

Public Transportation Fund Outlook

Regional Transit Committee

Dwight Dively, Director, Office of Performance,
Strategy and Budget

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King County

Overview: Public Transportation Fund Is Healthy

- Revenues and investment opportunities are similar to that in 2017-2018 adopted budget
- Undesignated fund balances provide opportunity for future investments
- Transit can grow service, but not at level to meet demand or achieve METRO CONNECTS vision
- Metro can meet established fund management policies
- In the long term, investments draw down undesignated fund balance

Fund Management Policies

- New fund management policies were adopted by the Council in 2016
- The policies are intended to support prudent financial planning to meet Strategic Plan policies and priorities
- The policies set priorities:
 1. Debt service
 2. Operation of current system, including asset maintenance & replacement
 3. Maintain and replenish reserves
 4. Fund new transit service and capital investments aligned with Service Guidelines and METRO CONNECTS

Fund Management Policies

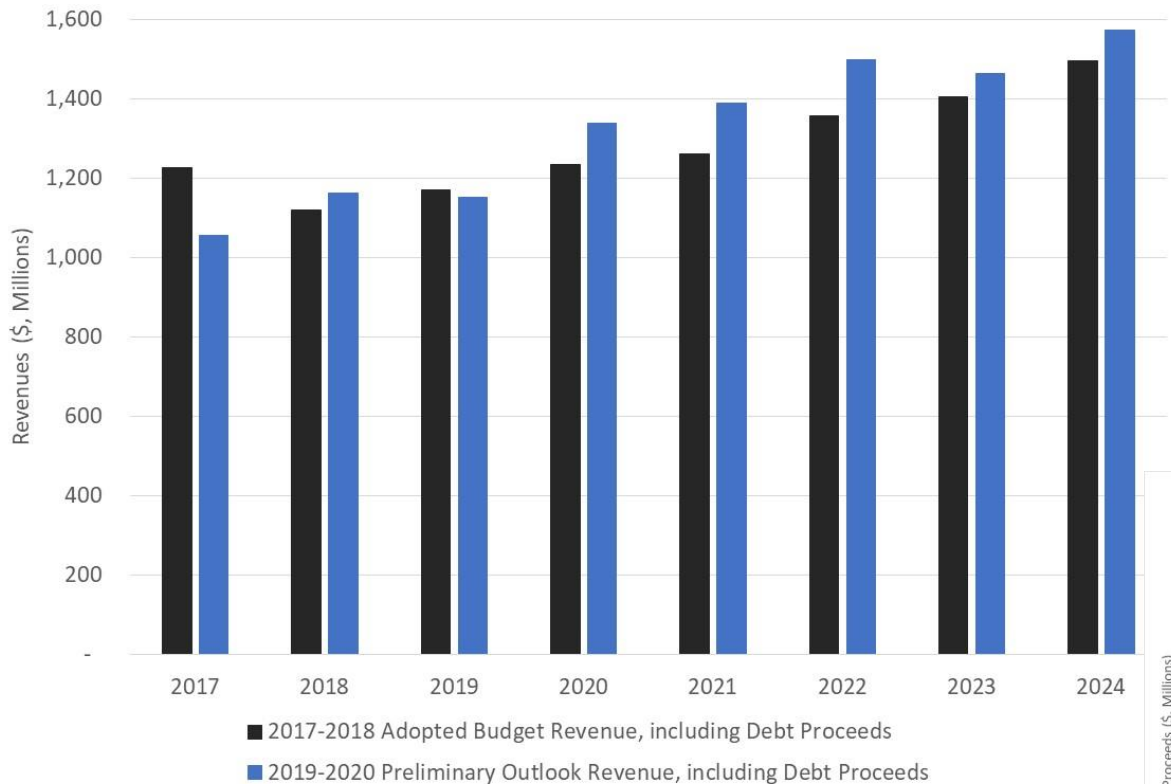
- **Establish reserve targets/calculation methods**
 - Operating Reserve - ~\$45M
 - Revenue Stabilization Reserve - ~\$258M (sized to maintain service through a moderate recession)
 - Revenue Fleet Replacement Reserve
 - Stable sales tax contribution to fund large fleet replacement purchases with limited use of short-term debt
 - <\$5M in biennium due to significant use for large fleet purchases
- **Establish farebox recovery targets**
 - Bus: 30% target; 25% floor
 - Parity of access fares with bus fares

