

July 12, 2011

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[jr]

Sponsor: \_\_\_\_\_

Proposed No.: 2011-0287

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2011-0287, VERSION**

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3 On page 1, beginning on line 5, strike everything through page 4, line 58, and insert:

4 "STATEMENT OF FACTS:

5 1. The 2011 Washington state Legislature adopted Engrossed Substitute  
6 Senate Bill 5457, which became Chapter 373, Laws of Washington 2011,  
7 which amends chapter 82.80 RCW to provide the King County council  
8 with the authority to impose a congestion reduction charge of twenty  
9 dollars on vehicle registration renewals for two years to allow Metro  
10 transit to continue to provide the current level of transit service that helps  
11 reduce congestion and the corresponding burdens placed on local roads  
12 and highways.

13 2. Before imposing the charge, the legislation requires the completion of a  
14 congestion reduction plan that indicates how revenues from the charge are  
15 to be expended. The legislation also requires that revenues from the  
16 charge be expended in a manner consistent with the recommendations of  
17 the 2010 regional transit task force.

18 3. Approval of the congestion reduction plan and congestion reduction  
19 charge would enable Metro to avoid transit service cuts in the 2012-2013  
20 biennium - cuts that could result in the loss of an estimated nine million  
21 passenger trips annually and lead to an associated increase in traffic  
22 congestion.

23 4. In 2010, the regional transit task force was convened to make  
24 recommendations regarding the policy framework for the Metro transit  
25 system.

26 5. Following seven months of intensive deliberations, the task force  
27 delivered its final recommendation report with the unanimous support of  
28 task force members. The recommendations in the task force report  
29 focused on the following areas:

30 A. Transparency and clarity: that the transit division should provide  
31 more transparency and clarity to the public on the agency's decision-  
32 making process and develop a set of performance measures and clear and  
33 transparent guidelines to be used in service allocation decisions;

34 B. Cost control: that the transit division should continue to control costs  
35 and build toward a more sustainable financial structure over time; and

36 C. Productivity, social equity and geographic value: that in making  
37 decisions about service reduction and service growth, the transit division  
38 should emphasize productivity, ensure social equity and provide  
39 geographic value.

40 6. The congestion reduction plan is consistent with the King County  
41 Strategic Plan's Economic Growth and Built Environment goal to  
42 encourage a growing and diverse King County economy and vibrant,  
43 thriving and sustainable communities, and, specifically, the goal's  
44 objective of meeting the growing need for transportation services and  
45 facilities throughout the county.

46 7. As reflected in the congestion reduction plan, the proceeds from the  
47 congestion reduction charge will be used in a manner consistent with the  
48 recommendations of the regional transit task force.

49 8. The congestion reduction plan adopted by this ordinance is consistent  
50 with direction from the state legislature in Chapter 373, Laws of  
51 Washington 2011, and is consistent with the policy framework and  
52 recommendations of the regional transit task force. This plan also  
53 implements the proposed Strategic Plan for Public Transportation 2011-  
54 2021 and the Metro Transit Service Guidelines.

55 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

56 SECTION 1. The Congestion Reduction Plan, which is Attachment A to this  
57 ordinance, is hereby adopted."

58 Delete Attachment A, Congestion Reduction in King County: Sustaining the King  
59 County Metro Transit System, and replace with Congestion Reduction in King County:  
60 Sustaining the King County Metro Transit System, dated July 12, 2011

61 **EFFECT: Makes minor technical and grammatical changes, and replaces**  
62 **Attachment A with an updated plan that also includes minor technical and**  
63 **grammatical changes.**

## Congestion Reduction in King County: Sustaining the King County Metro Transit System:

*The revenue generated by the Congestion Reduction charge would enable King County Metro Transit to maintain the integrity and function of its transit system during the 2012-2013 biennium. The additional revenue will enable Metro to postpone approximately 600,000 hours of service cuts (17 percent of its entire system) and preserve millions of annual passenger trips. As a result, Metro would be able to continue reducing congestion, supporting economic vitality and improving the quality of life in the Puget Sound region*

