



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda King County Transportation District

*Boardmembers: Kathy Lambert, Chair;
Claudia Balducci, Rod Dembowski, Reagan Dunn, Jeanne Kohl-Welles,
Joe McDermott, Dave Upthegrove, Pete von Reichbauer, Girmay Zahilay*

1:00 PM

Tuesday, March 3, 2020

Room 1001

SPECIAL MEETING

1. Call to Order

To show a PDF of the written materials for an agenda item, click on the agenda item below.

2. Roll Call

3. Public Comment

Discussion and Possible Action

4. Election of board chair and vice-chair

5. Briefing: Regional Transit Funding **pg 3**

6. Adjournment



Sign language and communication material in alternate formats can be arranged given sufficient notice (206-1000).

TDD Number 206-1024.

ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.



[Blank Page]



King County

King County Transportation District

STAFF REPORT

Agenda Item:	5	Name:	Leah Krekel-Zoppi Mary Bourguignon
Proposed No.:		Date:	March 3, 2020

SUBJECT

A briefing on regional transit funding.

SUMMARY

Today’s briefing will provide background on Transportation Benefit Districts (TBDs), the funding sources TBDs are authorized to use, the legislative history of the King County Transportation District (KCTD) and regional discussions about transit funding, as well as potential items that could be incorporated in a regional transit funding measure and a potential timeline through which the KCTD could propose a regional funding measure on the August 4, 2020, ballot.

BACKGROUND

Transportation Benefit Districts

Washington State law (RCW 36.73) allows for the creation of local Transportation Benefit Districts (TBDs) to raise revenue for and implement transportation improvements. TBDs may be established by the legislative authority of a county or city, and they can encompass territory within a jurisdiction’s boundaries, the boundaries of multiple jurisdictions, or a portion of the territory within a jurisdiction’s boundaries.¹

The state law provides funding authority for TBDs as shown in Table 1 on the next page. Voter approval of Initiative 976 in November 2019 removed the authority for TBDs to use vehicle license fees as a funding source,² so those funding sources are crossed out in Table 1.

¹ RCW 36.73.020

² There is a pending lawsuit challenging the constitutionality of I-976.

Table 1. Transportation Benefit District Funding Sources

Funding Source	Authorizing Statute	Voter Approval Needed?	Max Rate	Max Term
Non-voted Vehicle License Fee <i>I-976 removed this</i>	RCW 82.80.140; 36.73.040(3)(B); 36.73.065	No	\$50 <i>(over time, in increments of \$20, \$20, \$10)</i>	No restriction
Voted Vehicle License Fee <i>I-976 removed this</i>	RCW 82.80.140; 36.73.040(3)(B); 36.73.065	Yes	\$100	No restriction
Sales Tax	RCW 82.14.0455; 36.73.040(3)(a)	Yes	0.2%	10 years <i>(plus 2nd 10 years with vote, can be longer if bonded)</i>
Development Impact Fee	RCW 36.73.040(3)(c); 36.73.120; 39.92.040; 39.92.030	No <i>(Must be reasonably necessary as a result of the impact of development)</i>	Must be linked to development impact	One-time <i>(Can be paid over 5+ years, must be spent within 6 years)</i>
Tolls	RCW 36.73.040(3)(d)	Yes	As limited by the Transportation Commission and voters	As limited by the Transportation Commission and voters
Property Tax Excess Levy	RCW 36.73.060; 84.52.056; Article VII, 2(a)	Yes <i>(60% approval, plus required percentage of participation of previous election)</i>	In excess of 1% limit	1 year <i>(Up to 40 years if bonded)</i>
Local Improvement District (LID)	RCW 36.73.080	No	Up to amount of special benefit to property owners	No more than 30 years for term of bonds

According to RCW 36.73.020, TBDs are, “for the purpose of acquiring, constructing, improving, providing, and funding a transportation improvement within the district that is consistent with any existing state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels.”

The statute defines "transportation improvement" as, “a project contained in the transportation plan of the state, a regional transportation planning organization, city, county, or eligible jurisdiction as identified in RCW 36.73.020(2). A project may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.”³

³ RCW 36.73.015(6)

King County Transportation District

In 2014, King County created the King County Transportation District (KCTD) with Ordinance 17746.⁴ The KCTD's geographic boundaries are those of King County.⁵ It is governed by a board made up of the members of the King County Council.

