

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Discussion of Funding for Sidewalk Repair, Retrofit and Maintenance
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Tricia Juhnke, City Engineer Sara Lane, Administrative Services Director
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

There are approximately 75 miles of existing sidewalks throughout the City. These sidewalks were built at different times under different standards and are in need of repairs and retrofits. As a precursor to the development of the City's American with Disabilities Act (ADA) Transition Plan, sidewalks throughout the City have been inspected for compliance with ADA standards. Preliminary review and analysis of the inspections indicate over \$100 million is needed to repair and retrofit existing sidewalks and curb ramps to meet ADA standards.

Current funding for sidewalk repair and maintenance is very limited. Historically \$152,000 from the general fund has been used for this annual program and recent six-year Capital Improvement Plans (CIPs) have increased the funding to approximately \$200,000 per year, starting in 2020.

Other revenue options are available to the City. This discussion will explore additional funding strategies and revenue sources available to support sidewalk repair, retrofit and maintenance. Specifically, this report will include information regarding the process to increase the City's vehicle license fee, if Council desires to do so, to provide a dedicated funding source for the City's sidewalk maintenance program. Council has previously discussed using a portion of this dedicated revenue stream to fund an on-going sidewalk maintenance program; most recently as part of the 2017 Annual Strategic Planning Workshop.

**RESOURCE/FINANCIAL IMPACT:**

Past and current funding for the Curb, Ramp Sidewalk Repair and Maintenance Program is inadequate to meet the need for repair and retrofit of existing sidewalk facilities throughout the city, both from expectations of city residents and for compliance with ADA. The Capital Improvement Plan currently has programmed \$190,000 annually for sidewalk maintenance in 2017 through 2019 and \$200,000 annually in 2020 and beyond.

In 2015, legislative changes provided the Shoreline Transportation Benefit District councilmanic authority to impose an additional \$20 per vehicle license fee (VLF), above the current \$20 per vehicle VLF, for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements that are within the District and included in the City's transportation plan. The additional \$20 VLF would generate approximately \$780,000 annually and bring the City's total VLF to \$40 per year. The current \$20 VLF is targeted to help fund the City's road surface maintenance program.

In 2014, the City Council identified in its 10 Year Financial Sustainability Plan (10 YFSP) a strategy to replace the annual General Fund support of the Roads Capital Fund, with a dedicated revenue source to reduce the size of potential future operating budget gaps. A portion of the additional \$20 VLF can also serve as this dedicated revenue source. The additional revenue could remove the general fund contribution to the Roads Capital fund and provide funding totaling approximately \$680,000 per year for sidewalk repair and replacement. The balance of the additional VLF (\$100,000) would replace the general fund contribution to support staffing in the Roads Capital Fund.

Any change to the amount of vehicle license fee collected by the City would take effect six months after approval per state law (RCW 82.80.140(4)).

### **RECOMMENDATION**

No action is required this evening. City Staff is seeking input and direction on proceeding with developing additional funding sources for sidewalk repair and maintenance for future approval by the Council. Additional discussion on this subject is scheduled for November 27, 2017 with the review of a potential ordinance to authorize the \$20 VLF increase.

Approved By:           City Manager **DT**   City Attorney **MK**

## **INTRODUCTION**

The need for additional funding for maintenance of existing sidewalks has been identified for several years. The City Council discussed options for increasing funding for sidewalk maintenance and repair during their 2016 and 2017 Annual Strategic Planning Workshops. Additionally, at their 2017 Workshop, Council discussed construction of new sidewalks and expanding the pedestrian system plan.

Currently, annual sidewalk repair and replacement is primarily funded through a general fund contribution and supplemented with Roads Capital funding. The CIP has identified this program as being underfunded. As other revenue options are available to the City, this discussion will explore additional funding strategies and revenue sources available to support sidewalk repair, maintenance and construction.

## **BACKGROUND**

### **The City's Curb Ramp, Gutter, and Sidewalk Maintenance Program**

The City currently uses a pay-as-you-go strategy to maintain its existing 75 miles of sidewalk infrastructure through the Curb Ramp, Gutter, and Sidewalk Maintenance Program. This annual program has been a part of the City's CIP since 1998 and has addressed some ADA requirements and provided for other pedestrian access improvements throughout the City. The City manages this program as part of the City's CIP. Historically, \$152,000 per year has been transferred from the General Fund to the Roads Capital Fund to accomplish as much work as the budget will support. Starting in 2017, additional Roads Capital Funds have been used to increase funding to the program with the proposed 2018-2023 CIP providing \$190,000 per year for 2018 and 2019 and increasing to \$200,000 in 2020 through 2023.

This program addresses locations throughout the City where improvements are needed to increase the safety of those using the City's sidewalk system. Work performed includes repairing and replacing existing concrete gutters and sidewalks damaged by tree roots (see photo below), cracking or settlement.

Through this program, the City installs or replaces about five to 10 curb ramps and repairs sidewalk defects on approximately one half mile of streets each year.

There is a significant backlog of repair projects for sidewalks constructed prior to the City's incorporation and in the years following, prior to modern design approaches that seek to avoid maintenance and repair challenges such as the tree damage illustrated in the above photo. Corridors such as Meridian Avenue N, N 155<sup>th</sup>



Street, and 15<sup>th</sup> Avenue NE are all in need of extensive sidewalk repairs, largely as a result of disruption by tree roots which is the primary cause of sidewalk damage.

### **Sidewalk Assessment and ADA Transition Plan**

In 2016, the City initiated development of a Transition Plan to identify barriers to people with disabilities and prioritize improvements to make facilities and programs accessible. A key step to the development of the Transition Plan is conducting a self-assessment to identify barriers. The City is in the process of inspecting and assessing facilities in the Right of Way. Currently, all of the City's sidewalks have been inspected and the curb ramp inspections are underway. After the inspections are complete, the development of the Transition Plan can proceed with prioritizing retrofitting facilities to meet ADA standards.

