Enterprise Initiative:
System Performance & ST3 Policy Review

Executive Committee

8/7/2025

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Why we are here

- Provide an overview and summary of how system characteristics and ridership performance have changed since 2019.
- Discuss how these changes affect future policy and planning assumptions for ST3 plan implementation.
- Understand the policy and planning tools and levers available to the Board to align ridership needs with operating assumptions and our system expansion program to support program affordability and long-term financial stability.
- No action, information only.

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.

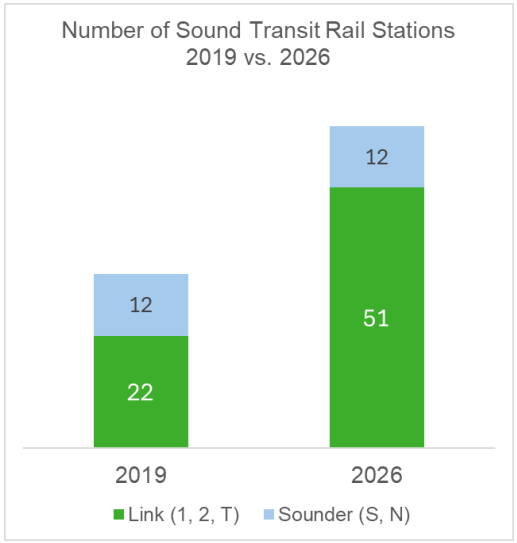
What has changed:

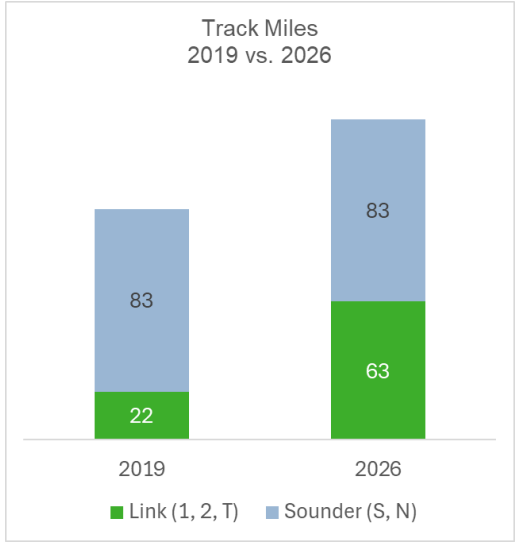
- *Robust but uneven recovery in transit demand from COVID.*
- *More demand for Link relative to other Sound Transit modes.*
- *Flatter weekday peak-hour ridership.*
- *Higher mid-day, evening, and weekend ridership.*
- *Performance efficiency degrades as lines lengthen (less ridership density/passenger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

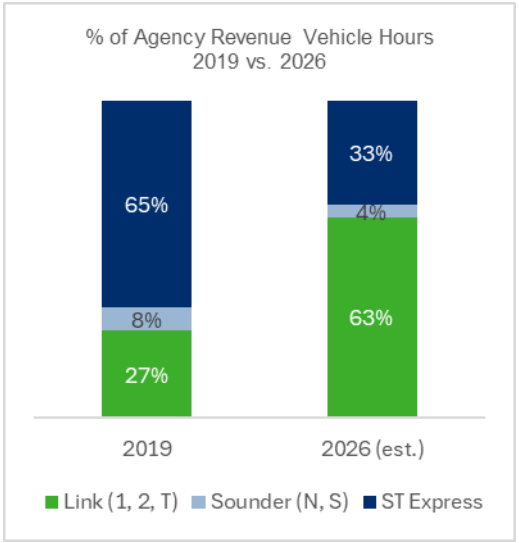
System expansion and service changes

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.

