SEATTLE TRANSPORTATION BENEFIT DISTRICT

RESOLUTION 12

A RESOLUTION of the Seattle Transportation Benefit District concerning a voter-approved vehicle license fee and sales and use tax to fund Metro Transit service in Seattle; creating a rebate program for low-income individuals applicable to the vehicle license fee; providing for annual reports to the public; submitting a ballot measure regarding transit funding to the qualified electors of the Seattle Transportation Benefit District at an election to be held on November 4, 2014; requesting that the King County Director of Elections call a special election in conjunction with the November 4, 2014 general election and submitting the proposition to Seattle Transportation Benefit District voters; requesting that the King County Prosecutor prepare a ballot title; requesting that the Seattle City Attorney prepare an explanatory statement for King County's local voters' pamphlet; and appointing a committee to prepare pro and con statements for King County's local voters' pamphlet.

WHEREAS, statewide voter approved tax cut initiatives, a prolonged recession, and declined sales tax revenues, combined with failed efforts to provide funding relief at state and regional levels, have led King County Metro Transit ("Metro" or "Metro Transit") to propose significant bus service cuts in Seattle; and

WHEREAS, the Revised Code of Washington (RCW), Chapter 36.73, provides for the establishment of transportation benefit districts by cities and counties and authorizes those districts to levy and impose various taxes and fees to generate revenues to support transportation improvements that benefit the district and that are consistent with state, regional or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels; and

WHEREAS, City of Seattle Ordinance 123397 created the Seattle Transportation Benefit District (Transportation District) for preserving and maintaining transportation infrastructure, improving public safety, implementing elements of the Seattle Transportation Strategic Plan and other planning documents, investing in bicycle, pedestrian, freight mobility and transit enhancements and providing people with choices to meet their mobility needs; and

WHEREAS, the City of Seattle and the Transportation District entered into an interlocal agreement in 2011 delineating roles and responsibilities and coordinating efforts to pursue each municipal corporation's individual, joint and mutual rights and obligations related to transportation needs of the City of Seattle; and

WHEREAS, the Transportation District has the legal authority to fix and impose up to a one hundred dollar vehicle fee under RCW 82.80.140 with approval of a majority of district voters; and

WHEREAS, the Transportation District has the legal authority to fix and impose up to a two-tenths of one percent sales and use tax within the district under RCW 82.14.0455 with approval of a majority of district voters; and

WHEREAS, the Transportation District cannot impose a voter approved sales and use tax that exceeds a period of ten years, unless incurred for indebtedness or extended by an affirmative public vote in accordance with RCW 82.14.0455; and

WHEREAS, local transit service in the City of Seattle is provided by King County Metro Transit (Metro), a county public transportation agency; and

WHEREAS, since the economic downturn in 2008 and the resulting reduction in sales and use tax collections, Metro has experienced funding shortfalls that threaten to substantially reduce available services; and

WHEREAS, since 2009, Metro has cut costs, improved operational efficiency, tapped reserve funds, deferred scheduled maintenance that would have preserved reliability, found new revenue sources, and raised passenger fares four times in four years, with a fifth fare increase planned for 2015; and

WHEREAS, Metro and the Mayor and the Seattle City Council have sought different local transportation and transit funding authority from the state legislature; and

WHEREAS, in 2011, the Metropolitan King County Council passed a two-year congestion reduction charge to help bridge Metro's funding gap and maintain service while the state legislature considered transportation funding options; and

WHEREAS, the two-year congestion reduction charge expired in June 2014; and

WHEREAS, in June 2013, the state legislature failed to act on a proposed transportation package that would have provided additional funding for Metro, along with many other transportation improvements; and

WHEREAS, following the state legislature's failure to address the Metro funding gap, Metro announced that it was facing a shortfall of about $75 million per year beginning mid-2014, and that in the absence of additional funding, it would be forced to cut up to 550,000 hours of bus service by the end of 2015; and

WHEREAS, in an attempt to avoid service cuts, the Metropolitan King County Council voted to introduce a ballot measure, Proposition 1, to fund Metro's shortfall via a one-tenth of one percent sales and use tax increase in King County and a $60 vehicle fee on all vehicles within the county; and

