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X Discussion

X Information

SUBJECT: **RESPONSE TO KING COUNTY METRO SERVICE REDUCTION**

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POLICY ISSUE: In the wake of the defeat of Proposition 1, local jurisdictions are considering a variety of options to sustain King County Metro transit service. Both the County Executive and Seattle Mayor have announced proposals to fund transit service given the pending service cuts. Details on these proposals are still in the formative phase, so Council has a timely opportunity to direct and influence policymaking related to the community's local and regional transit service that will be impacted by Metro's service reduction plan.

DIRECTION NEEDED FROM COUNCIL: No formal action is required at this time. The briefing on May 27 is the first of several anticipated discussions related to measures that can be taken to sustain Metro's transit service for Bellevue. The purpose of this briefing is to provide Council an overview of the proposals in response to the Proposition 1 vote, to solicit reaction from Council regarding these proposals, and to begin to develop policy guidance and a course of action that will be used to frame Bellevue's response to the impending transit cuts.

BACKGROUND

Rejected by voters on April 22, 2014, Proposition 1 would have provided: 1) dedicated transportation funding to preserve current Metro transit service levels, and 2) funding for transportation improvements, including road preservation, safety and maintenance projects. Failure of the ballot measure means that Metro will initiate a 16% service reduction across the county to be phased in over time. Attachment 1 depicts the routes serving Bellevue that will be reduced or eliminated as a result.

Responses to Proposition 1 Vote

Over the past two weeks, two proposals have emerged in response to the defeat of Proposition 1.

(1) King County Executive's Proposal. While the Executive made it clear the overarching goal is for the legislature to approve a statewide transportation revenue package that funds roads and transit and this proposal for purchasing service is only a temporary measure, the Executive's proposal includes three new efforts at Metro transit (Attachment 2):

- "Community Mobility Contracts" where cities or groups of cities could purchase transit service to preserve service proposed to be cut, create additional services to meet community needs, or invest in underserved corridors.
- Conduct a peer review and financial audit of Metro's reserve and capital projects.
- Establish a customer service panel to better position Metro to better serve the region and take advantage of technology innovations.

(2) Seattle Mayor's Proposal. Mayor Ed Murray's proposal (Attachment 3) would place a Proposition 1-like measure on the November ballot in Seattle to fund transit service. If approved, this proposal would raise $45 million per year for transit. This money would preserve 90% of the pending Seattle bus cuts (about 110,000 daily rides). The Mayor's proposal includes $3 million to provide matching funds for suburban cities that want to join with Seattle to purchase transit services.

Metro is sponsoring a series of public meetings around the county on the proposed transit cuts. A meeting was held on May 15 at Bellevue City Hall attended by over 50 people. King County Councilmembers Jane Hague, Kathy Lambert, Joe McDermott, Dave Upthegrove, Larry Phillips and Rod Dembowski attended. Bellevue Mayor Claudia Balducci also attended.

Many of those in attendance spoke in favor of retaining Route 271 that provides service through the campus of Bellevue College. A student government representative from the college presented 640 signatures to maintain this route especially in light of the difficulty navigating the campus in a wheelchair, or people with other disabilities. Bellevue School District Board member My Lin Thai also testified on the importance of maintaining this route because of the service it provides for Bellevue School District students.

Implications to Routes Serving Bellevue

It is difficult to contemplate Metro's service cuts at a time when transit ridership in Bellevue is at record levels. Over the past decade (Fall 2003-2013) citywide usage increased by 144% from 22,000 to 54,000 daily ons/offs. Were it not for the County's financial difficulties, Metro's service guidelines clearly indicate a need to grow the Bellevue system with more frequent service throughout the day.