The sidewalk inspections are designed to identify key barriers and deficiencies in meeting ADA standards. The attributes of sidewalks that are being inspected and evaluated include:

- Sidewalk widths – ADA requires sidewalks to be a minimum of four (4) feet wide to allow safe passage of people of disabilities, notably wheel chairs and motorized scooters.
- Cross slope – ADA requires cross slopes to be two percent (2%) or less. Cross slopes greater than two percent can make it difficult for wheel chairs and creates a risk of wheel chairs tipping.
- Vertical and horizontal displacements – areas where sidewalks are cracked, lifted or buckled can create a hazard or an impassible barrier for all users but particularly disabled users. Tree roots breaking up sidewalk are the most common cause of displacements.

Attachment A to this staff report provides the results of the field assessments conducted by the City's consultant of the sidewalks and the severity of problems based on these categories. Overall, only 11.1 miles (15.4%) of the 72.3 miles of sidewalk in the City are fully compliant. The top priorities for retrofit are expected to focus on width and displacement defects because they tend to be the most significant barriers to access for disabled users and a safety concern for all users.

While the magnitude of the problem to reach full compliance is significant, it is important to recognize that the inspection results are the initial step and significantly more work needs to be done to prioritize the improvements and to analyze the overall scale of improvements. As an example, in some areas in Shoreline, full blocks of sidewalk will need to be replaced because the width is too narrow, but in other locations shorter segments may be appropriate for isolated or short sections of narrow sidewalks, such as around a tree. Sidewalks with cross slopes greater than two percent generate the highest percentage of sidewalk that don't meet ADA standards. However based on relative impact of barriers, improvements to address cross slopes will likely tend to be a lower priority over those that address width or displacements. In many cases field assessments captured overall conditions applied to a block of sidewalk. In some locations this results in an entire block appearing deficient. However, as a project moves into a design repairs, sidewalk replacement may be possible in short segments rather than full blocks.

A planning level estimate has been developed for sidewalk repair and replacement based on the initial inspections. The planning level estimate is \$50.4 million to \$104.6 million for just sidewalk repair and replacement. Curb ramp inspections are underway but have not been completed. Staff has developed a planning level estimate based on the assumption that the majority of ramps throughout the City are not in compliance with the ADA. Curb ramp modifications and replacements are estimated at \$14 million. Combining sidewalks with curb ramps results in a potential need of \$64.4 million to \$118.6 million for sidewalk repair and replacement.

This early work and planning level estimate is primarily useful to demonstrate that there is a significant need for additional funding for the sidewalk repair and replacement program. It is worth mentioning that not all sidewalk repairs and retrofits will need to be accomplished through the existing program or funding. Additional projects in the CIP or through redevelopment will have an element that rebuilds or retrofits existing sidewalks and curb ramps. As an example, the N 175<sup>th</sup> Street project will ultimately build new, standard and compliant sidewalks along N 175<sup>th</sup> Street from the I-5 interchange up to City Hall.

Staff will continue with the development of the ADA Transition Plan in 2018 including completion of the field inspections and assessments. Future work also includes development of priorities including public outreach, refining estimates and drafting a plan for adoption by Council. Adoption is anticipated in late 2018 or early 2019. This information is not intended to be considered complete or final but to provide perspective on the overall magnitude of the funding needed for sidewalks and curb ramps.

### **Shoreline's Transportation Benefit District**

The Shoreline Transportation Benefit District (TBD), created in June 2009 for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the District that are in the City's transportation plan and necessitated by congestion levels, first levied a \$20 per vehicle license fee (VLF) for all vehicles registered in Shoreline. The current funds collected from the vehicle license fee generate approximately \$780,000 in annual revenues. These funds are allocated to the City's Annual Road Surface Maintenance Program in the proposed 2018-2023 CIP.

In 2015, the Legislature provided authority to streamline the governance structure of TBDs. The changes allowed cities and districts to eliminate the separate entity status given to a TBD and for the City to assume the rights, powers, functions, and obligations of the TBD. On October 19, 2015, the City Council adopted Ordinance No. 726 which authorized the City to assume the Shoreline TBD.

The 2015 Legislation also allowed TBDs to impose additional VLF, without a vote of the public, up to \$50 per vehicle per year with certain restrictions as follows:

- A VLF of up to \$40 can be imposed, but only if a \$20 VLF has been in effect for at least 24 months.
- A VLF of up to \$50 can be imposed, but only if a \$40 VLF has been in effect for at least 24 months.
- Any non-voted VLF higher than \$40 is subject to potential referendum, as provided in RCW 36.73.065(6).

Any VLF over these amounts, up to \$100, must be approved by a simple majority of voters. While several cities, including Lynnwood and Lake Forest Park, have chosen to impose the additional \$20 councilmanic-approved VLF, the only TBD to successfully pass a voted VLF greater than \$50 is Seattle, whose voters approved a \$60 VLF increase to a total VLF of \$80 in 2014 after rejecting a similar increase in 2011. A list of all TBDs and their current funding levels is included as Attachment B to this staff report.

## **DISCUSSION**

### **Funding Options:**

#### **TBD Vehicle License Fee – Councilmanic Authority**

While there are additional pay-as-you-go or debt financed investment in the City's sidewalk system funding sources that Council can pursue to address the construction, maintenance and repair of sidewalks, there is only one that provides additional revenue to support through councilmanic authority. RCW 82.80.140 provides the City's TBD the authority to impose an additional \$20 per VLF with a simple majority vote of the City Council. Additionally, after 24 months the City Council would have the ability to impose an additional \$10 VLF; however, it would be subject to public notice and a referendum period.

The additional \$20 VLF is estimated to generate approximately \$780,000 per year, depending on the number of vehicles registered in Shoreline.

In 2014, the City Council identified in its 10 Year Financial Sustainability Plan (10 YFSP) a strategy to replace the annual general fund support of the Roads Capital Fund, with a dedicated revenue source to reduce the size of potential future gaps between operating revenues and expenditures. During the Council's 2016 Annual Strategic Planning Workshop, the City Council discussed dedicating a portion of an additional \$20 VLF to fulfill the 10 YFSP strategy. Assuming that a portion of the \$20 VLF is used to replace the general fund support of the Roads Capital Fund, this new revenue stream could bring the annual funding level for the Curb Ramp, Gutter and Sidewalk Maintenance Program to approximately \$680,000.

