

Joint Transportation Committee

Assessment of City Transportation Funding Needs

Interim Briefing

December 13, 2018



Introductions



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Context

- City streets are an essential part of Washington's transportation network
 - The movement of goods and people is essential to economic prosperity and quality of life
 - The economic health of cities benefits the state
- Therefore, the state and cities share an interest in keeping streets in good shape and adding capacity to accommodate growth
- The state and cities also share fiscal constraints



Study Purpose & Staff Workgroup Composition

- Study purpose (see proviso in [Appendix](#))
 - Understand what funding sources cities use or don't use, and why
 - Use existing data to make a general assessment of funding gaps and future needs
 - Give recommendations for getting what we want out of the system and enabling fact-based decision making
 - The purpose of this study is not to
 - Calculate city-level estimate of need
 - Generate an impractical demand for additional funding without consideration of its source
- Analyze data
 - Examine practices other states
 - Develop case studies
 - Make recommendations to improve the use of existing resources and identify additional tools

Desired Future State Articulated by Staff Workgroup

Our state's quality of life and economic prosperity are enabled by the ability of users to safely and efficiently travel anywhere in the state, regardless of mode.

City streets are built to plan and maintained to an acceptable standard system-wide, serving as an integrated part of Washington's transportation network.

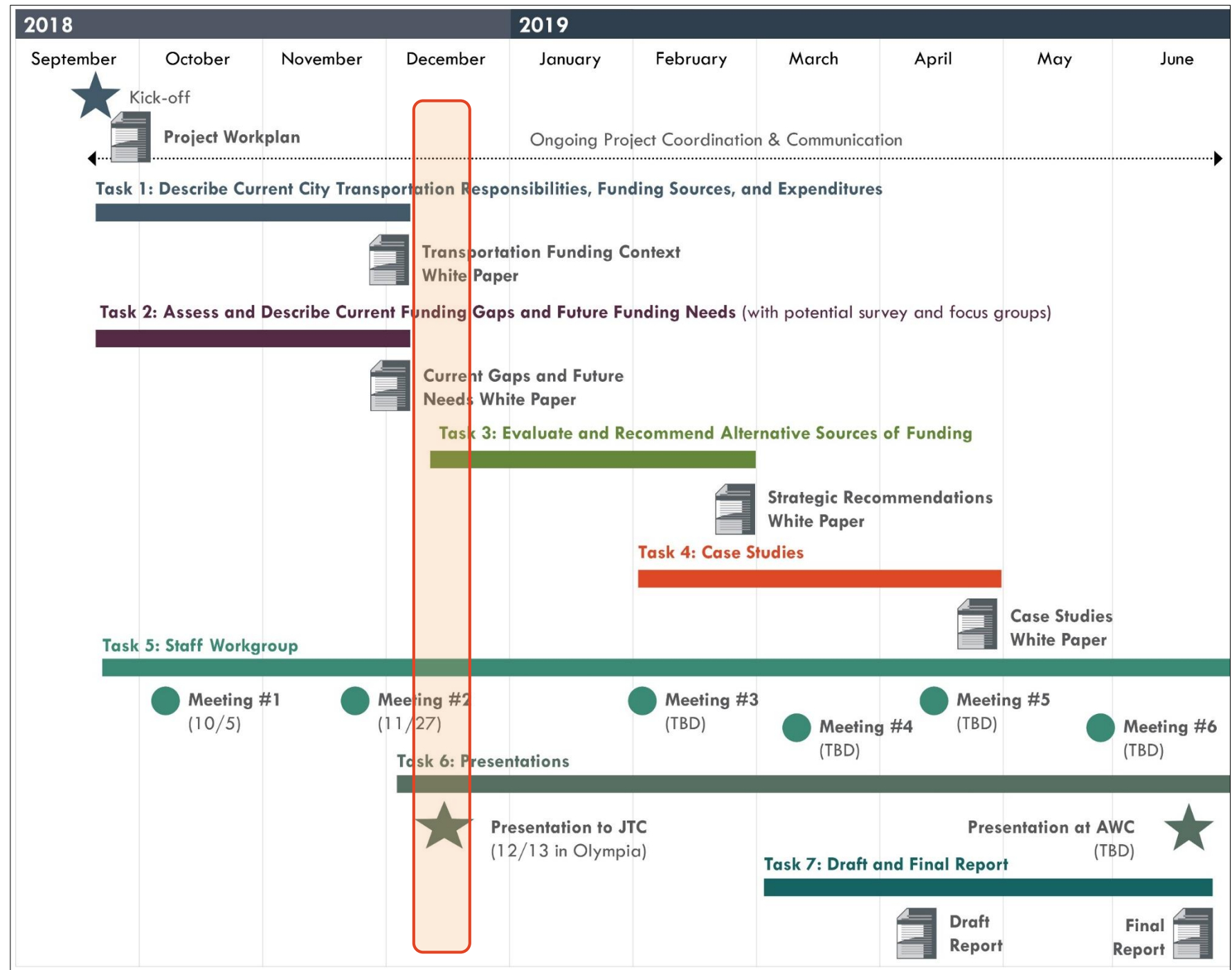
Elements needed to achieve this future

- Stakeholders see value of investment
- Coordination of cities, counties, state
- Financial sustainability of cities
- Efficient and effective use of resources
- Desired environmental, safety, and mobility outcomes

Staff Workgroup

- Cities and Association of Washington Cities
- WSDOT Local Programs Division
- Transportation Improvement Board
- MPO/RTPO Coordinating Committee
- OFM, House, and Senate

