Regional Transit Task Force
Summary of Meeting

April 20, 2010, 5:00 – 8:30 PM
Mercer Island Community Center

Task Force members present: Chuck Ayers, Shiv Batra, Gene Baxstrom*, Fred Butler, Grant Degginger, Kevin Desmond*, Bob Drewel, Chris Eggen, David Freiboth, Noel Gerken, Chris Hoffmann, Carl Jackson, Rob Johnson, Kate Joncas, Josh Kavanagh, Jane Kuechle, Steve Marshall, Lynn Moody, Estela Ortega, Tom Pierson, Tom Rasmussen, Carla Saulter, Jim Stanton, Jared Smith, Liz Warman

Task Force members absent: Sue Blazak, Suzette Cooke, James Kelly, Ed Miller, Ron Tober*, Larry Yok

Others present: County Executive Dow Constantine, County Councilmembers Jane Hague and Larry Phillips

Facilitator: John Howell (Cedar River Group)

I. Welcome and Role of the Task Force

The meeting was called to order at 7:00 p.m. John Howell reviewed the agenda and asked the task force members and attendees to introduce themselves.

County Executive Dow Constantine thanked the task force members for their willingness to serve and to develop recommendations for Metro's short-term and long-term direction. He noted that this is a critical time for decision-making, given the nationwide recession, the rise in fuel prices, the steep decline in sales taxes and the fact that the county is at the limit of state-authorized taxing authority. The Executive hopes that the task force can help the county set the course for Metro in the next decade and find common ground as a region on priority transit needs. The task force members were selected because of the mix of experience and perspectives they represent, and their abilities as individuals to see the big picture and to collaborate.

Councilmember Larry Phillips also thanked the task force for their willingness to devote time to focusing on transit and the region's future. The current economic climate presents an opportunity to define a new vision and mission for Metro transit, and meet the challenge of a shortfall in revenue in ways that work for the local communities in the county. Metro was able to stem the tide temporarily this year, but will need solutions both for the short and the long term. The County Council looks forward to receiving the task force's consensus recommendations in September.

Councilmember Jane Hague was unable to attend the beginning of the meeting, but sent her thanks to the task force members, also. She was able to join the meeting in progress to hear much of the presentations and discussion.

II. Finalize Meeting Ground Rules

Task force members received revised draft ground rules with their meeting materials. At the last meeting, task force members had raised questions about two of the draft ground rules: #7 about public comment, and #8 regarding use of alternates. Ground Rule #7 was changed for the new draft, to state that: "the task force ***will*** accept questions or comments from the public at the conclusion of meetings." In addition,

* Non-voting member

though not detailed in the ground rules, Metro has added to the task force's Web site an online form people can use to send comments or questions to the task force. At each meeting, any new comments will be provided to the task force.

Ground Rule 8 was not changed. In researching the question, Mr. Howell found that the Task Force Executive Committee had previously discussed this issue, and decided that it was so important to have continuity in the task force's discussions and deliberation that alternates should not be used. Therefore, Ground Rule #8 remains the same as in the earlier draft. While a task force member who must miss a meeting may ask someone to attend that meeting on his/her behalf, that attendee will not be able to participate in discussion or voting.

- ***Decision.*** There was unanimous "thumbs up" consensus among task force members to accept the ground rules as revised.
- ***Action.*** The final ground rules will be posted on the task force Web site.

III. Building a Common Base of Knowledge and Understanding: Briefings and Discussion Regarding Metro Transit

Mr. Howell explained that the purpose of presenting detailed background information is to make sure that all the task force members have a common footing for upcoming discussions. This is also an opportunity to identify additional information that members would find useful for the task ahead. Mr. Howell suggested that task force members keep in mind the six planning factors that the County Council has asked the task force to consider: land use, social equity and environmental justice, financial sustainability, geographic equity, economic development, and productivity and efficiency.

Jim Jacobson, Deputy General Manager, and David Hull, Service Planning Supervisor of King County Metro Transit, presented background information on four topics: (1) system evolution; (2) environment and policy considerations; (3) performance; and (4) financial issues. (See the PowerPoint slides, "Metro System Overview" on the task force web site: www.kingcounty.gov/transportation/transittaskforce.aspx.)

