

# Regional Planning: Implementing METRO CONNECTS



June 2019

## Council motions

In 2019, Metro is responding to two King County Council motions

### 15252 METRO CONNECTS (MC) Planning

Requirements: regional planning effort on MC implementation, including:

- Updated information to adjust for population growth, congestion, inflation and construction costs, innovations, etc
- Strategy to convene regional leaders to develop a regional funding plan
- **Status report due 5/31/19**

### 15253 – Regional Mobility Framework

Requirements: framework for equitable implementation of mobility, including:

- Guiding principles
- Coordination with MC planning
- Review of technologies, best practices, policies, workforce trends
- Potential policy updates
- **Scope due 4/18/19**

# Regional Planning Status Report

- Motion 15252 required a status report on:
  - Regional planning effort to address the implementation of METRO CONNECTS
  - Updated information to supplement METRO CONNECTS
    - Population growth
    - Increased congestion
    - Inflation and construction costs
    - Regional mobility needs
    - Innovations in transportation
  - Engagement effort

King County Metro Transit

## Status Report on Metro Transit's Regional Planning Effort

(In Response to Motion 15252)

May 31, 2019

Prepared for:  
King County Council

Prepared by:

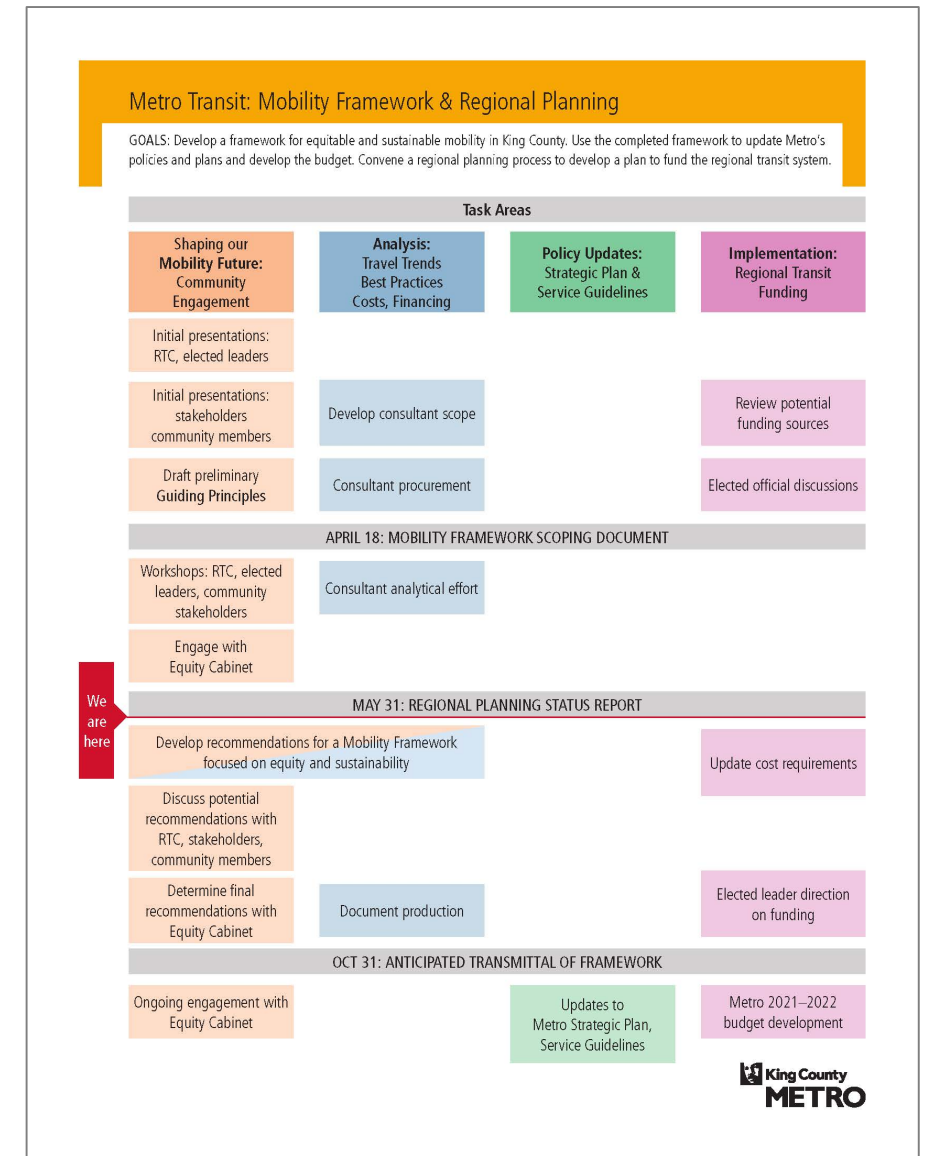


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Alternative Formats Available  
206-477-4287 TTY Relay: 711