(see full list in [Appendix](#))

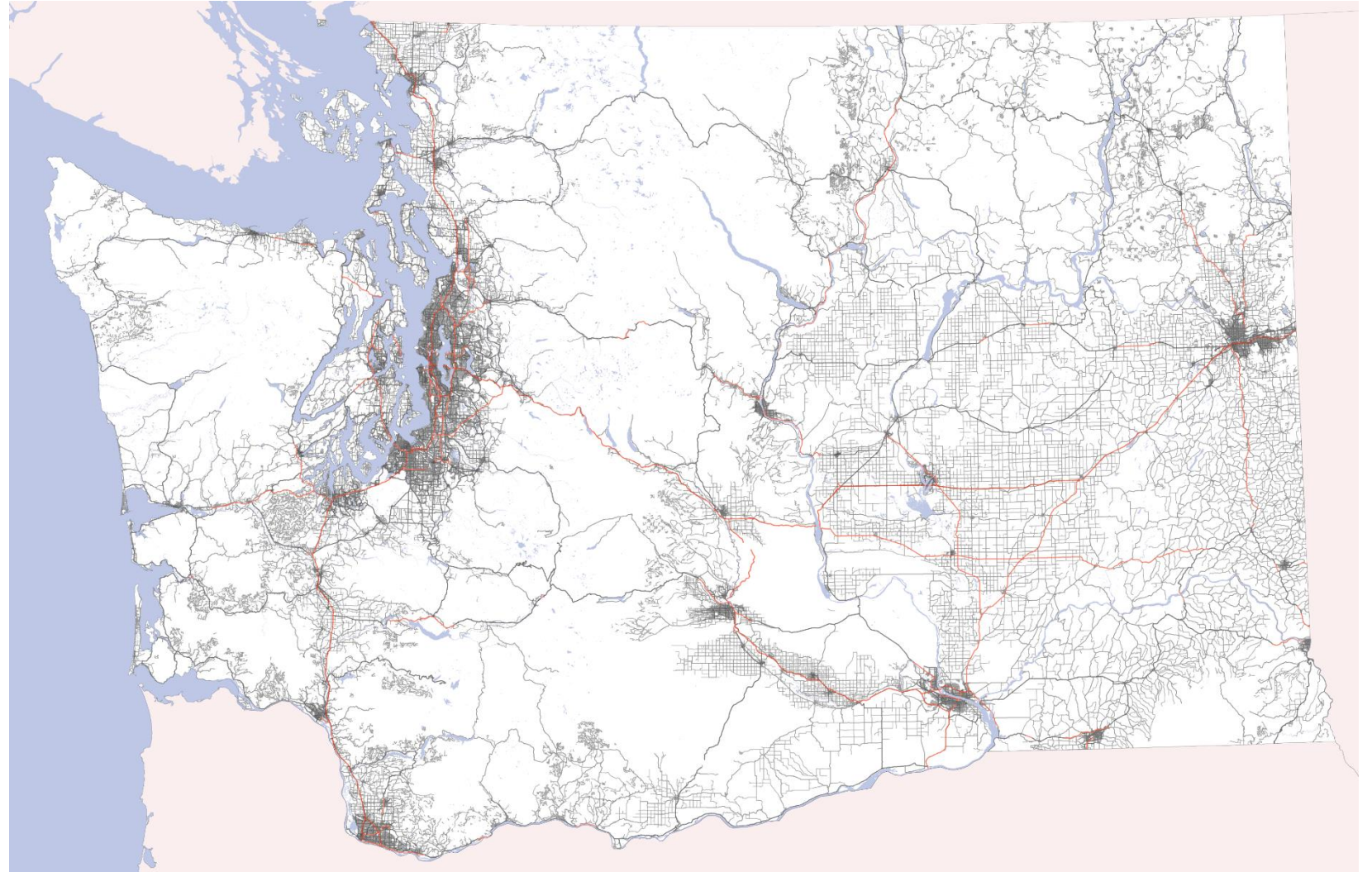


Initial Analytics

What Are “City Streets”?

