

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: A Public Hearing to Consider Adoption of Resolution No. 191 to Support Washington State Referendum 51, Financing Transportation Improvements Through Transportation Taxes and Fees, at the November 5, 2002 State General Election
DEPARTMENT: Planning & Development Services
PRESENTED BY: Sarah Bohlen, Transportation Planner

PROBLEM/ISSUE STATEMENT:

During the 2002 Legislative Session, the Washington State Legislature enacted statewide and regional funding measures to provide new funding sources for transportation improvements, subject to voter approval. This statewide ballot measure (Referendum 51) will be voted upon at the November 5, 2002 general election. Many local jurisdictions and agencies are currently considering the implications of passage of Referendum 51.

ALTERNATIVES ANALYZED:

The City Council has two options tonight:

1. Pass Resolution No. 191, supporting Washington State Referendum 51, or
2. Do not pass Resolution No. 191, signifying either opposition to or no opinion of Referendum 51.

FINANCIAL IMPACT:

Council support or non-support for R-51 will not directly impact City finances. However, the Council's position on this issue may influence voters in Shoreline. If Referendum 51 were to pass, the City would receive additional funds. The City would receive \$10 Million for the Aurora Corridor project, which is our top Council Goal, and approximately \$138,565 in additional gas tax revenues per year (over ten years). The City currently receives between \$1.1 and \$1.2 million per year in gas tax revenues. Costs to the City associated with this measure include the increased gas tax used to fuel our vehicles, and the cost of purchasing vehicles will rise with an increased sales and use tax on vehicles.

RECOMMENDATION

Staff recommends that Council discuss Referendum 51 and take action on Resolution No. 191 as Council finds appropriate.

Approved By:

City Manager 

City Attorney 

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INTRODUCTION

Referendum 51 (R-51) is a statewide 10-year transportation funding plan to help fix dangerous roads and bridges, relieve traffic chokepoints, improve freight mobility, and improve public transportation. R-51 will:

- ◆ Increase the statewide motor vehicle and special fuel taxes by 9 cents per gallon, phased in over two years;
- ◆ Authorize a state sales and use tax of one percent on new and used motor vehicles;
- ◆ Increase gross weight fees by 30 percent for trucks over 10,000 pounds (excluding pick-ups and recreational vehicles); and
- ◆ Authorize \$4.5 billion in gas tax bonds for highway and ferry projects, and an additional \$100 million in general obligation bonds for non-highway projects (capital rail investments, passenger ferries).

R-51 is projected to raise \$7.7 billion in new transportation funding over the 10-year period, and will cost a taxpayer that drives 12,000 miles per year and gets 24 mpg approximately \$45 per year.

A fact sheet prepared by the Association of Washington Cities is attached.

DISCUSSION

State Law (RCW 42.17.130) generally prohibits public agencies from using resources to oppose or support ballot measures. However, this code does allow an elected body to take positions for or against such measures under certain conditions. The notice of the meeting when the vote will be taken must include the title and number of the ballot proposition, and Councilmembers and the public must have an approximately equal opportunity to express an opposing view.

The passage of R-51 would provide \$10 million to the City of Shoreline for the Aurora Corridor project, identified as Goal Number 1 of the 2002-2003 Work Plan. This measure would also increase fuel tax revenues by approximately \$138,565 per year (over the current revenues of \$1.1 to \$1.2 million).

Referendum 51 would also provide Metro Transit with approximately \$10.7 million per year, for ten years, for new transit service in King County. This is a substantial increase over Metro's current revenue projections. The newly adopted Six Year Transit Development Plan allocates 20% of new service to the West Subarea, down from 36%. We should continue to follow Metro's progress and promote better transit service in Shoreline.

In addition to projects affecting Shoreline directly, R-51 revenue would help fund a high-priority list of safety and traffic relief projects on roads, bridges, rails, and public transportation systems in every part of the state. Major projects in the Puget Sound Region include improvements to the Alaskan Way Viaduct, SR 520, and I-405, among others.

