# King County Bridges and Roads Task Force

# Meeting Summary

Meeting #4

October 28, 2015, 2:30 – 5:30 p.m.

Mercer Island Community and Event Center – Mercer Room

## **Welcome, Introductions, Agenda Review, and Summary Acceptance**

Bob Wheeler (facilitator) called the meeting to order at 2:30 p.m., and the King County Bridges and Roads Task Force (Task Force) did a round of introductions.

The facilitator briefly reviewed the agenda and emphasized the meeting’s focus on hearing answers to some of the questions raised by Task Force members at the October 14 Task Force meeting, refining a short-list of recommendations, and discussing next steps needed for approval of recommendations at the November 12 Task Force meeting.

### Review and Acceptance of the October 14, 2015 Draft Task Force Meeting Summary

The Task Force reviewed the October 14, 2015 draft Task Force meeting summary and accepted it without any changes.

## **Report out on Answers to Questions from the 10/14 Task Force Meeting**

### Presentation on Road Services Division (RSD) Revenue Options

Dwight Dively, Director of the King County Office of Performance, Strategy, and Budget (PSB) gave a presentation of King County RSD Funding Options identified by the Task Force as well as opportunities, constraints, and financial impacts associated with each. Details of funding options presented by Dwight are summarized below.

* **2015 State Transportation Package Funding**. The package authorizes $15 billion statewide over the next 16 years with $500 thousand authorized for King County highways in 2016 and 2017 and $1 million per year in subsequent years. These funds are restricted to “highway uses”.
* **Funding from New Transportation Benefit District (TBD) Rules**: New TBD rules allow the County Council to implement a countywide $20 vehicle fee that can go up to $40 after 24 months. The fee can go up to $50 under some circumstances. To implement this, cities comprising a combined 75 percent of the County’s population would need to agree to inter-local agreements on this fee, however counties would need to give a credit to cities that already have existing vehicle fees. This option could realistically only raise $4-8 million annually for King County roads once credits are factored in. The State statute would have to be amended for the county to create a countywide TBD where money only flowed to unincorporated areas.
* **TBD Options Requiring Voter Approval**: These include the potential for a 0.2 percent sales tax increase that could rise up to $116 million annually, as well as a $100 fee per vehicle that could raise up to $109 million annually.
* **Lifting the 1 Percent Cap on Property Taxes**: This could include implementation of a voter approved, one year levy in excess of all property tax restrictions or a 10 cent per thousand dollar property tax lift which could raise about $42 million annually. Since property values are so high in King County, a relatively small property tax increase generates a lot of revenue.
* **Tolls and user fee solutions.** Oregon has a lot more experience than Washington with tolls and user fees. There is not a clear understanding of what amount of revenue could come from these as fees are not currently broadly authorized, however the Washington State Transportation Commission is currently looking into this issue of user fees. Such fees would be easier to implement on freeways than neighborhood road networks. However it is presumably possible to contract with WSDOT to utilize the same toll tag system it uses but for King County roads.
* **Transportation Utility Fee:** These are fees paid to jurisdictions by property owners based on the amount of trips the property is estimated to generate. For utility districts, fees must be charged based upon a direct measurable relationship between the fee and the benefit received. A kind of utility fee, street maintenance utility fees, are not allowed, however many jurisdictions are advocating for the State Legislature to change the law on this. In Dwight’s experience, these fees have primarily been pushed by cities as well as counties that have more development in unincorporated areas.
* **Motor Vehicle Excise Tax (MVET).** The MVET was repealed by initiative. In King County, a 0.8 percent MVET would generate $75 million annually. The State has a formula for charging a certain MVET based on different makes and models of cars. New legislation would be needed to bring this back.
* **Impact Fees:** King County does not have impact fees because, under current law, they can only be imposed in incorporated areas. Due to the low amount of development in King County’s unincorporated areas these would not generate a lot of money. The authority for King County to impose this in unincorporated areas does not currently exist – even though many city residents use unincorporated roads.
* **Crowd Funding for Roads:** An example of this would be Road Improvement Districts (RIDs) and Local Improvement Districts (LIDs). Current law does have some tools allowing a geographic area to agree to a fee for local road improvements and could be used by unincorporated residents. An example of this was local improvement district funding for the Aurora Bridge in the 1930s.
* **Lottery Funding for Roads:** The statewide lottery generates $130 - $160 million annually statewide. It is theoretically possible to have lottery funds directed for a narrow purpose such as roads but it is unclear whether there would be interest for such a narrowly-focused purpose.
* **Automated collection of donations at gas pumps:** There are few gas stations in unincorporated areas so this would rely on primarily asking city residents whether they would like to contribute to King County roads. A low level of revenue would be produced by this.
* **Taxation of auto parts:** This would require state statutory authority. While there are examples of this it would have to be imposed in incorporated areas since there is little retail activity in unincorporated King County. A low level of revenue would be produced by this.

