



Draft TransPOL Meeting Agenda
Thursday, August 20, 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#
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Purpose: To continue the discussion on supporting large regional transportation projects in Kitsap, meet with invited WSAC and AWC representatives, and review the 2021 Transportation Program Work Plan.

A. Welcome and Business (5 min)

Objective: Maintain the business and operations of KRCC.

- Latest [2020 KRCC calendar](#) (pg. 2)
- Approve draft [June 18, 2020 meeting summary](#) (pg. 3) (Vote)

B. WSAC and AWC Transportation Legislative Priorities (40 min)

Objective: Consider approaches to working with the Legislature to support Large Regional Projects in Kitsap.

- Discuss potential coordination opportunities on transportation related legislative priorities
- Discuss strategies for obtaining resources for transportation projects outside of the current PSRC transportation competitions
- Discuss ways of providing input into WSAC and AWC's legislative priorities

C. Supporting Large Regional Projects in Kitsap (15 min)

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

- Follow up on requests made at last TransPOL meeting:
 - [East Sequim Project Memo](#) (pg. 8)
 - [Transportation Funding Tools Memo](#) (pg. 10)
- Discuss desired follow up to support future discussions on supporting large regional projects in Kitsap

D. 2021 Work Plan (10 min)

Objective: Determine how to use the remaining TransPOL meetings in 2020.

- Review and provide feedback on [2021 KRCC Transportation Work Plan](#) (pg. 19)

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: October 15, 2020 (last TransPOL Meeting of 2020)

H. Public Comments (5 min)

I. Adjourn



Kitsap Regional Coordinating Council

2020 Meeting Schedule

Draft v.6-17-20

		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. 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 (by phone) Executive Committee Meeting	Oct. 20 (by phone) Executive Committee Meeting	Nov. 17 Executive Committee Meeting	Dec. 15 (by phone) 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		Oct. 15 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. 10 LUTAC Meeting		Nov. 12 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 (tentative)



**Kitsap Regional Coordinating Council (KRCC)
Draft Transportation Policy Committee (TransPOL) Meeting Summary**

June 18, 2020 Meeting | 3:15-4:45 PM | Remote Meeting
v. 7-2-20

Decisions		
<ul style="list-style-type: none"> TransPOL cancelled their December 2020 meeting. 		
Actions	Who	Status
Develop a memo on “pair wise” evaluation methodology.	KRCC staff	Ongoing
Develop a memo on the approach to funding and partnership for the East Sequim Interchange project.	KRCC staff	Ongoing
Develop a memo on Countywide Transportation Benefit Districts.	KRCC staff	Ongoing
Work with the Association of Washington Cities (AWC)/Washington State Association of Counties (WSAC) on transportation legislative priorities.	KRCC staff	Ongoing
Research where various transportation funding tools (tolls, benefit districts, impact fees) are already implemented in Washington State.	KRCC staff	Ongoing

A. WELCOME AND REVIEW OF DRAFT MAY 28, 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). Sophie thanked everyone for participating remotely as KRCC shifts to remote meetings in response to the COVID-19 public health concerns. Director Clauson made a motion to approve the May 28, 2020 TransPOL meeting summary. Commissioner Strakeljahn seconded the motion. The motion carried without opposition or abstention.

B. PSRC TRANSPORTATION POLICY BOARD UPDATES

Report out on the latest PSRC Transportation Policy Board meeting: Mayor Erickson reported that many of the Puget Sound Regional Council (PSRC) Board meetings of recommending bodies have been cancelled due to COVID-19 public health concerns. Major agenda items have been taken up directly by the PSRC Executive Board.

C. REGIONAL AND COUNTYWIDE TRANSPORTATION COMPETITION DEBRIEF

Review outcomes of the Regional and Countywide Competitions. The Regional Competition, which is administered through PSRC had \$19.68 million in funds for projects submitted from across the Puget Sound Region. Kitsap Transit’s Southworth Terminal Redevelopment Project received \$2.25 million in funding in the Regional Competition. It was not submitted into the Countywide Competition. The two Kitsap projects that were submitted into both the Countywide and Regional Competitions (Port of Bremerton’s Airport Industrial Way and Kitsap County’s SR 104 Realignment) did not receive awards in the Regional Competition. Bainbridge Island also submitted a project into the Regional Competition (and not the Countywide Competition), but was not awarded funding. Steffani Lillie, the project sponsor for Kitsap Transit’s Southworth project noted that the project scored well because of its demonstrated partnerships and ability to address congestion by connecting a large population to downtown Seattle.

Kitsap jurisdictions collectively submitted 16 projects to the Countywide Competition. Below are the six projects that were on the recommended award list :

- Kitsap Transit’s SR 16 Park & Ride (\$1,700,000 Award)

- Poulsbo's Noll Corridor North Segment (\$1,070,000 Award) (phased and split between the award and contingency list)
- Kitsap County's STO – Port Gamble Trail (\$1,992,162 Award) (phased and split between the award and contingency list)
- Kitsap County's Fairgrounds Road Complete Streets (\$2,300,000 Award)
- Bremerton's 6th Street Preservation – Phase 3 (\$1,772,838 Award)
- Bainbridge Island's Winslow to Eagledale Bicycle Improvements (735,000 Award)

The contingency list was organized by ranked order with the exception of the Port of Bremerton's project, which was negotiated to be at the top since the project was ranked 6th but would not benefit from a partial award. The first spot on the contingency list would be more likely to receive the full funding request.

Discuss lessons learned and potential changes to competition policy and criteria. Sophie noted that TransTAC's debrief of the competition will happen at their July 9, 2020 meeting and then solicited immediate lessons learned from TransPOL. Below are the preliminary discussion points for future policy discussions brought forward by TransPOL members:

Competition criteria:

- Mayor Erickson proposed exploring project phasing criteria to encourage projects to be funded in smaller pieces, which would in turn mitigate risk and encourage jurisdictions to find creative solutions to funding.
- Commissioner Gelder noted that all project phases must be standalone functional pieces of a project so that benefits can be seen at every phase of the project.
- Commissioner McClure noted that having phrasing criteria would require project sponsors to predict when the next phase of funding will be available and also lead to the negotiation of future phases beyond the current funding available, which would complicate the project selection process.

