

# Sound Transit Phase 3 Financial Policy

February 8, 2016

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# Why We're Here

- No Council action required tonight
- Follow up discussion from January 11 Council Meeting
- Sound Transit Phase 3 (ST3) System Plan under development
  - Key considerations include scope, scale, budget and equity
  - ST3 financial policy will be adopted as part of the plan

# Background

June 8, 2015	Sound Transit Briefing to Council on ST3 System Plan
June – July	Eastside Cities Coordination
July 14, 2015	Bellevue ST3 Interest Statement, Bellevue Comment Letter, and Joint East King Cities Interest Statement Submitted
Aug 27, 2015	Sound Transit Board Approval of Project List
Dec 4, 2015	Sound Transit Board Workshop on candidate projects for ST3
Dec 14, 2015	Sound Transit Briefing to Council on candidate projects for ST3
Dec. – Jan.	Eastside Cities Coordination
Jan 21, 2016	Bellevue City Council and Joint Eastside Cities' ST3 candidate project scope comment letters
Jan 28, 2016	Sound Transit Board heard overview of jurisdictional feedback on candidate projects

# Jurisdictional feedback

- Approximately 50 letters submitted in total
- Themes from Eastside letters included:
  - Complete the light rail spine to Redmond
  - Support for SR 522/523 bus rapid transit
  - Comments regarding I-405 bus rapid transit
  - Comments regarding high capacity transit options via the Eastside Rail Corridor
  - Support for connections to SeaTac
  - Discussion of priorities within candidate projects
  - Improved connections with other transit services
  - Comments regarding locations not included in the ST3 candidate projects

# ST3 Next Steps

March 7 <sup>th</sup>	Council presentation from Sound Transit and King County Metro staff on integration of planning efforts
March 24 <sup>th</sup>	Sound Transit Board reviews draft ST3 system plan
<b>April/May</b>	<b>Public input on draft ST3 system plan</b>
June 23 <sup>rd</sup>	Sound Transit Board Adopts Final ST3 System Plan, including financial policy

A low-angle, close-up photograph of a Sound Transit train. The train is white with a teal and blue stripe running along its side. Several windows are visible, reflecting the sky and the station structure. The train is positioned under a glass and steel station canopy. The text "Bellevue City Council" and "February 8, 2016" is overlaid on the left side of the image.