*Comments and questions:*

* If all of these ideas were implemented, what is the grand total of potential revenue generated?
  + If you could get voters to approve a 40 cent excess levy every year, you could raise $168 million and this amount would grow every year as assessed property values increased. In theory, three or four of these solutions could be combined to cover the entire funding gap.
* Which of these solutions has the closest nexus to roads or the transportation system?
  + The vehicle license fee, MVET, street utility fees, or any kind of vehicle miles traveled fee or toll all have a close nexus to the transportation system.
* Are voter approved bond measures always a property tax?
  + Yes – in Washington State they are. There are no restrictions on combining a bond measure with a revenue source that does not involve a property tax.
* Is a local option gas tax possible?
  + Yes, this is possible and one county has tried this. However it is difficult to collect such gas tax funds since they are collected by distributers that may be outside county lines.
* Is there voter approved bonding authority for unincorporated areas?
  + Dwight will follow up on this.
* How could the MVET be reinstated?
  + The State Legislature would have to reinstate the MVET.
  + Cities and counties exist at the pleasure of the state and the state decides their powers. Taxes available to counties are limited even more than cities. If King County wants a new tax of any kind the State Legislature must give the County that authority. There is not much home rule authority in Washington State.
* The City of Snoqualmie looked at LIDs many times and found they are difficult to implement. Is that Dwight’s view of these?
  + The ease of implementing LIDs depends on what they are used for and what the property values are. One LID requirement is for the appraiser to show that the increase in the value of the property exceeds what the improvement would cost. Therefore, LIDs are more successful in neighborhoods with lower property values where a street improvement would greatly increase property values. The City of Tacoma has a long history of LIDs. If they are institutionalized well they can work.
* How much money did King County raise from its vehicle license fee when it existed?
  + $5 million per year.
* Is RSD at its tax rate limit?
  + Yes, RSD is at its rate limit of $2.25 per $1000 of assessed value which generates about $70 million per year. This could be increased, but unless it is done through an excess levy tool, it would be very difficult to implement.
* Which solutions presented so-far does RSD staff see as most and least viable for implementing?
  + RSD does not think that any of its current funding tools are sufficient for closing the funding gap. Either existing tools need to be modified or it needs to work with the State Legislature to come up with a new tax structure.
* How are other counties addressing their bridges and roads funding gaps and is King County unique in its ability to address the gap?
  + Out of 37 counties in Washington State, very few are at their roads levy rate limits because most counties generate far more revenue from property taxes in their unincorporated areas. Very few counties are in as dire of a roads funding situation as King County.
* Does King County agree that the MVET reinstatement is not a popular idea?
  + Yes – people sometimes disagree with the way their vehicles are valued in assessing the MVET.
  + The MVET is not popular because it is assessed as one large amount all at once as opposed to a small amount paid over a long period of time.

### Report-Out by Brenda Bauer

RSD has heard a lot from the Task Force in the last few months. It has heard solutions related to more revenue, however the county’s current revenue tools are limited. It has heard ideas for efficiencies and, while RSD will continue to find efficiencies, this will have a marginal impact on the bridges and roads funding gap. RSD has also heard ideas for less infrastructure and more outreach. At this point, RSD is hoping the Task Force primarily focuses on the categories of more revenue and level of infrastructure in its recommendations since they have the greatest potential to close the large funding gap.

## **Discussion on Additional Recommendations**

The facilitator shared a short-list of Task Force recommendations that were identified for further consideration during the October 14 breakout group discussions. He shared the new sub-categories where revenue recommendations were organized. He additionally mentioned a separate short-list that would be the responsibility of RSD to consider and implement. The facilitator reminded the Task Force that the report itself would include all recommendations proposed and considered by the Task Force during its work.

### Additional Recommendations

The Task Force added thirteen additional recommendations for consideration during the October 28 Task Force meeting.

