

ST3 Revenue Development Timeline

November 29, 2012: Ric Ilgenfritz and Brian McCartan present to Sound Transit Board workshop in response to Board memo describing procedural steps for planning a third phase of high-capacity transit investments via a new package to be referred to as Sound Transit 3 (ST3).

February 21, 2013: Gov. Jay Inslee releases statement supporting development of a statewide transportation package, which had been discussed legislatively by Transportation Committee chairs King and Clibborn.

November 20, 2014: 2015 Legislative Priorities are adopted by the Sound Transit Board, which include direction to seek revenue authority for ST3.

- During presentation, Chair Constantine, Marilyn Strickland, and Pat McCarthy proposed asking the Legislature for “.5% sales tax, .8% MVET, and \$.25 property tax, as well as looking for other sources”. Total plan amount or project timeline is not discussed.
- Chair Constantine: “The Board would not necessarily exercise full authority of those sources, the final decision will be based on Board decisions in working toward a plan to put before voters, and would be subject to voter approval”.
- Sound Transit issues a [news release](#) about the legislative request, explaining “Cumulatively, the revenue authority requested could generate a maximum of approximately \$15 billion in new revenues over a 15-year period... and would provide flexibility to discuss additional projects and services. In addition to new revenues approved by local voters, a Sound Transit 3 measure would also include funding from other sources including but not limited to bonds, grants and existing taxes.”

December 18, 2014: Board adopts Long-Range Plan update following extensive public involvement, including mailing to 1 million households, more than 12,300 survey responses and comments during six public hearings located in Redmond, Tacoma, Seattle Museum of History and Industry, Union Station, Federal Way and Everett.

Legislative Authority

December 16, 2014: Gov. Jay Inslee releases proposal for a statewide transportation revenue package, which includes local option taxing authority for Sound Transit 3 via sales, property, and MVET revenue. This proposal continues the depreciation schedule used by Sound Move MVET until Sound Move bonds are retired in 2028, subsequently transitioning to the 2006 revised MVET depreciation schedule. Proposed legislation does not include any revenue sunset, nor do any subsequent proposals. This begins negotiations on the final adopted transportation package.

- **January 15, 2015:** [House Bill 1180](#) and [Senate Bill 5128](#) are introduced, which authorizes local option taxing authority for ST3 including up to \$0.25 property tax, 0.8% increase to MVET (1.1% total), and a 1.4% sales tax. Both bills assume the same depreciation schedule laid out in the Governor’s proposal.

- **February 10, 2015:** The House Finance Committee conducted a public hearing during which the proposed structure of Sound Transit’s taxing authority was discussed, including terms of the MVET increase and depreciation schedule.
- **February 12, 2015:** Senate Majority Coalition Caucus (MCC) introduces [SB 5987](#), a transportation package proposal that includes revenue authority for Sound Transit 3. Sound Transit’s taxing authority would include a \$0.10 property tax, 0.3% increase to MVET (0.6% total), and a 1.4% sales tax. As with previous proposals, the Governor’s MVET transition plan for Sound Transit is included in the MCC proposal.
- **February 27, 2015:** Senate proposes amendments to SB 5987, including an amendment to use the 2006 RTID depreciation schedule for ST3. Bipartisan opposition to this amendment leads to the language being not adopted by the Senate.
- Following comments by Senator Marko Liias, explicitly describing the terms of Sound Transit’s implementation of the depreciation schedule, the Senate rejected [Amendment 53 to Senate Bill 5987](#) offered by Sen. Doug Ericksen, R-Ferndale. Ericksen’s amendment would have directed the agency to move immediately to a different valuation program. It was overwhelmingly rejected.
- House amendment H-2685-1 from Representative Shea was also given to the [House Transportation Committee](#) and failed.
- SB 5987 passes the Senate on March 2, 2015.
- **April 13, 2015:** House Democratic Caucus proposes an amended SB 5987, including Sound Transit 3 revenue authorization of \$0.25 property tax, 0.8% increase to MVET (1.1% total), and a 1.4% sales tax.
- **June 30, 2015:** Legislature passes statewide transportation package, including ST3 revenue authorization of \$0.25 property tax, 0.8% increase to MVET (1.1% total), and a 1.4% sales tax.

June 2015: 1 million regional residents receive mailers inviting them to attend a planning open house and to take the online survey. Goal: to gather public input on what projects should be advanced for in depth study for consideration in ST3 ballot measure.

More than 400 attended one or more of the following open houses:

Union Station daytime	June 16
Everett Station	June 18
Redmond Marriott	June 23
Greater Tacoma Convention Ctr.	June 24
Union Station evening	April 26
King County Aquatic Center	April 28

Meetings and survey also promoted by tens of thousands of emails sent as well as paid and free broad based digital and print advertising campaign featuring link to soundtransit3.org to take the survey and to learn more about the proposed plan and finances.