Based on the community feedback received on Metro's service reduction proposal, these cuts will create hardships for both transit users and non-users alike. The following are notable implications to routes serving Bellevue:

1. Deletion of Routes Serving Bellevue

Routes Impacted

- 167 (Renton-U-District)
- 210 (Issaquah-Downtown Seattle)
- 211 (Eastgate-First Hill)
- 215 (North Bend-Downtown Seattle)
- 217 (Downtown Seattle-Issaquah)
- 237 (Woodinville-Downtown Seattle)
- 242 (North Seattle-Overlake)
- 243 (North Seattle-Downtown Bellevue)
- 244 (Kenmore-Overlake)
- 250 (Redmond-Downtown Seattle)
- 265 (Overlake-First Hill)
- 280 (Downtown Bellevue-Downtown Seattle)

All of these are peak-only service operating between 5-9 AM and 3-6 PM except for one (route 280) which is a night-owl operation. Riders on these routes, who presently have a one-seat ride, will need to transfer among multiple routes; in some cases these transfers will more than double the travel time for people traveling by bus. For the cross-lake portion of these trips, riders will be on buses that already experience standing loads.

2. **Reductions in Hours of Operation of Routes Serving Bellevue**

Routes Impacted

- 221 (Redmond-Crossroads-Eastgate)
- 226 (Eastgate-Downtown Bellevue)
- 235 (Kirkland-Bellevue)
- 240 (Downtown Bellevue-Renton)
- 249 (Overlake-South Bellevue)

These cuts will reduce service at night, reduce access for swing shift workers, and reduce 24/7 Downtown urban vitality. These reductions are expected to impact the suburban working poor. In Bellevue, the percentage of individuals in poverty increased between 1990 and 2010 going from 5.6% in 1990 to about 6.7% in 2010. According to the 2011-2012 Bellevue Human Services Needs Update more than one-third of survey respondents rated "inadequate public transportation" as a problem and 40% of respondents reported having difficulty "finding public transportation to get to work or other places."

3. **Reductions in the Frequency of Operations of Routes Serving Bellevue**

Routes Impacted

- 241 (Eastgate-Downtown Bellevue)
- 249 (South Bellevue-Overlake)

A bus arriving every 15 minutes is widely regarded as a threshold to making transit a competitive alternative to driving. As it is, Metro is proposing to reduce mid-day, weekend, and in some cases, peak frequencies on two of its all-day routes. Most people with a car available will regard routes 241 and 249 as too infrequent to be useful; both of these are proposed to be scaled back to one bus every hour: 241(mid-day) and 249 (all day).

4. **Reductions to Service Areas**

Although Metro does not propose modifying the frequency or hours of service on Route 271 within Bellevue (Issaquah to U-District), it proposes to restructure this route away from Bellevue College. Metro's proposed restructuring of route 271 off campus and on to 148th Avenue NE would impact general purpose traffic were buses to stop for transit passengers in-lane at frequent intervals along 148th – a major north-south arterial. For transit patrons, this proposal adds a half-mile walk from the 148th Avenue bus stop to the campus, further exacerbating riders' experiences about the inconvenience of using transit. Furthermore, it would limit access to campus among students and faculty with disabilities. Nearly one third of Bellevue College students ride transit as their primary mode of transportation.

How does the Bellevue Transit Master Plan differ from Metro's service reduction proposal?

The 2015 Reduced Funding Scenario (RFS) depicted in the Bellevue Transit Service Vision Report assumed a 17% decrease in Metro operating resources, consistent with November 2013 projections (April 2014 projections envision a 16% decrease).

Consistent with the community feedback received, Bellevue's 2015 RFS maintains all-day headways on Frequent Transit Network (FTN) corridors. Preserving the FTN necessitates two types of service reductions relative to the existing system:

1. deleting the more costly peak-only commuter routes operating empty in the counter-flow direction; and,
2. deleting the weakest coverage services.

Bellevue's 2015 RFS and Metro's service reduction proposal are in agreement when it comes to peak-only services. Consistent with Bellevue's proposal, Metro's first priority in its reduction scenario is to "cut the lowest-performing service (bottom 25%) that runs in peak periods only and doesn't carry enough riders, or travel sufficiently faster, compared to regular all-day service."

The two proposals differ when it comes to Bellevue's Eastgate – Downtown Bellevue FTN corridor connection. Metro's 2013 Service Guidelines Report identifies this connection (corridor #14) as warranting "very frequent service." Although Metro does not propose modifying the frequency or hours of service on Route 271, it proposes to restructure this route away from Bellevue College.