If Council adopted an increase to the City's VLF from \$20 to \$40 per vehicle, RCW 82.80.140(4) provides that there is a six month lag between the adoption of any increase in the VLF and when the increased fee is actually assessed. This means if Council were to adopt by ordinance an increase in VLF starting January 1, 2018 the additional revenue would not go into effect until July 1, 2018. The VLF is collected by the State Department of Licensing with regular vehicle license renewal.

If the Council chose to increase the VLF, the City could choose to continue our current pay-as-you-go approach with a higher level of funding, therefore increasing the annual sidewalk repair and maintenance work that could be accomplished. The Council could also choose to accelerate the repair and maintenance program by issuing councilmanic bonds and then using the increased VLF revenue stream for making the annual debt service payments. Or Council could choose a combination of the two options. Because the repair would likely be a multi-year project in either case, the cost benefit and appropriate balance of debt funding versus pay-as-you-go would require further

evaluation. Table 1 below shows the estimated amount of debt that could be supported by \$726,000 for 10, 15 and 20 year debt:

Table 1- Debt Supported by \$726,000 Annual Debt Service

# of Years	Amount of Bonds Issued
10	\$6,300,000
15	\$8,500,000
20	\$10,300,000

Additionally, after 24 months the City Council could choose to impose an additional \$10 VLF that could further accelerate the repairs or provide additional investment in the Plan.

**Voter Approved Revenue Sources**

The City Council discussed the use of voter approved revenue sources at its 2017 Annual Strategic Planning Workshop to address a more significant infrastructure investment. Attachment C to this staff report includes a table showing all of the revenue sources with a brief description and pros and cons of each. Following is a brief discussion on the two of the most viable voter approved revenue options:

**TBD Vehicle License Fee – Voter Approved**

RCW 82.80.140 allows TBDs to impose VLF not to exceed \$100 per vehicle registered in the District. The City Council has authority to impose up to \$50 as discussed above. A vehicle license fee that exceeds \$50 must be approved by a simple majority of voters. While several cities have attempted to pass a voter approved VLF, currently Seattle is the only City that has been successful. For every additional \$10 VLF imposed, we estimate that we will receive \$390,000. The total revenue generated at various levels is depicted below in Table 2.

Table 2 – Vehicle License Fee Revenue

Vehicle License Fee	Revenue Generated
\$20 (Current)	\$780,000
\$40 (Proposed)	\$1,560,000
\$60	\$2,340,000
\$80	\$3,120,000
\$100	\$3,900,000

**Excess Property Tax Levy- Unlimited Tax General Obligation Bonds**

The voter approved option that could provide the greatest level of funding dedicated to the Plan would be Voter Approved – Unlimited Tax General Obligation Bonds. To provide some context for consideration, Table 3 below estimates the average impact on a median priced homeowner of a \$25, \$50 or \$100 million general obligation bond issue:

Table 3 – Impact of Voted Debt on Median Priced Home Property Tax

Amount of Voted Debt Issued	Ten Year Average Increase per Year/Month	
	20 Year Bonds	30 Year Bonds
\$25 Million Voted Debt	\$85 / \$7.08	\$69 / \$5.75
\$50 Million Voted Debt	\$170/\$14.16	\$138/\$11.5
\$100 Million Voted Debt	\$340/\$28.32	\$276/\$23

While the City could choose to issue voter approved debt using either a Levy Lid Lift or the Excess Levy, analysis reveals that the amount of debt that a Levy Lid Lift could support would be limited to under \$25 million. Additionally as noted in the pros/cons, this approach would require the City to pay the debt service using general operating revenues should the City’s property tax rate return to \$1.60 as occurred in 2012-2014.

**Feedback from Sidewalk Advisory Committee**

On October 26, 2017 the City’s Sidewalk Advisory Committee (SAC) discussed the above funding sources in context of both new sidewalk construction and repair and maintenance of existing sidewalk. The meeting also presented similar information as above regarding the funding needed for repair and retrofit of existing sidewalk facilities and specifically a \$20 increase in VLF targeted specifically for sidewalk and curb ramp repair, replacement and retrofit. The SAC recognizes the need for maintenance of the existing network and is generally supportive of the City identifying a funding source to maintain the existing facilities. The discussion was brief with clear interest in more discussion. The areas of concern raised during the discussion included:

- Residents may be less supportive or more concerned with an increase in VLF after the recent increase as a result of Sound Transit 3 approval.
- There is interest in understanding all the upcoming funding needs including new sidewalks, parks and a future Community and Aquatics Center.
- Concern that a \$20 VLF alone may not provide adequate funding and that there will be more funding needed later.

While the SAC had a desire for more information, in general they do support the need for additional funding for sidewalks.

**COUNCIL GOAL(S) ADDRESSED**

This item addresses the following City Council Goals:

Goal 1: Strengthen Shoreline’s economic base to maintain the public services that the community expects; Action Step 3 – Implement the 10-year Financial Sustainability Plan to achieve sufficient fiscal capacity to fund and maintain priority public services, facilities, and infrastructure.

Goal 2: Improve Shoreline’s utility, transportation, and environmental infrastructure; Action Step 1 – Identify funding strategies, including grant opportunities, to implement the City’s Transportation Master Plan including construction of non-motorized improvements.



## **RESOURCE/FINANCIAL IMPACT**

Past and current funding for the Curb, Ramp Sidewalk Repair and Maintenance Program is inadequate to meet the need for repair and retrofit of existing sidewalk facilities throughout the city both from residents' expectations and for compliance with ADA. The Capital Improvement Plan currently has programmed \$190,000 annually for sidewalk maintenance in 2017 through 2019 and \$200,000 annually in 2020 and beyond.

