

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">• Transit operations• Non-system expansion projects
System Expansion	System expansion projects – Link, Tacoma Link, Sounder, Stride, and ST Express
Executive	<ul style="list-style-type: none">• System expansion projects – other (programs)• Debt service and other costs
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 Forecast</i>	<i>2022 Budget</i>	<i>2023 Proposed</i>	<i>Budget % 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 Proceeds	615	615	0	-100%
Cash Balance	0	0	390	N/A
Total	3,510	3,437	3,075	-11%

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

*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 Forecast</i>	<i>2022 Budget</i>	<i>2023 Proposed</i>	<i>Budget % 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%
Total	1,950	2,154	2,099	-3%

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

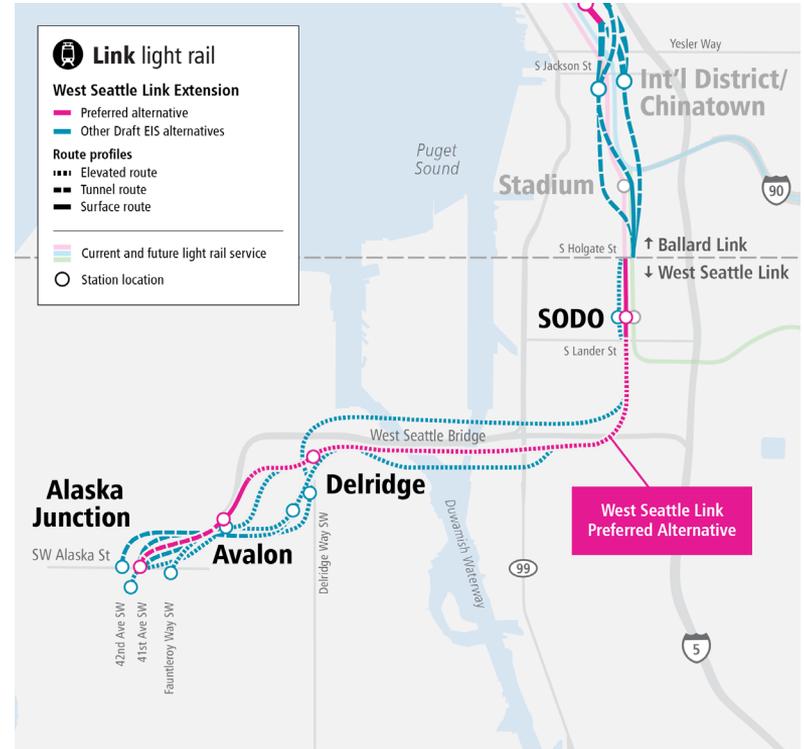
TDLE

- Continue to advance Draft EIS
