

COUNTY ROAD FUND RESOLUTION R2019-133 TRANSPORTATION PROJECT & FINANCE PROPOSAL - REFINEMENT

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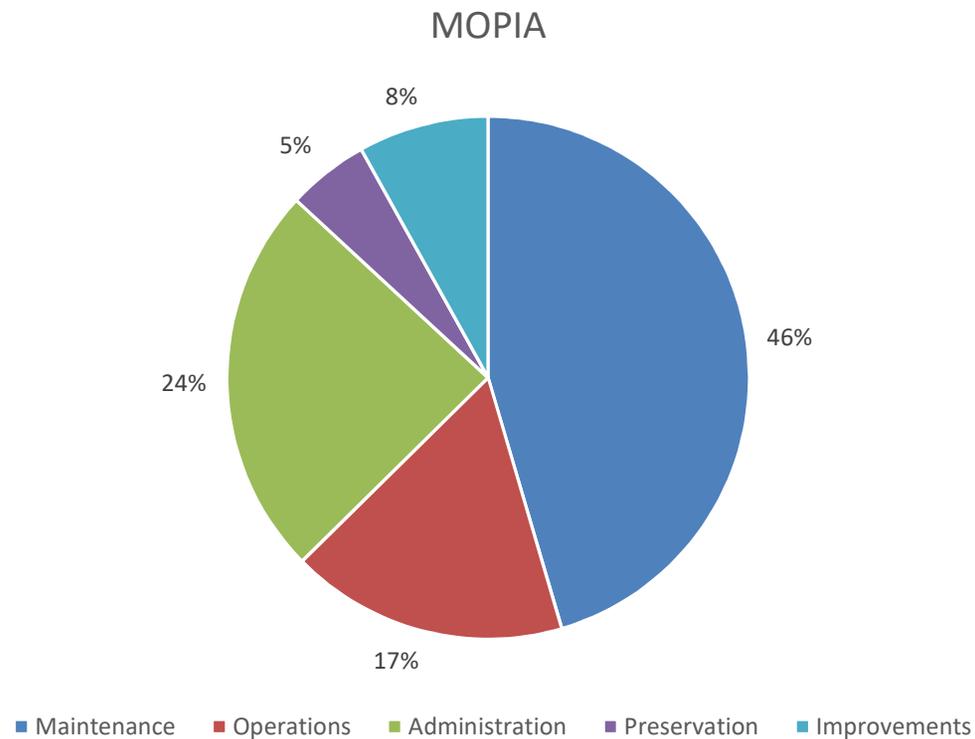
Agenda

- Recap
- Additional information from previous Commission questions
- Key Issues Needing Input to Advance:
 - Consensus on Funding Need
 - Funding Options to Rule Out
 - Funding Options of Interest
 - Program Size
 - Program Duration
 - Construction Completed within Program Duration
 - Priority Group Focus
- Workplan & Next Steps
- Questions & Discussion

Refresher from Previous Meetings

- Resolution R2019-133 – Transportation Funding Proposal
- Road Fund Expenditure and Revenue Overview
- Transfers & Diversions
- Priority Groups
- Potential Funding Options
- Establish the “Need”

County Road System Needs



MOPIA 2020 Total = \$84,774,000

Funding Need: Specific to Resolution

20 Year Program Needs

Project Type	Total	Total (2020 \$)
Capacity	\$274 M	\$288 M
Economic Development	\$265 M	\$278 M
Preservation (CIP)	\$236 M	\$248 M
Safety	\$156 M	\$164 M
Active Transportation	TBD	\$80 M
Total Need		\$1,058 M
Total Average Yearly Need		\$52.9 M

20 year program need:

\$40 M - ADA Transition Plan
 \$20 M - Sidewalk Construction
\$20 M - Bicycle Facility Construction
\$80 M - Total

- Combines TIF projects into Capacity project type
- Removes Fox Island Bridge
- Economic Development is Canyon Road Regional Connection Project
- Removes Environment Project Type (Fish Passage)
- 5% inflation from 2018 to 2020 dollars

Funding Gap Analysis

Existing Revenue Type	Yearly Avg.
TIF	\$10 M
Grants	\$10 M
REET 2	\$5 M
Bond Obligation	(\$4 M)
Construction Fund	<u>\$10 M</u>
Totals	\$31 M

