Metropolitan King County Council

Budget and Fiscal Management Committee

Climate & Environment; Invest in People

October 12, 2022 – 9:30 a.m.

Councilmembers: Rod Dembowski, Chair; Claudia Balducci, Jeanne Kohl-Welles Joe McDermott, Sarah Perry, Dave Upthegrove, Pete von Reichbauer and Girmay Zahilay

Tracy Jake, Council Staff
Angelica Calderon, Committee Assistant

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Briefing No. 2022-B0126

Briefing on Proposed 2023 2024 Biennial Budget Climate & Environment; Invest in People

DISCUSSION

FLEET MANAGEMENT EQUIPMENT

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$94,777,053	$71,444,706	74.0	0.0
2023-2024 Base Budget Adjust.	($10,360,780)	($1,930,096)	0.0	0.0
2023-2024 Decision Packages	$7,130,072	$1,757,000	3.0	.5
2023-2024 Proposed Budget	**$91,547,000**	**$71,272,000**	**77.0**	**0.5**
% Change from prior biennium	(3.4%)			
Dec. Pkg. as % of prior biennium	7.5%			

Major Revenue Sources: Central rates

Base Budget Assumptions: (1) 4.0% GWI for 2023; (2) 4.0% GWI for 2024

DESCRIPTION

The Fleet Services Division (FSD) manages the Equipment Replacement Fund, as well as the acquisition, maintenance, replacement, and disposal of 2730 fleet vehicles and other pieces of equipment. These support the County's services associated with the General Fund, Roads, Parks, Water and Land Resources, and other agencies.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 Proposed Biennial Budget for Fleet Services is largely a status quo budget. It includes a $10.4 million base budget reduction adjustment which reflects underspending in 2021-2022 due to vehicle procurement delays. The budget also includes a reduction of $534,120 in the fuel budget due to a reduction in the county's fuel consumption. This reduction is partially offset by an increase in the cost of fuel.

The budget includes funding for the purchase of 95 light duty electric vehicles (EVs) in addition to the purchase of 105 hybrid-electric police vehicles. The proposed budget includes $1.5 million to cover the higher purchase cost of EVs and hybrid-electric police vehicles for the King County Sheriff's Office (KCSO). The $1.5 million will be financed with bond financing and repaid by agencies purchasing the vehicles. Additionally, the proposed budget includes several smaller operations proposals:

- $188,396 for 1 FTE for a fleet utility worker;
- $100,000 for research on fleet information management systems;
- $91,192 for a fleet maintenance intern;
- $350,000 for Renton facility updates and repairs;
- $105,000 for electric and hybrid vehicle technician training; and
- $200,000 for software and hardware replacement for rental dispatch system

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

KEY ISSUES

ISSUE 1 – EV TARGETS WILL REQUIRE INFRASTRUCTURE INVESTMENT AND PLANNING

The 2020 Strategic Climate Action Plan (SCAP)[1] and the "Jump Start" Ordinance[2] include the following goals for fleet electrification:

- Fifty percent of light-duty vehicles transition to electric by 2025 and one hundred percent by 2030;
- Fifty percent of medium-duty vehicles transition to electric by 2028 and one hundred percent by 2033; and
- Fifty percent of heavy-duty vehicles transition to electric vehicles by 2038 and one hundred percent by 2043.

In the light-duty category, Fleet Services is currently managing 1,633 light duty vehicles. The following table summarizes the number of EVs Fleet Services will need to purchase by the end of each year listed to meet the SCAP goal. Future fleet reductions may result in fewer EV purchases. Also, there are 432 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	117	7%
2025 light duty EVs	816	50%
2030 light duty EVs	1633	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, market limitations exist, and further analysis is needed regarding post-COVID and Future of Work impacts on vehicle needs and locations. Given these challenges, Fleet Services is extending the life of existing gas-powered vehicles until more EVs can be purchased and infrastructure is in place. Fleet Services expects to see

[1] Motion 15866
[2] Ordinance 19052

a significant spike in ordering in the future to address fleet replacement needs and catch up on the vehicle replacement backlog.

The proposed budget includes $16.8 million in the Facilities Management Division budget to support the design and implementation to expand electric vehicle charging infrastructure and equipment for County fleet vehicles at County-owned facilities. Please see the Facilities Management Division write-up for a discussion of this issue.

UPDATE:
With regards to light duty vehicles, Fleet is working with agencies to ensure future replacements are electric whenever possible, while considering the market availability and the County's charging capacity. As the County plans for significant investments in EVs in the 2025-2026 biennium, the Council may wish to receive an update during the 2023-2024 biennium on the status of the many factors affecting the rate of EV deployment, including: the availability of state and federal funding, options for partnerships with utilities on infrastructure investments, EV market conditions, Future of Work plans, take home vehicle policies, and the charging strategies the County selects for each of the six parking sites scheduled for EV charging under the proposed $16.8 million EV Charging Infrastructure project.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: WHAT IS THE ANTICIPATED LIFESPAN OF LIGHT DUTY AND HYBRID VEHICLES?

ANSWER: The PSB Director reports each vehicle is reviewed individually and has an optimization model that determines how long we will keep the vehicle.

QUESTION 2: WHAT IS THE EXECUTIVE'S POLICY ON EMPLOYEES TAKING VEHICLES HOME?

ANSWER: The Executive is working on reviewing the take home policy for fleet vehicles and expects policies will be developed during the 2023-2024 biennium.

CLIMATE OFFICE

ANALYST: JENNY GIAMBATTISTA

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	N/A	N/A	N/A	N/A
2023-2024 Base Budget Adjust.	N/A	N/A	N/A	N/A
2023-2024 Decision Packages	$2,339,913	$2,339,908	3.0	0.0
2023-2024 Proposed Budget	**$2,340,000**	**$2,340,000**	**3.0**	**1.0**
% Change from prior biennium	N/A			
Dec. Pkg. as % of prior biennium	N/A			

Major Revenue Sources: Climate Cost Share Budget (rates paid by County departments based on emissions)

Base Budget Assumptions: (1) 4.0% GWI for 2023; (2) 4.0% GWI for 2024.

DESCRIPTION

The Climate Office is a new appropriation unit in the 2023-2024 Executive Proposed Biennial Budget. As described by the Executive, the Climate Office would be tasked with leading King County's response to the emergency created by human-caused climate change. The office would elevate the priority of addressing climate and enhance collaboration across departments and with our external partners. One of the office's tasks would be providing cross-departmental policy support and leadership in the implementation of the 2020 Strategic Climate Action Plan. The other main role would be looking forward to new actions and innovations the County should be pursuing to mitigate climate change. The office will be focused on policy development and creating bridges where there are complex, interdepartmental efforts to mitigate and prepare for climate change.

SUMMARY OF PROPOSED BUDGET AND CHANGES

This is a new appropriation unit under the County Executive. If approved, the Climate Office would be the fifth office under the County Executive. The proposed 2023-2034 budget of about $2.3 million (climate cost share revenue) for the new Climate Office includes two existing FTE positions and 1 TLT position transferred from the Office of the Executive and the climate cost share revenue transferred from the Department of Natural Resources and Parks Administration budget.[1] The following positions would be transferred from the Executive's Office:

- Director of Climate and Energy Initiatives (1 FTE);
- Climate and Energy Project Manager (1 FTE); and

[1] The climate cost share revenue functions like an internal rate that is collected from county agencies based on their estimated operational emissions.

- EV Transition Project Manager (1 TLT).

The budget also proposes to create a new position for the Director of the Climate Office. In total, the Climate Office would have 3 FTEs and 1 TLT. Executive staff report that while only 3 positions would be transferred now, once a director is hired, they would do a review of the existing climate-related positions in the County and assess if any other climate positions should be part of this office.[2]

KEY ISSUES

ISSUE 1 – NEW CLIMATE OFFICE

The Executive proposes to establish a new Climate Office. Council staff asked for information on the rationale for this new office, including why establishing a separate office under the Executive would be beneficial in achieving the County's climate goals and why this office is not housed in DNRP, where many climate roles are currently located.

Executive staff state that separating the Climate Office and giving it a director would increase the County's capacity to ensure that the 2020 SCAP is implemented on time, while also simultaneously looking forward to the next phase of action. Executive staff also note that this has been a challenge with current staff capacity. They also state that changing the organizational structure and housing the new office under the Executive would increase transparency and autonomy of climate policy staff, and would help provide greater integration of climate work across multiple departments, further noting that they believe it would be difficult to achieve these enterprise-wide directives on policy and operational issues from one department among many (e.g., DNRP).

Executive staff state that this is a high-priority policy area that cuts across the entire enterprise from a policy and operational perspective, that responding to the climate crisis requires enterprise-wide responses, and that many work groups across County government need to be coordinated in their response to maximize the impact of their work. They believe that the establishment of this office is the best way to achieve these goals.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: WHY IS THIS OFFICE BEING CREATED AND WHAT DOES IT HOPE TO ACHIEVE, AND WHERE ARE THESE INITIATIVES CURRENTLY HOUSED?

ANSWER: Executive staff provided the following response:

> This is a high priority policy area that cuts across the entire enterprise from a policy and operational perspective. At this point, we believe a centralized office is needed to develop policy, as well as coordinate among and direct agencies. It is difficult for enterprise-wide directives on policy and operational issues to come

[2] There are approximately 13 positions throughout the county working directly on climate change, including 5 in the DNRP director's office.

from an agency to other departments. This is similar to the Executive branch approach on equity. The Office of Equity and Social Justice provides policy guidance and an enterprise-wide perspective on how we advance the priority.

Separating the Climate Office and giving it a director will increase the County's capacity to ensure the 2020 SCAP is implemented on time and look forward to the next phase of action at the same time. This has been a challenge with current staff capacity since the SCAP is updated every five years.

The Climate Office ensures we are not siloed in this work and allows for more integration across our lines of business to achieve the biggest gains possible. Changing the organizational structure increases the transparency and autonomy of climate policy staff. Funding for the executive department positions and all of the supplies and services budget to support their work was previously held in DNRP administration. While that set-up took advantage of DNRP experience with supporting county processes for getting bills paid, it also created an extra level of complexity, and it wasn't always easy to track who was working on what. The proposed office will have its own budget authority for its personnel and supporting expenditures which will provide more clarity. Creating a separate office also provides a platform for future development – while only 2 Executive positions are moving now, once a director is hired we will be able to do a review of the existing positions in the county and assess if any others should be part of the office.

Below is a list of key existing climate staff in the Executive branch.

Executive's Office (proposed to be transferred to Climate Office): Director of Climate and Energy Initiative; Climate and Energy Project Manager; EV Transition Project Manager

DLS (2 FTEs): Environmental code writer position; DLS Departmental Climate Lead (a Strategic Planning Manager role housed in Roads Services Division)

DNRP Director's Office: Greenhouse Gas Reduction Lead, Climate Equity and Community Partnerships Project manager, Green Jobs Strategy Project Manager, Climate Change Preparedness Lead, DNRP Energy Manager.

Solid Waste: Green Building Team – 2 FTE – These positions are within SWDs Recycling and Environmental Services Team, which comprises about 30 positions.

Public Health: 3 climate and equity positions – Climate adaptation lead, communications and community partnerships lead, and the program development and epidemiology lead.

FMD: Energy Manager

Metro Transit: Sustainability and Climate Program Manager

In addition, many divisions with capital programs have positions or teams focused on energy efficiency and greening existing infrastructure.

NOXIOUS WEED CONTROL PROGRAM

ANALYST: JENNY NGO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$9,903,096	$8,346,329	20.0	0.0
2023-2024 Base Budget Adjust.	$818,493	($64,483)	0.0	0.0
2023-2024 Decision Packages	$313,337	$1,792,632	0.0	0.0
2023-2024 Proposed Budget	**$11,035,000**	**$10,075,000**	**20.0**	**0.0**
% Change from prior biennium	11.4%			
Dec. Pkg. as % of prior biennium	3.2%			

Major Revenue Sources: Noxious Weed special assessment, grants

Base Budget Assumptions: (1) Remove one-time expenditures, including those related to pandemic response; (2) annualized supplemental changes; (3) update personnel rates; (4) 4.0% GWI for 2023; (5) 4.0% GWI for 2024

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 to 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 Noxious Weed Control Program special assessment is proposed to increase from $5.32 per parcel plus $0.38 per acre to $6.20 per parcel plus $0.44 per acre. This represents a 16.5 percent increase. This proposed budget increase would maintain current levels of service for the program, including central rates, overhead allocation, wage increases to reflect salary adjustments, and contractual increases to support a fully staffed seasonal crew employed under the Healthy Lands Project (HeLP) initiated in the 2019-2020 budget. These crews target noxious weeds in priority areas to support the high-impact lands prioritized under Land Conservation Initiative.

KEY ISSUES

ISSUE 1 – NOXIOUS WEED SPECIAL ASSESSMENT INCREASE: $1,396,571

The Executive proposes to increase the Noxious Weed special assessment by $0.88 per parcel plus $0.062 per acre for all non-forest properties in King County for the 2023-2024 biennium. Proposed Ordinance 2022-0379, which would implement the proposed special assessment increases, was transmitted with the Executive's Proposed 2023-2024 Budget.

The special assessment is proposed to increase rates by approximately 16.54 percent (Table 1, below) to maintain the program's offerings. The Noxious Weed special assessment is estimated to generate $1.4 million in new revenues to fund these services.

Table 1. 2019-2022 Noxious Weed Assessment and 2023-2024 Proposed

Parcel Type	2019-2022 Rate	Proposed 2023-2024 Rate	$ Change
Regular – Non-forest	$5.32 per parcel + $0.3800 per acre	$6.20 per parcel + $0.4429 per acre	$0.88 per parcel + $0.0629 per acre
Forest	$0.5320 per parcel + $0.0380/acre	$0.6200 per parcel + $0.0443 per acre	$0.088 per parcel + $0.0063 acre

If the proposed special assessment increases in the ordinance are not approved, in whole or in part, the proposed 2023-2024 Noxious Weed Control Program budget expenditures would need to be adjusted.

RESPONSE TO COUNCIL INQUIRIES

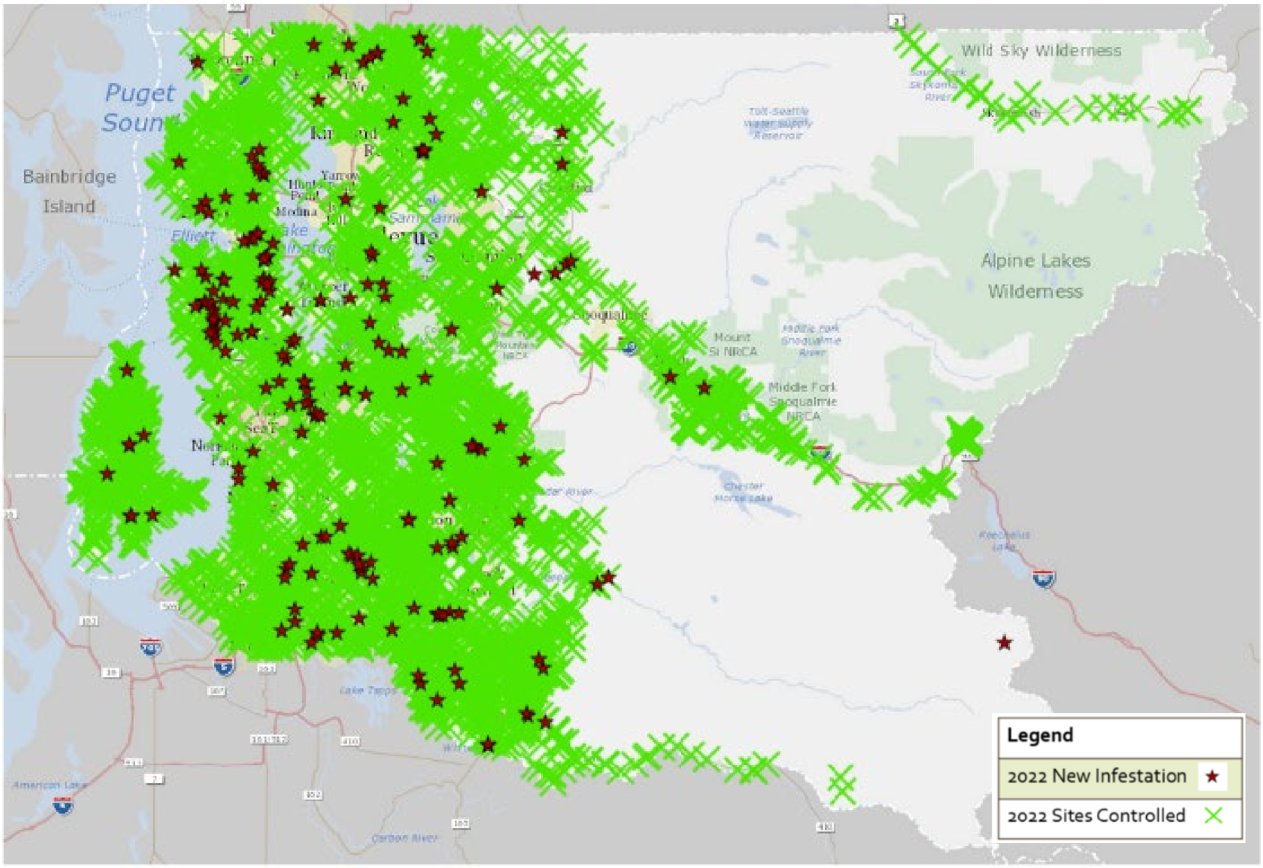
QUESTION 1: WHAT INFORMATION IS AVAILABLE THAT SHOWS THE PROJECTED INCREASE OF NEW PARCELS THAT WOULD GENERATE ADDITIONAL REVENUES?

ANSWER: According to Executive staff, the Noxious Weed Control Program's rate model assumes a projected annual growth of 0.50 percent in revenue related to new parcels. This equates to approximately $22,000 per year for the 2023-2024 biennium.

QUESTION 2: WHAT INFORMATION IS AVAILABLE THAT SHOWS HOW THE NOXIOUS WEED CONTROL PROGRAM FUNDS ARE SPENT BETWEEN THE INCORPORATED AND UNINCORPORATED AREAS?

ANSWER: Approximately 60 percent of the work of the Noxious Weed Control Program occurs in incorporated areas and 40 percent of the work occurs in unincorporated areas. The figure below shows the program's activity in 2022. The program reports 202 new infestations in 2020 and 6,010 infestations were controlled.

Figure 1. Noxious Weed Control Program 2022 Activity Map, as of September 2022



<u>QUESTION 3:</u> WHY ARE SERVICES SO EXPENSIVE?

<u>ANSWER:</u> The proposed expenditures account for increased labor costs and inflation that have occurred since the rates were last increased in 2019. The Noxious Weed Control Program is largely reliant on labor, whether through FTE positions or contracted crews, to control or eradicate noxious weeds and provide technical assistance. A market-based salary adjustment was made for the Noxious Weed Control Specialist positions, which resulted in 15 to 20 percent increases in salaries. Countywide, wages have increased 1.5 percent in 2021, 3 percent in 2022, 4 percent in 2023 and 4 percent in 2024, resulting in additional expenditures that are accounted for in the special assessment.

SURFACE WATER MANAGEMENT LOCAL DRAINAGE SERVICES

ANALYST: JENNY NGO

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$89,366,700	$86,873,918	128.0	11.0
2023-2024 Base Budget Adjust.	($2,412,892)	($102,138)	0.0	(6.0)
2023-2024 Decision Packages	$6,506,797	$5,884,694	(30.0)	(2.0)
2023-2024 Proposed Budget	**$93,461,000**	**$92,656,474**	**98.0**	**3.0**
% Change from prior biennium	4.6%			
Dec. Pkg. as % of prior biennium	7.3%			

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

Base Budget Assumptions: (1) Remove one-time expenditures, including those related to pandemic response; (2) annualized supplemental changes; (3) update personnel rates; (4) 4.0% GWI for 2023; (5) 4.0% GWI for 2024

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 $9.6 million through an 11.8 percent increase to the SWM rates, discussed further in the 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 are described below:

- Add a business analyst position, including $327,871 and 1.0 FTE, to provide support for stormwater management fee billing and the customer relationship management database, as well as to provide process improvements. Currently, the program pays KCIT to provide data analytics support. The agency anticipates a cost reduction of up to $75,000 after this 2023-2024 biennium, once SWM billing support is fully transitioned to this business analyst position.

- Move the Agricultural and Neighborhood Drainage and Water Quality Programs (also known as ADAP and NDAP) from the SWM capital fund to the operating fund due to the non-capital project nature of these programs. Although there is a $1.15 million expenditure request, this is a net-zero impact due to how moneys for capital projects are transferred between this operating fund and the SWM CIP Non-bond Subfund.

- Move three programs from Surface Water Management Local Drainage Services to the Water and Land Resources appropriation unit. These programs are the Open Space Acquisition (OSA) unit; Agriculture, Forestry, and Incentive unit; and Basin Stewards. The purpose of this move is to align the SWM Local Drainage Services fund scope more closely with surface water management activities. This proposed technical adjustment includes disappropriating $10.08 million, 31.0 FTE and 2.0 TLT positions

KEY ISSUES

ISSUE 1 – SWM RATES INCREASE: $9,613,272

The Executive proposed 2023-2024 budget would increase the SWM rates 11.8 percent for all property classifications. Proposed Ordinance 2022-0377, which would increase the SWM rates, was transmitted with the Executive's 2023-20224 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 2023-2024 proposed SWM rates for unincorporated King County property owners.

Table 1. 2019-2022 SWM Rates and 2023-2024 Proposed SWM Rates (corrected)

Rate Classification	Percent Impervious Surface	2019-2022 Rate	2023-2024 Proposed Rate
1 Residential	N/A	$289.00 / parcel	$323.00 / parcel
2 Very Light	10% or less	$289.00 / parcel	$323.00 / parcel
3 Light	10.1% - 20%	$803.51 / acre	$898.04 / acre
4 Moderate	20.1% - 45%	$1,504.04 / acre	$1,680.99 / acre
5 Moderately Heavy	45.1% - 65%	$2,566.60 /acre	$2,868.55/ acre
6 Heavy	65.1% - 85%	$3,575.37 / acre	$3,996.00 / acre
7 Very Heavy	85.1% - 100%	$4,399.10 / acre	$4,916.64 / acre

The proposed 2023-2024 SWM fee for a single-family residence is $323.10 per parcel. A sample of 34 jurisdictions in the region identified a range of $129 to $466 for a single-family residence in 2022, with a median SWM fee of $207.

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

The SWM rate increase would cover inflationary increases to maintain current levels of service and expand support services in both the Water and Land Resources appropriation unit and the SWM Local Drainage Services appropriation unit. According to Executive staff, these support services would include grant development, policy and interjurisdictional relations, human resources, prioritization of chemicals of emerging concern, kokanee salmon recovery, immigrant-refugee farm program staffing, forest health and restoration staffing, fish passage restoration capital projects team, business analysis support, and fish passage projects in County rights-of-way. Information on these support services, proposed expenditures, and staffing can be found in the budget summary section for these appropriation units.

The Council will have the opportunity to review the proposed rate increases as part of its review of Proposed Ordinance 2022-0377. If the proposed rate increases are not approved, in whole or in part, the proposed 2023-2024 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

There is an ongoing issue related to WSDOT's payment of SWM fees to the County. Since 2020, WSDOT has not paid its SWM fees under its interpretation of RCW 90.03.525, as amended in 2019. WSDOT is one of the largest SWM fee rate payers, and according to Executive staff, WSDOT's nonpayment presents a financial risk of up to $3.9 million for the 2023-2024 biennium. Consistent with the statute, the Executive is in discussions with WSDOT on how to resolve this issue for the biennium and for past nonpayment. The 2023-2024 Executive proposed budget assumes full payment of the WSDOT SWM fee.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: CORRECTED SWM RATE TABLES

ANSWER:

Table 2. 2019-2022 SWM Rates and 2023-2024 Proposed SWM Rates

Rate Classification	Percent Impervious Surface	2019-2022 Rate	2023-2024 Proposed Rate
1 Residential	N/A	$289.00 / parcel	$323.00 / parcel
2 Very Light	10% or less	$289.00 / parcel	$323.00 / parcel
3 Light	10.1% - 20%	$803.51 / acre	$898.04 / acre
4 Moderate	20.1% - 45%	$1,504.04 / acre	$1,680.99 / acre
5 Moderately Heavy	45.1% - 65%	$2,566.60 /acre	$2,868.55/ acre
6 Heavy	65.1% - 85%	$3,575.37 / acre	$3,996.00 / acre
7 Very Heavy	85.1% - 100%	$4,399.10 / acre	$4,916.64 / acre

QUESTION 2: WHAT WERE SWM RATES OVER THE PAST 10 YEARS?

ANSWER: Historical SWM rates are shown in the table below.

Table 3. King County SWM Rates between 1986 and 2019 with Proposed 2023 Rates

Year	SWM Service Charge	Dollar Increase	Percent Increase	Inflation Over Same Period[1]
1986	$26.07	--	--	--
1992	$85.02	$58.95	226%	26%
2002	$102.00	$16.98	20.0%	28.2%
2007	$111.00	$9.00	8.8%	14.3%
2011	$133.00	$22.00	19.8%	8.8%
2013	$151.00	$18.00	13.5%	4.6%
2014	$171.50	$20.50	13.6%	1.6%
2017	$240.44	$68.94	40.2%	3.8%
2019	$289.00	$48.56	20.2%	--
2023 (proposed)	$323.00	$34.00	11.8%	--

QUESTION 3: CONCERNING THE NEIGHBORHOOD DRAINAGE ASSISTANCE PROGRAM (NDAP), WHAT IS THE CURRENT DEMAND FOR THE PROGRAM, WHAT IS THE BACKLOG FOR THIS PROGRAM, HAVE THERE BEEN DISCUSSION ON HOW TO CLEAR THE BACKLOG, WHAT WOULD IT TAKE TO CLEAR SUCH A BACKLOG?

ANSWER: The Water and Land Resources Division staff have reached out directly to Councilmember Upthegrove to provide additional information.

QUESTION 4: HAS WSDOT PAID ALL OF THE SWM FEES? WHAT GROUNDS ARE WE EXPECTED TO BE MADE WHOLE?

ANSWER: No, WSDOT's last payment of SWM fees occurred in 2019. If the issue is unresolved through 2022, that would equate to $5.3 million in past-due fees. If fees are not paid through 2024, this would equate to $9 million. As discussed in the issues section above and by Director Dively during the October 5th Budget Panel 2 meeting, the Executive is in discussions with WSDOT on a resolution.

QUESTION 5: WHO PAYS THIS RATE?

ANSWER: Every developed parcel in unincorporated King County is subject to a SWM fee. Fees are dependent on the type of use (single-family residential or non-single-family residential) and, for non-single-family residential, the impervious surface cover of the property. The rates are identified in Table 1, above. There are several SWM fee discounts available for property owners including: senior or disabled customers, customers with household incomes at or below 200 percent of the federal poverty guidelines, public schools providing a surface water curriculum, parcels with on-site

[1] Bureau of Labor Statistics Consumer Price Index Inflation Calculator starting from January of the given year

stormwater mitigation systems in place, partially forested properties, and open space parcels.

Question 6: What is the SWM increase? Is it just to maintain?

Answer: The SWM rate increase is intended to cover both inflationary increases and address ongoing efforts to improve water quality and fish passage, and to address aging infrastructure. Nearly half of the $9.6 million in revenues address inflationary costs alone. The remaining moneys would support a majority of 9 FTE adds and provide $1.83 million for fish passage work in for capital projects in the Roads Division.

Question 7: What is the total increase to residents across this Division?

Answer: The effect of both the SWM and Noxious Weed rates combined is roughly $35 per year for a single-family residence in unincorporated King County. However, it is worth noting that SWM and Noxious Weed rates are calculated differently and will vary. SWM rates are adopted by each jurisdiction and vary in range.

TOURISM

ANALYST: LEAH KREKEL-ZOPPI

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$11,417,723	$0	000.0	000.0
2023-2024 Base Budget Adjust.	$1,100,797	$0	000.0	000.0
2023-2024 Decision Packages	$1,776,934	$0	000.0	000.0
2023-2024 Proposed Budget	**$14,296,000**	**$0**	**000.0**	**000.0**
% Change from prior biennium	25.2%			
Dec. Pkg. as % of prior biennium	12.4%			

Major Revenue Sources: Lodging Tax

Base Budget Assumptions: Revenue adjustments

DESCRIPTION

This appropriation unit resides within the Lodging Tax Fund and is used to allocate lodging tax revenues designated for tourism promotion. The portion of the Lodging Tax receipts allocated to the Tourism allocation unit was established by King County Ordinance 18788. These revenues are to be used to repay bonds for the Building for Culture program, support the Washington State Major League Baseball Stadium Public Benefit District, and support tourism promotion activities in King County.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 25.2 percent increase in the Tourism appropriation in the proposed 2023-2024 Budget is a reflection of the Office of Economic and Financial Analysis forecasting that projects a significant increase in Lodging Tax receipts in the coming biennium as the lodging sector recovers from the impacts of the COVID-19 pandemic.