RECOMMENDATION

Staff recommends that Council discuss Referendum 51 and take action on Resolution No. 191 as Council finds appropriate.

ATTACHMENTS

- ◆ Attachment A: Resolution No. 191 to Support Washington State Referendum 51, Financing Transportation Improvements Through Transportation Taxes and Fees, at the November 5, 2002 State General Election.
- ◆ Attachment B: AWC Referendum 51 Fact Sheet

RESOLUTION NO. 191**A RESOLUTION SUPPORTING STATE REFERENDUM BILL 51, FINANCING TRANSPORTATION IMPROVEMENTS THROUGH TRANSPORTATION TAXES AND FEES, AT THE NOVEMBER 5, 2002, STATE GENERAL ELECTION.**

WHEREAS, the Legislature passed House Bill 2969 authorizing new taxes and fees for transportation improvements; and

WHEREAS, HB 2969 directs the Secretary of State to place the Referendum on the General Election ballot in November; and

WHEREAS, the Puget Sound Region has been rated among the worst traffic congested regions in the nation; and

WHEREAS, the ability to move people and goods on our transportation system is essential to the livability and economic vitality of the Puget Sound region and our state; and

WHEREAS, there have been no increases in the State gas tax since 1991 to provide funding for major state transportation improvements and the State has realized a reduction of 21% in overall State funding for transportation as a result of initiatives; and

WHEREAS, the unmet funding need for transportation improvements in the Puget Sound Region alone has grown to a level of \$30 Billion as determined by the Puget Sound Regional Council's Destination 2030 Plan; and

WHEREAS, a well-functioning transportation system is essential to retaining and attracting companies that provide economic viability and family-wage jobs to the Puget Sound region and the State of Washington; and

WHEREAS, the Legislature also passed ESSB 6347 authorizing expenditure of the new transportation revenues on specific projects; and

WHEREAS, the City of Shoreline would receive \$10 Million for the Aurora Corridor project and Metro Transit would receive approximately \$10.7 Million per year for ten years if Referendum 51 is approved; and

WHEREAS, improvements to regional facilities such as the Aurora project and transit service in King County are necessary to accommodate the intent and spirit of the State Growth Management Act and to allow urban areas to continue to manage future growth; and

WHEREAS, funding from Referendum 51 would contribute to necessary transportation improvements that will provide significant mobility and economic benefits for the residents and businesses of Shoreline;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON AS FOLLOWS:

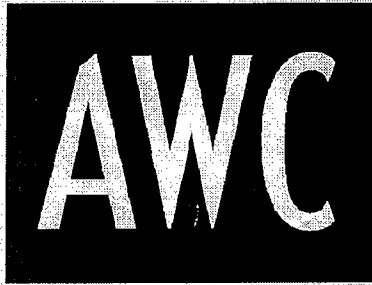
Section 1. The City Council of the City of Shoreline hereby declares its support for and encourages approval of State Referendum 51, which will be presented to the voters at the November 5, 2002 State General Election.

Passed by the City Council on September 23, 2002.

Scott Jepsen, Mayor

Attest:

Sharon Mattioli, City Clerk



ASSOCIATION OF
WASHINGTON CITIES

REFERENDUM 51

Financing Transportation Improvements

What is Referendum 51?

R-51 is a statewide 10-year transportation funding plan to help fix the most dangerous roads and bridges, relieve some traffic chokepoints, and improve freight mobility and public transportation.

Washington's citizens will vote on Referendum 51 on the November ballot.

Why is transportation funding important?

Maintaining and improving Washington's transportation systems is essential to the economic well being of our entire state. All parts of the system – city streets, county roads, state highways, transit, rail and ferries – must function properly to provide a seamless transportation network for our state.

