SOUNDTRANSIT

August 12, 2005

Mr. Sean Libberton
Chief, Planning Analysis Division
Federal Transit Administration, FTA/TPE-22
400 Seventh Street SW, Room 9417
Washington DC 20590

Submittal of News Starts Material for University Link

Dear Mr. Libberton,

We are pleased to submit the remaining New Starts information for the University Link light rail segment of the North Link project. University Link is a 3.1 mile light rail alignment that extends from the existing Downtown Seattle Transit Tunnel to Husky Stadium at the University of Washington. Several key qualities make the University Link project an outstanding New Starts project. These include a strong dedicated local tax source, a cost estimate based on a comprehensive risk assessment and 30 percent design, robust system ridership levels of 114,000 boardings per day, a medium cost-effectiveness rating and positive landuse changes that will provide access to jobs and high density neighborhoods. The University Link extension will build upon the "highly recommended" Initial Segment, all 14 miles of which are currently under construction.

In the initial package of New Starts material we submitted on June 28th, we assumed the University alignment both with and without a First Hill Station. However, on July 28th the Sound Transit Board modified the North Link preferred route and stations (R2005-20) and identified University Link (without the First Hill Station) as the preferred segment of North Link for purposes of the final supplemental EIS and for obtaining a New Starts rating from the Federal Transit Administration (FTA).

This second submittal follows the Section 5309 New Starts Criteria Checklist and includes all the required reporting items. We have included one modification to our June 30th submittal concerning Operation and Maintenance (O&M) costs. Using a new more detailed operating cost model recently completed by our Transportation Services Division, the incremental cost of the Build alternative increased slightly from $8.08 million to $9.49 million. This new information is also being shared with our O&M review consultant.

We appreciate the opportunity to submit this information to you and look forward to working with you and the regional FTA staff to receive a New Starts ranking as part of our request for Preliminary Engineering authority.

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If you have questions or would like clarification of the information we have supplied, please contact Michael Williams, Project Development Manager at (206) 398-5145 or williamsm@soundtransit.org.

Thank you in advance for your time.

Sincerely,

Ahmad Fazel
Director Link Light Rail

Attachments

C: Joni Earl, Chief Executive Officer
Michael Williams, Sound Transit
Don Billen, Sound Transit
Chris Fassero, Sound Transit
Ann McNeil, Sound Transit
John Witmer, FTA
Ken Feldman, FTA
LDCC

Project Planning Dates	**Base Year**	**Opening Year**	**Forecast Year**
	1999	2016	2030
Capital Cost Estimate	2005 Constant dollars	$1.3 billion	
	Year of Expenditure	$1.5 billion	
Levels of Service	Headways		
	Weekday Peak	Every 5 minutes	
	Weekday Off-peak	Every 7.5 minutes	
	Weekday Evening	Every 15 minutes	
	Weekend	TBD	
	Hours of Service		
	Weekday	5:00 AM to 1:00 AM (20 hours)	
	Weekend	5:00 AM to 1:00 AM (20 hours)	
Travel Demand Estimates	**Project Boardings**	**Opening Year**	**Forecast Year**
	Average Weekday	N/A	40,200
	Work Trips		Not available
	Peak Hour		6,300
	Annual		12.2 million
	Guideway Boardings[1]	**Opening Year**	**Forecast Year**
	Average Weekday	N/A	114,000
	Work Trips		Not available
	Peak Hour		14,100
	Annual		34.7 million
	Transit System Linked Trips[2]	**Opening Year**	**Forecast Year**
	Average Weekday	N/A	546,300
	Annual		166.1 million
	Annual New Riders		5.3 million
Linked Trips if Proposed System Operated with Current Land Use Patterns and Population/Employment[3]		**Build Alternative**	
		342,800	
Fare Policy Assumptions Used in Travel Forecasts[4]		Please see Attachment 1	
Regional HBW User Benefits Attributable to the Lowest Income Strata [5]		Not available	

[1] Forecast boardings on the rail or other guideway system, if the New Starts project is an extension to such a system.

[2] Linked Trips refer to trips that begin at the trip origin and end at the FINAL destination. One linked trip could be composed of several unlinked trips. For example, driving to a park and ride, riding a commuter train, and taking a bus to the final destination is all one linked trip which is made up of three unlinked trips and two transit system boardings.

[3] Projet sponsor shall generate this estimate by running their regional travel demand model using the proposed project transit network, the existing highway network, and existing population and emplyment estimates. If the proposed project is within 5 years of the planned opening year, opening year estimates can substitute for this measure.