### The Cost of Traffic Congestion

Traffic congestion is considered one of the primary urban issues that many regions face. Major cities, suburban areas and small cities all experience some level of traffic congestion, stemming either from limited road capacity, traffic accidents or special events. Congestion impacts economic vitality, mobility and quality of life. It increases driver stress, the costs of maintaining and operating vehicles, pollution and fuel consumption. Congestion adds costs to the delivery of goods and services that are important to economic vitality. In 2009, in 439 urban areas studied by the Texas Transportation Institute, congestion costs<sup>1</sup> were estimated to be \$115 billion annually. Traffic congestion resulted in 3.9 billion gallons of fuel used unnecessarily, equivalent to the amount carried by 78 super tankers or 520,000 gasoline tank trucks<sup>2</sup>. Every year, commuters in large urban areas sit in traffic for the equivalent of a full work week and fill their gas tanks four additional times as a result of traffic congestion.

### Congestion in the Puget Sound region

According to the Texas Transportation Institute, congestion in the Puget Sound region is among the worst in the nation. In 2009, the Seattle area had the 10th worst traffic congestion, costing the region \$2.1 billion<sup>3</sup>. The average commuter experienced 44 hours of delay annually<sup>4</sup> and spent \$1,056 in lost fuel and time.

<sup>1</sup> Based on wasted time and fuel.

<sup>2</sup> Texas Transportation Institute, "Performance Measure Summary and the Mobility Data for Seattle, WA," [http://mobility.tamu.edu/ums/congestion\\_data/tables/seatt.pdf](http://mobility.tamu.edu/ums/congestion_data/tables/seatt.pdf) (December 2010).

<sup>3</sup> Texas Transportation Institute, "2010 Urban Mobility Report," [http://tti.tamu.edu/documents/mobility\\_report\\_2010.pdf](http://tti.tamu.edu/documents/mobility_report_2010.pdf) (December 2010).

<sup>4</sup> IBID.

According to the Texas Transportation Institute's 2010 Urban Mobility Report:

- **Congestion wastes a massive amount of time, fuel and money, and congestion costs are increasing.** The cost of congestion in terms of delay and wasted fuel totaled \$115 billion in 439 urban areas across the country in 2009. 3.9 billion gallons of fuel were wasted - the equivalent to 78 super tankers - and 4.8 billion hours of time were lost<sup>1</sup>. Annual cost to the average commuter increased from \$351 in 1982 to \$808 in 2009.
- **Congestion affects both peak period travel and travel at other hours of the day.** While peak period delay presents significant costs to commuters, congestion affects travels at all times of day. About half of total delay occurs in the midday and at night when travelers and shippers expect free flow travel.
- **Metro Transit provides alternatives to congestion and reduces congestion through its ridership.** If public transportation was not available, travelers in the Puget Sound region would experience an additional 14.1 million hours of delay - nearly 6 hours of additional delay per peak auto-commuter.

## **The Benefits of Public Transportation**

Public transportation reduces congestion. It complements traffic and demand-management activities and roadway capacity expansions. Public transportation makes it possible for goods and services to be delivered more efficiently and allows people to get to their jobs and other destinations important to the region's economy. According to the Texas Transportation Institute's 2010 Mobility Report, without public transportation services, travelers across the nation would have spent an additional 785 million hours in traffic and would have consumed 640 million more gallons of fuel in 2010 at a cost of \$19 billion. In the Puget Sound area, public transportation saves 9.8 million gallons of fuel every year and reduces the cost of congestion by \$347 million annually<sup>5</sup>. If public transportation was not available, travelers in the Puget Sound region would experience an additional 14.1 million hours of delay annually – nearly six hours of additional delay per peak auto commuter<sup>6</sup>.