# Coordination with Mobility Framework

- METRO CONNECTS implementation coordinated with development of mobility framework
  - Equity
  - Sustainability
- Timeline:
  - Framework (guiding principles, recommendations by October 2019)
  - Updated policies (including updates to METRO CONNECTS during 2020)
- When and how to fund METRO CONNECTS?





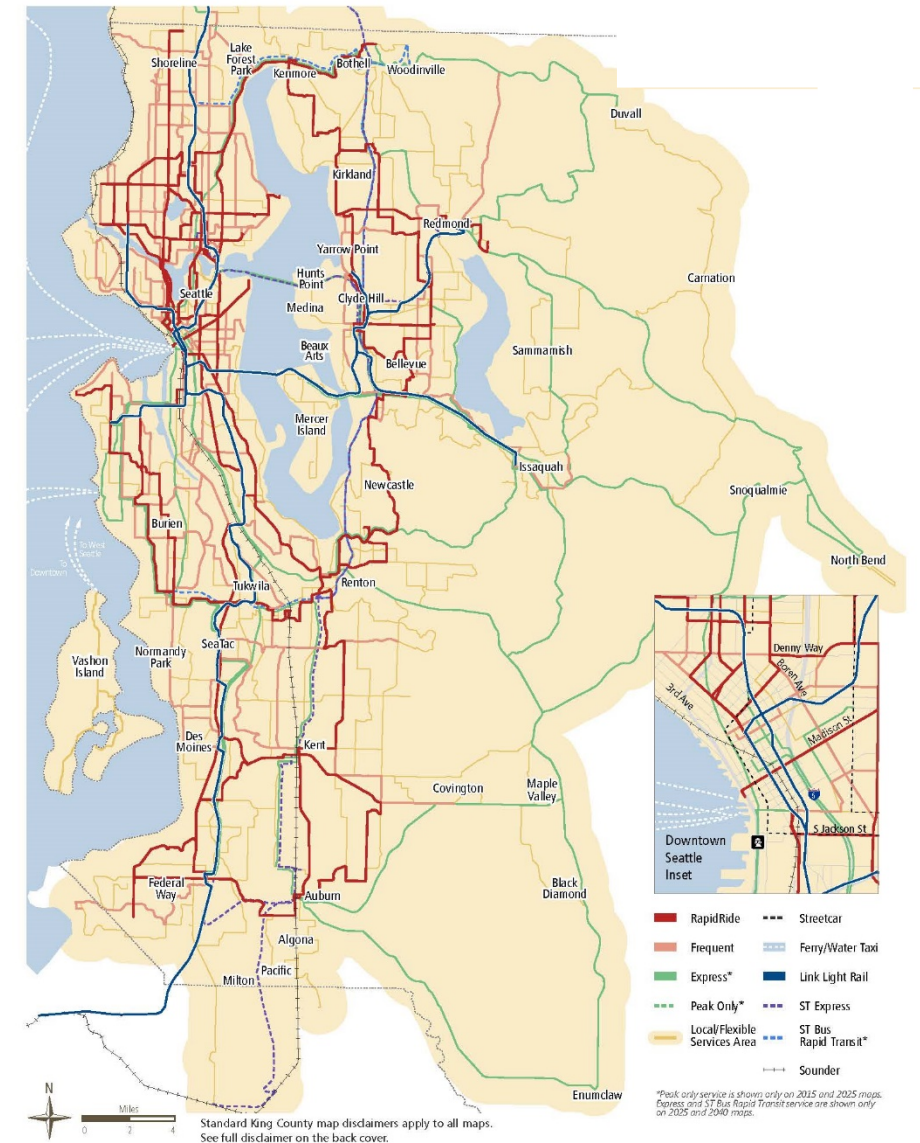
# METRO CONNECTS needed for region's growth

