

Enterprise Initiative Overview: Service Delivery Focus

Rider Experience & Operations Committee

8/7/2025

Why we are here

- Reminder and overview of the Enterprise Initiative.
- Overview of Service Delivery work included in the Enterprise Initiative and the topics that REO will be engaged in.
- Next steps and upcoming Committee engagement.

Enterprise Initiative

What is the Enterprise Initiative?

- Sound Transit's effort to ensure we can deliver the greatest benefits of ST3 within available financial capacity.
- A comprehensive effort touching planning, capital, operations, maintenance, and finance to ensure we are meeting both current and future regional mobility needs.

What are the ultimate outcomes?

- Adopting an updated **System Plan**, with modified capital and operating plans.
- Adopting a balanced and affordable long-range finance plan.
- Achieving high confidence in our ability to deliver on System Plan commitments.
- Establishing new processes to proactively and iteratively manage these issues going forward.

Enterprise Initiative: REO Committee

Service delivery workstream

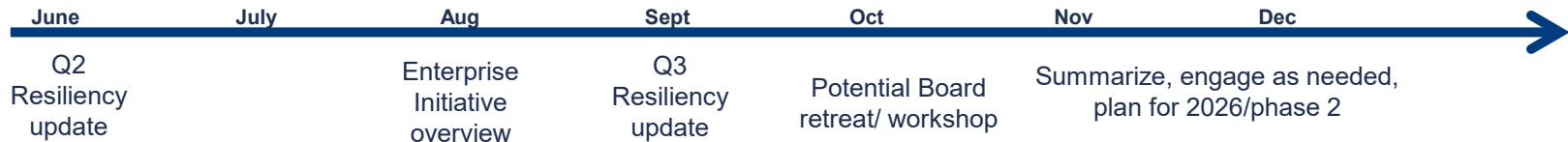
Key activities

- Continued resiliency work and overall assessment of state of good repair needs.
- Analyze and assess operating costs and resource needs to meet service commitments.
- Network planning & updated service design.
- Support overall ST3 plan update process based on service delivery activities.

Anticipated outputs

- Confirmed resiliency and state of good repair needs matched to available resources.
- Assessment of costs and resource needs to operate and maintain service levels.
- An integrated, longer-term service network plan comprehensive of all ST modes.