Range of entities involved with Washington’s transportation network

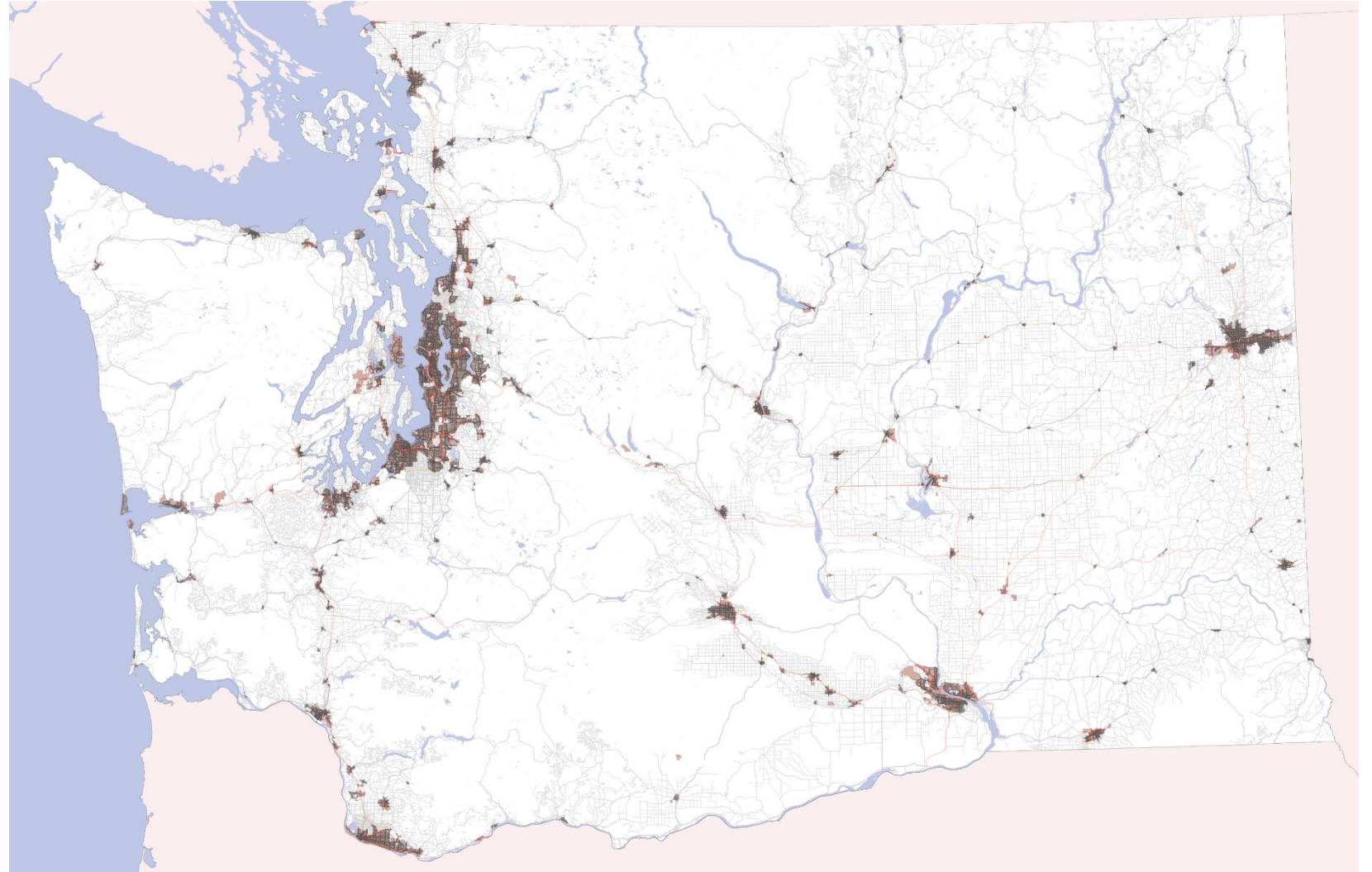
- Federal
- State
- County
- City
- Tribal
- Private



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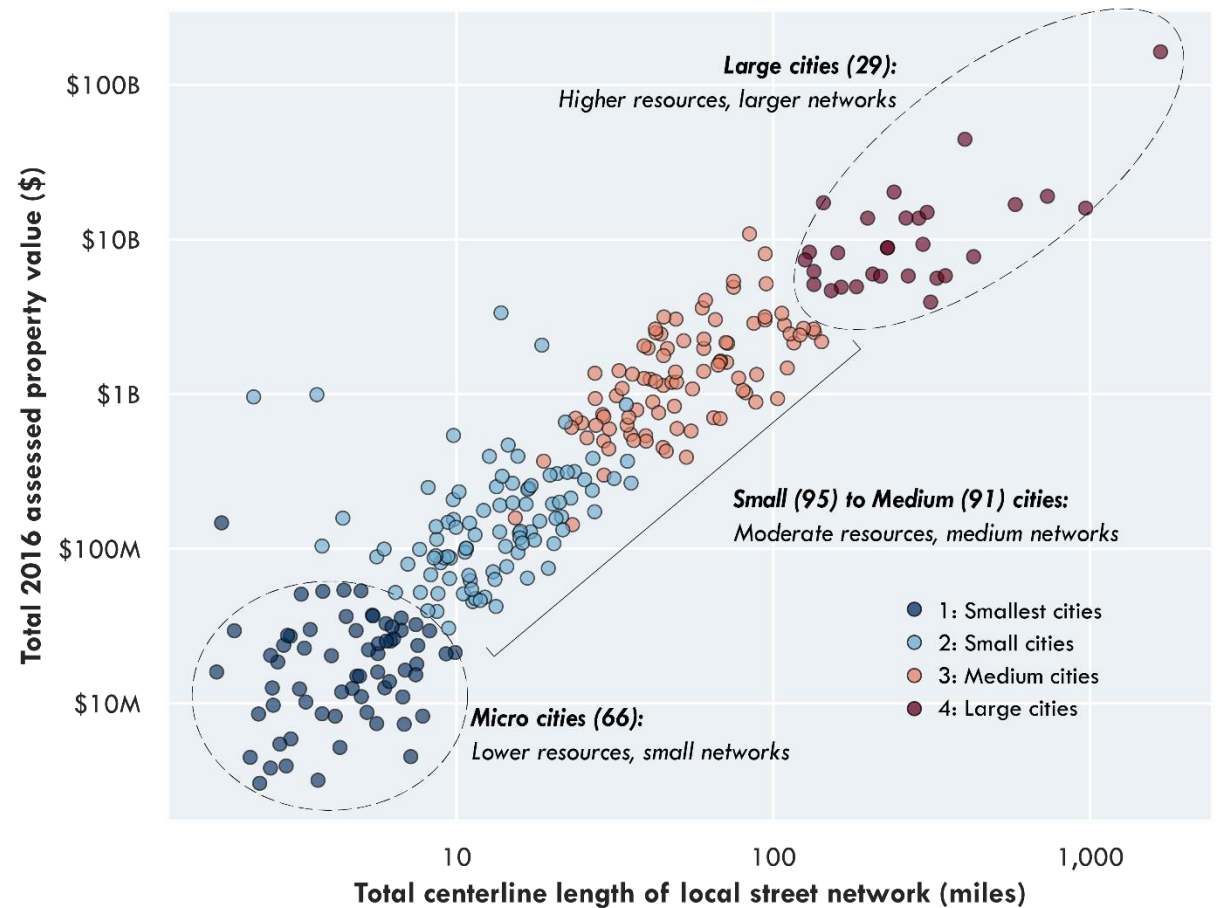
Range of entities involved with Washington’s transportation network

