



King County
Metropolitan King County Council
Budget and Fiscal Management Committee

Panel 1 – Public Transit, Climate, Local Services, and Infrastructure

October 8, 2024– 9:30 a.m.

Councilmembers:

Sarah Perry, Chair;

Claudia Balducci, Jorge Barón, Rod Dembowski, Reagan Dunn, Girmay Zahilay

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Briefing No. 2024-B0098
Briefing on Proposed 2025 Annual Budget – Public Transit, Climate, Local Services, and Infrastructure

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GENERAL FUND TRANSFER TO DEPARTMENT OF LOCAL SERVICES

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$4,397,183	\$0	0.0	0.0
2025 Base Budget Adjust.	\$853,922	\$0	0.0	0.0
2025 Decision Packages	\$5,443,220	\$0	0.0	0.0
2025 Proposed Budget	\$10,695,000	\$0	0.0	0.0
% Change from prior biennium, annualized	143.2%			
Dec. Pkg. as % of prior biennium, annualized	123.8%			

Major Revenue Sources: General Fund

DESCRIPTION

The General Fund transfer to the Department of Local Services (DLS) covers those costs in the DLS Director's Office and Permitting Division that are paid for by the General Fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

There is just under \$10 million from the General Fund going to DLS in the proposed 2025 budget, which is 143% increase from the 2024 annualized budget. The primary change is a \$4.0 million reappropriation for participatory budgeting.

The changes also include approximately \$433,000 for two community programs in North Highline, and \$142,000 for implementation of the minimum wage ordinance.

Further discussion of how these moneys are being used is provided in the staff reports for the Local Services Administration budget.

KEY ISSUES

Any discussion of issues related to this General Fund transfer is provided in the staff reports for the DLS and Permitting Division budgets.

GENERAL FUND TRANSFER TO DNRP

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$2,601,000	\$0	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$183,000	\$0	0.0	0.0
2025 Proposed Budget	\$2,784,000	\$0	0.0	0.0
% Change from prior biennium, annualized	7.0%			
Dec. Pkg. as % of prior biennium, annualized	7.0%			

Major Revenue Sources: General Fund

DESCRIPTION

The General Fund transfer for the Department of Natural Resources (DNRP) is one of many such transfers from the General Fund to support county programs.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget would appropriate about \$2.8 million in General Fund to DNRP, which is a 7% increase to the annualized 2024 revised budget. The proposed budget includes administrative services changes and technical adjustments, including removing \$92,000 in General Fund support for the Local Food Initiative to address the General Fund deficit. There is a corresponding change in DNRP Administration as the proposed budget would replace General Fund support with funding from the DNRP Director's Office Overhead Allocation.

Additionally, the proposed budget for the General Fund transfer to DNRP includes an increase of \$275,000 to reflect inflationary increases.

KEY ISSUES

Staff have not identified any key issues with this budget.

REAL ESTATE EXCIST TAX (REET)

ANALYST: MARY BOURGUIGNON

REET 1

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$6,244,807	\$22,900,000	\$23,700,000
Expenditures	\$6,244,807	\$22,900,000	\$23,700,000

Major Revenue Sources: Real Estate Excise Tax

REET 2

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$6,592,386	\$22,000,000	\$22,800,000
Expenditures	\$6,592,386	\$22,000,000	\$22,800,000

Major Revenue Sources: Real Estate Excise Tax

DESCRIPTION

King County levies two Real Estate Excise Taxes (REET) on sellers of real property in unincorporated King County. Each tax is 0.25% of the property value and each is regulated by both State law and the King County Code.

REET 1 is permitted by State law to be used to finance capital improvements that are listed in the capital facilities plan element of the Comprehensive Plan, or for housing relocation assistance.¹ The King County Code specifies that these proceeds may only be used "for capital needs of the unincorporated area of the county."²

REET 2 is permitted by State law to be used for limited types of capital projects identified in the capital facilities plan element of the Comprehensive Plan, including, through the end of 2025, capital facilities for those experiencing homelessness or for affordable housing projects.³ King County Code requires that REET 2 only be used for the "planning, construction, reconstruction, repair, rehabilitation or improvement of parks located in or providing a benefit and open to residents of the unincorporated area of King County."⁴

Figure 1 below shows actual and projected REET revenues from 2014 through 2033. According to the Executive's proposed budget, REET revenue declined in 2022 and 2023,

¹ RCW 82.46.010

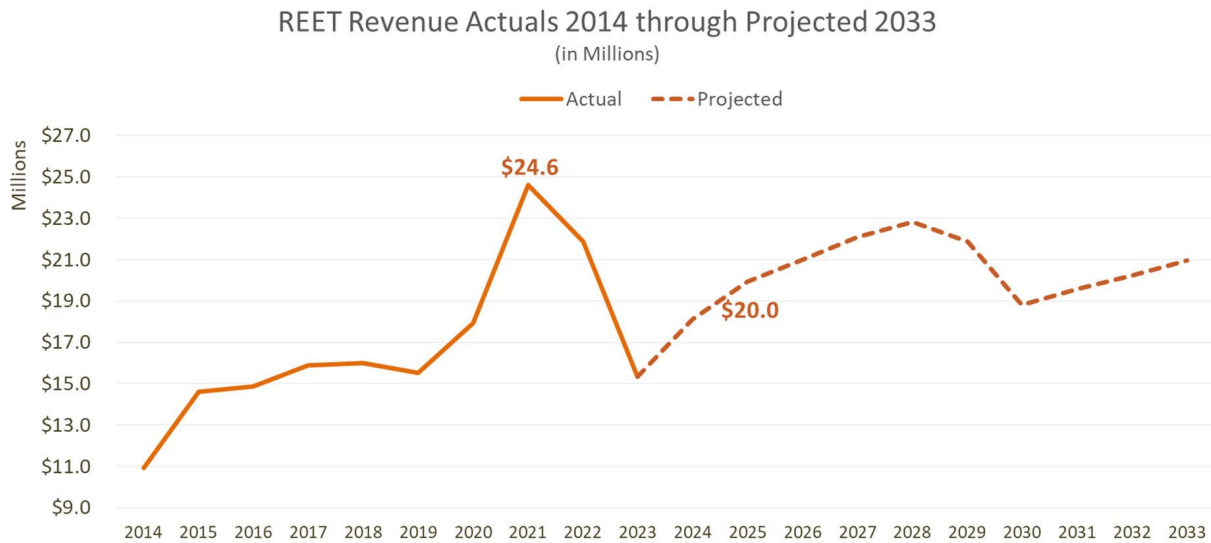
² K.C.C. 4A.200.580

³ RCW 82.46.035

⁴ K.C.C. 4A.200.590.E

driven by the slowdown in the housing market and higher interest rates. Current estimates project a gradual recovery in REET revenue through 2033. The County expects to collect \$20 million in 2025. As the chart below shows, REET revenues are anticipated to remain between \$20 million to \$22 million per year through 2033.

Figure 1: REET Revenue 2014 through Projected 2033



Source: Executive Proposed 2025 Budget

SUMMARY OF PROPOSED BUDGET AND CHANGES

In the 2025 proposed budget, REET would support Roads Services Division and Parks Division capital projects through transfers to the Parks and Roads Divisions.

REET proceeds are proposed to be used for the following in the 2025 budget:

- \$8.6 million for Parks to fund various projects including fish passage projects; improving bridge and trestle structures on the Snoqualmie Valley, Burke Gilman, and other Regional Trails; and rehabilitation of existing parks facilities including completion of the ADA Transition Plan and progress on electric vehicle infrastructure.
- \$1.8 million for debt service for the central maintenance facility and bridge replacement projects.
- \$2.4 million for Road Services to fund projects in unincorporated King County including roadway preservation, bridge replacement design, and the removal of fish barriers.

KEY ISSUES

Staff have not identified any key issues with this budget.

PARKING FACILITIES

ANALYST: JENNY GIAMBATTISTA

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	N/A	N/A	N/A	N/A
2025 Base Budget Adjust.	N/A	N/A	0.0	0.0
2025 Decision Packages	\$3,029,492	\$5,148,254	0.0	0.0
2025 Proposed Budget	\$3,030,000	\$5,149,000	0.0	0.0
% Change from prior biennium, annualized	N/A			
Dec. Pkg. as % of prior biennium, annualized	N/A			

Major Revenue Sources: Parking fees (from both county employees and the public)

DESCRIPTION

This is a new appropriation unit that would be used to record the operating costs of managing the County’s parking garages and record revenue. County-owned parking facilities include the following six facilities:

- Norm Maleng Regional Justice Center parking structure in Kent;
- Goat Hill parking garage (6th and Jefferson) in Seattle;
- Adult Detention Center parking facilities (5th and James) in Seattle;
- Chinook Building (5th and Jefferson) in Seattle;
- King Street Center (2nd and Jackson) in Seattle; and
- Patricia H. Clark Children and Family Justice Center (12th and Alder) in Seattle.

King County Code Chapter 3.32 regulates the county-owned parking facilities including administrative regulations, fees, parking rates, and disposition of parking fee revenues. As per K.C.C. Section 3.32.090 any excess revenue after payment of expenses is distributed to the general fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget would appropriate \$3 million to the new Parking Facilities appropriation unit and anticipates \$5.1 million in parking revenues in 2025. PSB reports that the fourth quarter of 2022 through the second quarter of 2024 has seen a tremendous rebound in transient, validation, and event revenue while monthly parking has been slow to return due to hybrid work schedules. Additionally, the third quarter of 2024 has seen a steady increase in monthly parking at King Street Center and Goat Hill and the trend is expected to continue well into 2025. Special events such as the Taylor

Swift concert in 2023, and sport events also contributed to the increasing revenue trends after the downturn from COVID-19.

Parking expenditures and revenues were previously budgeted in a sub-fund (FMD Parking Facilities fund) of the General Fund. At the end of each year an accounting adjustment is made to record the parking revenue collected from General Fund agencies as an expenditure reduction in the General Fund. PSB reports the accounting requirements are cumbersome and require manual adjustments to be processed at the end of each fiscal year to correctly reflect the General Fund's ending fund balance. PSB reports the creation of this appropriation unit in the General Fund would improve transparency and reduce the additional manual reporting adjustments. However, because this is now an appropriation unit within the General Fund, there is no longer a financial plan available that shows details on parking revenues and expenditures. Council staff requested and received the information that was previously provided in the financial plan.

As a new appropriation unit, a technical adjustment of \$1.6 million is included in the budget to reflect central rates. There are no other decision packages for this appropriation unit.

KEY ISSUES

Staff have not identified any key issues with this budget.

ROADS CONSTRUCTION TRANSFER

ANALYST: NICK BOWMAN

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$6,605,633	N/A	N/A	N/A
2025 Base Budget Adjust.	\$0	N/A	N/A	N/A
2025 Decision Packages	(\$699,719)	N/A	N/A	N/A
2025 Proposed Budget	\$5,906,000	N/A	N/A	N/A
% Change from prior biennium, annualized	(10.6%)			
Dec. Pkg. as % of prior biennium, annualized	(10.6%)			

Major Revenue Sources: N/A

DESCRIPTION

The Roads Service Division's budgeted Total Capital Revenue must support the Total Capital Appropriation. After calculating the combination of fund balance, grants and contributions from other County funds, the transfer from the Roads Operating Fund is utilized to achieve the balance necessary to support the capital portfolio.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed roads construction transfer shows a decrease of approximately \$700,000 (-10.6%) from the annualized 2024 revised budget. The decrease reflects Roads' diminished capital portfolio resulting from Roads' structural funding deficit which is discussed further in the Roads Capital Improvement Program.

KEY ISSUES

Staff have not identified any key issues with this budget.

RENTON MAINTENANCE FACILITY FUND

ANALYST: NICK BOWMAN

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$691,000	\$0	\$0
Expenditures	\$691,000	\$0	\$0
Major Revenue Sources: Fund Balance			

DESCRIPTION

The Renton Maintenance Facility Fund (Fund 3850) is a legacy fund that is in the process of closing, per Ordinance 18323. Approved by the Council in 2016, Ordinance 18323, created two new capital funds for the Roads Services Division: County Road Major Maintenance Fund (Fund 3855) and the King County Road Construction Fund (Fund 3865), to replace legacy Roads' capital funds.¹ The amounts shown in the Renton Maintenance Facility Fund are intended to be spent down on existing project appropriations and closed by the end of 2025. Any remaining fund balance will be reappropriated into an administrative project per Finance and Business Operations Division (FBOD) requirements and transferred out once all projects are completed and/or closed out.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 Executive proposed budget includes one disappropriation of \$309,000 from the emergent needs project consistent with the strategy to close out remaining projects in Fund 3850 and an appropriation of \$1 million in fund balance to an administrative project transferring the monies to the County Road Major Maintenance Fund in accordance with FBOD requirements.

KEY ISSUES

Staff have not identified any key issues with this budget.

¹ In April 2023, the Council adopted Ordinance 19615 closing out the legacy Roads Capital Fund and deleting KCC 4A.200.650, the section where the Roads Capital Fund was listed in King County Code.

TRANSIT REVENUE STABILIZATION RESERVE FUND

ANALYST: MARY BOURGUIGNON

Revenue Stabilization Reserve Fund (4643)

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$10,616,000	\$18,068,088	\$16,756,002
Expenditures	N/A	N/A	N/A

Major Revenue Sources: Sales tax, interest

DESCRIPTION

The Public Transportation Fund has five subfunds:

- The **Operating Fund** supports the ongoing operation of transit services and includes direct operating labor and non-labor costs, administrative costs, and indirect and overhead costs.
- The **Infrastructure Capital Fund** (Fund 3641) supports capital infrastructure projects other than revenue fleet vehicle purchases, including the planning, design, acquisition, preservation, and replacement of infrastructure and other capital items needed to support Metro's operations.
- The **Revenue Fleet Capital Fund** (Fund 3642) supports new and replacement revenue fleet¹ purchases. To smooth large expenditure fluctuations associated with fleet replacement purchases, Metro maintains a Revenue Fleet Replacement Reserve and may also issue debt.
- The **Revenue Stabilization Reserve Fund** holds fund balance to offset the impacts of an economic downturn. Moneys in the Revenue Stabilization Fund can only be accessed through an appropriation ordinance and only under specific conditions in which sales taxes are declining.²
- The **Debt Service Fund** is required to be sufficient to meet annual debt service obligations for debt-financed Transit assets.

¹ Revenue fleet refers to vehicles used to transport customers, such as buses and Vanpool vans, as opposed to vehicles used for internal purposes such as maintenance.

² Ordinance 18321, Attachment A, Section IV.A. Metro's largest single source of revenue is a 0.9% dedicated sales tax. The Revenue Stabilization Reserve Fund was developed following the last recession to provide a reserve against the volatility of the sales tax.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The **Revenue Stabilization Reserve Fund**, as described above, holds fund balance to offset the impacts of an economic downturn. For 2025, the financial plan proposes a total reserve of \$329 million.

KEY ISSUES

Staff have not identified any key issues with this budget (Transit Revenue Stabilization Reserve Fund).

A separate staff report covers the Transit Debt Service Fund, for which no key issues have been identified.

A third staff report covers the three main Transit appropriation units (the Operating Fund, Infrastructure Capital Fund, and Revenue Fleet Capital Fund). That staff report describes Metro's overall budget and related policy issues in detail.

TRANSIT DEBT SERVICE (BOND) FUND

ANALYST: MARY BOURGUIGNON

Debt Service (Bond) Fund (8430)

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$40,526,000	\$22,396,228	\$80,431,341
Expenditures	N/A	N/A	N/A
Major Revenue Sources: Sales tax, Marine property tax, interest income, Federal debt service subsidies			

DESCRIPTION

The Public Transportation Fund has five subfunds:

- The **Operating Fund** supports the ongoing operation of transit services and includes direct operating labor and non-labor costs, administrative costs, and indirect and overhead costs.
- The **Infrastructure Capital Fund** (Fund 3641) supports capital infrastructure projects other than revenue fleet vehicle purchases, including the planning, design, acquisition, preservation, and replacement of infrastructure and other capital items needed to support Metro's operations.
- The **Revenue Fleet Capital Fund** (Fund 3642) supports new and replacement revenue fleet¹ purchases. To smooth large expenditure fluctuations associated with fleet replacement purchases, Metro maintains a Revenue Fleet Replacement Reserve and may also issue debt.
- The **Revenue Stabilization Reserve Fund** holds fund balance to offset the impacts of an economic downturn. Moneys in the Revenue Stabilization Subfund can only be accessed through an appropriation ordinance and only under specific conditions in which sales taxes are declining.²
- The **Debt Service Fund** is required to be sufficient to meet annual debt service obligations for debt-financed Transit assets.

¹ Revenue fleet refers to vehicles used to transport customers, such as buses and Vanpool vans, as opposed to vehicles used for internal purposes such as maintenance.

² Ordinance 18321, Attachment A, Section IV.A. Metro's largest single source of revenue is a 0.9% dedicated sales tax. The Revenue Stabilization Reserve Fund was developed following the last recession to provide a reserve against the volatility of the sales tax.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The **Debt Service Fund**, as described above, is required to be sufficient to meet annual debt service obligations for debt-financed Transit assets. For 2025, the financial plan proposes a total reserve of \$54.6 million.

KEY ISSUES

Staff have not identified any key issues with this budget (Transit Debt Service Fund).

A separate staff report covers the Transit Revenue Stabilization Reserve Fund, for which no key issues have been identified.

A third staff report covers the three main Transit appropriation units (the Operating Fund, Infrastructure Capital Fund, and Revenue Fleet Capital Fund). That staff report describes Metro's overall budget and related policy issues in detail.

HISTORIC PRESERVATION

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$681,298	\$659,831	5.0	0.0
2025 Base Budget Adjust.	\$60,372	\$0	0.0	0.0
2025 Decision Packages	(\$223,486)	(\$173,212)	0.0	0.0
2025 Proposed Budget	\$519,000	\$487,000	5.0	0.0
% Change from prior biennium, annualized	(23.8%)			
Dec. Pkg. as % of prior biennium, annualized	(32.8%)			

Major Revenue Sources: Document Recording Fee, General Fund

DESCRIPTION

The Historic Preservation Program is responsible for designating and protecting significant historic resources and archaeological sites in unincorporated King County, and in cities that have preservation services agreements with the county. Functions include the identification and documentation of historic properties, landmark nominations and protection, review of county projects for compliance with cultural resource protection laws, public information and education related to historic and cultural resources, and management of incentives programs related to historic and cultural resources. The Historic Preservation Program is funded primarily by a document recording fee surcharge, as authorized by state law.¹

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget contains a roughly 24% reduction in expenditures for the Historic Preservation appropriation. The primary proposed adjustment in expenditures is connected to the labor costs for Historic Preservation staff performing archaeological and cultural resource review on county projects. According to Executive staff, when Historic Preservation staff work on projects for other county agencies, those agencies are charged for the salary and overhead costs for Historic Preservation staff. The methodology that calculates these labor costs was updated in June 2024, and the new methodology resulted in an increased cost recovery for the Historic Preservation Program. That increased cost recovery appears as a \$172,000 reduction in "labor loan out" expenditures in the proposed budget. The second proposed adjustment to expenditures is a reduction to the central rate for internal services as some information technology charges were consolidated with the Department of Natural Resources Administration Fund.

¹ RCW 36.22.170

The Executive's proposed 2025 budget reflects a continued decline in 2025 for the document recording fee revenues that are authorized by state law. This decline is demonstrated by the proposed \$173,000 decrease in Historic Preservation revenues. Document recording fee revenues are generally tied to movements in interest rates for mortgages because a significant percentage of documents that get recorded have to do with home purchases and refinancing. While the lower number of home purchases in recent years has contributed to a reduced amount of recording fee revenue in 2025, the Office of Economic and Financial Analysis's August 2024 forecast does expect that revenues will grow at 5.8% from 2025 to 2026.

KEY ISSUES

Staff have not identified any key issues for this budget.

YOUTH AND AMATEUR SPORTS FUND

ANALYST: SHERRIE HSU

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	4,292,223	4,890,965	3.0	0.0
2025 Base Budget Adjust.	13,474	0	0.0	0.0
2025 Decision Packages	9,306,458 ¹	2,582,897	1.0	0.0
2025 Proposed Budget	\$13,613,000²	\$7,474,000	4.0	0.0
% Change from prior biennium	217%			
Dec. Pkg. as % of prior biennium	217%			
Major Revenue Sources: Rental Car Sales Tax, Federal Revenues³				

DESCRIPTION

The Youth and Amateur Sports Fund (YASF) provides funding for youth and amateur sport activities or facilities through a combination of councilmanic and competitive grant programs.

The YASF was created in late 2016. Prior to that time, state law⁴ had required that 75% of the County's car rental tax revenues be dedicated to repayment of the Kingdome debt, with the remaining 25% to be used for the Youth Sports Facilities Grant Program. When the Kingdome debt was retired, the County was able to devote its car rental tax revenues entirely to youth and amateur sports activities and facilities.

As part of the 2017-2018 biennial budget Ordinance,⁵ the Council created the YASF, which included the former Youth Sports Facilities Program and new Council-directed and competitive grant programs for youth and amateur sports activities and facilities.

Competitive grant programs include the Youth Sports Facility Grants (capital grants), Sports and Activity Access Grants (program and activation grants), and Local Sports and Activities Grants (unincorporated area grants).

The Council-directed grants program includes the Get Active, Stay Active (GASA) grant program. These grants are awarded by Councilmember offices for organizations that

¹ This includes carryover balance from competitive grants and councilmanic grants in 2024. These do not reflect actual amounts allocated for 2025 grants.

² This includes carryover balance from competitive grants and councilmanic grants in 2024. These do not reflect actual amounts allocated for 2025 grants.

³ Spending authority to conclude on December 31, 2025

⁴ RCW 82.14.049

⁵ Ordinance 18409

provide youth and amateur sports and fitness programs.⁶ The two-year allocation has traditionally been \$1.8 million (\$200,000 per Council district). The 2021-2022 budget allocation⁷ was lower due to a lack of available money from the car rental sales tax, but this was restored in the 2023-2024 biennial budget to the \$1.8 million allocation.

In the 2023-2024 biennial budget, \$4.6 million was reappropriated from the Coronavirus Local Fiscal Relief (CLFR) money to the Youth Sports Program, to continue the Play Equity Coalition-led grant award process for youth and amateur sports organizations. The Youth Sports Program invests in programs and capital projects that increase physical activity opportunities for youth. The CLFR money initially would have sunset at the end of 2024; according to Executive staff, there was an opportunity to extend the CLFR money through the end of 2025, and Parks opted to reappropriate remaining funding commitments at the end of 2024 through 2025 to complete existing grant agreements.

Based on the August 2024 OEFA forecast, OEFA estimates \$5.7 million in car rental sales tax revenues in 2025.⁸ Car rental sales tax revenues would support the competitive grants program and GASA councilmanic grant awards. In addition, \$1.6 million in federal CLFR money would be reappropriated to support competitive and play equity grants.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed budget includes the following appropriations:

- **\$166,000 in appropriation authority and 1.0 FTE to add one Contract Specialist** position to support contract administration for ongoing councilmanic grant awards within the GASA program. According to Executive staff, this position is needed because this work is not currently fully performed and is currently a shared responsibility across multiple positions within Parks. According to Executive staff, the addition of this FTE would optimize efficiencies in contracting, reimbursements, capacity building and technical assistance for grantees, and program management support.
- **\$7.6 million to reappropriate the remaining Youth and Amateur Sport grant balances from 2024 to 2025.** This includes \$5.5 million in carryforward competitive grants and \$2.1 million in carryforward councilmanic grants.

According to the Financial Plan, the proposed 2025 expenditures for this fund include \$7.6 million to competitive grant programs and \$2.7 million to councilmanic grant programs in 2025. Note that these include carryforward balances and do not reflect actual amounts allocated for grants in 2025.

⁶ Ordinance 19210

⁷ Adopted 2021-2022 budget allocation was \$1.53 million; this was revised through the COVID 7 supplemental to \$1.89 million, some of which was supported by federal revenue

⁸ Past revenues were \$5.3 million in 2023 and an estimated \$4.3 million in 2024.

\$7.6 million for competitive grant programs includes \$2 million in carryover grant balance from 2024 and \$3.5 million in 2024 grant commitments contracted for fall 2024 (for a total of \$5.5 million carryforward). The actual amount allocated for competitive grants in 2025 is \$2.1 million.

\$2.7 million for councilmanic grant programs includes \$1.8 million in carryforward grant balance from 2024. The actual amount available for councilmanic grants in 2025 is \$900,000. This means each council district would be allocated \$100,000 for councilmanic grants.

In the 2023-2024 biennial budget, \$3.5 million was allocated for competitive grants and \$1.8 million was allocated for councilmanic grants.

This information is summarized in the table below:

	2023-2024 Biennial Budget Grant Allocations	2025 Budget Grant Allocations
Competitive grants	\$5.3M	\$7.6M, which includes: <ul style="list-style-type: none"> • \$2M carryover balance • \$3.5M carryover for 2024 fall commitments • \$2.1M allocated for grants in 2025
Councilmanic grants	\$1.8M	\$2.7M, which includes: <ul style="list-style-type: none"> • \$2.1M carryforward balance • \$900,000 allocated for grants in 2025

- **\$1.6 million to reappropriate federal CLFR money** for the Youth and Amateur Sports grants to follow through on grant commitments.

KEY ISSUES

Staff have not identified any key issues for this budget.

SOLID WASTE LANDFILL POST-CLOSURE MAINTENANCE

ANALYST: TERRA ROSE

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$2,180,011	\$2,206,241	1.0	0.0
2025 Base Budget Adjust.	\$65,313	\$0	0.0	0.0
2025 Decision Packages	(\$190,901)	\$656,577	(1.0)	0.0
2025 Proposed Budget	\$2,055,000	\$2,863,000	0.0	0.0
% Change from prior biennium, annualized	(5.7%)			
Dec. Pkg. as % of prior biennium, annualized	(8.8%)			

Major Revenue Sources: Transfer from SWD Operating fund (disposal fee revenues)

DESCRIPTION

The Solid Waste Division (SWD) is responsible for the maintenance and monitoring of seven closed landfills located in King County. The Solid Waste Post-Closure Maintenance Fund is an operating fund that pays for routine maintenance and monitoring of engineering control systems (e.g., soil cover, landfill gas control and treatment, groundwater monitoring wells) already installed at the closed landfills. The Solid Waste Construction capital fund pays for planning, design, and construction of *new* systems at the closed landfills.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget for the Solid Waste Post-Closure Landfill Maintenance Fund is proposed to decrease by approximately \$125,000, or 5.7%, relative to the annualized 2024 revised budget. This change primarily reflects SWD's request to move 1.0 FTE from this fund to the Solid Waste operating fund. Budget materials indicate that at some point a single FTE was allocated to this fund, however, SWD is proposing moving it to the SWD operating fund where other personnel are budgeted to streamline FTE tracking.

KEY ISSUES

Staff have not identified any key issues with this budget.

SOLID WASTE CAPITAL EQUIPMENT RECOVERY FUND

ANALYST: TERRA ROSE

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$6,500,000	\$12,000,000	\$11,000,000
Expenditures	\$6,500,000	\$12,000,000	\$11,000,000
Major Revenue Sources: Transfer from Solid Waste Operating Fund (disposal fees)			

DESCRIPTION

The Solid Waste Capital Improvement Program is comprised of three funds: the Solid Waste Construction Fund, the Capital Equipment Recovery Fund, and the Landfill Reserve Fund. The Solid Waste Capital Equipment Recovery Fund, which is the subject of this staff report, is used to replace and provide for major maintenance of rolling stock (e.g., long-haul trucks and trailers) and stationary compactors. New equipment is purchased from the Solid Waste Operating Fund, but after the initial purchase, replacements are funded out of the Capital Equipment Recovery Fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would appropriate approximately \$6.5 million for the maintenance and replacement of rolling stock (e.g., long-haul trucks and trailers) and stationary compactors. Budget materials indicate that this contribution level is calculated to cover planned expenditures, rehabilitate equipment, and maintain a fund balance equivalent to approximately 10% of the replacement value of all equipment covered by this fund.

Executive staff indicate that purchase and delivery of replacement vehicles has been a challenge in the past several years with supply chain disruptions caused by the pandemic. However, Executive staff note that delivery timelines have returned to pre-pandemic levels and the Division is engaging with the Fleet Services Division to improve the process for ordering equipment. According to Executive staff, they anticipate continuing to improve procurement mechanisms with the goal of creating more predictable, efficient pathways for purchase, with the expectation that replacement backlogs will decrease over time.

KEY ISSUES

Staff have not identified any key issues with this budget.

WASTEWATER DEBT SERVICE

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$269,714,999	\$0	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$208,104,488	\$0	0.0	0.0
2025 Proposed Budget	\$477,820,000	\$488,547,000	0.0	0.0
% Change from prior biennium, annualized	77.2%			
Dec. Pkg. as % of prior biennium, annualized	77.2%			

Major Revenue Sources: Transfer from Wastewater Operating budget.

DESCRIPTION

The Wastewater Treatment Division capital program is supported primarily by bonded indebtedness, in the form of general obligation, sewer revenue bonds, and variable rate bonds. Low interest loans from the State Revolving Fund and the Public Works Fund are also used to support the capital program. The Wastewater Debt Service budget is used to make required payments on bonded indebtedness and loans. Outstanding wastewater debt currently amounts to approximately \$3.5 billion.¹

The Wastewater Debt Service budget is supported by transfers from the Wastewater Operating Budget for debt service and debt defeasance.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 Proposed Water Quality Operating Fund budget provides for a transfer of \$488.5 million into the Wastewater Debt Service budget; expenditures of \$477.8 million are supported by this transfer, together with existing fund balance. The 2025 Proposed Budget of \$477.8 million represents about a 3.8% increase over 2024 debt service appropriations. As explained below, the 77.2% increase shown in the table above does reflect the expected increase when compared to the annualized 2024 budget.