[4] Please summarize fare policy assumptions used for all regional transit services modeled in the forecast year. Attach this summary to Template 1.

[5] For informational purposes, please report the percentage and total number of regional home-based-work user benefits attributable to the lowest socio-economic strata (as defined by income or auto availability) used in local travel forecasts, for the forecast year.

Project Planning and Development Schedule	*Project Schedule*	
	Insert anticipated or actual dates/durations	
	Planning Studies Initiated	**1989** with other supportive planning efforts continuous since the late 1960's
	Planning Studies Completed	**1995**: Adopted regional plan (MTP), VISION 2020, included region-wide network of high-capacity transit linking major urban centers. **1997**: Major Investment Study completed. **2001**: Adopted regional plan (new MTP, updating VISION 2020), Destination 2030, continued plan laid out in VISION 2020.
	LPA selected	July 2005
	LPA included in the financially constrained long range plan	Included in adopted 2001 Metropolitan Transportation Plan (MTP), Destination 2030.
	Included in Financially Constrained TIP	June 1998
	Initiation of DSEIS	October 2001
	Completion of DSEIS	November 2003
	Initiation of FSEIS	January 2004
	Initiation of DSEIS Addendum	December 2003
	Completion of DSEIS Addendum	February 2004
	Completion of FSEIS	Winter 2005
	Public Referenda (where applicable)	November 5, 1996: Public vote in three-county Sound Transit District approved 0.4% sales and use tax and 0.3% motor vehicle excise tax, to continue in perpetuity for sole use by Sound Transit.
	Preliminary Engineering (duration – dates of beginning and ending)	July 2004 to Dec 2005
	Final Design (duration)	24 months
	FFGA- submit request to award (duration)	12 months
	Construction (duration)	84 months
	Testing (duration)	15 months
	Revenue Operations	2016

SOUNDTRANSIT

2005 Financial Plan

North Link Summary 1997-2020

Millions YOE$

Financial Summary:

	Airport to Husky Stadium by 2016		
Sources of Funds	North King	South King	Central Link
Sound Transit Resources	3,743	1,332	**5,075**
Federal Resources	1,190	254	**1,444**
Special Grant/Planned Taxes	300	-	**300**
City & County Resources[1]	28	-	**28**
Total	**5,261**	**1,586**	**6,847**

Uses of Funds			
Initial Segment (IS) Capital	1,477	593	**2,070**
CPS to 45th Capital	101	-	**101**
University Link Capital	1,500	-	**1,500**
Northgate Capital	9	-	**9**
154th to Airport Capital	-	244	**244**
Central Link STart	8	3	**11**
DSTT (Bus Tunnel)	46	12	**58**
Project Reserve	91	38	**128**
CDF	28	-	**28**
Operating and Maintenance	450	178	**627**
Debt Service	999	354	**1,354**
Reserves	554	164	**718**
Total	**5,261**	**1,586**	**6,847**
	-	-	

[1]For Community Development Fund (CDF); includes $5m in administrative cost reimbursements.

Phase 2 Capacity (by 2020)	497	244	**740**

Notes:

Local resources are primarily tax revenues and bond issues (subject to minimum net debt service coverage ratio of 1.3).

Revenue operations are to commence mid-2009 for the IS; Jan. 2010 for 154th to Airport; July 2016 for CPS to Husky Stadium.

Inter-subarea borrowing is assumed to end in 2009.

Federal Grant Assumptions: First FFGA of $500m; Second FFGA of $700 million received by 2016; one year of overlap.

Special Grant/Planned Local Taxes: $300 million.

Sales of surplus properties: $39 million.

SOUND TRANSIT
Central Link Federal Grant Assumptions
Scenario:
2005 North Link New Starts Report
YOE$ 000s

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	total thru 2016
FFGA1	16,910	24,528	680	-	49,532	73,810	80,000	80,000	80,000	70,000	24,540	-	-	-	-	-	-		**500,000**
FFGA2	-	-	-	-	-	-	-	-	-	-	70,000	80,000	90,000	100,000	100,000	100,000	90,000	70,000	**700,000**
Total	16,910	24,528	680	-	49,532	73,810	80,000	80,000	80,000	70,000	94,540	80,000	90,000	100,000	100,000	100,000	90,000	70,000	1,200,000

QUALITY CONTROL CHECKS: PROJECT BOARDING MEASURES

Attached are two quality control worksheets with two different methods for computing University Link project boardings. The first worksheet reports project boardings as University Link station boardings only. The second worksheet reports project boardings as the system-wide increase in light rail boardings due to University Link. Both worksheets are provided because with a system extension such as University Link the best measure of project boardings may depend upon the quality control measure being calculated.

