Council Meeting Date: October 2, 2000 **Agenda Item: 6(a)**

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Briefing Regarding King County Local Option Tax Ballot Measure for Transit Funding
DEPARTMENT:	Planning and Development Services
PRESENTED BY:	Sarah Bohlen, Transportation Planner Maggi Fimia, King County Councilmember David Hopkins, Regional Transit Manager, King County Executive's Office

EXECUTIVE / COUNCIL SUMMARY

The purpose of this workshop is to brief your Council on the upcoming ballot measure put forward by the King County Council to increase sales tax in King County by 0.2% to provide funding to Metro Transit Service in response to Initiative 695. Councilmember Montgomery represents your Council and the Suburban Cities Association on the Regional Transit Committee.

Attending you workshop will be Maggi Fimia of the King County Council and David Hopkins, Regional Transit Manager out of County Executive Sims office. Councilmember Fimia will present the details of the Local Option Tax to be placed on the ballot this November 7. Councilmember Fimia and David Hopkins will be available to respond to your questions and concerns.

As you know, the Local Option Tax for transit was discussed by your Council during the July 17 workshop. At that time King County Executive Ron Sims was proposing a 0.3% sales tax increase. In this proposal, 0.2% was intended to restore transit service lost due to I-695. The 0.1% was intended for other special projects such as extending light rail to Northgate, congestion relief projects, or upgrading transit service levels throughout the County. The 0.2% as approved by the County Council on September 11, 2000 is for restoration of transit service phased in over several years. It will not include funds for extending light rail to Northgate. The revenues from this tax will provide approximately $82 million per year.

The ballot measure is a response to the statewide vote to approve I-695 last year. The outcome of that measure was to eliminate a source of funding (from the Motor Vehicle Excise Tax) for transit agencies. The State Legislature provided some temporary funding ("bridge funding") to Metro, but even with the temporary funding, some service was cut in February 2000. The following text describes the events that have occurred

over the past year regarding Metro transit funding, leading up to the proposal before you tonight.

November 1999: I 695 Passes
Voters statewide passed Initiative 695, reducing the Motor Vehicle Excise Tax (MVET) to $30 from its original vehicle value-based formula. Among other programs, MVET was used to support transit service.

King County Metro projected to lose one-third of its budget equal to approximately $100 million per year. This amount funds approximately one million service hours. Metro announced plans to cut 200,000 hours three times in February, June, and September 2000, and 400,000 hours in June 2001.

February 2000: Transit Service is Cut
Metro announced that February 2000 cuts would be placed on hold pending the outcome of the winter/spring Legislative Session. However, 148,000 service hours were cut Countywide due to driver shortages that were a result of a hiring freeze in anticipation of the I-695 cuts.

- Shoreline lost service on the following routes:
  Route #302: eliminated evening and nighttime service. Route #302 serves Shoreline Community College and connects to Northgate and with the Aurora Village Transit Center.
  Route #314: completely eliminated. Route #314 connected Shoreline Community College on an east-west routing through Shoreline to Lake Forest Park.
  Route #315: retained peak hour service only. The #315 serves Richmond Beach, Echo Lake, Ridgecrest and Parkwood Neighborhoods and goes to Northgate.

  The #314 and #315 had been local all day east-west routes in Shoreline.

Spring 2000: The State Legislature Provides Metro with Temporary Funding
The Washington State Legislature provided Metro with $45 Million in temporary funding, commonly referred to as "Bridge Money." Metro is able to maintain the reduced service levels through early 2001 with this money, with no further cuts. If no additional funding (ie, failure of this measure at the ballot) is secured, more severe cuts would be required in 2001.

July 2000: Local Option Tax Proposals Emerge
Ron Sims unveiled "TRIP 21," a proposal to place a Local Option Tax on the ballot in King County to add 0.3% to the sales tax. This proposal would maintain the reduced service levels as well as fund or partially fund several capital projects in the County, and the extension of the light rail line to Northgate.

Maggi Fimia followed with an alternate proposal called "2+1" to use 2/3 of the new funding to maintain the reduced service levels, and the remaining 1/3 to enhance service in King County. Councilmember Fimias proposal did not include the extension of light rail to Northgate.

September 11, 2000: A Local Option Tax is placed on the November Ballot
The King County Council approved a Local Option Tax for Transit ballot measure to add 0.2% to the sales tax. The Council elected not to take advantage of the full 0.3% authorized by the State Legislature in an effort to minimize tax increases. However, the option remains open in the future to submit the 0.1% for funding.

Details of the distribution of the service hours have not been agreed upon by the policy-makers (King County Council and Regional Transit Committee). The King County Council has the ultimate decision-making role in assigning transit services. Ron Sims issued a press release on September 21 describing his recommendations for spending the Transit Local Option Tax Money. Highlights of Sims' proposal that may affect Shoreline include:

- Adding 575,000 service hours over the next six years Countywide. "Redeployable" and "New Service" are candidate categories for new service in Shoreline. These service hours include:

  Table 1 – Proposed Service Allocations by Category

Restoration of hours reduced in Feb 2000	148,000
Redeployable hours due to new Sound Transit service	77,000
Schedule maintenance hours*	154,000
New service	195,000
Total Service Additions	**574,000**

  * "Schedule maintenance hours" is when traffic congestion causes additional buses to need to be added to a route to maintain the published schedule.

