

RESOLUTION NO. R2012-17
Budget Amendment for Downtown Seattle Transit Tunnel Cost Increases

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	7/5/2012	Recommendation	Bonnie Todd, Director of Operations	206-398-5367
Board	7/26/2012	Final Action	David Huffaker, Operations Business Manager	206-398-5378

PROPOSED ACTIONS

1) Amends the Adopted 2012 ST Express Transit Operations budget to increase it from \$102,561,773 to \$102,726,265 to fund the ST Express cost increases for the operations and maintenance of the Downtown Seattle Transit Tunnel, and 2) amends the Adopted 2012 Central Link Transit Operations budget to increase it from \$54,189,294 to \$54,411,843 to fund the Central Link cost increases for the operations and maintenance of the Downtown Seattle Transit Tunnel.

KEY FEATURES

- When the Ride Free Area (RFA) in downtown Seattle is eliminated in September 2012, King County Metro will reduce the number of its buses operating in the Downtown Seattle Transit Tunnel (DSTT) in order to maintain transit schedule reliability.
- Under a 2002 agreement, Sound Transit and King County share costs for operations and maintenance costs and debt service for the DSTT. Cost share percentages are based on the relative throughput of each agency's vehicles in the DSTT.
- Sound Transit allocates its share of the DSTT expenses between ST Express and Central Link operations budgets in proportion to the amount of service each operates in the DSTT. The cost share for 2012 is 42.5% to ST Express and 57.5% to Central Link.
- Sound Transit currently pays 40% of the DSTT expenses. When the RFA is eliminated, Sound Transit's share of costs in the DSTT would rise from 40% to 46%, beginning in October 2012. This change will result in an increase in 2012 costs to Sound Transit by approximately \$210,000 for operations and maintenance and approximately \$178,000 for debt service for October through December 2012.
- Future years' cost increases will be included in the transit operations budgets that will be reviewed by the Board this fall.

PROJECT DESCRIPTION

Eighteen King County Metro routes, one Sound Transit route (ST Express Route 550) and Central Link currently use the DSTT.

FISCAL INFORMATION

The proposed action will increase the ST Express 2012 Adopted budget by \$164,492 and the Central Link 2012 Adopted budget by \$222,549. The increase will impact two subareas in Central Link: North King County (NKC), and South King County (SKC) and one subarea in ST Express: East King County (EKC).

The long term financial impact of this increase is projected at \$5 million for the period from 2012 to 2016. The impact to subareas over this period is estimated at \$1.9 million for NKC, \$920 thousand for SKC and \$2.1 million for EKC. This increase will be funded from existing financial capacity within these subareas.

The current finance plan assumes that when University Link goes into service in 2016, the share of DSTT costs that Sound Transit will fund will increase to 70% of the total costs due to the increased level of service for light rail in the tunnel.

ST Express				
<u>Adopted 2012 Budget Summary</u>				
	Current Adopted 2012 Budget	Administrative Change	This Action	Revised 2012 Budget
Lease and Rental	4,458,683	-2,367,890	75,666	2,166,459
Downtown Seattle Transit Tunnel	-	2,367,890	88,826	2,456,716
Other Operating budget	98,103,090		-	98,103,090
Total ST Express operating budget	102,561,773	-	164,492	102,726,265

Note: As amended by Resolution R2012-10, the Current Adopted 2012 ST Express operating budget was increased by \$253,000 from \$102,308,733 to \$102,561,773. The 2012 ST Express operating budget excluding the budget amendment can be found on 53 of 2012 Adopted Budget book. In addition, Downtown Seattle Transit Tunnel maintenance costs were moved from Lease Rental to Service category due to an administrative change.

