Federal Way Link Extension
Seattle, Washington
New Starts Project Development
(Rating Assigned November 2018)

Summary Description	
Proposed Project:	Light Rail Transit 7.8 Miles, 3 Stations
Total Capital Cost ($YOE):	$3,160.70 Million (Includes $183.9 million in finance charges)
Section 5309 CIG Share ($YOE):	$790.00 Million (25.0%)
Annual Operating Cost (opening year 2024):	$20.37 Million
Current Year Ridership Forecast (2014):	22,200 Daily Linked Trips 7,090,600 Annual Linked Trips
Horizon Year Ridership Forecast (2035):	40,700 Daily Linked Trips 13,034,600 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	High

Project Description:
The Central Puget Sound Regional Transit Authority (Sound Transit) proposes to build a 7.8-mile southerly extension to the Link light rail system, from the Angle Lake station through the cities of SeaTac, Des Moines, Kent, and Federal Way in King County, Washington, with three new stations. The Project is designed to be fully grade-separated, within exclusive right-of-way. The majority of the routing is in or adjacent to the Interstate 5 (I-5) right of way. The Project includes the purchase of 20 vehicles. The service is planned to operate 20 hours on weekdays and 18 hours on weekends, with trains every eight minutes during weekday peak periods and every 10 minutes during other periods, both in the opening year and the horizon year.

Project Purpose: The project is intended to relieve congestion, improve transit performance, and enhance mobility choice in a portion of southern King County that has a significant transit-dependent population. The existing roadway network in the corridor is constrained, with limited possibilities for expansion along the two major north-south highways through the corridor – Interstate 5 and State Route 99. Although there is extensive bus service in the corridor today, the buses are subject to the same travel delays as automobiles in the corridor.

Project Development History, Status and Next Steps: Following completion of an alternatives analysis in January 2013, and publication of a Draft Environmental Impact Statement (EIS) in April 2015, Sound Transit selected a locally preferred alternative (LPA) in July 2015. The Project entered New Starts Project Development in September 2016. After completion of the Final EIS in November 2016, a final LPA was selected by Sound Transit in January 2017, and adopted into the fiscally constrained Long-Range Transportation Plan in March 2017. FTA issued a Record of Decision in March 2017, completing the environmental review process. Sound Transit anticipates entry into Engineering in early 2019, receipt of a Full Funding Grant Agreement in late 2019, and the start of revenue service in late 2024.

Significant Changes Since Last Evaluation (November 2017): Total project cost increased significantly, from $2,165.47 million to $3,160.70 million, while the requested CIG New Starts amount increased from $500.00 million to $790.00 million. The significant cost increase is the result of a re-evaluation of assumed unit costs for materials and labor based on recent experience with other current Sound Transit's capital construction projects, and of a subsequent risk assessment effort to further identify project cost risks. The current figures reflect the impact of these two efforts.

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Federal:		
Section 5309 CIG Share	$790.00	25.0%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Program)	$13.00	0.4%
Section 5307 Urbanized Area Formula Program	$5.00	0.2%
Local:		
Sound Transit Dedicated Sales, Rental Car, Motor Vehicle Excise and Property Tax Revenues	$1,577.72	49.9%
Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Repaid by Sound Transit's Dedicated Tax Revenues	$629.47	19.9%
Sound Transit Bond Proceeds Repaid by Sound Transit's Dedicated Tax Revenues	$145.52	4.6%
Total:	**$3,160.70**	**100.0%**

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

WA, Seattle, Federal Way Link Extension
(Rating Assigned November 2018)

Factor	Rating	Comments
Local Financial Commitment Rating	**High**	
Non-Section 5309 CIG Share	**+1 level**	• The CIG share of the project is 25.0 percent.
Summary Financial Plan Rating	**Medium-High**	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium-High	• The average age of the bus fleet is 6.5 years, which is in-line with the industry average. • The most recent bond ratings for Sound Transit, issued in November 2016, are as follows: Moody's Investors Service Aa1 and Standard & Poor's Corporation AAA. • Sound Transit's current ratio of assets to liabilities as reported in its most recent audited financial statement is 5.8 (FY2017). • There have been no service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium-High	• Approximately 73.4 percent of the non-Section 5309 CIG capital funds are committed or budgeted, and the rest are considered planned. Sources of funds include Federal Section 5307 Urbanized Area Formula Grants; FHWA Congestion Mitigation & Air Quality funds; United States Department of Transportation (USDOT) Transportation Infrastructure and Finance Innovation Act (TIFIA) loan funds repaid by Sound Transit general funds from its sales and use tax, motor vehicle excise tax, property tax and rental car tax; and Sound Transit general fund revenues and bond proceeds. • Approximately 94.8 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include local Sound Transit general fund revenues; interest earnings; farebox revenues and other sources of system-generated revenues such as advertising, real estate income, and rental revenue; and local and private funding agreements.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity	Medium	• Assumed growth in capital revenues is reasonable compared to recent historical experience. • The capital cost estimate is reasonable.