- METRO CONNECTS, our adopted long-range plan, aims to increase bus service hours by 70% between 2015 and 2040
- Double transit ridership to 1 million daily boardings
- 73% of residents would be within ½ mile of frequent service, with higher levels of service to low-income residents and people of color
- Based on the region's growth needs and adopted comprehensive plans
- Necessary to meet climate and growth management goals



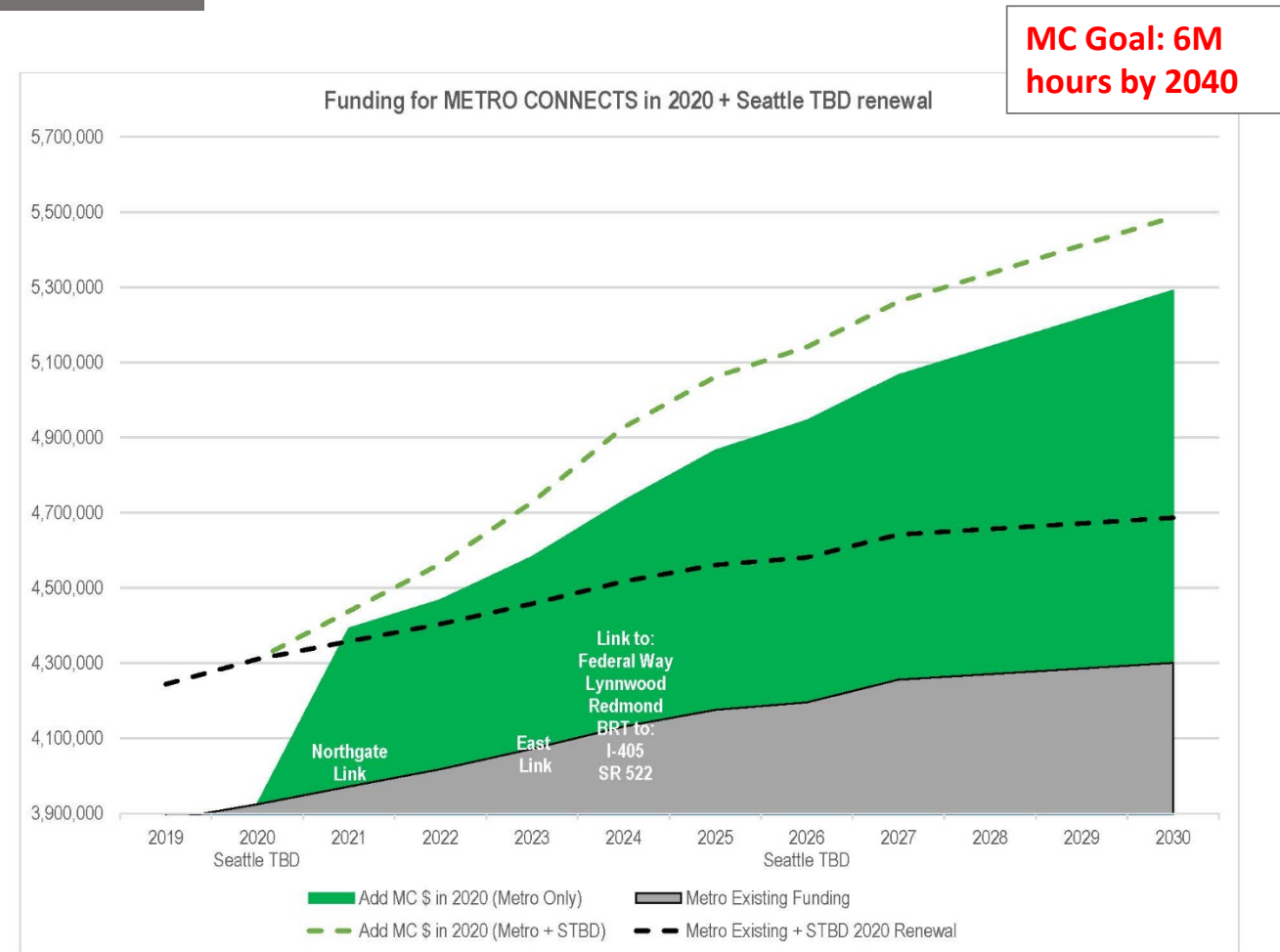
# METRO CONNECTS not fully funded

- METRO CONNECTS long-range plan is not fully funded
- 1.4M more service hours and \$5B in capital needed by 2040
- Approximately \$220M in new revenue per year
- Without new funding:
  - Metro can maintain service and adjust to new Link openings, but cannot meet regional growth or equity needs
  - Service may become more Seattle-centric (Seattle now funds 1/10 of all transit hours)



