



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