Needed Expenditure Type	Total (2020 \$)	Yearly Avg.
Capacity	\$288 M	\$14.4 M
Economic Development	\$278 M	\$13.9 M
Preservation (CIP)	\$248 M	\$12.4 M
Safety	\$164 M	\$8.2 M
Active Transportation	<u>\$80 M</u>	<u>\$4.0 M</u>
Totals	\$1,058 M	\$52.9 M

Net Yearly Gap = \$52.9 M - \$31 M =
\$21.9 M

Assumptions:

- Revenue's are approximate average yearly estimates

Program Priority Group Allocation Example



Project Priority Type	Yearly Avg. Need	Percentage New Funding Allocated	Percentage New Funding Allocated TAC	"X" Year Program Totals (\$)
Capacity	\$14.4 M	25% ?	?	
Economic Development	\$13.9 M	25% ?	?	
Preservation	\$12.4 M	10% ?	?	
Safety	\$8.2 M	25% ?	?	
Active Transportation	<u>\$4.0 M</u>	<u>15% ?</u>	<u>?</u>	
Total	\$52.9 M	100%	100%	

Staff suggestion for starting point:
10 Year Program

Funding Mechanism Options

Revenue Source	Revenue Potential	Notes
Levy Lid-Lift	\$\$\$	Flexibility in Rates
REET 2	\$\$	New bond issuance / Sunset
TBD (License Tabs)	Not feasible	I-976 Impacts
TBD (Sales Tax)	\$\$ / Not feasible	No County has implemented / I-976
Internal Transfer/Diversion Restorations	\$\$\$	Law Enforcement
Other – Local Gas Tax, Sales Tax, B&O Tax, Red Light Cameras	\$ / Not feasible	Details in coming slides

\$\$\$ = significant revenue potential

\$\$ = moderate revenue potential

\$ = limited revenue potential

- Franchise Utilities – recent Supreme Court Case King County vs. King County Water Districts

2018 Budgeted County Road Levy Comparison



County	Road Levy Rate \$/1,000 AV	Total Road Levy \$	Traffic Policing Diversion (-)	Traffic Policing Transfer (-)	Other Diversion (-)	Levy Shift (-)	% of Levy
Pierce	1.623026	\$70,736,000	-	\$2,868,000	\$13,850,000	-	23.6 %
King	2.065101	\$89,834,000	-	\$7,500,000	-	-	8.3 %
Snohomish	1.282378	\$64,022,000	-	\$4,204,000	-	-	6.6 %
Clark	1.509674	\$39,925,000	\$4,533,000	-	-	-	11.4 %
Thurston	1.363707	\$21,001,000	\$1,500,000	\$142,000	-	-	7.8 %
Spokane	1.599197	\$24,763,000	-	-	-	\$4,500,000	18.2 %
Lewis	2.027277	\$11,072,000	-	\$1,407,000	-	\$800,000	19.9 %
Yakima	1.800688	\$12,693,000	-	\$448,000	-	\$2,200,000	20.9 %

- Information most recent from County Road Administration Board (CRAB)
- % of Levy = combined percentage of road levy of all transfers/diversions added together

Previous Commission Topics of Interest



Local Sales Tax

- First 0.5%: Currently Implemented, Unrestricted Use, Shared w/ Cities
- Second 0.5%: Currently Implemented, Unrestricted Use, Shared w/Cities
- **Conclusion:** No further legislative authority for this form of taxes for Counties.

Previous Commission Topics of Interest

Local Business & Occupation (B&O) Tax

- Administered by the State according to RCW 82.04
- Available to Cities and Towns only
- **Conclusion:** No legislative authority for this form of taxes for Counties.

Previous Commission Topics of Interest

Local Gas Tax

General Info:

- May levy additional 10% of Statewide Gas Tax – currently @ 49.4 cents. Max local gas tax = 4.94 cents/gallon
- Shared with Cities based on population.
- Collected and dispersed by Dept. of Revenue (1% admin fee)
- Voter approval required
- May not utilize if part of a Regional Transportation Investment District (RTID) e.g. Sound Transit
- **Voter approval required.**
- No County in Washington has enacted.