The Transit Service Vision Report proposes maintaining current bus routing on route 271 through the Bellevue College campus in the near-term. In the long-term, Bellevue staff would work with Bellevue College, Metro, and Sound Transit in developing Snoqualmie River Road along the west side of the campus so that serves the campus with Frequent Transit Network connections more efficiently without adversely impacting the quality of service provided. This long-term strategy, identified as TFP-252 in the City of Bellevue's 2013-2024 Transportation Facilities Plan, improves the average speed of coaches, minimizes travel times, and results in the improved provision of cost efficient and effective bus service to/from Bellevue College.

ALTERNATIVES:

N/A

RECOMMENDATION:

N/A

ATTACHMENTS:
(1) Map of Service Reductions/Changes in Bellevue
(2) Summary of Executive Constantine's Proposal
(3) Summary of Seattle Mayor's Proposal

2014–2015 METRO SERVICE CUTS
Route Deletions & Revisions

Deleted Routes

- **167** Renton to University District – Sept. 2015
- **210** Issaquah to Downtown Seattle – Sept. 2014
- **211** Eastgate to First Hill – Sept. 2014
- **215** North Bend to Issaquah, Eastgate, Downtown Seattle – Sept. 2014
- **217** Downtown Seattle to Eastgate, North Issaquah – Sept. 2015
- **237** Woodinville to Totem Lake, Downtown Seattle – Feb. 2015
- **242** Ridgecrest to Overlake – June 2015
- **243** Jackson Park to Montlake, Bellevue – Sept. 2014
- **244** Kenmore to Kingsgate, Overlake – Sept. 2015
- **250** Overlake to Downtown Seattle – Sept. 2014
- **265** Overlake to Houghton, First Hill – Sept. 2014
- **280** Downtown Seattle to Bellevue, Renton (Night Owl) – Sept. 2014

Routes with Revised Frequency, Span, and/or Coverage

- **111** Maplewood to Downtown Seattle – Sept. 2015
- **114** Renton Highlands to Downtown Seattle – Sept. 2015
- **221** Redmond to Crossroads, Eastgate – Feb. 2015
- **226** Eastgate to Bel-Red, Bellevue – Sept. 2015
- **232** Duvall to Redmond, Overlake, Bellevue – Sept. 2015
- **234** Kenmore to Kirkland, Bellevue – Feb. 2015
- **235** Totem Lake to Kirkland, Bellevue – Feb. 2015
- **240** Bellevue to Factoria, Renton – Sept. 2015
- **241** Bellevue to Facotira, Eastgate – Sept. 2015
- **249** Overlake to S. Kirkland, Bellevue, S. Bellevue – Sept. 2014/2015
- **255** Totem Lake to Kirkland, Downtown Seattle – Feb. 2015
- **269** Issaquah to Sammamish, Overlake – Sept. 2015
- **271** Issaquah to Eastgate, Bellevue, U. District – Feb. 2015
- **342** Shoreline to Bothell, Bellevue, Renton – Feb. 2015

