

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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1. BILL SUMMARY

- 1. Legislation Title:** AN ORDINANCE relating to the Seattle Transportation Benefit District; authorizing material scope changes to Seattle Transportation Benefit District Proposition 1; authorizing the Director of the Seattle Department of Transportation to execute an interlocal agreement with Seattle Public Schools to provide transit passes to Seattle Public Schools students; changing appropriations to the Seattle Department of Transportation to fund the ORCA Opportunity Program; and amending Ordinance 125493, which amended the 2018 Budget (Ordinance 125475); all by a 3/4 vote of the City Council.
- 2. Summary and background of the Legislation:** On September 20, 2010, the Seattle City Council approved Ordinance 123397 to establish the Seattle Transportation Benefit District (STBD). The purpose of the measure was to allow the City of Seattle to leverage additional revenue to preserve and maintain transportation infrastructure and enhance Seattle transportation choices, including public transit. Upon establishing the STBD, its governing board imposed a \$20 annual vehicle license fee to fund these preservation and enhancement efforts.

On July 17, 2014, the STBD Board approved Resolution 12, placing a [measure](#) (Proposition 1) on the November 2014 General Election ballot for the purposes of funding Metro Transit service in Seattle. The ballot measure asked District voters to authorize an up to one-tenth of one percent sales and use tax, and an annual vehicle license fee of up to an additional \$60 per registered vehicle with a \$20 rebate for low-income individuals. STBD Proposition 1 passed with 62% approval and on December 1, 2014, the STBD board approved Resolution 14, fully imposing the vehicle license fee and sales tax.

Currently, Metro faces two constraints: base capacity and driver availability. These constraints limit SDOT's ability to fully utilize STBD Proposition 1 funding. As a result, SDOT is requesting material scope changes to STBD Proposition 1 to increase flexibility for use of these funds.

In addition to this increased flexibility, STBD will continue to fund almost 300,000 annual hours of transit service, improve low-income access to transit through ORCA LIFT, Community Ambassadors, and the Transportation Equity Program, and issue vehicle license fee rebates to income-eligible residents.

This ordinance includes the following changes:

- Authorizes material scope changes:

- Changes the routes that can be funded with STBD from routes with at least 80% of all stops in Seattle to routes with at least 65% of all stops in Seattle;
- Authorizes spending on ORCA Opportunity, a program that provides transit passes to Seattle Public Schools students in grades K-12 and students participating in the Seattle Promise Scholar or other similar programs;
- Authorizes STBD funds to be used to purchase contract pilot transit services; and
- Authorizes STBD funds to be used to build capital improvements that optimize transit operations.
- Authorizes SDOT to enter into an interlocal agreement with Seattle Public Schools for ORCA Opportunity.
- Increases STBD appropriation levels to fund ORCA Opportunity by \$2 million in 2018. It is anticipated that additional appropriations for ORCA Opportunity, including the amount for ORCA Youth passes currently funded by the STBD low-income access to transit program, will be \$4 million in 2019 and \$4 million in 2020. The 2020 amount includes funding for the first half of the 2020 – 2021 school year.

The level of investment for each of the material scope change items is contingent upon how many Metro transit service hours can be purchased; therefore, SDOT has identified a range of potential investments as follows:

STBD Investment Ranges – Material Scope Change	
<p>With a 100,000 annual hour investment in Metro transit service, there is an additional \$15 million in STBD funds to spend as follows:</p> <ul style="list-style-type: none"> ● \$5 million on Near Term Action Plan transit projects/spot improvements/ RapidRide ● \$10 million on bus lanes for future RapidRide lines (lines/extent TBD) 	<p>With a 60,000 annual hour investment in Metro service, there is an additional \$20 million in STBD funds to spend as follows:</p> <ul style="list-style-type: none"> ● \$5 million on external transit services (contracted or pilot services) ● \$5 million on Near Term Action Plan transit projects/spot improvements/ RapidRide ● \$10 million on bus lanes for future RapidRide lines (lines/extent TBD)

