



Draft TransPOL Meeting Agenda
Thursday, November 19, 2020 | 3:15-4:45 PM

This is an online meeting due to the COVID-19 pandemic and Governor Inslee's "Stay Home, Stay Healthy" Proclamation.

To participate:

- Link to participate in the video conference and view the screen share: <https://zoom.us/j/938664782>. If you are joining by video, please add your affiliation after your name.
- To participate by phone only: Dial 720-707-2699 and enter the Meeting ID: 938-664-782#

Purpose: To hear an update from PSRC on VISION 2050, receive a briefing on the CPP update process, and continue the discussion of supporting large regional transportation projects in Kitsap.

A. Welcome and Business (5 min)

Objective: Maintain the business and operations of KRCC.

- Latest [2020 KRCC calendar](#) (pg. 2) and [proposed 2021 KRCC calendar](#) (pg. 3)
- Approve draft [August 20, 2020 meeting summary](#) (pg. 4) **(Vote)**

B. General PSRC Updates (15 min)

Objective: Hear an update from PSRC on the Regional Transportation Plan update process and initial Project Selection Criteria conversations.

- [Final VISION 2050](#) (link)
- Project Selection Criteria updates

C. Countywide Planning Policies (CPPs) Update Briefing (15 min)

Objective: Coordinate with the land use committees on the transportation related updates to the CPPs.

- KRCC staff briefing on CPP update process and [timeline](#) (pg. 10)
- Note that TransTAC will develop a recommendation to TransPOL on which CPP transportation components to take up in 2021

D. Supporting Large Regional Projects in Kitsap (35 min)

Objective: Discuss how to fund regionally significant projects outside of the PSRC Competitions.

- What transportation funding mechanisms should be examined in more detail? Which of these mechanisms require multijurisdictional collaboration?
- What is a unified "problem statement" regarding the need for additional funding outside of the PSRC Competitions?
- Reference document: [WSDOT 2019 County by County Analysis](#) (pg. 11)

E. PSRC Transportation Policy Board Updates (5 min)

Objective: To stay current with PSRC transportation activities.

- Report out on the latest Transportation Policy Board meeting.

F. Corridor Updates (5 min)

Objective: Share updates on corridor projects.

- SR 305, SR 16/Gorst, SR 104, SR 307

G. Announcements and Next Steps (5 min)

Objective: Ensure follow up on proposed ideas and tasks.

- Next TransPOL meeting in 2021

H. Public Comments (5 min)

I. Adjourn



Kitsap Regional Coordinating Council

2020 Meeting Schedule

Draft v.10-13-2020

| | | January | February | March | April | May | June | July | August | September | October | November | December |
|----------------|---|---|--|---|---|---|--|--|--|--|---|---|---|
| Executive | Board* 1 st Tues. 10:15AM-12:15PM Norm Dicks Gov. Center | | Feb. 4 Board Meeting | | April 7 (canceled) | May 5 Remote** Board Meeting | June 2 Remote** Board Meeting | | | Sept. 1 Board Meeting | | | Dec. 1 Board Meeting |
| | Executive Committee 3 rd Tues. 11:00AM-1:00PM Kitsap Transit | Jan. 21 Executive Committee Meeting | Feb. 18 Remote Executive Committee Meeting | March 17 (cancelled) | April 21 Remote Executive Committee Meeting | May 19 Remote Executive Committee Meeting | June 16 Remote Executive Committee Meeting | | Aug. 18 Remote Executive Committee Meeting | Sept. 15 Executive Committee Meeting | Oct. 20 Executive Committee Meeting | Nov. 17 Executive Committee Meeting | Dec. 15 Executive Committee Meeting |
| Transportation | TransPOL* 3 rd Thurs. 3:15-4:45PM Kitsap Transit | | | March 19 Remote** TransPOL Meeting | | May 28 (4 th Thurs.) Remote** TransPOL Meeting | June 18 Remote** TransPOL Meeting | | Aug. 20 Remote TransPOL Meeting | | | Nov. 19 TransPOL Meeting | Dec. 17 (canceled) |
| | TransTAC 2 nd Thurs. 12:30-2:30PM Kitsap Transit | Jan. 9 TransTAC Meeting | Feb. 12 PSRC Workshop (Wed.) | March 12 Remote TransTAC Meeting | | May 27 Remote Project Selection Workshop (Wed.) | | July 9 Remote TransTAC Meeting | | Sept. 10 TransTAC Meeting | | Nov. 12 TransTAC Meeting | |
| Land Use | PlanPOL* 3 rd Tues. 1:30-3:00PM Kitsap Transit | | Feb. 18 (canceled) | | April 21 (canceled) | | June 16 Remote** PlanPOL Meeting | | | | | Nov. 17 PlanPOL Meeting | |
| | LUTAC 2 nd Thurs. 9:30-11:30AM Norm Dicks Gov. Center | Jan. 9 LUTAC Meeting | | | April 9 Remote LUTAC Meeting | May 14 Remote LUTAC Meeting | | July 9 Remote LUTAC Meeting | | Sept. 30 LUTAC Meeting | Oct. 26 LUTAC Meeting | Nov. 12 LUTAC Meeting | Dec. 10 LUTAC Meeting |

*Open to the public

**<https://zoom.us/j/938664782>; +1 669 900 9128; Meeting ID: 938 664 782

Other Dates

Legislative Reception: November 12



Kitsap Regional Coordinating Council

2021 Meeting Schedule

Draft v.11/12/20

| | | January | February | March | April | May | June | July | August | September | October | November | December |
|----------------|---|---|---|--|--|--|---|------|---|--|---|---|---|
| Executive | Board* 1 st Tues. 10:15AM-12:15PM Norm Dicks Gov. Center | | Feb. 2 Board Meeting | | | May 4 Board Meeting | June 1 Board Meeting | | | Sept. 7 Board Meeting (in-person) | | Nov. 2 Board Meeting (in-person) | Dec. 7 Board Meeting (in-person) |
| | Executive Committee 3 rd Tues. 11:00AM-1:00PM | Jan. 19 Executive Committee Meeting | Feb. 16 Executive Committee Meeting | March 16 Executive Committee Meeting | April 20 Executive Committee Meeting | May 18 Executive Committee Meeting | June 15 Executive Committee Meeting | | Aug. 17 Executive Committee Meeting | Sept. 21 Executive Committee Meeting | Oct. 19 Executive Committee Meeting | Nov. 16 Executive Committee Meeting | Dec. 21 Executive Committee Meeting |
| Transportation | TransPOL* 3 rd Thurs. 3:00-4:30PM | | Feb. 18 TransPOL Meeting | | | May 20 TransPOL Meeting | | | | Sept. 16 TransPOL Meeting | | Nov. 18 TransPOL Meeting | |
| | TransTAC 2 nd Thurs. 1:30-3:00PM | January 14 TransTAC Meeting | | March 11 TransTAC Meeting | | | | | | | Oct. 14 TransTAC Meeting | | Dec. 9 TransTAC Meeting |
| Land Use | PlanPOL* 3 rd Tues. 1:30-3:00PM | Jan. 19 PlanPOL Meeting | | March 16 PlanPOL Meeting | | May 18 PlanPOL Meeting | | | | | Oct. 21 PlanPOL Meeting | | |
| | LUTAC 2 nd Thurs. 9:30-11:30AM | Jan. 14 LUTAC Meeting | Feb. 11 LUTAC Meeting | March 11 LUTAC Meeting | April 8 LUTAC Meeting | May 13 LUTAC Meeting | | | | Sept. 9 LUTAC Meeting | | | |

*Open to the public

**[remote participation information]

Other Dates

Board Retreat:

Legislative Reception:



Kitsap Regional Coordinating Council (KRCC)
Draft Transportation Policy Committee (TransPOL) Meeting Summary
 August 20, 2020 Meeting | 3:15-4:45 PM | Remote Meeting
 v. 9-9-20

| Decisions | | |
|--|------------|----------|
| <ul style="list-style-type: none"> No decisions were made by TransPOL | | |
| Actions | Who | Status |
| Amend the 6/18/20 TransPOL Summary and upload to the KRCC website. | KRCC staff | Complete |

A. WELCOME AND REVIEW OF DRAFT JUNE 18, 2020 MEETING SUMMARY

Sophie Glass, KRCC Program Lead, welcomed participants to the virtual meeting (see Attachment A for a list of TransPOL members and observers). Councilmember Ashby clarified that in the June 18, 2020 TransPOL meeting summary, Thera Black, rather than Councilmember Ashby, is the representative on Washington State Department of Transportation’s (WSDOT) Investment Strategy Committee. KRCC staff will update the meeting summary and post it on the KRCC website.

