

February 11, 2021

MEMORANDUM

To: Transportation and Utilities Committee
From: Calvin Chow, Analyst
Subject: Authorizing Legislation for Metro Transit Service Contract

On February 17, 2021, the Transportation and Utilities Committee will consider and possibly vote on Council Bill (CB) 119998.¹ This legislation would authorize the Seattle Department of Transportation (SDOT) to enter into a service agreement with King County Metro (Metro) to purchase additional transit service on Seattle bus routes. An agreement with Metro is necessary to implement the November 2020 Seattle Proposition 1, which authorized a 0.15 percent sales tax to fund transit service for six years (Ordinance [126115](#)). If CB 119998 is approved, Council would authorize the Executive to enter the agreement and would consider future funding levels and transit purchase decisions as part of annual budget deliberations.

Background

With the passage of Seattle Proposition 1, Seattle voters authorized a continuation of transit funding from a 2014 transit funding measure² which expired at the end of 2020. Currently, SDOT purchases additional transit service from Metro under a 2015 service agreement (Ordinance [124720](#)), which will expire on June 30, 2021 (Ordinance [126251](#)). The proposed legislation would authorize a new service agreement through December 31, 2027 to cover the full term of Seattle Proposition 1.³

Agreement Provisions

The proposed agreement maintains the key provisions and service terms of the previous 2015 service agreement. These provisions include:

- Consistency with City and County transit policy. Services under this agreement are to be consistent with the City's Transit Master Plan and Metro's Service Guidelines.
- No supplanting of transit service. Services funded under this agreement will be additive and will not supplant transit service that Metro would otherwise provide with County funding. Because Metro lacks the financial capacity to fully meet Metro's Service Guidelines, Seattle Proposition 1 funding would be used to support additional Seattle transit priorities.

¹ CB 119998 will be included on the February 16, 2021 Introduction and Referral Calendar and referred to the Transportation and Utilities Committee.

² The 2014 transit funding measure authorized a \$60 vehicle license fee and a 0.1 percent sales tax.

³ Seattle Proposition 1 authorizes the collection of sales tax until April 1, 2027. The proposed December 31, 2027 term for the service agreement allows for the expenditure of any accumulated fund balance and to cover any transitional period if a subsequent transit funding proposition is put forward in the future.

- Credit for farebox revenue. The City will continue to receive a farebox credit proportional to Metro's systemwide farebox recovery.

The proposed agreement also updates and clarifies some of the terms of the previous contract. These changes include:

- Periodic review of financial performance. The agreement establishes a process to review Metro cost drivers that affect the delivery and cost of transit service.
- Acknowledging eligibility for any allocated federal funding to support transit operations as a result of COVID-19. Although this situation was not contemplated in the previous agreement, Metro directed a proportional allocation of the 2020 CARES Act funding towards reimbursing the City's transit purchases. The proposed agreement includes new language to cover this situation.
- Establishing a maximum allowable ramp-down of transit service per service change. The proposed agreement includes new language to limit the amount of transit service reduction for any given service change (including termination of the agreement) to a maximum of 100,000 service hours. This clause is intended to allow Metro time to adjust its workforce, facilities, and resources in response to a potential future loss of City funding. The previous agreement did not explicitly address this situation.
- Acknowledging that flexible transit services under contract with Metro (e.g., DART, Via, Ride2) may be purchased under this service agreement. The previous agreement did not explicitly address these services.
- Clarifying and updating administrative terms and procedures. The proposed agreement updates contract language to be consistent with City and Metro administrative practices that have developed over the term of the previous agreement.

The King County Council is scheduled to consider similar authorizing legislation for Metro at their Mobility and Environment Committee on February 24, 2021.

Please contact me if you have any questions or concerns regarding this legislation.

cc: Dan Eder, Interim Central Staff Director