In the past 20 years, Washington's road traffic increased by two million vehicles, and the amount of freight and goods traveling throughout the state has doubled. However, transportation has not kept pace with the growth. Washington's transportation system needs relief.

Facts & Figures

R-51 Expenditures	2
Local Government Funding	4
Estimated Distribution to Cities....	5
Freight Mobility	6
For More Information	7

Why was Referendum 51 put on the November ballot?

- * With the passage of recent initiatives, the state's overall transportation funding has declined by 21%.
- * The Governor's Blue Ribbon Commission on Transportation, after an extensive two-year study, determined that the state's transportation improvements over the next 20 years would total \$150 billion.
- * Washington's taxpayers haven't had a gas tax increase since 1991, when the last cent of a two-year, five cent increase was put in place to pay for transportation improvements.

What will Referendum 51 do?

Referendum 51 will:

- * Increase the statewide motor vehicle and special fuel taxes by 9 cents per gallon, phased in over two years.
- * Authorize a state sales and use tax of one percent on new and used motor vehicles.
- * Increase gross weight fees by 30 percent for trucks over 10,000 pounds (excluding pickups and recreational vehicles).
- * Authorize \$4.5 billion in gas tax bonds for highway and ferry projects, and an additional \$100 million in general obligation bonds for non-highway projects (capital rail investments, passenger ferries).

What revenue will be raised by Referendum 51?

R-51 is projected to raise \$7.7 billion in new transportation funding over 10 years.

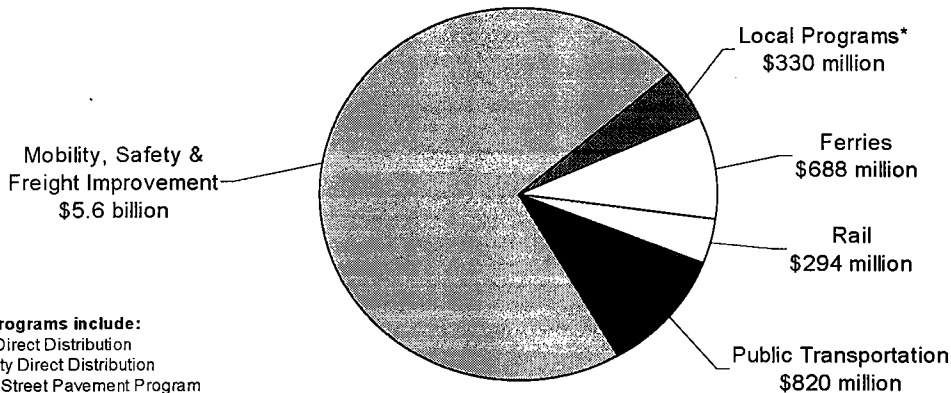
How much will R-51 cost taxpayers?

OFM estimates that the taxpayer who drives 12,000 miles a year and gets 24 miles per gallon will pay approximately \$45 dollars a year in increased gas taxes.

How will the referendum funding be spent?

The Referendum 51 revenue will help fund a high priority list of safety and traffic relief projects on roads, bridges, rails and public transportation systems in every part of the state. The Legislature identified these programs and projects in ESSB 6347 this past session.

Referendum 51 Expenditures (ESSB 6347)



*** Local Programs include:**

- City Direct Distribution
- County Direct Distribution
- Main Street Pavement Program
- County Corridor Congestion Relief
- City Corridor Congestion Relief
- Rural Economic Vitality - CERB
- School Safety Enhancements

However, the project funding will only be released if R-51 is passed by the voters in the November election.

Where are the identified high priority local/state/ferry/rail projects?

Projects are located across the state. Local government officials identified the high priority projects for their areas, including:

- * 17 projects in Eastern Washington
- * 22 projects in Central Washington
- * 54 projects in Central Puget Sound
- * 13 projects in Olympic Peninsula and Kitsap County

- * 22 projects in the Vancouver area and Southwest Washington
- * 13 projects in the upper Northwest Washington area

In addition to these local projects, appropriations will also be made for competitive grants and direct distributions to cities and counties.