King County Metro Transit plays a large role in the region's public transportation system. When ridership hit record levels in 2008, Metro provided more than 118 million passenger trips and carried riders approximately 544 million miles on its fixed-route bus system. Today, ridership remains strong even though the economic downturn has caused a dip. On an average weekday in 2010, Metro provided more than 360,000<sup>7</sup> rides, 113,000 of which were on highways and freeways. Metro's services improve the quality of life in the region – they connect commuters to jobs, students to schools and all residents to services and recreation. Public transportation offers people travel choices, provides an alternative to driving in traffic, improves efficiency by increasing the people-carrying capacity of the highway network, and allows those without a car to access jobs, schools, medical facilities and other key destinations. Without public transportation, the region's roadways would be significantly more congested.

Many Metro riders have a choice about whether to ride transit. According to Metro's 2010 Rider Survey, 85 percent of riders have a driver's license and 95 percent have access to a vehicle. Metro riders also have higher-than-average income levels. According to the American Community Survey, the average household income of King County riders is about \$73,000, compared with the King County average of \$67,000. More than half of Metro riders use Metro primarily to travel to work or school. In summary, Metro riders have options and without accessible, convenient transit, many commuters would likely turn to private vehicles.

## **Transit and the Economy**

Effective public transportation is needed to achieve the growing and diverse King County economy and vibrant, thriving and sustainable communities envisioned in the Economic Growth and Built Environment goal of King County's Strategic Plan.

Over half of the passenger trips that Metro provides are to jobs and schools, with the vast majority of those to employment. Without sufficient, effective public transportation, traffic congestion will increase along with transportation costs for business and households. Economic

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<sup>5</sup> IBID

<sup>6</sup> IBID

<sup>7</sup> Average of monthly daily average boardings, 2010.

opportunities for lower income workers would be reduced, diminishing employers' access to a significant labor pool. A study completed by HDR Decision Economics for the Michigan Department of Transportation shows that for each dollar spent operating public transportation, both large and small businesses experience a sales increase of three dollars. This study also found that for each dollar spent on bus service, an economic benefit of nearly \$1.50 results<sup>8</sup>.

### **Metro's Financial Situation**

Over the past several years, Metro has faced decreased funding due to a poor economy and a significant downturn in sales tax revenue. King County has exhausted strategies to forestall major service reductions. Although not a permanent solution, the Congestion Reduction Charge would allow Metro to delay service reductions, maintaining bus service for many that depend on it to realize their economic potential.

### **Actions Taken to Manage the Financial Situation**

From 2009 through 2011, Metro has taken actions that have resulted in approximately \$400 million in savings in order to preserve service levels. On an annual basis, these actions represent more than \$143 million per year. These actions include:

- Increased base bus fares 80 percent over three years (2008-2011);
- Negotiated substantial labor costs savings from its unions;
- Eliminated 100 jobs and other operating expenses not associated with direct service;
- Reduced the Metro system by 75,000 annual hours through selected trip cuts;
- Reduced capital spending by replacing fewer buses, deferring maintenance, and reducing the number of projects;
- Deferred planned expansion of bus service and associated capital programs;
- Increased revenue through a property tax swap;
- Implemented numerous efficiency recommendations of the 2009 Performance Audit, including the reduction of 125,000 annual hours through scheduling efficiencies without cutting the number of trips offered each day; and
- Diverted revenue held for bus replacement and operating reserves to reduce the operating program deficits in 2010 and 2011.

### **Regional Transit Task Force**

Metro is implementing the recommendations of the Regional Transit Task Force through the budget and existing plans. The task force was convened in 2010 to recommend a new policy framework for Metro as the agency faced both a worsening financial outlook coupled with strong ridership demand. Task force members developed seven consensus recommendations, which included development and use of transparent and objective performance measures and service guidelines in the management of the transit system. The task force recommendations direct Metro to emphasize productivity, ensure social equity and provide geographic value in service reduction and growth decisions. These recommendations also highlight the importance

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<sup>8</sup> HDR Decision Economics, "Michigan State Department of Transportation: Economic and Community Benefits of Local Bus Transit Service (Phase Two)," [http://www.michigan.gov/documents/mdot/MDOT-EconomicBenefitsCaseStudy\\_328979\\_7.pdf](http://www.michigan.gov/documents/mdot/MDOT-EconomicBenefitsCaseStudy_328979_7.pdf), (July 2010).

