

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	King County Transportation Funding – Plan ‘B’		
DEPARTMENT:	CMO		
PRESENTED BY:	Scott MacColl, Intergovernmental Relations Manager		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

King County is proposing a ballot measure, dubbed Plan ‘B’, to fund local transportation needs for the April 22nd Special Election, which means the County Council must act by the end of February to place the measure on the ballot. King County and its cities have been advocating for local transportation funding options in light of both regional transportation funding needs and an impending 17% reduction in Metro service hours. Local transportation funding options are on the City’s 2014 Legislative Priorities; however it seems highly unlikely the Legislature will provide new local options in 2014.

The County’s proposal would create a Countywide Transportation Benefit District which would impose a \$60 Vehicle License Fee and an increase in the sales tax of 0.1%. Those funding sources would generate approximately \$130 million per year, of which 60% (\$78 million) would fund Metro transit service and 40% (\$52 million) would be allocated to cities and unincorporated areas based on population for transportation needs. Shoreline’s individual share would be approximately \$1.4 million annually.

This item is for Council to discuss the proposal and potentially take a position in support of the County Council placing the measure on the April ballot. Council could also decide to provide direction to the City’s Sound Cities Association (SCA) Public Issues Committee (PIC) representatives for a policy position on the measure.

FISCAL IMPACT:

This ballot measure, if passed, would generate approximately \$1.4 million in transportation revenue for Shoreline per year for 10 years. It would also provide enough funding to King County Metro to restore the potential transit service cuts identified by Metro in Shoreline and throughout their service territory.

RECOMMENDATION

Staff recommends that Council support both the proposed PIC policy position and the King County Council forming a Transportation Benefit District and submitting a funding measure on the April election ballot.

Approved By: City Manager **DT** City Attorney **IS**

BACKGROUND

King County and its cities have been seeking local transportation funding options since the 2012 Legislative Session. However, during that session, King County and its cities were unable to agree on the parameters of a local option transportation package at that time – particularly how the revenue would be allocated. Legislators advised that unless the parties were in agreement, no options would be available.

In 2013, Cities and King County came to agreement in particular on the funding mechanism and how the money would be allocated between transit and local transportation needs. These entities, along with business and labor, formed a coalition to support a statewide transportation package with local funding options included. Despite these efforts, a transportation package did not pass the legislature in 2013 and seems unlikely to pass in 2014. In addition, Shoreline has listed local transportation funding options as one of its 2014 Legislative Priorities.

Transit funding within a transportation package is the most pressing need at the moment. Council received a briefing from Metro in early January on the 17% service reduction Metro is facing, and how those service reductions would affect Shoreline routes. Absent a new funding source, the first service cuts would come this spring.

DISCUSSION

King County Transportation Funding Proposal – Plan ‘B’

King County is now considering an alternative funding plan, otherwise known as Plan ‘B’, which utilizes an existing local option for transportation funding. Specifically, the plan includes forming a Countywide Transportation Benefit District (TBD) that would utilize Vehicle License Fees (\$60) and a sales tax increase (0.1%) as funding sources. Those two sources would raise approximately \$130 million per year, which is similar in scope to the \$140 million that would have been raised under the 2013 local options proposal. 60% (\$78 million) of the \$130 million in generated revenue would fund Metro transit service and 40% (\$52 million) would be allocated to cities and unincorporated areas based on population for transportation needs. For a specific breakdown of this allocation, please see Attachment A to this staff report.

Shoreline’s yearly funding allotment would be approximately \$1.4 million per year. If passed, the measure would utilize \$80 dollars of Shoreline’s full \$100 Transportation Benefit District authority. Shoreline currently levies \$20, while King County would now levy \$60, leaving only \$20 available for future local transportation needs. The local funds allotted to Shoreline could be used for various transportation-related needs, such as street, sidewalk, or multi-modal transportation projects or maintenance.

Plan ‘B’ would have to go to the ballot to authorize both the Vehicle License Fee and the sales tax increase. The sales tax portion can only be implemented for up to 10 years, after which the County would need to go out to another vote for renewal of the tax.

King County Ballot Measure Timing

King County is intending to place this measure on the April 22nd special election ballot. Although the County Council must act by the end of February to meet the deadline for

placing a measure on this ballot, they must first act to form the TBD. The County Council may act as soon as the second week of February to form a TBD. If they do so, the TBD (aka, the County Council acting in their capacity as a TBD) may take action on or about February 24th to place a measure on the April ballot to fund the TBD.

The County's Transportation, Economy and Environment Committee held a hearing on this issue on Tuesday, January 21st. In addition, the County Council held a public hearing on Plan 'B' on February 4th at the Sound Transit Board Room.

