

## SUMMARY and FISCAL NOTE\*

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Seattle Department of Transportation	Benjamin Smith/206-684-4209	Christie Parker/206-684-5211

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### **1. BILL SUMMARY**

#### **Legislation Title:**

AN ORDINANCE relating to use of bus and shuttle bus zones by private employer shuttle vehicles; making permanent the Seattle Department of Transportation’s Employer Shared Transit Stop pilot program; amending Sections 11.14.070, 11.14.567, 11.14.568, 11.14.670, 11.16.120, 11.23.034, 11.31.121, 11.72.050, 11.72.357, and 11.74.130 of the Seattle Municipal Code; and adopting a Transit and Mobility Fee Schedule.

#### **Summary and Background of the Legislation:**

The Revised Code of Washington, RCW 35.58.250, allows buses owned or operated by any corporation or organization to provide local public passenger transportation service solely for the purposes of the corporation or organization, so long as no fee or fare is charged. This allows employer-funded private shuttles to operate within the King County Metro (Metro) service area.

In April 2017, SDOT and Metro began operating a pilot program allowing private employer-provided shuttles to share a dozen existing public transit stops with public transit agencies. Seattle Children’s Hospital and Microsoft participated in the pilot program and are sharing stops with public transit to pick up and drop off employees. The goals of the pilot were to maintain transit operations with shared use of transit stops, maximize ridership on public transit and employer shuttles, and limit public curbspace allocated to loading zones.

An evaluation of the pilot program was completed in October 2018. Based on the findings of the report and the potential for the program to meet the goals of both the City’s downtown and citywide mobility strategy, this legislation makes the pilot program permanent. This change allows the shared use of approved public transit stops by additional public and private transit providers. The legislation also adopts a Transit and Mobility Fee Schedule that establishes permit fees for shared transit stops and shuttle vehicles. The legislation authorizes the SDOT Director to adjust fees annually based on changes to the Consumer Price Index. Annual increases are capped at 10%. Fee revenues are deposited in the Transportation Fund and are used to administer the program. This legislation will be accompanied by a corresponding Director’s Rule to be published by SDOT for comment, and which would be updated as needed to reflect program operations.

As the region endeavors to recover from the COVID-19 pandemic, employer shuttles could become increasingly important as employers begin to bring employees back to in-person

worksites and public health concerns continue to linger with regard to public transit. Recent customer surveys indicate that, compared to pre-COVID patterns, many people envision driving alone more and riding public transit less, a trend which runs counter to the City’s aggressive goals to reduce drive-alone trips as part of our climate commitment. A well-managed employer shuttle program could help to reduce drive-alone rates post-COVID.

**2. CAPITAL IMPROVEMENT PROGRAM**

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

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation amend the Adopted Budget? \_\_\_ Yes  X  No

Appropriation change (\$):	General Fund \$		Other \$	
	2022	2023	2022	2023
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2022	2023	2022	2023
		(\$75,000)		\$431,960
Positions affected:	No. of Positions		Total FTE Change	
	2022	2023	2022	2023

**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?**

Appropriation changes due to passage of this legislation will be reflected in one or more future budget actions.

**Is there financial cost or other impacts of *not* implementing the legislation?**

If this legislation is not approved, then SDOT would not have the requisite revenues to support the long-term operations of the program and the program would not be able to expand.

**3.a. Appropriations**

       This legislation adds, changes, or deletes appropriations.

**Appropriations Notes:** Appropriations associated with this item will be incorporated into future budget action(s).

**3.b. Revenues/Reimbursements**

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

Fund Name and Number	Dept	Revenue Source	2022 Revenue	2023 Estimated Revenue
Transportation Fund / 13000	SDOT	Permit Fees	N/A	\$431,960
General Fund / 00100	N/A	Permit Fees	N/A	(\$75,000)
<b>TOTAL</b>				<b>\$356,960</b>

**Is this change one-time or ongoing?**

Ongoing

**Revenue/Reimbursement Notes:** Shuttle Vehicle Permit fee revenues that currently are deposited to the General Fund will instead be deposited to the Transportation Fund, along with other fees listed in Ordinance Attachment A: Transit & Mobility Fee Schedule.