The KCTD Board placed a countywide transit and roads funding measure on the ballot in April 2014.⁶ Because that measure was not approved by voters, the City of Seattle TBD placed a Seattle-specific, six-year transit funding measure on the ballot.⁷ Seattle voters approved this measure in November 2014. The City and County subsequently approved a Community Mobility Contract⁸ that allows Seattle to purchase additional transit service hours from King County Metro for the duration of Seattle's funding measure. Seattle's purchased service began with an additional 220,000 annual service hours on more than 50 Metro routes and has since scaled up to more than 350,000 annual service hours on nearly 75 routes in and around Seattle.

Seattle's measure expires at the end of 2020, after which funding for those purchased transit services would need to be renewed by Seattle voters, funded from a different source (such as the KCTD), or terminated.

Regional Transit Planning and Funding Strategies

In early 2016, the Council adopted an updated Strategic Plan for Public Transportation and updated Service Guidelines for Metro,⁹ following a regional process that included recommendations from a Service Guidelines Task Force and adoption of these policy documents by the Regional Transit Committee.

The **Service Guidelines** were developed to evaluate, design, and modify transit services to meet changing needs. The Service Guidelines are used as the basis for an annual System Evaluation Report, which measures the performance of Metro's services and identifies investment needs for the system, according to the investment priorities established in the Service Guidelines.

The **Strategic Plan for Public Transportation** was developed to define a vision for the future of King County's public transportation system and sets objectives, goals, strategies, and measures for achieving that vision. It also directed Metro to:

- Establish and maintain a long-range transit service and capital plan developed in collaboration with local comprehensive and regional long-range transportation planning;¹⁰

⁴ The KCTD replaced a prior King County TBD.

⁵ The KCTD Board could choose to change its boundaries, if desired, with 10 days advance notice and a public hearing. Note that, per state law, King County can have only one TBD at a time (though each city can have its own TBD).

⁶ Resolution TD2014-03

⁷ Seattle TBD Resolution 12 placed a six-year measure on the November 2014 ballot that was comprised of a \$60 vehicle license fee and a 0.1% sales tax.

⁸ Ordinance 17978

⁹ Ordinance 18301

¹⁰ Ordinance 18301 Attachment A Strategy 6.1.2

- Explore and implement cost efficiencies, including operational and administrative efficiencies;¹¹
- Establish fund management policies that ensure stability through a variety of economic conditions;¹² and
- Establish a sustainable funding structure to support short- and long-term public transportation needs.¹³

In response to these policy documents, the Executive and Council convened a Special Committee on Transit, which developed and adopted fund management policies for Metro¹⁴ to establish updated reserve policies and priorities for the use of transit funds.

In addition, in response to the Strategic Plan's identification of the need for a long-range transit plan, the Council adopted **METRO CONNECTS**,¹⁵ which envisioned expanded transit service networks for 2025 and 2040 based on the Regional Transportation Plan and the County and cities' adopted Comprehensive Plans, as well as a goal of increasing transit service hours by 70 percent by 2040. Like the Strategic Plan and Service Guidelines, METRO CONNECTS was developed through a regional process and adopted by the Regional Transit Committee before it was adopted by the Council.

METRO CONNECTS was developed as an unconstrained plan and was not fully funded. Estimates at the time indicated that by 2040, existing revenue forecasts could fund almost 30 percent of the additional capital costs and approximately 50 percent of the additional service hours.¹⁶

In Fall 2018, in response to the long-range regional funding need identified in METRO CONNECTS and to prepare for the 2020 expiration of the Seattle transit funding measure, the King County Council passed Motion 15252, which asked the Executive to work in coordination with the Council to initiate a regional planning effort during 2019 to address the implementation of METRO CONNECTS as well as ongoing transportation maintenance needs.

The Executive transmitted a report in early 2019 as required by Motion 15252 summarizing potential transit funding options through King County or the KCTD.¹⁷ That report was used as the basis for briefings at the Regional Transit Committee¹⁸ and with local elected officials, the County Council, transit stakeholders, and community members on transit funding needs and options.