of controlling costs, providing several cost controls strategies and suggesting a pathway to pursue stable revenues. The full recommendations are available at <http://www.kingcounty.gov/transportation/TransitTaskForce.aspx>

The actions Metro has taken to implement the task force recommendations include:

- **Implementation of Key Audit Recommendations.** In total, Metro's implementation of 2009 Performance Audit recommendations has resulted in annual ongoing saving of approximately \$17 million. Implementing scheduling efficiencies and optimizing vehicle assignments alone has produced savings of over \$10 million annually. The expansion of the Community Access Transportation program has reduced Metro's cost of providing federally mandated service under the Americans with Disability Act by \$3.6 million in 2010. In addition, Metro has implemented staffing efficiencies capitalizing on opportunities to utilize more cost-effective staffing approaches. Metro continues to implement the audit findings to improve the efficiency and performance of the agency.
- **Submission of the Strategic Plan for Public Transportation 2011-2021.** On July 11, 2011 the King County Council adopted the new strategic plan and service guidelines following a unanimous recommendation from the Regional Transit Committee. The themes of these planning documents echo the task force recommendation to emphasize productivity, ensure that bus services are available for those most dependent on transit, and provide value to the diverse cities and communities throughout King County. These planning documents address other Regional Transit Task Force recommendations, by including the following:
  - New performance measures to track Metro's overall progress, the progress of the transit system as a whole and the performance of specific routes;
  - Use of transparent and objective measures to manage and allocate transit resources;
  - A schedule for reporting on performance measures and for updating planning and policy documents;
  - Strategies for controlling costs and a plan and timeline for implementing alternatives to traditional transit service; and
  - An updated mission statement and a new vision statement for public transportation in King County that aligns with King County's strategic plan and the region's land use and transportation plans.

### **Potential Service Reductions**

Despite many of the steps taken to offset the considerable loss of sales tax revenue, Metro still faces an ongoing annual budget deficit of approximately \$60 million, because of the lingering affects of the recession. Metro will not have the resources to sustain current bus services starting in 2012. The total reduction needed to achieve financial sustainability is about 600,000 annual service hours, or about 17 percent of the current Metro bus system. **More vehicles on the road**



Research clearly shows that reductions in transit service have a negative impact on ridership<sup>9</sup>. Reducing the Metro system by 17 percent would mean that every day, tens of thousands of bus riders would have to find another way to get where they are going. Even with a more efficient transit system delivered through the Strategic Plan for Public Transportation 2011-2021, by 2015, Metro's ridership loss is expected to be more than 9 million riders annually with a reduction of 600,000 annual service hours. Nearly 4 million of those annual rides occur during the most congested time periods. The loss of transit options will result in more people traveling by private auto, increasing traffic congestion throughout the region.

## **The Congestion Reduction Plan**

The funds raised from the Congestion Reduction Charge would allow Metro to maintain bus service that reduces congestion in 2012 and 2013. The \$25 million per year collected during each year during the 2012-2013 budget period would maintain commuter services and other services that provide competitive alternatives to driving, either by direct connection to major employment centers or by access to transit hubs where riders can connect to rail and/or regional bus services. Congestion Reduction Charge revenues, combined with continued efforts to control costs, eliminate or delay capital projects, and use reserves, would enable Metro to postpone service cuts that will otherwise be necessary.

The Congestion Reduction Plan is consistent with the Regional Transit Task Force recommendations which influence the Strategic Plan for Public Transportation 2011-2021 policy guidance and associated service guidelines. These documents lay the foundation for a system that emphasizes productivity, ensures service is available for those that depend on it and provides for geographic value throughout King County. During the period that Congestion Reduction Charge resources are in use, Metro will implement task force recommendations consistent with its new strategic plan by:

- Addressing service quality problems to improve the attractiveness of service;
- Shifting resources from bus routes with few riders to more productive bus routes that have significant growth potential; and
- Restructuring multiple routes along a corridor or within an area to deliver service more cost effectively and increase transit use in busy travel corridors.