WHEREAS, in April 2014, the ballot measure failed by a vote of King County residents, despite support from a large majority of voters in Seattle; and

WHEREAS, transit service is critical for maintaining regional mobility and regional economic vitality; and

WHEREAS, in 2015, King County will implement a low-income fare for Metro Transit service, increasing access to transit for no and low-income riders; and

WHEREAS, the City is now growing rapidly and in need of more transit service, and a reduction in Metro services would be particularly detrimental to low-income and disabled people who rely on transit, and such a reduction in Metro services would adversely affect the City's traffic conditions, economy and quality of life; and

WHEREAS, the Transportation District intends to enter into an interlocal agreement with the City of Seattle to govern the respective functions of the two entities, including execution and administration of service purchase agreements with Metro Transit, regional partnership agreements, ongoing assessment of countywide transit service allocations, administration of the low-income rebate programs along with other functions necessary to implement this proposition consistent with the intent of voters;

NOW THEREFORE,

BE IT RESOLVED BY THE SEATTLE TRANSPORTATION BENEFIT DISTRICT:

Section 1. The Seattle Transportation Benefit District (Transportation District) Transit Ballot Measure

The City Clerk is directed to certify promptly to the Director of Records and Elections of King County, Washington, as ex officio Supervisor of Elections, a copy of this Resolution and the proposition to be submitted at the November 4, 2014, general election in the form of a ballot title as follows, or as modified by the King County Prosecuting Attorney pursuant to his duties under RCW 29A.36.071:

SEATTLE TRANSPORTATION BENEFIT DISTRICT

PROPOSITION NO. 1

The Seattle Transportation Benefit District's Proposition 1 concerns funding for Metro Transit service.

If approved, this proposition would fund Metro Transit service benefitting the City of Seattle, by preventing planned service cuts and, if funds allow, enhancing transit service, at least until state or regional authorities provide replacement revenues. The measure would authorize an annual vehicle license fee up to an additional $60 per registered vehicle with a $20 rebate for low-income individuals and authorize up to a 0.1% sales and use tax, both expiring by 12/31/2020, all as proposed in Resolution 12.

Should this proposition be approved?

Yes

No

Section 2. Designation of Committee to Draft Statement in Support.

Pursuant to RCW 29A.32.280, the following three persons are designated to be on the committee to draft for the King County local voters' pamphlet the argument advocating passage of Transportation District Proposition 1:

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Section 3. Designation of Committee to Draft Statement in Opposition.

Pursuant to RCW 29A.32.280, the following three persons are designated to be on the committee to draft for the King County local voters' pamphlet the argument advocating defeat of Transportation District Proposition 1:

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Section 4. Explanatory Statement

The City Attorney's Office, in accordance with the agreement between the Transportation District and the City of Seattle, is requested to draft an explanatory statement for the King County local voters' pamphlet.

Section 5. Use of revenues.

The funds raised by this proposition ("Proposition 1 Revenues") will only be used for the Transportation Improvements described in this resolution and the associated administrative costs. Proposition 1 Revenues will first be used to pay any required administrative costs to the state Department of Licensing and state Department of Revenue, the budgeted administrative costs of the Transportation District, including but not limited to elections costs, and the estimated cost of the Transportation District's low-income rebate program for vehicle license fees, as described in Section 6 of this Resolution.

Remaining Proposition 1 Revenues will be used for the following three purposes:

A. Provide funding for Metro Transit service hours that are consistent with the Seattle Transit Master Plan and Metro's Service Guidelines on routes with more than 80 percent of their stops within City of Seattle limits. Such funding shall be for the purpose of providing transit service hours within the City of Seattle comparable to service hours that were provided by Metro Transit in October 2014.

The first priority for the funding is to preserve existing routes and prevent King County Metro's proposed February 2015 service cuts and restructures.