Each budget cycle, the WTD finance team determines the amount of appropriation required to cover total debt service payments and potential defeasance opportunities. WTD then submits a technical adjustment decision package with the budget to raise the appropriation to this determined level. Because debt service amounts and defeasance

¹ 2023 outstanding year-end debt balance as reported in the Proposed 2025 Sewer Rate and Capacity Charge and 2025-2034 Financial Forecast (May 2024).

opportunities change from year to year, these technical adjustments are made on a one-time basis and the baseline annual debt service budget always returns to \$269,714,999 in the next budget cycle. In 2024, the total annual debt service budget was \$460,266,095 (\$190.6 million one-time, \$269.7 million ongoing). Due to the way budgets were annualized for the one-year budget, the very large negative base budget adjustment removing the one-time add from the annualized 2024 budget was not reflected in the budget book summary, and thus the 2025 proposed budget appears to show a large percentage increase (77.2%) when compared to the annualized 2024 budget.

KEY ISSUES

Staff have not identified any key issues with this budget.

LOCAL HAZARDOUS WASTE

ANALYST: TERRA ROSE

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$22,227,643	\$18,794,218	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$1,438,082	\$1,411,589	0.0	0.0
2025 Proposed Budget	\$23,666,000	\$20,206,000	0.0	0.0
% Change from prior biennium, annualized	6.5%			
Dec. Pkg. as % of prior biennium, annualized	6.5%			

Major Revenue Sources: Surcharge on solid waste and wastewater disposal services

DESCRIPTION

The Local Hazardous Waste Management Program (LHWMP) provides services to the approximately 2.1 million residents and 60,000 businesses in the county. LHWMP provides a range of residential and business services to reduce exposure to toxic materials. Services include collection and disposal, technical assistance, incentives, prevention programs, and policy initiatives. LHWMP is a regional partnership guided by a multi-jurisdictional Management Coordination Committee (MCC), which is charged with recommending LHWMP's management plan and budget, as well as recommending contracts with partners located in the county to implement the plan. LHWMP is funded through surcharges on solid waste and wastewater services, which are set by the King County Board of Health.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 budget for LHWMP is proposed to increase by approximately \$1.4 million, or 6.5%, relative to the annualized 2024 revised budget. Budget materials indicate that this increase would allow the program to continue providing services at the 2024 level, while accounting for increases in labor, material, and other costs. Budget materials further note that the Executive-proposed budget aligns with the budget approved earlier this year by the MCC.

KEY ISSUES

Staff have not identified any key issues with this budget.

NOXIOUS WEED CONTROL PROGRAM

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$5,562,025	\$5,042,008	20.0	0.0
2025 Base Budget Adjust.	\$225,581	\$0	0.0	0.0
2025 Decision Packages	\$263,932	(\$333,721)	0.0	0.0
2025 Proposed Budget	\$6,052,000	\$4,709,000	20.0	0.0
% Change from prior biennium, annualized	8.8%			
Dec. Pkg. as % of prior biennium, annualized	4.7%			

Major Revenue Sources: Noxious Weed special assessment, grants

DESCRIPTION

The Noxious Weed Control Program combats noxious weeds throughout the county, consistent with the state noxious weed control law (chapter 17.10 RCW). The Noxious Weed Control Program is funded through a special assessment on each parcel in King County. The program is intended to prevent and control the spread of noxious weeds to minimize impacts on public health, natural resources, recreation, and the economy. The program provides education, prevention, and technical assistance to landowners and public agencies to achieve noxious weed control on each site and to reduce the overall impact of noxious weeds throughout the county. The program responds to reports and complaints from the public and independently initiates surveys across King County to detect new infestations and track changes in known populations.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget includes only technical adjustments, including \$123,446 in expenditures to support an increase to the Department of Natural Resources overhead costs.

KEY ISSUES

Staff have not identified any key issues with this budget.

KING COUNTY FLOOD CONTROL CONTRACT

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$145,285,038	\$89,116,435	31.0	0.0
2025 Base Budget Adjust.	(\$6,400,041)	\$0	0.0	0.0
2025 Decision Packages	\$3,896,800	\$53,452,007	0.0	0.0
2025 Proposed Budget	\$142,782,000	\$142,569,000	31.0	0.0
% Change from prior biennium, annualized	(1.7%)			
Dec. Pkg. as % of prior biennium, annualized	2.7%			

Major Revenue Sources: Flood Control District property tax

DESCRIPTION

The Water and Land Resources Division (WLRD) implements the operations and the capital improvement program of the King County Flood Control District (District) through an interlocal agreement. The Flood Control District is a special purpose government, composed of members of the King County Council, created to provide funding and policy oversight for flood protection projects and programs in the county. The Flood Control District program includes structural protection, hazard identification and mitigation, asset management, a flood warning program, consultation with agencies, and risk reduction through partnership.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget for the Flood Control District Fund includes administrative services changes and technical adjustments. The proposed budget reflects anticipated activities to be completed in service to the interlocal agreement with the Flood Control District. Work performed by WLRD is at the request of the District and is subject to negotiation between the County and the District, and future adjustments will likely be needed to conform to the District's approved budget. No new positions are proposed as part of this budget.

KEY ISSUES

Staff have not identified any key issues with this budget.

CONSERVATION FUTURES

ANALYST: SHERRIE HSU

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$128,960,282	\$211,247,167	\$216,689,811
Expenditures	\$128,960,282	\$211,247,167	\$216,689,811

Major Revenue Sources: Conservation Futures Tax Levy, Bond Proceeds

DESCRIPTION

The Conservation Futures Tax (CFT) levy dedicates a portion of property taxes to purchase open space in King County. CFT moneys are collected countywide as a dedicated portion of the annual property tax levy and are, by state law, available only for the acquisition of open space and resource lands.¹

State law sets the maximum rate for the CFT at 6.25 cents per \$1,000 of assessed valuation. King County's CFT rate was originally set at that level, but due to a state-imposed limit on annual property tax growth, the actual tax rate eroded over time and in 2022 was being collected at approximately 3.12 cents per \$1,000.² In 2022, Council passed an ordinance that placed on the ballot a proposition,³ which voters approved, to raise the CFT rate back to 6.25 cents per \$1,000 of assessed valuation.

In 2023, Council passed an ordinance⁴ that lowered the required match from 50% to 25% and added site stabilization costs. Site stabilization costs could include fencing, signage, and structure demolition directly following an acquisition to secure a site and preserve the resources until full site activation can occur.

Per county code,⁵ the Conservation Futures Advisory Committee conducts an annual review of applications for CFT funding and makes recommendations for the Executive and Council to consider as part of the budget. These project recommendations are supported by CFT annual money, CFT bonding, and the Parks Levy.

SUMMARY OF PROPOSED BUDGET AND CHANGES

For 2025, the Conservation Futures Advisory Committee recommended funding for 54 projects with \$107.4 million total. The committee provided recommendations for both property acquisition and site stabilization costs. The committee recommended \$85.5 million in CFT funding and \$16.0 million in Parks Levy funding for property acquisition

¹ RCW 84.34.240

² According to executive staff.

³ Ordinance 19458

⁴ Ordinance 19647

⁵ K.C.C. 26.12

costs, along with \$5.9 million in CFT funding for site stabilization costs, for a total of \$107.4 million.

	CFT Funding	Parks Levy Funding
Property acquisition costs	\$85.5 million	\$16.0 million
Site stabilization costs	\$5.9 million	
Total	\$91.4 million	\$16.0 million

Projects that are supported by Parks Levy money are detailed in the staff report for the Parks Capital Fund (3581).

The \$91.4 million in CFT money for property acquisition (\$85.5 million) and site stabilization (\$5.9 million) includes the following sources of money:

- \$41.4 million in CFT annual collections
- \$25.0 million in CFT bond dollars previously approved in the 2025 CFT bond project (appropriated in the 2023-2024 budget, but not yet assigned to projects)
- \$25.0 million in the 2025 CFT bond projects, which is part of this 2025 budget proposal

The committee's recommendations were transmitted to the Executive in mid-2024, and were presented to the Transportation, Environment, and Economy committee on August 22, 2024.⁶

The Executive's proposed budget includes funding for all projects in the amounts recommended by the CFT Advisory Committee. Proposed CFT Grant Awards are shown in Table 1 (Acquisition Costs) and Table 2 (Site Stabilization Costs).

Table 1.
Proposed 2025 CFT Grant Awards (Acquisition)

Agency/ Location	Project Name	Match Waiver Recommended	Total CFT Recommended	Council District
Auburn	Downtown Auburn Open Space Acquisition	Yes	\$700,000	7
Bellevue	West Lake Sammamish Open Space	-	\$1,597,500	6
Covington	Covington Community Park Expansion	-	\$99,000	9
Des Moines	Wootton Park Native Vegetation Preservation	-	\$159,750	5
Kenmore	Kenmore Lake Pointe Conservation Area Acquisition	-	\$7,366,725	1
Kenmore	Kenmore 76th Ave Property Acquisition	-	\$453,600	1
Seattle	North Beacon Hill/Mt. Baker Urban Villages -	Yes	\$5,500,000	2

⁶ 2024-RPT0099

	17th Ave S & S Walker St Acquisition			
Seattle	Westwood - Highland Park RUV Gap Acquisition	Yes	\$3,250,000	8
Shoreline	Hillwood Park West Acquisition	-	\$1,248,750	1
Shoreline	South Ronald Bog Park Acquisition (SSC is batched with Shoreline-SSC Request award)	-	\$1,594,500	1
Tukwila	South 131st Pl Drainage Improvements	-	\$706,875	8
Nurturing Roots	Empowering Southend Communities through Sustainable Conservation	Yes	\$573,500	2
Watershed Community Development	The Bend Live/Work District Park	Yes	\$3,973,000	8
Fall City Metropolitan Park District	Fall City Open Space Property Acquisition	-	\$3,015,000	3
Tacoma Water	Upper Green Land Acquisition 2025	-	\$447,750	9
SHADOW	SHADOW: Bog Habitat Buffer	0	\$170,400	9
Vashon Maury Island Land Trust	Tahlequah Creek	-	\$19,500	8
Wakulima USA	Wakulima Farm	Yes (from last year)	\$500,000	TBD
KC - WRIA 7	Ames Lake Forest - Phase I	-	\$2,700,000	3
KC - WRIA 7	Griffin Creek Natural Area	-	\$836,175	3
KC - WRIA 7	Lake Alice Forest	-	\$3,392,625	3
KC - WRIA 7	Protecting Farmland - Snoqualmie and Vicinity Farms	-	\$7,125,000	3
KC - WRIA 7	Rattlesnake Mountain Scenic Area Additions	-	\$1,000,500	3
KC - WRIA 7	Rutherford Slough	-	\$618,750	3
KC - WRIA 7	Snoqualmie Corridor Enhancement	-	\$1,627,500	3
KC - WRIA 7	South Fork Skykomish - Miller River Conservation	-	\$882,500	3
KC - WRIA 7	Tanner Landing Addition	-	\$368,250	3
KC - WRIA 7	Union Hill Forest - Phase II	-	\$4,331,250	3
KC - WRIA 7	Upper Snoqualmie Conservation	-	\$525,000	3
KC - WRIA 8	Bear Creek Conservation	-	\$600,000	3
KC - WRIA 8	Cascade Mountains Gateway Project	-	\$942,000	3

KC - WRIA 8	Cedar River Basin Conservation	-	\$2,263,606	9
KC - WRIA 8	Cemetery Pond	-	\$855,000	9
KC - WRIA 8	Cougar Mountain Additions	-	\$4,157,250	9
KC - WRIA 8	East Fork Issaquah Creek	-	\$1,725,000	3
KC - WRIA 8	Issaquah Creek Basin Conservation	-	\$1,113,750	9
KC - WRIA 8	Lake Desire Natural Area Additions	-	\$429,750	9
KC - WRIA 8	Skyway Stormwater Opportunity Fund (WRIA 8 & 9)	-	\$22,500	2
KC - WRIA 9	Coal Creek Forest & Green River Gorge Additions	-	\$2,887,500	9
KC - WRIA 9	Fell Hill Open Space	-	\$1,133,363	9
KC - WRIA 9	Keevie Lake Natural Area Additions	-	\$1,733,363	9
KC - WRIA 9	Mitigation Reserves Program-Green River Service Area	-	\$3,690,750	9
KC - WRIA 9	Shadow Lake NA & Sweeney Pond Additions	-	\$2,231,250	9
KC - WRIA 9	Soos-Jenkins	-	\$2,595,000	9
KC - WRIA 10	Five Mile Park, South County Ballfields & Spider Lake	No	\$375,000	7
KC - Vashon	Frog Holler - Camp Sealth	-	\$768,750	8
KC - Vashon	Manzanita Natural Area Additions	-	\$548,250	8
KC - Vashon	Vashon Creeks and Estuaries	-	\$1,845,000	8
KC - Vashon	Vashon Marine Shoreline	-	\$750,000	8
Auburn	Downtown Auburn Open Space Acquisition	Yes	\$700,000	7
Bellevue	West Lake Sammamish Open Space	-	\$1,597,500	6
Total			\$85,450,481	

**Table 2.
Proposed 2025 CFT Grant Awards (Site Stabilization Cost)**

Agency/ Location	Project Name	CFT Recommended	Council District
Auburn	Downtown Auburn Open Space Acquisition	\$250,000	7
Bellevue	SSC Request	\$525,000	6
Des Moines	Wooton Park Native Vegetation Preservation	\$15,000	5
Kenmore	Kenmore Lake Pointe Conservation Area Acquisition	\$126,375	1
Shoreline	South Ronald Bog Park Acquisition (<i>SSC is batched with Shoreline-SSC Request award</i>)	\$315,000	1
Shoreline	SSC Request	\$787,500	1
Tukwila	South 131st PI Drainage Improvements	\$37,500	8
Nurturing Roots	Empowering Southend Communities through Sustainable Conservation	\$30,000	2
Watershed Community Development	The Bend Live/Work District Park	\$35,000	8
SHADOW	SHADOW: Bog Habitat Buffer	\$9,600	9
KC - SSC	King County DNRP - SSC request	\$3,766,148	varies
Total		\$5,897,123	

The proposal also includes the following administration items identified in Table 3.

**Table 3.
CFT Administration Items**

Administration		
Finance Fund Charges	\$50,000	General Fund overhead, Prosecuting Attorney's Office charges, other miscellaneous central charges
Program Support	\$1,025,897	Administrative program support, including grant management, grant application process, review of reimbursement requests, review and preparation of legislation related to CFT program
Land Conservation Initiative Program Support	\$219,134	Administration and management of open space acquisitions and sales of Transfer Development Rights credit
Debt Service Payments	\$11,534,444	For 2025 debt service payments for CFT program
2025 Parent Bond	\$25,000,000	For projects financed with bond money in 2025
2026 Parent Bond	\$50,000,000	Placeholder for 2026 projects to be recommended by the Advisory Committee in 2025

KEY ISSUES

Staff have not identified any key issues for this budget.

TRANSFER OF DEVELOPMENT RIGHTS

ANALYST: SHERRIE HSU

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$2,136,150	\$6,542,525	\$1,050,000
Expenditures	\$2,136,150	\$6,542,525	\$1,050,000

Major Revenue Sources: Sale of Transferrable Development Rights

DESCRIPTION

The Transfer of Development Rights (TDR) program is a program established by King County Code 21A.37 that provides for the transfer of development potential from rural areas to urban areas to preserve those rural areas and allow for increased density in urban areas.¹ Through the program, properties with development potential in rural areas sell that development potential either to the county or directly to a buyer. That extra development potential is then used elsewhere in the county. The county operates a TDR bank that facilitates the transfer of development rights from rural sellers to urban buyers and acts as a holding fund in the interim. The TDR fund includes a project for the TDR bank itself as well as a project dedicated to program support.

Revenues are received from the sale of credits to developers and are used to pay for future conservation acquisitions.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The projected year-end balance for the fund in 2024 is \$14.6 million. The Executive proposes to appropriate \$2.1 million to the TDR fund in 2025 for a new balance of \$16.7 million. Of this balance, the Executive proposes spending \$4.4 million to purchase the following land in 2025.

¹ Some rural-to-rural transfers are allowed as well.

**Table 1.
Anticipated 2025 TDR Projects**

Project Name	2025 Anticipated Spending	Council District	Project Scope
City of Sammamish	\$580,732	3	Portion of TDR sales within the City of Sammamish
Warn Farm	\$250,000	9	To acquire farmland in the Enumclaw APD
Carnation Farm	\$3,500,000	3	To acquire farmland in the Snoqualmie APD
Other Farmland Acquisition Costs	\$92,000	countywide	Other acquisition related costs, such as appraisals or title
Total	\$4,422,732	N/A	N/A

KEY ISSUES

Staff have not identified any key issues for this budget.

AIRPORT

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$29,003,068	\$35,883,510	70.0	0.0
2025 Base Budget Adjust.	\$915,089	\$0	0.0	0.0
2025 Decision Packages	\$2,687,899	\$2,734,857	1.0	1.0
2025 Proposed Budget	\$32,607,000	\$38,619,000	71.0	1.0
% Change from prior biennium, annualized	12.4%			
Dec. Pkg. as % of prior biennium, annualized	9.3%			
Major Revenue Sources: Ground Leases, Landing Fees, Fuel Fees, Grant Income, Other Revenue				

DESCRIPTION

King County International Airport (KCIA) is a self-supporting enterprise operation partially funded by grants from the Federal Aviation Administration (FAA). The FAA classifies KCIA as a Class IV, Primary, Commercial Service, Non-Hub Reliever Airport, meaning it handles limited commercial passenger traffic and has been designated by the FAA to relieve congestion from SeaTac Airport and provide general aviation access to the community. KCIA averages 180,000 takeoffs and landings a year and currently serves around 150 tenant businesses, including small commercial passenger airlines, cargo carriers, private aircraft owners, helicopters, corporate jets, military, and the Boeing Company. KCIA envisions becoming a world class airport by 2030.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2025 budget would increase the appropriation to the KCIA operating budget by about \$3.6 million, or 12%, compared to the 2024 annualized budget. This includes a proposed increase of about \$900,000 to the base budget that includes the anticipated salary and benefits adjustments for 2025. The decision packages total roughly \$2.7 million in net increased appropriations. Notable proposed changes to the operating budget are summarized in the sections below.

The Executive's proposed 2025 budget contains the following personnel proposals:

- **Administrative Personnel: \$152,229 for a Contract Specialist FTE and \$174,685 for a Business Analyst TLT.** The proposed budget would add a contract specialist FTE to support the capital program and contracting workload at KCIA, which Executive staff note has significantly increased over the last few

years and the three existing contract specialists need additional capacity to keep up with the workload. The Executive is also proposing to extend the term of an existing TLT Business Analyst role as the additional capacity is still needed to evaluate and improve the Airport's information technology business solutions. 2025 is anticipated to be the final year for this TLT position.

- **Temporary Staff – \$358,000.** The Executive is requesting funding to support increased temporary staffing needs during inclement weather and the construction season. Four short term equipment operators would augment existing staff in using the recently acquired larger snow removal equipment to meet FAA snow clearance guidelines. Three temporary utility workers would augment existing staff performing landscaping and project support during the summer construction season.
- **ARFF Personnel Contingency – \$300,000.** King County Sheriff's Office provides both police and aircraft rescue and firefighting (ARFF) services to KCIA. The budgeted ARFF costs for the 2023-2024 biennium consistently underestimated the actual annual expenses, which were usually provided by the Sheriff's Office in the middle of following year. Because of the 18-32% annual variances between the prior biennial budget and actual expenses, the proposed budget would set aside \$300,000 in contingency funding for any costs in 2025 that are over the projected expenditure.

The proposed budget includes the following notable infrastructure proposals:

- **Facilities Maintenance and Repair – \$420,000.** The majority of the proposed appropriation increase for maintenance would support the repair of roofs on five recently acquired buildings at KCIA where the roofs have exceeded their expected 20-year lifespan. The remaining money would address ongoing operating and maintenance needs and ensure compliance with life safety and fire regulations at the 24 buildings that KCIA operates.
- **Safety and Operations – \$90,000.** The Executive's proposed budget would include a number of safety and operations requirements. These consist of the replacement of security cameras that reached the end of their lifecycle, the annual subscription fee for the emergency mass notification system, and the repair or replacement of six fire hydrants that were identified by the recent fire hydrant condition assessment as in need of maintenance.
- **Technology Improvements – \$410,000.** The proposed budget would add appropriation to implement the FAA-required safety management system, commence work on implementing the Facilities Management Division's property management system, update the computer aided design (CAD) drawings for the Airport, and maintain KCIA's information displays in the Terminal Building.

- **National Pollutant Discharge Elimination System (NPDES) Compliance – \$400,000.** KCIA maintains a National Pollutant Discharge Elimination System program to ensure compliance with the environmental permit related to the Airport's stormwater infrastructure. The permit contains limits on what KCIA is allowed to discharge to nearby waterways, the program's monitoring and reporting requirements, and other provisions to ensure discharge does not hurt water quality or public health. This appropriation was historically included in the capital budget but, based on a KCIA internal analysis of the operating and capital budgets, this appropriation has been proposed to be moved to the operating budget because it is not capital in nature.

Other notable proposed adjustments include:

- **Community Outreach and Event Sponsorship – \$25,000.** While community outreach is also budgeted directly into KCIA capital projects, KCIA is proposing additional outreach and event sponsorship appropriation in response to feedback that the surrounding neighborhoods want to learn more about the work happening at the Airport. This appropriation could be used to support booths at community events like a local farmers market or to sponsor a Science, Technology, Engineering, and Mathematics (STEM) program at the Museum of Flight.
- **Central Rate Adjustment – (\$1,157,784).** The large reduction in central rates is connected to the decision not to move forward with the Star Forge property acquisition that was initially budgeted in the 2023-2024 Biennial Budget but disappropriated in the 2023-2024 3rd Omnibus.¹ The central rates adjustment removed the roughly \$1 million that is no longer required for the debt service to support the purchase.

KEY ISSUES

Staff have not identified any key issues with this budget.

¹ Ordinance 19791.

AIRPORT CONSTRUCTION TRANSFER

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$17,535,369	\$0	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$2,065,809	\$0	0.0	0.0
2025 Proposed Budget	\$19,602,000	\$0	0.0	0.0
% Change from prior biennium, annualized	11.8%			
Dec. Pkg. as % of prior biennium, annualized	11.8%			

Major Revenue Sources: Transfer from Airport Operating Fund

DESCRIPTION

KCIA's budgeted total capital revenue must support the total capital appropriation. After calculating the combination of fund balance, FAA grants, and anticipated environmental grants, the transfer from the KCIA Operating Fund is utilized to achieve the balance necessary to support KCIA's capital portfolio.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Airport is requesting the ability to transfer up to \$19.6 million from their operating fund to their capital portfolio, which is an increase of \$2.1 million, or roughly 12%, over the annualized 2024 revised budget. Airport capital projects are discussed in the Airport Construction staff report.

KEY ISSUES

Staff have not identified any key issues with this budget.

AIRPORT CONSTRUCTION

ANALYST: GENE PAUL

	2025 Proposed	2026-2027 Projected¹	2028-2029 Projected
Revenues	\$219,589,790	\$20,000,000	\$18,000,000
Expenditures	\$219,589,790	\$20,000,000	\$18,000,000

Major Revenue Sources: Grant Funds, Fund Balance, and Transfer from KCIA Operating

DESCRIPTION

King County International Airport (KCIA) is a self-supporting enterprise operation partially funded by grants from the Federal Aviation Administration (FAA). The FAA classifies KCIA as a Class IV, Primary, Commercial Service, Non-Hub Reliever Airport, meaning it handles limited commercial passenger traffic and has been designated by the FAA to relieve congestion from SeaTac Airport and provide general aviation access to the community. KCIA averages 180,000 takeoffs and landings a year and currently serves around 150 tenant businesses, including small commercial passenger airlines, cargo carriers, private aircraft owners, helicopters, corporate jets, military, and the Boeing Company. KCIA envisions becoming a world class airport by 2030.

SUMMARY OF PROPOSED BUDGET AND CHANGES

According to KCIA, much of the Airport's infrastructure is either at or near end of life or does not meet current standards and needs. KCIA is proposing capital investments over the next decade to improve facilities for its customers and to plan for the future. The proposed Airport capital improvement program of \$219.6 million is a net appropriation request that includes \$221.3 million in appropriations and \$1.7 million in disappropriations. Disappropriations generally reflect the completion or termination of a project. For example, the project to construct temporary equipment storage is no longer required because the recently transferred Washington Air National Guard site is being used for equipment storage, resulting in a disappropriation of \$500,000. Notable capital projects in the proposed Airport CIP are summarized below.

The KCIA proposed capital budget includes the following notable runway and taxiway projects:

- **Airport Grant Contingency - \$200,000,000.** According to project documents, KCIA is working with the FAA to address a long-standing safety issue related to the separation distance between the primary runway (14R-32L) and Taxiway B

¹ According to the Airport Capital financial plan, revenue estimates for grants after 2025 are based on current best-known information. As the \$200 million FAA grant and CIP project that is part of the Executive's 2025 proposed budget develops, these outyear estimates will be refined.

(also called Taxiway Bravo or just Bravo). The centerline of Taxiway B, which runs parallel to the primary runway, is approximately 325 feet from the centerline of the runway. To meet current FAA standards, the taxiway and runway should be separated by 400 feet.

To eliminate this safety issue, KCIA plans to undertake a capital project that will:

- Relocate the taxiway approximately 75 feet away from the runway;
- Relocate and replace the obsolete Air Traffic Control Tower;
- Relocate and replace the current Aircraft Rescue and Firefighting Station;
- Assist airport tenants who may lose operational capacity on the leasehold due to the project.

According to project documents, the total capital improvements connected to this project would take care of 70% of the airport's anticipated capital needs over the next 20 years. This project is eligible for FAA grant funding of up to 90% of the total eligible costs, which initial estimates have forecast at \$500 million. The \$200 million grant contingency in the proposed budget would provide KCIA with the necessary budget authority to accept any FAA grant funding in 2025. In total, KCIA anticipates 8-10 separate grants for different parts of the project over 6-8 years. According to the timeline in project documents, the FAA directed KCIA to begin planning the project in August 2024. An environmental review is anticipated to begin in late 2024 or early 2025. Design activities are scheduled for 2025 and 2026. Construction would begin no later than the end of 2029.

- **Runway 14R-32L Rehabilitation and Taxiway Modifications - \$2,500,000.** The 2025 proposed budget includes \$2.5 million for the planning and preliminary design work for the rehabilitation of the primary runway, 14R-32L. According to project documents, because the last major maintenance on the runway was performed in 2006, the entire runway surface is in need of pavement rehabilitation. Additionally, some taxiway connections no longer meet FAA design standards and require modifications. The project description in the CIP anticipates final design in 2026 and construction in 2027. While the primary runway needs rehabilitation regardless of the Taxiway B adjustments described in the previous project, the FAA sees these projects as connected and the estimated \$100 million in rehabilitation costs are included in the \$500 million total Taxiway B project estimate that is eligible for FAA grant funding at the 90% rate.
- **Runway 14L-32R Rehabilitation - \$6,000,000.** The Executive's 2025 proposed budget would add \$6 million to the existing \$30 million budgeted for the rehabilitation of the Airport's secondary runway, 14L-32R. The project will rehabilitate approximately 250,000 square yards of asphalt pavement for the runway and connected taxiways to extend their useful life and ensure conformity to current FAA standards. The proposed 2025 budget includes an additional allocation to account for delays and a project re-bid. According to the project

documents, the initial construction bid process did not progress to contract execution. The cancellation of that procurement and start of a new bid process delayed the project by two months and required adjusting the project phasing for construction to pause during the winter. The increased budget would cover this rebidding, adjusted construction phasing, and cost escalation. According to KCIA staff, this project should be completed in 2025.

Other notable projects include:

- **Airport Facilities Repair - \$1,650,000.** The 2025 proposed budget includes funding to preserve or repair Airport infrastructure through a bundle of four facilities projects. These projects include power upgrades with hybrid vehicle charging at the Aircraft Rescue and Firefighting Station, elevator upgrades, lighting improvements at the terminal parking lot, and upgrades to the Air Traffic Control Tower.
- **Airport Fleet Program - \$1,500,000.** The Airport fleet capital project includes vehicle and equipment replacement and special fleet projects, including alternative fuels and systems to reduce vehicle emissions. The money would be used to purchase equipment and parts to maintain the airport fleet replacement cycle for the year. While the final vehicle list for 2025 is being determined, KCIA plans to prioritize vehicles at the end of their useful life and electric/hybrid vehicle purchases.
- **Airport Security Program - \$1,500,000.** The 2025 proposed budget would allocate \$1.5 million to implement a new emergency alert system. The system vendor for the current crash phone that is used by Aircraft Rescue and Firefighting has announced that system is being retired so implementing a new system is required.

KEY ISSUES

Staff have not identified any key issues with this budget.

MEMBERSHIPS AND DUES

ANALYST: GENE PAUL

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$395,700	\$0	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$0	\$0	0.0	0.0
2025 Proposed Budget	\$396,000	\$0	0.0	0.0
% Change from prior biennium, annualized	0.0%			
Dec. Pkg. as % of prior biennium, annualized	0.0%			
Major Revenue Sources: General Fund				

DESCRIPTION

This appropriation funds membership dues and contributions to organizations that the Executive and County Council identify as benefitting the County and its policy goals. Organizations include the Puget Sound Regional Council, the National Association of Counties, and the Washington Association of County Officials.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Membership in the Washington State Association of Counties was ended during the 2023-2024 biennium, and the funding was reallocated to other state-level advocacy efforts in the Office of the Executive. That change is already reflected in the annualized base budget, and there are no proposed changes for 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

OFFICE OF EMERGENCY MANAGEMENT

ANALYST: GENE PAUL

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	\$4,397,520	\$312,327	16.0	0.0
2025 Base Budget Adjust.	\$287,459	\$0	0.0	0.0
2025 Decision Packages	\$185,221	\$0	0.0	0.0
2025 Proposed Budget	\$4,871,000	\$313,000	16.0	0.0
% Change from prior biennium, annualized	10.8%			
Dec. Pkg. as % of prior biennium, annualized	4.2%			

Major Revenue Sources: General Fund

DESCRIPTION

The appropriation unit provides for the operations of the Office of Emergency Management (OEM) in the Department of Executive Services. OEM works with cities, special purpose districts, state and federal emergency management agencies, private sector partners, non-profit agencies, and the community to plan for disaster mitigation, preparedness, response, and recovery. In addition to coordinating the County's local emergency management responsibilities, OEM serves a leadership function in regional emergency planning and response. OEM is also supported by the Emergency Management Advisory Committee.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed budget would increase the appropriation to OEM by roughly 11% compared to the 2024 annualized budget, but there are no proposed staffing or programmatic changes. The majority of this proposed appropriation increase is attributable to the base budget adjustment that includes the salary and benefits increases anticipated for 2025. The only decision package is the \$185,221 adjustment that accounts for increased central rates that OEM is charged for use of the County's internal, or "central," services. Increases in information technology, insurance, and facilities costs are the primary drivers of this central rate adjustment.