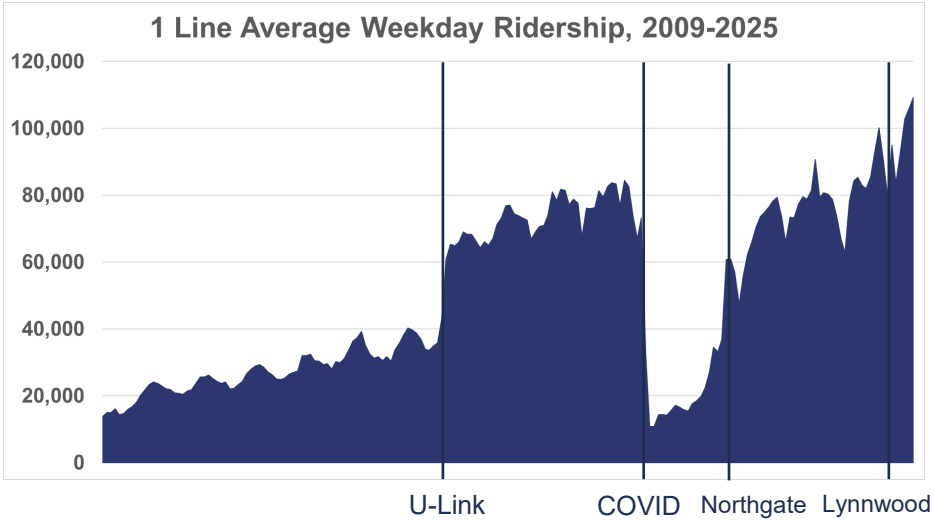


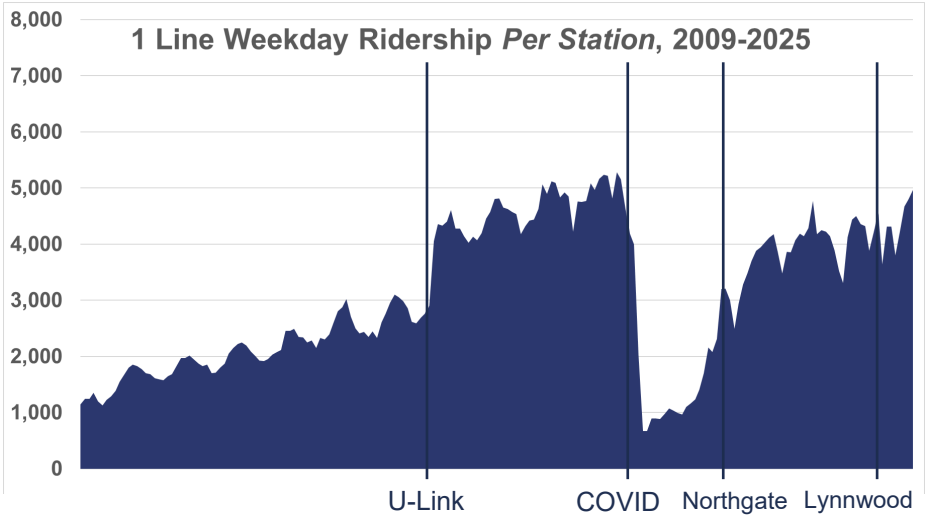




Changing ridership patterns: 1 Line

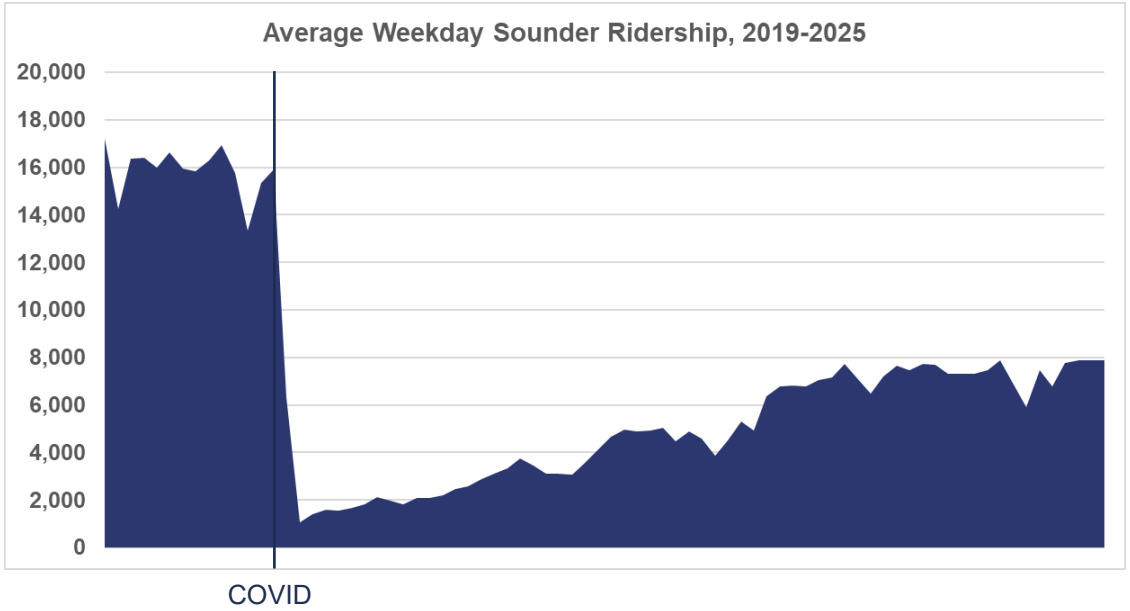
- 1 Line ridership has nominally recovered from COVID and is setting new daily records.
- These records obscure the relative loss of ridership compared to pre-COVID baseline estimates.
- The current ST3 System Plan reflects pre-pandemic assumptions for ridership density and weekday peak demand.





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:*** *Sounder 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.*

ST3 policies and planning assumptions review

ST3 key policies & planning assumptions

Updating policies and planning assumptions as potential levers

- **Financial policies:**
  - » Subarea equity, debt service coverage ratio.
- **Link service design:**
  - » Spine segmentation, interlining extent, train frequency, train length, fleet requirements, OMF requirements.
- **Programmatic policies:**
  - » Transit-oriented development, multimodal access, sustainability.

Financial policies

Subarea equity

- Defined as utilizing local tax revenues for projects and services in each subarea generally in proportion to the level of revenues each subarea generates.
- Actual allocation of costs by subarea is based on a variety of considerations (including facility location, ridership, and track miles) and depends on the mode or project.
- The Board can modify these allocations given the interconnected nature of the system and the need for ensuring operational functionality after individual projects are built.

Debt service coverage ratio

- Defined as the agency's ability to repay debt after paying annual operating costs.
- Existing Board policy requires an average DSCR of 2.0x for net revenues over annual debt service costs, and for the DSCR to not fall below 1.5x in any single year.