B. WSAC AND AWC TRANSPORTATION LEGISLATIVE PRIORITIES

Discuss strategies for obtaining resources for transportation projects outside of the current PSRC transportation competitions and potential coordination opportunities on transportation related legislative priorities.

Sophie welcomed Jane Wall, Washington State Association of Counties (WSAC) Managing Director, and Logan Bahr, Association of Washington Cities (AWC) Government Relations Advocate. She noted that Kitsap’s growth and demand for transportation infrastructure has outpaced its available Federal Highway Administration (FHWA) funding and that the highest scoring project in the 2020 Kitsap Countywide Competition, the SR 104 Realignment project, was not awarded funding because the request of \$4.9 million was too large to be competitive in the countywide forum, yet it was not competitive in the Regional Competition. At the same time, another transportation infrastructure priority for Kitsap is the Gorst Interchange. The estimated cost to aid in the design and construction to fix the Gorst bottleneck is \$425,000,000. Sophie invited Logan and Jane to provide an overview of potential transportation related legislative priorities.

Logan Bahr, one of four AWC lobbyists, works on transportation infrastructure, broadband, and utility related issues. He shared that:

- Washington State’s Operating Budget is down over \$8 million due to loss of revenues from the passing of Initiative 976 and COVID-19.
- The transportation budget may not see as large of a reduction in revenues due to the nature of its funding sources.
- The last transportation package passed in 2015 as a 16-year package.

Jane Wall, WSAC, works on transportation and public works policy. She shared that:

- Initiative 976 results in a total of \$4 billion lost in state and local transportation funding.
- The decision on I-976 by the Washington Supreme Court may come in fall 2020 after the election but there is no guarantee of when the decision will be made. The decision will be a significant determinant of the transportation budget.

- Knowing that each transportation package takes a few years to develop, it is likely that several packages will be proposed in the coming legislative session.
- Legislative priorities that are being discussed by counties are carbon policy, a Road Usage Charge, new and existing revenue streams, balancing competing transportation needs, and fish passage barrier removal.

TransPOL members had the following questions and comments about obtaining resources for transportation projects:

- Commissioner Strakeljahn noted that the Gorst Coalition will advocate for addressing Gorst during the 2021 legislative session.
 - Jane agreed that Gorst may end up on a prioritized list in the legislature. She added that individual projects have been funded at the detriment of preservation and maintenance budgets and that policy makers will need to consider what percentage of the transportation budget goes to new projects and what percentage needs to fund day to day maintenance and operations.
- Councilmember Ashby noted that most of the transportation funding that is available to local jurisdictions is competitive. Local jurisdictions need a reliable sustainable revenue source for preservation and safety projects.
- Logan shared that gas tax revenues are distributed to local governments, although the Road Usage Charge (RUC) is proposed as a long-term replacement to the gas tax. He suspects that councilmanic sales taxes along with an increase of the cap on sales tax, and many other strategies will be considered for local funding options.
 - Director Clauson noted that the sales tax is volatile and therefore difficult to plan transportation infrastructure based on sales tax revenue.
- Jane shared that local jurisdictions being engaged in new revenue conversations is critical.
- Logan provided a Joint Transportation Committee (JTC) Study on a Statewide Needs Assessment http://leg.wa.gov/JTC/Documents/Studies/Statewide%20Needs%202019/FinalReport_StatewideNeeds.pdf. Local revenue options begin on pg. 152. He noted that there are local revenue options not being utilized by local jurisdictions, which makes it harder to advocate in the legislature. He also shared the Strong Cities Advocacy Guide <https://wacities.org/advocacy/advocacy-tools/strong-cities-advocacy-guide> for jurisdictions to use as a resource.
- Director Clauson shared that Oregon has an employee tax as a transportation revenue source.
- Jane noted that legislators like to see various funding mechanisms being utilized.

Engaging Legislators at the Legislative Reception.

Sophie acknowledged that the KRCC Legislative Reception will be held virtually in November. Jane encouraged engagement to be framed around how jurisdictions can help legislators as allies. Logan encouraged TransPOL members to identify and support champions and have clear asks. He recommended demonstrating broad stakeholder engagement around Gorst. Lastly, he shared that successful advocacy requires a consistent process of relationship building over years.

C. SUPPORTING LARGE REGIONAL PROJECTS IN KITSAP

East Sequim Project Memo.

At the last TransPOL meeting, members recommended learning more about the East Sequim project. Mishu Pham-Whipple, KRCC Transportation Lead, shared that East Sequim project sponsors were able to obtain funding from the legislature and put forward a significant amount of their Surface Transportation Program (STP) money towards the project. The contents of the memo are based on conversation with Dennis Engel with WSDOT and David Garlington from the City of Sequim who previously worked for WSDOT on the project. For the East Sequim project, a package of funding mechanisms were used, including a

majority of the STP funds for Clallam County, funding from the Legislature via a hired lobbyist, a match from the City of Sequim, and block grants from Clallam County. The City of Sequim shares similar challenges to Kitsap jurisdictions in terms of limited capacity to put together project applications and a small total amount of available STP funds. The City of Sequim is still in the process of obtaining full funding to complete the design and construction of the project. Councilmember Ashby shared that Clallam County only gets about \$1 million in STP funds per cycle, so it is not uncommon for only one or two projects to be funded at a time. She also noted that because it can be challenging for local jurisdictions to utilize federal funds, the City of Sequim was interested in directing federal funds to WSDOT and implementing a funding swap. However, Teresa Turpin, WSDOT clarified that fish barrier funding can only be used for fish barrier removal and that the swap was not possible for this project.

Transportation Funding Tools Memo.

Mishu provided an overview of the preliminary research on the five funding mechanisms TransPOL has requested at their last meeting.

- **Tolls:** Tolling is a strategic tool to help manage congestion, enhance mobility, fund public improvement projects, and generate revenue required for ongoing operation and maintenance costs of existing facilities. At the state level, there is interest in expanding the use of tolling. Getting a toll implemented can take years give the extensive feasibility studies and planning required but is a useful tool for large road projects.
- **Transportation Impact Fees:** Impact fees are one-time charges assessed by a local government against a new development project to help pay for new or expanded public facilities that will directly address the increased demand for services created by that development. Transportation impact fees are restricted to capital facilities (not studies or operation/maintenance). This is the only of the five tools that jurisdictions can implement without approval from voters or the legislature. However, significant analysis is required to document eligible projects, rate setting, and a rational nexus between the fee and impacts/benefits of new developments.
- **Local Sales Tax:** Sales taxes are taxes that apply to sales of “tangible personal property and are typically the largest or second-largest source of revenue (the other usually being property taxes). Kitsap jurisdictions have the same local tax rates with a combined state and local tax rate of 9%. If a voter approved sales tax of 0.2% were implemented in all Kitsap jurisdictions, the combined yield would be approximately \$10 million in a year. There would not be a significant investment cost to implement this funding source, but the ballot language would need to identify how the funding would be utilized. The last time Kitsap jurisdictions increased sales tax was in 2017 for the Passenger Only Ferry Tax.
- **Transportation Benefit District:** Transportation Benefit Districts (TBDs) are quasi-municipal corporations that create independent special taxing districts to generate revenue for transportation projects. The TBD is a legally separate entity. Vehicle licensing fees and sales taxes are the common tools that TBDs use, however I-976 repealed the ability of TBDs to charge license fees altogether. A TBD may be useful for Kitsap given that more than one type of jurisdiction can be part of a TBD and its boundaries can be a specific portion of a jurisdiction(s).
- **Local Gas Tax:** Counties may impose a local gas tax of 10% of the state gas tax rate (\$49.4 per gallon in Washington), or \$0.49 per gallon. Revenues are shared with cities on a per capita basis and must be used for transportation purposes. The county’s share is calculated based on 1.5 times the unincorporated population. The gas tax is a less desirable source of revenue on the state and national levels given increased use of fuel-efficient vehicles. No counties have attempted a local gas tax in recent years and the only counties that have put a local gas tax on the ballot in the past are Spokane and Snohomish Counties, both of who’s measures failed.

Discuss desired follow up to support future discussions on supporting large regional projects in Kitsap.