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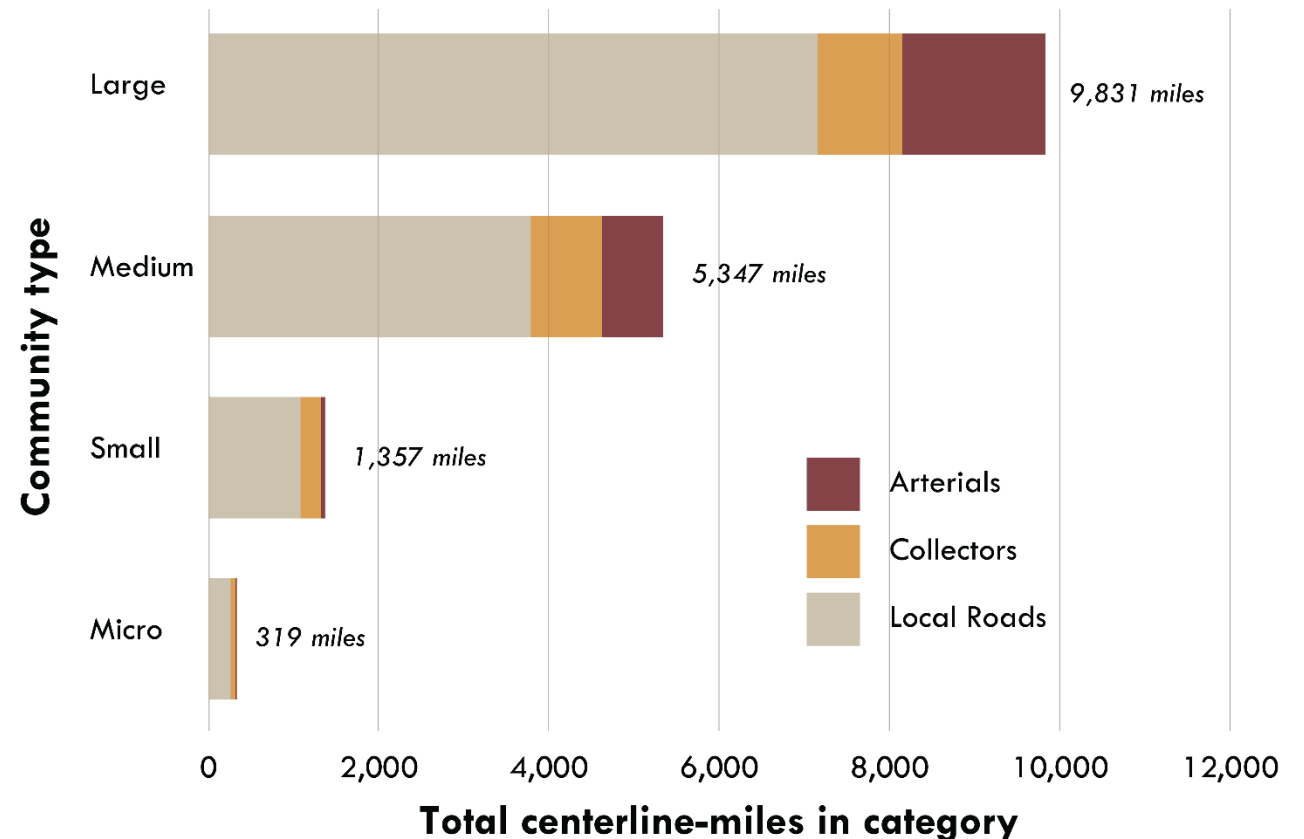
How Do We Classify Cities and Their Responsibilities?

- Four categories
 - **Smallest cities (“micros”)**
(lowest resources, smallest networks)
 - **Small cities**
(low-moderate resources/networks, population <5,000)
 - **Medium cities**
(moderate resources/networks, population >5,000)
 - **Large cities**
(high resources, larger networks)



How Do We Classify Cities and Their Responsibilities?

- **Focus on elements funded/managed by cities**
 - ~25% of statewide traffic
 - ~17,000 centerline-miles of streets
 - ~740 bridges
- **Elements of city systems**
 - State highways (cities > 27,500 pop.)
 - Arterials
 - Collectors
 - Local streets
 - Bridges
 - Associated capital infrastructure



What Does It Cost to Manage a Street Network?

The consulting team is estimating the level of regular investment needed to maintain the health of the system.

- **Road preservation and maintenance**

- Grind & Overlay or Chip Seal
- Costs per centerline mile by type
- Costs distributed over regular/ideal preservation cycle

- **Bridge maintenance**

- Cost per square foot by type
- Costs distributed over life cycle



What Does It Cost to Manage a Street Network?