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Any change to the amount of vehicle license fee collected by the City would take effect six months after approval per RCW 82.80.140(4).

## **RECOMMENDATION**

No action is required this evening. City Staff is seeking input and direction on proceeding with developing additional funding sources for sidewalk repair and maintenance for future approval by the Council. Additional discussion on this subject is scheduled for November 27, 2017 with the review of a potential ordinance to authorize the \$20 VLF increase.

## **ATTACHMENTS**

Attachment A: Preliminary Sidewalk Assessment

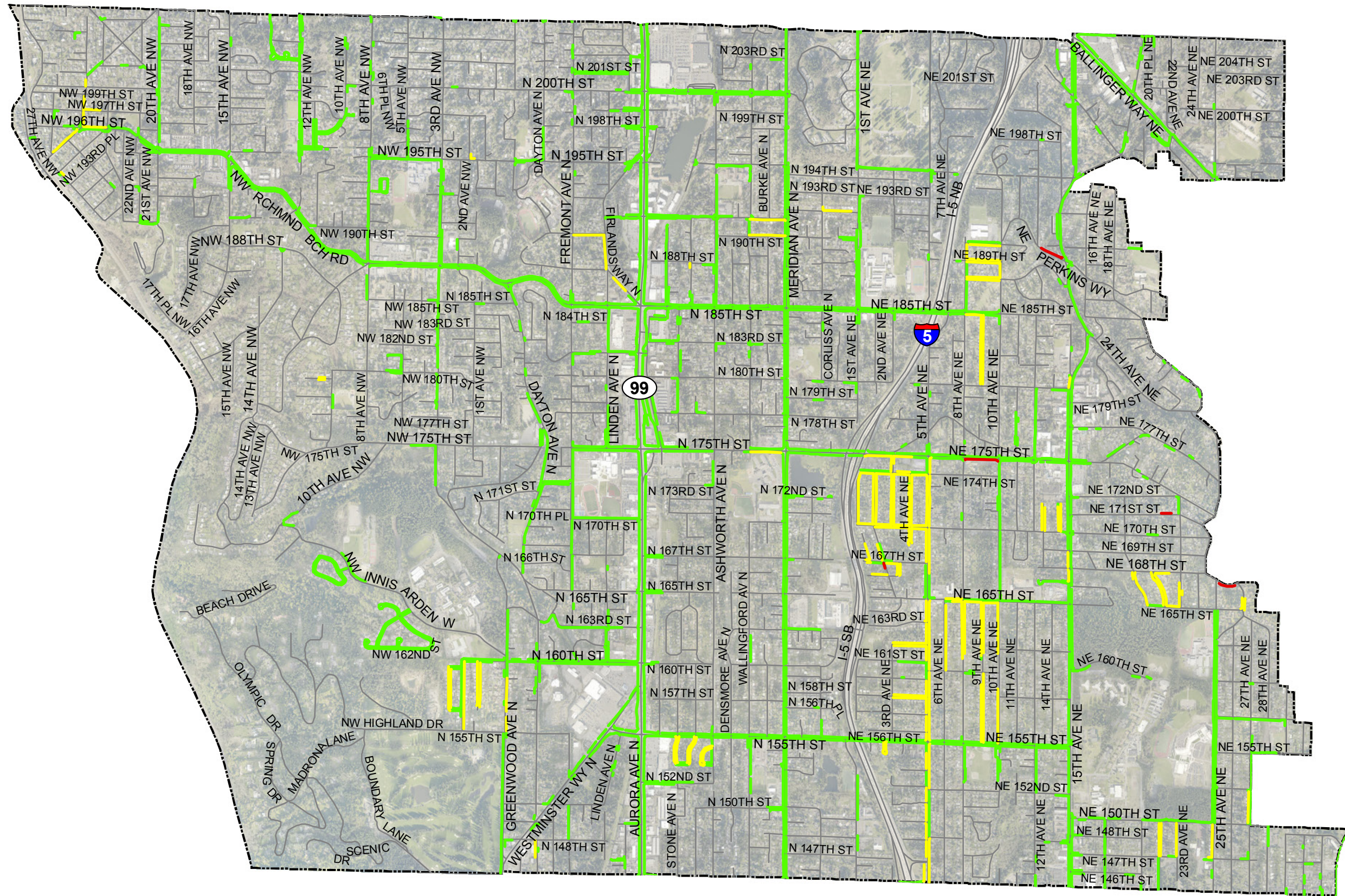
Attachment B: MRSC List of City/Towns TBD

Attachment C: Potential Funding Sources for TMP Pedestrian System Plan

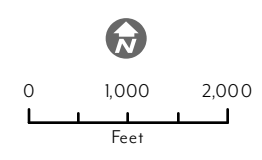








Path: X:\Shoreline\_City\Projects\20140203 - Shoreline ADA Transition Plan for Rights-of-Way\GIS\Mapdocs\Promo\_ShorelineADA\_NonCompliantBreakdown.mxd



