

Community  
Oversight  
Panel

April 10, 2025

Sound Transit Board  
The Honorable Dave Somers, Chair  
401 South Jackson Street  
Seattle, WA 98104

Re: Community Oversight Panel 2024 Year-End Report

Dear Chair Somers:

This is the 28<sup>th</sup> annual year-end report of the Community Oversight Panel (COP), which sets forth to the Board and the public our assessment of Sound Transit's performance during the past year.

### Background

Historically, the framework for this report is the COP's authorizing legislation, which is contained in each of the Agency's three System Plans and requires the COP to monitor seven major areas of Sound Transit's performance:

- Community engagement activities
- Project planning and alignment decisions
- Budget and financial plan
- Project schedule and budget adherence
- Agency performance audits
- Social justice and equity
- Passenger experience

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Despite facing challenges such as cost escalation, labor shortages, transitions in leadership, and agency reorganization, the COP has noted that Sound Transit is in substantial compliance with the areas monitored for 2024. However, ongoing issues raise concerns about the agency's ability to maintain this compliance moving forward. It is crucial for Sound Transit to address these challenges proactively to ensure continued success and efficiency.

## **Accomplishments**

### **Ridership Recovery**

Ridership is steadily recovering post-pandemic, with Link Light Rail nearly reaching pre-2019 levels and boardings doubling from 2021 to 2022. As new stations open, staff are implementing strategies to manage potential overcrowding, including repairing the Siemens fleet under warranty, increasing vehicle storage, and maintaining ST Express service from Snohomish County until the 2 Line is complete. These efforts demonstrate the agency's commitment to accommodating growing ridership.

### **Safety Enhancements**

Sound Transit has made significant strides in improving passenger safety. The transition to four security providers resulted in a 202% increase in security staff, addressing issues such as unmet mental health needs, crime, and drug usage. The Ambassador Program and the development of a diverse, well-trained workforce further enhance safety measures, despite ongoing challenges with staff recruitment and retention.

### **Fare Engagement**

The fare engagement program has moved towards a more equitable model, with 91% of inspected passengers (2.8% of all passengers were inspected for fare compliance) found compliant between July and October 2024. By shifting to platform-based inspections, passengers have the opportunity to purchase fares, which improves farebox recovery and supports a fairer system for all riders.

### **ORCA Developments**

Recent ORCA updates include launching new products like customer notifications and Google Wallet integration, expanding payment options, and centering on customer needs. These improvements aim to enhance the overall customer experience and streamline payment processes for riders and business partners.

### **Station Openings**

The successful openings of the Lynnwood Link Extension and 2 Line stations, along with the on-schedule progress of the 2 Line Redmond stations, highlight the agency's project management. Community engagement and tailored celebrations for these events were particularly well received, setting a positive precedent for future station openings.

### **TAG Recommendations**

The implementation of the Technical Advisory Group's 2023 recommendations is underway, focusing on rebuilding trust, clarifying roles, introducing experienced leadership, and aligning

procedures with industry best practices. These initiatives are designed to enhance the speed and efficiency of project delivery, ultimately benefiting the agency and its stakeholders.

Over the past year, staff have updated the COP on implementing TAG recommendations, which were a top priority for Interim CEO Sparrman. Significant progress was made through initiatives such as hiring experienced senior executives, enhancing project change management, organizational restructuring, and improving scope control. Staff also developed key performance indicators to track progress. However, with the departure of Interim CEO Sparrman and the decommissioning of the TAG, the COP is concerned about potential setbacks. It is crucial for Sound Transit to establish robust internal processes to maintain progress and lay a foundation for future improvements.

## **Areas of Concern**

### **Financial Stability**

Staff have presented several issues affecting the agency's financial stability. The 2025 proposed budget and long-range financial plan reveal challenges, as decreased capital spending from ST2 projects transitioning to service contrasts with increased spending for upcoming ST3 projects. This shift, alongside rising operating costs, strains the agency's funding capacity. The COP is particularly concerned about the Link system's expansion from ST2 to ST3 and the uncertainty of future capital budgets. A critical focus is the anticipated financial pinch point in 2049, when the debt service coverage ratio is projected to decline to 1.56x, approaching the agency's minimum policy threshold of 1.5x. Additionally, the COP is monitoring how cost escalations in specific sub-area projects and expensive route selections, like a West Seattle tunnel, may impact overall ST3 project timelines and finances.