KEY ISSUES

Staff have not identified any key issues with this budget.

OFFICE OF CLIMATE

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$3,302,781	\$2,796,745	6.0	2.0
2025 Base Budget Adjust.	(\$784,550)	\$0	0.0	(2.0)
2025 Decision Packages	\$3,076,212	\$3,453,355	7.0	3.0
2025 Proposed Budget	\$5,595,000	\$6,251,000	13.0	3.0
% Change from prior biennium, annualized	69.4%			
Dec. Pkg. as % of prior biennium, annualized	93.1%			

Major Revenue Sources: Climate Cost Share Internal Rate.

DESCRIPTION

The Office of Climate was established as a new appropriation unit in the 2023-2024 Biennial Budget. The Office of Climate is tasked with leading King County's response to the emergency created by human-caused climate change. The office elevates the priority of addressing climate and enhances collaboration across departments, with external partners, and with the community. One of the office's tasks is providing cross-departmental policy support and leadership in the implementation of the 2020 Strategic Climate Action Plan (SCAP) and developing the 2025 SCAP. (According to PSB, the Executive will transmit the 2025 SCAP in the second quarter of 2025.) The other main role is looking forward to new actions and innovations the county should be pursuing to mitigate climate change and to advance sustainable and resilient frontline communities. The office is focused on policy development and creating bridges where there are complex, interdepartmental efforts to mitigate and prepare for climate change. The office directly implements climate solutions in community-focused projects.

The Office of Climate will also be managing all of the grants (\$19.4 million) discussed in the Climate Office Grants staff report.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget would appropriate \$5.6 million to the Office of Climate and authorize 13.0 FTEs. This is a 69% increase from the annualized 2024 budget and an increase of 7.0 FTEs. Of the 7 FTEs requested, 4 would be the conversion of existing TLT positions to FTE status. All decision packages are funded by the Climate Cost Share revenue and listed below.

- \$3,453,355 to add revenue from the climate cost share allocation rate. This allocation methodology is based on operational greenhouse gas emissions of contributing agencies and discussed below.
- \$797,364 and 2.0 FTEs and 2.0 TLTs for Resilient Communities. The proposal would convert two existing TLT positions to FTE status. This will support work with King County agencies and communities on activities that increase community resilience to the impacts of climate change, particularly frontline communities disproportionately affected by climate change.
- \$300,000 for Climate Performance Target and Grant Tracking. This will create a new climate performance tracking dashboard and expand grant capacity.
- \$585,614 and 2.0 FTEs for Decarbonization Planning and Implementation. This would convert two existing TLT positions to FTE status. Both positions would work on decarbonization strategy development and programs to remove countywide carbon emission sources from the building and transportation sectors.
- \$385,307 to add a chief of staff and administrative assistant.
- \$432,240 to add central rate costs to this appropriation unit. . Central rates were not allocated to this appropriation unit when it was established in the 2023-2024 Adopted Budget.

KEY ISSUES

ISSUE 1 – INCREASE IN CLIMATE COST SHARE ALLOCATION

The climate cost share is a central rate that pays for county-wide climate-related costs like developing and updating the SCAP. This appropriation unit is funded entirely by the climate cost share allocation. The rate is only paid by agencies with direct operational emissions (DNRP, Transit, Roads, and a few divisions of DES) based on the total greenhouse gas emissions (GHG) generated by these agencies in 2017. PSB reports consideration was given to updating the GHG data for the 2025 proposed budget; however, because this would not have significantly affected agency rates, the decision was made to continue with the 2017 data and consider changes to the Climate Cost Share methodology as part of the 2026-2027 budget development process.

In 2025, the climate cost share allocation is increasing by \$3.5 million. In 2025, for the first time, \$655,659 of the Climate Cost Share revenues will be directed to the Green Building program located within the Solid Waste Division.

Agency	Percent of County Operation GHG (2017 data)	2024 Cost Share	2025 Proposed Cost Share
DNRP-SWD	26.62%	\$744,000	\$1,633,700
DNRP-WTD	16.55%	\$467,000	\$1,013,900
DNRP Parks	.86%	\$24,000	\$89,500
DNRP WLRD	.18%	\$18,000	\$33,600

Agency	Percent of County Operation GHG (2017 data)	2024 Cost Share	2025 Proposed Cost Share
Metro Transit	45.65%	\$1,266,600	\$2,813,300
DES-FMD	4.01%	\$110,000	\$280,200
DES-Airport	.16%	\$4,000	\$14,700
Local Services-Roads	.42%	\$12,000	35,400
DES-Fleet	5.55%	\$152,000	\$335,800
Total	100.0%	\$2,797,000	\$6,250,100

Executive staff report Metro Transit’s cost share was reduced based on a rough estimate of battery electric buses coming into service.

ISSUE 2 – CLIMATE PERFORMANCE TARGET AND GRANT TRACKING DASHBOARD (\$300,000)

According to Executive staff, county leadership and K4C¹ elected officials have expressed a strong desire for an online, public-facing dashboard to communicate goals and progress on the Strategic Climate Action Plan. To date, King County’s performance tracking on targets and progress updates on priority actions have been included in written reports, such as the 2023 Biennial Report. Executive staff state that elected officials and community members increasingly seek an online interface to view the county’s progress and performance. In 2024, the Office of Climate hired a graduate summer intern to evaluate an online, public-facing performance tracking dashboard system, but a system has not yet been selected. Additionally, Executive staff state this dashboard will likely be tied directly to 2025 SCAP tracking and is in response to strong council interest in public tracking of SCAP commitments.

¹ The K4C (King County-Cities Climate Collaboration) is a partnership of 23 local governments in King County working to address climate change.

CLIMATE OFFICE GRANTS

ANALYST: JENNY GIAMBATTISTA

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2023-2024 Revised Budget, Annualized	N/A	N/A	N/A	N/A
2025 Base Budget Adjust.	N/A	N/A	N/A	N/A
2025 Decision Packages	N/A	N/A	N/A	N/A
2025 Proposed Budget	\$19,370,000	\$19,370,000	7.0	6.0
% Change from prior biennium, annualized	N/A			
Dec. Pkg. as % of prior biennium, annualized	N/A			

Major Revenue Sources: Grants.

DESCRIPTION

This staff report lists all the grants for the Office of Climate included in the Grants Appropriation. A complete listing of the 2025 anticipated climate grants can be found below.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Office of Climates anticipates receiving the grant awards listed below in Table 1. Executive staff report all of grants in the table below have been awarded to the County.

**Table 1.
2025 Climate Office Grants**

Grant Name	Description	Expected 2025 Spending	Total Grant Amount	FTEs	TLTs
US EPA- Climate Pollution Reduction Grant Building Decarbonization Initiative	Five-year grant to support building decarbonization initiatives across Seattle-Tacoma-Bellevue metro area.	\$3,000,000	\$49,999,975	7.0	
WA Dept. of Commerce-Home Electrification and Appliance Rebates Program (HEAR) Adult Family Home	Grant to expand Energize program to install heat pumps and energy upgrades in adult family homes through June 2025	\$1,500,000	\$1,500,000		0.5

Grant Name	Description	Expected 2025 Spending	Total Grant Amount	FTEs	TLTs
DOC-HEAR Energize Expansion	Grant to continue Energize program in urban unincorporated King County with additional funding through June 2025	\$2,596,650	\$2,596,650		0.5
US Dept. of Energy (DOE)–Energy Efficiency and Conservation Block Grant Program	Formula grant from DOE to develop and begin implementing a building decarbonization strategy	\$350,000	\$470,000		
WA DOC-Electric Vehicle Charging	A grant for public, fleet, and multi-family level 2 and level 3 installations across King County with 17 partners.	\$4,900,000	\$5,900,000		
WA Dept. of Ecology - Vashon Sea Level Rise Assessment	Grant to conduct a detailed sea level rise assessment of the Vashon and Maury Island shoreline in King County inclusive of public and private infrastructure, natural systems, and related coastal hazards to better understand areas at risk from coastal flooding, landslides, and sea level rise and to inform long-range planning for these hazards.	\$100,000	\$146,000		
National Oceanic and Atmospheric Admin (NOAA) Climate Resilience Regional Challenge	Climate Office, on behalf of the Puget Sound Climate Preparedness Collaborative, received a 3-year, \$2M NOAA Climate Resilience Regional Challenge (CRRC) grant to support local and Tribal climate adaptation work in the Puget Sound basin through activities that build capacity for climate preparedness planning, development of technical resources, and furthering regional partnerships and engagement.	\$500,000	\$2,000,000		
WA Employment Security Department- WA Good Jobs Challenge	King County is a subrecipient of federal funds to connect trainees with quality jobs in the clean energy and technology sector, primarily in solar, HVAC, electrical, and related clean energy trades.	\$380,000	\$598,000		
Washington State University Energy Program Community Energy Efficiency Partnership	Carryover of funding from a \$600,000 state grant to support Energize program installations	\$207,000	\$600,000		

Grant Name	Description	Expected 2025 Spending	Total Grant Amount	FTEs	TLTs
Contingency for emergent awards for the Office of Climate	<p>A placeholder for grants and state budget provisos that ECO has applied for or plans to and may have expenditures in 2025, including:</p> <p>CFI – an application to the US DOTs Charging and Fueling Infrastructure (CFI) Discretionary Grant Program</p> <p>WA Ecology Proviso – a \$6M budget proviso contingent on I-2117 to improve indoor air quality in airport adjacent communities in South King County</p> <p>US EPA environmental Justice – up to \$3M to build a community co-governance model for climate justice work in King County</p>		\$5,836,350		5.0
Total			\$19,370,000	7.0	6.0

KEY ISSUES

Staff have not identified any key issues with this budget.

ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

ANALYST: JENNY GIAMBATTISTA

	<u>Expenditures</u>	<u>Revenues</u>	<u>FTEs</u>	<u>TLTs</u>
2024 Revised Budget, Annualized	N/A	N/A	N/A	N/A
2025 Base Budget Adjust.	N/A	N/A	N/A	N/A
2025 Decision Packages	\$1,239,057	\$1,600,057	N/A	N/A
2025 Proposed Budget	\$1,240,000	\$1,601,000	0.0	0.0
% Change from prior biennium, annualized	N/A			
Dec. Pkg. as % of prior biennium, annualized	N/A			

Major Revenue Sources: Central rates.

DESCRIPTION

The 2023-2024 Biennial Budget included \$8.4¹ million to support the design and implementation to expand electric vehicle (EV) charging infrastructure and equipment for county fleet vehicles (managed by the Fleet Services Division) at 6 county-owned facilities including the Blackriver Building, Chinook Building, Goat Hill Garage, King Street Center, King County Correctional Facility, and Maleng Regional Justice Center. This project is funded by Limited Tax General Obligation bond proceeds. This new appropriation unit is an internal service fund to recover the costs of the electric vehicle charging infrastructure for county fleet vehicles via a central rate charged to county agencies. This new appropriation unit will budget and track revenue and expenditures to pay for the EV charging infrastructure.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget for EV charging infrastructure includes expenditures of \$1,240,000 largely to pay the debt service costs for installation of EV infrastructure.

KEY ISSUES

ISSUE 1 – NEW INTERNAL RATE

The Electric Vehicle Charging Infrastructure rate is a new central rate charged to agencies with vehicles in one of the six county owned parking facilities identified above. The agency charge is proportional to the number of vehicles current parking in one of the six facilities. For 2025, the central rate charges would total \$1.6 million.

¹ The Executive proposed \$16.8 million for this project in the 2023-2024 Budget. The Council appropriated \$8.4 million.

FLEET MANAGEMENT EQUIPMENT

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$46,102,367	\$35,635,850	77.0	0.5
2025 Base Budget Adjust.	\$1,071,609	\$0	0.0	(0.5)
2025 Decision Packages	\$19,386,781	\$1,896,055	3.0	1.0
2025 Proposed Budget	\$66,561,000	\$37,532,000	80.0	1.0
% Change from prior biennium, annualized	44.4%			
Dec. Pkg. as % of prior biennium, annualized	42.1%			

Major Revenue Sources: Central rates

DESCRIPTION

The Fleet Services Division (FSD), part of the Department of Executive Services, manages the Equipment Replacement Fund as well as the acquisition, maintenance, replacement, and disposal of fleet vehicles and other pieces of equipment for the county's non-revenue agencies.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget for Fleet Services would appropriate \$66.6 million for the Fleet Management Equipment appropriation unit. This is a 44% increase when compared to the annualized 2024 revised budget. Much of this increase reflects a \$15 million technical adjustment to reappropriate unspent funds appropriated in the 2023-2024 biennial budget to purchase vehicles and equipment. Each of the decision packages are discussed below:

- \$15 million carryover request from 2023-2024 biennial budget. This represents the value of orders placed in 2023 and 2024 that will not be delivered before the end of 2024.
- \$4.6 million to adjust the budget for inflation for equipment replacement and fuel.
- \$1.2 million for fleet electrification programming. This proposal would fund the ongoing operational costs of charge management system for electric vehicles (EVs), professional services to repair and maintain EVs, and IT services for EV load management system setup.
- \$183,635 to increase the climate cost share allocation to support Climate Office actions to advance the Strategic Climate Action Plan.
- \$1.8 million reduction in central rates.

As discussed below, Fleet Services expects a significant increase in EV procurement in future budget proposals.

KEY ISSUES

ISSUE 1 –FLEET IS NOT MEETING EV TARGETS

The 2020 Strategic Climate Action Plan (SCAP)¹ and the "Jump Start" Ordinance² include the following goals for fleet electrification:

- 50% of light-duty vehicles transition to electric by 2025 and 100% by 2030.
- 50% of medium-duty vehicles transition to electric by 2028 and 100% by 2033.
- 50% of heavy-duty vehicles transition to electric vehicles by 2038 and 100% by 2043.

In the light-duty category, Fleet Services is currently managing 1,712 light duty vehicles. The following table summarizes the number of EVs needed in the fleet by the end of each year listed to meet the SCAP goal.

As shown in Table 1, the Fleet would need 856 light duty EVs to meet the SCAP target of 50% of the fleet transitioned to EV. FSD anticipates 250 active EVs by the end of 2025.

There are 480 KCSO pursuit-rated vehicles in the light duty fleet. These are currently being replaced by Patrol Interceptor Utility Hybrid vehicles. The targets assume pursuit-rated vehicles will transition to EV by 2030 in the projections below.

**Table 1.
Timeline for Light duty EVs Fleet to meet SCAP Targets**

	Total Active EVs	EV Percent of light duty fleet
Current Light Duty EVs	22	2%
2024 light duty EVs	103	6%
2025 light duty EVs SCAP Target	856	50%
2030 light duty EVs SCAP Target	1712	100%

Fleet Services is not able to replace all vehicles currently scheduled for replacement with EVs because the county does not yet have the infrastructure in place to significantly expand the EV fleet and market limitations exist. Given these challenges,

¹ Motion 15866

² Ordinance 19052

Fleet Services is extending the life of existing gas-powered vehicles when possible until more EVs can be purchased and infrastructure is in place. (As of September 2024, there are 96 light duty vehicles due for replacement by age where Fleet is extending the life of the vehicle.) Prior to purchasing gas powered vehicles, Fleet Services evaluates all options and receives approval from the Office of Climate before moving forward with the purchase of gas-powered vehicles.

Currently, in addition to using charging in county owned or leased facilities, FSD is also utilizing home charging for currently assigned take home vehicles, leveraging other public charging, and using trickle charging where possible.

The 2023-2024 biennial budget included \$8 million in the Facilities Management Division budget to support the design and implementation of charging infrastructure to expand EV charging infrastructure and equipment for county fleet vehicles at county-owned facilities. Executive staff report the project to install EV charging in Goat Hill Garage and King Street Center and the Black River facility is currently underway. Upon completion of these projects within the next two years, FSD anticipates the ability to charge 75-100 vehicles in these locations and the ability to add chargers as needed to charge up to 350 vehicles.

ISSUE 2 –SIGNIFICANT FUTURE PROCUREMENT

Fleet Services expects to see a significant spike in ordering in the future to address fleet replacement needs and catch up on the vehicle replacement backlog. Currently 655 assets are due for replacement by the end of 2025 according to asset lifecycles totaling approximately \$65 million. Fleet will be working with agencies from the fourth quarter of 2024 through the first quarter of 2025 to prioritize and identify which vehicles and equipment will be replaced in 2025. Fleet staff report budget and labor resources cannot support the total number of vehicles and equipment due requiring prioritization and planned deferral to out years.

WASTEWATER TREATMENT OPERATING

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$195,121,514	\$643,851,308	868.0	5.0
2025 Base Budget Adjust.	\$8,573,431	\$0	0.0	(5.0)
2025 Decision Packages	\$20,150,746	\$48,802,937	78.0	8.0
2025 Proposed Budget	\$223,846,000	\$692,655,000	946.0	8.0
% Change from prior biennium, annualized	14.7%			
Dec. Pkg. as % of prior biennium, annualized	10.3%			

Major Revenue Sources: Sewer rate and capacity charge revenue.

DESCRIPTION

The Wastewater Treatment Division (WTD) is responsible for collecting and treating wastewater from its designated service area, and for reclaiming wastewater, recycling solids, and generating energy. WTD expenditures are organized in three budgets, including the Wastewater Operating, Water Quality Construction, and Wastewater Debt Service budgets. The operating budget includes both expenditures to operate the five wastewater treatment plants and 390 miles of conveyance pipeline, and rate revenues to support operating, capital, and debt service needs. As such, revenues associated with the operating budget significantly exceed operating costs; the bulk of revenues have historically been transferred to the capital fund, debt service fund, and used for debt defeasance.

Operating programs are focused on the conveyance, treatment, and recycling of wastewater and its treatment residuals. Wastewater is received from cities and sewer districts, who deliver it to county interceptor pipelines; generators include both households and business/industry. The West Point, South, and Brightwater treatment plants are considered regional treatment plants and receive and process the bulk of the region's wastewater; the Carnation and Vashon plants address more limited and localized wastewater processing needs. Agency services also support resource recovery efforts, including biosolids recycling, reclaimed water utilization and distribution, and natural gas/biomethane processing and reuse. The agency's Industrial Waste program issues permits, and conditions discharge of industrial waste into the sewer system, requiring pretreatment of discharges to minimize impacts on treatment facilities.

Primary revenue sources include the sewer rate, paid by all dischargers, and the capacity charge, assessed for new connections to the wastewater system. In June 2024 council approved a rate increase of 5.75% for 2025 and 7% is projected for 2026. Sales

of processing residuals such as biomethane, recycled water, and biosolids, as well as interest on revenue accounts, are other revenue sources.

Increases in operating expenditures can have a larger impact on the rate than an equivalent increase in capital costs because operating expenditures must be funded by cash (rate revenue).

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed operating budget is 14.7% higher than the annualized 2024 revised budget. The increased budget reflects inflationary operational costs and the addition of 78.0 FTEs and 8.0 TLTs, many related to the expanding capital program. For the FTE requests related to capital, only the share of the FTE costs related to operating budget is requested in this operating budget. The remaining costs are charged to capital projects. During the discussions of the 2025 sewer rate, WTD identified the increasing capital project portfolio, inflationary cost pressures, and expanding operational needs as primary drivers of the rate increase.

Key decision packages are listed below.

- 45.0 FTE, 8.0 TLT, and \$2.2 million to support project planning and delivery of an expanded capital portfolio of programs and projects. An additional \$8.4 million is included in the appropriation for the capital projects.
- 12.0 FTE and \$1.5 million for plant operations at West Point, Brightwater, and South Plant.
- 10.0 FTE and \$513,667 to add a capital program unit to the Operations and Maintenance section. (An additional \$1.6 million is included in the appropriation for the capital projects.)
- 4.0 FTE and \$521,000 for additional human resources staff to address the need for increased staffing of capital and operations work. (An additional \$112,000 is included in the appropriation for capital projects.)
- \$5 million for increased costs of chemicals used at treatment plants. WTD reports over the last five years the costs for chemicals have risen dramatically, particularly those chemicals used for disinfection and odor control, corrosion control, and solids thickening.
- \$2 million to add appropriation to the operating budget to cover necessary cost increases associated with natural gas, permit fees, parts, and materials.
- \$1.5 million to increase the transfer to Water and Land Resources Division (WLRD) for environmental lab and other services to reflect the inflationary projected increase.
- \$1.3 million for increased electricity costs at South Plant. Some of the increased electricity is needed to assist the facility in meeting the Puget Sound Nutrients General Permit requirements. WTD is also installing two new heat pumps that are expected to support heating the plant.
- \$565,000 annually for a technical services contract to strengthen the Asset Management program and support WTD's Strategic Asset Management Plan.

WTD anticipates funding this consultant contract through the end of 2027. Some of the key services under this contract include condition assessment, forecasting, technology evaluation, planning and spare parts inventory.

- \$362,000 for an inflationary increase to the Waterworks Grant Program based on 1.5% of WTD operating budget.

KEY ISSUES

ISSUE 1 – SIZE OF STAFF INCREASE

The proposed budget would add 78.0 FTEs to the existing 868.0 FTEs, for an increase of 9% in the size of the employee pool. This represents a large increase, at a time when there is significant competition for quality skilled technical and capital related labor. The size and timing of the increase may raise concerns about the depth of the recruitment pool; the balance between senior staff and new staff, with implications regarding the ability to allocate needed mentoring and training for new staff; the assignment of new staff to large, complex projects, with the associated opportunity for errors; and the onboarding process.

The capital and plant operation FTE adds are listed below:

- 45.0 of the new staff will be concentrated in Project Planning and Delivery, a critical performance responsibility for the success of the capital program. WTD estimates needing an additional 50.0 FTE every year to accommodate the expanding capital program. It should be noted that capital staffing impacts operating costs minimally as the staff time is charged primarily to capital projects. Council staff have asked for additional information supporting the determination that an additional 45.0 capital FTE are needed in 2025 for capital program expansion.
- 10.0 FTE to add a capital program unit to the Operations and Maintenance section. This unit would coordinate capital work underway and planned at the three regional treatment plants, two community plants, and dozens of offsite facilities. WTD reports that due to the growing number of capital projects and increased complexity, the WTD operations team needs dedicated staffing to contribute to the design and engineering processes, support construction, commissioning and facilitate a smooth transition of new assets to daily operations and service.
- 12.0 FTE for operations at WTD treatment plants to reduce the growing overtime pressure of plant operations staff and meet the growing needs related to new regulations and new facilities.

In June 2023, the council adopted a supplemental appropriation¹ to the 2023-2024 Biennial Budget and authorized an additional 73.0 FTE for WTD. Of those, 25.0 have

¹ Ordinance 19621

not yet been filled. In the 2023-2024 Biennial Budget, WTD increased its FTE allocation by 96.0 FTE positions. Of those, 86.0 positions have been filled. Council staff have asked for additional information on how long it took to fill those positions. WTD reports it currently has a vacancy rate of 13%. If the 25.0 positions authorized in June 2023 are excluded, WTD reports its vacancy rate is 10%, which it reports is the normal vacancy rate goal set by DNRP.

In response to questions about the ability to hire all positions in 2025, WTD provided the following information:

“Our track record over the last 3 years has been strong, and we continue to apply lessons learned from our experience. WTD will continue to use a prioritized approach over the calendar year and focus on recruitment for the highest priority FTE needs in our capital delivery work groups to fill these positions. Strong collaboration between Capital Delivery and our HR staff will continue. Capital Delivery also continues strong participation in planned external recruitment efforts, including job fairs, internships, and outreach events at colleges and conferences. In addition, the capacity of WTD’s recruitment team has been bolstered through temporary and special duty opportunities to help meet recruitment needs.”

Council staff analysis is ongoing to learn more about the anticipated need for an additional 50.0 FTE every year for the capital program and the ability of WTD to onboard all of the requested FTEs in 2025.

WASTEWATER CONSTRUCTION

ANALYST: JENNY GIAMBATTISTA

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$359,207,900	\$855,928,140	\$1,617,131,339
Expenditures	\$359,207,900	\$855,928,140	\$1,617,131,704

Major Revenue Sources: Proceeds from Bond Sales, Revolving Fund/Public Works Fund loans, Commercial Paper etc.

DESCRIPTION

The Water Quality Construction capital budget of the Wastewater Treatment Division (WTD) finances construction, maintenance, upgrade, and expansion of the wastewater system physical plant, including treatment facilities and the conveyance system. Over recent biennia, the regional system has been focused on constructing the Combined Sewer Overflow (CSO) projects required by a consent decree between King County and the federal Environmental Protection Agency and Department of Justice, and the Washington State Department of Ecology. Additionally, the agency is continuing its work on the Conveyance System Improvement and Treatment Planning programs, to assure the capacity of the conveyance and treatment system to meet the demands of regional growth, and facility maintenance. However, as the system continues to age, the two larger regional plants (West Point and South Plant) and hundreds of miles of interceptor pipeline that were completed in the 1960s and expanded in the 1970s and 1990s, and the Brightwater regional plant that was completed in the 2010s, the need for maintenance, repair and upgrade of facilities is becoming more urgent. WTD is accelerating its Asset Management program in response, focusing on both treatment plant and interceptor pipeline evaluation, repair, upgrade, and replacement. Meanwhile, the Washington Department of Ecology has taken a regulatory action requiring wastewater generators of nitrogen, which is the chemical element that can accelerate the growth of algae in the marine environment, to limit discharges according to the terms of a state-issued permit.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget includes 50 capital projects and an appropriation request of \$359.2 million. The requested projects reflect a mix of new and continuing projects with most projects not seeking full appropriation. In June, the Council approved a rate increase of 5.75%, with substantial increases projected for future years; much of those increases are driven by expansion of the Water Quality Construction capital budget.

The Water Quality Construction budget is categorized according to major “portfolios” to delineate the primary functions that the budget addresses. The largest expenditures

are for Asset Management (repair and upgrade of mechanical systems requiring rehabilitation) and Regulatory (responding to state and federal regulatory mandates or consent decrees) investments; others include Capacity Improvements (expanding pipelines and treatment facilities in anticipation of growing capacity needs), Resiliency (strengthening structures to withstand flooding, seismic events or other natural disasters), and Resource Recovery (capturing resources generated by wastewater processing such as biogas or recyclable water for productive use or sale).

Listed below are the 2025 proposed appropriations for selected CIP projects in each of the major WTD capital portfolios:

Asset Management \$214.4 million Selected Projects

- West Point Electrical Improvements: \$56.8 million
- West Point Critical Gate Refurbishment: \$75.9 million
- Ovation Evergreen Control Systems Lifecycle Management Program: \$16 million
- West Point EPS Isolation Gate Rehabilitation: \$17 million
- Research Vessel Replacement: \$1.1 million

Regulatory (\$49.6 million) Selected Projects

- Elliott West CSO Control Planning and Alternatives: \$18.3 million
- Mouth of Duwamish Facility Plan: \$15.5 million
- CSO Control and Improvement: \$4.1 million

Capacity Improvement (\$24.8 million) Selected Projects

- Black Diamond Trunk Capacity Upgrade: \$14.6 million
- Soos Creek Cascade Relief interceptor Upgrade: \$6.1 million
- West Point Digestion Capacity Expansion \$2.9 million

Operational Enhancements (\$2.7 million) Selected Projects

- Technology Assessment and Innovation Project: \$2.8

Resiliency (\$22.1 million)

- Climate Adaptation Planning Program: \$4.2 million
- West Point Primary Sedimentation Area Roof Structure: \$8.4 million
- West Point Passive Weir for Emergency Bypass: \$9.6 million

Resource Recovery (\$43.2 millions) Selected Projects

- Brightwater Reclaimed Water Storage: \$35.9 million
- West Point Biogas Utilization Project: \$5.5 million

KEY ISSUES

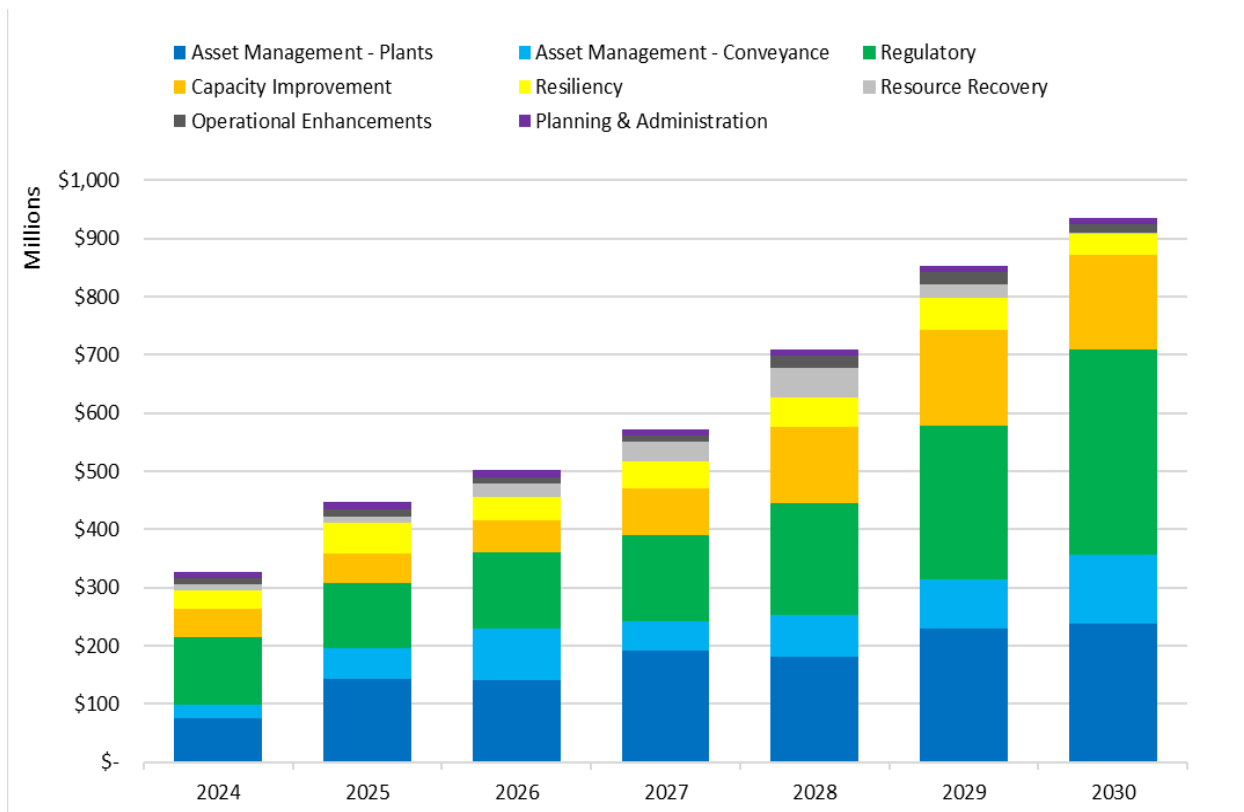
ISSUE 1 – LARGE INCREASE IN CAPITAL PROJECT SPENDING

As shown in Figure 1 below, planned expenditures over the six-year CIP Spending forecast are increasing significantly. According to WTD, the 2024 estimated total capital expenditure will be \$327.3 million; projected expenditures for 2025 are expected to be around \$448 million an increase of 37% for the coming year. WTD reports it update its expenditure updates once 2024 expenditures are analyzed and project forecasts are updated.