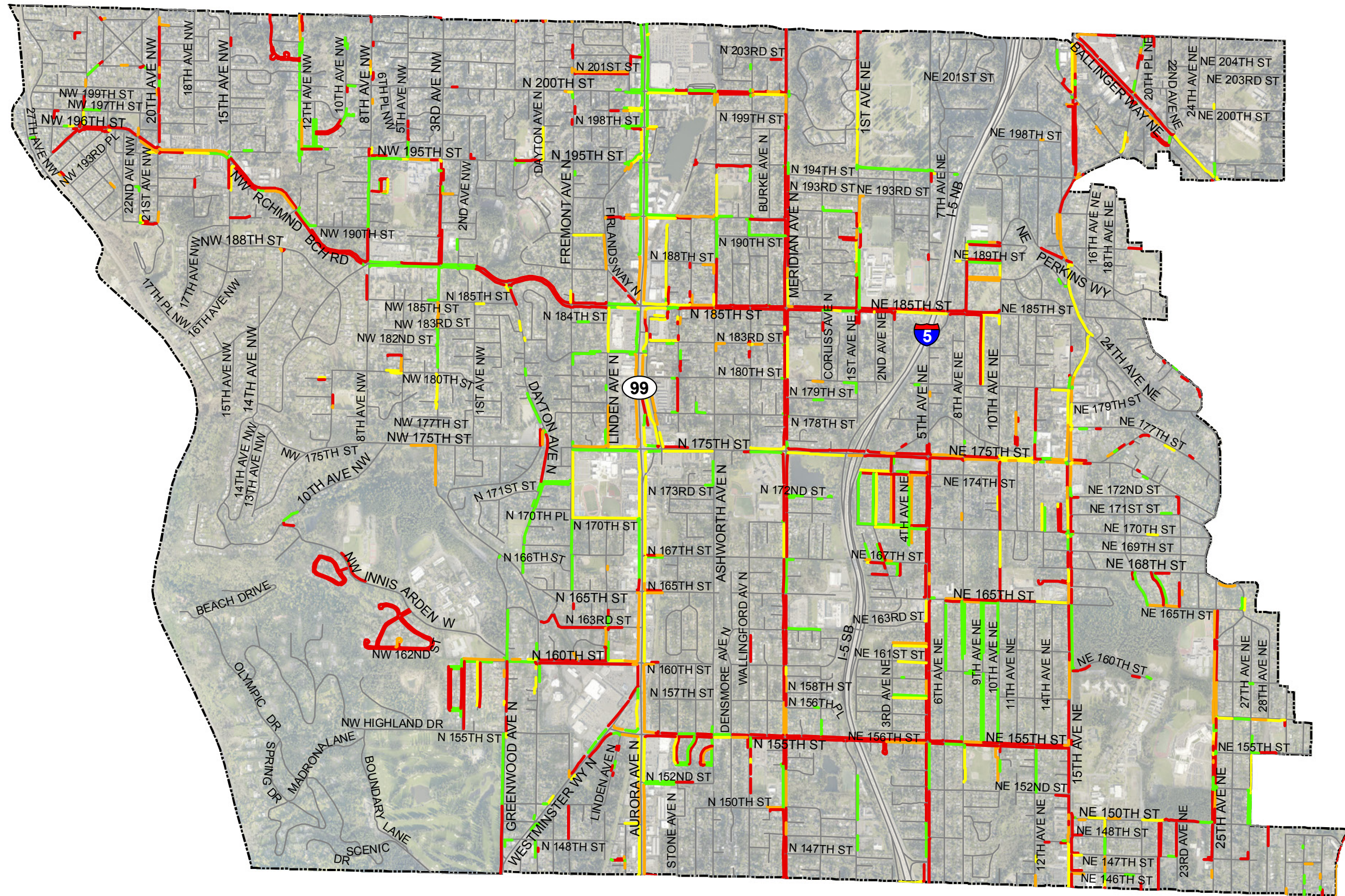
Legend	— Street
Typical Sidewalk Width	City Limit
Compliant (>4 feet)	
3-4 feet	
<3 feet	

City of Shoreline Sidewalk Planning  
Sidewalk Replacements based on Sidewalk Width

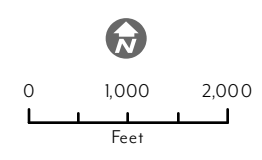
11/8/2017

Source: Snohomish County; King County Imagery





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- Legend
- Sidewalk Cross Slope Compliant (<2%)
  - Cross Slope ( 2.1 - 2.5 % )
  - Cross Slope ( 2.6 - 2.9 % )
  - Cross Slope ( >3 % )

