

**CITY COUNCIL AGENDA TOPIC****Sound Transit Enterprise Initiative**

Lacey Jane Wolfe, Intergovernmental Policy Advisor  
*City Manager's Office*

Andrew Singelakis, Transportation Director  
*Transportation Department*

Emil King, Community Development Director  
*Community Development Department*

**EXECUTIVE SUMMARY****DIRECTION**

The City Council will receive a briefing on the Enterprise Initiative, Sound Transit's response to an estimated \$35 billion revenue gap. Since City Council was last briefed on the Enterprise Initiative, Sound Transit Board Chair and Snohomish County Executive Dave Sommers made a proposal that would meet the agency's requirements for long-term affordability.

**RECOMMENDATION**

Consider directing staff to prepare a letter to Sound Transit Board members based on Bellevue Guiding Principles for the Enterprise Initiative (Attachment A).

**BACKGROUND/ANALYSIS****Enterprise Initiative**

Sound Transit is facing an estimated \$35 billion funding gap driven by lower-than-expected revenues, rising construction costs, and continued uncertainty related to tariffs and federal funding commitments. In response, the Enterprise Initiative is a process to update the Sound Transit 3 (ST3) plan and the agency's long-range financial plan. By May 28, Sound Transit anticipates making decisions on potential cost-containment strategies, including project delays, scope reductions, and other adjustments. Sound Transit's Stride bus rapid transit (BRT) program is not impacted by the Enterprise Initiative because it was baselined prior to 2025.

**South Kirkland to Issaquah Link Project (4 Line)**

The South Kirkland to Issaquah Link project—also known as the future 4 Line—is vulnerable to delays and scope reductions under the Enterprise Initiative. As described in the ST3 plan, the project would construct light rail service from the South Kirkland Park-and-Ride to Central Issaquah (see Figure 1). Within Bellevue, the project includes two funded stations: one near I-90 at Richards Road and another at the Eastgate Park-and-Ride. The ST3 Plan also identifies a provisional station at I-90 and Lakemont Boulevard. Provisional stations are not funded in the ST3 Plan; funding must be secured in a future revenue package.

Under the planned operations, 4 Line trains traveling from Issaquah would serve East Main Station before interlining—or sharing track—with the 2 Line until Wilburton Station. At Wilburton, the 4 Line guideway would diverge to serve the South Kirkland Park-and-Ride.

### Bellevue Input on the Enterprise Initiative

On March 17, 2026, Bellevue City Council directed staff to prepare a letter to Sound Transit Board members based on Bellevue’s Guiding Principles for the Enterprise Initiative (Attachment A). The Guiding Principles were compiled from existing council-adopted plans and policies, as well as the letters that council sent to the Sound Transit Board during development of the ST3 plan.

On March 25, Mayor Mo Malakoutian submitted a letter to the Sound Transit Board of Directors (Attachment B) on behalf of Bellevue City Council making the following points:

- Maintaining subarea equity is Bellevue’s highest and overarching priority for the Enterprise Initiative.
- High-capacity transit is critical to supporting fast-growing Eastside cities and the Factoria and Eastgate neighborhoods. Project delay should be minimized and deferment avoided.
- Sound Transit bus service and other transit access are necessary to connect people to the high-capacity transit system.

### May 7 Sound Transit Proposal

At the May 7 Sound Transit Executive Committee meeting, Sound Transit staff presented a proposal from Board Chair and Snohomish County Executive Dave Somers that would meet the agency’s requirements for long-term affordability. Under the Chair’s proposal, the 4 Line project delivery would be extended from 2044 to 2050 and the project cost would be capped at \$8.4 billion. In other words, cost savings must be found to reduce the estimated project cost from \$9.8 billion to a maximum of \$8.4 billion.

Bellevue staff compared the Chair’s proposal to Bellevue’s Guiding Principles for Sound Transit’s Enterprise Initiative (Attachment A).

**Subarea equity:** Sound Transit’s subarea equity policy mandates that local tax revenues are spent in proportion to where they are generated. In other words, each of the five subareas (Pierce, South King,



Figure 1. South Kirkland to Issaquah Link Project Map

North King, East King, Snohomish) should receive transportation benefits roughly equal to the revenue they contribute considering capital projects, service operations, and debt obligations. Maintaining subarea equity is Bellevue's highest and overarching priority for the Enterprise Initiative. The Chair's proposal would make a change related to how debt interest is shared across subareas. Historically, each subarea has paid the debt interest associated with that subarea's projects. Under the proposed change, Sound Transit would regionalize costs associated with debt interest in 2027 using the systemwide allocation, which is based on the share of local tax revenues generated by each of the Sound Transit district's five subareas. Since the East King subarea generates the second-highest revenue out of the five subareas, East King would contribute the second-highest debt interest.

**High-Capacity Transit Connecting Eastside Cities:** the Chair's proposal retains the 4 Line light rail project as part of the ST3 plan.

**4 Line Project Timeline:** the Chair's proposal would delay delivery of the complete 4 Line project to 2050.

**Stations:** the Chair's proposal maintains the Richards Roads and Eastgate stations, as well as the provisional Lakemont station, in the project.

**Access to Transit:** the Chair's proposal retains the new parking garages planned for Kirkland and Issaquah.

**Regional Bus Service:** the Chair's proposal would analyze and assess changes to ST Express for potential cost savings and greater cost certainty.

## POLICY & FISCAL IMPACTS

### Policy Impact

On March 17 Bellevue City Council directed staff to prepare a letter to Sound Transit Board members based on Bellevue's Guiding Principles for the Enterprise Initiative (Attachment A). The Guiding Principles were compiled from existing council-adopted plans and policies, as well as the letters that council sent to the Sound Transit Board during development of the ST3 plan.

### Fiscal Impact

There is no fiscal impact associated with directing staff to prepare a letter to Sound Transit Board members.

## OPTIONS

1. Direct staff to prepare a letter to Sound Transit Board members based on Bellevue's Guiding Principles for the Enterprise Initiative.
2. Provide alternative direction to staff.

## ATTACHMENTS

- A. Bellevue's Guiding Principles for the Enterprise Initiative
- B. March 25, 2026 Bellevue Comment Letter to Sound Transit Board
- C. May 2, 2016 Bellevue Comment Letter to Sound Transit Board
- D. April 28, 2016 I-405 Cities Coalition ST3 Letter

- E. January 21, 2016 Joint Eastside Cities ST3 Letter
- F. January 21, 2016 Bellevue Comment Letter to Sound Transit Board
- G. July 14, 2015 Bellevue Comment Letter to Sound Transit Board

**AVAILABLE IN COUNCIL LIBRARY**

N/A