Rail Vehicle Fleet Expansion, \$121.5M*

- Completion of the final car shell production
- Deliveries target 32 vehicles for a total of 140
- Planned conditional acceptance of an additional 40 vehicles for a total of 111 of 152.



# North Corridor MOW, \$8.8M

- ROW Phase represents 90% of Proposed Budget for property acquisition.



# ***Series 3 Light Rail Vehicle Fleet Expansion, \$3.6M***

- Ramp up of vehicle engineering
- Value Management
- Quantitative Risk Assessment



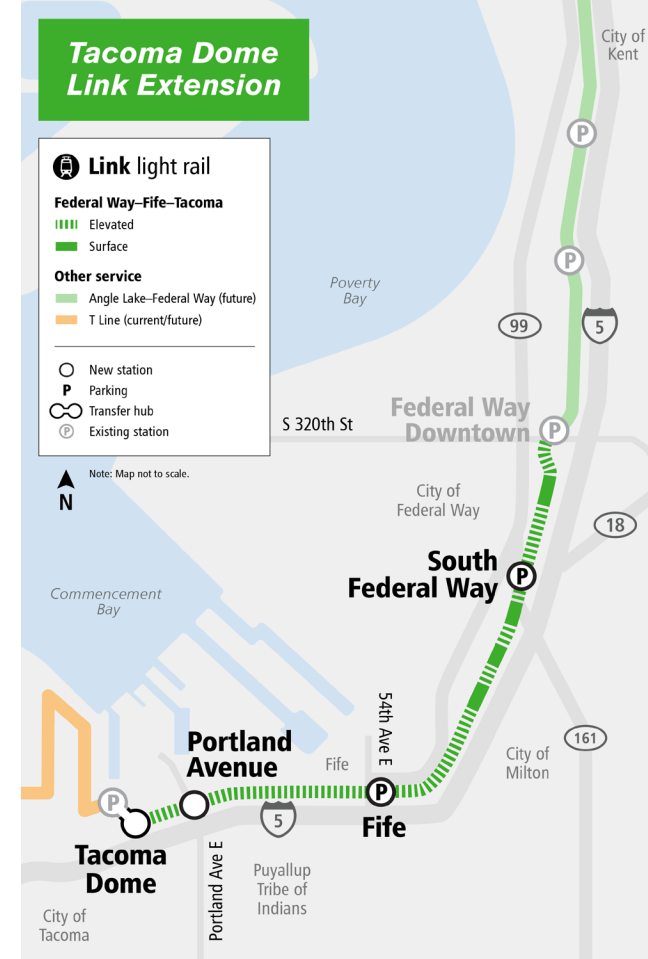
# Tacoma Dome Link Extension and OMF South, \$129.7M

## OMF South

- Complete Preliminary Engineering, Final EIS & Select the Project to Be Built
- Initiate Design-Build procurement
- ROW activities

