

# *Program Realignment*

*Board of Directors  
August 5, 2021*



# *Two approaches to realignment*

## *Schedule based*

- Develop affordable schedules under the current financial plan utilizing project tiers to reflect Board priorities
- Work to improve those schedules by identifying cost savings and seeking additional financial capacity to fill agency funding gap

## *Cost and revenue based*

- Define target schedule as close to ST3 Plan schedules as possible
- Work to meet those schedules by identifying and filling project funding gaps through cost savings and seeking additional financial capacity

# Hybrid approach to realignment

## Combine merits of both approaches

- Work towards initial target schedule with the affordable schedule as safety net
- Engage stakeholders to tackle project level funding gaps through cost savings and seeking additional financial capacity
- Prepare environmental documents to support the target schedule
- Identify project milestones by which decisions are made as to whether to continue on the target schedule
- Prioritize reaching the target schedule on Tier 1 and Tier 2 projects first

# *Affordable Schedule*

# Affordable Schedule: **\$6.5B gap**

	Tier 1 ≤ 2 years delay	Tier 2 ≤ 6 years delay	Tier 3 ≤ 9 years delay	Tier 4 10+ years delay
System	Bus Base North (2025) OMF South (2029) OMF North (2034)*	2 <sup>nd</sup> DSTT (2037)	Souder Maintenance Base (2034)	ST2 Bus Base (2045) Bus-on-Shoulder (2045)
North	Lynnwood-SW Everett NP (2037)*	SW Everett-Everett NP (2041)		Edmonds & Mukilteo (2034) Everett Link Parking (2046)
East	405 Stride S. NP (2026) 522 Stride NP (2026)	405 Stride N. NP (2027) S. Kirk.-Issaquah (2044)		522 Stride parking (2034) 405 Stride parking (2034) N Sammamish P&R (2045)
Central	Alaska Jct.-SODO (2032)	SODO-Smith Cove (2037) Smith Cove-Ballard (2039) NE 130 <sup>th</sup> (2036) Graham St. (2036)		RapidRide C/D (2045)
South	Kent, Auburn, Sumner (2025) T-Dome Link NP (2032) Lakewood, S Tacoma (2032) TCC Tacoma Link (2041)	Boeing Access (2036)	Souder platforms & access (2036) Souder trips (2045) DuPont Sndr (2045)	T-Dome Link Parking (2040) SR-162 (2045)

5 *Yellow = No delay due to finances, only delayed because of slow downs in environmental review during COVID, 3<sup>rd</sup> party negotiations, permitting, right-of-way acquisition, or extended timelines for selecting EIS alternatives and preferred alternatives. Green = one year improvement from \$7.9B affordability gap. \* = change triggered by operational need.*

# *Target Schedule*

# Initial Target Schedule

	<b>Tier 1</b> No delay due to finances*	<b>Tier 2</b> No delay due to finances*	<b>Tier 3</b> ≤ 9 years delay	<b>Tier 4</b> 10+ years delay
<b>System</b>	Bus Base North (2025) OMF South (2029) OMF North (2034)	2 <sup>nd</sup> DSTT (2037)	Souder Maintenance Base (2034)	ST2 Bus Base (2045) Bus-on-Shoulder (2045)
<b>North</b>	Lynnwood-SW Everett NP (2037)	SW Everett-Everett NP (2037)		Edmonds & Mukilteo (2034) Everett Link Parking (2046)
<b>East</b>	405 Stride S. NP (2026) 522 Stride NP (2026)	405 Stride N. NP (2027) S. Kirk.–Issaquah (2041)		522 Stride parking (2034) 405 Stride parking (2034) N Sammamish P&R (2045)
<b>Central</b>	Alaska Jct.-SODO (2032)	SODO-Smith Cove (2037) Smith Cove-Ballard (2037) NE 130 <sup>th</sup> (2031) Graham St. (2031)		RapidRide C/D (2045)
<b>South</b>	Kent, Auburn, Sumner (2025) Tacoma Dome Link NP (2032) Lakewood, S Tacoma (2030) TCC Tacoma Link (2039)	Boeing Access (2031)	Souder platforms & access (2036) Souder trips (2045) DuPont Sndr (2045)	T-Dome Link Parking (2040) SR-162 (2045)

7 *\*No delay due to finances if affordability gaps addressed; only delayed because of slow downs in environmental review during COVID, 3<sup>rd</sup> party negotiations, permitting, right-of-way acquisition, or extended timelines for selecting EIS alternatives and preferred alternatives.*

# *Calculating project affordability gaps*

*Applies to projects where target schedule is sooner than affordable schedule*

- Calculate affordable budget for each project if delivered on Target and Affordable Schedule
- Budget estimates will account for system financial capacity, subarea affordability, and system requirements
- Difference between the two budgets is how much in project offsets - cost savings and/or revenue - would enable project to be delivered on the target schedule



# Funding offsets: \$6.5B affordability gap

Tier 1 & 2 Projects that would still need offsets to reach the target schedule

Project Examples	Affordable Schedule	Initial Target Schedule	What is the funding offset needed (2019\$)?
Everett Link	2037/2041	2037	\$ 602M (12%)
Ballard Link	2037/2039	2037	\$ 1,824M (15%)
130 <sup>th</sup> /Graham/BAR	2036	2031	\$ 98M (19%)
Issaquah/Kirkland Link	2044	2041	\$ 93M (3%)
TCC Tacoma Link	2041	2039	\$ 21M (3%)