A. System Evolution (Jim Jacobson)

Prior to 1995. Metro's service focused on providing one-seat rides two major markets: downtown Seattle and the University District. The hub-and-spoke network design implemented the policy focus on commute trips and reducing traffic congestion by serving the major employment concentrations. Metro's capital program prior to 1995 reflected the service strategy. Capital investments expanded Park and Ride capacity, and the Downtown Transit Tunnel design improved access in order to speed freeway based services from North, South and East into and through downtown Seattle. Policy also encouraged Metro to promote alternative travel options besides the bus, such as vanpools and carpools. The passage of the Americans with Disabilities Act (ADA) increased Metro's efforts to serve the special needs population's mobility needs through Access paratransit services and making the fixed route network accessible. Metro's ridership grew quickly in the 1970s, but the growth rate leveled off in the 1980s.

1996–2001. Two noteworthy events changed Metro's policy directions: the Washington State Legislature's passage of the Growth Management Act in 1990 and the voter approved merger of Metro with King County in 1992. The Growth Management Act required local governments to coordinate land use and transportation plans that reduce sprawl, provide for efficient transportation, encourage sustainable development and protect the environment by concentrating development within an urban growth area (UGA).

With the goal of focusing, Metro initiated a Six-Year Plan (1996 – 2001) to reconfigure service to serve multiple destinations, rather than consider Seattle the hub for most transit trips. In response to adopted County Growth Management oriented policies, Metro's Six-Year Plan began the shift from a "hub-and-spoke" design to a "multi-center service" design intended to respond to changes in growth patterns and to provide quality public transportation service to more people. The Six-Year Plan focused on market share, mobility, and cost and efficiency. The Six-Year Plan incorporated successful elements of the existing system with a new strategy that consolidated service into key corridors where frequent all-day service connected riders to a series of "hubs" where riders could change buses to reach destinations that were not previously served. The 1996-2001 Six-Year Plan also established population based subarea allocation for new service investments.

As a result of making travel by transit available to a wider array of locations, Metro's market penetration (percentage of households using transit) increased, as did transit use per capita.

2002–2007 Six-Year Transit Plan. The next Six-Year Plan built upon the success of the initial Six-Year Plan and incorporated changes in the operating environment. In 1996 voters had approved the Regional Transit Authority's $3.9 billion Sound Move Plan; and in 1999, the voters' approval of I-695 resulted in the elimination the Motor Vehicle Excise Tax (MVET), which had provided about a third of Metro funding. Metro's revenues now depended on sales tax. The loss of funding did require some service cuts before the legislature increased transit's sales tax authorization and voters approved a 0.2 percent Metro sales tax increase to replace most of the MVET loss. The volatility of the exclusive reliance on sales tax was demonstrated during the "dot com bust" of 2000-01, when the projected sales tax growth that was expected to fund Metro's planned service additions was wiped out in a recession.

The 2002-07 Six-Year Plan revised the population based service allocation policy to the current 40-40-20 allocation policy. The policy required that for every 200,000 hours invested in new service, 40 percent of the new service hours would go to East King County, 40 percent to South King County, and 20 percent to Seattle and North King County. The allocation policy recognized that the east and south subareas received fewer transit resources and moved to correct the imbalance over time.

2007–2016 Ten-Year Strategic Plan. With voter approval of Transit Now in 2006, Metro was poised to grow the transit network by 20 percent over a 10-year period. The Transit Now program included five elements: expansion of the high ridership network, development of five RapidRide bus rapid transit lines, service to areas that had experienced rapid growth and were underserved, a partnership program, and funds to increase van pool use and expand Access service to more eligible county residents. Between Spring 2007 and Spring 2010, Transit Now investments were implemented per the adopted phasing plan.

Unfortunately, the deep recession that began in 2008 precipitated a steep decline in sales tax revenues and created significant budget shortfall. The 2010 – 2011 adopted biennial budget minimized service cuts through job losses, fare increases, implementation of a property tax for transit, use of reserves, and cuts to Metro programs. The adopted budget retained RapidRide (including a sixth line serving Renton, Tukwila and Burien) and the partnership program, but postponed other elements of the Transit Now program. The 2010 – 2011 adopted biennial budget did not address the well-documented structural imbalance in Metro's finances that provides a significant challenge to Metro in 2012 and beyond.