King County Transportation District: Potential Next Steps

As described in the Executive's 2019 report in response to Motion 15252, one option to fund regional transit needs would be for the KCTD to propose a countywide funding

¹¹ Ordinance 18301 Attachment A Strategy 6.2.1

¹² Ordinance 18301 Attachment A Strategy 6.3.3

¹³ Ordinance 18301 Attachment A Objective 6.3

¹⁴ Ordinance 18321

¹⁵ Ordinance 18449

¹⁶ Ordinance 18449 Attachment A page 82.

¹⁷ 2019-RPT0075

¹⁸ 2019-B0101

measure to King County voters. A measure seeking a 0.2 percent increase in the sales tax could raise an estimated \$160 million in its first year, which could continue the transit service currently funded by the City of Seattle and also address broader transit needs throughout the county.

As an independent government, the KCTD Board is able to develop a funding measure of its own to propose to voters. Once the KCTD Board votes on a funding measure resolution, the action is final.¹⁹ For an August 2020 ballot measure, if that is desired, the Clerk would need to transmit the final ballot resolution to Elections by the ballot deadline of May 8.

Attachment 1 provides a summary timeline for placing a KCTD measure on the August 2020 ballot should that be desired. As the timeline shows, the KCTD could meet each week during March and approve a measure by the end of the month so as to provide certainty to local jurisdictions, in particular the City of Seattle, as its elected leaders contemplate plans for next steps following the end of Seattle's transit funding measure.

Should the KCTD place a measure on the ballot to fund transit countywide, per state law, spending would be guided by the County's adopted "transportation plan," which, for King County is the combination of the adopted Strategic Plan for Public Transportation, Service Guidelines, and METRO CONNECTS.

Plans for a funding measure could propose both service and capital investments, including (but not limited to):

- **Transit service hours** in Seattle and around the County;
- **Speed and reliability improvements**, such as dedicated bus lanes or traffic light queue jumps for buses;
- **Electrification** investments to make the transit fleet more environmentally sustainable;²⁰
- **Innovation**, including flexible transit services and improved access to transit; and
- **Affordability**, such as no- or low-cost fares for low-income transit riders.²¹

For transit service investments, Metro's System Evaluation Report²² provides a snapshot in time of unmet needs in Metro's system, and what investments would be needed in order to operate a system that is not excessively overcrowded, operates reliably, and provides service levels consistent with the demand, land use, and the demographics served by each route. The System Evaluation Report indicates what routes would receive investments, and in what priority order, if Metro had available resources.

¹⁹ The KCTD is a separate and independent government. That means that regional and Council committees are not involved in its work. The KCTD could deliberate on a funding measure as a full, nine-member Board; or alternatively, could rely on its Executive Committee to develop a proposal to bring to the full Board for final action.

²⁰ Ordinance 19052 requires Metro to seek to have a zero-emission bus fleet by 2035.

²¹ Ordinance 19058 established an income-based fare subsidy for people at 80 percent of the Federal poverty level or below who participate in a State benefit program.

²² The most recent System Evaluation report is attached to Motion 15602. As noted in this staff report, a new System Evaluation report is developed and transmitted to Council each year to reflect updated service needs based on the adopted Service Guidelines.

INVITED

- John Resha, Assistant General Manager for Finance and Administration, Metro Transit Department