*Agency capacity, subarea affordability, and system requirements need to be assessed in conjunction with the offsets for individual projects. This scenario assumes all projects are simultaneously offset.*

# *Schedule Assessment Milestones*

## *Determine whether to continue on Target Schedule or if Affordable Schedule is needed*

- Start of preliminary engineering (typically after draft EIS)
  - Funding likely to be available informs contract packaging and phasing
- Project to be built decision (typically after final EIS)
  - Full funding plan informs final design & ROW acquisition
- Project baselining (before start of construction)
  - All funding must be secured
  - CFO will provide assurance that individual projects and the whole system remain affordable before baselining action

# *Amendments*

# *Amendment 1*

## *Substitute Resolution R2021-05*

### *Sponsors: Keel and Balducci*

- Replaces the original draft resolution with the substitute hybrid approach to realignment.

# *Amendment 4*

## *Amends Section 4*

### *Sponsors: Baker and Prince*

- Adds language directing the CEO through the annual program review to identify opportunities and make recommendations to deliver flexible, innovative and affordable methods to get people to transit stations, if structured parking facilities have to be delayed.

# *Amendment 2*

## *Amends Section 2*

### *Sponsors: Roberts, Smith and Somers*

- Adds language clarifying the Affordable Schedule serves as the general order in which projects will advance.
- Adds language emphasizing the five core principles identified in motions M2020-36 and M2020-37 (Ridership, Equity, Completing the Spine, Connecting Centers and Advancing Beyond the Spine).
- Adds language emphasizing how the criteria address climate change, greenhouse gas reduction, and building a sustainable future.

# *Amendment 5*

## *Amends Sections 5 and 6*

### *Sponsors: Somers and Dammeier*

- Adds language clarifying that the Board will not authorize final design, ROW or construction expenditures on any individual project which would cause delay to the Affordable Schedule for other projects unless the project's funding gap has been offset.
- Clarifies that project schedule assessments will determine the schedules for final design, ROW acquisition and construction.

# *Amendment 3*

## *Amends Section 4*

### *Sponsor: Durkan*

- Adds language directing the CEO to review operations & maintenance, administrative and personnel costs outside of the capital budget to identify cost savings.



# *Amendment 6*

## *Amends Section 7*

### *Sponsor: Durkan*

- Adds language to the bullet directing the CEO to routinely inform the Board of adherence to schedule milestones and identify delays likely to trigger a delay in the final delivery date, establishing new milestones to monitor and report during the construction and testing phases.

# *Amendment 7*

## *Amends Exhibits A and B*

### *Sponsor: Keel*

#### Accelerate:

- Moves the NE 130th, Graham Street and Boeing Access Road infill stations from Tier 2 to Tier 1.
- Changes the NE 130th completion date from 2036 to 2025.
- Changes the Graham Street and Boeing Access Road completion dates from 2036 to 2031.

#### Financial offset:

- Delays the Smith Cove to Ballard portion of the Ballard Link project from 2039 to 2040 to offset the costs of accelerating the infill stations.

# *Amendment 8*

## *Amends Exhibits A and B*

### *Sponsor: Durkan*

#### Accelerate:

- Moves the Graham Street infill station from Tier 2 to Tier 1.
- Changes the Graham Street completion date from 2036 to 2031.

#### Financial offset:

- None

# *Amendment 9*

## *Amends Exhibits A and B*

### *Sponsors: Dammeier, Roscoe and Woodards*

Accelerate:

- Moves Tacoma Dome Link parking from Tier 4 to Tier 3.
  - New parking at South Federal Way and Fife
- Changes the completion dates from 2040 to 2038.

Financial offset:

- Delays additional Sounder trips from 2045 to 2046 to offset the costs of accelerating the parking.

# *Amendment 10*

## *Amends Exhibits A and B*

### *Sponsor: Balducci*

#### Accelerate:

- Moves the I-405/NE 85th Street Interchange and Inline BRT Station element of the I-405 North Stride project from Tier 2 to Tier 1.
- Changes the completion date from 2027 to 2026.

#### Financial offset:

- Delays the Kingsgate parking element of the I-405 North Stride project from 2034 to 2035 to offset the cost of accelerating the 85th interchange and BRT station.

# *Amendment 11*

## *Amends Exhibits A and B*

### *Sponsor: Juarez*

#### Accelerate:

- Moves the NE 130th Street and Graham Street infill stations from Tier 2 to Tier 1.
- Changes the completion date of NE 130th Street from 2036 to 2025, and Graham Street from 2036 to 2031.

#### Financial offset:

- Delays the Lake Forest Park parking element of the SR-522/NE 145th Street Stride project from 2034 to 2044 to offset the costs of accelerating the infill stations.

# *Amendment 12*

## *Amends Exhibits A and B*

### *Sponsor: Juarez*

#### Accelerate:

- Moves the NE 130th Street infill station from Tier 2 to Tier 1.
- Changes the completion date from 2036 to 2025.

#### Financial Offset:

- Delays the Lake Forest Park parking element of the SR-522/NE 145th Street Stride project from 2034 to 2038 to offset the costs of accelerating the infill station.

*Thank you.*



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