Another factor influencing financial stability is farebox recovery. The agency recently revised its fare policy, adjusting previous targets to those more aligned with peer agencies and more feasible with current circumstances: a minimum of 17% and target of 22% for light rail, 13% minimum and 18% target for Sounder, and 8% minimum with a 13% target for ST Express. These adjustments align with fare revenue projections in the 2023 financial plan.

Given the current environment and changes in federal administration, the COP is also concerned about potential threats to federal funding, FTA staffing capacity, rising material costs, and tariff impacts. The COP is keen to understand how lessons from previous administrations may assist the agency in navigating these challenges.

### **Project Delays**

The COP is concerned about project delays on the West Seattle and Ballard Link Extensions, which have significant financial implications. The preliminary engineering estimate for West Seattle has risen from \$4 billion to \$6.7-7.1 billion due to factors like market conditions, advanced design, additional site data, and project delays. The Ballard Link Extension faces challenges with federal approvals, city permitting, and construction market conditions, leading to its separation into its own project. The COP urges transparency in alignment and planning decisions to honor the

commitments made to voters with ST3.

### **Leadership Vacancies and Reorganization Impacts<sup>1</sup>**

Frequent changes in leadership, with three CEOs in as many years, raise concerns about leadership gaps. The COP appreciates the interim leadership of CEO Goran Sparrman and the hiring of senior executives like Terri Mestas. However, the COP seeks more information on the impact of recent reorganizations on staff, particularly the Mobilize One Sound Transit (MOST) initiative, and wanted greater transparency in the executive search process, including candidate scoring criteria and finalist disclosure.

### **Technical Expertise Support**

While pleased with the implementation of TAG recommendations, the COP sees value in continuing external technical expertise support. This advisory role is crucial as the agency grows and undertakes complex project deliveries.

### **Risk Management**

The COP identifies system reliability as a key risk, with challenges in fleet service and operational disruptions. While staff have taken steps to enhance system resiliency, ongoing monitoring is essential. Safety also remains a concern, with fatalities and safety issues at stations. The COP recommends leveraging passenger feedback from surveys to guide improvements. The partnership with the Puyallup Tribe of Indians is critical for the Tacoma Dome Link Extension, as their collaboration mitigates delivery risks.

The COP also highlights the need for a comprehensive performance audit and the development of an enterprise risk management program, with a particular focus on cybersecurity. Additionally, the Board should be aware that cost estimates for project alternatives, such as in the CID, NID, and SID station selections, may change, and different alternatives carry varying risk profiles.

### **Communications and Engagement Using Technology**

The COP acknowledges the agency's efforts in passenger technology and innovation, yet emphasizes the need for timely communication through a centralized app. This app could provide real-time updates, manage disruptions, and collect rider feedback. Community engagement should focus on understanding the perspectives of those funding Sound Transit to identify areas for improvement.

### **Delivery of Service Quality Promised to Voters**

The COP stresses the importance of fulfilling commitments in the Sound Transit 3 System Plan. While alternative delivery methods are possible, they must uphold the quality promised to voters. Recent alternatives, particularly for the West Seattle and Ballard Link Extensions, have not always assured the COP of meeting these goals, highlighting a need for ongoing monitoring.

### **Conclusion**

The COP looks forward to engaging with the new leadership team and delving deeper into these

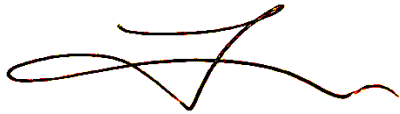
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<sup>1</sup> This annual report was drafted before the announcement of the new CEO, Dow Constantine, on March 27, 2025.

issues over the coming year. Increased interaction with Sound Transit Board members is also desired to better understand the agency's successes and challenges from the decision-makers. Despite past and future challenges, the COP remains encouraged by the dedication and expertise of the agency's leadership and staff in delivering voter-approved plans.

Sincerely,

The Community Oversight Panel

A handwritten signature in dark ink, featuring a large, stylized 'T' and 'P' that are interconnected. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Tina Pierce,  
Community Oversight Panel Chair