You can see the complete 10-year Referendum 51 project list at www.wsdot.wa.gov/projects/r51/default.htm.

How will cities receive their share of the state gas tax?

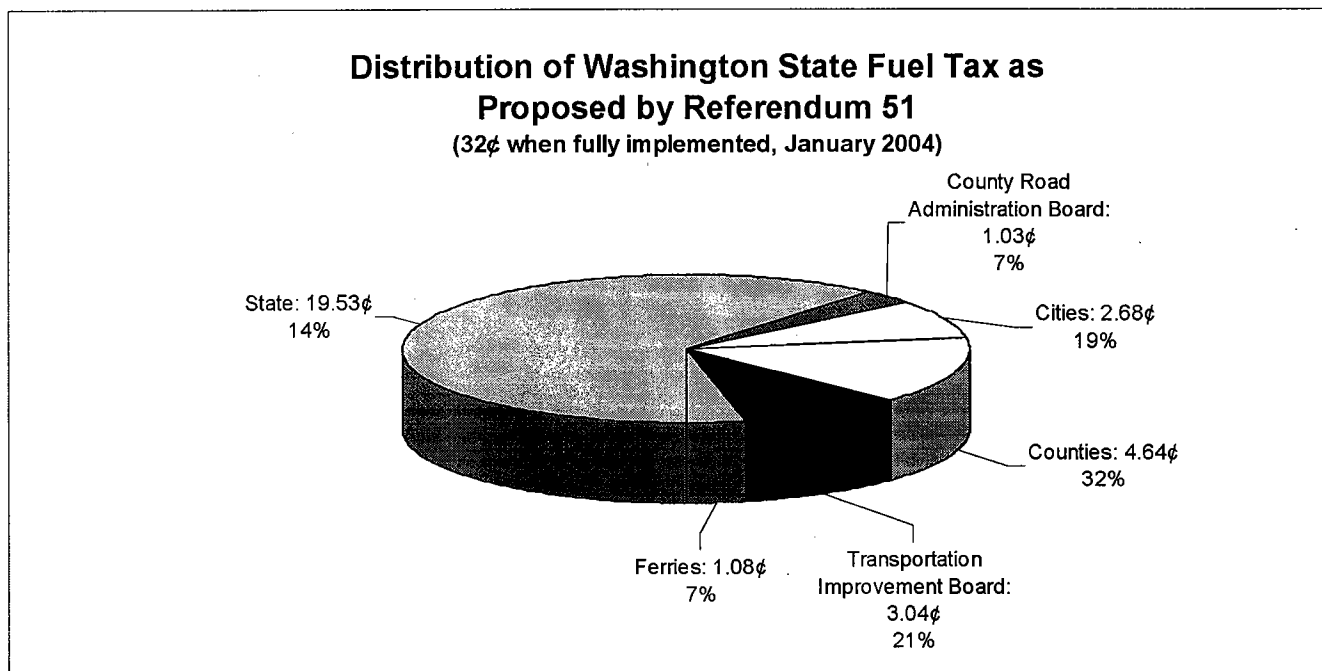
Local roadway programs are funded through competitive grants and direct revenue distribution (see pages 4 for local government funding summary, and page 5 for cities receiving direct

distributions). For a listing of freight mobility projects, see <http://stc.leg.wa.gov>.

The public often has questions about how the government spends its money. How will Referendum 51 projects be monitored?

Referendum 51 requires quarterly audits to ensure that all R-51 revenues are spent properly, and projects are coming in on-time and on-budget. New revenues will be deposited into transportation-only accounts, and all gas tax revenues will only be used for transportation improvements.

The referendum requires all this information be reported.



Transportation Budget (ESSB 6347)

Summary of Local Government Funding – 10 year plan

Cities: Statutory distribution of 2.4% of the new 9-cent gas tax.

