



King County
Metropolitan King County Council
Committee of the Whole

STAFF REPORT

Agenda Item:	7	Name:	John Resha
Proposed No.:	2012-0140	Date:	April 16, 2012

SUBJECT

A briefing on a motion encouraging the Washington State legislature to adopt local funding options for transportation.

SUMMARY

Proposed Motion 2012-0140 expresses support for the legislature enacting local funding options for roads and public transportation, and encouraging their timely action.

BACKGROUND

Transit Division

In recent years the Transit Division has faced significant revenue shortfalls. Beginning in 2008, when the 2009 transit budget faced a projected \$90 million shortfall, the County Council started the Division on a multi-year approach to address its structural financial gap. This work involved spending cuts, eliminating jobs, increasing fares and investing in a broad and deep performance audit. Despite these efforts and as a direct result of the revenue losses from the recession, the Division faced an additional \$200 million shortfall for the 2010-2011 biennial budget. To address this larger structural gap, the Transit Division took additional steps to achieve for savings and reductions, including:

- Changing how transit schedules and delivers its services;
- Spending reserves;
- Deferring planned transit investments;
- Reducing non-essential services;
- Raising fares;
- Reducing staff;
- Implementing bus trip reductions with minimal impact on riders;
- Asking its employees to help address the financial challenges; and
- Engaging a regional stakeholder advisory group, the Regional Transit Task Force (“RTTF”) to recommend a policy framework for the Transit Division.

In July 2011, the Council adopted the Strategic Plan for Public Transportation 2011-2021 and the Metro Transit Service Guidelines. These implement RTTF recommendations that seek to improve bus service productivity while addressing social equity and geographic value concerns.

The result has been approximately \$400 million of savings, including \$143 million of on-going annual savings. Even with these actions, the Transit Division projected an estimated \$60 million annual deficit going into the 2012-2013 biennium. Using legislative authority granted solely to King County, the Council approved a temporary Congestion Reduction Charge (“CRC”) – a \$20 vehicle license renewal fee assessed for 24 months total in 2012-2014. During discussion of Ordinance 17169, imposing the CRC, the concept advanced was that the 2012-2013 biennium budget could avoid bus service reductions using the CRC revenue and spending down reserves.

If at the end of the 2012-2013 biennium, no long-term additional revenue source is identified, the Transit Division would stabilize its budget for 2014 and beyond by reducing funds for bus service, with about 600,000 hours of service to be eliminated, roughly 17% of total service hours. Ordinance 17169 also imposed specific conditions on the Transit Division to be implemented via separate legislation, including a requirement that 100,000 hours of lower productivity bus service be reallocated consistent with the Transit Strategic Plan, elimination of the Ride Free Area in downtown Seattle, and implementation of a Transit Incentives Program.

Road Services Division

King County's Road Services Division (RSD) provides direct, local road services in the unincorporated area, which has shrunk in recent years as a result of annexations and incorporations. County policy calls for transferring responsibility for all urban unincorporated local services to new or existing cities. Even as RSD's local government responsibility has diminished, infrastructure costs have continued to increase. New federal and state requirements, such as stormwater management, have added to capital and maintenance costs. In addition, revenue sources such as the County-option Vehicle License Fee (“VLF”) have been eliminated.

In 2010, the Strategic Plan for Road Services (SPRS) was adopted via Ordinance 13395. This plan provided a prioritization structure for a variety of revenue conditions, including a worst-case scenario with \$102-\$103 million annual revenue to manage the decline of the roadway system. Based on current property tax estimates, the revenue conditions for RSD have worsened even below the 2010 worst-case estimates. Additionally, the number and intensity of winter storms has increased causing a faster degradation of roadway and road facilities. Estimates for stabilizing the roadway network using an asset management approach, not contemplating growth of vehicle capacity, would require \$20-\$30 million of additional revenue.

