

# FARE SHARE PLAN

An Investment in Workers, Transit, and  
Housing near Transit

Transit Advisory Board  
October 23, 2019



**City of Seattle**

# MAYOR DURKAN'S PLAN

- ✓ Mandate Seattle's minimum wage, plus benefits and expenses
- ✓ Invest in transit and fully fund the Center City Connector streetcar
- ✓ Invest in first-in-the-nation worker protections
- ✓ Build more housing near transit

# A NEW ECONOMY OF WORKERS

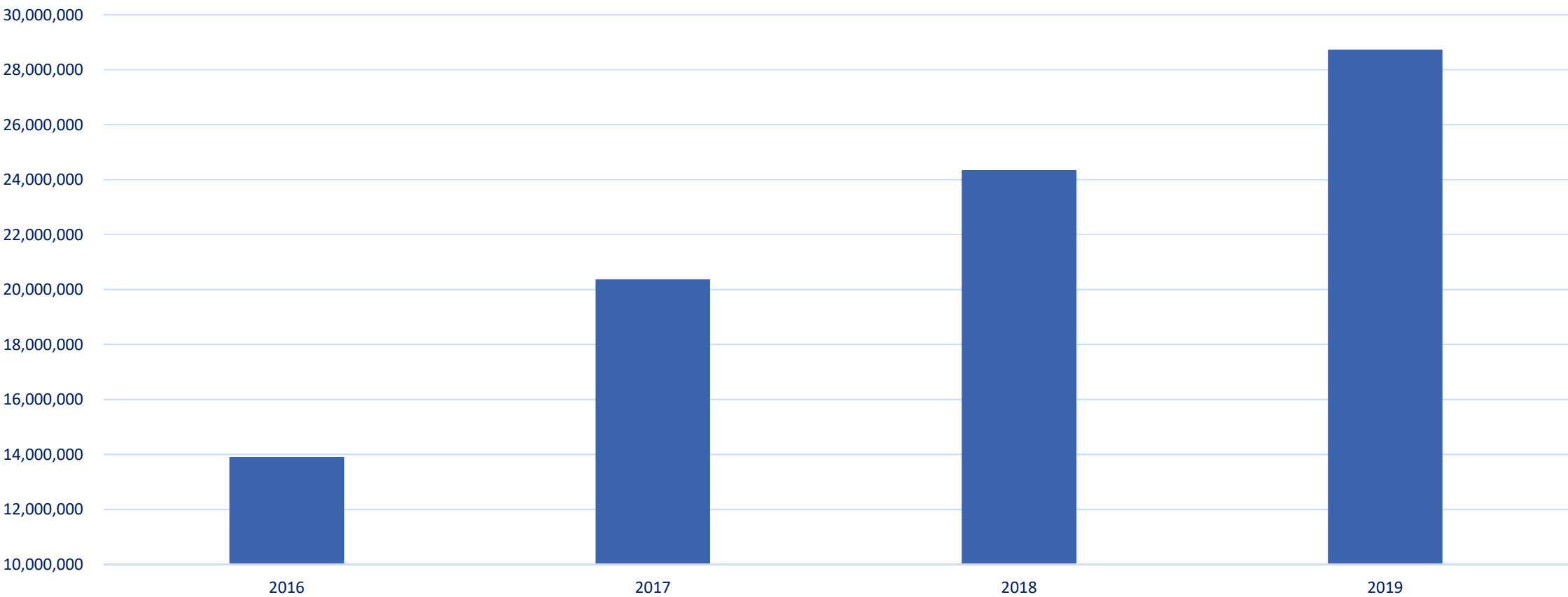
- Our economy is changing and long-term jobs are [giving way to gig work](#).
- Uber and Lyft drivers, like most gig workers, are **considered independent contractors**, which means they aren't subject to the City's policies that require all large employers in Seattle to pay their employees a \$16 minimum wage.
- After taxes, insurance and gas, many Uber and Lyft drivers **are not earning the minimum wage, and don't receive standard and critical benefits** like worker's compensation, sick leave or health insurance.
- Some Uber and Lyft drivers have also faced unwarranted deactivation.

# U B E R & L Y F T ' S I M P A C T O N S E A T T L E

- Our traffic congestion is [among the worst in the country](#).
- Uber and Lyft rely on the City's right of way and curb space to operate.
- Last year, Uber and Lyft accounted for **24 million rides in the City of Seattle, half of which either started or ended downtown.**
- We know that Uber and Lyft [contribute to congestion downtown](#), and slow down buses and clog streets and curbs. A recent UW analysis found [vehicles picking-up/dropping-off passengers constitute on average between 29% to 39% of total traffic volume in South Lake Union](#) during peak hours.

# EXPLOSIVE GROWTH

From 2016 to 2018, rides in the City of Seattle increased by 75 percent. Growth is projected to continue.



Source: City Budget Office and Seattle Department of Transportation data and projections.

