



King County
Metropolitan King County Council
Budget and Fiscal Management Committee

Panel 1 - Transit, DNRP, Local Services & Roads

Tuesday, October 14, 2025– 9:00 a.m.

Councilmembers:

De'Sean Quinn Chair;

Members: Dembowski, Dunn, Perry, von Reichbauer

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Briefing on Proposed 2026-2027 Biennial Budget – Transit, DNRP, Local Services & Roads

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TRANSIT

ANALYST: MARY BOURGUIGNON

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$2,876,094,268	\$2,580,507,120	6,164.0	101.0
2026-27 Base Budget Adjust.	(\$1,369,462)	(\$17,225,218)	(1.0)	(99.5)
2026-27 Decision Packages	\$158,447,353	\$482,810,853	385.0	96.5
2026-27 Proposed Budget	\$3,033,173,000	\$3,046,093,000	6,548.0	98.0
% Change from prior biennium, Biennialized	5.5%			
Dec. Pkg. as % of prior biennium, Biennialized	5.5%			

Major Revenue Sources: Sales tax, grants, contracts for services, fares

Transit Infrastructure Capital Fund (3641)

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	(\$36,672,158)	\$520,110,965	\$297,364,647
Appropriations	(\$36,672,158)	\$520,110,965	\$297,364,647
Major Revenue Sources: Sales tax, Marine property tax, Sound Transit payment, grants, interest income, debt proceeds			

Transit Revenue Fleet Capital Fund (3642)

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$103,672,663	\$256,574,615	\$741,512,800
Appropriations	\$103,672,663	\$256,574,615	\$741,512,800
Major Revenue Sources: Sales tax, Marine property tax, grants, interest income			

Transit Revenue Stabilization Reserve Fund (4643)

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$20,861,812	\$20,579,042	\$21,313,506
Appropriations	N/A	N/A	N/A
Major Revenue Sources: Sales tax, interest			

DESCRIPTION

The Metro Transit Department (Metro) is the largest provider of public transit services in the Puget Sound region. Metro operates fixed-route services, including bus and water taxi; flexible, shared, and accessible mobility services; and bus, light rail, and streetcar services under contract to Sound Transit and the City of Seattle. Metro is currently providing nearly 4,000,000 annual transit service hours through 11,500 bus trips each weekday, and will serve 89.9 million riders this year, 7% more than in 2024.

SUMMARY OF PROPOSED BUDGET AND CHANGES

2026-2027 Transit Budget Overview

Metro's 2025 budget, when adopted, anticipated a \$500 million shortfall in reserves by 2028-2029. For the proposed 2026-2027 budget, after cancelling construction of the South Annex Base, delaying the conversion to a zero-emission bus fleet from 2035 into the mid-2040s or beyond, reducing the scope of the future K and R RapidRide lines, and planning for a smaller bus fleet, Metro now estimates it will face a \$1 million reserve shortfall by 2030-2031 and a \$755 million reserve shortfall by 2032-2033.

This staff report provides an overview of Metro's budget proposal, then focuses on six key issue areas, including future funding needs.

Metro's proposed 2026-2027 combined operating and capital budget is **\$3.1 billion**. As Table 1 shows, \$3 billion would be for operating expenses, with a net negative \$36 million proposed for appropriations for capital infrastructure projects, and \$104 million for appropriations for revenue fleet purchases.

Table 1. 2026-2027 Transit Operating Expenditures + Capital Appropriations

	2026-2027 Proposed	Percent of Total
Transit Operating Fund	\$3,033,172,158	97.4%
Infrastructure Capital (Fund 3641)*	(\$36,672,158)	(1.2%)
Revenue Fleet (Fund 3642)	\$103,681,663	3.3%
Debt Service Fund	\$12,915,853	0.4%
TOTAL	\$3,113,097,516	100%

*The budget proposes \$338 million in new appropriations for capital infrastructure projects, offset by the disappropriation of \$375 million to cancel construction of the South Annex Base and defer other zero-emission projects. If the disappropriations are factored out and carryover capital appropriations from past years are factored in, Metro's anticipated capital and operating expenditures for 2026-2027 are **\$3.9 billion**.

Transit Operating Fund. Metro's proposed operating budget is 5.5% higher than the biennialized 2025 budget, an increase of \$158 million. Of this increase, \$67 million would be added for transit safety and security; \$19.5 million for additional fixed-route transit service; \$45 million for additional water taxi and flexible services; \$5.6 million to recruit, train, and retain Metro's workforce; and \$5 million to support the opening of the new Tukwila Base in 2026.

Metro's largest source of operating revenues is a dedicated 0.9% sales tax, which comprises nearly 60% of operating revenues. Metro also receives operating revenue from fares, grants, and contract payments from Sound Transit and Seattle.

In addition to its operating fund, Metro's budget includes four other funds.

The **Infrastructure Capital Fund**, as noted above, proposes a total of \$338 million in appropriations for capital infrastructure projects, which is offset by a disappropriation of \$375 million for construction of the South Annex Base and other zero-emission projects.

Key proposed capital appropriations for 2026-2027 include \$96 million for State of Good Repair projects; \$81 million to continue with the transition to a zero-emission fleet; \$22 million for speed and reliability improvements; \$18 million for passenger amenities; and \$22 million for Metro base perimeter security and a customer incident-reporting app.

The **Revenue Fleet Capital Fund** proposes \$103.7 million in appropriations for fleet vehicles during 2026-2027, including \$15 million toward two battery-electric water taxi vehicles; \$42 million to replace 600-700 vanpool vehicles; and \$33 million to purchase 83 Access paratransit and 79 Community Access Transportation (CAT) vehicles.

Metro's **Revenue Stabilization Reserve Fund** holds fund balance to offset the impacts of an economic downturn. Moneys in the fund can only be accessed by ordinance and under specific conditions in which sales taxes are declining.¹ The budget would add \$20.8 million in 2026-2027, for a total of \$357.8 million in the fund during 2026-2027.

Metro's **Debt Service Fund** must meet annual debt service obligations for debt-financed Transit assets. In 2026-2027, \$12,915,853 would be appropriated.

This staff report focuses on six key policy issues. Table 2 summarizes these issues and the associated 2026-2027 budget proposals. The pages that follow provide more detailed description and analysis, with a recap in the final, Key Issues section.

¹ Ordinance 19863. Metro's largest revenue source is a 0.9% sales tax. The Revenue Stabilization Reserve Fund was developed to provide a reserve against the volatility of the sales tax.

Table 2. Metro Transit 2026-2027 Budget Issues Summary

Issue	Summary	Key Budget Proposals
Service & Ridership	Metro is operating ~89% of pre-pandemic service for ~70% of weekday ridership	• \$19.5M and 242 FTEs for 411,900 additional service hours • \$45M for water taxi, flexible services, added service for World Cup
Safety & Security	Concerns about safety incidents and station/stop cleanliness Regional Transit Safety Task Force has released recommendations	• \$46M to sustain 275 transit security officers (TSOs) and 89 Metro Transit Police (MTP) deputies • \$10M for additional bus stop and bus cleaning, base safety staff • \$11M for SaFE Reform: behavioral health and Metro Ambassadors • \$22M capital appropriations for base security, passenger messaging app
Fares	Mismatch between service and ridership/fares means \$83M less in farebox revenues than 2019	• No fare increase proposed for 2026-2027: \$0.25 increase started 9/1/25 • \$4M to support the move to a fare system that does not accept cash on board buses (timing not determined)
Workforce	119 bus operator vacancies: 5% 7 bus mechanic vacancies: 2.5% CBA with ATU Local 587 expires October 31 (may have budget impacts)	• \$3.7M for bus operator recruitment, training, mentorship • \$1.9M to support bus operators on long-term leave • \$9M for business transformation, including records management, payroll, support, communications • (\$12M) in cuts to staff and services
Zero Emissions	Delay in 100% zero-emission bus fleet from 2035 to mid-2040s	• \$4.9M for staff for Tukwila Base 2026 opening: 120 BEBs • \$80.6M for zero-emission capital investments, including \$22M for trolley expansion • (\$373M) disappropriation to cancel South Annex Base: 250 BEBs
Future Funding	\$1M reserve shortfall by 2030-2031 \$755M reserve shortfall by 2032-2033	• Budget proposes cancelling the South Annex Base, delaying zero-emission, reducing the scope for the future K and R RapidRide lines • In 2026, Metro will develop a 10-year plan for what it could accomplish with additional funding • Without additional funding, service cuts could be needed by 2030-2031

Service & Ridership

Metro is currently providing approximately 89% of pre-pandemic service levels for approximately 70% of pre-pandemic ridership through 11,500 bus trips and 280,000 boardings each weekday. The 2026-2027 budget would add both fixed-route and flexible service.

Fixed-route bus service. As Table 3 shows, the 2026-2027 budget proposes to add a net 411,900 service hours during the biennium above the 4,005,887 annual service hours Metro is currently operating.

Table 3. Fixed-Route Bus Service Hours, 2026-2027 Proposed

Service Changes	Baseline	2026	2027	Total Add 2026-2027
Service Recovery	--	212,700	129,500	342,200
RapidRide (I and J Lines)	--	--	44,900	44,900
Run Time Impacts ²	--	30,000	--	30,000
Service Guidelines ³	--	16,000	8,000	24,000
WSBLE Construction Impacts	--	--	8,100	8,100
South Link Connections ⁴	--	15,000	--	15,000
Zero-Emission Adjustments	--	3,000	2,000	5,000
King County Metro funded	3,574,620	276,700	192,500	469,200
City of Seattle funded	160,000	16,000	--	16,000
Sound Transit funded ⁵	271,267	(73,300)	--	(73,300)
Partner funded	431,267	(57,300)	--	(57,300)
Total Hours	4,005,887	219,400	192,500	411,900

These additional service hours are proposed at \$19.5 million for 2026-2027,⁶ with 242.2 FTEs⁷ proposed to operate the new service, through a combination of full-time and part-

² These service hours would address the impacts of Revive I-5 and other major congestion issues.

³ The adopted King County Metro Service Guidelines (Ordinance 19367) identify three priorities for adding bus service: #1, to reduce Crowding; #2, to improve schedule Reliability; and #3, Service Growth to achieve the future transit networks envisioned in Metro Connects. Service needs based on these priorities are identified each year in Metro's System Evaluation Report.

⁴ A proposal for the Federal Way restructure is expected to be transmitted to the Council in early 2026.

⁵ Reflects Sound Transit express bus service hour reductions after future Link light rail extensions open.

⁶ Metro notes that the proposed budget add is approximately \$35 million smaller than it would be because Metro changed its assumptions about "unavailable time" when bus operators are not available to drive (such as leave, training, other detailed work). Because of the increase in long-term leaves for bus operators during the last several years, a significant portion of leaves are now unpaid. As a result, Metro split out long-term leaves from other unavailable time, lowering the cost of the proposed service hour increase from \$55M to about \$20M.

⁷ Metro estimates it will need to add a net of approximately 325 FTEs by the end of 2027 to account for attrition and training graduation rates.

time bus operators. Seattle- and Sound Transit-funded service will be revenue backed. Highlights of the proposed service additions include:

- **Service recovery:** 342,200 service hours to restore service that was suspended during the pandemic, focused around service restructures, including Phases 2 and 3 of the Lynnwood Link restructure,⁸ the remaining service for the East Link restructure,⁹ and the upcoming Federal Way restructure.¹⁰
- **RapidRide:** 44,900 service hours in 2027 for the RapidRide J Line between Downtown Seattle and the University District and the RapidRide I Line between Renton, Kent, and Auburn.
- **Construction impacts:** 30,000 service hours in 2026 to adjust to the delays anticipated as part of the Revive I-5 project.¹¹
- **Service Guidelines:** 24,000 service hours to address service needs based on the criteria in the adopted Service Guidelines,¹² the first time these needs have been addressed since the pandemic. Metro indicates it will focus on routes with schedule reliability needs.

Water Taxi and flexible mobility services. The 2026-2027 budget would add \$45 million to support the water taxi and flexible services, including:

- **Service cost adjustments:** \$26 million for service cost adjustments for Access paratransit, Vanpool, DART, and CAT, plus support for the procurement process for an Access contractor.¹³
- **Water taxi:** \$4.2 million [\$3.9 million revenue-backed] to continue additional Vashon weekday round trips and pilot additional West Seattle weekend service.
- **Snoqualmie Valley Transportation:** \$1.4 million in one-time funding to continue the Snoqualmie Valley Shuttle in rural East King County communities.
- **Pierce Transit Route 497:** \$400,000 in one-time funding to continue Route 497, which is operated by Pierce Transit, and which serves Lakeland Hills in Auburn.
- **Metro Flex:** \$6.5 million [\$5.2 million revenue backed] for Metro Flex in Auburn, Delridge/South Park, Federal Way, Issaquah, Northshore, and Overlake.¹⁴

⁸ Ordinance 19751. In addition to restoration of suspended County-funded service associated with the Lynnwood Link restructure, the proposed service plan would add 16,000 hours of Seattle-funded service in 2026 for Phases 2 and 3 of the Lynnwood Link restructure.

⁹ Ordinance 19899

¹⁰ A proposal for the Federal Way restructure is expected to be transmitted to the Council in early 2026.

¹¹ Washington State Department of Transportation, Revive I-5 – Ship Canal Bridge preservation ([link](#)). Metro's proposal would address Revive I-5 delays by adding 30,000 hours in additional run time to existing bus schedules and by providing standby buses that can be deployed flexibly for major delays.

¹² Ordinance 19367, Attachment B. The priorities for service additions are to: #1, reduce crowding, #2, address schedule reliability, and #3, grow the system toward what is planned in Metro Connects.

¹³ The Access operations contract with MV Transportation ends in 2026, with an option to extend through 2029 (2025-RPT0095). The original contract was for 2019 to 2024 but was extended to 2026.

¹⁴ Metro Flex pilots in Federal Way and Auburn are proposed to launch in 2026.

World Cup transit service. The budget proposes \$2.9 million (revenue-backed) for communications, marketing, and service increases on the West Seattle water taxi, water taxi shuttle, and additional Access and Metro Flex service during World Cup events.

Downtown Seattle Shuttle. The budget includes \$2.5 million for a Downtown Seattle Shuttle¹⁵ during the summer months. The budget ordinance includes an Expenditure Restriction and Proviso¹⁶ that restrict the \$2.5 million from being expended unless 60% of the fully allocated cost is funded by an outside partner such as the City of Seattle.

Sound Transit-funded service. Metro operates Sound Transit bus service and Link light rail service under contract.¹⁷ The 2026-2027 budget plans for a reduction of 73,300 Regional Express bus service hours as Sound Transit reduces its bus service in response to its planned extensions of Link light rail. In addition, it includes \$65.2 million (revenue-backed) to support Metro's operations of the expansions of Link light rail.

Safety & Security

In response to concerns about transit safety and security, the budget includes \$67 million in the operating budget and \$22 million in the capital infrastructure budget for safety and security investments, including:

- **Transit security officers (TSOs):** \$32 million [\$2 million revenue-backed] to fund a total of 275 contracted TSOs during 2026-2027. The TSOs will conduct fare enforcement;¹⁸ ride high-incident bus routes;¹⁹ monitor transit centers, Third Avenue, and Jackson Street; and provide late-night support at bus terminals. The City of Seattle will provide \$2 million to support TSOs deployments in Seattle.
- **Metro Transit Police (MTP):** \$14 million to fund an additional 10 MTP deputies, for a total of 89. MTP deputies patrol in areas with higher incident levels and respond to employee assaults and sexual misconduct violations.
- **Bus and customer facility cleaning:** \$8.5 million, including 14.0 FTEs and 21.0 TLTs, to continue enhanced cleaning of buses and bus stops.
- **Base security and support:** \$1.6 million for 5.0 FTEs to serve as base safety and security liaisons.
- **SaFE Reform Initiative.** \$11 million [\$1.7 million revenue-backed] and 31.0 TLTs to continue and the work of Metro's SaFE Reform Initiative through the Metro Ambassadors program and behavioral health workers at the Aurora Village and Burien Transit Centers.

¹⁵ A Seattle Waterfront Shuttle has been operated by Friends of the Waterfront since 2018. The Washington State Department of Transportation (WSDOT) funded the shuttle in 2018 and 2019 as mitigation for construction of the SR-99 tunnel. King County used General Fund to support the shuttle in 2022-2025 (the shuttle did not operate in 2020 or 2021).

¹⁶ Proposed Ordinance 2015-0288

¹⁷ Ordinance 19513

¹⁸ Metro resumed fare enforcement in Spring 2025. Approximately 52 TSOs will be deployed to fare enforcement in 2026-2027.

¹⁹ TSOs will ride Routes 7, 36, 106, A, B, C, D, E, F, and H.

- **Capital investments:** \$13 million for stronger perimeter security at Metro bases and \$9 million to develop a customer response messaging app that passengers can use in real time to report emergent and nonemergent issues.²⁰

Fares

The Strategic Plan for Public Transportation²¹ calls for Metro to use an income-based approach to fares: children, youth, and very-low-income people ride transit for free; and seniors, low-income people, and people with disabilities pay a reduced fare. As a result, Metro relies on adult, full-fare passengers for much of its fare revenue.²²

Farebox recovery. The combination of lower ridership, higher costs, fare evasion, and increased transfers between Metro and Sound Transit means that farebox recovery remains below the 10% target in Metro's adopted fund management policies.²³ Metro expects to collect \$80 million in bus fare revenue in 2025, \$83 million less than in 2019. Table 4 summarizes annual bus ridership, bus fare revenue, the average amount collected per boarding, and farebox recovery rates.

Table 4. Bus Ridership and Bus Fare Revenues

Year	Fare Revenue (\$ millions)	Ridership (millions)	Average Fare per Boarding	Farebox Recovery*
2019	\$162.50	121.41	\$1.34	23.8%
2024 (Actual)	\$73.12	83.33	\$0.88	8.6%
2025	\$79.53	89.90	\$0.88	8.5%
2026	\$94.10	93.74	\$1.00	9.6%
2027	\$100.32	95.71	\$1.05	9.8%

*Farebox recovery is fare revenue as a percentage of passenger-related operating costs.²⁴

A \$0.25 bus fare increase to \$3.00 for full-fare passengers²⁵ took effect September 1. Metro expects this will increase the average amount of fare revenue Metro collects from each boarding to \$1.00. The 2026-2027 budget does not propose additional fare increases. Metro indicates its next fare increase proposal will be in 2028.

Transition away from cash fares. The budget proposes \$3.9 million and 7.0 TLTs to support Metro's proposed transition away from accepting cash or paper transfers for

²⁰ Fund 3641 Project 1141996 and Project 1150686

²¹ Ordinance 19367, Attachment A

²² Approximately half Metro's fare revenue, or 53% between July 2024 and June 2025, but less than a quarter of all boardings came from business Passport accounts, through which local employers can subsidize their employees' transit fares. As of September 2025, Metro had 769 active business Passport accounts serving 450,000 employees.

²³ Ordinance 19863, Attachment A, Section III.A.

²⁴ Ordinance 19363, Attachment A, Section III.A.

²⁵ ORCA LIFT (low-income) and Regional Reduced Fare Permit (RRFP) fares for seniors and people with disabilities are set at \$1.00. Children and youth ride free (KCC 4A.700.010).

fares on board buses. The budget would fund an education campaign, alternatives to paper tickets for the human services bus ticket program,²⁶ and ticket vending machines.

The Metro Connects long-range plan envisions not collecting cash on board buses.²⁷ However, cash is identified in the King County Code as an approved way to pay transit fares,²⁸ so Council approval by ordinance would be needed to make this change.²⁹ Metro states that it does not plan to seek approval until late 2027, after open payment (phone tap-to-pay) has been implemented and it can support vulnerable riders.

Workforce

Since 2020, Metro has experienced significant staffing shortfalls for bus operators and vehicle mechanics. Currently, Metro has 119 bus operator vacancies, a 5% vacancy rate; and seven bus mechanic vacancies, a vacancy rate of 2.5%. The staffing shortfalls have led to a reliance on overtime: 34% for bus operators, compared to a goal of 17%; and 10% for mechanics, compared to a goal of under 6%. The proposed budget includes several initiatives to support recruitment, training, and retention:

- **Service & Workforce Initiative:** \$3.7 million [\$960,000 revenue-backed], 10.0 FTEs, and 7.0 TLTs to support Metro's Service & Workforce Initiative to recruit, train, and retain bus and rail operators, and to support the Mentors Moving Metro mentorship program for new bus operators.
- **Leaves and disability:** \$1.96 million, including 4.0 FTEs and 2.0 TLTs, to support an increasing number of disability-related requests and pilot a return-to-work coaching service for injured workers.

The budget also includes \$9.1 million, including 9.0 FTEs and 14.0 TLTs, to support Metro's efforts to improve internal functions, such as records management, capital project delivery, and asset management; and reductions of \$12.5 million, including 22.0 FTEs in Vehicle Maintenance, Transit Facilities, planning, and administration.

Zero Emissions

In early 2020, King County adopted goals for Metro to significantly lower its emissions, including that Metro's 1,000+ buses should be 100% zero-emission by 2035.³⁰

However, in response to increasing costs, technology limitations,³¹ and a shortage of domestic bus manufacturers,³² Metro has proposed to delay the transition of its bus

²⁶ Under the human services ticket program (KCC 4A.700.210), Metro subsidizes 90% of the fare value of tickets up to \$4 million in subsidy, while human services agencies pay the remaining 10% to provide these tickets to their clients. In 2023, Metro sold nearly 900,000 tickets to 107 participating agencies. Metro began piloting alternatives to paper tickets for this program in 2023. (See 2024-RPT0120, [link](#))

²⁷ Ordinance 19367, Attachment C, p. 49

²⁸ KCC 4A.700.010. Note that the allowance of cash for fare payment applies only to Metro services, not to Sound Transit (even the Sound Transit services operated under contract by Metro).

²⁹ The Council received a report on the future of fare collection in 2022 (Motion 16152).

³⁰ KCC 18.22.010.A, KCC 28.94.085.A.1 (Ordinance 19052)

fleet from 2035 to the mid-2040s or beyond.³³ To make this change, the proposed budget would disappropriate \$375 million to cancel construction of South Annex Base³⁴ and appropriate \$80.6 million for new zero-emission capital investments. The new Tukwila Base³⁵ would open as planned for 120 battery-electric buses in 2026, but Metro would change its approach to fleets, bases, and operations, including:

- **Mix of fleet purchases.** To achieve the 2035 zero-emission goal, Metro had planned to purchase only battery-electric buses after 2023. However, while the budget does not propose any new bus purchases during 2026-2027, the transmitted CIP plans for future purchases of a mix of battery-electric and hybrid diesel buses, including \$640 million for hybrid bus purchases in 2028-2029 and 2030-2031, and \$223 million for battery-electric bus purchases in 2030-2031.

To reduce emissions while continuing to use diesel hybrid buses, Metro proposes to use renewable diesel, which will cost an additional \$0.07/gallon, for \$1.2 million in additional fuel costs in 2026-2027. The 2025 Strategic Climate Action Plan estimates that renewable diesel could cut Metro's emissions by 60%.³⁶

- **Partial base conversion.** Metro's plan to achieve the 100% zero-emission bus fleet goal by 2035 required the full conversion of each of its bus bases. With the zero-emission delay, Metro proposes that, after opening Tukwila Base, it will plan a partial conversion of one Central Campus base³⁷ by 2031 but not plan any additional base conversions.
- **Trolleybus expansion.** Metro currently operates 174 electric trolley buses on routes within Seattle. The budget proposes \$22 million in appropriations for trolley projects, including to expand trolley service to Route 48 and to install replacement batteries so trolley buses can operate off-wire for longer distances.
- **Zero-emission water taxi vessels.** The budget would add \$16 million toward the procurement of two zero-emission water taxi vessels for the West Seattle route, as well as shoreside charging and additional berths at Pier 50. Metro notes that the full cost of the project could be more than the dedicated Marine property tax³⁸ could cover and that it is seeking grant or partner funding.

³¹ Metro's 2025 report, Maximizing Climate Benefits through Transit, reports on these issues, noting that zero-emission technology can currently meet only half of Metro service needs (2025-RPT0105, [link](#))

³² The King County Auditor reported on these challenges in its 2024 report, Zero Emissions: Metro Transit Working to Mitigate Risks to County's Ambitious 2035 Goal ([link](#))

³³ In addition, Proposed Ordinance 2025-0174 would change the zero-emission target date for the rideshare fleet from 100% zero-emission by 2030 to 40% by 2030 and 100% by 2040; and the paratransit fleet from 67% by 2030 to 67% by 2040.

³⁴ South Annex Base was proposed to open in 2028 for 250 battery-electric buses. Metro states that it will develop a realignment plan to adjust the other bases in the absence of the planned South Annex Base.

³⁵ Metro is planning to operate Routes 105, 106, 107, 128, 153, 156, 161, 168, 183, 184, 193, and the F Line out of Tukwila Base using 89 new battery-electric buses and 31 that are currently located at the Test Charging Facility at South Base. Metro is planning to add 5,000 service hours to accommodate the reblocking that will be needed to allow these routes to be fully operated with battery-electric buses.

³⁶ Proposed Motion 2025-0172. The estimate is that converting the fuel planned for 2026-2027 to renewable diesel would avoid ~132,000 metric tons of CO2 equivalent (MTCO2e) over the biennium.

³⁷ The Central Campus bases are Ryerson, Central, and Atlantic.

³⁸ The Marine property tax collected \$0.008/\$1,000 assessed value in 2025 for revenues of \$7.2 million.

- **Non-fixed revenue vehicles.** The budget includes \$42 million for 600-700 vanpool vehicles out of the total 1,255-vehicle fleet (type to be determined);³⁹ \$21.3 million to purchase 83 renewable propane Access vehicles; and \$11.7 million to purchase 79 vehicles for the CAT program.

Given the magnitude of changes proposed for the zero-emission program, Metro states that it will prepare a Zero-Emission Implementation Plan in 2026, which will provide more information about next steps and budget needs, as well as more clarity about a new target date to achieve a 100% zero-emission revenue bus fleet.