There are 40,200 boardings at University Link stations – calculated as the sum of 24,900 University of Washington and 15,300 Capitol Hill station boardings. The system-wide increase in light rail boardings due to University Link is 70,100 – calculated as the difference between 114,000 daily build boardings and 43,900 daily baseline boardings.

Sound Transit staff recommend use of the 40,200 University Link station boardings for the purpose of analyzing boardings per station area employee and resident. Station area employment and population is calculated only for University Link extension stations, so represents activity at only one-end of most light rail trips. Project boardings should, therefore, also be calculated at only one-end of light rail trips by summing University Link station boardings.

Sound Transit staff recommend use of the 70,100 system-wide increase in light rail boardings for the purpose of analyzing percent new trips and user benefits per project boardings. New trips and user benefits are generated on a round-trip basis. Project boardings should, therefore, also be calculated on a round-trip basis by computing the system-wide increase in light rail ridership due to University Link.

Baseline and Build Light Rail Station Boardings

Daily LRT Station Boardings	Baseline*	Via Capitol Hill Direct
University of Washington	--	24,900
Capitol Hill	--	15,300
First Hill	--	N/A
Westlake	8,100	14,200
University Street	5,700	9,400
Pioneer Square	2,400	4,900
International District	5,000	15,500
Stadium	100	200
SODO	1,300	3,600
Beacon Hill	3,300	4,500
Mt. Baker	3,300	3,600
Columbia City	4,100	4,700
Othello Street	2,400	2,800
Rainier Beach	3,300	3,900
Tukwila International Boulevard	2,800	4,000
Airport	2,100	2,500
Total Station Boardings	**43,900**	**114,000**

*Baseline operates with a turnback at Henderson for the purposes of New Starts comparison of Baseline and Build. Westlake-Airport forecast without a turnback is 48,000 daily boardings in 2030.

LINK LIGHT RAIL PROGRAM SUMMARY

In 1996, Puget Sound voters approved *Sound Move*, which is a plan for regional high-capacity transit. It includes the 24-mile Central Link light rail system connecting the cities of Seattle, Tukwila, and SeaTac. This transportation investment will be a stepping stone for expansion of the regional transit network. The long-range regional transit vision includes light rail lines linking Everett, Seattle, Tacoma, and Bellevue – the four Puget Sound regional centers.

University Link

On July 28, 2005, the Sound Transit Board identified University Link as the preferred segment of North Link for the purpose of obtaining a New Starts rating and the eventual request for FTA funding. University Link starts in downtown Seattle at the eastern end of the Pine Street tunnel and travels east in a tunnel to the Capitol Hill Station located south of John Street and east of Broadway Avenue. From there it continues in a tunnel crossing under the Lake Washington Ship Canal to a cut and cover station just west of Husky Stadium on the University of Washington campus. The 3.1-mile, twin-bore tunnel includes a vent shaft south of the Montlake cut in the Montlake neighborhood and a crossover track as part of the University of Washington Station cut-and-cover tunnel station.

North Link

The North Link project continues north in a tunnel from University of Washington Station to a cut-and-cover station on Brooklyn Avenue south of 45th Street. From there, it continues in a tunnel to a cut-and-cover station in the Roosevelt neighborhood. The tunnel then extends north under the Lake City interstate ramps to a portal at Northeast 76th Street, where it travels along Interstate 5, at roughly the same level as the freeway, to an elevated station near the Northgate Transit Center.

In September 2001, the Board approved the North Link Supplemental Environmental Impact Statement and design effort to reconsider routes between downtown Seattle and Northgate. In 2004, the Sound Transit Board identified a new preferred alternative for the North Link project, and in 2005, it selected a tunnel station and alignment in the Roosevelt neighborhood. In July 2005, the Board modified the preferred alignment to delete the First Hill Station because of risks identified with the construction of that station. The Supplemental FEIS is scheduled to be completed in late 2005, and the Board will have the opportunity to select a final North Link project at that time.