SCA PIC Policy Position

The PIC had a presentation and discussion on the proposal at is January 8, 2014 meeting. Based on that discussion, the PIC expects to take a vote at the February PIC meeting on the following position:

In order to address the critical transportation needs facing King County and cities throughout the County, the Sound Cities Association supports the formation of a countywide Transportation Benefit District (TBD), with 60% of the fund going to Metro for transit funding and 40% being distributed to the County and cities based on population for other transportation needs including sidewalks, bike paths, additional transit, and other transportation purposes as determined by the particular needs of the local jurisdiction. In order to ensure that dollars can be used as effectively and efficiently as possible to address the pressing transportation needs of each individual jurisdiction and to avoid the creation of additional burdensome bureaucracies, the funding raised should be provided to local jurisdictions through a direct distribution.

Plan 'B' Analysis

Transportation and transit funding are at a critical juncture. Council's Legislative Priorities advocate for a 1.5% Motor Vehicle Excise Tax as the funding mechanism for local transportation needs, as this funding source is less regressive than a flat Vehicle License Fee. However, there does not seem to be any political will at the state level for a statewide transportation package or local transportation funding options that provide the authority needed by the end of February.

The key criteria in the funding proposal is the funding split for cities, as this was the agreed upon funding formula between cities and King County. There was discussion at the January 8th PIC meeting that cities would consider supporting the proposal as long as the funding formula remains the same. This legislation, as submitted to the County Council, has specific language identifying the funding formula up front.

Staff suggests that support of such a measure be qualified by requiring the funding distribution be in the ballot measure itself, thus ensuring that the formula continues through the life of the measure.

FISCAL IMPACT

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funding to King County Metro to restore the potential transit service cuts identified by Metro in Shoreline and throughout their service territory.

RECOMMENDATION

Staff recommends that Council support both the proposed PIC policy position and the King County Council forming a Transportation Benefit District and submitting a funding measure on the April election ballot.

ATTACHMENTS

Attachment A: King County Executive's Proposed Countywide TBD 2015 Countywide Distribution Estimates

King County Executive's Proposed Countywide Transportation Benefit District (TBD) 2015 Countywide Distribution Estimates

Updated 1/21/2014

Major Assumptions

TBD revenue is based on the adoption of a \$60 license fee and 0.1% countywide sales tax. The table below shows the estimated distribution among jurisdictions, assuming 40% of total TBD revenue is allocated to cities and the unincorporated area based on population.

Allocation to Local Jurisdictions (40%) \$52,218,600

Jurisdiction	Population Estimate (2013) ¹	Population Percentage	2015 TBD Distribution
Algona	3,075	0.2%	\$81,000
Auburn (KC portion)	64,320	3.2%	\$1,694,700
Beaux Arts	290	0.0%	\$7,600
Bellevue	132,100	6.7%	\$3,480,500
Black Diamond	4,170	0.2%	\$109,900
Bothell (K.C.portion)	23,440	1.2%	\$617,600
Burien	48,030	2.4%	\$1,265,500
Carnation	1,785	0.1%	\$47,000
Clyde Hill	2,980	0.2%	\$78,500
Covington	18,100	0.9%	\$476,900
Des Moines	29,730	1.5%	\$783,300
Duvall	7,120	0.4%	\$187,600
Enumclaw	11,100	0.6%	\$292,500
Federal Way	89,720	4.5%	\$2,363,900
Hunts Point	395	0.0%	\$10,400
Issaquah	43,249	2.2%	\$1,139,500
Kenmore	21,170	1.1%	\$557,800
Kent	120,500	6.1%	\$3,174,900
Kirkland	81,730	4.1%	\$2,153,400
Lake Forest Park	12,680	0.6%	\$334,100
Maple Valley	23,910	1.2%	\$630,000
Medina	3,000	0.2%	\$79,000
Mercer Island	22,720	1.1%	\$598,600
Milton (K.C.portion)	840	0.0%	\$22,100
Newcastle	10,640	0.5%	\$280,300
Normandy Park	6,350	0.3%	\$167,300
North Bend	6,020	0.3%	\$158,600
Pacific	6,675	0.3%	\$175,900
Redmond	55,840	2.8%	\$1,471,300
Renton	95,540	4.8%	\$2,517,300
Sammamish	48,060	2.4%	\$1,266,300
SeaTac	27,310	1.4%	\$719,600
Seattle	626,600	31.6%	\$16,509,500
Shoreline	53,670	2.7%	\$1,414,100
Skykomish	195	0.0%	\$5,100
Snoqualmie	11,700	0.6%	\$308,300
Tukwila	19,160	1.0%	\$504,800
Woodinville	10,990	0.6%	\$289,600
Yarrow Point	1,015	0.1%	\$26,700
Cities Total:	1,745,919		
Uninc. King County:	235,981	11.9%	\$6,217,600
King County	1,981,900		

¹ Source: Washington State Office of Financial Management, 2013 estimate, adjusted for annexations.