Future Funding

The adopted Metro Connects⁴⁰ long-range plan estimated a funding gap of \$28.3 billion for capital investments and \$1.46 billion a year for service investments by 2050,⁴¹ and indicated that additional funding would be necessary for Metro service. In 2024, when Metro's 2025 budget was transmitted to the Council, it estimated a \$500 million shortfall in reserves by 2028-2029 due to expenditures outpacing revenues.⁴² The Executive stated that the 2025 budget should be considered "transitional," and that the 2026-2027 budget would include proposals to mitigate the projected shortfall.

Despite the reductions proposed in the 2026-2027 budget, however, Metro estimates it will face a \$1 million reserve shortfall by 2030-2031 and a \$755 million reserve shortfall by 2032-2033, which could require transit service cuts beginning in 2030.

Metro states that it has begun work to develop a report on its funding needs, which it plans to complete by Spring 2026.

Other Issues

RapidRide. Metro currently operates eight RapidRide lines (A-H) and is working to develop four additional lines (I, J, K, R), which are planned to start service between 2027 and 2032. Work on the K Line between Kirkland and Bellevue and the R Line along Rainier Avenue in Southeast Seattle was paused during the pandemic and then restarted at the Council's request. The 2026-2027 budget proposes scope reductions for both lines. The K Line's total budget would be reduced from \$106 million to \$85.3 million. The R Line's total budget would be reduced from \$123.5 million to \$91.2 million.

³⁹ The goal of a 100% zero-emission vanpool fleet by 2030 meant Metro planned to purchase only zero-emission vehicles beginning in 2024. With the proposed delay to 2040 (Proposed Ordinance 2025-0174), Metro might return to purchasing gas hybrid vehicles.

⁴⁰ Ordinance 19367, Attachment C

⁴¹ Motion 16155

⁴² In August 2025, Metro estimated that, without further action to adjust the plans contained in the 2025 budget, it would face a \$55 million reserve shortfall by 2026-2027 and an \$830 million shortfall by 2028-2029. At that time, Metro noted that the proposed 2026-2027 budget would attempt to address the reserve shortfalls, but that Metro would need additional funding. (2025-B0115, [link](#))

Parking fees. In 2018, the Council authorized⁴³ Metro to charge parking fees at County parking facilities, following a rulemaking process. Metro implemented paid parking at nine facilities,⁴⁴ but then suspended the program in 2020. The budget proposes an appropriation of \$329,000, which Metro estimates would yield \$613,000 in revenue, to restore parking fees at facilities where parking utilization is 90% or more.⁴⁵

Information technology investments. Metro relies on technology applications and interfaces to plan routes and schedules, collect fares, communicate between buses and the base, and provide information to employees and customers. The 2026-2027 budget includes \$42.4 million in proposed appropriations for transit technology projects.

KEY ISSUES

ISSUE 1 – RIDERSHIP & SERVICE

Metro is currently operating approximately 89% of pre-pandemic service levels for 70% of pre-pandemic ridership. The 2026-2027 budget proposes to add \$19.5 million for 411,900 additional fixed-route service hours; \$45 million for additional water taxi and flexible service; and \$2.9 million for additional service during the World Cup. The proposed fixed-route service increases are larger than Metro has planned in recent years and could pose challenges to implement.

The budget ordinance also requires that Metro encumber an additional \$2.5 million to support a summertime Downtown Seattle Shuttle service. As the budget ordinance is drafted, this \$2.5 million could not be expended unless an outside partner contributes 60% of the shuttle's fully allocated costs.

ISSUE 2 – SAFETY & SECURITY

In response to concerns about safety and security incidents on buses and at transit stops and bases, the 2026-2027 budget includes proposed adds of \$67 million in the operating budget and \$22 million in the capital infrastructure budget for safety and security investments.

The Transit Safety Task Force presented its Implementation Plan to the Committee of the Whole on October 6, 2025, which includes recommendations for additional safety and security investments.

⁴³ Ordinance 18837

⁴⁴ In late 2019, paid parking was implemented at Redmond Park & Ride, Issaquah Highlands Park & Ride, South Kirkland Park & Ride, Tukwila Park & Ride, Aurora Village Transit Center, Kenmore Park & Ride, Bear Creek Park & Ride, Bothell Park & Ride, and Shoreline Park & Ride.

⁴⁵ Metro proposes to charge a \$3/day rate for regular customers, \$1/day for ORCA LIFT customers, and no charge for carpools. Fees would start at Northgate (Park & Ride D and Thornton Place) and potentially later at Redmond Park & Ride, Bear Creek Park & Ride, and Overlake Park & Ride. Metro will share a parking management vendor with Sound Transit.

ISSUE 3 – FARES

The combination of lower ridership, higher costs, fare evasion, and revenue sharing with Sound Transit when passengers transfer between services means that farebox recovery remains below the 10% target in Metro's adopted fund management policies. Farebox recovery is projected to be 9.6% in 2026 and 9.8% in 2027.

The budget does not propose a fare increase during 2026-2027 but does propose funding to support Metro's move away from accepting cash and paper transfers on board buses. Council approval would be needed, which Metro indicates it will not seek until 2027.

ISSUE 4 – WORKFORCE

Metro continues to have vacancies for bus operators and mechanics, requiring ongoing reliance on overtime. The budget includes funding to continue the Service & Workforce Initiative to rebuild its operational capacity and support an increasing number of bus operators on long-term leave.

The current collective bargaining agreement with the Amalgamated Transit Union, (ATU) Local 587 ends on October 31, 2025. Negotiations for a new agreement are underway. It is unclear when a new agreement will be ratified and transmitted to Council, but it may have budget impacts.

ISSUE 5 – ZERO EMISSIONS

In early 2020, King County adopted goals for Metro to significantly lower its emissions, including that Metro's 1,000+ buses should be 100% zero-emission by 2035. However, Metro has proposed delaying its move to zero-emission, with the bus fleet now expected to reach zero-emission in the mid-2040s or later.

Metro indicates that it is developing a Zero-Emission Implementation Plan to provide more information about the timing for the conversion to a zero-emission fleet. Metro indicates it will complete in this plan in 2026.

ISSUE 6 – FUTURE FUNDING

Metro's 2025 budget, when adopted, anticipated a \$500 million shortfall in reserves by 2028-2029. For the proposed 2026-2027 budget, even after the proposed reductions, Metro estimates it will face a \$1 million reserve shortfall by 2030-2031 and a \$755 million reserve shortfall by 2032-2033, which could require service cuts by 2030.

Metro indicates that it has begun work to develop a report on its funding needs, which it plans to complete by Spring 2026.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: SERVICE & RIDERSHIP. WHAT IS THE AVERAGE COST PER BOARDING FOR FIXED-ROUTE BUS SERVICE FOR 2025, 2026, AND 2027? WHAT IS THE COMPARISON WITH 2019?

ANSWER: The Executive has provided the information below in Table 5 showing total cost for bus service, number of bus riders, and cost per rider for bus service in 2019, 2024, 2025, 2026, and 2027.

Table 5. Cost per Boarding for Bus Service

	2019 Actual	2024 Actual	2025 Budget	2026 Estimated	2027 Estimated
Bus Costs (\$ million)	\$684	\$855	\$947	\$978	\$1,025
Bus riders (millions)	121.41	83.33	89.90	93.74	95.71
Cost per Rider	\$5.63	\$10.26	\$10.53	\$10.43	\$10.71

QUESTION 2: SERVICE & RIDERSHIP. METRO IS CURRENTLY PROVIDING METRO FLEX SERVICE IN KIRKLAND/FINN HILL/JUANITA. WILL THIS SERVICE CONTINUE IN 2026-2027? WILL THERE BE ANY CHANGE IN THE HOURS OF SERVICE THAT ARE OFFERED?

ANSWER: The Executive has stated that: “Metro’s budget does not include funding for Juanita Metro Flex in 2026-2027. This service has been piloted for five years and has not met the performance targets to warrant continuing the service.

Metro has been working with local cities’ staff to communicate the pilot status and performance issues over the course of the pilot. The performance and targets for these Metro Flex services are documented as part of the annual System Evaluation report. Metro Flex evaluates pilot services based on Productivity, Efficiency, Equity, and Accessibility.

For the last year, Metro conducted additional promotion and marketing in collaboration with the local cities in an attempt to increase performance prior to deciding to end the pilot service. Despite these efforts, the service does not meet Metro’s performance targets for pilots to be sustained as ongoing service.

Metro has been actively working with local cities of Bothell, Kirkland, and Kenmore to prepare for the discontinuation of service and will work with riders and communities closer to final date of operations, which has not been determined.”

QUESTION 3: SERVICE & RIDERSHIP. THE BUDGET INCLUDES \$1.4 MILLION TO CONTINUE THE SNOQUALMIE VALLEY SHUTTLE.

- **HOW MANY SERVICE HOURS ARE CURRENTLY FUNDED?**
- **HOW DOES THAT COMPARE WITH WHAT IS PROPOSED TO BE FUNDED?**

- **HOW MUCH FLEXIBILITY DOES SNOQUALMIE VALLEY TRANSPORTATION (SVT) HAVE TO CHANGE THE SERVICE PROFILE OF THE SHUTTLE?**
- **WHAT IS THE STRUCTURE OF THE AGREEMENT WITH SVT?**
- **IS THERE A POINT AT WHICH SVT WOULD NEED TO BID TO PROVIDE ADDITIONAL SERVICES AND, IF SO, WHAT WOULD BE THE IMPACT TO SALARIES, BENEFITS, LABOR STANDARDS, ETC.?**

ANSWER: The Executive has stated that: “Metro’s budget proposal includes \$1.4 million in one-time appropriation to continue funding expanded service for the SVT Valley Shuttle. Currently, Metro funds 3,380 weekday service hours and 2,704 weekend service hours. Metro’s proposal sustains these service hours into 2026-2027.

SVT has a specific scope of service that was mutually agreed upon by Metro and SVT. The route is included in the contract Scope of Work (SOW) and includes the route map as well as which cities within the valley are to be served: Duvall, Carnation, Fall City, Snoqualmie, and North Bend. SVT cannot solely decide to change the service, however Metro welcomes feedback from partners.

The agreement is facilitated by a single source waiver. This waiver justifies SVT as the single best provider for Valley Shuttle services due to their embeddedness in the Snoqualmie Valley community, the historical knowledge they have concerning transportation delivery in the area, and the existing infrastructure they have in Snoqualmie Valley (vehicle base, operators, current demand-response services). There are currently no other local transportation service providers able to serve the public as effectively as SVT.”

QUESTION 4: SERVICE & RIDERSHIP. THE BUDGET ORDINANCE, AS TRANSMITTED, REQUIRES A 60% MATCH BEFORE METRO CAN EXPEND THE \$2.5 MILLION ENCUMBERED FOR THE DOWNTOWN SEATTLE SHUTTLE. IF THE CITY OF SEATTLE’S BUDGET PASSES WITH ONLY \$500,000 SET ASIDE FOR THE SHUTTLE, WHAT NEXT STEPS WOULD METRO TAKE? WHAT IS THE DATE BY WHICH METRO WOULD NEED TO START A PROCUREMENT PROCESS TO SECURE A CONTRACTOR FOR SUMMER 2026?

ANSWER: The Executive has stated that: “If this item is adopted by the Council as proposed, and Seattle’s budget passes with the current \$500K allocation, Metro and the Executive will continue to explore funding options with City of Seattle and other partners.

Metro is actively working with an existing contracted operating partner to prepare for 2026-2027 operations. Metro could move to finalize arrangements with a contractor as soon as the 2026-2027 budget is adopted, if this item is included and funding is secured. Metro has not yet determined a final go/no go date for securing funding and being able to work with the contractor to operate the service.”

QUESTION 5: FARES. HOW DO THE RECOMMENDATIONS FROM THE REGIONAL FARE FORUM, WHICH WAS CONVENED DURING 2025, RELATE TO THE BUDGET PROPOSAL TO TRANSITION TOWARD NOT ACCEPTING CASH ON BOARD BUSES?

ANSWER: The Executive has stated that: “During the Regional Fare Forum, participants came to consensus on nine shared policy values, three regionally prioritized outcomes, and recommendations about actions for the region to pursue. Their guidance was as follows:

Shared Policy Values to guide regional fare coordination:

- **Simple and easy to use for our customers:** Simple fare structure and media, easier to understand for infrequent customers; easy and safe to use
- **Enhance user experience:** Improved customer service, real-time account information
- **Better access/availability to all users:** Greater distribution of fare media, convenient access
- **Seamless travel in the region and interoperability:** Extend regional integration, seamless regional branding
- **Innovative technology:** Anticipate new technology, learn from peers, be an international model; need to update/modernize
- **Fiscal responsibility:** Reduce fare evasion, collect fares to continue to provide service, appropriate distribution of revenue
- **Operational efficiency:** Better data/analytics, improved security, move away from cash collection
- **Fairness, equity, and social justice:** Eliminate barriers that limit access to transportation, support programs such as low-income fares
- **Safe for passengers and transit employees:** Pursue fare policy that enhances safety for the system

Regionally Prioritized Outcomes to work collaboratively towards:

- **Prioritize eligibility and enrollment** so that enrolling in reduced fare programs and the enrollment requirements and documentation are simple.
- **Prioritize alignment** so that fares are structured in a way that is easy to understand and navigate.
- **Prioritize affordability** so that transit fares are affordable, and riders who need fare assistance have easy access.

Recommended Actions for the region to pursue over a five- to ten-year time horizon:

Forum participants recommended the region pursue the following actions:

1. Adopt a values statement
2. Align calendar dates for fare change implementation
3. Align reduced fare rates
4. Better align adult fares

5. Expand ORCA LIFT eligibility
6. Explore new methods and tools for enrollment and verification
7. Explore expanding the existing ORCA transfer window
8. Explore piloting fare capping for reduced fare riders

They recommended the region NOT pursue the following actions:

- Aligning frequency of fare changes across the region
- Mandatory alignment of fare rates and amount of changes

Equity and access to the regional transit system was a significant focus of the Regional Fare Forum, recognizing that the most vulnerable riders face the most significant barriers to paying their fares. This led the Forum to direct the region to prioritize expanding access to reduced fares, streamlining requirements and processes, and improving affordability in future fare policy work.

Metro has collaborated with community throughout the cashless transition planning effort to understand riders who pay with cash and the barriers they experience when considering other forms of fare payment. Cash payers are more likely to have low-incomes, disabilities, limited English proficiency, and be immigrants or refugees. A significant number of cash-paying riders are eligible for reduced fares, but for various reasons, have not enrolled or been able to afford fares even at the reduced rates, and so choose to pay with cash. If Metro were to stop accepting onboard cash fare payments without making significant changes to its reduced fare programs, these riders may be excluded from easily accessing transit and having a simple and affordable way to pay their fare.

The cashless transition plan describes who cash-paying riders are, the barriers they face in using non-cash forms of fare payment, and a variety of strategies and tools to implement ahead of the end of onboard cash fare payment, so they can continue to access transit. In doing so, it offers a snapshot of where Metro's fare system is currently mismatched with the needs of many vulnerable riders and identifies actions and approaches that would help fill the gaps.

The plan identifies seven specific milestones that Metro must deliver on before stopping acceptance of onboard cash fare payment, which include:

1. Restart fare inspection using a fare education approach to interact directly with cash-paying riders and connect them to non-cash fare payment options
2. Develop and roll out open payment through ORCA
3. Develop and roll out virtual ORCA cards on all mobile operating platforms
4. Significantly expand the ORCA retail network to support off-board cash fare payments
5. Pursue and implement concepts developed through reduced fare rider engagement and reduced fare staff to make it easier for riders to access reduced fares and making them more affordable

6. Modernize the Human Service Bus Ticket program, which currently relies on paper tickets
7. Develop and implement a focused fares marketing and communications campaign to inform riders about going cashless and their fare payment options

The 2026-2027 budget request includes additional staff capacity on Metro's reduced fare and pass sales teams to deliver on these actions and continue operating reduced fare programs while working to test, pilot, and implement the identified changes. It also includes resources for partnering with community-based organizations to support ORCA and reduced fare access. This is a strategy called out by the Regional Fare Forum, as part of its recommendation to explore new methods and tools for enrollment and verification."

QUESTION 6: FARES. WHAT ARE THE COSTS OF COLLECTING FARES, INCLUDING FARE ENFORCEMENT, FAREBOX MAINTENANCE, CASH HANDLING, PRINTING AND DISTRIBUTION OF PAPER TRANSFERS, ORCA READERS, COSTS TO PARTICIPATE IN THE ORCA SYSTEM, AND TICKET VENDING MACHINES?

ANSWER: The Executive has provided the following cost estimates for fare collection, estimating \$24.5 million in annual costs compared with \$80 million in anticipated fare revenues for 2025.

Fare enforcement: Approximately **\$5 million** of the budget for TSOs is allocated to fare enforcement. If Metro stopped fare enforcement efforts, it is not clear that Metro would simply reduce TSOs accordingly, since they support overall safety. For instance, when fare enforcement was suspended, TSOs continued to perform safety rides.

Farebox maintenance, cash counting, cash handling: In 2024, Metro spent around **\$4 million** to maintain fareboxes and handle and count cash collected, specifically:

- Vehicle maintenance costs for fareboxes were \$2.76 million in 2024
- Labor costs were about \$1.62 million
- Parts cost about \$1.14 million
- Revenue Processing Center costs were around \$1.3 million in 2024, not including reimbursements for counting cash for SDOT and Sound Transit.

Printing and distribution of paper transfers: In 2024, Metro spent an estimated **\$280,000**, including \$165,000 in material costs and an estimated \$115,000, divided across several staff to procure, distribute and collect/count.

ORCA readers, costs to participate in ORCA system: The annual Metro Orca business operations budget is **\$12 million**. Approximately 80% of this budget is allocated to participation in the Regional Orca system-primarily to pay the regional invoices from Sound Transit, while the remaining 20% covers program administration.

Ticket vending machines (TVM): The TVM costs are split between King County, Kitsap Transit, Pierce Transit and Sound Transit with 13 TVMs assigned to King County, with an annual cost of approximately **\$100, 000**.

Reduced-fare support: Metro provides **\$3.5 million** to support the Regional Reduced Fare Permit, ORCA LIFT, and fully subsidized fare, including \$1.2 million paid annually to Public Health and \$2.3 million for direct Metro support, including the reduced fares team, customer service and pass sales representatives, as well as the cost of pop-up events.

QUESTION 7: FARES. PLEASE DEVELOP PROVISIO LANGUAGE ASKING METRO TO ANALYZE THE POTENTIAL IMPACTS OF A FULLY OR PARTIALLY FARE-FREE TRANSIT SYSTEM AND TO DESCRIBE A PLAN TO IMPLEMENT A FARE-FREE PILOT PROGRAM ON AT LEAST TWO BUS ROUTES DURING 2027 AND TO REPORT ON THE IMPACTS OF THAT PILOT.

ANSWER: The proviso language below is a DRAFT that would request Metro to transmit a Future of Transit Fares report by February 4, 2027, that would include the following information:

- A. Metro fare revenues 2025, 2026, and 2027
- B. Percentage of total revenues and boardings in 2025, 2026, and 2027 for different fare classes (such as full-fare, ORCA LIFT, youth free fare, etc.)
- C. Farebox recovery ratio for 2025, 2026, and 2027
- D. Cost to collect fare revenue in 2025, 2026, and 2027, including the costs for reduced-fare programs and the cost of Metro's role in the ORCA system
- E. Case studies of transit systems that have implemented fully or partially fare-free transit systems
- F. Literature review of best practices related to fare collection, including potential costs and benefits related to equitable access to transit; transit safety and security; operational efficiency; financial health; and community impacts.
- G. A proposal for a fare-free pilot program on at least two routes during 2027, with a plan to report on before and during metrics on ridership, foregone fare revenues, crowding and reliability impacts, safety and security, and customer satisfaction.

Here is the DRAFT proviso language:

PX PROVIDED THAT:

Of this appropriation, \$100,000 shall not be expended or encumbered until the executive transmits a future of transit fares report and a motion that should acknowledge receipt of the report, and a motion acknowledging receipt of the report is passed by the council. The motion should reference the subject matter, the proviso's ordinance, ordinance section, and proviso number in both the title and body of the motion.

The future of transit fares report shall include, but not be limited to:

A. The actual or estimated fare revenues collected by the Metro transit department for fixed-route bus service for 2025, 2026, and 2027.

B. The actual or estimated percentage of total fares and percentage of total boardings for Metro transit department fixed-route bus service for 2025, 2026, and 2027 for the following fare classes:

1. Full fare adult;
2. Business passport;
3. Youth free fare;
4. Reduced regional fare permit for seniors and people with disabilities;
5. ORCA LIFT low-income fare; and
6. Fully-subsidized fare.

C. The actual or estimated farebox recovery ratio, as defined in Ordinance 19863, for 2025, 2026, and 2027.

D. The actual or estimated cost to collect and administer fare revenues for 2025, 2026, and 2027, including, but not be limited to the cost of:

1. Fare enforcement;
2. Farebox maintenance;
3. Cash collection, counting, and safekeeping;
4. Paper transfer production and distribution;
5. Cost of ticket subsidies and administration for the human services ticket program established in K.C.C. 4A.700.210;
5. ORCA fare card reader installation and maintenance;
6. Ticket vending machine installation and maintenance; and
7. Proportionate share of the Metro transit department's costs for implementation and administration of the ORCA fare card system, including, but not limited to:
 - a. Pass sales, promotions, and distribution;
 - b. Free and reduced fare promotions, eligibility screening, administration, and monitoring;
 - c. ORCA system technology investments; and
 - d. Coordination with ORCA member agencies.

E. Case studies of transit systems that have implemented fully or partially fare-free transit systems, with information on each, including, but not limited to:

1. Size of the transit system, in terms of population served, geographic area served, or total budget;
2. Description of the fare-free service, including when it was implemented, and whether it is a permanent policy or a pilot program;
3. Amount of fare revenue that is projected to be foregone each year and how the transit system recoups that foregone revenue, for instance, if a dedicated funding source has been implemented to replace fares; and
4. Lessons learned from the transit system following the implementation of the fare-free service.

F. Literature review of best practices related to fare collection, including potential benefits and costs of fare-free transit systems, including, but not limited, to:

1. Equitable access to transit;
2. Transit safety and security;

3. Operational efficiency, including dwell times, coach capacity, and reliability;
4. Financial health of the transit system; and
5. Community impacts, including impacts on traffic congestion and greenhouse gas emissions.

G. A proposal for a pilot program the Metro transit department could implement to test fare-free service for at least two bus routes during 2027, identifying the routes to be included in the pilot program and the timeframe during which the pilot will operate, as well as a plan to report on the impacts of the fare-free pilot program including, but not limited, to the following information about the performance of the bus routes during the one month prior to the implementation of the fare-free pilot program and during the second full month during which the fare-free pilot program is being implemented:

1. Average weekday boardings;
2. Estimate of foregone fare revenues based on the average fare revenue collected per boarding;
3. Estimate of service hour investment needs for crowding and reliability, as defined in the King County Metro Service Guidelines, which was adopted by Ordinance 19367;
4. Estimate of assaults and disturbances, as defined in the Strategic Plan for Public Transportation, 2021-2031, which was adopted by Ordinance 19367; and
5. Customer satisfaction, as defined in the Strategic Plan for Public Transportation, 2021-2031, which was adopted by Ordinance 19367.

The executive should file the report and a motion required by this proviso by February 4, 2027, in the form of an electronic copy with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for the transit, economy, and environment committee, or its successor.

QUESTION 8: WORKFORCE. THE BUDGET PROPOSES REDUCTIONS OF \$12.5 MILLION, INCLUDING 22.0 FTEs. WHAT IMPACT WOULD THOSE REDUCTIONS HAVE ON METRO'S SERVICES AND ITS OPERATIONAL CAPACITY?

ANSWER: The Executive has stated that: "These reductions are not expected to impact Metro's operational capacity. For example, in Vehicle Maintenance, Metro is proposing to reduce two vacant Mechanic Apprentice positions. After this reduction, the apprenticeship program will remain strong at 16 positions, enabling Metro to continue to develop talented Mechanics. In Transit Facilities, the position reductions are primarily for administrative or non-customer facing roles. No position reductions are proposed in the Capital Division, and so there is no expected impact on capital planning or project delivery."

QUESTION 9: ZERO EMISSIONS. THE BUDGET PROPOSES \$15 MILLION TOWARD THE PROCUREMENT OF TWO BATTERY-ELECTRIC WATER TAXI VESSELS, AS WELL AS SHORESIDE CHARGING AND ADDITIONAL BERTHS. METRO HAS INDICATED IT IS SEEKING \$40 MILLION IN GRANT OR PARTNER FUNDING TOWARD THE TOTAL COST OF THE PROJECT.

- **WHAT ARE POSSIBLE SOURCES OF FUNDING FOR THIS PROJECT?**
- **GIVEN THE ISSUES SKAGIT COUNTY HAS HAD IN REPLACING THE GUEMES ISLAND FERRY WITH A BATTERY-ELECTRIC VESSEL, WHAT ANALYSIS HAS METRO COMPLETED**

TO DETERMINE IF THERE ARE VIABLE AND RELIABLE OPTIONS TO PROCURE THESE VESSELS?

ANSWER: The Executive has stated that: “Potential federal grant sources could include the Federal Transit Administration’s discretionary Electric or Low Emitting Ferry Pilot Program, Ferry Boat Program funds programs, Section 5307 Urbanized Area Formula funds, or the Federal Highway Administration’s Congestion Mitigation and Air Quality and Surface Transportation Block Grant programs. Potential state grants sources include the Green Transportation Capital and Regional Mobility Grant, and Transit Supportive Grants programs.

Metro is also researching entering a public-private or other inter-jurisdictional partnership, and a combination of increasing the Marine property tax⁴⁶ and debt financing as other possible funding sources.

Metro is collaborating with national peers through the Public Ferries Coalition and has completed its own Zero Emission Feasibility Study to assess viable electric vessel options. Metro’s Marine Division collaborates closely with other agencies pursuing similar initiatives, including partners at San Francisco Bay Ferry (SFBF). Recently, SFBF awarded contracts to two Washington shipyards to build multiple electric passenger-only ferries that closely align with Metro’s vessel needs.

Metro is leveraging these partnerships and lessons learned from projects like Skagit County’s to inform its project planning.”

