

**Lynnwood Link Extension
Seattle, Washington
New Starts Engineering
(Rating Assigned November 2017)**

| Summary Description | |
|---|--|
| Proposed Project: | Light Rail Transit 8.5 Miles, 4 Stations |
| Total Capital Cost (\$YOE): | \$3,069.41 Million (Includes \$134.6 million in finance charges) |
| Section 5309 New Starts Share (\$YOE): | \$1,172.73 Million (38.2%) |
| Annual Operating Cost (opening year 2024): | \$23.46 Million |
| Current Year Ridership Forecast (2014): | 44,500 Daily Linked Trips 14,328,000 Annual Linked Trips |
| Horizon Year Ridership Forecast (2035): | 68,500 Daily Linked Trips 21,924,300 Annual Linked Trips |
| Overall Project Rating: | Medium-High |
| Project Justification Rating: | Medium-High |
| Local Financial Commitment Rating: | Medium-High |

Project Description: The Central Puget Sound Regional Transit Authority (Sound Transit) proposes to extend the Link light rail system from the Northgate station that is currently under construction in the northern part of Seattle to the Lynnwood Transit Center in the city of Lynnwood. The project alignment primarily follows the alignment of Interstate 5 (I-5). The light rail is planned to be fully grade-separated. The project includes construction of stations and a vehicle operation, maintenance, and storage facility as well as the purchase of 34 vehicles. 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 weekday off-peak periods and on weekends.

Project Purpose: The project is intended to 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 – I-5 and State Route (SR) 99. I-5 experiences recurring congestion and high variability in travel times. The parallel SR 99 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. In April 2015, a Final EIS for the project was published and Sound Transit selected a final locally preferred alternative (LPA). The LPA was adopted into the region’s fiscally constrained long range transportation plan in May 2015. 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 mid-2024.

Significant Changes Since Last Evaluation (November 2016): Sound Transit continued design refinements, and the cost escalated significantly, mostly due to increases in unit costs of materials. The project cost estimate changed from \$2.35 billion to \$3.07 billion. The amount of assumed Section 5309 New Starts funding did not change, but due to the cost increase, the CIG share decreased from 50.0 percent to 38.2 percent.

| 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 | 38.2% |
| Local: Sound Transit Dedicated Sales, Rental Car and Motor Vehicle Excise Tax Revenues and Bonds | \$1,238.81 | 40.4% |
| Transportation Infrastructure and Finance Innovation Act Loan Funds Repaid by Sound Transit's Dedicated Sales, Rental Car and Motor Vehicle Excise Tax Revenues | \$657.86 | 21.4% |
| Total: | \$3,069.41 | 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, Lynnwood Link Extension
(November 2017)**

| Factor | Rating | Comments |
|--|--------------------|---|
| Local Financial Commitment Rating | Medium-High | |
| Non-Section 5309 New Starts Share | +1 level | The New Starts share of the project is 38.2 percent. |
| Project Financial Plan | Medium | |
| Current Capital and Operating Condition (25% of local financial commitment rating) | Medium-High | <ul style="list-style-type: none"> • The average age of the bus fleet is 6.2 years, which is younger than 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 (FY2016). • 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 | <ul style="list-style-type: none"> • Approximately 65.3 percent of the non-Section 5309 New Starts funds are committed or budgeted, and the rest are considered planned. Sources of funds include a USDOT Transportation Infrastructure and Finance Innovation Act loan 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. • All funds needed to operate and maintain the transit system in the first full year of operation are committed. Sources of funds include fares and Sound Transit general fund revenue. |
| Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating) | Medium-Low | <ul style="list-style-type: none"> • Growth in capital revenue assumptions are optimistic compared to recent historical experience. • The capital cost estimate is optimistic. • Regarding growth in operating revenue assumptions, farebox collections are reasonable and sales tax revenues are conservative compared to recent historical experience. • Operating cost estimates are optimistic compared to recent historical experience. • Sound Transit has access to funds via additional debt capacity, cash reserves, or other committed funds to cover cost increases or funding shortfalls equal to at least 17 percent of estimated project cost and 19 percent of annual system wide operating expenses. |

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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 counties.

- Average population density across all station areas is 4,886 persons per square mile, which corresponds to a Medium-Low rating according to FTA benchmarks. Total employment served is 233,126, corresponding to a High rating. Parking costs in the Seattle central business district are over \$20 per day, corresponding to a High rating. The proportion of LBAR housing in the project corridor compared to the proportion in the counties through which the project travels is 1.15, which corresponds to a Medium-Low rating. The rating for this subfactor increases to Medium because over five percent of housing units in the counties through which the project travels are LBAR.
- Existing development within the station areas is largely small-lot, single-family residential neighborhoods with some institutional and civic uses and two commercial centers.
- 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:* State law 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 regional VISION 2040 plan calls for linking compact, transit-oriented urban centers with an efficient multimodal transportation system. Counties' plans encourage compact land use patterns within urban areas; they also require that urban centers be linked with public transit and 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. Small area plans cover all four station areas. Area plans are supportive of higher-intensity, mixed-use development and include pedestrian-supportive design guidelines and reduced parking.
- *Supportive Zoning Regulations Near Transit Stations:* The zoning in Shoreline, Mountlake Terrace and Lynnwood supports increased density and mixed-use development directly around stations and includes design guidelines and requirements to provide elements that promote the enhancement of transit-oriented character and the development of pedestrian infrastructure.
- *Tools to Implement Land Use Policies:* Regional agencies 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