**3.c. Positions**

       This legislation adds, changes, or deletes positions.

**4. OTHER IMPLICATIONS**

- a. **Does this legislation affect any departments besides the originating department?**  
No.
- b. **Is a public hearing required for this legislation?**  
No.
- c. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No, although SDOT has published notice of an accompanying Director’s Rule.
- d. **Does this legislation affect a piece of property?**  
No.
- e. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

SDOT completed a review of equity impacts of this program in a Racial Equity Memo, as transit is a vital service to low-income communities and many people of color. A poorly-implemented employer shuttle program – or the lack of a program at all – could create significant equity issues, for example with shuttles blocking critical transit stops and stations.

The Program will significantly increase SDOT’s visibility into shuttle operations in Seattle and would minimize potential negative impacts by ensuring that shared stops are sited at locations with sufficient capacity for additional vehicles, and that new shuttle load zones also fit in with neighborhood needs. The fees associated with the Program ensure that shuttle-related application and program administration activities are funded by employers and not by taxpayers. Any excess revenues not needed for program administration will be targeted for improvements that benefit transit riders and employer shuttle users, such as enhancements to shared stop locations. SDOT will be closely monitoring community feedback following program launch to evaluate potential issues surrounding equity at shared stops, including public perception of the overall program as well as neighborhood-specific concerns.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

As noted above, among other goals the program intends to encourage use of employer shuttles while integrating them into the greater transit and transportation system. With sufficient uptake of shuttle use and mode shift away from Single Occupant Vehicle driving, this should decrease carbon emissions within the City of Seattle. As well, by gaining additional information about shuttle pathways and operations, SDOT can also discourage discretionary and empty-running mileage of shuttles, further decreasing shuttle Vehicle Miles Traveled and resulting carbon emissions.

**2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

The program should increase the City’s resiliency to climate change by partnering with new and expanding employer shuttle services to provide additional travel options in the City of Seattle, and to better integrate these different curbs-loading uses (shuttles with public transit). As noted in section 4(f)1, it can decrease carbon emissions by shifting drive-alone trips to shuttles, potentially reducing congestion and allowing more efficient use of Seattle’s roadways and curbspace. It will also increase the coordination between shuttle operations and public transit, allowing each of these modes to best serve their travel markets most efficiently.

**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).**

Given strong interest in this program from employers (such as Amazon, Microsoft, Google, University of Washington, and Seattle Children’s Hospital), demonstrated compatibility with transit operations as indicated by the 2018 evaluation and the fact that as Seattle emerges from COVID-19, transit service levels are constrained while travel demand continues to increase, this program is well-timed. SDOT has done significant work to ensure this program

is functional and equitable, reflective of stakeholder feedback and input from the business community as well as transit operators, and sustainable from a financial and staffing perspective. The initial program design includes limits on the number of shared stop applications per year and numbers of shared stops per employer and citywide, to best manage shared stops across the city and streamline administration. Both these caps and the proposed fee structure will be evaluated two years after program launch to ensure opportunity for future refinement if needed.

If the Program is not implemented, SDOT will continue to have a Shuttle Vehicle Permit fee (allowing operation of employer shuttles). The rate has not been updated since its initial adoption into the Seattle Municipal Code in 2005, so it does not fully cover related staff costs. The combination of updated Shuttle Vehicle Permit fees, a new hourly review fee for applications, and a new Shared Transit Stop annual use fee would provide a more flexible, responsive set of curb management tools that can be better tailored to the mix of employer needs, transit service requirements, and other uses and demands on blocks in different locations. This framework also better addresses staffing costs beyond what is funded in SDOT's base budget. Other impacts of not adopting this program include limited visibility into operations and data from shuttle providers, a more cumbersome process for permitting shuttle access to curbside space via Shuttle Vehicle Load Zones, and the need to resolve the existing 12 shared stop locations and current employer participation in the pilot program.

**Summary attachments:** None.