Evaluation methodology:

- Commissioner Gelder noted that KRCC may be required to move towards a scoring methodology, rather than a high, medium, low evaluation methodology.
- Councilmember Ashby suggested exploring the "pair-wise" methodology in which projects are ranked against each other without using numerical scores. This was the methodology recently used for the Peninsula Regional Transportation Planning Organization's (RTPO) funding cycle. KRCC staff will develop a memo to explain the pair-wise methodology.
- Mayor Erickson suggested limiting the request of projects to a certain percent of the total project cost to ensure that jurisdictions are providing a substantial funding match.
- Mayor Wheeler noted he was supportive of the current methodology but is open to further discussion.

Countywide importance:

- Mayor Erickson noted that Gorst and Kingston are areas with the largest need and countywide significance. One strategy could be to pool KRCC's funding allocation towards state highways and work with the Washington State Department of Transportation (WSDOT) and the legislature to match their investment.
 - Councilmember Ashby shared that an example of this taking place in the Peninsula RTPO is the East Sequim Interchange project. KRCC staff will follow up with WSDOT to compile lessons learned relevant to KRCC.

- Lynn Wall noted that partnerships to leverage local and state dollars are beneficial but may not be enough to meet the need. Investment matches through the Federal Transportation Infrastructure Bill will be another funding mechanism to pursue.

Geographic equity:

- Commissioner Gelder noted that the Countywide Competition has measured equity in terms of jurisdictional equity, which does not necessarily benefit the County's Urban Growth Areas such as Silverdale and Kingston.
- Mayor Erickson raised the issue of Kitsap County not raising funds through impact fees, while other jurisdictions use impact fees as a tool for generating funding.
- Mayor Schneider proposed alternating the focus of funding cycles between local projects and projects of countywide importance.
- Director Clauson noted that transit projects tend to score higher when larger projects are prioritized.

D. SUPPORTING LARGE REGIONAL PROJECTS IN KITSAP

Discuss strategies for obtaining resources for transportation projects outside of the current PSRC

transportation competitions. Councilmember Ashby opened the discussion by acknowledging that Kitsap's growth and demand for transportation infrastructure has outpaced its available funding. Below are the preliminary discussion points brought forward by TransPOL members on potential creative funding solutions:

- Councilmember Ashby proposed exploring a Countywide Transportation Benefit District which would impose a sales tax as a method to fund transportation projects.
 - Commissioner Gelder noted that 0.1% sales tax would bring in approximately \$5 million per year. He noted that the projects benefiting from the tax would need to be listed on the ballot proposing the sales tax and would need to have a time limit and be re-voted on each time it expired.
- Commissioner Gelder proposed exploring a toll so that users are the ones paying for the solution.
 - Mayor Erickson noted she is in favor of tolling when alternate routes to avoid the toll are not available and when the toll is intended to increase infrastructure capacity.
- Director Clauson proposed exploring a gas sales tax as a funding source.
- Mayor Schneider had a preference the gas sales tax for climate change reasons, followed by tolling since only users pay.
- Mayor Wheeler is interested in seeing more data before taking a position and acknowledged the socioeconomic equity considerations of adding more fees to raise transportation funds.

KRCC staff will develop a memo on where various transportation funding tools (tolls, benefit districts, impact fees) are already implemented in Washington State.

E. 2020 Q3 AND Q4 WORK PLAN

Discuss goals and approach to remainder of 2020 (3 TransPOL meetings). TransPOL recommended cancelling their December meeting and using the remaining two meetings to continue the discussion of how to support large regional projects in Kitsap through alternative funding mechanisms. KRCC staff will research what revenue tools are in use across the state.

F. RTPO/MPO INVESTMENT STRATEGY

Receive an update on the RTPO/MPO Investment Strategy. Councilmember Ashby shared that WSDOT is convening an Investment Strategy Committee composed of Chairs and staff representatives from Metropolitan Planning Organizations (MPOs)/RPTOs across Washington to reevaluate the transportation

investment system. Currently, WSDOT does not have much flexibility in what projects they can pursue, as their project list is dictated by the legislature. Kitsap is represented by PSRC and the Peninsula RPTO. The RPTO will be sending out a survey to gather input from jurisdictions to then relay to the Committee. Councilmember Ashby is on the Committee and will provide updates as the Committee holds 8 meetings before the end of the year.

G. CORRIDOR UPDATES

- **SR 305.** Mayor Erickson shared that the Johnson Road project will begin this summer.
- **SR 16/Gorst.** Commissioner Strakeljahn reported that he is preparing for the next meeting with Representative Kilmer and Senator Randall.
- **SR 104.** Commissioner McClure reported the SR 104 Realignment Project is challenging because it not able to be phased any further. However, phasing the Lindvog project is possible and is under discussion in the working group.
- **SR 307.** Mayor Erickson reported that the formation of this committee will be a priority in the fall.

F. ANNOUNCEMENTS AND NEXT STEPS

The next TransPOL meeting will be on August 20, 2020.

G. PUBLIC COMMENTS

No public comments were made.

H. 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
Mayor Erickson	City of Poulsbo
Commissioner Gelder	Kitsap County
Director Clauson	Kitsap Transit
Lynn Wall	Naval Base Kitsap
Commissioner Strakeljahn	Port of Bremerton
Commissioner Anderson	Port of Bremerton
Commissioner McClure	Port of Kingston
Commissioner Heacock	Port of Kingston
Commissioner Grovnull	Port of Kingston
OBSERVERS:	
Chris Wierzbicki	City of Bainbridge Island
Shane Weber	City of Bremerton
Ned Lever	City of Bremerton
Andrzej Kasiniak	City of Poulsbo
Andrew Nelson	Kitsap County
Joe Rutan	Kitsap County
Steffani Lillie	Kitsap Transit
Dennis Engel	Washington State Department of Transportation (WSDOT)
STAFF:	
Sophie Glass	KRCC Program Lead
Mishu Pham-Whipple	KRCC Transportation Program Lead



Kitsap Regional Coordinating Council

Memo for the Kitsap Regional Coordinating Council (KRCC) Transportation Policy Committee
East Sequim Project

Agenda Topic

East Sequim Project Memo

Context

KRCC TransPOL asked for more information on how the East Sequim project was funded, as the City of Sequim's (the City) approach may be relevant to KRCC TransPOL's discussion on potentially allocating a significant portion of the Countywide Competition funds to a single project and leveraging that to request funding from the Legislature.

