

2017 Annual Construction Program (ACP), and 2017–2022 Transportation Improvement Program (TIP) Part 1 of 2 Work Sessions

Board of County Councilors' Work Session

July 20, 2016

9:30 AM



Agenda

- ▶ Guiding Principles and TIP Legalities
- ▶ How does a project get onto the TIP
- ▶ Goal of Work Session
 - Challenges/ Request
- ▶ Road Fund Background
- ▶ Major Changes from the 2016 Adopted TIP
- ▶ 2017–2022 Road Fund Balance Forecast
- ▶ Risks
- ▶ Options
- ▶ Next Steps

Current Guiding Principles

- ▶ Safety
- ▶ Preservation
- ▶ Debt Service Payment
- ▶ Capital Projects

Legal Requirement:

RCW 36-81-121 and WAC 136-16-010.

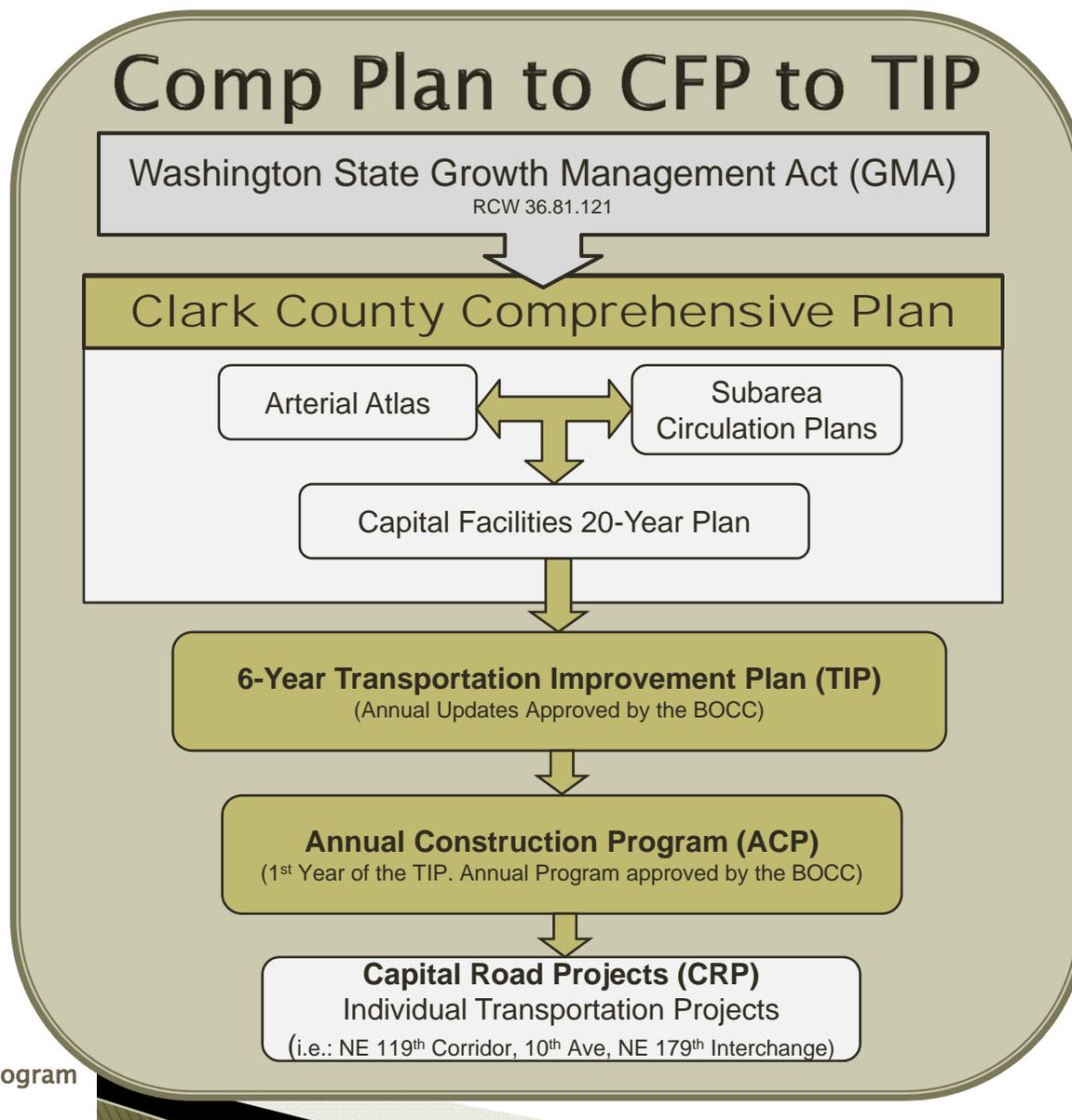
All capital road projects are to be in ACP/TIP.

County Engineer to *“develop and apply”* priority programming – WAC 136-14.

Board adopts before budget – Board required to later amend TIP. RCW 36-81-130.

