

**Lynnwood Link Extension
Seattle, Washington
New Starts Engineering
(Rating Assigned November 2015)**

Summary Description	
Proposed Project:	Light Rail Transit 8.5 Miles, 4 Stations
Total Capital Cost (\$YOE):	\$2,345.93 Million (Includes \$194.3 million in finance charges)
Section 5309 New Starts Share (\$YOE):	\$1,172.73 Million (50.0%)
Annual Operating Cost (opening year 2023):	\$14.78 Million
Current Year Ridership Forecast (2014):	50,500 Daily Linked Trips 15,143,100 Annual Linked Trips
Horizon Year Ridership Forecast (2035):	67,100 Daily Linked Trips 20,138,100 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium

Project Description: The Central Puget Sound Regional Transit Authority (Sound Transit) proposes to build an extension to the Link light rail system which operates today between Seattle-Tacoma International Airport and downtown Seattle. Two separate extensions, first to the University of Washington and then further to Northgate, are currently under construction. The proposed Lynnwood Link Extension project will further extend the system beyond Northgate to Lynnwood. It will begin in the northern part of the city of Seattle at Northgate Transit Center and terminate at the Lynnwood Transit Center in the city of Lynnwood, staying primarily within the alignment of Interstate 5 (I-5). The project will be fully grade-separated with a mixture of aerial structure and retained cut/fill. The Project includes construction of stations and a vehicle operation, maintenance, and storage facility as well as the purchase of 34 vehicles. The service is planned to operate 20 hours a day, seven days a week, with trains every four minutes during weekday peak periods and every five minutes during off-peak periods.

Project Purpose: The project is intended relieve congestion, improve transit performance, and enhance mobility choice in this dense suburban corridor where, because of geography and development pressures, other means of transportation enhancement are limited. The existing roadway network in this corridor is severely constrained. Two major north-south highways extend through the corridor – I-5 and State Route (SR) 99. I-5 experiences recurring congestion and high variability in travel times. The parallel SR99 is a high-volume, medium-speed arterial for most of its length, with some expressway sections. Development patterns prohibit expansion of either facility. Although there is extensive bus service in the corridor today, these buses are subject to the same travel delays as automobiles in the corridor.

Project Development History, Status and Next Steps: The project was originally included in the region’s fiscally constrained long range transportation plan in May 2010. Sound Transit completed an alternatives analysis in 2011. A Draft Environmental Impact Statement (EIS) was published in July 2013. The project entered New Starts Project Development in December

2013. Sound Transit selected a locally preferred alternative in April 2015, which was adopted into the region's fiscally constrained long range transportation plan in May 2015. A Final EIS for the project was published in April 2015, and FTA issued a Record of Decision (ROD) in July 2015. A separate environmental review process was conducted for the operation, storage and maintenance facility, and FTA signed a separate ROD for the facility in November 2015, completing the environmental review process for the project as a whole. FTA approved the project into New Starts Engineering in February 2016. Sound Transit anticipates receipt of a Full Funding Grant Agreement in mid-2018, and the start of revenue service in late 2023.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal: Section 5309 New Starts	\$1,172.73	50.0%
Local: Dedicated Tax Revenue: Sales Tax, Rental Car Tax, Motor Vehicle Excise Tax (MVET)	\$853.63	36.4%
Sales Tax and Rental Car Tax Revenue Bonds	\$319.57	13.6%
Total:	\$2,345.93	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.

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Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 New Starts Share	N/A	The New Starts share of the project is 50 percent.
Project Financial Plan	Medium	
Capital and Operating Condition (25% of plan rating)	Medium-High	<ul style="list-style-type: none"> • The average age of the bus fleet is 6.4 years, which is younger than the industry average. • Sound Transit's most recent bond ratings, issued in July 2015, are as follows: Moody's Investors Service Aa2, 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 4.18 (FY 2014). • There have been no service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of plan rating)	Medium	<ul style="list-style-type: none"> • 46.3 percent of the non-Section 5309 funds are committed or budgeted, and the rest are considered planned. The source of funding is Sound Transit's dedicated taxes derived from retail sales and use, motor vehicle excise, and rental car taxes. • All of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted. Sources of funds include farebox revenues and Sound Transit's dedicated tax revenues from retail sales and use, motor vehicle excise, and rental car taxes.
Capital and Operating Cost Estimates, Assumptions and Financial Capacity (50% of plan rating)	Medium	<ul style="list-style-type: none"> • Growth in capital revenue assumptions is consistent with historical experience. • The capital cost estimate is reasonable. • The financial plan shows that Sound Transit has the financial capacity to cover cost increases or funding shortfalls equal to at least 100 percent of estimated project costs. • Assumed farebox and sales tax revenues are consistent with historical experience. • Projected cash balances and reserve accounts are 12 percent of annual systemwide operating expenses.