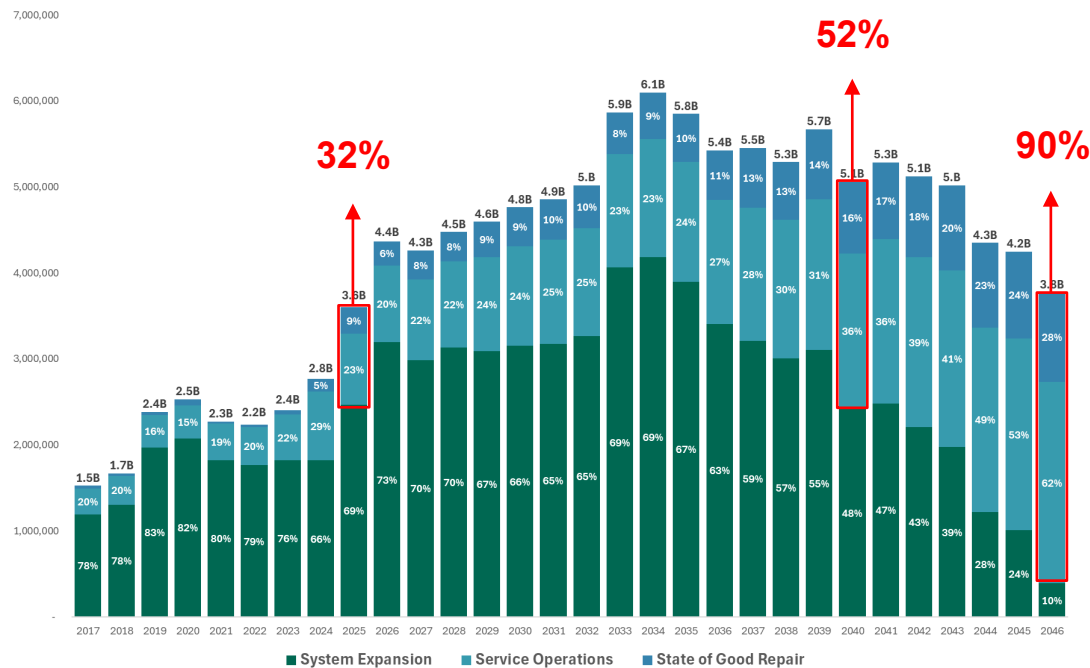
Board Engagement Schedule through 2025



Future challenges and opportunities

Service delivery

- Costs to operate and maintain the system are an increasingly large share of the long-range financial plan.
- Operating costs are connected to the capital program, past and future.
- The Enterprise Initiative will help confirm that we have the necessary resources to provide a safe, reliable service for passengers.



Expenditures by program category, 2017-2046

Service Delivery topics in the Enterprise Initiative

- Resiliency workplan to help inform broader asset management program planning.
- Engagement with capital delivery cost savings workplan.
- Network and system planning to assessing and potentially modify ST3 service assumptions.
- Reviewing operating cost drivers and developing opportunities to reduce cost growth.

Resiliency workplan

Resiliency workplan framework

Operating System

Passenger
Support

Topic 1

LRV Reliability
Improvements

Implement Immediate Repairs
+ Near-Term Improvements

Topic 2

Traction Power &
Train Control
Improvements

Topic 3

Comprehensive
System Review

Recommend Near-
and Long-Term
Improvements

Topic 4

Outreach &
Communication
Improvements

Implement
Immediate + Near-
Term Improvements

Resiliency workplan phases and timelines

	SYSTEM ASSESSMENT	IMMEDIATE REPAIRS	NEAR-TERM & LONG-TERM SOLUTION PRIORITIZATION	NEAR-TERM & LONG-TERM SOLUTION IMPLEMENTATION
When	<i>Now – Jan. 2025</i>	<i>Dec. 2024 – Mar. 2025</i>	<i>Jan. – Mar. 2025</i>	<i>Apr. 2025 – Jan. 2026</i>
Activities	<ul style="list-style-type: none"> • Maintenance Records Review • Site Inspections • Field Testing • System Modeling • Stakeholder Interviews • Design Requirements 	<ul style="list-style-type: none"> • New and Existing Service Repair Order Prioritization • Update Maintenance Procedures • Maintenance Training 	<ul style="list-style-type: none"> • Assess Cost, Risk, & Benefit of Proposed Solutions • Explore Industry Best Practices • Prioritize Solutions for Optimal Results 	<ul style="list-style-type: none"> • Contractor Procurement • System Improvement Implementation • Software Update Implementation • Agency Requirements and Standards Updates
Outcomes	<ul style="list-style-type: none"> • Root Causes of Failures • Areas of Vulnerability • Immediate Repairs Recommendations 	<ul style="list-style-type: none"> • Immediate Repairs • Enhanced Repair Response 	<ul style="list-style-type: none"> • Implementation Workplan • Implementation Schedule 	<ul style="list-style-type: none"> • Improved System Monitoring • Enhanced System Redundancy • Reduced Service Interruptions

Studies to assess capital investments



Potential investments to improve operational flexibility

- Feasibility studies required to determine cost-benefit of potential investments such as:
 - Adding crossovers and other rail infrastructure
 - Changes to the existing signaling system
 - Building a Unified Control Center
- Trade-offs between improved reliability, upfront capital cost, and potential lifecycle cost savings will all be considered.

