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Title: AN ORDINANCE relating to public transportation and imposing a two-year congestion reduction charge of twenty dollars on vehicle registration renewals in King County in accordance with Chapter 373, Laws of Washington 2011.

Sponsors: Larry Phillips, Larry Gossett

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Attachments: 1. Ordinance 17169.pdf, 2. 2011-0288 Fiscal Note.xls, 3. 2011-0288 transmittal letter.doc, 4. Staff Report 06-28-11, 5. Staff Report 07-06-11, 6. Staff Report 07-19-11, 7. Amendment 2 8-15-11.pdf, 8. TrEEPresentation_070511final.ppt

Date	Ver.	Action By	Action	Result
8/15/2011	1	Metropolitan King County Council	Passed as Amended	Pass
7/25/2011	1	Metropolitan King County Council	Hearing Held	
7/25/2011	1	Metropolitan King County Council	Deferred	
7/19/2011	1	Budget and Fiscal Management Committee	Passed Out of Committee Without a Recommendation	Pass
7/6/2011	1	Transportation, Economy, and Environment Committee	Deferred	
7/6/2011	1	Budget and Fiscal Management Committee	Deferred	
6/28/2011	1	Transportation, Economy, and Environment Committee	Deferred	
6/20/2011	1	Metropolitan King County Council	Introduced and Referred	

Clerk 08/16/2011

AN ORDINANCE relating to public transportation and imposing a two-year congestion reduction charge of twenty dollars on vehicle registration renewals in King County in accordance with Chapter 373, Laws of Washington 2011.

STATEMENT OF FACTS:

1. The 2011 Washington state Legislature adopted Engrossed Substitute Senate Bill 5457, which became Chapter 373, Laws of Washington 2011, which amends chapter 82.80 RCW, to provide

the King County council authority by a two-thirds vote to impose a temporary two-year congestion reduction charge of twenty dollars on vehicle registration renewals to allow Metro transit to continue to provide the current level of transit service that helps reduce congestion and the corresponding burdens placed on local roads and highways.

2. Approval of the congestion reduction charge would enable Metro transit to reduce congestion by avoiding transit service cuts in the 2012-2013 biennium - cuts that could result in the loss of an estimated nine million passenger trips annually and lead to an associated increase in traffic congestion.

3. Proceeds from the charge would reduce congestion by enabling Metro transit to maintain service at current levels. The proceeds from this temporary charge will also allow the county and Metro transit to avoid future service cuts that would lead to increased congestion by working with other transit agencies, regional leaders and the Washington state Legislature to craft a long-term funding solution for transit and other local and state-wide transportation needs.

4. Sustaining current levels of bus service is particularly important now to help people cope with high gas prices, to keep congestion in check as the Alaskan Way Viaduct and State Route 520 bridge replacement projects are underway, and to get people to jobs as the region's economy continues to recover.

5. Approval of the congestion reduction charge is consistent with the King County Strategic Plan Economic Growth and Built Environment goal to encourage a growing and diverse King County economy and vibrant, thriving and sustainable communities, specifically with regard to the objective to meet the growing need for transportation services and facilities throughout the county.

6. The temporary congestion reduction charge would supplement the many actions Metro transit has taken over the past three years to manage the unprecedented financial challenges resulting

from the recession. Metro transit began to address its sharply falling sales tax revenue in the 2009 supplemental budget, and is following the nine-point deficit reduction plan adopted by the council in conjunction with the 2010-2011 adopted budget, which includes:

- A. Eliminating staff positions;
- B. Deferring planned expansion of bus service;
- C. Reducing capital programs;
- D. Making non-service-related cuts;
- E. Increasing revenue through a property tax swap;
- F. Digging deeply into reserves;
- G. Making some bus service reductions; and
- H. Raising fares. Passenger fares have been raised four times, by a total of eighty percent, over the past four years.

7. Metro is implementing numerous efficiency recommendations of the 2009 Performance Audit, and has negotiated new contracts with the Amalgamated Transit Union Local 587 and other transit unions that are generating significant ongoing savings and thereby helping to preserve service.

