

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussing the 2019 Federal Legislative Priorities		
DEPARTMENT:	City Manager's Office		
PRESENTED BY:	Jim Hammond, Intergovernmental Program Manager		
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:

This staff report discusses the City's proposed 2019 Federal Legislative Priorities ("Priorities"). For 2019, staff proposes a continued focus on funding and support for investments in the NE 145th Street Corridor and the associated I-5 Interchange. The City has prioritized the success of the 145th Sound Transit station as an omnibus goal that supports our goals for the 145th Corridor, the interchange replacement, a pedestrian overpass serving the light rail station and redevelopment of the station area for housing and economic development. These identified priorities are complementary and support Shoreline's station and regional priorities to ensure that the City's key messages are clear and consistent across all audiences.

In addition, the priorities would direct staff to pursue improvements to federal policies that enhance community and economic development, as well as managing challenges posed by both culverts and stormwater management.

Tonight, Council is scheduled to discuss the proposed 2018 Federal Legislative Priorities. The proposed Priorities are scheduled to be brought back to Council for adoption on February 25, 2019.

RESOURCES/FINANCIAL IMPACT:

This item has no direct financial impact.

RECOMMENDATION

No action is required tonight; this item is for discussion purposes only. Staff recommends that the City Council move to adopt the 2019 Federal Legislative Priorities when this item is brought back to Council for adoption on February 25, 2019.

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

BACKGROUND

This staff report discusses the City's proposed 2019 Federal Legislative Priorities. With a new Congress in 2019, which includes the change in control between parties in the House of Representatives, staff envision many new opportunities to advocate for meaningful policy change and funding support.

The City continues to develop its priorities for transportation and infrastructure investments within its jurisdiction and seeks funding support from regional and federal partners. The City has prioritized the success of the 145th Sound Transit station as an omnibus goal that supports our goals for the 145th Corridor, the interchange replacement, a pedestrian overpass serving the light rail station and redevelopment of the station area for housing and economic development. In addition, the priorities would direct staff to pursue improvements to federal policies that enhance community and economic development, as well as managing challenges posed by both culverts and stormwater management.

The identified priorities should be complimentary and support the City's state and regional priorities and vice-versa. It will be critical as we build the strategy moving into 2019 that the City's message and elected leadership are clear and consistent on all fronts. This staff report outlines a proposed strategy for the City to pursue in 2019 that addresses the identified priorities and builds the relationships necessary for success.

The Mayor, City Manager, Intergovernmental Program Manager, and Federal Lobbyists will be visiting with the City's Federal Legislative Delegation on February 27, 2019 to promote these priorities.

DISCUSSION

Staff proposes the attached draft 2019 Federal Legislative Priorities ("Priorities", Attachment A) for Council for review and potential approval. While these issues constitute the defined recommended federal agenda for the City of Shoreline, staff and consultants will respond to any opportunities as they arise from Congress. These issues could include a transportation and infrastructure bill, a Water Resources Development Reauthorization bill or a tax reform bill, among others.

Additionally, staff follow the work being done by partner agencies and organizations and will levy support when and where appropriate. Some of these organizations include the Association of Washington Cities, Sound Cities Association, the Puget Sound Regional Council, and King County, among others.

The items listed below generally track the summarized Priorities and provide additional information and context.

1. 145th Shoreline Station Area

The City has made the success of the Sound Transit Light Rail Station at 145th a top policy priority. This will be the “home” station for the communities of Shoreline, Lake Forest Park, Kenmore, Bothell and Woodinville, in addition to residents of North Seattle. The City has gone through a rigorous community-oriented process to rezone the area so that housing density is created with affordable and mixed-use options that is served by transit infrastructure. The City has partnered with all regional, state and federal agencies to make sure that the identified transportation challenges that exist for this station are addressed, prioritized and funded.

However, despite this work, significant challenges remain before the station opens in 2024. Some of these challenges – and the work that the City can do to address them – are listed below.