In 2023-2024, the financial plan for the Lodging Tax Fund designates $2.5 million for tourism promotion, approximately $6.1 million for the public facility district, and approximately $4.6 million for debt service.

KEY ISSUES

Staff have not identified any issues for this budget.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: WHAT IS THE OEFA FORECAST RELATED TO LODGING TAX DOLLARS? HOW MUCH MORE ARE WE EXPECTING FOR THE 2023/24 BIENNIUM OVER OUR CURRENT BIENNIUM? HOW ARE KING COUNTY LODGING TAX DOLLARS ALLOCATED?

ANSWER: The 2021-2022 Budget included an estimated $51.6 million for lodging tax revenues, based on the August 2020 OEFA Forecast. The current estimate for 2023-2024 is $73.9 million, a $22.3 million increase. OEFA attributes the estimated increase in lodging tax revenue to recovery of the lodging sector coming out of the COVID-19 pandemic. The table below shows the allocation by program for each year and the total change from 2021.

Note that the allocation of lodging tax dollars was set by Council in Ordinance 18788 as follows (summarized):

- 37.5% transferred to 4Culture (referred to as the "Arts and Culture Transfer");
- 34.9% allocated to DCHS for TOD projects;
- 2.6% allocated to DCHS to support services for homeless youth;
- 25% allocated to tourism or to support TOD projects or services for homeless youth. This allocation is broken down as follows:
    - Debt service on the original Building for Culture Program bonds;
    - After allocation revenues for debt service, the remaining of the 25% is allocated as follows:
        - 43.8% to the Washington State MLB Public Facilities District;
        - $1 million dollars each year to programs that promote tourism to attract tourists to all parts of the county;
        - All remaining revenues allocated to DCHS to support TOD projects or services for homeless youth.

Table 1.
Forecasted Lodging Tax Revenue

OEFA Forecast Lodging Tax	2020 August Forecast			2022 August Forecast			**Change**
	2021	2022	**2021-2022 Total**	2023	2024	**2023-2024 Total**	
OEFA Forecast	$20.2 M	$31.4 M	**$51.6 M**	$36.1 M	$37.8 M	**$73.9 M**	**$22.3 M**
Tourism (25%)	$5.0 M	$7.8 M	**$12.9 M**	$9.0 M	$9.4 M	**$18.5 M**	**$5.6 M**
Seattle PFD	$1.2 M	$2.5 M	**$3.7 M**	$3.0 M	$3.2 M	**$6.1 M**	$2.4 M
B4Culutre Debt Service	$2.2 M	$2.2 M	**$4.5 M**	$2.2 M	$2.2 M	**$4.5 M**	$0.0 M
Tourism Promotion	$1.0 M	$1.0 M	**$2.0 M**	$1.0 M	$1.0 M	**$2.0 M**	$0.0 M
Transferred to Housing	$0.6 M	$2.2 M	**$2.7 M**	$2.8 M	$3.1 M	**$5.9 M**	$3.1 M
Arts and Culture Transfer (37.5%)	$7.6 M	$11.8 M	**$19.3 M**	$13.5 M	$14.2 M	**$27.7 M**	**$8.4 M**
Homeless Youth (2.6%)	$0.5 M	$0.8 M	**$1.3 M**	$0.9 M	$1.0 M	**$1.9 M**	**$0.6 M**
Housing (34.9%)	$7.0 M	$11.0 M	**$18.0 M**	$12.6 M	$13.2 M	**$25.8 M**	**$7.8 M**
Transferred from Tourism	$0.6 M	$2.2 M	**$2.7 M**	$2.8 M	$3.1 M	**$5.9 M**	$3.1 M

Total Housing	***$7.6 M***	***$13.1 M***	***$20.7 M***	***$15.4 M***	***$16.2 M***	***$31.7 M***	**$10.9 M**
Existing Debt Service	$4.1 M	$14.6 M	**$18.7 M**	$13.2 M	$13.2 M	**$26.4 M**	$7.7 M
Proposed Debt Service	$0.0 M	$0.0 M	**$0.0 M**	$0.0 M	$0.0 M	**$0.0 M**	$0.0 M
Housing balance	$3.5 M	-$1.5 M	**$2.0 M**	$2.2 M	$3.1 M	**$5.3 M**	$3.3 M

QUESTION 2: WHAT AGENCY MANAGES THE $2.5 MILLION IN TOURISM FUNDS? HOW IS THE TOURISM REVENUE PROPOSED TO BE ALLOCATED AND WHAT ARE THE REVENUES USED FOR?

ANSWER: The Office of Performance, Strategy, and Budget manages the Appropriation Unit for Tourism.

The 2023-2024 Appropriation is planned to be allocated as follows:

Multi-cultural marketplace (carryover)	$750,000
Savor Snoqualmie (in ordinance)	$50,000
Visit Seattle	$1,275,000
Seattle Southside	$425,000
Total tourism (23-24)	$2,500,000

The revenues would be used for the following purposes:

- The Multi-Cultural Marketplace would be used to support pre-construction costs of the Wadajir Marketplace currently being planned by Abu Bakr in Tukwila. In total $1.5M was allocated to Wadajir in the 2021-2022 tourism promotion funding. Due to project delays and ongoing contract discussions, half of the payments are not anticipated to be made to Wadajir until 2023. Ordinance 18788 noted that the Multi-Cultural Marketplace was an appropriate use of Tourism Promotion Funding.
- Savor Snoqualmie is a program managed by The Mountain to Sound Greenway Trust. Ordinance 18788 noted that the Council intended to provide funding for this program of $25,000 per year. The Tourism Promotion funds are used to promote the program.
- The funding allocated to Visit Seattle and Seattle South Side will be spent on a mix of local, regional, and potentially national advertising to be determined in 2023-2024.

TRANSIT

ANALYST: MARY BOURGUIGNON

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$2,078,836,083	$2,513,957,869	5,367.4	172.5
2023-2024 Base Budget Adjust.	$56,540,733	($321,160,407)	4.2	(150.5)
2023-2024 Decision Packages	$336,240,439	$145,794,019	463.1	69.5
2023-2024 Proposed Budget	**$2,471,618,000**	**$2,337,592,000**	**5,834.7**	**100.5**
% Change from prior biennium	18.89%			
Dec. Pkg. as % of prior biennium	16.17%			

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

Base Budget Assumptions: (1) 4% GWI for ATU represented employees in 2023; (2) 4% GWI for ATU represented employees in 2024; (3) 4% GWI for non-ATU employees in 2023 (Ord 19489); (4) 4% GWI for non-ATU employees in 2024 (Ord 19489);[1] (5) ATU medical/dental rate assumed at $1,587 for 2023 and 2024

Transit Infrastructure Capital Fund (3641)

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$369,069,555	$508,742,494	$696,185,193
Expenditures	$369,069,555	$508,742,494	$696,185,193

Major Revenue Sources: Sales tax, Marine property tax, Sound Transit payment, grants, interest income, debt proceeds

Transit Fleet Capital Fund (3642)

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$233,805,562	$67,960,346	$76,297,587
Expenditures	$233,805,562	$67,960,346	$76,297,587

Major Revenue Sources: Sales tax, Marine property tax, grants, interest income

[1] The current collective bargaining agreement with ATU Local 587 (Ordinance 19145) expires October 31, 2022. ATU is not part of the Coalition Labor Agreement. Two bargaining units (PROTEC 17 Transit Chiefs and PROTEC 17 Transit Superintendents) voted earlier this year to reject the Coalition Labor Agreement (Ordinance 19489) and are pursuing mediation.

Revenue Stabilization Reserve Fund (4643)

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$16.192,374	$20,033,161	$21,128,106
Expenditures	--	--	--

Major Revenue Sources: Sales tax, interest

Debt Service (Bond) Fund (8430)

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$19,137,198	$20,952,097	$74,068,009
Expenditures	$13,283,052	$22,663,176	$49,189,093

Major Revenue Sources: Sales tax, Marine property tax, interest income, Federal debt service subsidies

DESCRIPTION

The Metro Transit Department (Metro) is the largest provider of public transit in the Puget Sound region. Metro operates fixed-route services, including bus and water taxi; accessible services, including Access paratransit and Community Access Transportation (CAT); and a variety of flexible and shared services, including Dial-A-Ride Transit (DART), Vanpool, Community Van, Community Ride, and contracted on-demand services, such as Via to Transit and Ride Pingo to Transit. Metro also operates Regional Express bus service and Link light rail under contract to Sound Transit, and streetcar service under contract to the City of Seattle. Prior to the COVID-19 pandemic, Metro provided more than 130 million rides each year on these mobility services, with more than 500,000 boardings each weekday.

Metro's services are guided by its adopted policies, the Strategic Plan for Public Transportation, King County Metro Service Guidelines, and Metro Connects long-range plan.[2] Its services are supported by dedicated funding sources that include a 0.9 percent sales tax; federal and state grants; contracts for service with Sound Transit, the City of Seattle, and other partners; and fares. Metro also receives a minor portion of its revenues from dedicated property taxes, including a dedicated property tax for water taxi service, and interest.

The COVID-19 pandemic significantly affected Metro's operations and finances and will continue to affect Metro into the next biennium. Metro is currently operating approximately 90 percent of its pre-COVID-19 service with approximately half its pre-COVID daily ridership. Ongoing staffing shortages and continued low ridership,

[2] Ordinance 19367

particularly during the peak commute periods, have prevented Metro from fully restoring transit service. The pandemic's fiscal impacts of lower fare collection and higher operating costs have been offset by several rounds of federal aid, which will continue to support operations and capital investments during the 2023-2024 biennium.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Metro's proposed operating budget of $2.47 billion represents a 19 percent increase over the 2021-2022 biennium. Metro also proposes to spend $369 million on capital projects and $234 million on fleet purchases during the biennium, both of which are part of a 10-year capital improvement plan that, at $4.5 billion, represents a $1.9 billion increase over the plan proposed as part of the 2021-2022 budget.

In 2020, at the start of the pandemic, Metro's sales tax and fare revenues dropped sharply, while operating expenses increased due to the need for more frequent deep cleaning of vehicles and the imposition of social distancing load limits on buses. In response, the 2021-2022 budget,[3] as originally adopted, made cuts to staff, service, and capital investments, and called for undesignated fund balance to be drawn down over several biennia to cover the gap between revenues and expenditures. Metro predicted that this drawdown would lead to a "fiscal cliff" by 2025 that would require a cut of 500,000 annual transit service hours, or approximately 11 percent of the system.

As sales tax collections rebounded during 2021 and Metro received additional federal relief funding,[4] Metro's revenue estimates increased. In the mid-biennial budget omnibus,[5] which was adopted in late 2021, Metro proposed to use the increased revenues to support ongoing service and capital needs, thus avoiding the 2025 "fiscal cliff" reduction in service. Much of this revenue was not immediately appropriated, but rather set aside so that appropriation decisions could be made in the context of the 2023-2024 budget process. During 2023-2024, Metro is proposing to spend $134 million more than revenues in its operating budget, with the difference made up from fund balance comprised of some of the additional revenues that were set aside in 2021.

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[3] Ordinance 19210

[4] Since the start of the pandemic, Metro has been allocated a total of **$897 million** in three tranches of federal aid through the Puget Sound Regional Council. In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (**CARES**) Act, from which Metro was allocated **$243.7 million** in April 2020. Metro used this funding to cover the revenue losses and emergency operational expenses during the early months of the pandemic, fully expending the funds by the end of 2020 (CARES Act funding was not included in the 2021-2022 biennial budget). In December 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act (**CRRSAA**), from which Metro was allocated **$258 million** in April 2021. Much of this funding was incorporated into Metro's revenue estimates prior to the end of 2020, with the remainder appearing in the revenue estimates in the mid-biennial budget ordinance (Ord 19364). In March 2021, Congress passed the American Rescue Plan Act (**ARPA**), from which Metro was allocated **$395.6 million** in September 2021. This latest round of federal relief funding was incorporated into Metro's revenue estimates as part of the mid-biennial budget ordinance (Ord 19364).

[5] Ordinance 19364

The proposed 2023-2024 budget is consistent with Metro's adopted fund management policies,[6] except for the farebox recovery requirement and the order in which expenditures would be made,[7] and would meet required reserve levels over the 10-year financial plan.

Fund Structure and Fund Management Policies

Fund Structure. The Public Transportation Fund has five subfunds:

- The **Operating Subfund** supports the ongoing operation of transit services and includes direct operating labor and non-labor costs, administrative costs, and indirect and overhead costs. For 2023-2024, the proposed appropriation is $2.47 billion.

- The **Infrastructure Capital Subfund** (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. For 2023-2024, the proposed appropriation is $369 million.

- The **Revenue Fleet Capital Subfund** (Fund 3642) supports new and replacement revenue fleet[8] purchases. To smooth large expenditure fluctuations associated with fleet replacement purchases, Metro maintains a Revenue Fleet Replacement Reserve and may also use short term debt. For 2023-2024, the proposed appropriation is $234 million.

- The **Revenue Stabilization Reserve Subfund** holds fund balance to offset the impacts of an economic downturn. For the 2023-2024 biennium, the financial plan proposes a reserve of $330.7 million. 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.[9]

- The **Debt Service Subfund** is required to be sufficient to meet annual debt service obligations for debt-financed Transit assets. For 2023-2024, the proposed appropriation is $13.2 million.

Fund Management Policies. Metro's adopted fund management policies[10] direct Metro to manage its finances to fund, in the following order: (1) debt service; (2) operation of the current transit system, including asset maintenance and replacement; (3)

[6] Ordinance 18321
[7] Proposed Ordinance 2022-0391 would suspend those portions of the fund management policies for the 2023-2024 biennium.
[8] 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.
[9] Ordinance 18321, Attachment A, Section IV.A
[10] Ordinance 18321

maintenance and replenishment of reserves; and (4) new transit service and capital investments necessary to achieve service growth priorities identified by the King County Metro Service Guidelines,[11] and new transit service and capital investments necessary to achieve the long range vision identified in Metro Connects.[12]

The fund management policies require Metro to recover at least 25 percent of passenger-related operating costs from farebox revenues, with a target of recovering 30 percent. During the 2021-2022 biennium, farebox recovery did not meet the target due to reduced service and ridership levels. In anticipation of this shortfall, the Council suspended portions of the fund management policies during 2021-2022, including the farebox recovery requirement.[13]

Metro anticipates that farebox recovery will not reach the target during 2023-2024 due to slow ridership recovery. In response, the Executive transmitted Proposed Ordinance 2022-0391, which would continue the partial suspension of Metro's fund management policies during the 2023-2024 biennium. That ordinance states that Metro will analyze evolving conditions and recommend updates to the farebox recovery requirement as part of the 2025-2026 budget. Table 1 shows the projected farebox recovery rates for 2021 through 2024.

Table 1. Farebox Recovery Rates 2021-2024

Year	Actual or Projected Farebox Recovery Ratio
2021	7.2% (actual)
2022	7.6% (projected)
2023	7.7% (projected)
2024	9.4% (projected)

Farebox recovery has also been affected by the decline in Metro business passport accounts, which in 2019 accounted for 35 percent of all boardings and $85 million in annual fare revenue, and in 2021-2022 accounted for 23 percent of all boardings and $25 million in annual fare revenue.

Metro has stated that, although the 2021-2022 budget had based its revenue projections on a $0.25 fare increase that would have been sought in 2023, the proposed 2023-2024 budget does not include a fare increase due to the uncertainty of ridership recovery.[14] Metro staff state that revenue estimates for the 2023-2024 biennium have been revised downward by $15 million to reflect that a fare increase proposal will be deferred until at least 2025.

[11] Ordinance 19367
[12] Ordinance 19367
[13] Ordinance 19206
[14] Transit fares were last changed in 2018 (Ordinance 18608), as part of a fare change that eliminated zone and peak fare differentials and set a flat adult fare of $2.75. Prior to that change, fare increases of $0.25 were implemented in 2001, 2008, 2009, 2010, 2011, and 2015.

Operating Budget Highlights

Highlights of the $2.47 billion 2023-2024 proposed transit operating budget include:

Restoration of and additions to fixed route transit service. Metro is currently operating just under 90 percent of pre-pandemic fixed-route service levels, when changes to Seattle-funded and Sound Transit-funded bus service are factored in. Table 2 shows a comparison of service hours between 2019 and Fall 2022.

Table 2. Metro Fixed-Route Annual Service Hours, 2019 vs 2022

Bus Service	2019	Fall 2022	% of 2019
King County Metro funded	3,855,000	3,508,000	91%
City of Seattle funded	310,000	139,000	45%
Sound Transit funded	320,000	263,000	82%
Total Hours	**4,485,000**	**3,910,000**	**87%**

In March 2020, in response to the onset of the pandemic, Metro began a series of emergency service reductions,[15] ultimately reducing service to approximately 85 percent of pre-pandemic levels. The reduced service was expected to be fully restored by the end of the 2021-2022 biennium, but ongoing staffing shortfalls and slow ridership recovery prevented Metro from fully restoring the suspended service. Eighteen routes remain fully suspended, with many more continuing partial suspensions of service.[16]

The proposed budget would add a net 191,000 service hours of fixed-route service at a cost of $12.4 million and 18 FTE. These service hours would include additions for the new RapidRide G[17] and H[18] lines, which are expected to begin service during the biennium; additional service funded by the Seattle transit funding measure and provided by Metro under contract;[19] and restoration of some of the service that was suspended during the pandemic. Metro staff state that Metro will continue to evaluate ridership patterns and may propose permanent service reductions or restructures during the biennium as post-pandemic travel patterns become clearer.

[15] KCC 28.94.020.B.2.a. states that "if, in the opinion of the director, an emergency exists that requires any change to established routes, schedules or classes of service, the director may implement such a change for such a period as may be necessary in the director's judgment or until such a time as the council shall establish by ordinance otherwise. Such changes that the director intends to be permanent shall be reported in writing to the chair of the council."

[16] Routes with full suspension: Routes 19, 37, 47, 116, 118X, 119X, 122, 123, 143, 154, 157, 178, 179, 197, 200, 219, 252, 931. Routes with partial suspension: Routes 3, 4, 7, 8, 9, 11, 12, 15X, 16X, 17X, 18X, 21X, 22, 24, 27, 28, 29, 31, 32, 33, 40, 45, 55, 56, 62, 64, 75, 79, 101, 102, 107, 111, 113, 114, 118, 119, 131, 231, 255, 631, 120, 121, 162, 167, 177, 190, 204, 212, 214, 216, 218, 221, 226, 232, 240, 241, 245, 249, 250, 257, 268, 269, 271, 301, 303, 304, 311, 320, 322, 342, 346, 347, 348, 372, 630, 901, 903, 906, 914, 915, C Line, D Line, E Line.

[17] Ordinance 19012

[18] Ordinance 19422

[19] Ordinance 19240

Table 3 summarizes the anticipated service hour additions (and reductions) during the biennium, by funding source.

Table 3. 2023-2024 Proposed Service Plan by Funding Source

Service Changes	Spring 2023	Fall 2023	Spring 2024	Fall 2024	TOTAL
Service Guidelines					
Service Recovery		66,000	37,200	48,000	**151,200**
Run-time impacts		20,000			**20,000**
RapidRide	4,000	0	0	26,000	**30,000**
Fixed route DART conversion		(4,200)	(7,200)		**(11,400)**
King County Metro funded	**4,000**	**81,800**	**30,000**	**74,000**	**189,800**
City of Seattle funded		20,000	20,000	30,000	**70,000**
Sound Transit funded[20]		(51,600)		(16,800)	**(68,400)**
Partner funded	**0**	**(31,600)**	**20,000**	**13,200**	**1,600**
Total Hours	**4,000**	**50,200**	**50,000**	**87,200**	**191,400**

Additions to flexible and contracted service. The proposed budget would add $28 million to support increases in flexible and contracted service. This funding would support approximately $12 million in resources to cover the continued recovery of Access paratransit ridership, as well as increased contractor costs; $1.1 million for Community Access Transit (CAT); $9.4 million to transition three pilot DART services into permanent routes (Route 635 and two Trailhead Direct routes); $500,000 for Vanpool; and $5 million for flexible services to sustain funding for existing Via to Transit and Community Van programs and invest in expanded Community Van service in unincorporated and rural communities.

Additions to water taxi service. Metro's West Seattle water taxi route traditionally provided more service during the summer months, with service reduced during the winter. During the closure of the West Seattle Bridge, however, the City of Seattle purchased additional, year-round service to offer West Seattle residents an additional commuting option. With the West Seattle Bridge now reopened, the City of Seattle will no longer be funding this additional water taxi service.

The 2023-2024 budget proposes $2.1 million, which would be supported by Marine fund balance from the dedicated passenger ferry property tax, to provide summer-level service year-round on the West Seattle water taxi. Metro states that this proposal is to avoid the disruption of having to lay off and then rehire crew to accommodate seasonal fluctuations. This higher level of service is being piloted during winter 2022-2023, and Metro will evaluate the results following the winter season.

[20] Reflects Sound Transit express bus service hours planned to be reduced following the opening of future Link light rail extensions.

Ridership recovery. Transit ridership fell sharply during the early months of the pandemic, reaching a low of 25 percent of pre-pandemic ridership in April 2020. Although ridership has increased steadily since then, reaching more than 200,000 average weekday boardings by August 2022, it is still less than half the pre-pandemic total. The proposed budget includes a range of initiatives to encourage riders to return to transit, including several programs focused on increasing access for riders who might otherwise find it difficult to use transit. Proposed spending includes:

- **Bus, shelter, and facility cleaning and maintenance.** The proposed budget would add $10.3 million, 47.0 FTE, and 23.0 TLT to continue the enhanced cleaning practices that Metro implemented at the start of the pandemic and to address the backlog of preventative maintenance at Metro bus shelters and facilities.

- **Third Avenue improvements.** The proposed budget includes a one-time appropriation of $3.3 million for a capital project to complete transit, sidewalk, and pedestrian enhancements along Third Avenue in Downtown Seattle, between Yesler Way and South Main Street. Metro states that it is coordinating work with the City of Seattle and other stakeholders seeking to make Downtown Seattle and the Third Avenue transit corridors more attractive to riders.[21]

- **Advanced service management pilot.** The proposed budget includes $3.67 million, 4.0 FTE, and 6.0 TLT to implement "active headway management," in which buses are spaced based on headway (the time between buses) rather than a schedule. The goal is to provide more reliable service for riders, as well as more certainty for bus operators.

- **Ridership engagement and research.** The proposed budget includes $6.1 million, 2.0 FTE, and 10.5 TLT to engage with partners and community stakeholders in an effort to rebuild ridership on the transit system. Projects will include outreach to and incentives for businesses and community-based organizations, as well as pilot projects to increase the use of ORCA fare cards.

- **Youth outreach.** In response to the Move Ahead Washington statewide transportation investment program, the Council approved a free transit fare for youth,[22] which took effect September 1. The proposed budget includes $1.6 million, 1.0 FTE, and 2.0 TLT to implement the new free youth fare policy by distributing youth transit passes and providing transit education. Metro states that it has distributed 29,000 cards, for a total of 75,000 cards currently in circulation and aims to secure and distribute 25,000 additional cards to middle and high school students during the 2022-2023 school year, focusing on low-income

[21] This is a capital project. It is discussed here due to the potential impact on ridership.
[22] Ordinance 19474

school districts and noting that card availability has been limited by supply chain issues.

- **Increased resources for reduced fare and paratransit riders.** The proposed budget includes legislation[23] that would lower the ORCA LIFT low-income fare from $1.50 to $1.00 for twelve months starting January 1, 2023, at a cost of $554,000. The budget also includes $2.4 million, 5.0 FTE, and 1.0 TLT to provide additional customer service support, including wayfinding, for Access paratransit and ORCA LIFT passengers.[24]

- **Health through Housing support.** The proposed budget includes $16.5 million and 1.0 TLT to provide mobility services to residents of DCHS Health through Housing units. Services would be customized based on the needs of residents at each site. Metro staff note that at a site that is close to frequent transit, for example, residents might be provided with fare media, while at a site that is farther from transit, Metro might provide on-demand services or a shuttle van. Metro states that three of the sites in operation are already leasing Metro vans for use in transporting residents to opportunities and Metro is working with those site operators on solutions for additional mobility needs. Metro notes that Health through Housing funding is covering the cost of this current leasing of vans and future solutions, which will depend on existing transit services in the vicinity of the site location. Funding will also support a project manager and engagement with property operators and residents to design and implement solutions.

Safety, Security, and Fare Enforcement (SaFE) Reform Initiative. In response to ongoing safety and security incidents on Metro buses and at transit stops and bases, the proposed budget would implement several initiatives that emerged from Metro's SaFE Reform Initiative, which aimed to make passengers and employees safer and to reimagine Metro's safety and security functions. Budget initiatives include:

- **SaFE implementation strategies.** The proposed budget includes $3.8 million and 1.0 TLT, to be offset by $500,000 in funding from the Move Ahead Washington transportation investment program, to implement strategies from Metro's SaFE Reform Initiative.[25] Programs to be funded include a fare enforcement replacement pilot, social service partnerships to pilot new methods of safety and security operations, development of an alternative enforcement approach to minor code of conduct violations, development of a de-escalation curriculum, design changes to transit stops, activation of transit centers, and a communication platform for non-emergency feedback.

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[23] Proposed Ordinance 2022-0392
[24] The proposed Public Health budget also includes $489,000, including 1.0 FTE, to be backed by $560,000 from Sound Transit, to add a program manager and contract with two community agencies to add ORCA LIFT enrollment locations in BIPOC communities.
[25] Motion 16128

- **Administrative and facility resources for Metro Transit Police.** The proposed budget includes $539,000 to support the conversion of four deputies to Master Police Officers and add two administrative staff from the King County Sheriff's Office. The Master Police Officers would provide training and supervision for new recruits and newly trained deputies, while the administrative staff would allow the Metro Transit Police office to be open to the public during all business hours.

- **Additional transit security officers.** The proposed budget adds $21 million and 1.0 FTE to support the hiring of 140 transit security officers through Metro's existing contract with Securitas, USA, which currently provides fare enforcement and transit and facility security. Metro states that the new transit security officers would be deployed based on data about incident locations.

Employee recruitment and retention. Metro has been experiencing ongoing staffing shortages (particularly with bus operators) since the start of the pandemic. Currently, Metro has appropriation authority for 2,620 FTE bus operators but has 269 FTE open, a vacancy rate of more than 10 percent. The proposed budget includes several initiatives to support recruitment, training, and retention, including:

- **Bus operations training capacity.** The budget includes $3.1 million and 11.0 FTE to increase bus operations supervisory staff and supervisors in training to provide support and training to bus operators and more easily fill vacancies.

- **Resources for recruiting.** The proposed budget adds $6.4 million ($2.85 million revenue-backed), 3.0 FTE, and 17.0 TLT in Employee Services to assist with recruitment, with a particular focus on recruiting for the new positions that will be needed in the Rail Division to support the expansion of Link light rail.

- **Business transformation.** The proposed budget adds $15.3 million and 3.0 TLT to analyze and develop new processes, tools, and techniques to improve business practices, including improving talent acquisition, capital delivery, and asset management.

Link light rail expansion. Even with the delays recently announced by Sound Transit, the 2023-2024 biennium will feature significant expansion of Link light rail, with the anticipated opening of East Link (2 Line), as well as Link extensions to Redmond, Lynnwood, and Federal Way. Metro operates Link light rail service under an intergovernmental agreement with Sound Transit,[26] which covers Metro's operations and maintenance costs, as well as some overhead expenses. Administrative, maintenance, and operational support for Link expansion during 2023-2024 is proposed as an increase of $87.7 million, 368 FTEs, and 1.0 TLT (all revenue-backed).

[26] The current agreement was approved in 2019 through Ordinance 18914.

Process and system improvements. The proposed budget includes initiatives to develop efficiencies and process improvements and to improve employee morale. These include $21 million, 3.0 FTE, and 1.0 TLT to expand staff, training, and investigation resources for Equal Employment Opportunity and Equity, Inclusion, and Belonging programs; $702,000 and 5.0 FTE to bring drug and alcohol testing in-house, after a pilot project showed that it saved employees time and increased flexibility; $8.7 million, 14.0 FTE, and 3.0 TLT to support Metro's technology, training, and data needs; $3.6 million and 13.0 FTE to provide additional financial and administrative support; and $9 million in reappropriation from 2021-2022 to support the reconfiguration of King Street Center into a hybrid work environment.

Capital Budget Highlights

Metro's capital budget is organized into two sub-funds: Fund 3641 for Transit Infrastructure, which proposes expenditures of $369 million for 2023-2024; and Fund 3642 for Revenue Fleet, which proposes expenditures of $234 million for 2023-2024. Highlights of the proposed capital budget include:

Capital Division project support. The 2021-2022 budget responded to the fiscal challenges of the early pandemic months by deferring or cancelling many planned capital projects. With increased sales tax revenue and federal funding support, Metro is reinitiating many of these projects. To support these investments, the proposed budget adds 20.0 FTE to support capital projects (funded through the capital project budgets). In addition, Metro proposes to spend$475,000 on the cost of a capital management training program DNRP is developing for County capital project staff.

