

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY GREEN BONDS

SECOND-PARTY REVIEW BY SUSTAINALYTICS

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www.sustainalytics.com

Vikram Puppala (Toronto)

Manager, Advisory Services

vikram.puppala@sustainalytics.com

(+1) 647 317 3694

Rebecca Dreyfus (Boston)

Responsible Investment Adviser, Institutional

Relations

rebecca.dreyfus@sustainalytics.com

(+1) 917 232 5117

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1. PREFACE

The Central Puget Sound Regional Transit Authority (“Sound Transit”) plans to issue a series of green bonds (“Green Bonds”) and has engaged Sustainalytics to review and provide an opinion on the bonds’ green credentials. As part of this engagement, Sustainalytics reviewed relevant public and internal documents and held conversations with Sound Transit’s treasury and sustainability teams to understand the use of proceeds, management of proceeds and reporting aspects of its Green Bonds, as well as Sound Transit’s sustainability plan for its own operations. This report contains two sections: Framework Overview – summary of Sound Transit’s Green Bonds framework; and Sustainalytics’ Opinion – an opinion on the framework.

2. INTRODUCTION

Created in 1993, Sound Transit is a special-purpose municipal corporation, responsible for the construction and operation of high-capacity public transportation systems within its district, which is comprised of five subareas within the contiguous urbanized areas of Snohomish, King, and Pierce counties in Washington State - home to approximately 2.87 million people or 80% of the three-county population. Sound Transit plans, builds and operates express bus, light-rail and commuter train services, with an annual ridership of 33 million, which has grown by double digits for the last 3 years¹.

Sound Transit adopted its initial “System Plan” in 1996, which incorporated commuter rail, light rail, express bus, community connections (such as transit centers, park-and-ride lots and transit access improvements) and high-occupancy vehicle (“HOV”) facilities and other improvements. The three primary programs are electric light rail (“Link”), commuter rail (“Sounder”), and regional express buses (“ST Express”).

Link Light Rail: Light electric rail lines that connect a number of key economic centers of the Puget Sound region including the international airport, downtown Seattle, the state university and other major job centers and residential areas. Prior to Sound Transit, the region did not have any form of light rail mass transit.

Sounder Commuter Rail: An 83-mile commuter train service that connects the cities of Seattle, Everett, Tacoma and Lakewood. Sounder commuter rail uses diesel-powered locomotives and multi-level passenger coach trains that run mostly on BNSF Railway Company railroad freight tracks.

ST Express Bus Services: ST Express regional bus service includes limited-stop bus routes operating predominantly in peak travel directions, partnerships with WSDOT to develop HOV direct-access projects, and a variety of community connection facilities including transit centers, access improvements, and park-and-ride lots. ST Express also works to integrate its projects with other transit agencies in order to create a convenient and seamless system throughout the entire region.

¹ http://www.soundtransit.org/Documents/pdf/rider_news/ridership/Q1_%202015_Service_Delivery.pdf

The implementation of the initial phase of the System Plan (“Sound Move”), which was approved by voters in 1996, is currently under way and scheduled to be completed in 2016.

In 2008, voters approved “Sound Transit 2” as a second phase of the System Plan which is also currently under way, to finance the expansion of the existing light rail system, commuter rail and express bus service. The capital component of the System Plan is estimated to cost \$17.2 billion (in year-of-expenditure dollars) and is expected to be financed with a combination of sales tax, rental car tax and motor vehicle tax proceeds, federal, state and local grants and loans, bond proceeds, fares and other operating revenues, as well as interest earnings on money from such sources.

3. SOUND TRANSIT GREEN BONDS OVERVIEW

Use of Proceeds

Sound Transit plans to raise approximately \$1 billion (subject to market conditions) by issuing Green Bonds to:

- a) Reimburse Sound Transit for approximately \$600 million of recent capital expenditures under the three business lines; and
- b) Refinance all or a portion of the outstanding 2007A bond (up to \$400 million).

In addition, a nominal amount from the proceeds will be used to pay for cost associated with the issuance of Green Bonds.