# A FARE SHARE FOR SEATTLE WORKERS



City of Seattle

# UNDERSTANDING DRIVE TIME

A driver's time can be broken down into three primary phases: P1, P2, and P3

## P1: Available platform time

- A driver is logged in to a driver platform waiting for a trip request

## P2: Dispatch platform time

- A driver has accepted a trip and is driving to pick up the passenger

## P3: Passenger platform time

- Passenger is in vehicle and is being driven to the drop-off location

TOTAL TIME ON APP

# CREATING WORKER STANDARDS

- Mayor Durkan is proposing an ordinance that requires minimum wage and expenses for drivers effective **July 1, 2020.**
- An independent study will immediately commence to determine a fair minimum compensation standard. This will also include extensive community engagement process to ensure drivers' voices are heard. The City will expect the study to conclude by March 2020.
- We will create a model to ensure we're appropriately compensating drivers for the hours they truly work, the expenses they are shouldering, and the benefits they deserve, even if they are currently classified as independent contractors.



# W O R K E R   P R O T E C T I O N S

- The City of Seattle will establish a first-in-the-nation independent, nonprofit **Driver Resolution Center**, which will provide Uber and Lyft drivers support through an impartial arbitration and appeals process for resolving claims of unwarranted deactivation by the companies.
- In addition, it will offer culturally responsive outreach and education services on driver rights since many drivers are immigrants and refugees.

# FARE SHARE FOR TRANSIT AND HOUSING NEAR TRANSIT



City of Seattle

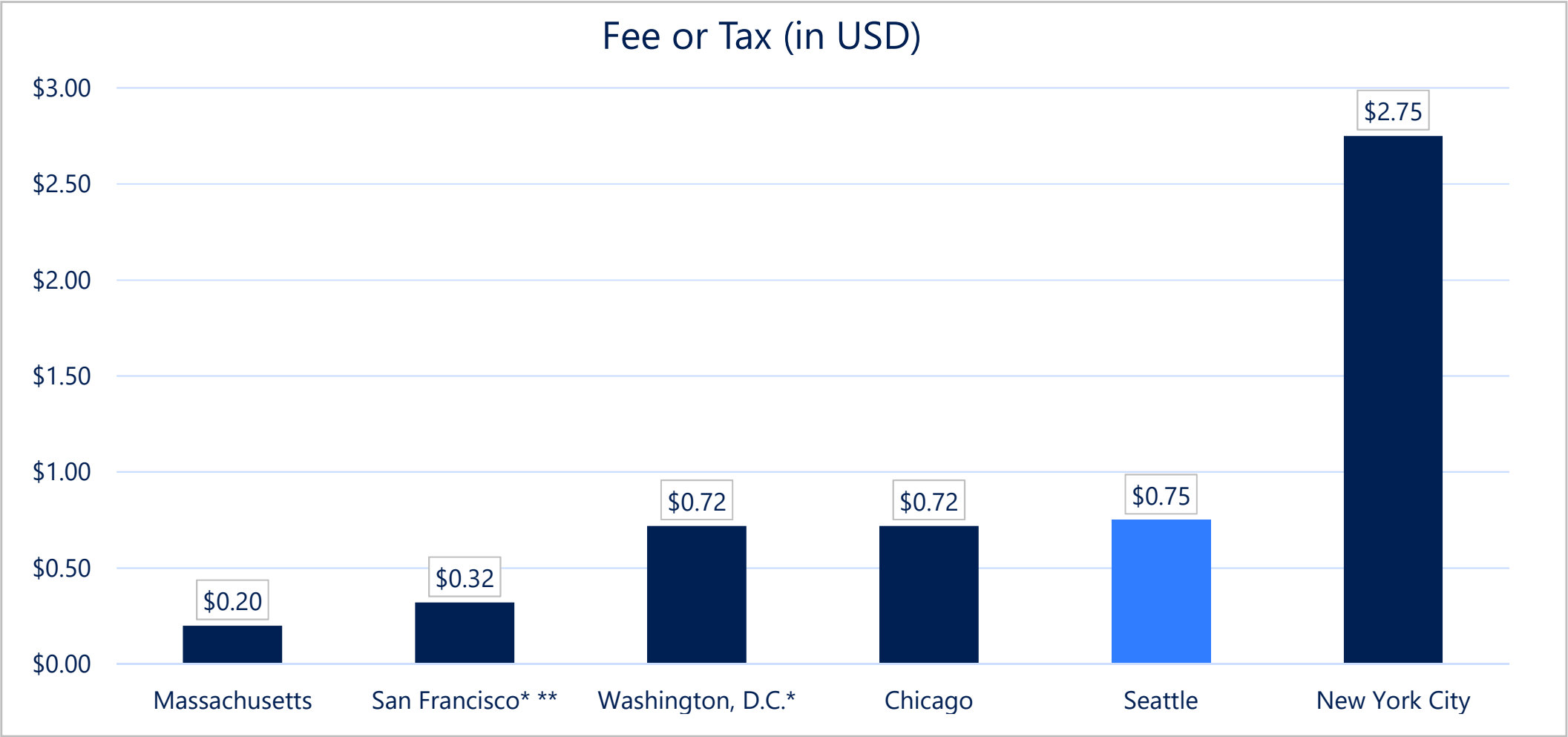
# INVESTING IN OUR VALUES

Right now, Uber and Lyft riders in Seattle pay an existing City fee of **\$0.24 per ride** to fund wheelchair accessible taxis and regulation of the industry. Mayor Durkan is proposing a total of a **\$0.75 per ride charge, which is an increase per trip of \$0.51**. Investments will:

