



King County

KING COUNTY REGIONAL TRANSIT TASK FORCE

Executive Summary of Final Report

October 2010





King County

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10142-RTTF2010/dot/comm/sd/jp

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Executive Summary

Background

Task Force Charge and Process

The King County Council and Executive formed the Regional Transit Task Force in February 2010 to consider a policy framework for the potential future growth and, if necessary, contraction of King County's transit system. The County Council asked the task force to consider six transit system design factors, to which the task force added a seventh: environmental sustainability (see box).

Key Transit System Design Factors

1. Land use
2. Social equity and environmental justice
3. Financial sustainability
4. Geographic equity
5. Economic development
6. Productivity and efficiency
7. Environmental sustainability

The 28 task force members were selected to represent a broad diversity of interests and perspectives. Three *ex officio* members represented King County Metro Transit, Sound Transit and the Washington State Legislature. An Executive Committee (County Executive and three County Council members) ensured that the task force carried out its approved work plan. Metro's Manager of Service Development served as the project manager. An Interbranch Working Group supported the Executive Committee and task force's work. Cedar River Group was hired to facilitate the process. The task force created two subgroups of task force members to delve into performance measures and cost control/efficiencies.

The task force met from March through October 2010. The task force used a consensus-based decision-making approach, defining consensus as "all members can support or live with the task force recommendations." The task force agreed that if consensus was not unanimous, the differences of opinion would be included with the final recommendations. Task force meetings were open to the public. The task force set aside time in each meeting for public comment and reviewed comments submitted on its website.

The County Council and Executive created the task force as a result of several factors. A severe recession that struck the Puget Sound region and the nation in late 2008 has changed the road ahead for Metro. The precipitous decline in economic activity led to a dramatic fall in sales tax receipts. Since 62 percent of Metro's operating revenue comes from sales taxes, the drop in receipts has had a big impact. At the same time, Metro's ridership has grown significantly, and public expectations remain high. Also in 2008, the Puget Sound Regional Council (PSRC) developed the *Vision 2040* and *Transportation 2040* plans for long-term growth and mobility of the region. These plans project a 42 percent increase in King County's population and a 57 percent increase in jobs from 2000 to 2040,

with most of this growth occurring in the county's 12 largest cities. The plans call for an aggressive strategy to expand transit services to support that growth.

In developing the 2010-2011 biennium budget, Metro and King County were able to avoid large reductions in transit service by making difficult choices and trade-offs, along with some temporary, one-time fixes. However, based on the County's revenue forecast through 2015, dramatic transit service reductions will be needed beginning in 2012.

Metro and Regional Overview

In early meetings, the task force learned about Metro's work and budget, the regional transit system, and regional employment and population forecasts.

Metro Services. King County Metro Transit is the biggest public transportation agency in

Washington state and one of the 10 largest bus systems in the nation. In 2009 Metro carried approximately 112 million riders (boardings) on 220 fixed routes connecting multiple centers throughout the county. Dial-a-Ride (DART) service operates on a route with some fixed time points, but deviates to pick up or drop off passengers. Metro serves 130 park-and-ride facilities with more than 25,000 parking stalls. Use has been at 74 percent since 2002. Metro operates one RapidRide bus rapid transit (BRT) line, with five more planned to start service between 2011 and 2013 with frequent, all-day service in busy transit corridors. Metro operates a 1.3-mile transit tunnel in downtown Seattle that is served by buses and Sound Transit's Link light rail. Metro also serves 13 transit centers and operates service out of seven transit bases. Metro has approximately 69 lane-miles of overhead two-way wire for electric trolleybuses, which serve almost one-fifth of Metro ridership. Metro's fleet is operated by nearly 2,700 full- and part-time drivers. Service for riders with

Themes from Task Force Discussions

- **Regional Perspective:** Strike a balance among: the best interest of the region as a whole, the needs of Metro riders, and the interests and needs of local communities.
- **Transparency:** Decision-making must be clear, consistent, and based on criteria and objectives that are clear to the public.
- **Efficiency:** Metro and King County must achieve greater efficiencies in transit operations, plans for new service, and in administration of the system.
- **Balanced Approach.** To avoid reductions in transit services and to meet future demand will require a combination of expense reductions, efficiencies and securing new revenues.
- **Performance Based.** Use tools, decision processes, and reporting that allow all interested parties to evaluate performance.

disabilities or special needs includes: accessible service on fixed routes; contracted American with Disabilities Act (ADA) paratransit van service (Access); vans operated by local nonprofits (Community Access Transportation – CAT); and taxi scrip. Metro's vanpools serve 6,100 people on an average weekday in more than 1,000 vans. Metro supports the regional Ridematch program for vanpools and carpools. Metro's services to employers include commute trip reduction (CTR), pass sales, and a Custom Bus Program.

Partnership Agreements. Metro has created agreements with local businesses and jurisdictions to help support increased levels of transit service. In return for various partner actions, such as payments to support operating costs, investments to enhance transit speed and reliability, or enhancements to passenger facilities, Metro provides increased levels of service.

