

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

<b>AGENDA TITLE:</b>	Discussion of Ordinance No. 822 – 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
<b>DEPARTMENT:</b>	Public Works Administrative Services
<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 \$110 million is needed for repairs, including replacement and retrofitting existing sidewalks and curb ramps to meet ADA standards. Current funding for the Curb Ramp, Gutter, and Sidewalk Maintenance Program is very limited. Historically, \$152,000 from the City’s 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. This funding level will not meet the need for repair and replacement of existing sidewalks.

Various funding sources have been evaluated by staff and studied by the City Council. The current \$20 per vehicle per year vehicle license fee (VLF) has been levied by the Shoreline Transportation Benefit District (TBD) since 2009. Since that time it has provided most of the funding for the Annual Road Surface Maintenance Program, generating approximately \$830,000 in 2017. In 2015, legislative changes provided the Shoreline TBD councilmanic authority to increase the current VLF up to a total of \$50 per vehicle per year.

In the 4<sup>th</sup> quarter of 2017, the City Council discussed the ADA Transition Plan and associated sidewalk repair needs of the City, along with funding options. Council discussed the potential of utilizing an increase to the VLF to provide a higher level of ongoing and stable funding for the Curb Ramp, Gutter, and Sidewalk Maintenance

Program. Ultimately the majority of Council desired to wait for the City's Sidewalk Advisory Committee to complete their work and make recommendations on funding for both sidewalk repair and construction of new sidewalks.

Continued discussions at the Council's Strategic Planning Workshop in March 2018, along with discussion during a review of the proposed Sidewalk Prioritization Plan and ADA Transition Plan on April 23, 2018, led Council to direct staff to bring back an ordinance for further Council consideration that would increase the VLF by \$20 per vehicle per year.

Tonight, the City Council is scheduled to further discuss these issues and consider proposed Ordinance No. 822 (Attachment A), which would provide for this \$20 VLF increase effective September 1, 2018. However, as per state law, the increased VLF will not be collected until six months after the effective date, meaning that collection of the VLF would begin in 2019. Proposed Ordinance No. 822 is currently scheduled to be brought back to Council for potential adoption on June 4, 2018.

**RESOURCE/FINANCIAL IMPACT:**

Various funding sources have been evaluated by staff and studied by the City Council. The VLF is the most stable, recurring funding source for transportation improvements. It is estimated an increase of \$20 per vehicle would generate an additional \$830,000 in annual revenue. This source could increase the funding level for the sidewalk repair and maintenance program to approximately \$1 million per year.

**RECOMMENDATION**

No action is required tonight. Staff recommends that the City Council discuss proposed Ordinance No. 822 to increase the current Vehicle License Fee by \$20 per vehicle per year to provide revenue to support the repair of existing sidewalks.

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

## **BACKGROUND**

The City currently maintains 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 Capital Improvement Plan (CIP) since 1998 and has addressed some ADA requirements and provided for other pedestrian access improvements throughout the City. 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, 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. 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**

The City Council has discussed the City's progress on development of the ADA Transition Plan on several occasions beginning in 2016. Most recently, on April 23, 2018, staff presented the Draft Sidewalk Prioritization Plan and ADA Transition Plan Funding Recommendations to Council. The staff report for this discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2018/staffreport042318-8b.pdf>.

In summary, staff's analysis reveals that only 11.1 miles (15.4%) of the 72.3 miles of sidewalk in the City are fully compliant. The estimate to repair all of the City's current sidewalks to meet ADA standards is approximately \$110 million dollars. 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.

The estimate to repair these highest priority repairs is \$44-\$50 million. The Council discussion on April 23<sup>rd</sup> included review of the preliminary work of the Sidewalk Advisory Committee and funding recommendations for both repair and construction of new sidewalks. From that discussion, Council directed staff to provide Council with a draft ordinance implementing the additional \$20 VLF to fund sidewalk repair for their consideration.

### **Shoreline's Transportation Benefit District (TBD)**

The Shoreline TBD was established for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements that are in the City's transportation plan. The TBD first levied a \$20 per vehicle per year VLF for all vehicles registered in Shoreline in 2009. The VLF is collected by the Washington State Department of Licensing and generates approximately \$830,000 in annual revenues. These funds are allocated to the City's Annual Road Surface Maintenance Program in the proposed 2018-2023 CIP.