Ridership survey. A 2009 ridership survey showed that 90 percent of Metro riders are "choice" riders (have cars but choose to ride the bus). The median income of riders is $69,000, which is much higher than for typical transit riders in other U.S. cities. In terms of access to transit, 95 percent of the people within the urban growth boundary live within one-half mile of a major transit line or within one and one-half miles of a park-and-ride lot. Overall, rider satisfaction continues to be good, with 93 percent satisfied.

Answers to Task Force Members' Questions:

- *Adding service for new areas of development:* Even if funding were not an issue, Metro has never attempted to expand service to new housing developments immediately. The agency has had a fund for service improvements in rapidly developing areas, and has asked subregional leaders to identify growth areas that should be served.
- *Carpools:* Metro is continuing to promote the use of carpools, van pools and alternative work hours. Metro just upgraded Ride Match and is working to identify more parking for car pools. In reference to Highway 520, there has been some discussion in the public about the level of service available in the carpool lane. That is a policy issue that the Washington State Department of Transportation (WSDOT) is reviewing.
- *Access to transit/headways:* Many of the transit routes within the urban growth boundary provide service at least every half hour during weekdays; many are more frequent.
- *40-40-20 investments:* The principle behind this policy was that new investments made during the 2002-07 plan would be made primarily in South and East King County.
- *Service additions:* With the additional 0.2 percent sales tax in 2000, Metro was able to add almost 200,000 hours of service. More had been planned but was not feasible, given the downturn in sales tax receipts from the dot com bust. With the additional 0.1 percent sales tax in 2006 for Transit Now, Metro began to implement additional service but had to cut back the plans because of the recession starting in 2008.
- *Park & Ride facilities:* Most of the park and rides were built 20 years ago to create better density for transit in suburban areas. In the last 10 years, Metro has focused more on filling in local service within the suburban area. Ridership from park and ride users is a relatively small percentage of the total ridership.
- *Coordination with Sound Transit:* Slide 23 provides an example of the ways in which Metro and Sound Transit coordinate their delivery of service. In the Issaquah–Bellevue–Mercer Island–Seattle corridor, Sound Transit focuses on two-way, all-day service. King County Metro also serves this corridor but provides express service for commuters in peak hours. Sound Transit would not have the capacity to offer that service.
- *Rider satisfaction:* In the 2009 survey, there were two positive choices for satisfaction and two negative choices indicating dissatisfaction. The chart Overall Rider Satisfaction (slide 32) combines the two dissatisfaction categories since the percentage of each was small. This was the last, sum-up question in the survey. Prior questions asked about satisfaction with specific elements of service (frequency, shelters, etc.) and which elements were the most important to the rider. Transit systems in other U.S. cities do not seem to have the same kind of rider satisfaction data.
- *Comment:* A task force member commented that to the public, some of the services of Metro and Sound Transit appear to be duplicative. Clarification is needed as to what role each agency is playing and why.

B. Environment and Policy Considerations (David Hull)

Population density. Many areas of the county have seen significant population growth since 2000 However, much of the population growth within incorporated areas has been by annexation. Population does not necessarily equate to density. National research suggests that when population density reaches 12 to 13 people per acre, the mode shift to transit is significant. At this level, residents show a marked difference in how they choose to travel. Partly this is because more dense neighborhoods are usually pedestrian-friendly, have facilities and services that residents can walk or bike to, and have walkable access to transit.

Employment density. Concentrated employment increases transit use more than population density. When employment density reaches 20 to 25 jobs per acre, it is suited for fixed-route transit investment. When there are 100 jobs per acre, there is a significant increase in transit use.

Demographics. Metro riders' average income is $69,000, which exceeds that of other U.S. transit systems. Nationally, 43 percent of bus riders live in households with annual incomes of less than $20,000. Many areas served by Metro's core route network have significant populations of people age 65 or older. With the aging of the baby boomers, the population of seniors is projected to increase across the region. Seniors and teens generally are significant users of transit services.