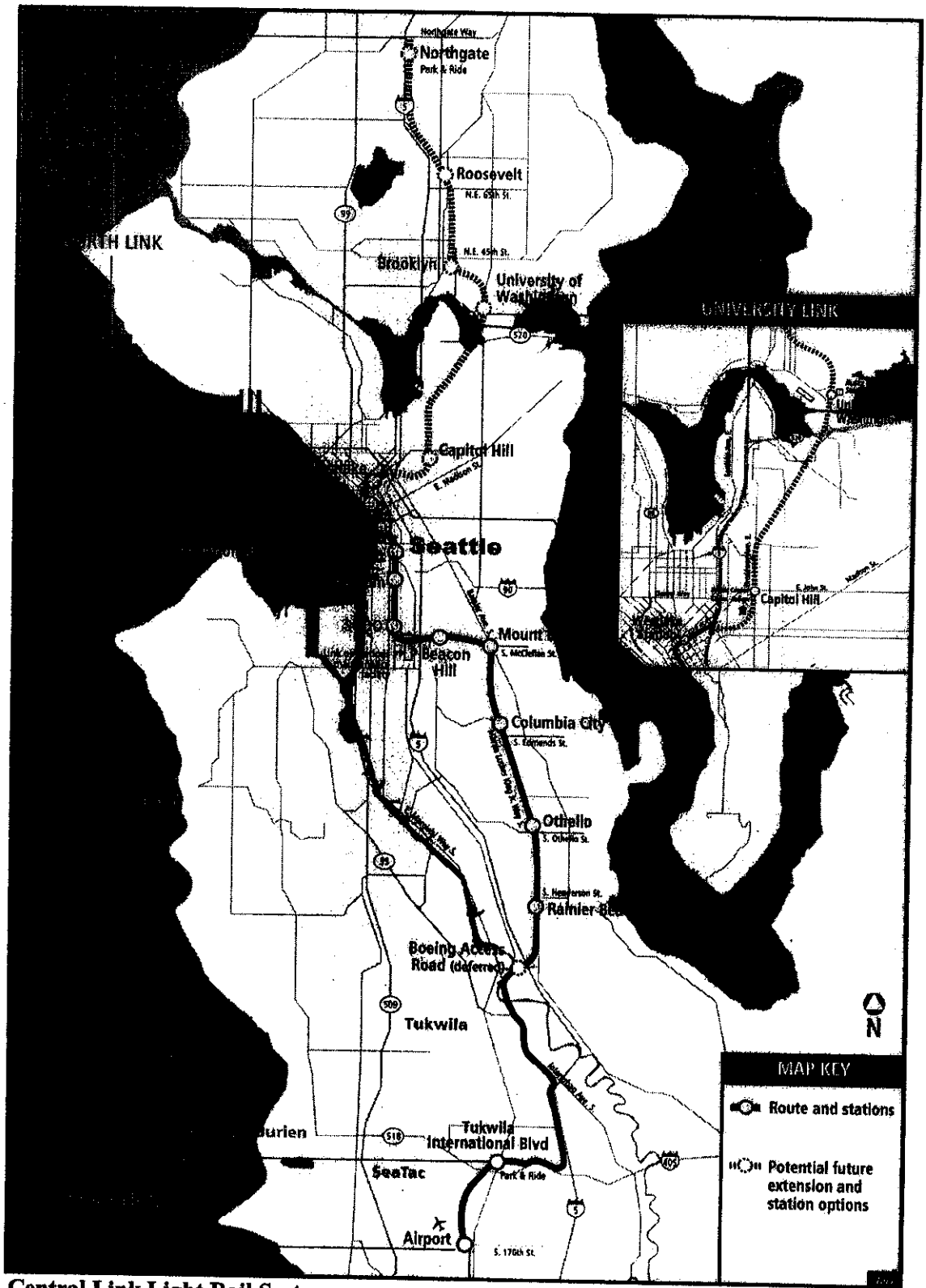
Initial Segment

In October 2003, the Federal Transit Administration awarded Sound Transit a $500 million FFGA to construct the Link light rail Initial Segment from downtown Seattle to the Tukwila International Boulevard Station in the City of Tukwila, with bus shuttle service to Sea-Tac International Airport. The 14-mile Initial Segment will extend from the Tukwila International Boulevard Station through Tukwila and the Rainier Valley in southeast Seattle on elevated and street-level tracks. It will pass through Beacon Hill in a tunnel and emerge in the industrial area south of downtown Seattle. It will then continue north alongside the existing E-3 Busway and into the Downtown Seattle Transit Tunnel (DSTT) to Westlake Station. Buses and rail will operate jointly in the DSTT. The Initial Segment has 12 stations, including four existing stations in the DSTT. The Initial Segment is scheduled to start revenue service in the summer of 2009.

