

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Ordinance No. 772 – Authorizing an Additional Vehicle License Fee of Twenty Dollars to Preserve, Maintain and Operate the Transportation Infrastructure of the City of Shoreline, Including Funding for Sidewalk Repairs and Retrofits
DEPARTMENT:	Public Works Administrative Services
PRESENTED BY:	Tricia Juhnke, City Engineer Sara Lane, Administrative Services Director
ACTION:	<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 \$110 million is needed for repairs, including replacement and retrofitting 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 have increased the funding to approximately \$200,000 per year starting in 2020.

At the City Council meeting on November 20, 2017 where the Council discussed the ADA Transition Plan and associated sidewalk repair needs of the City, staff was asked to develop an ordinance for Council consideration that would increase the vehicle license fee (VLF) to provide a stable funding source to start to address this need. Proposed Ordinance No. 772 meets this request by imposing an increase to the VLF by \$20 to provide revenue to support the repair of existing sidewalks and address Strategy 5 of the 10 Year Financial Sustainability Plan by providing a funding source to replace general fund contributions to the Roads Capital Fund.

Tonight, Council will discuss proposed Ordinance No. 772. This ordinance is scheduled to be brought to Council for adoption on December 11, 2017.

FINANCIAL IMPACT:

The City’s current funding levels do not meet the need for repair and replacement of existing sidewalks. After evaluation of alternative revenue sources, increasing the VLF by \$20 has been recommended to provide a stable funding source. The increase in

VLF would generate approximately \$780,000 in annual revenue based on the number of vehicles currently registered in Shoreline. This revenue could also be used to implement a key strategy of the 10 Year Financial Sustainability Plan by eliminating the General Fund contribution to the Roads Capital Fund, allowing approximately \$680,000 to be directed to repair existing sidewalks annually.

RECOMMENDATION

No action is required tonight. Staff recommends that Council discuss proposed Ordinance No. 772 to impose a twenty dollar increase to the vehicle license fee to provide revenue to support the repair of existing sidewalks. Proposed Ordinance No. 772 is scheduled for Council adoption on December 11, 2017.

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 Annual Strategic Planning Workshop and again during their 2017 Annual Strategic Planning Workshop along with a discussion on construction of new sidewalk 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 Capital Improvement Plan has identified this program as being underfunded.

BACKGROUND

Council most recently discussed the City's ADA Transition Plan, associated sidewalk repair needs and alternatives for funding these needs on November 20, 2017. The staff report from this Council discussion can be found at the following link: (<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2017/staffreport112017-9a.pdf>).

As identified at the November 20th Council meeting, the need for funding for repair of existing sidewalks is significant with a preliminary cost estimate in excess of \$110 million dollars. An increase to the vehicle license fee (VLF) has been recommended as a revenue source to support this work effort. Adoption of a \$20 VLF would generate approximately \$780,000, and provide a total of approximately \$680,000 per year that could be used repair of existing sidewalks.

Work is also underway for prioritization of new sidewalk improvements with Council discussion anticipated in the spring of 2018. This discussion will include additional revenue sources to construct new sidewalk and potentially accelerate the repair program.

At the City Council meeting on November 20th, staff was asked to develop an ordinance for Council consideration that would increase the VLF to provide a stable funding source to start to address this need. Proposed Ordinance No. 772 meets this request by imposing an increase to the VLF by \$20 to provide revenue to support the repair of existing sidewalks and address Strategy 5 of the 10 Year Financial Sustainability Plan by providing a funding source to replace general fund contributions to the Roads Capital Fund.

ALTERNATIVES ANALYSIS

The following alternatives exists regarding proposed Ordinance No. 772:

1. **Do Nothing** – This alternative does not provide a new revenue source for repair and replacement of existing sidewalks. Funding would continue to come through the General Fund and the Roads Capital Fund. This is not recommended because it does not provide sufficient funding based on the needs of the City. Increasing

funding through the Roads Capital Fund would require eliminating or reducing other priority transportation projects.

2. **Implement the \$20 VLF Effective January 1, 2018 (*Recommended*)** - This alternative will generate approximately \$780,000 annually in revenue of which approximately \$680,000 would be programmed towards the repair, replacement and retrofit of existing sidewalk. If implemented January 1, 2018, fees would not begin being collected until July 1, 2018 and would be programmed beginning in 2019. Council could also delay the collection date of the VLF until January 1, 2019.
3. **Delay Implementation of VLF Until a Comprehensive Discussion of Funding for New Sidewalks is Held** - This is not recommended because there is a known need for funding of the sidewalk repair, retrofit, and maintenance program. State law provides limited funding mechanisms to address the City's transportation needs and one of those mechanisms is the vehicle license fee, of which the City Council has been granted authority through state law to legislatively implement up to a \$50 vehicle license fee. Delaying implementation of a VLF will delay the timeframe to program funding and begin making improvements and delays the maintenance of assets that are already the responsibility of the City.