# Bellevue City Council

February 8, 2016

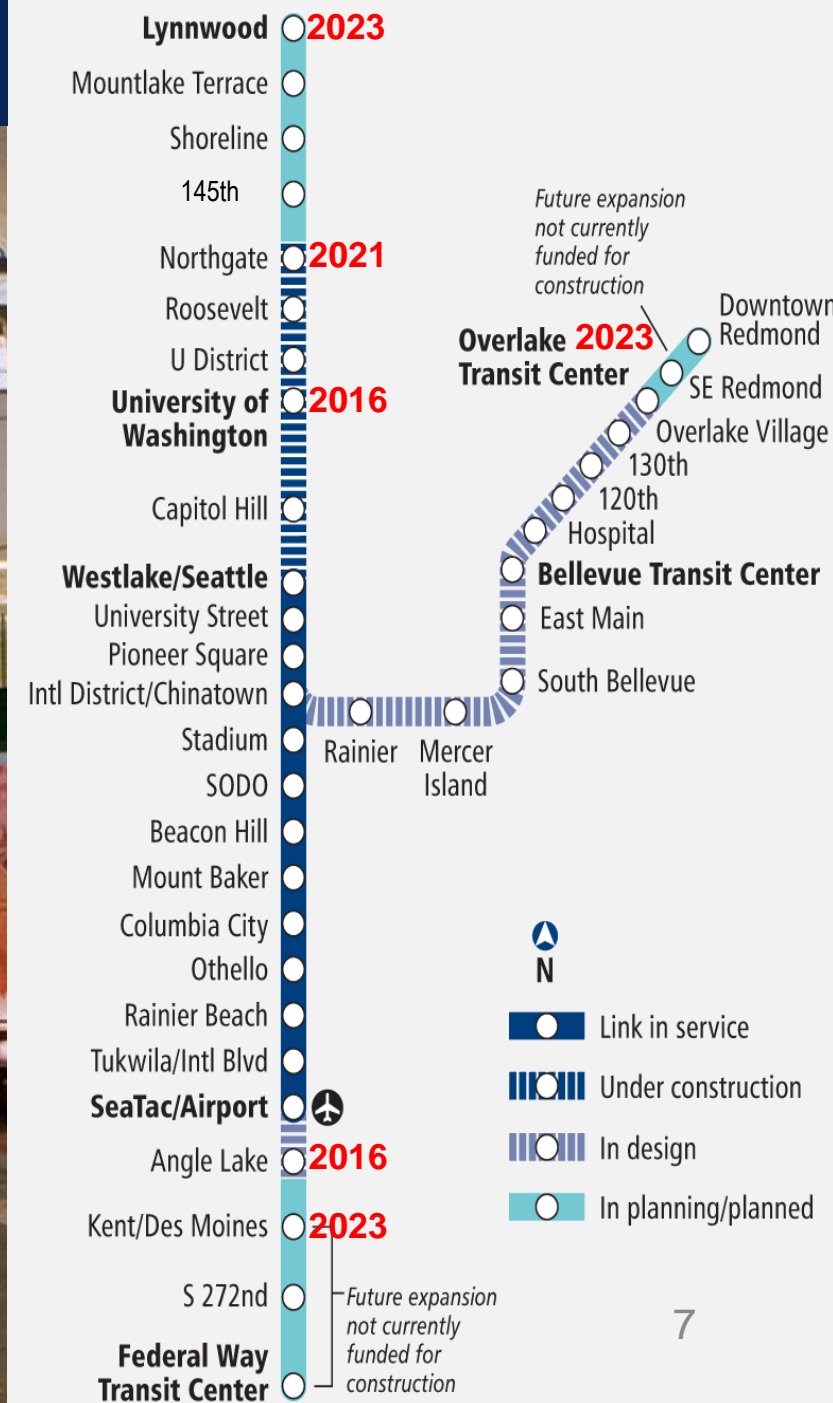
 **SOUNDTRANSIT**



# Regional Link Light Rail Expansion



*By 2023, Puget Sound will have 50+ miles of light rail, with 30+ stations, directly connecting 11 cities*



# ST3 Candidate Project Highlights

## Light Rail Candidate Projects

- Lynnwood to Everett
- Kent/Des Moines to Tacoma
- Downtown Seattle to West Seattle
- Downtown Seattle to Ballard
- **Overlake to Downtown Redmond**
- **Totem Lake to Bellevue to Issaquah**
- Tacoma Link Extension

## Bus Rapid Transit Candidate Projects

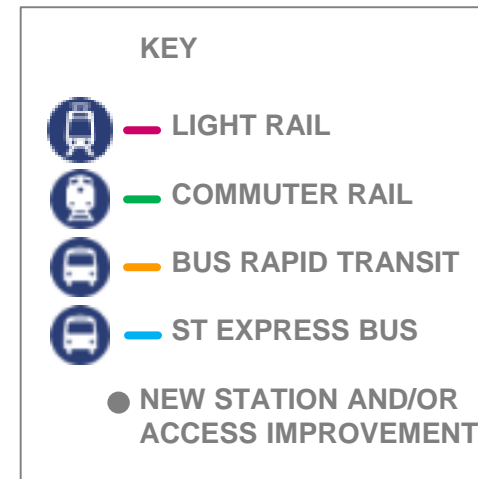
- **I-405 Corridor – Lynnwood to Burien**
- **Eastside Rail Corridor: Totem Lake to Bellevue**
- SR-522 Corridor and 145th St.
- Madison Street BRT

## Sounder Commuter Rail Candidate Projects

- Additional Service and Access
- Platform extensions
- Extensions to DuPont and Orting

## Region-wide Candidate Projects

- Planning studies for future HCT service
- Access, Transit-Oriented Development, and Innovation Funds
- ST Express Bus Service



**Learn more at**  
**[www.soundtransit3.org](http://www.soundtransit3.org)**



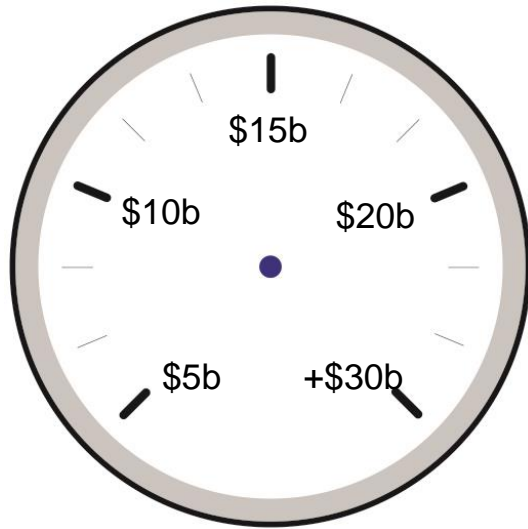


- **March 2016: Draft System Plan**
- **April 2016: Public and Stakeholder Outreach:**
  - Public meeting in each ST sub-area
  - Coordination with Metro's LRP public outreach
  - Online Survey
- **June 2016: Final System Plan**
- **November Ballot**