Due the above factors, Motion 13629, adopted in 2011, affirmed and established support and need for local options for transportation funding as a priority of King County's 2012 Washing State legislative agenda. Attachment A to Motion 13629 included:

Resources for Transportation Needs – Funding, Tools & Flexibility for Transit & Roads

The Connecting Washington Task Force deliberations emphasize the need for statewide investments. New revenues and financing tools should prioritize new resources for preserving local and regional roads and bridges, sustainable funding sources for public transportation, and giving regions flexibility to make investments to suit their needs. King County supports additional direct state support for local and regional needs, as well as local revenue tools to augment the state's direct investment. One specific tool was included as part of the Alaskan Way Viaduct three-party agreement from January 2009, stating that King County is to be granted revenue authority in order to provide additional permanent transit capacity in the corridor. In order for the project to succeed, the County must be granted that authority and must receive mitigation for construction impacts. Both directly distributed and competitive state and federal funds continue to be key resources for the County's diverse transportation needs.

As part of the 2012 Washington Legislative Session, the House and Senate were considering legislation (SB 6582 and HB 2751), which provided a local option funding for transportation of a 1% motor vehicle excise Tax (MVET). This tax, if authorized and approved by voters, would have generated an estimated \$100 million annually. This revenue could be used by the County and local jurisdictions, if a revenue sharing agreement could be achieved. Additional local option vehicle license fee authority for cities was also considered in the legislation. Separate versions were adopted by the House and Senate during regular session, and even had successfully traversed a conference committee to reconcile the two pieces of legislation, though a few technical challenges remained for correction. Unfortunately, due to broader financial challenges facing State Legislators, a final vote on this legislation never happened and the legislation retired with sine die.

ANALYSIS

Proposed Motion 2012-0140 expresses support for local transportation funding options, without specifying type of revenue source. Additionally, the proposed motion encourages action by the legislature at their earliest opportunity to develop and adopt local transportation funding options.

These two actions are consistent with the existing need to identify funding for the existing transportation system. Additionally, the proposed legislation is consistent with adopted policy of the County to seek and encourage new local funding options.

This proposed legislation is on the Council's April 16, 2012 agenda (this afternoon) for referral to the Transportation, Economy and Environment Committee.

ATTACHMENTS

1. Proposed Motion 2012-0140



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

April 16, 2012

Motion

Proposed No. 2012-0140.1

Sponsors Hague and Phillips

1 A MOTION related to supporting economic vitality and
2 community priorities through sustainable transportation.

3 WHEREAS, cities and counties support the economic engines and community
4 development priorities of Washington state through the provision and maintenance of
5 public transportation and roadways, and

6 WHEREAS, King County operates the Metro transit system providing more than
7 one hundred ten million annual rides, and

8 WHEREAS, King County manages more than sixteen hundred miles of roadways
9 in unincorporated King County connecting both local residents and regional centers, and

10 WHEREAS, King County has identified significant gaps between available
11 funding, and maintenance and preservation of the current public transportation and
12 roadway networks, and

13 WHEREAS, following an intensive process to make the Metro transit system
14 more efficient and aligned to regional priorities, the Washington state legislature
15 provided, and the King County council enacted, a temporary, two-year funding tool to
16 bridge the financial gap for the Metro transit system, and

17 WHEREAS, upon expiration of the temporary, two-year funding tool in 2014 and
18 without sustainable funding option, the Metro transit system will face a financial shortfall
19 requiring the elimination of up to seventeen percent of the Metro transit system, and

20 WHEREAS, King County has adopted a prioritization plan through the Strategic
21 Plan for Road Services for its unincorporated area road network that will result in closing
22 bridges and converting roads to gravel based on existing funding capacity, and

23 WHEREAS, King County has adopted via Motion 13629 its 2012 State
24 Legislative Agenda that prioritized resources for transportation needs, and

25 WHEREAS, the Washington state legislature, during its 2012 regular session,
26 discussed but did not adopt legislation authorizing local option funding options for
27 transportation with significant statewide support;

28 NOW, THEREFORE, BE IT MOVED by the Council of King County:

29 A. The King County council hereby supports the adoption of local option funding
30 sources for public transportation and roadways to provide for financially sustainable
31 mobility systems; and

32 B. The King County council encourages timely development and adoption of
33 local transportation funding options to close the financial gap and enable local and
34 regional governments to preserve economic vitality and community priorities through
35 mobility.

36

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Motion

Larry Gossett, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: None