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Title: AN ORDINANCE pertaining to the transit budget; amending the 2015/2016 Biennium Budget Ordinance, Ordinance 17941, Section 113, as amended; and declaring an emergency.

Sponsors: Larry Phillips

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AN ORDINANCE pertaining to the transit budget; amending the 2015/2016 Biennium Budget Ordinance, Ordinance 17941, Section 113, as amended; and declaring an emergency.

STATEMENT OF FACTS:

1. The Central Puget Sound Regional Transit Authority ("Sound Transit") was formed in 1993. In 1996, voters within the district authorized the imposition of sales and motor vehicle excise taxes for the construction and operation of a regional transit system comprising express buses services, commuter rail services and light rail services.
2. The King County council, in Motion 10448, passed April 27, 1998, authorized the executive to enter into a memorandum of understanding establishing a cooperative relationship between Sound Transit and King County.
3. In Ordinance 14661, the council authorized the executive to enter into an interlocal agreement between King County and Sound Transit, by which Metro Transit operates and

maintains Sound Transit's Link Light Rail system.

4. King County also provides Sound Transit Express bus service in King County under an agreement with Sound Transit. That contract is about to expire.

5. Sound Transit and the executive have been in negotiations to enter into a new agreement by which Metro Transit will provide Sound Transit Express bus operation and maintenance services for up to another four and one-half years and which will require Metro Transit appropriations in excess of \$40 million per year.

6. Motion 14110 sets forth King County's financial policies to provide fiduciary oversight and guidance on developing operating budgets, capital asset management, expenditure management, revenue generation and collection and the use of fund balance.

7. Ordinance 17225 establishes the transit division fund management policies, which are consistent with the adopted Strategic Plan for Public Transportation 2011-2021 and guide the expenditure and investment of public transportation resources.

8. Sound Transit's board of directors is scheduled to approve on June 28, 2015, to consider and possibly authorize Sound Transit's chief executive officer to execute an agreement with Metro Transit for the county to provide Sound Transit Express bus service operations and maintenance, with a contract term that could extend through 2019.

9. It is anticipated that Sound Transit and the executive plan on signing an agreement by the end of June 2015.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings:

A. The proposed term of the agreement is up to four and one-half years, with costs of approximately \$40 million per year. This represents a significant allocation of Metro Transit resources.

B. Any agreement of this potential duration and revenue levels presents significant policy, budgetary

and service issues that the council desires to review prior to the executive entering into the agreement with Sound Transit. If an agreement is signed without the council's deliberative review process, the council's ability to ensure that the county's fiscal policies are followed is lost.

C. The council has determined that it is the best interest of the public that the council reviews the terms and conditions of any proposed agreement to provide Sound Transit Express bus service operations and maintenance prior to authorizing the executive to sign such an agreement.

D. There is a potential that if Sound Transit and the executive agree on the terms and conditions of the agreement, the executive might sign the agreement before June 15, 2015.

SECTION 2. Ordinance 17941, Section 113, as amended, is hereby amended by adding thereto and inserting therein the following:

TRANSIT - From the public transportation fund for the 2015/2016 biennium there is hereby disappropriated:

Transit

(((\$1,397,866,000)) \$1,357,866,000)

SECTION 3. Ordinance 17941, Section 113, as amended, is hereby amended by adding thereto and inserting therein the following:

TRANSIT - to the public transportation fund for the 2015/2016 biennium there is hereby appropriated:

Transit

(((\$1,357,866,000)) \$1,397,866,000)

ER1 EXPENDITURE RESTRICTION:

Of this appropriation, \$12,000,000 may only be expended or encumbered for the 2015-2016 biennium expenditures for a 2015-2018 alternative services demonstration program. The alternative services demonstration program shall be consistent with the Strategic Plan for Public Transportation 2011-2021 and shall use a collaborative process led by the transit division and include discussion with local governments,

nonprofit organizations, private businesses, community groups, and other stakeholders representing communities where fixed-route transit may not be a cost-effective option. The program shall be built on and acknowledge the Five-year Alternative Services Delivery Plan. The program shall develop and implement alternative services that will more effectively serve the affected communities, with a range of transportation and mobility services that may be different for each community depending on its needs and circumstances.

