

CITY COUNCIL STUDY SESSION ITEM

SUBJECT:

Review and discuss two Transit Now partnership agreements with King County Metro: 1) a financial partnership for a downtown circulator service; and, 2) a Speed and Reliability partnership for the planned Bellevue-Redmond Rapid Ride corridor.

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FISCAL IMPACT:

The proposed financial partnership agreement creates a total estimated obligation for a five year contract beginning in 2010 of \$3,656,000 in the following categories:

Service costs:	\$3,022,000
Fare reimbursement:	612,000
Wraps & branding:	22,000

Currently there is \$950,000 of available funding in the Transit Now/Downtown Circulator project, CIP PW-R-157. To fully fund the proposed financial partnership, additional funding of \$2,706,000 would need to be identified for the five year contract period.

Capital costs associated with the Speed and Reliability partnership will be covered under the Transportation Department's Traffic Computer System Upgrade project, CIP PW-R-155.

POLICY ISSUES:

The Bellevue City Council has adopted numerous transit-supportive policies through the City's Comprehensive Plan, Transit Plan, and various interest statements. Pursuit of partnered transit investments and the development of Rapid Ride service with Metro are consistent with City policy to provide urban-quality transit service and meet adopted targets for non-single-occupant vehicles. The two initiatives for discussion tonight consider near-term (2010 and 2011) transit improvements in Bellevue.

- **Rapid Ride:** King County Metro is planning for 2011 implementation of arterial-based bus rapid transit that will link downtown Bellevue with the activity centers of Crossroads, Overlake, and downtown Redmond. The proposed Speed and Reliability agreement partners with Metro and the City of Redmond to deliver transit signal priority and capital improvements to the Rapid Ride corridor to improve the overall quality of the service.
- **Downtown Circulator service:** The proposed financial partnership agreement with Metro details the transit service, supportive actions, and cost sharing to be undertaken in an on-going effort to enhance transit options in downtown Bellevue.

DIRECTION NEEDED FROM COUNCIL:

- Action
- Discussion
- Information

Staff seeks direction from Council on whether to proceed with each of the agreements by including them on the agenda for Council approval on December 8, 2008. The agreements must be authorized and signed by all parties by the end of the year.

BACKGROUND/ANALYSIS:

Downtown Circulator

King County Metro's *Transit Now* initiative, approved by voters in November 2006, provides funding for partnered transit improvements. Direct Financial Partnerships allow agencies and employers to partner with Metro for new or expanded service by contributing one-third of the cost. In October 2007, the City submitted a formal partnership proposal for a downtown circulator service providing two-way service on a "core route" in a U-shaped configuration. The estimated cost of the proposed service was \$365,260 annually, or \$1,826,300 over the five year commitment required by the Financial Partnership. Council has previously allocated funds in the CIP (PW-R-157) which has a current balance of \$950,000.

King County Metro received seventeen proposals for Direct Financial Partnerships from cities, employers, and transit agencies. Metro undertook a process of reviewing all proposals, identifying implementation concerns for continued discussion with partners and programming proposals within the Transit Now Partnership Program hours and service year. Upon evaluation of the City's proposal, several implementation issues were identified by Metro. In January 2008, Metro and City staff returned to Council to discuss the implementation issues and solicit Council direction. A summary of the issues and the resolution follows:

- 1) Running time: Metro staff conducted additional timing analysis along the proposed circulator route and determined that service could not be operated at 10-minute frequencies at all times, specifically during the p.m. peak, with three vehicles as the City proposed. With three vehicles, frequencies would average 12-15 minutes during all times of day. Based on this analysis, options presented to Council included accepting 12-15 minute frequencies using three vehicles or adding an additional coach during the p.m. peak, increasing the cost of service by \$55,000 annually. Based on Council direction that maintaining a 10-minute headway was critical in order to ensure an attractive service, Metro allocated sufficient hours within the partnership program to provide four transit vehicles during all service hours, increasing the cost of the service by an additional \$76,000 per year, for a combined annual additional cost of \$131,000 over the City's proposal. This brought the total annual service cost for the City to an estimated \$496,000, or \$2,480,000 for five years.
- 2) Sunday service: The City proposed operation of the circulator service on Sundays during the holiday season. Because this would not be a regular service throughout Metro's standard service schedule, Metro proposed to provide this as a "special service," similar to the Arts Fair Shuttle, which is paid in full by outside agencies. Subsequently, Metro and the City have mutually agreed to provide the Sunday service during the holidays as part of the financial partnership. Seven Sundays are now included in the total service cost described above, with Metro paying two-thirds of the cost as outlined in the Financial Partnership program.