- Reducing this ratio would increase risk for the agency but could also increase debt capacity.

Link service design

2026

- 1 Line running Lynnwood-Federal Way.
- 2 Line running Redmond–Lynnwood.
- Both lines running 8 minutes peak, 10 minutes off-peak, with 4-car trains.
- Combined 4-minute peak service between Lynnwood and International District/Chinatown.

Link service design

Post-spine segmentation

- Under current operating plans, the spine is segmented into three lines:
  - » 1 Line running Tacoma–Ballard.
  - » 2 Line running Redmond–Mariner.
  - » 3 Line running West Seattle–Everett.
- All lines planned to run every 6 minutes peak, 10 minutes off-peak.
- Assumes combined 3-minute peak service from between Mariner and International District/Chinatown.

Link service design

Considerations in the Enterprise Initiative

- Service design and assumptions influence infrastructure planning and capital costs.
- Service design and assumptions also influence O&M and state of good repair costs as well as light rail vehicle needs.
- Through the Enterprise Initiative, we plan to revisit service design and assumptions and ensure they meet ridership needs and travel patterns.
- We will also explore opportunities to design for forward compatibility in support of future service and infrastructure expansion.

ST3 programmatic policies

ST3 provides clear policy guidance on – and resources to support – the following outcomes:

- **Transit-oriented development**
  - » Enterprise Initiative opportunities: joint development, value capture.
- **Multimodal access**
  - » Enterprise Initiative opportunities: partnerships with transit agency and jurisdictions, parking revenue.
- **Sustainability**
  - » Enterprise Initiative opportunities: continued zero emissions transition and potential lifecycle cost savings.

Thank you.

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