Priority: Continued pursuit of a BUILD Grant for the I-5/145th Interchange project

The City has identified a plan to redevelop the 145th interchange and applied for a federal BUILD grant in the summer of 2018 to complete the project. Unfortunately, the City did not receive this grant although the City did receive support from Senator Patty Murray and the rest of the congressional delegation. Securing these funds and coordinating with our partners in the region will be a key priority, especially since the Trump Administration has objected to funding transit-oriented infrastructure grants.

Staff intends to resubmit and improve the City’s application to best meet federal criteria in 2019. This assumes that the current Administration will fund additional rounds of BUILD and does not walk away from this program.

Priority: Elevating the need for 145th roadway improvements for transit and other traffic from I-5 to SR 99

The City is leading a coalition to improve 145th to serve the light rail station opening in 2024. The project will redesign this corridor to facilitate transit, traffic and pedestrian access to the light rail station at I-5 and 145th.

This plan is still assembling the necessary funding to complete work before the station opens and the City of Shoreline continues to renew its relationship with the City of Seattle as a key regional partner. Staff is working to establish a Mayor to Mayor meeting between the two cities on this issue and the delegation should be asked to support this process and this discussion.

The City should first and foremost make sure that the delegation continues to prioritize the full scope of the 145th Street project and why it is a shared priority to enable the success of the planned light rail stop. The delegation should be asked to be the City’s advocate with state and regional partners to ensure that funding for 145th is a key priority for the region.

Priority: Request funding for the NE 145th Corridor in any federal transportation bill, including preserving bicycle and pedestrian funding

The Trump Administration and congressional leadership in both parties have endorsed conceptually the need for a federal infrastructure bill. The City will lobby the delegation to make sure that any bill has funding options for the City of Shoreline to complete the 145th Corridor project and to include potential funding for the 148th Non-Motorized I-5 Bridge.

2. Transportation

Currently, there are a lack of federal funding programs that the City can use for its transportation and infrastructure goals. To make investments in local infrastructure in this environment, the City should pursue targeted requests of its federal delegation and support broader efforts to define more opportunities at a federal level.

Staff believes with the change of party control in the House of Representatives, that an infrastructure bill will be high on the agenda. Staff also expects the Transportation Committees in both the House and Senate to start work for the next Transportation bill as the current one expires in 2020. Finally, staff expects that earmarks may make a comeback in 2019 for public agencies. Each of these opportunities defines some policy priorities for the City of Shoreline.

Priority: Allocation of federal infrastructure dollars to transit and non-motorized projects

For decades, Congress has debated the amount of funding from the federal gas tax revenues that should go towards projects that are not directly highway related. These projects include transit systems and non-motorized projects like sidewalks, trails and other programs. The share of federal dollars being made available to non-motorized projects has diminished over the past few transportation bills and there is a concerted effort to eliminate funding for transit and non-motorized access all together.

As Congress debates a new Transportation bill and considers the continued funding of the BUILD Program (formerly known as the Transportation Investment Generating Economic Recovery, or TIGER, discretionary grant program), the City should continue to lobby for a portion of federal infrastructure dollars be allocated for transit and non-motorized projects.

This will help support the City's goal to construct a pedestrian / bicycle overpass serving the Sound Transit Light Rail station and facilitate sidewalk redevelopment in the area West of I-5 within the station access area.

Priority: Addition of a medium-sized city set aside, similar to the current rural set aside, to better enable smaller communities to compete for federal dollars, both in a new Transportation bill and in the next round of BUILD grants

Most federal infrastructure spending has a rural set aside which is critical for smaller communities to be able to access federal dollars. There is no comparable medium sized city set aside. Instead, medium sized cities compete against large cities like Seattle, Portland and Los Angeles for limited resources. Medium sized cities need a defined

pool to compete within so as to make federal funds available in a way that they simply aren't in their current status.