# Fund METRO CONNECTS beginning 2021

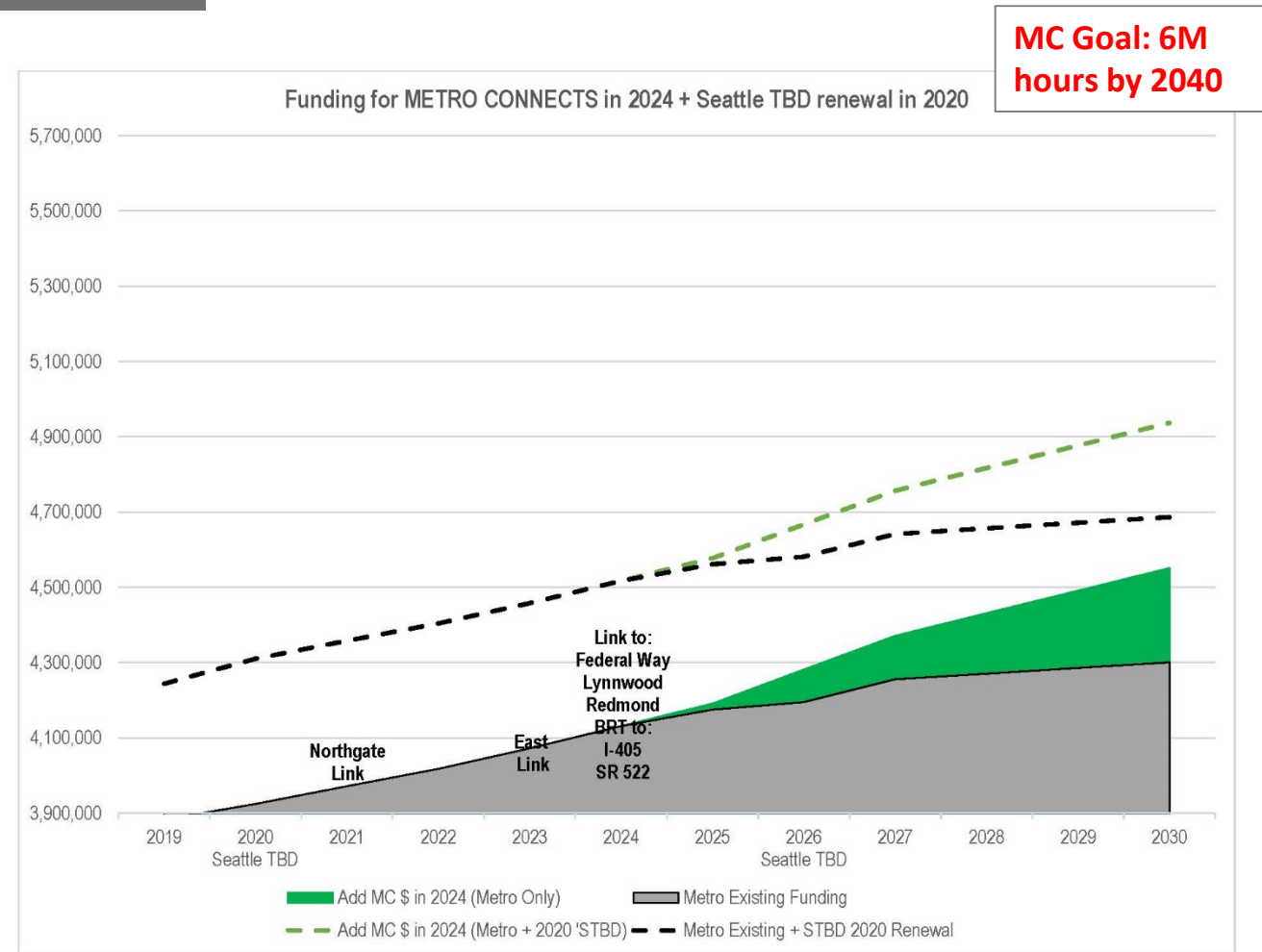
- This chart shows what Metro's existing funding could provide (gray shaded area)
- Assuming Seattle TBD is renewed in 2020, it shows increasing transit growth in Seattle (black dotted line)
- If METRO CONNECTS funding is approved in 2020, regional service could increase in time for ST2 Link openings (green shaded area)
- If both METRO CONNECTS and Seattle TBD funding are approved, overall system growth would be higher (green dotted line)