B. Up to three million dollars of the Proposition 1 Revenues will be used annually to support regional transit service through regional partnership agreements. These funds may be used to provide public transit bus routes that enter or terminate service within the City of Seattle. The Transportation District intends that:

i. The City will enter into regional partnership agreements with other cities, transit agencies, or transportation benefit districts who contribute to the cost of providing regional transit service.

ii. Regional partnerships will not supplant existing funding of transit service, in accordance with Section 7.

iii. Prior to entering into any proposed regional partnership, the City of Seattle will request advice and input from the public oversight committee as described in Section 8.

iv. Public transit bus routes to be funded through such regional partnerships will be provided through the City of Seattle's interagency agreements with King County Metro and/or other public transit agencies.

C. Up to two million dollars of the Proposition 1 Revenues will be used annually to improve and to support access to transit service for low-income transit riders. These funds may be used to increase access to the low-income fare program and to evaluate the feasibility of developing and potentially funding additional no-

income and low-income products for Seattle residents that complement the King County low-income fare program.

After funding service hours as described above in Section 5.A. and after funding regional public transit service as described in Section 5.B. and after funding increased access for low-income transit riders as described in Section 5.C., remaining revenues may then be used to address overcrowding, reliability, and service frequency within the City of Seattle through the purchase of additional Metro Transit bus service hours on routes with more than 80 percent of their stops within City of Seattle limits and consistent with the Seattle Transit Master Plan and Metro's Service Guidelines.

Section 6. Low-Income Vehicle License Fee Rebates.

The vehicle license fee shall be subject to a rebate program consistent with RCW 36.73.067, under which qualified low-income individuals as defined in RCW 36.73.015 will be eligible, upon application, to receive a twenty-dollar rebate for each vehicle for which an individual pays the full vehicle fee.

Section 7. No Supplanting of Existing Funding for Transit Service

Before funding any Metro Transit service, the Transportation District anticipates that there will be an interlocal agreement funding transit service in Seattle at levels comparable to those in place following the September 2014 service changes. The Transportation District intends for this interlocal agreement to ensure that the Proposition 1 Revenues will not supplant other funding for any routes partially or completely operating within Seattle that Metro Transit would otherwise provide in accordance with the adopted Metro Transit Service Guidelines.

Section 8. Oversight

The Transportation District shall issue an annual report to the public that describes Metro Transit's provision of transit service in Seattle and countywide. The annual report will:

A. evaluate the effectiveness of Proposition 1 Revenues in restoring transit service hours to October 2014 service hour levels;

B. evaluate regional partnerships and transit service hours enhancements funded by Proposition 1 Revenues;

C. contain description and analysis of changes to Metro service levels in Seattle, including identification and evaluation of possible supplantation of funding for routes or service hours; and

D. analyze the impacts of service reductions, increases or changes approved by the Metropolitan King County Council or Metro Transit in Seattle.

The Transportation District Board intends that the City will appoint a public oversight committee to advise on spending of Transportation District revenues collected under this Resolution.

In the event that King County Metro proposes route restructures of Transportation District-funded routes in order to improve service efficiency consistent with the King County Metro service guidelines, then in addition to a robust King County Metro public service planning process with affected riders, businesses, and residents, the

Transportation Benefit District expects the City to negotiate such changes through the planned interagency agreement.

Section 9. Term.

In the event that the Washington State legislature enacts legislation that grants new authorization for public transportation revenues, King County imposes and collects revenues under such legislation or under any pre-existing authority, and King County restores Seattle service, the Transportation District Board will hold a public hearing and consider a resolution to repeal or reduce the taxes and fees imposed by this resolution in an amount comparable to the funding for the newly restored Seattle service. Alternatively, the Transportation District Board may submit a new proposition to the voters to propose uses for these revenues.

The vehicle license fee and the sales and use tax authorized by voters will be collected until December 31, 2020 unless voters approve a subsequent ballot measure extending the fees and taxes beyond December 31, 2020.

Adopted by the Seattle Transportation Benefit District the 17 day of July, 2014, and signed by me in open session in authentication of its adoption this 17 day of July, 2014.

Chair _____ of the Seattle Transportation District Board

Filed by me this 17th day of July, 2014.

Monica B. Simmons

City Clerk

(Seal)