The transit division's outreach to communities shall be prioritized as follows:

A. Service reduction mitigation, which shall focus on mitigating significant impacts that are a result of September 2014 service changes;

B. Complete alternative services delivery plan reinvestment and restructure, which shall initiate community planning process for the two outstanding areas identified in the Five-year Alternative Services Delivery Plan - SE King County and Vashon Island; and

C. Complementary service, which is intended to complement the fixed route or DART service in a Metro growth scenario.

P1 PROVIDED THAT:

Of this appropriation \$1,000,000 may not be encumbered until the executive transmits a motion establishing a regional stakeholder transit task force and adopting a detailed task force work plan and the motion is passed by the council. The motion shall reference the subject matter, the proviso's ordinance, ordinance section and proviso number in both the title and body of the motion.

A. The work plan shall provide for convening a task force by March 31, 2015 that is charged with reviewing and making recommendations regarding:

1. How transit service performance is measured as specified in the Metro Service Guidelines to reflect the varied purposes of different types of transit service;

2. Approaches to evaluating how the goal of geographic value is included in the Metro Service Guidelines, including minimum service standards;

3. Approaches to evaluating how the goal of social equity is included in the Metro Service Guidelines;
4. Outline financial policies for purchase of additional services within a municipally or among multiple municipalities;
5. Outline guidelines for alternative services implementation; and.

B. The work plan shall reflect integration with long range transit system planning and reflect corridor analyses including of Sound Transit corridors as well as Metro Transit System corridors.

C. The work plan shall include a scope of work, tasks, schedule, milestones, budget, task force membership criteria and the creation of an interbranch working group to support the task force process.

The executive must file the work plan and motion approving it by January 14, 2015, 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, the council chief of staff, the policy staff director and the lead staff for the regional transit committee and the transportation, economy and environment committee, or its successor.

P2 PROVIDED FURTHER THAT:

Of this appropriation \$500,000 may not be expended or encumbered until the executive transmits an ordinance amending Ordinance 17143, Section 6, to change the April 30, 2015, deadline for transmittal of an ordinance amending the Strategic Plan for Public Transportation 2011-2021 and the King County Metro Service Guidelines to a later date in 2015 that will provide sufficient time for the development of amendments to these documents as a result of the review and recommendations by the regional stakeholder transit task force called for in provisos P1 and P3 of this section. The ordinance required by this proviso shall reference the subject matter, the proviso's ordinance, ordinance section and proviso number in both the title and body of the ordinance.

The executive must file the ordinance 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, the council chief of staff, the policy staff director and the lead staff for the regional transit committee and the

transportation, economy and environment committee, or its successor.

P3 PROVIDED FURTHER THAT:

Of this appropriation \$1,000,000 may not be expended or encumbered until the executive transmits an ordinance amending the Strategic Plan for Public Transportation 2011-2021 and the King County Metro Service Guidelines that is based on the recommendations of a regional stakeholder transit task force as a result of proviso P1 of this section and the ordinance is adopted by the council. The ordinance shall reference the subject matter, the proviso's ordinance, ordinance section and proviso number in both the title and body of the ordinance.

The executive must file the ordinance 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, the council chief of staff, the policy staff director and the lead staff for the regional transit committee and the transportation, economy and environment committee, or its successor.

P4 PROVIDED FURTHER THAT:

Of this appropriation, \$500,000 shall not be expended or encumbered until the executive transmits a report on the criteria, guidelines and policy implications for transit service agreements between King County and cities and other organizations that will provide funding to the county for enhanced transit service and a motion that approves the report and the motion is passed by the council. The motion shall reference the subject matter, the proviso's ordinance, ordinance section and proviso number in both the title and body of the motion.

The executive must file the report and motion required by this proviso by January 14, 2015, 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, the council chief of staff, the policy staff director and the lead staff for the transportation, economy and environment committee, or its successor.