(50% of local financial commitment rating)		• Regarding growth in operating revenue assumptions, farebox collections and local tax revenues are reasonable compared to recent historical experience. • Operating cost estimates are reasonable compared to recent historical experience • Sound Transit has access to funds via cash reserves or other committed funds to cover unexpected cost increases or funding shortfalls equal to at least 50 percent of the estimated CIG capital cost and 17.6 percent of annual system wide operating expenses.

Federal Way Link Extension
Seattle, Washington
New Starts Project Development
(Rating Assigned November 2017)

LAND USE RATING: Medium

The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- The existing station area population density of 4,451 persons per square mile corresponds to a Medium-Low rating according to FTA benchmarks. Total employment served is 219,168, corresponding to a Medium-High rating. Parking costs in the Seattle central business district (CBD) are over $20, corresponding to a High rating. The proportion of LBAR housing in the project corridor compared to the proportion in the county through which the project travels is 2.15, which corresponds to a Medium rating. However, the rating for this subfactor increases to Medium-High because over five percent of housing units in King County are LBAR.
- Existing development within the project corridor is primarily suburban residential. The corridor also includes the 17,000-student Highline Community College just west of the Kent/Des Moines station and a large, auto-oriented commercial area around the Federal Way Transit Center station, as well as smaller pockets of commercial retail developments.
- The street network in station areas does not have a clear grid structure, and most commercial buildings are separated from the street by parking lots. Sidewalks are generally in place along the arterials. Many of the local neighborhood streets do not have sidewalks.

ECONOMIC DEVELOPMENT RATING: Medium

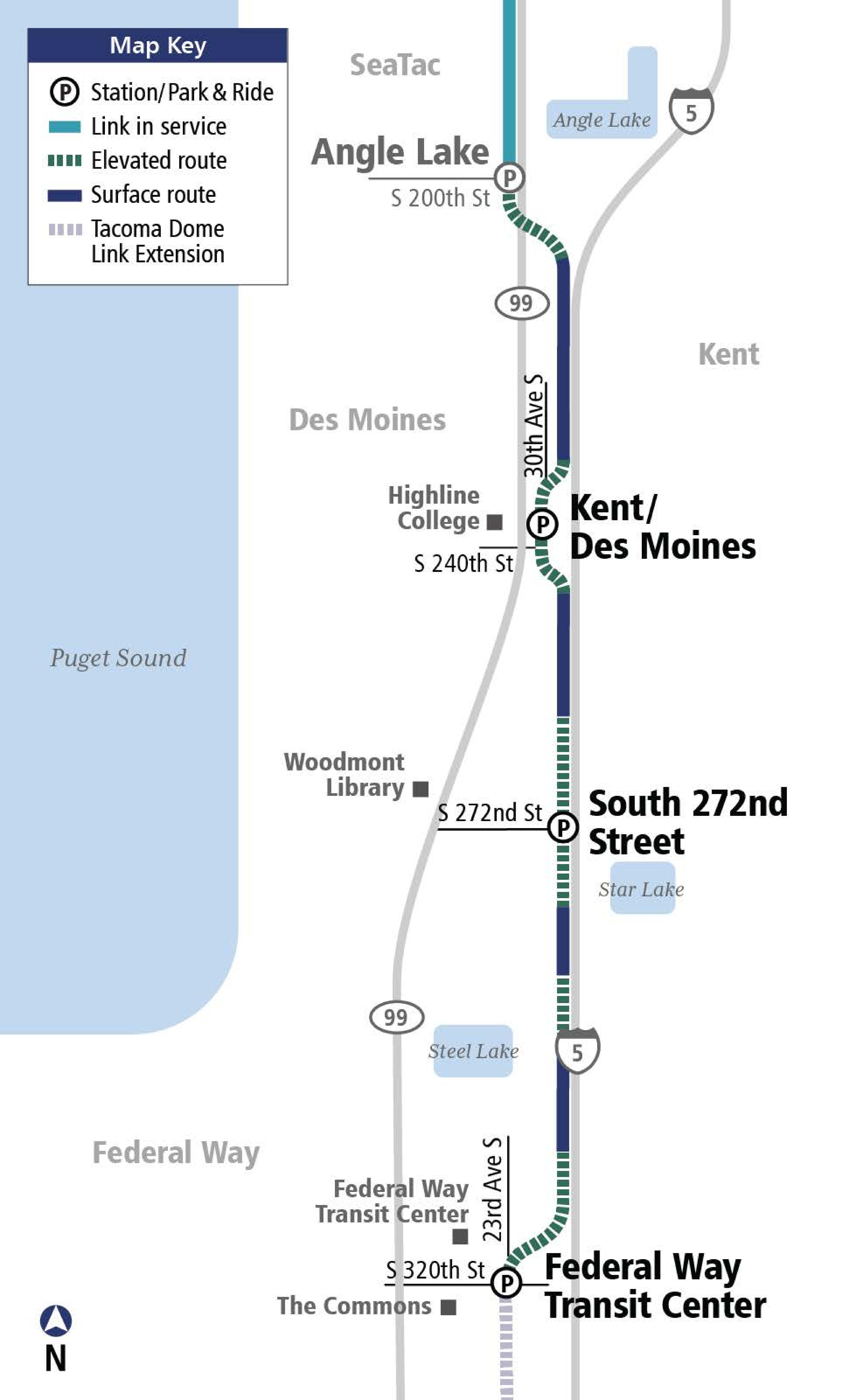
Transit-Supportive Plans and Policies: Medium