- Ongoing external stakeholder engagement



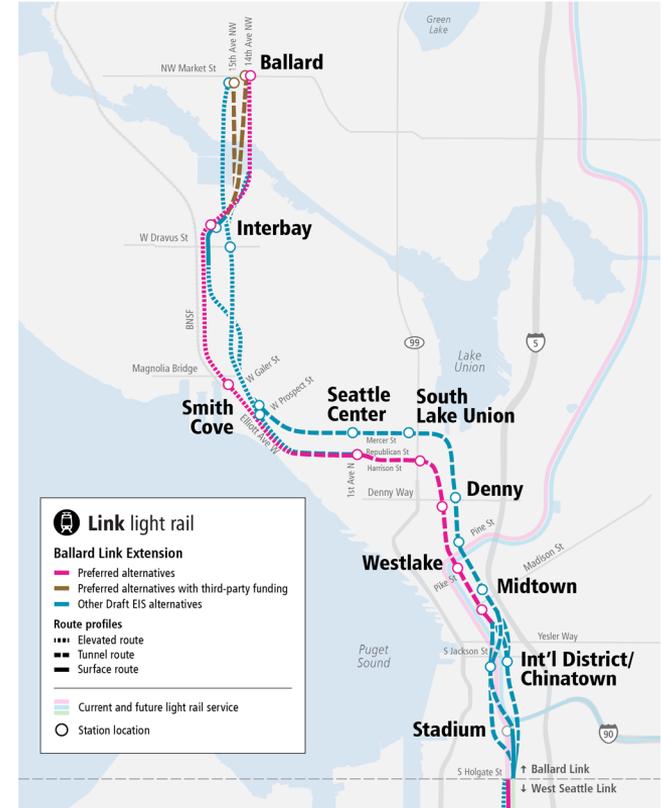
West Seattle Link Extension, \$23.9M

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



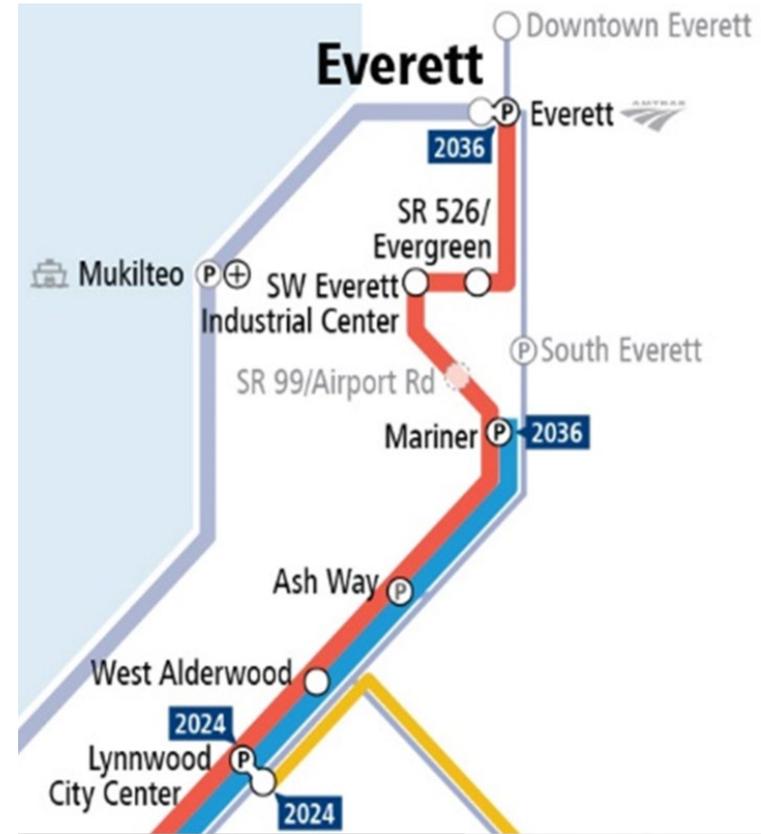
Ballard Link Extension, \$67.1M

- 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



System Expansion Sounder

Souder Investments, \$6.5M

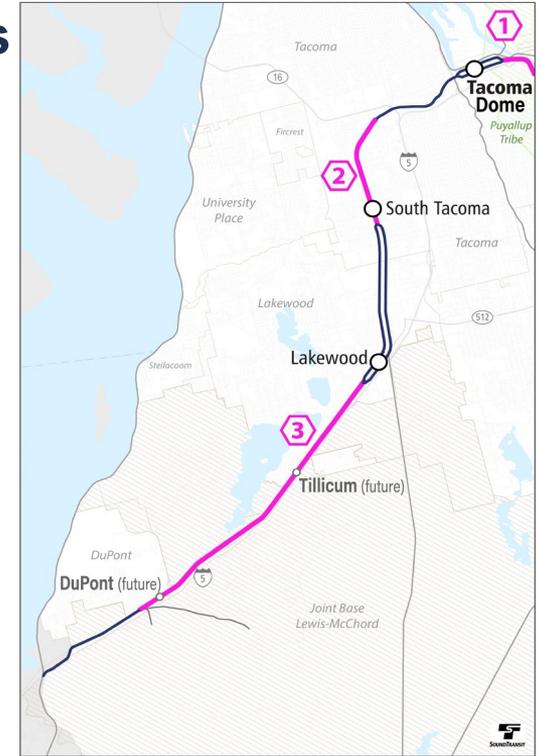
- Lakewood & South Tacoma Stations Access
 - Continue Conceptual Engineering & Environmental Review
- Souder South Capacity Expansion
 - CE & Environmental Review for King Street Station platform
- Tacoma Dome Station Access - Coordinated planning with TDLE
- Edmonds & Mukilteo Stations Access - Postponed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

SR 522/NE 145th BRT, \$87.0M

- Baseline in Q2 2023
- Completion of final design
- Continue construction of I-5 / NE 145th 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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