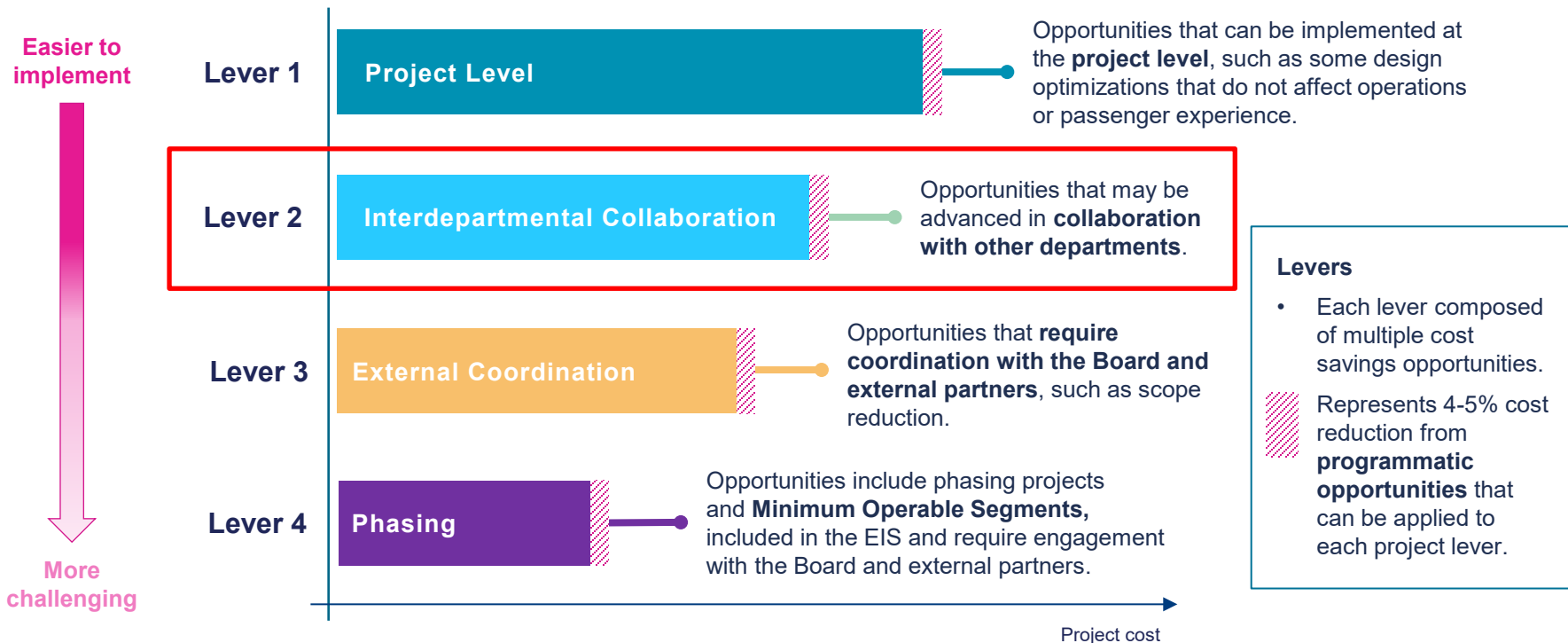
Capital delivery cost savings workplan



Per Motion No. M2024-59

Develop a **workplan on the programmatic, financial, and project level measures and opportunities** the agency will pursue to **improve the agency's financial situation** and move WSLE through design **to inform** a financially sound project to be baselined, including **timelines and scale of potential benefits for each measure, and whether each measure is WSLE-specific or applies broadly to future projects.**

Capital Delivery: cost saving levers



***How Sound Transit service
has changed since 2019***

Evolving conditions

- The 2016 ST3 System Plan was designed and adopted to prioritize both regional travel and high suburb-to-central business district weekday peak demand.
- Changing conditions and financial pressures represent an opportunity and need to direct resources to their most effective and efficient use.
- This opportunity has implications across all lines of business, including operations and system expansion.