Customer Satisfaction. Overall rider satisfaction has remained relatively strong in the past decade, with 93 percent of riders "very" or "somewhat" satisfied (slightly lower in the south county planning area).

Integrated Regional Transit System. Seven other transit agencies serve riders in the central Puget Sound region: Community Transit (Snohomish County), Pierce Transit, Sound Transit (King, Snohomish and Pierce county urban areas), Washington State Ferries, City of Seattle (monorail and South Lake Union Streetcar), Everett Transit, and Kitsap Transit. Metro works closely with these agencies on planning, operations, fare coordination, joint facility construction, and major project implementation. Metro operates some Sound Transit Regional Express bus service, Link light rail, and Seattle’s South Lake Union Streetcar.

Metro’s Budget. Metro’s 2010-2011 biennial operating budget includes \$968 million in revenues and \$1.2 billion in expenses. Most of the operating revenue (62 percent) is from a local options sales and use tax. The sales tax rate, 0.9 percent, is the maximum currently available to local transit agencies. Another 26 percent of Metro’s revenue comes from fares. The largest operating expense category (65 percent) is for the personnel who provide Metro’s services and programs. Nine percent of operating expenses are for King County government overhead charges and services from other County departments. Metro’s capital program for 2009–2015 totals \$1.28 billion, of which 59 percent is for fleet replacement.

Challenge Facing Metro. Metro took action in the 2008-2009 mid-biennial budget process to cut the capital program by more than \$65 million, freeze hiring, reduce 19 full-time and 7 limited-term positions, and raise transit and paratransit fares. (Metro had eliminated 27 full time and term-limited staff positions in 2007, and approved the first of four fare increases between 2008 and 2011.) With the 2010-2011 biennial budget, Metro’s plan included increasing fares, eliminating 70 staff positions, cutting bus service by 75,000 hours, deferring bus service expansion, reducing operating reserves for four years, using fleet replacement reserves, and implementing schedule efficiencies estimated to save 125,000 hours. Between 2009 and 2015, Metro projects a revenue shortfall of \$1.176 billion. Without other actions, this would mean cutting 400,000 hours of existing service by 2013, and another 200,000 hours by 2015.

National, Regional and State Trends. Transit agencies across the nation face similar funding crises and have had to make tough choices. In our region, Intercity Transit (Olympia), Community Transit, Pierce Transit and Sound Transit all are making program adjustments or service cuts. Two (Intercity and Pierce) have sought or will seek voter approval of sales tax increases. The Joint Transportation Committee of the legislature is studying the state’s role in public transportation, with a final report due in mid-December 2010.

Recommendations

Recommendation 1: Metro should create and adopt a new set of performance measures by service type, and report at least annually on the agency’s performance on these measures. The performance measures should incorporate reporting on the key system design factors, and should include comparisons with Metro’s peer transit agencies.

Performance measures will help the public, Metro managers and King County decision makers understand if the transit system is meeting operational and policy objectives. As an evaluation tool, performance measures will help Metro understand how it might improve transit system performance, and establish a strong rationale for difficult policy choices. Regular reporting on the performance measures will aid in transparency. The frequency of reporting should be identified when the measures are adopted, but should be at least annually. (There may be different reporting frequencies for some of the performance measures.)

The task force subgroup on performance measures worked with Metro staff to develop an initial example of metrics for overall system performance and easy-to-understand reporting. The task force recommends that Metro continue developing performance measures using this model. The task force suggests that Metro develop performance measures for all of Metro's operations (e.g., customer service, vehicle maintenance, etc.). The task force supports Metro's suggestion to include recommendations for the performance measurement system in Metro's Comprehensive and Strategic Plans to be submitted to the County Council by February 2011.

Recommendation 2: King County and Metro management must control all of the agency's operating expenses to provide a cost structure that is sustainable over time. Cost-control strategies should include continued implementation of the 2009 performance audit findings, exploration of alternative service delivery models, and potential reduction of overhead and internal service charges.

The task force believes that Metro's financial model, with current revenue sources and Metro's expense structure, is not sustainable over the long-term. The task force recommends effort in three areas:

- Continue to follow up on the 2009 King County Performance Audit recommendations to further reduce costs, create efficiencies and implement savings strategies. Provide regular updates on progress and the expected timetable for implementation.
- Explore opportunities for alternative service products and service delivery models (e.g., carpools, vanpools, DART, taxi scrip, CAT and Access paratransit), including contracting out for some underperforming fixed-route services. Any contracting out should be consistent with broad labor harmony principles.
- King County should clearly explain how and why overhead and internal service charges are allocated to Metro and County departments, and continue to explore ways to reduce overall overhead and internal service charges.