Electrification. In early 2020 the Council adopted the goal of transitioning to a zero-emission revenue bus fleet by 2035.[27] In response, the 2023-2024 biennial budget proposes $1.3 million in the operating budget and $248.5 million in the capital budget to continue the work of implementing that transition.

While Metro's last several biennial budgets have included significant investments in electrification, including the purchase of 40 battery-electric buses and the development of the South Base test charging facility, the 2023-2024 budget is the first to move substantially beyond the pilot phase. Rather than purchasing small numbers of battery electric buses to test, the 2023-2024 budget would appropriate funding to purchase 120 battery electric buses, two 150-passenger battery electric water taxi vessels, and 19 paratransit battery electric minibuses. It would also invest in technical applications to manage battery-electric bus charging and dispatch and would continue the work of converting each of Metro's bases with electric charging infrastructure, a process that will involve the rolling closure and reopening of each base between 2025 and 2036.

[27] KCC 18.22.010.A.1, KCC 28.94.085.A.1

Table 4 shows the non-trolley electrification projects proposed in the 2023-2024 capital budget. The list includes several base conversion projects that are not budgeted for this biennium but are anticipated for funding requests by 2028.

Table 4.
Transit 2023-2024 Non-Trolley Electrification Projects (Funds 3641, 3642)

Name	Description	2023-2024	2025-2026	2027-2028	6-Year Total
South Annex Base *(1134223)*	Will open as an electrified base in 2028 with capacity for 250 battery-electric buses	$0	$82,534,100	$264,934,398	$347,468,498
Zero Emission Infrastructure Planning *(1134274)*	Overall planning and programming of vehicle infrastructure facilities to support zero-emission fleet	$1,311,845	$1,962,220	$1,958,311	$5,232,376
Electric Bus Charging Test Facility at South Base *(1134282)*	Design, implementation, testing, certification, operations, and closeout of the test facility project	$1,073,442	$0	$0	$1,073,442
Electric Vehicle Charging Program Budget *(1139326)*	Non-bus vehicle charging infrastructure at transit facilities	$1,622,741	$2,512,253	$3,082,870	$7,217,864
Interim Base Bus Charging *(1139367)*	Will open as an electrified base in 2025 with capacity for 120 battery-electric buses	$26,483,149	$0	$0	$26,483,149
Contracted Services Electric Vehicle Base Planning *(1142080)*	Preliminary design to prepare for construction of eEV operations base for Mobility Division	$612,920	$333,000	$0	$945,920
Base Electrification *(1142163)*	Planning and design for conversion of Atlantic (2030) / Central (2028) Bases	$12,039,400	$65,281,577	$56,425,331	$133,746,308
Energy Monitoring *(1144118)*	IT: System to monitor and gather data on zero emissions revenue fleet	$2,400,000	$0	$0	$2,400,000
Yard Management *(1144127)*	IT: Software to coordinate battery electric bus charging and dispatching	$4,800,000	$0	$0	$4,800,000
East Base Electrify *(1144128)*	Planning and design for conversion of East Base (2030)	$4,071,080	$11,570,949	$87,280,569	$102,922,598

Name	Description	2023-2024	2025-2026	2027-2028	6-Year Total
South Base Electrify *(1144141)*	Planning and design for conversion of South Base (2032)	$0	$4,068,171	$10,865,480	$14,933,651
Ryerson Base Electrify *(1144142)*	Planning and design for conversion of Ryerson Base (2034)	$0	$0	$3,767,014	$3,767,014
Burien Layover Expansion and Charging *(1144143)*	Expand Burien TC off-street layover to support layover charging	$0	$2,654,773	$2,448,175	$5,102,948
Atlantic Base Electrify *(1144144)*	Planning and design for conversion of Atlantic Base (2030)	$0	$0	$36,044,914	$36,044,914
ADA Van Procurement *(1130170)*	Fleet: In 23-24, purchase of 19 battery electric minibuses to achieve 67% electrification of Access fleet by 2030	$6,261,916	$31,249,049	$25,671,625	$63,182,590
Community Access Transportation Vehicle Procurement *(1130171)*	Fleet: In 23-24, purchase 19 vehicles of which 2 are small low floor electric vehicles	$2,982,288	$994,725	$17,549,232	$21,526,245
Battery Electric Bus Budget *(1139507)*	Fleet: In 23-24, purchase 120 vehicles to be received in the 25-26 biennium (for Interim Base)	$180,540,954	$0	$439,763,242	$620,304,196
Access Transportation EV Pilot *(1141993)*	Fleet: Support the first battery electric vehicles for use in ADA paratransit revenue operations	$2,000,000	$0	$0	$2,000,000
Marine Zero Emission Vessel *(1142317)*	Fleet: Replace the existing diesel 278-passenger ferry on WS route with two 150-passenger battery electric vessels	$2,000,000	$12,427,586	$572,414	$15,000,000
Countywide Layover Facilities Planning *(1144088)*	Planning for layover spaces in coordination with Metro's battery electric bus program	$308,689	$300,346	$0	$609,035
2023-2024 TOTAL		**$248,508,424**			

Earlier this year, Metro completed a zero-emission bus fleet transition plan[28] as part of a Federal Transit Administration requirement to apply for federal electrification funds. This transition plan outlines Metro's current planned timeline and strategy to achieve a zero-emission revenue fleet by 2035.

- **Fleet purchase plan.** Metro's revenue bus fleet currently comprises approximately 1,400 vehicles, including 174 electric trolley buses and 51 battery electric buses.[29] Over the next 12 years, Metro plans to purchase 30 additional trolley buses, replace the existing 174 trolleys, and purchase 1,160[30] additional battery electric buses (BEBs). Table 5 shows Metro's bus purchase plan as of May 2022.

Table 5. Metro Bus Purchase Plan[31]

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TOTAL
BEBs		110	10		235	10	190	55	155	115	35	245	**1,160**
Trolleys				30						174			**204**
TOTAL													**1,364**

- **Base conversion plan.** To accommodate the zero-emission fleet, Metro must convert its bases to add charging infrastructure. Metro's current 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 percent due to the installation of charging infrastructure within the yard. The current draft timeline for electric base reopening is:
  - 2025: Interim Base
  - 2028: South Annex Base
  - 2028: Central Base
  - 2030: East Base
  - 2030: Atlantic Base
  - 2032: South Base
  - 2034: Ryerson Base
  - 2035: North Base
  - 2035: Bellevue Base

- **Layover charging.** Metro's current plan calls for a mix of on-base and on-route charging. Metro is currently pursuing five initial layover sites in South King County to support electrification of the fleet operating out of the Interim and South Annex Bases. Next, Metro will seek candidate locations for layover charging across the system, a process that will require significant electrical infrastructure in multiple jurisdictions.

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[28] King County Metro, Moving to a Zero-Emission Bus Fleet: Transition Plan, May 2022 (link)
[29] Battery-electric buses include 11 short-range Proterra buses and 40 longer-range New Flyer buses. The remaining buses are diesel-electric hybrids.
[30] Metro provided updated information on its fleet purchase plan, showing a revised number of battery electric buses and including 174 trolley replacements in 2033, as well as the 30 new trolleys in 2027.
[31] Source: King County Metro, Moving to a Zero-Emission Bus Fleet: Transition Plan, May 2022 (link)

In addition to these capital investments, the proposed budget includes $1.3 million and 12.0 FTE in the operating budget to support the conversion to zero-emission operations in Metro's operating divisions.

RapidRide. Metro currently operates six RapidRide lines (A-F) and is working to develop four additional lines (G-J), which are planned to start service between 2023 and 2026. Metro also began planning and design for two more lines (K, R), though work was paused during the pandemic.[32] One additional line, L, with location to be determined, is identified in the 2023-2024 capital improvement plan as beginning planning work in the 2027-2028 biennium (though no appropriation is proposed in 2023-2024).[33]

The proposed 2023-2024 budget would appropriate $64.7 million to RapidRide projects. Table 6 shows the proposed 2023-2024 appropriations for the lines that are currently being planned, designed, or developed (including the planned future L line).[34]

Table 6. Planned Rapid Ride Lines

Line	Pathway	2023-2024 Appropriation	Total CIP Appropriation through 2028[35]	Start Date
G	Madison Valley to Downtown Seattle	$1,070,353	$10,609,039	2024
H	Burien to Downtown Seattle	$5,430,262	$76,296,806	2023
I	Renton to Auburn	$31,707,310	$149,908,525	2026
J	Downtown Seattle to U District	$605,996	$2,919,886	2026
K	Kirkland to Bellevue	$508,549	$3,854,247	?[36]
R	Rainier Beach to Downtown Seattle	$21,932,277	$129,863,300	?
L	Location to be determined[37]	$0	$5,000,000	?

Note: The G, H, J, and R lines are being developed in collaboration with the City of Seattle, with capital contributions from the Move Seattle levy.

[32] Some additional planning and design work, as well as a review of pre-pandemic analysis, was conducted for the K and R lines during 2021 and 2022 in response to a Council budget proviso. This work was documented in the RapidRide Restart Report (Motion 16153).
[33] Metro Connects (Ordinance 19367) states that the K and R lines, as well as one to three additional lines will be operational by the time of the Interim Network (approximately 2035). L would be one of these.
[34] Note that funding is also proposed for RapidRide expansion planning, bike parking, station enhancement along the existing A Line, development of a Living Building certified station in Auburn, and trolley relocation to accommodate the G Line.
[35] Includes funding appropriated in past budgets, as well as planned appropriations for 2023-2028.
[36] Metro Connects (Ordinance 19367) states that the K and R lines, as well as one to three additional lines will be operational by the time of the Interim Network (approximately 2035).
[37] The RapidRide Prioritization Plan, which is due to the Council by June 30, 2024 (Ordinance 19367) is to identify one to three RapidRide lines (in addition to K and R) that are to be completed by the time of the Interim Network (approximately 2035). L would be one of these, and the location would be proposed in the Prioritization Plan.

For the two lines for which planning is underway (K and R), Metro proposes that design work proceed first with the R Line because it serves an area with a high overall equity score and follows the path of an existing route (Route 7) that has retained high ridership levels during the pandemic.

- **R Line** work was paused at 10 percent design. The 2023-2024 budget would appropriate \$21.9 million to revisit the alternatives analysis[38] and proceed with environmental documentation. The budget anticipates that federal grants would finance approximately 60 percent of the estimated \$130 million capital cost to develop the line, and that the City of Seattle may be able to become a funding or delivery partner.

- **K Line** work was paused at one percent design but reached two to five percent design in 2021 due to the additional work Metro conducted to develop the RapidRide Restart Report, which was required in response to a Council budget proviso.[39] The 2023-2024 budget would appropriate \$500,000 for the K Line, which Metro states would be used to take the project to 10 percent design and prepare for the next stages of development. No potential appropriations for further stages of the design or development are shown in the proposed capital plan for future biennia, leaving the status of K Line development unclear.

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 customers. The budget continues Metro's investment in technology solutions with \$46.7 million proposed during 2023-2024 for new or updated transit technology projects, including:

- **Customer payment enhancements:** \$1.2 million to develop a new online eligibility portal for Access paratransit applicants that is aligned with the existing reduced fare portal, and \$5.4 million for enhancements to the New ORCA system to enhance customer payment options.

- **Improved reliability:** \$4.8 to facilitate active headway management, which manages how coaches are deployed to avoid bus bunching and promote greater reliability for passengers.

[38] The alternatives analysis that was conducted for the R Line studied future No-Build scenarios for 2024 and 2040, which were analyzed to determine the future intersection operations with the current roadway conditions, planned roadway improvements, and future volumes. Because this analysis was completed prior to the COVID-19 pandemic, Metro has indicated it must be reviewed and updated to address changes in traffic and roadway conditions that have occurred during the last several years.
[39] Motion 16153

- **Video management system:** $11.5 million to install an automated, cloud-based system for identifying, labelling, and distributing requested video segments from Metro's existing on-board camera systems.[40]

- **Safety and security improvements:** $6 million for a system that will log pre-trip inspection data to ensure regulatory compliance and automatically generate vehicle maintenance work orders, and $2.4 million to upgrade existing facility security infrastructure, including video monitoring, alarm systems, and employee access management.

- **Equal Employment Opportunity case management:** $1.2 million to develop a technology solution to monitor investigative cases and track trends in workplace discrimination complaints.

- **Support for electrification:** $2.4 million for a system to monitor and gather data on the zero-emission revenue fleet, and $4.8 million for software to coordinate battery-electric bus charging and dispatching.

KEY ISSUES

ISSUE 1 – SERVICE RESTORATION AND RIDERSHIP RECOVERY

Metro is currently operating approximately 90 percent of pre-pandemic service levels with 50 percent of pre-pandemic ridership. As a result, farebox recovery levels are anticipated to remain well below the required 25 percent (7.7 percent in 2023 and 9.4 percent in 2024), meaning that other sources of revenue must cover a higher share of Metro's operating costs.

As this staff report describes, the budget proposes a number of initiatives to increase ridership, and Metro staff note that Metro will be carefully studying ridership trends and patterns to assess ongoing transit service needs. The proposed budget does not fully cover a return to pre-pandemic service levels, however, and Metro staff have indicated that Metro may seek Council approval at some point during the biennium to reduce or restructure service in areas in which ridership patterns no longer merit pre-pandemic levels of service. Metro staff also note that the farebox recovery requirement may need to be reevaluated as part of the 2025-2026 budget deliberations, following what would have been by then five years of below-target performance.

ISSUE 2 – WORKFORCE RECRUITMENT AND RETENTION

Metro is currently operating with more than 10 percent of its bus operator positions vacant (269 FTEs vacant out of 2,620 budgeted FTE). This staffing shortfall has prevented Metro from restoring service that was reduced during the pandemic and has

[40] Metro's on-board cameras were expanded and enhanced during the 2017-2018 and 2019-2020 budgets in response to Motions 14595 and 14741.

even required additional service reductions, most recently at the September 2022 service change.

As this staff report describes, the budget proposes several initiatives to streamline recruitment, enhance training and supervision, and promote retention. Of note, however, the current collective bargaining agreement[41] with the Amalgamated Transit Union (ATU) Local 587 expires October 31, 2022, and Executive staff note that bargaining is currently underway. ATU is not part of the Coalition Labor Agreement. Two of Metro's other bargaining units (PROTEC 17 Transit Chiefs and PROTEC 17 Transit Superintendents) voted earlier this year to reject the Coalition Labor Agreement[42] and are currently pursuing mediation.

ISSUE 3 – SAFETY, SECURITY, AND FARE ENFORCEMENT (SAFE) REFORM

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, the proposed budget includes several safety and security initiatives. The largest of these is the proposed $21 million investment to add 140 transit security officers through Metro's existing contract with Securitas.

Metro staff state that they are optimistic Metro will be able to secure these transit security officers but note that contracted officers from Securitas are in high demand, with competition from other accounts, such as Amazon. Metro has experienced attrition among its transit security officers and states that it has been difficult to fill vacancies, noting that, if needed, Metro would explore opportunities with other contractors to supplement Securitas' staffing resources for positions they are unable to fill.

ISSUE 4 – ELECTRIFICATION

To meet the adopted goal of transitioning to a zero-emission revenue bus fleet by 2035,[43] Metro must purchase more than 1,300 battery electric buses, starting with a proposed 120 during 2023-2024,[44] and must convert all its bases to support electric charging infrastructure. The 2023-2024 biennial budget proposes $1.3 million in the operating budget and $248.5 million in the capital budget to proceed with that work. Metro staff note that electrification efforts will be funded in part by the drawdown of undesignated fund balance over the next decade.

[41] Ordinance 19145
[42] Ordinance 19489
[43] KCC 18.22.010.A.1, KCC 28.94.085.A.1
[44] Metro's proposed battery electric bus purchase timeline, beginning with the planned purchase of the 120 buses proposed in the 2023-2024 budget, is shown in Table 5. As Table 5 shows, these 120 buses must enter service beginning in 2025. To meet that goal, the buses must be ordered earlier than 2025 so that they can be built, delivered, and then put into service. To allow time for that process, they are proposed for purchase during the 2023-2024 biennium.

One of the questions Councilmembers have asked over the last several years while reviewing options to achieve a zero-emission transit fleet is about the tradeoff between service hours and electrification costs, given the higher cost to acquire zero-emission vehicles.

The most recent study on this topic, which was prepared by Metro in 2020 following a Council budget proviso,[45] estimated life cycle costs for battery electric buses, factoring in both monetary and social costs, and examining scenarios in which zero-emission vehicles remain at their current cost differential versus one in which costs decrease over time as technology advances. The study found that if costs 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.

ISSUE 5 – RAPIDRIDE PROGRESS

The Metro Connects long-range plan[46] states that 10 RapidRide lines (A-J) are expected to be in operation by 2026; 13 to 15 lines are expected to be in operation by the time of the Interim Network (approximately 2035); and 19 to 23 lines are expected to be in operation by the time of the 2050 Network. The three to five new lines to be included in the Interim Network are to include the K and R lines, as well as one to three lines to be selected through a RapidRide Prioritization Plan, which is due to the Council by June 30, 2024.[47]

The proposed budget indicates that the R Line will be prioritized next, with substantial completion anticipated by 2028, and with a forecasted total budget of $130 million. The K Line has been assigned a substantial completion date of 2030, with a total forecasted budget through 2028 of $3.8 million. A potential third line, dubbed the L Line, with location to be determined by the RapidRide Prioritization Plan,[48] has a total forecasted budget through 2028 of $5 million.

[45] Zero-Emission Battery Bus Preliminary Implementation Plan (2020-RPT0142)
[46] Ordinance 19367
[47] Ordinance 19367
[48] Ordinance 19367 requires a RapidRide Prioritization Plan to be transmitted to the Council by June 30, 2024. The plan must identify the RapidRide lines for inclusion in the Interim Network (approximately 2035), which are to include the K and R lines, as well as one to three additional lines.

Response to Council Inquiries

Overarching Budget Issues

Question 1: Does the 19 percent increase in the proposed Transit Operating budget come from increased revenue or a desire to provide more service?

ANSWER: The increase in the Transit Operating budget stems from the fact that the 2021-2022 budget was adopted at a time when Metro's revenues had been significantly reduced by the onset of the pandemic. In Fall 2020, when the budget was adopted, sales tax revenues had declined and Metro had paused fare collection during much of the year to limit interactions between drivers and passengers.[49] To navigate these lower revenues, the originally adopted 2021-2022 budget proposed to draw down Metro's fund balance over several biennia, with the understanding that if the financial situation did not improve, the transit system would face significant cutbacks in 2025.

By mid-2021, Metro's revenues had increased. There was an uptick in sales tax revenues and the second and third federal COVID relief bills (CRRSAA and ARPA) provided additional one-time financial support. Rather than recommend appropriation decisions using these new revenues during the middle of the biennium, Metro set them aside so that appropriation decisions could be made in the context of the 2023-2024 budget deliberations.

The proposed 2023-2024 budget is based on the updated (higher) sales tax revenues, provided by the federal COVID relief funding, and Metro's estimates of the higher "earned share" federal support it will receive because of the Bipartisan Infrastructure Law. This accounts for the 19 percent increase.

Question 2: Does the proposal to spend $134M more than revenues provide for one-time costs or do we anticipate cutting services next biennium?

ANSWER: Metro is proposing to spend more than its current revenues because it set aside the additional revenues estimated in 2021 to be used for budget appropriation decisions in 2023-2024. The updated revenue estimates will allow for ongoing stable services (though, as noted during the panel discussions, at service levels that remain lower than prior to the pandemic), as well as a range of one-time capital investments.

[49] Metro did receive one-time financial relief in 2020 through the federal CARES Act but used this funding to cover its expenses during 2020, meaning CARES Act funds were not available to support operations in the 2021-2022 biennium.

Over the long term, it should be noted that the adopted Metro Connects long-range plan[50] is not fully funded. Expanding the transit system to the levels envisioned in that report by 2035 and 2050 will require additional funding.

<u>Question 3.</u> For each of the Transit subfunds, what is the percentage increase for that subfund?

<u>ANSWER:</u>

Subfund	2021-2022	2023-2024	% Change
Transit Operating	$2,078,836,083	$2,471,618,000	18.89%
Infrastructure Capital	$340,940,099	$369,069,555	8.25%
Revenue Fleet Capital	$89,785,047	$233,805,562	160.41%
Revenue Stabilization Reserve	$305,139,048	$330,738,408	8.39%
Debt Service	$13,752,903	$13,283,052	(3.42%)

<u>Question 4:</u> There are cross jurisdictional issues with SDOT, SCL, and other jurisdictions. Want us to look at how we're handling those.

<u>ANSWER:</u> Metro works closely with jurisdictional partners through the Regional Transit Committee, consultation with local elected officials and staff, and engagement with community members. Jurisdictional partnership is particularly important for capital investments designed to improve bus speed and reliability (such as bus-only lanes or transit signal priority at traffic lights), since Metro does not control either the right-of-way or the permitting process.

Metro has also been working closely with Seattle City Light and Puget Sound Energy on the goal of moving to a zero-emission fleet by 2035, as battery electric buses require significant charging infrastructure.

[50] Ordinance 19367

QUESTION 5: ARE THERE RESOURCES TO ANALYZE CHANGES TO TRANSIT USE DURING AND POST-COVID?

ANSWER: Metro's annual System Evaluation report provides detailed metrics on each route in the system.[51] To provide for greater transparency during the service reductions caused by the pandemic, Metro has also posted an online Rider Dashboard, which shows average weekday boardings by month starting January 2019 (as of October 5, the information on the dashboard is current through August 2022).[52]

QUESTION 6: WOULD LIKE TO KNOW RIDERSHIP IN EACH DISTRICT. IN PARTICULAR WANT TO DIFFERENTIATE BETWEEN DISTRICTS 1, 6, AND 3.

ANSWER: In the past, Metro service was allocated geographically, by sub-area. However, about a decade ago, following a stakeholder study, Metro moved to a set of criteria to guide how transit service would be added or reduced. These criteria are outlined in the adopted Service Guidelines (Ordinance 19367). Because service is no longer allocated by geographic sub-area and because many routes move from one part of the county to another, it is not easily possible to categorize routes by geographic sub-area or by Council district.

However, Metro does provide information on a range of metrics in its annual System Evaluation report (the 2022 report is due to the Council by October 31; the 2021 report can be found here). In addition, to provide for greater transparency during the service reductions caused by the pandemic, Metro has also posted an online Rider Dashboard, which shows average weekday boardings by month starting January 2019 (as of October 5, the information is current through August 2022).

[51] The 2022 report is due to the Council by October 31, 2022' the 2021 report can be found at this link: https://mkcclegisearch.kingcounty.gov/View.ashx?M=F&ID=10567228&GUID=C037034F-FED7-480A-8E21-C3AFBA2F02A7

[52] https://kingcounty.gov/depts/transportation/metro/about/accountability-center/rider-dashboard.aspx

<u>Question 7:</u> The long-range effects of the pandemic are well beyond the current biennium. Are we thinking so broadly as to have vans rather than buses? How dramatic of changes are we thinking about?

<u>ANSWER:</u> Metro's adopted policy documents, the Strategic Plan for Public Transportation, King County Metro Service Guidelines, and Metro Connects long-range plan, were most recently adopted in 2021.[53] Because the work to develop these updated policy documents was completed during the pandemic and also because of the evolution of Metro's role in increasing access to transit in the context of an expanding light rail spine, these new policy updates focus on achieving an all-day transit network (rather than a peak-focused, commuter-oriented network).

In addition, as Metro has begun piloting flexible and contracted services to provide on-demand connections to high-capacity transit, the recently updated Service Guidelines include criteria for establishing and evaluating pilot projects for flexible services.

These changes have been made in consultation with labor. The current collective bargaining agreement with the Amalgamated Transit Union (ATU) Local 587[54] increased the percentage of transit service that can be operated by contractors from three to five percent.

The Council will have opportunities to evaluate further potential changes to Metro's network and service model over the coming months and years through a combination of individual service changes and restructures, budget decisions, and future policy updates.

<u>Question 8:</u> If we don't see farebox rebound in next biennium, do we change the way we provide service or modify the larger plan?

<u>ANSWER:</u> That would be a policy decision for the Council. Metro staff have stated that they will be carefully studying ridership trends and patterns to assess ongoing transit service needs and note that Metro may seek Council approval at some point during the biennium to reduce or restructure service in areas in which ridership patterns no longer merit pre-pandemic levels of service. Metro staff also note that the farebox recovery requirement may need to be reevaluated as part of the 2025-2026 budget deliberations, following what would have been by then five years of below-target performance.

<u>Question 9:</u> The pre-COVID world is not coming back. The vanpool program might significantly shrink, seeing change in type of demand.

<u>ANSWER:</u> Metro's Vanpool program had approximately 1,650 vanpool groups operating in 2019 prior to the pandemic. 2021 started with 413 groups in operation, growing to 505 by the end of the year. Currently, there are approximately 650 groups

[53] Ordinance 19367
[54] Ordinance 19145

operating as of July 2022. Current projections for 2023-2024 range from about 750 to 1,000 vanpools in operation.

Metro states that it is focusing on how to transform the Vanpool program to meet the changing needs of customers. DS_002 includes a request for $550K to support marketing, education and awareness efforts focused on rebuilding ridership for the Vanpool program, with a focus on priority populations. New pilots will test mobility rideshare solutions for specific transportation challenges resulting from changing commute patters and new markets emphasizing support for priority populations not well-served by fixed route. The goal is to fill commute and community travel gaps for essential, shift, manufacturing and low-wage workers, students, refugees, working parents/caregivers and low-income families.

<u>QUESTION 10:</u> ARE WE SEEING A HIGHER INCREASE IN RETURN TO RIDERSHIP FOR FLEXIBLE SERVICES?

<u>ANSWER:</u> Metro's flexible services will be evaluated as part of the 2022 System Evaluation, which is due to Council on October 31. Summary information on flexible services can be found in Motion 16049,[55] which is located <u>here</u>, although the 2022 report will provide more detailed analysis based on the recently updated Service Guidelines.[56]

The 2021 System Evaluation, which studied performance from September 2020 through mid-March 2021, noted that eight flexible services remained in operation during the first year of the pandemic, compared to 24 services prior to the pandemic, that daily ridership ranged from two to 80, and that cost/boarding ranged from $39-$151 (compared with fixed-route cost per boarding of $12.30 during 2020 (which was triple that of pre-pandemic times).

<u>QUESTION 11:</u> (DS002) (PG.430) CONTRACTED AND MOBILITY SERVICE CHANGES

a. **VIA IS LISTED AS A POSSIBLE RECIPIENT OF NEW AND ONGOING FUNDING FOR MOBILITY SERVICES IN THIS DIRECT SERVICE CHANGE BUCKET. WILL THIS BE TO ADD A NEW VIA SERVICE IN KING COUNTY OR TO SUPPORT CURRENT VIA OPERATIONS?**

   <u>ANSWER:</u> The proposed budget would add $5 million for flexible services (such as Via to Transit). Metro states that the funding would add resources to sustain projects moving out of pilot phase (Via Othello, Rainier Beach/Skyway and Tukwila) and continue ongoing pilots (Community Vans in Shoreline-Lake Forest Park and Kenmore-Kirkland). It would also invest in service expansion in unincorporated and rural communities to expand mobility options for work, medical appointments, grocery stores/food banks and other critical services. Metro notes that the Ride Pingo to Transit pilot in Kent is not in this new

[55] Motion 16049
[56] Ordinance 19367

appropriation proposal but is covered under Metro's existing pilot budget for flexible services and will continue to operate as a pilot into 2023-2024, with Metro evaluating the effectiveness and productivity of the service.

b. DO WE HAVE DATA THAT SHOWS THAT VIA SERVICE IS AN EFFECTIVE PROGRAM AND FISCALLY RESPONSIBLE WHEN COMPARED TO FIXED ROUTE SERVICE?

ANSWER: Metro's flexible services will be evaluated as part of the 2022 System Evaluation, which is due to Council on October 31.

The 2021 System Evaluation,[57] which studied performance from September 2020 through mid-March 2021, noted that eight flexible services remained in operation during the first year of the pandemic, compared to 24 pre-pandemic, that daily ridership ranged from two to 80, and that cost/boarding ranged from \$39-\$151 (compared with fixed-route cost per boarding of \$12.30 during 2020 (which was triple that of pre-pandemic times).

QUESTION 12: ESPECIALLY GIVEN STAFFING SHORTAGES, HOW ARE WE THINKING CREATIVELY ABOUT FUNDING RURAL TRANSIT NEEDS?

ANSWER: Metro's Service Guidelines[58] set criteria for how transit service is added, reduced, restructured, and evaluated. The Service Guidelines define rural routes as those that "serve as connectors between rural communities and between rural communities and larger cities. They are defined as having at least 35 percent of their route outside the urban growth boundary. DART routes provide fixed-route service and have the ability to deviate from their fixed routing in lower-density areas."

These types of routes are often provided through Dial-A-Ride-Transit (DART) service, which provides fixed-route service with the ability to deviate from their fixed routing in lower-density areas.

Rural routes are also held to different ridership and productivity standards than urban or suburban routes in the annual System Evaluation report that evaluates the performance of each route in the system.