  The schedule for adding these hours is as follows:

  Table 2 – Service Allocation Schedule

2001	140,000
2002	102,000
2003 – 2006	332,000

  In addition to the local option tax revenues, the County will take additional actions to fund the service hours described above. These actions assume administrative cuts in the King County Department of Transportation resulting in an annual savings of $14.6 million, as well as the following fare increases:
  - ✓ $0.25 increase to non-paratransit fares
  - ✓ $0.50 increase for individual paratransit trips
  - ✓ An increase from $8.75 to $24.00 in the paratransit monthly pass

  Executive Sims specifically identified Aurora Avenue North and Lake City Way as candidate corridors for transit service enhancements.

- Sims proposal also includes traffic signal synchronization on the Regional Arterial Network. Greenwood Avenue N south of Shoreline Community College and 15th Avenue NE are included in this plan. The local option tax measure will be able to fund about half of the countywide synchronization program as planned. The

remainder of the project would be funded by issuing general obligation bonds backed by dollars in the King County Road Fund. This would generate up to $117 million over the next six years to synchronize traffic signals, as well as pay for road construction in unincorporated King County communities. The synchronization of signals on Aurora Avenue North and Lake City Way are noted as already funded.

At your Workshop, PADS staff will discuss the City's options for affecting transit service in Shoreline. In addition, staff has identified several general areas that your Council may want to convey to the King County Council:

- *Initiate immediate action to restore or restructure service to fill in the gaps created by the February 2000 cuts (routes 302, 314, 315).*

- *Continue to improve transit service in Shoreline by pursuing the reallocation of redeployable hours and new service hours in Shoreline (per Table 1), and seeking and supporting other additional funding sources.* As the population in Shoreline and King County continues to grow, transit service is essential to ensure the mobility our residents.

- *Encourage the King County Council members and the Executive serving on the Sound Transit Board to fund the extension of light rail to Northgate in Phase I of the Sound Move.*

In summary, it is important that you are knowledgeable of the changes in transit service that may happen in Shoreline, and that Shoreline's interest in maintaining transit as an travel choice for our residents is known to the King County Council.

RECOMMENDATION

Provide comments to the King County Council and Executive regarding the future in transit service in Shoreline. At your discretion, Shoreline staff will prepare a letter of comment to formally convey those comments. Your Council may also want to comment in support of the ballot measure.

Approved By: City Manager LB City Attorney N/A

Attachment
Attachment A: King County Council Ordinance #13931 Authorizing and Additional Sales and Use Tax of 0.2% for the Operation, Maintenance, and Capital Needs of Public Transportation.

Attachment A

KING COUNTY

516 Third Avenue
Seattle, WA 98104

Signature Report

September 15, 2000

Attachment 1

Ordinance 13931

Proposed No. 2000-0422.2 **Sponsors** Pelz and Nickels

AN ORDINANCE directing the submission to the qualified voters of King County of a proposition authorizing an additional sales and use tax of two tenths of one percent for the operation, maintenance and capital needs of public transportation; and adding a new chapter to K.C.C. Title 4.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings. The council makes the following findings:

A. King County is a home rule charter county with broad powers to provide public transportation within the county's geographic boundaries. Under this authority, chapter 36.56 RCW, chapter 35.58 RCW and other provisions of law, the county owns and operates an extensive system of buses, vanpools, accessible services vehicles, park and ride lots, transit centers, transit hubs and other transportation facilities within the county.

B. The county's public transportation services and facilities provide mobility to residents, workers and visitors, carrying over three hundred thousand weekday riders and

almost one hundred million annual riders. These services and facilities, although not adequate to meet even the current demand, are essential to the functioning of key transportation corridors in the region. Without these services, traffic conditions, already estimated to be the third most congested in the nation, would worsen.

C. Repeal of the Motor Vehicle Excise Tax eliminated approximately one hundred ten million dollars of funding for the county's public transportation system.

D. Bridge funding from the state legislature and a series of administrative and service cuts and efficiencies has enabled the county to continue operating its public transportation system in 2000 with only minor reductions in service levels.

E. Without additional revenues, funding shortfalls in 2001 will require significant cuts in transit services. Even with proposed additional administrative savings in the 2001 budget and a fare increase for some Metro Transit riders, roughly seven hundred thousand service hours or approximately twenty percent of the current county public transportation system would need to be eliminated to accommodate loss of Motor Vehicle Excise Tax revenue. Loss of these service hours would add approximately thirty-two thousand vehicles to the region's roadways.

