

# Summary Notes

Pierce County  
Transportation Advisory Commission (TAC)  
Thursday, January 23, 2020  
9:00 a.m. to 11:00 a.m.

Location: Tacoma Mall Plaza Building  
2702 S. 42<sup>nd</sup> Street  
2<sup>nd</sup> Floor Conference Room  
Tacoma, WA 98409

**Call to Order: 9:09 a.m.**

**Roll Call: 9:10 a.m.**

**Voting Members Present:** Brian Devereux (late arrival), Deryl McCarty, Larry Leveen alternate for Jane Moore, Katie Wilcox, Paul Lubbesmeyer. Quorum was not met.

**Absent:** Jeremiah LaFranca, Lindsey Sehmel, Scott Jones, Steve Gordon, Tom Pierson

**Non-Voting Members Present:** Dennis Hanberg, Hugh Taylor, Rob Allen Toby Rickman

**Pierce County Staff:** Brian Stacy, Rory Grindley, Jesse Hamashima, Gary Hendricks, Neil Quisenberry, Jie Chen, Clint Ritter, Letticia Neal, Shawn Phelps, Brianne Blackburn (Parks), Amy Cruver (Council), Dave Morrell (Councilman for District 1)

**Guests:** Jennifer Halverson-Kuehn (TPCHD)

**Approval of Agenda: No Quorum**

**Introductions:** Started with **Councilman Dave Morell** – Represents District 1; South Hill, Lake Tapps, Orting, South Prairie, and Carbonado. Here to observe and ensure that everyone gets along in the sandbox. Council passed ordinance to have the TAC looking at the 6-year transportation plan and economics of how to pay for that plan. Looking forward to engaging with the group. Appreciate everyone's time and effort to try and resolve the ever increasing need to resolve traffic issues.

**Jesse Hamashima (PC PPW Staff), Letticia Neal (PC Transportation Improvement Manager), Clint Ritter (PC Program Development Supervisor), Brian Stacy (PC Office of County Engineer), Toby Rickman (PC Deputy Director of PPW), Brian Devereux (PSD Planning Director), Katie Wilcox (Wilcox Farms), Rob Allen (PC Economic Development), Dennis Hanberg, Amy Cruver, Jie Chen, Jen Halverson-Kuehn, Paul Lubbesmeyer (Community Group), Brianne Blackburn (PC Parks & Rec. Staff), Shawn Phelps (PC Transportation Planning), Gary Hendricks (PC Transportation Planning), Larry Leveen (Forever Green Trails), Hugh Taylor (PC County Council Staff), Deryl McCarty (South Hill Community Group), Neil Quisenberry (PC Transportation Planning), Jinelle Casten (PC Traffic Engineering Admin. Support), and Rory Grindley (PC Traffic Engineer).**

**Administrative Issues:** In October 2019, an ordinance changed the terms of the presiding officers from a 1-year term to a 2-year term of service. At the next meeting, we will need to discuss and confirm the term length of the Chair, Deryl McCarty and Vice Chair, Scott Jones continuing through January 2021.

Under County Ordinance and Resolution, the TAC, is asked to review all the plans and the amount of funds to pay for the transportation plan for the County. And any differences to find funding and/or alternatively how to prioritize the projects. Presentation before Council is expected by end of July. May need to schedule additional time and/or dates for TAC to meet.

Dennis Hanberg spoke of the opportunity to kick off another big project for the TAC. For those of you that are new, this is a very active committee. The past year or two was about educating the board on TIF – got down to the nuts and bolts.

Today, the TAC is being honored to provide a huge volume of work by the Council through Resolution 2019-133. The resolution identifies what the goals are: Review six-year and 20-year TIP and identify transportation funding options – need to take the same process for TIF and apply it to the funding options. Tasked by Council to come up with the funding options – what is not covered by TIF. Primary focus should be on identifying the various funding options. The second goal – recommend a system prioritization; and third is to look at the first two goals and then present those recommendations to the Council. Be careful about talking about projects before being educated on funding and prioritization.

Councilman Dave Morell: Follow-up at the Council level – making sure that they are doing the right thing for the community. The County is not immune to the effects of the car tabs and sound transit issue – as a County not viewed too highly at the State level right now. Fallout unknown – open to all out of the box thinking right now and appreciate the task assigned to the TAC. An uphill climb, but can be worked out by working together. Don't get too far in the weeds. Keep it in a more global context.

Deryl re-iterated that there is a need to keep track on what is going on in Olympia related to transportation, things like the mileage fee.

### **Presentation: Pierce County Transportation Funding (Clint Ritter/Leticia Neal)**

It is the intent of this presentation to be kept at a high level. Discussed the agenda for today's presentation:

Started with the MOPIA pie chart - illustrates approximates. MOPIA is Maintenance, Operations, Preservation, Improvement, and Administration. Breaking down MOPIA – Expenditures and Revenues (2-year biennial budget). Very extensive County road system. Transfer out to various other funds. Construction Fund and Ferry fund – represent the I & P in MOPIA. Will dive into more detail, but wanting to give an initial perspective on the percentage of dollars being talked about for that I & P category.