## **Metro Congestion Reduction Plan**

The proceeds of the congestion reduction charge will be used to plan for, allocate and fund transit service hours, as well as to manage the transit system as guided by the strategic plan and guidelines. More specifically, proceeds from the congestion reduction charge will be used to fund the operational expenses necessary to provide fixed-route transit service including, but not limited to, any labor, fuel, maintenance and administrative costs related to the planning, provision and management of fixed-route service. The activities that will be funded by the congestion reduction charge will be carried out in a manner consistent with the

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<sup>9</sup> Infogroup/ORC, "King County Metro 2009 Rider/Non-Rider Survey," <http://metro.kingcounty.gov/am/reports/2009/2009-RNRFinal.pdf> (2010).

recommendations of the Regional Transit Task Force and will implement the King County Metro Transit Strategic Plan for Public Transportation 2011-2021 and the King County Metro Service Guidelines.

Under the Congestion Reduction Plan Metro will:

**1) Sustain the existing transit system levels, directing Congestion Reduction Charge revenues in a manner that:**

- Leverages Metro resources to maintain the integrity and function of the transit system; and
- Reduces congestion while supporting the state and the region's economic recovery.

**2) Manage the system according to new guidelines as recommended by the Regional Transit Task Force**

- Monitor and assess route and system-level performance;
- Reallocate the least productive services to address service quality issues such as overcrowding and unreliable service;
- Restructure the transit network to make it more effective in carrying the greatest number of passengers;
- Manage the transit system to increase transit use and reduce single occupant vehicle travel by investing in under-served corridors and routes with high ridership potential; and
- Improve connections to regional services that provide alternatives to driving.

**Benefits of the Plan:** This plan will allow Metro to:

- Maintain transit service levels in order to avoid ridership losses and increased auto trips;
- Continue availability of viable travel alternatives that reduce congestion; and
- Reduce greenhouse gas emissions that would occur due to increased auto travel.

## **Regional Transit Task Force Recommendations**

**Recommendation 1:** Metro should create and adopt a new set of performance measures by service type, and report at least annually on the agency's performance on these measures. The performance measures should incorporate reporting on the key system design factors, and should include comparisons with Metro's peer transit agencies.

**Recommendation 2:** King County and Metro management must control all of the agency's operating expenses to provide a cost structure that is sustainable over time. Cost-control strategies should include continued implementation of the 2009 performance audit findings, exploration of alternative service delivery models, and potential reduction of overhead and internal service charges.

**Recommendation 3:** The policy guidance for making service reduction and service growth decisions should be based on the following priorities:

1. Emphasize productivity due to its linkage to economic development, land use, financial sustainability, and environmental sustainability.
2. Ensure social equity.
3. Provide geographic value throughout the county.

**Recommendation 4:** Create clear and transparent guidelines to be used for making service allocation decisions, based upon the recommended policy direction.

**Recommendation 5:** Use the following principles to provide direction for the development of service guidelines:

- Transparency, clarity and measurability;
- Use of the system design factors;
- Flexibility to address dynamic financial conditions;
- Integration with the regional transportation system; and
- Development of performance thresholds as the basis for decision-making on network changes.

**Recommendation 6:** King County, Metro, and a broad coalition of community and business interests should pursue state legislation to create additional revenue sources that would provide a long-term, more sustainable base of revenue support for transit services. To build support for that work, it is essential that King County adopt and implement the task force recommendations, including use of the service guidelines and performance measures, and continue efforts to reduce Metro's operating costs.

**Recommendation 7:** Metro staff should use the task force recommendations and discussions as the framework for revising Metro's current mission statement, and creating a vision statement (as one does not now exist). Both draft statements should be included in the draft Comprehensive and Strategic Plans scheduled to be submitted to the County Council in February 2011.