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

While there are additional funding sources that Council can pursue to address the construction, maintenance and repair of sidewalks, there is only one that provides additional revenue through councilmanic authority. RCW 82.80.140 provides the Shoreline TBD the authority to impose a VLF up to \$50. At this time, Council can impose an additional \$20 per vehicle per year VLF with a simple majority vote of the City Council, estimated to generate an additional \$830,000 annually. After 24 months the Council would have the ability to impose an additional \$10 per vehicle per year VLF, subject to public notice and a referendum period, estimated to generate an additional \$415,000.

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 past City Council discussions, the Council discussed dedicating a portion of an additional \$20 VLF to fulfill the 10 YFSP strategy to replace the approximately \$152,000 General Fund contribution to the Roads Capital Fund. However, during the April 23<sup>rd</sup> Sidewalk Prioritization Plan discussion, some Councilmembers expressed interest in all funding collected through the increased VLF going to sidewalk maintenance. This is a policy decision of the City Council that can be addressed during the Council's 2019-2020 budget discussion if proposed Ordinance No. 822 is adopted.

If the City Council adopted an increase to the VLF from \$20 to \$40 per vehicle per year, RCW 82.80.140(4) provides that there is a six month lag between the adoption of an increase in the VLF and when the increased VLF is actually levied. If the City Council approves the collection of the additional VLF, the City will need to execute a new collection agreement with the Department of Licensing to collect a \$40 VLF. The date of the execution of this agreement starts the six month lag. Staff anticipates that the agreement would be executed on the effective date of the ordinance. This means if Council were to adopt proposed Ordinance No. 822, which has an effective date of September 1, 2018, the additional revenue would not go into effect until March 1, 2019. Department of Licensing sends renewal notices up to 120 days ahead of the license renewal date. As such residents would begin to see the higher VLF fee on renewal notices starting in November 2018, as the bills for March 2019 could be sent as early as November 1, 2018.

A list of all TBDs and their current funding levels is included as Attachment B to this staff report.

## ALTERNATIVES ANALYSIS

The following alternatives exist regarding proposed Ordinance No. 822:

1. **Approve Ordinance No. 822: Implement the \$20 VLF Effective September 1, 2018 (Recommended):** State law provides limited funding mechanisms to address the City's transportation needs. The VLF is one of those mechanisms and the City Council has been granted authority to levy up to \$50 per vehicle per year (\$20 now and an additional \$10 after 24 months). It is estimated this alternative, the \$20 additional VLF, will generate an additional estimated \$830,000 annually in revenue programmed towards the repair, replacement and retrofit of existing sidewalk. If implemented September 1, 2018, collection of the VLF would begin March 1, 2019. Total revenue available for sidewalk repair could be up to approximately \$1 million per year.
2. **Do not Approve Ordinance No. 822:** Not approving a \$20 increase in the VLF will maintain current funding levels for sidewalk repair and delay the timeframe to complete improvements to the City's sidewalk network. This will delay the maintenance of assets that are the responsibility of the City. Total revenue available for sidewalk repair would remain at approximately \$200,000 per year.

## COUNCIL GOALS ADDRESSED

This item addresses City Council 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

Various funding sources have been evaluated by staff and studied by the City Council. The VLF is the most stable, recurring funding source for transportation improvements. It is estimated an increase of \$20 per vehicle would generate an additional \$830,000 in annual revenue. This source could increase the funding level for the sidewalk repair and maintenance program to approximately \$1 million per year.

## RECOMMENDATION

No action is required tonight. Staff recommends that the City Council discuss proposed Ordinance No. 822 to increase the current Vehicle License Fee by \$20 per vehicle per year to provide revenue to support the repair of existing sidewalks.

## ATTACHMENTS

- Attachment A: Proposed Ordinance No. 822
- Attachment B: MRSC List of Cities/Towns TBDs

**ORDINANCE NO. 822**

**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, including to assist in the funding of multi-modal 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 RCW and 46.16 RCW.

**Section 2. Effective Date of Fee Collection.** The increased vehicle license fee will not be collected sooner than six months after the effective date 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 increased 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 City’s Transportation Plan or the operation, preservation, and maintenance of these facilities or programs.

**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 September 1, 2018, PROVIDED THAT, the increased vehicle license fee shall not become effective until six months after the effective date of this Ordinance.

**PASSED BY THE CITY COUNCIL ON JUNE 4, 2018.**

\_\_\_\_\_  
Mayor Will Hall

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jessica Simulcik Smith  
City Clerk

\_\_\_\_\_  
Margaret King  
City Attorney

Date of Publication:  
Effective Date: September 1, 2018

## 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