8. All of these actions will generate three hundred ninety-eight million dollars between 2008 and 2011 to offset the loss of sales tax revenue.

9. Despite these sweeping reforms, Metro transit still faces a revenue gap of approximately sixty million dollars per year for 2012 through 2015 because sales tax receipts continue to be lower than projected before the recession.

10. Given this revenue gap, if the proposed temporary congestion reduction charge authorized by the Legislature is not approved Metro transit will have to cut up to six hundred thousand hours of transit service, or about seventeen percent of the current system beginning in 2012.

11. It is estimated that a reduction of six hundred thousand hours of transit service would result in a loss of nine million passenger trips annually, and lead to a corresponding increase in personal vehicle trips per year, significantly increasing congestion on our roads and highways.

12. In 2010 the council and executive convened a regional transit task force that made recommendations on a new policy framework for the future growth, and if necessary, contraction of the Metro transit system.

13. On June 15, 2011, the regional transit committee adopted the Metro Strategic Plan for Public Transportation 2011-2021 that uses the recommendations of the regional transit task force as the basis for new policy guidelines to determine the allocation of transit service additions and reductions.

14. The council has adopted a congestion reduction plan indicating the proposed expenditures of the proceeds from the congestion reduction charge. The adopted plan is consistent with the recommendations of the regional transit task force and implements the policy guidelines in the Metro 10-Year Strategic Plan for Public Transportation.

15. In combination with the reforms already implemented, imposing the temporary congestion reduction charge will enable Metro to continue to reduce congestion by preventing major service cuts through 2014. If the temporary congestion reduction charge is not imposed, Metro transit would have to proceed with substantial service cuts during the 2012-2013 budget biennium in order to assure a financially sound future for the transit system.

16. In authorizing a temporary congestion reduction charge, the Washington state Legislature recognized the important role transit plays in fighting congestion, as well as the value of the sweeping reform measures Metro transit has implemented to address the agency's difficult financial situation.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. As required by Chapter 373, Laws of Washington 2011, a congestion reduction plan indicating the proposed expenditure of the proceeds of the congestion reduction charge has been approved by the council.

SECTION 2. A. In accordance with Chapter 373, Laws of Washington 2011, which amends chapter 82.80 RCW, King County hereby approves the imposition of an annual congestion reduction charge of twenty dollars per vehicle registered in the boundaries of King County for each vehicle subject to vehicle license fees under RCW 46.17.350 (1) (a), (c), (d), (e), (g), (h), (j), (n), (o), (p) or (q), and for each vehicle subject to gross weight license fees under RCW 46.17.355 with an unladen weight of six thousand pounds or less.

B. The congestion reduction charge approved by this ordinance applies only to vehicle registration renewals and is effective upon the registration renewal date as provided by the state Department of Licensing.

C. The congestion reduction charge approved by this ordinance shall not apply to vehicles identified in Chapter 373, Laws of Washington 2011, Section 2(6).

D. The congestion reduction charge approved by this ordinance shall be imposed on the first day of the first full month following the date that is six months after the effective date of this ordinance. Collections of the approved charge shall begin on the same day.

SECTION 3. Proceeds from the congestion reduction charge must be expended in a manner consistent with the recommendations of the 2010 regional transit task force, the King County Strategic Plan for Public Transportation 2011-2021 and the previously adopted congestion reduction plan, which prioritize improving the productivity of Metro transit services. At a minimum for the period in which the congestion reduction charge is imposed, one hundred thousand of the lowest productivity service hours shall be reduced or restructured and the resulting service hour savings reinvested. Consistent with the King County Strategic Plan for Public Transportation 2011-2021 and King County Metro Service Guidelines, priority for the reinvestment of service hours shall be given first to existing service quality issues, including those related to tolling, followed by investments in underserved corridors.

SECTION 4. Proceeds from the congestion reduction charge, including accrued interest, shall be placed in the King County Metro public transportation enterprise fund - operating sub-fund (464) and expended as authorized in Section 3 of this ordinance.

