



## Legislation Details (With Text)

**File #:** 2007-0273      **Version:** 3

**Type:** Ordinance      **Status:** Passed

**File created:** 4/23/2007      **In control:** Committee of the Whole

**On agenda:**      **Final action:** 4/30/2007

**Enactment date:** 5/8/2007      **Enactment #:** 15739

**Title:** AN ORDINANCE creating a ferry district in King County; amending Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015 and adding a new section to K.C.C. chapter 4.08.

**Sponsors:** Dow Constantine, Larry Gossett, Jane Hague, Julia Patterson, Larry Phillips, Bob Ferguson

**Indexes:** Ferry District

**Code sections:** 4.08 -, 4.08.015 -

**Attachments:** 1. 15739.pdf, 2. 2007-0273 Staff Report Ferry District.doc

Date	Ver.	Action By	Action	Result
4/30/2007	1	Committee of the Whole	Amended	Pass
4/30/2007	2	Committee of the Whole	Recommended Do Pass Substitute	Pass
4/30/2007	3	Metropolitan King County Council	Passed as Amended	Pass
4/30/2007	3	Metropolitan King County Council	Hearing Held	
4/23/2007	1	Metropolitan King County Council	Introduced and Referred	

Clerk 5/1/2007

AN ORDINANCE creating a ferry district in King County; amending Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015 and adding a new section to K.C.C. chapter 4.08.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

**SECTION 1. Findings:**

- A. The Puget Sound region has a long history of waterborne transportation, with waterways such as the Puget Sound and Lake Washington being the first major transportation routes in the area.
- B. In 1993, the Washington State Ferry System produced a passenger-only implementation plan which called for expanded passenger-only ferry service in Puget Sound.
- C. In 1998, Referendum 49 provided a state funding source for expansion of the state's passenger-only

ferry fleet.

D. In 1999, the passage of Initiative 695 reduced the state funding source for passenger-only ferry service provided for in Referendum 49.

E. In 2003, following the failure of Referendum 51, the legislature agreed to continue operating some passenger-only service while eliminating other passenger-only service in Puget Sound.

F. In 2003, the legislature also made statutory changes to facilitate passenger-only ferry service by transit agencies, and county ferry districts.

G. In 2004, the legislature directed the Washington state Department of Transportation to develop a ten-year vision for moving passengers across Puget Sound.

H. In 2005, the legislature established the Passenger-Only Ferry Task Force to study the most reliable and cost-effective means of providing passenger-only ferry service, including the viability of different service providers, cost to ferry passengers, state subsidies and the availability of federal funding for different service providers. The Passenger-Only Ferry Task Force completed this study in January 2006 and presented its findings to the legislature.

I. The task force found that passenger-only ferry service is an important component of state, regional and local transportation infrastructure but is not sustainable at this time without public subsidies. The task force found that while passenger-only service providers can operate reliable service daily, ongoing service provision is not dependable due to inconsistent levels of public funding and unexpected higher operating costs. The task force also found that federal funding is available to help fund capital costs of passenger-only ferry service but not operating costs. Lastly, the task force found that while farebox recovery rates have steadily increased, this issue remains a challenge for passenger-only ferry service due to increasing costs, changes in schedule and tariff charges and changes in ridership habits.

J. In March 2006, the legislature made additional statutory changes relating to local government passenger-only ferry service funding, establishing a passenger ferry account to be used for operating and capital

grants for ferry systems and requiring the submittal of a business plan for assuming Vashon Island service that includes a proposed service description with operating, vessel, labor and passenger terminal facility needs along with anticipated funding scenarios by local governments to the governor and state legislature by November 1, 2006.

K. In 2007, the legislature made additional statutory changes relating to local government passenger-only ferry service funding, authorizing the use of funds for shuttle services to ferry terminals and exempting from excise taxes fuel purchased for use in passenger-only ferries.

L. In 1997, King County began operating seasonal water taxi service across Elliott Bay with increasing ridership in each year of operation.

M. In 2006, the Elliott Bay Water Taxi carried in excess of one hundred twenty two thousand passengers with a fare box recovery of approximately forty-five percent.

N. As part of the 2004 update to the Six-Year Transit Development Plan for 2002 to 2007, King County recently examined the potential for waterborne transit to determine under what conditions and circumstances it may be appropriate for King County to either or both invest and participate in passenger-only ferry service.

