## STAFF REPORT

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| **Agenda Item:** | 15 | **Name:** | Paul Carlson |
| **Proposed No**.: | 2015-0039 | **Date:** | February 17, 2015 |
| **Invited:** | Kevin Desmond, General Manager, King County Transit Division  Victor Obeso, Deputy General Manager of Planning and Customer Services, King County Transit Division | | |

**SUBJECT**

Proposed Ordinance 2015-0039 would approve an Agreement for Seattle to purchase approximately 223,000 additional Metro Transit bus service hours, including about 110,000 service hours to be added in June 2015 and about 113,000 service hours to be added in September 2015.

**SUMMARY**

Proposed Ordinance 2015-0039 would authorize the Executive to approve an Agreement for the City of Seattle to purchase additional bus service from King County. Funds for the Seattle purchases are from Proposition 1, a ballot measure approved by Seattle voters in the November 2014 general election. The Agreement would approve bus service hour additions to be added in June 2015 and September 2015.

The Executive has asked the County Council to approve this ordinance and its companion, Proposed Ordinance 2015-0040, by mid-February to allow sufficient time for the planning and implementation of the June 2015 service addition.

A revised Agreement, which provides clarification and makes technical corrections but does not make any substantive or policy changes, was developed by the County Council’s Legal Counsel, the Prosecuting Attorney’s Office, the City of Seattle Attorney’s Office, and policy staff. This revised Agreement has been accepted by the Seattle and King County executive branches and was approved by the Seattle City Council’s Transportation Committee on February 10. This revised Agreement is incorporated as part of the striking amendment S1. It can be found as Attachment 3 to this staff report. A track changes version of the revised Agreement can be found as Attachment 4.

The County Council’s Transportation, Economy and Environment Committee was briefed on the legislative package on January 20 and January 29.

**BACKGROUND**

As noted above, the committee was briefed on the proposed legislation on January 20 and January 29. To summarize:

* Proposition 1, approved by Seattle voters in November 2014, authorizes City investments in Metro Transit bus routes with 80 percent or more of their stops within Seattle (called “Seattle routes”).
* The Agreement would implement this part of Proposition 1 by identifying approximately 110,000 hours of added service in June 2015 and another 113,000 hours of service in September 2015 on specified bus routes.
* The Agreement would include service hours to address the County’s top two priorities as identified in Metro’s Service Guidelines Report: (1) crowding (12,000 hours); and (2) schedule reliability needs (21,000 hours) on the eligible bus routes.
* The Agreement would also invest service hours on the County’s third priority need, additional service on transit corridors – the Agreement would invest 39,000 hours on eligible routes, approximately 23 percent of the need identified for those routes in the Service Guidelines Report.
* The Agreement proposes another 151,000 of service hour investments for Seattle Transit Master Plan priorities that include more frequent all-day service and evening service on Metro routes.
* The Agreement term would extend to December 31, 2017, with the provision that the Metro General Manager and SDOT Director can extend it for another three years, until December 31, 2020.
* Proposition 1 would have to be renewed by Seattle voters to provide service after 2020.
* Seattle would pay for service hours based on hourly rates set for each type of motor bus and trolley bus that is used.
* Seattle would also pay the capital costs of buses that are in the County fleet only because of the Seattle investments, based on a formula established in the Agreement and spread out over multiple years.
* If during the Agreement or when it is terminated, a Seattle service trolley bus becomes superfluous to the County’s needs, Seattle would pay the full capital costs, since trolley buses cannot easily be reassigned to a non-trolley route.
* Seattle would receive a farebox credit against its operating charges, estimated in 2015 at 29 percent of operating costs for motor buses and 41 percent of operating costs for trolley buses.
* Proposition 1 provides that Seattle investments may not supplant investments that King County would otherwise have made. The Agreement provides that the County would not use initial Seattle investments to replace current County investments. The Agreement also establishes procedures to ensure that the County would follow the Service Guidelines priorities on Seattle routes as well as other bus routes when additional County funds are available for expanded bus service.

The staff report for the January 20, 2015, Committee meeting provided information on the proposed services to be purchased, provisions of the Agreement, and policy considerations. That report can be found at:

<http://your.kingcounty.gov/mkcc/agendas/TrEE/20150120-TrEE-packett.pdf>

The January 29, 2015 Committee meeting staff report evaluated in greater depth the bus service investments proposed under the Agreement, as well as factors that were identified as affecting Seattle’s investment decisions, including the costs of different types of service; King County Metro Service Guidelines priorities; Seattle Transit Master Plan priorities; and other policy considerations. That report can be found at: <http://your.kingcounty.gov/mkcc/agendas/TrEE/20150129-TrEE-packet.pdf>

Today’s staff report discusses the revised Agreement. (As noted above, the revised Agreement is included as a part of the proposed striking amendment, S1, which can be found at Attachment 3 to this staff report; a track changes version of the revised Agreement can be found at Attachment 4.)

The Council’s Senior Deputy Legal Counsel worked with county and city staff to develop revisions to the Agreement to clarify the terms of the Agreement, provide more specific details about procedures such as billing and revisions to estimated costs, correct titles, make references consistent throughout, and modify unclear phrases. The changes included in the revised Agreement would not make any substantive or policy changes to the Agreement that was originally transmitted to the County Council.

Changes in the revised Agreement include, but are not limited to, the following key matters:

* Clarifies that Seattle partnerships with other entities, funded in Proposition 1, can be incorporated into the Agreement (Section 2.1);
* Clarifies the procedure for the County to bill Seattle for services operated, with a quarterly billing cycle and a procedure for reconciliation of the final costs (Sections 2.6, 3, 5, 6);
* Establishes procedures for updating the route-by-route list of Seattle bus service investments listed in Exhibit A to the Agreement (Section 2.7);
* Establishes the procedure for updating the annual estimated cost figures in Exhibit B to the Agreement (Section 5.1);
* Clarifies the conditions following termination of the Agreement under which Seattle would be responsible for purchasing Trolley buses that are superfluous to the County’s needs (Section 5.3);
* Clarifies the non-supplantation provisions (Section 7);
* Clarifies the process for Seattle to request changes and modifications to the Agreement (Section 10).

With respect to Section 11.3, there was a discrepancy in the text that was originally transmitted to the City Council and the County Council. The revised Agreement includes the text as submitted to the County Council.

As noted above, the revised Agreement is acceptable to the City of Seattle and King County executive branches, and the Seattle City Council Transportation Committee approved the revised Agreement on February 10.

**AMENDMENT**

Chair Dembowski has prepared a striking amendment (S1, Attachment 3 to this staff report) that:

1. Requires a report to the County Council on performance under the Agreement;
2. Expresses the goal of both Seattle and King County that additional city investments under the Agreement should make a priority of addressing crowding and schedule reliability; and
3. Approves the revised Agreement.

There is also a title amendment (T1, Attachment 5 to this staff report).

The proposed ordinance, as amended by S1 and T1, is consistent with the legislation that was adopted by the Seattle City Council’s Transportation Committee on February 10. If both committees have adopted identical versions of the legislation, it is anticipated that the two Councils would act on their respective pieces of legislation during the afternoon of February 17.

**ATTACHMENTS**

1. Proposed Ordinance 2015-0039 and Attachment (Agreement with Exhibits)
2. Executive’s Transmittal Letter
3. Amendment S1 with Attachment (revised Agreement)
4. Track changes version of revised Agreement
5. Amendment T1
6. Fiscal Note