Additional demands:

- Addressing deferred maintenance/preservation
- System enhancements
- Meeting regulatory needs
(environmental mitigation, accessibility, etc.)

Available data may not be sufficient to characterize these demands at an aggregate level – more detailed information required!



City Funding Options

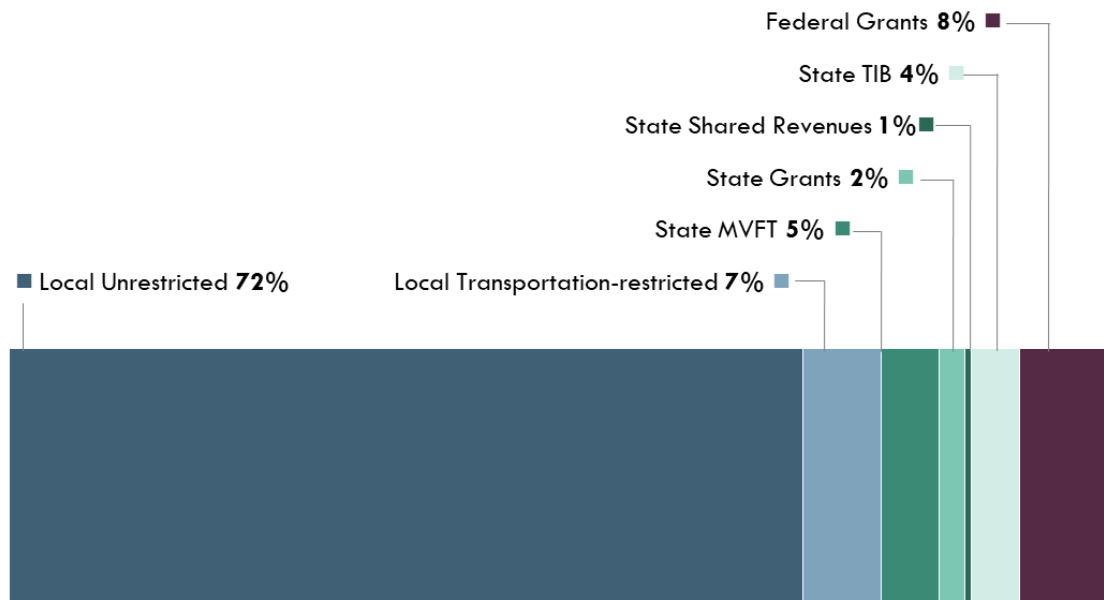
1. Federal
2. State
3. Local: Transportation-Restricted
4. Local: Unrestricted

REVENUE SOURCE	TRANSPORTATION RESTRICTED
1 Federal Sources – all of which passes through the state	
Federal Highway Administration/Fixing America’s Surface Transportation (FAST) Act federal aid	✓
2 State Sources	
Direct Appropriations for Transportation Projects	✓
State Motor Vehicle Fuel Tax (state gas tax distribution)	✓
State Multimodal Account Distribution	✓
Capron Refunds	
Freight Mobility Strategic Investment Board (FMSIB) Grants	✓
Transportation Improvement Board (TIB) Grants	✓
WSDOT Local Programs: Safe Routes to School	✓
WSDOT Local Programs: Pedestrian & Bicycle Funding	✓
3 Local Sources: Transportation-Restricted	
Border Area Motor Vehicle Fuel Tax	✓
Commercial Parking Tax	✓
Local Improvement District	✓
Real Estate Excise Tax 2 (REET 2)	✓
Transportation Benefit District – Sales and Use Tax	✓
Transportation Benefit District – Vehicle Licensing Fee	✓
Transportation Impact Fees	✓
4 Local Sources: Non-Restricted	
Business and Occupation Tax (local)	
Limited Tax General Obligation (LTGO) Bonds	
Unlimited Tax General Obligation (UTGO) Bonds	
Property Tax	
Real Estate Excise Tax 1 (REET 1)	
Additional REET 3	
Retail Sales & Use Tax	
Utility Tax (local)	

Many city funding tools are not specific to transportation.

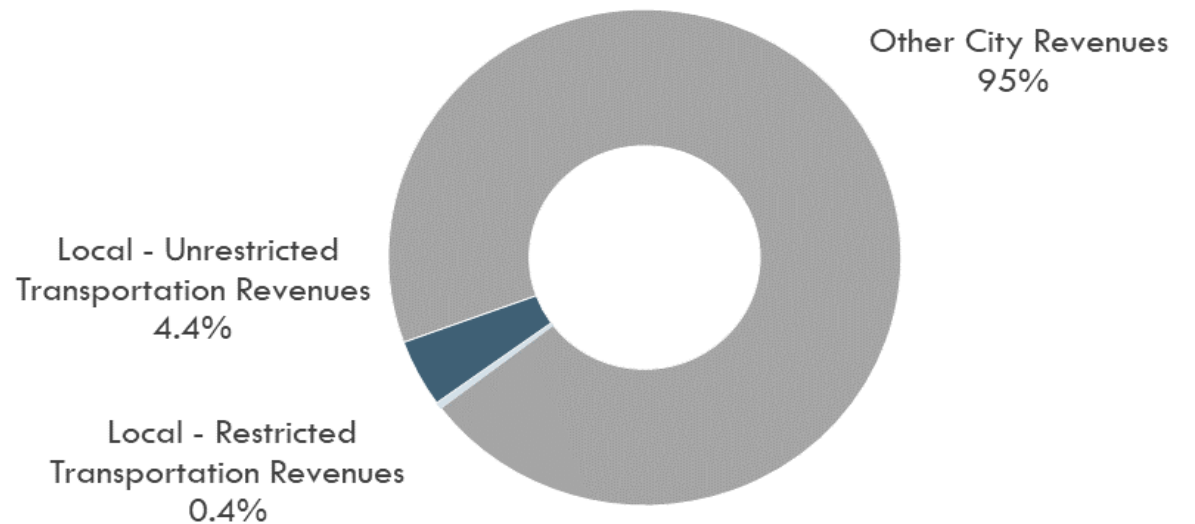
City Transportation Funding

Where does city transportation funding come from?