F. In accordance with chapter 82.14 RCW and by approval of the qualified electorate, the county is currently imposing a retail sales and use tax of six-tenths of one percent for the operation, maintenance and capital needs of its public transportation system. The state legislature has recently authorized the county to fix and impose up to an additional three-tenths of one percent sales and use tax for public transportation system purposes, subject to voter approval under RCW 82.14.045.

G. Imposing an additional sales and use tax of two-tenths of one percent in the

county will enable the county to continue to operate transit at or above existing service levels, obviate the need for service cuts, and allow the county to improve existing facilities and modestly improve existing services. Funds from the measure will also enable the county to attract additional riders to the public transportation system.

H. To fund the county's public transportation system needs, a proposition should be submitted to the voters requesting authorization to fix and impose an additional sales and use tax of two-tenths of one percent for the preservation of the King County Metro Transit system.

I. Lodging establishments of sixty or more units that are located within King County are subject to a special state excise tax for convention and trade center purposes under RCW 67.40.090. This tax is in addition to other general and special state and local sales and use taxes, including a special county tax that is imposed under RCW 67.28.180 for various purposes including stadium, youth sports, tourism, arts and cultural museums. Increasing the county-imposed sales taxes for such establishments would effectively increase their lodging rates and thereby negatively affect this region's ability to attract tourists and conventions. It is therefore in the best interests of the County that such establishments that are already paying other county excise taxes be granted a credit against any additional public transportation taxes that may result from voter authorization obtained under this ordinance.

SECTION 2. Sections 3 through 5 of this ordinance should constitute a new chapter in K.C.C. Title 4.

NEW SECTION. SECTION 3. **Definitions.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

A. "County" means King County, Washington.

B. "Council" means the metropolitan King County council.

C. "Tax proceeds" means the principal amount of funds raised by the additional sales and use tax authorized by this chapter and any interest earnings on the funds.

NEW SECTION. SECTION 4. **Authorization of additional sales and use tax.** For the purpose of providing funding for the operation, maintenance and capital needs of public transportation, the council hereby directs the submission of a proposition to the voters of the county substantially as set forth in section 6 of this ordinance to authorize the county to fix and impose pursuant to RCW 82.14.045 an additional sales and use tax of two-tenths of one percent. This additional sales and use tax shall be in addition to other existing sales and use taxes, including the six-tenths of one percent public transportation sales and use tax currently imposed by the county. The additional sales and use tax shall be levied at such rate and collected as of such a date as may be determined by the council. Any subsequent county ordinance imposing additional taxes as a result of voter approval obtained under this Ordinance shall contain a provision allowing a credit against such additional taxes in the amount of taxes paid to the county under RCW 67.28.180 by any person or entity which is also subject to the state tax provided under RCW 67.40.090.

NEW SECTION. SECTION 5. **Use of tax proceeds.** The tax proceeds from the tax imposed under section 4 of this ordinance shall be used for the operation, maintenance and capital needs of King County Metro public transportation as allowed by law.

SECTION 6. **Call for election.** Pursuant to RCW 29.13.010, it is hereby found

and declared that an emergency exists requiring that the proposition, substantially as hereinafter set forth, be submitted to the qualified electors of the county at a county special election to be held in conjunction with the general election on November 7, 2000.

The manager of records and elections of King County is hereby requested to also find the existence of such emergency and to assume jurisdiction of and to call and conduct such election to be held within the county on said date and to submit to the qualified voters of the county at such election said proposition.

The clerk of the council is hereby authorized and directed to certify said proposition to the manager of records and elections in substantially the following form:

The Metropolitan King County Council has passed Ordinance No._____concerning this public transportation system sales and use tax proposition. This proposition would authorize King County to fix and impose an additional sales and use tax of not more than two-tenths of one percent in order to fund operation, maintenance, and capital needs of public transportation, including, but not limited to, bus service, passenger facilities, park and ride facilities, and other congestion relief projects to preserve and enhance Metro Transit services as provided in Ordinance No._____. Should this proposition be enacted into law:

Approved ..... ☐

Rejected ..... ☐

SECTION 7. **Ratification.** Certification of the proposition by the clerk of the council to the manager of records and elections of King County in accordance with law before the election on November 7, 2000, and any other act consistent with the authority and before the effective date of this ordinance are hereby ratified and confirmed.

SECTION 8. **Authority supplemental.** The authority granted in this ordinance is supplemental to all other powers of the county and nothing in this ordinance shall be construed as limiting or restricting any powers or authority conferred upon the county by law.

SECTION 9. **Severability.** 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.

Ordinance 13931 was introduced on 7/17/00 and passed as amended by the Metropolitan King County Council on 9/11/00, by the following vote:

Yes: 7 - Ms. Miller, Ms. Fimia, Mr. Phillips, Mr. Pelz, Ms. Sullivan, Mr. Nickels and Mr. Gossett
No: 6 - Mr. von Reichbauer, Mr. McKenna, Mr. Pullen, Ms. Hague, Mr. Vance and Mr. Irons
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

_____

ATTEST:

_____

APPROVED this ____ day of _____, ____.

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