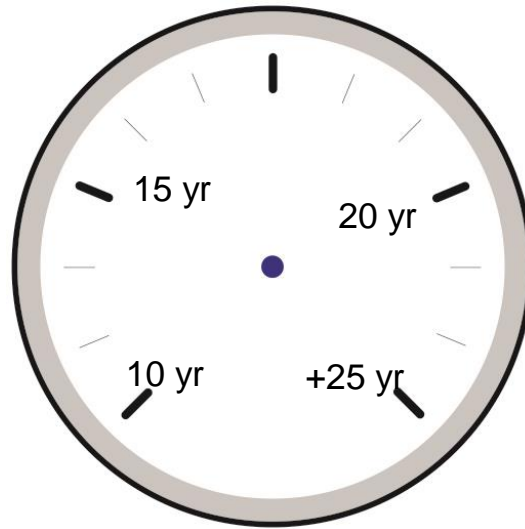
# ST3 Financial Plan Building Blocks

- Financial Policies
  - Sound Move & ST2
  - ST3 update
- Financial Plan
  - Financial planning assumptions
  - Uses of Funds
    - Capital Costs (templates)
    - Operating Costs (templates)
    - Debt Service
    - Reserves
  - Sources of Funds
    - Tax Revenue: 0.9% Sales Tax, 0.8% MVET, \$0.25 Property Tax
    - Grant Revenue
    - Ridership/Fares (templates)
    - Bonding

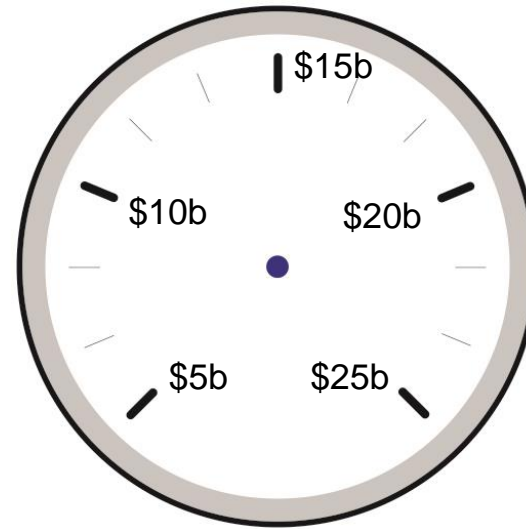
# Building the ST3 Finance Plan



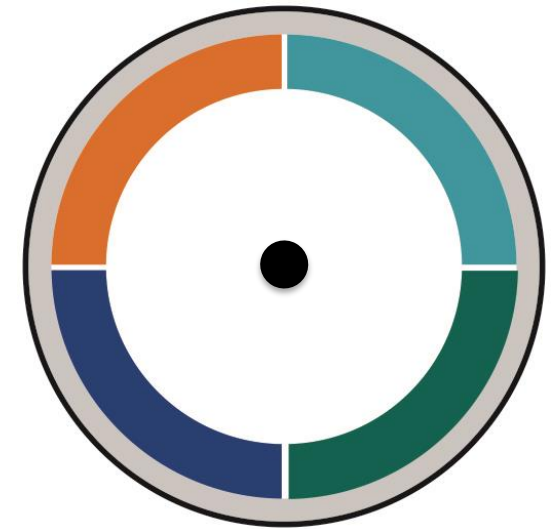
**Capital  
Scope  
(Cost)**



**Time**



**Tax Level**



**Equity**

# Equity

- **State RCW Requirement (RCW 81.112)**

“the system plan approved by the authority's board before the submittal of a proposition to the voters shall contain an equity element which:

- (a) Identifies revenues anticipated to be generated by corridor and by county within the authority's boundaries;
- (b) Identifies the phasing of construction and operation of high capacity system facilities, services, and benefits in each corridor. Phasing decisions should give priority to jurisdictions which have adopted transit-supportive land use plans; and
- (c) Identifies the degree to which revenues generated within each county will benefit the residents of that county, and identifies when such benefits will accrue.

- **Sound Move & ST2 Financial Policies – 5 Subareas**

- “utilize local tax revenues for projects and services that provide...benefits to the residents and businesses in each of the subareas generally in proportion to the level of revenue each subarea generates”

- **ST3**

- Evolving regional system

# Funding Levels

Dollars In Billions, YOE	Investment Level 1 2017 - 2032	Investment Level 2 2017 - 2036	Investment Level 3 2017 - 2041
Sales Tax	9	12	17
MVET	4	5	7
Property Tax	2	3	3
<b>Total Taxes</b>	<b>15</b>	<b>20</b>	<b>27</b>
Other Revenue *	11	10	21
<b>Total Est. Sources of Funds*</b>	<b>26</b>	<b>30</b>	<b>48</b>

\*Based on current forecast for 0.9% Sales & Use Tax, 0.8% MVET and \$0.25 Property Tax.  
 Figures will be updated throughout the ST3 planning process.

- At full tax authority \$200 per adult annually, \$17 per month



# Future Steps

- Expert Review Panel
- Revise, update financial plan
- Board guidance on scope, program duration, taxing levels, equity

Questions?