There was general consensus from TransPOL that further discussion on transportation funding mechanisms is needed. Some members provided specific updates and comments:

- Commissioner Gelder shared that the County Public Works department has been looking at various funding options over the years and is in the process of doing a Transportation Impact Fee analysis. The County also proposed a ferry surcharge from Kingston to Edmonds to the transportation commission, however, it did not get traction. The proposal would need more coordination and support from Kitsap jurisdictions for it to move forward. He would like Kitsap to come together to discuss sales tax options to fund a collective prioritized list and engage the community about funding options and transportation needs.
 - Councilmember McVey asked why the County's impact fee is currently lower than most other jurisdictions. Commissioner Gelder responded that the fee is based on old data and is in the process of being updated to be in line with the growing demand for transportation infrastructure.
- Councilmember Ashby emphasized the need for a reliable, sustainable funding source, citing the size of the SR 104 project that was not funded through the recent STP funding cycle.
- Mayor Wheeler shared that the City of Bremerton is looking to consider impact fees but acknowledged the dynamics of jurisdictions competing with each other to get developers to build in their communities. He is planning to work with City Council to enhance the road and sidewalk program to pay for maintenance.

D. 2020 Q3 AND Q4 WORK PLAN

Review and provide feedback on the 2021 KRCC Transportation Work Plan.

Sophie provided an overview of the 2021 KRCC Transportation Work Plan, which describes the Transportation Program, deliverables, staffing, and number of meetings. Major action items in the work plan include:

- Item 2: Discuss transportation funding opportunities outside of the FHWA competitions.
- Item 4: Incorporate VISION 2050 into the Countywide Competition as appropriate.
- Item 5: Approve Kitsap's Rural Town Centers and Corridors Projects to PSRC. Although 2021 is considered a "competition off year," the Rural Town Centers and Corridors competition will take place. Up to three projects from Kitsap may be submitted. Only the County and City of Poulsbo are eligible to submit projects.
- Item 8: Review Transportation Planning Element of the CPPs.

There are four TransPOL and four TransTAC meetings planned for 2021.

E. PSRC TRANSPORTATION POLICY BOARD UPDATES

Report out on the latest PSRC Transportation Policy Board meeting:

The last PSRC Transportation Policy Board meeting was on July 9 and the next meeting is on Sept. 10. Agenda topics from the July 9 meeting included approving FHWA competition projects, a Passenger Only Ferry Study Update, and Regional Transportation Plan briefing.

F. CORRIDOR UPDATES

- **SR 305.** Commissioner Gelder reported that construction has begun on the Johnson Road roundabout project.
- **SR 16/Gorst.** Commissioner Strakeljahn reported that a Co-Chair meeting was held earlier this week. The group is in the process of solidifying a Legislative Committee, as well as an Environmental Committee. Letters of Invitation are in process of being distributed and an Executive Committee meeting is planned for early October.
- **SR 104.** Commissioner McClure reported that the Committee held an open house, which was well received. It provided education to interested community members and collected feedback to inform

decision making about further funding. Commissioner Heacock shared that draft conceptual graphics were shared. The meeting can be viewed here: <https://www.youtube.com/watch?v=SxtlualsfU0>

G. ANNOUNCEMENTS AND NEXT STEPS

Mayor Wheeler shared that Bremerton was named the 3rd most affordable city for tech workers by Coding Dojo.

The next TransPOL meeting will be on October 15, 2020.

H. PUBLIC COMMENTS

No public comments were made.

I. ADJOURN

Attachment A: Meeting Attendees

| NAME | JURISDICTION (ALPHABETICAL) |
|--------------------------|---|
| TRANSPOL MEMBERS: | |
| Mayor Schneider | City of Bainbridge |
| Mayor Wheeler | City of Bremerton |
| Councilmember Ashby | City of Port Orchard |
| Councilmember McVey | City of Poulsbo |
| Commissioner Gelder | Kitsap County |
| Director Clauson | Kitsap Transit |
| Commissioner Strakeljahn | Port of Bremerton |
| Commissioner McClure | Port of Kingston |
| Commissioner Heacock | Port of Kingston |
| Commissioner Grovnull | Port of Kingston |
| OBSERVERS: | |
| Logan Bahr | Association of Washington Cities |
| Chris Wierzbicki | City of Bainbridge Island |
| Shane Weber | City of Bremerton |
| Andrew Nelson | Kitsap County |
| David Forte | Kitsap County |
| Steffani Lillie | Kitsap Transit |
| Fred Salisbury | Port of Bremerton |
| Teresa Turpin | Washington State Department of Transportation (WSDOT) |
| Jane Wall | Washington State Association of Counties |
| STAFF: | |
| Sophie Glass | KRCC Program Lead |
| Mishu Pham-Whipple | KRCC Transportation Program Lead |

PROJECT SCHEDULE

- LUTAC meetings on draft policies - Nov, Jan, Feb, March
- TranTAC meetings – Nov, Jan
- TransPOL meeting - Feb
- PlanPOL recommendation - March
- LUTAC revisions (if necessary) - April
- Executive Board - May, June
- County adoption/ratification

| Actions | General Timeframe | Deliverables | |
|--|-----------------------|---|---|
| Project Kick-Off and Project Charter | Sept. - Oct. 2020 | <input type="checkbox"/> Project Kick-off meeting <input type="checkbox"/> Project Charter Development <input type="checkbox"/> Project Schedule | ✓ |
| Policy Gap Analysis | Sept. – Oct. 2020 | <input type="checkbox"/> Gap Analysis Document | ✓ |
| Policy Review & Drafting | Oct. - April 2021 | <input type="checkbox"/> Prepare and review modifications to existing CPPs. | 🕒 |
| KRCC Board review and approval process | May – June 2021 | <input type="checkbox"/> KRCC Board review draft CPP updates in May <input type="checkbox"/> LUTAC and consultant discuss Board feedback and make document revisions <input type="checkbox"/> KRCC Board holds hearing in June and makes formal recommendation | |
| Kitsap County legislative Process | June – August 2021 | <input type="checkbox"/> Public comment period <input type="checkbox"/> SEPA review <input type="checkbox"/> Kitsap County Commissioners’ public meeting(s) and hearing process <input type="checkbox"/> As necessary, develop policy amendments based on Commissioners’ feedback. <input type="checkbox"/> Kitsap County adoption by ordinance | |
| Ratification | Sept. – December 2021 | <input type="checkbox"/> 90-day ratification process | |



2019 County by County Analysis

**RETURN PER DOLLAR CONTRIBUTED BY CITIZENS WITHIN EACH COUNTY
STATE & FEDERAL TRANSPORTATION FUNDS**

2019 ANALYSIS

5-YEAR HISTORICAL LOOK

2015 - 2019

**Includes Additional Tables on the Impact of Transportation
Short-term Transportation Investments in the State and Local Economies**

PURPOSE OF THIS HISTORICAL ANALYSIS

- The county-by-county analysis attempts to address the frequently asked question of where the transportation related money has been raised across the state and where it was spent on transportation projects.
 - This analysis allocates transportation revenues and spending in a simplified method.
 - Fuel taxes are collected at the supplier and distributor level, and not at the gas station level. Fuel tax revenues are not tracked at the county, but rather this analysis allocated statewide fuel tax revenue to each county based on population.
 - It assumes that only the county with the highway within its borders receives the benefits of the transportation investment.
- This historical analysis covers a five fiscal-year period of actuals from fiscal years 2015 – 2019. (“Actuals” refers to a completed year of data versus projected or estimated totals.)
 - A single-year analysis was also completed for 2019 to compare the most recent year with the 5-year average.
- The analysis includes state collected and federal transportation funds used by WSDOT.
- Revenues derived from local sources and expended on city streets, county roads, or for public transportation were not included.
- The analysis covers the use of pre-existing funds, the 2003 Nickel package, 2005 Transportation Partnership and Connecting Washington revenue packages.
- State fuel-tax allocations to local governments to be used for highway purposes were included as state spending.

KEY ASSUMPTIONS – SOURCES OF FUNDS

To estimate the allocation of sources of funds by county, the following key assumptions were made:

- Actuals from the most recent five fiscal years (2015-2019) were used for this historical analysis.
- Local allocation factors, like county population and motor vehicle registrations, were updated for recent data through 2019.
- Motor fuel tax revenues are attributed to counties based on county population.
- Bond proceeds are excluded from this analysis.
- Toll revenues are allocated to counties based on a recent review of licensed vehicles paying tolls by facility.
- Ferry fare revenue is attributed to counties based on a historical average of ferry fares collected by route.
- License Permit & Fee revenues (LPF) are categorized into three revenue groups: Basic \$30 License fees, Combined License Fees, and Other License and Permit Fees. Each LPF revenue category is allocated on a unique allocation factor.
 - The Basic \$30 License fee revenue is allocated based on historical county registrations for Basic passenger vehicles.
 - The Combined License fee revenue is allocated based on historical county registrations for trucks.
 - The Other License and Permit fees revenue is allocated based on historical average county registrations for passenger vehicles.
- Motor vehicle sales tax revenues are attributed to counties based on historical passenger car registrations by county.
- Federal revenues were based on federal expenditures for each fiscal year and allocated based on county population percentages.