As Congress debates a new Transportation bill and considers the continued funding of the BUILD Program, the City should lobby for a portion of federal infrastructure dollars be set aside for medium sized cities. This policy position is supported broadly by similar sized cities throughout the state.

The BUILD program is the key federal funding program for local infrastructure investments. Yet, all cities compete within the same funding pool, putting smaller and medium sized cities at a competitive disadvantage for funding even as the transit and commuter challenges are similar to those of larger communities. There are efforts in Congress to create funding tiers so that cities of similar size can compete for federal funds. The City should support efforts to designate a portion of federal transportation spending for cities under 100,000 in population size.

Priority: Increase in share of federal transportation funding directed to Metropolitan Planning Organizations (such as PSRC) for local distribution

Federal transportation funding is generally distributed in Washington State via the State Department of Transportation (DOT) or via a Metropolitan Planning Organization (MPO) like the Puget Sound Regional Council (PSRC). In the most recent Transportation bill from 2016, Congress changed the allocation of funds from 50%-50% between DOTs and MPOs to 55%-45% with MPOs gaining the larger amount.

As Congress starts to consider the next Transportation bill, the City should support increasing this proportion to the benefit of MPOs and oppose any attempt to preclude the formation of new MPOs to meet regional needs. This should dovetail with the City's work at PSRC to invest in critical infrastructure to meet our regional growth challenges.

Priority: Protect federal funding for Lynnwood Link Light Rail and other regional transit projects

The Trump Administration tried to rescind funding commitments to the Sound Transit 2 Link Light Rail expansion that would bring light rail from Northgate to Lynnwood. While the Full Funding Grant Agreement for this project was eventually confirmed, its rescission could have forced Sound Transit to delay or potentially cancel the planned transit stations from Northgate to Lynnwood. There is no assurance against future policy reversals in this area. Of additional concern, Sound Transit's plans for future system expansion includes significant assumptions of federal partnership. If the federal funding does not come through for any of these projects, then the region will have to make up the shortfall and there will be no opportunity to meet additional community concerns for other Sound Transit projects.

For instance, the City is a critical partner with its neighbors on the plan to redevelop 145th Street from Lake City Way to Interstate-5 to facilitate traffic, transit and pedestrian access to the light rail station opening in 2024 at Interstate-5 and 145th Street. This plan is funded through the Sound Transit 3 package but requires federal investment in

Sound Transit's regional work to be on time and on budget. The City supports all regional efforts to preserve funding for Sound Transit through the federal government.

3. Community and Economic Development Programs

Priority: Restoration of Earmark Authority

Congress is considering restoring the earmarking authority to the legislative branch following the election. The Administration is currently not funding the obligations directed by Congress and many elected officials want more authority over how funds are allocated.

The City should support earmarks with the following criteria:

- Only available to public agencies.
- Fully transparent process for requests.
- Limited to economic development, infrastructure, transportation and human services funding programs.

Priority: Increased funding for Community Development Block Grants (CDBG) and the Home Investment Partnership Program (HOME)

The City of Shoreline uses CDBG and HOME funding to support local initiatives that benefit the City's vulnerable populations. Funding in the CDBG program increased by 30% in 2018 after falling to a decade low in 2017. The City should support the CDBG and HOME program at the federal level and lobby for increased funding that could be put to use in Shoreline immediately.

Priority: Preserving access to internet-based sales taxes and supporting other municipal tax authority

Following state action, the mechanism for collecting these revenues at the local level is in place. However, there remains a risk of action at the federal level that could reverse these gains. The City should urge its delegation to continue to support the current arrangement and oppose any efforts at the federal level that pre-empt these funds from coming to the City.

Congress has adjusted various tax policies that have a direct impact on the City of Shoreline, including the New Markets Tax Credit, the Affordable Housing Tax Credit and the State and Local Sales Tax Deduction. These policies, in addition to policies that would negatively value municipal bonding authority, will remain under debate in Congress in 2019 and the City should advocate for strong municipal authority and tax credits that facilitate economic development and meet our region's critical housing needs.