**Revenue:** Vast majority of funding comes from Property Tax \$123M and Fuel Tax \$24M

DM: Revenue - If we were to take the Fuel Tax and run it out over the last 10 years would it show this amount? Theoretically, the number should go down with the usage of hybrid, electric vehicles, but because of the influx of new population into PC, we are currently seeing a steady increase. Eventually, fuel tax is projected to decrease.

Revenue with reimbursable tag: In order to get reimbursed, we need to spend the money first, and then will get paid back. Cash flow issue. Administered within construction fund – instant transfer.

Road Fund; 6-Year Financial Plan – 2019 to 2024. Details behind the work. 2023 & 2024 program projects use of a Bond – subject to change – emphasizes the need for additional revenues within the road fund. Whether it be a bond or some other revenue sources this is a deficit that will need to be made up given the current program projections.

Page 5 Questions related to this page: Bond – what determines the ability to get a bond and in what amounts? County has a rating and ability to bond. Bond goes to Council. Discretionary amount presented to the Council and determined whether or not it should move forward on the bond by Council.

It is safe to assume that in 2024 – 25 there will be some grant funding available, but cannot tell at this point. Cannot plug in numbers until known. Types of grants received: M&O, or Preservation – not necessarily to improve flow of traffic or the pedestrian facility, but it is work needs to be done. Very small amounts go to capacity. County road fund is the most flexible funding source as compared directly to Traffic Impact Fees and Real Estate Excise Tax. Projected revenues based upon grants and bonds that may be received.

Must build according to scope of work and publicly bid the project or to pay the funds back. There is a level of uncertainty with federal funding.

**Expenditures: 6-years;** Transfers out of the road fund is a significant amount of funding. Construction fund – Preservation & Improvement projects. Transfer out to Ferry fund for Capital improvements – a significant ask.

Significant transfer going out to Sheriff's department - \$3M average; along with other funds within the department or within the County. Required to maintain a minimum road fund balance in the road fund; varies over time – changes due to many factors such as state of economy, revenue, internal County finance department policies which causes this to be subject to change.

Road Fund Balance – Minimum ranges from \$7.2M - \$12M; at best the goal is to keep it in this range and not go below the \$7M. We don't have control over inflation and other factors that influence this amount.

**Required Transfers or Diversions:**

**Sheriff – Levy Diversion (Since 1987) – Public Safety – approximately \$15M.**

The term "Diversion" is a little misleading – a legal term in the statute - it does not mean money is taken out of the road fund, which was never in the road fund to begin with, it was just taking some of the total revenue generated from property tax out of that. State Legislature gives counties the authority to create a road district funding; that portion of the property tax that is split into different pieces. PC is limited to \$2.25 so that is statutory, which we are not even close to that right now. One piece is the road district levy which goes into road fund and the other piece is the Public Safety vote and is about 25% of what is collected. We are the only county in the state that has that magnitude of levy diversion. Essentially taking taxing authority and putting it to a different purpose. To put it back or change the equation it would take the entire public vote. For 2020 we are at \$1.40 per \$1,000 of assessed value currently for the road levy.

**Capital Project: Central Maintenance Facility (CMF) debt service** – Paid off in 2026

**Capital Project: Sewer Traffic Operation (STOP) Facility Debt service** – Paid off in 2044

**Surface Water Management (SWM) Service Fee Charge & Position Allocation/IT/HR/Misc.** – Allocated costs to the road fund from other county departments support.

**Optional Transfers:**

Sheriff Traffic Law Enforcement

Ferry Fund – Not required; it can be accommodated by the Fare box if chosen;

Construction Fund

**County Levy:** Gives an idea of the breakdown between the general levy and road district levy. Combined Property Tax Rates. 2020 Road District Levy was changed to \$1.40 after budget book came out.

**County Road Property Tax – Road Levy:** Report to the County Road Administration Board every year.

2020 Road District Assess Valuation (A.V.) = \$53,540,566,348

2020 Road Levy is \$1.40 per \$1,000 A.V.

Levy up to \$2.25 per \$1,000 A.V. per statute

Limited by 1% annual growth (plus new construction)

Ability to exceed \$2.25 depends on total County levy not to exceed \$4.05

Report on voter approved diversion. There is room for discussion on the County and Road levy.

Suggestion to put in an additional slide – showing the actual road levy collected.

**County Road Property Tax – Road Levy:** CRAB Reporting Yearly WAC 136-150-021; Road Fund Levy – RCW 36.82.040;

**Road Levy Lid-Lift Revenue Examples:** Lots of assumptions: Based on 2020 Road District Valuation; Total County Levy remains within statute limitations; Diverted Road Levy does not change; These are approximate funding levels and would need to be fully analyzed against County/State statutes.

**Real Estate Excise Tax (REET) “2”** – Sunset date changed to 2036 with an amendment in 2017; also pays for debt service, currently.

REET I – Any capital facility identified in the Capital Facility Plan of the County can be paid for.