A) Reimbursement of approximately \$600 million

Appendix A provides a list of projects and their estimated expenditures that are eligible for reimbursement under the Green Eligibility Criteria. These projects will be the source of the expenditures allocated to the reimbursement portion of the bond. Sound Transit plans to report the final list of projects and actual allocated amounts when the bond proceeds are fully allocated.

B) Refinance the outstanding 2007A bond (up to \$400 million)

All the refinancing portion of the 2007A bonds is related to Link Light Rail. This includes projects related to the Northgate Link Extension, the University Link Extension, the Initial Segment, the Tacoma Link and the Airport Link. All of which fall under the Transit Line New Build/Extension green category defined below.

Appendix B provides a detailed list of projects and estimated amounts allocated to the refinancing portion of the bond.

Green Eligibility Criteria

The projects that fall under the following green categories are eligible for reimbursement from the proceeds of the bond and eligible for green designation.

- **Transit Line New Build/ Expansion / Extension:** Includes the planning, permitting, design and construction of new build, extension or expansion of transit system.
- **Transit Operations, Maintenance and Improvements:** Includes
 - Operations related projects such as fare collection systems, communication systems, signalling, transit centers etc.

- Maintenance related project such as storage, layover, maintenance facilities, maintenance related electronic and electrical systems, refurbishments etc.
- Improvements related projects that, enhance commuter experience (safety and comfort) such as signage, noise reducing walls etc., and/or increase access to transit such pedestrian bridges, car and bike parking, HOV lane and track improvements etc.
- **Transit Planning and Evaluation:** Planning, assessment and analysis relating to transit including environmental assessments, capital investments evaluation, evaluation of transit alternatives etc.

Projects Selection Process

Sound Transit's Treasury and Bond Counsel set guidelines and priorities for the project selection for Green Bonds. The projects were selected based on the following considerations:

- The time period in which the expenditures were made;
- Preliminary expenditures that are eligible for reimbursement. These expenditures include design, engineering and surveying that occur before the commencement of a project.; and
- Expenditures that have not been allocated to grants or other bond issues.

Management of Proceeds

At the time of the financial close of Green Bonds transaction, it is expected that all the Green Bonds proceeds will be used for refunding of certain outstanding bonds (all or a portion of the Series 2007A bonds), to reimburse Sound Transit for approximately \$600 million of eligible capital expenditures and to pay associated cost of issuance. Given that the monies will have already been spent on transit projects, there will not be any bond proceeds to manage over time. In the event that any bond proceeds are not used for reimbursement, they will be spent on Link Light Rail eligible expenditures.

The refunding portion of Green Bonds proceeds will be used to pay the Series 2007A bond holders by calling the bonds at par in 2017. Until then, the refunding portion of Green Bonds proceeds will be held in cash or defeasance obligations. At the time of close of the Green Bonds transaction, the reimbursement portion of Green Bonds proceeds will be used to reimburse Sound Transit primarily for the eligible project expenditures as shown in Appendix A.

Reporting

Sound Transit publishes an annual sustainability progress report highlighting the environmental benefits of transit in its region of operation. This includes how operating the system benefits regional air quality and greenhouse gas ("GHG") emission savings per year. Sound Transit follows a methodology developed by the American Public Transportation Association (APTA) and The Climate Registry to account for savings from transit ridership, measured as carbon dioxide equivalents (CO₂e)². For the purposes of the bonds, Sound transit will report, in its annual sustainability progress report, the GHG emission savings of Link Light Rail.

In addition, Sound Transit plans to report the final list of projects and actual allocated amounts when the bond proceeds are fully allocated.

² <http://www.apta.com/resources/hottopics/sustainability/Documents/Quantifying-Greenhouse-Gas-Emissions-APTA-Recommended-Practices.pdf>

4. SUSTAINALYTICS' OPINION

Impact of mass transit on GHG reduction: Sound Transit offers a low carbon alternative to commuting by road in the system area. Sound transit reports that in 2014 the total CO₂e saved from mode shift, congestion reduction and land use change is 389,107 tons.³ For every ton of GHG emissions produced by the Sound Transit, 2.2 times that amount was saved throughout the region from mode shift and congestion benefits.

