

Transit Oriented Development Program & Labor Standards

*Executive Committee
12/11/2025*



Why we are here

Responding to requests for analysis of a proposed board action to amend Section 2.5.4 of the Equitable Transit Oriented Development (ETOD) Policy regarding labor standards.

Proposed Board Resolution

- The proposed resolution would amend the ETOD Policy to require that, when Sound Transit sells or leases land for TOD that includes housing, Sound Transit will require the General Contractor to submit, as part of their bid, "a Project Labor Agreement covering the entire scope of construction work executed with the relevant labor organizations, of which building and construction employees are members."
- Would allow the Board to grant a waiver of this requirement under certain circumstances. Projects granted waivers would need to meet a number of labor requirements, including paying commercial prevailing wage.

Background: Definitions

- **Project Labor Agreement**
 - A pre-hire collective bargaining agreement for a specific construction project that sets the terms and conditions of employment, including wages, benefits, and work rules, negotiated between a project owner or contractor and labor unions.
- **Residential Prevailing Wage**
 - Minimum hourly wages required for workers on publicly-funded residential construction projects.
 - Not every construction craft has a residential wage rate.
- **Commercial Prevailing Wage**
 - Minimum hourly wages required for workers on publicly-funded commercial construction projects.

Background: Current Policy

- The Board adopted an Equitable Transit Oriented Development (ETOD) Policy in 2018 that reflected ST3 and other statutory requirements, including labor standards.
- Positive labor outcomes have been achieved through the TOD program.
- Sound Transit currently has a Project Labor Agreement (PLA) in place for its infrastructure delivery and other projects where Sound Transit is directly contracting for construction services.

TOD and Workforce Equity Outcomes

- Sound Transit has supported the development of more than 20 TOD projects across the region
 - These TOD projects have resulted in 1600+ new homes, nearly 1300 of which are long-term affordable units, built to date, and 1800+ additional homes in process
 - The ST3 System Expansion Program will support the completion of many more TOD projects providing additional new homes throughout the region
- Sound Transit's current agreements with developers of affordable housing TOD projects require:
 - Payment of at least the equivalent of residential prevailing wage
 - Minimum workforce participation goals that are reflective of all communities
 - Goal of 20% of all labor hour utilization by state-registered apprentices
 - Submission of a construction safety plan

Commercial vs Residential Prevailing Wage

- Higher wages incentivize entry into building trades, and level the playing field for unionized subcontractors
- Analysis shows commercial prevailing wage requirements increase costs for delivery of affordable housing
- Applying commercial prevailing wage to our projects will put them out of sync with standards from other public funders

Discussion

Thank you.



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