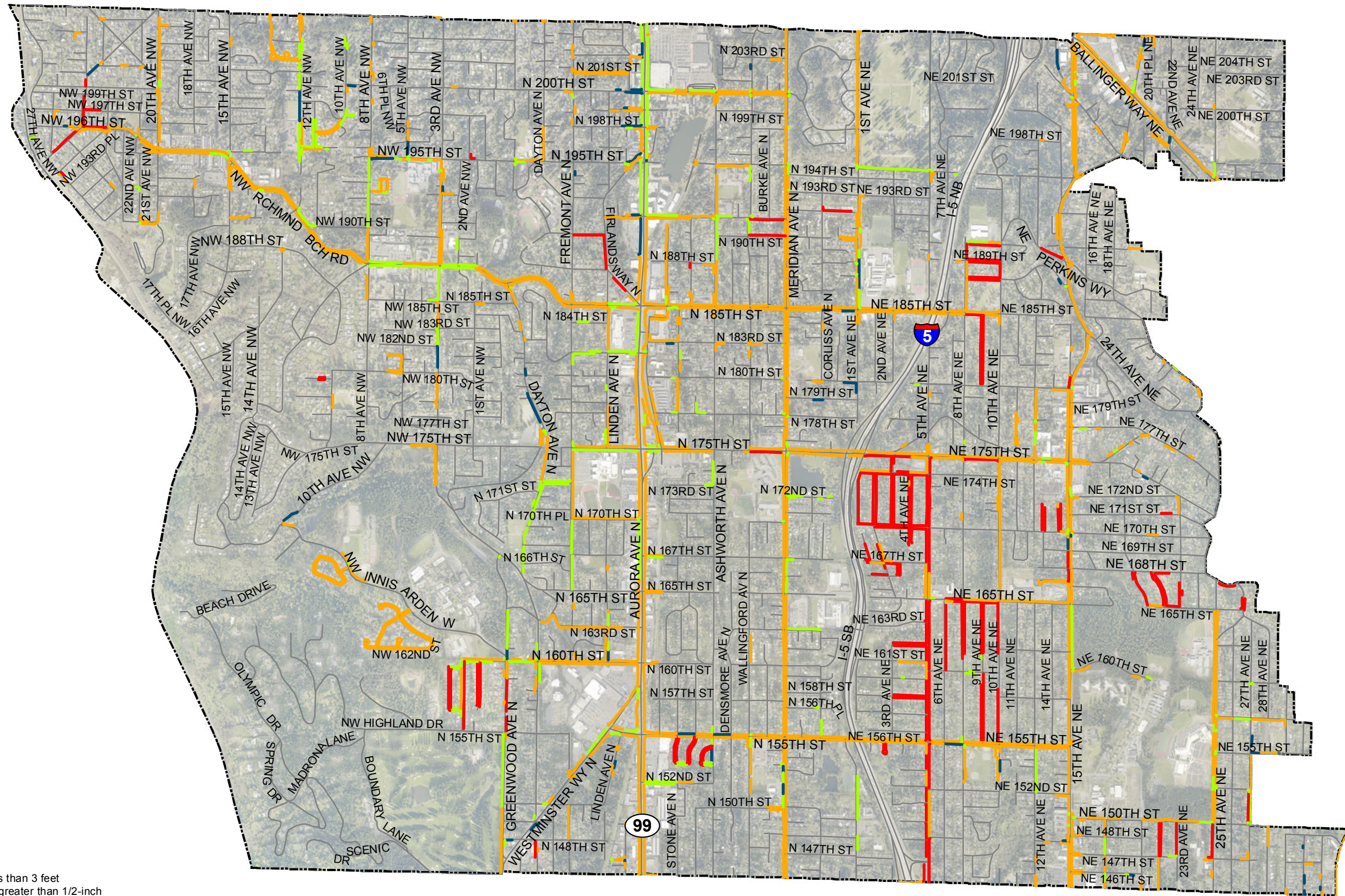
— Street  
 City Limit

City of Shoreline Sidewalk Planning  
 Sidewalk Replacements based on Sidewalk Cross Slope

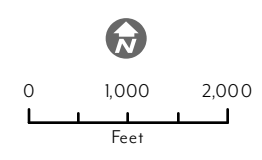
11/8/2017

Source: Snohomish County; King County Imagery





\* Other Conditions:  
 -Constrained width less than 3 feet  
 -Vertical discontinuity greater than 1/2-inch  
 -Horizontal opening greater than 1/2-inch



Legend

Sidewalk Compliance Condition	
<span style="color: green;">—</span>	Compliant - 10.8 Miles (14.5%)
<span style="color: red;">—</span>	Non-Compliant - Typical width less than 4 feet - 13.4 Miles (18%)
<span style="color: orange;">—</span>	Non-Compliant - Cross slope greater than 2% - 47.8 Miles (64.4%)
<span style="color: blue;">—</span>	Non-Compliant - Other Conditions* - 2.2 Miles (2.1%)

— Street  
 City Limit  
 Total Miles of City Sidewalk = 74.2 Miles

City of Shoreline Sidewalk Planning  
 Overall City Sidewalk Replacements

11/8/2017

Path: X:\Shoreline\_City of Projects\20140203 - Shoreline ADA Transition Plan for Rights-of-Way\GIS\Mapdocs\Promo-ShorelineADA\_BCR\_Tiers\1x17.mxd

Source: Snohomish County; King County Imagery



## MRSC List of City/Town TBDs

As of February 2017, MRSC is aware of almost 100 cities and towns that have formed TBDs, of which about half have assumed the TBD's rights, powers, functions, and obligations under [chapter 36.74 RCW](#). The funding source indicates existing or approved revenue streams.

Jurisdiction	TBD Established	Funding Source	Powers Assumed?
Aberdeen	2012	0.13% sales tax	No
Airway Heights	2013	0.20% sales tax	No
Anacortes	2014	\$20 vehicle license fee	Yes
Arlington	2013	0.20% sales tax	No
Auburn	2011	\$20 vehicle license fee - \$59 million bond measure failed in 2012	No
Bainbridge Island	2012	\$20 vehicle license fee	Yes
Battle Ground	2014	\$20 vehicle license fee	Yes
Bellingham	2010	0.20% sales tax	Yes
Black Diamond	2015	\$20 vehicle license fee	Yes
Blaine	2017	Unfunded/No information	No
Bothell	2015	Unfunded/No information	No
Bremerton	2009	\$20 vehicle license fee - voted \$30 fee failed in 2009	Yes
Bridgeport	2016	\$20 vehicle license fee	No
Buckley	2012	\$20 vehicle license fee	Yes
Burien	2009	\$10 vehicle license fee - voted \$30 fee failed in 2009	No
Carbonado	2012	\$20 vehicle license fee	No
Castle Rock	2012	0.20% sales tax	No
Centralia	2014	0.20% sales tax	Yes
Chehalis	2014	0.20% sales tax	No
Clarkston	2014	0.20% sales tax - replaced a \$20 vehicle license fee	Yes
Covington	2013	\$20 vehicle license fee - 0.2% sales tax failed in 2013 and 2015	Yes
Dayton	2014	0.20% sales tax	Yes
Des Moines	2008	\$40 vehicle license fee (nonvoted)	Yes
DuPont	2013	\$20 vehicle license fee	No
Duvall	2015	Unfunded/No information	Yes
East Wenatchee	2012	\$20 vehicle license fee	Yes
Eatonville	2012	\$20 vehicle license fee	Yes
Edgewood	2013	\$20 vehicle license fee	Yes
Edmonds	2008	\$20 vehicle license fee - voted \$40 fee increase failed in 2010	No
Electric City	2012	\$20 vehicle license fee	Yes
Ellensburg	2015	0.20% sales tax	Yes
Elmer City	2015	\$20 vehicle license fee	No
Enumclaw	2013	\$20 vehicle license fee, 0.10% sales tax	No