Land use. In terms of urban design, a community is transit friendly if it is walkable, has services accessible on foot, and has an interconnected street grid that facilitates multiple direct paths to destinations. Many communities built since the 1950s, however, have a cul-de-sac street pattern and no sidewalks, and requiring travel by auto—even for short trips. These are not transit friendly.

Policies. Land use policies affecting transit include the Growth Management Act (GMA), which has directed regional land use since 1990. The Puget Sound Regional Council (PSRC) Vision 2040 and the recently adopted Transportation 2040 plans continue GMA's vision of concentrating growth in centers. Social justice policies affecting transit include the Civil Rights Act, the ADA, and county policies, such as the Equity and Social Justice Initiative.

Metro's own policy framework includes the Comprehensive Plan, which sets Metro's roles in shaping the region's future, and the Strategic Plan, which provides the steps to take in the next 10 years, and guides Metro's operating and capital budgets. The Strategic Plan includes specific strategies to implement the regional transportation vision, such as the integration of bus services with regional high-capacity transit, allocation of new service hours, and developing partnerships. Given the public outcry about the restructuring of bus service around Sound Transit's initial Link light rail segment, many individuals may not have realized or understood that in order to have an efficient system, public transportation as we know it today would evolve as Sound Transit extends Link to the north, east and south.

The System Design Tradeoffs chart (slide 50) shows the key areas of policy decisions that determine what the system's service will look like.

Answers to Task Force Members' Questions:

- *Residents per acre:* Metro's experience has borne out the population density standard for transit of 12 to 13 people per acre as the point where greater transit use occurs. But there are trade-offs, as indicated in the System Design Tradeoff chart. If the policy is ridership based, you need to concentrate service in the areas with population and employment density. If policy directs providing access to transit for all residents within the service area (coverage investments), dispersing the transit investments, then resources expended should not be expected to produce high ridership. The policy direction produces the outcome.
- *Response to demographic and development changes:* Metro's planning does consider likely changes such as the aging population. But the challenge is whether Metro should anticipate changes in population and land use or react to them. Often, people in older age groups choose to live where there is good transit. But a seniors facility may decide to locate in an area not well-served by transit, then ask why the area is not served. Transit systems generally are reactive. Transit-oriented development for a bus system is difficult to generate.
- *Land use:* It is part of the task force's charge to look at land use, since that is one of the key factors the County Council asked the task force to consider. The policy direction that county decision-makers set for Metro has implications for cities and how they regulate land use. An

- *Comments:* A task force member cautioned that the group will need to be open-minded to make sure that the policies they recommend will harmonize with what will come out of PSRC. The task force needs to keep two planning frameworks in mind: a short-term plan to deal with the near-term financial crunch, and the longer-term design of the system and its relation to the larger transportation picture in the Puget Sound region.

C. Performance (Jim Jacobson)

Mr. Jacobson reviewed a series of slides (#52 – 59) comparing King County Metro to 30 other metropolitan area transit systems. While the graphics compare King County Metro to transit systems in other U.S. cities, no two systems are alike. Differences include the size (acreage) of the region served, the population, the types of vehicles used (bus, trolley, light rail, etc.), and how the transit systems are governed. Most of the systems listed in the comparison charts are regional, serving both urban and suburban areas. The exception is San Francisco, which serves a 49-square-mile, high-density urban area with a lot of transit riders. The Federal Transit Administration (FTA) groups systems by ridership for funding purposes, but does not rank systems. While we can't make direct comparisons with other systems, Metro reviews these performance data to see how Metro is trending against other systems in the country.

The slides show different aspects of performance. The indicators are what the FTA requires transit systems to report. The question for policy-makers of a transit system is what constitutes success. The different metrics in the slides measure different types of performance and efficiency. Depending on what kind of system you want to have, you choose the measures for success in achieving that goal. The following are the performance measures in the charts.