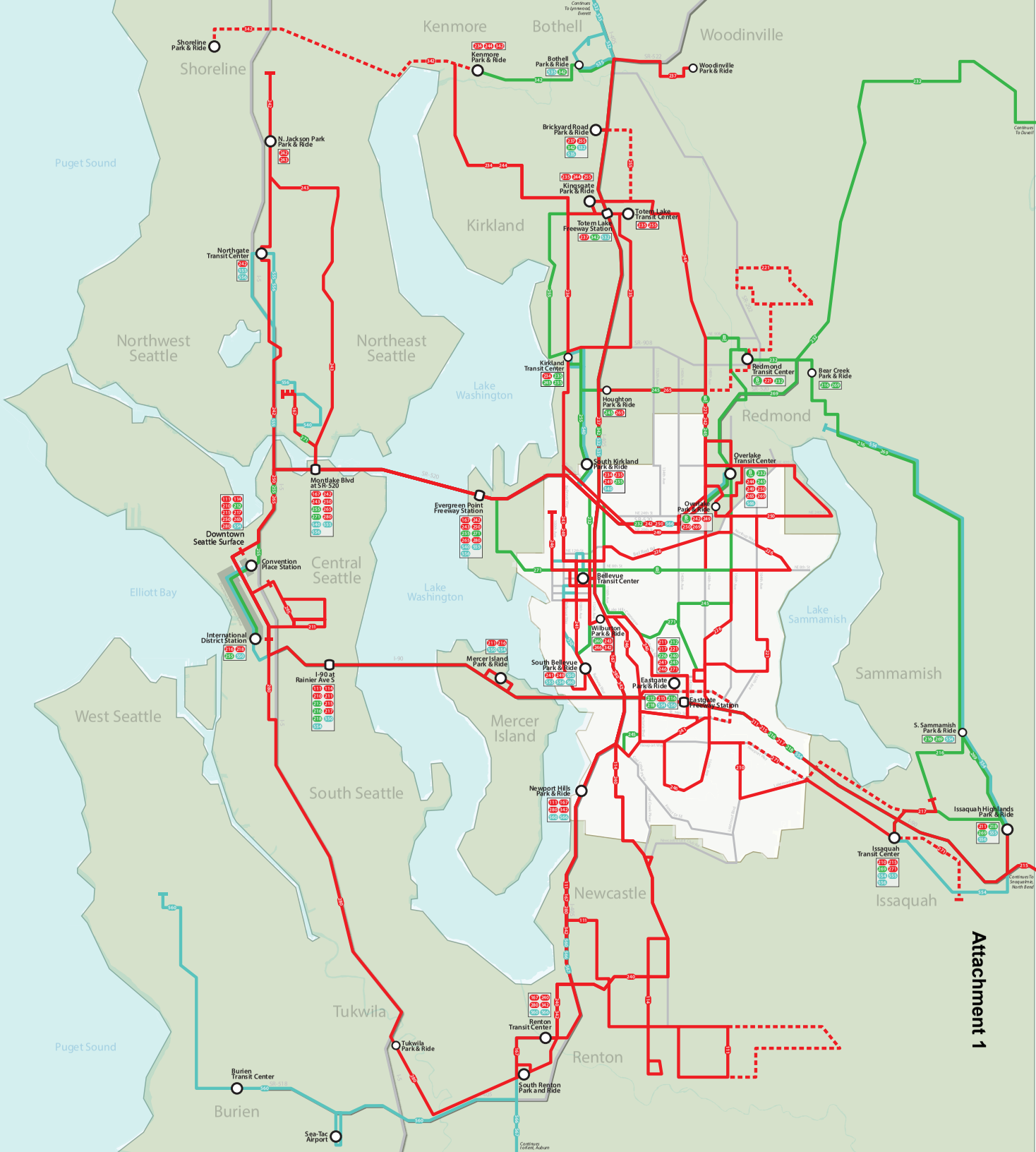
Unaffected Routes

King County Metro

- **B Line** Redmond to Overlake, Crossroads, Bellevue
- **212** Eastgate to Downtown Seattle
- **216** Bear Creek to Sammamish, Eastgate, Downtown Seattle
- **218** Issaquah Highlands to Eastgate, Downtown Seattle
- **245** Kirkland to Overlake, Crossroads, Eastgate, Factoria
- **246** Eastgate to Somerset, Factoria, Bellevue

Sound Transit

- **532** Bellevue to Everett
- **535** Bellevue to Lynnwood
- **540** Kirkland to University District
- **550** Bellevue to Downtown Seattle
- **555** Issaquah Highlands to Bellevue, Northgate
- **556** Issaquah Highlands to Bellevue, Northgate
- **560** Bellevue to Renton, Sea-Tac Airport, Westwood Village
- **566** Auburn to Kent, Renton, Bellevue, Overlake
- **567** Kent to Bellevue, Overlake



