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**SUBJECT:**                   **BRIEFING ON KING COUNTY PROPOSAL FOR A BALLOT MEASURE TO FUND TRANSIT/TRANSPORTATION**

**STAFF CONTACT:**       Joyce Nichols, City Manager's Office, 452-4225

**POLICY ISSUE:**       King County Executive Dow Constantine has forwarded legislation to the King County Council seeking action to form a Transportation Benefit District and to place a measure before the voters in King County as soon as the April 22 ballot. The King County Council is discussing the Executive's proposal as well as additional legislation to fund transit/transportation. Tonight's briefing will include details on the proposals being considered by King County. The briefing is an opportunity for Council to ask questions. This briefing will provide details that will help inform Council in the event it chooses to consider taking a position on whether the proposal should be placed on the ballot for a public vote, and/or take a position on a future ballot measure. In addition, Metro Transit staff will also be present to provide additional information on Metro's revenues and expenses.

**NEEDED FROM COUNCIL:**       No formal action is requested by Council tonight. Staff is providing this opportunity for Council questions on the information presented in the briefing. Staff will return to Council with additional information based on actions taken by the King County Council to form a TBD prior to placing a measure on the county-wide ballot.

**BACKGROUND**

At the January 13 Council meeting, Victor Obeso of King County Metro provided a briefing on the planned 17% reduction in transit services. By way of background, Mr. Obeso explained that the 2008 recession caused significant decreases in sales and property tax revenues in King County that funded many critical public services and infrastructure. Local governments across the county faced significant revenue shortfalls. Services were reduced and many infrastructure projects were placed on hold. Local transit and transportation were among the services severely impacted by the drop in sales tax revenue. In response, since 2009, King County Metro reduced costs, imposed efficiencies, deferred service and capital investments, tapped reserves, raised fares and took other actions to realize \$800 million in combined savings and new revenues. These actions/tools helped avoid major service reductions while continuing to respond to ridership demand with new service such as those on SR 520 and the RapidRide B

Line. Similar reductions and cost-cutting measures were implemented in the King County Roads Division. However, these gains will be partially offset by the expiration, in June 2014, of the authority to collect an annual \$20 Congestion Reduction Charge, which has been in place for two years, resulting in the loss of approximately \$25 million annually.

In addition, Mr. Obeso noted that despite cost-cutting measures, Metro faces an ongoing \$75 million funding gap. King County and cities asked the state legislature to help find a solution to the transportation funding crisis by authorizing local transportation funding tools in the 2012 and 2013 legislative sessions. While the legislature discussed various transportation funding proposals, including a local option for King County, no package resulted in 2013. In response, on January 14, King County Executive Constantine, working with members of the King County Council, proposed formation of a county-wide transportation benefit district to provide funding for King County Metro transit and local roads.

As proposed, the ballot measure would include a 1/10<sup>th</sup>-cent increase in the sales tax and a \$60 per year vehicle fee. Combined, the two sources would provide approximately \$80 million for transit and \$50 million for roads in the first year according to county estimates. Bellevue would receive about \$3.4 million in funding for roads and other transportation purposes.

In a separate proposal, Metro transit fares would increase 25 cents in March 2015, making the top fare \$3.25 for a peak, two-zone adult trip. For people earning less than twice the poverty level, a flat \$1.50 Metro fare would be established in 2015. A single person with less than \$23,000 in annual income would qualify, or a family of four with less than \$47,000 in annual income.

As noted above, Diane Carlson will provide additional details on the proposals under consideration by the County Council and answer City Council questions regarding the formation of the TBD, the proposed ballot measure and the County's schedule for completing this process. A copy of the County Council timeline is included as Attachment A. Bellevue staff will be present as well to answer questions regarding available options for the City's potential use of the TBD funding tool.

**ALTERNATIVES:**

N/A

**RECOMMENDATION:**

N/A

**ATTACHMENTS:**

Attachment A: King County Timeline for Forming a TBD and Planning a Measure on the April 22, 2014 Ballot

King County Council Timeline for Forming a TBD and  
Placing a Measure on the April 22, 2014 Ballot

<b>Date</b>	<b>Type of Meeting</b>	<b>Purpose</b>
January 15	Special TrEE Meeting	1. Initial briefing on TBDs and 2013-0526/2013-0527
January 21	Regular TrEE Meeting	1. Jurisdiction and stakeholder panel input regarding formation of a TBD and potential recommended funding options 2. TBD formation issues briefing
January 27	Council Meeting	
February 4	Regular TrEE Meeting	1. Discussion and possible action on TBD Formation, and possible funding/operational recommendation 2. Discussion and possible action on Transit fare Increase
February 4	Special Council Meeting (6 PM – Sound Transit Board Room)	Public Hearing on 2013-0526/2013-0527 and possible funding/operational recommendation
February 10	Council Meeting	2013-0526/2013-0527 TBD Formation Decision
February 18	Council Meeting (post-Holiday)	Public hearing regarding transit fare increase
February 24	Council Meeting	Transit fare increase decision – linked to King County Transit District ballot decision
February 24	King County Transportation District (TBD) Meeting	1. Establish district and operational decisions 2. Ballot transportation funding decision
March 7	n/a	Elections Deadline for April 22 Ballot