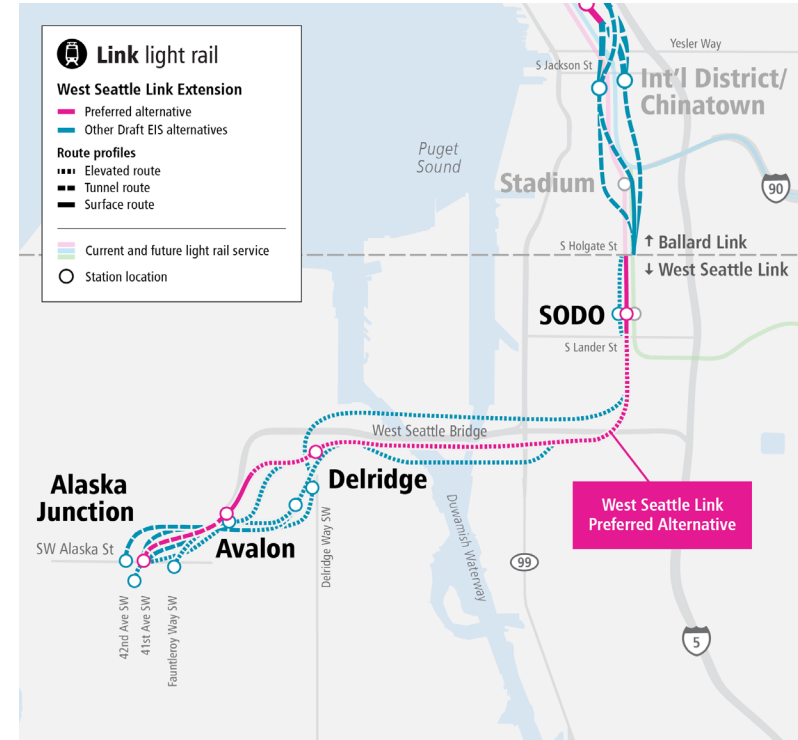
## TDLE

- Continue to advance Draft EIS
- Ongoing external stakeholder engagement



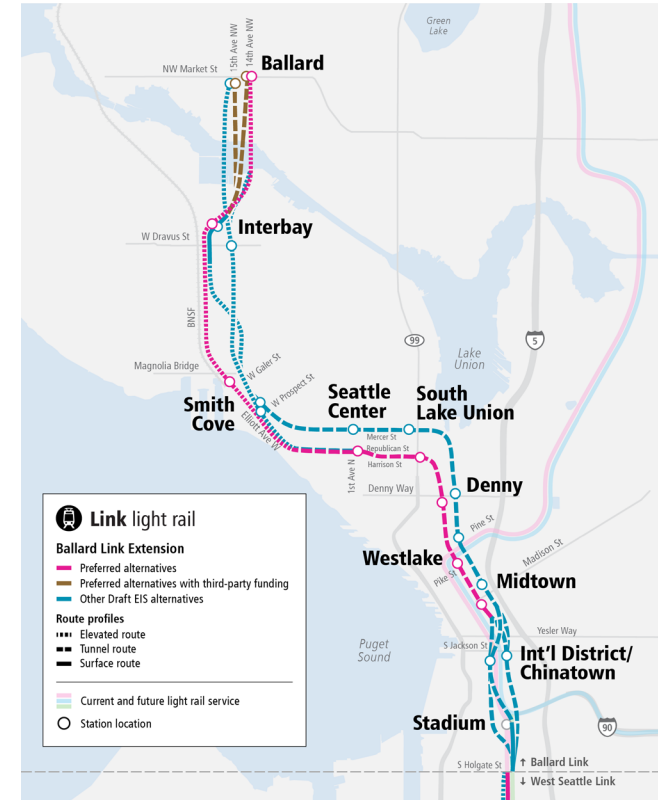
# West Seattle Link Extension, \$23.9M

- Continue Preliminary Engineering and preparation of Final EIS
- Complete Board-directed further studies
- ROW Administration activities



# Ballard Link Extension, \$67.1M

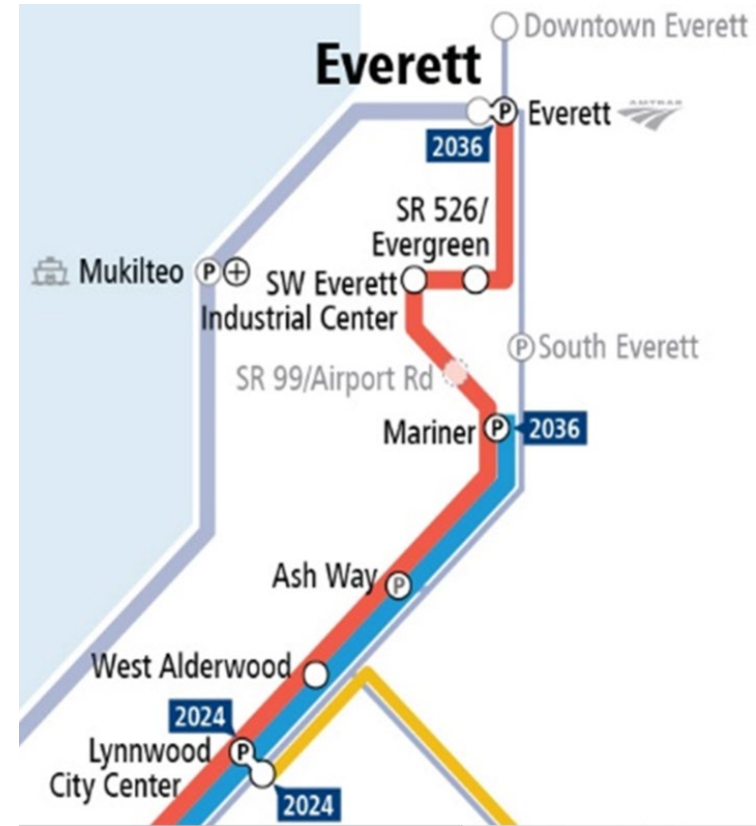
- Complete Board-directed further studies and community engagement
- Confirm/modify Preferred Alternative
- Commence Preliminary Engineering and preparation of Final EIS
- ROW Administration activities





# Everett Link Extension & OMF North, \$49.8M

- Complete Alternatives Analysis
- Identify Preferred Alternative and options to study in the DEIS
- Commence Environmental Review & Conceptual Engineering (DEIS)
- Ongoing external stakeholder engagement



# Graham Street & Boeing Access Road Infill Stations - \$5.8M

- Initiating the projects
- Procure consultant support & commence Alternatives Analysis and Conceptual Engineering
- Initiate external stakeholder engagement