QUESTION 10: ZERO EMISSIONS. WHAT IS THE CORRELATION BETWEEN INCREASING TRANSIT RIDERSHIP AND DECREASING GREENHOUSE GAS EMISSIONS?

ANSWER: The Executive has stated that: “The Maximizing Climate Benefits report ([2025-RPT0105](#)) analyzes the impact of avoided greenhouse gas (GHG) emissions from transit service to the GHG emissions resulting from the operation of Metro’s bus fleet. Table 6 (page 27) of the report summarizes the net GHG reductions between three scenarios: a full ZE conversion by 2035, a phased transition by 2045, and a phased transition by 2045 with additional service. The report concludes that the avoided emissions from transit ridership are approximately three times greater than bus fleet emissions.”

QUESTION 11: SAFETY & SECURITY. WHAT IS THE SCHEDULE FOR THE BEHAVIORAL HEALTH WORKERS? ARE THERE SPECIFIC HOURS OR DAYS FOR SPECIFIC SITES? ARE THERE ANY EVENING OR LATE NIGHT HOURS? ARE THERE ANY JOINT STAFFING OPPORTUNITIES WITH TRANSIT SECURITY OFFICERS?

⁴⁶ The existing passenger ferry property tax was set at \$0.008/\$1000 of assessed value in 2025. It collected \$7 million in 2024.

ANSWER: The Executive has stated that: “The Behavioral Health Specialist (BHS) teams operate in the morning from 7AM-3PM and in the evening from 4PM-11:30PM, with service at Aurora Village Transit Center and Lake City Way three days per week and all other service at the Burien Transit Center.

No joint staffing with transit security officers (TSOs) is currently planned. The SaFE Initiative continues to explore ways to deploy BHS teams to maximize their effectiveness, while taking into account recommendations from the Regional Transit Safety Task Force.”

QUESTION 12: SAFETY & SECURITY. HOW DOES THE PROPOSED 2026-2027 BUDGET COMPARE WITH THE RECOMMENDATIONS FROM THE TRANSIT SAFETY TASK FORCE THAT WERE PRESENTED TO THE COMMITTEE OF THE WHOLE ON OCTOBER 6?

ANSWER: The Transit Safety Task Force’s recommendations included a Council briefing document ([link](#)) with a table that listed proposed investments for King County. Council staff have worked with Executive staff since the COW meeting to add to this table to show which of the proposed investments are currently funded, which are included in the 2026-2027 budget transmittal, and which are not yet funded.

This comparison table can be found after the next page of this document.

The Executive notes that, given that the Task Force recommendations were developed after Metro budget decisions were made, there is not perfect synergy between the budget proposal and the consultant report. Metro has identified several areas where the recommendations can be addressed using existing (baseline) budget, even if this is just for initial planning (and not implementation, which may require future resources). Other items can be addressed through new proposed investments, particularly SaFE Reform (\$11M via DS_006) and Contracted Security (\$32M via DS_004).

The matrix speaks to King County investments, but Metro can only speak specifically to its own budget. Some of the recommendations fall outside of Metro’s purview (e.g. “Pre Booking Diversions”) so non-Metro owners and resources would need to be identified.

The Task Force recommendations optimally involve buy-in and funding across regional partners. Metro indicates that this coordination will be a large part of the Implementation plan and governance body. Several of the recommendations, including those that can be initially addressed with baseline and proposed budget, would ideally be supported through a regional partnership and not borne by the County alone.

In terms of the broader set of recommendations from the task force, which are listed in the Task Force’s Implementation Plan ([link](#)), and which included recommendations beyond those proposed to be funded by King County, the Executive has stated that: “Metro supports the recommendation for Council to create an Implementation Review Group that will serve as a governing body to collectively prioritize solutions, including

those that require strong regional collaboration. Metro will do its part to leverage existing collaboration forums when possible and is also in support of the recommendation for Council to establish cross-agency initiative working groups. It is important to ATU 587 that this continue to be a regional effort and not a King County or Metro-only one. To this end, Metro is coordinating with Councilmembers, the Executive, and partners to determine Metro's role in sustaining the task force momentum through a regional governance and implementation structure."

Based on the King County Proposed Investments table from the Transit Safety Task Force ([link](#))

Budget Status of Transit Safety Task Force's Proposed Investments for King County

October 9, 2025

Item Description		Budget Status	Budget Total	One-Time or Recurring	Notes
Regional Coordination & Alignment					
Regional Alignment of Incidence Response					
Interagency Response Infrastructure	Establish regional response infrastructure with MOUs and unified protocols across Metro, Sound Transit, police, fire, EMS, and local jurisdictions, defining roles and escalation standards for all incidents, including low-level events.	✓	Part of baseline budget	One-Time	Metro's baseline budget can support planning and execution. Requires buy-in and resources from regional partners.
Centralized Safety Data Platform	Build a centralized platform that integrates incident reports and 911 data across all transit agencies, standardizes entry, provides real-time access, and enables cross-jurisdictional, location-specific safety response.	➔	Not currently budgeted	One-Time	Estimated cost: \$1-10M Council should consider appropriate owner for this body of work.
Regionwide Code of Conduct Alignment					
Regional Code of Conduct Campaign	Develop and launch a unified Code of Conduct campaign across all regional transit agencies, including standardized signage and public education.	✓	Part of baseline budget	One-Time	Metro's baseline budget can support planning. Execution costs TBD.
Site-Specific Safety Strategies					
Priority Area Identification	Use existing technologies and heat maps to proactively identify safety priority zones and target resources accordingly. Include all frontline workers (operators, supervisors, maintenance, facilities, operators) in the data reporting process.	✓	Part of baseline budget	Recurring	Metro's baseline budget can support planning and execution. May require FTE to manage.
Site-Based Safety Pilot Expansion	Expand successful safety pilots like those at 3rd & Main and Burien Transit Center to other identified priority zones.	➔	Not currently budgeted	Recurring	Planning and execution costs TBD.
Location-Specific Incident Reporting	Improve data collection systems to capture incident details at specific stops, stations, and intersections rather than only along routes to enable more precise location-based analysis and response.	✓	Part of baseline budget	One-Time	Metro's baseline budget can support planning and execution.
Alternative Response and Regional Response Infrastructure					
Outreach Team Hours and Coverage	Expand outreach services beyond daytime shifts (e.g Burien Transit Center) to include nights, weekends, and additional high-need locations. Operators and officers noted frequent incidents during overnight hours without available behavioral health support.	⬆	Part of \$11M budget request	One-Time	Metro's requested funding supports existing behavioral health support services but does not provide resources for expansion.

Based on the King County Proposed Investments table from the Transit Safety Task Force ([link](#))

Item Description		Budget Status	Budget Total	One-Time or Recurring	Notes
Co-Response Models	Increase deployments where behavioral health professionals accompany law enforcement or transit security to certain incidents. This supports de-escalation and better outcomes in high-risk situations.	↑	Part of \$11M budget request	One-Time	Metro's requested SaFE Reform budget can support planning. Execution costs TBD.
Pre-Booking Diversions	Expand pre-booking diversions partnership to increase referrals and service connections for frequent offenders with behavioral health or substance issues.	→	Not currently budgeted	Recurring	Planning and execution costs TBD. May require non-Metro owner and additional funding.
Regional Outreach Data Infrastructure	Create a centralized regional database to track outreach interactions and outcomes, using data to secure resources, identify service gaps, and guide outreach and housing team deployment.	→	Not currently budgeted	Recurring	Planning and execution costs TBD. Council should consider appropriate owner for this body of work.
Regional Coalition	Establish a formal regional coordination framework through MOUs and regular convenings that align transit agencies, outreach providers, housing agencies, and behavioral health services.	✓	Part of baseline budget	One-Time	Metro's baseline budget can support planning. Execution costs TBD. Requires buy-in and funding from regional partners.
Alternative Response and Regional Response Infrastructure					
Outreach Transport Vehicle Resources	Acquire and deploy designated vehicles (e.g., retrofitted buses or vans) for outreach and placement activities, providing safe, dedicated transport to shelters, housing sites, and safe spaces for riders in crisis.	↑	Part of \$11M budget request	One-Time	Metro's requested SaFE Reform budget can support planning and execution.
Outreach Teams Mobility	Transition behavioral health outreach teams from being stationed only at hubs like Burien Transit Center to being mobile across the system. Equip them with vehicles to reach high priority locations and high-risk lines.	↑	Part of \$11M budget request	One-Time	Metro's requested SaFE Reform budget can support planning and execution.
Regional Responder & Outreach Staffing					
Transit Security Staffing					
Transit Resource Officer Unit	Expand Transit Resource Officer Unit - Transit Police Outreach Unit and contracted security provider outreach teams to increase coverage, including after-hours and weekend response.	↑	Part of \$32M budget request	Recurring and One-Time	Metro's proposed 2026-2027 budget will provide for 275 contracted TSOs
Non-Enforcement Crisis Staffing					
KC Outreach Groups	Expand County-led and partner outreach teams to provide broader non-enforcement coverage on transit, including after-hours. Focus on connecting unhoused riders to housing, behavioral health, and essential services with faster, more coordinated support.	→	Not currently budgeted	Recurring	Planning and execution costs TBD. Requires buy-in and funding from regional partners.
Long-Term Case Management	Secure funding and partnerships to expand long-term case management program. This ensures ongoing support after the initial crisis response to reduce repeat incidents on transit.	→	Not currently budgeted	Recurring	Planning and execution costs TBD. Requires buy-in and funding from regional partners.

Based on the King County Proposed Investments table from the Transit Safety Task Force ([link](#))

Item Description		Budget Status	Budget Total	One-Time or Recurring	Notes
Co-Response Models	Increase deployments where behavioral health professionals accompany law enforcement or transit security to certain incidents.	→	Not currently budgeted	Recurring	Estimated costs: \$5-10M Requires buy-in and funding from regional partners.
Field Staffing & Support					
Field Operations and Backend Resources					
First Line Supervisor Staffing Increase	Increase field supervisor staffing to improve incident response capability, reduce response times, and avoid coverage gaps, especially during security incidents requiring multiple supervisors.	✓	Included in baseline budget	Recurring	Baseline budget allows for moderate increase. Additional budget resources could enhance impact.
Field Safety Review Staffing	Assess current staffing dedicated to field safety reviews, design assessments, and security monitoring, and determine whether additional resources are needed to support a more proactive and sustained focus on built environment safety.	→	Not currently budgeted	Recurring	Planning and execution costs TBD.
Resource Support for Implementation and Technology	Allocate additional resources to support Safety & Security technology and analytics roles and prioritize backend system improvements, where support is most urgently needed to ensure successful implementation and functionality.	→	Not currently budgeted	Recurring	Planning and execution costs TBD.
Transit Employee & Rider Reporting					
Operator Incident Reporting					
On-Vehicle Operator Reporting Tools	Deploy operator tools for quick, safe in-service incident reporting, including DDU buttons, tablets, and potential future integration of mobile apps	↑	\$7M	One-Time	Metro's CoPilot upgrade proposed for all coaches (Project 1150692)
Rider Reporting Education					
Rider Reporting Education Campaign	Launch a coordinated campaign using digital ads, social media, signage, operator announcements, and vehicle materials to raise awareness of reporting options and what riders can expect after reporting."	✓	Included in baseline budget	One-Time	Metro's baseline budget can support planning. Execution costs TBD.
Rider Reporting Access					
Create Unified Reporting App	Design, develop, and launch a unified regional app or digital tool that allows riders to report issues silently and in real time using photos, location data, and QR codes displayed on vehicles and in stations.	↑	\$9M	One-Time	Proposed by Metro for 2026-2027 (Project 1150686)

Based on the King County Proposed Investments table from the Transit Safety Task Force ([link](#))

Item Description		Budget Status	Budget Total	One-Time or Recurring	Notes
Safe Transit Environments					
Community Activation & Stewardship					
Community-Led Transit Space Activation	Offer modest grants and partnerships to community groups to organize clean-up, beautification, and stewardship activities at stations and stops, fostering community ownership and improving perceived and actual safety.	✓	Part of \$11M budget request	One-Time	Metro's requested SaFE Reform budget can support planning and execution.
Bus Partitions Installation					
Operator Protection Infrastructure	Retrofit existing buses with operator partitions and complete installation of protective barriers on new buses to reduce operator exposure to assaults and threatening behaviors, based on rising assault trends and peer system best practices.	✓	\$20M	One-Time	Funded in 2025 omnibus (Ord 19956); expected to be fully installed by Dec 2026
Site-Specific Design Improvements for High-Incident Zones					
Recurring Station and Stop Safety Inspections	Implement structured, recurring station and stop safety inspections to proactively identify and resolve maintenance and security issues, ensuring consistent upkeep and rapid response to emerging risks.	→	Not currently budgeted	Recurring	Planning and execution costs TBD.
Ongoing Implementation					
Consultant Support for Governance Body, Oversight, and Accountability					
Consultant Support	Ongoing consultant support to drive execution of the Implementation Plan across agencies and workstreams, staff the Implementation Review Group, assist in development and execution of deliverables, track milestones, develop reporting, and engage stakeholders	→	Not currently budgeted	One-Time	Consultant to develop proposed work scope and budget alternatives to present to Metro for procurement process

COUNTY ROAD MAJOR MAINTENANCE

ANALYST: NICK BOWMAN

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$33,305,270	\$7,231,347	\$0
Appropriations	\$33,305,270	\$21,501,610	\$21,501,610
Major Revenue Sources: Fund Balance, Transfer from County Road Operating Fund, State and Federal Aid, Grants, REET and SWM.			

DESCRIPTION

The Roads Capital Improvement Program consists of two primary funds: the County Road Major Maintenance Fund (Fund 3855) and the King County Road Construction Fund (Fund 3865).¹ The County Road Major Maintenance Fund reports major maintenance activities which extend the life of an existing asset. Major Maintenance projects are usually performed in response to unexpected damage to assets or based on condition ratings or inspections of specific road assets. Regular Maintenance differs from Major Maintenance in that it is performed cyclically, on a schedule informed by performance standards and available resources.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2026-2027 biennial budget includes approximately \$33 million in new appropriation authority for the King County Road Major Maintenance Fund (Maintenance Fund). Of the proposed \$33 million, only \$6.3 million (19%) is supported by dedicated Roads revenues. The fund's diminishing capital revenues is a result of the Roads' structural funding deficit which is discussed further in the Key Issues section of this staff report. The fund's financial health is particularly dire in the outyears with the CIP budget financial plan showing a revenue shortfall of approximately \$14.3 million in the 2028-2029 biennium of the \$21.5 million necessary to sustain minimum maintenance staff and services.

Significant capital programs/projects proposed for the Maintenance Fund include:

Culvert Replacement and Fish Passage Projects – \$17,100,000. The Executive's proposed budget would appropriate a net total of approximately \$17.1 million across fourteen new and existing culvert replacement and fish passage projects at various stages of completion. This includes approximately \$19.1 million in new appropriation authority across twelve new and existing culvert projects and the disappropriation of approximately \$2 million from two existing culvert projects.

¹ Ordinance 18323, adopted by the Council in 2016, created the two primary funds to better align with the reporting requirements for the County Road Administration Board (CRAB).

The twelve culvert projects² which would receive new appropriation authority include:

- \$7 million in REET 1 moneys to construct the SE Petrovitsky Road at 134th Ave SE Culvert Replacement project in Council District 9;
- \$100,000 in REET 1 moneys to supplement the construction phase of the 128th Way Culvert Replacement project in Council District 3;
- Approximately \$607,000 in a combination of Federal Highway Administration grant (\$537,000) and REET 1 (\$70,000) moneys to construct the Avondale Road NE at NE 144th Place Culvert Replacement project in Council District 3;
- \$1.3 million in Federal Highway Administration grant moneys to construct the NE 165th St at 176th Ave NE Culvert Replacement project in Council District 3;
- \$20,000 in REET 1 moneys to support continued design of the S 370th St Culvert Replacement project in Council District 7;
- Approximately \$4.9 million in Federal Highway Administration grant moneys to construct the 156th Ave SE & SE 240th St Culvert Replacement project in Council District 9;
- \$500,000 in REET 1 moneys to continue final design and right of way acquisition for the 8402 W Snoqualmie Valley Road NE Culvert Replacement project in Council District 3;
- \$1,000,000 in FEMA grant moneys to support continued design for the 25414 SE 424th St Near 254th Ave S Culvert Replacement project in Council District 9;
- \$400,000 in REET 1 moneys to continue final design and right-of-way acquisition for the SE Ravensdale Way on Rock Creek Culvert Replacement project in Council District 9;
- Approximately \$1,621,000 in a combination of Federal Highway Administration grant (\$1,296,4000) and SWM fee (\$324,200) moneys to support design of the 196th Ave SE at 40300 Block Culvert Replacement passage in Council District 9;
- \$1,290,000 in a combination of Federal Highway Administration (\$1,032,000) and SWM fee (\$258,000) moneys to support design of the 212th Ave SE at SE 396th St Culvert Replacement project in Council District 9; and
- \$400,000 in REET 1 moneys to support preliminary design on the NE Old Cascade Highway at 71671 Block Culvert Replacement project in Council District 3.

The two projects with proposed disappropriations include:

- (\$1.5 million) in SWM fee moneys are proposed to be transferred from the 17401 SE 204th St Culvert Replacement project to a new project in the County Road Construction Fund. According to the Executive, a 64-foot-long bridge was chosen as the preferred alternative to replace the existing 36-inch culvert. With the preferred alternative creating a new County asset, County guidelines require this project to be closed out of the Maintenance Fund and all associated revenue

² Six projects in Council District 9, five projects in Council District 3, and one project in Council District 7.

transferred to a newly created standalone project in the County Road Construction Fund; and

- (\$526,000) in REET 1 moneys are proposed to be transferred from the 238th Avenue NE & NE 70th St Culvert Replacement project to a new project in the County Road Construction Fund. According to the Executive, a 66-foot-long bridge was chosen as the preferred alternative to replace the existing 30-inch culvert. With the preferred alternative creating a new County asset, County guidelines require this project to be closed out of the Maintenance Fund and all associated revenue transferred to a newly created standalone project in the County Road Construction Fund.

Drainage Preservation Program – \$8,400,000. The Executive's proposed budget includes \$8.4 million in new appropriation authority for the drainage preservation program. The drainage preservation program is an ongoing program designed to protect road users and the existing roadway structures by eliminating failed or failing drainage systems. Revenue supporting the program includes a combination of SWM Fee (\$6 million) and County Road Fund (\$2.4 million) moneys. Projects may include new infrastructure, repairs of failing systems, ditches, and shoulders (which help water to properly drain off roads), as well as other necessary drainage features. A list of projects from the existing backlog is chosen at the beginning of each year as determined by the priority array but are subject to change throughout the year as new drainage problems arise.

Roadway Preservation Program – \$4,350,000. The Executive's proposed budget includes approximately \$4.35 million in new appropriation authority for the roadway preservation program. Revenue supporting the program includes a combination of County Road Fund (\$2.4 million) and REET 1 (\$1.95 million) moneys. Roads will determine roadway preservation projects that will be addressed throughout the biennium using pavement condition score, functional designation, and other factors. A final candidate list will be set in early 2026. The funding would also be used to continue supporting a local road chip seal program operated by the multi-benefit maintenance crew approved in the 2023-2024 biennial budget.³

High Collision Safety Program – \$1,276,000. The Executive's proposed budget includes approximately \$1.3 million in new appropriation authority for the High Collision Safety Program. This program improves the safety of the roadway network by identifying intersections and roadway sections with high collision rates throughout unincorporated King County and making improvements to reduce the likelihood of such collisions. The requested appropriation would provide \$1.1 million in Washington State Highway Improvement Grant moneys to construct sightline improvements on SE Covington-Sawyer Road, east of the intersection. The remaining \$150,000 will be

³ Ordinance 19546

dedicated to making improvements that may be recommended in the next High Collision Location report, scheduled for spring 2026.⁴

Bridge Priority Maintenance – \$1,100,000. The Executive's proposed budget includes \$1.1 million in new appropriation authority for the Bridge Priority Maintenance Program. This program finances high priority preservation and maintenance projects to keep the aging bridge inventory serviceable and safe for the traveling public. Projects may include load upgrades, scour mitigation, re-deck, bridge rail repairs or retrofits, superstructure and substructure repairs, painting, bridge washing, urgent repairs such as flood damage repairs, and vehicle damage repairs, etc.

Baring Bridge Replacement Project – \$1,000,000. The Executive's proposed budget includes \$1 million in new appropriation authority to support completion of final design and continued implementation of the Baring Bridge replacement project. These costs include extended project management costs, two years of escalation costs from previous amendments for 100% design and bid package tasks, the addition of grading plans, an approach slab on the near side of U.S. Highway 2, and other associated costs.

According to the Executive, additional funding is necessary to cover costs associated with the delay in construction which was anticipated to start in 2026 but is not expected to start in 2029. The delay is primarily caused by an extended three-year Endangered Species Act review process by the U.S. Fish and Wildlife Service (USFWS) due to capacity constraints. Additionally, the project requires a multi-agency review process involving the Washing State Department of Transportation and Federal Highway Administration approvals before the USFWS review can even begin. Finally, there are also project design changes required by new Federal Emergency Management Administration and King County floodway regulations and various procurement and consultant-related issues.

The current estimate to construct the bridge is \$31.1 million.

Culvert Replacement and Fish Passage Program – (\$592,000). The Executive's proposed budget would disappropriate \$592,000 from the Culvert Replacement and Fish Passage Program. The disappropriation reflects the conversion of a child project within the program to a standalone project in the County Road Construction Fund which would transfer \$522,000 of previously appropriated SWM fee moneys and \$70,000 in previously appropriated County Road Fund moneys to the standalone project.⁵

⁴ The Roads High Collision report identifies locations which have high collision rates and recommends counter measures that seek to reduce the rate of collisions at these locations. Project examples include low-cost measures such as, rumble strips, flashing lights, high-surface friction treatment, additional signage, painting, pylons, and seed money to explore larger solution.

⁵ 180th Ave SE and SE 408th St Culvert Replacement project (#1150297)

KEY ISSUES

ISSUE 1 – ROADS FUNDING

The Roads Services Division is supported by revenue from three primary sources: a dedicated property tax on unincorporated properties,⁶ the state gas tax, and grant funding, with the property tax contributing over 80% of the Roads-specific revenue. Over the years, the combined impact of municipal annexations, state limitations on available revenue options, lingering effects of the Great Recession, implementation of the state's Growth Management Act, voter initiatives, and aging infrastructure has resulted in a structural decline in the county's capacity to maintain and improve its road and bridge network. Using just the effects of the Great Recession as an example, average assessed residential value in unincorporated King County fell by almost 40 percent between 2010 and 2013; sharply reducing roads levy funding, which has yet to fully recover.

In August of 2015, the Bridges and Roads Task Force (Task Force) was established to assess Roads' constrained finances and explore funding solutions to address the county's deteriorating road network. In January of 2016, the Task Force published its final report that identified a funding gap of \$250 million to \$400 million a year. Based on state property and gas tax data, Executive staff estimate that Roads will see average revenues of just over \$100 million annually – less than half of the estimated \$220 million needed annually to moderate the decline of the system and to minimize risk.

The financial situation for Roads' Capital Improvement Program is particularly dire. With existing revenues, current estimates from Executive staff show that dedicated funding for capital projects will be exhausted in 2028. At that time, the capital program would rely on non-dedicated revenue sources from the Surface Water Management Fee, Flood Control District, REET 1, and grants. All of these are sources that Roads must compete with other county agencies for, are not specifically prioritized to meet the greatest needs of the users of the county road system, and must be treated as one-time, rather than ongoing, sources of funds.

The most recent Roads Line of Business Report highlights the number of ways Roads has approached their funding challenge including: cutting costs, finding efficiencies, identifying new ways to do business, and engaging internal and external stakeholders, regional partners, and elected officials in discussions about the solutions to the structural funding gap.⁷ Recent federal infrastructure funding has provided additional grant opportunities for Roads and the Council approved additional grant program staff in the 23-24 biennial budget to assist in preparing competitive applications. Roads have been awarded over \$63 million since the Council approved additional staff support in

⁶ RCW 36.82.040

⁷ <https://cdn.kingcounty.gov/-/media/king-county/depts/local-services/roads/plans-reports/2023-24roadservicesbusinessplan.pdf?rev=bbac0a6f28eb45fd895115c48c73d182&hash=0B1335DC88113BF1EB2D9BFBB84CF15D>

2023 and over \$120 million in grants in total since 2019. However, Roads staff state that their cost-cutting efforts, combined with even sizeable grant opportunities, are not sufficient to address the county's current and growing volume of unmet road and bridge needs.

Over 2020 and 2021, the Council considered legislation which would have proposed voter propositions authorizing a six-year permanent levy lid lift to support the maintenance and preservation of the King County roads system.⁸ The 2021 proposal was estimated to generate approximately \$178 to \$236 million in additional annual revenue over the six-year levy period above what would be generated under the current levy rate. However, as the result of the COVID-19 pandemic and its uncertain impact on the economy, neither proposal moved forward.

In June of this year, the King County Transportation Benefit District (KCTBD) heard Proposed Resolution TD2025-02 which would impose a countywide 10-year 0.1% sales and use tax for transportation improvements, with revenues distributed equally between Roads and the Metro Transit Department. Estimates provided by the King County Office of Performance, Strategy, and Budget in March 2025 indicate that 0.1% sales tax imposed countywide would collect approximately \$95 million per year in its first year of collections, of which approximately \$47.5 million would be directed to Roads. Proposed Resolution TD2025-02 is currently being considered by the KCTBD but has not been acted on.

With no new revenue options available, the Executive proposed 2026-2027 proposed budget continues the recent trend of allocating Surface Water Management fee and REET 1 funding to support Roads capital projects. Under the Executive's proposed budget, the Roads capital program will receive approximately \$9.9 million in SWM fee revenues and \$14.4 million in REET 1 fund, representing 44% of total Roads capital revenue for the biennium.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: HOW MANY (WHAT PERCENT) OF THE COUNTY'S MAJOR ASSETS, SPECIFICALLY THE 1500 MILES OF UKC ROADS AND 188 BRIDGES, ARE BEYOND THEIR USEFUL LIFE?

ANSWER: At the end of 2024, 560 centerline miles (38%) were categorized as poor condition, and 75 of the 192 (40%) bridges were beyond their useful life. (Please note that four bridges were added to the inventory in 2024.)