Conclusion:

- **Pierce County may not levy this tax per RCW 82.80.010**

Top Funding Mechanisms Worth Further Discussion



Summary from previous meeting discussions:

- Levy Lid-Lift
- REET 2
- Law Enforcement Transfer / Diversion Options

Targeted Funding Package Hypothetical Options

	Replace Traffic Enforcement Transfer	Levy Lid-Lift to \$1.600000	Levy Lid-Lift to \$1.700000	Levy Lid-Lift to \$1.800000	REET 2
Option 1	✓				
Option 2	✓	✓			
Option 3	✓	✓			✓
Option 4	✓		✓		✓
Option 5	✓			✓	✓

Targeted Funding Package Hypothetical Options



Funding Package Scenarios (per year)

■ Traffic Enforcement Transfer ■ Levy Lid-Lift ■ REET 2

Targeted Funding Package Hypothetical Options



Duration	Option 1	Option 2	Option 3	Option 4	Option 5
1 year	\$2,950,000	\$13,350,000	\$17,350,000	\$22,650,000	\$28,050,000

Funding totals represent approximate total of new yearly revenues for each option

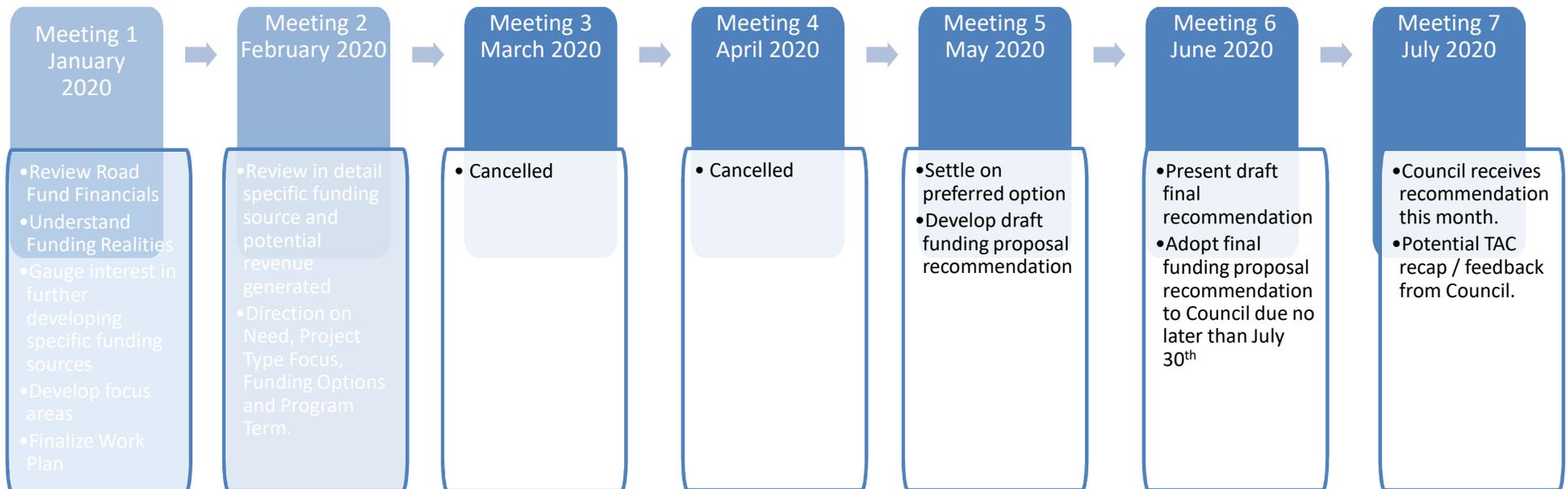
Proposal Duration

Duration	Option 1	Option 2	Option 3	Option 4	Option 5
1 year	\$2,950,000	\$13,350,000	\$17,350,000	\$22,650,000	\$28,050,000
8 years					
10 years					
12 years					

Future Anticipated Decisions Needed

- Develop a proposal focused on a XX year period of time.
- Develop a proposal focused on Option #X, a combination of these revenue types, and generating approximately \$XX per year.
- Develop a proposal focused on the following approximate project type targeted allocations:
 - Capacity = XX%
 - Safety = XX%
 - Active Transportation = XX%
 - Economic Development = XX%

Original 2020 Work Plan Development: R2019-133



The Commission is requested to provide its recommendations to the Council by July 30, 2020.

Resolution Schedule Updates & COVID-19 Impacts

- To be determined - awaiting Council direction
- Work Plan will be revised accordingly



QUESTIONS?

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