Given the significant increase in WTD's capital portfolio, Council staff asked for information on WTD's capital oversight processes. WTD provided details on the processes in place to provide portfolio, program, and project oversight for CIP investments through a tiered internal governance structure.

Council staff analysis of the six-year CIP is ongoing.

Figure 1
Proposed 2025 Budget 6-Year Spending CIP



ISSUE 2 – HIGH RISK CAPITAL PROJECTS

King County Code 4A.130.030 tasks the County Auditor with annually reviewing capital projects expected to cost over \$25 million and recommending projects to be designated as “risk monitored projects (RMP)” to the County Council. The Auditor recommends projects to be designated RMP if they are at higher risk of being late or over budget at significant cost, or if delays to the project could have a significant impact. The County Council or the Executive may designate a capital project as “RMP” by letter to the County Council. For 2024, the Council has not yet designated projects as RMP.

According to the Auditor’s Office, designating a project as RMP enhances transparency on project performance by requiring project managers to provide additional project information for decision makers about project status and significant changes to scope, schedule, and budget. When a project is designated RMP, the Auditor can send updates to the Council and Executive on the status of the project. For 2024, the Auditor’s Office recommended four projects for risk monitoring¹. Two of the four projects are included in WTD’s proposed six-year CIP. The Auditor selected these WTD projects because of the potential impacts that delays could have on the community served by these projects. Below, council staff have included a summary of the two WTD projects recommended for Capital Project Risk Monitoring.

Sammamish Plateau Diversion Project (2025 Appropriation \$417,000; Total expected cost \$101 million). The Sammamish Plateau Diversion (SPD) project would add regional conveyance system capacity to manage some wastewater flows from the East Lake Sammamish area. The Wastewater Treatment Division (WTD) previously placed the project on hold for two years, resulting in the project completion date moving out from 2028 to 2030. Sammamish Plateau Water placed a development moratorium in a portion of the District for seven months in 2021. The District hired and WTD paid for a consultant study to identify interim improvements in the local system until the SPD can be constructed. WTD and the District entered into a cost-share agreement in 2021 to split the costs for funding the agreed upon interim improvements. While the SPD project has restarted, it faces barriers such as permitting in critical areas and land acquisition needs, which could further impact project delivery. Timely completion of the SPD project is necessary to ensure sufficient capacity in the regional wastewater system to serve new growth.

Black Diamond Trunk Capacity Upgrade (2025 Appropriation \$14.6 million; Total expected cost \$167 million). The Black Diamond Trunk Capacity Upgrade project would increase the capacity of the existing sewer trunk line to meet King County’s 20-year peak flow standard and serve significant new growth within the City of Black Diamond. Currently, the majority of pipe reaches within the Black Diamond trunk line have less than a 10-year level of service, which will continue to degrade as development occurs. Risks the project faces include the need for permitting for multiple stream crossings and lack of internal staff capacity. Timely completion of the capacity

¹ King County Auditor’s Office Recommendations on Capital Project Risk Monitoring (June 26, 2024)

upgrade is necessary to ensure sufficient capacity in the regional wastewater system to serve growth in the City of Black Diamond.

LOCAL SERVICES ADMINISTRATION

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$9,883,519	\$8,682,063	27.0	4.0
2025 Base Budget Adjust.	(\$28,766)	\$0	0.0	(2.5)
2025 Decision Packages	\$8,010,770	\$8,918,262	5.5	2.0
2025 Proposed Budget	\$17,866,000	\$17,601,000	32.5	2.0
% Change from prior biennium, annualized	80.8%			
Dec. Pkg. as % of prior biennium, annualized	81.1%			
Major Revenue Sources: General Fund Transfer, Cost Allocation to Divisions and Partner Agencies, COVID-19 Recovery Funding				

DESCRIPTION

The Local Services Administration Fund supports the Department of Local Services (DLS) Director's Office. The Director's Office functions include oversight of the Permitting and Road Services Divisions, the Community Service Area program (including workplans, service partnership agreements, and community needs lists), communications, human resources, government relations, economic development, and subarea planning.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2025 budget includes the following changes:

- \$331,000 and 1.0 TLT to start up a White Center business organization that is expected to be self-sustaining in three years. This change is funded by General Fund moneys.
- \$100,000 for White Center beautification, for cosmetic updates in the White Center unincorporated activity center. This change is funded by General Fund moneys. This request builds on an appropriation in the 1st omnibus to the 2023-2024 budget¹ that "were used to hire a consultant to provide engagement and visioning services to develop a beautification plan in the White Center business district. This work is underway. This funding would be used to implement ideas identified through that plan."
- \$142,000 for additional implementation of the minimum wage ordinance. Ordinance 19762 adopted in May of 2024 established an hourly minimum wage rate for employees in unincorporated King County, certain County contractors,

¹ Ordinance 19633

and County employees, of \$20.29 in 2024 (and annually adjusted January 1 of each year). The request in the proposed 2025 budget is in addition to an appropriation for a TLT in the 3rd omnibus² for a communications specialist. The total cost for implementation of the minimum wage ordinance is expected to be \$427,000 in 2024 and 2025. This request is funded by General Fund moneys.

- 1.0 FTE and \$185,000 for an additional Community Relations Liaison, funded through the DLS cost share, which is about 30% General Fund moneys.
- 1.0 FTE and \$186,000 for an additional Finance position. This position is half funded by the General Fund, and half by the DLS cost share.

The highest cost changes are a \$4.1 million reappropriation for participatory budgeting, and a \$2.2 million reappropriation of CLFR funding for the Unincorporated King County Economic Alliance.

DLS also supports the community needs lists (CNLs), a requirement in the Code for a "list of services, programs, facilities and capital improvements that are identified by the community." These are currently adopted for each of the six rural community service area and the five largest urban unincorporated potential annexation area geographies in unincorporated King County. With the 2025 budget, only the CNL for the Snoqualmie Valley/Northeast King County is proposed to be updated. Information on the status of other CNLs can be provided to Councilmembers upon request.

KEY ISSUES

Staff have not identified any key issues with this budget.

² Ordinance 19791

PLANNING AND PERMITTING

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$16,865,041	\$15,940,393	96.0	0.0
2025 Base Budget Adjust.	\$1,924,376	(\$204,685)	0.0	0.0
2025 Decision Packages	\$6,142,833	\$6,960,273	17.0	0.0
025 Proposed Budget	\$24,933,000	\$22,696,000	113.0	0.0
% Change from prior biennium, annualized	47.8%			
Dec. Pkg. as % of prior biennium, annualized	36.4%			

Major Revenue Sources: Permitting Fees, General Fund, Federal Grants

DESCRIPTION

The Planning and Permitting appropriation unit within the Permitting Division of the Department of Local Services is responsible for reviewing, approving, and inspecting land use and construction projects. This group is responsible for providing customer assistance and public information regarding permitting, application intake review, review of development proposal for compliance with King County Code, construction and site inspections, and critical areas monitoring.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2025 budget includes the following changes. All of these changes are paid for by permit fee revenue:

- Adding 8.0 FTEs and \$1.3 million for permit screening positions related to implementing new state law requirements related to permit review timelines. This includes 1.0 engineer, 1.0 plans examiner/engineers, 2.0 geologists, 2.0 ecologists, 1.0 permit coordinator, and 1.0 deputy fire marshal. These FTEs are proposed in addition to the 8.0 FTEs added as part of the 3rd omnibus for the 2023-2024 budget.¹
- Adding 7.0 FTEs and \$1.3 million for managed accounts. 2.0 FTEs would manage permits for the King County International Airport, and 5.0 FTEs would manage permits for SpaceX. This is in addition to the 2.0 FTEs added in the 2023-2024 3rd omnibus, which are managing permits from the Washington State Department of Transportation, and 5.0 other FTEs previously budgeted (a 4-person team that manages county agency permits, and 1.0 FTE that manages SpaceX). These positions would be paid for by the applicant, and do not

¹ Ordinance 19791

contribute to the permit fee increase. Executive staff note that for the managed accounts, they organize the staff as "a general pool of staff to maximize flexibility in response to specific client demand and peak times."

- Adding 1.0 FTE for records management, and 1.0 FTE for business systems analysis.
- Adding \$370,000 for migrating digital permit files to a centralized system and making them available online.
- \$300,000 for two Environmental Impact Statements associated with opening of a mine, and another rezone for a mineral extraction operation.

There is also \$1.6 million for implementation of the energy code, proposed to be spent only if a federal grant is awarded from the Department of Energy. This work is expected to extend into the next biennium, and additional appropriation is expected with the 2026-2027 biennial budget.

KEY ISSUES

ISSUE 1 – PERMIT FEE INCREASE

As part of the 2025 budget, the Executive has proposed changes to the division's permitting fees charged to permit applicants (accompanying legislation is Proposed Ordinance 20234-0315). Included in the fee ordinance is a 49% increase. A breakdown of this increase is included in Table 1.

Description of Increase	Projected Revenue	Portion of the increase
DLS Cost Share Increase	\$145,000	1.0%
August GWI Increase	\$230,000	1.5%
ProForma GWI and Central Rate Increases	\$1,556,000	10.5%
SB 5290 Screening and Customer Services	\$1,600,000	10.8%
Workforce Transition	\$1,600,000	10.8%
Staff Recruitment and Onboarding	\$100,000	0.7%
Records Management Specialist	\$200,000	1.3%
Business Systems Manager	\$200,000	1.3%
Enterprise Document Management System	\$130,000	0.9%
Public Records Access Portal	\$240,000	1.6%
Fund Balance Restoration Installment	\$1,280,000	8.6%
2025 Projected Fee Revenue with Fee Increase	\$22,138,000	49.0%

Staff analysis of this permit fee increase is ongoing. Councilmembers should note that any changes to the permit fee or to the requests in this appropriation unit will need to be balanced.

ISSUE 2 – MANAGED ACCOUNTS

The Executive is proposing 5.0 FTEs, to build on the 7.0 FTEs already budgeted, to be dedicated to specific clients with high permitting needs, including the Washington State Department of Transportation, county agencies (King County International Airport, Water and Land Resources Division, Road Services Division), and SpaceX. Because the permit fees associated with these FTEs are paid for directly by the client, the positions do not contribute to the permit fee increase.

Council staff inquired with Executive staff about this approach, and asked why consultants are not used to meet this need. Executive staff state: "Permitting needs long-term capacity to address these on-going customer needs. From experience in the last four years, in-house resources are more efficient than consultants as they have more detailed code knowledge and are more able to connect with staff."

Council staff also asked about a scenario where the clients don't submit permits, and the impact to funding these positions. Executive staff state: "If the Managed Account Program clients do not need services, the staff assigned to the program would be reassigned to other Managed Account clients. If no additional work exists within the Managed Account Program, staff could support other programming tasks (funded by permitting fees). The program will be continuously evaluated to ensure that it is financial sustainable and effective."

Councilmembers may want to consider whether dedicating Permitting staff to specific clients meets the council's policy goals.

GENERAL PUBLIC SERVICES

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$3,243,116	\$3,214,317	0.0	0.0
2025 Base Budget Adjust.	\$0	\$0	0.0	0.0
2025 Decision Packages	\$687,260	\$710,000	0.0	0.0
2025 Proposed Budget	\$3,931,000	\$3,925,000	0.0	0.0
% Change from prior biennium, annualized	21.1%			
Dec. Pkg. as % of prior biennium, annualized	21.2%			
Major Revenue Sources: General Fund, Interfund Transfers from Solid Waste and Surface Water Management				

DESCRIPTION

The General Public Services Fund is a separate appropriation unit in the Permitting Division that houses the code enforcement program.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2025 budget increase is due to increases in central rates. This increase is funded by the General Fund.

KEY ISSUES

Staff have not identified any key issues with this budget.

PERMITTING DIVISION ABATEMENT

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$712,113	\$700,000	0.0	0.0
2025 Base Budget Adjust.	(\$300,000)	(\$300,000)	0.0	0.0
2025 Decision Packages	\$283,503	\$200,000	0.0	0.0
2025 Proposed Budget	\$696,000	\$600,000	0.0	0.0
% Change from prior biennium, annualized	(2.3%)			
Dec. Pkg. as % of prior biennium, annualized	39.8%			

Major Revenue Sources: Charges for Services, Fines and Forfeits

DESCRIPTION

Abatement Services manages abatement work on nuisance properties and life/safety abatement code enforcement properties, as part of the Permitting Division of the Department of Local Services.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2025 budget includes an increase in abatement work and revenue expected in 2025. The same amount was removed in the base budget adjustments because the one-time increase was previously expected in 2024 but did not occur then. This change is related to a long-running code enforcement violation.

KEY ISSUES

Staff have not identified any key issues with this budget.

UNINCORPORATED KING COUNTY CAPITAL

ANALYST: ERIN AUZINS

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$3,503,500	\$0	\$0
Expenditures	\$3,503,500	\$0	\$0
Major Revenue Sources: General Obligation Bonds backed by the General Fund, State Grants, REET			

DESCRIPTION

The Unincorporated King County Capital appropriation funds capital projects in unincorporated King County.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed 2025 budget includes the following changes:

- \$1.5 million for Fall City Septic (funded by a state grant). This project will, according to the transmitted materials, fund a decentralized wastewater treatment system for the Fall City Rural Town/business district by constructing an on-site septic system for 62 parcels, with a combined drain field in a nearby park.
- \$2.0 million in grant contingency.

KEY ISSUES

Staff have not identified any key issues with this budget.

ROADS OPERATING
ANALYST: NICK BOWMAN

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$119,248,231	\$123,914,592	435.6	8.0
2025 Base Budget Adjust.	\$6,035,977	\$0	0.0	0.0
2025 Decision Packages	\$3,493,380	\$126,237,504	435.6	0.0
2025 Proposed Budget	\$128,778,000	\$126,238,000	435.6	8.0
% Change from prior biennium, annualized	8.0%			
Dec. Pkg. as % of prior biennium, annualized	2.9%			

Major Revenue Sources: Unincorporated area levy, share of state gas tax receipts, reimbursable fees for services, grants, and mitigation payments from developers.

DESCRIPTION

The Road Services Division of the Department of Local Services manages the unincorporated area roadway network that supports more than one million trips per day while providing pathways for essential public utilities. The system consists of about 1,500 miles of county roads and 182 bridges, plus numerous sidewalks and pathways, traffic signs and signals, drainage pipes and culverts and other critical transportation infrastructure. The Strategic Plan for Road Services (SPRS) defines the vision and mission for the Road Services Division (RSD), consistent with the King County Strategic and Comprehensive Plans.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 Roads operating budget of approximately \$128.8 million is a proposed increase of approximately \$9.5 million (8%) over the annualized 2024 revised budget.

The largest proposed operating expenditures include:

- A \$6 million adjustment to the base budget, primarily resulting from a 5.5% GWI for most Roads personnel;
- \$1.9 million in additional central rate costs, covering Fleet, IT infrastructure, bond service, and other charges; and
- \$1.4 million for the purchase of new maintenance equipment and vehicles intended to support existing maintenance staff and the multi-benefit maintenance crew approved in the 23-24 biennial budget.

Proposed operating revenues of approximately \$126.2 million is an increase of approximately \$2.3 million (1.9%) over the annualized 2024 revised budget. The

increase derives mainly from higher-than-expected new construction in the unincorporated areas that is expected to be realized in 2025 and stabilize back to lower historical levels in the outyears.

KEY ISSUES

Staff have not identified any key issues with this budget.

COUNTY ROAD MAJOR MAINTENANCE FUND

ANALYST: NICK BOWMAN

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$19,412,481	\$9,785,707	\$1,813,553
Expenditures	\$19,412,481	\$25,436,621	\$25,840,143
Major Revenue Sources: Fund Balance, Transfer from County Road Operating Fund, State and Federal Aid, Grants, REET 1, and SWM.			

DESCRIPTION

The Roads Capital Improvement Program consists of two primary funds: the County Road Major Maintenance Fund (Fund 3855) and the King County Road Construction Fund (Fund 3865).¹ The County Road Major Maintenance Fund reports major maintenance activities which extend the life of an existing asset. Major Maintenance projects are usually performed in response to unexpected damage to assets or based on condition ratings or inspections of specific road assets. Regular Maintenance differs from Major Maintenance in that it is performed cyclically, on a schedule informed by performance standards and available resources.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2025 annual budget includes approximately \$19.4 million in new appropriation authority for the County Road Major Maintenance fund. The fund's diminishing capital revenues is a result of the Roads' structural funding deficit which is discussed further in the Key Issues section of this staff report. The financial health of the fund is particularly dire in the outyears which show a significant shortfall between expected revenues and expenditures. For these years, Executive staff note that revenue to fully cover estimated expenditure needs is not assumed due to uncertainty about availability.

Significant capital programs/projects proposed for the County Roads Major Maintenance Fund in 2025 include:

Drainage Preservation, Culvert Replacement and Fish Passage – \$6,116,000. The proposed budget includes approximately \$1.4 million for drainage preservation projects and \$4.7 million for culvert replacement and fish passage projects.

The drainage preservation program is an ongoing program designed to protect road users and existing roadway structures by eliminating failed or failing drainage systems. A list of projects from the existing backlog is chosen at the beginning of each year as

¹ Ordinance 18323, adopted by the Council in 2016, created the two primary funds to better align with the reporting requirements for the County Road Administration Board (CRAB).

determined by a priority array but are subject to change throughout the year as new drainage problems arise.

The culvert replacement and fish passage program was created in the 2019-2020 biennium as part of the Executive's broader county Fish Passage Restoration Program (led by the Water and Land Resources Division or WLRD), which is intended to complement the county's collaboration with tribal governments salmon recovery efforts. Since that time, Executive staff have completed a 10-year fish passage work plan that seeks to restore salmon access to at least 50% of the habitat that is currently blocked by county barriers, 19 fish passage projects across Roads, Parks, and WLRD have been completed, and a program Strategic Plan is estimated for completion in March 2025.

The proposed 2025 budget requests approximately \$4.7 million in increased appropriation authority for six existing culvert replacement and fish passage projects at various stages of completion. These projects include:

- \$1,791,000 in SWM fee monies to complete design, acquire the right-of-way and construct the 26124 SE 472nd Street Culvert Replacement project;
- \$818,000 in REET 1 monies to construct the NE 24th Street Culvert Replacement project;
- \$750,000 in SWM fee monies to construct the NE 128th Way Culvert Replacement project;
- \$575,000 in SWM fee monies to complete design and acquire the right-of-way for the 208th Avenue SE at SE 135th Street Culvert Replacement project;
- \$550,000 in SWM fee monies to complete design and acquire the right-of-way for the 8402 W Snoqualmie Valley Road NE Culvert Replacement project; and
- \$230,000 in SWM fee monies to complete design and acquire the right-of-way for the 180th Avenue SE and SE 408th Street Culvert Replacement project.

The broader Fish Passage Restoration Program will be discussed further in the Water and Land Resources Division budget.

Roadway Preservation Program – \$5,800,000. The proposed budget includes approximately \$5.8 million in new appropriation authority for its countywide roadway preservation program. Roads intends to address roadway preservation projects determined using pavement condition score, functional designation, and other factors. A final candidate list will be set in early 2025.

Short Span Timber Bridge Replacement Program – \$500,000. The proposed budget includes \$500,000 for a countywide program to begin replacing short span bridges constructed with timber elements. According to the Executive, County Road funds are proposed for this program as other funding sources do not readily exist. Short span bridges, which are 20 feet or less in span length along the centerline of the roadway, are not included in the Federal Highway Administrations National Bridge Inventory and are therefore not eligible for federal grant funding.

The Executive's proposal would revive an old program which began in 2007 and was discontinued in 2013 due to a significant decline in revenues. While the financial situation for Roads has gotten worse since the program ended in 2013, the condition of the short span timber bridges has continued to deteriorate to the point where major structural repair is no longer viable as a long-term solution and the bridges must be re-evaluated for replacement. According to Roads' 2022 Annual Bridge Report, the average sufficiency rating for all timber bridges owned by King County is 51.3 out of a possible score of 100 (a new bridge with no deficiencies). In comparison, the county's concrete and steel bridges have an average sufficiency rating of 75.0.

According to the Executive, replacement costs for any bridge will vary based on different factors including type of roadway, floodplain, geology, hydrology, and other environmental factors. However, a rough estimate to replace a typical short-span timber bridge is between \$6 to \$8 million in 2025 dollars. Given the relatively high cost of replacement, the Executive acknowledges that the program's success will be dependent upon finding additional revenue.

The \$500,000 requested for 2025 is intended to develop an alternative analysis for Cottage Creek Bridge #240A, which crosses Cottage Lake Creek on NE132nd Street, an urban arterial northeast of the City of Redmond. Built in 1951, the bridge is 73 years old; well above the average expected useful life of 50 years for these types of bridges. The bridge is also ranked as the 12th highest priority bridge in the inventory to be replaced in unincorporated King County.

KEY ISSUES

ISSUE 1 – ROADS FUNDING

The Roads Services Division is supported by revenue from three primary sources: a dedicated property tax on unincorporated properties,² the state gas tax, and grant funding. The property tax contributes most of the Roads-specific revenue. Over the years, the combined impact of municipal annexations, state limitations on available revenue options, lingering effects of the Great Recession, implementation of the state's Growth Management Act, voter initiatives, and aging infrastructure has resulted in a structural decline in the county's capacity to maintain and improve its road and bridge network. Using just the effects of the Great Recession as an example, average assessed residential value in unincorporated King County fell by almost 40% between 2010 and 2013; sharply reducing roads levy funding, which has yet to fully recover.

In August of 2015, the Bridges and Roads Task Force (Task Force) was established to assess Roads' constrained finances and explore funding solutions to address the county's deteriorating road network. In January of 2016, the Task Force published its final report that identified a funding gap of \$250 million to \$400 million a year. Based on

² RCW 36.82.040

state property and gas tax data, Executive staff estimate that Roads will see average revenues of just over \$100 million annually – less than half of the estimated \$220 million needed annually to moderate the decline of the system and to minimize risk.

The financial situation for Roads' Capital Improvement Program is particularly strained. With existing revenues, current estimates from Executive staff show that dedicated funding for capital projects will be exhausted in 2029. At that time, the capital program would rely on non-dedicated revenue sources from the Surface Water Management Fee, Flood Control District, REET 1, and grants. All of these are sources that Roads must compete with other county agencies for, are not specifically prioritized to meet the greatest needs of the users of the county road system, and must be treated as one-time, rather than ongoing, sources of funds.

The most recent Roads Line of Business Report highlights the number of ways Roads has approached their funding challenge including: cutting costs, finding efficiencies, identifying new ways to do business, and engaging internal and external stakeholders, regional partners, and elected officials in discussions about the solutions to the structural funding gap.³ New federal infrastructure funding provides additional grant opportunities for Roads and the council has approved additional grant program staff in the 2023-2024 biennial budget to assist in preparing competitive applications. However, Roads staff state that their cost-cutting efforts, combined with even sizeable grant opportunities, are not sufficient to address the county's current and growing volume of unmet road and bridge needs.

Over 2020 and 2021, the Council considered legislation that would have proposed voter propositions authorizing a six-year permanent levy lid lift to support the maintenance and preservation of the King County roads system.⁴ The 2021 proposal was estimated to generate approximately \$178 to \$236 million in additional annual revenue over the six-year levy period above what would be generated under the current levy rate. However, as the result of the COVID-19 pandemic and its uncertain impact on the economy, neither proposal moved forward.

With no new revenue options available, the Executive's 2025 proposed budget continues the recent trend of allocating Surface Water Management (SWM) fee and REET 1 funding to support Roads capital projects. Under the Executive's proposed budget, the Roads capital program would receive approximately \$4.9 million in SWM fee revenues and \$2.4 million in REET 1 funds.

³ <https://cdn.kingcounty.gov/-/media/king-county/depts/local-services/roads/plans-reports/2023-24roadservicesbusinessplan.pdf?rev=bbac0a6f28eb45fd895115c48c73d182&hash=0B1335DC88113BF1EB2D9BFBB84CF15D>

⁴ Proposed Ordinances 2020-0110 & 2021-0206

KING COUNTY ROAD CONSTRUCTION FUND

ANALYST: NICK BOWMAN

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$5,090,941	NA	NA
Expenditures	\$5,090,941	\$700,000	\$700,000
Major Revenue Sources: Fund Balance, Transfer from County Road Operating Fund, State and Federal Aid, Grants, REET 1, and SWM.			

DESCRIPTION

The Roads Capital Improvement Program consists of two primary funds: the County Road Major Maintenance Fund (Fund 3855) and the King County Road Construction Fund (Fund 3865).¹ The King County Road Construction Fund (Construction Fund) was established to report the creation of capital projects which create a new asset while Major Maintenance projects extend the life of an existing asset.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2025 annual budget includes approximately \$5.1 million in new appropriation authority for the Construction Fund. The fund's diminishing capital revenues is a result of the Roads' structure funding deficit which is discussed further in the Key Issues section of this staff report. The fund's financial health is particularly dire in the outyears with the CIP budget financial plan showing no assumed revenues beyond 2025 and limited expenditures intended for emergent needs only.

Significant capital programs and projects proposed for the Construction Fund in 2025 include:

Intersection Improvement Projects – \$1,620,000. The proposed budget includes approximately \$1.6 million in appropriation authority for five existing intersection improvement projects and one new project, including:

- \$150,000 in REET 1 monies to continue final design on the Issaquah-Hobart Road SE at SE May Valley Road improvement project;
- \$450,000 in County Road funds to support unplanned consultant costs to complete the right-of-way plan and cover increased right-of-way acquisition costs for the S 360th Street at Military Road S Roundabout project;
- \$230,000 in County Road funds to continue final design on the NE Woodinville-Duvall Road at West Snoqualmie Valley Road NE improvement project;
- \$100,000 in REET 1 to continue design on the SE Green Valley Road and 218th Avenue SE improvement project;

¹ Ordinance 18323, adopted by the Council in 2016, created the two primary funds to better align with the reporting requirements for the County Road Administration Board (CRAB).

- \$240,000 in County Road funds to continue design for the S 360th Street and 28th Avenue S improvement project; and
- \$450,000 in County Road funds to start design on the new 148th Ave SE at SE 224th Street improvement project.

High Point Way Culvert Construction and Fish Passage – \$1,401,000. The Executive’s proposed budget would appropriate approximately \$1.4 million in a combination of SWM fee, Salmon Recovery Fund, and Interlocal Grant monies for a new project that would construct a bridge to replace an undersized 96-inch-diameter culvert where the East Fork of Issaquah Creek crosses under SE Highpoint Way just north of Exit 20. According to the Executive, this culvert is currently the highest-ranked for habitat priority among all King County-owned fish barriers and the planned bridge replacement will improve salmon access to at least 5.15 miles of upstream habitat while preserving the safety and condition of the roadway. This initial appropriation request is intended to support the preliminary design phase of the project.

Countywide Roads Facilities and Fleet Program – \$500,000. The Executive’s proposed budget would appropriate \$500,000 to launch a new countywide program to support the planning, design, and construction of improvements to existing Roads maintenance facilities and properties. Roads has 18 maintenance facilities/properties, such as regional maintenance shops, material storage sites, and snow and ice facilities which range between 40 and 60 years old; some with inadequate conditions which compromise the provision of services. The new program’s scope of work for 2025 is to include initial work on installing charging stations and other infrastructure to support the county’s electric vehicles and developing a plan to improve salt and sand storage facilities.

This initial request would use fund balance from the partial disappropriation of the Division 5 Maintenance Regional Shop on Vashon Island which is currently undergoing an alternative evaluation to refurbish, reconstruct, expand, or relocate the facility.