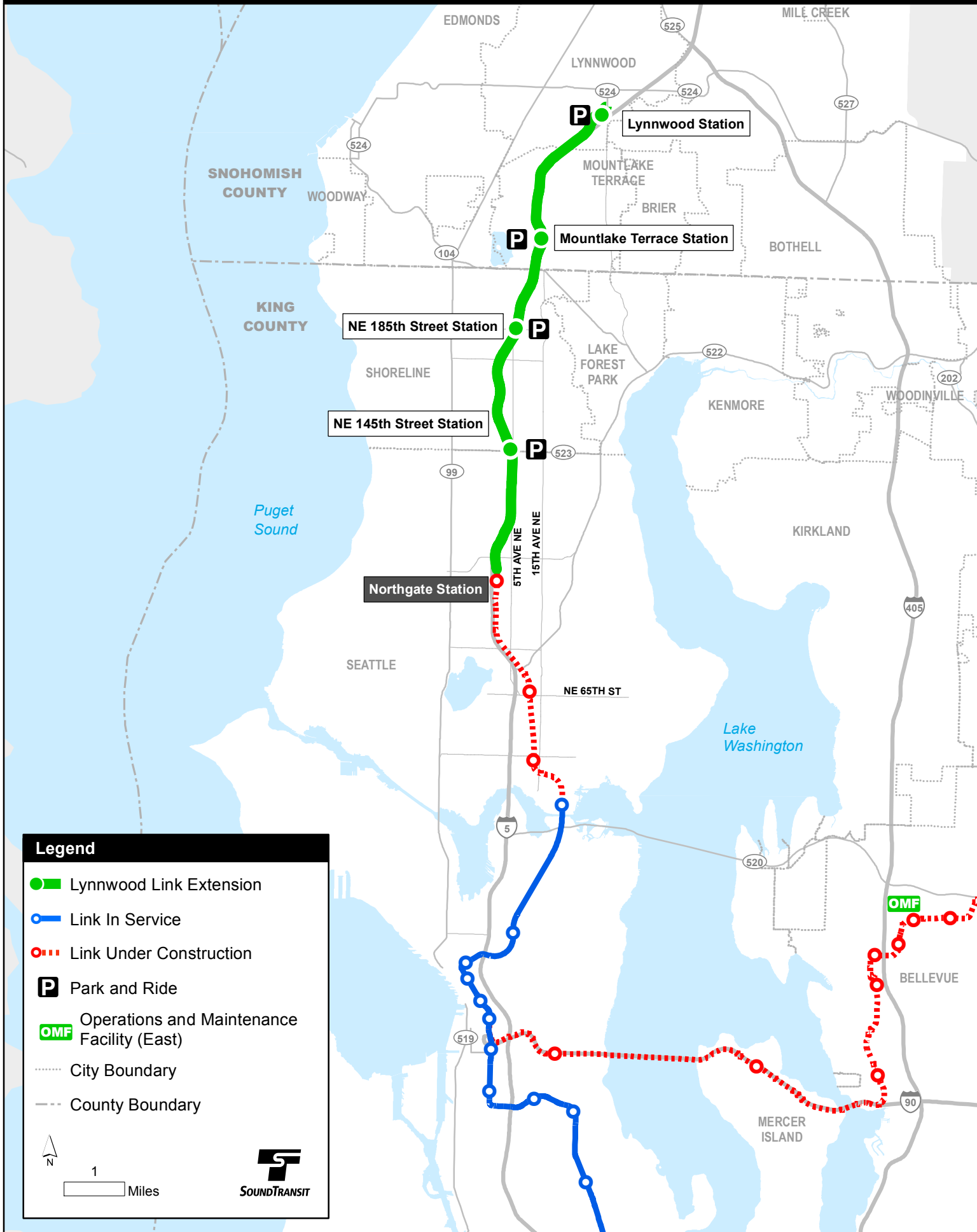
- *Performance of Land Use Policies:* The region, corridor and station areas have many examples of recent development projects that were shaped by TOD-supportive legislation, plans, and ordinances. Since 2003, private investments have included over 2.1 million square feet of new and redeveloped projects 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 potentially underutilized land that has been (or is 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. 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 the municipalities have the authority to implement tax exemptions for multifamily development with a 20 percent affordability component. Three affordable housing projects have been completed in in the last three years. Four of the eleven land development projects that are currently proposed, approved or under construction within the corridor include 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
- OMF** Operations and Maintenance Facility (East)
- City Boundary
- - - County Boundary



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Miles