KEY ASSUMPTIONS – USES OF FUNDS

To estimate the allocation of uses of funds by county, the following key assumptions were made:

- This 2019 expenditure analysis includes five historical fiscal years and state and federal revenue sources.
- WSDOT capital project lists were used to report the historical capital expenditures (improvement, maintenance, preservation, ferry and toll capital, etc...) categorized by expense period, type of expense and funding, and county of expenditure. The expenditures that cannot be attributed to a specific county are then allocated based on historical average expenditures for their sub-program.
- WSDOT operating expenditures by fiscal year, source of funds and program area were totaled and allocated to the county based on county population percentages.
 - Administrative expenses are attributed to counties based on historical program percentages
- Motor fuel taxes that are redistributed directly to the cities and counties are funds that are required to be spent on roads. These tax distributions are attributed to counties based on the actual distributions made to the cities and counties by the Washington State Treasurer.
- Transportation Improvement Board and County Road Administration funds are attributed to counties based on their county population percentage.
- WSDOT spending on local capital projects from Program Z pass-through funds are attributed to counties based on their county population percentage.

SUMMARY OF 2019 ANALYSIS

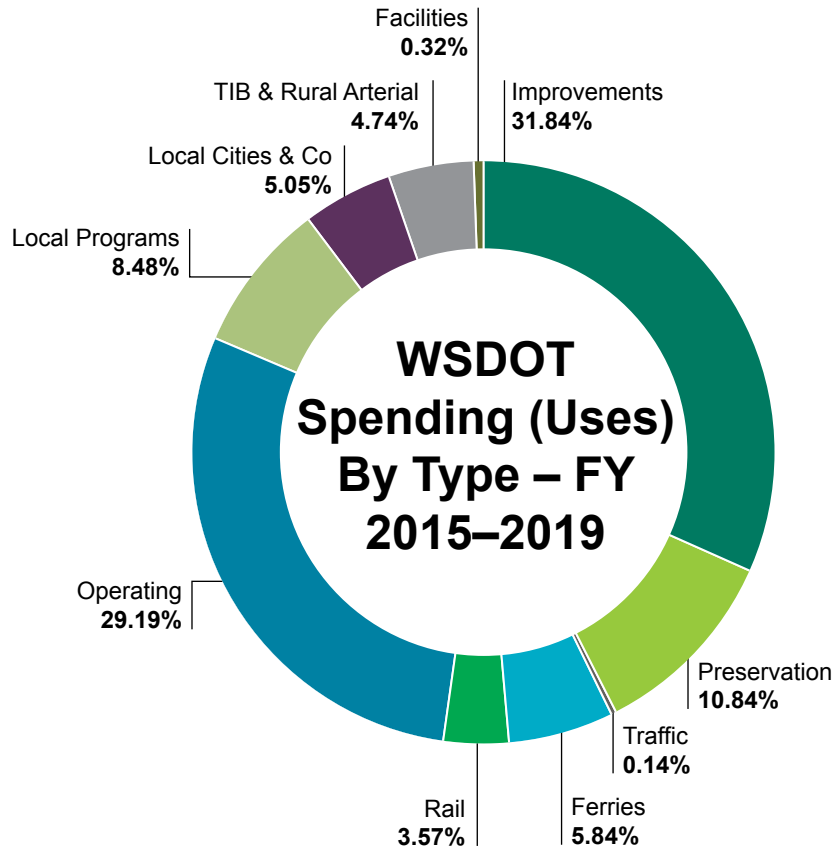
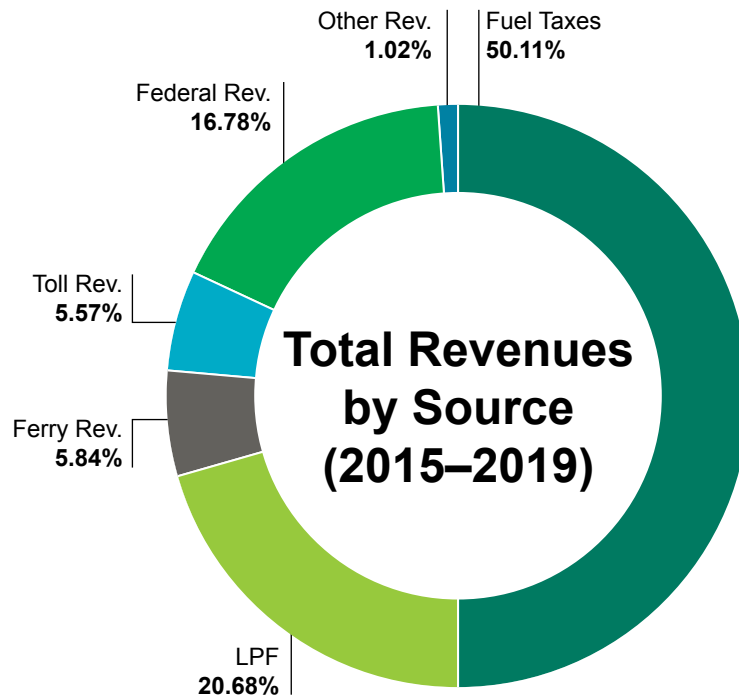
County level analysis of five years of actual contributions and expenditures for FY 2015 through FY 2019 compared to one year FY 2019.

- Total contributions for the past five years' actuals total \$16.145 billion of which the most recent actual in FY 2019 totaled \$3.49 billion, with an annual average of \$3.23 billion.
- Total expenditures for the past five years has totaled \$14.84 billion of which the most recent actual in FY 2019 totaled \$3.14 billion, with an annual average of \$2.97 billion.
- Each "return per county" indicates for every \$1 the county contributed in transportation taxes and fees, this is the amount of state transportation spending that occurred in that county. For example, in the 5-year historical period, the return for Pierce County is \$0.95, which means for every \$1 Pierce County residents paid in taxes and fees, they received in \$0.95 in state transportation spending.
- In the time period of this analysis, the Connecting Washington (CW) Revenue package was passed by the 2015 Legislature. As a result, fuel tax rate increases occurred in FY 2016 and 2017 and other licenses, permits and fee increases beginning in FY 2017. The revenues from the CW package are incorporated into this 2019 analysis but the spending on all the CW projects is not finished and started slowly in FY 2017. The spending on CW projects will continue for many more years beyond the time period illustrated in this 5-year period.
- The counties with the highest return per county were small counties with the following counties ranked from highest (1) – (5): Kittitas, Wahkiakum, Ferry, Lincoln and Garfield. All five of these counties had returns per county greater than \$2.
- One of the main reasons why these small counties had high returns per county is because they do not have a high percentage of total population or vehicle registrations so only a small amount of revenue is allocated to each county. If the county has any small projects in their county, this will result in spending being much greater than revenue and a return significantly above \$1.
 - For example, in Kittitas, WSDOT spent millions on improving Interstate 90 over Snoqualmie Pass and this project spending is mostly in Kittitas County where the population in the county is small, therefore the return in Kittitas spikes high to \$4.92, the highest among all counties. This analysis gives all the benefits of the improved I-90 freeway to this county, yet this transportation investment benefits all Washington and out of state drivers on this stretch of freeway.
- The main reason for a county's return-on-the-dollar to be low or below \$1 is due to more revenues being allocated to that county because they are a large county with lots of people or vehicles registered in their county, or they have toll revenue allocated to the county, or the state capital project spending is smaller than usual because a large project might have just ended.
 - For example, Kitsap County has a low return per county at \$0.39, but that is because there are no large projects within that county. In the past, this county had the Tacoma Narrows Bridge (TNB) reconstruction spending incorporated into its return per county. In addition, Kitsap County now has the toll revenues from TNB allocated to its return.
- As expected in the 5-year historical period, the counties with the two highest total capital project spending were King and Pierce counties. The projects with the largest expenditures were the State Route 99/ Alaskan Way Viaduct project and the SR 520/ Montlake to Lake Washington project in King County and the Interstate 5 / SR 16 Interchange, I-5 Steilacoom-DuPont Road and I-5 / Portland Avenue to Port of Tacoma Road projects in

Pierce County. Also note that some projects can get federal funds, which boosts a county's return as in Pierce County, where the Tacoma-Point Defiance Bypass project received federal funds during this time period of the analysis, causing the Pierce County return to be higher.

