

## **Motion No. M2024-59**

A motion of the Board of the Central Puget Sound Regional Transit Authority directing the chief executive officer to develop a workplan on measures the agency will pursue to address rising project costs and inform future baselining decisions on the West Seattle Link Extension project.

### **Background**

At the September 12, 2024 System Expansion Committee meeting, staff shared information about the current construction environment and cost pressures affecting the agency's capital program. High regional infrastructure demand and the national construction economic outlook are impacting craft labor and materials costs particularly for pre-baselined projects that are in planning or early in design development.

At the September 19, 2024 Executive Committee meeting, staff shared that the updated preliminary cost estimates for the West Seattle Link Extension (WSLE) project substantially exceed the \$4.0B (2023\$) estimate currently in the agency's long range financial plan. The comparative estimate included in the WSLE Final EIS for the preferred alternative is between \$5.1B (2024\$) and \$5.6B (2024\$), which is based on additional design and refinements for the preferred alternative and updated right-of-way estimates. But the opinion of probable cost (i.e., the agency's estimate at this phase of project development/design) is now anticipated to be between \$6.7B (2024\$) and 7.1B (2024\$), which is based on a different cost estimating methodology and considers potential savings due to value engineering and other agency changes.

The Final Environmental Impact Statement (FEIS) for WSLE was published in the Federal Register on September 20, 2024. A Board decision on the project to be built for WSLE could take place as early as October 2024 to complete the environmental review process and allow the project to proceed into design. Following the Board's decision on a WSLE project to be built, but before baselining the project, which is when major construction dollars are committed, there is time to deploy potential programmatic, financial, and project level measures.

To address rising project costs and inform future baselining decisions on the West Seattle Link Extension project, as well as other capital projects in development, a workplan outlining the programmatic, financial, and project level measures and opportunities the agency will pursue to improve the agency's financial situation, is necessary.

### **Motion**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is directed to 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, scale of potential benefits for each measure, and whether each measure is WSLE-specific or also applies more broadly to future projects. The workplan will be submitted for consideration at the October 10, 2024 System Expansion Committee meeting and the full Board on October 24, 2024. Programmatic and project level measures and opportunities should be inclusive of the strategies presented to the Executive Committee on September 19, 2024, and financial opportunities should include, but not be limited to, accelerating grant revenues, pursuing additional and lower cost federal loans, improving cost efficiencies, additional revenue sources, strategic property acquisition, partnerships, and value capture programs.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 26, 2024.



Dow Constantine  
Board Chair

**Attest:**



Kathryn Flores  
Board Administrator