Airport Link

The adopted Airport Link project will connect the Tukwila International Boulevard Station in Tukwila on elevated and at-grade tracks into the City of SeaTac to a light rail station at the main terminal of Sea-Tac International Airport. Airport Link is scheduled to be constructed and operated

as part of the Central Link Light Rail Project by the end of 2009. It will eliminate the need to operate a shuttle bus service form the Tukwila International Boulevard Station to Sea-Tac Airport.



Central Link Light Rail System

1.3 Sound Transit District

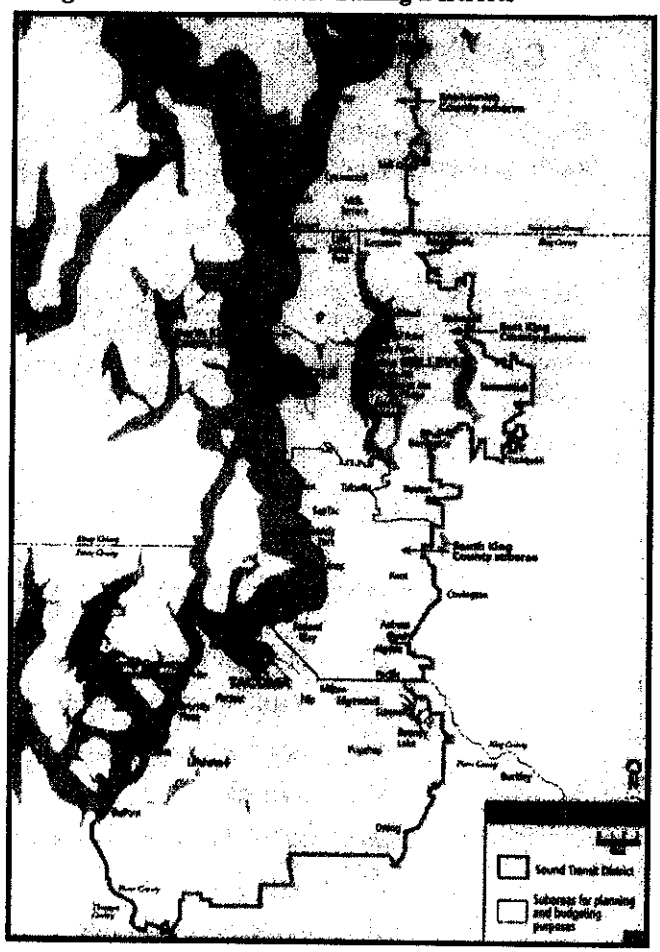
The Sound Transit District, shown in Figure 2 below, includes the most congested urban areas of King, Pierce, and Snohomish counties. The Sound Transit District boundary lines generally follow the urban growth boundaries created by each county in accordance with the state Growth Management Act.

The Sound Transit District:

- Shows the area where high-capacity transit services will be added to the transportation system.
- Establishes representation on the Sound Transit Board as prescribed by state law.
- Shows the area in which local taxes authorized by voters to help finance *Sound Move* are collected.
- Demonstrates how regional services and facilities can support growth management goals and adopted land use plans.

Effective January 1, 1999, the Sound Transit Board approved the withdrawal of approximately half of the City of Covington from the Sound Transit District. Effective January 1, 2002, the Issaquah Highlands area of the City of Issaquah was annexed into the Sound Transit District. On June 13, 2002, the Sound Transit Board authorized changes to the existing Agency's narrative boundary description. The changes include the annexed Issaquah Highlands area and replace references to precinct boundaries and city limit lines with geographical landmarks or references based on the public land survey system.

Figure 2 – Sound Transit Taxing Districts



The Sound Transit District is divided into five geographic subareas for planning and budgeting purposes. The system components in *Sound Move* address unique needs in each of these subareas. Local tax revenues and related debt for projects and services are utilized to benefit the subareas generally in proportion to the level of revenues each subarea generates.

1.4 Relationship of Sound Transit and Project to Local Transit Systems

Sound Transit is an independent transit authority. Four other transit agencies operate public transit services within the Sound Transit district: King County Metro, Pierce Transit, Community Transit, and Everett Transit. Sound Transit's Regional Bus Express services are operated by King County Metro, Pierce Transit and Community Transit under joint operating agreements. In addition, Sound Transit has contracted with King County Metro to operate the Initial Segment of the Link light rail system. The Sounder Commuter Rail service is operated by Burlington Northern Santa Fe (BNSF).