SECTION 5. This ordinance takes effect on the later of its effective date as determined by the King County charter or one day after the effective date of the ordinance adopting the congestion reduction plan.

SECTION 6. The charge approved by this ordinance and imposed as set forth in section 2.D. of this ordinance expires with vehicle registrations that expire two years after the imposition of the charge or no later than June 30, 2014, whichever comes first.

SECTION 7. The executive is authorized to execute an agreement with the department of licensing for the collection of the congestion reduction charge consistent with chapter 46.68 RCW.

SECTION 8. A. In order to comply with Chapter 373, Laws of Washington 2011, Section 2(1)(d), the executive shall prepare and transmit to council by July 1, 2012, a report detailing the expenditures to-date of the proceeds of the congestion reduction charge through June 1, 2012.

B. In order to comply with Chapter 373, Laws of Washington 2011, Section 2(1)(e), the executive shall prepare and transmit to council by June 1, 2014, a report detailing the expenditures of the proceeds of the congestion reduction charge.

SECTION 9. A. The executive is requested to develop a two-year congestion reduction transit incentives program to begin when a congestion reduction charge is first imposed, and to submit an ordinance to council by November 1, 2011, proposing the program.

B. The program shall offer King County vehicle owners, as part of the annual vehicle registration renewal, an opportunity to receive transit ridership incentives in the form of free ride tickets. Each household in King County that has a vehicle owner who paid the annual vehicle registration renewal fee shall be eligible for eight free ride tickets during each twelve-month period for which a congestion reduction charge is imposed. Only households with addresses in King County are eligible.

C. The program shall offer vehicle owners an option to donate the value of the free ride tickets to the county's human services ticket program. The program should complement Metro's current human services ticket program and must consider the potential impact to Metro's near-term and long-term financial plans.

D. The goal of the program will be to increase ridership on Metro transit and help reduce congestion on King County roads and highways.

E. The 2012-2013 transit budget should include funding for the congestion reduction transit incentives program.

SECTION 10. A. The executive is requested to begin implementing, by the June 2012 service change, new right-sized services provided at reduced operating costs to replace a minimum of five thousand annual service hours and up to twenty thousand hours of traditional transit services in east and south King County communities along the urban growth boundary and adjacent to rural areas, including currently served rural areas. For the purposes of this subsection, "right-sized services" means services that are appropriately scaled to the market served and the mobility needs of the local community,

B. To ensure a smooth transition, implementation should, to the extent practicable, include the following elements:

1. Consideration of local service needs;
2. Stakeholder involvement, including input from and coordination with community agencies or organizations willing to partner with Metro transit;
3. Provision of modified fixed-route, dial-a-ride, Community Access Transportation, VanPool, VanShare or other flexible shared-ride concepts that address local mobility needs and can be provided at a reduced operating cost; and
4. Transit route and facility modifications as may be necessary to accommodate any new service concept.

SECTION 11. A. The executive is requested to discontinue the downtown Seattle ride free area by

October 2012, and to develop and submit to council by May 2012 an implementation plan to guide the elimination of the ride free area. The plan should be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers.

B. The implementation plan may include, but is not limited to the following elements to ensure a smooth transition:

1. Outreach and coordination with downtown Seattle human service agencies, including a description of a partner program or programs designed to help mitigate the increased cost of trips in downtown Seattle for disadvantaged populations;
2. Consideration of an increase in the number of trips or level of subsidy available through the human services ticket program;
3. Outreach with downtown businesses, including further promotion of the ORCA card system;
4. Coordination with the city of Seattle and affected transit agencies.
5. A customer information plan to help riders transition to the new fare collection procedures in downtown Seattle;
6. Descriptions of any transit route and facility modifications; and
7. Employee training.

C. In order for the city of Seattle to continue to benefit from the ride free area in downtown Seattle, the city must negotiate a new methodology that accurately off-sets the cost of the service and that acknowledges the minimal benefit to the county in providing these services.

SECTION 12. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.