Completed Projects – (\$1,292,230). The Executive’s proposed budget would disappropriate approximately \$1.3 million in remaining fund balance from three projects which have been completed and closed. This includes:

- (\$918,595) from the Renton Avenue S Phase III Sidewalk Improvement project;
- (\$71,635) from the SW 108th and 8th Avenue S Roundabout project; and
- (\$302,000) from the SE 176th Street and SE 171st Way Roundabout project.

KEY ISSUES

ISSUE 1 – ROADS FUNDING

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Over 2020 and 2021, the Council considered legislation that would have proposed voter propositions authorizing a six-year permanent levy lid lift to support the maintenance

² RCW 36.82.040

³ <https://cdn.kingcounty.gov/-/media/king-county/depts/local-services/roads/plans-reports/2023-24roadservicesbusinessplan.pdf?rev=bbac0a6f28eb45fd895115c48c73d182&hash=0B1335DC88113BF1EB2D9BFBB84CF15D>

and preservation of the King County roads system.⁴ The 2021 proposal was estimated to generate approximately \$178 to \$236 million in additional annual revenue over the six-year levy period above what would be generated under the current levy rate. However, as the result of the COVID-19 pandemic and its uncertain impact on the economy, neither proposal moved forward.

With no new revenue options available, the Executive's 2025 proposed budget continues the recent trend of allocating Surface Water Management (SWM) fee and REET 1 funding to support Roads capital projects. Under the Executive's proposed budget, the Roads capital program would receive approximately \$4.9 million in SWM fee revenues and \$2.4 million in REET 1 funds.

⁴ Proposed Ordinances 2020-0110 & 2021-0206

TRANSIT

ANALYST: MARY BOURGUIGNON

Transit Operating

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$1,242,941,919	\$1,183,175,760	5,889.7	92.5
2025 Base Budget Adjust.	\$71,569,493	\$0	(0.2)	(92.5)
2025 Decision Packages	\$117,619,260	\$104,797,800	274.5	101.0
2025 Proposed Budget	\$1,432,131,000	\$1,287,974,000	6,164.0	101.0
% Change from prior biennium, annualized	15.2%			
Dec. Pkg. as % of prior biennium, annualized	9.5%			

Major Revenue Sources: Sales tax, grants, contracts for services, fares

Transit Infrastructure Capital Fund (3641)

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$670,234,148	\$679,922,582	\$508,517,371
Expenditures	\$670,234,148	\$679,922,582	\$508,517,371
Major Revenue Sources: Sales tax, Marine property tax, Sound Transit payment, grants, interest income, debt proceeds			

Transit Revenue Fleet Capital Fund (3642)

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$8,163,849	\$144,679,768	\$700,131,751
Expenditures	\$8,163,849	\$144,679,768	\$700,131,751
Major Revenue Sources: Sales tax, Marine property tax, grants, interest income			

DESCRIPTION

The Metro Transit Department (Metro) is the largest provider of public transit services in the Puget Sound region. Metro operates fixed-route services, including bus and water taxi; flexible, shared, and accessible mobility services; and bus, light rail, and streetcar services under contract to Sound Transit and the City of Seattle. For 2024, Metro anticipates 87 million total boardings on its services (excluding light rail and streetcar).

SUMMARY OF PROPOSED BUDGET AND CHANGES

2025 Transit Budget Overview

Metro's proposed 2025 combined operating and capital budget is **\$2.1 billion**. As Table 1 shows, \$1.4 billion (68% of the 2025 proposal), would be for operating expenses, with \$670 million (32%) proposed for appropriations for capital infrastructure projects, and \$8 million (0.4%) for appropriations for revenue fleet purchases.

Table 1. Transit Operating + Capital, 2025 Expenditures

	2025 Proposed	Percent of Total
Transit Operating	\$1,432,130,672	67.6%
Infrastructure Capital (Fund 3641)	\$670,234,148	31.7%
Revenue Fleet (Fund 3642)	\$8,163,849	0.4%
Debt Service	\$6,485,323	0.3%
TOTAL	\$2,117,013,992	100%

In terms of Metro's 2025 operating budget, as Table 2 shows, the majority would be dedicated to bus operations: 65% for King County-funded bus service, and a combined 72% when bus services funded by Sound Transit and the City of Seattle are factored in.

Table 2. Transit Operating 2025 Expenditures

	2025 Proposed	Percent of Total
King County bus operations	\$935,712,611	65.3%
Sound Transit Link operations*	\$212,665,427	14.8%
Access paratransit operations	\$95,011,184	6.6%
Sound Transit bus operations*	\$66,535,454	4.6%
DART/Alternative services	\$44,317,018	3.1%
Seattle-funded bus operations*	\$34,515,344	2.4%
Marine (water taxi) operations	\$15,802,888	1.1%
Seattle Streetcar operations*	\$14,057,797	1.0%
Vanpool operations	\$13,512,950	0.9%
TOTAL	\$1,432,130,673	100%

*Provided under contract to Sound Transit or City of Seattle

Metro’s proposed operating budget is 15.2% higher than the annualized 2024 revised operating budget, an increase of \$189 million. Of this increase, \$71 million is from adjustments to the base budget, of which approximately \$40 million is due to the 2022-2025 collective bargaining agreement approved in 2023 between King County and the Amalgamated Transit Union (ATU), Local 587.¹ Of the remaining \$117 million, more than half (54.9%) is for additional transit service (of which nearly half is revenue-backed under contracts with Sound Transit or the City of Seattle); 20% is for safety and security enhancements, including maintaining security officers and increasing cleaning; and 15.2% is for workforce initiatives, including training, mentorships, and apprenticeships.

In terms of operating revenues, as Table 3 shows, the largest source of revenues for Metro’s operations comes from a dedicated 0.9% sales tax, which comprises nearly 56% of operating revenues. Fares are anticipated to make up 7.8% of all operating revenues,² and are discussed in more detail in the Fares & Fund Balance section of this staff report. Payments for service Metro operates under contract to Sound Transit and Seattle are anticipated to make up nearly 25% of operating revenues.

Table 3. Transit Operating 2025 Revenues

	2025 Anticipated	Percent of Total
Sales Tax (0.9%)	\$718,425,658	55.8%
Sound Transit Payments*	\$278,212,638	21.6%
Fares (all modes)	\$100,007,180	7.8%
Grants (operating)	\$81,769,970	6.3%
Seattle Payments*	\$40,510,573	3.1%
Property Tax	\$37,611,885	2.9%
Interest Income	\$18,540,806	1.4%
Other Operations	\$10,017,582	0.8%
Miscellaneous	\$2,877,268	0.2%
TOTAL	\$1,287,973,560	100%

*The services Metro operates for Sound Transit and the City of Seattle are fully revenue-backed.

¹ Ordinance 19668 approved a three-year collective bargaining agreement with the ATU, which included hiring and retention bonuses, as well as wage increases of 7.17% for 2023, 6% for 2024, and 2-4% for 2025. Implementing the CBA was estimated to cost \$187.1 million over its three-year term, which was \$30 million higher than had been appropriated in the 2023-2024 budget ordinance (Ordinances 19546, 19712) and \$70 million total higher than Metro’s previous estimates through October 31, 2025.

² Metro’s adopted Fund Management Policies (Ordinance 18321) require that farebox revenue make up 25% of passenger-related operating costs for bus service. This requirement was suspended during the 2021-2022 and 2023-2024 biennia (Ordinances 19206, 19531). The Executive has proposed to reduce this requirement to 10% beginning in 2025 (Proposed Ordinance 2024-0319).

In terms of Metro's two capital funds:

- For the **Infrastructure Capital Fund**, nearly 66% of appropriations proposed in 2025 are for zero-emission projects, with the largest single project being \$380 million for the development of South Annex Base at Metro's South Campus in Tukwila to accommodate 250 battery-electric buses (BEBs) by 2028. Zero-emission projects and policy issues are discussed in more detail in the Transition to Zero-Emission section of this staff report.

Other items of note include:

- Approximately 10% of appropriations for State of Good Repair projects, such as major maintenance or asset replacement.
 - Approximately 7.5% for partnership investments with Sound Transit and local jurisdictions for bus facilities and passenger amenities near future Sound Transit stations.
 - 6.5% for other capital investments related to service, such as speed and reliability improvements.
- For the **Revenue Fleet Capital Fund**, the 2025 budget proposes minimal appropriations, with no additional appropriation for new bus purchases proposed in 2025. The only major budget request is a proposed \$5.5 million in additional appropriation for 221 battery-electric vehicles³ for the vanpool program and \$2.6 million for fixed-route fleet planning.

Fleet purchases are anticipated to increase significantly in coming biennia, as Metro must purchase more than 1,000 buses to replace aging fleet and meet the goal of a zero-emission fleet by 2035.⁴ This is covered in more detail in the Transition to Zero-Emission section of this report.

The Executive describes Metro's proposed 2025 budget as "transitional" and notes that it largely extends policy direction from the 2023-2024 budget. However, because expenditures are outpacing revenues, Metro's financial plan anticipates a projected \$500 million shortfall in reserves by the 2028-2029 biennium. The Executive has indicated that the 2026-2027 budget will include proposals to mitigate these challenges. This staff report is focused on the proposed 2025 budget, though it does identify issues that may affect future budgets.

This staff reports focuses on six key policy issues. Table 4 summarizes these issues and the associated 2025 budget proposals. The pages that follow provide more detailed description and analysis, with a recap in the final, Key Issues section of the report.

³ KCC 18.22.010.A.3 states the goal of a 100% zero-emission vanpool fleet by 2030

⁴ KCC 18.22.010.A.1, KCC 28.94.085.A.1 (Ordinance 19052) sets the goal of a 100% zero-emission transit revenue fleet by 2035

Table 4. Metro Transit 2025 Budget Issues Summary

Issue	Summary	Key 2025 Budget Proposals
Ridership & Service	Metro is operating 87% of pre-pandemic service for 64% of weekday ridership	<ul style="list-style-type: none"> • \$31M for 168,500 additional service hours in 2025 • \$7.5M for water taxi, flexible services
Fares & Fund Management	Mismatch between service and ridership/fares means ~\$150M less in farebox revenues each year	<ul style="list-style-type: none"> • Increase adult bus and water taxi fares by \$0.25 (to \$3.00 for bus) • Lower ORCA LIFT (low-income) bus and water taxi fares to \$1.00 • Lower farebox recovery floor to 10% (from 25%)
Safety & Security	Concern about safety incidents and station/stop cleanliness	<ul style="list-style-type: none"> • \$4.7M for additional bus stop and bus cleaning • \$13.3M to sustain extra 100 transit security officers from 2023-2024 • \$4.7M to expand behavioral health and Metro Ambassadors programs to provide support, assistance
Workforce	126 bus operator vacancies (5%) 16 bus mechanic vacancies (6%)	<ul style="list-style-type: none"> • \$3.3M for bus operator training and front-line support • \$6.4M to increase resources and staff in Employee Services • \$1M for EEO and Equity, Inclusion, and Belonging support • \$5.8M for agency transformation on recruitment, capital delivery, service recovery • \$1.2M to expand mentorship and apprenticeship programs
Transition to Zero-Emission	Goal in Code to achieve 100% zero-emission vanpool fleet by 2030, 100% zero-emission bus fleet by 2035	<ul style="list-style-type: none"> • \$3.5M for staff for Interim Base 2026 opening (120 BEBs) • \$800K for consulting to support zero-emission transition • \$380M for development of South Annex Base by 2028 (250 BEBs) • \$5.5M for 221 electric vanpool vans
RapidRide & Metro Connects	Plans for K & R lines were paused during the pandemic Metro Connects long-range plan was adopted as an unconstrained plan	<ul style="list-style-type: none"> • No additional appropriation for K & R, but Metro states work is continuing for 2030 & 2031 openings • \$1.5M for RR expansion planning focused on future Tier 1 lines from 2024 RapidRide Prioritization Plan

Ridership & Service

Ridership. Transit ridership has been steadily recovering following the pandemic but remains well below pre-pandemic levels, at least in part due to changing commute patterns. Table 5 compares average bus boardings for August 2019 and August 2024, showing that weekend ridership has recovered more than weekday ridership.

Table 5. Average Bus Boardings: August 2019 vs. August 2024

	August 2019	August 2024	Percent of Pre-Covid
Weekday boardings	387,087	249,553	64%
Saturday boardings	195,109	163,397	84%
Sunday boardings	158,980	148,332	93%

As part of Metro’s ongoing effort to rebuild its rider base, the proposed 2025 budget includes \$2.3 million for 1.0 FTE and 11.0 TLTs to provide additional customer communications, real-time rider information, market research on existing and proposed service, and community engagement. Six of the requested TLTs are continuations of one-time positions requested in the 2023-2024 budget.

Fixed-route bus service. Following the September 2024 service change, Metro is currently operating approximately 87% of pre-pandemic service levels (90% of County-funded service, 87% when Seattle- and Sound Transit-funded service is included).

In response to Metro’s operational capacity and staffing challenges, changing ridership patterns, and changes to the regional transit network due to the Link light rail expansions that have opened over the last several years, the Council adopted a Metro Service Recovery Plan⁵ in early 2023 that outlined a plan for Metro to restore County-funded bus service gradually over several biennia through geographically-focused mobility projects that would restructure bus service to meet emerging conditions rather than re-create pre-pandemic service patterns.

During 2024, the Council approved, and Metro implemented, the first two of these mobility project restructures, one based around the RapidRide G Line⁶ on Madison Street in Seattle, and the second around the extension of Link light rail to Lynnwood.⁷

The 2025 budget proposes to add 168,500 fixed-route bus service hours: 83,500 hours for County-funded service, 40,000 for Seattle-funded service, and 45,000 for Sound Transit Regional Express bus. For the County-funded service, the proposal is for 6,500

⁵ Ordinance 19581

⁶ Ordinance 19750

⁷ Ordinance 19751

hours to address run-time impacts and 94,000 hours for service recovery. For the service recovery hours:

- 69,000 additional hours for the East Link Connections Mobility Project.⁸
- 25,000 additional hours for Phase 2 of the Lynnwood Link restructure.⁹
- 9,000 additional hours to mitigate upcoming construction impacts of the West Seattle/ Ballard Link Extension (WSBLE).
- 26,000 reduced hours of fixed-route service converted to Dial-A-Ride-Transit (DART) service.

Table 6 shows the fixed-route bus service proposal for 2025, as well as what Metro currently anticipates for the 2026-2027 biennium.

Table 6. Fixed-Route Bus Service Hours, 2025 Proposed, 2026-2027 Anticipated

Service Changes	Baseline	2025 Change	2026 Change	2027 Change
Service Guidelines ¹⁰	--	0	0	10,000
Service Recovery	--	94,000	135,000	144,000
Run-time impacts	--	6,500	58,000 ¹¹	0
RapidRide	--	0	0	63,300 ¹²
Fixed route DART conversion	--	(26,000)	0	0
WSBLE construction impacts	--	9,000	46,000	0
South Link Connections ¹³	--	0	15,000	0
King County Metro funded	3,499,293	83,500	254,000	217,300
City of Seattle funded	--	40,000	0	0
Sound Transit funded ¹⁴	--	45,000	(45,000) ¹⁵	(5,000)
Partner funded	409,280	85,000	(45,000)	(5,000)
Total Hours	3,908,573	168,500	209,000	212,300

⁸ The East Link Connections service restructure is currently anticipated to be transmitted to Council in early 2025 for implementation in Fall 2025. It would restructure bus service around the Link light rail 2 Line between Seattle and Redmond ([link](#))

⁹ The Lynnwood Link bus service restructure (Ordinance 19751) was designed to be implemented in three phases. Phase 2 is to be implemented when the Link light rail 2 Line opens.

¹⁰ The adopted King County Metro Service Guidelines (Ordinance 19367) identify three priorities for adding bus service: (1) to reduce Crowding; (2) to improve schedule Reliability; and (3) Service Growth to achieve the future transit networks envisioned in Metro Connects. Service needs based on these priorities are identified each year in Metro's System Evaluation Report.

¹¹ Primarily adjustments to account for the opening of Interim Base.

¹² Reflects service for the I and J Lines, plus service to extend the H Line to South Lake Union.

¹³ The South Link Connections bus service restructure is anticipated for when Link light rail is extended to Federal Way ([link](#)).

¹⁴ Reflects Sound Transit express bus service hour reductions following the opening of future Link light rail extensions.

¹⁵ Sound Transit express bus service will be reduced after the Link light rail 2 Line opens.

These additional service hours are proposed at \$31 million for 2025, for 133 additional bus operators (171 FTE), five additional Vehicle Maintenance positions, and diesel and parts. Seattle- and Sound Transit-funded service will be revenue backed.

In addition to this new service, the budget proposes \$756,000 to continue Metro's Advanced Service Management pilot (currently being tested on the RapidRide A and F lines) that coordinates bus movements for frequent-service routes based on the distance (or headway) between buses to provide more reliability for passengers.

Metro's current service plan indicates that service is intended to be fully restored by 2028 following the direction outlined in the adopted Service Recovery Plan. Appropriations for future service will be proposed in future biennial budgets.

Water Taxi and flexible mobility services. The 2025 budget would add \$2.3 million to support Metro Flex, Community Van, Community Shuttles, Access paratransit, and Dial-A-Ride Transit (DART) to account for fuel and wage inflation, leases, and administrative support. It would also add \$5.2 million to support:

- The rural services pilot with Snoqualmie Valley Transit to provide additional weekday and weekend service (\$661,000).
- Mid-day water taxi service to Vashon Island in 2025, with State grant funds
- Water taxi materials and staff to manage scheduling and dispatch (\$396,000).
- Metro Flex service in Issaquah, Delridge, and Overlake (\$1.8 million in one-time resources, with funding from a State grant and outside partners).
- Additional water taxi service to West Seattle and Vashon on holidays and for special community events.

Seattle-funded service. As noted above, Metro provides additional bus service within Seattle that is supported by the 2020 Seattle transit funding measure under a contract with the City of Seattle.¹⁶ The 2025 budget includes funding for an additional 40,000 hours of fixed-route bus service hours within the City of Seattle, as well as \$612,000 for additional operations and maintenance for the Seattle Streetcar.

Sound Transit-funded service. As noted above, Metro operates Sound Transit Regional Express bus service and Link light rail service under contract to Sound Transit.¹⁷ The 2025 budget includes revenue-backed increases in service to support Sound Transit service, including operations for the planned opening of the Link 2 Line between Seattle and Redmond in 2025, and preparations for the extension of the Link 1 Line to Federal Way in 2026. Sound Transit-funded service includes:

- 45,000 hours for additional Regional Express bus service.

¹⁶ The 2020 Seattle transit funding measure expires in March 2027. Seattle contracts with King County to use some of these funds to purchase additional transit service (Ordinance 19240).

¹⁷ Ordinance 19513

- \$4.2 million for 23.0 FTEs and 1.0 TLT to provide administrative support (such as payroll, accounting, contract support, and purchasing) for Sound Transit's East Link and Federal Way Link openings in 2025 and 2026.
- \$12.3 million for 70.0 FTEs to provide 51 Rail Operators and 19 Rail Supervisors for the upcoming Link light rail expansions.
- \$5.4 million for 30.0 FTEs to provide vehicle maintenance and cleaning support for Link light rail services.

Fares & Fund Management

Fares. As currently established, Metro's fare structure has several key attributes:

- **Income-based approach.** Metro's fare structure is based on an income-based approach, as called for in the adopted Strategic Plan for Public Transportation,¹⁸ with free or reduced fares for children, youth, seniors, people with disabilities, and low-income and very-low-income people.¹⁹
- **Business-focused revenue base.** At least in part because many of Metro's passengers pay low or no fare, approximately half Metro's fare revenue (53% between July 2023 and April 2024) but only a quarter of all boardings come from business Passport accounts, through which local employers can subsidize their employees' transit fares.²⁰
- **Flat fares for Metro services.** In 2018, Metro eliminated its previous zone and peak fare differentials to create a flat adult bus fare of \$2.75.²¹ More recently, Sound Transit implemented a flat \$3.00 fare for adult passengers on Link light rail, which became effective on August 30, 2024.²²

As part of the 2025 budget, the Executive is proposing four changes to Metro fares:

- **Adult bus fare.** Proposed Ordinance 2024-0310 would increase the regular adult fare on Metro buses, trolleys, transit vans, dial-a-ride vehicles, and streetcars from \$2.75 to \$3.00, effective September 1, 2025. Metro projects the fare change will result in \$2.6 million in additional farebox revenue in 2025 and \$16.9 million in 2026-2027.

¹⁸ Ordinance 19367, Attachment A

¹⁹ Fares are set at 4A.700.010 (bus) and 4A.700.820 (water taxi). Currently, children and youth ride free. Seniors and people with disabilities with a Regional Reduced Fare Permit (RRFP) ORCA card pay \$1.00 for bus. Low-income riders (200% of federal poverty level) with an ORCA LIFT card pay \$1.00 for bus (this will revert to \$1.50 in January 2025 unless action is taken). Very-low-income people (80% of federal poverty level) who participate in one of six state benefit programs can ride free through the fully subsidized pass program (Motion 15600, Ordinance 19058).

²⁰ As of September 2024, Metro has 760 active business Passport accounts serving 420,000 employees.

²¹ Ordinance 18608

²² Sound Transit Resolution 2023-37 ([link](#))

- **Adult water taxi fare.** Proposed Ordinance 2024-0309 would increase adult water taxi fares for West Seattle (from \$5.75 to \$6.25 cash,²³ \$5.00 to \$5.25 prepaid) and Vashon Island (from \$6.75 to \$7.00 cash, \$5.75 to \$6.00 prepaid), effective September 1, 2025. Metro projects \$33,260 in additional farebox revenue in 2025 and \$209,521 in 2026-2027.
- **ORCA LIFT bus fare.** Proposed Ordinance 2024-0317 would permanently lower the ORCA LIFT (low-income²⁴) fare for Metro buses, trolleys, transit vans, dial-a-ride vehicles, and streetcars from \$1.50 to \$1.00, effective January 1, 2025. The ORCA LIFT fare has been set at \$1.00 since September 2022, but will revert to \$1.50 on January 1, 2025, unless action is taken. Metro projects a reduction of \$423,307 in farebox revenue in 2025 and \$910,335 in 2026-2027.
- **ORCA LIFT water taxi fare.** Proposed Ordinance 2024-0308 would lower the ORCA LIFT water taxi fare to \$1.00 (currently \$3.75 for West Seattle, \$4.50 for Vashon), effective September 1, 2025. Metro projects \$2,503 in reduced farebox revenues in 2025 and \$15,535 in 2026-2027

Similar to the 2023-2024 budget, Metro's proposed 2025 budget would support the County's Health through Housing Initiative, in this case with one-time funding of \$2.9 million for mobility services for residents, including fare media, on-demand services, or shuttle vans.

Fund management policies. As noted above, Metro's single largest revenue source is a dedicated 0.9% sales tax. Because of the volatility of the sales tax, Metro experienced fiscal challenges following the 2007-2009 recession. In response, the Council and Executive developed fund management policies for Metro,²⁵ which established reserve funds to smooth large expenditure fluctuations and provide stability during economic downturns. The fund management policies also required Metro to recover at least 25% of passenger-related operating costs for bus service from farebox revenues, with a target of recovering 30%.

Because of the drop in transit ridership during the pandemic, Metro has not achieved 25% farebox recovery in recent years. The Council suspended those portions of the fund management policies during the last two biennia.²⁶ For 2025, the Executive has proposed to update the fund management policies²⁷ to lower the farebox recovery floor from 25% to 10%; and to lower the farebox recovery target from 30% to 15%.

²³ The West Seattle cash fare is proposed to increase by \$0.50 due to the formula in KCC 4A.700.820.

²⁴ ORCA LIFT is available to passengers at or below 200% of the federal poverty level. ORCA LIFT eligibility is currently \$2,510 monthly income for a one-person household, \$5,200 monthly income for a four-person household. The ORCA LIFT fare program is established in K.C.C. 4A.700.490 ([link](#))

²⁵ Ordinance 18321

²⁶ Ordinances 19206, 19531

²⁷ Proposed Ordinance 2024-0319

This proposed change to the farebox recovery floor reflects current conditions. Metro's actual farebox recovery rate for 2023 was 8.8%. For 2024, it is estimated to be 8.9%. For 2025, it is anticipated to be 9.3%.²⁸ However, the ongoing imbalance between service levels and ridership has budget implications for Metro moving forward: as noted above, the 2025 budget anticipates \$100 million in farebox revenues, which represents a 9.3% farebox recovery rate. Farebox revenues would be as much as \$150 million higher in 2025 if the combination of ridership and fare collection allowed Metro to meet the 25% farebox recovery requirement.²⁹

Safety & Security

In response to concerns about safety and security incidents on buses and at transit stops and bases, and as part of a larger effort to reimagine and reform Metro's safety and security functions, Metro's 2023-2024 budget included several safety-related investments, including a one-time investment of \$21 million to increase the number of contracted transit security officers (TSOs) from 70 to 140; \$10 million to provide enhanced cleaning of bus coaches, shelters, and facilities; and funding for behavioral health initiatives that had been developed as part of Metro's Safety, Security, and Fare Enforcement (SaFE) Reform Initiative. Metro proposes to continue each of these expenditures in 2025:

- **Transit security officers.** During 2023-2024, Metro increased the number of contracted TSOs by approximately 90, using salary savings to cover the number above the additional 70 that had been budgeted. For 2025, Metro proposes a one-time expenditure of \$11.8 million to maintain the existing level of 160 contracted TSOs.

These TSOs will continue to ride bus routes with the highest rates of security incidents (currently Routes 7, 36, A, C, D, E, F, and H), which Metro indicates has reduced security incidents by 33%. In addition, TSOs will continue to be stationed at the Aurora Village and Burien Transit Centers and will continue to provide support at overnight bus terminals, which Metro states has reduced late-night incidents by 50%.

- **Bus and customer facility cleaning.** In the Transit Cleanliness report³⁰ transmitted in 2023 in response to a Council budget proviso, Metro estimated that it had achieved 65% of its cleaning standard for bus stops and shelters in 2021, and 52% in 2022, compared with 80% pre-pandemic. The proposed 2025

²⁸ Note that Table 3 of this staff report shows fares as a percentage of all operating revenues. The farebox recovery requirement set in the fund management policies is based on fares as a percentage of passenger-related operating costs for bus service.

²⁹ Ongoing changes to the regional transit network, specifically the growth of the Link light rail spine, could result in a greater share of Metro bus trips being part of a transfer between bus and light rail, and could reduce the share of farebox revenue Metro receives. In addition, the ongoing implementation of the income-based fare approach, through which many categories of riders pay a low or no fare, could also have the effect of reducing the farebox revenues Metro collects.

³⁰ Motion 16388

budget would add \$4.7 million, to hire 20.0 TLTs to create four additional cleaning teams to clean the highest priority facilities³¹ more often and to respond to emergent incidents, such as broken glass; and to hire 14.0 TLTs and 9.0 FTEs in the Vehicle Maintenance Division to continue enhanced cleaning processes for buses. Metro states that the goal of this proposal is to implement a pilot to assess the resources needed to exceed the cleaning standards for bus stops, by providing Level 3 cleaning services to all stops.³²

- **SaFE Reform Initiative.** Two of the programs piloted through Metro's SaFE Reform Initiative have been to locate DCHS behavioral health specialists at the Burien Transit Center to provide de-escalation and support for people in crisis; and to create a group of Transit Ambassadors, made up of bus operators on light duty, to assist passengers in busy areas. The proposed 2025 budget includes \$4.7 million (\$3.9 million in one-time spending, of which \$856,000 would be funded by the City of Seattle) to add 4.0 TLTs to continue the behavioral health initiative and expand the Ambassador program.

For the behavioral health initiative, the four current employees of this program will work in teams at the Burien Transit Center (Mondays to Fridays, 9:00 am-3:00 pm; Wednesdays, Saturdays, and Sundays from 5:00-11:00 pm) and will also ride the RapidRide C, D, and E Lines with transit security officers (Mondays, Tuesdays, and Thursdays, from 5:00-11:00 pm).

For the Ambassador program, Metro currently has 10 Ambassadors working with the program, and Metro anticipates that the number of light duty bus operators working as Ambassadors will remain steady during 2025, at between 12 and 15. In addition, the budget proposes 14 short-term temporary Ambassadors and two Lead Ambassadors. The Ambassadors will continue to focus their efforts on Jackson/23rd, Lower Queen Anne/Belltown, Mt. Baker/Columbia City, and Skyway/Renton. In addition, in partnership with the City of Seattle, Ambassadors will expand to other locations, including potentially the University District and UW Husky Stadium, Second Avenue, Rainier Beach, and the Seattle Waterfront.

Workforce

Metro has been experiencing ongoing staffing shortages (particularly with bus operators) since the start of the pandemic. Currently, Metro has appropriation authority for 2,543 FTE bus operators and a target of 2,428 FTE (because Metro is currently operating fewer service hours than budgeted), but has 126 FTE open, a vacancy rate of

³¹ Metro indicates that high priority areas are determined by ridership volume, customer survey results, and issue reports, and the inspection results of the quality assurance team that would be created as part of the budget proposal.

³² A Level 1 service visit includes sweeping. A Level 2 service visit includes sweeping and trash removal. A Level 3 service visit includes sweeping, trash removal, and pressure washing. Metro's standard is to provide one Level 3 service visit at each facility per month, with Level 1 and Level 2 service visits as needed and as staffing allows.

5%. For bus mechanics, Metro has a target of 274 FTE and a shortfall of 16 FTE (6% vacancy rate).