TIP follows adopted policies and Comprehensive Plan via the Capital Facilities Plan.

How does a project get on the TIP?



CFP = Capital Facilities Plan
ACP = Annual Construction Program
TIP = Transportation Improvement Program
CRP = Capital Road Project

Goal of this Work Session

Challenges:

1. Immediate funding is needed in 2017/2018 for 10th Avenue and possibly 119th Street (\$3–\$6.7M).
2. Revenues are not keeping up with increased expenses.

Request:

1. Direction on what to assume about controllable revenue (TIF, CCSO Diversion, 1% Property Taxes).
2. Options to build capital projects, preserving roads and addressing safety issues.

Road Fund Background

(2007 to 2016 and beyond)

* BOCC Policy Driven

Annual Road Fund Cost Activity	Past Cost (2007) on an Annual Basis	Current and Future Cost on an Annual Basis
<u>Expenditures:</u>		
Preservation	\$4–5M	\$7.8M (includes safety mandate). Asphalt needs still not being met.
Debt Service (PWTF)	\$1–1.2M	\$2M
CCSO Diversion*	\$1.2M	\$4.5M
Clean Water Fees *	\$1.9M	\$2.8M
<u>Revenues:</u>		
Property Tax 1% *	\$0.3M (accumulative)	\$0 (\$4M total)
Transportation Project Funding Sources	\$10–20M every 3–5 years (72 nd Av, Padden, SCIP)	\$15–20M+ in 7–8 years (179 th St. County's Roads)
Traffic Impact Fees *	\$1.2–4.3M	5.7M fee waiver loss; 8M+/- future? \$1.5–3M Forecast w/ qrtly reconcile
Available Road Fund for Capital	\$13–17M	\$10–11M

