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Sound Transit Board adopts plan for delivering critical transit expansions as quickly as possible

Realignment plan outlines flexible framework and ambitious targets for responding to affordability gap

Following 17 months of discussions and engagement with jurisdictions and stakeholders, the Sound Transit Board today adopted a realignment plan that will serve as a framework for delivering critical transit expansions across the region as rapidly as possible.

The steep rise in real estate and construction costs in the region in combination with advancing environmental review and project designs have driven up cost estimates for future transit expansions, contributing to a \$6.5 billion affordability gap for delivering projects on earlier schedules. While projects already in construction are not affected, the adopted realignment plan will guide the delivery dates for the next generation of voter-approved projects.

“In the next three years Sound Transit will nearly triple the length of our light rail system from 22 to 62 miles,” said Sound Transit Board Chair and City of University Place Councilmember Kent Keel. “The realignment plan will guide our work to expedite the next waves of projects, including reaching Tacoma, Everett, West Seattle and Ballard and delivering bus rapid transit and Sounder expansions. These projects are critical for keeping people moving in the face of our population growth and for protecting our economy and environment. To succeed, we will need expanded collaboration at the local, state and national levels.”

The adopted plan transparently reflects estimated affordable delivery dates for each project under current revenue and cost projections. However, for priority projects that face delays under current financial projections, the realignment plan also establishes more ambitious completion targets that are based on plans to intensively pursue additional financial capacity and cost reductions.

“The adopted realignment plan shows what is achievable under our current financial projections, but also sets targets for delivering projects sooner by closing the affordability gap that is identified for each project,” Keel said. “I am grateful for the leadership of System Expansion Committee Chair Claudia Balducci for working with me in developing this hybrid approach.”

Despite the affordability gap, current financial projections are sufficient for delivering many projects with minimal delays. Through securing additional funding and reducing costs, the realignment plan reflects the Board’s commitment to seek to eliminate financially necessitated delays altogether.

Details of the realignment plan, including affordable and target schedules for each project, are available at www.soundtransit.org/realignment.

Project tiers

The plan prioritizes voter-approved projects by dividing them into four tiers. Projects in the top two tiers will be managed under the more ambitious completion targets unless or until it becomes necessary to fall back to affordable completion dates that allow more time to generate the required revenues. Tier 3 and 4 projects will be managed under their affordable schedules unless the program affordability gap is eliminated for Tier 1 and Tier 2 projects, and then shrinks still further to allow Tier 3 and Tier 4 projects to be delivered more quickly. Expenditures on any one individual project will be managed to protect the affordable schedule for all other projects.

Monitoring economic forecasts

The realignment process began early in the COVID-19 pandemic as governments around the country braced for significant impacts of a national recession to their revenues. The process continued in early 2021 as Sound Transit updated project cost estimates to reflect market pressures and advancements of project designs. Realignment deliberations to date have included more than 20 realignment presentations at eight Executive Committee meetings and four System Expansion Committee meetings, three Board workshops, and two special meetings of the Board.

Fortunately, rebounded economic forecasts have restored long-range revenue projections, though project cost estimates remain high. Sound Transit, together with its regional economists, will continue to regularly update financial projections at the same time environmental review and design work continue to update project cost estimates.

Current construction unaffected

Projects now under construction, including light rail extensions to Northgate, Tacoma's Hilltop neighborhood, Bellevue and Redmond, Federal Way and Lynnwood, as well as the Puyallup Sounder garage, are not subject to realignment. Between now and 2024, Sound Transit remains poised to open all these projects on schedule. All but the Tacoma Hilltop project are currently trending on or below budget.

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