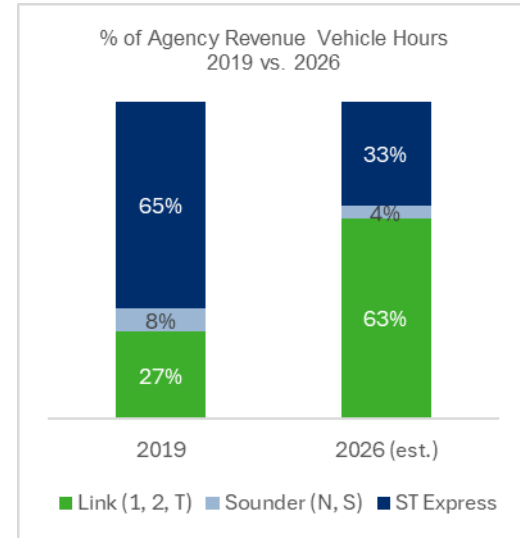
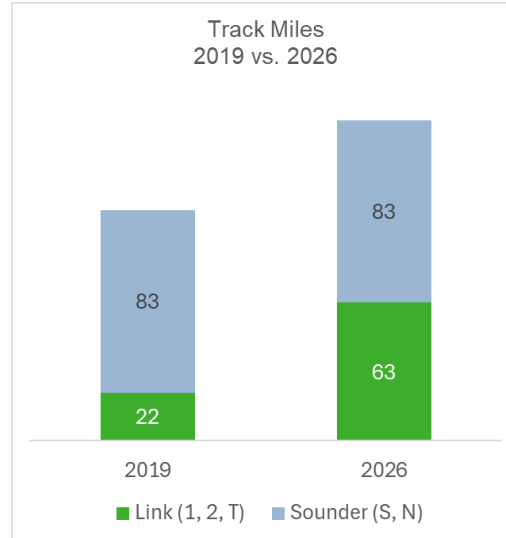
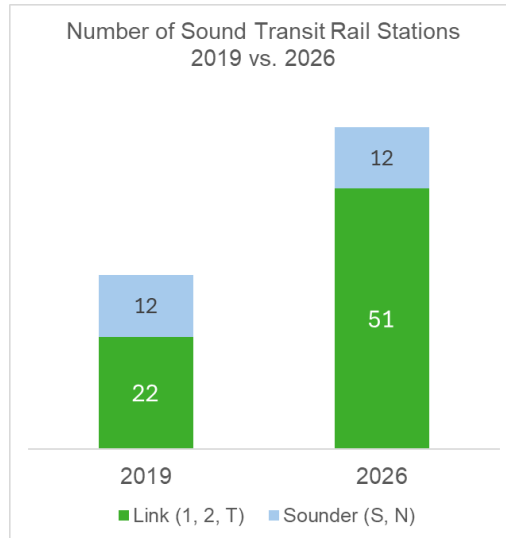
What has changed:

- *Robust but uneven recovery in transit demand from COVID.*
- *More demand for Link relative to other Sound Transit modes.*
- *Flatter weekday peak-hour ridership.*
- *Higher mid-day, evening, and weekend ridership.*
- *Performance efficiency degrades as lines lengthen (less ridership density/passenger turnover, reduced peak hour demand, reduced system resilience, etc.)*