1.5 Summary of Financial Plan

Sound Transit maintains a long-term financial plan, consistent with FTA "Guidance for Transit Financial Plans." It states and projects all Agency sources and uses of funds for the period 1997-2030. The Agency updates its financial plan on an annual basis to include the most current cost and revenue information. The Agency's 2005 Financial Plan presents the Agency's operating statements, sources and uses statements, debt amortization, and asset replacement schedules for the period 1997-2030. The 2005 Financial Plan incorporates the Board-adopted 2005 operating budget and long-term capital plan and the Agency's long-term operating plans for ST Express bus, Sounder commuter rail, and Link light rail.

The Financial Plan developed for the 2005 New Starts Report for the University Link project ("the Plan") augments the Agency's 2005 Baseline Financial Plan to include funding for the University Link project. This augmented plan is named the "2005 University Link Financial Plan." The Plan includes all the costs and revenues included in the Agency's 2005 Baseline Financial Plan as well as the costs and funding associated with the University Link project. All financial information included in this report and its appendices is derived from the University Link Financial Plan.

2. CAPITAL PLAN

This section outlines the project capital cost and schedule, funding sources and forecasts, an estimate of bonding, debt levels and ratings, contingencies, and mitigations in case of federal funding shortfalls.

2.1 University Link Proposed Capital Costs and Schedule

The University Link capital costs have been developed based on the Standard Cost Category (SCC) worksheets included in the reporting requirement instructions for the Section 5309 New Starts Criteria. The total capital cost for the University Link project is $1.5 billion in year-of-expenditure dollars (YOE$). The breakdown by SCC is as follows:

Table 1
University Link Capital Costs

	Categories	YOE$ (Millions)
10	Guideway and Track Elements	$ 442
20	Stations, Stops, Terminals, Intermodal	361
30	Yard, Shops, Administration/Support Facilities	8
40	Site work and Special Conditions	59
50	Systems	64
60	ROW, Land, Existing Improvements	106
70	Vehicles	138
80	Professional Services	288
90	Unallocated Contingency	34
	Total	**$ 1,500**

The University Link capital cost estimates are based on preliminary engineering design that has been advanced to approximately 30% design completion. The cost estimates have been developed based on input from an extensive risk assessment.

The capital costs include guideway and track elements, stations, an expansion to the Initial Segment O&M Facility, systems elements, right-of-way costs (both full and partial property acquisitions), relocation costs where appropriate, vehicle costs, and design services.

Guideway and Track: University Link consists of twin-bore tunnels that will extend from the east end of the Pine Street tunnel that is being constructed as part of the Initial Segment. The new tunnel section would likely be bored from the Capitol Hill Station south to downtown. A second set of tunnels would be bored from the University of Washington Station at Husky Stadium to the Capitol Hill Station. A ventilation shaft would be constructed in the Montlake neighborhood.

Stations: University Link consists of two cut-and-cover stations. The Capitol Hill Station will be located east of Broadway on Nagle Place and includes two entrances. The University of Washington Station will be located on University property just west of Husky Stadium and includes a crossover track south of the station. The station would have two entrances.

Yard (O&M) Facility: The Initial Segment O&M facility will accommodate University Link vehicle maintenance needs, but additional storage track will need to be constructed in the yard to accommodate the 30 additional vehicles.

Systems: The system elements for University Link (traction power, communications, signals, and radios) will be fully integrated with the Initial Segment systems.

Rights-of-Way: Real estate acquisition cost estimates are based on a review of previously developed historical cost estimates, property inspections (exteriors only), market analyses, and review of available preliminary design and alignments for all affected parcels. Whole property market value estimates, including acquisition cost, damages, relocation costs, administrative/other costs, and contingency were developed for each affected property, including those required for staging areas.

Vehicles: The number of vehicles and cost for extending the light rail system beyond the Initial Segment and the Airport extension are included in the capital plan. Table 2 summarizes the fleet requirements for the Initial Segment, Airport Link, and University Link.