Attachment 1

King County
METRO

May 2014

Community Mobility Contracts Program

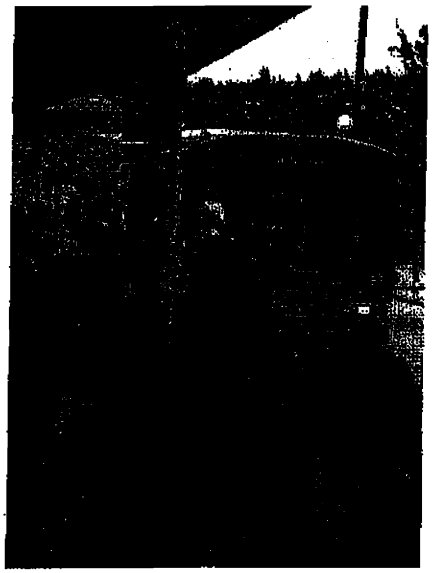
Metro's Community Mobility Contracts program allows cities to purchase transit service above what Metro is currently able to provide given current financial constraints. This program should not be viewed as a permanent solution to the region's transit funding challenges, but rather as an option for cities to enhance or restore transit service. The program is similar to Metro's existing Service Partnership Program, but allows for a more significant investment that covers the full cost of providing service.

The Community Mobility Contracts program is based on three principles:

- Contracts must reflect the full cost of providing the service.
- Contracts cannot come at the expense of other cities or the regional allocation of service.
- The program is intended as a bridge to keep buses on the street until the state legislature provides a sustainable funding tool for local transportation needs.

How the Community Mobility Contracts Program will work

Under this program, any city or group of cities in King County can contract with Metro to avoid planned cuts. The program could also provide enhanced transit services to advance a community's economic, planning and development, and livability goals. Contracted services give cities the flexibility to tailor transit services to meet unique local transportation needs.



The program is based on a contracted service model. Cities can invest in additional transit hours beyond the countywide level of service provided by Metro. Cities participating in this program will pay the full cost associated with the enhanced level of service.

There are several reasons why cities may consider a contracted services model:

- Preserve service slated for cuts: Cities can choose to invest in routes that are proposed to be reduced or eliminated.
- Enhance service on underserved corridors: Metro's 2013 service review found that more than 500,000 additional hours of bus service are needed annually to meet demand throughout the County. Many of the hours are to needed to adequately serve underserved corridors that connect important employment and educational centers. Cities could choose to invest in meeting this existing demand.
- Tailored service: Cities could use this program to develop services tailored to their unique community needs. Cities can contract for enhanced services such as circulators and shuttles.

Metro will offer technical assistance to interested cities to help identify service investments that meet the communities' transit and economic objectives. Once a contract is signed, service would begin at the time of Metro's next quarterly service change, when practical.

Maintaining a regional transit system

Metro's regional bus service is essential to maintaining a strong economy and mobility throughout King County. The county remains committed to finding a sustainable funding source to restore and grow regional transit service to meet

the large and growing demand. The Community Mobility Contracts program provides an option for cities to offset transit service cuts or tailor an enhanced form of transit service, during the near term, when the current system will experience service reductions.

Metro's service reduction proposal

This approach to contracting service does not solve Metro's financial situation. In the absence of new revenue, the Metro will have to reduce 550,000 service hours, or 16 percent, based on current projected revenues. Contracted services can be used by cities to help restore lost service hours.

Metro's service guidelines

Metro uses adopted service guidelines to plan where to add or reduce bus service, and these guidelines will be used to help jurisdictions identify routes that could provide productive service and meet the needs of their communities.

Every year, Metro analyzes our transit system using the service guidelines. The 2013 analysis identified 58 corridors in which the current service level does not meet ridership demand in one or more time periods of the day. These corridors could be candidates for city investments in transit service.

Cities could also invest in preserving service that Metro has proposed to eliminate or reduce in response to the funding shortfall. Metro planned these reductions following the service guidelines. The first priority in the guidelines is to cut the lowest performing service—service that carries fewer people or carries them for shorter distances to fewer of the places the route goes. The second priority is to restructure service—changing a group of routes in an area so the network serves the most riders and costs less to operate, and cuts have the least impact on our riders. In the case of the current shortfall, Metro is also recommending third priority reductions–cutting services that are not the lowest performing.