This staffing shortfall has led to operational capacity issues, which has required service reductions and led to a reliance on overtime: bus operators are currently operating on 27% overtime, compared with the target of 17%; and bus mechanics are currently operating on 8.75% overtime, compared to the target of 7.5%. The proposed 2025 budget includes several initiatives to support recruitment, training, and retention:

- **Bus operations training and support.** The 2025 budget would add \$3.3 million for 17.0 FTEs and 2.0 TLTs to add bus operations instructor positions to increase training capacity, add chiefs to support front-line staff, and add leadership and administrative positions to realign the Bus Operations structure. Metro indicates a goal of hiring 297 FTE bus operators in 2025, which includes the 126 vacant FTEs and the 171 FTEs needed to provide the additional service proposed in the budget. To achieve this level, Metro plans to hire and train about 600 operators, which accounts for attrition as well as the anticipated 70% graduation rate.
- **Employee Services.** The 2025 budget would add \$6.4 million (\$1.375 million revenue-backed) to add 30.0 FTEs and 6.0 TLTs to Metro's Employee Services Division to enhance recruitment and labor relations, with a focus on the hiring for upcoming Link light rail expansions. (Note that 22.0 of the requested 30.0 FTEs are conversions from existing TLT positions.) Metro states that this request is intended to stabilize the current level of recruiting support. Six of the FTEs and three of the TLTs would be dedicated to Metro's Rail Division and revenue-backed by Sound Transit.
- **Equity and employee communication.** The 2025 budget would add \$1 million (\$200,000 revenue-backed) for 4.0 FTEs to support Equal Employment Opportunity investigations; equity, inclusion, and belonging programming; and internal employee communications.
- **Agency transformation.** The 2025 budget would add \$5.8 million, including 1.0 FTE and 10.0 TLTs, to continue Metro's efforts to develop processes, tools, and techniques to update its business practices in the areas of recruitment, asset management, capital delivery, technology, workforce data and reporting, change management, and service recovery.
- **Employee mentorship and recruitment.** The 2025 budget would add \$1.2 million (\$628,000 revenue-backed) for 6.0 FTEs and 1.0 TLT to fund an increase to Metro's mechanic apprenticeship programs; and for the Mentors Moving Metro pilot, which, in partnership with ATU, matches experienced bus operators with new operations for six to 12 months.

Transition to Zero-Emission

In early 2020, the Council adopted the goal of transitioning to a zero-emission vanpool fleet by 2030³³ and a zero-emission revenue transit fleet by 2035.³⁴

Over the next decade, the transition to a zero-emission transit fleet will necessitate purchasing more than 1,000 buses, retrofitting Metro's bus bases to accommodate charging infrastructure or other alternative fuel sources, and retooling Metro's scheduling processes and technology to correspond to the capacity, range, abilities, and charging needs of zero-emission buses.

To facilitate that work, the 2023-2024 Biennial Budget³⁵ included \$1.3 million in the operating budget and \$264 million in capital appropriations for Metro to purchase 120 battery-electric buses, two 150-passenger battery electric water taxi vessels, and 19 paratransit battery electric minibuses; test four hydrogen fuel cell buses; and continue the conversion of Metro's bases.

While earlier budgets included significant investments toward the zero-emission transition, the 2023-2024 budget was the first to move substantially beyond the pilot phase. Because the life span of a bus is set at 12 years for federal funding purposes,³⁶ any bus purchased during or after the 2023-2024 biennium must be a zero-emission bus for Metro to reach the 2035 zero-emission fleet goal.

The proposed 2025 budget includes \$5.84 million in the operating budget toward the zero-emission goal, including \$3.5 million for 27.0 FTEs and 12.0 TLTs to prepare for the 2026 opening of Interim Base at Metro's South Campus in Tukwila, which will house up to 120 battery-electric buses (BEBs);³⁷ and \$780,000 for consultant support and 2.0 TLTs to support workforce development, data, reporting, and capital planning for the zero-emission transition.

The 2025 budget also includes \$448 million in proposed capital appropriations (in both the Capital Infrastructure and Revenue Fleet funds) for the zero-emission transition, the largest of which would be a proposed \$380 million in appropriation authority for the continued development of South Annex Base at Metro's South Campus in Tukwila to support 250 BEBs by 2028.³⁸

³³ KCC 18.22.010.A.3 (Ordinance 19052)

³⁴ KCC 18.22.010.A.1, KCC 28.94.085.A.1 (Ordinance 19052)

³⁵ Ordinances 19546, 19791

³⁶ Federal Transit Administration, Grant Management Requirements Circular _C 5010.1D ([link](#))

³⁷ Metro states that it awarded a bus procurement contract for 89 low-floor 40-foot BEBs to Gillig in early 2024. Fleet production is scheduled to begin in July 2025, with the BEBs delivered by March 31, 2026. These 89 BEBs will combine with Metro's existing New Flyer BEBs to complete the fleet for Interim Base.

³⁸ Metro's fleet plan anticipates the BEB procurement for South Annex Base to be awarded in 2026, with production to begin in early 2027 and take two years. Metro expects to begin taking delivery of buses in mid-2027, with the first 200 buses in place for the 2028 Fall service change, with a mix of 100 40-foot and 100 60-foot BEBs. The remaining 50 buses will be 30 60-foot and 20 40-foot BEBs.

Table 7 shows the non-trolley zero-emission appropriations proposed in the 2025 capital budget. The list includes several projects for which appropriations are not proposed in 2025 but are anticipated to have appropriation requests by 2028-2029.

Table 7. 2025 Non-Trolley Zero-Emission Appropriations (Funds 3641, 3642)

Name	Description	2025	2026-2027	2028-2029	Total Budget ³⁹
South Annex Base⁴⁰ (1134223)	Will open as an electrified base in 2028 with capacity for 250 battery-electric buses	\$380,434,367	\$0	\$0	\$448,000,000
Non-Fixed Route Program Management (1134228)	Support for the Non-Fixed Route Fleet capital planning efforts, including zero-emission transition.	\$320,499	\$382,523	\$0	\$1,729,893
Zero Emission Infrastructure Planning (1134274)	Overall planning and programming of vehicle infrastructure facilities to support zero-emission fleet	\$5,169,593	\$0	\$0	\$10,665,830
Electric Vehicle Charging Program Budget (1139326)	Non-bus vehicle charging infrastructure at transit facilities	\$2,019,245	\$14,075,906	\$14,178,974	\$46,292,840
Layover Charging Planning Report (1139397)	Plan to develop layover charging and phased implementation for base charging	\$2,917,508	\$430,094	\$0	\$7,194,549
Layover Charging Budget (1139852)	Develop on-route layover charging to support 2025, 2026 BEB deployment	\$7,767,610	\$28,706,851	\$44,602,002	\$101,380,227
Central Base Electrification (1142163)	Planning and design for conversion of Atlantic (2035) / Central (2029) Bases	\$0	\$163,703,564	\$0	\$176,242,964
Countywide Layover Facilities Planning Budget (1144088)	Plan for layover sites in coordination with charging needs (this project is broader than zero-emission, but part of the effort)	\$0	\$731,789	\$3,071	\$683,550

³⁹ For some projects, the Total Budget column includes appropriations made prior to 2025.

⁴⁰ The King County Auditor included the South Annex Base in its 2024 list of high-risk capital projects under KCC 4A.130.020. For the South Annex Base project, the Auditor states that, “project risks include challenging subsurface conditions, permitting for work in critical areas, and a low level of contingency funds to address potential cost escalation... Delays in development of the South Annex Base may mean that Metro Transit will not have sufficient infrastructure to support its planned fleet of 337 battery-electric buses in fall of 2028, which could lead to service disruptions.”

Name	Description	2025	2026-2027	2028-2029	Total Budget ³⁹
East Base Electrify (1144128)	Planning and design for conversion of East Base (2030)	\$0	\$9,397,294	\$135,121,797	\$148,590,171
Ryerson Base Electrify (1144142)	Planning and design for conversion of Ryerson Base (2029)	\$2,175,222	\$10,130,098	\$123,621,975	\$135,927,295
Burien Layover Expansion and Charging (1144143)	Expand Burien TC off-street layover to support layover charging	\$5,317,087	\$245,208	\$2,321,964	\$7,884,259
Pier 50 Float Expansion (1148272)	Planning, design, construction for two additional berths at Pier 50, including charging infrastructure (this project is broader than zero-emission, but part of the effort)	\$28,078,578	\$0	\$0	\$28,078,578
Bellevue Base Electrification (1148300)	Planning and design for conversion of Bellevue Base (2035)	\$0	\$0	\$4,337,106	\$12,567,913
Shoreside Charging (1148302)	Install shoreside charging infrastructure for Marine Division	\$6,019,729	\$0	\$0	\$6,019,729
Vanpool Vehicle Purchase (1130169)	Fleet: In 2025 purchase 221 electric vehicles plus solutions for telematics and home charging reimbursement	\$5,492,579	\$31,525,300	\$30,140,800	\$106,014,646
Fixed Route Program Management (1134163)	Fleet: Planning for fleet purchases and coordination with Vehicle Maintenance and Transit Facilities	\$2,671,270	\$1,388,974	\$694,486	\$6,632,443
2025 TOTAL		\$448,383,287			

In 2022, Metro completed a zero-emission bus fleet transition plan⁴¹ as part of a Federal Transit Administration requirement to apply for federal grant funding. The transition plan outlined Metro's timeline and strategy to achieve a zero-emission revenue fleet by 2035.

- **Fleet plan.** Metro's revenue bus fleet comprises approximately 1,300 vehicles,⁴² including 174 electric trolley buses and 51 battery electric buses (BEBs).⁴³ Over

⁴¹ King County Metro, Moving to a Zero-Emission Bus Fleet: Transition Plan, May 2022 ([link](#))

⁴² This total does not include Sound Transit buses that are operated by Metro, and which comprise an additional 80 buses as of Fall 2024.

⁴³ BEBs include 11 short-range Proterra buses and 40 longer-range New Flyer buses. The remaining buses are diesel-electric hybrids.

the next decade, Metro plans to replace the existing trolleys and purchase BEBs. Table 8 shows Metro’s fleet plan for zero-emission buses (when buses will enter the fleet, not when funds are appropriated or when the buses are ordered). Metro notes that additional buses may be needed to achieve the zero-emission network, depending on technology and layover charging ability.

Table 8. Metro Zero-Emission Fleet Plan⁴⁴

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL
40' BEB		89 ⁴⁵		100 ⁴⁶	70	85	35	105		50	85	610
60' BEB				100 ⁴⁷	30	25	150	60	20	90	45	520
40' Trolley									110			110
60' Trolley			20						64			84
TOTAL		89	20	200	100	110	185	165	194	140	130	1,333

- **Base conversion plan.** To accommodate the zero-emission fleet, Metro must convert its bases to add charging or fueling infrastructure. Metro’s plan is to convert the bases sequentially, with each base expected to require 18 to 24 months for conversion, and with a permanent reduction in capacity of 10% to 15% due to the installation of charging infrastructure within the yard. The draft timeline for electric base opening is:
 - 2026: Interim Base
 - 2028: South Annex Base
 - 2029: Central Base
 - 2029: Ryerson Base
 - 2032: Bellevue Base
 - 2033: North Base
 - 2035: South Base
 - 2035: Atlantic Base
- **Layover charging.** Metro’s current plan calls for a mix of on-base and on-route charging. Metro has been pursuing five initial layover sites in South King County to support electrification of the fleet operating out of the Interim and South Annex Bases. After that, Metro plans to seek candidate locations for layover charging across the system, a process that will require significant electrical infrastructure in multiple jurisdictions.

In June 2024, in response to a Council budget proviso, the King County Auditor’s Office released an audit report on the 2035 zero-emission transit fleet goal and Metro’s progress in meeting it.⁴⁸ The audit found that Metro faces significant risks that may

⁴⁴ Source: King County Metro, Moving to a Zero-Emission Bus Fleet: Transition Plan, May 2022 ([link](#)) with updated information from Metro in September 2024.

⁴⁵ For Interim Base

⁴⁶ For South Annex Base

⁴⁷ For South Annex Base

⁴⁸ King County Auditor, Zero Emissions: Metro Transit Working to Mitigate Risks to County’s Ambitious 2035 Goal, June 11, 2024 ([link](#))

impede its ability to reach the 2035 goal, including the loss of bus manufacturers, technology limitations, sufficient electricity supply in the future, and lagging battery-electric bus performance.

The audit recommended that Metro communicate with Council about its efforts to test diverse propulsion systems (such as hydrogen), establish emergency plans for the use of zero-emission buses during a regional emergency, implement a strategy to make use of collaborative capital delivery methods, and take steps to formalize procurement, safety, collaboration, and government relations in capital projects.

RapidRide & Metro Connects

Metro currently operates eight RapidRide lines (A-H) and is working to develop four additional lines (I, J, K, R), which are planned to start service between 2026 and 2031.

Work on the K Line between Kirkland and Bellevue and the R Line along Rainier Avenue in Southeast Seattle was paused during the pandemic and then restarted at the Council's request. As part of the 2023-2024 Biennial Budget, \$7.5 million was appropriated to advance work on the K Line and \$22 million for the R Line.

The Executive has not proposed additional appropriations for the K or R Lines for 2025, stating that \$10 million in existing carryover appropriation for the K Line and \$26 million in carryover for the R Line will be sufficient to move forward with planned activities during 2025, which includes completing 10% design and finalizing a Locally Preferred Alternative⁴⁹ for the K Line and developing a scope of work for the final design phase for the R Line.

As part of the update to the Metro Connects long-range plan⁵⁰ in 2021, Metro was asked to transmit a RapidRide Prioritization Plan to organize future RapidRide lines into tiers. That plan, which was accepted by the Council earlier this year,⁵¹ identified two potential RapidRide corridors for the first tier,⁵² with implementation to be prioritized by the time of the future Interim Network.⁵³ The 2025 budget proposes an appropriation of \$1.5 million toward continued planning for the two Tier 1 RapidRide lines, which would be targeted for implementation during the 2030s.

⁴⁹ The Locally Preferred Alternative for a RapidRide line identifies the alignment (pathway) the bus will follow, as well as the station locations. Approval of a Locally Preferred Alternative by the Council is a requirement to be eligible for federal funding.

⁵⁰ Ordinance 19367

⁵¹ Motion 16659

⁵² Routes 150 and 36 were prioritized for Tier One in the RapidRide Prioritization Plan (Motion 16659)

⁵³ The adopted Metro Connects is based around two future transit networks: an Interim Network and a 2050 Network. The Interim Network is envisioned for when the Ballard and West Seattle Link light rail extensions open (originally anticipated as 2035 for costing purposes, currently anticipated as 2039).

Metro Connects was adopted as an unconstrained plan and is not fully funded.⁵⁴ It is not clear at this time what level of additional resources would be available during future biennia for ongoing RapidRide development or other transit expansion investments envisioned in Metro Connects.

Information Technology Investments

Metro's operations rely on several hundred technology applications and interfaces that are used to plan routes and schedules, collect fares, communicate between buses and the base, and provide information to employees and customers. The 2025 budget continues Metro's investment in technology solutions with a proposed \$12 million in appropriations for 2025 for new or updated transit technology projects, including:

- **Seattle Streetcar INIT replacement:** \$858,000 to replace the 2007-era INIT⁵⁵ system that supports service activities on the Seattle Streetcar with upgraded technology that meets industry standards and integrates with the INIT system used by Metro's Bus Operations Division.
- **Operator electronic pick:** \$5.82 million to develop an electronic Pick for operators. Operator Pick and Vacation Selection is when Metro operators select their future work shifts and vacations, a process that must adhere to rules outlined in the collective bargaining agreement with the Amalgamated Transit Union (ATU), Local 587.⁵⁶ The current process relies on the manual posting of printed materials in a central location, which is costly to conduct and does not allow operators to track results ahead of their selection time. This project will develop an interface through Metro's existing HASTUS⁵⁷ scheduling software to allow the Pick to be conducted electronically, which is anticipated to reduce costs and increase transparency into available work for operators.
- **WebTools upgrade:** \$5.4 million to upgrade Metro's WebTools⁵⁸ suite with modern security and access architecture to bring back-end systems into compliance with KCIT's security policies; to upgrade front-end applications with

⁵⁴ An unconstrained plan is, by definition, one that assumes unlimited resources. When Metro Connects was adopted, the Council requested a Metro Connects Implementation Plan (Motion 16155) to provide more information on the funding gap and potential funding sources.

⁵⁵ INIT is the name of a supplier of integrated planning, dispatching, telematics, and ticketing systems for buses and trains ([link](#))

⁵⁶ Ordinance 19668

⁵⁷ HASTUS is the name of a transit scheduling software for bus, tram, and passenger rail operations ([link](#))

⁵⁸ WebTools is a suite of applications built and maintained by KCIT for Metro applications that generate data for frontline Metro service delivery and customer-facing systems. For Metro, these include: assignment and editing of route stops so that riders know the intermediate and endpoint of a route; defining what, when, and where announcements are made onboard a transit vehicle; assigning a customer-accessible name to stops and streets; identifying when customer-facing signage changes when a trip transitions from one route to another; managing bus stop route signage information; managing and determining what route service information goes to what frontline system; combining data from Metro's scheduling system and sending it to the Onboard System Central Computer System; displaying data on a dashboard at each base; managing partner agency inventories of ORCA LIFT cards; managing vanpool memberships; and viewing bus assignment data.

new versions of Microsoft development technologies; and to move the system from an on-premise server to the cloud.

KEY ISSUES

ISSUE 1 – RIDERSHIP & SERVICE

Metro is currently operating approximately 87% of pre-pandemic service levels (90% of County-funded service) with 64% of pre-pandemic weekday ridership levels. In part because of this imbalance, farebox recovery levels are anticipated to remain below the required 25% (estimated at 9.3% for 2025), meaning that Metro is collecting up to \$150 million a year less in farebox revenue than if it could meet the requirement.

As this staff report describes, the 2025 budget proposes to increase transit service, continue and expand safety and security initiatives, including bus and bus stop cleaning, and increase funding for market research and rider engagement.

Metro notes that it will continue to study emerging ridership patterns and that the 2026-2027 budget will address the upcoming projected reserve shortfall that is being driven by the combination of higher spending and lower revenues.

ISSUE 2 – FARES & FUND MANAGEMENT

As part of the 2025 budget, the Executive is proposing four changes to Metro fares:

- **Adult bus fare.** Proposed Ordinance 2024-0310 would increase the regular adult fare on Metro buses, trolleys, transit vans, dial-a-ride vehicles, and streetcars from \$2.75 to \$3.00, effective September 1, 2025. Metro projects the fare change will result in \$2.6 million in additional farebox revenue in 2025 and \$16.9 million in 2026-2027.
- **Adult water taxi fare.** Proposed Ordinance 2024-0309 would increase adult water taxi fares for West Seattle (from \$5.75 to \$6.25⁵⁹ cash, \$5.00 to \$5.25 prepaid) and Vashon Island (from \$6.75 to \$7.00 cash, \$5.75 to \$6.00 prepaid), effective September 1, 2025. Metro projects \$33,260 in additional farebox revenue in 2025 and \$209,521 in 2026-2027.
- **ORCA LIFT bus fare.** Proposed Ordinance 2024-0317 would permanently lower the ORCA LIFT (low-income⁶⁰) fare for Metro buses, trolleys, transit vans, dial-a-ride vehicles, and streetcars from \$1.50 to \$1.00, effective January 1, 2025. The ORCA LIFT fare has been set at \$1.00 since September 2022, but will revert to

⁵⁹ The West Seattle cash fare is proposed to increase by \$0.50 due to the formula in KCC 4A.700.820.

⁶⁰ ORCA LIFT is available to passengers at or below 200% of the federal poverty level. ORCA LIFT eligibility is currently \$2,510 monthly income for a one-person household, \$5,200 monthly income for a four-person household. The ORCA LIFT fare program is established in K.C.C. 4A.700.490 ([link](#))

\$1.50 on January 1, 2025, unless action is taken. Metro projects a reduction of \$423,307 in farebox revenue in 2025 and \$910,335 in 2026-2027.

- **ORCA LIFT water taxi fare.** Proposed Ordinance 2024-0308 would lower the ORCA LIFT water taxi fare to \$1.00 (currently \$3.75 for West Seattle, \$4.50 for Vashon), effective September 1, 2025. Metro projects \$2,503 in reduced farebox revenues in 2025 and \$15,535 in 2026-2027

In addition, Proposed Ordinance 2024-0319 would change Metro's farebox recovery target from 30% to 15%; and the farebox recovery floor from 25% to 10%.

ISSUE 3 – SAFETY & SECURITY

In response to continuing concerns about safety and security incidents on buses and at transit stops and bases, and as part of a larger effort to reimagine and reform Metro's safety and security functions, the proposed budget includes several safety and security initiatives. These include additional resources for cleaning of busses and transit stops and stations, as well as funding to maintain the level of contracted transit security officers currently at work in the system and expand the behavioral health and Metro Ambassador programs.

ISSUE 3 – WORKFORCE

Metro is currently operating with 5% of its bus operator positions vacant (126 FTEs vacant out of 2,428 FTE target); and with 6% of bus mechanic positions vacant (16 FTE vacant out of 274 FTE target). This staffing shortfall has meant that Metro has relied on overtime to deliver scheduled service and has prevented Metro from restoring service that was reduced during the pandemic.

The 2025 budget proposes several initiatives to streamline recruitment, enhance training and supervision, and provide mentorship and apprenticeship opportunities.

ISSUE 4 – TRANSITION TO ZERO-EMISSION

To meet the adopted goal of transitioning to a zero-emission revenue bus fleet by 2035,⁶¹ Metro must purchase more than 1,000 battery electric buses and convert its bases to support zero-emission fueling or charging infrastructure.

The proposed 2025 budget includes \$5.84 million in the operating budget to prepare for the opening of Interim Base and plan for the rest of the transition; as well as \$448 million in proposed capital appropriations, the largest of which is \$380 million for the continued development of South Annex Base.

⁶¹ KCC 18.22.010.A.1, KCC 28.94.085.A.1

In past years, Councilmembers have asked about the tradeoff between service hours and the capital costs of transitioning to a zero-emission fleet. A 2020 study⁶² found that, if costs to acquire and operate BEBs remain steady over time, the additional cost of acquiring a zero-emission fleet would be equivalent to providing 237,000 annual service hours over a 19-year period. However, if costs decrease with advances in technology, the lifecycle and societal costs of zero-emission and diesel-hybrid vehicles would be roughly equivalent over the same 19-year period.

A June 2024 report by the King County Auditor noted that Metro faces significant risks that may impede its ability to reach the 2035 goal, including the loss of bus manufacturers, technology limitations, sufficient electricity supply in the future, and lagging battery-electric bus performance.

ISSUE 5 – RAPIDRIDE & METRO CONNECTS

Work on the RapidRide K Line between Kirkland and Bellevue and the R Line along Rainier Avenue in Southeast Seattle was paused during the pandemic and then restarted at the Council's request. The Executive has not proposed additional appropriations for the K or R Lines for 2025, stating that existing carryover appropriation will be sufficient to proceed with planned activities for each line.

The 2025 budget proposes an appropriation of \$1.5 million toward planning for the two Tier 1 RapidRide lines identified in the RapidRide Prioritization Plan,⁶³ which would be targeted for implementation during the 2030s. However, because Metro Connects was adopted as an unconstrained plan,⁶⁴ it is not clear at this time what additional resources would be available for future RapidRide development or other Metro Connects projects.

⁶² Zero-Emission Battery Bus Preliminary Implementation Plan (2020-RPT0142) ([link](#))

⁶³ Motion 16659

⁶⁴ At Council's request, Metro developed a Metro Connects Implementation Plan in 2022 to provide more information about the Metro Connects funding gap and potential funding sources (Motion 16155).

PARKS AND RECREATION

ANALYST: SHERRIE HSU

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	70,864,999	67,173,673	332.3	20.0
2025 Base Budget Adjust.	4,632,018	0	0.0	0.0
2025 Decision Packages	11,122,808	10,880,535	13.0	8.0
2025 Proposed Budget	\$86,620,000	\$78,055,000	345.3	28.0
% Change from prior biennium	22.2%			
Dec. Pkg. as % of prior biennium	15.7%			

Major Revenue Sources: Parks, Recreation, Trails, and Open Space Levy; Business Revenue

DESCRIPTION

The mission of the Parks and Recreation Division (Parks) of the Department of Natural Resources and Parks (DNRP) is to steward, enhance, and acquire parks to inspire healthy communities. Operation and maintenance of King County's parks and open space system is supported through a combination of voter-approved levies¹ and business revenue from user fees, special events, sponsorships, and partnerships.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2025 Parks and Recreation operating budget includes an \$86 million expenditure request with an estimated \$78 million in revenues. Around 85% of revenues are expected to come from the Parks Levy.² The remaining 15% mostly comes from business revenue, with a small amount from federal revenue (for the Youth Sports Tourism grant), levy administration fee, and interest earnings. Of proposed expenditures, 94% would be for Parks Operations and Maintenance, 3% for a Capital Fund Transfer Out, 2% for Targeted Equity Grants, and the remainder for the WSU Cooperative/W-H, and King County Search and Rescue. The staffing requests would support parks operations and maintenance.

Key Decision Package adjustments proposed for the 2025 budget include the following items:

¹ The current levy, approved by voters in 2019, is a six-year property tax levy in place through 2025. The levy is discussed further in the staff report on the Parks, Recreation, Trails, and Open Space Levy appropriation unit.

² According to the proposed Financial Plan, \$120.6 million in Parks Levy revenue would be allocated to Parks Operating Fund in 2023-2024.

\$1.7 million to convert 8.0 TLTs and add 4.0 FTEs to Operations and Maintenance staffing for continuity in delivering key levy commitments. The following positions would be added:

- PPM III – Convert 1.0 TLT
- Lifeguards – Convert 2.0 TLT
- Playground Specialist – Convert 1.0 TLT
- Arborist – Convert 1.0 TLT
- Communications Specialist III – Convert 1.0 TLT
- Real Property Agent I – Convert 1.0 TLT
- Inventory Purchasing Specialist II – Convert 1.0 TLT
- Electrician II – New 1.0 FTE
- Administrative Specialist II – New 1.0 FTE
- Administrator IV – New 1.0 FTE
- Parks Specialist II – New 1.0 FTE

According to Parks, the rationale for these new positions is that over time, the division has employed temporary employees to provide critical services where only one FTE was assigned. Programs and services have grown, and levy deliverables have increased the responsibilities within these singular staffed programs. The positions would support public safety and regulatory compliance for the upkeep of the parks system and protection of county-owned assets. The positions would also add capacity to the recent growth in the forestry and land management programs heavily impacted by parks levy deliverables and Executive initiatives. According to Parks, if these positions are not funded this year, Parks would need to shift this work to permanent staff to maintain its pace to fulfill levy commitments; not funding the positions would risk not meeting prescribed milestones at the end of the 2020-2025 Parks Levy, and it would result in a decline in customer service and business partnerships, operational efficiencies, and employee engagement and morale.

\$660,000 to reappropriate unspent one-time funds designated for fleet and equipment purchases within the Parks Ranger Program and Operations and Maintenance programming. This reappropriation is requested due to the backlog in purchases and efforts to support the County's fleet electrification mandate.

\$1.7 million to reappropriate unspent one-time money designated for the Parks Maintenance Standards and Service Levels project. According to Parks, reappropriation is needed because the project had a late start due to recruitments and weather conditions. Council appropriated money in the 2023-2024 budget for Parks to assess maintenance standards and service levels of the parks system. The scope of this project is to create a comprehensive categorization and inventory of assets within the parks system to measure equity standards, including access, resources, and where land is acquired and classified, in order to inform a resource allocation model.

\$5.0 million to appropriate money to support the Parks Fleet and Electrification Infrastructure Program. This would allow Parks to support its fleet and electrification

infrastructure to meet the targets within the Parks Levy ordinance³ to transition the County's light duty fleet to electric vehicles. Of this amount, \$2 million would be used to procure electric fleet and maintenance equipment, and \$3 million would support electrification infrastructure.

\$851,000 to support continuity of the Parks Beautification Program through 2025.

This program, which was originally part of King County's Jobs and Housing Program and made possible by Coronavirus Local Fiscal Recovery (CLFR) money, supports unhoused people with pathways to meaningful employment and career opportunities.

King County established the Jobs and Housing Program in 2021. The program has provided temporary jobs, career preparation, and housing and support services within King County and other local organizations. These were temporary jobs lasting up to one year; and they included paid ORCA transit pass and other transportation assistance, housing support, career support, and coaching services for one year. In 2022, across the county, 87 program participants moved into their own housing, and another 88 secured stable housing. In Parks, there have been 37 participants hired since 2021.⁴ Currently, there are eight active employees in Parks. Since 2021, the cumulative budget for Parks has been \$3.1 million; most of this was CLFR money, with Parks Levy money contributing approximately \$368,000 to the program. This budget request would allow the Parks portion of the program to be entirely supported using parks levy operations and maintenance money.

\$66,000 for an increased climate cost share allocated to support the Climate Office's actions to advance the Strategic Climate Action Plan. The allocation methodology is based on operational greenhouse gas emissions of contributing agencies.

Other adjustments include:

- Adding a 1.0 FTE position that was unaccounted for in a data interface transition from PeopleSoft to PBCS.
- Making a revenue adjustment of \$10.8 million to reflect Parks Levy revenue (distributed from the Parks, Recreation, Trails, and Open Space Levy Fund, which acts as a pass-through fund).
- Making overtime account adjustments, vacancy rate adjustments, and temporary account adjustments.

KEY ISSUES

Staff have not identified any key issues for this budget.

³ Ordinance 19052

⁴ 21 in 2021, 7 in 2022, 5 in 2024, and 4 in 2024.