In the last several years, Metro has experimented with a new type of service, Community Van, which provides local vans that are available for shared trips and that are driven by volunteer drivers. Community Van programs are currently being piloted in Shoreline/Lake Forest Park, Bothell/Woodinville, Duvall/Carnation, Kenmore/Kirkland, Sammamish, Algona/Pacific, and Vashon Island. More detailed information about these Community Van pilots will be available in the 2022 System Evaluation report, which is due to Council by October 31 (the 2021 report[59] can be found here). A preliminary

[57] Motion 16049
[58] Ordinance 19367
[59] Motion 16049

analysis[60] of 2021 performance showed 1,180 total trips with 5,455 total boardings at an average cost per boarding of $14.69.

Community Van, which relies on community volunteers, is being piloted as a potentially cost-effective way to serve local communities, including those in rural areas, during a time of staffing shortages.

QUESTION 13: IS THE REDUCED FARE ORCA PROCUREMENT LOCATIONS IMPLEMENTATION PLAN PROVISO RESPONSE BEING RESOURCED IN THIS BUDGET?

ANSWER: The 2019-2020 budget included a proviso[61] requiring Metro to develop a *Reduced Fare ORCA Procurement Locations Implementation Plan*[62] focused on expanding access to three categories of reduced fare ORCA cards: Regional Reduced Fare Permit (RRFP) cards for seniors, RRFP cards for people with disabilities, and ORCA youth cards.

The implementation plan Metro developed outlined several strategies that could be used to expand reduced fare ORCA card procurement locations:

- Build a network of verifying agencies to assist with applications and to approve the documentation for these card types. Implementing this strategy would require developing an online portal to accept applications for RRFP and youth reduced fare ORCA cards, as well as partnering with community-based organizations and other agencies that could provide verification services at locations in the community.

- Evaluate opportunities to work with school districts to develop a more comprehensive school program to distribute ORCA youth cards and educate students and staff about how to access and use transit.

- Expand Metro's Neighborhood Pop-Up program[63] to offer additional mobile outreach, verification, and distribution. (Prior to the COVID-19 pandemic, the Neighborhood Pop-Up program was visiting approximately 30 sites throughout the county each month.)

- Improve customer communications about these fare products, how to apply for them, and how to use them by developing new and improved marketing materials and addressing confusion about reduced fare products and the application process.

The implementation plan estimated that implementing these strategies would cost $5.1 million between 2021 and 2026, while the estimated fare revenue that would result from

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[60] 2022-B0092, https://mkcclegisearch.kingcounty.gov/View.ashx?M=F&ID=11235405&GUID=32A6092A-ECF1-4FD0-BD16-2ABE268CAE1A
[61] Ordinance 18835, Section 109, Proviso P7, as amended by Ordinance 18930, Section 75, Proviso P7
[62] Motion 15681
[63] Metro's Neighborhood Pop-Up program provides mobile outreach to sell and provide information about ORCA cards. In-person Pop-Up events were suspended during the COVID-19 pandemic (link)

the strategies would be $5.8 million between 2021 and 2026.[64] However, at the time, Metro did not have funding designated to implement the strategies.

Metro states that:

> In response to Ordinance 18930, Section 75, Proviso 7, a report entitled "Reduced Fare ORCA Card Procurement Locations Implementation Plan" was transmitted to the King County Council in April 2020. This plan included four potential strategies to increase access to reduced fare ORCA cards. Since the transmittal of the report, we have experienced several significant changes that impact strategic approaches, including the pandemic, the transition to a new ORCA system, the launch of a subsidized annual pass program, and a new free youth fare program. The following outlines 2023-2024 budget requests and other efforts related to the strategies in the Proviso Report.
>
> - *Build a network of verifying agencies to assist with applications and to approve the documentation for these card types.* We do not currently have plans to build a new network of verifying agencies; we will continue to support our current network and continue to operate the online application system until applications for reduced fare ORCA cards is fully integrated into the new ORCA system. The budget request includes a TLT to support development and improvement of ORCA-based reduced fare programs.
> - *Evaluate opportunities to create a more comprehensive schools program to distribute Youth cards and educate students and staff about how to access and use transit.* We continue to increase youth access to transit, including promoting sign-ups and use of the Free Youth Transit Pass (FYTP) through outreach, marketing, and incentive campaigns; by improving partnerships and exploring ways to address improved service connections near schools; and by piloting new flexible service options with schools/school districts. Our long-term goal is to have fare media available to every young person between the ages of 6 – 18.
>   - Near term focus through 2023 will be on high schools and middle schools and will likely continue through the biennium due to supply and technical barriers
>   - In addition to the number of youth who had ORCA cards prior to FYTP, we have distributed an additional 29K Free Youth Transit Pass and estimate approximately 75k cards are in the hands of the age group
>   - The region currently has an additional 77K cards set aside for youth and KCM hopes to retain at least 25k of those for distribution through the current school year
>   - It is unclear whether or when we'll be able to access more cards due to an ongoing chip shortage

[64] These estimates were developed prior to ridership changes brought about by the COVID-19 pandemic

- In addition, we are hoping to begin the transition away from ORCA cards to alternate fare media (youth lose cards and may not prefer to use them over other options); there are several dependencies
  - Access to chips for electronic stickers or wearables
  - New ORCA technical adjustments
  - Mobile App availability (preferred alternate fare media)

- *Expand Metro's Neighborhood Pop-Up program to offer additional mobile outreach and distribution.* This program was paused during the pandemic. We will revitalize this program once the new ORCA system has been stabilized and we have mobile enrollment devices. Public Health and a network of agencies continue to enroll people at their offices, at outreach events, and at specific partner locations. The 2023-2024 budget request includes additional funds for Public Health in this role.
- *Improve customer communications about fare products, how to apply for them, and how to use them.* Metro launched a campaign in 2021 and in 2022-2023 we are aiming to improve our website and coordinate with the regional ORCA team on communications. In addition, Sound Transit has allocated funds for ORCA LIFT education and marketing, and we are working with them on a collaborative approach in 2023.

QUESTION 14: FOR ORCA CARDS, WHY NOT CONSIDER JUST MOVING TO A MOBILE APP?

ANSWER: New ORCA,[65] which was launched earlier this year, has a mobile app (called myORCA), which is currently available on the Apple and Google platforms and allows users to manage their accounts 24/7.

The mobile app does not yet function as a payment card, however. ORCA team staff are working to develop this functionality, and it is expected to become available in 2023.

QUESTION 15: (DS019) (PG. 433) CUSTOMER SERVICE RESOURCES FOR ACCESS AND REDUCED FARE PROGRAMS

a. ANECDOTALLY, I HEAR FROM CONSTITUENTS WHO UTILIZE THESE PROGRAMS – MANY OF WHOM ARE FRUSTRATED BY THE LACK OF PLACES TO GET TICKETS AND ORCA CARDS IN ACTUAL BRICK AND MORTAR LOCATIONS.

b. WHAT ARE WE DOING TO ENSURE THAT PEOPLE WHO RELY ON CASH OR WHO MAY NOT BE TECHNOLOGICALLY SAVVY ARE ABLE TO PURCHASE TRANSIT PASSES WITH AS LITTLE BARRIERS AS POSSIBLE?

ANSWER: The new ORCA, which launched earlier this year, includes an expanded set of in-person locations to purchase and charge ORCA cards.

For Access and ORCA LIFT riders, who must complete an eligibility review to access the service and may require more support with ongoing fare issues, the proposed

[65] https://www.myorca.com/?gclid=EAIaIQobChMIru6ikLXK-gIVkgR9Ch0dDwPDEAAYASAAEgI3c_D_BwE

budget would add 2 FTEs and 1 TLT to increase Metro's capacity to enroll riders in reduced fare programs and pilot innovative fare media products focused on serving priority populations. New pilot projects would expand access to contactless payment and expand the reduced fare enrollment network, which is an ORCA-based human services ticket program.

In addition, 2 FTEs are requested to respond to Access customer service needs. With the implementation of a new Access service contract in 2019, Metro's Customer Information Office took over direct support of customer service for Access customers. These 2 additional FTEs are proposed to support the ongoing volume of customer requests, especially as ridership continues to increase from the impacts of the pandemic.

The proposed Public Health budget also includes $489,000, including 1.0 FTE, to be revenue-backed by Sound Transit, to add a program manager and contract with two community agencies to add ORCA LIFT enrollment locations in BIPOC communities.

QUESTION 16: (DS017) (PG. 433) METRO YOUTH MOBILITY PROGRAM

a. **WILL THIS INCLUDE EDUCATIONAL PROGRAMMING AND MATERIALS AIMED AT HELPING STUDENTS AND YOUTH STAY SAFE WHILE RIDING METRO TRANSIT?**
b. **HOW ELSE IS METRO PREPARING SO THAT PARENTS CAN REST SAFE WHEN THEIR CHILDREN ARE ALONE AND RIDING METRO – ESPECIALLY IN LIGHT OF WHAT I PRESUME TO BE AN INCREASED AMOUNT OF STUDENT AND YOUTHS ACCESSING PUBLIC TRANSIT NOW THAT IT WILL BE FARE FREE?**

ANSWER: Metro states that, in addition to distributing Youth Transit Passes, it plans to:

- Educate youth on mobility options and transit basics, through new and existing school-based outreach and education curriculum and programs for elementary and secondary students.
- Empower youth to ride confidently and safely, since safety is a primary barrier for young people biking, walking, or riding transit. Metro will engage youth, particularly youth of color and young women to lead conversations to improve perceptions of safety and create new tools and resources to make all riders feel safe.
- Build opportunities and career pathways, including providing paid internships opportunities and showcasing Green Jobs, in accordance with the King County Green Jobs Strategy

QUESTION 17: IS THE ADVANCED SERVICE MANAGEMENT PILOT AIMED AT RIDERS WITH TRANSFERS?

ANSWER: Currently, Metro operates bus service based on a fixed schedule. High frequency routes (such as the RapidRide lines) tend to bunch (arrive in close succession) because of traffic, passenger loads, and other operational issues. When buses bunch, the first bus tends to be full of customers while the bus following it is relatively empty. Bunching also creates its converse, gapping (a large time gap between buses relative to the planned schedule). This pattern of bunching and gapping results in less reliable service, less frequent service, crowding, and less effective use of service hours.

The Advanced Service Management pilot is proposed to be implemented on the A and F RapidRide Lines, both of which serve BIPOC and low-income riders. The concept would be to space buses based on how far they are apart from each other rather than using a fixed schedule. The program could help riders who are transferring, but it is primarily aimed at providing riders on two high-ridership routes with a more reliable experience.

QUESTION 18: HEALTH THROUGH HOUSING SUPPORT: HOW MIGHT FUNDING CHANGE IN THE FUTURE IF THERE ARE LESS HTH SITES NEAR TRANSIT SERVICES?

ANSWER: Metro staff note that the aim of this initiative is to provide customized mobility options for residents of HtH sites. For sites located near frequent transit, Metro might provide fare media. But, for sites located farther from transit, Metro might provide a shuttle van or a customized on-demand service.

QUESTION 19: IS THE PROPOSED $3.3 MILLION FOR THIRD AVENUE IMPROVEMENTS FOR ALL OR JUST PART OF THIRD AVENUE?

ANSWER: The proposed budget includes a one-time appropriation of $3.3 million for a capital project to complete transit, sidewalk, and pedestrian enhancements along a portion of Third Avenue in Downtown Seattle (between Yesler Way and South Main Street). Metro states that it is coordinating work with the City of Seattle on the City's larger vision for Third Avenue in support of a high-quality pedestrian and transit experience.

QUESTION 20: (DS004) BUS, SHELTER, AND FACILITY CLEANING AND MAINTENANCE: WHAT IS DRIVING THE BACKLOG OF MAINTENANCE THAT THIS FUNDING IS AIMING TO ADDRESS?

ANSWER: Metro states that there has been a significant increase in broken glass and graffiti, which this funding would address. In addition, Metro notes that many shelters and structures are aging and require additional maintenance to remain in compliance with applicable codes and as part of Metro's state of good repair program.

QUESTION 21: TO ENHANCE RECRUITMENT OF TRANSIT WORKERS – WOULD LIKE TO PROVIDE EDUCATION CREDENTIALS AS INCENTIVE.

ANSWER: Metro states that it routinely provides both internal and external training opportunities for staff throughout divisions. The content and format of these opportunities varies by division.

Training needs are evaluated by Metro's divisions, balancing the business needs of the unit and growth and development opportunities for employees. For instance, Metro's Employee Services division approves Society of Human Resource Management (SHRM) membership and credentialling for staff, as it supports employee development and growth and provides value to the division. While there is no overall tuition reimbursement or credential policy, there are some bargained provisions in individual CBAs, including the Professional Development Fund outlined in the Coalition Bargaining Agreement.

Metro also pays for all Commercial Driver's Licenses (CDLs) for employees that are required to have them to perform their job.

Safety, Security, and Fare Enforcement (SaFE) Reform

QUESTION 22: HOW DO WE USE DEPUTIES VS. SECURITY OFFICERS IN METRO SYSTEM, AND WHAT KINDS OF ANTI-RACISM AND DE-ESCALATION TRAINING IS AVAILABLE?

ANSWER: Metro operates three safety and security functions:

- **Metro Transit Police (MTP)** is an 81-member division of the King County Sheriff's Office (KCSO)[66] under contract to Metro[67] that enforces the Transit Code of Conduct.[68] MTP focuses its efforts on Metro services in Seattle, South King County, North King County, and parts of unincorporated King County.[69] It does not currently patrol the Water Taxi, Access, Rideshare, or Seattle Streetcar.

  MTP staff patrol buses, routes, bus shelters, and park and ride lots, as well as Seattle's central business district; undertake and support criminal investigations; provide anti-terrorism services; coordinate with schools in response to issues with students using Metro; and manage community-based programs such as the Operator Assault Program and Sexual Misconduct Reduction Program.

[66] Members of the MTP are commissioned police officers.
[67] Motion 11711 approved Transit Security Policies that included guidance on the staffing model for the Metro Transit Police.
[68] KCC 28.96
[69] Metro reports that MTP maintains a small presence in incorporated East King County area when extreme circumstances are present. When calls come into 911 to report a crime on transit property, local police departments often take the lead on responding as they are better positioned to be the first to arrive.

- **Fare Enforcement** operates on bus routes[70] on which passengers can pay before boarding. Fare enforcement officers inspect each rider on a coach for proof of payment and issue warnings or violations for passengers who have not paid a fare. Fare enforcement is contracted out to a private company, Securitas, USA.

  Metro suspended fare enforcement operations during the pandemic, with fare enforcement officers deployed to Metro's busiest routes to provide education and outreach to passengers about masking and social distancing and to share information about social services with passengers in need.

- **Transit and Facility Security Operations** provides patrol and security at Metro's facilities and park-and-ride lots. Members of this team monitor security cameras and intrusion alarms at Metro facilities and enforce parking regulations and safety at park-and-ride lots. This function is contracted out to a private company, Securitas, USA.

Metro states that the Metro Transit Police, who are part of the King County Sheriff's Office provide extensive de-escalation and anti-bias training per policy and statutory requirements.

- Yearly, 16-24 hours of in-service training that includes de-escalation in patrol tactics as well as defensive tactics.
- 40 hours of Crisis Intervention Team training. The state requirement is 8 hours, but KCSO staff are required to take the 40-hour class.
- LGTBQ+ Awareness training.
- Intersections of Race and Policing African American Communities
- Law Enforcement and Society: Lessons of the Holocaust
- US Criminal Legal Systems training-Systemic issues.
- Effective Communication
- Dr. Marks (Morehouse College) Anti Bias training
- Basic Academy (540 hours)

Training is provided to Transit Security Officers (TSOs) by Metro's EEO office and DHR related to bias awareness and inclusion. TSOs are trained and certified in de-escalation utilizing a nationally recognized course (AVADE) and are recertified annually.
The following trainings are required annually for all TSOs:

- Customer Service
- ESJ/Anti-Bias Training (through EEO and DHR)
- Mental Health First Aid – Working with people in mental crisis
- Strategies4Youth – Interacting with juveniles

[70] Metro does not provide fare enforcement for Sound Transit, even for those services operated by Metro under contract to Sound Transit.

- De-Escalation Training (AVADE)
- Defensive Tactics – Self Defense and restraint techniques

QUESTION 23: SAFE REFORM – HOW DID METRO DETERMINE THE AMOUNT OF OFFICERS NEEDED ACROSS THE SYSTEM?

ANSWER: The staffing model for the **Metro Transit Police,** which is an 81-member division of the King County Sheriff's Office (KCSO) under contract to Metro, is guided by Motion 11711, which approved Transit Security Policies and included guidance on the staffing model for the Metro Transit Police.

For the **additional 140 contracted transit security officers** proposed in the budget, Metro states that this would be the total number of Transit Security Officers (TSOs) supporting Metro operations if DS_025 is approved. Metro's contract with Securitas currently funds approximately 70 TSOs, and DS_025 would add funding for about another 70 total TSO positions to current budgeted staffing for a total of 140 funded TSOs.

140 is the number of TSOs needed to 1) continue staffing levels for current deployments and 2) fund the staff needed for pilot deployments. This includes:

- SaFE Reform recommendation which adds 24/7 TSO presence to Burien and Aurora Village transit centers,
- Permanent resources for the Campus Patrol pilot to deter intruders and increase safety of employees on at Metro bases and facilities
- On-coach security officers on non-BRT routes including on 3rd Ave and other high traffic transit corridors where security incidents occur most frequently
- Core deployments for Security Monitoring Center, Security Dispatch Center, Campus Patrol for Atlantic Central/Ryerson Base and Marine at Pier 50

QUESTION 24: (DS015) (PG. 433) SAFETY, SECURITY, AND EMERGENCY MANAGEMENT PROGRAMMING

a. THIS PROPOSAL WOULD ADD RESOURCES TO SUPPORT ENGAGEMENT WITH CUSTOMERS BY ADDING 140 TRANSIT SECURITY OFFICERS THROUGH METRO'S EXISTING CONTRACT WITH SECURITAS.

b. HOW WOULD THESE SECURITY OFFICERS DIFFER FROM CURRENT FARE ENFORCEMENT OFFICERS WHO ARE OPERATING UNDER THE MORATORIUM OF FARE ENFORCEMENT?

c. WOULD THEY ACT IN THE SAME CAPACITY OR UNDER A REIMAGINED ROLE?

d. HOW DOES THIS DECISION ITEM DIFFER FROM DS006 ON PG. 431: SAFE REFORM IMPLEMENTATION STRATEGIES OR DS025 ON PG. 434: SECURITY SERVICES FOR BASES, COACHES, AND TRANSIT CENTERS?

ANSWER: **Proposed decision package DS_015** would focus on the safety and security of Metro's overall system, including the soon-to-be-expanded Link light rail operations, rather than on enforcement or crime prevention. This proposed initiative is in part in response to the Auditor's April 2022 recommendations[71] on preventable incidents and would assist Metro in remaining in compliance with the federally-required Agency Safety Plan.[72]

Proposed decision package DS_025 would add 140 contracted transit security officers, in addition to the existing fare enforcement officers, through Metro's contract with Securitas USA. Metro states that these additional officers would add patrols and on-coach services including 24/7 Transit Security Officers presence to Burien and Aurora Village Transit Centers to assist behavioral health specialists when engaging with customers; add resources necessary to support 24/7 campus patrols to deter intruders and increase safety of employees at Metro bases; deploy on-coach security officers on non-RapidRide routes to deter Unlawful Transit Conduct and improve coach environment; and add resources to develop and manage several programs to address the physical security of Metro's employees and our community, including access control, video security system, and threat and vulnerability assessment and mitigation. The proposal would continue core deployments including Security Monitoring Center, Security Dispatch Center, Campus Patrol, Marine, and supporting positions.

Proposed decision package DS_006 would begin implementation of SaFE Reform strategies (Motion 16128). Metro states that funded programs would include:

- Continuation of the SaFE cocreation process with a focus on BIPOC and front-line employees
- Establish and pilot a fare enforcement replacement program
- Secure social services partnerships to refine practices and pilot new methods of safety and security operations and programming
- Revise the code of conduct to remove minor code of conduct violations such as tobacco and smells
- Co-create with community an alternative enforcement approach to minor code of conduct violations
- Develop and deploy a community accessible de-escalation curriculum
- Pilot design change to transit stops
- Working closely with Capital projects and Safety and security
- Update and clarify standard operating procedures for all employees who operate in shared spaces and fare enforcement staff and train employees on the procedure routinely
- Pilot Support teams, including security, fares and social service professionals (in partnership with DCHS and others)
- Activate transit centers
- Pilot a communication platform for non-emergency feedback
- Utilize automatic messaging and "Ride Right" information on coaches. This will uniformly educate customers across the system and reduce the need for operators to provide such communications.

[71] https://kingcounty.gov/depts/auditor/auditor-reports/all-landing-pgs/2022/transit-safety-2022.aspx
[72] Motion 15688

- Pilot a program to station resources such as transit information, fare support, and crisis management at transit centers in areas centers in areas where needs are greatest as described by Metro's Mobility Framework

To be eligible for $500,000 in funding from Move Ahead WA for these initiatives, Metro has to have expended $1 million in support of the program, as well as provide a report to the state, by June 30, 2023. The State proviso also includes these elements for the program:

1) The team would be available to deescalate disruptions:
2) Provide immediate access to transit resources,
3) Refer customers to community resources to break cycles of inappropriate behavior.
4) The teams must be individuals trained in de-escalation and outreach.
5) The function and duties should be cocreated with community stakeholders.

Electrification

QUESTION 25: WHY CHANGE THE PACE OF PURCHASE OF EV BUSES IN THIS BUDGET?

ANSWER: In 2020, the Council adopted the goal of achieving a zero-emission transit fleet by 2035 (Ordinance 19052). To achieve this goal, given that the expected asset life of a bus is 12 years, that 2023 will mark 12 years from the 2035 zero-emission goal date, and that it takes one to two years from ordering a bus to when it is delivered and put into service, this means that Metro can no longer order any additional diesel hybrid buses beginning with the 2023-2024 budget and still meet the goal.

Metro's proposed plan to replace its existing diesel hybrid buses with battery electric buses is structured around when specific fleets of existing buses will reach their retirement age.

Thus, in this budget proposal, Metro is not proposing to speed up its purchase of battery electric buses. Rather, this is the first biennium in which Metro can no longer order a bus that is not zero-emission, because any buses ordered during 2023-2024 would still be in service in 2035, meaning Metro would not meet the established County goal of a zero-emission fleet.

QUESTION 26: WHAT IS THE LIFESPAN OF A BATTERY ELECTRIC BUS?

ANSWER: Per the Federal Transit Administration, the expected life of a bus is 12 years.

However, at this point in the evolution of battery technology, Metro's 2022 bus fleet transition plan notes that bus batteries will reach the end of their useful life once or twice during the useful life of the bus frame. As a result, Metro states that it is planning for ways to ensure the continued safe and proper handling of bus batteries once they have reached the end of their service life. The transition plan notes that Metro is working with partners, such as the Pacific Northwest National Laboratory and the NAATBatt trade association.

RapidRide Progress

QUESTION 27: WHY IS IT TAKING UNTIL 2035 FOR K AND R LINE?

ANSWER: The Metro Connects long-range plan[73] states that the K and R RapidRide lines, as well as one to three additional lines will be operational by the time of the Interim Network (approximately 2035).

For the **R Line,** the proposed budget would appropriate $22 million in 2023-2024 and the capital plan anticipates seeking appropriation of $103 million in 2025-2026, with a goal that the R Line would be operational by March 2028.

For the **K Line,** the capital plan indicates a goal for substantial completion in 2030, but Metro staff note that the proposed 2023-2024 budget does not restore all necessary funding for the K Line to open in 2030 and note that full funding restoration would need to occur no later than 2025-2026 to meet a goal of service beginning in 2030.

There is no scheduled timeline for the potential future L and M lines at this point. The identification of candidate RapidRide lines is to be made through the RapidRide Prioritization Plan, which is due to the Council by June 30, 2024.[74] As Metro Connects states, "The prioritization plan will organize RapidRide candidate lines into tiers by their priority and potential timeframe for implementation. The top tier RapidRide candidates will include those planned to be implemented for the interim network and the second tier will be the lines next to be developed if funded."

QUESTION 28: WHAT IS THE TOTAL COST AND TIMELINE TO MAKE A NEW RAPIDRIDE LINE OPERATIONAL?

ANSWER: RapidRide lines include significant capital investments to provide for faster bus operations (such as bus-only lanes or transit signal priority on traffic lights), enhanced shelters, and off-board payment. These investments require extended engagement with community members and partner jurisdictions.

The four RapidRide lines that are currently under development have total capital costs (not including fleet) ranging between $100 and $150 million. In some cases, Metro is able to partner with another jurisdiction, such as the City of Seattle, which has provided funding through its Move Seattle levy, for the G, H, and J lines (Seattle provided $57.5 million for the H Line, for example). In addition, Metro, along with its partners, seeks federal grant funding for RapidRide lines, securing $60 million in federal funding for the

[73] Ordinance 19367
[74] Ordinance 19367

G Line (through the City of Seattle); $66.7 million for the I Line; and $60 million for the J Line (through the City of Seattle).

In terms of the timeline, Metro estimates that, with funding secured, it requires on average about five years to develop a RapidRide. Metro has developed a road map for the steps that go into developing a RapidRide line,[75] including project planning, preliminary design (which takes the project to the 30 percent design level), final design, construction, and project closeout. During the process, in addition to approving appropriation authority for the project, the Council must approve an alignment ordinance for the new line's alignment and service plan and must approve a service change ordinance to allocate the additional annual service hours to the new line to provide the level of frequency that is associated with RapidRide.

QUESTION 29: IN GENERAL, IF THE R LINE IS TARGETED FOR SUBSTANTIAL COMPLETION BY 2028, BUT THERE IS NOT CURRENTLY A TIMELINE OR FUNDING FOR THE K LINE, AND THE FUNDING FUTURE FOR THE POTENTIAL L AND M LINES IS UNCERTAIN, HOW FEASIBLE IS IT THAT METRO WILL BE ABLE TO COMPLETE THESE LINES BY THE TIME OF THE INTERIM NETWORK?

ANSWER: Metro states: Though Metro Connects sets a goal of implementing an interim network by the time the West Seattle and Ballard Link extensions have been completed, it also makes clear that the Metro Connects vision, including service growth, cannot be fully delivered without additional funding. This includes the interim network's envisioned RapidRide lines. For costing purposes, Metro had to assume a year for the interim network and chose 2035. At present, implementation of the K, L, and M lines is not funded in Metro's financial planning using projections for existing revenue sources, and they would not be delivered before 2035. The RapidRide prioritization work underway now will identify top candidates to become the L and M Lines, but further funding will be required to begin the detailed development of those two lines.

QUESTION 30: WHAT FACTORS WILL BE DETERMINED TO SELECT THE LOCATION FOR RAPIDRIDE LINE L?

ANSWER: The adopted Metro Connects long-range plan[76] calls for a total of 10 RapidRide lines (A-J) to be in operation by 2026; and for an additional three to five lines, including K, R, and one to three additional lines, to be in operation by the time of Metro's Interim Network (approximately 2035). Metro is to develop a RapidRide Prioritization Plan, which is due to the Council by June 30, 2024, to select these one to three additional lines for implementation.

Per Metro Connects, the RapidRide Prioritization Plan is to select the specific RapidRide lines based on an updated corridor evaluation, stakeholder engagement, and corridor studies. The corridor evaluation is to use five factors: equity, sustainability,

[75] This road map is described in the RapidRide Restart Report (Motion 16153)
[76] Ordinance 19367

service demand, capital, and implementation. Stakeholder engagement is to include community stakeholders, affected jurisdictions, and partner agencies.

QUESTION 31: IF CAPITAL PROJECTS (E.G. SOUND TRANSIT) CONTINUE TO BE DELAYED, DO WE HAVE OTHER THINGS WE CAN SPEND THOSE RESOURCES ON?

ANSWER: Council staff is investigating whether it would be possible to have a mid-biennial assessment of key capital projects that could potentially inform future decisions.

MISC. TRANSIT PROJECTS

QUESTION 32: (DS029) (PG. 435) KING STREET CENTER RECONFIGURATION - DO WE ANTICIPATE LONG-TERM SAVINGS FROM THIS INVESTMENT?

ANSWER: In 2021-2022, when this proposal was first included in the budget, Metro projected ongoing savings of $270,000 per biennium, including additional one-time savings during 2021-2022 due to the ability to consolidate space and end Metro's lease at 901 Fifth Avenue in Downtown Seattle. Long-term, Metro anticipates that its central rates will be reduced by occupying less office space.

QUESTION 33: (CAPITAL PROJECT #1111997) (PG. 444) NORTHGATE TRANSIT CENTER SITE DEVELOPMENT

a. IS THERE STILL A WSDOT OWNED LOT IN THE VICINITY OF THE TRANSIT CENTER?