Twenty years ago, the design of the Sequim bypass was intended to have a diamond interchange on the east side of the City, a realignment of US 101, and the reconstruction of two deficient intersections. However, lack of full funding at the time prevented the design to be completed. Since then, traffic volumes have increased by 40% and Sequim's population has increased by 75%. Today, the estimated cost to design and construct the project is \$26.4 million.

East Sequim Project Funding Approach

To address the pressing safety and mobility needs of the site, the City of Sequim used a combination of funding strategies:

- The City of Sequim hired a lobbyist to specifically advocate for the project in the Washington State Legislature. City staff also spoke to legislators. WSDOT received \$1.3 million of the City's \$3 million ask and began work last year to conduct an analysis and engage stakeholders. Note: This work came to a halt due to a few factors including WSDOT's analysis of "practical solutions," Initiative 976's obstruction of WSDOT's project funding, and COVID-19.
- Clallam County provided block grant funding to the City for the project in 2019 and 2020.
- The City was awarded \$650,000 in 2019/2020 Federal Highway Administration (FHWA) Surface Transportation Program (STP) funds for design.
- The City provided a \$55k match for the STP funds.
- \$9.2 million was received from the National Highway Performance Program funding for the nearby Johnson Creek fish barrier bridge.

So far, \$2 million has been obligated from multiple sources, although a significant funding gap remains.

Relevance to KRCC

Similar to Kitsap jurisdictions, jurisdictions in Clallam County have challenges proposing regional projects that score well. In addition, these smaller jurisdictions often lack the capacity to assemble project applications in the first place. Given the small amount of funding available through the STP competition and the relatively short list of projects brought forward in the competition, having the majority of the STP funds go to a single project was not unusual.

Although the dynamics of KRCC's STP competition differ from other Counties' competitions, KRCC TransPOL can consider using a combined approach of working with the Legislature to diversify funding sources and targeting STP funding to specific projects through a policy framework.

Sources:

- [US Highway 101 East Sequim Corridor Improvements 1-pager](#)
- [City of Sequim Project Website](#)
- Phone calls with Dennis Engel, WSDOT, and David Garlington, City of Sequim



Kitsap Regional Coordinating Council

Memo for the Kitsap Regional Coordinating Council (KRCC) Transportation Policy Committee on Analysis of Transportation Funding Mechanisms

Agenda Topic

Transportation Funding Mechanisms

Context

Kitsap's growth and demand for transportation infrastructure has outpaced its available funding. 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 \$425,000,000.¹

At the July 18 KRCC TransPOL meeting, TransPOL members identified specific funding mechanisms to conduct further research on to inform a future discussion. This memo provides information regarding these mechanisms.

Summary of Findings

Below is a summary of transportation funding mechanisms. See subsequent pages for more details on these funding sources.

- **Tolls:** The Gorst interchange appears to fall within the framework the Washington State Legislature established for tolling. The Washington State Transportation Commission sites tolling as an effective tool to raise revenue and has an appetite for continued research into future tolling projects.
- **Transportation Impact Fees (TIFs):** Local governments (including Transportation Benefit Districts) have the authority to implement TIFs without a ballot measure (though public process is a best practice). Analysis must be conducted to determine eligible projects, rate setting, and demonstrate a "rational nexus" between the fee and the impacts/benefits of new developments. Some Kitsap jurisdictions already have TIFs, which are based on planned capital projects and anticipated growth.
- **Local Sales Tax:** All Kitsap jurisdictions currently have the same combined local and state sales 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.
- **Transportation Benefit Districts (TBDs):** Vehicle License Fees, the primary funding source for TBDs, is at risk of being repealed via Initiative 976, and the secondary source of funding for TBDs is a sales tax, which jurisdictions can implement independently via voter approval. Tolls and impact fees are possible sources of funding for TBDs, but the formation of a TBD is not required to access those sources. 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).

¹ Gorst Coalition One-Pager, Kitsap County

- **Local Gas Tax:** With voter approval, 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. 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.

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.

Mechanism for Implementation

The Washington State Legislature has the authority to apply tolls; the Transportation Commission Sets Toll Rates; and WSDOT implements the tolling program. WSDOT conducts a feasibility study before a toll is implemented.² The Washington State Transportation Commission engages with WSDOT-led planning on projects that assume toll revenues many years before tolling is scheduled to begin. There are currently three future toll projects with expected toll starting dates of 2024, 2025, and 2030. The Commission recommends expanding tolling to reduce reliance on the gas tax and to improve congestion.³

The Legislature established a tolling framework in 2008:

- Tolling should be used when it can contribute a significant portion of the cost of a project that cannot be funded solely with existing resources.
- Tolling should be used when it can optimize the performance of the transportation system.
- Tolling should be fairly and equitably applied and not have significant adverse diversion impacts that cannot be mitigated.
- Toll rates must be set to meet anticipated funding obligation to the extent possible.

Case Study: SR 520 Bridge

There are currently five tolls in the State of Washington: SR 520 Bridge, Tacoma Narrows Bridge, SR 167 HOT Lanes, I-405 Express Toll Lanes, and the SR 99 Tunnel.

- **Vehicle Traffic:** The SR 520 Bridge is most comparable to Gorst's ridership with an average of 84,000 (weekday) trips in 2019⁴. Gorst to SR 304 (Bremerton) had an Average Annual Daily Traffic (AADT) of 73,000 trips in 2004.⁵ (Meanwhile, the Tacoma Narrows Bridge had an average of 46,000 average daily [weekday] trips in 2019.)
- **Revenue:** The toll varies throughout the day and week. The toll with the *Good to Go!* Pass during the peak period was \$4.30 in 2019. In 2019, the toll collected \$96.1 million in revenue. Of that, \$21 million went toward toll operations and \$2.1 million went toward facility maintenance. The net amount of \$72.8 million was used for debt payment, insurance, and capital improvements.