- **Local Transportation Sources: 79%**
- **State Transportation Sources: 13%**
- **Federal Transportation Sources: 8%**

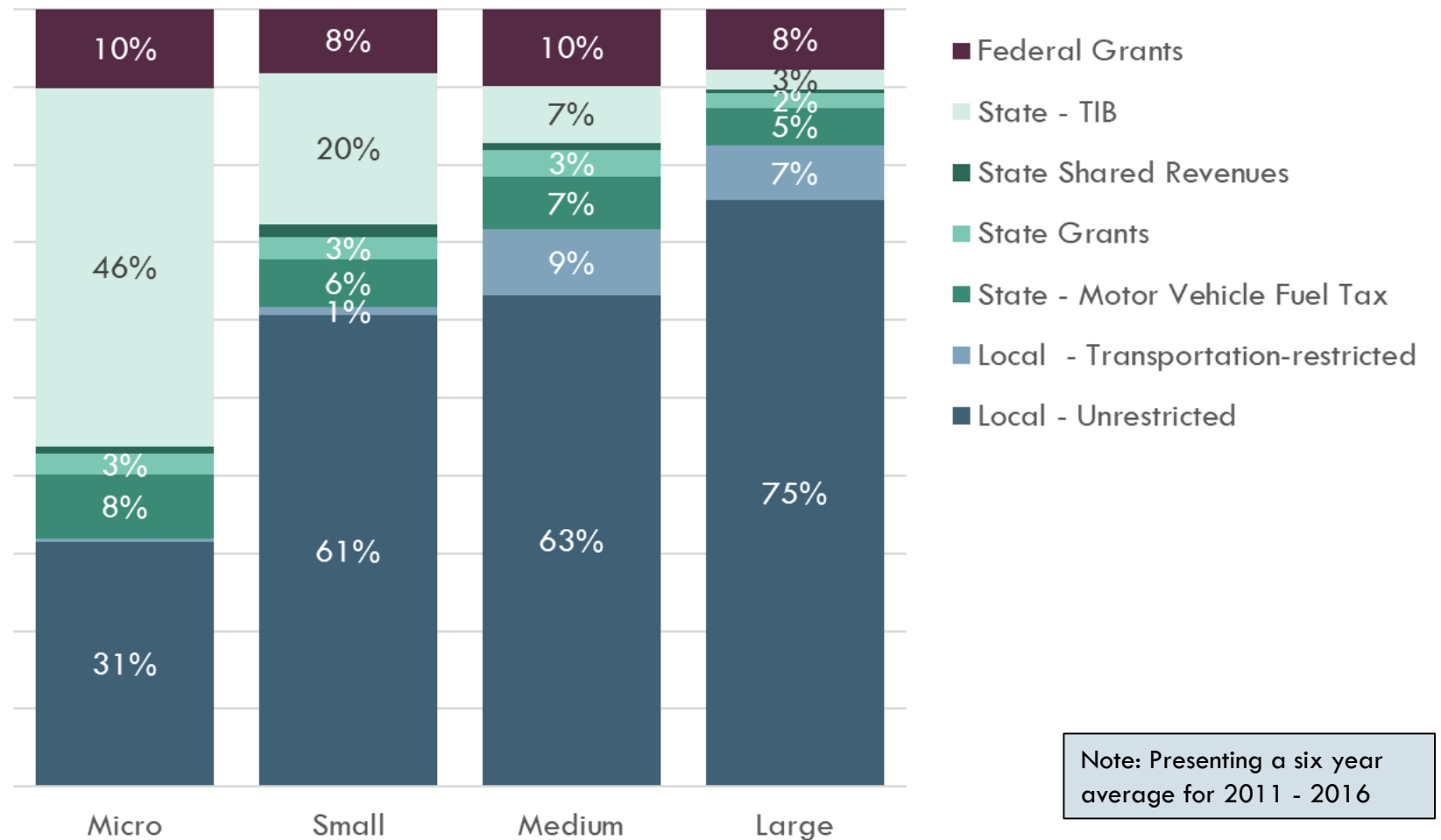
How much local funding do cities have for transportation compared to all city revenues?



Note: Presenting a six year average for 2011 - 2016
Donut chart displays data from SAO LGFRS and WSDOT CSCR

City Transportation Revenues by City Type

How do revenue sources differ by city type?