ANSWER: WSDOT owns the North Seattle Park and Ride lot west of 1st avenue NE located between the two express lanes.

b. CAN YOU PROVIDE AN UPDATE ON THE CURRENT STATUS OF THE PROJECT, INCLUDING THE ABILITY TO PROVIDE ADDITIONAL HOUSING?

ANSWER: Metro states that Project 1111997 currently covers expense related to the affordable housing project being developed on the northern-most acre of the Northgate Park and pool lot. The project, developed by the partnership of Bridge Housing and Community Roots Housing, is in permits with the city of Seattle and expects to begin construction in summer 2023. Metro's remaining budget is anticipated to be spent reviewing permit sets as they become available and coordination during project construction.

<u>Question 34:</u> (Capital Project #1134206) (Pg. 451) Bus Layover Facility at Eastlake

a. **We know that Eastlake layover is also used by Sound Transit for routes serving I-5 South. Do we know if Sound Transit will continue to operate these routes once the Federal Way Link Extension is complete?**

<u>ANSWER:</u> Metro states that:

At present, Metro routes 101, 102, and 150 that currently layover on Convention Place are planned to use the Eastlake layover. These routes will have a long-term need for layover, and the current layover location does not have long-term support from SDOT and the Convention Center. Sound Transit and Metro will begin a shared public engagement in 2023 to help decide what will happen with routes impacted by Federal Way Link Extension.

Also, this question could refer to PT operated STEX routes 577, 590, 594, 595 – as the comment above notes, the restructure process will determine what happens to these routes, but it is expected that some or all of these routes would truncate at Federal Way Transit Center and that layover demand for routes originating in Pierce County would decrease with the opening of Federal Way Link Extension.

b. **How long will it take to construct the layover?**

<u>ANSWER:</u> Construction Contract NTP - August 2022
Substantial Completion – January 2024
Final Acceptance – June 2024

c. **How does that time compare with the ST Link schedule, even though delayed?**

<u>ANSWER:</u> ELF may now open, even considering its own schedule delays, before Lynnwood Link and East Link extensions. This situation, if it occurs, would add demand to the facility during that period (estimated 2024-2025), specifically for ST 550 (Eastside to downtown Seattle) and CT service (Snohomish County to downtown Seattle).

d. **Are Metro and SDOT reacting to an old issue that is going away?**

<u>ANSWER:</u> Metro states: No – the need to have secure, safe off-street layover with comfort stations is a long-term need. It has been historically difficult to secure layover in the north end of downtown Seattle and this location was identified after numerous studies of the issue and based on assumptions that already considered changes related to Link light rail. With the sale and loss of off-street bus layover at the former Convention Place Station, Metro committed to SDOT to reduce the number of on-street layover locations in the north CBD. The use of curb space for

on-street bus layover in under continuous challenge from redevelopment in this area.

e. COULD THIS MONEY BE BETTER SPENT EXPANDING LAYOVER SPACE IN ANOTHER LOCATION?

ANSWER: Metro states that: This is a priority for Metro. Layover in the north end of downtown Seattle and South Lake Union is an ongoing challenge and critical for supporting Metro service long-term including the growth outlined in Metro Connects.

f. HAS 130TH ST. BEEN CONSIDERED FOR EXPANDED LAYOVER SPACE?

ANSWER: Metro states that: The 130th St. (infill) Station was considered as a potential layover site during the alternatives analysis phase however it was deemed infeasible for the following reasons:

- Layover would require termination of at least 2 routes at the 130th St. (infill) Station. Metro is planning only a single route to serve the station. A layover program at the 130th St. (infill) Station would penalize all Metro customers not transferring to light rail by requiring a transfer and a resulting time penalty and physical inconvenience to make that transfer.

- Layover has significant physical space requirements. Regardless of the facility being on- or off-street, layover at this location would require a turnaround loop. Due to the narrow station profile, turnaround is infeasible underneath the guideway and the only feasible option would be to acquire North Seattle Church of the Nazarene that is adjacent to the 130th St. (infill) Station (across 5th Ave NE).

ROADS CAPITAL IMPROVEMENT PROGRAM

ANALYST: NICK BOWMAN

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
3855 County Road Major Maintenance			
Revenues	$58,874,008	$55,633,928	$67,061,485
Expenditures	$58,874,008	$55,633,928	$67,061,485
3865 King County Road Construction			
Revenues	$14,898,505	$10,800,000	$60,000,000
Expenditures	$14,898,505	$10,800,000	$60,000,000
Major Revenue Sources: Fund Balance, Transfer from County Road Operating Fund, State and Federal Aid, Grants, and the Sale of County Owned Property.			

DESCRIPTION

The Road Services Division of the Department of Local Services (RSD or "Roads") 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 RSD, consistent with the King County Strategic Plan and Comprehensive Plan.

SUMMARY OF PROPOSED BUDGET AND CHANGES

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] For the 2023-2024 biennium, the Executive has proposed approximately $58.9 million in new appropriation authority for Fund 3855 and approximately $14.9 million in new appropriation authority for Fund 3865. Notable capital programs/projects in each fund include:

Drainage Preservation, Culvert Replacement and Fish Passage – $25,700,000. The Executive's proposed budget includes approximately $8.7 million for drainage preservation projects and $17 million for culvert replacement and fish passage projects. The drainage preservation program is an ongoing program designed to protect road users and the existing roadway structures by eliminating failed or failing drainage

[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).

systems. A list of projects from the existing backlog is chosen at the beginning of each year as determined by the 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), which is intended to complement the County's collaboration with tribal governments salmon recovery efforts. Since that time, Executive staff have drafted a proposed 10-year fish passage work plan that seeks to restore salmon access to at least 50 percent of the habitat that is currently blocked by county barriers.

According to Executive staff, the work plan focuses on roughly 40 fish passage restoration projects intended to restore salmon access to at least half of the habitat currently blocked by county barriers. In addition to these habitat-priority projects, the work plan also includes 22 barrier remedy projects needed to address infrastructure or safety concerns, and which also have meaningful benefits for fish passage. The first investments for the 10-year fish passage program are included in the Executive's proposed 2023-2024 budget and are spread across multiple County agencies and divisions including the Department Natural Resources and Parks, the Water and Land Resources Division and Roads.

The proposed Roads 2023-2024 capital budget for culvert replacement and fish passage projects includes appropriation authority for total of 18 projects, 9 of which are new for the biennium.

The broader fish passage program, as well as the transfer of Surface Water Management fee revenues to Roads for drainage, culvert replacement, and fish passage projects ($3.9 million and $5.9 million respectively) will be discussed further in the Water and Land Resources Division budget.

Roadway Preservation Program – $9,500,000. The Executive's proposed budget includes approximately $9.5 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 2023. The funding would also support a new local road chip seal program which would be crewed by the multi-benefit maintenance crew discussed in the Roads operating budget.

Bridge Replacement Projects – $7,800,000. The Executive's proposed budget includes approximately $7.8 million in new appropriation authority for three bridge replacement projects including:

- $777,700 in REET 1 funds to complete design and right-of-way acquisition for the Baring Bridge project;[2]
- $1,790,730 in REET 1 funds for right-of-way acquisition and construction for the Boise X Connection Bridge project;[3] and
- $5,198,000 in Federal Local Bridge Program grant and REET 1 funds for design and right-of-way acquisition for the North Fork Bridge project.[4]

Quick Response Program – $7,200,000. The Executive's proposed budget includes approximately $7.2 million in new appropriation authority for the countywide quick response program. This program allows Roads to respond to emerging needs of the public and the roadway system that require immediate attention. The needs include emergency repairs associated with storm damage or other infrastructure deterioration or damage, unanticipated pedestrian or vehicle needs, or other emerging issues. According to Executive staff, the authority includes approximately $2.6 million in Federal Highway Administration Emergency Response funding which Roads received for two repair projects resulting from winter storms in 2020 and $1.6 million in local matching funds. The remaining $3 million is a combination of Roads funds and budgeted fund balance.

Intersection Improvement Projects – $4,600,000. The Executive's proposed budget includes approximately $4.6 million in new appropriation authority for five intersection improvement projects including:

- $400,000 in REET 1 funds to continue final design and start right-of-way acquisition on the Issaquah-Hobart Road SE at SE May Valley Road improvement project;[5]
- $418,000 in County Road fund monies 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;[6]
- $400,000 in fund balance to start final design on the NE Woodinville-Duvall Road at West Snoqualmie Valley Road NE improvement project;[7]
- $250,000 in REET 1 funds for right-of-way acquisition and construction for the Rainier Avenue S and S Lakeridge Drive improvement project;[8] and
- $3,102,000 in Highway Safety Improvement Program grant and County Road fund monies for project design and right-of-way acquisition for the S 360th Street and 28th Avenue S improvement project.[9]

Flood Control District Program – $3,000,000. The Executive's proposed budget includes $3 million in new appropriation authority for the countywide flood control district

[2] Project 1135045
[3] Project 1138913
[4] Project 1143969
[5] Project 1129598
[6] Project 1131235
[7] Project 1134080
[8] Project 1139146
[9] Project 1143972

program. For this program, Roads partners with King County Flood Control District staff to identify projects to address locations where recurring flood events have impacted or have the potential to impact local communities.

Pedestrian Safety Projects – $3,000,000. The Executive's proposed budget includes approximately $3 million in new appropriation authority for three pedestrian safety projects including:

- $500,000 of Washington State Department of Transportation funding to construct traffic calming measures on SW 10th Avenue SW between SW 108th Street and SW 116th Street, and enhance the regional trail crossing and access to the Steve Cox Memorial Park on SW 102nd Street at 13th Avenue SW in White Center;[10]
- $1,140,000 of Washington State Department of Transportation Safe Routes to Schools grant and REET 1 funds for design of the Highline School District improvement project;[11] and
- $1,318,000 of County Road fund and Washington State Department of Transportation Safe Routes to School grant funds to design and construct approximately 615 feet of sidewalk on the north side of S 298th Street between Camelot Elementary School at 4041 S 298th Street and 36th Place S.[12]

Facility Projects – $2,400,000. The Executive's proposed budget includes approximately $2.4 million in new appropriation authority for two Roads facility projects including:

- $800,000 in sale of land proceeds to evaluate alternatives to refurbish, reconstruct, or relocate the Division 2 Regional Maintenance Shop currently located in Fall City, and implement the project;[13] and
- $1,580,000 in sale of land proceeds to Evaluate alternatives to refurbish, reconstruct, expand, or relocate the Division 5 Maintenance Regional Shop on Vashon Island, and implement the project.[14]

Bridge Priority Maintenance – $2,300,000. The Executive's proposed budget includes approximately $2.3 million in new appropriation authority for the Countywide Bridge Priority Maintenance Program. This program finances high priority preservation and maintenance projects to keep the aging bridge inventory serviceable and safe for the traveling public. Projects may include load upgrades, scour mitigation, re-deck, bridge rail repairs or retrofits, superstructure and substructure repairs, painting, bridge washing, urgent repairs such as flood damage repairs, and vehicle damage repairs, etc.

KEY ISSUES

[10] Project 1143976
[11] Project 1143977
[12] Project 1143978
[13] Project 1143974
[14] Project 1143975

ISSUE 1 – ROADS FUNDING

RSD is supported by revenue from three primary sources: a dedicated property tax on unincorporated properties,[15] 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 percent 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 state property and gas tax data, Executive staff estimate that Roads will see average revenues of just over $100 million annually over the next ten years – 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 2028. 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 Roads 2023-2024 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. New federal infrastructure funding provides additional grant opportunities for Roads and the Executive has proposed additional grant program staff 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 current and growing volume of unmet road and bridge needs in King County.

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

[15] RCW 36.82.040

maintenance and preservation of the King County roads system.[16] 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 2023-2024 proposed budget continues the recent trend of allocating Surface Water Management fee and REET 1 funding to support Roads capital projects. Under the Executive's proposed budget, the Roads capital program will receive approximately $9.8 million in SWM fee revenues and $13.9 million in REET 1 funds; a respective increase of 23 percent and 132 percent over that of the 2021-2022 Executive purposed budget.

Response to Council Inquiries

Question 1: How are Roadway Preservation funds distributed — geographically or by greatest need? Do we know where these projects take place?

Answer: Roads uses the County Road Administration Board's visual data collection system, known as "VisRate," to evaluate road conditions. The condition reports are used to select candidate roads for preservation. The process by which road preservation candidates are prioritized conforms to the priority matrix and tiered service strategy established by the 2014 Strategic Plan for Road Services. The allocation of funding is further prioritized through the functional designation of routes (e.g., major or minor arterial).

A final candidate list of roadway preservation projects will be set by the Executive in early 2023.

Question 2: Does the Flood Control Program come from flood dollars or existing road fund dollars and how are these projects selected?

Answer: Funding for the Roads flood control program does come from the Flood Control District. For this program, Roads partners with King County Flood Control District staff to identify projects to address locations where recurring flood events have impacted or have the potential to impact local communities.

Question 3: Has the Executive done any recent studies on Roads funding alternatives?

Answer: The Roads structural funding deficit has been examined by Roads and other Executive staff extensively over the years. Most recently, in July 2019, Roads staff gave a series of briefings to the Local Services, Regional Roads and Bridges Committee discussing the structural deficit, actions taken by the department to address the revenue

[16] Proposed Ordinances 2020-0110 & 2021-0206

shortfall and available funding options.[17] The discussion focused on the various revenue options available through the establishment of a county Transportation Benefit District, developing a more focused state agenda/strategy for county road investments, and a single-year or multi-year levy lid lift.

After considering the available options, it was determined that only a multi-year roads levy lid lift would provide enough revenue to materially address the Roads funding deficit. In February of 2020 and January of 2021 legislation proposing voter propositions to authorize a six-year permeant roads levy lid lift to fund county road maintenance and preservation was introduced to the Council.[18] However, due to the uncertain economic impact of the COVID-19 pandemic, Council consideration of this legislation was postponed.

[17] 2019-B0122 & 2019-B0166
[18] Proposed Ordinances 2020-0110 & 2021-0206

YOUTH AND AMATEUR SPORTS FUND

ANALYST: SHERRIE HSU

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$19,198,044	$12,319,344	3.0	0.0
2023-2024 Base Budget Adjust.	($10,721,758)	($4,177,500)	0.0	0.0
2023-2024 Decision Packages	4,577,380	6,079,399	0.0	0.0
2023-2024 Proposed Budget	**$13,054,000**	**$14,212,000**	**3.0**	**0.0**
% Change from prior biennium	(32%)			
Dec. Pkg. as % of prior biennium	24%			

Major Revenue Sources: Rental Car Sales Tax

Base Budget Assumptions: (1) 4.0% GWI for 2023; (2) 4.0% GWI for 2024; (3) Remove one-time expenditures including those related to pandemic response.

DESCRIPTION

The Youth and Amateur Sports Fund (YASF) provides funding for youth or 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 law[1] 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,[2] the Council created the YASF, which included the former Youth Sports Facilities Program and a number of new Councilmanic and competitive grant programs for youth and amateur sports activities and facilities. As a part of the 2019-2020 biennial budget Ordinance,[3] the Council set money aside in the competitive grants category for Sports and Activity Access grants and Local Sports and Activities grants.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed budget includes the following proposed appropriations:

[1] RCW 82.14.049
[2] Ordinance 18409
[3] Ordinance 18835

- **$4.6 million reappropriated from 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. This would be entirely revenue-backed from the unspent 2021-2022 one-time federal funding. The Youth Sports Program invests in programs and capital projects that increase physical activity opportunities for youth.

- **$402,000 for the Get Active, Stay Active (GASA) program** to restore the standard two-year allocation of $1.8 million.[4] GASA is a two-year grant awarded by Councilmember offices for organizations that provide youth and amateur sports and fitness programs.[5] GASA is funded by a 1% car rental sales tax in the county. The 2021-2022 budget allocation was lower due to a lack of available money from the car rental sales tax.[6] Car rental sales tax revenue is forecasted to increase 26% in 2023-2024 compared with 2021-2022.[7] With the proposed 2023-2024 appropriation, the total GASA grants would be restored to the amount as in the 2019-2020 biennium.

KEY ISSUES

Staff have not identified any key issues for this budget.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: HOW MUCH WAS ALLOCATED FOR COMPETITIVE GRANTS IN 2023-24, COMPARED WITH 2021-22? WHAT IS THE CHANGE, IF ANY? IS THE RESTORATION OF GASA BACK TO THE PRE-PANDEMIC $1.8M PROPORTIONATE TO THE INCREASE IN THE COMPETITIVE GRANT PROGRAMS FOR 2023-24?

ANSWER: The table below shows the adopted 2021-22 biennial budget amount and proposed 2023-24 budget amount for competitive and councilmanic (GASA) grant programs.

- The 2021-22 biennial budget allocated $1.53 million for councilmanic grants (GASA) in YASF, and the proposed 2023-24 budget includes $1.8 million for GASA. This would be an 18% increase.
- The 2021-22 biennial budget allocated $3.9 million for competitive grants, and the proposed 2023-24 budget includes $3.5 million for competitive grants. This would be an 11% decrease.

[4] $200,000 per Council district
[5] Ordinance 19210
[6] The Final Adopted 2021-2022 Budget allocation was $1.53 million to GASA; this was revised through the COVID 7 supplemental to $1.89 million ($210,000 per Council district), some of which was supported by federal revenue.
[7] $9.4 million in the 2023-2024 biennium compared with $7.4 million in the 2021-2022 biennium.

- According to Executive staff, to pay for administrative and debt service costs, this fund typically does not allocate the full forecasted biennial revenue. Based on the Financial Plan, the 2023-24 proposed budget includes $1.5 million for bond issuance and debt service and $1.6 million for grant administration.[8]
- In the COVID 7 supplemental budget, there was additional one-time money added to both the councilmanic and competitive grant programs ($4.6 million total combined, from federal CLFR money), which is not included in the table.

	2021-2022 Biennial Adopted	2023-2024 Biennial Proposed	Increase from 2021-22 to 2023-24
OEFA Forecasted Revenue	$7,439,344	$9,432,410	27%
Council Directed Grant (GASA)	$1,530,000	$1,800,000	18%
Competitive Grants	$3,945,280	$3,506,739	-11%

[8] According to the Financial Plan for this fund in the Executive's proposed 2023-24 budget, bond issuance and debt service includes the cost of issuing a $6.7 million bond in 2018 and debt service payments to pay off the bond. Grant administration includes staffing, supplies, and software associated with managing the grant programs.

PARKS AND RECREATION

ANALYST: SHERRIE HSU

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$112,710,706	$99,534,060	288.1	(1.0)
2023-2024 Base Budget Adjust.	$4,340,240	$4,182,166	(3.1)	1.0
2023-2024 Decision Packages	$22,278,836	$25,912,298	41.3	15.0
2023-2024 Proposed Budget	**$139,330,000**	**$129,629,000**	**326.3**	**15.5**
% Change from prior biennium	24%			
Dec. Pkg. as % of prior biennium	20%			

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

Base Budget Assumptions: (1) 4.0% GWI for 2023; (2) 4.0% GWI for 2024; (3) Remove one-time expenditures including those related to pandemic response

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 levies[1] and business revenue from user fees, special events, sponsorships, and partnerships.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2023-2024 Parks and Recreation operating budget includes a $139 million expenditure request with an estimated $129 million in revenues. Around 93% of revenues are expected to come from the Parks Levy.[2] Of proposed expenditures, 96% would be for Parks Operations and Maintenance, 3% for Targeted Equity Grants, and the remainder for the WSU Cooperative/W-H, King County Search and Rescue, and COVID 9 Grant. The staffing requests would support parks operations and maintenance, capital commitments, grant disbursement, forestry program support, seasonal specialist support, and budget authority for the fish passage restoration program.

Key Decision Package adjustments proposed for the 2023-2024 biennium 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.

- **$4.0 million for Parks Operations and Maintenance Workforce staffing** by converting 10.0 TLT to FTE and adding 5.0 FTE. The positions would be:
    - Convert 1.0 TLT and add 3.0 FTEs for the oversight of Parks financial affairs that provides for long-term financial stability and responsible stewardship.
    - Convert 1.0 TLT position for foundational human resource needs, execution of the Strategic Workforce Plan's Workforce Pathways initiative, and ESJ HR initiatives.
    - Convert 4.0 Park Specialist II positions for continued growth of the parks system due to increased maintenance from open space acquisitions, owned in fee and easements. Added vehicles are consistent with Fleet's current rates and will be adjusted to adhere with electrification policies.
    - Convert 2.0 TLT Project/Program Managers for ongoing work in support of records management, public disclosure requests, and the development, implementation, and post-go-live needs for technological applications used across the workforce. Significant projects include replacement of the levy grants management system and the volunteer program management software solutions.
    - Convert 2.0 TLT Customer Service Specialist positions to support business activities at Marymoor Park including programming, revenue collection, and special events.
    - Add 1.0 FTE for land management needs, evaluation of public special use permits, encroachment processes, and enforcement support.
    - Add 1.0 FTE for the Aquatic Center for management of ongoing corrective and preventive maintenance work, fiscal oversight, facility user agreements, and staff supervision.

- **$2.9 million for Parks Capital Improvements project delivery** by converting 7.0 TLT positions to FTE and adding 2.0 FTE for technical and contracts support. These would be fully funded by the CIP in Parks Capital Fund 3160 and 3581. The positions would be:
    - Convert 7.0 TLT positions who are currently managing projects, including Eastrail I-90, providing support for construction and engineering contracting, and technical asset management data maintenance and reporting.
    - Add 2.0 new FTE for a Project Control Officer and PPM IV.

- **$1.4 million for management and disbursement of levy grant investments** by converting 5.0 TLT to FTE positions. This work is currently supported by temporary positions.

- **$668,000 and 1.3 FTE to support Teen Program Expansion at Skyway Park.** Summer programming would include a summer sack lunch program, sports camp program, community outreach efforts. This includes the addition of 1.0 FTE and transition of a 0.33 part-to full-time FTE to assist with community assessment, program development, neighborhood outreach, safety assessment, youth registrations, and program administration.

- **\$1.8 million and 7.0 FTE to expand the Forestry Program** to accelerate forest restoration on County-owned land in support of Strategic Climate Action Plan initiatives, accomplish 3 Million Trees targets, and implement wildfire risk reduction strategies.

- **\$1.9 million to add budget authority to the 6.0 FTEs that were approved in the 2021-2022 3rd omnibus for fish passage restoration program staffing.** The FTE authority was added in the 3rd omnibus to accelerate the hiring process so these FTE could start as close to adoption of the 2023-24 budget as possible. According to Executive staff, official recruitment for the positions is scheduled to begin in mid-October, and offers will ultimately be aligned with funding authority in the 2023-2024 proposed budget. The forecasted recruitment process is on track for the positions to be hired at the beginning of 2023, in alignment with project start dates.

- **\$4.8 million to add 13.0 TLT to support Parks Operations.** According to Executive staff, Parks have not been able to fully assess the service levels of upkeep and maintenance standards due to staffing capacity. These positions would allow Parks to develop and implement the maintenance modes. This request is based on August 2022 OEFA forecast of available funding. The positions are requested as TLT due to uncertainty of future forecasts.

- **\$1.5 million to convert 4.0 TLT seasonal parks specialist positions to FTE** for parks specialist positions for year-round operations and maintenance. According to Executive staff, this would allow investment in additional and long-term resources to address operations and maintenance needs.

- **\$277,000 to add 1.0 FTE Human Resources Staffing support for Parks Operations.** According to Executive staff, the Parks Human Resources team is minimally staffed to accomplish recruitments timely for the onboarding of seasonal staff, which is approximately 200 seasonal positions in addition to year-round staffing needs. This position would respond to that need.

- **\$200,000 to expand the parks encampment clean-up program.** This would be used to hire an outside contractor to remove debris left from the removal of unauthorized camps to enable property restoration efforts. This would be revenue-backed by 2020-2025 Parks Levy to keep pace with the additional park acres and regional trail miles acquired and developed and ensure lands are clean, safe, and welcoming to the public. In the 2021-2022 budget, Parks received a \$300,000 appropriation for a pilot program to contract with a clean-up vendor to remove garbage and other hazardous debris left behind from the removal of unauthorized camps.

Executive staff provided the following additional detail in response to Council staff questions:

- Status. Parks has not fully executed the pilot program. This work has been impacted by several factors including public health restrictions due to the pandemic. Parks will determine the success of the program through monitoring the frequency of the camps/campers repopulating the site after clean-up, partnership with labor representatives to manage the assignment and completion of the work by an outside vendor, and program evaluations that considers the vendor's performance and responsiveness, an ongoing inventory of camps, and the budgetary impacts of the program.

- Locations. In 2021, two encampment clean-up projects were completed. The locations were Auburn Narrows Natural Area and Eastrail. Auburn Narrows Natural Area was selected based on established maintenance and upkeep standards for county property ownership and Parks' partnership with the City of Auburn. This area had significant litter and trash left from an abandoned camp. This location in the parks system has significant ecological assets and environmentally sensitive areas that Parks had to take action to protect from damage. The Eastrail project was selected based on the notice to proceed for the capital construction project. The camp was removed to ensure the safety of both County staff and the contractor performing work at the site as well as potential campers who would have been impacted by construction. Both projects were unoccupied camps.

- Definitions. Parks operate this program using the Unauthorized Encampment Removal Standard Operating Procedure that was developed for the pilot program. "Abandoned/unoccupied" means when a reasonable person would not have allowed the property to be unattended for the length of time the property has been at a site. An "occupied" encampment means there are currently individuals camping at the encampment site in the park area. In instances where it is difficult to determine whether a camp is occupied, Parks follows King County Code Title 7, which defines camping as "erecting a tent or shelter or arranging bedding or both for the purpose of, or in such a way as will permit remaining overnight, or parking a trailer, camper or other vehicle for the purpose of remaining overnight."

- Costs. The 2022 inventory includes 27 unoccupied camps and 37 occupied camps. The $200,000 budget request includes costs for clean-up ($4,000-$6,000 per camp) and KCSO support and property restoration following clean-up ($500-600 per camp). Contracted clean-up includes surveying the site, collecting debris, dismantling tents etc. removing trash and disposing of all debris. The vendor would supply labor, materials, tools, heavy machinery and equipment, vehicles, personal protective equipment, portable bathroom facilities, dumpsters, and other supplies to remove tons of debris, litter, and waste. After the contracted clean-up, Parks staff would conduct site checks to determine if the location is immediately publicly accessible, or if it requires further evaluation on Parks' behalf. Outcomes of further evaluation may include: necessary property restoration, extended location closure, or additional coordination with non-County entities.

- **$173,000 to develop a Personal Locator Beacon Lending Program.** This was requested by Council in Motion 16157. The budget request would cover the cost of a consultant or partner to complete the implementation plan, equipment, and a part-time staff member to implement the pilot in accordance with Motion 16157.

- **$500,000 to reappropriate unspent 2021-2022 one-time federal funding to continue the Youth Sports Tourism grant award process.** This would be revenue-backed by the federal Coronavirus Local Fiscal Recovery (CLFR) funding.

KEY ISSUES

Staff have not identified any key issues for this budget.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: OTHER THAN THE 93% OF REVENUE THAT COMES FROM PARKS LEVY, WHERE DOES THE OTHER 7% OF REVENUE COME FROM?

ANSWER: The remaining money comes mostly from business revenue, with a small amount from federal revenue (for the Youth Sports Tourism grant), levy admin fee, interest earnings, and miscellaneous.

	2023-2024 Proposed
Parks Levy	$120,603,616
Business Revenue	$6,815,020
Federal Shared Revenues	$500,000
Levy Administration Fee	$1,517,888
Interest Earnings and Other Miscellaneous	$192,000

QUESTION 2: DS_015 (PARKS DISTRICT STAFFING AND MAINTENANCE): FOR THE 13 TLT FOR OPERATIONS – WHAT MAINTENANCE IS BEING COVERED BY THE TLT AND WHAT IS THE IMPACT OF NOT FUNDING IN THE FUTURE BIENNIUM?

ANSWER: According to Executive staff, the proposed 13.0 TLT would re-establish maintenance standards and complete the ongoing evaluation for reporting and response to how well Parks is maintaining the park system.

- Parks has established standards for the upkeep and maintenance of the park system aligned with the national standards for parks. Parks categorized its standards in the areas of improvements, relocations, new acquisitions, and operations and maintenance.
- With the rapid acquisitions and growth of the system, Parks has not been able to consistently develop and manage its own system-wide compliance standards and evaluation due to staffing capacity.
- These positions would enable Parks to further develop and implement the developed maintenance modes in accordance with its maintenance standards to achieve satisfactory service levels.
- These positions are proposed as TLTs due to the uncertainty surrounding levy renewal work and funding.
- According to Executive staff, if these positions were not funded, Parks would be unable to re-establish the standard development and evaluation work described in the decision package.

QUESTION 3: DS_004 (COMMUNITY INVESTMENTS LEVY GRANTS PROGRAM DELIVERY): OVER THE SPAN OF THE LEVY, HOW MANY FTES TOTAL HAVE BEEN USED FOR THIS? HOW MANY HAVE BEEN CONVERTED FROM TLT?

ANSWER: To date within the current Parks Levy period, eight positions (3 FTEs/5 TLTs) have been supporting the four levy grant programs. Given the ongoing nature of this work, the 2023-24 budget requests conversion of the 5 existing TLTs.