QUESTION 2: SHOULD THE TBD FUNDING BE APPROVED, HOW WOULD THE EXECUTIVE PRIORITIZE ALLOCATING THE ADDITIONAL \$47.5 MILLION ANNUALLY?

ANSWER: The following response is based on current information and could change depending on the priorities of the next Executive or emerging needs.

⁸ Proposed Ordinances 2020-0110 & 2021-0206

- Restore the one-time reductions proposed in the 2026-2027 budget
- Replenish reserves
- Provide funding for emergency response
- Fund construction-ready projects with completed design but no construction funding
- Prioritize life-safety capital projects:
 - Intersection Safety Improvements –to reduce collisions and fatalities through signals, roundabouts, and sightline upgrades.
 - Short-Span Timber Bridge Replacements – to replace aging timber bridges averaging 69 years old, many beyond service life and environmentally hazardous.
 - Roadway Drainage Systems Rehabilitation – to reduce flooding, prevent road failures, and improve climate resilience.
 - Pavement Preservation – to reduce a severe maintenance backlog; at current funding, full resurfacing would take 400 years.
 - Facilities Rehabilitation and Replacement – for facilities over 60 years old that cannot support operational needs.
 - ADA Barrier Removal – for priority accessibility upgrades.
 - Climate Resiliency – for projects such as the Vashon–Maury Island connection and Snoqualmie Valley flood mitigation.

Roads would evaluate and prioritize projects using the following criteria: safety, equity, asset condition, mobility, resiliency and emergency management, environmental sustainability, and regulatory mandates.

QUESTION 3: DOES THE EXECUTIVE INTEND TO RESTORE THE PROPOSED CUTS IF NEW REVENUE BECOMES AVAILABLE.

ANSWER: Yes, the Executive does intend to restore the proposed reductions included in the Roads operating budget should new revenue become available.

QUESTION 4: FOR THE BRIDGE PRIORITY MAINTENANCE PROGRAM, GIVEN THE STATE OF RECENT HIGH PROFILE BRIDGE CLOSURE INCIDENTS, THE PROPOSED \$1.1 MILLION SEEMS INADEQUATE. WHAT IS THE TOTAL NEED FOR BRIDGE PRIORITY MAINTENANCE THIS BIENNIUM AND WHAT IS THE TOTAL NEED TO ADDRESS THE ENTIRE BACKLOG?

ANSWER: The Bridge Priority Maintenance program includes relatively small improvements to bridges to prevent further decline. Examples are painting, resurfacing, guardrail replacements, and replacing small components. It does not change the useful life of the bridges already at the end of their useful life or prevent or address high-profile bridge closure incidents.

The current backlog in this program is over 300 work orders and roughly 15/year are completed at the current level of investment. To reduce the backlog in the 6-year CIP, we estimate that this would cost roughly \$15M-\$20M. To start reducing the backlog in this biennium an additional \$3M and staffing support would be needed. This would not fund any bridge replacement or major repairs.

QUESTION 5: IF A NEW REVENUE SOURCE IS NOT IDENTIFIED, WHAT HAPPENS TO WIND DOWN UNITS IN THE NEXT BIENNIUM? WHAT ARE THE IMPLICATIONS?

ANSWER: Absent new, sustainable revenue, the Roads fund will continue to be in a structural crisis. Funding for the capital program is projected to be eliminated in the next two to four years, depending on the scale of operating reductions. A strategic wind-down will mean trade-offs pairing back operating functions to the minimum required in order to prop up a skeletal capital program focused solely on life-safety needs and regulatory compliance.

Road Services and the next Executive would begin the process by identifying the essential operations to keep a life-safety-only capital program, followed by unavoidable workforce reductions and sweeping operating cuts to align with the program's contraction. This process would include communication with elected officials and community members about expected reductions in service levels and how that would impact the community.

Next, Roads would be forced to consider returning grant awards and redirecting the freed matching funds toward only the most urgent life-safety needs. Most grant-funded projects serve traditionally underserved areas; this step would strip investment from communities already facing chronic underinvestment.

From there, Roads would triage its' remaining portfolio of safety capital projects, postponing or abandoning aging infrastructure replacements. These reductions would trigger cascading consequences eliminating specialized crews whose work is dedicated to delivering capital projects. These staffing cuts would erode critical field capacity and leave the County increasingly unable to respond to severe weather, flooding, and emerging safety hazards.

Lastly, further reductions would likely require cutting funding from traffic safety capital projects that focus on high collision locations and address known public hazards. Such cuts would increase risks for drivers, pedestrians, and vulnerable roadway users.

A few examples of infrastructure impacts are:

Bridge Replacements: The Baring Bridge #509A replacement (District 3) would be cancelled due to the lack of \$5 million in local match funding. The bridge serves as the sole access route for about 170 properties; if not replaced, those residents would lose access entirely. Similarly, short-span timber bridges—many more than 70 years old—would not be replaced because they are ineligible for federal funding. For example, Bear Creek Bridge #333A and Cottage Lake Creek Bridge #240A, both on the same corridor near Redmond, may have to be closed as they deteriorate, forcing traffic onto already congested Trilogy Parkway.

Pavement Preservation: Without resurfacing, unincorporated roadways would steadily deteriorate, leading to widespread cracking, potholes, and rough driving conditions that accelerate over time. Affected roadways may be closed or turned into gravel roadways.

Drainage Preservation: Over half of the County's 3.5 million feet of drainage infrastructure is past its intended lifespan, with about 400 high-priority projects

outstanding. Deferring work on critical structures—such as the deep culvert on SW 156th St. on Vashon Island or along Auburn-Black Diamond Road—would increase the risk of collapses, emergency closures, and costly unfunded repairs.

WASTEWATER TREATMENT OPERATING

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$473,394,808	\$1,387,308,490	946.0	8.0
2026-2027 Base Budget Adjust.	(\$6,815,327)	(\$2,000,000)	0.0	0.0
2026-2027 Decision Packages	\$36,093,460	\$173,606,051	69.0	8.0
2026-2027 Proposed Budget	\$502,673,000	\$1,558,915,000	1015.0	16.0
% Change from prior biennium, annualized	6.2%			
Dec. Pkg. as % of prior biennium, annualized	7.6%			

Major Revenue Sources: Sewer rate and capacity charge revenue, etc.

DESCRIPTION

The Wastewater Treatment Division (WTD) is responsible for collecting and treating wastewater from its designated service area, and for reclaiming wastewater, recycling solids, and generating energy. WTD expenditures are organized in three budgets, including the Wastewater Operating, Water Quality Construction, and Wastewater Debt Service budgets. The operating budget includes both expenditures to operate the five wastewater treatment plants and 390 miles of conveyance pipeline, and rate revenues to support operating, capital, and debt service needs. As such, revenues associated with the operating budget significantly exceed operating costs; the bulk of revenues have historically been transferred to the capital fund, debt service fund, and used for debt defeasance.

Operating programs are focused on the conveyance, treatment, and recycling of wastewater and its treatment residuals. Wastewater is received from cities and sewer districts, who deliver it to County interceptor pipelines; generators include both households and business/industry. The West Point, South, and Brightwater treatment plants are considered regional treatment plants and receive and process the bulk of the region's wastewater; the Carnation and Vashon plants address more limited and localized wastewater processing needs. Agency services also support resource recovery efforts, including biosolids recycling, reclaimed water utilization and distribution, and natural gas/biomethane processing and reuse. The agency's Industrial Waste program issues permits, and conditions discharge of industrial waste into the sewer system, requiring pretreatment of discharges to minimize impacts on treatment facilities.

Primary revenue sources include the sewer rate, paid by all dischargers, and the capacity charge, assessed for new connections to the wastewater system. In June

2025, the Council approved a sewer rate increase of 7.5% for 2026 and at that time WTD projected an increase of 12.75% for 2027. Increases in operating expenditures can have a larger impact on the rate than an equivalent increase in capital costs because operating expenditures must be funded by cash (rate revenue).

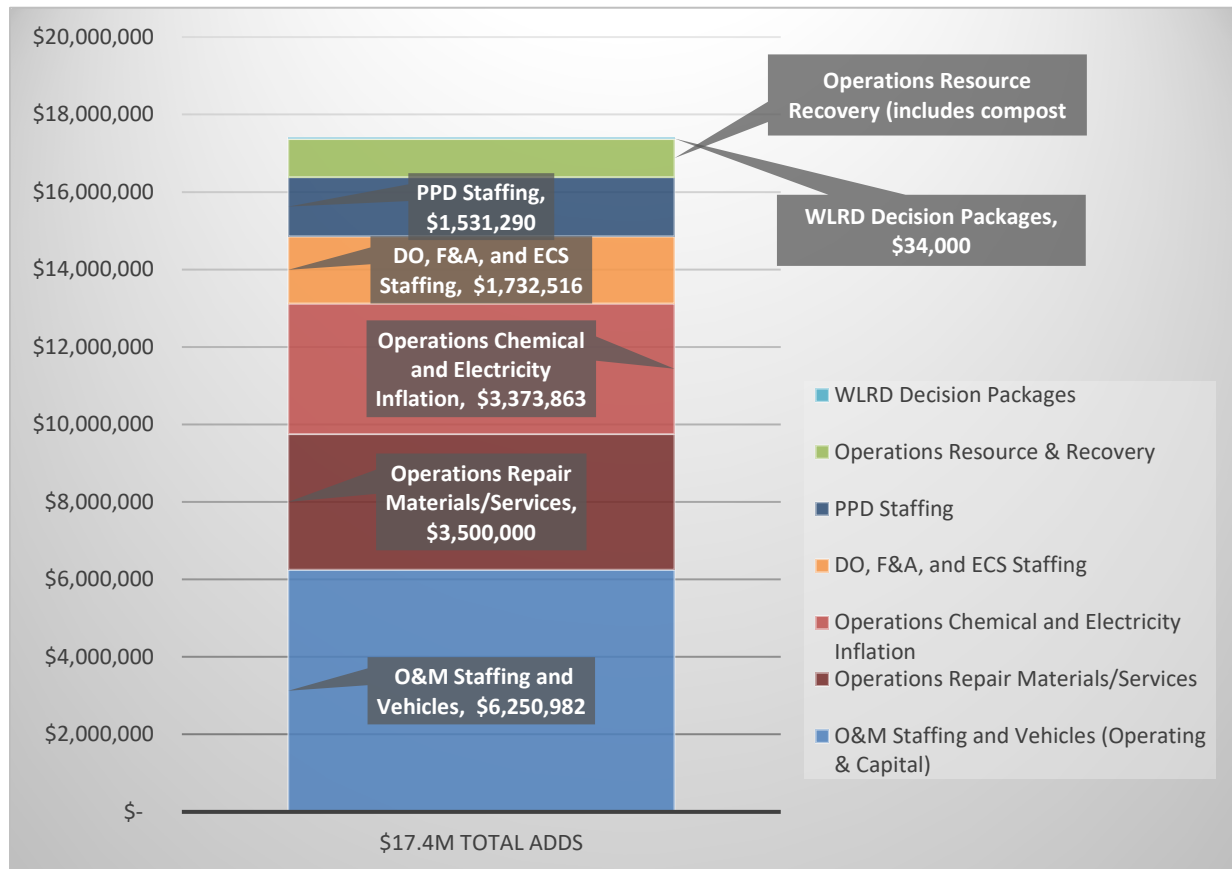
SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed operating budget is 6.2% higher than the 2025 annual biennialized budget. The increase reflects inflationary operational costs, additional funding for major maintenance repairs, and additional staffing for operations, capital, and administrative support. For the FTE requests related to capital, only the share of the FTE costs related to operations is requested in this operating budget. The remaining costs are charged to capital projects.

How the Annual Sewer Rate Adoption Process Works with WTD's Biennial Budget. As WTD is largely funded by the sewer rate and capacity charge, its projected operating expenditures and FTEs are based on the annual rate adoption, which by contract with local sewer agencies, must occur prior to June 30 each year. WTD budgets only based on adopted rates, not projected rates. Therefore, the proposed 2026-2027 budget only assumes the expenditure level and FTEs for the biennium that are supported at the 2026 adopted sewer rate level. After the 2027 rate is adopted by June 30, 2026, for the 2027 fiscal year, the Executive will have an opportunity to transmit a supplemental budget ordinance to reflect any changes in expenditures for 2027 based on revenues from the new 2027 adopted rate. Additional staffing and operational needs beyond those supported by the 2026 rate will be considered based on the 2027 adopted rate. During the 2026 rate adoption, WTD forecasted the rate in 2027 would increase 12.75%. If this rate increase is proposed by the Executive and adopted by the Council, there would likely be a corresponding supplemental budget request in 2027.

WTD provided the figure below to illustrate the major categories of new operational investments requested in the 2026-2027 proposed budget.

Figure 1
2026-2027¹ Proposed WTD Operating Adds



Definitions: PPD=Project and Planning; DO=Director's Office; F&A=Finance and Administration; ECS=Environmental and Community Services; O&M = Operations & Maintenance

Key decision packages are listed below.

Major maintenance repairs - \$6.7 million. This decision package includes funding to address aging assets, failing assets, and unforeseen repairs of assets. WTD reports its current repair budget of \$3 million is insufficient and it can no longer absorb additional costs to complete this work.

West Point Treatment Plant - \$5.2 million and 13 FTEs. Five decision packages including requests for five mechanics, three instrument technicians, three maintenance electricians, one industrial maintenance specialist, and one process engineer.

Transfer to Water and Land Resources Division (WLRD) - \$4.6 million. This decision package would increase the transfer to WLRD to reflect inflationary cost increases to approximately \$46 million of biennial operating transfer to WLRD for

¹ See the discussion above explaining the 2027 portion of WTD's 2026-2027 proposed budget.

environmental lab services and other science services. This is in addition to the \$1.5 million increase to WLRD in the 2025 budget. This transfer supports WLRD's services to WTD for the environmental lab and WLRD's science section.

Project Planning and Delivery - \$2.2 million and 27 FTEs. This decision package would add an additional 27 FTEs to support the expanding capital portfolio of programs and projects. Additionally, the 2026-2027 proposed budget includes two Water Quality Planner/Project Manager positions at \$74,201, related to the expanding capital program. An additional \$14.7 million is included in the appropriation for the capital projects to support the capital portion of the FTEs requested in the operating budget.

Increasing Electricity Costs - \$2.9 million. This includes \$2.1 million for South Plant electricity costs and \$799,152 for projected increasing costs at West Point Treatment. The increase at South Plant is due to both increased consumption and Puget Sound Energy rate increases. This is in addition to the \$1.3 million added in 2025 and represents an approximate 18% increase from South Plant's current budget for electricity. The increase at West Point is largely due to expected Seattle City Light rate increases.

South Plant Staffing - \$2.5 million and 7 FTEs. The decisions packages would add 5 FTEs for South Plant mechanics with corresponding tools and vehicles, one South Plant industrial procurement specialist and one additional South Plant Treatment Engineer. These 7 FTEs will be added to the existing 130 staff for South Plant.

Administrative, Business and Finance staff - \$1.5 million and 8 FTEs. The 2026-2027 proposed budget includes five decision packages adding a total of eight positions related to administrative, business, and finance support.

Biosolids - \$1.9 million. This includes \$1.4 million for increased costs for biosolids hauling and application and \$500,000 (one-time) for the operational costs of the biosolids compost pilot located at South Treatment Plant. The pilot which began producing a compost in late November of 2024 has provided proof of concept in WTD's ability to produce a high-quality biosolids-derived compost that meets Class A requirements. The pilot is performing as expected and is anticipated to run for a five-year period to allow for testing and evaluation of the product.

Brightwater Treatment Plant Staffing - \$980,693. This decision package includes one gardener and two supervisor FTEs at Brightwater Treatment Plant.

Expand Director's Office - \$905,829 and 3 FTEs. This decision package would add one Chief of Staff, one Special Projects Manager, and one Construction Safety Specialist to the Director's Office. The Special Projects Manager will manage politically sensitive, inter-governmental, strategic, regulatory, and confidential projects/programs for the WTD's Director's Office. These staffing adds would bring the total FTEs in the Director's Office to 41 FTE.

WaterWorks Grant Program - \$797,450. This decision package would add an inflationary increase to the WaterWorks Grant Program based on 1.5% of WTD operating budget.

The budget also includes a large revenue adjustment of \$173.6 million to revise budgeted revenues to match the current forecast projected to increase, largely due to increasing rate revenues. In addition, there are technical budget expenditure reductions totaling \$14.1 million.

KEY ISSUES

ISSUE 1 – CONTINUED INCREASE IN STAFFING

The proposed budget would add 69.0 FTEs to the existing 946 FTEs, for an increase of 7.2% in the size of the employee pool. The specific positions are identified in the summary above and requested positions address both operating and capital needs.

As shown in Table 1, this increase reflects the continued growth in WTD staffing beginning in 2023 and is expected to continue as the capital program continues to grow. In addition to the 2026-2027 proposed positions, WTD anticipates seeking a supplemental appropriation to address staffing needs based on the 2027 sewer rate. Council staff have requested additional information on potential anticipated adjustments to the 2026-2027 budget.

The 2025 budget authorized an additional 78 FTEs of which 48 are reported vacant as of September 10, 2025. Overall, WTD has 131 vacancies, which is about 14% of WTD's total FTEs and represents a higher vacancy rate than September 2024.

Table 1
WTD FTE Growth 2013-2025²

FTE Adds	Adopted										Proposed	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*	Total
Director's Office	-	1	-	0	-	0	-	5	-	5	3	14
Environmental & Community Svcs	-	4	-	2	-	6	-	20	17	1	3	53
Finance & Administration	-	4	-	-	-	1	-	6	-	1	6	18
Operations	-	-	-	15	5	-	-	15	4	25	30	94
Resource Recovery	-	2	1	-	-	4	-	9	5	0		21
Project Planning & Delivery	2	7	-	7	-	4	31	42	47	46	27	213
Total New FTEs	2	18	1	24	5	15	31	97	73	78	69	413
Total FTEs												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*	Total Change (2016-2026)
Director's Office	26	27	27	27	27	27	27	32	32	37	41	15
Environmental & Community Svcs	52	56	56	58	58	64	64	83	100	101	104	52
Finance & Administration	28	32	32	32	32	33	33	39	39	40	54	26
Operations	304	304	304	319	324	324	324	339	343	368	398	94
Resource Recovery	16	18	19	19	19	23	23	31	36	36	36	20
Project Planning & Delivery	180	187	187	194	194	198	229	271	318	364	382	202
Total Adopted FTEs	606	624	625	649	654	669	700	795	868	946	1015	409
Total Adopted TLTs	3.08	17	17	16.4	8.5	5	3.42	5	5	8	8	4.92

*Includes proposed 2026 FTEs and TLTs

WTD reports additional operating staff are needed because:

- WTD facilities are aging, requiring attention to address hundreds of minor repairs and adjustments.
- With an increasingly large capital portfolio, operations staff are needed to participate in systems planning, construction, start-up, and commissioning process.
- Permit conditions are more complex, requiring more monitoring and adjustment to meet water and air quality requirements.
- Contracts and policy goals require more investments in biosolids, biogas, recycled water, and sewer heat.

For the capital staffing FTE requests, at the request of Council staff, WTD provided a detailed discussion of the division's approach to forecasting additional FTEs to support the expanded capital appropriation request. The discussion describes an informed-decision making process that primarily relies on a qualitative review that is based on the extensive experience WTD has with capital staffing. As part of this approach, WTD assesses the specific staffing needed for each WTD section to staff the projected projects. WTD confirmed the existing approach using a pilot forecasting model that estimates FTE needs for both current projects and new projects in the 2026-2027 capital budget proposal by using historical project labor expenditure data and current and planned capital project labor expenditure forecasts. Both approaches confirmed the request for an additional 27 FTEs for the capital program. As the growth in the capital program and the corresponding hiring rate is unprecedented for WTD, the division will continue to evaluate staffing needs and the capacity to hire and onboard staff.

² The Total FTE figures are inclusive of new FTE add as well as internal transfers.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: GIVEN THAT THERE ARE STILL 25 POSITIONS FROM THE 2025 BUDGET FOR WHICH THE HIRING PROCESS HAS NOT STARTED, PLEASE EXPLAIN WTD'S LEVEL OF CONFIDENCE IN FILLING ALL 69 POSITIONS IN 2026.

ANSWER: It should also be noted that of the vacancies previously reported, approximately half are currently in some stage of the recruitment process. Of the specific vacancies related to the 2025 budget adds, approximately 45% are in some stage of the recruitment process. WTD is reasonably certain they will be able to hire the 69 positions requested in 2026. All 69 positions, particularly those in operations, are important to the success of the utility as well as its capital program and will be expedited as much as is possible and reasonable.

QUESTION 2: DO YOU HAVE AN EXISTING HIRING SCHEDULE FOR THE 69 POSITIONS, I.E. THE QUARTER IN WHICH YOU EXPECT TO HIRE THE POSITIONS. IF YES, PLEASE PROVIDE.

ANSWER: Scheduling and prioritization is done later in the 4th quarter for the upcoming year. WTD indicates they are currently focused on aggressively reducing current vacancies by year-end, including adding additional HR capacity to support these recruitments. After budget adoption and significant progress towards current goals, WTD intends to develop a more detailed schedule for the proposed 69 positions in the latter part of Q4 and will prioritize hiring maintenance staff initially for the Operations positions.

QUESTION 3: IF ALL POSITIONS WILL NOT BE FILLED IN 2026, WHY NOT WAIT UNTIL THE 2026 SUPPLEMENTAL TO REQUEST THE POSITIONS WHICH WILL NOT BE FILLED IN THE FIRST HALF OF 2026?

ANSWER: Executive staff indicate that having all requested positions available at the start of the year is a critical component of WTD's ability to respond to needs, as well as hiring manager and HR capacity, in a flexible and agile manner. WTD states that they are better able to resource HR and the respective sections in a proactive way with a complete picture and that it is difficult to predict which positions can be acted upon in the first couple months of the year versus those that might be delayed due to other emergent priority work deliverables in the respective teams. Often positions can also be packaged together in a joint recruitment, which is another reason why separating the request could unintentionally impact WTD's ability to deliver the most efficient hiring processes.

QUESTION 4: ARE THE 27 NEW FTEs FOR PROJECT PLANNING AND DELIVERY INCLUDED IN THE 2026 RATE. WILL THE ADDITION OF THESE NEW FTE REQUIRE COUNCIL TO ADOPT A HIGHER RATE IN 2027?

ANSWER: All proposed 2026-2027 FTE adds are supported by the adopted 2026 rate.

QUESTION 5: OF THE PROPOSED 69 NEW POSITIONS FOR THE DIVISION, HOW MANY ARE BACKED BY THE GENERAL FUND?

ANSWER: All of the positions are supported by rate revenue.

QUESTION 5: DO WE ACCOUNT FOR MAJOR MAINTENANCE IN OUR WASTEWATER CIP? IS THE MAJOR DECISION PACKAGE FOR \$6.7 MILLION IN ADDITION TO WHAT WE PLAN FOR?

ANSWER: This \$6.7 million ongoing add is in the operating budget and is in addition to a base budget in the operating budget of \$3 million for major maintenance. There is a separate, capital budget of \$515.4 million for asset management.

WASTEWATER CONSTRUCTION

ANALYST: JENNY GIAMBATTISTA

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$1,295,305,263	\$1,481,773,150	\$2,147,454,212
Appropriation	\$1,295,305,263	\$1,148,773,150	\$2,147,454,212
Major Revenue Sources: Proceeds from Bond Sales, Revolving Fund/Public Works Fund loans, Commercial Paper, etc.			

DESCRIPTION

The Water Quality Construction capital budget of the Wastewater Treatment Division (WTD) finances construction, maintenance, upgrade, and expansion of the wastewater system physical plant, including treatment facilities and the conveyance system. Over recent biennia, the regional system has been focused on constructing the Combined Sewer Overflow (CSO) projects required by a consent decree between King County and the federal Environmental Protection Agency and Department of Justice, and the Washington State Department of Ecology. Additionally, the agency is continuing its work on the Conveyance System Improvement and Treatment Planning programs, to assure the capacity of the conveyance and treatment system to meet the demands of regional growth, and facility maintenance. However, as the system continues to age, the two larger regional plants (West Point and South Plant) and hundreds of miles of interceptor pipeline that were completed in the 1960s and expanded in the 1970s and 1990s, and the Brightwater regional plant that was completed in the 2010s, the need for maintenance, repair and upgrade of facilities is becoming more urgent. WTD is accelerating its Asset Management program in response, focusing on both treatment plant and interceptor pipeline evaluation, repair, upgrade, and replacement. Meanwhile, the Washington Department of Ecology is continuing to pursue regulatory action requiring wastewater generators of nitrogen, which is the chemical element that can accelerate the growth of algae in the marine environment, to limit discharges according to the terms of a state-issued permit.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed budget includes 77 capital projects and an appropriation request of \$1.3 billion. The 2026-2027 requested projects reflect a mix of new and continuing projects with most projects not seeking full appropriation. As is discussed in Issue 1 of this staff report, planned expenditures over the six-year CIP spending forecast are increasing significantly, with regulatory compliance and asset management projects representing an increasing share of the capital program. Additionally, the proposed capital budget includes budgeting more capital investments as “programmatic capital projects” versus “standalone” projects. In programmatic budgeting, sub projects

are rolled into one “programmatic” project appropriation. In the 2026-2027 budget there are 27 programmatic projects. WTD reports this creates efficiencies and flexibility in contracting, budgeting, and administrative labor. However, it does reduce transparency in tracking appropriations when compared to budgeting as a standalone project because sub-projects are not appropriated in the budget.

The Water Quality Construction budget is categorized according to major “portfolios” to delineate the primary functions that the budget addresses. Listed below are the 2026-2027 proposed appropriations for the largest CIP projects in each of the major WTD capital portfolios:

Asset Management - \$515.4 million. Projects in this portfolio maintain level of service through the rehabilitation or replacement of critical assets. WTD reports the 2026-2027 proposed budget includes an intentional increased investment in minor asset “programmatic” projects because investments in these types of relatively smaller projects allows for maximum benefits per dollar.

