

Streets and Roads Initiative Committee Report

**Longview City Council
Workshop
April 28, 2016**

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IMS 2011 Street Network Evaluation

	Asphalt Concrete	Portland Cement Concrete	Total
Miles	64	74	138
% of Network	47%	53%	100%
Replacement Cost	\$65M	\$185M	\$250M
Average Overall Condition Index Rating (OCI)			
OCI ₂₀₁₁	61	76	69
OCI _{2016*}	51	65	58

* At current funding level

Pavement Maintenance Shortfall

Annual Funding	
Current Pavement Maintenance Funding	\$ 610,000
Funding Level to Maintain OCI	\$ 2,800,000
Annual Funding Deficit	\$ 2,190,000

Impact of Funding Shortfall

- Network asset value is dropping ~1.3%/year
- OCI rating is dropping ~2 points/year
- Every dollar “saved” by deferring maintenance is lost to declining asset value and increased future rehabilitation/replacement costs.

Pavement Maintenance Shortfall

Annual Funding	
Motor Vehicle Fuel Tax – General Fund	\$ 520,000
Other General Fund & Capital Projects Fund Allocation	<u>\$ 90,000</u>
	\$ 610,000
Motor Vehicle Fuel Tax – Arterial Street Fund [Typically used to match state & federal grants]	\$ 240,000
ASF Expenses: CWCOG; Planning; Misc.	(\$ 20,000)
Bridge Repairs	(\$ 20,000)
Bridge inspections	(\$ 10,000)
Washington Way Bridge Debt Service	(\$ 72,000)
ASF Available Balance	\$ 118,000

Additional Funding Options

Potential Funding Sources	
Levy Lid Lift – General Fund [Voter Approved]	City-wide A.V. = \$2,632,167,111 Current Levy Rate = \$3.3991 per \$1000 Available Levy Capacity = \$0.2009 Available Funding $\approx$ \$529,000 One Year or Multi-Year Lift Funding variable due to changes in A.V. Leaves no capacity for other needs
M & O Levy – General Fund [Voter Approved]	No limit to levy One Year only Levy Rate at \$0.213/\$1000 $\approx$ \$561,000
County-wide Fuel Tax [Voter Approved]	Up to 3.75 cents per gallon 1% Dept. of Revenue fee No votes have been successful

Additional Funding Options

Potential Funding Sources	
General Obligation Bond [Council Approved]	Limited to 1.5% of City-wide A.V. (\$39.5 Million) Available bond capacity = \$37.4 Million Example Bond: \$11.25 Million 20 Year term at 4% \$0.31 Levy Rate
General Obligation Bond [Voter Approved]	Limited to 2.5% of City-wide A.V. (\$65.8 Million) Available bond capacity = \$63.7 Million
Street Utility [Council Approved]	State Supreme Court declared unconstitutional Up to \$2/mo/employee Up to \$2/mo/household

Additional Funding Options

Potential Funding Sources	
Street Maintenance Utility – Proposed to replace Street Utility [Council Approved] ➤ Not yet authorized by state legislature	Legislation proposed last 3 sessions Supported by AWC and various cities SMU Advisory Committee required Fees based on city-determined user classifications and impacts Cannot be used to expand road network Ordinance subject to referendum
Federal STBG (Previously STP – U)	Regional selection of projects Program focus is network expansion and improvement Pavement rehab projects not likely to be selected
Local Improvement District [Petition or Council Approved]	Not likely to meet requirement for increased property value

Additional Funding Options

Potential Funding Sources	
Utility Tax [Council Approved]	Current rates: ➤ 6% on electricity, gas, telephone, etc. ➤ 9.5% on water, sewer, storm, solid waste Maximum allowed rates: ➤ 6% on electricity, gas, telephone, etc. ○ Voters may approve higher rates for those utilities ➤ No maximum on water, sewer, storm, solid waste City Utilities Tax: Current revenue at 9.5% $\approx$ \$2,458,000 Additional 2.2% tax $\approx$ add'l \$569,000 (Total rate = 11.7%)