- Ridership Change (#52): Every transit system in the United States lost ridership between 2008 and 2009. Metro lost fewer riders than the average.
- Operating Cost Change (#53): Every system has experienced an increase in operating cost, with Metro's less than the average. The biggest elements in the increase were labor and benefits, and fuel costs. Every 10 cents that fuel increases costs Metro $1 million.
- Transit Efficiency – Cost per Platform Hour (#54): Our costs were higher per hour than those of many other transit systems. Not all systems have trolley buses, as Metro does, but trolleys tend to cost more to operate. Still, Metro ranked seventh. The costs in the chart do not include paratransit.
- Transit Efficiency – Cost per Mile (#55): Operating at lower speeds tends to drive costs up. Metro operates a little faster than many cities. The chart shows platform miles, so the difference is not in deadheading.
- Transit Productivity – Boardings per Platform Hour (#56): This measure is used if a system's goal is to have the most riders. The measure shows the number of rider trips for the number of hours operated.
- Transit Productivity – Passenger Miles per Platform Mile (#57): This metric is used if the goal of your system is served by operating full buses. A passenger mile is a person on the bus for a mile. The FTA looks at passenger miles when allocating transit funds. San Francisco ranks at or near the top of both productivity measures because of their very high ridership.
- Transit Cost Effectiveness – Operating Cost per Boarding (#58): This measure is used if the goal is to serve the most riders at the lowest cost each. Metro is just above the average of the other metropolitan area systems.

- Transit Cost Effectiveness – Operating Cost per Passenger Mile (#59): This measure will tend to be highest when buses are full and moving fast, particularly where passengers are likely riding longer distances. For example, a system with suburban park-and-ride lots and a separate bus right-of-way road would perform well. Metro's park-and-ride buses tend to be full and on the move, but park-and-ride routes are a relatively small proportion of our service.

Answers to Task Force Members' Questions:

- *Performance and capital costs:* The performance charts do not take into account capital costs, just operating costs. Reporting requirements are established by the FTA. Capital costs are generally not included because of the large swings in expenses for capital projects from one year to the next.
- *Fares:* The charts don't take into account what fares the systems charge. Mr. Jacobson would expect our system to be in the bottom third of the liste metropolitan areas for farebox recovery rate compared to overall operating costs.
- *Comparison to Puget Sound area transit:* Metro tends to have more riders and be more expensive to operate than other systems in the Puget Sound region. WSDOT compiles these data.
- *Labor costs:* A task force member suggested that perhaps labor compensation rates and cost of living would be real comparables, no matter what kind of system. Kevin Desmond pointed out that slide #54 (Efficiency – Operating Cost per Platform Hour) relies on labor costs and cost of living. Metro spends 44 percent of operating cost on labor. Metro's operators are ranked eighth in the nation for wages.
- *Comment:* The charts don't show what type of service is provided. This makes it hard to compare the systems. For example, should we take Los Angeles out of the comparison because it focuses mainly on high-capacity commuter runs?

D. Financial Issues (Jim Jacobson)

Revenues. The charts (#61 and #62) show Metro's revenues. When taking both operating and capital program revenues into account, sales tax provides 59 percent of revenues. Just for operating revenue, sales tax is 62 percent. Fares bring in 26 percent of operating revenue. By January 2011, Metro will have raised base fares every year for four years (slide #63).

Expenses. Wages and benefits account for 65 percent of operating expenses (slide #64). Fuel has seen big swings in recent years. The biggest expense category in the capital program (slide #65) is for fleet acquisition—59 percent. The Rapid Ride corridor projects are the second highest capital program expense. Most of the capital program will be completed by 2012. After 2014, few large capital expenditures are planned other than bus replacement.

Sales tax gap. The graph of sales tax growth/decline by year (#67) shows a big drop in sales tax revenue starting in 2008. The last time there was a big drop was in the dot com bust of 2000-01. But that drop was not as severe as in 2008. At least $200 million in annual revenue from sales tax that had been expected by 2013 is expected to be lost (slide #68). Meanwhile, Metro's cost per hour is rising faster than inflation (slide 69). The gap between revenues and expenses that started in 2009 is projected to keep growing each year (slide #70).

Performance audit. Metro had a performance audit in 2009. It looked at a variety of issues and made recommendations for ways Metro could become more efficient and save costs (slides #73-75). Metro is

now following up to implement many of the recommendations. Many of the recommendations that offered ongoing savings have been built into the current budget.