Central Link				
<u>Adopted 2012 Budget Summary</u>				
	Adopted 2012 Budget	Administrative Change	This Action	Revised 2012 Budget
Lease and Rental	5,934,627	-3,203,616	120,176	2,851,187
Downtown Seattle Transit Tunnel	-	3,203,616	102,373	3,305,989
Other Operating budget	48,254,667	-	-	48,254,667
Total ST Express operating budget	54,189,294	-	222,549	54,411,843

Note: The Adopted 2012 Central Link can be found on page 43 of 2012 Adopted Budget book. Downtown Seattle Transit Tunnel Downtown Seattle Transit Tunnel maintenance costs were moved from Lease and Rental to Service category due to an administrative change.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

BACKGROUND

As part of the planning for light rail service, the City of Seattle, King County, and Sound Transit entered into an agreement to allow for joint operations of bus and rail transit services in the Downtown Seattle Transit Tunnel. After the start-up of light rail operations in July 2009, the Sound Transit share of operations and maintenance and debt service costs were set at 40%. The agreement between the City of Seattle, King County, and Sound Transit set the percent share of the costs of the DSTT based on the throughput of King County Metro buses. The agreement states that if King County operates at least 50 buses per hour in each direction, Sound Transit would pay 40% of the operations and maintenance and debt service costs of the DSTT.

With the elimination of the RFA, King County has determined that, to ensure schedule reliability, they must remove approximately eight bus trips per hour from the DSTT in the peak direction, which will decrease its bus throughput to below 50 buses per hour. As a result Sound Transit's cost share of the DSTT will increase from 40% to 46%. The increase in Sound Transit's share, as well as the established debt service repayment schedules, will result in approximately \$387,041 in additional expenses paid by Sound Transit for the period from October to December 2012.

Future years budget increases will be identified as part of the 2013 budget process.

ENVIRONMENTAL COMPLIANCE

Jl 6/15/2012

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2011-18: Adopted an annual budget for the period from January 1 through December 31, 2012.

TIME CONSTRAINTS

A one-month delay would not have significant impacts on ST operations.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 6/27/12



RESOLUTION NO. R2012-17

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) amending the Adopted 2012 ST Express Transit Operations budget to increase it from \$102,561,773 to \$102,726,265 to fund the ST Express cost increases for operations and maintenance of the Downtown Seattle Transit Tunnel, and (2) amending the Adopted 2012 Central Link Transit Operations budget to increase it from \$54,189,294 to \$54,411,843 to fund the Central Link cost increases for operations and maintenance of the Downtown Seattle Transit Tunnel.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, the Sound Transit Board has adopted financial policies to govern the financing and implementation of the regional transit system and to specify budgetary guidelines for providing subarea equity in accomplishing the same; and

WHEREAS, by Resolution No. R2011-18, the Sound Transit Board adopted the 2012 Budget on December 15, 2011 which includes an Adopted 2012 ST Express operating budget of \$102,308,773 and Adopted 2012 Central Link operating budget of \$54,189,294; and

WHEREAS, by Resolution No. R2012-10, the Sound Transit Board amended the ST Express Operating budget by \$253,000 to \$102,561,773 to cover operating costs to connect the

Bonney Lake Park-and-Ride lot with Sumner Sounder Station and maintenance costs for the Bonney Lake Park-and-Ride lot; and

WHEREAS, this action will increase the Adopted 2012 ST Express operating budget by \$164,492 and increase the Adopted 2012 Central Link operating budget by \$222,549 to cover increases related to the agreement with King County for the operations and maintenance of the Downtown Seattle Transit Tunnel (DSTT); and

WHEREAS, under a 2002 agreement, Sound Transit and King County share costs for operations and maintenance of the DSTT, and cost share percentages are based on the relative throughput of each agency's vehicles in the DSTT; and

WHEREAS, with the elimination of the Ride Free Area (RFA) in downtown Seattle in September 2012, King County Metro will reduce the number of its buses operating in the DSTT by approximately eight buses in order to maintain transit schedule reliability; and

WHEREAS, under the cost-sharing agreement, Sound Transit currently pays 40% of the DSTT expenses, and with the changes planned by King County due to the elimination of the RFA in downtown Seattle, Sound Transit's share of costs in the DSTT would rise from 40% to 46%, beginning in October 2012; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2012 Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the following actions be approved:


Section 1: The Adopted 2012 ST Express Transit Operations budget is amended from \$102,561,773 to \$102,726,265 to fund the ST Express cost increases for operations and maintenance of the Downtown Seattle Transit Tunnel.

Section 2: The Adopted 2012 Central Link Operations budget is amended from \$54,189,294 to \$54,411,843 to fund the Central Link cost increases for operations and maintenance of the Downtown Seattle Transit Tunnel.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 23, 2012.


Julia Patterson
Board Vice Chair

ATTEST:


Marcia Walker
Board Administrator