- *Growth Management:* State law requires counties and large metropolitan areas to designate urban growth areas, identify rural and resource lands for protection, and establish policies to guide local comprehensive plans. Regional and county planning policies seek to focus most projected growth in designated growth centers along transit lines and in larger cities, and to restrict infrastructure expansion in rural areas.
- *Transit-Supportive Corridor Policies:* The three corridor cities' plans encourage higher-density mixed-use development around two of the three project stations. Local plans also support improvements to pedestrian and bicycle facilities, though the pedestrian facilities slated for near-term implementation are concurrent to intersection widening projects along major arterial streets.
- *Supportive Zoning Regulations Near Transit Stations:* The mixed-use zones around the Kent/Des Moines and Federal Way Transit Center stations allow high densities with pedestrian-friendly design requirements. Zoning for the modest amount of developable land in the S. 272nd Star Lake station area is mostly low- to moderate-density residential. Minimum parking requirements are low in Kent's mixed-use zones and moderate in Des Moines and Federal Way's mixed-use zones.
- *Tools to Implement Land Use Policies:* Sound Transit and the three cities have undertaken outreach campaigns to the public and developers in support of transit-oriented development (TOD). Two cities offer a multi-year property tax exemption for multi-family residential developments in portions of their station areas, while developments in Federal Way's city center can forego environmental reviews. Sound Transit actively pursues TOD through joint development and sale of surplus land.

Performance and Impacts of Policies: Medium

- *Performance of Land Use Policies:* Redevelopment projects are underway around two other planned suburban light rail stations in the region that include mixed uses, higher development densities and a walkable form. Three recently completed projects in station areas, of which two are affordable housing developments and one is a mixed-use residential and retail development, demonstrate aspects of transit-supportive design. Two additional mixed-use projects are in design review stages.
- *Potential Impact of Transit Investment on Regional Land Use:* There are 120 acres of vacant land within the three station areas and significant opportunities for urban infill and conversion of parking lots in the Kent/Des Moines and Federal Way Transit Center station areas. The corridor has higher poverty rates than the region as a whole and near-term TOD interest is anticipated to be moderate.

Tools to Maintain or Increase Share of Affordable Housing: Medium
• King County and the cities of Des Moines and Federal Way have established low and moderate income housing targets, though local policies to meet these targets do not directly address the substantial need for housing affordable to very and extremely low income households. The state provides financing for affordable housing and King County is soliciting proposals to allocate $10 million in affordable housing bonds in two project station areas. Two recent developments provided 104 affordable housing units and a further 250-unit development is planned.


Map Key
Station/ Park & Ride
Link in service
Elevated route
Surface route
Tacoma Dome Link Extension
SeaTac
Angle Lake
5
Angle Lake
S 200th St
99
Kent
Des Moines
30th Ave S
Highline College
Kent/ Des Moines
S 240th St
Puget Sound
Woodmont Library
S 272nd St
South 272nd Street
Star Lake
99
Steel Lake
5
Federal Way
23rd Ave S
Federal Way Transit Center
S 320th St
Federal Way Transit Center
The Commons
N