Jurisdiction	TBD Established	Funding Source	Powers Assumed?
Everett	2014	\$20 vehicle license fee	Yes
Ferndale	2011	0.20% sales tax	Yes
Fife	2015	\$20 vehicle license fee	No
Friday Harbor	2014	0.20% sales tax	Yes
Grandview	2011	\$20 vehicle license fee	Yes
Granite Falls	2015	\$20 vehicle license fee	Yes
Kalama	2012	\$20 vehicle license fee	No
Kelso	2012	\$20 vehicle license fee	Yes
Kenmore	2012	\$20 vehicle license fee	No
Kirkland	2014	Unfunded/No information	No
Kittitas	2012	\$20 vehicle license fee	Yes
Lacey	2016	0.20% sales tax	Yes
Lake Forest Park	2008	\$40 vehicle license fee	Yes
Lakewood	2012	\$20 vehicle license fee	No
Leavenworth	2010	0.20% sales tax	No
Liberty Lake	2002	Unfunded/No information	No
Longview	2016	\$20 vehicle license fee	No
Lynden	2012	0.20% sales tax	No
Lynnwood	2010	\$40 vehicle license fee, 0.1% sales tax	No
Mabton	2011	\$20 vehicle license fee	Yes
Maple Valley	2012	\$20 vehicle license fee	Yes
Marysville	2013	0.20% sales tax	Yes
Mattawa	2015	0.20% sales tax	Yes
Mercer Island	2014	\$20 vehicle license fee	Yes
Monroe	2012	0.20% sales tax	No
Moses Lake	2016	\$20 vehicle license fee	No
Mountlake Terrace	2011	\$20 vehicle license fee	No
Mount Vernon	2016	0.2% sales tax	Yes
Normandy Park	2013	\$20 vehicle license fee	Yes
North Bend	2011	0.20% sales tax	No
Olympia	2008	\$40 vehicle license fee	No
Orting	2011	\$20 vehicle license fee	Yes
Othello	2012	0.2% sales tax (passed in April 2016 after failing in Nov. 2013)	No
Port Angeles	2017	0.2% sales tax	No
Port Orchard	2015	\$20 vehicle license fee	No
Prosser	2009	\$20 vehicle license fee	No
Ridgefield	2008	Unfunded - 0.2% sales tax repealed in 2012	No
Roy	2014	\$20 vehicle license fee	Yes
Royal City	2012	\$20 vehicle license fee	Yes
Seattle	2010	\$80 vehicle license fee, 0.10% sales tax	Yes
Sedro-Woolley	2014	\$20 vehicle license fee	Yes

Jurisdiction	TBD Established	Funding Source	Powers Assumed?
Sequim	2008	0.20% sales tax	No
Shelton	2015	0.20% sales tax	Yes
Shoreline	2009	\$20 vehicle license fee	Yes
Snohomish	2010	0.20% sales tax	Yes
Snoqualmie	2010	\$20 vehicle license fee	Yes
Soap Lake	2013	\$20 vehicle license fee	Yes
Spokane	2011	\$20 vehicle license fee	No
Stanwood	2012	0.20% sales tax	Yes
Steilacoom	2015	Unfunded/No information	No
Tacoma	2012	\$20 vehicle license fee, 0.10% sales tax	No
Toppenish	2012	\$20 vehicle license fee	Yes
Tumwater	2014	0.20% sales tax	Yes
Twisp	2016	0.20% sales tax	Yes
University Place	2009	\$20 vehicle license fee	Yes
Vancouver	2015	\$20 vehicle license fee	No
Waitsburg	2012	0.10% sales tax	No
Walla Walla	2011	0.20% sales tax	No
Wapato	2012	\$20 vehicle license fee	Yes
Washougal	2015	Unfunded/No information	No
Wenatchee	2011	\$20 vehicle license fee	Yes
Wilkeson	2014	\$20 vehicle license fee	No
Woodland	2016	Unfunded/no information - 0.2% sales tax narrowly failed in Nov. 2016	No
Yakima	2017	Unfunded/no information	Yes
Zillah	2011	\$20 vehicle license fee	Yes



# Sidewalk Funding Options

Revenue Source	Description	Pros	Cons
<b>Appropriate to support Pay-as-you-go Financing Option</b>			
<p><b>Vehicle License Fees</b></p> <p><b>Annual Revenue:</b> Up to \$780,000 can be generated with addition of \$20 per vehicle fee allowed by law changes in 2016.</p> <p>Could be used to increase pay-as-you-go funding.</p>	<p>The Shoreline Transportation Benefit District (TBD), created in June 2009<sup>1</sup> for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district that are in the City's transportation plan, currently levies a \$20 per vehicle license fee that generates \$780,000 that is currently dedicated to the City's Annual Road Surface Maintenance Program.</p>	<ul style="list-style-type: none"> <li>• Within City Council Authority intended to fund transportation.</li> </ul>	<ul style="list-style-type: none"> <li>• Council has discussed using \$6 of this authority to replace the General Fund Contribution to Roads Cap as part of the Operating Budget 10 YFSP.</li> <li>• Council has discussed using the remaining \$14 to bolster the City's Sidewalk maintenance funding that is already underfunded.</li> </ul>
<p><b>Sales and Use Tax</b></p> <p><b>Annual Revenue:</b> Each 0.01% increase would generate \$94K; A rate of 0.2% would generate \$1.875M per year.</p>	<p>Transportation Benefit Districts are authorized to impose a voter approved sales tax up to 0.2%.</p>	<ul style="list-style-type: none"> <li>• Collected on all taxable activity in Shoreline.</li> <li>• Burden is not solely borne by residents.</li> <li>• Can be for longer than 10 Years to repay debt.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires voter approval.</li> <li>• Economically sensitive. If sales decline then the City would still be responsible to make debt service payments if debt is issued. If used for maintenance, maintenance requirements remain if revenue stagnates or declines..</li> </ul>
<p><b>Grants</b></p> <p><b>Revenue:</b> Varies depending on availability and nature of grant. Majority of transportation grants focus on streets and roads.</p>	<p>Grants provide funding from a variety of external sources. The City has been very successful in securing grant funds for many large capital projects including Safe Routes to School Grants for sidewalk projects.</p>	<ul style="list-style-type: none"> <li>• Minimizes the financial burden on residents and taxpayers.</li> <li>• Returns State and Federal tax dollars to Shoreline.</li> </ul>	<p>Grant funding for sidewalks is extremely limited and extremely competitive. The <a href="#">Safe Routes to School</a> program is a competitive process allocating funding to sidewalks in proximity to schools that the City currently utilizes.</p>