ATTACHMENTS

1. Metro presentation on regional funding

King County Metro

Regional Funding



King County Transportation District
Moving forward together

March 3, 2020

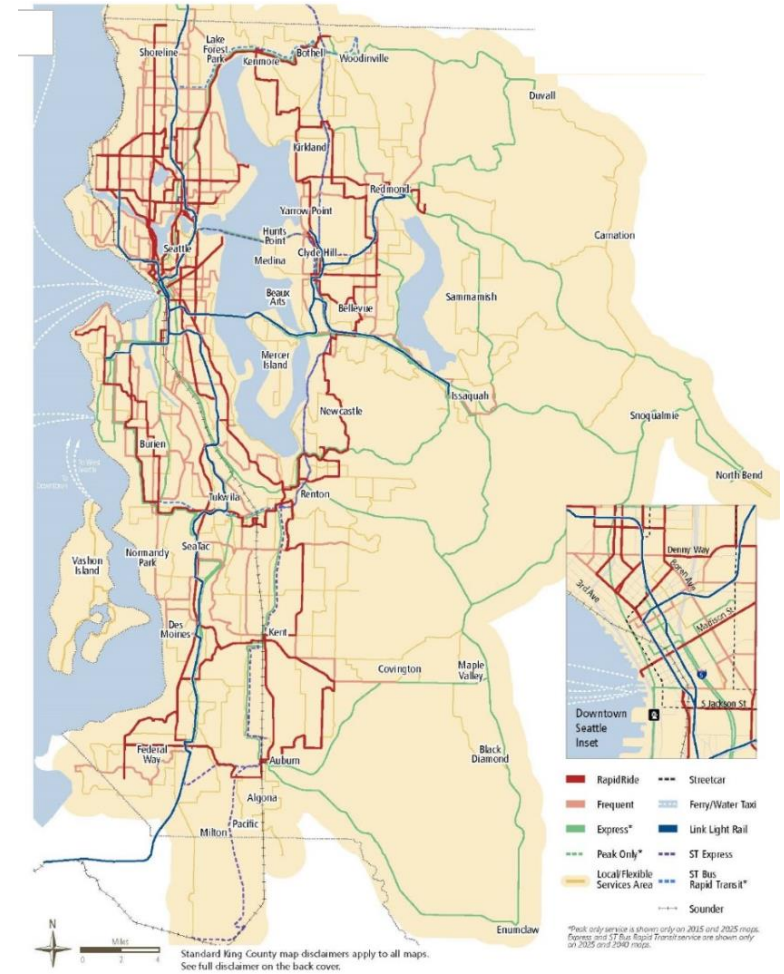
METRO CONNECTS Needed for Future Growth

- METRO CONNECTS, our adopted long-range plan, aims to increase bus service hours by 70% between 2015 and 2040
- Double transit ridership to 1 million daily boardings
- 73% of residents would be within ½ mile of frequent service, with higher levels of service to low-income residents and people of color
- Based on the region's growth needs and adopted comprehensive plans
- Necessary to meet climate and growth management goals



METRO CONNECTS Is Not Fully Funded

- METRO CONNECTS long-range plan is not fully funded
- 1.4M more service hours and \$5B in capital needed by 2040
- Approximately \$220M in new revenue per year
- Without new funding:
- Metro can maintain service and adjust to new Link openings, but cannot meet regional growth or equity needs
- Service may become more Seattle-centric (Seattle now funds 1/10 of all transit hours)



Seattle Transportation Benefit District Replacement

Current City of Seattle Transportation Benefit District

- Enacted from 2014-2020
 - Mix of sales tax and vehicle license fees to generate approximately \$80M per year
 - Funded service hours (350K hours – approximately \$60 million per year)
 - ORCA Opportunity programs (approximately \$6 million per year)
 - Innovation programs (Trailhead Direct, Via to Transit, etc.- approximately \$6 million per year)
 - Speed and reliability investments (approximately \$8 million)
-
- Seattle Forecast: 0.1% of Seattle-only sales tax raises ~\$33.5 million

Regional Service Hours

- Service investments would be delivered using Metro's policies:
 - Metro Connects
 - Strategic Plan and Service Guidelines
 - Added focus on equity
- The 2019 System Evaluation identified a need of approximately 450,000 regional service hours in today's Metro transit system
- Service hour investment at this level would allow substantial investment consistent with the Service Guidelines and Metro Connects, which means:
 - Better connections with new Sound Transit services
 - Improved regional connections
 - Expanded all-day, frequent network
 - Improved local connections
 - Service investments where needs are greatest



Speed & Reliability Investments

- Corridor and Right of Way improvements
- Intersection improvements (queue jumps and signalization)
- Hot Spots (improvements tailored to areas identified to be causing significant travel time delays)
- Currently, Metro invests about \$7M per year at an average of \$1.5M per project (not including RapidRide investments)



Access to Transit – Affordability

- Funding for the new ORCA LIFT income-based fare program at its startup size and scale
- A fully-subsidized annual transit pass for riders at 80% Federal Poverty Level or below
- At start-up, the program will serve 54,000 residents enrolled in six state benefit programs



Access to Transit – Innovation and Parking

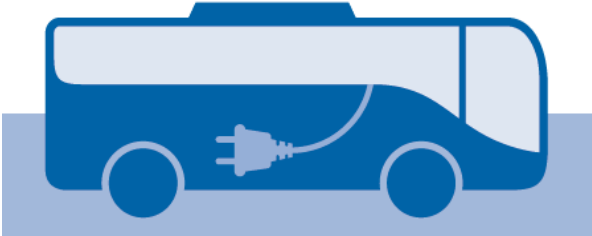
- First, last mile services to connect to transit (Via to Transit ~\$5M per year, per project)
- Tailored service in distinct markets (e.g. Trailhead Direct)
- Enhance and manage Park & Ride capacity through leased facilities and investments in technology