PARKS CAPITAL

ANALYST: SHERRIE HSU

PARKS CAPITAL (3581)

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$166,867,415	$142,456,838	$10,237,871
Expenditures	$166,867,415	$142,456,838	$10,237,871

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 Capital Fund (3581) provides revenues to be used for open space and trail acquisition, development projects, major maintenance, community partnerships and grants, and three of the new parks levy grant programs – Open Space - River Corridors, Parks Capital and Open Space, and Aquatic Facilities. Revenue sources are the Parks, Recreation, Open Space and Trails Levy; REET 1 and 2; and grants.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2023-2024 budget includes a $166.9 million appropriation to this fund in the 2023-2024 biennium. 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. The Executive transmitted a 2022 Parks Levy Reallocation Report on September 30, 2022. The report includes proposed reallocations of money within the Regional and Other Public Trails funding category, which would not impact the voter-approved percentage allocations of the levy. These proposed changes are discussed further below.

Key projects proposed for this fund during 2023-2024 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. Although this is a biennial budget, King County Code outlines an annual process for applications, review, and recommendations from this committee.[1] As a result, the proposed 2023-2024 budget includes a list of proposed projects for 2023 only.

The Advisory Committee provides recommendations to the Executive and then transmits them for Council review. For 2023, the Committee recommended Parks Levy funding for projects totaling $14.9 million, as shown in Table 1. Executive staff have confirmed that these project recommendations align with the Committee's recommendations.

Table 1 – Proposed Parks Levy Open Space Grant Awards

Agency/ Location	Project Name	Parks Levy Recommended	Council District
KC-WRIA 7	Middle Fork Snoqualmie Natural Area Additions	$415,000	3
KC-WRIA 7	Mitchell Hill Forest	$687,500	3
KC-WRIA 8	Bear Creek Conservation Paradise Lake	$800,000	3
KC-WRIA 8	Cascade Mountains Gateway Project	$255,000	3
KC-WRIA 8	East Fork Issaquah Creek Restoration	$600,000	3
KC-WRIA 8	Evans Creek Conservation Corridor and Agricultural Easements	$770,000	3
KC-WRIA 8	Evans Creek Nelson (Gunshy) Acquisition	$1,250,000	3
KC-WRIA 9	Black Diamond Open Space	$1,460,000	9
KC-WRIA 9	Green River Gorge - Deep Lake	$500,000	9
KC-WRIA 9	Green River/Newaukum Creek	$2,310,613	9
KC-WRIA 9	Keevie Lake	$95,000	9
KC-WRIA 9	North Green River Acquisitions	$610,625	7
KC-WRIA 9	Soos Creek	$1,200,000	5,9
KC-WRIA 9	Soos Creek Park / Molasses Creek	$297,000	9
KC-WRIA 9	Sweeney Pond	$1,050,000	9
KC-Vashon	Island Center Forest Additions	$200,000	8
KC-Vashon	Manzanita Natural Area Additions	$15,000	8

[1] K.C.C. 26.12

KC-Vashon	Neill Point Natural Area – Morningside Farm	$395,000	8
KC-Vashon	Vashon Creeks and Estuaries	$359,000	8
KC-Vashon	Vashon Marine Shoreline	$1,596,000	8
Total		**$14,865,738**	

- Parks Regional Open Space Initiative: $15.7 million appropriation of Parks Levy revenue to allow the CFT Advisory Committee to make its 2024 recommendations. This would be disappropriated in the 2023-2024 2nd Omnibus and transferred to individual acquisitions.
- Parks Open Space Stewardship: $7.0 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.

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	2023-2024	Description
Soos Creek Trail segment	$3,293,560	Remainder of the six-year Parks Levy allocation, which would support completing final design and construction of the Soos Creek Trail segment from SE 192nd St to SE 186th St.
Green to Cedar Rivers Trail	$3,700,000	Final design and any acquisitions necessary for the Interim Trail South project. In accordance with a Council proviso in the 2020 budget, the proposed trail development project would complete the G2C South Segment.
Trailhead Development and Access	$1,499,217	Design and construction of a new trailhead on Rattlesnake Mountain near North Bend and planning for expanding the trailhead at Frog Holler Forest on Vashon Island, both of which are levy commitments.
Regional Trail Bridge and Trestle Program	$1,700,000	Inspections, load ratings, and repairs on bridges within Parks' regional trial bridge inventory.
Parks Interurban Trail South Improvement	$4,632,771	For asphalt spot repairs, access controls, signage, and striping along the Interurban Trail in the cities of Pacific, Algona, Auburn, Kent, and Tukwila to meet levy commitments.

Project	2023-2024	Description
Backcountry Trail Rehabilitation	$3,000,000	To support levy commitments at Cougar Mountain Regional Wildland Park, Green River Natural Area, Island Center Forest, Tolt MacDonald Park, and Taylor Mountain Forest as well as Moss Lake Natural Area.
Public Trails Pass Through	$5,804,478	To work with city partners 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).
Capital Improvements for Existing Regional Trails Program	$5,500,051	This 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.
Eastrail Parent Project	$9,052,245	To construct 16 miles of paved shared use path connecting Renton, Bellevue, Kirkland, Woodinville, and Redmond. The trail would also connect existing regional trails including the I-90 Trail, SR 520 Trail, Sammamish River Trail, Cedar River Trail, and Lake to Sound trail. The program includes rehabilitation of several major structures including the Wilburton Trestle, a new crossing over NE 8th St. in Bellevue, a bridge over the Wilburton “Gap” by WSDOT which includes partial funding support by King County, and renovation of a steel railroad bridge over I-90.

Capital Improvements and Major Maintenance Renovations. The budget proposal includes capital improvements and maintenance at the King County Aquatic Center, Skyway Park, utility systems, docks, ballfields, sport courts, and play areas around the County. Major capital improvements and maintenance renovations are shown in Table 3.

Table 3 – Proposed Capital Improvements and Major Maintenance Renovations

Project	2023-2024	Description
Aquatic Center	$3,200,000	Replacement of aging recreation pool HVAC and Water Heating System; LED Lighting in the main natatorium; Network and IT updates; reapplying protective coating to surfaces inside the building; and replacement of the banquet hall roof.
Ballfield and Sport Court Rehabilitation Program	$3,118,501	For levy commitments at Petrovitsky Park including design of drainage repair at two fields and construction at one field at Baseball Fields 3 and 4 and Big Finn Hill Park including ballfield fence repairs and replacement at Fields 1-4.
Ballfield Turf Replacement Program	$8,400,000	Synthetic turf replacement at Petrovitsky Park Soccer Fields 1 & 2; Ravensdale Park Fields 1 & 4; Preston Park Field 3; and Redmond Ridge Park Fields 1 & 3 to meet levy commitments.
Dockton Moorage Renovation Phase 2	$2,480,000	Infrastructure improvements at Dockton Park. Phase 2 will replace the existing breakwater; install new finger piers to replace the finger piers previously removed; and replace existing creosote-treated pilings supporting the pier and finger piers with galvanized and epoxy-coated steel pilings.
Marymoor Stormwater Facility	$1,000,000	For channel improvements including widening an existing drainage channel, replacing two undersized culverts, and adding bioinfiltration soil and plantings, thereby treating stormwater runoff prior to outfall into the Sammamish River.
Play Area Rehabilitation Program	$1,000,000	To support rehabilitation of play areas at Boulevard Lane Park and Maplewood Park, both of which are levy commitments.
Preston Snoqualmie Bridge Replacement	$2,100,000	Replace 195-feet long decommissioned timber railroad trestle structure with a new freestanding bridge. The bridge was heavily damaged during a winter landslide in 2021-2022.
Skyway Park	$1,500,000	Installations of two Portland Loo restrooms and improved fencing and safety netting for the northern ballfield to fulfill a levy commitment.

<u>State Legislature Move Ahead Washington transportation package.</u> These two projects would be revenue-backed by the Move Ahead Washington transportation package passed by the State Legislature in 2022. These are shown in Table 4.

Table 4 – Proposed Projects with State Legislature Transportation Package

Project	2023-2024	Description
Eastrail Renton Extension	$6,000,000	To continue the corridor south of the current terminus at Mile Post 5 to the entrance of Gene Coulon Park in Renton. This appropriation would support planning, preliminary design, and acquisition of property rights from Burlington Northern Santa Fe railroad. The total cost needed for this project would be $32 million. Future anticipated budget requests would be $10 million in 2025-2026 (design) and $16 million in 2027-2028 (construction).
Eastrail I-90 Steel Bridge	$12,000,000	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. This appropriation would support project management, consultant design, and a portion of construction. The total cost needed for this project would be $60 million. Future anticipated budget requests would be $5 million in 2025-2026 (design) and $50 million in 2027-2028 (construction).

<u>Grant programs.</u> The 2020-2025 Parks Levy established four new grant programs, three of which are housed within the Parks Capital fund. Additionally, the Community Partnerships and Grants program, which had previously been housed within the Parks and Recreation operating fund, is housed within Parks Capital as of 2020. Table 5 shows proposed appropriations for each of the four programs for the 2023-2024 biennium.

Table 5 – Parks Levy Grant Programs

Grant Program	2023-2024 Proposed	Program Description
Parks Cities Capital and Acquisition Grant	$9,242,287	Grants for cities, towns, and park districts to acquire open space or build park or recreation-related capital facilities. 22 applications were received, and grants have been awarded.
Open Space – River Corridors	$7,524,000	Grants for a wide range of entities to undertake multi-benefit projects in riparian corridors. 17 applications were received, and grants have been awarded.

Grant Program	2023-2024 Proposed	Program Description
Aquatic Facilities	$13,461,196	Grants for public entities to build new or improve existing aquatic facilities such as pools. 18 applications were received, and grants have been awarded.
Community Partnerships and Grants	$3,537,947	Grants for community-based organizations to plan, design, permit, and construct recreation facilities for public benefit. These projects are developed with local community partners, such as sports associations and recreation clubs, and have been awarded on a rolling basis.

Levy Reallocation. The proposed budget includes two projects that would reallocate Parks Levy funding, shown in Table 6.

Table 6 – Proposed Parks Levy Reallocations

Project	2023-2024	Description
Lake to Sound Trail Burien	$8,600,000	To support 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, $5 million of this request is a reallocation 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.
Green River Trail Extension	$9,193,341	For final design and necessary steps to advertise the project for construction by end of 2024. As detailed in the 2022 Levy Reallocation Report, $3.5 million of this request is a reallocation from the Lake to Sound Renton and Tukwila segments.

UPDATE: The proposed reallocations are shown in Table 7, which comes from the 2022 Parks Levy Reallocation Report.[2] The report includes prior reallocations approved in the 2021-2022 Biennial Budget.

Table 7 – 2022 Parks Levy Reallocation of Moneys

Proposed Reallocation of Moneys in Attachment C	2020-2025 ATTACHMENT C[1]	2020-2025 ORDINANCE 18890[2]	2020-2025 AUG 2022 FORECAST[3]	2020-2025 PROPOSED REALLOCATION[4]
2020-2025 Levy Proceeds (Gross)	$810,220,000	$810,220,000	$853,546,086	$853,546,086
Additional Assumed Costs	-$10,000,000	-$10,000,000	-$8,416,154	-$8,416,154
Total Revenues	**$800,220,000**	**$800,220,000**	**$845,129,932**	**$845,129,932**
Reimbursement of Election Costs	**$3,000,000**	**$3,000,000**	**$736,956**	**$736,956**
Available to Allocate to Levy Categories:	**$797,220,000**	**$797,220,000**	**$844,392,975**	**$844,392,975**
Seattle Aquarium	**$8,000,000**	**$8,000,000**	**$8,000,000**	**$8,000,000**
Pools	**$44,000,000**	**$44,000,000**	**$44,000,000**	**$44,000,000**
Aquatic Facilities Capital Grants	$36,000,000	$35,640,000	$35,560,000	$35,560,000
Weyerhaeuser King County Aquatic Center	$8,000,000	$7,920,000	$8,000,000	$8,000,000
Levy Administration Contribution - 1%	-	$440,000	$440,000	$440,000
Open Space River Corridors	**$22,000,000**	**$22,000,000**	**$22,000,000**	**$22,000,000**
Open Space Floodplains Grant Program	$22,000,000	$21,780,000	$21,780,000	$21,780,000
Levy Administration Contribution - 1%	-	$220,000	$220,000	$220,000
King County Parks Operating Fund	**$287,000,000**	**$289,288,000**	**$308,157,190**	**$308,157,190**
Parks Operations and Maintenance	$277,000,000	$279,288,000	$298,157,190	$298,157,190
Targeted Equity Grants	$10,000,000	$10,000,000	$10,000,000	$10,000,000
King County Parks Capital Program	**$340,220,000**	**$339,913,400**	**$362,084,698**	**$362,084,698**
Levy Administration Contribution - 1%	-	$3,399,134	$3,620,847	$3,620,847
Open Space Acquisition/Land Conservation	**$98,500,000**	**$97,427,121**	**$100,691,851**	**$100,691,851**
King County Open Space and Equity Lands	$78,000,000	$77,150,411	$79,882,929	$79,882,929

[2]2022-RPT0139

Stewardship of Lands Acquired (O&M)	$18,000,000	$17,803,941	$18,434,522	$18,434,522
Water Access Acquisition on Lake Washington	$2,500,000	$2,472,770	$2,374,400	$2,374,400
Regional and Other Public Trails System	**$165,650,000**	**$163,845,712**	**$168,128,407**	**$169,638,407**
Eastrail (Eastside Rail Corridor)	$50,500,000	$49,949,945	$51,719,076	$51,719,076
East Lake Sammamish Trail	$32,000,000	$31,651,451	$32,000,000	$40,498,143
Capital Improvements for existing Regional Trail System	$18,000,000	$17,803,941	$18,736,896	$11,609,373
Lake to Sound Trail	$16,000,000	$15,825,725	$16,386,242	$12,886,242
Green to Cedar Rivers Trail[4]	$9,000,000	$8,901,970	$9,217,261	$9,217,261
Green River Trail Extension - North	$6,000,000	$5,934,647	$6,144,841	$9,644,841
Regional Trails Acquisition	$2,000,000	$1,978,216	$5,632,771	$1,945,700
Interurban Trail South Investments	$5,500,000	$5,440,093	$5,632,771	$5,632,771
Foothills Trail	$5,000,000	$4,945,539	$5,000,000	$5,139,380
East Lake Sammamish Trail - Redmond Light Rail Extension	$4,000,000	$3,956,431	$4,096,560	$4,096,560
Wayne Golf Course Trail Connector Improvements	$2,000,000	$1,978,216	$1,945,700	$1,945,700
Soos Creek Trail	$4,000,000	$3,956,431	$4,096,560	$4,096,560
Other Regional and Public Trails	$11,650,000	$11,523,106	$11,650,000	$11,650,000
- Interurban Trail to Burke-Gilman Connection	*$7,500,000*	*$7,418,309*	*$7,500,000*	*$7,500,000*
- Kirkland Green Loop Trail	*$2,500,000*	*$2,472,770*	*$2,500,000*	*$2,500,000*
- Missing Link of Green River Trail	*$1,500,000*	*$1,483,662*	*$1,500,000*	*$1,500,000*
- Interurban Trail Connection (Milton)	*$150,000*	*$148,366*	*$150,000*	*$150,000*
Active Recreation and Other Park Repair and Renovation	**$41,500,000**	**$41,047,975**	**$42,501,815**	**$40,991,815**
Infrastructure Investments at 5 Sites	$12,500,000	$12,363,848	$12,801,751	$11,291,751
Ballfield Turf Replacement	$12,500,000	$12,363,848	$12,801,751	$12,801,751
Play Area Rehabilitation	$2,500,000	$2,472,770	$2,560,350	$2,560,350
Trailhead Access Improvement	$3,500,000	$3,461,877	$3,584,490	$3,584,490
Backcountry Trail Rehabilitation	$5,500,000	$5,440,093	$5,632,771	$5,632,771
Other Sport Court and Ballfields Rehabilitation	$5,000,000	$4,945,539	$5,120,701	$5,120,701
Urban Parks and Open Space Grant Program	**$25,000,000**	**$24,727,696**	**$25,603,503**	**$25,603,503**
Community Partnerships and Grants	**$9,570,000**	**$9,465,762**	**$9,801,021**	**$9,801,021**
King County Towns and Cities	**$60,000,000**	**$57,857,600**	**$61,631,438**	**$61,631,438**
Direct Pass-through to Towns and Cities	$60,000,000	$57,279,024	$61,015,124	$61,015,124
Levy Administration Fee - 1%	-	$578,576	$616,314	$616,314
Woodland Park Zoo	**$36,000,000**	**$36,161,000**	**$38,519,649**	**$38,519,649**
Direct Pass-through to Zoo	$36,000,000	$35,980,195	$38,327,051	$38,327,051

Levy Administration Fee - 0.5%	-	$180,805	$192,598	$192,598
Total Expenditures	**$800,220,000**	**$800,220,000**	**$845,129,932**	**$845,129,932**

1. This organizes the information in Motion 15378 - Attachment C (Appendix A in this report), in the categories of the financial plan for the Parks Levy sub-fund 1454.
2. This presents the originally planned amount of funds, allocated according to the percentages specified in the 2020-2025 Parks Levy enacting ordinance #18890. It slightly differs from Motion 15378 - Attachment C, due to rounding in Attachment C and the inclusion of a levy administration fee allowed by sub-section 4.E.5 of Ordinance #18890.
3. This presents the July 2022 forecast from the Office of Economic and Financial Analysis, allocated according to the 2020-2025 Parks Levy enacting Ordinance #18890, and proportionally allocated to each category of spending. The total allocation to the King County Parks Capital Program includes $11,737,256 that was transferred from the Parks Operating Fund to support construction of the Parks Central Maintenance Facility.
4. This presents a proposed reallocation of funds that is included in the 2023-2024 Executive Proposed Budget. It assumes the July 2022 forecast from the Office of Economic and Financial Analysis, allocated according to the 2020-2025 Parks Levy enacting Ordinance #18890, and proportionally allocated to each category of spending. The reallocation moves moneys from Lake to Sound Trail to Green River Trail Extension - North. The table also shows prior reallocations approved in the 2021-2022 Biennial Budget. Reallocations are highlighted.

KEY ISSUES

ISSUE 1 – EXECUTIVE PROPOSED REALLOCATIONS WITHIN CAPITAL FUND

Attachment C to Motion 15378 established a spending plan for moneys from the 2020-2025 Parks Levy. The motion requests the Executive to transmit a reallocation report by September 30th if a reallocation request is anticipated. The Executive transmitted a 2022 Parks Levy Reallocation Report on September 30, 2022, which proposes spending in variance to Attachment C to the Levy Motion. The report includes proposed reallocations of money within the Regional and Other Public Trails funding category, as described in Table 6, which would not impact the voter-approved percentage allocations of the levy.

Within the Regional and Other Public Trails System Portfolio, DNRP proposes reallocating $8.5 million from the Lake to Sound Trail Renton and Tukwila segments, with $5 million going to the Lake to Sound Burien Segment and $3.5 million going to the Green River Trail North Extension.

According to the report, operationalizing the Lake to Sound Burien Segment and the Green River Trail North Extension projects would significantly increase recreation access and mobility to King County residents and are on track to be completed by 2024. The projects require additional funding for construction due to cost increases, supply chain issues, and inflation.

The report also states that Lake to Sound Segments D, E, and F (Renton and Tukwila) are continuing to advance to the final design phase during this levy period. It states that construction of these segments is heavily dependent on acquiring property rights for trail rights-of-way in coordination with Burlington Northern Santa Fe railroad, the City of Renton, and WSDOT.

UPDATE: Executive staff have confirmed that reallocation of the money from Lake to Sound D-E-F would not impact the timing or completion of those segments.

Section A.3.b. of the levy motion indicates that "Of the allocation for the Lake to Sound Trail, if any funding remains after completion of the projects planned as of the date of adoption of this motion, or if any of this funding cannot be spent on those projects during the levy period, remaining funding will be allocated to the Soos Creek Trail project." Executive staff have confirmed that the Soos Creek Trail project is fully funded. The 2020-2025 Parks Levy Attachment C to the motion allocates $4 million into Soos Creek Trail. To date, $803,000 of that has been budgeted, with the remaining $3,293,560 proposed for 2023-2024 bringing the total to $4,096,560 based on the most recent levy forecast. Based on this forecast, the Soos Creek Trail project is fully funded, and additional money is not needed. A portion of this trail is expected to be constructed in Spring of 2023 by a developer through an agreement with King County.

<u>Solid Waste Landfill Post-Closure Maintenance Fund</u>

Analyst: Terra Rose

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$4,266,112	$3,138,706	1.0	0.0
2023-2024 Base Budget Adjust.	$49,779	$0	0.0	0.0
2023-2024 Decision Packages	$39,899	$1,273,775	0.0	0.0
2023-2024 Proposed Budget	**$4,356,000**	**$4,413,000**	**1.0**	**0.0**
% Change from prior biennium	2.1%			
Dec. Pkg. as % of prior biennium	0.9%			

Major Revenue Sources: Disposal fees

Base Budget Assumptions: (1) Remove 2021-2022 one-time changes; (2) annualize supplemental changes; and (3) update personnel rates

<u>Description</u>

The Solid Waste Division is responsible with the maintenance and monitoring of seven closed landfills located in King County. All closed landfills with the exception of the Vashon-Maury Island landfill have met the obligatory number of years of post-closure care determined by state law. Despite having exceeded the required monitoring period at most sites, the state Department of Ecology has not yet authorized the County to terminate maintenance and monitoring. The Solid Waste Post-Closure Maintenance Operating fund 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.

<u>Summary of Proposed Budget and Changes</u>

The Solid Waste Post-Closure Landfill Maintenance budget is proposed to increase by 2.1 percent relative to the 2021-2022 Revised Budget. Budget materials indicate that this increase is largely driven by central rate adjustments.

<u>Key Issues</u>

Staff have not identified any issues for this budget.

<u>UPDATE:</u> No updates from the Week 1 staff report.

Solid Waste Operating

Analyst: Terra Rose

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$316,133,860	$301,971,444	452.4	8.5
2023-2024 Base Budget Adjust.	$27,190,766	$4,885,978	0.0	(5.5)
2023-2024 Decision Packages	$16,401,439	$44,458,886	13.0	1.0
2023-2024 Proposed Budget	**$359,727,000**	**$351,317,000**	**465.4**	**9.5**
% Change from prior biennium	13.8%			
Dec. Pkg. as % of prior biennium	5.2%			

Major Revenue Sources: Disposal fees

Base Budget Assumptions: (1) 4.0% GWI for 2023 and 2024; (2) Removal of one-time reductions in transfers to the Landfill Reserve Fund and the Capital Equipment Recovery Fund.

Description

The Solid Waste Operating 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. A new fee schedule for 2023 and 2024 was approved by the Council earlier this year.[1] Executive staff anticipate increasing fees by approximately 9.6 percent each year between 2025 and 2028.

Summary of Proposed Budget and Changes

The 2023-2024 proposed operating budget for SWD would increase by approximately 13.8 percent and a net of 13 FTEs would be added, relative to the 2021-2022 Revised Budget.

According to the budget materials, most of the increase is driven by the additional costs associated with the proposed new positions and central rate adjustments. The proposed positions to be added, including position descriptors and a brief justification from Executive staff is provided in the following table. As noted in the table, three Local

[1] Ordinance 19497

Hazardous Waste Management Program FTEs that are currently housed in SWD would be moved to the Water and Land Resources Division (WLRD) as part of an effort to consolidate some LHWMP staff from SWD and the Environmental Health Division of Public Health in one County agency. This proposal is described further in the LHWMP staff report.

Position Title	Executive Justification	# of FTEs
Human Resources Supervisor	This position would focus on supervisory tasks and would allow the current recruitment lead to move back to being a primary recruiter. Executive staff indicate it would add value, leadership, and growth capacity to a large, high volume HR team. Executive staff indicate that approximately 138 employees of their more than 400 employees are currently eligible to retire or will be within five years.	1.0
Labor Relations Representative	Needed to accommodate the steady and high volume of labor relations work. Executive staff indicate there are 13 bargaining units covered under 9 separate contracts.	1.0
Training Coordinator	This position would work with managers, supervisors, and sections to identify gaps and training needs; develop training programs/plans/curriculum or identify external resources. Executive staff indicate this position will support SWD's goal of being an "employer of choice" and minimizing risk.	1.0
Landfill Gas Operator	Needed to respond to increased workload from new state law regarding methane emission standards and reporting for landfills.	1.0
ESJ Facilitator	These positions would develop and implement ESJ plans and reviews, conduct community outreach, and facilitate ESJ-related meetings. According to Executive staff, there is no existing staff capacity to support this work, so some of the work is being done by consultants or not at all.	2.0

Position Title	Executive Justification	# of FTEs
Green Building and SCAP Support Project Program Manager	Needed to help implement the priority actions of the updated Green Building Ordinance adopted by the Council earlier this year and the SCAP, as well as provide technical assistance to the Zero Energy/Living Building Challenge-certified projects.	1.0
Construction & Demolition (C&D) Diversion Project Program Manager	Needed to help improve C&D performance countywide and for internal County capital projects. In 2020, the county averaged a 70% diversion rate when the SCAP goal for 2022 is 80%. The position would be funded through C&D disposal fee revenues.	1.0
Re+ Implementation Project Program Manager	Would support the implementation of the Re+ initiative and allow staff currently leading this work to be able to shift their effort to updating the Comprehensive Solid Waste Management Plan.	1.0
Capital Construction Inspection and Quality Assurance Engineer	Will ensure contractor and consultant construction managers are performing per design, specifications, and contract agreements. Executive staff indicate this position would provide oversight to keep projects on schedule.	1.0
Asset Management Engineer	These positions would manage maintenance and repair for SWD assets at the transfer stations and drop boxes. Executive staff indicate this body of work is currently staffed by unbudgeted TLTs.	2.0
Supervisory Control and Data Acquisition (SCADA) IT Staff	This position would manage the Division's SCADA software and equipment and, according to Executive staff, is needed as a liaison between KCIT and SWD.	1.0
Capital Project Manager (TLT conversion)	Workload for this TLT is expected to continue beyond the allowable duration and an FTE is needed to support intensive capital portfolio in coming years.	1.0
Administrator (TLT conversion)	This TLT position provided technical writing support utilized by all work units. Executive staff indicate that ongoing technical writing support is needed.	1.0

Position Title	Executive Justification	# of FTEs
Local Hazardous Waste Management Program (LHWMP) Staff	Reflects approved Management Coordination Committee budget for LHWMP	1.0
Local Hazardous Waste Management Program (LHWMP) Staff	Proposed budget would move 3.0 LHWMP FTEs currently housed in SWD to the Water and Land Resources Division	(3.0)
	Net Change	13.0

KEY ISSUES

ISSUE 1 – PROJECT MANAGEMENT OFFICE STAFFING CHALLENGES

SWD is in the middle of an intensive capital construction period of approximately $770 million in infrastructure projects between now and 2028. These include construction of two recycling and transfer stations, landfill expansion projects that require construction of new permanent staffing facilities, and electrification efforts, among others described in staff reports for the solid waste capital funds. The Executive is proposing in this budget to add two new facilities ~~projects~~ to the portfolio – a co-digestion pre-processing facility and the potential redevelopment of the Renton Transfer Station. Additionally, the six-year fee model for the most recent fee increase ordinance adopted by Council assumed that in a future biennium that SWD would add another new facility, a mixed waste processing facility that takes municipal solid waste and further separates materials following curbside collection. Further, planning for the next disposal method following the ultimate closure of the Cedar Hills landfill will also need to be undertaken in the near-term and which may also require capital construction.

On September 23, 2022, the King County Auditor issued a management letter that indicated that "Increased risk, cost, and potential for service disruptions are likely with King County Solid Waste Division's (SWD) permanent support facilities project at the Cedar Hills Regional Landfill."[2] The letter indicates that staffing challenges at SWD place projects at risk of cost and schedule overruns, noting that as of July 2022, nearly half of the positions within SWD's Project Management Office, the office responsible for managing capital projects, are vacant. According to the letter, these staffing challenges place all SWD projects at risk of being delivered late or at increased cost because staff workload may not allow sufficient time to adhere to project management best practices given that project managers are assigned to multiple large capital projects.

Council staff have requested an update on the Project Management Office vacancy rate and efforts to fill the vacant positions and the capital project-related personnel proposed to be added by this budget.

[2] https://kingcounty.gov/depts/auditor/auditor-reports/cpo/swd-cedar-hills.aspx

UPDATE: Council staff received additional information following the publication of the Week 1 staff report from Executive staff, who indicated that they have prioritized filling career service positions and all these positions have either been filled or are in the application review stage. According to Executive staff, there are 4 TLT positions that are open that will be advertised following onboarding and training of the career service and more senior level staff.