² <https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/100607>

³ <https://wstc.wa.gov/wp-content/uploads/2020/01/2020-0115-WSTC2019-AnnualReport.pdf>

⁴ <https://www.wsdot.wa.gov/sites/default/files/2020/04/21/Annual-Report-2019.pdf>

⁵ https://www.wsdot.gov/sites/default/files/2007/04/05/SR3_US101_TO_SR305.pdf

- **Investment Cost:** On average, in 2019, it cost \$0.67 to collect a toll and the average toll was \$3.83 (82.5% return on investment). For SR 520 in 2019, \$72.8M of the \$96.1M (~76%) collected was available for debt repayment.

Potential Revenue

As a rough estimation, if you assume a \$5 toll per round trip, and 73,000 trips per weekday, the total revenue per year would be approx. \$94.8M. Assuming the toll would pay for 72%⁶ of the \$425 million Gorst cost and a 76% return on investment in toll revenue⁷, a bond could be paid in less than 5 years. This calculation depends heavily on the number of toll payers. The Transportation Commission ultimately is the body that sets the tolls rate based on a number of factors including the bond price, duration of the bond, anticipated ridership, and anticipated operation and maintenance costs.

Transportation Impact Fees (TIFs)

*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).*⁸

Mechanism for Implementation

RCW 82.02.050-82.02.090 authorizes local governments in Washington to impose impact fees. An analysis of the jurisdictions' Capital Facilities Plans, Transportation Plans, Comprehensive Plans, and other planning documents is needed to determine the rate for fees and infrastructure eligible to be funded through the fees. A "rational nexus" between the project(s) funded through the fee and the impacts/benefits incurred by the development must be demonstrated.⁹ Funds must be spent on capital projects that are designed to serve new growth and not fix existing deficiencies.

Jurisdictions Utilizing Impact Fees

The use of impact fees has increased since the 1980s, particularly in coastal states and the Great Lakes region.¹⁰ The City of Bellingham has been reporting on Transportation Impact Fee Base Rates in Western Washington over the years (See Attachment A). The latest 2019 analysis shows that 74 cities and 5 counties in Western Washington utilize impact fees, with the average fee of \$4,363 per added vehicle trip during peak hours.¹¹ Of the Kitsap jurisdictions, Poulsbo had the highest TIF of \$5,397 per added vehicle trip. Port Orchard charged \$3,822 per vehicle trip added, Bainbridge Island charged \$1,687 per vehicle trip added, and Kitsap County charged \$700 per vehicle trip added.

Investment Cost

Upfront work is needed by jurisdiction staff and/or a consultant to assess impact fees and ensure consistency and will need to be updated periodically to reflect changes in the cost of facilities and growth.

⁶ <https://blog.co.pierce.wa.us/derekyoung/2018/01/09/tacoma-narrows-bridge-toll-work-group-recommendations/>

⁷ <https://www.wsdot.wa.gov/sites/default/files/2020/04/21/Annual-Report-2019.pdf>

⁸ <http://mrsc.org/Home/Explore-Topics/Planning/Land-Use-Administration/Impact-Fees.aspx>

⁹ <https://www.planning.org/policy/guides/adopted/impactfees.htm>

¹⁰ <http://www.impactfees.com/about/faq/>

¹¹ <http://mrsc.org/getmedia/7b937ea4-f666-4b86-b21d-fd21f43115e3/b45impactFeeCompare.pdf.aspx>

Potential Revenue

Jurisdictions can tailor fee methodologies to their needs but in general, the potential revenue of collected impact fees depends on the total cost of the eligible planned capital projects after deducting the anticipated contributions of local funds, as well as state and federal grants. The remaining cost can be financed through impact fees, which are determined by the anticipated growth and resulting impacts on travel demands (e.g. growth share of project cost/new peak hour vehicle trips).

Poulsbo's 2019 analysis identified a \$31 million balance to be funded by TIFs.¹² Port Orchard's 2015 analysis identified a \$20 million balance to be funded by TIFs.¹³ Bainbridge Island's 2015 analysis identified a \$1 million balance to be funded by TIFs.¹⁴

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).¹⁵ Kitsap jurisdictions have the same local tax rates with a combined state and local tax rate of 9%.¹⁶

Mechanism for Implementation

Increases in taxes must be voter approved. To place an item on the ballot for the February or April special elections, your jurisdiction must file the resolution at least 60 days before the election date. For the primary election, you must file the resolution no later than the Friday immediately before the first day of regular candidate filing in May. And for the general election, you must file the resolution no later than the date of the August primary election.

Jurisdictions Increasing Sales Taxes

Jurisdictions across Washington, including Transportation Benefit Districts (discussed in the following section), implement updates to their local sales tax rates for various purposes. In the last five years, the only increase in sales tax in Kitsap was the Kitsap County Passenger-Only Ferry Tax in 2017, which increased the sales tax 0.3% to its current level of 9%.¹⁷

Potential Revenue

In 2019, \$5.24 billion in taxable sales were made in the Kitsap jurisdictions combined.¹⁸ Based on 2019 taxable retail sales, the potential revenue of a 0.2% sales tax for Kitsap jurisdictions would range from approximately \$988,000 (Poulsbo) to \$4.8 million (unincorporated Kitsap County) in a year. If a 0.2% tax were implemented in all Kitsap jurisdictions, the amount of taxable sales would yield approximately \$10.48 million in a year.