2. CAPITAL IMPROVEMENT PROGRAM

a. Does this legislation create, fund, or amend a CIP Project? Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

a. Does this legislation amend the Adopted Budget? X Yes No

Budget program(s) affected:				
Appropriation change (\$):	General Fund \$		Other \$	
	2018	2019	2018	2019
			\$2,000,000	\$4,000,000
Estimated Revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2018	2019	2018	2019
Positions affected:	No. of Positions		Total FTE Change	
	2018	2019	2018	2019

b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
No.

c. Is there financial cost or other impacts of *not* implementing the legislation?
If legislation and appropriation changes are not adopted, SDOT cannot implement ORCA Opportunity and thereby increase the number of Seattle Public Schools students who can receive ORCA passes free of charge. There will also be impacts to routes that need additional service and are currently ineligible for investment from STBD outside of regional partnerships because the percentage of bus stops in Seattle are below the 80% threshold. Many of these routes are in need of additional investment to serve the current and growing ridership in the corridors.

This new appropriation will lessen the demands on the low-income program funded from STBD Proposition 1. Currently, \$1 million of the \$2 million annual program is budgeted for the Youth ORCA program. The new ORCA Opportunity appropriation will be used to fund these cards as well as to expand the program outside of the low-income access to transit program. This will free up \$1 million in 2019 and 2020 for other work in the low-income access to transit program. With this funding change being made mid-year, the change will result in an additional \$1,000,000 of funding availability for the low-income fare program in 2019 and 2020.

3.d. Appropriations

This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/##*	2018 Appropriation Change	2019 Estimated Appropriation Change
Transportation Benefit District Fund (19900)	SDOT	Mobility Operations (BO-TR-17003)	\$2,000,000	\$4,000,000
TOTAL			\$2,000,000	\$4,000,000

Is this change one-time or ongoing?

Appropriations for ORCA Opportunity are anticipated to be \$4,000,000 in 2019 and \$4,000,000 in 2020. Proposition 1 expires at the end of 2020.

Appropriations Notes: The City anticipates the ORCA Opportunity program will cost approximately \$4 million each school year to provide cards to Seattle Public High School students. With this change being made mid-year, only \$2 million is being appropriated to pay for the first half of the 2018 – 2019 school year.

This legislation also allows STBD funds to be used for capital improvements that improve transit speed and reliability. Appropriation requests for capital improvements will occur in the 2019 and 2020 Proposed Budgets; it is possible that a 2018 supplemental budget increase will also be requested.

Appropriation increases for the contracted pilot transit services and the revised definition of a Seattle route are not needed at this time because the appropriation authority is already provided in the 2018 Adopted Budget within the Mobility-Operations BSL.

It is anticipated that the supplantation rules currently in effect for STBD Proposition 1 would be unchanged by this ordinance, i.e. the supplantation analysis will simply change the threshold of minimum stops in Seattle from 80 percent to 65 percent. Routes with between 65 and 80 percent of stops in Seattle will be eligible for supplantation credits.

3.e. Revenues/Reimbursements

___ This legislation adds, changes, or deletes revenues or reimbursements.

3.f. Positions

___ This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
The Department of Education and Early Learning
- b. **Is a public hearing required for this legislation?**
Yes, we are planning to hold a public hearing on May 15 in coordination with the Sustainability and Transportation Committee meeting.
- c. **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**
No
- d. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No

e. Does this legislation affect a piece of property?

No

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

This legislation will improve access opportunities to communities of color and low-income families by providing free transit use by all Seattle Public School high school students and Seattle Promise Scholars.

Changing the definition of a Seattle route will allow SDOT to direct more transit service investments to areas of Seattle with higher concentrations of people of color and low-income families.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

This legislation expands an existing program by providing ORCA cards to all SPS high school students and Seattle Promise Scholars. The goal of this expansion is to improve access to education, social activities, employment, and other important government services by distributing free ORCA Cards. Program success indicators for ORCA Opportunity are school attendance, quality of life improvement, and increased transit ridership.

List attachments/exhibits below:

None