COUNCIL GOALS 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

The City's current funding levels do not meet the need for repair and replacement of existing sidewalks. After evaluation of alternative revenue sources, increasing the VLF by \$20 has been recommended to provide a stable funding source. The increase in VLF would generate approximately \$780,000 in revenue based on the number of vehicles currently registered in Shoreline. This revenue could also be used to implement a key strategy of the 10 Year Financial Sustainability Plan by eliminating the General Fund contribution to the Roads Capital Fund, allowing approximately \$680,000 to be directed to repair existing sidewalks annually.

RECOMMENDATION

No action is required tonight. Staff recommends that Council discuss proposed Ordinance No. 772 to impose a twenty dollar increase to the vehicle license fee to

provide revenue to support the repair of existing sidewalks. Proposed Ordinance No. 772 is scheduled for Council adoption on December 11, 2017.

ATTACHMENTS

Attachment A – Proposed Ordinance No. 772

ORDINANCE NO. 772

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING AN ADDITIONAL VEHICLE LICENSE FEE OF TWENTY DOLLARS, FOR A TOTAL ANNUAL VEHICLE LICENSE FEE OF FORTY DOLLARS.

WHEREAS, as provided in RCW 36.73, the Shoreline City Council formed a city-wide transportation benefit district known as the Shoreline Transportation Benefit District (“TBD”) in 2009; and

WHEREAS, in October 2015, via Ordinance No. 726, the Shoreline City Council assumed the rights, powers, functions, immunities, and obligations of the TBD and the Council became the governing board; and

WHEREAS, RCW 36.73.065(4) and SMC 3.60.030(A) authorizes the TBD, by majority vote of the governing board and without a public vote, to impose a vehicle license fee of up to \$40.00 provided a vehicle fee of \$20.00 has been imposed for a least 24 months; and

WHEREAS, in July 2009, as authorized by RCW 36.73.065, the TBD imposed a vehicle license fee of \$20.00; and

WHEREAS, the City Council, as the governing board, now finds it is in the best interest of the citizens of Shoreline to increase the annual vehicle license fee to \$40.00 for the purpose of preserving, maintaining, and operating the transportation infrastructure of the City of Shoreline, specifically to assist in the funding of multi-model improvements such as curbs, gutters, and sidewalks; and

WHEREAS, RCW 82.80.140(4) mandates that no fee may be collected until six (6) months after approval under RCW 36.73.065;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE DO ORDAIN AS FOLLOWS:

Section 1. Increased Annual Vehicle License Fee. The annual vehicle license fee of \$20.00 shall be increased to an annual fee of \$40.00, consistent with RCW 36.73.065 and SMC 3.60.030, and is to be collected by the Washington State Department of Licensing on qualifying vehicles as set forth in RCW 82.80.140 and chapters 36.73 and 46.16 RCW.

Section 2. Effective Date of Fee Collection. The increase vehicle license fee will not be collected sooner than six months after approval of this Ordinance as provided in RCW 82.80.140(4). The existing annual vehicle license fee of \$20.00 established in 2009 shall remain in effect and be collected by the Washington State Department of Licensing until the effective date of the increase vehicle license fee established by this Ordinance.

Section 3. Revenues. The revenues received by the \$20.00 increase shall be used only for transportation improvement projects contained in the Curb, Ramp, Sidewalk Repair and Maintenance Program of the City's Transportation Plan.

Section 4. Directions to City Clerk. The City Council directs the City Clerk to notify the Washington State Department of Licensing of the vehicle fee established in Section 1 of this Ordinance and to request that the Department of Licensing take all steps necessary to implement collection of this fee in accordance with RCW 82.80.140.

Section 5. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 6. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any person or situation.

Section 7. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect January 1, 2018, PROVIDED THAT, the increased vehicle license fee shall not become effective until six months after approval of this Ordinance.

PASSED BY THE CITY COUNCIL ON DECEMBER 11, 2017.

Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Margaret King
City Attorney

Date of Publication:
Effective Date: January 1, 2018