¹² <https://cityofpoulsbo.com/wp-content/uploads/2019/07/Transportation-Impact-Fee-Technical-Document.pdf>

¹³ <https://storage.googleapis.com/proudcity/portorchardwa/uploads/2018/08/Appendix-A-Traffic.pdf>

¹⁴ <http://mrsc.org/getmedia/37b0efaa-9364-4d2e-b720-48152685bfd2/b29transimpct.aspx>

¹⁵ <http://mrsc.org/Home/Explore-Topics/Finance/Revenues/Sales-and-Use-Taxes.aspx>

¹⁶ https://dor.wa.gov/sites/default/files/legacy/Docs/forms/Excstx/LocSalUseTx/LSUFlyer_20_Q3.pdf

¹⁷ <https://dor.wa.gov/taxes-rates/sales-and-use-tax-rates/local-sales-tax-change-notices#Effective%202020>

¹⁸ <https://dor.wa.gov/sites/default/files/legacy/Docs/Reports/2019/Irtcal19/ALLCAL2019.pdf>

Transportation Benefit Districts (TBDs)

Transportation Benefit Districts (TBDs) are quasi-municipal corporations that create independent special taxing districts to generate revenue for transportation projects.¹⁹ The TBD is governed by members of a jurisdiction's legislative body and is a legally separate entity. Meetings for the TBD must be separate and distinct from the jurisdiction.

Mechanism for Implementation

Any city or county may form a Transportation Benefit District (TBD) by ordinance, following a public hearing, if it finds that the action is in the public interest ([RCW 36.73.050](#)). A TBD may include all or part of the territory in another jurisdiction through an interlocal agreement. Once a TBD is formed, the body has several funding sources available to them, the primary ones being vehicle license fees and sales taxes.

Vehicle License Fees

Vehicle License Fees are the most common funding source for TBDs. However, Initiative 976 (approved by voters in November 2019) repealed the authority of TBDs to impose vehicle license fees.²⁰ Prior to Initiative 976, TBDs could impose vehicle license fees of up to \$50 without voter approval. An injunction on the initiative is in place until the State Supreme Court hears an appeal. Jurisdictions are authorized to continue to collect fees in the meantime but may be liable to provide refund should the initiative be upheld. A date for the court's decision in the case has not been set.

Transportation Benefit District Sales Tax

A TBD may impose a sales tax of up to 0.2% ([RCW: 82.14.0455](#), [36.73.040\(3\)\(a\)](#), [36.73.065\(1\)](#)). The sales tax must be approved by voters by a simple majority on any primary, special, or general election. The maximum duration of the sales tax is 10 years unless the sales tax is being used for the repayment of debt. No county in Washington has attempted a TBD sales tax, though there are numerous examples at the city level. Most proposed ballot measures for TBD sales taxes at the city level in Washington have passed. The TBD retains 99% of the revenue generated with 1% administrative fee allocated to the Department of Revenue. Based on the revenue generated in Kitsap County in FY 2019 for the local retail sales and use tax, a 0.2% sales and use tax would generate approximately \$2.27 million.²¹ While five counties have established a TBD within Washington State, four of these have not assumed their powers and are unfunded (as of 12/20/18). A TBD is not required to impose a voter approved sales tax unless it is a conglomeration of jurisdictions that wish to do so in an integrated way.

Additional Funding Sources

The following are other funding sources available to TBDs but are seldom or never used.²²

- General obligation bonds
- Border area fuel tax (not applicable to Kitsap)

¹⁹ Web site, link, MRSC Transportation Benefit Districts: <http://mrsc.org/Home/Explore-Topics/Finance/Special-Topics/Transportation-Benefit-Districts.aspx>

²⁰ An injunction suspended the implementation of I-976 pending a decision from the WA Supreme Court and until a decision is reached, local jurisdictions have continued to collect fees.

²¹

²² <http://mrsc.org/Home/Explore-Topics/Finance/Special-Topics/Transportation-Benefit-Districts.aspx>

- Impact fees
- Vehicle tolls
- Local improvement districts
- Excess property taxes

Jurisdictions Utilizing Transportation Benefit Districts

There are just under 120 Transportation Benefit Districts²³ at the city level within Washington state, three of which exist or have existed within Kitsap County:

- Bainbridge Island (enacted in 2012; [repealed by Ordinance No. 2015-31](#) whereby the TBD was dissolved and assumed as a fund of the city) (\$30 vehicle license fee)
- Bremerton ([Ordinance 5297](#)) (\$20 vehicle license fee)
- Port Orchard ([Chapter 3.44](#)) (\$20 vehicle license fee)

While five counties have implemented TBD within Washington State, four of these have not assumed their powers and are unfunded (as of 12/20/18).

Investment Cost

Forming and assuming the powers of a TBD requires an administrative investment to create and maintain an independent governing entity.

Potential Revenue

A 0.2% tax on that amount would yield \$10.48 million in a year based on the \$5.24 billion in taxable sales made in the Kitsap jurisdictions combined in 2019²⁴. The Vehicle License Fees yield Bainbridge Island and Bremerton approximately \$600,000 per year each and Port Orchard \$200,000 per year²⁵.

Local Gas Tax (or motor fuel excise 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.*²⁶

Mechanism for Implementation

Imposition of a local gas tax is subject to voter approval through a special, primary, or general election.

Jurisdictions Utilizing Local Gas Tax

No counties have attempted a local gas tax in recent years. The only counties that have put a local gas tax on the ballot in the past are Spokane and Snohomish Counties, both of which failed. Although gas

²³ Web site link, List of Transportation Benefit Districts: <http://mrsc.org/Home/Explore-Topics/Governance/Forms-of-Government-and-Organization/Special-Purpose-Districts-in-Washington/TBD-List-Map.aspx>

²⁴ <https://dor.wa.gov/sites/default/files/legacy/Docs/Reports/2019/Irtcal19/ALLCAL2019.pdf>

²⁵ <https://www.kitsapsun.com/story/news/2019/10/12/how-would-initiative-976-30-car-tab-measure-affect-kitsap/3946821002/>

²⁶ <http://mrsc.org/getmedia/4865001b-1f63-410a-a5ed-8d1ad8d752f3/Revenue-Guide-For-Washington-Counties.pdf.aspx?ext=.pdf>

taxes are a major source of transportation funding across the country, The Washington State Transportation Commission, which provides recommendations to the Governor and Legislature on transportation policy and finance, recommended a gradual move away from the gas tax and toward a Road Usage Charge due to its declining stability as a revenue source.²⁷

Potential Revenue

In 2013, the combined counties in the Puget Sound region received approximately \$40 million in funding from state fuel tax distributions.²⁸ If all counties in the Puget Sound region were to implement a voter approved local gas tax, approximately \$4 million in funding would be available. For estimation sake, given that there are four counties in the Puget Sound region, each county would earn approximately \$1 million in local gas tax revenue.