# *System Expansion Sounder*

# ***Sounder Investments, \$6.5M***

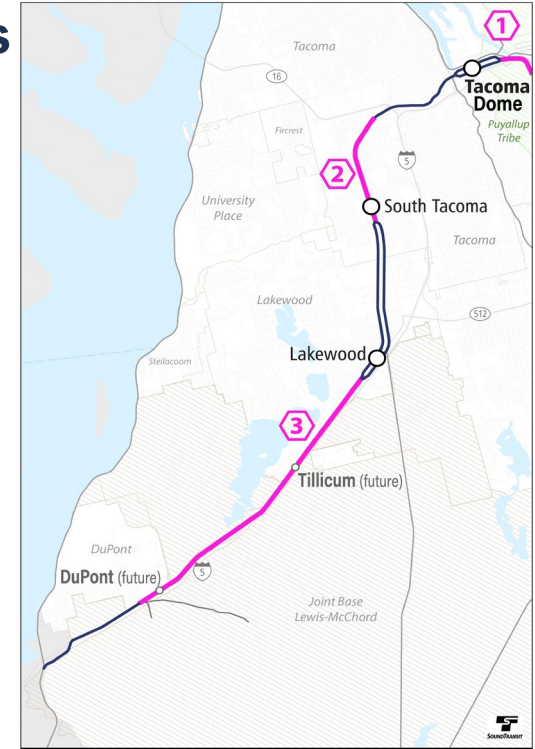
- Lakewood & South Tacoma Stations Access
  - Continue Conceptual Engineering & Environmental Review
- Sounder South Capacity Expansion
  - CE & Environmental Review for King Street Station platform
- Tacoma Dome Station Access - Coordinated planning with TDLE
- Edmonds & Mukilteo Stations Access - Postponed due to realignment decision



# ***Sounder Investments – \$4.8M***

**FRA CRISI grant supported double track projects  
– *planning only***

- Sounder South Capacity Expansion
  - CE & environmental review for track improvements
- DuPont Extension
  - CE & environmental review for track improvements



# ***Sounder Investments \$18.5M***

- Puyallup Station Garage - In Service! Project closeout activities and Phase Gate 6
- Sumner, Kent & Auburn Parking and Access Improvement Projects –
  - Baseline into one project Q1 2023 – will affect 2023 annual budget
  - Award design-build contracts and issue Notice to Proceed for all three projects



# *System Expansion Stride*

# I-405 Bus Rapid Transit, \$177.2M

- Baseline in Q2 2023
- Completion of final design
- Continue construction by WSDOT (NE 44th, NE 85th Interchange and Brickyard to SR 527)
- Execute construction agreements with WSDOT (TIBS) and City of Renton (P&R),
- Begin procurement for station fit up and vehicles
- Acquisition of easements along the corridor



# SR 522/NE 145<sup>th</sup> BRT, \$87.0M

- Baseline in Q2 2023
- Completion of final design
- Continue construction of I-5 / NE 145<sup>th</sup> roundabout, Bothell
- NE 185th street rebuild,
- Continue procurement of Bus Operating Technology System,
- Start procurement of vehicle fleet,
- Continue ROW acquisition





# ***Bus Base North, \$24.0M***

- Baseline in Q2 2023
- Completion of final design
- Start construction procurement process for Bus Base North
- Address covenants, conditions, and restrictions (CC&Rs)





# ***System Expansion***

## ***ST Express***

# ***Bus System Expansion, \$32.0M***

- Contribution to RapidRide C paving completion & Madison BRT construction
- Contribution to Pierce Transit Pacific Ave/ SR 7 BRT
- Work postponed due to realignment
  - Bus on Shoulder
  - North Sammamish Park & Ride
  - Any additional RapidRide funding agreement



# *Budget timeline and next steps*

# Timeline

## *October – budget and Financial Plan kickoff*

- **10/27** – Board Meeting – Overview of Long-Range Financial Plan projections and budget

## *November – budget overview and property tax levy approval*

- **11/3** – Executive Committee – budget overview
- **11/3** – Rider Experience and Operations Committee – budget overview
- **11/3** – Public hearing – budget and property taxes
- **11/10 – System Expansion Committee – budget overview**
- **11/17** – Board Meeting – request for approval of the property tax levy

# *Timeline continued*

## *December – budget recommendation and approval*

- **12/1** – Rider Experience and Operations Committee – recommends to FAC
- **12/8** – Executive Committee – recommends to FAC
- **12/8 – System Expansion Committee – recommends to FAC**
- **12/15** – Finance and Audit Committee – recommends to Board
- **12/15** – Board – adoption of the Proposed 2023 Budget and Transit Improvement Plan

*Thank you.*



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