Recommendation 3: The policy guidance for making service reduction and service growth decisions should be based on the following priorities:

- 1) Emphasize productivity due to its linkage to economic development, land use, financial sustainability, and environmental sustainability**
- 2) Ensure social equity**
- 3) Provide geographic value throughout the county.**

Task force members concluded that one overarching statement of policy direction and one approach to implementation of that policy should guide all service allocation decisions. They recommend that the policy statements they have crafted and the recommended use of guidelines and performance measures should provide the foundation for all future service allocation decisions, including service reductions, service growth, service restoration, and the ongoing maintenance of transit services in response to changes in system demand or route performance. The approach represents a fundamental change in the way transit service allocation decisions are made by King County (see box on p. 5).

The task force concluded that one of the transit design factors, productivity and efficiency, has a strong correlation to several of the other factors—land use, economic development and financial sustainability and environmental sustainability. As a result, the task force is recommending a new policy framework to make service allocation decisions. The intent is to optimize efficiency of transit services, deliver people to employment, activity and residential centers, meet the needs of those that are most dependent on transit, and create a system that is a fair distribution of service throughout the county.

Recommended Policy Direction Would Replace Existing Policy Guidance for Service Growth and Reduction

The current policy for transit service growth and reduction is based on three King County subareas (east, west and south) and was established in Metro's 2002–2007 Six-Year Transit Development Plan.

For service growth, every 200,000 hours of new transit service is to be allocated with 40 percent to the east subarea, 40 percent to the south, and 20 percent to the west. This is called the 40/40/20 policy.

Any systemwide service reductions are to take place in proportion to each subarea's share of the total service investment. Based on the current hours of service in each subarea, 62 percent of the reduction would have to come from the west subarea, 21 percent from the south and 17 percent from the east. This is commonly called the 60/20/20 policy.

Recommendation 4: Create clear and transparent guidelines to be used for making service allocation decisions, based upon the recommended policy direction.

Task force members concluded that a new approach to decision-making is needed. Members felt strongly that stakeholders need to understand the basis for service allocation decisions, and how those decisions will be evaluated and adjusted over time. It is essential to this new policy direction to develop and adopt service guidelines, along with the performance measures recommended above.

Service guidelines establish the objective metrics for making service allocation decisions. Guidelines will help the public, Metro and King County decision makers determine the appropriate level and type of service for different corridors and destinations, and for employment and population densities throughout the county. The task force supports Metro's proposal to incorporate newly developed guidelines into Metro's Comprehensive and Strategic Plans to be submitted to the County Council in February 2011.

Recommendation 5: Use the following principles to provide direction for the development of service guidelines.

The task force did not develop recommended guidelines. They did, however, create a set of principle statements that should be used to shape the creation of the guidelines. The following principles should apply to all guidelines:

- Transparency, clarity and measurability
- Use of the system design factors
- Flexibility to address dynamic financial conditions
- Integration with the regional transportation system
- Development of performance thresholds as the basis for decision-making on network changes (e.g., load factor on bus routes, see p. 28).

Metro staff created conceptual scenarios and example guidelines for service reduction using the draft policy guidance. The approach involved three steps: (1) eliminating the least productive routes; (2) assessing the impact of step 1 and adjusting based on social equity, system connectivity, and geographic coverage; and (3) identifying opportunities for efficiencies. In a similar exercise for service growth, the task force identified two types of future growth: (a) response to ridership demand (to address over-crowded bus routes), and (b) support for regional growth (to connect identified population, employment and activity centers).

Recommendation 6: King County, Metro, and a broad coalition of community and business interests should pursue state legislation to create additional revenue sources that would provide a long-term, more sustainable base of revenue support for transit services. To build support for that work, it is essential that King County adopt and implement the task force recommendations, including use of the service guidelines and performance measures, and continue efforts to reduce Metro's operating costs.

The task force concluded that long-term, sustainable revenues for transit service are needed, given the dramatic fluctuations in Metro's primary source of revenue (sales tax), the size of likely service reductions over the next five years, transit's importance to economic recovery, and the need for transit to support the expected growth in population and employment. The task force identified three characteristics for a successful long-term revenue strategy: diversity of revenue sources, sufficient size of revenue source to address long-term needs, and flexibility to include a statewide and/or a local revenue source.

King County and Metro should create a coalition of partners to begin immediately to inform state legislative leaders about the breadth of the potential service reductions facing the Metro system, the task force recommendations, and the actions Metro and King County are taking to address the anticipated revenue shortfall. It may take several legislative sessions to secure support for a long-term, sustainable funding initiative.

Recommendation 7: Metro staff should use the task force recommendations and discussions as the framework for revising Metro's current mission statement, and creating a vision statement (as one does not now exist). Both draft statements should be included in the draft Comprehensive and Strategic Plans scheduled to be submitted to the County Council in February 2011.

Conclusion

The task force has created consensus recommendations that reflect a new policy direction for allocation decisions for transit service reduction and future service growth. The task force also has recommended a method for decision-making that will result in greater clarity, transparency and perceived fairness in decisions allocating Metro transit services.