2019-2020 Outlook

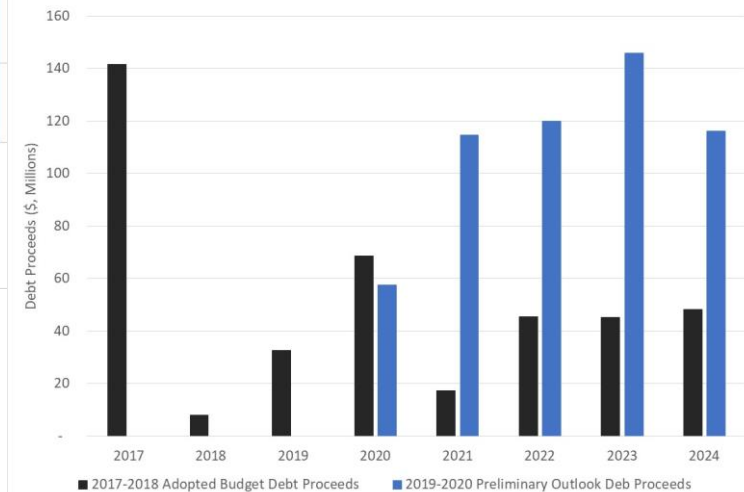
- Expenditures and revenue adjustments align with Metro priorities and vision:
 - Metro Strategic Plan and Service Guidelines
 - METRO CONNECTS vision
 - Fund management policies
- Debt issuance for operational improvements (e.g., additional base capacity and land acquisition for bus layover)
- Capital underexpenditures carried forward into 2019-2020
- Updated METRO CONNECTS projections increase the gap between vision and what can be funded
- Reserve levels are maintained