Use of the guidelines can help ensure that communities keep service where it is needed most: highly productive routes that carry many riders, low-income and minority communities where many people rely on buses, and routes that get people to key destinations across King County.

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Metro's commitment to continuous improvement

Metro service is funded primarily by sales tax, and the economic downtown that started in 2008 caused a significant shortfall in Metro's sales tax revenue. To make up for the lost revenue without making major service reductions, Metro implemented recommendations of a performance audit, followed the advice of the Regional Transit Task Force, and took many other actions. We cut costs, increased operational efficiency, raised fares and tapped other funding sources to save or gain $798 million and preserve most bus service between 2009 and 2013. We are continuing to improve business processes and are using Lean techniques to increase customer value and minimize waste. We've made great strides in improving our transit system in recent years, and remain committed to looking for new and innovative ways to improve service and reduce costs.

Examples of actions taken over the past five years follow. Three new efforts—the Community Mobility Contracts program, a peer review and an audit of our reserve and capital program policies, and formation of a Customer Service Panel—are described on the back.

Actions taken

- Changed the way we plan schedules so we use fewer buses to deliver the same amount of service. Ongoing annual savings: $13 million.
- Eliminated 125 "backup" operator positions and increased the use of drivers working overtime to fill absences. Ongoing annual savings: $1.45 million.
- Extended the inspection interval for buses. Ongoing annual savings: $450,000.
- Expanded Metro's Community Access Transportation (CAT) program to help contain the costs of paratransit service—federally mandated door-to-door service for people with disabilities that is costly for Metro to operate. CAT provides vans and support to partner community organizations that offer rides as an alternative to Metro's Access service. Savings in 2013: $5 million.
- Negotiated agreements with employees to waive a cost of living increase in 2011 and reduce the future rate of wage growth. Savings for 2011-2013: $36 million; ongoing annual savings: $17 million.
- Cut more than 100 staff positions and reduced programs that don't directly affect service. Ongoing annual savings: $14 million.
- Saved health care costs through the County's employee health program—$10 million for 2007-2011.
- Cut $180 million from the capital program, which pays for buses, shelters, and buildings.
- Raised fares four times in four consecutive years; an additional increase is planned for 2015.
- Ended free rides in downtown Seattle, expected to raise $2 million or more per year.
- Reduced the bus replacement reserve fund by $100 million and used the funds to support bus service.
- Used half of the operating reserve fund, $41 million, to support service.
- Following the recommendation of the Regional Transit Task Force, changed the way we plan service to emphasize productivity, geographic value and social equity. Using this new approach along with more efficient scheduling, we reallocated 100,000 service hours from our least productive service to more productive service, resulting in higher ridership and fare revenue. Ongoing annual savings: $8 million.
- Conducted a Vehicle Maintenance Base Automation Pilot Program at two bases, resulting in the reduction of one position at each base (saving $100,000 annually at each) and improving worker productivity (49 percent and 28 percent improvements in work order completion time). Savings are expected to grow as the program is expanded to all other Metro bases in 2014.
- Created new workers compensation claims procedures and an online system that enables managers to track and share information about injured workers. This 2012 Lean event was part of an ongoing effort that Metro started in 2005 to control workers comp costs.
- Made Family Medical Leave administration improvements—for example eliminating paper attendance cards and instead using the HASTUS transit management software. Results include less staff

time needed for some procedures and fewer errors in personnel records.

- Improved ORCA Business Passport contract renewal processes for more than 800 businesses that sell ORCA passes. The project resulted in a 20 percent reduction in renewal cycle time.
- Recently started a Lean project for Metro's Vehicle Maintenance section that has the goal of reducing bus parts inventory and inventory costs.
- Reduced energy use at Metro facilities by. 13 percent between 2009 and 2012. Facility energy conservation efforts helped Metro avoid approximately $170,000 in energy costs in 2012, equivalent to a 7 percent savings.
- Metro has received or will receive a total of $1.8 million in utility incentives for energy conservation projects initiated in 2007 through 2013.