Key proposals include:

- West Point Electrical Improvements: \$142.7 million (Discussed below)
- M Street Trunk Rehabilitation: \$40.6 million (Discussed below)
- South Interceptor Rehabilitation: \$30.6 million
- Interbay Force Main & Odor Control: \$30.6 million
- Mechanical Upgrade & Replacement: \$27.6 million
- West Point PE and RAS Pipe Restoration/Replacement: \$24.8 million
- Electrical / Instrumentation and Control: \$21.1 million
- Odor/Corrosion Control: \$16.2 million
- South Plant Electrical Improvements Program: \$14.3 million
- West Point Treatment Plant Instrument & Service Air Replacement: \$14.2 million
- HVAC Replacements and Refurbishments: \$13.0 million
- Pipeline Replacement: \$12.0 million
- Ovation Lifecycle Controls Lifecycle Program: \$11.0 million
- Lakeland Hills PS Facility Replacement: \$10.9 million

Regulatory - \$525.5 million. Projects in this portfolio respond to permit, regulation, and/or consent decree legal deadlines.

Key proposals include:

- CSO Mouth of Duwamish Wet Weather Treatment Station and Conveyance: \$351.5 million (Discussed below)
- CSO Mouth of Duwamish Chelan Storage Program: \$49.0 million (Discussed below)
- NPDES Elliott West Wet Weather Treatment Station: \$37.4 million (Discussed below)
- CSO East Ship Canal Wet Weather Facilities: \$22.3 million

- CSO Supplemental Compliance and Corrective Action (\$15.9 million)

Capacity Improvement - \$164.9 million. Projects in this portfolio increase capacity in WTD facilities to accommodate future growth.

Key proposals include:

- Black Diamond Trunk Capacity Upgrade: \$119.3 million (Discussed below)
- North Mercer Island & Enatai Interceptors Upgrade: \$12.6 million
- Treatment Planning Program: \$9.6 million
- West Point Digestion Capacity Expansion: \$6.4 million
- Sammamish Plateau Diversion: \$6.3 million

Operational Enhancements - \$24.5 million. Projects in this portfolio are intended to reduce/improve operating costs at treatment plants through the delivery of projects that create efficiencies

Key proposals include:

- Process Replacement/Improvement: \$17.2 million
- Alki Permanent Standby Generator: \$4.5 million
- Technology Assessment and Innovation Project: \$2.9 million

Planning and Administration- \$45.3 million. Projects in this portfolio incorporate programs and projects that facilitate execution of the overall capital portfolio through a series of planning and administration related efforts.

Key proposals include:

- WTD CIP Contingency Fund: \$20 million
- Regional Wastewater Services Plan (RWSP): Conveyance System Improvements: \$10.7 million
- RWSP Update: \$7.4 million (Discussed below)

Resiliency - \$4.5 million. Projects in this portfolio improve the survivability and operability of core assets against natural disasters through the delivery of projects that address known deficiencies.

Key proposals include:

- Climate Adaptation Planning Program: \$1.9 million
- West Point Primary Sedimentation Area Roof Structure: \$2.6 million

Resource Recovery - \$15.2 million. Projects in this portfolio support the King County Strategic Climate Action Plan initiative through the delivery of projects that reduce energy or recover resources from wastewater.

Key proposals include:

- Brightwater Space Heating – Heat Pump Installation \$5.5 million
- West Point Biogas Utilization Improvement Program: \$3.8 million
- WTD Electric Vehicle Charging Stations: \$3.4 million

Five Largest WTD 2026-2027 Capital Appropriation Requests. Below, the five largest capital appropriation requests for WTD are discussed.

Mouth of Duwamish Wet Weather Treatment Station and Conveyance - \$351.5 million. The Mouth of Duwamish Wet Weather Treatment Station (WWTS) and Conveyance will control pollution from three CSO outfalls at the mouth of the Duwamish River. The Wet Weather Treatment Station (WWTS) is anticipated to provide peak wet weather treatment capacity and significant onsite storage. WTD estimates the new facility will be approximately 3.25 times larger than the Georgetown Wet Weather Station by volume. Building a treatment plant, storage, and pipelines for this volume is a large, complex and expensive project that will require approximately 1,240 linear feet of open trench piping, 360 linear feet of trenchless, a new pump station, marine dredging and shoreline installation. WTD reports this project will also require the purchase of an estimated 4 to 8 acres in SODO. WTD reports construction for this project will impact community members who live, work, and travel through the SODO neighborhood. This project is to be completed by December 31, 2034, in accordance with the modified consent decree.

This is the initial appropriation for this project and includes \$254.5 million for planning and design, \$37 million for implementation and \$60 million for acquisition. The early, rough order of magnitude cost estimate at completion for this project is \$2.6 billion. A new cost estimate is anticipated in February 2026.

Mouth of Duwamish Chelan Storage Program - \$49 million. The Mouth of Duwamish Chelan Storage Facility project is a part of the Mouth of Duwamish CSO project. This specific project will control the Chelan Avenue CSO outfall to regulatory requirements by constructing a large storage tank and supporting conveyance to manage peak flows. This will involve mass excavation, deep soil stabilization, installation of a specialized slab, regulator station modifications, a diversion structure, and approximately 1,490 linear feet of tunneled conveyance pipe. This is the initial appropriation for this project and includes \$44.8 million for planning and design and \$4.2 million for implementation. The early, rough order of magnitude cost estimate at completion for this project is \$807.2 million.

West Point Electrical Improvements - \$142.7 million. This project will modernize and enhance electrical infrastructure at the West Point Electrical Plant. WTD reports the electrical assets installed in West Point's original construction in the 1960s and secondary expansion in the 1990s are beyond or near end of expected life and many no longer meet current code requirements which presents risk of failure and potential safety concerns to staff. The project will replace 330 aged electrical assets to increase system reliability and reduce unplanned downtime, relocate nine flood-prone electrical

assets to improve operational resiliency, and integrate significant infrastructure upgrades, including the installation of solar photovoltaic (PV) systems, deployment of EV charging stations, fiber optic enhancements, and the construction of an electrical building.

Prior appropriations for this project total \$64.5 million. This proposed appropriation of \$142.7 million includes \$13.5 million for planning and design and \$129.1 million for implementation. The early rough order of magnitude cost estimate at completion for this project is \$409.9 million

Black Diamond Trunk Capacity Upgrade - \$119.3 million. The Black Diamond Interceptor, built in 1992, is not sufficiently sized to accommodate the projected sewer flows. This project will determine the best available alternative to upgrade the capacity of approximately six miles of 10–16-inch conveyance pipe to provide the needed conveyance capacity for the contributing area, considering future population growth.

Prior appropriations for this project total \$19.7 million. This appropriation request of \$119.3 million includes \$7 million for final design and \$112 million for implementation and \$5.8 million for closeout. The early, rough order of magnitude cost estimate at completion for this project is \$166.8 million and an estimated completion date of March 2030.

M Street Trunk Rehabilitation - \$40.6 million. The M Street Trunk Rehabilitation Project will rehabilitate 13,900 linear feet of severely deteriorated reinforced concrete pipe and rehabilitate 45 precast concrete maintenance holes and restore over 100 lateral connections along the M Street Trunk between maintenance holes located in the City of Auburn. The total estimated costs have increased since the last time budget was requested as the project has completed alternatives analysis and has refined design details, updated construction methods.

Prior appropriations for this project total \$36.7 million. This appropriation request of \$40.6 million includes \$7.5 million for design and \$33.1 million for implementation. The cost estimate at completion for this project is \$77.3 million and the cost estimate has more certainty as the project is further along in the project development process. This project has an estimated completion date of May 2028.

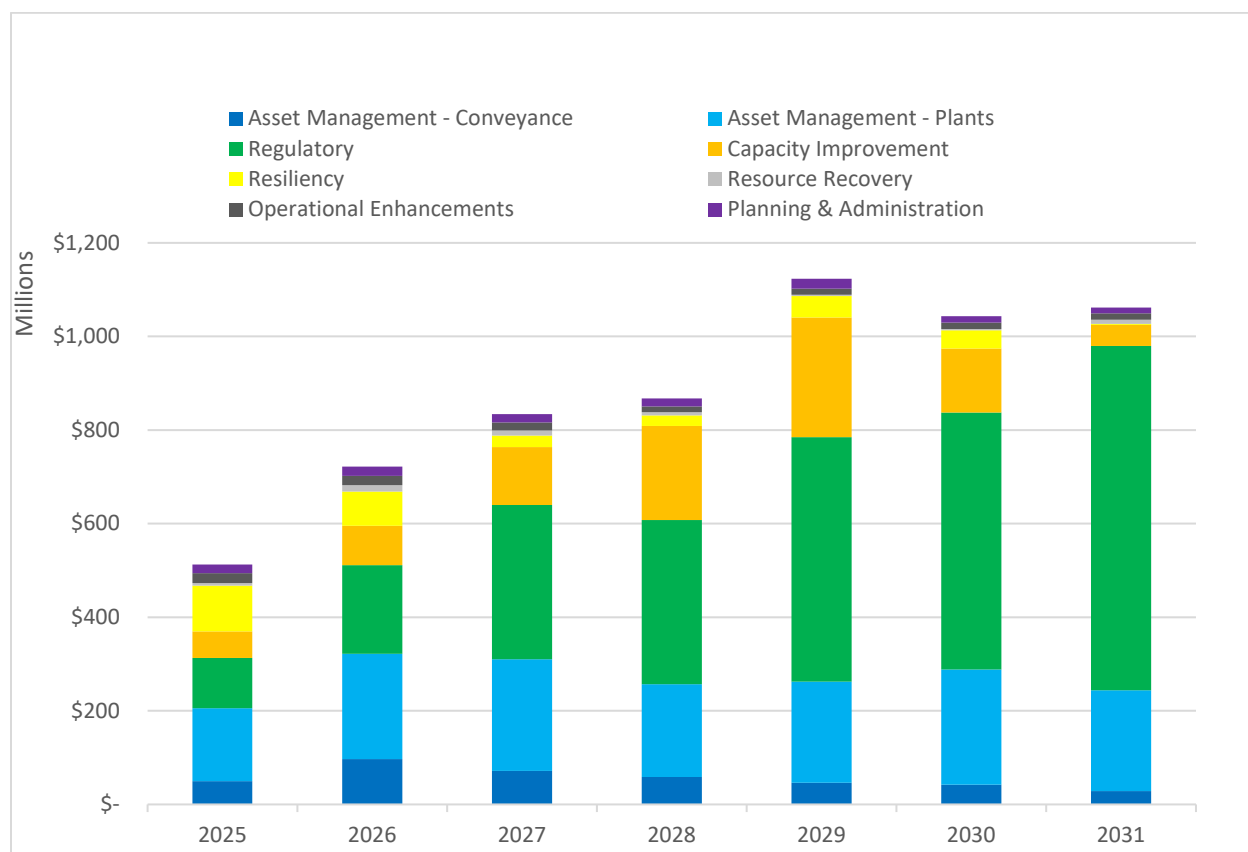
KEY ISSUES

ISSUE 1 –CAPITAL PROJECT SPENDING CONTINUES TO INCREASE SIGNIFICANTLY

As shown in Figure 1 below, planned expenditures over the six-year CIP spending forecast are increasing significantly. WTD reports these increases are driven by multiple concurrent state and federal regulatory requirements, pressing needs for asset renewal and replacement, and capacity improvement needs to support growth mandated by state Growth Management Act and local comprehensive plans. WTD's capital program

is forecasted to triple or more in size in the next five years from \$300 million to \$1 billion per year or more. As shown in Figure 1, much of this increase in cost is related to regulatory requirements, notably the Modified Combined Sewer Overflow (CSO) Consent Decree to control CSOs discussed below.

Figure 1
Proposed 2026-2027 Budget 6-Year CIP Spending Forecast



Modified Combined Sewer Overflow Consent Decree. WTD has been implementing King County's Combined Sewer Overflow (CSO) program for over three decades to control the County's CSO outfalls to the Washington State standard of no more than one untreated CSO discharge per year on a 20-year average. This proposed budget includes the largest investments in the modified CSO consent decree to date with significantly more investments expected over the decade. The total cost estimate at completion for the remaining CSO consent decree projects is \$6 billion. This is a rough order of magnitude estimate as most of the projects are still in early in the planning stages. Each project will have updated cost estimates during 2026.

RWQC Motion 2025-0327. On October 1, 2025 the Regional Water Quality Committee voted to approve a motion for introduction to the Council which identifies WTD actions related to improving transparency on large project planning and requests a proposal to procure an independent consultant to review WTD's capital program, including large capital projects.

Given the significant costs of many these projects, the Council may wish to request briefings for the Budget and Fiscal Management Committee on the largest projects with significant changes in their cost estimates.

ISSUE 2: STATE NUTRIENT REQUIREMENTS MAY COST \$10 TO \$20 BILLION

In June 2025, the Department of Ecology (Ecology) issued the Draft Voluntary Puget Sound Nutrient General Permit (PSNGP) and a draft Puget Sound Nutrient Reduction Plan for public comment. The draft permit seeks to address adverse impacts from low dissolved oxygen in Puget Sound by regulating the wastewater treatment plants that discharge nutrients (e.g., nitrogen) to Puget Sound. WTD provided written comments on the draft documents by the August 27, 2025 deadline and noted that upgrading King County's wastewater treatments plants to achieve nitrogen removal targets specified in the PSNGP may cost on the order of \$10 to \$20 billion in today's dollars, will require even higher sewer rates, and could take decades to implement. It is important to note that these cost estimates will need to be further updated once Ecology has issued final nutrient control requirements. Ecology has indicated it will issue the PSNGP in early 2026 and issue final facility-specific effluent limits (implemented in future permits) by 2031. The six-year forecast includes \$67.6 million for planning and initial capital projects related to the draft general permit.

ISSUE 3 – LONG TERM PLANNING UNDERWAY: REGIONAL WASTEWATER SERVICES PLAN UPDATE

The Regional Wastewater Services Plan (RWSP) was adopted by Ordinance 13680 in November 1999 to ensure the continuation of high-quality wastewater treatment services through 2030. The RWSP outlines programs and projects through 2030 to increase wastewater system capacity and function; gives guidance on recovering and recycling beneficial resources from the wastewater treatment process; and provides direction on protecting and monitoring water quality and meeting permit conditions. Many of the major projects outlined in the RWSP have been completed as the plan reaches the end of its intended planning period of 2030. The process to update the RWSP started in 2019 and was paused by WTD at the end of 2021 to consider feedback it had received. WTD re-launched the planning effort in 2024 to update the Regional Wastewater Services Plan.

The Regional Water Quality Committee has been closely following the launch of the RWSP Update and adopted resolutions in support of the RWSP's scope and charter. In early 2025, RWQC adopted resolutions¹ in support of the scope and charter for the RWSP. The committee has requested briefings on the RWSP Update each month.

The 2026-2027 proposed budget requests \$7.4 million for the RWSP Update. PSB reports about half of the appropriation will be used for internal staff and half for consultants. Prior appropriations total \$31.9 million. PSB reports the project has spent

¹Resolution RWQC2025-01 and Resolution RWQC2025-02

\$22.1 million to date and anticipates spending \$6.6 million in 2025 and an additional \$13.1 million in 2026-2027. The total estimated cost at completion is estimated to be \$51.4 million.

ISSUE 4 – PROJECTS WITH SIGNIFICANT CHANGES IN SCOPE OR BUDGET SINCE 2025

WTD reports notable changes in the scope or budget of the following projects since the 2025 budget.

Elliot West Wet Weather Treatment Station. The 2026-2027 budget requests \$37.4 million for this project to bring the Elliot West Wet Station into full compliance with discharge permit and water quality standards. WTD reports the cost estimates have increased approximately \$75 million and the scope has expanded. The current cost estimate at project completion is \$568 million, of which \$31 million has been appropriated in prior budgets. WTD anticipates further increases during the 2027 proposed sewer rate process.

Division Wide Offsite Level Controls and Communication Upgrade. The 2026-2027 budget requests \$6.8 million for this programmatic project. This program addresses obsolete wet well level controls at offsite facilities which help prevent overflows and keep systems running efficiently. The cost estimate has increased between \$320 million to \$500 million upon completion of programmatic alternatives analysis driven by increased scope complexity. There are no direct replacements available for the existing equipment. WTD reports it is phasing this project to reduce near-term impacts on rates.

South Plant Electrical Improvements. The 2026-2027 budget requests \$14.3 million for this project. Programmatic charter level cost estimate has increased between \$170 million to \$240 million versus the initial conceptual cost estimate. These increases are driven by additional identified scope and updated material pricing.

Sammamish Plateau Diversion. The 2026-2027 budget requests \$6.3 million for this project. WTD reports the cost estimate for this project has been updated and has increased between \$160 and \$270 million versus the initial cost estimate.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: PLEASE EXPLAIN THE CSO SUPPLEMENTAL COMPLIANCE AND CORRECTIVE ACTION PROJECT.

ANSWER: A combined system means the same pipes carry both stormwater and wastewater; this is common in older cities across the country and around the world. In the King County system, combined sewer pipes are in parts of the City of Seattle. During storm events, when the capacity of these pipes is filled with stormwater and wastewater, overflow outfalls are needed as “relief points” in the system to protect downstream infrastructure from being overwhelmed and upstream homes and

businesses from sewer backups. Discharges of untreated flows from these relief points are called combined sewer overflows (CSOs).

King County must complete CSO Compliance projects to limit CSO discharges at each CSO outfall to no more than once per year, in accordance with a CSO Control consent decree and the West Point Treatment Plant NPDES permit issued by Washington state Department of Ecology. King County entered into a CSO Control consent decree with EPA and Washington state Department of Ecology in 2013 which was subsequently modified in 2025. The modified consent decree defines projects and milestones needed to control all remaining CSO outfalls by December 31, 2037.

If a project required in the CSO consent decree does not fully control the CSO outfall, a supplemental compliance project must be completed to meet the state standard. If a previously controlled CSO outfall trends back out of control because of increased precipitation or changes in the system, a Corrective Action project must be completed to regain control. All projects in the Supplemental Compliance and Corrective Action Program are part of the County's CSO regulatory requirements.

QUESTION 2: HOW MANY PROJECTS ARE INCLUDED IN THE CSO DELIVERY SUPPLEMENTAL COMPLIANCE AND CORRECTIVE ACTION PROGRAM.

ANSWER: Currently there are three projects included in the CSO Delivery: Supplemental Compliance & Corrective Action Program. These projects are under supplemental compliance agreements with Ecology and EPA and will control the outfalls associated with Barton Pump Station, South Magnolia, and Hanford #1. There are several other projects being evaluated at the planning level that may be added to the program at a later date.

QUESTION 3: HOW IS WASTEWATER INCLUDING INFLATION IN THESE PROJECT ESTIMATES? MANY OF THESE PROJECTS HAVE LARGE PRICE INCREASES. HOW ARE WE SUPPOSED TO HAVE CONFIDENCE IN APPROVING PROJECTS WHEN THE FUTURE PROJECTIONS HAVE SUCH FLUCTUATION?

ANSWER: WTD's methodology aligns with widely accepted cost estimating standards and incorporates guidance from the Association for the Advancement of Cost Engineering (AACE). WTD applies a standard long-term escalation rate of 3% in its project expenditure forecasts. While recent inflation rates have exceeded this percentage, we assume that over the long term, inflation will revert to historical averages. For projects that are closer to the construction phase, WTD conducts more detailed evaluations of material costs and include specific pricing allowances when appropriate. This ensures that estimates more accurately reflect current market conditions for materials.

QUESTION 4: AS WASTEWATER'S CAPITAL PORTFOLIO WILL MORE THAN TRIPLE IN THE NEXT 5 YEARS, WHAT OVERSIGHT, REPORTING, AND TRANSPARENCY WILL BE INCORPORATED? ARE THE RESOURCES FOR THE DIVISIONAL TRANSPARENCY AND REPORTING ALREADY INCLUDED IN THESE PROPOSED COSTS?

ANSWER: WTD plans to implement the sewer rate and capital work plan included in the Executive's rate response and that is also the subject of Proposed Motion 2025-0327. Implementation would build upon what WTD is already doing in terms of oversight, reporting, and transparency, as well as implementing the recommendations to improve upon those efforts. Examples of existing structure WTD has in place in terms of these key principles include:

- A robust portfolio management governance structure with a three-tiered governance board system and a portfolio planning and analysis unit.
- A project information system that helps us with KPIs and monitoring for project and budget performance.
- Ongoing process improvements on reviews of our project-level forecasts and schedules for greater predictability and reduced variability.

The current estimated costs of this oversight, transparency, and reporting are part of WTD's capital overhead or indirect costs, therefore already included in capital project costs via a burdening rate on labor. Additional resource needs will be evaluated as part of the 2027 sewer rate process.

SOLID WASTE CONSTRUCTION CAPITAL FUND

ANALYST: WENDY SOO HOO

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$110,228,942	\$114,393,626	\$180,240,196
Appropriations	\$110,228,942	\$114,393,626	\$180,240,196
Major Revenue Sources: Bond proceeds and transfers from Solid Waste Operating Fund (disposal fees and other Solid Waste Division revenues)			

DESCRIPTION

The Solid Waste Capital Improvement Program is comprised of three funds: the Solid Waste Construction Fund, the Capital Equipment Recovery Fund, and the Landfill Reserve Fund. The Solid Waste Construction Fund, which is the subject of this staff report, is used to finance the new construction and major maintenance of division transfer facilities and some closed landfill projects. Projects in this fund are financed through bond proceeds and transfers of revenue from the Solid Waste Operating Fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2026-2027 proposed budget for the Solid Waste Construction Fund totals \$110 million, most of which will be financed with debt. The proposals include¹:

South County Recycling and Transfer Station – \$5.6 million. This appropriation would support acquisition of rolling stock (i.e., forklifts, backhoes, etc.) at the South County Recycling and Transfer Station. The original project budget was based on the Factoria Transfer Station budget, which only covered major equipment and not rolling stock. Note that additional staff were included in the 2025 budget to operate the rolling stock. This project is expected to be completed in summer 2026; SWD indicates that roadwork prior to opening could involve some roadway interruptions in spring 2026.

Environmental Control Improvements at Closed Landfills – \$17.8 million. This project would improve the systems used to control gases and liquid contaminants at closed landfills. The county is required by regulators to monitor and manage groundwater, surface water, wastewater, and landfill gas at its closed landfills and this appropriation would support improvements at seven closed sites. This project is

¹ This staff report only summarizes project requests above \$5 million. Additional requests below that amount are proposed for projects related to emergent needs; project management; capital project oversight; a hazardous waste database project (discussed in the Local Hazardous Waste appropriation unit staff report); stormwater improvement at the Factoria Recycling and Transfer Station; and Harbor Island dock repair.

anticipated to increase efficiency at the closed landfills, resulting in reduced operational and maintenance costs.

Electric Vehicle Infrastructure – \$19.8 million. SWD is adding electric vehicle infrastructure to all transfer stations and landfills. The project is expected to be completed in 2028. This project was previously appropriated \$9.0 million. SWD indicated that the additional \$19.8 million is needed because of revised construction cost estimates after site and fleet assessments were completed. In addition, tariffs are expected to add 25% to all material costs.

Hobart Landfill New Final Cover – \$25.3 million. According to transmitted budget documents, the current final cover at Hobart Landfill is failing, resulting in water pooling on top of the cover and filtering through the damaged cover. This results in higher water levels beneath the landfill, which mix with waste. SWD considered alternatives such as making no improvements but increasing monitoring or repairing only the damaged parts of the cover; however, those alternatives carry higher risk to human health and the environment than installing a new cover. The new final cover is anticipated to be installed by 2030 and the \$25.3 million request is expected support the entire project cost.

Cedar Falls Landfill Gas Improvement Project – \$14.2 million. The Cedar Falls Landfill closed in 1990. Groundwater quality monitoring indicates increased presence of volatile organic compounds and metals, such as arsenic, is occurring and trending upwards in spite of the existing passive collection and treatment system. This new proposed project would support a new landfill gas source control system to remediate groundwater contamination on-site and reduce risk to human health and the environment. The requested appropriation is expected to support the entire project. Transmitted budget documents indicate that operational costs are also likely to increase to support moving to the new control system, which will involve active collection.

Vashon Island Landfill Cleanup – \$17.8 million. This project would (1) address vinyl chloride contamination in the groundwater at the Vashon Island Landfill and (2) increase the capacity of the existing lagoon that stores and treats leachate. Regarding the contamination, this project follows a feasibility study that considered multiple alternatives and is expected to be completed this year. This project will support moving into the cleanup action plan, design, and implementation. Transmitted budget documents indicate monitoring and maintenance operational costs will likely increase as part of this effort.

Regarding the leachate lagoon project component, storage and conveyance alternatives will be considered as part of the project.

KEY ISSUES

Staff have not identified any key issues for this fund.

RESPONSE TO COUNCIL INQUIRIES

REQUEST 1: DRAFT A PROVISIO RELATED TO SURPLUSING SOLID WASTE DIVISION PROPERTY AT HARBOR ISLAND.

ANSWER: Draft proviso language is provided below. Note that the Solid Waste Division indicate: "SWD recommends retaining the property as a strategic asset until a decision on long-term disposal method has been made and formalized. If the next Comprehensive Solid Waste Management Plan adopts waste export by rail as the long-term disposal method, SWD could use the Harbor Island site as the intermodal facility. SWD expects to finalize a long-term disposal decision in early 2027."

DRAFT PROVISIO LANGUAGE:

PX PROVIDED THAT:

Of this appropriation, \$200,000 shall not be expended or encumbered until the executive transmits a plan for dispositioning of solid waste division property on Harbor Island and a motion that should acknowledge receipt of the plan, and a motion acknowledging receipt of the plan is passed by the council. The motion should reference the subject matter, the proviso's ordinance, ordinance section, and proviso number in both the title and body of the motion.

The plan shall include, but not be limited to:

1. A description of each parcel, including identification of any existing buildings or facilities, current use or uses, estimated value, and **[[potential alternatives to surplusig each parcel?]]**; and

2. A timeline for completing each of the requirements set forth in K.C.C.4.56.070.

The executive should file the plan and a motion required by this proviso by **[[June 30, 2026?]]** in the form of an electronic copy with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for the budget and fiscal management committee, or its successor.