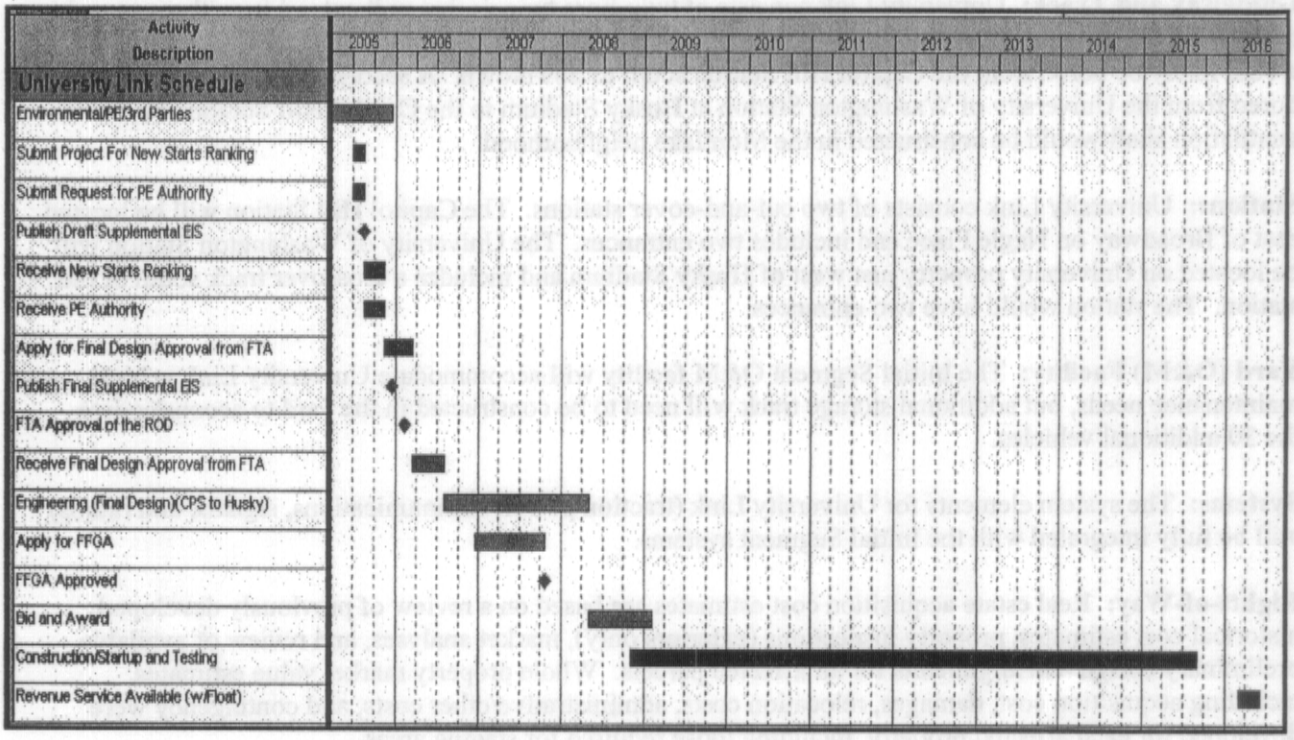
Table 2
Sound Transit Central Link Vehicle Requirements

Segment	Required Vehicles
Initial Segment	31
Airport Link	4
Subtotal	35
University Link	30
Total Central Link Fleet	**65**

2.2 University Link Schedule

The schedule for the University Link project is shown Figure 3. It assumes receipt of PE authority in the fourth quarter of 2005, receipt of final design authority in the first quarter of 2006, the award of an FFGA in the fourth quarter of 2007, completion of the system in the third quarter of 2015, and revenue operation in early 2016.

Figure 3 – University Link Schedule



2.3 University Link Funding Sources

Consistent with Sound Transit financial policies, the capital costs for expanding the Initial Segment of the Central Link light rail system are funded by the Agency's North King County subarea. The project's estimated capital cost of $1.5 billion will be funded by four sources: Approved Local Taxes, Approved Bonding, Federal New Starts Grants, and Additional Local Resources. The following table shows the anticipated amounts by funding source.

Table 3
University Link Funding Sources (YOE$ in Millions)

Source	Amount	% of Capital Cost
Approved Local Taxes	$160	10.6%
Approved Bonding	$340	22.7%
Federal News Starts Grants	$700	46.7%
Additional Local Resources	$300	20.0%
Total	**1,500**	**100%**

2.3.1 Approved Local Taxes

The 2005 University Link Financial Plan assumes $160 million from collection of already approved voter taxes by the end of University Link construction in 2016.[1] The following section describes the statutory authority to collect the taxes and the forecast of collections through 2030, the end of the financial planning horizon.

Authority to Levy Taxes
The State enabling legislation defines the taxes that may be levied by a regional transit authority. These include: (1) a retail sales and use tax of up to 0.9%, (2) a motor vehicle excise tax of up to 0.8%, (3) an employer tax of up to $2.50 per employee per month, and (4) a sales and use tax of up to 0.8% on taxable retail car rentals. The first three taxes may be levied based on a simple majority vote within a regional transit district. The car rental tax can be implemented by Board action, if voters have approved the levy of a motor vehicle excise tax. A regional transit authority can pledge the revenues from any of these taxes to the repayment of bonds issued for high-capacity transit purposes. Once approved by voters, the taxes may be implemented by a vote of the Board, and may continue in perpetuity at the Board's discretion.