Future reductions and deferrals. The current budget includes reduction of capital program expenditures and non-service cuts, and deferral of bus service expansion (slide #76). The budget projections show an increasing series of cuts to current service and deferral of new service or scheduled maintenance from 2012 to 2015 (slide #77) – a reduction of nearly 400,000 hours in current service by 2013 and 600,000 hours by 2015. These cuts correspond to the projected revenue/expense gap for this time period. Under the current policy, the cuts would take place with 60 percent coming from Seattle and North King County, and the rest split between East and South King County. The open question is which services would be cut. For example, Community Transit in Snohomish County just cut all service on Sundays.

Answers to Task Force Members' Questions:

- *Farebox recovery:* Farebox recovery of over 20 percent is considered good and is competitive with transit systems such as Denver's. Generally, systems in Western states have a recovery rate at or below Metro's. Transit in eastern cities is more heavily used, so their farebox recovery is higher. New York City has about 60 percent recovery. It is difficult to connect Metro's farebox recovery and cost per rider because a large proportion of riders get two boardings per fare (with transfers). There are also a number of discount fares—seniors, students, disabled, free ride zone. The average revenue for all boardings is approximately $1.00.
- *Bus longevity:* Metro keeps buses on the road for at least 12 years. About half the fleet operates for 14 to 15 years. The capital cost largely is funded through federal grants, while the operating cost is from local funding. As a result, decisions about when to remove a bus from service are based more on the availability of capital grants than the costs to maintain that bus.
- *Source of capital funding:* Metro uses a substantial portion of its federal grant funds on fleet. The fleet is funded approximately 80 percent through federal dollars. Some other types of capital projects (rapid ride improvements, park-and-ride lots) are also funded through grants, so canceling capital projects does not necessarily save local money. A cancelation of projects such as these would mean Metro would return grant money to the FTA; it would not necessarily result in savings to Metro's budget.
- *Possible cost savings by coordinating with other transit agencies:* Metro has been pursuing this strategy through such tactics as group buying arrangements for new buses, and sharing park-and-ride lots. The Puget Sound area transit agencies meet monthly to look at ways to benefit by working together. Metro is already under contract to Sound Transit to operate some of their services, so there is not a new opportunity for cost savings by combining efforts with them. The Sound Transit Operations Committee looked at the possibility of combining administration and maintenance of transit services in the three-county area, and provided a report of their findings.
- *Comment:* Farebox recovery has been a big issue for the ferry system. Right now ferries are getting 75 percent recovery.

E. Public Comment

Aaron Morrow

Mr. Morrow is a resident of Issaquah and a member of Metro's Accessible Services Advisory Committee. He suggested that Metro reconsider the fare evasion policy and look at how many people actually pay the bus fare. He said that the ORCA card is good, but there have been some bugs that resulted in riders not paying the fare. He supports looking at land use, especially since sales tax is so dynamic.

Will Knedlik

Mr. Knedlik wrote the opposition statement in the voter's pamphlet against the recent tax increase for Metro. He pointed out that Metro had asked for increases twice before. He recommended that task force members get and read the Municipal League report about Metro, which provides key questions to consider. He suggested that the task force ask Metro's management how they can provide 10 percent better services with 10 percent fewer dollars.

F. Information Requests and Upcoming Meetings

Mr. Howell will put together a list of the information requests that task force members have made during this meeting and sent previously by e-mail. He will send the list to the task force to make sure that all the requests are included.

Mr. Howell handed out a chart showing likely topics for future task force meetings in order to meet the September deadline for a report and recommendations. The meeting dates have not been set yet, pending the latest poll of members to tie down a series of dates when most task force members can attend. Jim Stanton has offered consultation with the IT staff at Microsoft to try to get a teleconference system that will work in the Mercer Island Community Center conference room for future meetings. This location has the advantages of being the right size room for both the task force and the people who wish to attend, being centrally located, and being accessible by transit.

A task force member expressed concern that if there were a teleconference option, many members would opt to call in, and that would diminish the exchange of ideas and viewpoints. In-person participation should be encouraged.

Given the topics that the task force needs to address in June and July to stay on track, there may be a need for additional meetings. It was suggested that some work be done in subcommittees. This would be especially useful if some members have a particular interest in pursuing a topic. Mr. Howell will put the topic of task force work load on the agenda for the next meeting. He expects the next meeting date will be settled within the week.

The meeting adjourned at 8:35 p.m.