PARKS CAPITAL

ANALYST: JAKE TRACY

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$266,582,848	\$268,856,419	\$213,654,846
Appropriations	\$266,582,848	\$268,856,419	\$213,654,846
Major Revenue Sources: 2026-2031 Parks Levy, REET 1 and 2, Grants			

DESCRIPTION

The Parks Capital Improvement Program supports the acquisition, construction, and rehabilitation of open space, parks, trails, and recreational facilities. It is supported by proceeds from the voter-approved Parks, Recreation, Trails, and Open Space Levy (Parks Levy), as well as Real Estate Excise Taxes (REET) and grants. It consists of two funds: Parks Recreation and Open Space (3160) and Parks Capital (3581).

The Parks Capital Fund (3581) provides revenues to be used for open space and trail acquisition, development projects, major maintenance, community partnerships and grants, and Parks Levy grant programs. Revenue sources are the Parks Levy, REET 1 and 2, and grants.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2026-2027 Biennial Budget includes a \$266.6 million appropriation to this fund. This includes \$244.6 million from the Parks Levy, \$17.9 million in REET, and \$3.7 million in grant money. This represents a large expansion in the Parks Capital program, which in 2025 received an approximately \$86 million appropriation. Biennializing this number, the proposed Parks Capital appropriation is a nearly 42% increase. This increase is backed by increased funding from the new 2026-2031 Parks Levy, but will require increased hiring to fulfill project commitments, as discussed in the staff report for the Parks and Recreation operating fund.

The proposed appropriations of Parks Levy funding appear to align with voter-approved allocations required by the Parks Levy Ordinance 19922 and the Allocation Plan that is Attachment A to Parks Levy Motion 16797 ("Allocation Plan"). Executive staff state that their intent is to align spending with the Allocation Plan over the levy period.

Projects proposed for this fund generally fall into the following categories: open space acquisition, trail development, construction and major maintenance of regional parks and facilities, and Parks-levy supported grants. Each of these areas is discussed below. A few projects are administrative in nature and do not fall into these categories, notably \$37.26 million for labor and software costs associated with Parks' capital program.

Conservation Futures Open Space Acquisition. The Parks Capital Fund supplies matching funding for projects recommended for grant awards by the Conservation Futures Advisory Committee.

The Conservation Futures Advisory Committee reviews and makes recommendations for projects to be supported by both the Parks Levy and the Conservation Futures Tax (CFT). Depending on project eligibility, some projects are recommended for CFT funding, some projects are recommended for Parks Levy funding, and some projects are recommended to receive funding from both sources. King County Code outlines an annual process for applications, review, and recommendations from this committee.¹ The proposed 2026-2027 Biennial Budget includes a list of proposed projects for 2026 only.

The Advisory Committee provides recommendations to the Executive and then transmits them for Council review. For 2026, the Committee recommended Parks Levy funding for projects totaling \$13.8 million. Executive staff have confirmed that these project recommendations align with the Committee's recommendations, which can be found in the committee's recommendations report.²

Trail Development. The Executive's proposed 2026-2027 Biennial Budget contains direct funding for five trails, in addition to projects spanning multiple trails. The total requested appropriation for trails is \$75.5 million, with approximately 37% of this total going towards Eastrail.

Table 1. Proposed Trail Appropriations

Trail Project	2026-2027 Budget Request	Appropriation Description
Eastrail Parent Project	\$17,524,006	This appropriation to the ongoing Eastrail project would be used for planning and preliminary design for the North and South Coulon segments, as well as program management and construction contingency.
Eastrail I-90 Steel Bridge	\$10,413,991	This appropriation would be used to complete the preliminary design phase and begin final design for the Eastrail steel bridge crossing over I-90. The former railroad bridge is just west of I-405 and has been determined to be structurally sound and of adequate width to be retrofitted for bike and pedestrian use.

¹ K.C.C. 26.12

² [2025-RPT0083](#)

Trail Project	2026-2027 Budget Request	Appropriation Description
Green River Trail North Extension	\$8,350,000	The Green River Trail currently ends at the Cecil Moses Memorial Park along the Duwamish River. The Green River Trail Extension is nearing completion, and when finished, would create a 1.4 mile north-south trail connection adjacent to W Marginal Way PI S between Cecil Moses Memorial Park and the City of Seattle limits. This appropriation would complete the project.
Lake to Sound Trail	\$8,235,000	This appropriation to the ongoing Lake to Sound trail project would be used for planning and design for the segments within Renton, Tukwila, and SeaTac.
Soos Creek Regional Trail	\$7,000,000	This appropriation to the ongoing Soos Creek regional trail project would fund construction of a segment of the Soos Creek Trail extending north from the current trail terminus. In addition, funding would be used for feasibility and alternatives analysis for two segments of trail on the southern portion: extending to Lake Meridian in Kent, and a Jenkins Creek Trail alignment in Covington.
Interurban Trail South Improvements Parent Project	\$3,000,000	No specific projects are planned at this point; moneys would be used to identify, evaluate, design, permit, and implement projects on the Interurban Trail South including emergent projects, preventative maintenance, major maintenance, intersection improvements, trail amenities, and repairs to meet current guidelines and standards at priority locations in Kent, Tukwila, Auburn, Pacific, and Algona.

Trail Project	2026-2027 Budget Request	Appropriation Description
Capital Improvements to Existing Regional Trail System Program	\$9,000,000	Funding in this general-purpose trails project would be used for improvements such as preventative maintenance, trail surface repairs and improvements, signage, pavement markings, access control, intersection improvements, trail mitigation site monitoring and maintenance, ADA improvements to meet current guidelines and standards, and legal support.
Other New Regional Trails	\$6,000,000	This appropriation is expected to be used for planning and feasibility studies for connections and new segments on the Cedar River Trail, Soos Creek Trail, and Sammamish River Trail.
Bridge and Trestle Assessment and Improvement Program	\$4,000,000	This appropriation would go towards annual inspections, program planning, feasibility studies, and repairs including deck replacement, cap, pile and sill repairs, and scour repair on regional trail bridges.
Backcountry Trail Rehabilitation Program	\$2,000,000	This appropriation would go toward trail rehab at Taylor Mountain Forest, Auburn Narrows Natural Area, and North Green River Park as well as other locations still to be determined.

Capital Improvements and Major Maintenance Renovations. The proposed 2026-2027 Biennial Budget includes funding for several capital projects and major maintenance renovations, totaling approximately \$104.1 million. These are generally directly tied to line items or footnotes in the Parks Levy Allocation Plan, though not all items in the Allocation Plan are proposed for funding in this first biennium of the six-year levy. Executive staff have confirmed their intent to fund all capital projects listed in the Allocation Plan over the life of the levy. Proposed projects in this category include items such as ballfield and sport court rehab, dog parks, climate resilience, water access and dock rehab, Parks building rehab, and Parks amenities rehab. The four largest single-site appropriations are discussed below.

King County Aquatic Center – \$20 million. This funding would be used for rehabilitation and repair projects to keep the Weyerhaeuser King County Aquatic Center open and functional, including planning, design, and construction to replace outdated mechanical systems, as well as design of parking lot improvements and accessibility improvements.

This appropriation represents all but \$2 million of the \$22 million in Parks Levy funding earmarked for this facility.

Skyway Park Community Center – \$10.4 million. The Skyway Park Community Center first received a \$10 million appropriation in the 2021-2022 Biennial Budget. The proposed 2026-2027 Biennial Budget would appropriate an additional \$10.4 million (\$8.4 million of REET, \$2 million of Parks Levy) to the project to complete final design and begin construction of the community center.

Construction is not expected to begin until 2029 or 2030, with the project expected to be operational in 2031. An additional appropriation of \$22 million (\$11 million of Parks Levy and \$11 million of REET) is projected for the 2028-2029 biennium.

According to Executive staff, the consultant for this project has provided a preliminary estimate of operating costs at approximately \$2.2 million per year. They are continuing to refine the facility design which includes outlining the recreation programming and developing an operations model to provide more accurate operations costs projections, and Parks anticipates the operations model will be available by the end of 2026.

Marymoor Park – \$10 million. This funding would be used for what have been identified as the most critical infrastructure rehabilitation projects at Marymoor Park, including replacement and upgrades for critical utilities, and roadway and pedestrian safety improvements. This appropriation would be made up of Parks Levy funding, with \$16 million in total levy funding earmarked for this project for the entire levy period. It is expected that an additional \$10 million in REET funding will be needed for the project in the 2028-2029 biennium.

Lakeland Park North – \$10 million. When completed, Lakeland North Urban Nature Park will be a 20-acre park located between Auburn and Federal Way in a narrow piece of unincorporated King County. This appropriation constitutes the whole of Parks Levy funding earmarked for the project; the Executive expects the majority of construction to be completed in 2028.

Grant Programs. Five grant programs are proposed to be funded through this capital program. The Aquatic Facilities, Healthy Communities and Parks, and Ballfield Access and Preservation grant programs are subject to the guidelines in Attachment B to the Parks Levy Motion 16797. The Community Partnerships and Grants program is governed by K.C.C. 7.08.110, and the Climate Resilience Grants are councilmanic. Table 2 below shows the proposed grant programs and requested appropriations.

Table 2. Proposed Grant Appropriations

Grant Program	2026-2027 Budget Request	Program Description
Aquatic Facilities Grants	\$15,180,000	This program provides capital grants for aquatic facilities owned by cities, towns, park districts, school districts, or other public entities.
Healthy Communities & Parks Grants	\$9,900,000	This program provides moneys to nonprofits, community organizations, tribes, towns and cities, and park districts, in order to achieve equitable opportunities and access to parks and recreation for traditionally underserved areas and communities, including people with disabilities.
Ballfield Access & Preservation Grants	\$3,889,891	This program provides moneys to cities, towns, park districts, and school districts for capital projects or operations and maintenance costs to increase access to ballfields.
Community Partnerships and Grants	\$4,125,000	This program provides moneys to recreation-oriented groups, sports associations, and community-based organizations to undertake any combination of developing, operating, or maintaining a recreation facility or public park in unincorporated King County and King County towns and cities for public benefit.
Climate Resilience Grants	\$1,650,000	This program is councilmanic. Each district has \$183,333 to allocate over the biennium. Councilmembers can choose to allocate their funding as part of this proposed ordinance, or reserve some or all of it for a later supplemental.

KEY ISSUES

ISSUE 1 – COUNCILMANIC CLIMATE GRANTS

Each council district has \$183,333 in new climate resilience grant funding to allocate over the biennium. Councilmembers can choose to allocate their funding as part of this proposed ordinance, or reserve some or all of it for a later supplemental. Executive staff state their intent to develop guidelines around how Councilmembers can use these grant moneys, but these guidelines will not be completed prior to the conclusion of the current biennial budget process.

ISSUE 2 – PARKS LEVY GRANT PROGRAM OVERSIGHT

In the 2020-2025 Parks Levy, the Aquatic Facilities and Healthy Communities and Parks grant programs were subject to adopted rules around advisory committee makeup, grant process and timeline, and criteria for weighing the relative merits of applications. The programs also required individual grant awards to be approved by the Council by ordinance. The 2026-2031 Parks Levy did not carry forward these rules, and individual grant awards are no longer required to be approved by the Council.

Executive staff provided the following information about their intent for the grant programs going forward:

- Parks is developing new grant program documentation, expected by Q1 2026.
- Guidelines for Aquatic Facilities and Healthy Communities and Parks grants would be refreshed based on feedback and outreach.
- New guidelines, applications, and evaluation processes would be developed for the Ballfields grant program.
- Advisory Committees would be retained, and improvements would focus on community engagement, applicant/grantee experience, and program intent.
- A biennial Request for Applications (RFA) cadence would be used for all three grant programs, with the intent of maximizing funding in each round and reducing applicant burden.
- Reporting to Council would occur every three years.

Whether to formalize any Council oversight functions (such as reports or briefings) is a policy choice.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: INTERURBAN TRAIL NORTH – WHY WAS THIS NOT INCLUDED IN THE 2026-2027 BUDGET PROPOSAL?

ANSWER: The Parks Levy Allocation Plan sets aside \$5 million for this project over the six-year levy period. Executive staff state that the King County Parks Regional Trail Coordinator is collaborating with partner jurisdictions on this project and in early 2026 will determine roles and responsibilities. Parks currently has \$75,000 appropriated to the planning phase of this project with the understanding that Snohomish County, City of Shoreline, and City of Edmonds are playing key roles in the project planning effort. Executive staff state that Parks plans to add \$5 million to a future budget proposal after the planning effort is complete and a defined project scope is agreed upon for the passthrough funding agreement.

QUESTION 2: INTERURBAN TRAIL SOUTH – WHAT’S THE PROCESS/TIMELINE FOR THIS PROJECT SEGMENT/PROJECT? WHAT INVESTMENTS ARE PLANNED FOR THIS BIENNIUM?

ANSWER: The 2026-2027 Biennial Budget includes \$3 million to identify, evaluate, design, permit, and implement projects on the Interurban Trail South, including emergent projects, preventative maintenance, major maintenance, intersection improvements, trail amenities, and repairs to meet current guidelines and standards at priority locations in Kent, Tukwila, Auburn, Pacific, and Algona. Executive staff state that projects planned for the 2026-2027 biennium include:

- Preventative maintenance for asphalt throughout the corridor
- Intersection Improvements to improve pedestrian safety and accessibility in Algona and Pacific
- Trail amenities improvements throughout the corridor (exact locations still to be determined) such as bike repair stations, bike racks, dog waste stations, kiosks, and wayfinding signs
- Bridge railing replacements in Kent and Auburn
- Improvements to Union Pacific Railroad crossings in Algona and Pacific

QUESTION 3: HOW DOES PARKS INTEND TO DO OUTREACH ON DEVELOPING THE GRANT GUIDELINES? HOW WILL THESE BE COMMUNICATED TO THE PUBLIC? HOW WILL THEY BE COMMUNICATED TO COUNCIL?

ANSWER: Executive staff state: “For Parks Levy competitive grants, in addition to the feedback collected from grant applicants, grantees, and Advisory Committee members between 2022 and 2025, Parks will seek input from key stakeholders including the Open Space Equity Cabinet, the King County Grantmakers Community of Practice, and other forums representing underserved communities focused on access to recreation and open space (e.g., KC Play Equity Coalition).”

Parks will also engage King County Council offices to review and provide feedback on the draft grant guidelines and will also share the finalized version with them prior to public release.

The finalized grant guidelines will be made available on the Parks website, featured in the Parks newsletter, and presented through public information sessions.”

OPEN SPACE KING COUNTY NON-BOND SUBFUND

ANALYST: JAKE TRACY

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$ 217,119	\$ 3,400,000	\$ 3,150,000
Appropriations	\$ 217,119	\$ 3,400,000	\$ 3,150,000
Major Revenue Sources: Grants			

DESCRIPTION

The Open Space Non-bond Subfund is used by the Water and Land Resources Division (WLRD) of the Department of Natural Resources and Parks for acquisition of open space land, as well as the financing of farmland infrastructure on farms throughout King County for beginning and BIPOC¹ farmers. Whereas a majority of WLRD's open space funding comes from the conservation futures tax, revenues allocated to this subfund are primarily from federal and state grants.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed appropriation of \$217,119 would reflect a \$1.98 million reduction in open space grant contingency to reflect unsuccessful grant applications assumed in 2024 and 2025, along with an increase in grant contingency by \$2.2 million for anticipated upcoming open space acquisitions at Issaquah Creek, Lower Cedar River, Snoqualmie mainstream, East Fork Issaquah Creek, and Maury Island Armoring. Table 1 shows the breakdown of anticipated spending.

Table 1. Anticipated Acquisition Spending

Project	Anticipated Spending
Issaquah Creek	\$600,000
Lower Cedar River	\$600,000
East Fork Issaquah Creek	\$600,000
Snoqualmie Mainstream	\$200,000
Maury Island Armoring	\$200,000
Total	\$2.2 million

KEY ISSUES

Staff have not identified any key issues for this fund.

¹ Black, Indigenous, and people of color

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: DO WE BELIEVE THE COUNTY WILL BE SUCCESSFUL IN RECEIVING THESE GRANTS, GIVEN THE LARGE NUMBER OF UNSUCCESSFUL GRANTS BEING DISAPPROPRIATED?

ANSWER: This money is generally used for match funding for CFT proposals. Executive staff state that, despite the current funding climate, King County salmon habitat conservation and restoration projects have remained competitive and successful. They do not anticipate any reduction in the success rate in securing local (Cooperative Watershed Management) and state (Puget Sound Acquisition and Restoration) funding. Thus, they expect to have all the matching funding required for proposed CFT applications.

QUESTION 2: HOW ARE THESE PROJECTS IDENTIFIED AND WHAT FLEXIBILITY IS THERE?

ANSWER: K.C.C. 4A.200.465, which governs this fund, states:

“D. All moneys for the acquisition of open space or farmland in fee title or by easements, for the acquisition of agricultural development rights and for improvements on agricultural land owned by the county shall be deposited in the fund.

E. All moneys in the fund shall be used for the purpose of paying all or any part of capital projects related to acquiring open space or farmland, in fee title or by easements, acquiring agricultural development rights or making improvements on agricultural land owned by the county.”

Executive staff state that this fund is generally used as match funding for CFT proposals. Executive staff state that their grant success track record “reflects strong alignment with regional priorities and proposals that meet funder criteria (primarily CFT with other grants as match).” They state that the acquisitions and projects come from well-developed conservation strategies in each of the major watersheds in King County—typically identified and often prioritized in basin salmon recovery, water quality plans, or the Land Conservation Initiative. Other factors include ecological value, equity, feasibility, and community support.

As the fund’s revenue comes from grants, any additional projects added to the fund would need to be backed by grant or other revenue.

KING COUNTY FLOOD CONTROL CONTRACT

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$285,563,594	\$285,563,596	31.0	0.0
2026-27 Base Budget Adjust.	\$529,664	\$0	0.0	0.0
2026-27 Decision Packages	\$11,858,616	\$12,388,278	9.0	0.0
2026-27 Proposed Budget	\$297,952,000	\$297,952,000	40.0	0.0
% Change from prior biennium, biennialized	4.3%			
Dec. Pkg. as % of prior biennium, biennialized	4.2%			

Major Revenue Sources: Flood Control District property tax

DESCRIPTION

The Water and Land Resources Division (WLRD) implements the operations and the capital improvement program of the King County Flood Control District (District) through an interlocal agreement. The Flood Control District is a special purpose government, composed of members of the King County Council, created to provide funding and policy oversight for flood protection projects and programs in the County. The Flood Control District program includes structural protection, hazard identification and mitigation, asset management, a flood warning program, consultation with agencies, and risk reduction through partnership.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2026-2027 Biennial Budget would appropriate about \$298 million to the King County Flood Control Contract, a 4.3% increase to the biennialized 2025 revised budget. The proposed budget would add 9 FTEs and include the following service changes:

- \$321,412 and 1 FTE dedicated to floodplain management communications on behalf of the Flood Control District. According to Executive staff, this would be a new employee in the Rivers Section of WLRD providing service to the Flood Control District under the interlocal agreement between the District and King County; and
- \$1,008,486 and 4 FTEs for a new River and Floodplain Management Maintenance Crew. The proposed budget indicates that the crew would eliminate the inefficiencies of a temporary staff-based crew and prevent maintenance delays, as staff are unable to fully purchase this service in the private sector. According to Executive staff, in prior years, the work was provided by a combination of contracted labor and a Short-Term Temporary crew.

The 2026-2027 proposed budget for the Flood Control District Contract also includes administrative services changes and technical adjustments. The proposed budget would transfer three FTEs back to the River and Floodplain Section from the Capital Section that was created as part of WLRD's 2024 reorganization. These positions include Communications Specialist IV, Administrative Specialist III, and Project and Program Manager II. The funding source is not being changed.

The proposed budget would also move one vacant Engineer I from the Capital Section to the River and Floodplain Capital Section and reclass the FTE to a Communications Specialist III. According to Executive staff, this position would work in conjunction with the floodplain communications position outlined in the service change section of this staff report. Both positions would support communications needs stemming from Flood Control District capital construction.

The proposed budget reflects anticipated activities to be completed in service to the interlocal agreement with the Flood Control District. Work performed by WLRD is at the request of the District and is subject to negotiation between the County and the District, and future adjustments will likely be needed to conform to the District's approved budget.

KEY ISSUES

ISSUE 1 – STAFF INCREASE

The proposed budget would increase the number of FTEs for 2026-2027. The nine new positions would be funded through reimbursement by the Flood Control District, which is funded by the King County flood tax. As noted above, the District is a separate governmental entity from King County, with its own governance, funding source, and budgetary process. If the expenditure is not approved in the District's budget, the position authority would exist without funding. The District is in its annual budget process for 2026, with expected approval in November 2025.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: WHICH CAPITAL PROJECTS DEPEND ON THESE POSITIONS FOR SUCCESSFUL DELIVERY, IF ANY?

ANSWER: A project list was provided that included 69 proposed projects for 2026. The Flood Control District Board of Supervisors sets the policy direction for the District. The District then partners with King County through an Interlocal Agreement to perform the work set out in the District's annual work plan and budget.

According to Executive staff, the communication staff in Rivers section provide support for most capital projects and flood related programs implemented by WLRD and funded through the FCD ILA. Executive staff indicate that the demand for communication support has far exceeded capacity of the one budgeted FTE for past few years. Fewer communications specialists would shift more communications work to engineers and capital project managers who are generally less efficient and are not an expert at communications. This reduces their capacity for their core work functions and impacts project delivery.

QUESTION 2: WHAT SPECIFIC OPERATIONAL INEFFICIENCIES OR MAINTENANCE DELAYS ARE THESE NEW FTEs EXPECTED TO RESOLVE?

ANSWER: According to Executive staff, since February 2024, WLRD has employed 1.0 FTE and 2.0 TLTs on the Rivers Communications Team. DS_017 (new FTE) and AC_006 (existing FTE) combined would provide 2 FTEs to replace the 2 TLTs. With a total of three positions, the Communications Team has been able to meet the day-to-day communications needs of the flood risk reduction program, including preparing and helping to prepare communications materials such as post cards, engagement hubs, public presentations, signage, outreach and communications plans, public surveys, and similar products. Executive staff state that communicating with the public about how to prepare for flooding, as well as capital projects and technical studies in their area is vital to the success of the program and a significant body of work. For example, so far in 2025 WLRD has sent 165 communication related items to the district for review and approval.

While the Maintenance Team has relied on contracted labor for many of these maintenance services, the supply of this labor is diminishing. The availability of the Washington Conservation (WCC) Corps decreased over the past several years and the current federal budget cuts further reduced WCC funding. The future of EarthCorps, another AmeriCorps program is uncertain. In addition, private, for-profit contractors do not have enough capacity to meet all of WLRD's needs.

QUESTION 3: HOW DOES THE PERMANENT STAFFING MODEL COMPARE IN COST AND FLEXIBILITY TO PREVIOUS YEARS' CONTRACT AND TEMPORARY LABOR APPROACH? IS IT CHEAPER IN THE LONG RUN TO HIRE PERMANENT STAFF?

ANSWER: Executive staff indicate that the permanent staffing model is both cheaper and more flexible than the contract/temp labor model, determined after experimenting with the latter. Contracted labor for this work is expensive, but more importantly, diminishing in supply and therefore inflexible. A crew staffed by temporary labor is more flexible, but it is ultimately more costly. Due to the temporary nature of employment, the staff is unable to gain the necessary experience, which imposes a greater supervisory burden on regular staff. In contrast, a flexible FTE crew would provide the most optimal service.

Executive staff have also noted that the proposed addition of 5 FTEs in the County budget can be managed within the base revenue from the FCD ILA by reprogramming existing expenditures, primarily from contractors and consultants. The District would not have to increase its budget to fund these positions and the County has not requested any increases.

LOCAL SERVICES ADMINISTRATION

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$36,391,050	\$35,590,650	32.5	2.0
2026-2027 Base Budget Adjust.	(\$12,340,071)	(\$13,219,946)	0.0	0.0
2026-2027 Decision Packages	\$14,934,020	\$16,304,789	35.0	2.0
2026-2027 Proposed Budget	\$38,985,000	\$38,676,000	67.5	4.0
% Change from prior biennium, biennialized	7.1%			
Dec. Pkg. as % of prior biennium, biennialized	41.0%			
Major Revenue Sources: General Fund, Cost Allocation to Divisions and Partner Agencies, Bond Proceeds				

DESCRIPTION

The Local Services Administration appropriation unit supports the Department of Local Services (DLS) Director's Office. The Director's Office functions include oversight of the Permitting and Road Services Divisions, the Community Service Area program (including workplans, service partnership agreements, and community needs lists), communications, human resources, government relations, economic development, and subarea planning.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Substantive changes in the Executive's proposed 2026-2027 budget include:

- **\$250,000 in "emergency support" funding.** This allow DLS to pay for activities such as clearing debris outside the right-of-way, connecting people to wireless under extended outages, emergency shelter, repairs, cleanup, heating and cooling centers (generators), and critical safety needs, as a result of an emergency event. This change is funded by the Service Partner Allocation, which is about 29% General Fund moneys and will be discussed under Key Issue 1.
- **1.0 FTE and \$379,000 for a Customer Support Liaison.** This position would triage customer issues that touch multiple agencies. Executive staff indicate that currently, this sort of triaging and coordination is done by the managers of the Department and the Division, and this position would free up their time for other management work. This change is funded by the Service Partner Allocation.

- **1.0 FTE and \$310,000 for an additional Communications Position.** Executive staff state that this additional position would add capacity for "1) centralized employee communications to make sure our employees have the information needed to do their jobs and are supported and engaged, and 2) accessible and responsive communications and engagement with customers for direct programming and robust two-way communications." Currently, there are 3.0 FTEs dedicated to communications work in the department. This position is funded through the Division Allocation, where the Roads Services Division pays 77.7% and the Permitting Division pays 22.3% of the costs. This allocation will be discussed further in Key Issue 1.
- **\$167,000 for an internship program.** Executive staff report these three internship positions would focus on community engagement and on policy development. This change is funded by the Service Partner Allocation.
- **1.0 TLT at a cost of \$360,000, plus an additional \$1.0 million in additional consultant and other costs, to support long range planning efforts.** This would include the 2029 Shoreline Master Program update, Housing Tools and Strategies related to the Affordable Housing Work Plan Action 11, and an update to the Communication Facilities Code required by Work Plan Action 8. These are funded 100% by the General Fund.
- **\$740,000 for a General Counsel position.** This position would provide legal advice to the Department. The 1.0 FTE for this proposal is in the Prosecuting Attorney's Office. Executive staff state it is not known whether legal fees, which were estimated have a biennialized cost of \$5.3 million, would be lowered as a result of hiring this position. This position is funded through the Division Allocation.
- **1.0 FTE and \$567,000 for a Chief Administrative Officer.** The Chief Administrative Officer would manage the long range planning and government relations functions. This change is funded by the Service Partner Allocation.
- **32.0 FTEs and \$11.8 million to transfer finance and human resource functions.** This change would move these positions from the Permitting and Road Services Divisions to the Director's Office. This change is cost neutral for the Divisions.