Regional GHG emission savings from Sound Transit in 2014 are indicated in the table below⁴.

Regional Tons CO ₂ e Saved			
Mode Shift Benefits	Congestion Benefits	Land Use Change	Total Benefits
96,221	39,178	253,707	389,107
Displacement ratio: CO ₂ e units saved in the region per unit of CO ₂ e from Sound Transit operations			
Mode Shift Benefits	Congestion Benefits	Land Use Change	Total Benefits
1.6	0.6	4.1	6.3

The expansion of the Link Light Rail will further reduce GHG emissions in the system area through mode shift and congestion benefits. Given that the proceeds of Green bonds are allocated primarily to Link Light Rail expansion, investors in Sound Transit Green Bonds can be fairly confident that their investments will result in positive environmental impact.

A sustainability-focused agency: Sustainalytics has reviewed Sound Transit's most recent corporate sustainability report (2014 Annual Sustainability Progress Report) and is of the opinion that Sound Transit is a sustainability-focused organization and is well positioned to issue Green Bonds. As per Sound Transit's Sustainability Plan – 2015 Update, the agency reports that its Sustainability Division coordinates across the agency to set both long-term and short-term sustainability goals, and ensures that these goals are monitored and reported on regularly. The progress on annual sustainability targets are integrated into the agency's internal quarterly financial reporting. Furthermore the agency reports that the division works with agency leaders to prioritize staff efforts and financial investments that integrate sustainability into everyday business. This demonstrates that sustainability is integrated into the agency's leadership decision-making processes.

Sustainability targets: The agency describes a number of sustainability priorities that align well with these Green Bonds, including advancing sustainability in early planning and design, reducing construction pollution, increasing revenue fleet fuel efficiency, and reducing vehicle pollution. The agency reports both long-term (2030) and shorter-term (2017) sustainability goals. Sound Transit has established and maintains an ISO 14001 certified Environmental & Sustainability Management System (ESMS) with environmental objectives and targets that are measurable, meaningful and understandable. The ESMS

³ Sound Transit reports the benefits from mode shift and congestion relief, but not land use change in the 2014 Sustainability Progress Report, as the data for that metric is not as robust as the other two data points.

⁴ http://www.soundtransit.org/Documents/pdf/about/environment/2014_SustainabilityProgressReport_Appendix.pdf

provides the management system for implementing the sustainability goals. The ESMS is managed by an intra-agency Steering Committee. This indicates a longer-term commitment to sustainability, oversight and overall transparency regarding sustainability goals. In January 2015, the agency also reported on the progress of its short-term goals (2012-2014), along with explanations for goals not met. Sound Transit reports that it has achieved more than 70% of its 2011 Sustainability Plan short-term goals and reached more than 80% of its annual targets since 2012.

Reduction of GHG emissions from its operations: Sound Transit reports both long- and short-term GHG reduction targets. The agency reports the sustainability priority of increasing revenue fleet fuel efficiency and reducing vehicle pollution, which includes targets for 2017 to reduce GHG emissions per vehicle revenue mile by 5%. Sound Transit also reports a long-term goal for this priority, which commits the agency to reduce GHG emissions per vehicle revenue mile by 80% by 2030. Furthermore, Sound Transit reports a further long-term commitment to achieve carbon-neutral electricity use by 2030 and carbon-neutral ST Express by 2050.

Conclusion

While cities generate around 80% of global economic output, they also account for around 70% of global energy use and energy-related GHG emissions. Leading cities across the world are demonstrating that more compact and connected urban development, built around mass public transport, can create cities that are economically dynamic and healthier, and have lower emissions.⁵ Reducing vehicle use through investment in light rail and other public transit in urban areas can greatly reduce cities' congestion and overall GHG emissions. Through these Green Bonds, Sound Transit aims to support projects that will provide low-carbon public transit to Central Puget Sound commuters and thereby, reducing the overall GHG emissions within the system area. Hence, investing in these Green Bonds can be seen as investing in mass transit that results in positive environmental impact.

