

FILED
SUPREME COURT
STATE OF WASHINGTON
5/10/2019 1:23 PM
BY SUSAN L. CARLSON
CLERK

No. _____

IN THE SUPREME COURT
OF THE STATE OF WASHINGTON

TAYLOR BLACK, ANNE BLACK,
JERRY KING, RENE KING, ROGER
STRUTHERS, MARY LOUISE
STRUTHERS, and SID MAIETTO,
Individually and on Behalf of a Class
of Persons Similarly Situated,

Appellants,

v.

CENTRAL PUGET SOUND
REGIONAL TRANSIT
AUTHORITY; and

STATE OF WASHINGTON,

Respondents.

Court of Appeals Division II
No. 52664-6

DECLARATION OF LISA
WOLTERINK IN SUPPORT
OF SOUND TRANSIT'S
MOTION TO TRANSFER

I, Lisa Wolterink, declare and affirm:

1. I am over the age of 18, I have personal knowledge of the statements herein, and I am competent to testify about them.
2. I am the Director of Fares and Grants at Sound Transit. My duties include applying for grants and low-interest loans from the Federal Transit Authority (FTA) and the U.S. Department of Transportation (USDOT) to provide a significant part of the funding required to build the regional transportation projects approved by voters in the Sound Transit 2 and Sound Transit 3 transit plans.
3. Sound Transit is currently applying to the FTA for a \$790 million capital investment grant to fund 25% of the \$3.16 billion cost to build a light-rail line with three stations serving Federal Way, South 272nd Street, and Kent/Des Moines. Because the grant program does not have sufficient funds to award grants to all projects seeking a grant, the FTA awards grants through a competitive process based on a number of factors, including the agency's ability to demonstrate that it has secured sufficient local funding to complete the proposed project. Because of the comprehensive environmental, engineering, transportation, and financial information required to submit and evaluate the grant application, the process is lengthy. Sound Transit began the grant application process in 2016, and continues to provide information deemed necessary by FTA to award the grant.
4. Sound Transit is also applying for a \$629 million low-interest loan from the USDOT to provide financing to construct the Federal Way Link Extension

light-rail project. This loan is the last of a series of loans executed pursuant to a master agreement with USDOT. The master agreement provides Sound Transit with predictability and efficiency in its planning process with a solidified source of funding and pre-negotiated terms for a speedier application process. The master agreement requires that the Federal Way loan be executed no later than December 22, 2019 or the loan will be not be subject to the pre-approved lending conditions and expedited application process of the master agreement. The interest rate is finally set on the date the loan documents are signed. Because a small increase in the interest rate can significantly increase the interest payments, it is important that the USDOT receives the information about Sound Transit's financial condition required to approve the loan at the time interest rates are lowest.

5. Like the FTA with its grant application process, the USDOT conducts an extensive assessment of Sound Transit's financial capacity to repay the loan. Thus, the loan process also requires Sound Transit to provide comprehensive information about the project, including sufficient information about the agency's long-term financial condition to demonstrate sufficient financial resources to build and operate the project and to repay the 30-year loan. If the loan is not approved and signed by December 22, 2019, the Federal Way Link Extension light-rail project would not receive the low interest rate allowed by the master agreement. Sound Transit would either have to reapply for the loan or move forward with construction activities using conventional financing at a higher interest rate and less favorable payment terms. In my experience,

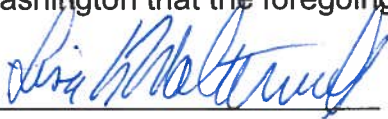
it would take Sound Transit an at least six months to a year to reapply for another low interest loan with USDOT if the loan is not executed by December 22, 2019. During the new application period, Sound Transit would either have to delay the start of construction activities on the project, or any construction activities performed during the pendency of the application would be ineligible for coverage by either the federal grant or the low interest loan, without a prior waiver from FTA and USDOT.

6. The USDOT and FTA consider the grant and loan to be co-dependent because Sound Transit's procurement of the FTA grant is an essential funding source required for USDOT to approve the loan, and the USDOT loan provides requisite financing necessary for FTA approval of the grant. It is, therefore, necessary for Sound Transit execute both the grant and loan no later than December 22, 2019 in order to comply with the master agreement and to move forward with the Federal Way Link Extension project without adverse impacts to the project's funding or schedule.
7. Specifically, both the FTA and U.S. DOT require that we notify them of any pending litigation that may impact the agency's financial condition. We have notified both agencies of this litigation that proposes to halt collection of the Sound Transit 0.8% motor-vehicle excise tax, which will generate \$7 billion in revenue for the agency from 2017 to 2041.
8. Based on my 20 years of experience applying for grants and loans, the FTA and USDOT could delay approving the grant and loan and request additional financial analysis if this litigation about the agency's taxing authority has not

been finally resolved. The delay may jeopardize our ability to secure the \$790 million grant and \$629 million low interest loan this year, potentially delaying the project's schedule and increasing its cost. If USDOT delays approving the \$629 million loan until Sound Transit submits additional information to account for the potential outcomes of this litigation, given the expiration date of the master terms that delay could result in losing the low interest loan completely in order to maintain the project's construction schedule. If Sound Transit maintains the project schedule or USDOT does not permit reapplication, Sound Transit would have to replace the FTA loan with a higher interest rate loan, which could cost taxpayers at least \$429 million in increased borrowing.

9. Sound Transit will be in a significantly better position to complete its applications and obtain the \$790 million grant and \$629 million loan without delay if this litigation is finally resolved this fall so that the FTA and USDOT can know whether Sound Transit can continue to collect and use the motor-vehicle excise tax to repay the loan and build the project.

I affirm and declare under penalty of perjury based on the laws of the State of Washington that the foregoing is true to the best of my personal knowledge.



Lisa Wolterink

Signed at Seattle, Washington on April 30 2019.

PACIFICA LAW GROUP

May 10, 2019 - 1:23 PM

Filing Motion to Transfer from Court of Appeals

Transmittal Information

Filed with Court: Supreme Court
Appellate Court Case Number: Case Initiation
Appellate Court Case Title: Taylor Black et al, Appellants v. Central Puget Sound Regional Transit Authority, Respondent (526646)

The following documents have been uploaded:

- MTA_Motion_20190510131514SC463558_1371.pdf
This File Contains:
Motion 1 - Declaration in Support of Motion
The Original File Name was Declaration of Lisa Wolterink ISO Motion to Transfer.pdf
- MTA_Motion_20190510131514SC463558_6492.pdf
This File Contains:
Motion 2 - Declaration in Support of Motion
The Original File Name was Declaration Tracy Butler ISO Motion to Transfer.pdf
- MTA_Motion_Tran_from_COA_20190510131514SC463558_0066.pdf
This File Contains:
Motion to Transfer from Court of Appeals
The Original File Name was Mot to Transfer to Supreme Ct.pdf

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Comments:

Motion to Transfer Case to the Supreme Court Declaration of Lisa Wolterink In Support of Motion to Transfer
Declaration of Tracy Butler In Support of Motion to Transfer

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