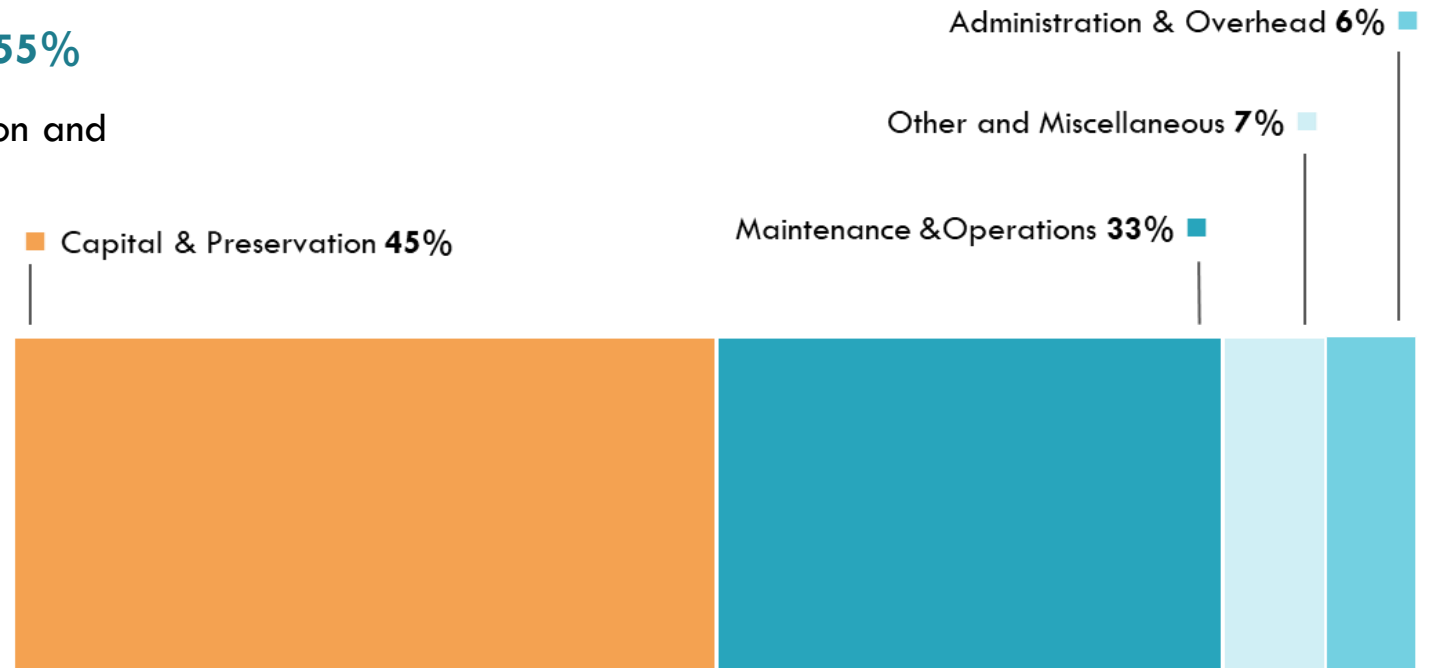


City Transportation Expenditures

What transportation expenditures do cities have?

- **Capital & preservation expenditures** 45%
- **Programmatic expenditures** 55%

(maintenance and operations; administration and overhead; and other)



Note: Presenting a six year average for 2011 - 2016

Next Steps

How to Go Beyond Aggregated Statistics?

- **Many questions remain**
 - What experiences or challenges are common among cities?
 - How do city experiences differ based on local conditions?
 - What needs are not being met, including deferred maintenance and capacity constraints?
 - What are the costs associated with environmental mitigation and accessibility requirements?
 - What existing local funding tools are helpful and which are not? Why?
 - What new tools would help cities achieve their goals?
- **Case studies will address these questions and present representative stories**

Identifying Case Studies

- Representation by
 - Location
 - City type
 - Rates of growth (positive and negative)
- Responsibility for
 - Bridges
 - Commute corridors
 - Freight corridors
 - State highways
- Experience with different funding tools



Thank you.

Questions and input?

Appendices

2018 Supplemental Transportation Budget, ESSB 6106, section 204

\$360,000 of the motor vehicle account—state appropriation, from the cities' statewide fuel tax distributions under RCW214668110(2), is for the joint transportation committee to conduct a study to assess the current state of city transportation funding, identify emerging issues, and recommend funding sources to meet current and future needs. As part of the study, the joint transportation committee shall:

- Identify current city transportation funding responsibilities, sources, and gaps;
- Identify emerging issues that may add additional strain on city costs and funding capacity;
- Identify future city funding needs;
- Evaluate alternative sources of funding; and
- Recommend sources of funding to address those needs and gaps.

In considering alternative sources of funding, the study shall evaluate sources available outside of the state of Washington that currently are not available in Washington.

Staff Workgroup per ESSB 6106

In conducting the study, the joint transportation committee must consult with:

- (i) City representatives;
 - **City of Camas, Steve Wall**
 - **City of Olympia, Rich Hoey**
 - **City of Tacoma, Josh Diekmann**
- (ii) A representative from the department of transportation local programs division;
 - **Kathleen Davis**
- (iii) A representative from the transportation improvement board;
 - **Ashley Probart**
- (iv) A representative from the department of transportation/metropolitan planning organization/regional transportation planning organization coordinating committee; and
 - **Skagit Council of Governments and MPO/RTPO Coordinating Committee, Kevin Murphy**

(vi) Others as appropriate

- **Office of Financial Management, Alyssa Ball**
- **House Democratic Caucus, to be filled**
- **House Republican Caucus, Dana Quam**
- **House Transportation Committee, Mark Matteson**
- **Senate Democratic Caucus, Hannah McCarty**
- **Senate Republican Caucus, to be filled**
- **Senate Transportation Committee, Bryon Moore**

The association of Washington cities and the department of transportation shall provide technical support to the study

- **Association of Washington Cities, Logan Bahr and Andrew Pittelkau**

The joint transportation committee must issue a report of its findings and recommendations to the transportation committees of the legislature by June 30, 2019