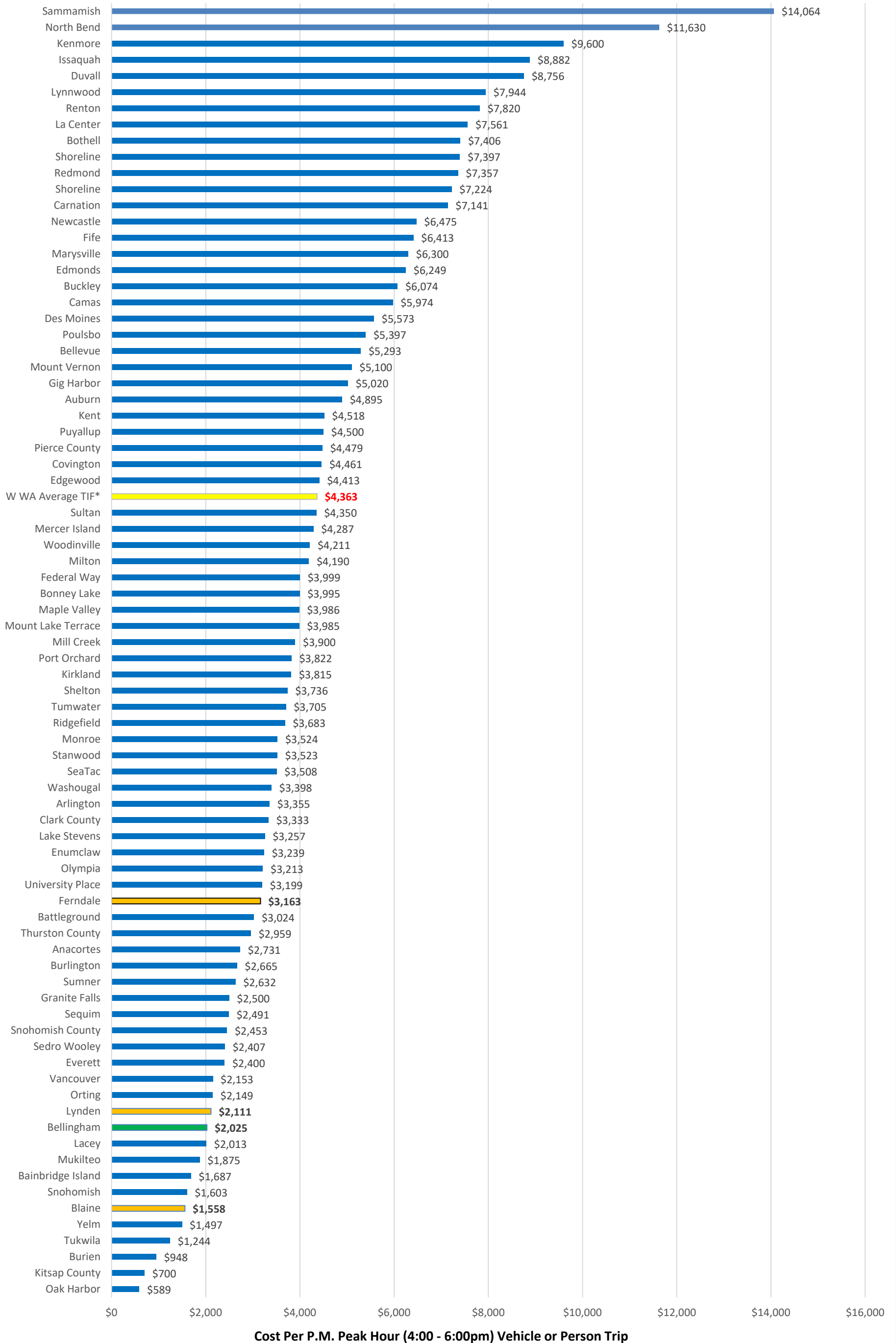
²⁷ <https://wstc.wa.gov/wp-content/uploads/2020/01/2020-0115-WSTC2019-AnnualReport.pdf>

²⁸ <https://www.psrc.org/sites/default/files/transportation-funding-04-24-15-revised.pdf>

Comparison of 2019-2020 TIF Base Rates in 74 Cities and 5 Counties in Western Washington With Bellingham and Whatcom County Cities Highlighted for Emphasis

[Based on information available. Average includes both Cities and Counties. See TIF rate table on next page for additional details.]

Data compiled Nov. 2019 by Chris Comeau, AICP-CTP, Transportation Planner, Bellingham Public Works ccomeau@cob.org or (360) 778-7946



2020 Transportation Impact Fee Comparison: 74 Cities + 5 Counties in Western Washington

Data compiled November 2019 from public web sites, telephone calls, and email inquiries by
Chris Comeau, AICP-CTP, Transportation Planner, Bellingham Public Works ccomeau@cob.org or (360) 778-7946