PARKS, RECREATION, TRAILS, AND OPEN SPACE LEVY

ANALYST: SHERRIE HSU

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$158,827,108	\$159,827,109	0.0	0.0
2025 Base Budget Adjust.	0	0	0.0	0.0
2025 Decision Packages	\$11,158,078	\$10,813,873	0.0	0.0
2025 Proposed Budget	\$170,986,000	\$170,641,000	0.0	0.0
% Change from prior biennium	7.0%			
Dec. Pkg. as % of prior biennium	7.0%			

Major Revenue Sources: Parks, Recreation, Trails, and Open Space Levy

DESCRIPTION

In August 2019, King County voters approved the 2020-2025 King County Parks, Recreation, Trails, and Open Space Levy. The revenue generated by the levy provides more than 80% of the division’s operating revenues and most of the division’s capital funding. The voter-approved levy¹ required proceeds to be distributed as follows:

- Up to \$8 million of the levy proceeds for a capital construction project at the Seattle Aquarium;
- Up to \$44 million of the levy proceeds for pool maintenance, capital improvements and construction;
- Up to \$22 million of the levy proceeds for integrated floodplain management;
- 47% of the remaining proceeds for acquisition of open space, continued development of regional and other public trails, other capital improvement projects and major maintenance of the county’s open space system, and community partnerships and grants;
- 40% of the remaining proceeds for King County’s park system operations and maintenance, with no more than \$10 million of this amount being used for targeted equity grants;
- 8% of the remaining proceeds for distribution to the towns and cities of King County for their town or city parks system operations and capital improvement projects;² and

¹ Ordinance 18890

² The Parks Levy Ordinance specifies the formula for distributing levy proceeds to towns and cities as follows: "Each town or city receives \$25,000. In addition, cities or towns with populations greater than 4,000 receive an additional \$75,000. After that, 50% of the remaining proceeds are distributed based on a city or town’s share of the total King County population and 50% are distributed based on a city or town’s share of the total King County Assessed Values."

- 5% of the remaining proceeds for environmental education, maintenance, and conservation programs at the Woodland Park Zoo.

Following passage of the levy, the council amended K.C.C 4A.200.480 to require proceeds from the 2020-2025 levy to be deposited in this subfund.³ Moneys deposited to this fund are then distributed as required by the levy ordinance. As a result, this fund acts as a pass-through only. The levy is set to expire in 2025 unless renewed by voters and the council.

SUMMARY OF PROPOSED BUDGET AND CHANGES

At the time of levy passage, the 2020-2025 Parks Levy was expected to generate \$810 million in gross proceeds over six years. According to the August 2024 OEFA forecast, the levy is expected to generate around \$851 million, which is around a 5% increase over the original expected amount.⁴ The levy is expected to generate approximately \$170.9 million in the proposed 2025 budget to support \$170.9 million in expenditures.

There is one decision package item in the Executive's proposed 2025 budget, which is to update expenditure accounts to distribute \$11.1 million in 2025 proceeds from the levy. The disbursement also includes the estimated ending fund balance from 2024. The proposed budget would also include a technical revenue adjustment of \$10.8 million to match the current forecast.

According to the 2025 Financial Plan, the \$171 million in expected 2025 proceeds would be allocated as follows:

- \$0.0 million to Seattle Aquarium⁵
- \$8.7 million to Public Pools Capital Grants
- \$4.5 million to Open Space River Corridors Grants
- \$67.5 million to Parks Operating Fund
- \$69.7 million to Parks Capital Fund
- \$12.6 million to cities within the County
- \$7.9 million to Woodland Park Zoo

There is no levy reallocation requested this year.

KEY ISSUES

Staff have not identified any key issues for this budget.

³ Ordinance 19024

⁴ The levy generated \$115.7 million in 2020, \$253.6 million in 2021-2022, an estimated \$307.9 million in 2023-2024, and is expected to generate \$169.8 million in 2025.

⁵ This amount is \$0 because the maximum allocation of \$8 million to the Seattle Aquarium (as set forth in the levy ordinance) has already been met in previous years. This money supported the Ocean Pavilion expansion.

PARKS RECREATION AND OPEN SPACE AND PARKS CAPITAL

ANALYST: SHERRIE HSU

PARKS RECREATION AND OPEN SPACE (3160)

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$11,641,772	\$4,900,000	\$4,900,000
Expenditures	\$11,641,772	\$4,900,000	\$4,900,000

Major Revenue Sources: REET 1 and 2, Grants, Bond Proceeds

PARKS CAPITAL (3581)

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$86,144,100	\$1,965,862 ¹	\$1,965,862
Expenditures	\$86,144,100	\$1,965,862	\$1,965,862

Major Revenue Sources: Parks, Recreation, Open Space, and Trails Levy, REET 1 and 2, Grants

DESCRIPTION

The Parks Capital Improvement Program supports the acquisition, construction, and rehabilitation of open space, parks, trails, and recreational facilities. It is supported by proceeds from the voter-approved Parks, Recreation, Trails, and Open Space Levy (Parks Levy), as well as Real Estate Excise Taxes (REET) and grants.

The Parks, Recreation, and Open Space Fund (3160) provides for capital planning efforts, acquisition evaluations, budget development, and facility rehabilitations. Revenue sources are grants, REET, and bond proceeds.

The Parks Capital Fund (3581) provides revenues to be used for open space and trail acquisition, development projects, major maintenance, community partnerships and grants, and the parks levy grant programs. Revenue sources are the Parks Levy, REET 1 and 2, and grants.

¹ The current 2020-2025 Parks Levy is set to expire in 2025 unless renewed by voters and the Council, so projections beginning in 2026 do not include levy revenue. If the levy is renewed in 2026, there would be additional revenue.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Parks, Recreation, and Open Space Fund (3160). The Executive's proposed 2025 budget includes a \$11.6 million appropriation to this fund. Key projects proposed for this fund during 2025 include:

- Auditor Capital Project Oversight Fund. \$6,800 for the annual budget allocation to the Auditor's Office Capital Project Oversight.²
- Parks Infrastructure Rehabilitation. \$8.2 million for this program, which would address emerging time critical capital construction or major maintenance needs, ADA accessibility, and other recommendations identified in Major Maintenance Reserve Studies to optimize the life cycle of park assets throughout the county's parks system. This money would support rehabilitation of existing parks facilities, including pathways and parking lot repairs, roof and restroom replacements, mechanical and electrical system replacements, and emergency projects. This money would also support ongoing monitoring and maintenance of mitigation sites for CIP projects (a regulatory requirement), completion of the Parks ADA Transition Plan (a legal requirement), development of Parks Site Management Plans, and meeting targets within the Parks Levy Ordinance (Ordinance 19052) to transition the county's light duty fleet to electric vehicles, by providing funding for necessary infrastructure.

This request would transfer remaining money from the Parks Energy Efficiency and Parks Facility Rehabilitation Program due to project closures.

- Grant Contingency. \$1.0 million to ensure adequate balance is available to cover pending grant applications.
- Fish Passage Program. \$2.5 million to continue work to remove fish passage barriers by repairing or replacing fish passable culverts. According to Executive staff, this would enable Parks to meet legal obligations and would be managed in partnership with the Clean Water Healthy Habitat and Fish Passage initiatives. The money would support design of four culverts and construction of three, as well as overall program management, which includes planning, prioritizing, inspection, preparing grant applications, and interagency coordination.

According to Executive staff, the Fish Passage Restoration Program is just completing the second year of a 10-year capital work plan that would restore salmon access to at least 50% of the habitat that is currently blocked by county barriers by 2032. The program is currently on track to meet this target, contingent on budgets and funding for future years that includes a mix of county revenues

² This amount is determined by the Office of Performance, Strategy and Budget based on the 2025 Capital Oversight Allocation (CPO) model. The CPO is an allocation of audit costs from the council auditor (KCAO) to the 12 largest budgeted CIP funds in the county.

leveraging substantial grant funding. To date, 19 projects have been completed, and another 55 projects are estimated to be completed by 2032. This program includes investments in Parks Division (DNRP), Water Land Resources Division (DNRP), and Roads Division (DLS). The proposed 2025 budget does not propose any new FTE for the program.

Parks Capital Fund (3581). The Executive's proposed 2025 budget includes a \$86.1 million appropriation to this fund in 2025. This includes \$60 million from the Parks Levy, \$1 million in REET, and \$25 million in grant money.³ Projects include open space purchases, construction, and major maintenance of regional parks and facilities, trail development, and grants, as stipulated by the Parks Levy.

According to Executive staff, the parks levy project budgets align with voter-approved percentage allocations required by the Parks Levy Ordinance 18890. Motion 15378 requests the Executive to transmit a reallocation report by September 30th if a reallocation request is anticipated. No reallocations are requested this year, and the proposed budget does not include proposed reallocations of levy money.

Key projects proposed for this fund in 2025 include:

Open Space Acquisitions. The Parks Capital Fund supports open space acquisitions, including those recommended for grant awards by the Conservation Futures Advisory Committee.

The Conservation Futures Advisory Committee reviews and makes recommendations for projects to be supported by both the Parks Levy and the Conservation Futures Tax (CFT). Depending on project eligibility, some projects are recommended for CFT funding, some projects are recommended for Parks Levy funding, and some projects are recommended to receive funding from both sources. King County Code outlines an annual process for applications, review, and recommendations from this committee.⁴ The proposed 2025 budget includes a list of proposed projects for 2025 only.

The Advisory Committee provides recommendations to the Executive and then transmits them for Council review. For 2025, the Committee recommended Parks Levy funding for projects totaling \$16 million, as shown in Table 1. Executive staff have confirmed that these project recommendations align with the Committee's recommendations.

³ \$25 million from the federal RAISE grant to support the Eastrail I-90 Steel Bridge construction.

⁴ K.C.C. 26.12

**Table 1.
Proposed Parks Levy Open Space Grant Awards**

Agency/ Location	Project Name	Parks Levy Recommended	Council District
KC - WRIA 7	Ames Lake Forest - Phase I	\$900,000	3
KC - WRIA 7	Griffin Creek Natural Area	\$278,725	3
KC - WRIA 7	Lake Alice Forest	\$1,130,875	3
KC - WRIA 7	Rattlesnake Mountain Scenic Area Additions	\$333,500	3
KC - WRIA 7	Rutherford Slough	\$95,250	3
KC - WRIA 7	Snoqualmie Corridor Enhancement	\$542,500	3
KC - WRIA 7	South Fork Skykomish - Miller River Conservation	\$17,500	3
KC - WRIA 7	Tanner Landing Addition	\$322,750	3
KC - WRIA 7	Union Hill Forest - Phase II	\$1,313,750	3
KC - WRIA 7	Upper Snoqualmie Conservation	\$175,000	3
KC - WRIA 8	Bear Creek Conservation	\$200,000	3
KC - WRIA 8	Cascade Mountains Gateway Project	\$814,000	3
KC - WRIA 8	Cedar River Basin Conservation	\$744,594	9
KC - WRIA 8	Cougar Mountain Additions	\$1,385,750	9
KC - WRIA 8	Danville-Georgetown Open Space Additions	\$556,200	9
KC - WRIA 8	East Fork Issaquah Creek	\$575,000	3
KC - WRIA 8	Issaquah Creek Basin Conservation	\$686,250	9
KC - WRIA 8	Lake Desire Natural Area Additions	\$143,250	9
KC - WRIA 8	Skyway Stormwater Opportunity Fund (WRIA 8 & 9)	\$7,500	2
KC - WRIA 9	Coal Creek Forest & Green River Gorge Additions	\$1,166,150	9
KC - WRIA 9	Fell Hill Open Space	\$377,788	9
KC - WRIA 9	Keevie Lake Natural Area Additions	\$577,788	9
KC - WRIA 9	Mitigation Reserves Program-Green River Service Area	\$650,000	9
KC - WRIA 9	Shadow Lake NA & Sweeney Pond Additions	\$743,750	9
KC - WRIA 9	Soos-Jenkins	\$865,000	9
KC - WRIA 10	Five Mile Park, South County Ballfields & Spider Lake	\$125,000	7
KC - Vashon	Frog Holler - Camp Sealth	\$256,250	8
KC - Vashon	Manzanita Natural Area Additions	\$182,750	8
KC - Vashon	Vashon Creeks and Estuaries	\$615,000	8
KC - Vashon	Vashon Marine Shoreline	\$250,000	8
Total		\$16,031,869	

- Parks Open Space Stewardship: \$3.7 million to support efforts to steward newly acquired open space and natural lands including the Youth Conservation Corps, demolitions, maintenance shop improvements, Parks' share of the Land Conservation Initiative program management, and proposed new forest restoration positions in partnership with the Water and Land Division.

This amount includes \$1.4 million for operations and maintenance facilities and shops acquisitions, \$1.1 million for demolitions, \$950,000 for property stewardships, and \$150,000 for Youth Conservation Corps program.

- Parks Acquisition Evaluation: \$400,000 to support evaluations and appraisals of open space acquisitions and to support minimal funding shortfalls that occasionally arise during the acquisition process.

Trail Development. The Parks Capital fund also supports development of trails, trailheads, and mobility connections, as well as ongoing maintenance of trails and trailheads as part of the regional trails system. Major proposed trail investments are shown in Table 2.

**Table 2.
Proposed Major Trail Investments**

Project	2025	Description
Soos Creek Regional Trail	\$2,000,000	Remainder of the 2020-2025 Parks Levy allocation, which would support completing final design and construction of the Soos Creek Trail segment from SE 192 nd St to SE 186 th St.
Lake to Sound Trail	\$3,386,242	A multi-jurisdiction, multiple segment trail that extends 16 miles from the Cedar River at Lake Washington in Renton to Des Moines Beach Park on Puget Sound. As detailed in the 2022 Parks Levy Reallocation Report, \$3.3 million reallocated from the Lake to Sound Renton and Tukwila segments (Segments D and E) to fill a funding gap in Burien segment (Segment C) caused by pandemic project delays and sharp construction inflation. The reallocation aligns proceeds with project readiness and efforts by the City of Renton and will support final design for Segments D, E, and F.
Trailhead Development and Access	\$725,000	Construction for the Vashon Island Trailhead project, which will be located at the recently acquired Morningside Farm property. This is a levy commitment.

Project	2025	Description
Backcountry Trail Rehabilitation	\$1,309,590	To support levy commitments at Cougar Mountain Regional Wildland Park, Green River Natural Area, Island Center Forest, Tolt MacDonald Park, Taylor Mountain Forest, and Moss Lake Natural Area.
Parks Public Trails Pass Through	\$3,081,105	To support reimbursement to cities to develop regional and public trails within city limits. The four projects are Interurban Trail to Burke-Gilman Connector (\$7,500,000), Kirkland Green Loop Trail (\$2,500,000), Green River Trail Missing Link (\$1,500,000), and Interurban Trail Connection – Milton (\$150,000). A fifth project (City of Woodinville - \$50,000) was added in the 21-22 budget (Section 129, ER 5).
East Lake Sammamish Trail (ELST) Redmond Light Rail Extension	\$75,673	<p>Coordination with Sound Transition to implement a levy commitment. This would support extension of the ELST through the SR 520/202 Interchange into downtown Redmond, and connection with the Redmond Central Connector and Bear Creek Trails. This is also known as the ELST North Extension.</p> <p>Sound Transit is the lead agency and will administer \$2.3 million in TAP grants awarded to Parks for the ELST North Extension.</p>
Capital Improvements to Existing Regional Trail System Program	\$2,715,000	Would combine three legacy programs, Regional Trail Surface Improvement, Landscape Mitigation Monitoring, and RTS Standards and Safety, to support mitigation monitoring and landscape maintenance of recently completed trail segments on Lake to Sound, Foothills, and East Lake Sammamish Trails; surface, ADA, standards, and safety improvements on existing trails including the Cedar River, Burke Gilman, Sammamish River, and other trails; and future planning of the regional trails system to meet levy commitments.

Capital Improvements and Major Maintenance Renovations. The budget proposal includes capital improvements and maintenance at the King County Aquatic Center, play areas, ballfields, and bridges. Major capital improvements and maintenance renovations are shown in Table 3.

**Table 3.
Proposed Capital Improvements and Major Maintenance Renovations**

Project	2025	Description
King County Aquatic Center Program	\$1,141,019	To support rehabilitation and repair projects at the Weyerhauser King County Aquatic Center, such as purchasing backup pool pumps, updating mechanical systems, painting, and constructing accessibility improvements.
Play Area Rehabilitation Program	\$575,000	To support rehabilitation of play areas at Maplewood Park and Big Finn Hall Park, both of which are levy commitments.
Bridge and Trestle Assessment and Improvement Program	\$1,000,000	Ongoing program to inspect, enhance, repair, and if needed, replace the bridge and trestle structures associated with the regional trail system. This would support repairs for bridges on the Snoqualmie Valley, Burke Gilman, and various other regional trails.
Marymoor Park Improvement Program	\$261,201	To start planning and design on the highest priority projects identified in the 2024 Marymoor Park Plan. This may include one of the following: Clise Mansion Sunporch Rehabilitation, Parking and Pedestrian Improvements, or Waterline Main Replacement.
Capital Planning and Administration	\$1,600,000	CIP administration labor costs, capital project management systems and associated licenses, and Parks' share of the capital project management training program.
Emergent Need Contingency	\$1,000,000	To mitigate risks of construction bids coming in over budget due to global increases in material costs.
Ballfield Turf Replacement Program	\$2,731,751	To support synthetic turf replacement at Ravensdale Park Multipurpose Fields 2 and 3, which is a Parks Levy commitment. The Ballfield Turf Replacement Program addresses replacement of aging synthetic turf athletic fields throughout the county parks system. The scope of work for the program may include replacement of synthetic turf, draining repair, subgrade/drainage repair, minor access asphalt resurfacing, and ADA accessibility improvements.

Project	2025	Description
Eastrail I-90 Steel Bridge	\$25,000,000	<p>To support rehabilitation of the former railroad steel bridge crossing I-90 just west of I-405 connecting Renton and points south of I-90 into Bellevue and the rest of the Eastrail.</p> <p>This would appropriate a \$25 million federal RAISE grant awarded through the U.S. Department of Transportation in June 2024.</p> <p>The I-90 Steel Bridge project is currently in the planning phase. An engineering and design consultant has been selected and scope and fee negotiations are underway, with anticipated Notice to Proceed by December 2024.</p>

Grant programs. The 2020-2025 Parks Levy established four new grant programs.⁵ The Capital and Open Space Grant, Aquatic Facilities Grant, and Open Space River Corridors Grant are administered on a biennial basis, most recently in 2023. The Targeted Equity Grant is administered on an annual basis, most recently in 2024.

In 2025, Parks will initiate the final Request for Applications cycle for these levy grants. Table 4 shows the carryforward balance from 2024, proposed appropriation for 2025, and total amount available for each of the four programs in 2025.

**Table 4.
Parks Levy Grant Programs**

Grant Program	2024 Carry forward	2025 Budget Request	Available for 2025 Cycle	Program Description
City Capital and Open Space Grant	\$5.1M	\$5.4M	\$10.5M	Grants for cities, towns, and park districts to acquire open space or build park or recreation-related capital facilities.
Open Space – River Corridors	\$4.2M	\$4.3M	\$8.5M	Grants for a wide range of entities to undertake multi-benefit projects in riparian corridors.
Aquatic Facilities Capital Grant	\$6.9M	\$7.6M	\$14.5M	Grants for public entities to build new or improve existing aquatic facilities such as pools.

⁵The Capital and Open Space Grant, Open Space River Corridors Grant, and Aquatic Facilities Grant were housed within the Parks Capital Fund. The Community Partnerships and Grants program (Targeted Equity Grants), which had previously been housed within the Parks and Recreation operating fund, became housed within Parks Capital Fund as of 2020.

Grant Program	2024 Carry forward	2025 Budget Request	Available for 2025 Cycle	Program Description
Community Partnerships and Grants (Targeted Equity Grant)	N/A	\$1.9M	\$1.9M	Grants for community-based organizations to plan, design, permit, and construct recreation facilities for public benefit.

KEY ISSUES

Staff have not identified any key issues for this budget.

OPEN SPACE KING COUNTY NON-BOND SUBFUND

ANALYST: SHERRIE HSU

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$0	\$2,150,000	\$1,400,000
Expenditures	\$0	\$2,150,000	\$1,400,000
Major Revenue Sources: State and Federal grants ¹			

DESCRIPTION

The Open Space Non-bond Subfund is used by the Water and Land Resources Division (WLRD) of the Department of Natural Resources and Parks for acquisition of open space land, as well as the financing of farmland infrastructure on farms throughout King County for beginning and BIPOC² farmers. Whereas a majority of WLRD's open space funding comes from the conservation futures tax, revenues allocated to this subfund are primarily from federal and state grants.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposal does not include any additional appropriations for 2025. The anticipated year-end balance for this fund in 2024 is \$4.7 million, which includes money that has already been appropriated in three projects:

- Open Space Property Conversions and Acquisitions – which is used for the acquisition of Farmlands and Open Space lands.
- Open Space Grant Contingency – which holds spending authority pending receipt of signed federal and state grants and interlocal agreements. Once these moneys were received, funding would be allocated to individual projects.
- Open Space Economy and Climate Equity Farmland Infrastructure – DNRP currently manages a portfolio of five farms that primarily provides farmland access for beginning farmers and BIPOC farmers.

In 2025, the Executive anticipates spending \$370,750 from this fund on projects as shown in Table 1 below. This money has already been appropriated, so no new appropriations are requested for 2025.

¹ Includes the Washington State Recreation and Conservation Office (RCO); the Department of Ecology (DOE); the US Department of Homeland Security Federal Emergency Management Agency (FEMA); and local grantors such as King County Flood Control District Cooperative Watershed Management (CWM), King County Parks and Recreation Open Space River Corridors Program (OSRC), and the King County Wastewater Treatment Division Water Quality Improvement Program (WQIP).

² Black, Indigenous, and people of color

**Table 1.
Anticipated 2025 Open Space Non-bond Subfund Projects**

Acquisition Project Name	2025 Anticipated Spending	Council District
Griffin Creek	\$125,000	8
Snoqualmie Mainstream	\$35,000	9
East Fork Issaquah Creek	\$134,000	2
Upper Snoqualmie	\$76,750	2
Total	\$370,750	N/A

KEY ISSUES

Staff have not identified any key issues for this budget.

SOLID WASTE OPERATING

ANALYST: TERRA ROSE

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$190,293,298	\$182,929,405	495.4	4.0
2025 Base Budget Adjust.	\$5,044,548	\$0	(0.6)	(2.0)
2025 Decision Packages	\$73,865	\$1,702,896	23.0	1.0
2025 Proposed Budget	\$195,412,000	\$184,633,000	517.8	3.0
% Change from prior biennium, annualized	2.7%			
Dec. Pkg. as % of prior biennium, annualized	0.03%			

Major Revenue Sources: Disposal fees

DESCRIPTION

The Solid Waste fund is an enterprise fund that pays for operating activities for the King County Solid Waste Division (SWD). SWD provides waste transfer and disposal services for 37 partner cities with interlocal agreements and the unincorporated area, as well as operates eight transfer stations, two drop boxes, and the Cedar Hills Regional Landfill. SWD also manages a variety of waste reduction and recycling programs targeted at residents and businesses.

The Solid Waste Division operating budget is supported by a variety of disposal fees that are approved by the council. Earlier this year the council approved an ordinance increasing fees effective 2025.¹

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed operating budget for SWD would increase by a net of approximately \$5.1 million, or, 2.7%, and would add a net of 23.0 FTEs, relative to the annualized 2024 revised budget. Executive staff indicate that approximately \$4.3 million in costs from new proposals in this budget are FTE-related and another \$4.7 million in proposed increases are related to other programmatic cost increases. These requested increases are partially offset by an approximately \$4.2 million decrease in the planned transfer to the Landfill Reserve Fund relative to the transfer amount in the annualized 2024 revised budget. Executive staff indicate that the transfer amount is adjusted each budget cycle to reflect the updated tonnage forecast, anticipated capital spending, and landfill capacity projections for the Cedar Hills Regional Landfill. Budget materials note that the total transfer amount for 2025 is projected to be \$13.9 million, which Executive staff indicate is sufficient to fund all capital projects and accumulate money for post-closure

¹ Ordinance 19805

maintenance and monitoring of Cedar Hills. SWD proposes using fund balance to cover the gap between proposed expenditures and revenues.

The 23.0 FTEs proposed to be added, along with their proposed scope of work, are summarized in the following table.

Requested Positions	Proposed Scope of Work	# of FTEs
Methane Emissions Compliance Support Staff	Budget materials indicate these positions would support compliance with new landfill emissions rules issued by the state Department of Ecology, which require increased monitoring and reporting.	3.0
Climate Manager	Budget materials indicate this position would lead SWD's efforts to implement Strategic Climate Action Plan goals and other greenhouse gas emissions reduction efforts.	1.0
Re+ Program Support TLT Conversion	The Executive's proposal would convert two existing TLTs to FTEs due to their scope of work being needed beyond the limits for TLT positions. Budget materials indicate that these positions would continue to provide grant/contract support and technical assistance on recycling and composting to businesses, as well as support other Re+ efforts.	2.0
Construction and Demolition (C&D) Project/Program Manager	A Project/Program Manager position would be added to support an expansion of SWD's C&D program. According to budget materials, this position is fully supported by revenue from C&D disposal fee.	1.0
Public-Private Partnership Program Manager	Budget materials indicate this new position would identify partners, develop agreements, and manage relationships related to public-private partnership (PPP) opportunities. According to budget materials, SWD has identified potential PPP opportunities related to existing projects such as the redevelopment of the Renton Transfer Station; however, the Division notes they lack someone with the appropriate skillsets for developing and executing these private partnerships.	1.0
Construction Management Support	Budget materials indicate that two Engineer II positions would fulfil the role of owner's representative for construction management, quality control, and would provide technical communication between the construction contractor and the designer.	2.0

Requested Positions	Proposed Scope of Work	# of FTEs
Additional Transfer Station Operators (TSOs) for South County Recycling and Transfer Station (SCRSTS)	Nine TSOs would be added to cover expanded services at the new SCRSTS facility, which is estimated to open June 2026. Budget materials indicate that SWD is requesting this personnel in the 2025 budget (with prorated labor costs) so that new staff can be trained prior to the opening date. According to Executive staff, five of the proposed positions would staff the household hazardous waste drop-off and SWD is reimbursed by the hazardous waste program for these labor costs.	9.0
Facilities Maintenance Staff	Two electrical-related positions would be added to the current team of three employees that maintain and repair SWD facilities. Executive staff indicate that the technological complexity of stations and the landfill have increased over time and additional complexity is expected as facilities are upgraded to provide charging capacity as the fleet becomes electrified.	2.0
Engineering Supervisor	An engineering supervisor would be added to SWD's Facility, Engineering, and Science Section to support compliance, operation, and capital project work. Budget materials indicate that this additional position would allow the supervisory work in FESS to be divided in two, one covering work at the landfill and the other focusing on transfer stations, which would help balance workload needs.	1.0
Strategy and Performance Analyst	A new analyst would be added to the Strategy and Performance section to increase capacity for strategic planning and analytical support, which have been in increased demand due to Re+ efforts, several new facilities in the pipeline, and planning for the next disposal method.	1.0
Transfer FTE from Post-Closure Maintenance Fund	Budget materials indicate that this FTE transfer from the Post-Closure Maintenance Fund to the operating fund would streamline FTE tracking, as SWD personnel are budgeted in the operating fund.	1.0
Transfer FTE to Real Estate Services (RES)	In a previous budget cycle, the Division partnered with RES on a pilot wherein RES hired a TLT to manage Harbor Island and other SWD-related real estate needs (such as the purchase of buffer properties at the landfill). Executive staff indicate that the agencies agreed that the pilot was successful and should be made permanent. To effectuate this, an FTE is proposed to be transferred so a permanent employee can be hired.	(1.0)
Net Change		23.0

Other key budget requests are summarized in the following bullets:

- **Low-Income Discount Program Development: \$600,000.** SWD is in the process of developing a low-income discount program for curbside collection service in areas of the county regulated by the state Utilities and Transportation Commission (UTC). These UTC-regulated areas are primarily unincorporated areas but they also include cities that have opted not to contract for collection service in their city. Budget materials indicate that the requested appropriation would support one-time costs for the development of an enrollment application and database (\$400,000) and ongoing costs to partner with the Department of Public Health Access and Outreach team to assist with the program (\$200,000).
- **Expanded Construction and Demolition (C&D) Program Activities: \$1.7M.** The recently adopted ordinance increasing solid waste fees in 2025 included an increase in the C&D fee, which is expected to support expanded C&D services. The requested appropriation includes the addition of one FTE to support the expanded services and approximately \$1.5 million that is expected to be spent on consultant services. Executive staff indicate that the Division is still programming the additional projected C&D revenue, possible options include conducting deconstruction and salvage verifier trainings, assessing single commodity diversion strategies, and providing outreach to frontline communities regarding health impacts of standard demolition projects, among others.
- **Increased Transfer Station Recycling Costs: \$403,000.** Budget materials indicate that costs for the transfer station recycling program are increasing, and the proposed budget would include an additional appropriation of \$403,000 necessary to support the program. Executive staff indicate that the Division collects several types of recyclables at its facilities and while they receive some revenue from contractors for certain materials (e.g., mixed scrap metal), the rest of the collected materials require SWD to pay for hauling and processing. According to Executive staff, transportation costs charged by contractors increase nearly every budget cycle and the Division is recycling more of certain materials, further increasing transportation and processing costs.
- **PFAS Regulatory Support: \$125,000.** Budget materials indicate that \$125,000 would support the SWD share of the costs of a temporary Environmental Lab Scientist housed in the Water and Land Resources Division that is expected to provide capacity related to PFAS, or Perfluoroalkyl and Polyfluoroalkyl substances. This position is expected to complete work evaluating PFAS in landfill leachate and other waste streams.

KEY ISSUES

ISSUE 1 – CEDAR HILLS LANDFILL PILOTING FIVE-DAY HAULING SCHEDULE

SWD currently transports waste from the county’s transfer stations to the Cedar Hills landfill seven days a week but is proposing to switch to a five-day staffing model in 2025, which Executive staff indicate will require fewer employees overall and anticipated savings of over \$800,000 per year. Budget materials indicate that SWD has concluded that existing tonnage volumes can be accommodated with the change in staffing model, noting that most of the tonnage arrives at the transfer stations during the week when commercial haulers collect curbside garbage, and that overall system tonnage are expected to decline over time as Re+/zero waste efforts are further implemented.