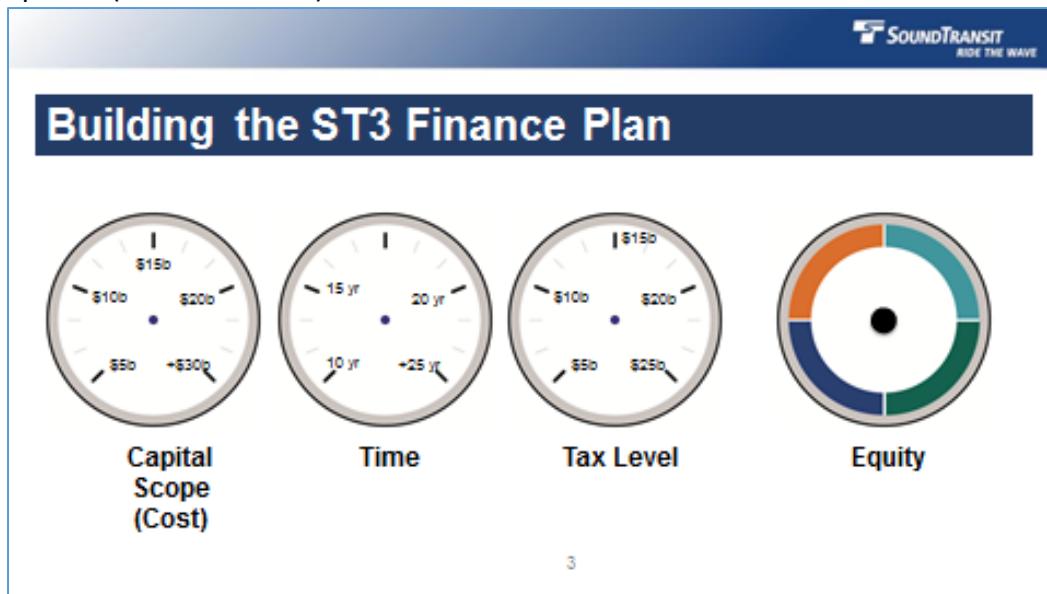
- 25,000 online [surveys completed](#);
- 1,025 [written comments](#);
- 44 [comment letters](#) from local jurisdictions and agencies.

July 1, 2015 Sound Transit [news release](#): *Board applauds Legislature and Governor's support for full ST3 funding authority, advances plans for November 2016 measure.* Includes funding sources; links to online survey to help shape ST3

August 27, 2015: Candidate ST3 projects presented to Sound Transit Board at regular meeting.

December 4, 2015: Sound Transit Board ST3 Workshop

- Candidate projects are reviewed.
- ST3 financial overview is presented by Sound Transit staff, including several finance plan options (slides attached).



Funding Levels

Dollars In Billions, YOY	Investment Level 1 2017 - 2032	Investment Level 2 2017 - 2036	Investment Level 3 2017 - 2041
Sales Tax	9	12	17
MVET	4	5	7
Property Tax	2	3	3
Total Taxes	15	20	27
Other Revenue *	11	10	21
Total Est. Sources of Funds*	26	30	48

*Based on current forecast for 0.9% Sales & Use Tax, 0.8% MVET and \$0.25 Property Tax.
 Figures will be updated throughout the ST3 planning process.

- At full tax authority \$200 per adult annually, \$17 per month

5

Future Steps

- Expert Review Panel
- Revise, update financial plan
- Board guidance on scope, program duration, taxing levels, equity

6

December 4, 2015 - March 24, 2016: Sound Transit Board develops Draft ST3 Plan based on jurisdiction and other input on candidate projects and input on plan development

March 24, 2016: Sound Transit Board [releases a draft 25-year plan](#) and financial documents for an initial ST3 proposal to seek public review.

Draft ST3 Financial Plan

- Revenue
 - 0.5% new sales tax
 - 0.8% MVET
 - \$0.25 Property Tax
 - Remaining available Sound Move and ST2 taxes
 - Federal funds
 - Fares
 - Bonding
- Expenditures
 - Capital Costs
 - Operations and Maintenance
 - Other: debt service, reserves
- Draft ST3 Plan affordable within existing financial policies
 - Exceeds board minimum of 1.5x net coverage
 - Exceeds 2.0x gross coverage
 - Fully funded reserves
 - Adequately funds capital replacement/state of good repair
 - Subarea Equity

14

Funding Levels

ST3 Investment Levels

Dollars In Billions, YOY	15 Year Plan	25 Year Draft ST3 Plan
Sales Tax	9	17
MVET	4	7
Property Tax	2	3
Total Taxes*	15	27
Other Revenue	11	23
Total Est. Sources of Funds	26	50

*Based on current forecast for ST3 taxes: 0.5% Sales & Use Tax, 0.8% MVET and \$0.25 Property Tax.
 Figures will be updated throughout the ST3 planning process.

