

February 8, 2021

The Honorable Pete Buttigieg
Secretary
United States Department of Transportation
1200 New Jersey Ave SE
Washington, DC 20590

Dear Secretary Buttigieg:

As the Sound Transit Board of Directors, we are writing to congratulate you on your confirmation as Secretary of Transportation and express our desire to work closely with you to continue and expand the federal partnership in support of transit expansion in the Puget Sound region.

Sound Transit is implementing the most ambitious transit expansion in the nation, and we are uniquely poised to deliver on many Biden Administration priorities. As we build out the regional transit network, we are delivering a system that is climate friendly, provides affordable housing, sustains and respects our communities, and provides training and jobs for thousands of workers. We are building for a better future. Our projects and services, all voter-approved, rely significantly on local revenues, and for more than 25 years, Sound Transit has leveraged those local resources in a strong partnership with the Department of Transportation.

The COVID 19 pandemic has taken a crushing toll on the local tax streams dedicated to building this regional system – putting its full and timely implementation at risk. However, a greatly strengthened partnership with the federal government can not only put the program back on schedule, it can serve as a flagship example of the Administration's goal to "build back better," as Sound Transit's capital plans already embrace the best-in-class sustainability, workforce, and climate goals articulated by the Administration. Indeed, having launched such an ambitious capital program in 2016, Sound Transit now has multiple projects advancing simultaneously through planning and environmental review phases. As such, Sound Transit is unique in its ability to put Federal resources to work rapidly on truly transformational projects and can put a great many shovels in the ground all in the first Biden term.

Like many transit agencies, Sound Transit is facing an unprecedented revenue loss because of the economic shock caused by the pandemic. Our current projections estimate a loss of \$6 billion in revenue. To face this new reality, the Board is currently taking early steps to realign our capital development program.

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Peter M. Rogoff

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This realignment, which could require us to defer projects and slow others, will be necessary if we are unable to substantially close an affordability gap of \$11.5 billion through 2041 resulting from the revenue loss and significant project cost increases.

We are very appreciative of our strong federal partnership over multiple administrations. Currently, we have two Full Funding Grant Agreements (FFGA) with the Department through the Capital Investment Grant program for the Lynnwood Link and the Federal Way Link extensions. Prior to the pandemic, the strong commitment of local tax dollars allowed Sound Transit to seek a low federal match for Lynnwood Link of just 36 percent and an even lower 25 percent federal match for Federal Way Link. Both projects are scheduled to open for service in 2024. Additionally, we are currently the largest borrower with the Build America Bureau as a result of our Master Credit Agreement and loans from the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, and we are working with the Bureau on potentially refinancing our TIFIA portfolio to free up additional financial capacity.

As you work with President Biden and your colleagues, we urge you to include in the Administration's infrastructure request to Congress a provision to increase the federal share of existing FFGAs. This provision would significantly improve our ability to keep our program on track and mitigate the impacts of COVID-19. A similar approach was included in last year's Moving Forward Act passed by the House of Representatives. That provision would have allowed Sound Transit and other agencies in the Capital Investment Grant pipeline to increase the federal share of our two current FFGAs by 30 percent of the total project costs. Increasing the federal share of these two FFGAs could provide Sound Transit with as much as \$1.9 billion in additional federal support. These provisions would give us the opportunity to continue making progress on the largest transit expansion program in the country and fulfill our commitment to our region's voters while putting thousands of Washingtonians to work during this economic downturn.

Finally, we would like to take this opportunity to formally invite you to the opening of our Northgate Link extension this fall which is benefitting from one of our TIFIA loans. The Northgate extension will add 4.3 miles and three stations to our existing light rail system north from the University of Washington.

We look forward to working with you to strengthen our partnership during these challenging times to deliver high-capacity transit to the Puget Sound. Please do not hesitate to contact any of us or Sound Transit Chief Executive Officer Peter Rogoff if you have any questions.

Sincerely,

Members of the Sound Transit Board of Directors

cc: Peter M. Rogoff, Chief Executive Officer Ann Snell McNeil, Director Government & Community Relations Puget Sound Congressional Delegation Kent Keel

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