O. Sample market areas in the King County waterborne transit study included Lake Union, Lake Washington, Elliott Bay and Vashon Island. Potential ridership was projected for sample routes within these market areas. Promising ridership markets were identified on Elliott Bay between West Seattle and downtown, on Lake Washington between Kirkland and the University of Washington and from Vashon Island to downtown Seattle.

P. Vashon is an island with no bridges connecting it to any other land mass. Therefore, the only alternative for Vashon residents to leave the island is by ferry.

Q. Findings from the county's waterborne transit study and the state's Passenger-Only Ferry Task Force suggest that participation in providing passenger-only ferry service requires some level of public subsidy. The study also suggests that public subsidy could come from existing funds or new revenues such as an increase in

the sales tax, a regional funding proposal or dedicated funds such as the creation of a ferry district with authority to collect revenue from property taxes.

R. RCW 36.54.110 allows the legislative authority of a county to adopt an ordinance creating a ferry district in all or a portion of the area of the county, including the area within the corporate limits of any city or town within the county.

S. The county's department of transportation has developed a business plan for assuming Vashon Island passenger-only ferry service and submitted this plan to the governor by November 1, 2006. In addition to the Vashon Island service addressed in the business plan, a King County ferry district will examine five possible passenger-only ferry services that could potentially be funded. These services include two alternative routes serving Vashon Island, two operating options for the Elliott Bay Water Taxi and a possible demonstration service on Lake Washington.

T. Given the repeated actions of the state legislature with regard to local government passenger-only ferry service, the county's waterborne transit study findings and business plan preparations, and the recommendations from the State's Passenger-Only Ferry Task Force, the county council finds that it is in the public's interest to create a ferry district to provide passenger-only service.

U. The intent of creating the ferry district is to provide passenger-only ferry service to various parts of the county, including, but not limited to, potential routes serving Vashon Island, West Seattle, Des Moines, Downtown Seattle, North Bay, Magnolia, Shilshole, Shoreline, Lake Union, North Renton, the University of Washington, Kenmore and Kirkland. Depending upon the results of a potential feasibility study for South Puget Sound passenger-only ferry service, additional locations that could be served include Gig Harbor and Tacoma. Specific service and capital assumptions for the ferry district will need to be established by the governing board of the ferry district.

NEW SECTION. SECTION 2.

A. A new ferry district within King County is hereby established.

B. The members of the King County council, acting ex officio and independently, shall compose the governing body of the ferry district. The voters of the ferry district must be registered voters residing within the boundaries of the district.

C. The county ferry district shall include the entire corporate boundary of the county.

D. The county ferry district possesses all the powers as provided for in RCW 36.54.110.

NEW SECTION. SECTION 3. The governing body of the ferry district may levy each year an ad valorem tax on all taxable property located in the district not to exceed seventy-five cents per thousand dollars of assessed value to be used only for providing ferry services. The exact levy amount, to be set at a later date by the governing body of the ferry district, must be sufficient for the provision of ferry services as shown to be required by the budget prepared by the governing body of the ferry district. As reflected in the county business plan for Vashon-Seattle passenger-only ferry service, it is intended that the district shall incur indebtedness and to retire this indebtedness in whole or in part with revenues received from the tax levy authorized in RCW 36.54.130. The maximum amount of this indebtedness, and potential indebtedness for other passenger-only ferry services provided by the ferry district is contemplated not to exceed ten million dollars.

NEW SECTION. SECTION 4. There is hereby added to K.C.C. chapter 4.08 a new section to read as follows.

**Ferry district fund.** There is hereby created the ferry district fund to provide for the receipt of revenues and the disbursement of expenditures for the provision of ferry service as outlined in chapter 36.54 RCW. The fund shall be a first tier fund as described in this chapter. The department of transportation shall be the fund manager. SECTION 5. Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015 are each hereby amended to read as follows:

A. First tier funds and fund managers are as follows:

B. The following shall also be first tier funds:

1. All funds now or hereafter established by ordinance for capital construction through specific road

improvement districts, utility local improvement districts or local improvement districts. The director of the department of transportation shall be the fund manager for transportation-related funds. The director of the department of natural resources and parks shall be the fund manager for utility-related funds.

2. All county funds that receive original proceeds of borrowings made under Chapter 216, Washington Laws of 1982, as now existing or hereafter amended, to the extent of the amounts then outstanding for the borrowings for that fund. For purposes of this subsection, the director of the county department or office primarily responsible for expenditures from that fund shall be the fund manager.

3. Any other fund as the council may hereinafter prescribe by ordinance to be invested for its own benefit. County funds shall be treated as provided in K.C.C. 4.10.110 unless a designation is made by the council.

none