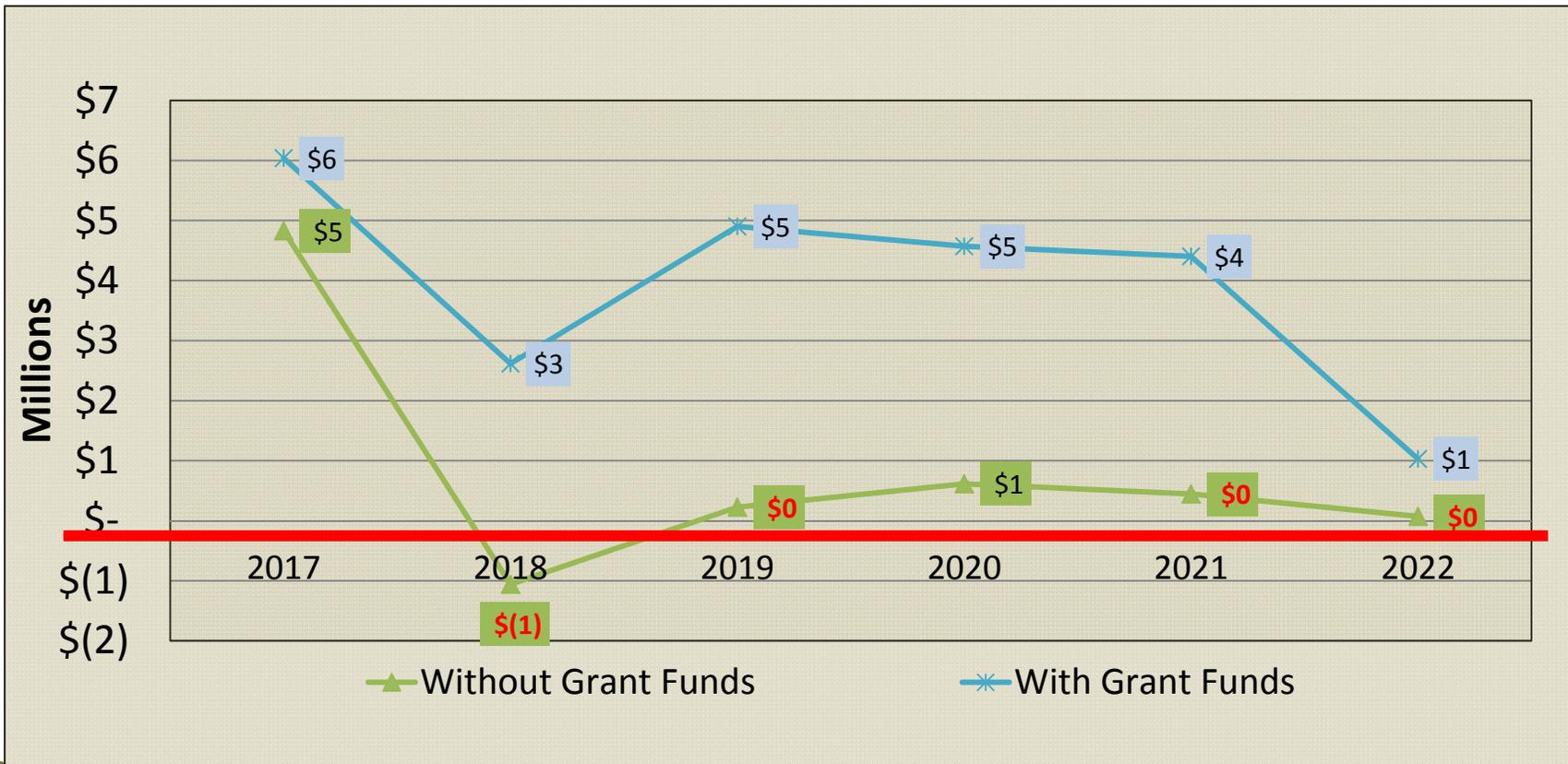
Major Changes from the 2016 Adopted TIP

- NE 10th Avenue Construction Challenge
 - (funding loss– PWTF loan, \$1.2M anticipated grant may not be awarded in 2017 for construction)
- Salmon Creek Slide (east of 50th Avenue)
 - \$863K
- 7 year gap in funding for 179th Street Area Improvements
 - Working with Council to advance funds

As a result an updated TIP is required –
See Slide 10 for Options.

2017–2022 Road Fund Balance

with and without the \$6.7M projected grants for 10th Avenue and 119th Street for 2017 & 2018



Conclusion: Road fund balance will be negative, if grants are not awarded. Road Fund is not sustainable and healthy to cover expenses.

Risks

- ▶ **Delayed Projects** (2017 GRANTS UNKNOWN until late November)
 - 10th Avenue over Whipple Creek
 - 119th Street phase(s)
 - Design starts (next tiers) – Not much left
 - Preservation – uses over \$7M road fund (CAPP \$0.8)
- ▶ **Preservation** – Unable to keep up with need to maintain the pavement condition index
- ▶ **Challenges with Leveraging Grants**
- ▶ **Future Economic Growth**– inability to provide future growth per adopted Comprehensive Plan
- ▶ **Moratorium/Urban Holding** – Stops development
- ▶ **Increased Public Share**
- ▶ **Project Gaps**

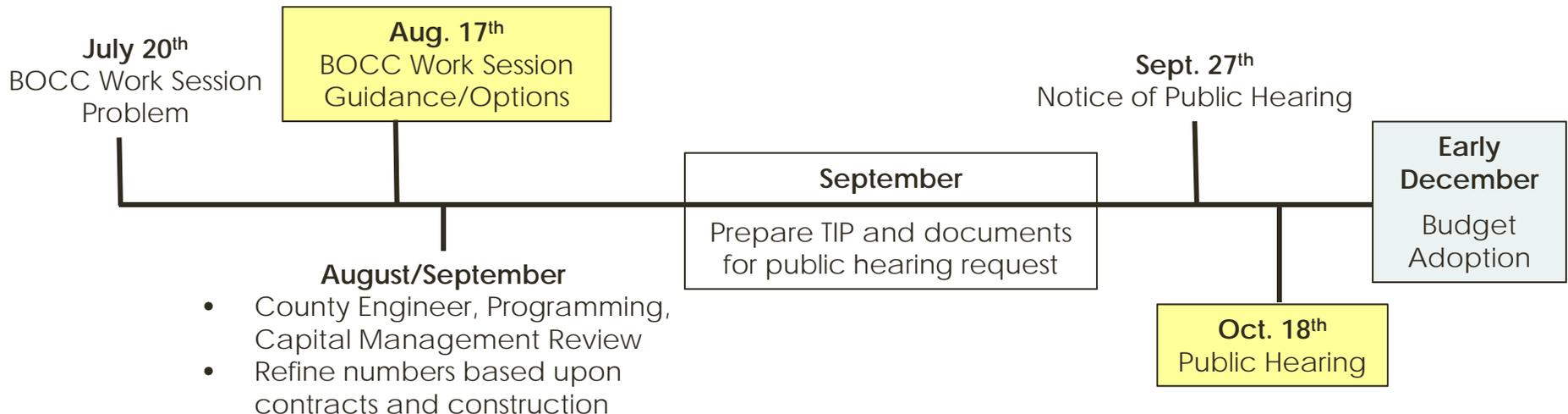
Options

- ▶ Delay or Shelve Projects
- ▶ Significantly Reduce Ongoing Programs
- ▶ Increase Revenue
 - Reinstate 1% Property Tax
 - Reduce Law Enforcement Diversion
 - Eliminate TIF Fee Waiver
- ▶ Bonding
- ▶ Combination of Approaches



Next Steps

**Direction on what to assume about controllable revenue.
Options: Delay/Shelve Projects, Reinstate Lost Revenue, Bonding, Combo?**



August Work Session: Guidance on changes to the:

- 2017–2022 Transportation Improvement Program (TIP)
 - 2017 Annual Construction Program (ACP)
- ... to adopt these programs before the Budget per state mandate.