(Approximately \$75 million)

- * Only cities with a population over 10,000
- * When receiving a Transportation Improvement Board corridor grant, part of a city's distribution must be pledged toward the corridor project.

Counties: Statutory distribution of 2.4% of the new 9-cent gas tax.

(Approximately \$75 million)

Transportation Improvement Board Appropriated Grant Programs Total: \$110 million

- * \$55 million County Corridor Program
- * \$55 million City Corridor Program Grants fund improvements on major congested corridors. Projects include roadway widening, channelization, signalization, HOV lanes and Intelligent Transportation Systems

Department of Transportation Appropriated Grant Programs Total: \$186 million

- * \$25 million Main Street Paving Program Grants are awarded only to cities with fewer than 10,000 people. The grant program will provide funds to regularly maintain city streets between Pavement Condition Ratings of 60 and 100.
- * \$30 million Rural Economic Development Program (CERB) Grants fund transportation capital investments that benefit economic development for rural counties, ports, tribes and cities with a population of less than 10,000.
- * \$15 million School Safety Grant Program Grants fund traffic safety improvements near schools.
- * \$116 million funds 21 local freight mobility projects Grants enhance trade opportunities of local communities by facilitating freight movement among national and international markets.

Total: \$446 million for Local Governments

Summary of Estimated Distribution to Cities

	10-Year Total <u>FY 04-13</u>	Annual <u>Average</u>		10-Year Total <u>FY 04-13</u>	Annual <u>Average</u>
Aberdeen	\$429,904	\$42,990	Maple Valley	\$380,370	\$38,037
Anacortes	\$386,887	\$38,689	Marysville	\$697,910	\$69,791
Arlington	\$332,921	\$33,292	Mercer Island	\$572,771	\$57,277
Auburn	\$1,146,715	\$114,671	Mill Creek	\$312,065	\$31,206
Bainbridge Island	\$540,704	\$54,070	Monroe	\$370,463	\$37,046
Battle Ground	\$261,749	\$26,175	Moses Lake	\$396,534	\$39,653
Bellevue	\$2,906,870	\$290,687	Mount Vernon	\$689,828	\$68,983
Bellingham	\$1,796,003	\$179,600	Mountlake Terrace	\$531,058	\$53,106
Bothell	\$794,371	\$79,437	Mukilteo	\$478,135	\$47,813
Bremerton	\$971,390	\$97,139	Oak Harbor	\$522,976	\$52,298
Burien	\$829,827	\$82,983	Olympia	\$1,108,782	\$110,878
Camas	\$338,135	\$33,814	Pasco	\$860,590	\$86,059
Centralia	\$389,755	\$38,976	Port Angeles	\$480,220	\$48,022
Covington	\$360,817	\$36,082	Pullman	\$639,772	\$63,977
Des Moines	\$771,689	\$77,169	Puyallup	\$883,793	\$88,379
Edmonds	\$1,032,134	\$103,213	Redmond	\$1,185,951	\$118,595
Ellensburg	\$403,051	\$40,305	Renton	\$1,333,250	\$133,325
Enumclaw	\$291,469	\$29,147	Richland	\$1,025,878	\$102,588
Everett	\$2,502,515	\$250,252	Sammamish	\$900,999	\$90,100
Federal Way	\$2,187,061	\$218,706	SeaTac	\$661,671	\$66,167
Issaquah	\$337,614	\$33,761	Seattle	\$14,810,699	\$1,481,070
Kelso	\$309,197	\$30,920	Shoreline	\$1,385,652	\$138,565
Kenmore	\$489,866	\$48,987	Spokane	\$5,102,013	\$510,201
Kennewick	\$1,454,217	\$145,422	Sunnyside	\$365,249	\$36,525
Kent	\$2,135,181	\$213,518	Tacoma	\$5,070,729	\$507,073
Kirkland	\$1,193,251	\$119,325	Tukwila	\$449,196	\$44,920
Lacey	\$823,830	\$82,383	Tumwater	\$332,921	\$33,292
Lake Forest Park	\$343,089	\$34,309	University Place	\$787,071	\$78,707
Lakewood	\$1,517,047	\$151,705	Vancouver	\$3,788,056	\$378,806
Longview	\$915,078	\$91,508	Walla Walla	\$769,082	\$76,908
Lynnwood	\$886,661	\$88,666	Wenatchee	\$728,151	\$72,815
			Yakima	\$1,904,196	\$190,420