Sound Transit Green Bonds follows the guidance provided by the Green Bond Principles 2015 and are in alignment with its four components – the use of proceeds, process of project evaluation and selection, management of proceeds and reporting.

The above two points should provide confidence to investors that Sound Transit Green Bonds are robust and credible.

⁵ http://2014.newclimateeconomy.report/wp-content/uploads/2014/08/New-climate-economy_executive-summary_web.pdf.

APPENDICES

Appendix A: List of projects available for the reimbursement portion of Green bonds

Project Code	Project Category	Project Name	Project Description	Estimated Totals
400007	Transit Line New Build/ Expansion / Extension	First Hill Streetcar	Sound Transit is financially supporting construction and operation of Seattle's First Hill Streetcar system. This system will provide transit connections between Capital Hill and the International District/Chinatown stations	\$123,900,000.00
400008	Transit Line New Build/ Expansion / Extension	Tacoma Link Expansion	Preliminary engineering and environmental review to expand Tacoma Link	\$900,000.00
4X100	Transit Line New Build/ Expansion / Extension	Northgate Link Extension	Extends the light rail 4.3 miles from the University of Washington Station north to the Northgate Station	\$258,400,000.00
4X115	Transit Line New Build/ Expansion / Extension	Lynnwood Link Extension	The planning, permitting, design and construction of an extension of light rail from Northgate to Lynnwood. Consistent with the FTA New Starts requirements, the project has undergone an alternatives analysis and environmental scoping	\$16,300,000.00
4x200	Transit Line New Build/ Expansion / Extension	University Link Extension	A 3.15 mile light rail extension connecting downtown Seattle to the University of Washington Station, connecting three major population and employment centers	\$464,200,000.00
4x300	Transit Line New Build/ Expansion / Extension	Initial Segment	The 13.9 mile Initial Segment of the light rail segment connecting South 154th Street in Tukwila with downtown Seattle	\$15,200,000.00
4x400	Transit Line New Build/ Expansion / Extension	Airport Link	The 1.7 mile extension of the Initial Segment connecting Tukwila with Sea-Tac Airport	\$500,000.00
4x420	Transit Line New Build/ Expansion / Extension	South 200th Link Extension	Extension of the light rail approximately 1.6 miles south from Sea-Tac Airport Station to Angle Lake Station at South 200th street	\$119,300,000.00
4x445	Transit Line New Build/ Expansion / Extension	Federal Way Link Extension	Extension of light rail approximately 7.6 miles from S. 200th Street in the city of SeaTac to the Federal Way Transit Center	\$2,800,000.00
4x600	Transit Line New Build/ Expansion / Extension	East Link Extension	Extends light rail to East King County via I-90 from Downtown Seattle to Downtown Bellevue	TBD
300027	Transit Line New Build/ Expansion / Extension	Point Defiance Bypass	Construction of a second track between South Tacoma and Lakewood	\$300,000.00
3x130	Transit Line New Build/ Expansion / Extension	M St - Lakewood Track & Signal	Reconstruction of approximately 7 miles of track between M-St in Tacoma and Lakewood, restoration of South 66th Street Bridge and installation of the Centralized Train Control system	\$3,400,000.00
3x135	Transit Line New Build/ Expansion / Extension	D St - M St Track and Signal	Reconstruction of tracks between Lakewood and Tacoma	\$20,500,000.00
4x620	Transit Operations, Maintenance and Improvements	Overlake Village Bridge	Joint project with the city of Redmond to design a pedestrian bridge over SR-520 at the Overlake Village Station providing access for commuters	TBD
3x140	Transit Operations,	Layover	Overnight storage facility for trains	\$5,400,000.00