Executive staff also note that management is meeting regularly to prioritize projects and tasks until they are fully staffed, given the current limited staff resources. Additionally, Executive staff indicate that the use of external consultants, as well as hiring recently retired staff on a part-time basis, is helping to bridge the resource gaps for these and other projects temporarily. For projects anticipated in future budget requests, such as the mixed waste processing and the next disposal method, Executive staff state that staffing needs will be analyzed and discussed in future fee ordinances and budget proposals. Further, Executive staff indicate that they are evaluating the use of TLTs due to general difficulty in hiring TLTs versus career service and will be considering conversion of TLTs to FTEs to help ensure the stability of the Project Management Office and deliver on the capital projects.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: ARE THERE ANTICIPATED DELAYS FOR ALREADY-APPROVED CAPITAL PROJECTS IF NEW CAPITAL PROJECTS ARE APPROVED GIVEN THE STAFFING CONSTRAINTS IN THE PROJECT MANAGEMENT OFFICE?

ANSWER: As noted in the update above, Executive staff indicate that they have been prioritizing filling career services positions and all career services positions have been filled or are in the application review stage. According to Executive staff, there are four TLT positions that are open that will be advertised following onboarding and training of the career service and more senior level staff. Executive staff also noted that management is meeting regularly to prioritize projects and tasks given the current limited staff resources and that the use of external consultants and hiring recently retired staff on a part-time basis is helping to temporarily bridge the resource gaps. Executive staff indicate that they expect that filling the vacancies will provide the capacity to do new projects such as the Co-Digestion Pre-Processing Facility and the redevelopment of the Renton Transfer Station.

LOCAL HAZARDOUS WASTE

ANALYST: TERRA ROSE

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$42,567,460	$35,070,130	0.0	0.0
2023-2024 Base Budget Adjust.	($650,000)	$1,437,496	0.0	0.0
2023-2024 Decision Packages	$1,968,232	$1,406,032	0.0	0.0
2023-2024 Proposed Budget	**$43,886,000**	**$37,914,000**	**000.0**	**000.0**
% Change from prior biennium	3.1%			
Dec. Pkg. as % of prior biennium	4.6%)			

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

Base Budget Assumptions: Removal of a one-time grant program

DESCRIPTION

The Local Hazardous Waste Management Program (LHWMP) provides services to the 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), with representation from participating county agencies and cities. The MCC was established by the King County Board of Health based on the Board's authority contained in state law.[1] The MCC is charged with recommending LHWMP's management plan and budget, and recommending contracts with the City of Seattle, suburban cities, sewer district or other governments or entities located entirely or partially within 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 LHWMP budget is proposed to increase by a net of $1.3 million, or 3.1 percent, relative to the 2021-2022 Revised Budget. Budget materials indicate that this increase is attributable to the approximately $2.0 million of additional expenditure authority which would maintain program services at 2021-2022 levels while accounting for increases in costs of program partners less a one-time grant program of $650,000.

[1] RCW 70.05.060 and 70.95.160

According to Executive staff, this fund is essentially a pass-through in which revenues are collected and transferred to the partner agencies – the Water and Land Resources Division (WLRD), the Solid Waste Division (SWD), Environmental Health (EH), and Seattle Public Utilities (SPU). While this appropriation unit has no FTE authority due to being a pass-through fund, of note is a partial LHWMP staff consolidation that would be effectuated through changes in other appropriation units. The Executive 2023-2024 budget proposes moving a portion of LHWMP employees from EH (5.0 FTE) and SWD (3.0 FTE) into WLRD as a new section to provide more streamlined management. Specifically, Executive staff indicate this change is anticipated to result in centralized and streamlined support systems in human resources, finance, supervision of staff, and management oversight, as well as less confusion for staff. According to Executive staff, this proposal does not change the vision, services, work program, recently adopted Comprehensive Plan, or mission of LHWMP. Additionally, collection, residential services, research, and other services will continue to be provided by SPU, EH, and SWD. Executive staff indicate that they've engaged with MCC, the Sound Cities Association, County staff, and labor unions on this proposal.

Proposed Ordinance 2022-0378, which was transmitted with the proposed budget, would move the management of this fund from Public Health to the Department of Natural Resources and Parks.

KEY ISSUES

Staff have not identified any issues for this budget.

UPDATE: No updates from the Week 1 staff report.

Solid Waste Capital Equipment Recovery Fund

Analyst: Terra Rose

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$10,000,000	$14,000,000	$13,000,000
Expenditures	$10,000,000	$14,000,000	$13,000,000

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 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 $10.0 million for the maintenance and replacement of rolling stock (e.g., long-haul trucks and trailers) and stationary compactors. This represents an increase of approximately $2.8 million relative to the 2021-2022 budget, which proposed drawing down the fund balance to accommodate the lower transfer amount than the 2019-2020 biennium.

Key Issues

Staff have not identified any issues for this budget.

UPDATE: No updates from the Week 1 staff report.

SOLID WASTE CONSTRUCTION CAPITAL FUND

ANALYST: TERRA ROSE

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$176,013,913	$50,416,994	$123,753,074
Expenditures	$176,013,913	$50,416,994	$123,753,074

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 $176.0 million for projects related to recycling and transfer stations, projects at the closed landfills under the custodial care of the County, and new projects related to electrification and a co-digestion pre-processing facility. This is an increase of approximately $77.6 million relative to the 2021-2022 adopted budget. Noteworthy proposed expenditures are described below.

South County Recycling and Transfer Station (SCRTS): $75.6M. This previously approved project will, when complete, replace the 1960s-era Algona Transfer Station with a new transfer station expected to offer new recycling services, waste compaction to reduce hauling trips, and be enclosed to contain noise, odor, and dust. This project is consistent with the direction in the Comprehensive Solid Waste Management Plan.[1]

According to budget materials, this appropriation would support the project through construction and project close-out, which is delayed by approximately two years and is now expected to open in 2026. The new estimate at completion has increased from $144.0 million estimated in the 2021-2022 budget materials to approximately $201.0 million. Executive staff attribute the increase in costs to a number of sources: Covid-19 impacts, higher salaries, and supply chain issues ($4M); inflation ($7M); additional project elements identified moving from 60 percent to 90 percent design ($25M);

[1] Ordinance 18893

extended construction duration ($10M); higher contractor mark-ups ($10M); and increases in art and ESJ contributions ($2.5M).

Northeast Recycling and Transfer Station (NERTS): $7.7M This previously approved project would construct a new recycling and transfer station in Northeast King County at a site to be determined to replace the 1960s-era Houghton Transfer Station located in Kirkland, consistent with the direction in the adopted Comprehensive Solid Waste Management Plan.[2] The new station is expected to offer additional recycling services, waste compaction, and be enclosed to contain noise, odor, and dust.

Budget materials indicate that this appropriation would support the planning and preliminary design phases of the project. SWD engaged in a siting review process with cities and community representatives and have narrowed the potential sites to two in Kirkland and one in Woodinville. Executive staff stated earlier this year that they expect to issue the final Environmental Impact Statement (EIS) and site selection by mid-2024. The station is anticipated to be complete and open in 2029. The estimated total cost at completion is approximately $178.9 million.

Cedar Hills Regional Landfill Facilities Relocation: $31.8M. This previously approved project would relocate existing administrative and maintenance facilities that are in the southeast portion of the Cedar Hills landfill to develop new disposal capacity. Budget materials indicate that some facilities will be moved to another location within the Cedar Hills boundary, such as in the buffer, and others will be moved offsite. The Final EIS for landfill development was issued in March 2022 with three facility relocation alternatives that are currently being evaluated.

This appropriation would support final design of the permanent facilities and the beginning of the implementation phase. Executive staff indicate that SWD is moving forward with designing a permanent facility in the southern buffer of the landfill. For this to occur, it is anticipated a Special Use Permit will be needed, with action by the Hearing Examiner and Council estimated in late 2023 and early 2024. Executive staff also note that staff are expected to be relocated to interim facilities during construction of the permanent facilities beginning in 2023 and budget materials indicate that they may be in these interim facilities for up to five years.

The estimated total cost at completion of the permanent facilities provided in the budget materials is approximately $96.7 million. However, Executive staff noted during deliberations on the solid waste fee ordinance earlier this year that the actual costs for this project will potentially be higher when more accurate estimates are available at 30 percent design.

On September 23, 2022, the King County Auditor issued a management letter that indicated that "Increased risk, cost, and potential for service disruptions are likely with King County Solid Waste Division's (SWD) permanent support facilities project at the

[2] Ordinance 18893

Cedar Hills Regional Landfill."[3] The letter goes on to note that SWD is unlikely to deliver the permanent support facilities on the current schedule, and delays may increase project costs and could cause disruptions to waste disposal. Among other issues, the letter cites staffing challenges and notes that as of July 2022, nearly half of the positions within SWD's Project Management Office, which is responsible for managing capital projects, are vacant. According to Executive staff, if permanent facilities are not constructed in time, lease extensions at the one rental interim facility may be needed and employees at other county-owned interim facilities may also need to stay at those locations longer. Executive staff indicate that plans for what to do if Area 9 is not complete by the time other areas are filled are ongoing.

The letter makes eight recommendations that the Auditor says are to address unresolved challenges and improve transparency of the project schedule and costs. SWD concurred with all eight recommendations in their agency response.

Electric Vehicle Infrastructure: $9.0M Executive staff indicate that this appropriation is for a new project that would do two things: (1) develop an electrification infrastructure plan that would cover the full transition to electrification for SWD in the coming biennia; and (2) design and construct the infrastructure necessary for electrification of the Division's transfer of waste from the transfer stations to the landfill by Class 8 tractors (e.g., capital improvements to increase electric power load). Budget materials indicate that vehicle electrification will help meet the goal in the Strategic Climate Action Plan for the Division to be carbon neutral by 2025 by eliminating approximately 11,000 MTCO2e.

According to Executive staff, the replacement of Class 8 vehicles is not included in this appropriation, nor is the design and construction of infrastructure to support fleet vehicle electrification. No additional appropriations for this scope of work are expected according to budget materials.

Maintenance and Monitoring Projects for Closed Landfills: $21.1M The proposed budget includes a series of project appropriations related to installing or modifying environmental control systems, landfill covers, and other maintenance and monitoring systems at closed landfills. Executive staff previously indicated that closed landfill projects are geared towards moving landfills out of post-closure care and that once this occurs, the routine activities funded by the Landfill Post-Closure Maintenance fund can be stopped and the properties can be considered for secondary beneficial use.

KEY ISSUES

ISSUE 1 – RENTON TRANSFER STATION REDEVELOPMENT: $3.2M

The proposed budget would appropriate $3.2 million for a new capital project to identify, design, and implement new uses of the Renton Recycling and Transfer Station that are

[3] https://kingcounty.gov/depts/auditor/auditor-reports/cpo/swd-cedar-hills.aspx

more aligned with County goals for waste diversion and recycling. Council staff has identified this project as a key issue due to the Council's historical interest in potential service changes at transfer stations.

The proposed appropriation would support the planning and preliminary design of modernizing the station or redevelopment into a different type of resource recovery facility. Executive staff note that preliminary possible options could include:

- modernizing the station for expanded recycling and compaction;
- redeveloping the site to host a food waste slurry preprocessing plant for anaerobic or co-digestion, salvaged lumber warehouse, mattress recycling facility, an EcoPark[4]; or
- co-locating more than one of the recycling facilities listed in the previous bullet.

According to Executive staff, the Renton station was constructed in the 1960s and is a top load station without compaction and limited recycling services (e.g., facility does not accept yard/wood waste, scrap metal, etc.). Once NERTS and SCRTS are complete, the Renton station will be the oldest and only remaining transfer station from the 1960s not currently planned for replacement with a more modern facility. They further state that redeveloping this site for other reuse, recycling, and waste diversion purposes is consistent with a more circular economy, would reduce the number of truck trips to transport waste to Cedar Hills due to diverting garbage from the Renton station to stations with compactors, and improve safety by designing out current risks of a top load station. However, Executive staff also indicate that the costs associated with redevelopment would put upward pressure on fees during a time of already high growth in the capital program and would require self-haulers and commercial waste haulers to travel further to dispose of locally-collected waste. This may, according to Executive staff, increase the curbside bills of residents living closest to the station.

The adopted 2019 Comprehensive Solid Waste Management Plan[5] included recommended action 2-t, which stated: "Although approved for closure under the Solid Waste Transfer and Waste Management Plan, reserve the option to retain the Renton station until the new urban transfer facilities have been completed and the impact of closure has been fully evaluated."[6] Executive staff cite the opening of the Bow Lake and the Factoria Recycling and Transfer Stations and note that the tons from the Renton station could be absorbed by these stations. Council staff have inquired about the analysis conducted by SWD supporting this statement and also why SWD does not plan to wait until the SCRTS and NERTS projects are complete to evaluate the potential closure.

[4] Executive staff indicate that EcoParks often co-locate a variety of waste reduction and recycling facilities that can be mutually beneficial to each other. For example, part of the site could be a recycling depot for bulky items and tools and another part of the site takes these materials and repairs/refurbishes them for use.
[5] Ordinance 18893
[6] Att A Page 123

Executive staff expect to engage with the City of Renton, the King County Council, waste haulers that use the station, County staff, and other County agencies near the station in the next month or so. Executive staff also expect to engage community members and gather community input to inform the decision for the site. According to Executive staff, a decision for the use of the site would be expected to be made in 2024 and a capital budget request would be submitted to the Council to support the completion of the design and implementation. It is currently unclear what other Council action may or may not be necessary to close the Renton station, redevelop the site's purpose, or cease acceptance of certain types of waste like garbage.

Council staff analysis is ongoing.

UPDATE: As noted in the Week 1 staff report, Council staff requested more information supporting the assertion that the Bow Lake and Factoria Recycling and Transfer Station could absorb the Renton tonnage should the station stop accepting garbage. Executive staff provided information following the publication of the Week 1 staff report noting that for the analysis, they looked at Bow Lake, Factoria, and Renton tonnage in 2019 and 2020 and assumed that 2/3 of the Renton tonnage would go to Bow Lake and 1/3 of the tonnage to Factoria. Over a year's time, Executive staff estimated that there were only up to 5 days at Bow Lake and 0 days at Factoria where tonnage would exceed the capacity for a single day. They note that these projected exceedances were typically during holiday weekends and that the average number of truck loads over capacity are between three and five loads. According to Executive staff, SWD has discussed the potential overage days with the Operations staff, and they have plans in place for what to do should this happen if the Renton station stops accepting waste. Specifically, Executive staff note that they can divert one to two drivers to an alternative station with larger capacity and lower usage since each driver can take between three to four trips each day.

Additionally, Executive staff indicated that they don't think it is necessary to wait until the SCRTS and NERTS projects are complete because they assume that Renton customers would choose to go to the Bow Lake and Factoria stations because those are the stations closest to Renton.

With the information provided by Executive staff, Council staff analysis is now complete.

ISSUE 2 – CO-DIGESTION PRE-PROCESSING FACILITY: $11.1M

The proposed budget would appropriate approximately $11.1 million for a new capital project to site and build a structure that could house a pre-processing facility where commercial food waste is turned into a slurry. Executive staff indicate that this slurry can then be taken to an anaerobic digestor or co-digested with other organic material where methane is then captured and converted to a renewable energy product. Executive staff anticipate that they expect a third party would rent the space at this structure to operate a digester and the Division would receive rental income. Council staff has identified this project as a key issue due to potential unknowns surrounding the project, including third party interest, the potential challenges in siting an additional solid waste facility in King County, and unclear benefits to ratepayers.

According to Executive staff, HB 1799 passed by the Washington State Legislature this year mandated commercial food waste be collected as a separate stream beginning in 2024. Executive staff anticipate that approximately 50,000 tons of food waste in King County is currently disposed that could be diverted, which includes businesses that will be subject to the new state collection requirement. Executive staff indicate that in 2021, data showed that regional processing capacity for organic materials was close to 80 percent. They further state that while there is capacity now to compost the projected commercial food waste for the next few years, more capacity will be needed when the permitted capacity for composting will be reached by the early 2030s. Budget materials indicate that the proposed facility would help expand the regional organics management opportunities.

The proposed appropriation would support the planning and design phases of the project and potentially some implementation. Budget materials indicate that the appropriation request is scaled in order to move quickly on developing a structure to house a co-digestion pre-processing facility due to the new state law requiring organics diversion and the approaching County goal of zero waste of resources by 2030. The current estimated total cost at completion is approximately $19.6 million. The materials also state that a location for this facility has not been identified yet and so an additional appropriation may be necessary.

Council staff have requested additional information about the business case for this project, specifically on what has been done to gauge the existence of third-party interest in leasing this future space, why urgency is warranted when organics processing capacity is not expected to be reached until at least 2030, and what sort of siting process is expected given potential challenges in siting an additional solid waste facility. Additionally, Council staff have inquired how this capital project specifically benefits feepayers as it would be supported by revenues from garbage disposal fees and not fees paid for organics collection and disposal.

The Executive's proposed 2023-2024 budget also includes a related appropriation in the Wastewater Treatment Division capital budget of approximately $2.0 million to design and construct organics processing infrastructure for co-digestion of wastewater solids and food waste at the South Treatment Plant in Renton. Council staff has inquired about the relationship between the two projects.

Council staff analysis is ongoing.

UPDATE: As noted in the Week 1 staff report, Council staff requested more information about this project, specifically about how SWD gauged third party interest, the expected siting process for this additional solid waste facility, an explanation of benefits to County feepayers, and how this project appropriation relates to a related capital appropriation requested by the Wastewater Treatment Division. Executive staff provided additional information about this project's general concept and in response to Council requests, which are summarized below.

Executive staff indicate that this project is still in the pre-planning phase and they will know more about what direction to ultimately pursue after the alternatives analysis is complete. Essentially, according to Executive staff, the overall concept for this project is for SWD to build a building that a third party would operate out of under a typical leasing arrangement where SWD owns the building and the third party pays rent.

Business Case and Third-Party Interest. Executive staff indicate that the Division completed a Request for Information process to see how the new commercial food waste anticipated from the state law could be processed and conducted market research discussions with third parties that provide processing services. Executive staff further state that in 2023, they are going to launch technical assistance to food waste generating businesses that are starting to separate food waste or would like to increase their separation rate. They anticipate more businesses making the transition before the state requirements are in place. According to Executive staff, it will take time to go through the siting and permitting process, as well as time to secure customers to a new way of doing business and that the longer they wait, the less likely it is to secure a level of organics material (also referred to as "feedstock") since relationships will already be established with businesses.

Expected Siting Process. According to Executive staff, the standard siting process for capital projects is anticipated to be used, and siting new projects typically requires a detailed community engagement plan. Executive staff also indicate that the site could be land that the County already owns, such as the Renton Transfer Station, as that may be easier than siting a solid waste facility somewhere new.

Indirect Benefits to Feepayers. As noted in the week 1 staff report, this project is anticipated to be mostly supported by revenues from garbage disposal fees as the County only receives limited fees related to organics.[7] Executive staff indicate that using garbage disposal fee revenues for non-garbage expenses is in alignment with the 2019 Comprehensive Solid Waste Management Plan, specifically citing the financial policy that states to "Keep tipping fees as low as reasonable, while covering the costs of effectively managing the system, protecting the environment, encouraging recycling and providing service to customers." They also indicate that historical and current practice has been to spend disposal fees on both garbage and non-garbage related actions and that this project is in support of the County's adopted goal to achieve zero waste of resources by 2030. However, Council staff is not currently aware of any prior capital project that has no garbage component to it, so this may represent a policy shift in how disposal revenues are used for capital expenditures. Additionally, it is currently unclear if this facility would be limited to the County's service area customers, as is the case

[7] Council staff's current understanding is that organics revenue is limited to fees for accepting yard and wood waste at transfer stations, but are confirming with Executive staff.

with transfer stations, which are restricted by customer address. If not, it therefore may be possible that organics from customers in the City of Seattle could be processed at this future facility without contributing financially.

Relationship to the WTD Project. The week 1 staff report noted that the Executive's proposed budget also includes a related appropriation in the Wastewater Treatment Division (WTD) but the relationship between the two projects was unclear. Executive staff indicate that SWD and WTD have a joint project charter to get the planning work started and that one of the first steps will be to analyze the best use of the commercial food waste and if there is a business case to send it through co-digestion at WTD's South Plant following pre-processing. If this is determined to be the preferred use, Executive staff indicate that all the slurry processed by the third party would go to WTD.

Risks and Issues. Executive staff indicate that it has not yet been determined whether a contract with a third party would be executed before initiating construction of the building. Therefore, there may be some risk that third party interest doesn't ultimately materialize as anticipated or that the building is not constructed to needed specs for a given third party. According to Executive staff, the alternatives analysis to be completed for the project will determine if it would make sense for SWD to take on operation of the pre-processing facility as opposed to a third party.

Further, while Executive staff indicate that potential processors *may* need support in finding a location, it is unclear to what extent securing a suitable building is a significant barrier for organics processing entities to enter the market in King County relative to other barriers such as related to permitting or contamination concerns. It is unknown whether this County investment is necessary to entice the private sector activity in this space or if it would happen without the proposed project.

Given the unknowns related to the leasing arrangement, there also may be some uncertainties in the estimated project capital and operation costs. If the Division decides, for example, to purchase and operate the processing equipment itself, there may be additional capital and operating costs than if a third party leased the space.

With the information provided by Executive staff, Council staff analysis is now complete.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: FOR THE SCRTS PROJECT, WHY THE INCREASED COSTS NOW? ARE THESE INCREASES PART OF THE SCHEDULE OR PRIORITIZATION OF PROJECTS?

ANSWER: As noted in the staff report, the proposed appropriation would support the SCRTS project through construction and project close-out, which are the final phases to complete the project and which are delayed by approximately two years. During the deliberations on the solid waste fee ordinance adopted by Council earlier this year, Executive staff provided the following reasons for delay: permitting delays due to

COVID-19 restrictions and staffing shortages at the City of Algona; changes in permitting rules from the Army Corps of Engineers; design delay due to ongoing stream alignment design coordination with the Muckleshoot Indian Tribe; and ongoing utilities design coordination with Puget Sound Energy. Executive staff attribute the increase in costs above earlier projections to several sources: COVID-19 impacts, higher salaries, and supply chain issues ($4M); inflation ($7M); additional project elements identified moving from 60 to 90 percent design ($25M); extended construction duration ($10M); higher contractor mark-ups ($10M); and increases in art and ESJ contributions ($2.5M).

QUESTION 2: FOR THE CEDAR HILLS RELOCATION PROJECT APPROPRIATION, WHAT WOULD PROLONGED USE OF THE RENTAL INTERIM FACILITY MEAN FOR SERVICE IN THE AREA? ARE THERE ANY UPDATES ON CONTINGENCY PLANS IF THE PERMANENT FACILITIES ARE NOT READY IN TIME AND/OR AREA 9 IS NOT READY WHEN THE OTHER LANDFILL AREAS ARE FILLED?

ANSWER: Executive staff previously indicated that if permanent facilities are not constructed in time, lease extensions at the one rental interim facility may be needed and that employees at the other County-owned interim facilities may also need to stay at those locations longer. Executive staff also stated that they are currently working on plans for what to do if Area 9 is not complete by the time other areas in the landfill are filled to capacity.

According to Executive staff, prolonged use of the interim facility would not impact Cedar Hills operation, noting that the Renton site was specifically selected because of its proximity to the landfill and the ability to meet maintenance needs for operations there. If by "service in the area" the Councilmember is interested in impacts to curbside service in the Renton or Maple Valley area, there will be no impacts given that the Solid Waste Division does not perform curbside collection.

QUESTION 3: FOR THE ELECTRIC VEHICLE INFRASTRUCTURE PROJECT APPROPRIATION, HOW IS IT DETERMINED WHICH AGENCY IS RESPONSIBLE FOR IMPLEMENTATION (E.G., FMD VERSUS SWD)?

ANSWER: Executive staff indicate that electrification for functions related to unique agency operation are implemented by the agency since they best understand their own operational needs (e.g., SWD for towing load needs, Metro for electric buses, etc.). The proposed appropriation for vehicle electrification infrastructure focuses specifically on two things: 1) developing an electrification infrastructure plan that would cover the full transition to electrification for SWD in the coming biennia; and 2) design and construction of the infrastructure necessary for electrifying the Division's transfer of waste from the transfer stations to the landfill by Class 8 tractors, which is a key function of the Division. This appropriation does not, for example, support fleet or other vehicle electrification infrastructure according to Executive staff, though general planning may be covered by the infrastructure plan described above. Additionally, Executive staff indicate that they have reviewed infrastructure reports from Metro's experience, and they are coordinating with other Divisions inside the Department of Natural Resources and FMD, as applicable.

QUESTION 4: FOR THE CO-DIGESTION PRE-PROCESSING FACILITY, COULD THE DIVISION DO THE PROCESSING/DIGESTION WORK ITSELF INSTEAD OF LEASING THE PROPOSED SPACE TO A THIRD PARTY? HOW WILL UNKNOWNS RELATED TO THIRD PARTY INTEREST AFFECT THE COUNTY'S ABILITY TO EXPAND ORGANICS PROCESSING CAPACITY?

ANSWER: Executive staff indicate they are analyzing options as part of an alternatives analysis and one option could be for SWD to do the processing/digestion work instead of leasing to a third party. While they expect there will be third party interest in processing the food waste anticipated from the statewide organics bill given their market research and RFI issued, the alternatives analysis will help inform if it makes sense for SWD to take this on instead.

LANDFILL RESERVE CAPITAL FUND

ANALYST: TERRA ROSE

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$128,333,321	$74,838,886	$39,235,100
Expenditures	$128,333,321	$74,838,886	$39,235,100

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 operating 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 $128.3 million for capital projects at the Cedar Hills Regional Landfill, an increase of $93.2 million relative to the 2021-2022 adopted budget. 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 some of the specific projects and their appropriations are described below. The proposed budget would also appropriate $5.2 million for replacing miscellaneous aging landfill infrastructure (e.g., groundwater monitoring wells);

Landfill Area Closure and Expansion Projects: $61.6M The proposed budget would appropriate approximately $61.6 million for the series of projects listed in the following table related to closure of existing landfill areas and the expansion of the landfill as directed by the adopted Comprehensive Solid Waste Management Plan.[1]

[1] Ordinance 18893

Project #	Project Name	FY23-24 Proposed
1112415	Area 8 Closure	$18,677,199
1129848	Area 5 Top Deck Development and Closure	$13,635,250
1133923	Area 9 New Area Development	$7,908,000
1143775	Sound Wall	$7,776,946
1144290	Area 6 Top Deck	$13,635,250
	TOTAL	**$61,632,645**

A Final EIS for landfill development was issued in March 2022 that presented a no action alternative, as well as three landfill development scenarios that are expected to extend the capacity between nine and eighteen years, which would provide a potential closure date range of 2037 to 2046. Executive staff indicate that a decision on the selected alternative is expected in October 2022.

According to Executive staff, Area 8 is expected to reach capacity pending tonnage forecast updates and emergency waste acceptance assistance to other regional partners. Previously, Executive staff indicated that given the remaining capacity in the existing areas of the landfill, construction of the new landfill area referred to as "Area 9" must be complete by the end of 2025 so that it is ready to accept waste in 2026. However, this project has experienced some delays and Executive staff now expect Area 9 to be open by 2028. To bridge the gap, SWD have changed the sequence of filling the existing areas and expect to fill Areas 5 and 6 as an interim step to allow another 18-24 months for Area 9 development and the necessary facility relocation. (The facility relocation appropriation proposed for 2023-2024 is discussed in the Solid Waste Construction Capital Fund staff report.)

Leachate Collection and Treatment System Projects: $42.4M The proposed budget would appropriate approximately $42.4 million for the series of projects listed in the following table related to making improvements in the leachate collection and treatment system. 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. Executive staff indicate that these projects are intended to get the County into compliance with state regulators and permit conditions, specifically to reduce arsenic to meet the leachate discharge permit requirements from the Wastewater Treatment Division.

Project #	Project Name	FY23-24 Proposed
1129844	Pump Station Repairs	$91,925
1138575	Impoundments and Conveyance Compliance	$10,208,640
1142443	Leachate Treatment	$15,668,360
1143777	Leachate Discharge Line Improvements	$16,537,286
	TOTAL	**$42,506,211**

Landfill Gas Collection System Projects: $14.5M The proposed budget includes an appropriation for approximately $14.5 million for the three projects listed in the table below related to the landfill gas collection system.

Project #	Project Name	FY23-24 Proposed
1133924	North Flare Station Electrical	$1,015,407
1143774	Header Replacement	$5,719,250
1143776	North Flare Station Flare Replacement	$7,776,946
	TOTAL	**$14,511,603**

KEY ISSUES

Staff have not identified any issues for this budget.

UPDATE: No updates from the Week 1 staff report.

INFORMATION TECHNOLOGY SERVICES CAPITAL FUND

ANALYST: TERRA ROSE, LEAH KREKEL-ZOPPI

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$7,361,601	$6,643,660	$6,643,660
Expenditures	$7,361,601	$6,643,660	$6,643,660
Major Revenue Sources: Internal service charges to county agencies, General Fund			

DESCRIPTION

The Information Technology Services Capital fund supports enterprise technology capital projects (e.g., related to the King County website) and enterprise equipment replacement (e.g., related to the County's servers or network) that are countywide in scope. The fund is managed by King County Information Technology (KCIT). Most projects in this fund are supported by internal service charges to county agencies.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive proposed 2023-2024 budget would appropriate approximately $7.4 million for this fund. Of this appropriation, approximately $5.1 million would replace end-of-life network equipment, approximately $553,000 to expand the number of County sites with enhanced wireless capabilities, and approximately $1.7 million for the four new technology projects listed in the table below.