Total: \$78.6 million

Data provided by the Department of Transportation, based on a June 2002 forecast, using a 10 year average.. Estimates are not adjusted for elasticity.

Freight Mobility Project List - Ten Year Plan (dollars in thousands)

Lead Agency	Leg. District	Project Name	Total Project FMSIB Planned	
			Cost	Contribution
Port of Seattle	11,33,34,37	East Marginal Way Ramps	36,730	6,920
Port of Tacoma	25,27,30	Lincoln Ave. Grade Separation	12,000	4,200
Everett	38	41 st St/Riverfront Parkway (Phase 2)	5,840	4,300
Seattle	11,30,33,34,37	South Spokane St. Viaduct	87,580	25,000
Puyallup	25,27	Shaw Rd. Extension	15,000	6,000
Port of Pasco	08,16	SR 397 Ainsworth Ave Grade Crossing	7,970	5,180
Tacoma	27,29	D St Grade Separation	26,550	9,150
Pierce County	25,27	North Canyon Rd Extension/ BNSF Overcrossing	6,000	2,000
Kennewick	08	Columbia Center Blvd Railroad Crossing	15,000	6,000
Colville	07	Colville Alternate Truck Route	6,470	2,000
Walla Walla	16	SR 125/SR 12 Interconnect (Myra Rd Extension)	6,900	4,230
Kennewick	08	Edison St. Railroad Crossing	13,000	5,200
Kennewick	08	Washington St. Railroad Crossing	12,000	4,800
Everett	38	E. Marine View Drive Widening	6,210	600
Benton County	08	Port of Kennewick Road (Extension of Piert Rd)	1,840	520
Kent	31,33,42	S. 228 th St. Extension & Grade Separation	48,000	8,500
Yakima	13,14,15	City of Yakima Grade Separated Rail Crossing	14,000	7,000
Seattle	11,33,34,37	Duwamish Intelligent Transportation System (ITS)	5,110	2,500
Seattle	11,33,34,37	Lander St. Overcrossing	23,930	8,400
Port of Kalama	17,18,19	Grain Terminal Track Improvements	2,500	1,250
Spokane County	03,04,06	Park Rd. BNSF Grade Separation Project	10,000	5,000
Total Ten Year Plan:				\$116,000

AWC's position on Referendum 51

AWC endorses Referendum 51. At the association's annual business meeting in June this year, city delegates adopted a resolution supporting R-51.

The association believes that Referendum 51 is a long-term solution to our state's transportation needs, with a balanced revenue package designed to address critical state, city, county, rail and transit needs.

Although the association's membership collectively endorses R-51, AWC's role is to give its members educational materials that can be shared with electeds, staff and the community. AWC's staff will also help you evaluate the issue and its impacts on your city.

For current information, you can also check AWC's website at www.awcnet.org.

Your city's role

AWC has prepared a sample resolution your city can use to support Referendum 51. If your city decides to pass a resolution opposing the referendum, AWC staff will help you prepare the resolution. Call Jackie White at AWC for more information.

As elected officials and staff, you are bound by the Public Disclosure Commission (PDC) to follow state guidelines when dealing with ballot issues. AWC is distributing a copy of these guidelines to its members; if you have any questions, please call the PDC at 360.753.1111.

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For More Information

AWC

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Public Disclosure Commission

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Senate Transportation Committee

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