	Maintenance and Improvements			
5x386	Transit Operations, Maintenance and Improvements	I-90 Two-Way Transit & HOV Operations Stage 2	I-90 Two way transit & HOV operations project, stage 2, adding new HOV lanes	\$300,000.00
400009	Transit Operations, Maintenance and Improvements	Link Operational & Maintenance Satellite Facility	Review and evaluate the current and future light rail storage and maintenance requirements to support the development, design and construction of a future light rail operations and maintenance facility for the ST3 system expansion	\$27,500,000.00
300019	Transit Operations, Maintenance and Improvements	Lakewood Station Improvements	Construction of a pedestrian bridge in the city of Lakewood connecting the community of the northwest of Lakewood Station with the station	\$200,000.00
300021	Transit Operations, Maintenance and Improvements	Tacoma Trestle Track & Signal	Design and construction of additional track and new structures along an approximately .65 mile section of track between Tacoma Dome Station and the vicinity of M Street in Tacoma	\$9,100,000.00
300026	Transit Operations, Maintenance and Improvements	Sounder Yard Expansion	Increase track capacity at the layover facility in Lakewood to store trains.	\$1,300,000.00
3x206	Transit Operations, Maintenance and Improvements	Mukilteo Station, South Platform	Construction of the Mukilteo Station South Platform	\$4,400,000.00
3x212	Transit Operations, Maintenance and Improvements	Fare Collection	Purchase necessary systems for fare collection and enforcement	\$100,000.00
3x216	Transit Operations, Maintenance and Improvements	Passenger Information System	Expansion of station communications, CCTV and Passenger Information Systems to future stations	\$800,000.00
3x236	Transit Operations, Maintenance and Improvements	Tukwila Station	Construction a permanent station to replace the existing temporary Tukwila Sounder Station	\$15,500,000.00
3x251	Transit Operations, Maintenance and Improvements	South Tacoma Station	Construction of Station	\$400,000.00
3x510	Transit Operations, Maintenance and Improvements	Sounder South Expanded Service	Purchase of 4 commuter rail easements between Seattle and Lakewood from BNSF	\$143,900,000.00

500020	Transit Operations, Maintenance and Improvements	ST Express Mid-Day Bus Storage	Construction to replace temporary bus storage with a permanent facility	\$2,000,000.00
5x140	Transit Operations, Maintenance and Improvements	Totem Lake Freeway Station	Construction of the Freeway Station on I-405	\$3,300,000.00
5x141	Transit Operations, Maintenance and Improvements	85th Corridor, Kirkland	Street widening, traffic signal and bus shelter installations and sidewalk improvements to enhance reliability and connections to transit, transit elements funded by Sound Transit	\$3,000,000.00
5x142	Transit Operations, Maintenance and Improvements	Kirkland Transit Center/3rd	Design and construct and place into service, a new regional transit center in Kirkland on Third Street	\$3,400,000.00
5x151	Transit Operations, Maintenance and Improvements	Rainier Avenue Arterial Improvements	Addition of Business and Transit Access Lanes, sidewalks and medians on Hardie Ave in the city of Renton. Sound Transit funded preliminary engineering, final design, right-of-way/permits and construction	\$9,800,000.00
5x152	Transit Operations, Maintenance and Improvements	Strander Boulevard Extension	Extend Strander Boulevard to a 5 lane arterial between East Valley Highway and West Valley Highway. Sound transit constructed an underpass and the BNSF tracks and Strander Blvd to enhance commuter access to the Sounder Tukwila Station	\$3,800,000.00
5x261	Transit Operations, Maintenance and Improvements	Bus Maintenance Facility	Expansion of Sound Transit's fleet maintenance capacity.	\$2,000,000.00
5x290	Transit Operations, Maintenance and Improvements	ST Express Fleet Program	Acquisition and start-up of new hybrid ST Express buses	\$100,000.00
5x312	Transit Operations, Maintenance and Improvements	Mountlake Terrace Freeway Station	Construction of the Freeway Station	\$2,100,000.00
5x319	Transit Operations, Maintenance and Improvements	South Everett Freeway Station	Construction of the Freeway Station	\$2,100,000.00
5x321	Transit Operations, Maintenance and Improvements	Federal Way Transit Center	Construction of the Transit Center	\$1,500,000.00
5x326	Transit Operations, Maintenance and Improvements	Issaquah Transit Center/SR900	Construction of the Transit Center	\$1,200,000.00