*Comments and questions*

* In response to one of the new Task Force recommendations, Brenda Bauer reported out on misperceptions about the County’s tier system. The tiers reflect road usage and they are used to prioritize maintenance. RSD has a brand new asset management system that tracks this data and guides road maintenance activities. However, safety issues outweigh the tier system so safety concerns will be addressed regardless of road tier.
* Will the county’s road infrastructure be reduced by maintenance inaction that leads to road attrition?
  + RSD has already closed some roads and bridges deemed unsafe and will continue to do-so. However, it would be a heavy lift for residents to agree to systematically identify certain roads that would not be maintained by King County.
* Given decreasing gas tax revenue, what data exists on revenue that could be generated through a user mileage fee?
  + RSD is not aware of jurisdictions generating revenue through mileage fees. Most residents would be more interested in road usage charges rather than some charge based on the value of their vehicle. However, King County does not have the authority to implement such a tax.
* What options exist for recommendations related to renegotiating union pay?
  + During King County’s next round of negotiations with all unions, it will look at total compensation including the value of all employee benefits. However, the region has an abundance of construction work for the foreseeable future, tradespeople are working, and new workers are not going into the trades. The union halls do not have members to dispatch now. About 45 percent of the RSD workforce can retire in the next few years and it would be difficult to replace this lost workforce without competitive pay and benefits, given the marketplace. Additionally, consider that King County employees went without a cost of living increase for several years during the recession and RSD has laid off 40 percent of its work force in recent years.

## **Refinement of Recommendations Considered for a Final List**

The facilitator walked the Task Force through the recommendations short-list and the Task Force was instructed to identify recommendations among each category that should be added to a final list to be considered at the November 12 Task Force meeting. The Task Force identified both high and low impact recommendations to move forward for further consideration as well as statements for future consideration to be incorporated into a recommendations report. The Task Force spent most of the remaining time at the meeting completing this exercise for the efficiencies and revenue categories. Comments on specific recommendations were captured on a short-list that was projected on the screen. Through this discussion, the Task Force identified four high impact revenue and infrastructure-related recommendations to move forward for further consideration.

## **Public Comments**

No public comments were received on paper, electronically, or orally. The facilitator noted that two written public comments were received during and since the October 14 Task Force meeting. These were already emailed out to the Task Force.

## **Assignments and Next Steps**

### Share Final Report Draft

The facilitator briefly shared a draft Task Force Recommendations Report. It is intended to be concise and to-the-point with most detailed information included in the appendix. The hope is to get this report to the Task Force in advance of the November 12 meeting.

### Future Meetings

The next Task Force meeting will take place on Thursday, November 12 in the Mercer Room of the Mercer Island Community and Event Center. It will be focused on refining and accepting a final list of recommendations for further consideration.

## **Attachment 1: Task Force Meeting Attendees**

**Task Force Members**

|  |  |  |
| --- | --- | --- |
| **Name** | **Affiliation** | **Attended?** |
| Van Anderson | King County Boundary Review Board | Yes |
| John Bloomer | Enumclaw Fire Department/King County Fire District #28 | Yes |
| Josh Brown | Puget Sound Regional Council | No |
| Peter Eberle | Four Creeks Unincorporated Area Council | Yes |
| Joe Fain | Washington State Legislature—47th District | No (represented by proxy, Noah Ullman) |
| Ashley Glennon | Fall City Community Association | Yes |
| Michael Gonzales | Teamsters Local 174 | Yes |
| Bob Harrison | City of Issaquah | Yes |
| George Irwin | King County Agricultural Commission | Yes |
| Janet Keller | Keller Dairy | Yes |
| Duana Kolou**š**ková | Transportation Concurrency Expert Review Panel | No |
| Andra Kranzler | Skyway Solutions | Yes |
| Matt Larson | City of Snoqualmie | Yes |
| Hank Lipe | Vashon Island Fire & Rescue | Yes |
| Ceci Mena | Professional & Technical Employees Local 117 | No |
| Louise Miller | Former King County Councilmember and State Representative | Yes (phone) |
| Louis Moscoso | Washington State Legislative—1st Legislative District | Yes |
| Amy Ockerlander | City of Duvall | Yes |
| Ron Paananen | Parsons Brinckerhoff | Yes |
| Blake Trask | Washington Bikes | Yes |
| Noah Ullman | Executive Assistant to Senator Fain (proxy) | Yes |
| Bryce Yadon | Futurewise | Yes |

**Meeting Organizers**

|  |  |
| --- | --- |
| **Name** | **Affiliation** |
| Brenda Bauer | Road Services Division, King County |
| Jay Osborne | Road Services Division, King County |
| Susan West | Road Services Division, King County |
| Bob Wheeler | Triangle Associates |
| Evan Lewis | Triangle Associates |

**Other Meeting Attendees**

| **Name** | **Affiliation** |
| --- | --- |
| Alan Painter | King County Community Service Areas |
| April Sanders | King County Council Staff |
| Dwight Dively | King County Office of Performance, Strategy and Budget |
| Tricia Davis | King County Department of Natural Resources and Parks |
| Harold Taniguchi | King County Department of Transportation |
| Stephanie Pure | King County Department of Transportation |
| Wes Edwards | King County Department of Transportation |
| Katie Kuciemba | Sound Cities Association |