There were agency proposals related to implementing the 2024 Comprehensive Plan Work Plan that were not funded in the Executive's proposed budget. Those are discussed in further detail in Key Issue 3.

Under King County Code (K.C.C.) 2.16.055.C., the Department of Local Services is required to develop and monitor implementation of community needs lists (CNLs), which are "the list of services, programs, facilities and capital improvements that are identified

by the community." A CNL is required to be developed for each of the six rural community service area and five largest urban unincorporated potential annexation area geographies in unincorporated King County (UKC). The CNLs are approved by the Council, after a lengthy process of developing and prioritizing the community requested items for the lists, with: 1) the subarea plan developed for the geography, 2) each biennial budget, or 3) when the Executive determines an update is needed.

The code also requires that the CNLs "be used to develop proposals for the executive's proposed biennial budget, including services, programs, infrastructure and facilities that implement the list. As part of the executive's biennial budget transmittal, the executive shall include a description of how the proposed biennial budget implements the list."

As part of the 2026-2027 Biennial Budget, the Executive has transmitted [Proposed Ordinance 2025-0298](#), which would adopt the CNLs as required by the Code.

Staff analysis of that proposed ordinance, and the funding in the 2023-2024 budget associated with the CNLs, will be addressed as part of the related proposed ordinance.

KEY ISSUES

ISSUE 1 – NEW COSTS AND LEVEL OF SUPPORT FROM CONSTRAINED FUNDS

This appropriation unit is funded by multiple cost allocation models, as well as the General Fund. Costs that are funded through the Service Partner Allocation are supported by 28.7% General Fund, 11.6% Roads Operating, and 2.6% Permitting Division appropriation units, with the remaining 57.1% split among other agencies that have a presence in unincorporated King County, including Metro, DNRP, Public Health, DCHS, and KCIT appropriation units. Costs that are funded through the Division Allocation are split 77.7% from Road Services and 22.3% from Permitting Division appropriation units. The proposed budget requests for DLS Administration funded through these allocations are shown in Table 1 and Table 2 below.

**Table 1.
2026-2027 Requests Supported by the
DLS Service Partner Cost Allocation**

2026-2027 Request	Total Cost	General Fund Supported	Roads Fund Supported
Emergency support	\$250,000	\$72,500	\$29,000
Customer support liaison FTE	\$379,000	\$109,910	\$43,964
Internship program	\$167,000	\$48,430	\$19,372
Chief administrative officer FTE	\$567,000	\$164,430	\$65,772
	\$1,363,000	\$395,270	\$158,108

Table 2.
2026-2027 Requests Supported by the DLS Division Allocation

2026-2027 Request	Total Cost	Roads Fund Supported	Permitting Fee Supported
Communications position FTE	\$310,000	\$240,870	\$69,130

Table 3.
2026-2027 Requests Supported by the Legal Cost Allocation

2026-2027 Request	Total Cost	General Fund Supported (General Public Services)	Roads Fund Supported	Permitting Fee Supported
General counsel FTE	\$740,000	\$420,400	\$81,600	\$125,487

Note that for the General Counsel FTE, an additional \$112,600 is proposed to be funded by the Local Services Administration fund balance.

Given the longstanding structural constraints on these appropriation units, the Council may want to consider whether additional costs in these funds are consistent with the Council's budget priorities.

ISSUE 2 – GENERAL COUNSEL POSITION

The Executive has proposed a new General Counsel position that would coordinate legal review with the Prosecuting Attorney's Office (PAO) to provide legal advice to the Department of Local Services. This is in addition to the existing \$5.3 million in biennialized costs for legal services that are paid by the Department and Road Services and Permitting Divisions to the PAO for legal advice.

Particularly for the Permitting Division and long-range planning work in the Director's Office, legal work is complicated and takes specialized knowledge. The Council may wish to consider whether a General Counsel position, paid for by the Road Services and Permitting Divisions, is a budget priority.

Additional information on the Executive's expectations on the General Counsel position is noted in the Response to Council Inquiries. It is a policy choice whether to fund this position.

ISSUE 3 – COMPREHENSIVE PLAN WORK PLAN COMPLETION

As part of the 2024 Comprehensive Plan and review of the 2025 Budget, the Council and Executive negotiated future funding needs in conjunction with the due dates in the 2024 Comprehensive Plan. This included actions in the Department of Local Services that required funding in the 2026-2027 biennium:

- Action 3: Mandatory Inclusionary Housing and Community Preference Review, due December 31, 2027.
- Action 7: Rural Economic Strategies Update, due June 30, 2028 (\$300,000 was added in the 2025 budget).
- Action 11: Remove Barriers to Affordable Housing due December 31, 2027 (2.0 FTEs and \$800,000 was added to DCHS in the 2025 budget).
- Action 12: Short-Term Rental Regulations, due June 30, 2027.
- Action 15: Legacy Business Program, due September 31, 2027.

There were three agency proposals not funded in the Executive's recommended budget that would have funded some of this required work. This includes:

- 2.0 TLTs (on top of the 1.0 TLT funded in the Executive's proposed budget) for supporting the Comprehensive Plan Work Plan actions generally;
- \$250,000 for consulting costs related to Short-Term Rental Regulations (Work Plan Action 12);
- 1.0 TLT and \$582,000 for Rural Economic Strategies (Work Plan Action 7); and
- 1.0 TLT and \$681,000 for Legacy Business Support (Work Plan Action 15).

The Executive's recommended budget does propose funding for Work Plan Action 8: Communication Facilities Code Update, due June 30, 2028, which was not stated to require funding as part of the 2024 work and negotiations.

It is a policy choice whether to provide funding to complete the work required by the Comprehensive Plan. For the unfunded agency proposals, Executive staff state that "DLS will need to assess and consider the feasibility of completing unfunded proposals."

Additional information on the Executive's long range planning work program and the plans for completion of some Work Plan actions are described below in the Response to Council Inquiries. The priorities of the Executive may not be the priorities of the Council, and the Council may wish to add provisos or expenditure restrictions to effectuate the Council's priorities.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: COMPREHENSIVE PLAN WORK PLAN ACTIONS: WHY DOES THE COMMUNICATIONS CODE UPDATE REQUIRE FUNDING (0.3 TLT PLUS \$250,000), WHEN THIS WASN'T IDENTIFIED IN THE 2024 NEGOTIATIONS?

ANSWER: Executive staff state: "The budget as proposed includes consultant funding and a TLT to support this work, Action 11 Remove Barriers to Affordable Housing, and the Shoreline Master Program update. The staffing and resources are needed, either as described in this proposal or added into the Shoreline Master Program to support the full body of work. The TLT would manage consultant contracts, provide coordination

and project management for all three items. Preliminary work on the Communications Code update has started with the code writing team."

QUESTION 2: COMPREHENSIVE PLAN WORK PLAN ACTIONS: CAN YOU PROVIDE ADDITIONAL INFORMATION ON HOW THE SCHEDULE FOR THE WORK PLAN, AND DETAIL OF HOW THE ITEMS NEGOTIATED IN 2024 WILL BE COMPLETED?

ANSWER: Executive staff state: "DLS plans to examine existing code work, comprehensive plan items, and SCAP items and whatever added capacity the budget offers to complete as much of the assigned work as possible. If we were to redirect code writing staff to fully support the comprehensive plan work, this would delay other planned code work (listed at the end of question 21). However, these staff alone cannot complete all the comprehensive plan workplan items where DLS is the lead agency, specifically any work that will need consultant support for specialized items and additional staffing support."

QUESTION 3: COMPREHENSIVE PLAN WORK PLAN ACTIONS: WILL THE WORK JUST NOT BE DONE? OR BE COMPLETED ON A LONGER SCHEDULE?

ANSWER: Executive staff state: "The code writing team has a full workplan and items continue to be added. Some of this work may eventually be able to be completed, but it will depend on what else is added in the budget (provisos), how much support is needed by agencies for comp plan and other items, other priorities (SCAP, CWHH, etc.), and addressing other federal and state compliance (sign code). Rural economic strategies will be able to be completed with a less comprehensive approach."

Work that will definitively not be feasible unless resourced (no matter how much delay is allowed) includes: Action 12: Short-term Rental Regulations, and Action 11: Remove Barriers to Affordable Housing (non-MFTE portions)."

QUESTION 4: COMPREHENSIVE PLAN WORK PLAN ACTIONS: IF DELAYED, HOW DOES THAT INTERSECT WITH THE MIDPOINT UPDATE, SUBAREA PLANNING DELAYS, AND ULTIMATELY THE 2034 UPDATE OF THE COMPREHENSIVE PLAN?

ANSWER: Executive staff state: "This is unknown at this time and will depend on priorities of the new Executive, which items are funded in the budget, and other factors discussed [in the previous question]."

QUESTION 5: COMPREHENSIVE PLAN WORK PLAN ACTIONS: WHAT IS THE WORK PROGRAM FOR THE 10 FTEs SHOWN IN THE ORGANIZATION CHART DEDICATED TO LONG-RANGE PLANNING AND POLICY ANALYSIS? MEANING, WHAT WILL THESE POSITIONS BE WORKING ON IN THE NEXT TWO YEARS, AND HOW WAS THAT WORK PROGRAM PRIORITIZED OVER COMPLETION OF THE WORK PLAN ACTIONS? WILL ANY OF THESE EXISTING STAFF BE WORKING ON WORK PLAN ACTIONS?

ANSWER: Executive staff state: "The 10 positions are as follows:

- 7 FTE long-range planners and code writers, which include 1 FTE manager, 3 FTE code writers, 3 FTE subarea/long-range planners.
- 2 FTE policy and government relations roles, which include 1 FTE policy & government relations director, and 1 FTE legislative policy analyst. In addition to engaging with external partners and the Council, these positions oversee development of work products for Council and provide strategic support for the code writers, subarea planners, and other DLS staff.
- 1 FTE principal planner serves as the UTRC/STRC coordinator, which is funded under the UTRC/STRC cost pool.

The subarea planning positions are currently working on subarea plans for Fairwood and Greater Maple Valley/Cedar River, and the code writers have begun work on the following Work Plan actions where DLS has been identified as the lead:

- Action 7: Rural Economic Strategies update-\$99K provided in general fund, the remainder of the 2025 ER had appropriation but was unfunded. Note: if additional funding is not received, other resources will be limited to existing staff, which may limit the comprehensiveness of the deliverable.
- Action 8: Communication Facilities Code update
- Action 14: Vashon-Maury Island Water Systems Planning/Title 13 update

Code writers will support the following Work Plan actions, led by other departments, including but not limited to:

- Action 3: Mandatory Inclusionary Housing and Community Preference Review
- Action 9: Surface Water Management Code update
- Action 11: Remove Barriers to Affordable Housing (MFTE portion only)

Over the next two years, code writers will also work on other priority items, including but not limited to:

- 2026 Zoning Omnibus
- Condominium Code update
- Unit Lot Subdivision Code update
- Temporary Use Permit Code update (pending Council direction)
- Public rules – channel migration zone maps, CAO-related items
- 2024 Building/Fire Code update
- Tree Code update for urban unincorporated King County and rural towns (pending additional resources to support outreach and engagement)
- Flood Code update support (DNRP lead)
- Sign Code update
- Code updates to facilitate green building"

QUESTION 6: WHY ARE 32 FTEs WITH HR AND FINANCE FUNCTIONS BEING TRANSFERRED FROM PERMITTING AND ROADS TO THE DIRECTORS OFFICE? WHAT ARE THE OPERATIONAL IMPACTS OF THIS? WHAT IS THE RATIONALE FOR CENTRALIZED HR AND FINANCE FUNCTIONS?

ANSWER: Executive staff state: "Transferring positions will have the FTE structure reflect the reporting structure. Adding to the response below, the HR structure was put into place soon after the department's formation to provide support across the department. Some of the realized benefits of this older reorg are centralized policies and procedures, and central management and alignment under the HR manager.

HR has been centrally organized since not long after the department's formation, however, the positions were spread between permitting and roads and the org chart structure did not reflect the reporting structure.

In December 2024, the decision was made to restructure the Division's finance functions by having Division finance managers report directly to the Department's CFO. The shift was made to support greater collaboration between finance managers and department leadership on key budget and financial decisions and provide enhanced support for division leadership through continued close engagement and continued co-location of finance staff within their respective divisions.

The change was made with the following goals:

- Build Redundancy and Avoid Single Points of Failure: Ensure we can support each other effectively, especially during leaves or retirements.
- Standardize Work Across the Department: Promote consistent financial practices department-wide.
- Encourage Collaboration and Mentorship: Share best practices, create mentorship opportunities, and enable professional growth.
- Enhance Financial Visibility and Decision-Making: Provide a clear and direct channel for elevating financial risks and opportunities to leadership, supporting informed decision-making."

QUESTION 7: FOR COMMUNITY NEEDS LISTS, WHICH OF THE BUDGET PROPOSALS IN THIS BUDGET WERE DRIVEN BY ITEMS ON THE COMMUNITY NEEDS LISTS? IT WOULD BE HELPFUL TO SEE HOW THOSE LISTS IMPACTED THIS BUDGET PROPOSAL.

ANSWER: Please see the attached summary provided by the Executive that shows which Community Needs List items were funded in the Executive's proposed budget.

QUESTION 8: GENERAL COUNSEL: WHAT WOULD THE PRIMARY FOCUS BE FOR THE GENERAL COUNSEL POSITIONS?

ANSWER: Executive staff state: "The General Counsel position would support the legal needs of the department and serve to inform legal policy decisions within the

organization. Having a position that understands the unique needs of the different functions within the department will focus the legal analysis on the highest risk issues and help prioritize the workload and usage of specialized legal support provided with the prosecuting attorney's office."

QUESTION 9: GENERAL COUNSEL: WHY IS A DEDICATED DLS GENERAL COUNSEL PROPOSED, RATHER THAN ANOTHER PAO IN THE CIVIL DIVISION?

ANSWER: Executive staff state: "DLS is looking for dedicated general counsel, rather than PAO legal services. DLS is hoping for a more efficient and effective model for customer service that meets DLS's complex legal support needs. Embedding one person in the leadership team who understands the broad array of issues is something that has been successful with Metro and the Sheriff's office. Additionally, as stated above, this position will support policy questions within the department.

DLS's intention is that the costs of this position will offset the future PAO rates because it will allow continuity and prioritization for advice for the department. Given this is intended to be net-zero and is change is service request for the PAO and that PAO rates are billed based on prior year/biennial actual usage for the PAO based on the category of service.

In the 2026-2027 Executive Proposed budget, DLS's PAO charges are roughly \$3.4M. Of that, roughly \$2M (58%) is for legal advice and legislation and \$1.4M (42%) is for active litigation. DLS believes that there is opportunity to have the general counsel position be the primary contact for legal advice and legislation.

In the 2026-2027 rate (based on prior charges as a proxy for future service), DLS was charged for time for 30 different attorneys on 135 different legal matters (109 within permitting and code enforcement). Ultimately, the department feels that a dedicated position will help better prioritize and manage legal issues."

QUESTION 10: GENERAL COUNSEL: HOW WILL THE FUNCTIONS OF THIS POSITION BE DIFFERENT THAN THE PAO CIVIL DIVISION FUNCTIONS?

ANSWER: Executive staff state: "This position will be a member of the department's leadership team. Embedding this position within the department can lead to several benefits including specialized departmental knowledge, high-level organizational perspective, and the ability to prioritize legal matters focusing on the highest risks/needs of the department, which should lead to future cost savings in the department."

Attachment: Summary of Community Needs Lists funding

2026-2027 PROPOSED COMMUNITY NEEDS LIST INVESTMENTS

The 2026-2027 Proposed Budget advances priorities put forward by residents of Unincorporated King County through the community needs list (CNL) process.

Background

The Department of Local Services (DLS) is required by King County Code 2.16.055, C.1 to develop 11 CNLs—one for each of the six rural community service areas and five urban potential annexation areas. The CNLs are lists of potential services, programs, facilities, and capital improvements identified by the community that will require additional resources.

Funding Constraints

While King County agencies strive to be responsive to the community, a number of CNL requests cannot be implemented in 2026-2027 due to funding constraints in the General Fund and Roads Fund. New revenue tools provided by the State Legislature helped address the \$175 million deficit in the General Fund, with limited funding available for new programs and services. Without a new sustainable revenue source, the Roads Fund will be unable to fund many of the traffic safety, road repair, drainage improvements, and quality of life needs of the community in Unincorporated King County.

2026-2027 Proposed Investments

The 2026-2027 Proposed Budget includes the following proposals that are responsive to the CNLs:

- KCSO will invest \$463,000 to add a Special Assault Unit deputy to reduce the backlog of cases in the unincorporated area and will also fund \$2.1 million in recruiting efforts, hiring incentive pay, and referral incentives to recruit additional deputies across King County. This proposed investment is responsive to multiple CNL requests for increased deputies and patrols. *(EN_A20000, DS_020, DS_007, DS_008; CNL: BCCS.25.006, BCCS.25.027, BCCS.25.028, EFP.25.004, EFP.25.009, FWP.25.022, FCTC.005, FCTC.25.004, GMVC.25.010, SNVC.24.023, SNVC.25.015, SEKC.25.012, SEKC.25.025, VMIC.25.029)*
- DLS will add \$250,000 in contingency funding to support emergency response in Unincorporated King County, allowing the department to be responsive to the community's needs during an emergency event. *(EN_A77000, DS_001; CNL: ERP.25.001)*
- DLS will add a position to support communications with residents of Unincorporated King County. Additional communications capacity will allow for a more proactive approach to working with County partner agencies to provide information on County services. *(EN_A77000, DS_003; CNL: GMVC.25.006, GMVC.25.012, GMVC.25.017, NHP.25.016, SWP.25.005, SNVC.24.006, FCTC.25.001)*
- Metro Transit will add \$1.4 million in one-time funding to continue the Snoqualmie Valley Shuttle, which provides mobility access in a rural area including connections to Issaquah and Redmond. *(EN_A46410, DS_009; CNL: SNVC.24.049)*
- The 2026-2031 Parks Levy includes \$1 million for the planning, design, and construction of new dog parks. Tentative sites include Lake Geneva Park, North Shorewood Park, and Skyway Park. In

2026-2027, Parks will invest in the design and potentially construction of an off-leash dog park; the location will be identified when the Off Leash Dog Park Plan is finalized in late 2025. (3581, #1150601; CNL: SWP.023)

- The Water and Land Resources Division (WLRD) will invest \$1.4 million to improve the Cemetery Pond Regional Stormwater Facility, which occupies historic wetlands. The project will restore portions of the wetland to increase the facility's detention storage and improve water quality treatment. (3292, #1129498; CNL: ERP.25.008, ERP.25.018, FCTC.009)
- The Community Needs List includes several requests that are supported by Conservation Future Advisory Committee recommendations:
 - Community members requested conservation efforts from High Point to North Bend (CNL: SNVC.25.005). The 2026-2027 Proposed Budget includes:
 - \$2.6 million to acquire 200 acres in the Middle Fork Snoqualmie Natural Area. This would protect portions of two alpine lakes and the headwaters of Granite Creek and secure recreational access for popular backcountry trails. (\$2M - 3151, #1150373; \$661,000 - 3581, #1150412)
 - \$109,000 to acquire property in the Snoqualmie Riverfront Reach area to support site stabilization. (3151, #1150427)
 - \$700,000 to acquire 18 acres in the Stillwater Natural Area, which is a priority for salmon habitat restoration. (\$525,000 - 3151, # 1150376; \$175,000 - 3581, #1150414).
 - \$1.9M to acquire 116 acres to protect property in the Upper Snoqualmie watershed. (\$1.4M - 3151, #1148007; \$483,000 - 3581, #1148037)
 - \$525,000 to acquire 49 acres in undeveloped upland forest east of the Raging River and along the Preston Snoqualmie Regional Trail. (\$400,000 - 3151, #1148001; \$131,000 - 3581, # 1147995)
 - Community members also requested conservation efforts along the Middle Green River/Green River Gorge to prevent environmental degradation (CNL: SEKC.25.009). The 2026-2027 Proposed budget includes:
 - \$4 million to acquire 43 acres along the Middle Green River and Newaukum Creek to protect salmon habitat, promote ecological connectivity between State Park lands, the Green River Natural Area, and the lower Newaukum Creek Ravine; and protect and restore the middle portion of Newaukum Creek. (\$1.7M - 3151, #1145729; \$1M - 3151, #1148073; \$1.3M - 3581, # 1136778)

2026-2027 Next Steps

Throughout the 2026-2027 biennium, agencies will continue to work to identify new projects and funding for CNL requests that may be implemented in the future.

PLANNING AND PERMITTING

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2025 Revised Budget Biennialized	\$49,864,498	\$45,391,962	117.0	0.0
2026-2027 Base Budget Adjust.	(\$1,448,169)	\$0	0.0	0.0
2026-2027 Decision Packages	(\$2,903,528)	\$142,591	(12.0)	1.0
2026-2027 Proposed Budget	\$45,513,000	\$45,535,000	105.0	1.0
% Change from prior biennium, biennialized	(8.7%)			
Dec. Pkg. as % of prior biennium, biennialized	(5.8%)			
Major Revenue Sources: Permitting Fees, General Fund				

DESCRIPTION

The Planning and Permitting appropriation unit within the Permitting Division of the Department of Local Services is responsible for reviewing, approving, and inspecting land use and construction projects. This group is responsible for providing customer assistance and public information regarding permitting, application intake review, review of development proposals for compliance with King County Code, construction and site inspections, and critical areas monitoring.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Substantive changes in the Executive's proposed 2026-2027 budget include:

- **TLT and \$454,000 for support on the 2029 midpoint Comprehensive Plan update.** This position would be targeted to the Climate Change Element requirements added to the Growth Management Act. This position is funded by the General Fund.
- **Reduction in force of 8.0 FTEs, plus a labor contra to hold an additional 3.0 FTEs vacant through the biennium.** The total cost savings is estimated at \$4.3 million. This is proposed due to lower permit application volume projected during the biennium.
 - The positions proposed to be eliminated include two plans examiners, four engineers, one planner, and one records management specialist.
 - The positions proposed to be left vacant for the biennium include one business systems manager, one engineer, and one planner.

- **\$1.2 million for a new technology project to replace the County's permit tracking software and online permit application tools (CIP #1150821).** Supporting material indicates that the project would replace five separate but integrated permitting-related systems, cloud hosted by five different vendors, with a single system that provides online permitting functionality without multiple, inter-system integrations. Today, the existing permitting software in use by the County requires the public to navigate four or five separate online permitting systems to submit, pay for, and obtain permits. Replacing these disparate systems with a single system will "reduce wasted staff time, errors, and processing delays, and improve workload management and accuracy of project status information and performance reporting...." The requested appropriation would support the configuration and implementation of a replacement permit tracking software. The supporting materials also note that updates to the state laws regarding permit processing timelines and performance reporting are not easily met with the existing software.

This project would be funded through a permit fee surcharge for the biennium. Executive staff note that no vendor has yet been chosen, but that staff "believes that there are solutions available within this price range that will meet the organization's needs." No contingency is included in the appropriation request, Executive staff state that, to control costs, "KCIT, PSB, and DLS will be closely monitoring this project and the risk of cost overruns through consistent check-ins with project managers, spending dashboards, and leadership involvement. In addition, DLS in its selection of a system must prioritize solutions that it can afford and still meet customer needs." The Division has not yet procured a vendor, and does not have a project completion date.

There were two agency proposals not funded in the Executive's recommended budget that may be of interest to Council. This includes 6.0 FTEs and \$2.7 million to support implementation of a monitoring and adaptive management program associated with the critical areas ordinance, and 1.0 TLT and \$455,000 to support the update to the Clean Water Healthy Habitat Strategic Plan. Executive staff state that "[w]ithout funding, Permitting will be unable to contribute to these efforts. The lead agencies for these efforts will need to assess the impacts on their respective project schedules and deliverables."

KEY ISSUES

ISSUE 1 – PERMIT FEE INCREASE

The Executive has proposed changes to the permit fees (accompanying legislation is Proposed Ordinance 2025-0311). Included in the fee ordinance is an 11.8% increase to fees charged by the Permitting Division, a new 3.5% temporary surcharge to fund replacement of the permit tracking software, a new permit application screening fee,

and new permit application fees for the Historic Preservation Program and River and Flood Management programs of the Department of Natural Resources and Parks.

A breakdown of this increase is included in Table 1.

Table 1.
2026-2027 Permit Fee Changes and Projected New Revenue

Description of Increase	Projected New Revenue	% of the increase
Central Rates (including additions to the Cost Allocation for Local Services Administration)	\$2,519,000	7.5%
Labor Costs, General Wage Increase	\$1,193,000	3.5%
Supplies/Services	\$249,000	0.7%
KCIT Charges	\$36,000	0.1%
2026-2027 Projected Fee Revenue with Fee Increase	\$3,997,000	11.8%
Increases from new Application Screening Fee	\$1,000,000	n/a
Contributions from surcharge for IT project	\$1,208,000	3.6%
2026-2027 Revenue with Surcharge and Application Screening Fee	\$6,169,000	15.4%

Staff analysis of this permit fee increase is ongoing. Councilmembers should note that any changes to the permit fee or to the requests in this appropriation unit will need to be balanced.

[Additional information on the Fee Increase is noted in the Response to Council Inquiries.](#)

ISSUE 2 – NEGATIVE FUND BALANCE/FUNDING MODEL

Because of the historically low permit volumes, the Financial Plan for this appropriation unit (updated Financial Plan attached), shows an estimated beginning fund balance of (\$10,510,047) for 2026. The Financial Plan does not show a positive fund balance in the 6-year planning period.

