## STAFF REPORT

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| **Agenda Item:** | 5 | **Name:** | Leah Krekel-Zoppi |
| **Proposed No**.: | 2019-0162 | **Date:** | June 18, 2019 |

**SUBJECT**

An ordinance waiving transit fares when Metro Transit activates the Department's emergency snow network.

**SUMMARY**

Proposed Ordinance 2019-0162 would amend King County Code to require that Metro’s transit fares be waived during snow emergencies when Metro’s Emergency Snow Network is enacted. The proposed legislation would save customers $1.00 - $2.75 per trip during enactment of the Emergency Snow Network, and potentially cost Metro approximately $64,750 per day during a snow event warranting enactment of the Emergency Snow Network.

**BACKGROUND**

**Metro Services and Fares**

Metro Transit provides a wide range of transportation options for King County. In addition to operating one of the largest bus systems in the United States and providing over 122 million bus rides annually, Metro operates vanpools, paratransit services, and other innovative Community Connections.

King County Metro’s fares are adopted by the King County Council and established in King County Code (K.C.C.) section 4A.700.010. The current fare categories include regular, child, youth, senior and persons with disabilities, and low-income. Regional and institutional passes are also available.

The policy framework for these fare structures and rules is established by the [Strategic Plan for Public Transportation 2011-2021](http://metro.kingcounty.gov/planning/strategic-plan/)*,* which was adopted by the Regional Transit Committee and King County Council in 2011[[1]](#footnote-1) and most recently updated in 2016[[2]](#footnote-2). Strategy 6.3.2 is to: “Establish fare structures and fare levels that are simple to understand, aligned with other service providers, and meet revenue targets established by Metro’s fund management policies.” Metro’s Fund Management Policies call for a farebox recovery ratio of at least 25 percent, with a target of 30 percent.

**Metro’s Emergency Snow Network**

In December 2008, a severe winter storm in King County caused buses to become stranded on unplowed roads and left many riders without reliable service. In strategizing lessons learned after the storm, Metro Transit developed an Emergency Snow Network, a network of significantly reduced service that Metro will operate during severe winter storms. The Emergency Snow Network includes only core bus routes and shuttles primarily serving key arterials and transit centers that are included in the designated snow plow plans of the jurisdictions where Metro operates. Attachment 4 to this staff report shows a map of Metro’s Emergency Snow Network.

In February 2019, King County experienced record high snowfall over an extended period. During that period of heavy snowfall, the Metro Transit department enacted its Emergency Snow Network for the first time. The Emergency Snow Network was in effect for four days of the snow event.

**ANALYSIS**

**Proposed Ordinance 2019-0162**

Proposed Ordinance 2019-0162 would require Metro to waive transit fares at such times when the director activates the department's Emergency Snow Network. Currently, K.C.C. 28.94.020.B.2. allows the director of the Metro Transit Department to waive or reduce transit fares during emergencies, and this proposed ordinance would amend this code section to add the requirement of waiving fares during enactment of the Emergency Snow Network.

According to the sponsor of the legislation, the purpose of the legislation is to increase the accessibility of transit service for those experiencing homelessness and other difficulties, and to increase safety by encouraging people to use transit as transportation to reach shelter and avoid driving during severe snowstorms.

**Customer Impact**

The proposed ordinance would allow customers to board Metro Transit services without paying transit fares for trips made while the Emergency Snow Network is in effect. This would result in a savings of $1.00 to $2.75[[3]](#footnote-3) per trip for transit customers using Metro services during enactment of the Emergency Snow Network.

Customers who transfer to transit services provided by other transit agencies, such as Sound Transit’s Link Light Rail, during enactment of the Emergency Snow Network would still be required to pay the full fare of those services. Based on transfer rates during the February 2019 enactment of the Emergency Snow Network, Metro anticipates approximately 32 percent of Metro riders would fall within the category of those who would have to pay a fare upon transferring to other transit services.

**Fiscal Impact**

Metro provided an analysis of the fare impacts of the Emergency Snow Network, which is Attachment 3 to this staff report. The analysis compares the fare revenues collected during the four days in February 2019 when the Emergency Snow Network was in effect to fare revenue collected during a similar period of four days in the year prior. That analysis shows that Metro lost $934,600 in fare revenue during the four day enactment of the Emergency Snow Network in 2019. This equates to an average daily loss of $233,650.

If Metro were to have waived fares during enactment of the Emergency Snow Network in February 2019, this would have resulted in the additional loss of an average of $64,750 in ORCA e-purse, cash, and mobile ticketing revenue per day. This provides a basis for considering the potential fiscal impact of waiving fares during future Emergency Snow Network enactment events, should this proposed legislation be adopted.

Additionally, under this proposal, when monthly pass-holding passengers transfer to transit services provided by other transit agencies during Emergency Snow Network enactment, Metro would not be credited for a portion of the trip, as Metro otherwise would under the rules governing the ORCA system[[4]](#footnote-4). This would result in lost revenue in addition to the $64,750 from ORCA e-purse, cash, and mobile ticketing revenue, due to Metro receiving a reduced share of monthly ORCA pass revenue for pass-holding customers who transferred from Metro services to another transit service when fares were waived on Metro services. Metro was unable to provide an estimate of what the revenue impact of this would be.

Additionally, Metro states that snow events impact Metro’s farebox recovery because ridership and fare revenue decline, while Metro costs increase due to overtime and vehicle maintenance related expenses, and that further reductions in fare revenue during snow events would impact the farebox recovery further. Metro’s financial policies require that Metro’s farebox recovery ratio must be above 25 percent.

**AMENDMENT**

Amendment 1 would ensure the proposed legislation applies only to fares for Metro’s fixed route and paratransit services.

**INVITED**

* John Resha, Director, Metro Finance and Administration Division

**ATTACHMENTS**

1. Proposed Ordinance 2019-0162
2. Amendment 1
3. Emergency Snow Network Fare Impacts
4. Map Depicting Metro’s Emergency Snow Network

1. Ordinance 17143 [↑](#footnote-ref-1)
2. Ordinance 18301 [↑](#footnote-ref-2)
3. The rate of fare is determined by the fare category a passenger falls under, including regular, senior and persons with a disability, youth, and paratransit. [↑](#footnote-ref-3)
4. King County is one of seven regional transit agencies that partnered on a smart card technology, called One Regional Card for All (ORCA) to establish a common, noncash fare system throughout the regional participants’ service areas. [↑](#footnote-ref-4)