- 3) Fare revenue: Metro's budgeting process for Transit Now assumed a standard fare revenue recovery rate on all Transit Now partnership program service hours. In order to operate the service fare-free for riders, the proposed partnership agreement includes a supplemental fare reimbursement charge to the City that will be based on actual ridership. The budget estimate for five years of fare reimbursement, based on 16.5 riders per revenue hour and anticipating a \$.50 increase in adult fares in 2009, is \$612,000.
- 4) Branding: The City proposed a unique brand and identity for the circulator service, including stops, signage, and vehicles. Metro has agreed to allow the branding of vehicles, despite a preference to maintain interchangeability of coaches between different routes. Metro has also agreed to support the unique branding of stops and signage for the circulator. Under the agreement, the City is responsible to develop a branding design for bus wraps and stop signs. Using the existing downtown wayfinding design template, the cost to develop a wrap and sign design is estimated to be \$5,000. The City is also responsible to pay the one-time expense to wrap four vehicles, estimated to cost \$17,000 in total. Metro will be responsible to fabricate, install, and maintain circulator stop signage, as well as maintain the bus wraps to the manufacturer's warranty standards.
- 5) Service start date: The City proposed beginning service in September 2008. Based on the annual available service hours within the Transit Now Partnership and the other proposals submitted, Metro proposed a service start date in 2010. This continues to be the planned service start date.

Additional highlighted items within the agreement:

- 6) Cost increases and cap: Over the last five years, the hourly rate for Metro transit vans has increased an average of 5%. Based on this, staff suggest for budgeting purposes to assume an annual increase in service costs of 5% each year in order to maintain desired service levels. This increases the budget estimate for five years of service by \$542,000, to bring the total estimated service cost to \$3,022,000. The agreement includes annual cost contribution caps for the City based on this amount. Should the annual costs surpass these caps, service hours would be reduced to stay below this amount. This ensures that five years of service can be provided with \$3,022,000.
- 7) Performance requirements: Metro will monitor the service as part of its annual route performance monitoring. After three years of operation, the circulator service will be evaluated to see if it performs at or above the subarea average in at least three of four standard indicators: riders/revenue hour, fare revenue/operating expense, passenger miles/platform miles, and passenger miles/revenue hour. The circulator service will have to perform better than currently expected to meet the east subarea average performance standards. If the circulator does not meet the performance standards, Metro and the City will discuss modifications to the service to make it more successful and such modifications may be enacted. If the County determines that proposed changes are insufficient to boost the service beyond a minimum productivity threshold, the City and Metro can agree on a substitute investment on a different route or corridor. If the City and Metro cannot agree on a substitute investment, the County has the right to terminate the agreement.
- 8) Termination: The agreement obligates the City to five years of partnered transit investments. The City may terminate this agreement if the County fails to fulfill any or all of its obligations under the agreement. There are no other provisions to terminate the agreement. Staff proposed additional language allowing the City to terminate for convenience six months prior to the service start. The County is not willing to negotiate new termination language; consequently, the City does not have the right to terminate for

convenience once the agreement is signed. Should the City wish to terminate the agreement after signing, the City may send a letter of intent to not pay the County, after which the County could terminate the agreement, but is not obligated to do so.

- 9) Service development: While the service described in the contract specifies a stand-alone circulator service, the contract provides flexibility to implement a service generally consistent in scope and service levels, as mutually agreed by the City and County. This allows both partners to be able to respond to implementation details and opportunities as the City and County work to deliver the service in 2010.

To partner with the City on the downtown circulator, Metro will be investing an estimated \$6,044,000 in direct service costs, as well as investments in new stops, customized stop signage, automatic passenger count equipment, and continued support of the City's Transportation Demand Management Program.

The following chart summarizes the estimated City costs for the circulator, the funding gap, and the cost per rider:

Circulator Service

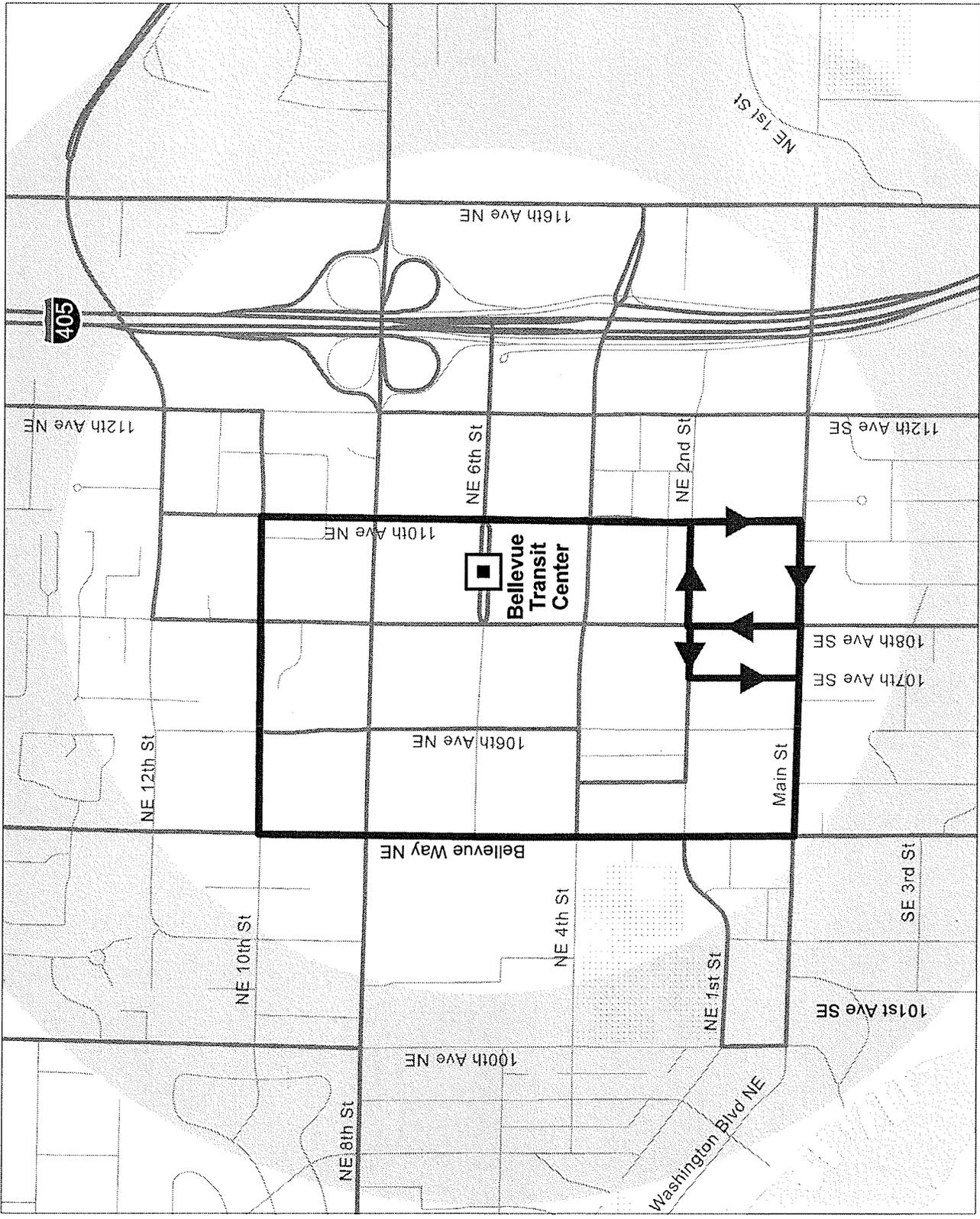
Hours (1/3 of 15,000 hours for 5 years)	\$ 3,022,000
Wraps	17,000
Fare free (5 years)	612,000
Branding (In house, using existing specs)	5,000
Total	\$ 3,656,000
Funding Gap - 5 year	(\$2,706,000)
Annual Funding Gap	(\$ 541,200)
Cost per rider –Metro & city (175,500 annual)	\$ 11.05
Cost per rider –city (175,500 annual)	\$ 4.17

Staff seeks direction to return the agreement to Council on the December 8, 2008 agenda for authorization to approve the agreement. The agreement must be authorized and signed by both parties by the end of the year.

Rapid Ride:

Rapid Ride is a form of bus rapid transit (BRT) characterized by a distinct identity, unique bus shelters, passenger amenities such as real time arrival information, high frequencies, and applications to reduce travel time, such as transit signal priority and expedited fare payment systems. Five Rapid Ride corridors were funded through Metro's Transit Now initiative, approved by voters in November 2006. The Transit Now initiative specifies that the Bellevue-Redmond Rapid Ride Corridor will serve downtown Bellevue and downtown Redmond via Crossroads and Overlake. Rapid Ride implementation will enhance service provided today by Metro routes 230 and 253 with increased frequencies, improved passenger facilities and vehicles, and signal improvements. Metro began working with the cities of Bellevue and Redmond on the planning of this corridor in 2007, and service is scheduled to begin in 2011.

Downtown Bellevue Circulator "U"-Shaped Route



LEGEND

- Route
- Current Metro transit routes
- Walking Distances from BTC
 - 5 minute - (1/4 mile)
 - 10 minute - (1/2 mile)
 - 15 minute - (3/4 mile)
- Park

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