Additional Funding Options

Potential Funding Sources	
Transportation Benefit District Funding Options	Council approves District Council serves as District Board
Vehicle License Renewal Fee [Council Approved]	Up to \$20/vehicle/year (some exemptions) >Referendum clause at \$20 removed< As of Oct. 2011: 27,945 vehicles eligible \$20 fee = \$559,000/year in full effect 1% Dept of Licensing fee
[ESSB 5987 Adopted 2015 Allows Additional Council Approved Fees]	Up to \$40/vehicle/year •≈ \$1,118,000/year •\$20 fee must be in effect at least 24 months before fee increase
	Up to \$50/vehicle/year •≈ \$1,398,000/year •\$40 fee must be in effect at least 24 months before fee increase •Non voter approved fee above \$40 subject to referendum

Additional Funding Options

Potential Funding Sources	
Transportation Benefit District	TBD Funding Options (Cont.)
Vehicle License Renewal Fee [Voter Approved]	Up to \$100/veh./year (some exemptions) Fee increase subject to voter approval As of Oct. 2011: 27,945 vehicles eligible \$100 fee = \$2,795,000 1% Dept of Licensing fee
Development Fees [Council Approved]	TBD projects must mitigate impacts of development; no preservation Residential buildings exempt Must credit SEPA mitigation fee against TBD fee
Sales and Use Tax [Voter Approved]	Up to 0.2% TBD rate at 0.2% = \$1.46 million Expires in 10 years; voters may renew

Additional Funding Options

Potential Funding Sources	
Transportation Benefit District	TBD Funding Options (Cont.)
M & O Property Tax Levy [Voter Approved]	One-year
General Obligation Bond [Council Approved]	Limited to 1.5% of District A.V. (\$40.5 Million for city-wide) Available bond capacity = \$38.4 Million Example Bond: \$11.25 Million 20 Year term at 4% \$0.31 Levy Rate
General Obligation Bond [Voter Approved]	Limited to 5.0% of District A.V. (\$131.6 Million for city-wide) Available bond capacity = \$129.5 Million

Additional Funding Options

Potential Funding Sources	
Transportation Benefit District	TBD Funding Options (Cont.)
Revenue Bonds [Board Approved]	Limited by TBD revenue to pay debt Revenue may require voter approval
Local Improvement District [Petition or Council Approved]	Not likely to meet requirement of increased property value
Vehicle Tolls [Council Approved]	Must be approved by legislature for tolls on state routes All tolls must be approved by state transportation commission

Transportation Benefit District (TBD)

- ❖ Formed by Council
- ❖ Subject to citizen referendum
- ❖ Advisory vote can be held in advance of formation
- ❖ Requires transportation plan
- ❖ Requires annual reporting
- ❖ Current TBDs use vehicle license fee or sales tax
 - 87 TBDs formed; 16 remain unfunded
 - Vehicle license fee – 51 TBDs
 - 1 at \$10; 2 at \$40; 1 at \$80; others at \$20
 - Sales Tax – 22 TBDs
 - 1 at 0.1% rate; 1 at 0.13% rate; others at 0.2%
 - 3 TBDs with both vehicle license fee and sales tax
- ❖ Vehicles exempt from license fee
 - > 6,000 lbs curb weight
 - Off-road; farm; snowmobiles; mopeds, truck campers
 - Private use single axle trailer < 2,000 lbs curb weight

Re-Allocation of Existing Funds

2015-16 Recreation Budget = \$2,320,080

<u>Program:</u>	Amount
Facility Use/Operations	\$651,180
Adult Programs	\$401,810
Out-of-School Youth Programs	\$397,130
Youth Programs	\$297,090
Family Programs	\$259,410
Therapeutic Programs	\$142,460
Teen Programs	\$95,000
Senior Programs	\$76,000

***Note: \$560,000 represents 48% of annual expenditure budget and a loss of \$190,000 in annual revenue.**

Re-Allocation of Existing Funds

2015-16 Park Maintenance Budget = \$3,195,300

<u>Program:</u>	Amount
General Park Maintenance	\$1,606,910
Turf Maintenance	\$759,610
Restroon Maintenance, Sanitation, Litter Control	\$418,540
Water Management & Irrigation Maintenance	\$216,750
Playground Maintenance	\$193,490

***Note: \$560,000 represents 35% of annual expenditure budget.**

Re-Allocation of Existing Funds

2015-16 Library Budget = \$4,042,900

<u>Program:</u>	Amount
Public Services	\$1,566,450
Technical Services	\$1,400,530
Youth Services & Family Literacy	\$564,470
Adult Services & Literacy	\$511,450

***Note: \$560,000 represents 28% of annual expenditure budget.**

Discussion