P5 PROVIDED FURTHER THAT:

Of this appropriation, \$500,000 shall not be expended or encumbered until the executive transmits a

report on the implementation of the first eighteen months of a 2015-2018 alternative services demonstration program and a motion approving the report, and the motion is passed. The motion shall reference the subject matter, the proviso's ordinance, ordinance section and proviso number in both the title and body of the motion.

The report shall include for each alternative service implementation, but not be limited to:

A. A description of each alternative service implementation by community served, including, but not limited to, an assessment of the number of riders affected, geographic coverage, access and linkage to the regional transit network, and the services being or planned to be delivered;

B. A description of the community collaboration, engagement and partnerships for each alternative service implementation;

C. Start-up costs, annual costs, including credit for any reinvestment of current services, and grant and fare revenues for each implementation; and

D. Baseline performance measures and targets for the demonstration period for each implementation.

The executive must file the report and motion required by this proviso by September 1, 2016, 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, the council chief of staff, the policy staff director and the lead staff for the transportation, economy and environment committee, or its successor.

P6 PROVIDED FURTHER THAT:

Of this appropriation, \$500,000 shall not be expended or encumbered until the executive transmits a final report evaluating the results of capital project 1116944, mobile ticketing pilot project, and a motion that accepts the final report and the motion is passed by the council. The motion shall reference the subject matter, the proviso's ordinance, ordinance section and proviso number in both the title and body of the motion.

The final report shall include, but not be limited to:

A. A summary of the pilot project results;

B. A comparison of projected mobile ticket transaction costs and ORCA transaction costs;

- C. A discussion of the project's potential impact on ORCA card usage and market share;
- D. Identification of the project impact on transit division participation in the ORCA Replacement regional project;
- E. A discussion of potential operating and capital program changes resulting from the pilot; and
- F. A discussion of equity and social justice impacts of the project and approaches to mitigation of impacts.

The executive must file the final report and motion required by this proviso 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, the council chief of staff, the policy staff director and the lead staff for the transportation, economy and environment committee, or its successor.

P7 PROVIDED FURTHER THAT:

Of this appropriation, \$250,000 shall not be expended or encumbered until the executive transmits a report and a motion that accepts the report, and the motion is passed by the council. The motion shall reference the subject matter, the proviso's ordinance, ordinance section, and proviso number in both the title and body of the motion.

The report shall include, but not be limited to:

- A. An analysis of the costs and benefits of transitioning to a cashless fare system and to eliminate paper transfers;
- B. A list of current countywide and transit division policies that would affect a decision:
 - 1. To transition to a cashless fare system; and
 - 2. To eliminate paper transfers;
- C. A draft step-by-step process and timeline for a potential transition to a cashless fare system and elimination of paper transfers. The timeline should include a range of options to implement a cashless system and elimination of paper transfers, including two-, four- and six-year transition periods;

D. A list of all capital projects, with cost estimates, that would be affected or required by the transition to a cashless fare system, including future capital projects that could be avoided;

E. An analysis of the equity and social justice impacts of options identified. The analysis should include, but not be limited to, identification of segments of the population that might face barriers in accessing transit service as a result of changes, and recommendations of additional strategies or actions needed to reduce or eliminate any identified barriers; and

F. Additional information on the challenges identified in the 2014 Report on Transit Fares.

The executive must file the report and motion required by this proviso 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, the council chief of staff, the policy staff director and the lead staff for the transportation, economy and environment committee, or its successor.

P8 PROVIDED FURTHER THAT:

Of this appropriation, \$40,000,000 shall only be expended or encumbered to provide Sound Transit Express bus operations and maintenance services. Of this amount, no funds may be expended or encumbered until an ordinance is enacted authorizing the executive to enter into an agreement with Sound Transit to provide these services. The proposed ordinance and agreement should be transmitted by the executive by July 16, 2015. The ordinance shall reference the proviso's ordinance, ordinance section, proviso number and subject matter in both the title and body of the ordinance. The executive must file the agreement and ordinance required by this proviso 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, the council chief of staff and the lead staff for the budget and fiscal management committee, or its successor.

SECTION 4. The county council finds as a fact and declares that an emergency exists and that this ordinance is necessary for the immediate preservation of public peace, health or safety or for the support of county government and its existing public institutions.