- Establish the first-in-the-nation Driver Resolution Center
- Fund downtown mobility including the Center City Connector streetcar
- Allow the City to invest in more than 500 affordable units of housing near transit hubs

FAS is currently examining the right size of the current FAS fee, which is applicable to all for hire rides. Tax will only apply to transportation network companies (TNC) with at least one million rides per quarter in Seattle.

# COMPARING OTHER CITIES' APPROACHES



\* Value calculated based on an average \$12 fare

\*\* Measure currently on the ballot

# BY THE NUMBERS

The first \$126 million\* will support:

- **\$17.75M** for worker protections
- **\$56M** to fully fund the Center City Connector
- Over **\$52M** for housing near transit

\*After administrative expenses



# A GENERATIONAL OPPORTUNITY TO CONNECT OUR CENTER CITY

**Proceeds from the tax on Uber and Lyft will fully fund the Center City Connector (C3) streetcar by closing the \$56M unfunded gap.**

- A unified streetcar route will provide residents and tourists with easy, fast access in and around downtown.
- We know that [streetcar ridership is growing](#):
  - In 2018, the streetcar program saw an 18% ridership increase
  - A 31% increase on the First Hill line

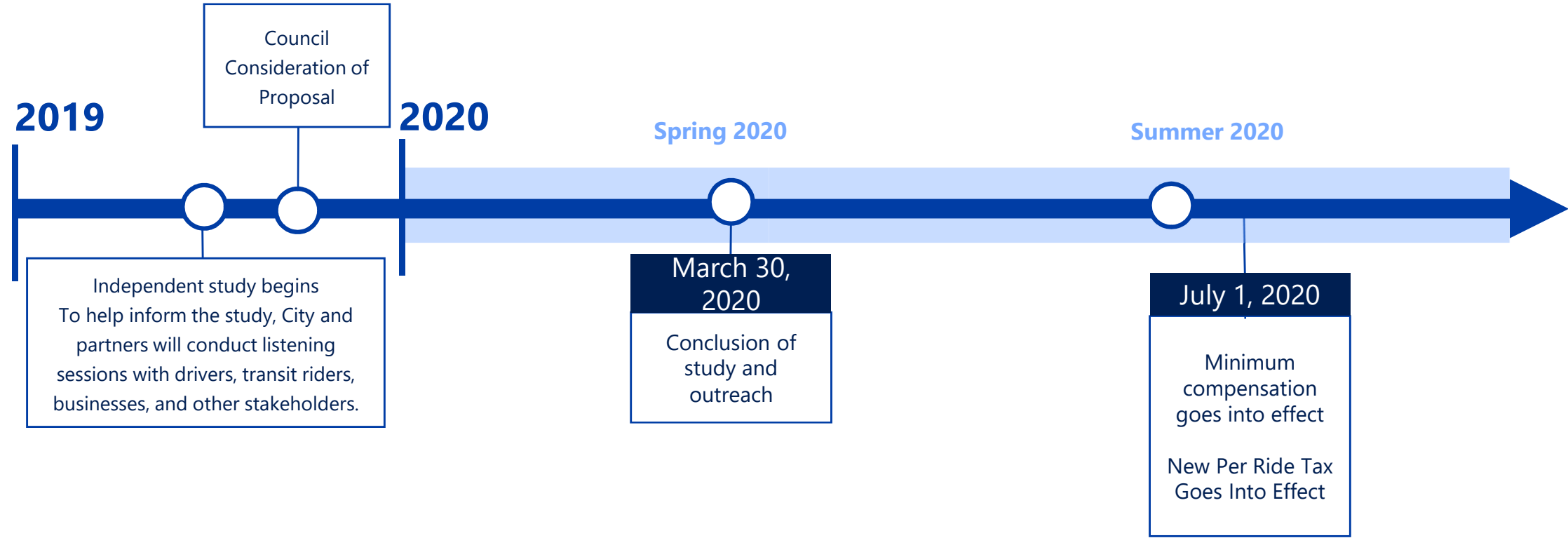


# INVESTING IN HOUSING NEAR TRANSIT FOR WORKING FAMILIES

**Proceeds from the tax on Uber and Lyft will generate \$52 million to keep working families in our City and ensure they can live near transit hubs.**

- These investments will allow the City and our partners to build over 500 units of housing near transit.
- Housing built from these funds will be intended for people making between \$15 and \$25 per hour.

# TIMELINE AND NEXT STEPS





# Q & A



**City of Seattle**