- **Joint Transportation Committee Project Managers, Dave Catterson and Paul Neil**

Desired Future State Articulated by Staff Workgroup

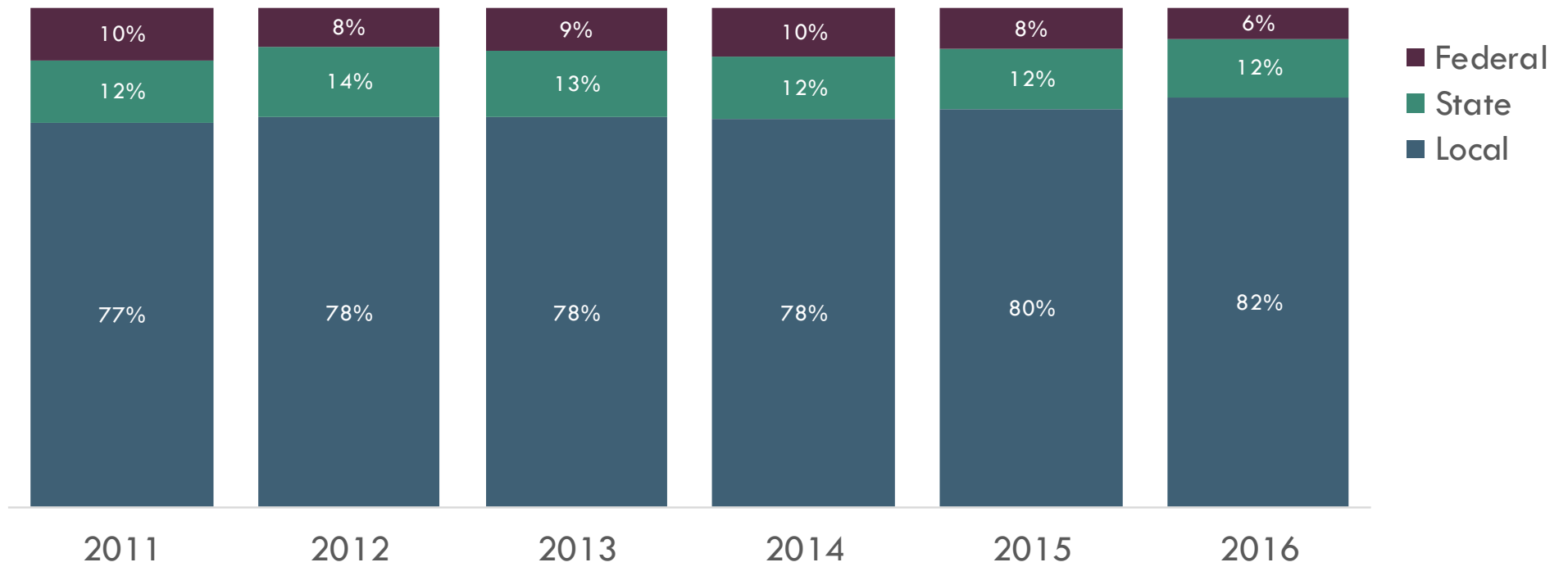
Our state's quality of life and economic prosperity is enabled by the ability of users to safely and efficiently travel anywhere in the state, regardless of mode City streets are built to plan and maintained to an acceptable standard system-wide, serving as an integrated part of Washington's transportation network

In achieving this desired future state, it is important to us that:

- Citizens and policy makers see the value in investing in transportation system maintenance
- Cities, counties, and the state coordinate their plans and investments, as well as their use of taxing capacity, to support the most efficient use of limited public resources
- Capital projects, preservation, and maintenance consider best value and life-cycle cost containment
- Capital projects can be built in a timely fashion to ensure orderly growth and meet community needs
- City funding options provide flexibility to match community-specific interests and priorities
- City funding options are at scale relative to the cost of service delivery and keep pace with cost changes over time
- The financial sustainability of cities is not undermined by investments in maintenance and construction and the street systems of economically disadvantaged communities are not left in poor condition or allowed to deteriorate for lack of local capacity
- The existing system and new capital investments avoid unnecessary environmental impacts and work safely and well for all, with superior ADA accessibility and options for users of different transportation modes

City Transportation Revenues Over Time

How are city transportation revenues changing over time?



State highway maintenance responsibilities in cities

(Managed access highways*)

<p>Cities under 27,500</p>	<p>City Responsibility - Operational (consistent with state laws)</p> <ul style="list-style-type: none"> ✓ Street Illumination ✓ Cleaning-streets, catch basins, snow plowing, etc. ✓ Existing Stormwater facilities ✓ Traffic and parking enforcement 	<p>State Responsibility – Structural Integrity</p> <ul style="list-style-type: none"> ✓ Roadway surface and shoulders ✓ Traffic Control Signals ✓ Slope stability ✓ State has snow plowing authority when necessary ✓ Route markers, directional signs
<p>Cities over 27,500</p>	<p>City Responsibility (consistent with state laws)</p> <ul style="list-style-type: none"> ✓ <u>Same responsibilities as above, plus</u> ✓ Slope stability ✓ Traffic Control Signals 	<p>State Responsibility**</p> <ul style="list-style-type: none"> ✓ Roadway surface and shoulders ✓ State has snow plowing authority when necessary ✓ Route markers, directional signs

*WSDOT performs all of the above maintenance activities on Limited Access Highways (i.e. I-5, I-90, I-405, I-82, etc.)

**State Highway Improvements are typically a partnership between cities and the state