	2019	2019-20	Urban Center		2019	2019-20	Urban Center
City	Population	Base Rate	Incentive	City	Population	Base Rate	Incentive
				Mill Creek	20,590	\$3,900	
Anacortes ¹	17,610	\$2,731		Milton	7,930	\$4,190	
Arlington	19,740	\$3,355		Monroe	19,250	\$3,524	
Auburn ²	81,720	\$4,895	Yes	Mount Vernon	35,740	\$5,100	
Bainbridge Island	24,520	\$1,687		Mount Lake Terrace	21,590	\$3,985	
Battleground ³	21,520	\$3,024		Mukilteo	21,350	\$1,875	
Belleue	145,300	\$5,293		Newcastle	12,450	\$6,475	
Bellingham ⁴	90,110	\$2,025	Yes	North Bend ²⁰	6,965	\$11,630	
Blaine ⁵	5,425	\$1,558		Oak Harbor ²¹	22,970	\$589	
Bonney Lake	21,060	\$3,995		Olympia ²²	52,770	\$3,213	Yes
Bothell	46,750	\$7,406		Orting	8,380	\$2,149	
Buckley	4,885	\$6,074		Port Orchard	14,390	\$3,822	
Burien ⁶	52,000	\$948		Poulsbo ²³	11,180	\$5,397	
Burlington	9,140	\$2,665		Puyallup	41,570	\$4,500	
Camas ⁷	24,090	\$5,974		Redmond ²⁴	65,860	\$7,357	
Carnation	2,220	\$7,141		Renton	104,700	\$7,820	
Covington	20,280	\$4,461		Ridgefield ²⁵	8,895	\$3,683	
Des Moines	31,580	\$5,573		Sammamish ²⁶	64,410	\$14,064	
Duvall	7,840	\$8,756		SeaTac	29,180	\$3,508	
Edgewood	11,390	\$4,413		Sedro Wooley ²⁷	11,690	\$2,407	Yes
Edmonds	42,170	\$6,249		Sequim	7,695	\$2,491	Yes
Enumclaw	12,200	\$3,239		Shelton	10,220	\$3,736	
Everett	111,800	\$2,400		Shoreline	56,370	\$7,224	
Federal Way ⁸	97,840	\$3,999		Snohomish	10,200	\$1,603	
Ferndale ⁹	14,300	\$3,163	Yes	Stanwood	7,020	\$3,523	
Fife ¹⁰	10,140	\$6,413		Sultan	5,180	\$4,350	
Gig Harbor	10,770	\$5,020		Sumner ²⁸	10,120	\$2,632	
Granite Falls	3,900	\$2,500		Tukwila ²⁹	20,930	\$1,244	
Issaquah ¹¹	37,590	\$8,882		Tumwater	24,060	\$3,705	
Kenmore ¹²	23,320	\$9,600		University Place	33,060	\$3,199	
Kent ¹³	129,800	\$4,518	Yes	Vancouver ³⁰	185,300	\$2,153	
Kirkland ¹⁴	89,940	\$3,815		Washougal	16,500	\$3,398	
La Center ¹⁵	3,405	\$7,561		Woodinville ³¹	12,410	\$4,211	
Lacey	51,270	\$2,013		Yelm	9,135	\$1,497	
Lake Stevens ¹⁶	33,080	\$3,257		County	Population	Base Rate	
Lynden ¹⁷	14,470	\$2,111		Clark County ³²	488,500	\$3,333	
Lynnwood ¹⁸	39,600	\$7,944	Yes	Kitsap County	270,100	\$700	
Maple Valley ¹⁹	26,180	\$3,986		Pierce County ³³	888,300	\$4,479	
Marysville	67,820	\$6,300		Snohomish County	818,700	\$2,453	
Mercer Island	24,470	\$4,287		Thurston County ³⁴	285,800	\$2,959	

Notes: All data above and below obtained from public web sites, telephone calls, and emails

1. Anacortes has a very old TIF system, which is being updated, and new TIF rates of \$3,000 anticipated in 2018.
2. Auburn adopted rates August 1, 2013.
3. Battle Ground uses an ADT-based TIF system; SFD = 9.57 trips x \$316
4. Bellingham TIF = Person trips; automatic 22% to 30% Urban Village TIF reduction with voluntary TDM measures up to 50% UV TIF reduction.
5. The City of Blaine future pm peak hour vehicle trip rate is currently being evaluated.
6. Burien limited improvement project costs to keep rates low. TIF was adopted in 2009.
7. Camas uses a 2-zone TIF system; North = \$8,653; South = \$3,294; Average = \$5,974.
8. Federal Way charges 3% non-refundable admin. fee + base rate + 3-yr WSDOT construction cost index. SF fee = City 2014 rate schedule summary
9. Ferndale uses 3-zone TIF system. \$3,059 citywide; \$3,826 for 443-acre "Main Street" Planned Action; \$2,604 downtown Ferndale.
10. Fife uses a VMT-based TIF system adjusted from ITE ADT rates.
11. Issaquah created development incentive in which the first 10,000 SF of commercial TIF paid from other public funding sources (per WA State law).
12. Kenmore TIF rates based on person trips similar to Bellingham and Kirkland.
13. Kent TIF rates are based on 30% of maximum TIF rate \$13,614 from Rate Study (May 2010) and downtown Kent rate memorandum.
14. Kirkland TIF rates are based on person trips; similar to Kenmore and Bellingham
15. La Center allows TIF to be deferred to occupancy by requiring lien on property.
16. Lake Stevens uses a 3-zone TIF system; average - \$3,257
17. Lynden TIF allows up to 50% reduction in industrial areas where there is a significant chance that grants can be obtained.
18. Lynnwood has two TIF zones and reduces TIF by 15% (per ITE) in portion of City Center.
19. Maple Valley fee per 2013 rate schedule (R-13-909 Jan 28, 2013)
20. North Bend is similar to Sammamish in that most development is residential with little to no pass-by, diverted link trips.
21. Oak Harbor uses a very old TIF system.
22. Olympia TIF allows up to 20% reduction in downtown for accepted TDM performance measures.
23. Poulsbo uses an ADT-based TIF system; SFD = 9.57 trips x \$564
24. Redmond uses "Person Trips/Mobility Units" for Concurrency and TIF
25. Ridgefield uses an ADT-based TIF system
26. Sammamish has highest TIF (\$14,707) in all of Washington due to primarily residential development with little to no pass-by, diverted link trips.
27. Sedro-Woolley uses a 2-zone TIF system; \$2,407 Non-CBD; \$1,341 in CBD
28. Sumner uses a 3-zone TIF system; District 1 \$1,814; District 2 \$2,891; District 3 \$3,191; Average = \$2,632
29. Tukwila = 4-zone TIF system; Average = \$1,244
30. Vancouver uses 3-zone ADT-based TIF system; Columbia \$163; Pacific \$290; Cascade \$223; Average = \$225 x 9.57 = \$2,153 / SFD
31. Woodinville uses an ADT-based TIF system SFD = 9.57 x \$440
32. Clark County has a four zone TIF system, similar to City of Vancouver, based on ADT; Average \$3,333
33. Pierce County uses a 4-zone TIF system; Average \$4,479
34. Thurston County uses a 6-zone TIF system; Average = \$2,959



III. KRCC Transportation Program 2021 Work Plan Narrative

The proposed transportation program work plan items for 2021 are outlined in the table below. KRCC staff will support the KRCC Board, Transportation Policy Committee (TransPOL), and Transportation Technical Advisory Committee (TransTAC) in completing these action items.