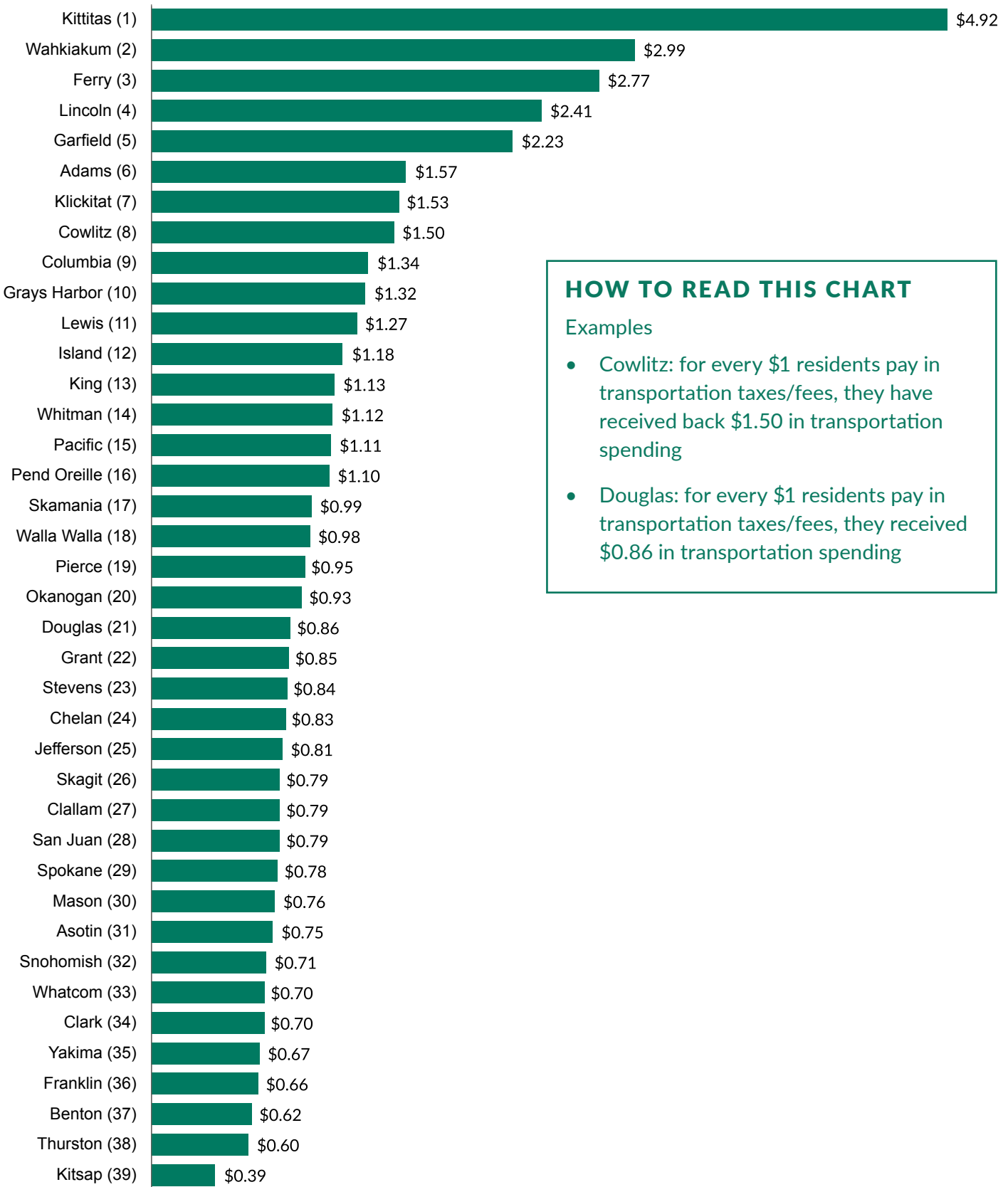
- Slightly under half of the counties in the 5-year actual table (41% or 16 counties) had a rate of return greater than \$1 (59% or 23 counties) had a return below \$1. This same percentage, 41% of all counties, had a single year 2019 return greater than \$1, and 59% of the counties had a return less than \$1.
- Examining a single-year return per county can produce unusual results if there are new projects or completion of old projects removed from that year's expenditures. This is especially true of returns in smaller counties.
 - For example, in the 2019 single year return analysis, Wahkiakum County now has the highest return per county at \$6.81. The reason for the big increase in return is because their largest project in the county is SR 409 / Columbia River Bridge at Puget Island and it had a big increase in its expenditures in 2019. Some counties like Wahkiakum can see wide swings in their returns.
- In comparing the 5-year average return per county with a single most recent year return in 2019, the results are similar with 21 counties or 53.8% of the counties having a higher return in 2019 than the 5-year historical return.

SOURCES AND USES OF FUNDS



\$ RETURN PER COUNTY RESULTS OF 5-YEAR HISTORICAL AND SINGLE YEAR (2019) ANALYSIS:

Returns Per County – 5-year

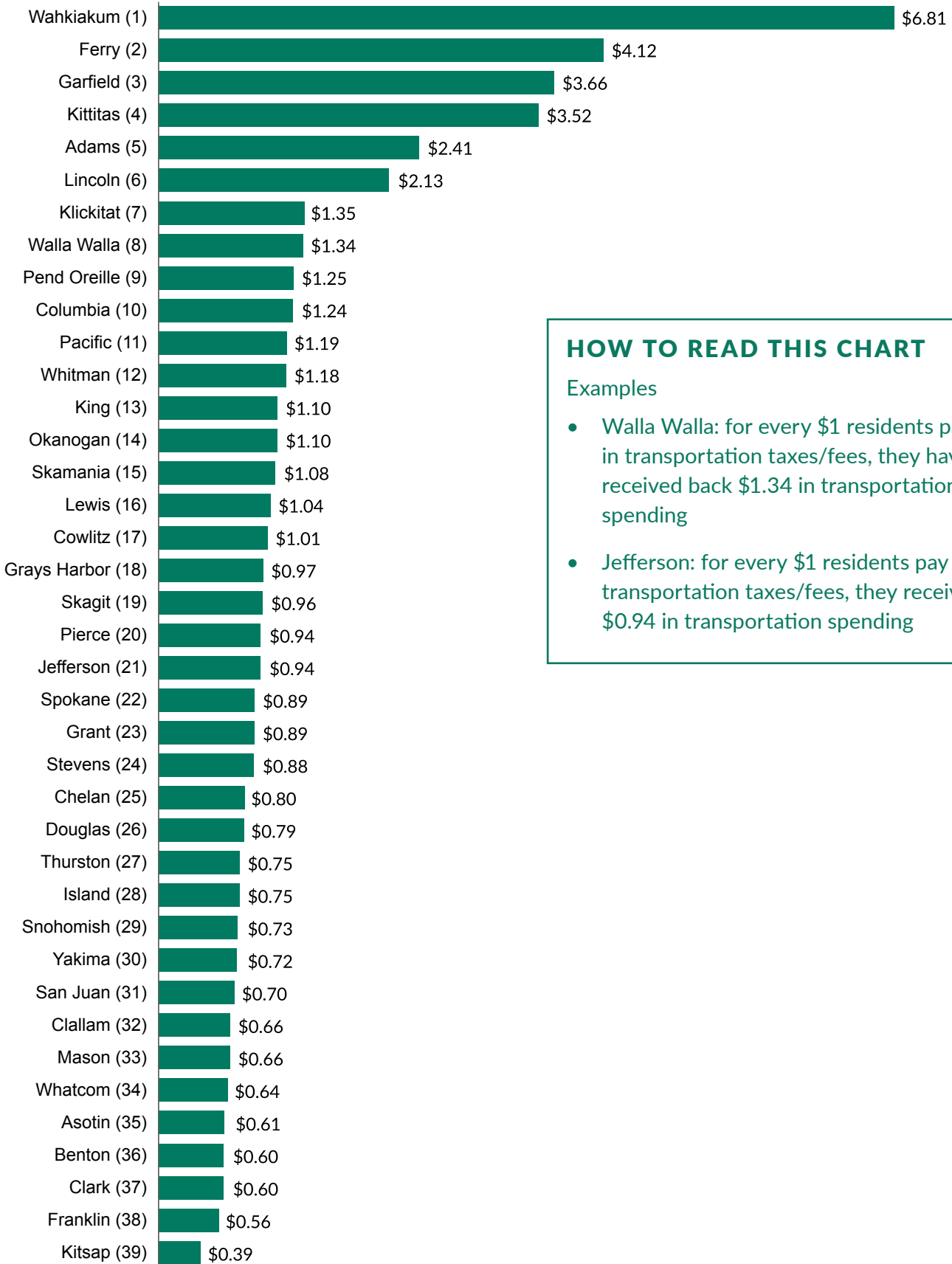


HOW TO READ THIS CHART

Examples

- Cowlitz: for every \$1 residents pay in transportation taxes/fees, they have received back \$1.50 in transportation spending
- Douglas: for every \$1 residents pay in transportation taxes/fees, they received \$0.86 in transportation spending

