



Jim Jacobson, Chair, ST3 Expert Review Panel  
93 Pike St., Suite 315  
Seattle, WA 98101

April 5, 2016

Dear Chairman Jacobson:

Thank you very much for your letter of March 10, 2016 providing key findings from the Expert Review Panel on the technical analysis supporting Sound Transit's development of an ST3 Regional High-Capacity Transit System Plan. Also, thank you for allowing John Howell, the Panel's administrator to present your findings to the ST Board of directors at their March 24, 2016 meeting. ST Boardmembers were pleased to hear that the Panel generally finds that ST's analytic methods and results are reasonable, and they remain very appreciative of the Panel's thoughtful suggestions for improvement. Your March 10 letter raises several important points which I will address in the order in which they appear in your letter.

#### Cost-Effectiveness Evaluation

Sound Transit staff and consultants will be preparing cost-effectiveness calculations for all the major projects included in the March 24, 2016 DRAFT ST3 System Plan. These will include the measures "annualized capital cost per annual rider" and "annualized capital cost per annual new rider." Again, especially the new rider measure will be available only for the major rail or BRT corridor projects, as it cannot be calculated readily and reliably for smaller projects such as new parking garages.

#### ST3 Financial Plan

The Panel commented on the Federal grant share to be assumed for the ST3 capital program. Currently, for the financial analysis done for the March 24<sup>th</sup> DRAFT ST3 System Plan, released for public comment, federal grants are assumed to provide 11.5% of the capital program.

#### Ridership Forecasts for ST3 Candidate Projects

The Expert Review Panel has requested more transparency in the ridership estimates presented for ST3 projects. To help provide more transparency, Sound Transit will provide additional information to help explain ridership data presented on the ST3 project detail sheets and summary sheets for the ST3 draft plan. The information will be helpful with infill light rail station projects and with the Ballard to Downtown Seattle project that includes an additional transit tunnel through downtown Seattle connecting with the line to Tacoma. The information will also be helpful for the Kent/Des Moines to Tacoma Dome project, which is presented as two separate projects in the project detail sheets.

The Panel also discussed the ridership estimates for the different options for Lynnwood to Everett and I-405 BRT candidate projects. These differences were summarized for the Panel during the meeting on February 9:

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**Peter M. Rogoff**

- For the Lynnwood to Everett project options, there are similar travel patterns with small differences. For alignments serving SW Everett Industrial Center (Paine Field), these differences include a reduction in ridership (about 20%) from the north Everett district due to the increased travel time to points south. There is also a small increase in riders to the Industrial Center from distant locations like Kent and Renton.
- For the I-405 BRT project, there are overall similar travel patterns, with small differences for riders when comparing the two options. The Intensive Capital Option includes more stations in Kirkland, resulting in more trips from Kirkland (about 700) - especially trips within Kirkland and to Bellevue. The Intensive Capital Option also includes a diversion to Tukwila Sounder Station and Southcenter, resulting in additional travel time and a reduction in riders traveling through that area. Examples of these reduced trips include Bellevue - SeaTac, and Renton - Seattle via Link connection at Tukwila Int'l Blvd.

### Cost Estimates for ST3 Candidate Projects

Sound Transit appreciates the generally favorable review and comments on our capital cost estimates by the Panel's consultant, Mike Morrison of Value Management Consulting. We take to heart his suggestions regarding the right-of-way cost estimates and are currently undertaking statistical analysis of right-of-way risk as part of an overall programmatic financial risk analysis for the ST3 System Plan.

### Project Schedules and Capacity Issues

Based on examination of the March 24<sup>th</sup> *DRAFT* ST3 System Plan, projections for potential annual capital expenditure levels have been estimated to determine that the *DRAFT* plan would be affordable under the present cost and funding assumptions. Sound Transit Chief Financial Officer Brian McCartan will be available to discuss about these estimates and what they mean for the agency's capacity to achieve timely project delivery for a twenty-five year program, while completing the ST2 program in the nearer term.

### Least Cost Planning

PSRC meets the state law requirements on least cost planning in two ways: through its long-range plan development, and on a project-by-project basis when projects move from "candidate" to "approved" status within the long-range plan.

Washington State law pertaining to regional transportation plans that are developed by Regional Transportation Planning Organizations (RTPOs) was amended in 1994 to require least cost planning. To provide further guidance to RTPOs, the State Department of Transportation adopted WAC 468-86-030, which defines least cost planning a "a process of comparing direct and indirect costs of demand and supply options to meet transportation goals and/or policies where the intent of the process is to identify the most cost-effective mix of options." Based on this DOT guidance, PSRC staff developed specific methods and procedures to implement the requirements of least cost planning as part of the planning process. PSRC staff will be present at the Panel's April 11<sup>th</sup> and 12<sup>th</sup> meeting to provide additional information on how least cost planning requirements are met.

Sound Transit is already working on a "Benefit/Cost Study" report on the ST3 System Plan, by taking the recent March 24<sup>th</sup> *DRAFT* Plan as the basis for formatting this report. When the ST Board of Directors adopts a final plan, the Benefit/Cost Study will be completed, submitted to the ST Board, and transmitted to the PSRC for their consideration under applicable State Law.

### Near-Term Investments

In developing the *DRAFT* ST3 System Plan, Sound Transit has continued to explore a program of Early Deliverables. Such a program was included in the 25-year *DRAFT* ST3 Plan to offer near-term improvements to bus speed & reliability and high-capacity transit system access. Examples of these projects include:

- Highway shoulder-running for buses in the I-5, I-405, SR 518 and SR 167 corridors
- Capital improvements along King County Metro's RapidRide C and D routes
- Capital improvements along Pacific Ave in Tacoma and other significant bus routes in East Pierce County
- Parking:
  - along the SR 522 BRT corridor
  - along the I-405 BRT corridor
  - along both the Sounder North and South commuter rail lines
- Passenger amenities, including pedestrian and bike access improvements

Sound Transit staff will discuss these and other components of the DRAFT Plan at the Panel's upcoming April meeting.

Project Discussions with Outside Agencies

Sound Transit takes very much to heart the Panel's counsel to involve regulatory agencies and local jurisdictions as early possible in the project development cycle, well in advance of formal NEPA and SEPA processes. To that end, CEO Peter Rogoff has been coordinating a series of meetings with senior Sound Transit technical staff and management at every level to develop an effective strategy to streamline project delivery, including those activities that necessarily involve Sound Transit's partners, and to identify the goals and anticipated beneficial outcomes of such an effort. Federal regulators have already been involved in some discussions supporting the broader effort.

Requests for Information

As you requested, Sound Transit will make a presentation at the Panel's April meeting on how our Long-Range Plan is the foundation supporting future project-level NEPA/SEPA processes.

The agenda for the Panel's April meeting includes an opportunity for Sound Transit to explain bus/rail integration and transfer facilities for the multi-provider riders across our three-county region. As part of that topic, staff from Sound Transit partner agencies will discuss how the planned facilities serve potential integration needs.

Sound Transit can provide a comparison of the original cost estimate for the Forest Street Link light rail O&M facility to the final actual costs. We will have staff at the Panel's upcoming meeting to present this information and describe how actual experience has informed the ST3 cost estimates for future rail facilities.

Thank you very much for this opportunity to respond to the Panel's findings. We look forward to future review by the Panel and the ongoing constructive relationship.

Sincerely,



Michael Harbour  
Deputy Chief Executive Officer

Cc: Expert Review Panel Members  
Dow, Constantine, Sound Transit Board Chair  
Sound Transit Board of Directors  
Josh Brown, Executive Director, Puget Sound Regional Council