5x387	Transit Operations, Maintenance and Improvements	I-90 Two-Way Transit & HOV Operations Stage 3	Will provide reliable two-way transit and HOV operations eastbound and westbound on I-90 between 80th Ave SE on Mercer Island and Rainier Ave/I-5 Seattle	\$8,800,000.00
600029	Transit Operations, Maintenance and Improvements	Tacoma Link Fare Collection	Installation and commissioning of 8 ticket vending machines at Tacoma Link Stations, establishment of a spare parts inventory, set up fare enforcement support and conduct public outreach	\$100,000.00
700769	Transit Operations, Maintenance and Improvements	LRV Over hall	Emergency repairs to fleet of light rail vehicles to correct a problems with the gear units and traction motors	TBD
700771	Transit Operations, Maintenance and Improvements	Station Midlife Refurbishment Program	For Sound Transit facilities that have been in service for more than 10 years	\$1,300,000.00
700772	Transit Operations, Maintenance and Improvements	ST Express Security Camera Retrofit		\$200,000.00
700773	Transit Operations, Maintenance and Improvements	Central Link HVAC for Traction Power	Air-conditioning required for the Traction Power Sub Station buildings to protect and enhance the life of temperature sensitive electronic equipment	\$800,000.00
700774	Transit Operations, Maintenance and Improvements	Central Link HVAC - Instrument House and UPS Room	Air-conditioning required in the uninterruptible power supply rooms and signal houses to protect and enhance the life of temperature sensitive electronic equipment	\$200,000.00
700777	Transit Operations, Maintenance and Improvements	Central Link Overhead Catenary System Tie Switch	Installation of the mechanical means to electronically bridge the OCS section insulators at approximately 34 various locations throughout the Central Link alignment	TBD
700778	Transit Operations, Maintenance and Improvements	Central Link Bench Test Equipment		\$700,000.00
700779	Transit Operations, Maintenance and Improvements	Security Radios		\$300,000.00
700780	Transit Operations, Maintenance and Improvements	Federal Way TC Light Retrofit		\$600,000.00
700782	Transit Operations, Maintenance and Improvements	Auburn Lighting Retrofit		\$200,000.00

700784	Transit Operations, Maintenance and Improvements	Regional Parking Pilot Program	The testing and evaluating of parking management strategies under the system implementation of customer parking permits	\$100,000.00
700790	Transit Operations, Maintenance and Improvements	Pierce Transit Radio System Upgrade	Replace all ST owned mobile radios currently installed in Pierce Transit-operated busses and necessary radio infrastructure	\$600,000.00
700793	Transit Operations, Maintenance and Improvements	Signage Improvements	Modify and update signage at existing Link and Sounder and TVM locations to improve wayfinding and reflect system expansion	TBD
7x701	Transit Operations, Maintenance and Improvements	ST Express Fleet Replacement	Bus replacement for the ST Express Fleet. Sound Transit is replacing buses with cleaner, hybrid buses.	\$92,000,000.00
7x705	Transit Operations, Maintenance and Improvements	ST Express Fleet Expansion ST2	Acquire additional 60 buses that are clean, hybrid buses.	\$2,300,000.00
7x740	Transit Operations, Maintenance and Improvements	Small Works Program	Modifications/repairs of operating facilities and systems with an estimated total cost of less than \$200,000 per project	\$1,400,000.00
7x743	Transit Operations, Maintenance and Improvements	Security Enhancements	Upgrading Sounder commuter rail CCTV system for monitoring commuter rail platforms, assets and facilities	\$1,000,000.00
7x745	Transit Operations, Maintenance and Improvements	ST Express Mobile Communications	Upgrading ST Express existing mobile communications systems	\$4,200,000.00
7x746	Transit Operations, Maintenance and Improvements	Parking Enhancements	Expand commuter rail parking at Puyallup and/or Sumner Stations	\$1,300,000.00
7x753	Transit Operations, Maintenance and Improvements	Bike Locker Program	Installation of new bicycle parking at various Sounder commuter rail, ST Express bus and Link light rail stations	\$200,000.00
7x758	Transit Operations, Maintenance and Improvements	Tacoma Link Announcement/Si gn System	Procurement and installation of a new communications system for the Tacoma Link	\$400,000.00
4x446	Transit Planning and Evaluation	South Corridor Alternatives Planning	Identification and Evaluation of high-capacity transit alternative for the corridor between Federal Way and Tacoma, examination of potential projects for Pierce and South King subareas to enhance transit use and operational efficiencies	\$1,600,000.00