# Sidewalk Funding Options

Revenue Source	Description	Pros	Cons
<b>Property Tax Levy Lid Lift</b>  <b>Revenue:</b> Varies depending on scenario selected but is limited by capacity in levy rate up to \$1.60 cap. (A \$0.10 Levy Lid Lift would generate \$8.374M during the period of 2018-2026)	Voters can approve a property tax levy lid lift, like our operating Levy Lid Lift, to provide a dedicated revenue source for sidewalk improvements. When approved by voters to make redemption payments on bonds the length of the levy lid lift can be up to 9 years. When not supporting debt service, a temporary single year lift can be longer than 9 years.	<ul style="list-style-type: none"> <li>Requires a simple majority.</li> <li>Shoreline voters have approved two operating levy lid lifts.</li> </ul>	The City's levy rate cannot exceed \$1.60 per \$1,000 assessed valuation. Should the property tax valuation decrease, like in 2012-2014, and the rate returns to \$1.60, the revenues generated from this approach would be impacted making this a better candidate for pay-as-you-go.
<b>Impact Fee</b>  <b>Revenue: Varies</b> Example: If sidewalks were designed and constructed to address both existing deficiencies (say, 60%) and future growth (say, 40%), impact fees could be used to pay for up to 40% of the debt service on the bond issued for the sidewalks.	Cities can assess an impact fee (one-time charge) against a new development project to help pay for new or expanded public facilities that will directly address the increased demand created by the development. Transportation Impact Fees (TIF) must be used for "public streets and roads."  Costs for sidewalks on TIF funded projects – like 175 <sup>th</sup> - are already funded by the current impact fee.	<ul style="list-style-type: none"> <li>An impact fee ordinance may provide for the imposition of an impact fee for system improvement costs previously incurred by the City to the extent that new growth and development will be served by the previously constructed improvements.</li> </ul>	<ul style="list-style-type: none"> <li>It is unclear whether state law allows funding of multimodal improvements, but such use is probably acceptable as long as the improvement is within the street right-of-way and there is a strong transportation-related justification.</li> <li>May not be used to correct existing deficiencies.</li> </ul>
<b>Appropriate to support Debt Financing Option</b>			
<b>Property Tax Voted Excess Levy (Unlimited Tax General Obligation) Bonds</b>  <b>Revenue:</b> Voted debt capacity limited to 2.5% of Assessed Value and totals \$221.214M; Voted debt available totals \$198.479M (includes Non-voted debt capacity of \$109.993M).	The City may issue general obligation bonds to fund a one-time project, such as construction of specific sidewalks. The amount the City may issue for capital purposes only, together with any outstanding general obligation indebtedness, is limited to 2.5 percent of the value of taxable property within the City when authorized by the voters.	<ul style="list-style-type: none"> <li>Dedicated stable funding source for a specific project.</li> <li>Property Tax assessment is adjusted annually to support annual debt service payments (Excess Levy).</li> </ul>	<ul style="list-style-type: none"> <li>Requires 60% voter approval – (Kenmore's 2016 Sidewalk Levy passed - 64.1%).</li> </ul>

# Sidewalk Funding Options

Revenue Source	Description	Pros	Cons
<p><b>Vehicle License Fees</b></p> <p><b>Annual Revenue:</b> Up to \$780,000 can be generated with addition of \$20 per vehicle fee allowed by law changes in 2016 to support <b>Councilmanic Bonds (Limited Tax General Obligation)</b></p> <p>Non-voted debt capacity limited to 1.5% of Assessed Value; Non-voted debt capacity available totals \$109.993M.</p>	<p>The Shoreline Transportation Benefit District (TBD), created in June 2009<sup>1</sup> for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district that are in the City's transportation plan, currently levies a \$20 per vehicle license fee that generates \$780,000 that is currently dedicated to the City's Annual Road Surface Maintenance Program. All or a portion of the additional fee could be used to support debt service on Councilmanic Bonds.</p>	<ul style="list-style-type: none"> <li>No voter approval required.</li> <li>Intended to fund transportation.</li> </ul>	<ul style="list-style-type: none"> <li>Council has discussed using \$6 of this authority to replace the General Fund Contribution to Roads Cap as part of the Operating Budget 10 YFSP.</li> <li>Council has discussed using the remaining \$14 to bolster the City's Sidewalk maintenance funding that is already underfunded.</li> <li>A potentially declining revenue source.</li> </ul>
<p><b>Voter Approved Vehicle License Fee</b></p> <p><b>Additional Annual Revenue: Up to \$3M</b></p> <p>\$3M annually could support debt service on \$38M in 20 year bonds</p>	<p>State Law allows TBD's to impose a VLF between \$50-100 with a simple majority vote of the public. All or a portion of this additional revenue could be used to support sidewalk maintenance and repair or new construction; either using pay-as-you-go or to support debt service on Councilmanic Bonds</p>	<ul style="list-style-type: none"> <li>Intended to fund transportation</li> <li>Other local cities (Lynnwood, LFP and Seattle) impose VLF at or above \$40.</li> </ul>	<ul style="list-style-type: none"> <li>Council has discussed using \$6 of this authority to replace the General Fund Contribution to Roads Cap as part of the Operating Budget 10 YFSP.</li> <li>Only Seattle has successfully imposed this in 2<sup>nd</sup> attempt with voters.</li> <li>A potentially declining revenue source.</li> </ul>
<p><b>Local Improvement District</b></p> <p><b>Revenue:</b> Varies depending on scenario selected.</p>	<p>May be formed by the City to provide any transportation improvement. Special assessments are imposed on all property specially benefitted by the transportation improvements to pay debt service on special assessment bonds issued to finance the cost of the improvements.</p>	<ul style="list-style-type: none"> <li>Burden of cost on property owners that benefit from improvements.</li> </ul>	<ul style="list-style-type: none"> <li>Significant administration, oversight and billing required.</li> <li>Process can be challenged by property owners, delaying work, potentially stopping projects, and impacting funding.</li> </ul>