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LAND USE RATING: Medium

The land use rating reflects population and employment densities within ½-mile of proposed station area, as well as the share of legally binding affordability restricted housing in the corridor compared to the share in the surrounding counties.

- The four proposed station areas have an average population density of 4,600 persons per square mile, which rates Medium-Low by FTA benchmarks. Total employment served by the project is 227,000, which rates High by FTA benchmarks.
- Parking in the station areas is typically free. Parking in the Seattle central business district averages about \$20 per day, which rates High per FTA benchmarks.
- The ratio of station area to county legally binding affordability restricted housing proportions is 1.18, corresponding to a Medium-Low rating. The rating for this subfactor increases one level, to Medium, because over five percent of housing units in the counties through which the project travels are legally binding affordability restricted.
- Land use in the station areas is largely small-lot, single-family residential neighborhoods with some institutional and civic uses (churches, schools, parks). Sidewalks are generally built along the arterials, and some intersections have marked crossings, signals, and curb cuts. Many of the local neighborhood streets do not have sidewalks.

ECONOMIC DEVELOPMENT RATING: Medium-High

Transit-Supportive Plans and Policies: High

- *Growth Management:* The Washington State Growth Management Act requires state and local governments to identify and protect critical areas and natural resource lands, designate urban growth areas, prepare comprehensive plans and implement them through capital investments and development regulations. The Puget Sound Regional Council's (PSRC) VISION 2040 includes linking places of concentrated, transit-oriented development (TOD) with an efficient multimodal transportation system. Counties' plans encourage compact land use patterns within urban areas and require that urban centers be linked with public transit access and other features to promote well-designed TOD.
- *Transit-Supportive Corridor Policies:* All communities have comprehensive plans that support TOD in portions of the station areas that are suitable for intensified development. Smaller-area plans cover three of the four station areas, with planning for the remaining station area underway. Area plans are supportive of higher-intensity, mixed-use development and include pedestrian-supportive design guidelines and reduced parking requirements.
- *Supportive Zoning Regulations Near Transit Stations:* Zoning in residential neighborhoods is primarily single-family with minimum lot size ranging from 6 to 11 units per acre. Zoning changes in Shoreline, Mountlake Terrace and Lynnwood support increased density and mixed-use development directly around stations. Maximum floor area ratios range from 3.75 to 10 with bonuses for items such as structured parking and street level retail.
- *Tools to Implement Land Use Policies:* Regional agencies, including Sound Transit, PSRC and nonprofit organizations, have carried out extensive outreach efforts to communities and developers to promote TOD in existing and planned transit station areas as well as to implement regional growth management policies. Municipalities have recently adopted ordinances that include density bonuses, streamlined permitting processes, flexible parking requirements, and a multifamily tax exemption program for projects in station areas.

Performance and Impacts of Policies: Medium

- *Performance of Land Use Policies:* The region, corridor and station areas have many examples of recently constructed development projects that were shaped by TOD-supportive legislation, plans, and ordinances. In some cases, development has occurred in anticipation of high-capacity transit and in other cases the market has driven development near transit stations. Since 2003, private investments have included over 2.1 million square feet of new and redeveloped projects along the existing Central