System expansion and service changes

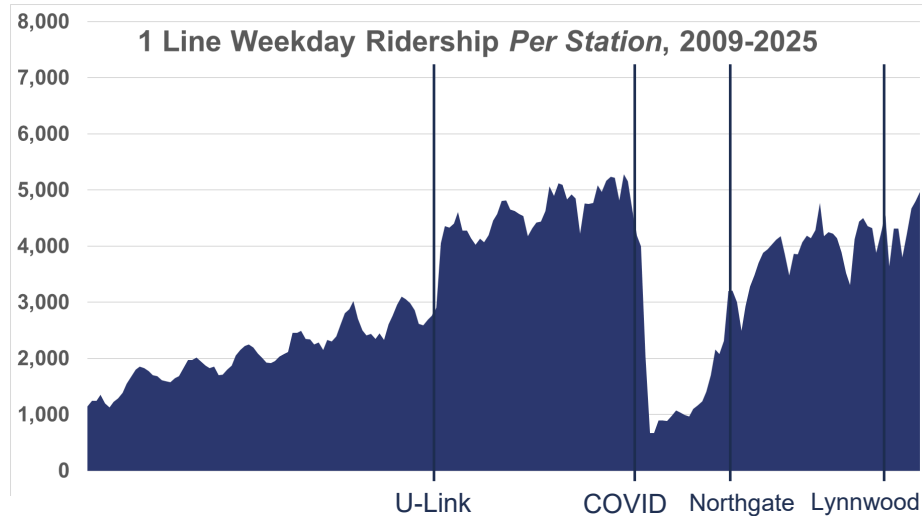
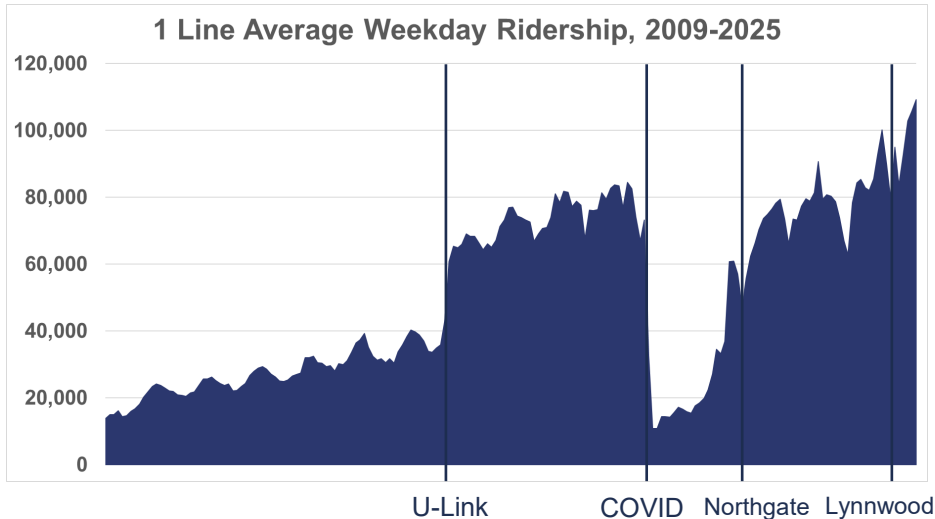
Comparing 2019 and 2026 Sound Transit service

- Link station count more than doubles from 22 miles to 51.
- Link track length nearly triples from 22 miles to 63.
- Majority of total agency service hours are now on Link.