At full tax authority \$200 per adult annually, \$17 per month

15

March 24, 2016: Seattle Times publishes [front page article](#) detailing the release of a Sound Transit 3 plan worth \$50 billion in transit investment:

- Article includes full detail about revenue sources and amounts that would be later approved by voters.
- Seattle Times article includes a mention of the expansion of funding timelines: *“The \$27 billion in new taxes almost doubles the highly publicized \$15 billion figure that met temporary resistance in Olympia, until lawmakers in July 2015 passed a bill giving Sound Transit the tax authority it wanted for ST3. Sound Transit finance director Brian McCartan said that number was just “shorthand” for tax rates that would collect \$15 billion in the first 15 years.”*

April 2016: Soundtransit3.org website updated to reflect draft plan. Most heavily visited page, the project interactive map, is updated to include the following text:

In summer 2015 the Washington State Legislature and Governor [granted Sound Transit authority](#) to ask regional voters to approve new local revenue sources that within 15 years can generate up to \$15 billion in funding for mass transit expansions. The Sound Transit Board will determine how much of the funding authority to propose and the duration of an investment plan as it shapes a Sound Transit 3 (ST3) ballot measure for a vote in November 2016. On December 4, 2015, the Board learned of potential financing options for an ST3 ballot measure. New local tax revenues will be combined with revenues from bonds, federal grants, existing taxes, fares and other sources to pay for ST3. [Learn more about funding.](#)

April 2016: 1 million regional residents receive draft ST3 plan mailers inviting them to attend a planning open house and to take the online survey. Goal: to provide feedback to the Board on draft ST3 plan.

More than 1,250 attended one or more of the following open houses:

Ballard High School	April 19
Evergreen State College - Tacoma	April 21
Everett Station	April 25
West Seattle High School	April 26
Old Redmond Schoolhouse	April 27
Todd Beamer High School	April 28
Union Station, Seattle	April 28

Meetings and survey also promoted by 35,000 emails sent as well as \$32,000 spent on broad based digital and print advertising campaign featuring link to expanded and updated soundtransit3.org to take the survey and to learn more about the draft plan and finances.

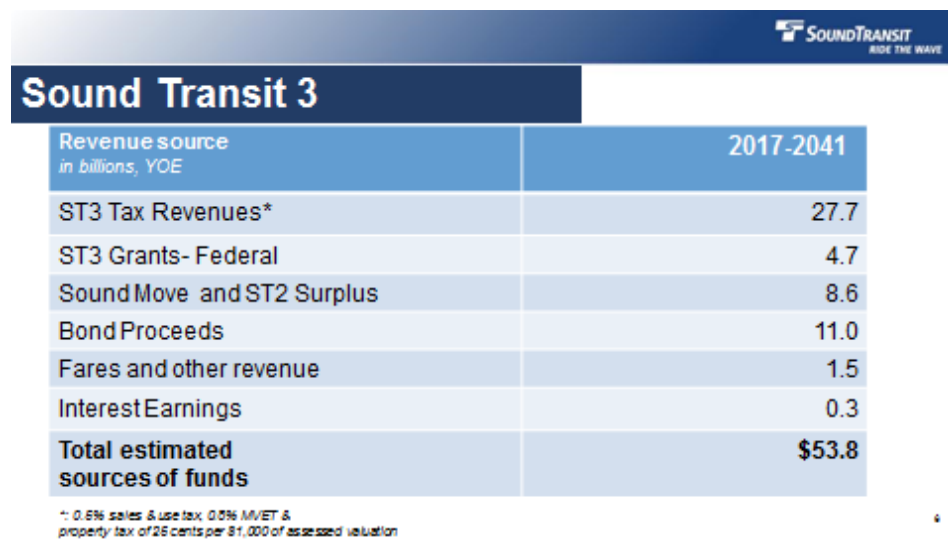
- Almost [35,000 online surveys](#) completed.
- 18,000 comments to [open-ended questions](#) in survey as well as [emailed](#) and other written comments
- [41 letters](#) from local jurisdictions, governments and elected officials.
- [60 additional letters](#) received from stakeholder organizations.

March 24, 2016 - June 23, 2016: Sound Transit Board Refines ST3 Plan based on public input.

March – June 2016: 320+ major media and blog articles covering draft plan development and public involvement.