A sales and use tax of 0.4% and a MVET of 0.3% were approved for Sound Transit's use in a November 1996 referendum. Subsequent to the referendum, the Board also authorized a rental car tax of 0.8%. Approval of these taxes was in connection with the *Sound Move Ten-Year Regional Transit Plan*, adopted by the Sound Transit Board in May 1996. This document represents the system plan and financing plan that, per State law, had to be approved by the Board in advance of the referendum. This plan is often referred to as the "Phase I Plan." The taxes have no sunset provision, but may change at the completion of the current system plan. A second phase of the system plan would require voter approval. If there is no second phase, the Board will roll back the tax rates to a level sufficient to pay off the outstanding bonds, and to operate and maintain the facilities and services implemented as part of the current system plan.

Sound Transit has three dedicated local tax sources: a 0.4% Retail Sales and Use Tax, a 0.3% Motor Vehicle Excise Tax (MVET), and a 0.8% Rental Car Tax. Voters authorized them in November 1996 with an effective date of April 1, 1997. Both the retail sales and use and motor vehicle excise taxes have

[1] This is estimated by the change in unrestricted cash balance between the University Link financial plan and the Airport Link financial plan.

a long history within the state and are used for other governmental purposes; they account for approximately 99% of Sound Transit's tax revenues. The state of Washington collects these taxes and transfers the revenues to Sound Transit monthly. The existing administrative mechanism for collection and distribution minimizes collection risks.

Local Tax Forecast

To forecast revenues, Sound Transit starts with a three-county (King, Pierce, and Snohomish) regional forecast produced by Conway and Associates for Sound Transit (see Appendix B). This long-term forecast uses as a base a national economic forecast from Blue Chip Economic Forecasters. The national economic forecast is input into Conway and Associates' regional economic model, which combined with a separate model of the aerospace sector, accounts for local labor markets and industries. The model generates 25-year estimates of taxable retail sales and motor vehicle values for the three-county region and indicates, via the growth rates associated with the forecast tax bases, the business cycles expected within the next 25 years. The variables used to predict taxable retail sales include *personal income*, the *unemployment rate* and *housing permits*. *Per capita personal income*, the *driving-age population*, and *the average value of motor vehicles* are the principal determinants of the motor vehicle tax base. Rental car tax revenue forecasts are produced internally by staff using an autoregressive integrated moving average (ARIMA) technique with seasonal adjustments. An adjustment is made to the Retail Sales and Use Tax base from Conway's model to account for use taxes not captured by the Conway and Associates model.

I-776 and MVET Revenues

In November 2002, Washington State voters approved Initiative No. 776 (I-776). Among other things, I-776 purported to repeal Sound Transit's authority to impose its Motor Vehicle Excise Tax (MVET). On December 22, 2004, the King County Superior Court addressed the collection of the MVET revenues pledged by Sound Transit to the 1999 bonds and entered a judgment in favor of Sound Transit, dismissing claims challenging Sound Transit's continued collection of the MVET pledged to the 1999 bonds, which were issued by Sound Transit before I-776 was enacted. That decision has been appealed. If the Washington Supreme Court affirms the trial court, Sound Transit expects to continue imposing and collecting the MVET at the current rate of 0.3% so long as the 1999 bonds are outstanding. This financial plan assumes that MVET revenues will no longer be collected after 2028.

A summary of the regional tax base forecast is provided in Appendix B. The following sections describe the forecast for Sales and Use Tax and Motor Vehicle Excise Tax.

Sales and Use Revenue Projections

From 1997-2030, the retail sales and use tax is expected to generate $3.7 billion for the North King subarea and $14 billion for all of Sound Transit.

Historically, the Retail Sales and Use tax base growth rates have varied considerably by Sound Transit subarea. The North King subarea contains the cities of Seattle, Shoreline, and Lake Forest Park. North King is geographically constrained and is intensely built-out, having a 2004 population of 638,000. Between 1997 and 2004 its Retail Sales and Use Tax revenues grew 2.1% annually. This is lower than the historic average of 5.5% annual growth because of the 2001 recession. The revenue forecast anticipates that revenue growth rates will match the historic average.

Table 4 contains the annual growth rate assumptions, extending beyond the initial phase to demonstrate the stability of these revenues for debt service.