The Division has negotiated a Memorandum of Agreement (MOA) with the union, Teamsters 174, to effectuate the proposed schedule change and this is expected to be transmitted to the council in October of this year. According to Executive staff, the MOA establishes a one-year pilot of the proposed five-day schedule and phased payouts to impacted employees, which are summarized in the following table:

Date	Eligible Employee(s)	Payout Amount
Commencement of Pilot	Truck Drivers, Tipper Workers, and Scale Operators at landfill on 7/10 schedule as of commencement date	\$6,600
6-Month Mark of Pilot	Same as above	\$6,600
Conclusion of Pilot (12-Month Mark)	All Truck Driver Ills, Tipper Workers, and the two Scale Operators at landfill	\$30,000

Executive staff indicate that the MOA states that SWD will determine if the five-day schedule is sufficient to meet operational needs, and if it is, the Division will make the final payout and the proposed schedule will be made permanent. According to Executive staff, throughout the pilot period SWD will consider how the implementation aligns with the anticipated effects and will consider input from staff, labor, city partners, customers, haulers, and the community. If the Division determines the pilot was not successful, the final payout will not be made, and the scheduling provisions will revert to the prior agreement language.

Budget materials indicate that the estimated net one-time cost of the payouts, including offsets from cost savings resulting from the change, is approximately \$2.3 million. Executive staff state that SWD expects to save between \$600,000 and \$800,000 during the pilot and over \$1.0 million per year if the schedule change is made permanent. According to budget materials, the Division has held six positions open and anticipates an additional retirement by the end of 2024, and the resulting savings from these held-open positions will be used to offset the payout amount.

Executive staff state they are not anticipating odor or other negative impacts to neighbors of the transfer stations resulting from the schedule change, noting that they actually expect less waste to be stored at stations under the change. With the five-day schedule, more trucks are expected to be running each weekday and more garbage moved during the weekday peak period.

Executive staff note that the Division is currently negotiating with IUOE 302, the union that represents the heavy equipment operators at the landfill, on similar scheduling adjustments.

Council staff are flagging this as a key issue given the magnitude of the bargained payout and the forthcoming transmittal of the MOA to the Council.

SOLID WASTE CONSTRUCTION CAPITAL FUND

ANALYST: TERRA ROSE

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$10,674,931	\$306,481,999	\$79,289,233
Expenditures	\$10,674,931	\$306,481,999	\$79,289,233
Major Revenue Sources: Bond proceeds, transfer from solid waste operating fund (disposal fees)			

DESCRIPTION

The Solid Waste Capital Improvement Program is comprised of three funds: the Solid Waste Construction Fund, the Capital Equipment Recovery Fund, and the Landfill Reserve Fund. The Solid Waste Construction Fund, which is the subject of this staff report, is used to finance the new construction and major maintenance of division transfer facilities and some closed landfill projects. Projects in this fund are financed through bond proceeds and transfers of disposal fee revenue from the Solid Waste operating fund.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would appropriate approximately \$10.7 million for projects related to the County's recycling and transfer stations, including:

- **Algona Transfer Station Deconstruction: \$4.2M.** Approximately \$4.2 million would be appropriated to decommission and deconstruct the existing Algona Transfer Station following the opening of the new South County Recycling and Transfer Station (SCRTS). Budget materials indicate this request would cover total costs through completion. Per the interlocal agreement with the City of Algona, the County will transfer the property to the City of Algona once it is restored to development-ready condition.¹
- **Bow Lake Recycling and Transfer Station Projects: \$2.7M.** The proposed budget would appropriate \$2.7M for two projects at the Bow Lake station. Of this appropriation, approximately \$1.5M would be appropriated for the existing project to improve the station's recycling area to support unforeseen costs. These costs include: enlarging and modifying canopies to better protect recyclable materials; installation of a shredder and compactors; and addressing underground utilities affected by canopy footings. Approximately \$1.3M would be appropriated to the existing project to design and implement repairs to damage from a hillside slide and sinkhole, as well as reroute the storm drainage pipe. Budget materials indicate that costs for this project have increased beyond the original estimate

¹ Ordinance 18607

following a geotechnical investigation that determined the extent of the stabilization efforts needed. Both Bow Lake project appropriations are proposed to be paid for by General Obligation bonds.

- **Energy Efficiency and Solar Projects: \$1.6M.** Approximately \$1.6 million would be appropriated for a new programmatic capital project to be used for energy efficiency and solar projects at Division facilities. Budget materials note that recent federal policy, such as the Inflation Reduction Act, have increased the number of grant opportunities available for energy efficiency projects, noting that the Division has in the past been able to capitalize on these funding sources using an existing capital project to rehabilitate major assets. However, Executive staff note that with the proliferation of funding opportunities, a separate programmatic project as proposed here would be helpful in planning and execution of these projects.
- **Workforce Management System: \$1.6M.** Approximately \$1.6 million would be appropriated for a new technology project to research, select, and implement a new system to replace the current unsupported customized timesheets in PeopleSoft. According to budget materials, the Business Resource Center (BRC), which manages enterprise county financial and other systems, informed SWD that they must either adapt to the timesheet functionality in PeopleSoft without customizations or adopt an alternative solution to maintain the current customizations. Executive staff indicate that during the initial planning phase, there was some discussion of cross-agency work however, it was determined that SWD's needs were distinct enough to warrant moving forward with a single agency project. Budget materials note that this request would cover all projected expenses, including fully burdened staff time, system purchase, acquisition costs, and support for both design and initial implementation.

Council staff inquired about the comparatively low appropriation requested in this fund relative to the previous biennium and projected future biennia. For context, approximately \$176 million was appropriated in the 2023-2024 biennium. According to Executive staff, for the 2025 period, the Division has fewer projects entering the construction phase, hence the lower appropriation request. In the last biennium, Executive staff note that there were key projects entering the construction phase, including the SCRTS and the interim facility portion of the project to relocate facilities at the landfill. Additionally, \$21 million was requested and approved for projects at closed landfills in 2023-2024, which Executive staff indicate is expected to cover closed landfill activities through 2027, so no additional closed landfill appropriations were requested in 2025.

KEY ISSUES

Staff have not identified any key issues with this budget.

LANDFILL RESERVE CAPITAL FUND

ANALYST: TERRA ROSE

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$142,153,966	\$60,384,682	\$33,176,448
Expenditures	\$142,153,966	\$60,384,682	\$0
Major Revenue Sources: Transfer from solid waste operating fund (disposal fees), bond proceeds.			

DESCRIPTION

The Solid Waste Capital Improvement Program is comprised of three funds: the Solid Waste Construction Fund, the Capital Equipment Recovery Fund, and the Landfill Reserve Fund. The Landfill Reserve Fund, which is the subject of this staff report, covers the costs of new area development at the Cedar Hills Regional Landfill, capital investments to sustain landfill infrastructure and operations, closing areas within the landfill, and accumulating funds for post-closure maintenance of Cedar Hills. Projects in this fund are paid for with a combination of bond proceeds and cash.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed budget would appropriate approximately \$142 million for capital projects at the Cedar Hills Regional Landfill. Capital projects proposed in this budget can primarily be grouped into three types of projects: landfill expansion and area closure; improvements to the leachate collection and treatment system; and landfill gas collection improvements. Additional information on specific projects and their proposed appropriations are further described below.

Of the total proposed appropriation, approximately \$5 million would be used for the acquisition of properties to reestablish the buffer in the eastern portion of the landfill as they become available for purchase. According to budget materials, this appropriation is expected to be sufficient for up to three of the approximately eight remaining properties to be acquired to restore the 1000-foot buffer requirement under the landfill's Special Permit. Historically, the Division has used the Solid Waste operating fund for these sporadic acquisitions when properties become available; however, going forward, SWD seeks to establish this programmatic capital project for property acquisition so as not to burden the operating fund.

Landfill Area Closure and Expansion Projects: \$103.8M The proposed budget would appropriate approximately \$103.8 million for the two existing projects listed in the following table related to closure of an existing landfill area and the expansion of the

landfill for more disposal capacity, as directed by the adopted Comprehensive Solid Waste Management Plan.¹

Project #	Project Name	FY25 Proposed
1133923	Area 9 New Area Development	\$76,386,059
1112415	Area 8 Closure	\$27,381,915
TOTAL		\$103,767,974

Area 9 New Area Development. This existing capital project will develop additional disposal capacity through developing a new cell in the southeast portion of the landfill referred to as "Area 9." According to budget materials, the requested appropriation of approximately \$76.4 million would support the project through construction and project close-out and would be funded by General Obligation bonds. To date, the council has appropriated approximately \$30.0 million for this project, not including the current request. Budget materials note that the estimated total cost at completion has decreased from previous estimates to \$106.4 million, which Executive staff indicate reflects an updated probable construction costs analysis. According to Executive staff, this project is expected to add 8.9 million cubic yards of capacity to the landfill. Project materials note that this appropriation is necessary to ensure the project has sufficient funding to enter into project contracts and be completed in time for Area 9 to be ready to receive waste in 2029.

Area 8 Closure. This existing project will construct the final cover system and landfill gas and leachate management systems to close existing Area 8 at the landfill when it reaches capacity, which is expected to occur in or around 2027. According to budget materials, the requested appropriation of approximately \$27.4 million would support the project through completion and would be paid for using cash from solid waste fee revenues. To date, the council has appropriated approximately \$27.0 million for this project, not including the current request. Budget materials indicate that the estimated cost at completion has increased from the previous estimate² of approximately \$45.8 million to \$54.4 million due to inflation, increased labor costs, and rising material costs. The project materials also note that this appropriation is necessary to ensure the project has sufficient funding to enter into contracts so the area can be closed when it reaches capacity, expected in 2027.

Leachate Collection and Treatment System Projects: net \$0. The proposed budget would disappropriate \$14.5 million for the previously approved Leachate Treatment project (CIP #1142443) and reappropriate the funds to two new and related projects listed in the table. Executive staff expect the two projects to be better managed through standalone projects rather than combined.

¹ Ordinance 18893

² Project CAP from 2023-2024 Budget

Project #	Project Name	FY23-24 Proposed
1148154	Leachate Treatment – Micro-Electrolysis	\$8,163,980
1148155	Leachate Treatment – Reverse Osmosis	\$6,336,020
1142443	Leachate Treatment	(\$14,500,000)
TOTAL		\$0

Leachate refers to the water that percolates through garbage at the landfill and requires collection and treatment before being sent to a wastewater treatment facility. In 2018, SWD received a Notice of Violation from King County Industrial Wastewater for arsenic and chromium loading exceedances in wastewater discharged from the landfill. Over the past several years, SWD has worked with the state Department of Ecology and other stakeholders in an effort to get into compliance.

Budget materials indicate that an evaluation by a consultant and lab testing by the University of Washington identified two complementary solutions that could potentially reduce arsenic and other metal levels in leachate to meet regulatory requirements: micro-electrolysis and reverse osmosis. Both methods will be piloted and then scaled if successful and would be paid for using General Obligation bonds.

Landfill Gas Collection System: \$21.9M. The proposed ordinance would appropriate approximately \$21.9 million for the Area 4 Dual Phase Vertical Wells project, which is an existing project to install dual phase vertical wells that handle both leachate and gas at the landfill. Budget materials indicate that this budget request is expected to carry the project through to completion. These materials further indicate that the estimated cost at completion has increased from the previous estimate³ of approximately \$29.3 million to \$32.3 million due to higher costs encountered during recent installations. To date, the council has appropriated \$10.4 million for this project, not including the current request.

Landfill gas is generated through the decomposition of waste buried at the Cedar Hills landfill. This gas is captured by a gas control system and sold under contract to Bio Energy Washington (BEW), which has a processing plant onsite at the landfill and converts the landfill gas into pipeline-quality natural gas. In April 2023, BEW filed suit against the county, claiming the county is in breach of its contractual obligations to BEW. The county has countersued with multiple claims against BEW. This proposed work touches on issues raised in the lawsuit; however, Executive staff state that this work is needed irrespective of the BEW lawsuit and will improve the County's ability to capture the most methane it can.

KEY ISSUES

Staff have not identified any key issues with this budget.

³ Project CAP from 2023 2nd Omnibus Budget

DEPARTMENT OF NATURAL RESOURCES AND PARKS

ADMINISTRATION

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$8,302,816	\$8,305,746	28.0	0.0
2025 Base Budget Adjust.	\$462,706	\$0	0.0	0.0
2025 Decision Packages	\$3,323,895	\$3,357,399	2.0	1.0
2025 Proposed Budget	\$12,090,000	\$11,664,000	30.0	1.0
% Change from prior biennium, annualized	45.6%			
Dec. Pkg. as % of prior biennium, annualized	40.0%			
Major Revenue Sources: Charge for services, grants, transfers				

DESCRIPTION

The Department of Natural Resources and Parks (DNRP) Administration houses the administrative functions of DNRP. Functions include agency management, financial services, human resources, government relations, and similar functions where purposes are shared among divisions. DNRP Administration section costs are allocated among the operating agencies of the DNRP.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget would appropriate about \$12.1 million to DNRP Administration, a 45.6% increase to the annualized 2024 revised budget. The proposed budget would add two FTEs and include the following service changes:

- \$153,578 and one FTE to support expansion of the Local Food Initiative. There is currently one FTE working on the Local Food Initiative. The work would be funded by a cost allocation to DNRP divisions;
- \$249,152 and one FTE for an Environmental Policy Advisor that would lead, advise, and facilitate the development of time-sensitive policy, regulatory, and funding strategies related to existing and emerging regulations for wastewater, stormwater, and land use. The work would be funded by a cost allocation to DNRP divisions; and
- \$320,000 in one-time funding to support the Clean Water Healthy Habitat Plan update.

The proposed budget includes administrative and technical adjustments, including an increase of \$3.4 million in the DNRP overhead allocation model. The proposed budget

would add one TLT to create and implement a strategic communications plan to engage DNRP employees.

KEY ISSUES

Staff have not identified any key issues with this budget.

SURFACE WATER MANAGEMENT LOCAL DRAINAGE SERVICES

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$57,045,692	\$46,328,237	45.0	0.0
2025 Base Budget Adjust.	(\$8,741,013)	\$0	0.0	0.0
2025 Decision Packages	\$9,078,987	\$7,525,827	1.0	0.0
2025 Proposed Budget	\$57,384,000	\$53,855,000	46.0	0.0
% Change from prior biennium, annualized	0.6%			
Dec. Pkg. as % of prior biennium, annualized	15.9%			

Major Revenue Sources: SWM fees, Grants, Contracts, General Fund

DESCRIPTION

Surface Water Management (SWM) Local Drainage Services provides a variety of functions for surface water management in King County. Local Drainage Services designs and constructs stormwater facilities; updates surface water design standards and regulations in compliance with federal and state requirements; inspects and maintains existing stormwater facilities; investigates, reports, and repairs drainage and water quality problems; and manages compliance with the National Pollutant Discharge Elimination System (NPDES) permit required under the Clean Water Act. This fund holds the money for capital projects, which are transferred to the SWM CIP Non-bond Subfund through a pay-as-you-go system.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The SWM revenue is proposed to increase by \$5.6 million through an 11.8% increase to the SWM rates, discussed further in the Key Issues section below. This revenue would provide for current levels of service and expand support services in both the SWM Local Drainage Services appropriation unit and the Water and Land appropriation unit. Other notable changes in the 2025 proposed budget are described below:

- \$500,000 in one-time funding to address new requirements in the NPDES Stormwater Permit issued in August 2024. The request focuses on work required in 2025, other work will be requested in a later budget cycle;
- \$165,306 and one FTE for an environmental scientist to respond to increased permits and mitigation requirements for stormwater facility maintenance;
- One FTE for an engineer to provide work order resource management, coordination, monitoring, reporting, and close-out support related to stormwater facility maintenance. This is a net-zero request. It would use existing budget authority;

- \$1.9 million in one-time funding for the clean-up of 46 stormwater facility sites in Redmond Ridge and 60 stormwater facility sites located in WLRD tracts within cities; and
- \$3 million one-time appropriation authority to support grant funding for surface water management programs. Grant programs often require matching funds, and this appropriation would be used for matching requirements for competitive grants.

Additionally, the proposed budget includes administrative and technical adjustments, including:

- Move a data position from Stormwater Services to the Data and Analysis team in the Water and Land Resources appropriation unit. This position should have been moved as part of the 2024 reorganization; and
- \$3.6 million administrative service change adjusting transfers to the Water and Land Resources appropriation unit, the SWM CIP fund, and the Rivers and Floodplain Management capital reserves budget.

KEY ISSUES

ISSUE 1 – SWM RATES INCREASE

The 2025 proposed budget would increase the SWM rates 11.8% for all property classifications. Proposed Ordinance 2024-0301, which would increase the SWM rates, was transmitted with the Executive’s 2025 proposed budget. The SWM program pays for the cost of planning, designing, constructing, maintaining, and operating stormwater control facilities under county and state law.¹

Table 1 below illustrates the current SWM rates and the 2025 proposed SWM rates for unincorporated King County property owners.

Table 1. 2023-2024 SWM Rates and 2025 Proposed SWM Rates

Rate Classification	Percent Impervious Surface	2023-2024 Rate	2025 Proposed Rate
1 Residential	N/A	\$323.00 / parcel	\$361.00 / parcel
2 Very Light	10% or less	\$323.00 / parcel	\$361.00 / parcel
3 Light	10.1% - 20%	\$898.04 / acre	\$1,003.69 / acre
4 Moderate	20.1% - 45%	\$1,680.99 / acre	\$1,878.75 / acre
5 Moderately Heavy	45.1% - 65%	\$2,868.55 / acre	\$3,206.03 / acre
6 Heavy	65.1% - 85%	\$3,996.00 / acre	\$4,466.12 / acre
7 Very Heavy	85.1% - 100%	\$4,916.64 / acre	\$5,495.07 / acre

¹ RCW 36.89.080 through 36.89.120 and K.C.C. Chapter 9.08.

The proposed 2025 SWM fee for a single-family residence is \$361 per parcel. A sample of 34 jurisdictions in the region identified a range of \$136 to \$525 for a single-family residence in 2024, with a median SWM fee of \$244.

According to the transmittal letter for Proposed Ordinance 2024-0301, the increase in SWM fees would sustain the current level of service for the program considering inflationary increases and provide funding to implement new National Pollution Discharge Elimination System permit requirements and address deferred maintenance of existing stormwater facilities. The increase would also advance or accelerate high priority initiatives such as Clean Water Healthy Habitat, removal of fish barriers, and climate change response.

The council will have the opportunity to review the proposed rate increases as part of its review of Proposed Ordinance 2024-0301. If the proposed rate increases are not approved, in whole or in part, the proposed 2025 operating and capital budget expenditures in several agency divisions would need to be adjusted or fund balance would need to be used.

ISSUE 2 – WSDOT SWM PAYMENT

WSDOT had not paid its SWM fee for the 5 years between 2020 and 2024. The County and WSDOT agreed to a settlement at half of the amount due. The Financial Plan for the SWM Operating Fund notes a loss of approximately \$4.6 million.

SURFACE WATER MANAGEMENT NON-BOND SUBFUND

ANALYST: ANDY MICKLOW

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$17,903,670	\$42,269,581	\$42,182,602
Expenditures	\$17,903,670	\$42,269,581	\$42,182,602

Major Revenue Sources: SWM Fees, Grants, Interlocal Agreements

DESCRIPTION

The Water and Land Resources Division's Surface Water Management (SWM) Capital Improvement Program (CIP) Non-Bond Subfund (Fund 3292) is funded by SWM fees transferred from the operating fund (SWM Pay-As-You-Go), state and federal grants, and interlocal agreements.

This capital fund supports three key portfolios: surface water services, ecological restoration, and fish passage. Surface water services includes a variety of surface water-related infrastructure projects, including those that control surface water runoff and pollution, address drainage issues on residential or agricultural properties, and respond to emergencies. These projects may construct new facilities or repair and improve existing facilities. Ecological restoration includes projects that restore, enhance, and protect stream and wetland habitats and functions. Fish passage addresses existing culverts or blockages that are barriers for migratory salmonid species, and includes work completed by WLRD, Parks, and the Roads Divisions. Capital projects are prioritized based on ecological criteria, urgency, readiness, and effectiveness for recovery of endangered salmon and other critical watershed functions.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 Executive proposed budget for the SWM CIP is \$17.9 million. This includes \$9 million from SWM fees and \$8.9 million from grants and interlocal agreements. Major projects and changes to this fund include:

- **Closure of three legacy programmatic projects.** As part of the 2021-2022 biennial budget, the WRIA 7 Program was opened to replace equivalent legacy programs. As part of the 2025 proposed budget, any existing unused moneys are proposed to be shifted from the legacy program to the new program. The 2025 proposed budget would also disappropriate the remaining balance from the legacy Stormwater Public Safety and Program and Stormwater General Planning Program.

- **Natural Drainage System Flood Program.** This program addresses the most chronic flooding problems associated with natural drainage systems such as streams, lakes, and wetlands. This program allocates money throughout the biennium as flooding issues emerge. The 2025 budget proposes \$850,000 transfer to the Stormwater Asset Preservation Program.
- **Water Quality Program.** This program applies best management practices to manage stormwater runoff, improve water quality, and improve stream health. This program includes retrofitting of stormwater facilities that lack flow control or water quality facilities. The 2025 budget proposes \$760,000 for this program.
- **Asset Preservation Program.** The proposed budget includes \$2.3 million for the preservation, retrofit or replacement of aging WLRD-owned stormwater facilities and assets. Projects are identified and prioritized by the division's stormwater asset management planning. There are eight new Asset Preservation projects proposed in 2025 that consist of liner and pipe installations in various stormwater facilities.
- **Fish Passage Program.** The Fish Passage Program replaces and upgrades culverts that obstruct fish passage in unincorporated King County. The proposed budget includes a \$2.6 million request to support projects through the feasibility and design stages, allowing for construction work as funding or grants become available.
- **Water Resource Inventory Area (WRIA) Restoration Programs.** These programs include projects that restore aquatic ecosystems and habitat restoration projects in the unincorporated areas of WRIAs 8 and 9 based on adopted plans for each WRIA. Appropriation requests and proposed projects for each WRIA for 2025 are as follows:
 - WRIA 8 Cedar River & Lake Washington Watershed. \$252,000 request to support a joint project between Habitat and Stormwater, the Keep it Simple Restoration and GSI child project. The project would integrate restoration and green stormwater infrastructure on a high visibility site on Avondale Road.
 - WRIA 9 Green & Duwamish River Watersheds. \$653,000 request to support restoration projects in the North Green River Park, Lower Soos Creek, and Lower Burns Creek.
- **Vashon Ecosystem Restoration.** The fund would cover planning and habitat protection and restoration in unincorporated portions of the Vashon-Maury Island Watershed. Projects are identified through salmon conservation planning. A \$650,000 request would support three projects in Maury Island, Corbin Beach, and the Judd Creek Estuary.

- **Small Habitat Restoration Program.** This program constructs small and low-cost habitat restoration projects, such as stream stabilization, restoring fish access, livestock fence installation, planting native vegetation, and technical assistance. The proposed budget includes \$500,000 to support continued public outreach, design, and implementation of small habitat restoration projects.
- **Recon and Site Assessment Program.** This program provides funding for capital improvement reconnaissance and feasibility studies to identify and develop initial scopes for individual projects and perform early stakeholder outreach for new habitat restoration projects. The proposed budget includes \$500,000 to conduct up to eight feasibility studies.
- **Demolitions and Site Security Program.** This program preserves and protects newly acquired properties for habitat restoration and open space preservation. The proposed budget includes \$1 million to support demolition and structure removals as well as installation of fences and other security measures associated with the acquisition of new properties.
- **Fish Passage Grant Contingency.** This is a new parent program that would provide spending authority for anticipated receipt of funds from a grant donor or other external funding sources for Fish Passage Projects. The grant contingency project would provide agencies with flexibility to respond to grant awards and complete grant-related work within grant deadlines. The proposed budget includes a \$9.6 million request based on project manager estimates of available grants and project funding needs in 2025.

KEY ISSUES

ISSUE 1 – SWM RATES INCREASE

The scope and size of the Surface Water Management (SWM) CIP Non-Bond Subfund (3292) is dependent on the SWM rate that is adopted for 2025. The 2025 proposed budget would increase the SWM rates 11.8% for all property classifications. Proposed Ordinance 2024-0301, which would increase the SWM rates, was transmitted with the Executive's 2025 proposed budget. The council will have the opportunity to review the proposed rates separately through its review of Proposed Ordinance 2024-0301.

WATER AND LAND RESOURCES

ANALYST: ANDY MICKLOW

	Expenditures	Revenues	FTEs	TLTs
2024 Revised Budget, Annualized	\$45,001,972	\$55,938,756	336.3	7.0
2025 Base Budget Adjust.	\$19,398,101	\$0	(0.2)	(7.0)
2025 Decision Packages	(\$1,771,795)	\$6,603,722	7.0	2.0
2025 Proposed Budget	\$62,629,000	\$62,543,000	343.1	2.0
% Change from prior biennium, annualized	39.2%			
Dec. Pkg. as % of prior biennium, annualized	(3.9%)			

Major Revenue Sources: Charges assessed to agency divisions and organizational units (Wastewater Treatment, Local Hazardous Waste, Surface Water Management, Noxious Weed), Flood Control District, General Fund, Grants, charges assessed to other jurisdictions

DESCRIPTION

The Water and Land Resources (WLRD) appropriation unit houses the Division's administrative functions and direct service programs, including Environmental Lab, Science and Technical Services, and Local Hazardous Waste. Administration includes the Director's Office, Finance and Administration, and other office support. Science and Technical Services provides water quality technical analysis and monitoring. The Environmental Lab provides chemical and biological testing and data management in support of surface water requirements, the Wastewater Treatment Division (WTD), Solid Waste Division (SWD), and other agency divisions.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 proposed budget would appropriate about \$62.6 million to the Water and Land Resources appropriation unit, a 39.2% increase to the annualized 2024 revised budget. The proposed budget would add 7.0 FTEs and include the following service changes:

- \$394,361 and 2.0 FTEs, including an IT supervisor and a business analyst, to implement and oversee data systems related to NPDES legal and regulatory compliance. These positions would be funded by SWM fees;
- Convert 1.0 TLT engineer to 1.0 FTE and add 1.0 FTE engineer to support ongoing capital design and implementation by the Stormwater Team (formerly the Capital Services Unit) of the new WLRD Capital Section. These positions would be funded by SWM (capital);

- \$100,000 in one-time funding for a consultant to provide an independent analysis of the Surface Water Management (SWM) rate structure and recommendations on fee-rate design;
- \$165,574 and 1.0 TLT for an environmental lab scientist to provide capacity to analyze chemicals of emerging concern in support of the Executive's PFAS strategic plan and NPDES regulatory compliance requirements for WTD. This position would be funded by WTD;
- \$156,000 and 1.0 FTE for a water quality planner perform technical studies and projects on chemicals of emerging concern (CECs), including PFAS. This position would be funded by WTD and SWD;
- \$155,688 and 1.0 FTE for a GIS journey position to address implementation and oversight of data systems that support the King County Conservation Futures Program (CFT), Land Conservation Initiative, and Noxious Weed Program. This position would be funded by CFT and Noxious Weeds;
- \$181,949 and 1.0 TLT engineer to support ongoing drainage review and design support for Roads capital improvement projects. This position would be funded by Roads; and
- Move a data position from Stormwater Services in the SWM Local Drainage appropriation unit to the Data and Analysis team. This position should have been moved as part of the 2024 reorganization.

KEY ISSUES

ISSUE 1 – SWM RATES INCREASE

The 2025 proposed budget would increase the SWM rates 11.8% for all property classifications. Proposed Ordinance 2024-0301, which would increase the SWM rates, was transmitted with the Executive's 2025 proposed budget. The council will have the opportunity to review the proposed rate increases as part of its review of Proposed Ordinance 2024-0301. If the proposed rate increases are not approved, in whole or in part, the proposed 2025 expenditures would need to be adjusted or fund balance would need to be used.

CRITICAL AREAS MITIGATION CAPITAL IMPROVEMENT PROGRAM

ANALYST: ANDY MICKLOW

	2025 Proposed	2026-2027 Projected	2028-2029 Projected
Revenues	\$17,881,000	\$12,700,000	\$10,340,250
Expenditures	\$17,881,000	\$12,700,000	\$10,340,250
Major Revenue Sources: Critical Areas Ordinance (CAO) Mitigation Fees, Interest Earnings, Carbon Credit Sales			

DESCRIPTION

The Critical Area Mitigation Program is a compensatory mitigation fund that developers, permittees, or other interested parties can pay into for wetland and aquatic habitat mitigation or open space acquisitions that generate carbon credits. The Critical Areas Mitigation CIP Fund is comprised of two sections: Critical Areas Mitigation Reserves and Carbon Credits Land Acquisition Program.

The Critical Areas Mitigation Reserves serves as one master project that finances several large mitigation projects. Developers or permittees can pay into this fund in lieu of completing wetland or aquatic mitigation on their own sites or projects. Compensatory mitigation projects are required to occur in the same watershed from which the in-lieu fees are generated.

The Carbon Credits Land Acquisition Program provides private and other non-government entities the ability to purchase carbon credits that will finance the conservation and protection of forestland within King County.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2025 Executive proposed budget for the Critical Area Mitigation CIP is \$17.9 million. This includes \$17.1 million from critical areas mitigation fees, \$200,000 in interest earnings, and \$576,000 in carbon credits sales.

Critical Areas Mitigation Program. In 2025, three large projects are planned in WRIAs 8 and 9. These projects are the Sammamish River project in WRIA 8 and Green River project and Jenkins Creek project in WRIA 9. Money received from mitigation fees are allocated through a multi-jurisdictional review team, including DNRP, state and federal resource agencies, and interested tribes. Federal rules require that the moneys be used for selection and implementation of the mitigation projects, including administration. The rules also prohibit using the fees for any other purpose.

Carbon Credit Land Acquisition Program. The proposed budget includes a budget request of \$576,000 for this program. In order to generate money, the program

quantifies carbon sequestration benefits from forest preservation, externally verifies these benefits to create carbon credits, and sells these credits to companies and non-government entities to offset greenhouse gas emissions. The budget request would authorize the project to generate revenue from carbon credit sales and disburse the revenue as matching funds to eligible acquisitions.

KEY ISSUES

Staff have not identified any key issues with this budget.