Returns Per County – 2019



HOW TO READ THIS CHART

Examples

- Walla Walla: for every \$1 residents pay in transportation taxes/fees, they have received back \$1.34 in transportation spending
- Jefferson: for every \$1 residents pay in transportation taxes/fees, they received \$0.94 in transportation spending

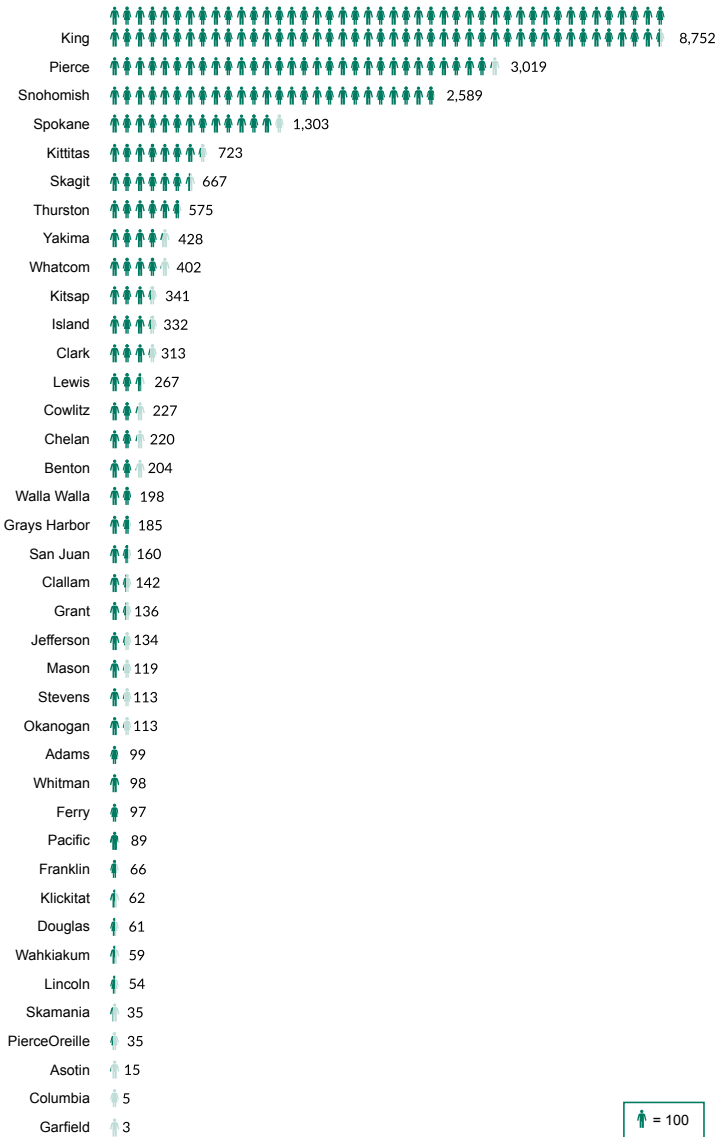
SHORT-TERM ECONOMIC IMPACT OF WSDOT TRANSPORTATION INVESTMENTS

In addition to the dollar return per county, transportation projects provide the local economies with additional sales in various industry sectors. Transportation projects have several phases including right of way purchases, utilizing professional engineering services and construction activity. These state transportation investments were simulated in WSDOT’s Remi-Transight model for FY 2018 and 2019 and average annual results for key economic variables for each county are presented in this report.

The county economic impact results represent short-term benefits and excludes the long-term benefits like travel-time savings and safety benefits. Key results include employment, gross domestic product and disposable real personal income per capita.

Employment

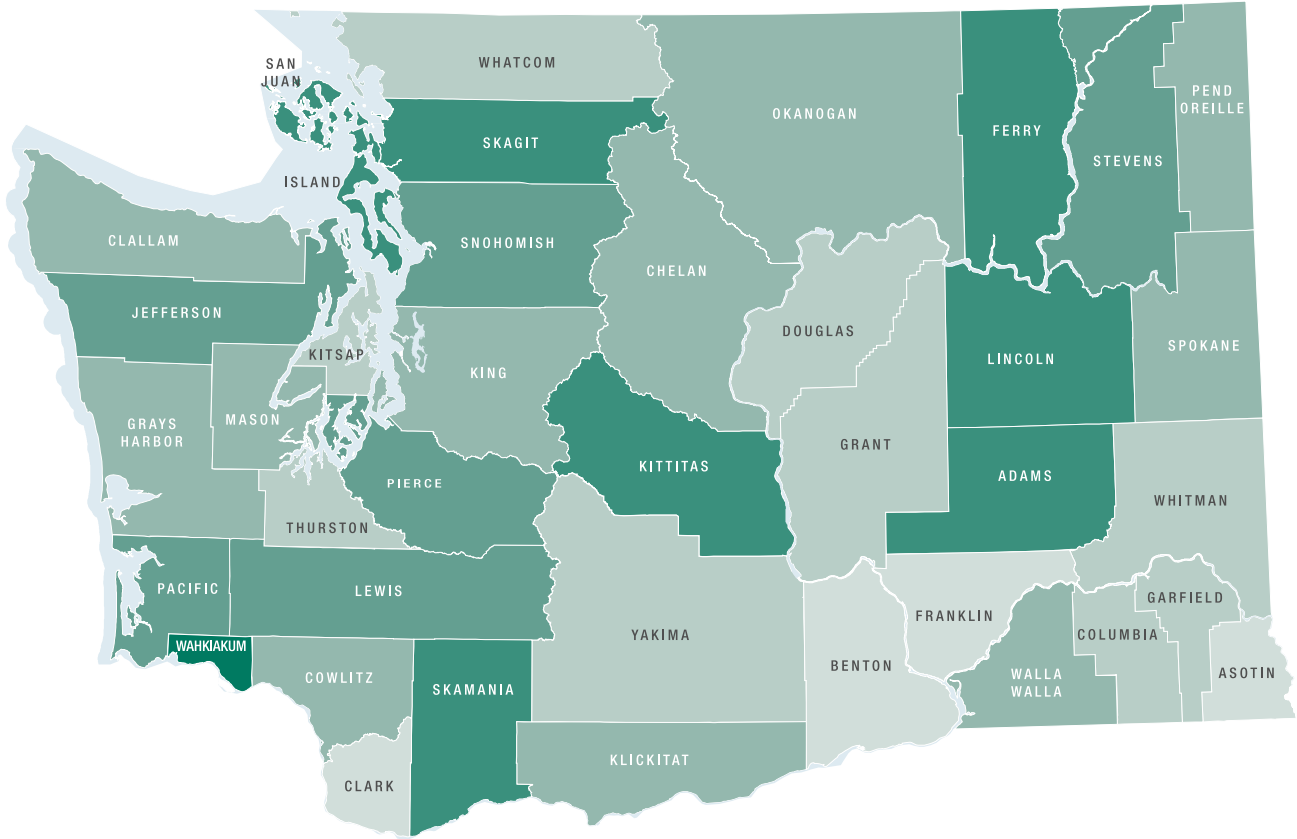
Change in Employment by County-Average Annual Employment (2018-19)



- As expected, the counties with the highest positive employment change from the transportation investments were the largest counties in the state with King County investments creating/retaining 8,752 jobs on average annually in 2018 and 2019.
- The second largest employment change was Pierce County with 3,019 jobs created/retained on average for that 2-year period.
- The county with the third largest employment gain was Snohomish at 2,589 jobs, which is a sharp contrast from Snohomish County’s return per county rank of 32 and 29 in the 5-year average and 2019 analysis respectively.
- If a county did not have much state transportation spending during this 2-year period, the employment gain was small and their rank is low.
 - For example, Wahkiakum’s created/retained jobs was 4% of the county total jobs, which was the highest percentage change in the state.
 - Most counties, 76%, had a percentage change in jobs of less than 0.9%

