

STBD Transit Service Purchase Proposal

Presentation to the
Seattle City Council

January 27, 2015



Background

- Seattle Transportation Benefit District Proposition 1 was approved by voters on November 4
- Measure includes a 0.1% sales tax and \$60 VLF estimated to produce approximately \$45 million in its first full year
- STBD Resolution 12 dictates that revenues will be spent on:
 - state administrative costs (as required by RCW) and low income VLF rebates as first priority;
 - Service on Metro routes with 80% or more of stops within City of Seattle;
 - \$3 million per year set aside for regional partnerships;
 - Up to \$2 million per year used to support access to transit for low-income riders.
- No Supplanting of County Service with STBD revenues

Service Purchase Agreement

- Modeled on previous service purchase agreements between SDOT and Metro...
- ...but with cost allocation elements borrowed from Sound Transit's agreement with Metro.
- Administrative and other fixed costs excluded from hourly cost allocation formula.
- Farebox credit by vehicle type results in considerable savings to City for service hours on more productive trolley routes.
- Financed costs of additional vehicles needed for peak hour enhancements paid by City for duration of agreement.
 - At termination, City pays balance and takes ownership if vehicles cannot be retained in Metro fleet.
- Sec. 7: Metro agrees to Res. 12's no supplanting provision.

STBD Service Goals

1. Reduce Overcrowding
 - 12,000 service hours to address all needs identified in Metro Service Guidelines
2. Improve Reliability
 - 21,000 service hours to address all needs identified in Metro Service Guidelines
3. Increase Frequency of Service
 - 192,000 service hours to address many frequency needs identified in Metro Service Guidelines and Seattle Transit Master Plan
 - 51,000 of the 192,000 will further reduce overcrowding by improving frequency during traditional commute hours

STBD Service by Type

Three measures of proposed investment		Existing Metro Investment	STBD Investment
Type	Overcrowding/peak	n/a	29%
	Unreliability	n/a	9%
	Non-peak frequency	n/a	62%
RapidRide/Non-RapidRide*	RapidRide	13%	22%
	Non-RapidRide	87%	78%
Time period	Peak	43%	29%
	Daytime	39%	37%
	Evening and Night	17%	34%

*Includes planned 2016 extension and "splitting" of the RapidRide C and D lines

Resulting Network

- More than 50 routes with reduced crowding, better reliability, or more buses
- Major frequency improvements on nine high-ridership routes throughout Seattle
- Smaller frequency improvements on 20 additional routes throughout Seattle
- Significantly improved Frequent Transit Network with service every 15 minutes or better for 12-18 hours per day, 6-7 days per week
- Using transit becomes a higher quality option for commuters, shoppers, seniors, students, visitors, and others

Other Key STBD Elements

1. Access to low-income transit fares
 - Metro low-income fare begins in March
 - Program helps ensure success of low-income fare
2. Regional Partnership Program
 - Funds up to 50% of the cost of cross-jurisdiction route improvements
3. VLF Rebate
 - Reduces VLF by 1/3 for eligible vehicle owners

Proposition 1 Revenue Projection

Seattle Transportation Benefit District (TBD)

- \$60 annual Vehicle License Fee (VLF)
 - \$20 VLF rebate to be offered to low-income vehicle owners
 - Revenue collections begin in May (June car tabs)
 - Estimated \$15.3 M in 2015
- 0.1% Sales Tax
 - Revenue collections begin in April
 - Estimated \$17.2 M in 2015

Proposition 1

DRAFT Proposed 2015 Expenditures

<u>Fiscal Year Revenues</u>		
Sales and Use Tax - 0.1%		\$17,228,134
Vehicle License Fees - \$60		\$15,258,692
Total Revenues		\$32,486,826
<u>Expenditures</u>		
Metro service hours		91,716
Estimated cost/hour		125.50
Estimated Metro service cost		-\$11,510,358
VLF rebate administration		-\$4,000,000
Planning/analysis		-\$900,000
Low-income transit access		-\$2,000,000
Regional Partnerships		-\$3,000,000
Election Costs		-\$756,093
Total Expenditures		-\$22,166,451
Ending Fund Balance		\$10,320,375
Reserve for contingency (10% of revenues)		-\$3,248,683
Reserved Ending Fund Balance		\$7,071,692

Note: Expenditures are expected to increase at a greater rate than revenues during the Proposition 1 time-frame.