Revenues for this appropriation unit are estimated to be 94.2% funded by permit revenue. The \$2.6 million in General Fund revenue is proposed to support division overhead costs of \$1.5 million, code enforcement overhead of \$672,000, and the one-time Climate Change Element work at \$1.5 million.

The Permitting Division operates as an enterprise fund, which means that the activities for permit review are 100% funded by permit fee revenue. The Council may wish to consider whether this model is sustainable or whether more work should be done to address it. Of note, as part of the 2025 budget, the addition in 8.0 FTEs resulted in a

10% permit fee increase – but the reduction in the same number of staff does not mean there is any reduction in permit fees, because of increased costs to the Division overall.

Additional information on the Executive's plans for future work on the funding and staffing model is in the Response to Council Inquiries. The Council may wish to consider whether a proviso directing more work on resolving the ongoing funding model issues in Permitting is warranted.

Attachment: Updated Planning and Permitting Appropriation Unit Financial Plan

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: REDUCTION IN FORCE: WHY DOESN'T THE REDUCTION OF 8 PERMITTING STAFF CORRESPOND TO A DECREASE IN PERMIT FEES?

ANSWER: Executive staff state: "The variable cost per permit has increased because unit labor costs have increased. The fixed cost per permit has increased because permit volume is lower so each permit is burdened with more overhead cost. So even though the total staff count is reduced by 8 positions, the cost per permit is higher."

QUESTION 2: REDUCTION IN FORCE: IF THOSE POSITIONS ARE ADDED BACK AT A LATER DATE, WOULD ANOTHER FEE INCREASE BE PROPOSED?

ANSWER: Executive staff state: "Depends. If permit volume and fee revenue increased, more staffing could be needed, which could be paid for by the additional revenue at the future adopted fees. A fee increase might not be needed. In contrast, if staffing were added without any increase in permit volume and revenue, then a fee increase would be needed to pay for the extra staff. If the vacant staff need to be filled because of increased volume, it will require a supplemental budget request."

QUESTION 3: REDUCTION IN FORCE: HOW DID YOU DETERMINE THAT 8.0 FTEs (PLUS THE 3.0 FTE LABOR CONTRA) WAS THE RIGHT NUMBER FOR THIS BIENNIUM? WHY ARE THOSE 3 FTEs MAINTAINED, BUT WITHOUT FUNDING?

ANSWER: Executive staff state: "The 2025 adopted budget (DS-002) added 8 positions to provide additional application screening and review capacity to comply with SB 5290 timelines. Because of the sharp reduction in permit volume since 2024, the Division has obtained target timelines in 2025 without filling these additional positions. The three vacant FTE positions were maintained for flexibility and because they are the most likely to be needed if permit application volume increases. Removing the contra for the vacant positions will require supplemental budget approval to be spent and will only be requested if volume increases and additional revenue (and demand) is realized beyond what is projected."

QUESTION 4: APPLICATION SCREENING FEE: CAN YOU CLARIFY HOW THE PERMITTING DIVISION PLANS TO APPLY THAT FEE? IT APPEARS THIS A BRAND-NEW FEE ON TOP OF THE REGULAR PERMIT FEE, IS THAT CORRECT?

ANSWER: Executive staff state: "The screening fee is new but if not added, the proposed fee increase would need to be higher. In our current model, we only collect fees starting later in the process. However, a significant portion of permit applications that are submitted are not accepted for review and in our current fee structure they pay no fee, so we therefore are not compensated for our review time (application screening time). This is not sustainable in our full cost recovery model."

QUESTION 5: APPLICATION SCREENING FEE: OR IS IT A PERCENTAGE OF THE OVERALL PERMIT FEE COLLECTED UP FRONT AND THOSE OTHER FEES ARE BEING REDUCED COMMENSURATELY?

ANSWER: Executive staff state: "If we do not implement an application screening fee, we would need to incorporate the cost of screening applications via a percentage increase across all permits. The result will be similar total cost for each permit, with slight variation because the cost to complete screening is the driver to the way the application screen fee was set, not a straight percentage increase."

QUESTION 6: APPLICATION SCREENING FEE: DON'T EXISTING FEES ASSUME TIME TO REVIEW FOR COMPLETENESS?

ANSWER: Executive staff state: "Existing fees do not adequately recover costs of screening applications for acceptance. Online application submittal has altered the business process significantly. Because the County currently does not charge a fee to apply online, incomplete and poor-quality submittals are frequent. These must still be screened, at considerable cost of staff time. Many applications are never accepted, and the County recovers none of its screening cost from them."

QUESTION 7: APPLICATION SCREENING FEE: ISN'T THE NEW FEE ACTUALLY ANOTHER FEE INCREASE ON PERMIT APPLICANTS?

ANSWER: Executive staff state: "The screening fee is an additional fee all applicants would pay. If no screening fee were adopted, then the cost of screening would need to be built into a rate increase at proposed expenditure levels. Screening costs for a significant number of applications are often uncompensated, as some permit applications do not proceed in the process. The result is that applicants who proceed with their applications until acceptance are subsidizing the application screening cost of all prospective applicants."

QUESTION 8: APPLICATION SCREENING FEE: WHAT IS THE PROCESS FOR IF AN APPLICATION IS SO DEFICIENT OR NOT COMPLIANT WITH LAW THAT A PERMIT APPLICATION WOULD NOT BE APPROVED?

ANSWER: Executive staff state: "Applications are submitted via MyBuildingPermit.com (MBP) and initially screened for completeness by Permit Review Coordinators, who make sure that all required documents are provided. Applicants receive notification of incomplete application (missing documents) via MBP. Applicants may re-submit. If/when the application is determined complete, it may be sent to SMEs who do a secondary screening for compliance with technical standards, i.e. to ensure application documents present the required technical information in accordance with County standards. If the application does not meet the County standards for acceptance, applicants are notified of the technical deficiencies via MBP or Avolve ProjectDox. Applicants may re-submit for two more rounds of completeness or technical screening (these resubmissions would not be charged multiple times again for the screening fee, if it were adopted). If an application is not complete and technically sufficient after the third screening, the applicant is notified that the application is canceled. The applicant may then start over by submitting a new application and be charged."

QUESTION 9: APPLICATION SCREENING FEE: DOES PERMITTING HAVE A PROCESS TO "REJECT" APPLICATIONS AT THE COUNTER THAT ARE DEFICIENT?

ANSWER: Executive staff state: "96% of all applications are screened via MBP. None are screened at the counter. Rejection of incomplete applications occurs by notification via MBP or Avolve ProjectDox."

QUESTION 10: FUNDING/STAFFING MODEL: HAS THE EXECUTIVE/PERMITTING LOOKED AT ALTERNATIVE FUNDING MODELS FOR THE PERMITTING DIVISION AND WHETHER THE CURRENT MODEL (PURELY RELIANT ON PERMIT FEE REVENUE) IS APPROPRIATE FOR SUCH A CORE COUNTY SERVICE?

ANSWER: Executive staff state: "The Permitting Division is currently facing severe financial challenges. The Executive and DLS are continuing to explore options to alleviate these challenges. Under the status quo, Permitting Division provides some services which cannot be paid for by permit fee collection (e.g. code enforcement), which have historically been supported primarily by the General Fund. Permitting also provides services that more broadly benefit the general public, which are currently subsidized by Permitting fees (e.g. public records requests, third-party appeals of Type 2, 3 and 4 permits, review of state legislation/SEPA, assistance to emergency management and free assistance to prospective permit applicants). Alternative funding sources that could replace permitting fees, such as the General Fund, are very constrained. If Permitting were to shift away from relying on permitting fees, alternative funding would need to be identified."

QUESTION 11: FUNDING/STAFFING MODEL: HOW DO OUR NEIGHBORING COUNTIES, OR COUNTIES OF SIMILAR DISPOSITION, FUND THEIR PERMITTING DIVISIONS?

ANSWER: Executive staff state: "Other Washington State counties did not implement the Growth Management Act to the same extent as King County. As a result, Snohomish and Pierce County have more available and buildable land for residential and commercial projects. Due to this policy choice, the other counties do not yet have same level of financial challenges as King County. Snohomish and Pierce Counties are mostly funded by permit fees but have been drawing down fund balance in the past few years. Like King County, their respective permitting agencies include some code enforcement and planning functions that are supported by general fund. In other jurisdictions (for example, Bellevue, Bothell, and Lynnwood) permitting is part of the general fund, and it is not transparent how much general fund is subsidizing these programs. We are currently doing this analysis as we explore more sustainable models."

QUESTION 12: FUNDING/STAFFING MODEL: IS THERE ANY ANALYSIS ON: AT WHAT POINT PERMITTING AT KING COUNTY BECOMES SO EXPENSIVE THAT IT HAS THE SOME IMPACT TO THE NUMBER OF OVERALL PERMIT APPLICATIONS.

ANSWER: Executive staff state: "Generally speaking, the cost of a permit is very small in proportion to the cost of land acquisition and building, making it difficult to tease out the impact of fee changes or fee level on development or permitting activity. For example, the cost of land and building a new home in the UKC would be hundreds of thousands of dollars, but the current permit fees for a custom home are less than \$20,000. A school impact fee can add up to \$20,000 of additional cost, but the impact fee is remitted to the school district and does not fund County permitting operations. We do not have an analysis of the price elasticity of demand for permits. It is most likely that small residential improvement projects or land disturbing activities are most sensitive to price. (Fee recalibration would be most helpful in this subsector.) We frequently hear that land developers (multifamily and subdivisions) care more about speed of approval than cost of permits because the financial carrying cost of land from acquisition to development and sale dwarfs the permit fees."

QUESTION 13: FUNDING/STAFFING MODEL: WHAT ARE THE EXECUTIVE'S PLANS TO REVIEW/ADJUST THE FUNDING OR STAFFING MODEL FOR THE PERMIT REVIEW FUNCTIONS IN THE NEXT TWO YEARS?

ANSWER: Executive staff state: "DLS will continue to monitor workload and revenue to adjust staffing and expenditure. Given the historically unprecedented low volume of permit applications, both current and projected for 2026-2027, DLS has begun exploratory discussions of alternative funding sources and staffing arrangements for Permitting."

QUESTION 14: FEE INCREASE: CAN YOU PROVIDE INFORMATION, MAYBE FOR THE LAST 10 YEARS, ON HOW PERMIT APPLICATIONS HAVE DECLINED/CHANGED, AND THE REVENUE COLLECTED ASSOCIATED WITH THOSE CHANGES?

ANSWER: Executive staff continue to work on compiling this data. It will be provided separately, as part of Week 2 Response to Council Inquiries.

QUESTION 15: FEE INCREASE: HOW HAS THE DECLINE IN PERMIT APPLICATIONS PROPORTIONALLY AFFECTED THE NEED FOR THE PERMIT FEE INCREASE? BECAUSE THERE ARE FEWER PERMITS ARE SERVICES MORE EXPENSIVE PER PERMIT? IS THERE MORE OR LESS WORK TO DO?

ANSWER: Executive staff state: "Less work and fewer staff needed in 2026-27, but the cost of staff is higher and the cost of County overhead per permit is higher. The proportionality is difficult to calculate because costs change independent of permit volume. Roughly, 41% of the increased revenue requirement in 2026-27 is attributable to non-labor costs (e.g. central rates and services), which need to be recovered due to a declining permit volume." Also see the answer to question 1.a. above.

QUESTION 16: FEE INCREASE: COUNCILMEMBERS HAVE EXPRESSED INTEREST IN LOWERING THE PERMIT FEE INCREASE. IF CATEGORIES SHOWN IN TABLE 1 ABOVE WERE ELIMINATED, WHAT WOULD BE REQUIRED TO BE CUT FROM THE BUDGET?

ANSWER: Executive staff state: "If the fee increase component for labor cost increases were eliminated, the Division could RIF positions but RIFing positions would not lower the wage and benefit rates of the staff who are employed. The Division cannot reduce its central rate charges. If the supplies and services component were cut, the Division could cut its quasi-discretionary biennial spending on training (\$100,000), overtime (\$120,000), and half its office supplies (\$25,000)."

QUESTION 17: FEE INCREASE: HOW MUCH OF CENTRAL RATE INCREASES IS DUE TO ADDS (NEW POSITIONS, DIRECT SERVICES, ETC) IN LOCAL SERVICES ADMIN?

ANSWER: Executive staff state: "In total, the additions in the DLS administration fund, including central rate increases, represent an increase of \$254K to the permitting fund, roughly half of this is for the General Counsel add, which we believe will result in future savings in PAO rates.

Below are the details:

- The general counsel position is an increase of \$125K to the permitting fund, however we think this will result in future cost savings through this model. See DLS DO responses 24-26.
- Communications position \$69K (22.3% paid for by permitting)
- Labor planning contingency of \$19K, could be easily removed.

- Permitting fund pays 2.03% of the DLS Service Partner Allocation, the increase (DPs, Central Rates, etc.) in the total charge is roughly \$32K."

QUESTION 18: FEE INCREASE: WHAT OF THESE INCREASES ARE DISCRETIONARY AND WHAT ARE ALREADY MANDATED (FOR EXAMPLE, BY LABOR AGREEMENTS)?

ANSWER: Executive staff state: "Other than the staffing level, few costs are within the control of the Permitting Division. Labor costs are set by labor agreement. IT services are set by contract. Discretionary costs include:

- Temporary help: \$3,600 per year, decreased in the 2026-27 budget.
- Overtime: less than \$60,000 per year, mostly required for building inspectors, which is not increased in 2026-27 budget.
- Staff training: \$50,000 per year, which has not increased in the 2026-27 budget
- Office space (10 cubes and 3 windows rented from Elections): \$85,000 per year (budgeted). Actual rate will be finalized when budget is approved. Permitting pays indirectly through Elections.
- Office supplies: \$25,000 per year, decreased in the 2026-27 budget.

The permitting system replacement could be considered discretionary in the short term. But system replacement would lower annual operating costs when implemented."

**2026-2027 Proposed Financial Plan
DLS Permitting Fund / 000001340**

Category	2025 Estimated	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Beginning Fund Balance	\$ (5,771,047)	\$ (10,510,047)	\$ (10,488,294)	\$ (5,535,312)
Revenues				
CHARGE FOR SERVICES - R3410	15,400,000	41,711,260	49,980,092	53,924,143
SURCHARGE	-	1,172,000	-	-
TRANSFERS IN - R3901	336,000	2,651,293	2,339,139	2,485,335
Total Revenues	\$ 15,736,000	\$ 45,534,553	\$ 52,319,230	\$ 56,409,478
Expenditures				
SALARIES/WAGES/BENEFITS - 51000	15,969,000	31,259,346	32,888,216	34,943,730
SUPPLIES - 52000	27,000	49,200	52,565	56,077
SERVICES-OTHER CHARGES - 53000	1,160,000	3,756,960	4,013,936	4,282,067
INTRAGOVERNMENTAL SERVICES - 55000	3,311,000	9,230,994	10,361,317	11,726,938
INTRAGOVERNMENTAL CONTRIBUTIONS - 58000	8,000	1,216,300	50,214	56,832
Total Expenditures	\$ 20,475,000	\$ 45,512,800	\$ 47,366,248	\$ 51,065,644
Estimated Underexpenditures				
Other Fund Transactions				
Total Other Fund Transactions	\$ -	\$ -	\$ -	\$ -
Ending Fund Balance	\$ (10,510,047)	\$ (10,488,294)	\$ (5,535,312)	\$ (191,478)
Reserves				
Expenditure Reserve (s)				
Rainy Day Reserve	1,262,158	2,805,584	2,919,837	3,147,882
Total Reserves	\$ 1,262,158	\$ 2,805,584	\$ 2,919,837	\$ 3,147,882
Reserve Shortfall	11,772,205	13,293,878	8,455,149	3,339,360
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -

Financial Plan Notes

- All financial plans have the following assumptions, unless otherwise noted in below rows:
- 2026-2027 Proposed Budget ties to PBCS.
- Outyear projections columns: expenditure inflation assumptions are consistent with figures provided by PSB's BFPA guidance.

Revenue Notes:

- 2026 custom new home and remodel permit volume (240) = lowest on record (2014)
- 2026 basic home permit volume (72) = lowest on record (2022)
- 2026 other permits and approvals = same as year 2024
- No permit volume increases in 2026-2031
- 2026-2027 increase in Transfers In from re-allocation of general fund from A32530
- 2026-2027 temporary 3.5% surcharge to generate funds to pay for replacement of permitting system; surcharge ends 12/31/2027
- 2028-2029 GF transfer is reduced by the amount of one-time funding of Climate Change support in 2026-2027
- 2026-2027 and outyear permit fee amounts and revenues are increased to match aggregate increase in expenditures; plus supplemental increases of 11% to rebuild fund balance.

Expenditure Notes:

- 2026-2027: Salaries and wages includes expenditure contra assumed for three positions in 2026-27 and outyears, and reduction of eight vacant positions.
- 2026-2027: Increase in intergovernmental services cost includes net-zero transfer of 4 positions from Permitting to Director's Office budget and addition Director's Office overhead increases.
- 2026-2027: Increase in intragovernmental contributions of \$1,172,000 for funding replacement of permitting system.
- 2028-2029: Labor cost reduced by one-time spending for Climate Change support.
- 2028-2029: Intragov't contributions reduced by one-time spending on technology ending 12/31/2027.
- 2028-2029: No programmatic-driven growth in DLS cost allocation to Permitting.

Reserve Notes:

- Fund balance restored to positive balance by 12/31/2031, assuming low permitting activity at 2026 budgeted level and supplemental fee increases per above Revenue Notes.

Last Updated 10/3/2025 by W Cheney and Bonnie Fluckinger using data from PBCS and BFPA assumptions.

AIRPORT CONSTRUCTION

ANALYST: GENE PAUL

	2026-2027 Proposed	2028-2029 Projected	2030-2031 Projected
Revenues	\$14,666,841	\$232,031,000	\$19,535,000
Appropriations	\$14,666,841	\$232,031,000	\$19,535,000
Major Revenue Sources: Grant Funds, Fund Balance, and Transfer from KCIA Operating			

DESCRIPTION

King County International Airport (KCIA) is a self-supporting enterprise operation partially funded by grants from the Federal Aviation Administration (FAA). The FAA classifies KCIA as a Class IV, Primary, Commercial Service, Non-Hub Reliever Airport, meaning it handles limited commercial passenger traffic and has been designated by the FAA to relieve congestion from Seattle-Tacoma International Airport and provide general aviation access to the community. KCIA averages 180,000 takeoffs and landings a year and currently serves more than 150 tenants, including small commercial passenger airlines, cargo carriers, private aircraft owners, helicopters, corporate jets, military aircraft, and the Boeing Company. KCIA envisions becoming a world class airport as part of the update to its long-range plan, the Vision 2045 FAA Master Plan Update, that is currently underway.

SUMMARY OF PROPOSED BUDGET AND CHANGES

According to KCIA staff, much of the Airport's infrastructure is either at or near end of life or does not meet current standards and needs. KCIA is planning capital investments over the next decade to improve facilities for its customers and prepare for the future. The proposed Airport capital improvement program of \$14.7 million is a net appropriation request that includes \$20 million in appropriations and \$5.3 million in disappropriations. Disappropriations generally reflect the completion or termination of a project.

As discussed during the 2025 budget deliberations, KCIA is working with the FAA to address a long-standing safety issue related to the separation distance between the primary runway (14R-32L) and Taxiway B (also called Taxiway Bravo or just Bravo). The centerline of Taxiway B, which runs parallel to the primary runway, is approximately 325 feet from the centerline of the runway. KCIA operates under a waiver from the FAA due to this non-standard condition. To meet current FAA standards, the taxiway and runway should be separated by 400 feet.

To eliminate this safety issue, KCIA plans to undertake capital projects that will:

- Relocate the taxiway approximately 75 feet away from the runway;

- Relocate and replace the obsolete Air Traffic Control Tower;
- Relocate and replace the current Aircraft Rescue and Firefighting (ARFF) Station; and
- Assist airport tenants who may lose operational capacity on their leasehold due to the project.

According to project documents, the total capital improvements connected to the Taxiway B project would amount to 70% of the airport's anticipated capital needs over the next 20 years. The projects are expected to be eligible for FAA grant funding of up to 90% of the total eligible costs, which initial estimates forecasted at \$500 million. The capital budget already includes the \$200 million grant contingency from the 2025 budget connected to this project. Executive staff have indicated that they are still negotiating the schedule, funding and other items with the FAA for the bundle of Taxiway B projects. The project timeline is also currently under FAA review. There are several new capital projects proposed in the 2026-2027 Biennial Budget connected to this overarching Taxiway B project. These projects include:

Runway 14R-32L Rehabilitation and Taxiway Modifications - \$3,000,000. According to project documents, because the last major maintenance on the primary runway, 14R-32L, was performed in 2006, the entire runway surface is in need of pavement rehabilitation. Additionally, some taxiway connections no longer meet FAA design standards and require modifications. This planned rehabilitation is what triggered the larger Taxiway B project. The 2026-2027 proposed budget includes \$3 million to complete the environmental assessment for this project and to start funding preliminary design work for the rehabilitation of the runway. The project timeline is tied to the larger Taxiway B project, but no construction activities are currently planned for the 2026-2027 biennium. While the primary runway needs rehabilitation regardless of the Taxiway B project, the FAA sees these projects as connected and the estimated \$150 million in rehabilitation costs are included in the \$500 million total Taxiway B project estimate that would be eligible for FAA grant funding at the 90% rate.

Air Traffic Control Tower Replacement - \$1,500,000. The current air traffic control tower is located in the space needed for the relocation of Taxiway B. This project would support construction of a new control tower on a new site, which the FAA will select, and the demolition of the existing obsolete tower. This appropriation would provide \$1.5 million to begin design work and site preparation. The funds are intended to serve as a match to potential FAA grant funding. The early estimate is that this project would cost \$75 million in total, but it would be eligible for FAA grant funding at the 90% rate.

ARFF Station Replacement - \$1,250,000. The existing firefighting station, which is located next to the current control tower, would also need to be replaced by one built on another location before Taxiway B can be relocated. Like the Air Traffic Control Tower project, this project would appropriate \$1.25 million for initial design work and site preparation. The funds are also intended to serve as a match to potential FAA grant

funding. The early estimate is that this project would cost \$45 million in total, but it would be eligible for FAA grant funding at the 90% rate.

Woods Meadow Acquisition and Taxiway Bravo Tenant Mitigation - \$150,000.

These two projects are connected to assisting tenants that would be impacted by the Taxiway B relocation. The Woods Meadow property is also located in the area that is needed for relocating Taxiway B. This project would provide \$100,000 to begin the acquisition of that property. This funding could be used as a match for FAA grants associated with the project. The Taxiway Bravo Tenant Mitigation project would initiate design work to construct or reconfigure infrastructure like ramps, taxi lanes, service roads, and other facilities as needed to support tenants impacted by the Taxiway B relocation. This funding would also be used as a match to potential FAA grants. No construction activity is planned in the 2026-2027 biennium.

Besides these projects connected to the Taxiway B project, there are two notable utilities projects in the 2026-2027 budget. The first is a \$3 million appropriation for the utilities program to repair aging and damaged utilities infrastructure at the Bravo 5 intersection. The second project, with a \$4.4 million appropriation, would allow the Airport to complete the final phase of its planned stormwater pipe replacement and stormwater capacity improvements.

There were also several notable disappropriations in the proposed budget. Three of the projects were considered to be legacy projects or programs where future work would be more appropriately performed through the operating budget. These projects included the North Boeing Field MTCA program, the Lower Duwamish Waterway project, and the KCIA Climate Action Plan Program. The Airport Security Comprehensive Plan project was disappropriated because the current Vision 2045 project, which updates the FAA Master Plan, needs to be completed first and also needs to confirm that the security comprehensive plan project is necessary.

KEY ISSUES

Staff have not identified any key issues for this appropriation unit.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: MORE INFORMATION WAS REQUESTED REGARDING THE AIRPORT'S FUEL FARM FACILITY AND THE PROPOSED DISAPPROPRIATION OF A CAPITAL PROJECT RELATED TO ENVIRONMENTAL CLEANUP OF THE EXISTING FUEL FARM.

ANSWER: Executive staff confirmed that there was a release of hazardous materials from the fuel farm which has been documented, reported to the Department of Ecology, and characterized. The Airport is working with the State of Washington to determine what action is needed for remediation. This is an ongoing process that is unrelated to the disappropriations requested in this budget.

The disappropriation in this budget is for moneys that were set aside to remove the old fuel farm once a new fuel farm was constructed. The airport had an unsuccessful RFI for a new fuel farm and is looking into how their Fixed Based Operators (FBOs) could take on the ownership and operation of fuel farms within their leaseholds. However, a change in King County Permitting Code would be required to enable this solution. While this is being worked out, the existing fuel farm will continue to be in operation. Executive staff expressed that rather than having capital moneys tied up in a project that will not move forward, they would like those moneys reappropriated to other projects that are able to move forward at this time. Once a fueling solution is determined, the Airport intends to propose a project to reappropriate capital moneys to remove and remediate the old fuel farm when it is no longer in use.

QUESTION 2: HAVE THE AIRPORT'S OPERATING AND CAPITAL BUDGETS BEEN REVIEWED BY THE AIRPORT ROUNDTABLE? WOULD THE ROUNDTABLE HAVE A MEETING BEFORE POTENTIAL COUNCIL ACTION ON THE BUDGET WHERE THEY COULD PROVIDE COMMENT ON THE BUDGET IF THEY HAVEN'T ALREADY?

ANSWER: Executive staff provided that the budget was discussed at the March Roundtable meeting as that is when the Airport was reviewing budget requests to meet the initial submission deadlines for the Executive's Proposed Budget. At that time, the requests were shared with the Roundtable and there was open conversation. There was also an interest in learning more about the budget process. Additionally, capital projects are discussed at the Roundtable on an ongoing basis for progress, community engagement, and questions. In August, Roundtable budget questions were submitted to the Airport Finance Manager, who promptly responded to them. There are ongoing discussions with the Roundtable and plans to do a "Budget 101" presentation soon at a Roundtable meeting. The timeline for Budget 101 is still to be determined by the Roundtable participants.