July 8, 2016 [news release](#): *ST3 plan would cost typical adult \$169 annually or \$14 per month.* Details typical adult payment of MVET and other ST3 taxes.

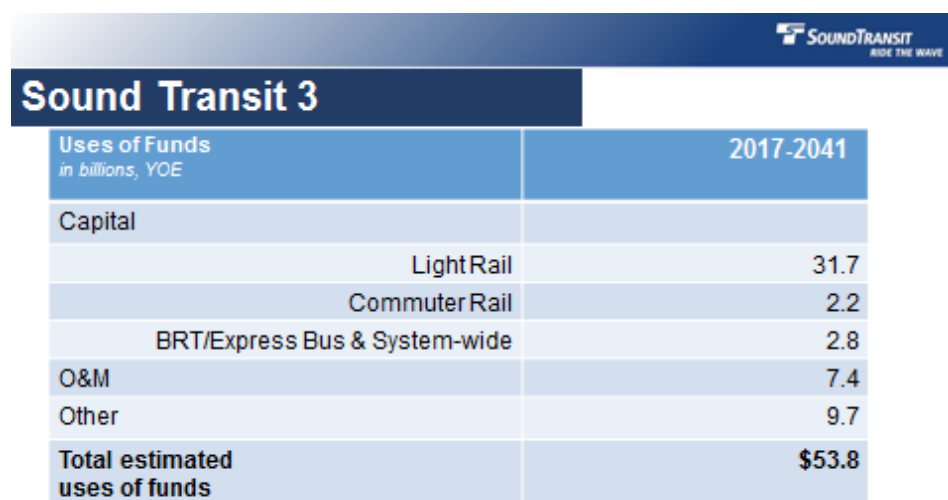
June 23, 2016: [Board adopts](#) ST3 projects and financial plan at regular meeting.



Sound Transit 3

Revenue source <i>in billions, YOE</i>	2017-2041
ST3 Tax Revenues*	27.7
ST3 Grants- Federal	4.7
Sound Move and ST2 Surplus	8.6
Bond Proceeds	11.0
Fares and other revenue	1.5
Interest Earnings	0.3
Total estimated sources of funds	\$53.8

*: 0.6% sales & use tax, 0.0% MVET & property tax of 26 cents per \$1,000 of assessed valuation



Sound Transit 3

Uses of Funds <i>in billions, YOE</i>	2017-2041
Capital	
Light Rail	31.7
Commuter Rail	2.2
BRT/Express Bus & System-wide	2.8
O&M	7.4
Other	9.7
Total estimated uses of funds	\$53.8

July 2016: Soundtransit3.org updated to represent Board-adopted ST3 Plan, including detailed information about funding sources. Personal tax calculator added to soundtransit3.org page: *How will ST3 be funded?*

July 2016: Blog post on ST3.org details funding sources. [Entire 5 volume ST3 plan](#) is posted on website, distributed to public libraries in three counties.

June – November 2016:

- 184,000 soundtransit3.org visits
- 1,078 email/phone with questions and comments
- 385 media and major blog stories covering ST3, including Seattle Times tax calculator
- More than 50 speaking engagements to groups throughout the region describing content of ST3 plan and finances

October 2016: Mailed 1.2 million [ST3 voter guides](#) to every registered voter household in district, which included information about funding sources. This mailer is required to be sent to all voters in the RTA district by RCW 81.104.140(8).

November 8, 2016: Voters in Sound Transit Regional Transit Authority district approve Proposition 1 (ST3) by a margin of 54% to 46%.

November 17, 2016: Will Knedlik files a complaint with the state Attorney General. Allegations including one of Sound Transit “deceiving legislators into believing Sound Transit was asking for only \$15 billion in new taxing authority.” Following its investigation the PDC’s [report](#) to the Attorney General in February 2017 stated, “No evidence was found that members of Sound Transit staff or its contracted lobbyists deceived or attempted to deceive any legislator regarding any aspect of Sound Transit 3.”

Ballot Measure text:

**Sound Transit (A Regional Transit Authority)
Proposition No. 1
Light-Rail, Commuter-Rail, and Bus Service Expansion**

The Sound Transit Board passed Resolution No. R2016-17 concerning expansion of mass transit in King, Pierce, and Snohomish counties. This measure would expand light-rail, commuter-rail, and bus rapid transit service to connect population and growth centers, and authorize Sound Transit to levy or impose: an additional 0.5% sales and use tax; a property tax of \$0.25 or less per \$1,000 of assessed valuation; **and additional 0.8% motor-vehicle excise tax**; and use existing taxes to fund the local share of the \$53.8 billion estimated cost (including inflation), with continuing independent audits, as described in the Mass Transit Guide and Resolution No. R2016-17.