Legend:

These work plans include the following activities represented by icons:



Research/Writing



Discussions at Meetings












Letters


















Outreach



Requires KRCC Board Approval

Action Item	TransTAC's Role	TransPOL's Role	Board's Role
Transportation Education			
1. Learn about transportation issues of common interest.	 TransTAC addresses cross-jurisdictional transportation issues as needed. TransTAC members prepare educational updates on these topics for TransPOL meetings upon request.	 TransPOL reviews the list of cross-jurisdictional transportation issues and selects topics for their 2021 meetings.	 KRCC Board reviews relevant transportation topics as needed.
2. Discuss transportation funding opportunities outside of the FHWA competitions.	 Support TransPOL's discussions on transportation funding opportunities based on guidance from TransPOL.	 Hold policy discussion on funding opportunities outside the FHWA competitions.	 KRCC Board holds policy discussion on funding opportunities outside the FHWA competitions and takes action as needed.
PSRC Coordination			
3. Discuss updates to policies and criteria for the Countywide Competition. (2020 Competition Debriefs).	 Conduct research related to topics based on guidance from TransPOL.	 Provide guidance to TransTAC related to research needed to support discussions on desired topics. Review data related to selected topics and propose an approach for KRCC Board review.	 Approve the approach to selected topics as part of the Call for Projects in 2022.

Action Item	TransTAC's Role	TransPOL's Role	Board's Role
4. Incorporate VISION 2050 into the Countywide Competition as appropriate.	 Provide recommendations to TransPOL on ways to incorporate VISION 2050 into the Countywide Competition.	 Hold policy discussion on how to incorporate VISION 2050 into Countywide Competition.	 Review TransPOL's proposed updates for future approval.
5. Approve Kitsap's Rural Town Centers and Corridors (RTCC) Projects to PSRC.	 Hear presentations from project sponsors. If more than 3 projects are put forward, hold a project selection workshop to determine which 3 projects to submit to PSRC.	 Hear presentations from project sponsors and review TransTAC's recommendation on up to 3 projects to submit to PSRC.	 Review and approve TransPOL's recommendation on up to 3 projects to submit to PSRC.
6. Participate in the Regional Transportation Plan Update.	 Provide recommendations to PSRC RPEC members regarding safety, system information and visualization, maintenance and preservation, and project planning and implementation.	 Hold policy discussion and provide recommendations to PSRC TPB members regarding the Transportation Plan Update.	 Hold policy discussion and provide recommendations to PSRC TPB members regarding the Transportation Plan Update.
KRCC Collaboration			
7. Ensure messaging consistency between policy and technical committees.	 KRCC staff will serve as the neutral liaison to provide updates and information to policy representatives.	 TransPOL meetings have TransTAC updates as a standing agenda item.	 KRCC Board meetings have TransPOL and TransTAC updates as standing agenda items.
8. Review the Transportation Planning Element of the Countywide Planning Policies (CPPs).	 Provide recommendations to TransPOL on ways to update the Transportation Planning Element of the CPPs.	 Hold policy discussion on how to update the Transportation Planning Element of the CPPs.	 Review and approve updates to the Transportation Element of the CPPs.

Transportation Deliverables

- Meeting agendas (draft and final)
- Meeting summaries (draft and final)
- Meeting materials as needed including maintaining communications with PSRC
- Summary reports at KRCC Board meetings
- TransTAC recommendations to TransPOL

III. A. Transportation Policy Committee (TransPOL) Facilitation and Coordination

To support the KRCC Board’s Transportation Policy Committee (TransPOL), Triangle will provide a Transportation Program Lead who will be responsible for drafting TransPOL agendas in coordination with the KRCC Executive Committee, gathering and constructing meeting materials, and sending these materials to TransPOL at least 5 days before meetings. Triangle will also be responsible for providing staff for issuing public notices, notetaking, drafting meeting summaries, as well as tracking and implementing action items prior to and following each meeting.

Staff	Meetings	Sub-Task Deliverables	Assumptions
<ul style="list-style-type: none"> Sophie Glass, KRCC Program Director Mishu Pham-Whipple, KRCC Transportation Program Lead 	<ul style="list-style-type: none"> 4 TransPOL meetings 	<ul style="list-style-type: none"> Meeting agendas (draft and final) Meeting summaries (draft and final) Meeting materials as needed including maintaining communications with PSRC Summary reports at KRCC Board meetings 	<ul style="list-style-type: none"> Meetings will be 1.5-hours in duration Meetings will be held virtually or at Kitsap Transit in Bremerton

III. B. Transportation Technical Advisory Committee (TransTAC) Facilitation and Coordination

To support the KRCC Board’s Transportation Technical Advisory Committee (TransTAC), Triangle will provide a KRCC Transportation Lead who will report to the Program Lead, provide staff support to TransTAC, and facilitate TransTAC meetings. The Program Lead will be responsible for drafting TransTAC meeting agendas in coordination with the KRCC Program Lead and TransTAC members, gathering and constructing meeting materials, and sending materials to TransTAC at least 5 days before TransTAC meetings. The Program Lead is also responsible for notetaking, drafting and finalizing a meeting memo, as well as tracking and implementing action items following each meeting.

For the 2020 Scope of Work, Triangle will provide technical support through a subcontractor. This work will support the policy discussions on reviewing the KRCC Regional and Countywide Criteria for federal funding.

Staff	Meetings	Sub-Task Deliverables	Assumptions
<ul style="list-style-type: none"> Mishu Pham - Whipple Vivian Ericson 	<ul style="list-style-type: none"> 4 TransTAC meetings 	<ul style="list-style-type: none"> Meeting agendas (draft and final) Meeting summary of action items and <ul style="list-style-type: none"> key discussion items Meeting materials as needed, including maintaining communications with PSRC Recommendations to TransPOL 	<ul style="list-style-type: none"> Meetings will be 2-hours in duration Meetings will be held virtually or at Kitsap Transit in Bremerton