Electrification – greener fleet, greener future

Implementation locations (new investment)	Estimated Cost	Estimated Debt Service
South Annex (beginning 21/22)	\$165M	\$11M/yr
North Base (beginning 23/24)	\$166M	\$11M/yr
Central/Atlantic/Ryerson (beginning 25/26)	\$448M	\$30M/yr

Based on conceptual planning estimates
 Estimated 30-yr debt service shown



Proposal Considerations

- Through discussions with Council and jurisdictions it is clear there is a desire to maximize service hour adds
- Additional questions about the scale of the investments for electrification remain
- Innovation, Speed & Reliability and Parking have more local specialization
- Tradeoffs to fund these elements may require lower service level adds



Package Concepts

METRO CONNECTS alignment	Include
Bus Service	
Access to Transit: Affordability	
Access to Transit: Innovation	
Speed and Reliability	
Electrification	
Seattle Renewal	
0.2% Sales Tax generates	\$160M /yr

Package Concepts

Seattle Transportation Benefit District Replacement	Current	Y/N - \$
Bus Service	\$60M	
Access to Transit: Affordability	\$6M	
Access to Transit: Innovation	\$6M	

Package Concepts

Regional Service	Est. \$/yr	Y/N - \$
350,000 hours	\$ 33.5M	
450,000 hours	\$ 43.0M	
550,000 hours	\$ 52.5M	

Speed & Reliability	Est. \$/yr	Y/N - \$
1-2 projects (avg per year)	\$ 3M	
3-5 projects (avg per year)	\$ 6M	
5-8 projects (avg per year)	\$ 9M	

Package Concepts

Access to Transit: Affordability	Est. \$/yr	Y/N - \$
Current Program being rolled out (Population 54,000)	\$ 12M	
Expand to all people at 80% of FPL (Population 140,000)	\$ 35M	

Access to Transit: Innovation (Via-like/1 st -Last Mile)	Est. \$/yr	Y/N - \$
1-2 active projects	\$ 10M	
3-5 active projects	\$ 20M	
5-8 active projects	\$ 30M	

Package Concepts

Electrification (estimate for debt service on 30-year debt)	Est. \$/yr	Y/N - \$
South Annex	\$ 11M	
North Base	\$ 11M	
Atlantic/Central/Ryerson	\$ 30M	
Parking Technology and Leased Facilities	Est. \$/yr	Y/N - \$
Small (600 stalls) (Covers real-time parking info)	\$ 5M	
Medium (1,750 stalls) (Covers real-time parking info and integrated managed parking)	\$ 10M	
Large (4,000 stalls) (Covers real-time parking info, integrated managed parking, and other technology improvements to enhance the customer experience)	\$ 20M	

Sample Package Concepts

Package A

Regional Service (450,000 hours)	\$43M
Affordability (Current Program)	\$12M
Innovation (3-5 active projects)	\$20M
Electrification (South Annex)	\$11M
Speed & Reliability (1-2 projects)	\$3M
Parking (none)	\$0M
Seattle Replacement	
Current Service Levels	\$60M
Affordability	\$5M
Innovation	\$5M
Total	\$159M

Package B

Regional Service (550,000 hours)	\$52.5M
Affordability (Current Program)	\$12M
Innovation (1-2 active projects)	\$10M
Electrification (none)	\$0M
Speed & Reliability (5-8 projects)	\$9M
Parking (small)	\$5M
Seattle Replacement	
Current Service Levels	\$60M
Affordability	\$5M
Innovation	\$5M
Total	\$158.5M

Package C

Regional Service (450,000 hours)	\$43M
Affordability (Current Program)	\$12M
Innovation (none)	\$0M
Electrification (South Annex and North Base)	\$22M
Speed & Reliability (3-5 projects)	\$6M
Parking (small)	\$5M
Seattle Replacement	
Current Service Levels	\$60M
Affordability	\$5M
Innovation	\$5M
Total	\$158M

Thank you

[Blank Page]