Three new efforts

Despite Metro's success in substantially narrowing our budget gap, a revenue shortfall remains, and we have proposed to reduce 550,000 hours of service to balance our budget. We are committed to providing the best possible service to the public, and will undertake the following new efforts toward that end.

Community Mobility Contracts

All cities—or groups of cities—in King County will have the option of purchasing transit service beyond the existing service levels. This program can preserve service proposed for cuts, create additional service to meet community needs, or invest in underserved corridors to help support economic development.

Peer review and financial audit of reserve and capital program policies

Critics have stated that Metro's operating costs are out of line with the industry. That is not the case; Metro's costs have been growing slower than the peer average since 2008. Peer comparisons also obscure the fact that Metro operates a far higher share of the transit market than any other major city, where rail is often a large component of service. We also have unique assets—the Downtown Seattle Transit Tunnel and the trolley system—that increase our expenses but also support more efficient service and an enhanced customer experience.

Nonetheless, it is important that we continue to compare our performance with other industry leaders, so we will ask industry experts from around the country to examine Metro's performance measures and make recommendations.

An outside auditor will review Metro's reserve policies and capital expenditure plans. These policies have been carefully crafted with the County Council to maintain our excellent credit rating and ensure that Metro has the necessary funds available to operate the system in a time of crisis and to maintain and replace extensive capital infrastructure—most notably buses.

Metro spent a significant amount of reserves to maintain service over the past five years. As we face cuts, we welcome an outside review of these policies.

Customer Service Panel

We intend to bring together the best creative minds in customer service in both the public and private sectors to provide input on how to best position Metro to serve King County's public transportation needs and take advantage of 21st century technology innovations.

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Preserving Metro Transit Service

$40 Million Seattle funding plus $3 Million Regional Partnership Fund

The Mayor's Plan

To preserve Metro bus service in the City of Seattle and along key inter-city routes, Mayor Murray is proposing a transit funding plan, expected on the November 2014 ballot. Through the following two revenue sources, the plan would generate $45 million per year:

$60 vehicle fee: Approximately $24 million per year

0.1% sales tax: approximately $2] million per year

Of the $45 million:

$40 million would be used to preserve the vast majority of service that would otherwise be cut in second, third, and final rounds of cut during 2015.

$3 **million** would establish a Regional Partnership Fund to partner with key suburban cities and employers to maintain cross-jurisdiction routes.

$2 **million** would establish a $20 low-income vehicle fee rebate.

The first round of Metro service cuts are scheduled to occur in September 2014. Because this funding plan cannot be approved in time to avoid first round cuts, the Mayor plans to reallocate existing SDOT funds to retain night-owl service hours that would be lost.

Funding could be phased out starting in 2016 if new regional revenue is approved in 2016.

90% Reduction in Rider Impacts

Full **Metro cuts would impact more than 110,000 Seattle hoardings,** or approximately 55,000 people, per average weekday.

The Mayor's City of Seattle funding measure **would prevent significant impacts on nearly 100,000** of those boardings.

$3M Regional Partnership Fund

The City of Seattle will partner with other cities, employers, and King County to preserve key peak hour service. Partners will identify their top priorities for protecting Metro routes that connect suburban residents with Seattle employers and institutions.

The City of Seattle will contribute up to 50% toward the cost of partner services. Partnerships might center on peak-period commuter routes to Seattle such as (examples only):

- Bellevue, Issaquah: Route 215, 1-90 to Downtown via Eastgate
- Kent: Route 158, East Hill to Downtown
- Lake Forest Park, Shoreline: Routes 304 and 308, Richmond Beach and Horizon View to Downtown via 1-5 and N. 145th Street
- Renton: Route 167, Renton Transit Center to University District

King County Metro Participation

Under this plan, King Country Metro would collaborate with the City of Seattle to finalize use of funds and recognize the City's authority to allocate funds, while the City recognizes the need **to** honor Metro's Service Guidelines with flexibility to address specific demands.

Metro would commit: To continuing efforts to improve efficiency, to minimizing the amount of capital and overhead included in cost per service hour, and to the pre-cut plan of replacing the entire electric trolley bus fleet with modern electric trolleys.