REET II – Defines capital project differently – primarily focused on Public Works and Parks – 75% goes to transportation and 25% to Parks.

The website [www.MRSC.org](http://www.MRSC.org) is an effective resource about different taxing authorities in the state.

Helps define what REET I, REET II when it was authorized, how, etc. Revenue guide. Can revisit REET I and REET II at a later date in detail if wanted. Can see that the fund balance REET II is declining.

**Six-year Transportation Improvement Program (TIP):** What we call internally the Construction Fund.

This is the summary of the I & P in MOPIA – design, construct, etc. in this document. Guided by State Law and County Road Administration Board (CRAB).

**Construction Fund Financial Plan – Revenues:** Existing funding sources – Road Levy, Motor Vehicle Fuel Tax – Gas, Traffic Impact Fees, Real Estate Excise Tax, Federal Funding (ex. FHWA), State Funding (ex. TIB/CRAB), Misc./Other (ex. Developer/Fund Balance). The Construction Fund is different than the Road Fund. Traffic Impact Fees, Real Estate Excise Tax, and Grants allow us to implement this program do

what we do on a yearly basis. Transfer from road fund to construction fund is around \$8M. We are able to put out a program larger than that due to the TIF, REET, and state and federal grant funding. Road Fund: Similar trend as you get closer to year 5 & 6 - program drops off because grants are unknown at this time. Typical of what we see in 6-year programs.

Are tolls an option on Canyon Road? Not without a state statute change.

**Construction Fund Financial Plan - Expenditures:** Breakdown phases of a project – Preliminary engineering - design for all capital projects, Final engineering – design to finalize the plans and out to bid, Right of Way, Construction Engineering – administration management to contractor, and then Construction contract. This matches the revenue side.

Add Slide: Accomplishment – what has been done to date

**Priority Groups:** Bridges, Concurrency/Capacity (TIF), New alignment/Corridor (TIF), Ferry – roadway system, Non-Motorized, Misc. Programs (ADA, Spot Safety, Etc.), Preservation, Safety/Operations – these are not in any particular order. Different criteria within the groups. FHWA – bridge replacement has been talked about, but no action taken.

**Impacts of Revenue Shortfalls:** Reduced service levels, missed grant opportunities due to lack of matching funds, M&O impacts, further deteriorating infrastructure, inability to come close to achieving State/Federal Mandates – Concurrency, ADA, Fish passage

**Funding Mechanism Options:**

Levy Lid-Lift: Significant revenue potential; flexibility in rates

REET 2: Limited revenue potential; new bond issuance/Sunset

TBD (License Tabs): Unknown revenue; I-976 Impacts – right now it is subject to change and nothing is being drawn from this.

Internal Transfer Restorations: Significant revenue potential; Law Enforcement

Other: Limited revenue/unknown – subject to change; ex. Red Light Cameras – must be used solely for safety purposes.

How much is diverted to Surface Water Management – the largest impervious surface is County roads. \$1.5M is paid to SWM even though there is a SWM levy. Federal roads do not pay, but State roads do pay into this. In comparison to County overhead costs, it is minimal. Combining small pieces, rather than going for a homerun might be the route to look at for new funding.

**Proposed 2020 Work Plan Development: R2019-133 – see page 19 of presentation**

**Conclusions, Decisions, and Next Steps:** Recommendation is not able to address “mega” projects including: Canyon Road Regional Connection Project; Fox Island Bridge

Goal to address key project priorities currently lacking full funding.

Project focus on concurrency with safety and active transportation addressed.

Will want TAC feedback on other elements of MOPIA to focus on, which funding mechanisms are of interest, transfer/diversion options? Narrow the scope – where to put efforts – areas to target.

The TAC needs to make some decisions and narrow the scope a bit. Staff can bring back some information and dig into whatever the TAC is interested in, but need to know what should be focused upon. What is the group wanting to look at? Need to gather the information that should be targeted.

Levy Lid lift to be raised? What is the process? How big can it be? Look at other entities and what they came up with? What are the mechanisms, risks, and rewards?

Maybe red-light cameras in the school zones to address the enforcement issue, but use any revenue that may be generated for active transportation and safety. The risk is that revenues could go down as people comply with the safety aspect.

Utility tax of 1% instead of property tax increase. Maybe a coalition between two different entities for common projects. City utilities charging County residents for city utility. Maybe look at the County getting the ability to do this. Sidewalk maintenance responsibility currently on County.

Look at REET as well – inflationary factor. Room with rate?

Presentation was very well done, concern about lack of quorum. Discussion would be very helpful for those not present at this meeting. Asked Clint Ritter to provide another opportunity to hear the presentation. Offering before regular TAC meeting on February 27<sup>th</sup>.

Next Steps: Summarize the topics – questions to start thinking about before the next meeting.

Teleconferencing is a viable option for those that may be on vacation. Encourage members to attend in person.

**Next Meeting Date: February 27, 2020**

**Public Comment: N/A**

**Adjourn : 12:04 p.m.**