Minimal Changes to Revenues, Mostly Related to Delayed Debt Issuance

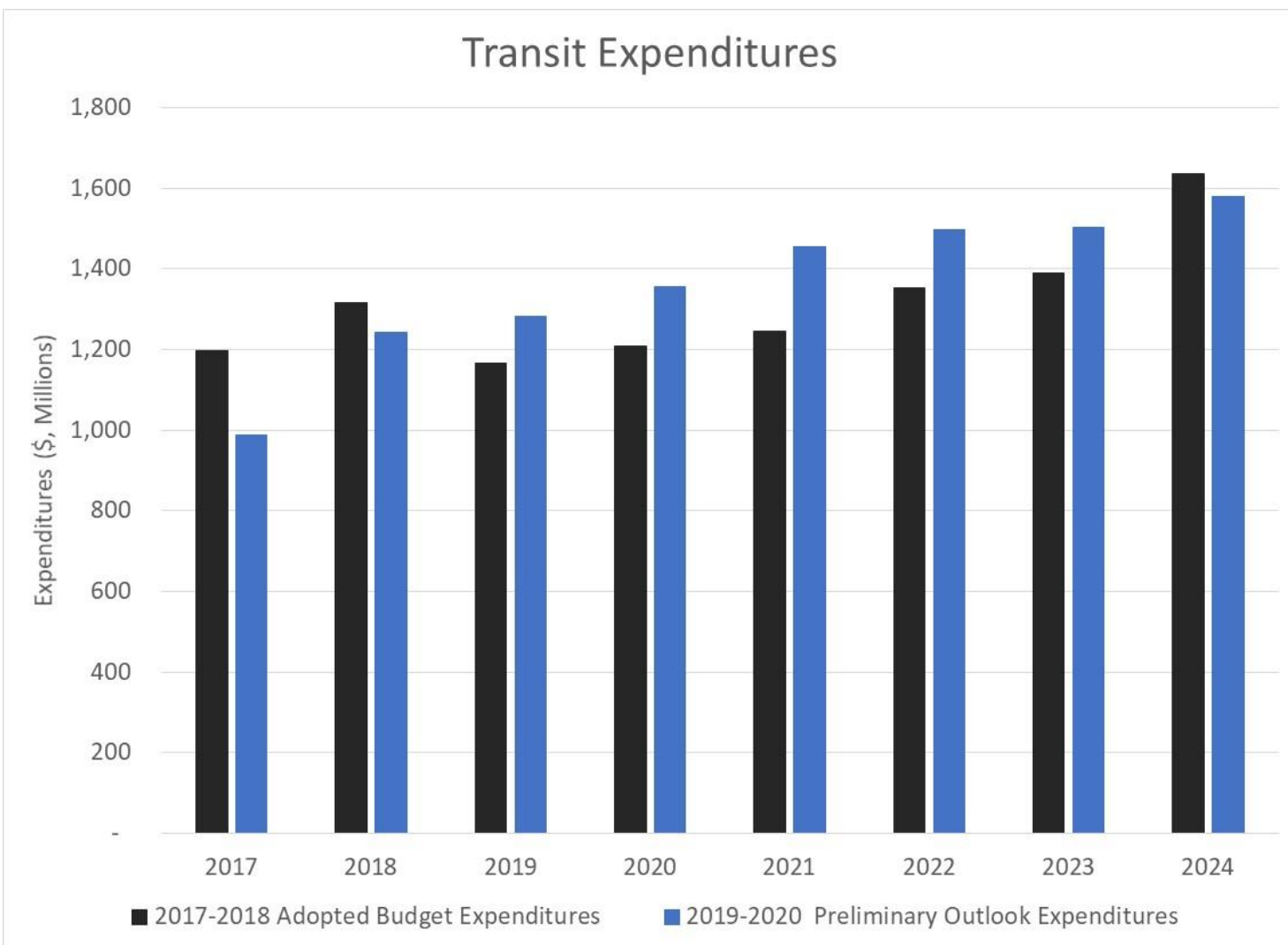
Transit Revenues



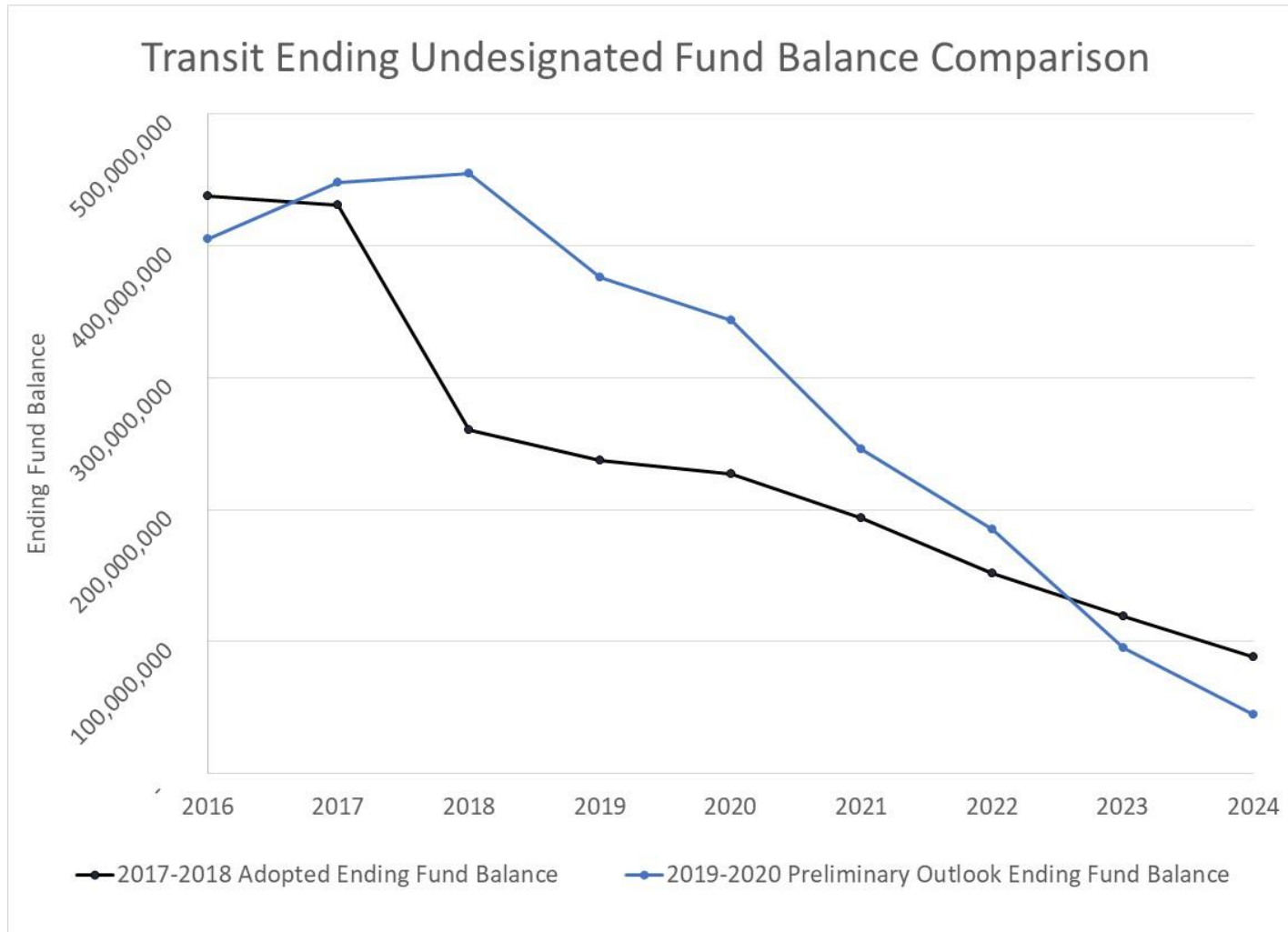
Debt Proceeds



Minor Changes in Expenditures, Lower in 2017-2018, Higher in Out-years



Slight Change to Long-Term Undesignated Ending Balance



2019-2020 Proposed Budget

- Executive Constantine will present his 2019-2020 Proposed Budget to the County Council on September 24
- Modest bus service growth
 - Largely funded by partners
 - Metro-funded growth targeted to crowding and reliability investments
 - Major proposed investments (in annual service hours)
 - Crowding/reliability: 21,300
 - Construction mitigation: 33,700
 - Pre-RapidRide investments & restructures: 15,000
 - Metro assuming funding responsibility from partners: 7,000
 - Partner investments: 130,000
 - Conversions to DART: **-30,000**
 - **Net Additions: Approximately 177,000 annual service hours**
- Investments in Access to *improve* service quality
- Investments in organizational capacity to deliver services
- CIP revamped to improve transparency and accountability

2019-2020 Outlook - Base Capacity

- **Base expansion redesign**
 - Significant review of prior plans to speed expansion
 - Maximize utilization of existing/easily procured property
- **Funding in 2019-2024 for several major projects**
 - Expansion of Atlantic/Central Base w/new VM capacity
 - Development of an Interim Base next to South Base
 - Development of a new permanent base next to South Base (SB Annex)
 - Siting & land acquisition for another base, likely in South King County
 - Installation of new substation at South Base
- **Other funded projects**
 - Facilities master plan – next phase
 - Update parking garage on South Base expansion properties
 - Miscellaneous temporary relocations
 - Installation of electric charging stations at strategic locations

RapidRide - Updated Timeline

- After a careful review of **capital funding and our capital delivery capacity**, we are moving forward with planning and design of **seven additional lines throughout the county by 2027**.