# Fund METRO CONNECTS beginning 2025

- This chart again shows what Metro's existing funding could provide (gray shaded area)
- Assuming Seattle TBD is renewed in 2020, it shows increasing transit growth in Seattle (black dotted line)
- If METRO CONNECTS funding is approved in 2024, regional service would not increase in time for ST2 Link openings (green shaded area)
- If, in addition, Seattle TBD funding is approved in 2026, overall system growth would continue (green dotted line)





# Potential Funding Sources

## King County Transportation Benefit District (KCTBD) Funding Authority

RCW 36.73 allows for the creation of local Transportation Benefit Districts. In 2014, King County created the KCTBD with Ordinance 17746. The KCTBD's geographic boundaries are those of King County. It is governed by a board made up of the members of the King County Council. RCW 36.73 provides funding authority for Transportation Benefit Districts.

Funding Source	Authorizing Statute	Voter Approval Needed?	Max Rate	Max Term	Amount Raised per Increment <sup>8</sup>
Non-voted Vehicle License Fee	RCW 82.80.140; 36.73.040(3)(B); 36.73.065	No	\$50 <i>(over time, in increments of \$20, \$20, \$10)</i>	No restriction	\$13.7M/year per \$10
Voted Vehicle License Fee	RCW 82.80.140; 36.73.040(3)(B); 36.73.065	Yes	\$100	No restriction	\$13.7M/year per \$10
Sales Tax	RCW 82.14.0455; 36.73.040(3)(a)	Yes	0.2%	10 years <i>(plus 2nd 10 years with vote, can be longer if bonded)</i>	\$75M/year per 0.1%
Development Impact Fee	RCW 36.73.040(3)(c); 36.73.120; 39.92.040; 39.92.030	No <i>(Must be reasonably necessary as a result of the impact of development)</i>	Must be linked to development impact	One-time <i>(Can be paid over 5+ years, must be spent within 6 years)</i>	Depends on size of fee, geographic area where fee is applied
Tolls	RCW 36.73.040(3)(d)	Yes	As limited by the Transportation Commission and voters	As limited by the Transportation Commission and voters	Depends on size of toll, geographic area where toll is applied
Property Tax Excess Levy	RCW 36.73.060; 84.52.056; Article VII, 2(a)	Yes <i>(60% approval, plus required percentage of participation of previous election)</i>	In excess of 1% limit	1 year <i>(Up to 40 years if bonded)</i>	\$68M/year per \$0.10/\$1,000 AV
Local Improvement District (LID)	RCW 36.73.080	No	Up to amount of special benefit to property owners	No more than 30 years for term of bonds	Depends on size of fee, geographic area of LID

<sup>8</sup> Amount raised is based on 2017 King County median household income of \$83,571 for the sales tax; car ownership rate of two cars/household for the vehicle license fee; or a median home value of \$582,000 for the property tax.

# Potential Funding Sources

## Metro Transit Funding Authority

As a transit agency, Metro Transit is granted a number of funding sources by State law. Some of these sources can fund both operations and capital. Some are limited to specific capital or operating purposes. Metro is currently imposing the maximum allowed sales tax. Other funding sources could be imposed, though in some cases are similar to or the same as funding authority available to King County government.

Funding Source	Authorizing Statute	Voter Approval Needed?	Max Rate	Max Term	Amount Raised per Increment <sup>9</sup>
<b>Sales Tax</b>	RCW 82.14.045; RCW 35.58	Yes	0.9% <i>(NOTE: Metro is currently imposing sales tax at the maximum rate)</i>	No limit	\$75M/year per 0.1%
<b>Property Tax Excess Levy</b>	RCW 35.58.116.	Yes <i>(60% approval, plus 40% participation of previous election)</i>	In excess of 1% limit	1 year	\$68M/year per \$0.10/\$1,000 AV
<b>GO Bonds With Excess Levy</b>	RCW 35.58.116; RCW 84.52.056; RCW 35.58.450.	Yes <i>(60% approval, plus 40% participation of previous election)</i>	In excess of 1% limit	Term of bonds <i>(up to 40 years)</i>	\$68M/year per \$0.10/\$1,000 AV
<b>B&amp;O Taxes For Businesses</b>	RCW 35.95.040; RCW 82.04	No	As determined by Council <i>(NOTE: Cannot be imposed if sales tax is imposed)</i>	N/A	Depends on rate, types of businesses affected
<b>Excise Tax on Residents</b>	RCW 35.95.040	No	\$1 <i>Per month per housing unit (NOTE: Cannot be imposed if sales tax is imposed)</i>	N/A	\$10.8M/year per \$1