1 icon = 100

Percent Change in Employment by County-Average Annual (2018-19)



| 0.00% – 0.20% | | 0.20% – 0.40% | | 0.40% – 0.60% | | 0.60% – 0.90% | | 0.90% – 3.00% | | 3.00% – 5.00% | |
|---------------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|
| Clark | 0.13% | Columbia | 0.21% | Chelan | 0.40% | Snohomish | 0.64% | Island | 0.91% | Kittitas | 3.18% |
| Franklin | 0.15% | Garfield | 0.23% | Clallam | 0.40% | Stevens | 0.66% | Skamania | 0.93% | Ferry | 3.37% |
| Asotin | 0.16% | Kitsap | 0.25% | Spokane | 0.43% | Pierce | 0.67% | Skagit | 0.93% | Wahkiakum | 4.11% |
| Benton | 0.18% | Grant | 0.28% | PierceOreille | 0.44% | Lewis | 0.73% | Adams | 1.04% | | |
| | | Whatcom | 0.31% | Cowlitz | 0.45% | Jefferson | 0.86% | Lincoln | 1.07% | | |
| | | Yakima | 0.32% | Okanogan | 0.46% | Pacific | 0.88% | San Juan | 1.35% | | |
| | | Douglas | 0.36% | King | 0.48% | | | | | | |
| | | Thurston | 0.37% | Klickitat | 0.54% | | | | | | |
| | | Whitman | 0.38% | Walla Walla | 0.55% | | | | | | |
| | | | | Mason | 0.57% | | | | | | |
| | | | | Grays Harbor | 0.59% | | | | | | |

Gross Domestic Product (GDP)

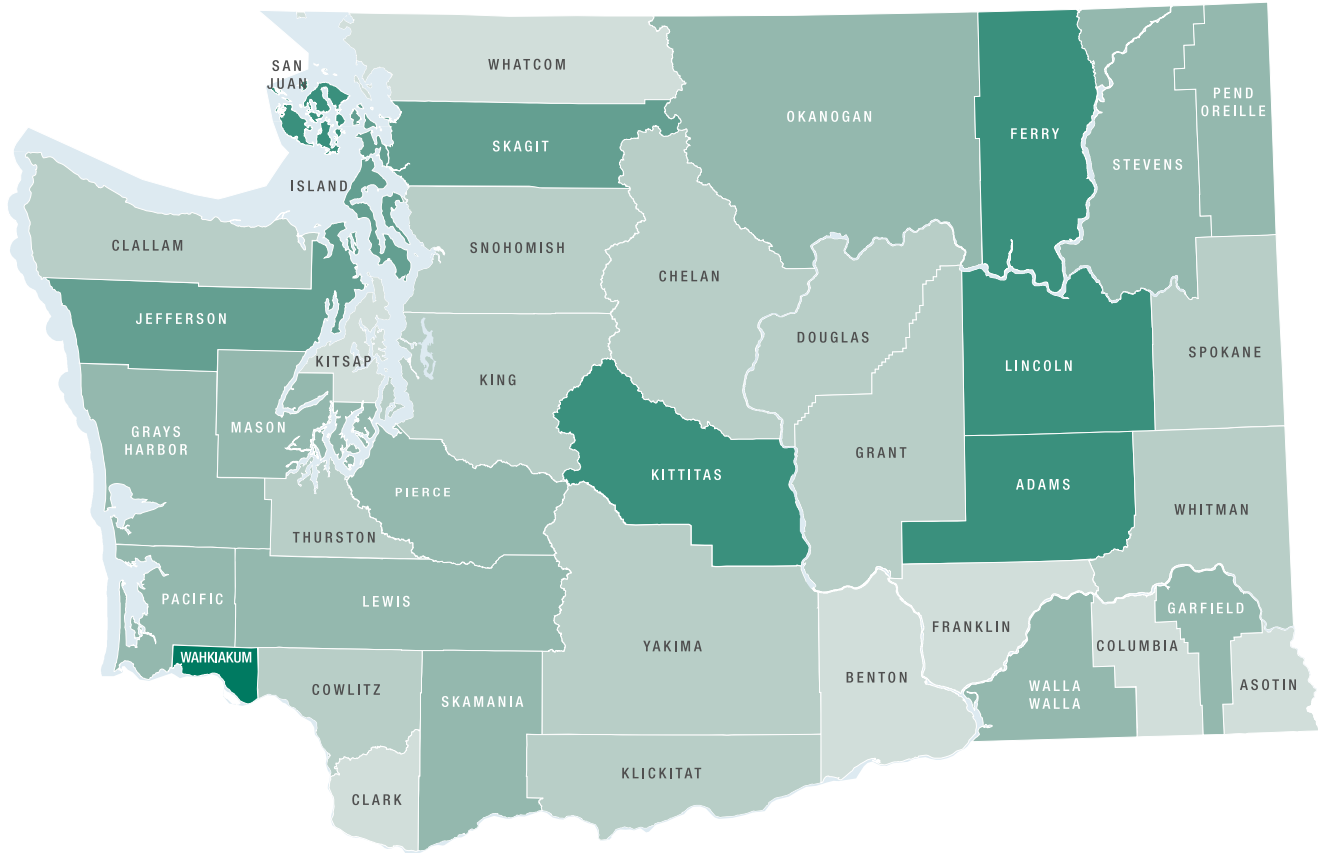
- Gross Domestic Product represent the best measure of the overall county, state or nation’s economy. It is the total value of final goods and service produced in a geographic area in a year.
- The following charts review the average annual GDP impacts in \$ amount (in millions) by county and as a percent of total GDP in each county.

Change in GDP by County-Average Annual (2018-19)



- As expected, the counties with the highest positive GDP in the state are the ones with the largest overall transportation investments, which are the largest counties in the state with King County projects producing \$1,352 million on average annually in 2018 and 2019.
- The second largest GDP change was Pierce County with \$278 million for that 2-year period.
- The county with the third largest GDP gain from transportation projects was Snohomish at \$210 million.
- The ranking for GDP are very similar to the employment rankings.
- Examining the percent change in GDP from transportation spending also illustrates the importance of the transportation activity in counties as many small counties’ GDP from transportation is a larger percent of the county’s overall GDP.
 - For example, Wahkiakum’s gain had the highest ranking of GDP change on a percentage basis at 6% of the county total GDP
 - Most counties, 85%, had a percentage change in GDP of less than 0.9%

Percent Change in GDP by County-Average Annual (2018-19)