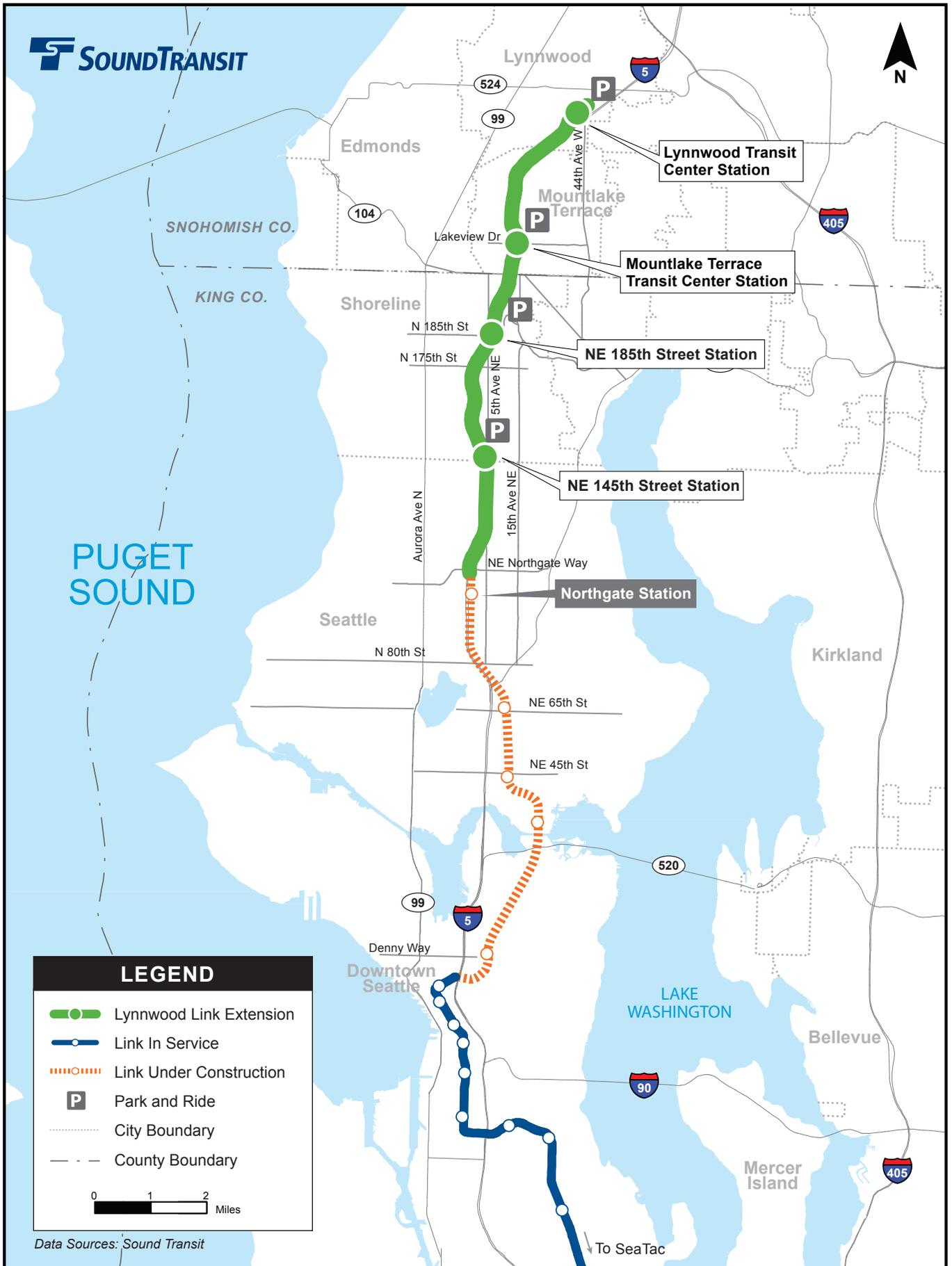
Link light rail corridor. Development projects in the proposed station areas generally include a mix of surface and under-structure parking, orientation to the street, and pedestrian improvements.

- *Potential Impact of Transit Investment on Regional Land Use:* Three of the four station areas include little vacant land, but all have more significant amounts of potentially underutilized land that has been (or is in the process of being) rezoned for higher-intensity, mixed-use development. Overall the development potential appears to be modest in the short-term but more significant in the long-term contingent upon supportive market conditions. Existing transit corridors in the region demonstrate market support for higher-density and transit/pedestrian-oriented development.

Tools to Maintain or Increase Share of Affordable Housing: Medium-High

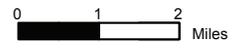
- Under the state growth management framework, local governments' comprehensive plans must make adequate provisions for existing and projected housing needs for all economic segments of the community. PSRC's VISION 2040 calls for a regional housing strategy that assesses the specific housing needs of the region, identifies strategies to meet these needs, and coordinates regional housing efforts. King and Snohomish Counties have also established low and moderate income housing targets for each local government jurisdiction. All of the municipalities have the authority to implement tax exemptions for multifamily development with a 20 percent affordability component. Three of the six residential mixed-use projects recently completed or underway in station areas are 100 percent affordable, assisted living, and/or senior housing.

LYNNWOOD LINK EXTENSION—Seattle, WA



LEGEND

- Lynnwood Link Extension
- Link In Service
- - -○- - - Link Under Construction
- P Park and Ride
- City Boundary
- County Boundary



Data Sources: Sound Transit

To SeaTac