300004	Transit Planning and Evaluation	Sound Yard & Shops Facility	The evaluation of operations and maintenance cost efficiencies associated with the development of commuter rail operations and maintenance facilities to support existing and future service levels	\$1,300,000.00
300011	Transit Planning and Evaluation	Positive Train Control	Installation of Positive Train Control Systems pursuant to federal regulations to improve railroad safety	\$21,000,000.00
300017	Transit Planning and Evaluation	Puyallup Station Improvements	The evaluation of potential capital investments to improve access to Puyallup Station for pedestrians, bicyclists and drivers	\$300,000.00
300018	Transit Planning and Evaluation	Summer Station Improvements	The evaluation of potential capital investments to improve access to Summer Station for pedestrians, bicyclists and drivers	\$3,700,000.00
Preliminary Exp	Transit Planning and Evaluation	Preliminary Expenses	Preliminary Expenses	\$23,100,000.00
3x131	Transit Planning and Evaluation	Permitting/Environmental Mitigation	Environmental permitting and mitigation for the improvements made by BNSF for Sounder Rail between Seattle and Everett	\$1,400,000.00
500005	Transit Planning and Evaluation	ST Express Bus Base	Evaluation of the construction of a ST Express Bus Base for operating and maintaining the ST Express bus fleet.	\$800,000.00
5x415	Transit Planning and Evaluation	Phase II Plan & Engineering/Systems Integration		TBD
Total				\$1,438,800,000.00

Appendix B: List of projects allocated to refinancing portion of Green Bonds

Link Expenditures Reimbursed by the 2007A Bonds

Project Code	Project Name	Estimated Total
4x200	University Link Extension	\$15,800,000.00
4x300	Initial Segment	\$381,700,000.00
4x400	Airport Link	\$66,200,000.00
4x500	Tacoma Link	\$200,000.00
TOTAL		\$463,900,000.00

DOCUMENTS REVIEWED

Sustainalytics reviewed the following documents for the purposes of writing this report

Number	Document Title	Comments
1	Public Offering Statement	General details about the bond
2	Sound Transit Project Selection List	List of projects
3	2015 Sustainability Plan Update	Sustainability plan progress
3	2014 Sustainability Progress Report	Sustainability targets and progress
4	2014 Sustainability Progress Report – Appendix	Details about GHG emission saving
5	Quantifying-Greenhouse-Gas-Emissions-APTA-Recommended-Practices	GHG quantification for transit methodology
6	Service Delivery Quarterly Report	Ridership information

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The Opinion was drawn up with the aim to explain why the analyzed bonds are considered sustainable and responsible. Consequently, the Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of the Opinion and/or the information provided in it.

As the Opinion is based on information made available by the client, Sustainalytics does not warrant that the information presented in the Opinion is complete, accurate or up to date.

Nothing contained in the Opinion shall be construed as to make a representation or warranty, express or implied, regarding the advisability to invest in or include companies in investable universes and/or portfolios. Furthermore, the Opinion shall in no event be interpreted and construed as an assessment of the economic performance and credit worthiness of the bonds, nor to have focused on the effective allocation of the funds’ use of proceeds.

The client is fully responsible for certifying and ensuring its commitments’ compliance, implementation and monitoring.