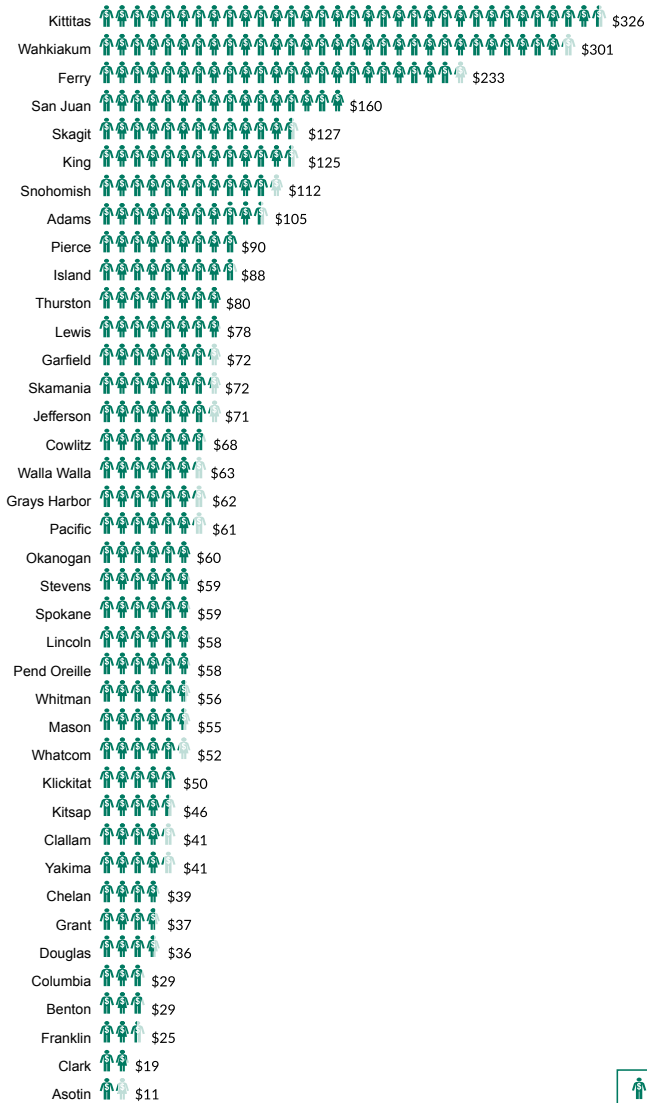


| 0.00% – 0.29% | | 0.30% – 0.49% | | 0.50% – 0.69% | | 0.70% – 0.89% | | 0.90% – 3.9% | | 4.00% – 7.00% | |
|---------------|-------|---------------|-------|---------------|-------|---------------|-------|--------------|-------|---------------|-------|
| Clark | 0.14% | Grant | 0.30% | Pend Oreille | 0.50% | Skagit | 0.73% | Adams | 1.01% | Wahkiakum | 6.14% |
| Franklin | 0.16% | Klickitat | 0.35% | Walla Walla | 0.52% | Island | 0.76% | San Juan | 1.54% | | |
| Benton | 0.21% | Yakima | 0.36% | Garfield | 0.55% | Jefferson | 0.81% | Lincoln | 1.95% | | |
| Kitsap | 0.21% | Whitman | 0.37% | Okanogan | 0.56% | | | Ferry | 3.13% | | |
| Asotin | 0.23% | Clallam | 0.38% | Mason | 0.56% | | | Kittitas | 3.56% | | |
| Columbia | 0.27% | Douglas | 0.39% | Skamania | 0.60% | | | | | | |
| Whatcom | 0.28% | Thurston | 0.39% | Pacific | 0.60% | | | | | | |
| | | Chelan | 0.43% | Grays Harbor | 0.64% | | | | | | |
| | | King | 0.44% | Pierce | 0.65% | | | | | | |
| | | Spokane | 0.45% | Stevens | 0.66% | | | | | | |
| | | Snohomish | 0.49% | Lewis | 0.67% | | | | | | |
| | | Cowlitz | 0.49% | | | | | | | | |

Disposable Personal Income per Capita

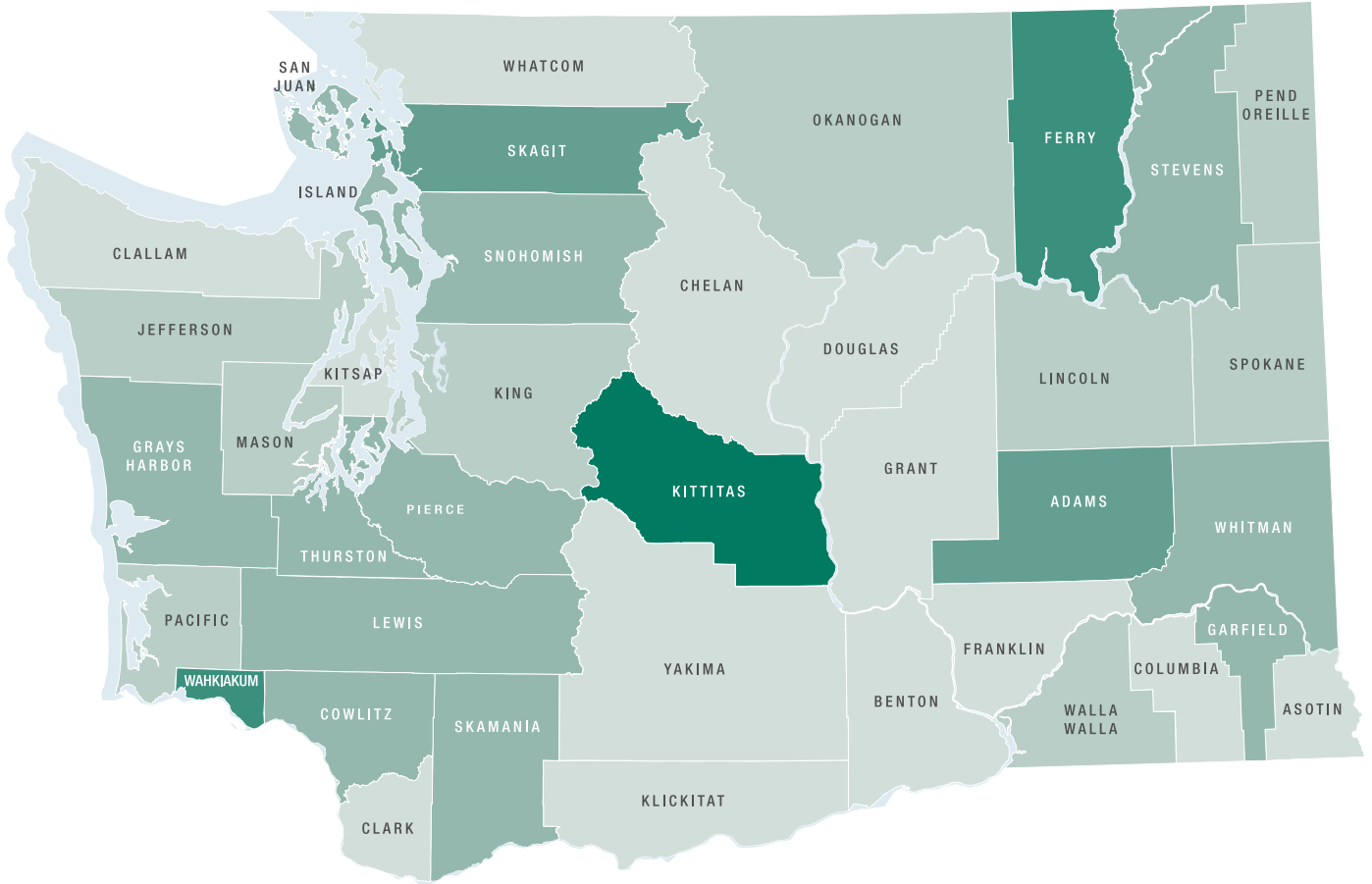
- Disposable personal income per capita represent the amount of after-tax income people have to spend in the economy.
- The results below represent the difference or dollar amount gained per person in each county from the transportation projects being completed each year. On average for all counties, the disposable personal income per capita was \$46,422 in 2019. The results are also illustrated as a percent change in disposable personal income per capita.

Change in Disposable Personal Income Per Capita by County-Average Annual



- The change in disposable personal income takes into consideration not only the large investments in transportation projects that might be occurring in counties, but also the size of the population. The rankings of disposable personal income per capita reveals that Kittitas County saw the largest increase in disposable personal income per capita at \$326 per person. This occurred because there is a lot of spending on the I-90 Snoqualmie Pass project as well as the county having a small population, which leads to a higher gains per person.
- The second largest disposable personal income per capita change was Wahkiakum County with \$301 per person increase on average annually.
- Ferry and San Juan counties had gains of \$233 and \$160 per person respectively.
- Of the more populous counties, King County had a disposable income per capita of \$125 per person, which was sixth highest in the state.
- Note the ranking of counties based on disposable personal income per capita, produces results very similar to the 5-year average returns per county rankings.
- The percent change in personal income per capita from the transportation spending illustrates the importance of the transportation in counties as many small counties' income gain is a larger percent of the county's overall income per capita.
 - In this instance, Kittitas had the highest ranking of personal income per capita change on a percentage basis at 1% of the county income per capita.

Percent Change in Disposable Personal Income Per Capita



| 0.00% – 0.14% | 0.15% – 0.19% | 0.20% – 0.29% | 0.30% – 0.79% | 0.80% – 0.99% | 1.00% – 2.00% |
|-----------------|--------------------|--------------------|---------------|-----------------|----------------|
| Asotin 0.03% | Spokane 0.16% | Whitman 0.20% | Skagit 0.32% | Ferry 0.85% | Kittitas 1.06% |
| Clark 0.04% | Mason 0.17% | Cowlitz 0.20% | Adams 0.32% | Wahkiakum 0.92% | |
| Columbia 0.08% | Lincoln 0.17% | Thurston 0.20% | | | |
| Benton 0.08% | Jefferson 0.18% | Stevens 0.20% | | | |
| Franklin 0.09% | Pend Oreille 0.18% | Grays Harbor 0.21% | | | |
| Chelan 0.10% | Walla Walla 0.18% | Island 0.21% | | | |
| Kitsap 0.11% | Okanogan 0.19% | Garfield 0.21% | | | |
| Douglas 0.12% | Pacific 0.19% | Skamania 0.21% | | | |
| Clallam 0.12% | King 0.19% | Pierce 0.22% | | | |
| Grant 0.12% | | Lewis 0.24% | | | |
| Yakima 0.12% | | Snohomish 0.27% | | | |
| Klickitat 0.14% | | San Juan 0.28% | | | |
| Whatcom 0.14% | | | | | |

FOR QUESTIONS ABOUT THIS ANALYSIS

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