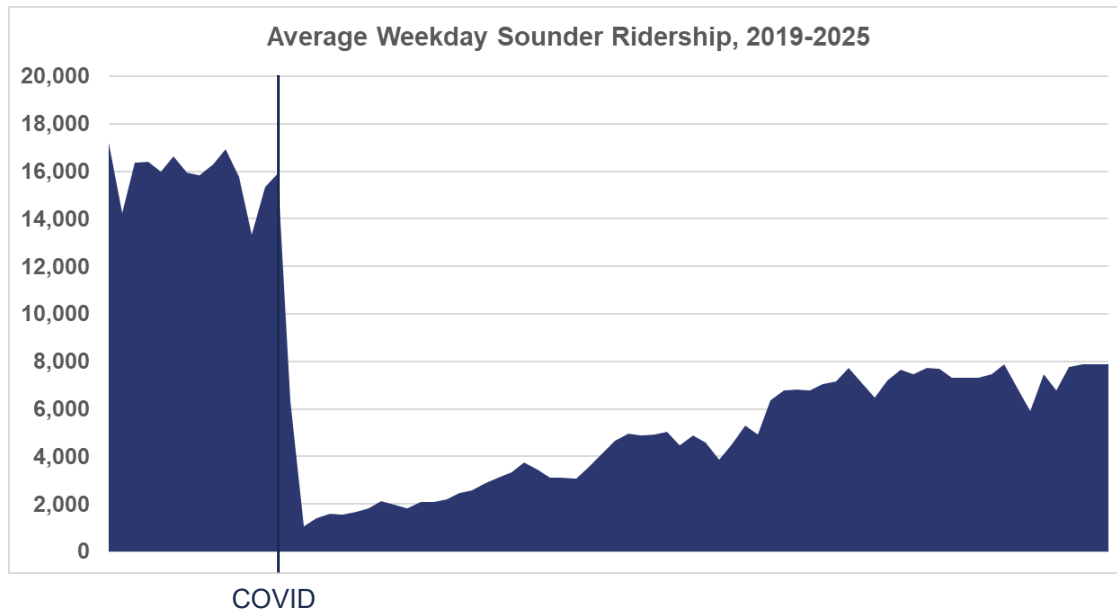
Changing ridership patterns: 1 Line

- 1 Line ridership has nominally recovered from COVID and is setting new daily records.
- These records obscure the relative loss of ridership compared to pre-COVID baseline estimates.
- The current ST3 System Plan reflects pre-pandemic assumptions for ridership density and weekday peak demand.



Changing ridership patterns: Sounder

- Sounder ridership has exhibited a slow recovery and remains at less than 50% of 2019 demand.
- The current ST3 System Plan reflects capital improvement plans based on conditions (such as crowding) that no longer exist:
 - » **Examples:** longer platforms, longer trains, more peak service, more parking.
- Opportunity to use the Enterprise Initiative to right-size Sounder for current and future demand patterns.
 - » **Examples:** adding span of service (all day, weekend service), reconsidering expansion.



Enterprise Initiative

Considerations for future system planning

- Pandemic ridership effects have been durable and should be factored into future ridership projections and service planning outcomes.
- Now that the light rail system is more than 50% built, *all* financial discussions must go beyond system expansion and include operations and service.
- The current ST3 System Plan was developed in 2016 with many investments based on trends that are in some cases significantly different today:
 - » **Examples:** *Souder service design and priorities, Link interlined service frequency assumptions.*
- Recent challenges with light rail resiliency suggest a need for comprehensive planning efforts that reduce service disruptions and future-proof the system.
 - » **Examples:** *full weekday bus bridge capabilities, better interagency network planning to improve parallel and redundant service, and State of Good Repair projects that prioritize speed, reliability, flexibility, and necessary system retrofits.*

Operating costs overview

Operating costs overview

Major operating cost categories

- **Purchased transportation.** Costs for direct maintenance and operations of transit services purchased from external partners (e.g., King County Metro, Community Transit, Pierce Transit, Amtrak).
- **Services.** Contract costs from third party providers for specialty services, including safety and security, vertical transportation, and maintenance.
- **Salaries & benefits.** Labor costs for internal Sound Transit staff.
- **Insurance & taxes.** Rail liability, property, vehicle, corporate liability, taxes.
- **Other.** Utilities, materials and supplies.

Operating costs overview

Operating costs by Sound Transit mode (by 2025 budget)

Mode	Total budget	Purchased transportation	Services	Salaries & benefits	Insurance	Other
Link	\$436M	40%	26%	8%	7%	19%
Sounder	\$108M	19%	33%	7%	14%	27%
ST Express	\$187M	85%	9%	2%	-	4%
T Link	\$25M	4%	27%	44%	3%	22%

Operating costs overview

Considerations as part of the Enterprise Initiative

- Link accounts for approximately 58% of annual operating costs in the 2025 budget, a number that will continue to grow as the light rail system expands—most future operating cost savings will necessarily be related to Link service.
- Both partner-operated and other services delivered by third party vendors (e.g., security, vertical transportation) mean that Sound Transit's role is more about oversight and performance management.
- As operations scale up, current approaches for bus bridging and paratransit service provision will need to be revisited.
- Efficient delivery of operations and services supporting operations are where the greatest opportunities for managing costs will be.

Next steps

Ongoing Committee engagement through 2025

- REO Committee: Q3 resiliency workplan update in September.
- Executive Committee: ST3 planning assumptions & policy review; Regional Transit Long-Range Plan scoping.
- System Expansion Committee: cost savings work plan and project/program opportunities.
- Finance & Audit Committee: potential revenue enhancements; Long-Range Financial Plan update.
- Board retreat anticipated in early Q4.

Thank you.



 [*soundtransit.org*](https://soundtransit.org)