<sup>9</sup> Amount raised is based on 2017 King County median household income of \$83,571 for the sales tax; a median home value of \$582,000 for the property tax; or a total of 902,107 housing units for the excise tax (based on American Community Survey 2013-2017 five-year estimates).

# Potential Funding Sources

## King County Funding Authority for Transit Purposes

*King County, as a government, has a number of funding sources available that can be used to fund transit. Some of these sources can also be used for other purposes (and in some cases are already being used for other purposes).*

Funding Source	Authorizing Statute	Voter Approval Needed?	Max Rate	Max Term	Amount Raised per Increment <sup>10</sup>
<b>Sales Tax<sup>11</sup></b>	RCW 82.14.030(1); RCW 82.14.040	No	0.5%	N/A	\$75M/year per 0.1%
<b>Sales Tax<sup>12</sup></b>	RCW 82.14.030(2); RCW 82.14.040	No	0.5%	N/A	\$75M/year per 0.1%
<b>General County Levy Authority</b>	RCW 36.40.090 (budget)	--	This revenue source is usually fully budgeted	N/A	\$68M/year per \$0.10/\$1,000 AV
<b>Property Tax Excess Levy Capital GO Debt</b>	RCW 84.52.056	Yes (60% approval, plus 40% participation of previous election)	In excess of 1% aggregate limit	Term of bonds (up to 40 years)	\$68M/year per \$0.10/\$1,000 AV
<b>Property Tax Single Year Levy Lid Lift (Temporary)</b>	RCW 84.55.050(1); WAC 458-19-045	Yes	Limit factor is 101% after first year	As on ballot (No more than 9 years if for debt service)	\$68M/year per \$0.10/\$1,000 AV
<b>Property Tax Single Year Levy Lid Lift (Permanent)</b>	RCW 84.55.050(1)	Yes	Limit factor is 101% after first year	Bump in year one (No more than 9 years if for debt service)	\$68M/year per \$0.10/\$1,000 AV
<b>Property Tax Multi-Year Levy Lid Lift (Temporary)</b>	RCW 84.55.050(2); RCW 84.55.050(5)	Yes	Specify limit factor for years 2-6 (Reverts to 101% after year 6)	As on ballot (No more than 9 years if for debt service)	\$68M/year per \$0.10/\$1,000 AV

<sup>10</sup> Amount raised is based on 2017 King County median household income of \$83,571 for the sales tax; or a median home value of \$582,000 for the property tax.

<sup>11</sup> If the County imposes 0.5%, the cities may not impose more than 0.0425%

<sup>12</sup> If a city imposes this tax up to the maximum rate, the city must provide the County 15% of the tax.



# Potential Funding Sources

Funding Source	Authorizing Statute	Voter Approval Needed?	Max Rate	Max Term	Amount Raised per Increment <sup>10</sup>
Property Tax Multi-Year Levy Lid Lift (Permanent)	RCW 84.55.050(2); RCW 84.55.050(5)	Yes	Specify limit factor for years 2-6 <i>(Reverts to 101% after year 6)</i>	As on ballot <i>(No more than 9 years if for debt service)</i>	\$68M/year per \$0.10/\$1,000 AV
Road Improvement Districts	RCW 36.88	No	Owners "specially benefited"	Tied to term of debt	Depends on level, geographic area
County Transit Property Tax Additional Regular Levy <sup>13</sup>	RCW 84.52.140	Yes	\$.075 per \$1,000 AV	None	\$51M/year per \$.075/\$1,000 AV

<sup>13</sup> First \$.01 must be used to add capacity to SR520, remainder for "transit related expenditures"

## Next Steps

- Regional leaders must determine how to proceed:
  - Whether and when to seek new funding
  - How much
  - Which source(s)
  - How to coordinate with Seattle Transportation Benefit District
- Any funding measure will be aligned with Metro's adopted policies as updated by the mobility framework

