

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, some reflecting the sky and others showing the interior. The train is positioned under a glass and steel structure, likely a station platform. The overall scene is brightly lit, suggesting a sunny day.

ST3 Update

February 2016

 **SOUNDTRANSIT**

ST3 Financial Planning Update

Capital & Operating Reserves

- *Capital & Operating Reserves:*
 - *Capital Reserve – Mid-life Maintenance & End-of-Life Replacement*
 - *Annual funding currently calculated as 1.5% of total proposed ST3 Capital Program – (Scaled in over 1st ten years in service)*
 - *Once the ST3 Capital Program is finalized Capital Reserve funding will be calculated using a detailed model*
 - » *Useful Life*
 - » *Original Cost*
 - » *Estimated % Refurbished*
 - » *Estimated % Replaced*
 - » *Years to Refurb / Replace*
 - *Operating & Maintenance Reserve – Safety net to cover unexpected reduction in revenue or spikes in O&M expense*
 - *Calculated as Two Months O&M expense*
 - *Consistent with ST2 Financial Policies*

ST3 Financial Planning Update

ST3 Taxing Authority Cost Per Household

- *ST3 Cost – Estimated Tax Burden Per Typical Household :*
 - *Sales & Use 0.5% - \$151 / Household (\$423 with Sound Move & ST2)*
 - » *Calculated using the Washington State Alternatives Tax Model – DOR 2014*
 - » *Medium Household Income from – Washington State Office of Financial Management*
 - » *Medium Household Size – King, Pierce & Snohomish Counties from PSRC Estimates*

 - *MVET 0.8% - \$151 / Household (\$208 with Sound Move & ST2)*
 - » *Average Vehicle Value from consulting economist data*
 - » *Average number of Vehicles per Household from Census data*

 - *Property Tax - \$0.25 / \$1,000 Assessed Value - \$90 / Household*
 - » *Median House by County from Zillow.com*
 - » *Weight Averaged by number of County Households from PSRC data*

ST3 Financial Planning Update

ST Financial Plan – Inflation Indices

Inflation Indices - Average Rate 2015 -2025

	2016 DRAFT			2015 Financial Plan		
	Base	Contingency	Total	Base	Contingency	Total
CPI (O&M / Design / Vehicles)	2.14%	0.25%	2.39%	2.27%	0.25%	2.52%
CCI (Construction Costs)	4.01%	0.10%	4.11%	4.02%	0.10%	4.12%
ROWI (Right-of-Way)	4.57%	0.15%	4.72%	3.70%	0.00%	3.70%