Project #	Project Name	FY23-24 Proposed
1143991	Payment Kiosks	$150,000
1143993	Criminal Justice Enterprise Data Hub	$150,000
1143995	Data Center Analysis & Planning	$500,000
1144333	SIRM Solution	$908,112
	NEW PROJECT TOTAL	**$1,708,112**

Noteworthy proposed expenditures are further described below.

Payment Kiosks: $150,000 The proposed budget would appropriate $150,000 to support a planning study to implement payment kiosks throughout the County to enable an additional channel of payment for County services. Budget documentation indicates that the proposed payment kiosks are intended to decrease barriers to payments faced by those least economically advantaged and would help these residents make timely payments and avoid penalties and collections activities associated with late payments.

Executive staff indicate that they anticipate kiosks to increase payment options for some County services by including cash; improve availability of payment services; and improve self-service payment options in different languages. According to Executive staff, it has not yet been determined what County services (e.g., property tax payment, pet licensure) will accept payment at the kiosks, if all services will accept cash payment, the hours the kiosks will be available, as well as the number of kiosks and their locations. While the proposed appropriation only covers the planning study, the current assumptions are that the project would begin with a few kiosks and roll out additional kiosks later. The project staff also assume, at least at this time, that kiosks would be located in places with limited hours given security considerations (for example, at King Street Center). These and other details are anticipated to be determined during the planning study, which would be expected to be complete in Q2 2023.

Executive staff justify this project by noting that not everyone can access electronic payments for County services, citing that approximately 17.5 percent of Washington state residents are underbanked and that around 1.2 million people in King County face at least one barrier for broadband access. Council staff requested available data from community engagement that supported kiosks as being the preferred method of payment for the underbanked or those without internet access. Given that one of the goals for this project provided by Executive staff is to help residents avoid penalties and collections activities associated with late payments, Council staff also requested information on what proportion of late or non-payments for County services is due to difficulty in accessing payment options versus insufficient funds or other reasons. Executive staff indicated that prior outreach has been limited due to the project being in the proposal stage, but that as part of the planning study, KCIT will engage with a consultant to gather more detailed data about current behavior, needs, opportunities, and challenges faced by the unbanked and those with limited access to the internet.

Council staff also inquired about the potential for multi-jurisdictional payment kiosks given that an additional barrier for bill payors is having multiple bills to various government entities and having to visit numerous locations to make payment. Executive staff indicate that in KCIT's initial analysis, multi-jurisdictional payment kiosks is a potentially viable option and that preliminary conversations with City of Seattle staff signaled they were open to a conversation about a possible collaboration.

Criminal Justice Enterprise Data Hub: $150,000 The proposed budget would appropriate $150,000 for initial planning activities for a Criminal Justice data hub to provide publicly available data tracking across criminal justice agencies. Due to the siloed nature of criminal justice agencies' current data management systems and data classifications, there is no automated way for the public, policy makers, or agency managers to track criminal justice outcomes and trends across services, for example from arrest to referral to the prosecutor to booking into jail to court processing and community release. The intent of this proposed project would be to develop an enterprise-wide data hub for tracking disaggregated information related to subjects, cases, and resource allocations. The project would involve the KCSO, DAJD, Superior

Court, District Court, and the PAO. The requested appropriation would fund initial project planning only in 2023-2024, with feasibility and estimated project costs to be determined at a later time.

KEY ISSUES

Staff have not identified any issues for this budget.

UPDATE: No updates from the Week 1 staff report.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: FOR THE PAYMENT KIOSKS PROJECT, WOULD THE FUTURE KIOSKS BE DISTRIBUTED REGIONALLY THROUGHOUT THE COUNTY?

ANSWER: Executive staff indicate that payment kiosks are planned to be distributed throughout the County and the planning study will provide more precise details as to where they will be located.

QUESTION 2: FOR THE CJ ENTERPRISE DATA HUB PROJECT, WHY ISN'T DCHS A PART OF THE DATA HUB? SHOULD PUBLIC HEALTH PERSONNEL HAVE ACCESS TO THIS DATA?

ANSWER: Executive staff indicate that the while DCHS and Public Health personnel are anticipated to be able to consume the data, they would not be contributors of data to the CJ Enterprise Data Hub project because the focus is exclusively on criminal justice data.

KCIT SERVICES OPERATING

ANALYST: TERRA ROSE

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$248,220,805	$220,618,995	382.0	0.0
2023-2024 Base Budget Adjust.	($1,094,129)	($4,547,065)	0.0	0.0
2023-2024 Decision Packages	$17,923,069	$46,148,300	1.0	0.0
2023-2024 Proposed Budget	**$265,050,000**	**$262,221,000**	**383.0**	**0.0**
% Change from prior biennium	6.8%			
Dec. Pkg. as % of prior biennium	7.2%			

Major Revenue Sources: Internal service charges to county agencies

Base Budget Assumptions: (1) salary and benefit adjustments; (2) one-time funding of $13.7M removed; (3) annualize supplemental budget changes.

DESCRIPTION

The King County Department of Information Technology (KCIT) provides technology services across County government. KCIT manages the County's information technology (IT) infrastructure, resources, and investments, including but not limited to, support of the County's network, IT equipment replacement (e.g., employee laptops), and the central help desk. Other services are provided for interested agencies based on their specific needs (e.g., assistance selecting or providing project management support for new or replacement software that targets unique agency needs, etc.). The KCIT budget is supported by internal service charges to County agencies.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The 2023-2024 proposed budget for KCIT would increase by approximately $16.8 million, or 6.8 percent relative to the 2021-2022 Revised Budget. In the proposed budget, FTEs are to remain flat.

Executive staff indicate that the total amount of the KCIT central rates, which are comprised of the internal service charges to other county agencies, is projected to increase by 23 percent relative to the 2021-2022 biennium and note that the increase is driven by a number of factors. These factors include increases in costs for licenses and network infrastructure replacement, as well as increased agency demand for application enhancement, legacy system support, and number of workstations, peripherals, and workstation licenses. However, there is wide variation in rates paid by County departments because departmental IT usage (on which departmental rates are based) differs. Noteworthy proposed budget requests are described below.

- **Microsoft Enterprise Agreement: $4.4M** The proposed budget would add $4.4 million to reflect cost increases in Microsoft services and additional demand in Microsoft products. Executive staff indicate in agency-proposed budget materials that the total cost of Microsoft products in 2023-2024 is estimated to be $34.7 million. Microsoft Enterprise tools include, among other things, the Microsoft 365 software programs for all County users (e.g., Outlook, Teams) and the Dynamics platform which is expected to be used in the Jail Management System project, Assessor's Property Tax Accounting System, and multiple Department of Community and Human Services client reporting systems.
- **Operation and Maintenance Cost Increases: $2.4M** The proposed budget would add $2.4 million to reflect cost increases for the operation, support, and maintenance provided by technology vendors for a variety of tools used by the County (e.g., Cisco Network support).
- **Zoom and Other Agency-Specific Licenses: $1.9M** The proposed budget would add $1.9 million for Zoom licenses and other licenses that KCIT procures but passes through to the agencies that use the applications. Executive staff indicate that while Teams is the preferred method for meetings and calls, they understand it does not work well for public engagement needs (e.g., telemedicine, attorney-client meetings, etc.) and that continued use of Zoom is expected in some settings.
- **Network Equipment Replacement: $4.1M** The proposed budget would add $4.1 million to support replacement of network hardware (e.g., network switches, applications, and security devices). Executive staff indicate in agency-proposed budget materials that more than 90 percent of the County's hardware is at the end of its lifecycle or end of support and that it would cost an estimated $33 million to bring all equipment current. Executive staff further state that equipment replacement in the upcoming biennium will be prioritized based on operational criticality and level of security risk and that the additional appropriation requested in this budget would cover the gap between existing equipment replacement fund balance and the cost to replace the most critical hardware. According to Executive staff, risks of delaying replacement include unexpected and extended downtime resulting in inability to access needed systems and/or provide services to customers, as well as security risks because the vendor is no longer providing technical fixes and security patches.

KEY ISSUES

Staff have not identified any issues for this budget.

UPDATE: No updates from the Week 1 staff report.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: IS IT CORRECT TO SAY THAT FTES ARE FLAT WHEN ONE IS ADDED IN THE SUMMARY TABLE?

ANSWER: It would have been more accurate to say in the Week 1 staff report that "In the proposed budget, FTEs are to remain *relatively* flat, *in particular by comparison to other appropriation unit requests*." One FTE is proposed to be added by the Executive's proposed budget as is noted in the summary table at the top of the staff report.

WASTEWATER TREATMENT OPERATING

ANALYST: MIKE REED

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$352,317,595	$1,082,455,282	699.0	1.0
2023-2024 Base Budget Adjust.	$12,525,184	$16,229,026	0.0	(1.0)
2023-2024 Decision Packages	$18,114,652	$146,055,019	96.0	5.0
2023-2024 Proposed Budget	**$382,958,000**	**$1,244,740,000**	**795.0**	**5.0**
% Change from prior biennium	8.7%			
Dec. Pkg. as % of prior biennium	5.1%			

Major Revenue Sources: Sewer Rate, Capacity Charge

Base Budget Assumptions: (1) 4.0% GWI for 2023; (2) 4.0% GWI for 2024;

DESCRIPTION

The Wastewater Treatment Division is responsible for collecting and treating wastewater from its designated service area, and for reclaiming wastewater, recycling solids, and generating energy. Wastewater Treatment Division 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 Water Quality Construction and Debt Service budgets, though for the 2023-2024 proposed budget, no transfer to the Water Quality Construction budget is proposed.

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 2022 Council approved a rate increase of 5.75 percent for 2023; a similar rate request is projected for 2024. Sales of processing residuals such as biomethane, recycled water, and biosolids, as well as interest on revenue accounts, are other revenue sources.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The proposed operating budget includes additional FTE support for operating units within a variety of units throughout the agency, with emphasis on support of the expanding capital program, asset management, preparation for regulations related to nutrient management, staffing new combined sewer overflow facilities, project mitigation, project planning, and similar functions required in the operation and maintenance of a large, complex utility.

The proposed budget would add 96 FTEs, many related to support for the expanding capital program. Key decision packages are summarized below.

- 31 FTE and $1,317,357 to support Project Planning and Delivery unit in the delivery of the growing capital program, with primary focus on asset management and regulatory and capacity improvement functions.
- 6 FTE and $659,456 in Community Services to support growth in the capital program, increased workload in the planning, inspection, modeling, monitoring, and mapping work group, and Executive priorities related to Equity and Social Justice, Strategic Climate Action Plan, Clean Water/Healthy Habitat, and OneDNRP.
- 3 FTE and $731,847 to staff new Combined Sewer Overflow treatment and storage facilities. Workload includes compliance monitoring and reporting, evaluation and optimization, and increased facilities maintenance.
- 2 FTE and $64,943 to support environmental planning for the capital improvement program in the Environmental Services Unit.
- 2 FTE and $125,481 for the Mitigation and Monitoring Program to support expanding capital program and operational needs including managing and maintaining restoration sites, reviewing planting and mitigation plans, managing hazard trees on WTD properties, and supporting the Clean Water/Healthy Habitat Initiative.
- 3 FTE and $48,174 for the Environmental and Community Services Section to support required permitting functions.
- 2 electrical apprentice TLT's, 2 instrumentation apprentice TLT's and $1,182,316 to develop a training program for maintenance work preparing for career-service technician positions in support of succession planning.

KEY ISSUES

ISSUE 1 – SIZE OF STAFF INCREASE

The Proposed Budget would add 96 FTEs to the existing 699 FTEs, for an increase of 13.73 percent in the size of the employee pool. This represents a large increase, at a time when there is significant competition for quality skilled technical 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; the onboarding process; and the limited opportunity for large numbers of new staff to become oriented while many WTD staff are working from home. Thirty-one of these new staff will be concentrated in Project Planning and Delivery functions, a critical performance responsibility for the success of the capital program. This discussion is not intended to comment on the need for additional staff, but rather to note the human resource and operational complexity that would potentially face the agency if the Council were to approve a staff increase of this size and at this time.

ISSUE 2 – RECYCLED WATER WATER QUALITY PROGRAM MANAGER

The Proposed Budget would add a Recycled Water Quality Program Manager and expend $209,089 to "advance the use of recycled water."

However, the Recycled Water Strategic Plan notes challenges facing that program. "…Recycled water use is not as common in the Pacific Northwest as it is in water-limited areas of the United States, and there is currently not a strong demand for additional municipal water supplies. This makes it hard to establish water supply partnerships with drinking water utilities and creates political and economic hurdles because many drinking water utilities perceive recycled water as a duplicative, competing water supply."[1] This raises the question of whether it is advisable to move towards program expansion until these issues are resolved.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: ARE THESE NEW FTES SUPPORTED FROM CAPACITY CHARGE OR OTHER INCREASED FEES?

ANSWER: Expenditures of the operating budget, including these FTEs, are supported mostly by the sewer rate and capacity charge. Council approved a sewer rate increase of 5.75%, and a capacity charge increase of 3% in June of this year. The sewer rate increase was the largest increase since 2014, as the region was completing the Brightwater construction era.

[1] Recycled Water 2018-2037 Strategic Plan (kingcounty.gov) Pp 4

For additional background on wastewater revenues, the staff report for the council's consideration of the Sewer Rate and Capacity Charge, Proposed Ordinance 2022-0172, can be found at the link below.[2]

QUESTION 2: IS THERE AN ORDER IN WHICH THESE NEW FTES WILL BE RECRUITED?

ANSWER: The functional descriptions in the proposed budget request full FTEs for the two-year period of the biennium, with accompanying operational funding—suggesting that expenditures for these positions will begin at the start of the biennium. Realistically, with the number of positions being requested, it will take time for writing of position descriptions, preparation of recruitment materials, advertising of positions, review of applications, presentation of job offers, negotiation of salary, candidate's notification of current employer/lead time till departure, etc. The Human Resources function of the agency, for which additional staffing is being requested, will need to produce work products for each position. With 96 positions to work through, they will need to phase their work. Staff have requested a hiring plan/schedule for this process.

[2] https://mkcclegisearch.kingcounty.gov/LegislationDetail.aspx?ID=5562848&GUID=31DA3F75-DA3F-4004-B3AE-128A6D0220EC&Options=Advanced&Search=

WASTEWATER DEBT SERVICE

ANALYST: MIKE REED

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$909,326,842	$0	0.0	0.0
2023-2024 Base Budget Adjust.	($369,894,844)	$0	0.0	0.0
2023-2024 Decision Packages	$409,169,520	$0	0.0	0.0
2023-2024 Proposed Budget	**$948,600,000**	**$0**	**0.0**	**0.0**
% Change from prior biennium	4.3%			
Dec. Pkg. as % of prior biennium	44.9%			

Major Revenue Sources: Transfer from Wastewater Operating budget.

Base Budget Assumptions: No personnel costs are included in this 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 $3.4 billion.

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 Proposed Water Quality Operating Fund budget provides for a transfer of $849,281,528 into the Wastewater Debt Service budget; expenditures of $948,599,518 are supported by this transfer, together with existing fund balance.

The proposed debt service budget provides for an adjustment to the 2021-2022 Revised Budget by removing one-time 2021-2022 changes including those related to pandemic response, by annualizing changes made in supplemental budgets, and by updating personnel rates; these changes amount to a reduction of $369,896,844.

Proposed decision packages include several technical adjustments, including adjusting the debt service requirement for parity debt and subordinate debt, adjusting the debt defeasance amount, and adjusting the retirement of interim debt. These technical adjustments amount to $409,169,520.

KEY ISSUES

Staff has identified no issues with this budget.

WATER QUALITY CONSTRUCTION

ANALYST: MIKE REED

	2023-2024 Proposed	2025-2026 Projected	2027-2028 Projected
Revenues	$702,934,316	$960,092,236	$1,183,493,158
Expenditures	$787,650,352	$975,729,910	$1,057,933,270
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 project, to assure the capacity of the conveyance system interceptors to meet the demands of regional growth, and facility maintenance. However, as the system continues to age – the two larger regional plants, and hundreds of miles of interceptor pipeline were completed in the 1960s and expanded in the 1970s – 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 nutrients—chemical elements that tend to accelerate the growth of green plants, whether terrestrial or aquatic—to limit discharges according to the terms of a state-issued permit.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Executive's proposed 2023-2024 biennial budget proposes to substantially increase capital expenditures in the coming biennium. According to the CIP Financial Position Table in the Wastewater Construction Financial Plan, the 2021-2022 estimated Total Capital Expenditure will be $514,876,472; projected expenditures for 2023-2024 if this proposed budget is approved are $787,650,352, an increase of almost 53 percent for the coming biennium. The largest increases would be targeted to address repair and upgrade of mechanical systems, response to regulatory mandates, and expansion of capacity to address growing flow volumes. In June, the Council approved a rate increase of 5.75 percent, with substantial increases projected for future biennia; much of those increases are driven by expansion of the Water Quality Construction capital budget.

The status of the Puget Sound Nutrients General Permit (PSNGP) referenced above is uncertain, while appeals of the permit requirements are being processed; the Executive is proposing to proceed with developing capacity to respond to permit requirements. The Executive's Proposed Budget includes significant expenditures for PSNGP compliance activities, and asset management projects. This budget also includes expenditures to address power supply issues at West Point Treatment Plant, responding to Council and Department of Ecology requirements resulting from a January 2021 storm-driven emergency discharge event.

The Council has expressed concern about the emergency untreated discharge event at West Point in January 2021; the proposed budget includes an Uninterruptible Power Supply project to mitigate power supply sags to respond to that issue. Members have also expressed concern about overflows at pump stations in the conveyance system; the proposed budget includes several projects to focusing on improvements to pump stations.

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 Resiliency (strengthening structures to withstand flooding, seismic events or other natural disasters), Capacity Improvements (expanding pipelines and treatment facilities in anticipation of growing capacity needs), and Resource Recovery (capturing resources generated by wastewater processing such as biogas or recyclable water for productive use or sale). Selected decision packages are highlighted below:

Asset Management

- East Side Interceptor Rehabilitation: $82,884,386—Rehabilitate 4,800 feet of the Eastside Interceptor in Bellevue
- North Beach Pump Station Upgrade: $1,199,000—upgrade or replace the existing North Beach Pump Station and Force Main in Seattle, including the pump station outfall if needed.

Regulatory

- West Point Power Quality Improvements: $108,776,626—install Uninterruptible Power Supply system at West Point that will mitigate incoming voltage sags to reduce untreated discharges into Puget Sound

Capacity Improvement

- North Mercer/Enatai Interceptor Upgrade: $29,173,077—replace approximately 17,000 feet of pipeline and upgrade the North Mercer Island Pump Station.
- Sammamish Plateau Diversion: $4,260,000—install a new sewer line capable of diverting flow from Southwest Lake Sammamish area north to the Brightwater Treatment plant.

Operational Enhancements

- West Point Low Pressure Sludge Gas/Biogas Replacement: $3,134,942—This project will replace or rehabilitate the Low-Pressure Sludge Gas/Biogas piping system at the West Point Treatment Plant.

Resource Recovery

- South Plant Co-Digestion: $2,021,000—design and construct organics processing infrastructure that will provide for digestion of both wastewater solids and food waste at South Treatment Plant, in cooperation with KC Solid Waste; costs allocated according to benefits provided to each customer base

KEY ISSUES

ISSUE 1 – CRITICAL UNCERTAINTIES IN COST PROJECTIONS

While the proposed budget is based on projections of anticipated costs, it should be noted that several conditions of uncertainty may substantially impact those projections, referenced below:

- **Combined Sewer Overflow deadlines:** One of the largest groups of capital projects underway is the Combined Sewer Overflow projects, that capture and control storm-driven excess flows that are discharged untreated into regional waterways. Those projects were to be completed by 2030, according to a Consent Decree signed by King County, Washington Department of Ecology, and federal Environmental Protection Agency and Department of Justice. Discussions are underway to extend that deadline to 2040, given the cost and complexity of the projects. WTD indicates that the existing deadline could impact expenditures substantially.

- **Puget Sound Nutrients General Permit:** Ecology has taken a regulatory action requiring nutrient dischargers, including King County's three regional wastewater plants, to limit nutrient discharges according to newly issued permit requirements. Status of that permit requirement is uncertain due to permit appeals by generating jurisdictions, including King County. Several appeal actions are pending; WTD continues to proceed to meet permit requirements while appeals are processed.

- **Decennial Flow Monitoring:** Every decade, WTD undertakes a project to evaluate projected flows in its conveyance system, to develop recommendations for conveyance system expansion that will assure capacity for coming decades. A decennial flow monitoring project is currently underway; the resulting recommendations may result in substantial increases to the list of recommended conveyance system improvement projects, for which there is already a backlog. Significant additional cost implications may result.

- **Joint Ship Canal Project:** The project, managed cooperatively between WTD and Seattle Public Utilities, has been underway for several years; as of this date, King County's $176 million share of the project remains unchanged. However, the project apparently faces scheduling and budgeting challenges stemming from COVID-related staffing impacts, as well as difficulties encountered in the underground drilling process resulting from an obstructing boulder. The Joint Ship Canal project team is undertaking a significant schedule, budget, and risk analysis effort in response to these challenges, which should clarify cost and schedule status.

While the cost implications of these and similar issues remain uncertain, current cost projections may understate expenditure requirements depending on outcomes of these issues.

ISSUE 2 –CAPITAL PROJECT COST INSTABILITY

Contracting costs for construction projects are increasing substantially, as pandemic-delayed projects accelerate and compete for contractors. According to the Mortenson Construction Cost Index[1], over the 12 months ending in Quarter 1 of 2021, construction costs increased 6.7 percent nationally and 7.1 percent in Seattle. Projected engineering costs for wastewater projects are expected to increase 29% in 2023 compared to the 2018 adopted budget. Supply chain challenges have increased the required lead time for acquiring project mechanical equipment: lead times have increased between six weeks (for blowers) to 20 weeks (for switchgear), according to WTD.

Projects currently underway have experienced significant cost increases, including:

- North Mercer/Enatai Interceptor Upgrade-- The current estimate at completion of $179.8M has increased by 19% from $150.7M forecasted during the FY21-22 Biennium.
- Lake Hills and Northwest Lake Sammamish Interceptor Upgrade--The current estimate at completion of $165.4M has increased by 39% from $119.3M forecasted during the FY21-22 Biennium.
- West Point Raw Sewage Pump Replacement-- The current estimate at completion of $216.3M increased by 23% from the $176M estimate from the FY21-22 biennium.

ISSUE 3 – SOUTH PLANT CO-DIGESTION

The proposed budget includes $2,021,000 for the scoping phase of a co-digestion project that would cooperate with the Solid Waste Division to provide for the anaerobic digestion of food wastes and wastewater solids, with costs allocated based on the benefit provided to each respective customer base. The scoping effort would address planning and design of the project, to be located at South Treatment Plant in Renton.

[1] https://www.djc.com/news/co/12140077.html?cgi=yes

Council staff are seeking information on several issues related to this project, including how this proposal relates to a proposed $11.1 million appropriation in the Solid Waste Construction Capital Fund to site and build a structure to host a co-digestion pre-processing facility.

ISSUE 4 – INFILTRATION AND INFLOW INCENTIVE STRUCTURE

WTD builds projects to address flow capacity from local jurisdictions, paid for by sewer rates assessed system-wide. Since city and sewer district investments to control infiltration and inflow are not currently reflected in fees or charges tied to flow volumes, those jurisdictions may be discouraged from robust control efforts since they can rely on County expansion projects to convey the growing flows and pay the same rates as jurisdictions with more aggressive control efforts. The absence of volume-based fees or charges may, therefore, disincentivize local investment in infiltration and inflow control.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: 53% INCREASE – HOW IS THIS DRAMATIC INCREASE IN EXPENDITURE SUPPORTED? ONE-TIME FUNDS OR THE NEW RATE INCREASE?

ANSWER: Capital projects are supported primarily by bond sales, or loans from the State Revolving Fund or Public Works Trust Fund, per Wastewater Financial Policies addressed in King County Code 28.86.160.C.2.:

> FP-13: The wastewater system's capital program shall be financed predominantly by annual staged issues of long-term general obligation or sewer revenue bonds, provided that:
> All available sources of grants are utilized to offset targeted program costs;
> Funds available after operations and reserves are provided for shall be used for the capital program; excess funds accumulated in reserves may also be used for capital…

Repayment of this debt is provided by transfers from the Wastewater Operating budget to the Wastewater Debt Service budget; ultimately, these repayments are supported primarily by the sewer rate and capacity charge.

QUESTION 2: COMBINED SEWER OVERFLOW DEADLINES – IF THERE ARE DELAYS AND INCREASED COST, DO WE HAVE A PLAN TO SECURE FUNDING TO FINISH THIS?

ANSWER: The construction program is experiencing delays and higher-than-anticipated costs for the CSO program. The Executive is currently in negotiations with the federal Environmental Protection Agency and State Department of Ecology to adjust the consent decree deadline of 2030 by extending it to 2040. The Executive indicates that the proposed budget is premised on the assumption a 2040 completion date. Were these negotiations not successful, or only partially successful, there could be fiscal consequences resulting from requirements to complete this extensive construction effort in a compressed time frame.

It is anticipated that adjustments to the sewer rate and capacity charge would be required to meet any future increased funding needs for these projects.

HISTORIC PRESERVATION

ANALYST: MIKE REED

	Expenditures	Revenues	FTEs	TLTs
2021-2022 Revised Budget	$1,218,120	$956,213	4.0	0.0
2023-2024 Base Budget Adjust.	$48,681	($9,327)	0.0	0.0
2023-2024 Decision Packages	$75,397	$312,803	1.0	0.0
2023-2024 Proposed Budget	**$1,343,000**	**$1,260,000**	**5.0**	**0.0**
% Change from prior biennium	10.1%			
Dec. Pkg. as % of prior biennium	6.1%			

Major Revenue Sources: Document Recording Fee, General Fund

Base Budget Assumptions: (1) 4.0% GWI for 2023; (2) 4.0% GWI for 2024

DESCRIPTION

The Historic Preservation Program is responsible for designating and protecting significant historic resources and archaeological sites in the unincorporated area, 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 Executive Proposed Budget proposes the addition of $365,126 in General Fund revenues for the biennium, to augment Document Recording Fee revenues. The county's Office of Economic and Financial Analysis projects various fee revenues including revenue from the Document Recording Fee. OEFA's August 2022 forecast for the Document Recording Fee projects a decline in revenue from $1,065,532 for 2021-2022, to $860,163 for 2023-2024, a 19.3 percent decline. The General Fund increment would be used to augment projected shortfalls in the Document Recording Fee, and provide revenue support for the Historic Preservation Officer. The Executive's Proposed Budget

[1] RCW 36.22.170

also proposes adding an archaeologist to respond to King County agency requests for cultural resource reviews associated with construction projects.

KEY ISSUES

ISSUE 1 – REQUEST FOR GENERAL FUND SUPPORT

The Historic Preservation budget included support from the General Fund through 2010; in that year, however, General Fund support for the Historic Preservation Program ended. The Document Recording Fee, authorized by the state legislation in 2005, devoted $1 of the $5 recording fee to be used at the county's discretion "to promote historical preservation or historical programs…". In 2010, the Council established the Historical Preservation and Historical Programs (HPHP) Fund to account for these revenues. Since 2010, the Historic Preservation Program has been supported primarily by Document Recording Fee revenue deposited in the HPHP fund. In 2019, the HPHP fund experienced a negative revenue position, and Council approved a General Fund expenditure to respond to the shortfall. The 2023-2024 Proposed Budget for HPP would authorize a General Fund expenditure for Historic Preservation to augment Document Recording Fee revenue.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: DO WE UNDERSTAND WHY WE SEE THIS DECLINE IN THE RECORDING FEE? IS THIS TEMPORARY OR WILL WE NEED TO LOOK TOWARDS ALTERNATE FUNDING SOURCES IN THE FUTURE?

ANSWER: The HPP program is primarily funded by $1.00 from the document recording fee charged by the county. OEFA's most recent revenue forecast shows a significant reduction in the projected number of documents recorded in 2023-2024 compared to the current biennium. While we don't have the exact specifications of the OEFA model, these 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. In 2020 and 2021, when interest rates were hitting historic lows, there was a wave of refinances and home purchases that brought an increase in fund revenue. However, the rising interest rate environment, which OEFA presumably is projecting into the future, means home buying is less affordable and refinancing is unattractive to current homeowners. The result is a significant decline in revenue.

The Executive has also indicated that there is a pattern of continuing instability in reliance by the HPP program on revenues solely from the document recording fee, and that General Fund support is sought to augment and stabilize the HPP budget going forward—though future requests for General Fund revenue would require future consideration by council.