4. Culvert and Stormwater Policy

The City has made culvert replacement, stormwater management and fish recovery a priority for its public affairs work given the work being done on Boeing Creek and at the Hidden Lake Dam. There are multiple opportunities for the City to lead on this critical issue with a supportive congressional delegation.

Priority: Support the creation of a new federal program to provide federal grant funding for culvert replacement

There is no federal grant program for the City of Shoreline that would help the City replace failing culverts and restore habitat for threatened species. The City asks its congressional delegation to introduce legislation that would provide a competitive grant program for cities to accomplish this goal.

Priority: Add green stormwater treatment as a scoring criterion for federal transportation awards

This would advantage projects seeking federal funds that include a stormwater management component.

Priority: Support a refundable federal tax credit for stormwater management by private property owners

In the past, Representatives Derek Kilmer and Denny Heck introduced legislation that would provide a federal tax credit to organizations and private citizens to recoup the costs of installing and maintaining green stormwater management systems. While this legislation is not currently introduced in the current Congress, we expect it to have a renewed attention under a different leadership. When paired with the City's local programs, this federal tax credit would make the number of stormwater projects underway within the City more affordable for residents and businesses alike.

Priority: Collaborate with the Army Corps of Engineers to see what partnership opportunities might exist for Boeing Creek and the Hidden Lake area

As a neighbor to the Lake Ballinger/McAleer Creek Watershed Forum, the City has seen the Army Corps of Engineers develop partnership opportunities and funding support within the Forum – most notably at Ballinger Park in Mountlake Terrace. The City should connect with the Army Corps and begin to explore what opportunities might exist within the city's identified projects for funding and project support.

RESOURCES/FINANCIAL IMPACT

This item has no direct financial impact.

RECOMMENDATION

No action is required tonight; this item is for discussion purposes only. Staff recommends that the City Council move to adopt the 2019 Federal Legislative Priorities when this item is brought back to Council for adoption on February 25, 2019.

ATTACHMENTS

Attachment A: Draft 2019 Federal Legislative Priorities



2019 Shoreline Federal Legislative Priorities [DRAFT]

- **Continue to seek funding and support for implementation of NE 145th Corridor transportation projects, including:**
 - Continued pursuit of a BUILD Grant for the I-5/145th Interchange project
 - Elevating the need for 145th roadway improvements for transit and other traffic from I-5 to SR 99
 - Request funding for the NE 145th Corridor in any federal transportation bill, including preserving bicycle and pedestrian funding.
 - Prepare to submit directed funding requests, as appropriate, in support of NE 145th Corridor projects (see below)
- **Advocate for changes to federal transportation funding programs to strengthen ability of the City to pursue its transportation and infrastructure goals, including:**
 - Allocation of federal infrastructure dollars to transit and non-motorized projects
 - Addition of a medium-sized city set aside, similar to the current rural set aside, to better enable smaller communities to compete for federal dollars, both in a new Transportation bill and in the next round of BUILD grants
 - Increase in share of federal transportation funding directed to Metropolitan Planning Organizations (such as the Puget Sound Regional Council) for local distribution
- **Protect federal funding for Lynnwood Link Light Rail and other regional transit projects.**
- **Support funding for Community and Economic Development Programs, including:**
 - Restoration of Earmark authority
 - Increased funding for Community Development Block Grants (CDBG) and the Home Investment Partnership Program (HOME)
 - Preserving access to internet-based sales taxes and supporting other municipal tax authority
- **Strengthen federal tools for dealing with culvert and stormwater issues, including:**
 - Support the creation of a new federal program to provide federal grant funding for culvert replacement
 - Add green stormwater treatment as a scoring criterion for federal transportation awards.
 - Support a refundable tax credit for stormwater management by private property owners
 - Collaborate with federal partners, such as the Corps of Engineers, to develop partnerships to address projects in the Boeing Creek/Hidden Lake area