Delivery Schedule and Timeline



RapidRide - Next Steps

G Line: Madison Valley/Seattle CBD

- Currently working with SDOT and FTA to develop a fleet procurement plan which will be done by the end of this year
- Revenue service expected to start in fall 2021

H Line: Burien/Westwood Village/Seattle CBD

- Currently working towards 30% design
- Community engagement on design elements this fall
- Revenue service expected to start in fall 2021

I Line: Kent/Renton/Auburn

- Connects Renton, Kent and Auburn
- RFP released for consulting services with phase 1 planning, concept design and outreach starting in January 2019
- Revenue service expected to start in fall 2023

Totem Lake/Eastgate

- RFP for consulting services released in 2019
- Revenue service expected to start in fall 2025

Metro remains committed to delivering the expanded RapidRide vision in METRO CONNECTS

Metro Transit Department – 4 Pillars

METRO'S STRATEGY FOR Delivering More and Better Mobility Solutions



Demand for transit is rising throughout King County, driven both by job and population growth and by the increasing number of people living in poverty or near-poverty who rely on public transportation.

To help meet the demand, Metro needs to make the most of our funding, operational know-how, and new technology and business models to provide more and better transit options in a cost-effective and equitable way.

This four-part strategy will guide us. As we move toward becoming a King County department, we will organize our internal structure and the work we do around this strategy.

The targets will help us by defining the achievements we should aim for. The targets are bold and will not be realized quickly. We will continually strive to reach them over the years ahead.

Metro's 4-part strategy and targets (near term by close of 2019; five years by close of 2022)

1 MAKE TRANSIT EASY TO USE, AVAILABLE TO ALL

Provide integrated, equitable and accessible mobility service

WHAT WE'LL DO:

- ▶ Provide faster and more frequent and reliable fixed-route service to more places
- ▶ Find creative ways to serve less-dense areas, using new technology and business models and partnerships
- ▶ Integrate our services with Sound Transit and other transit agencies to give our customers seamless travel

TARGETS:

- ▶ Near term: 135 million Metro rides
- ▶ Five years: 235 million rides in King County across all Metro-operated or partnered services

2 GET THINGS BUILT

Accelerate the development of transit infrastructure that is critical to service growth

WHAT WE'LL DO:

- ▶ Develop the needed infrastructure (bus base, layover, corridor improvements, etc.)
- ▶ Streamline our organization and processes to get things done quickly and efficiently

TARGETS:

- ▶ Near term: Cut in half the capital planning and delivery process; deliver projects at twice the rate we do today
- ▶ Five years: Eighth base built

3 PARTNER WITH OTHERS

Amplify the capacity of our system through partnerships

WHAT WE'LL DO:

- ▶ Collaborate with others to deliver service growth, build infrastructure, offer innovative mobility services
- ▶ Strengthen our reputation for being out-front, being easy to work with, and moving quickly

TARGETS:

- ▶ Establish a clear definition of "partnership" and a template for use throughout Metro, and launch five private/public mobility partnerships
- ▶ Five years: Using METRO CONNECTS Development Program, deliver 20 transit corridors—RapidRide, express and frequent

4 ENABLE EMPLOYEES TO DO TOP QUALITY WORK

Deliver by building a highly motivated and high-performing workforce.

WHAT WE'LL DO:

- ▶ Hire skilled, motivated employees
- ▶ Offer training and development opportunities
- ▶ Promote health and well-being
- ▶ Reward high performance
- ▶ Work proactively

TARGETS:

- ▶ Near term: Increase employee well-being and performance by starting one wellness center in 2019; have wellness centers in all bases in five years
- ▶ Five years: Partner with local colleges and training centers to develop five internship programs

CUSTOMER FACING TECHNOLOGY TARGET:

- ▶ Near term: A unified mobile tool that enables customers to plan, track in real-time, and pay for mobility services