

City of Vancouver Street Funding Strategy 2019

Annual Report to the Community



Prepared by the Department of Public Works

Director Brian Carlson

Transportation/Streets Manager Ryan Lopossa

Finance/Asset Management Manager Chris Malone

February 2020

Table of Contents	2
Guiding Principles and Outcomes	3
Introduction	4
Street Funding Strategy (SFS)	5
SFS Revenues 2019	6
SFS Key Outcomes and Expenses 2019	7
SFS Activities 2019	8
Pavement Management 2019 Infographic	9
SFS Activities 2019 Continued	10
Transportation Benefit District (TBD)	11
TBD Background, Revenues and Expenses 2019	12
TBD Graphic: How License Fees Were Spent in 2019	13
TBD Look Ahead to 2020	14
Street Funding Strategy Programs and Projects in Photographs	15
Additional Information	16

TABLE OF CONTENTS

GUIDING PRINCIPLES AND OUTCOMES

Guiding Principles

- New street funding revenues are to supplement, not supplant, existing revenues
- “Take care of what we have”
- Pay-as-we-go goal of financing infrastructure projects is preferred
- As street bond debt service is repaid, use funds previously needed for debt payments for streets
- Continued public transparency and accountability

Outcomes

- Restore historically maintained City rights of way and medians to pre-recessionary 2009-2010 service levels, and increase arterial sweeping frequency
- Over a 20-year period, improve pavement conditions overall from Fair to Good
- Develop replacement program for street assets such as street lights, traffic signals and City-owned bridges
- Expand mobility, safety and accessibility programs, including the Neighborhood Traffic Calming Program
- Complete one arterial street improvement project approximately every 2-3 years, leveraging local funding with state and federal grants to greatest extent possible
- Develop and launch a citywide sidewalk program

In 2015, the Vancouver City Council adopted a long-term solution with dedicated revenues for the purpose of supporting and improving our community's street system. Collectively these new revenues are referred to as the Street Funding Strategy (SFS).

Vancouver's Street Funding Strategy – the result of careful assessments of transportation programs, projects and finances; an extensive public engagement process; and direction from a Street Funding Commission – was intended to forge a strong and sustainable foundation for improving safety and travel for all users and reversing a trend of deteriorating pavement conditions. Included in the Commission's recommendations was the creation of a Vancouver Transportation Benefit District (TBD).

The following revenue sources support the Street Funding Strategy: a \$40 vehicle license fee implemented by the TBD, a 1.5% tax on City-owned utilities, a \$20 business license surcharge fee, increased state gas tax distributions, and reinvestment of retired debt service into transportation. As we document 2019 Street Funding Strategy accomplishments in this report, we must also recognize the uncertainty and concern that lay ahead at this time.

In November 2019, voters approved statewide Initiative 976 (I-976), which capped vehicle license fees at \$30 and eliminated TBD license fees adopted by local jurisdictions, such as Vancouver. TBD fees here generate about \$5 million annually and are dedicated to improving the City's street system. I-976 was to take effect Dec. 5, 2019. However, implementation was placed on hold pending resolution of state-level litigation and remained that way as of February 2020. Though TBD license fees continue to be collected, if the court determines I-976 is constitutional, fees collected since December will likely need to be refunded.

Vancouver's TBD revenues have been used to fund the City's transportation capital program and projects, and supplement the City's Pavement Management Program.

Loss of the TBD revenues will require the City to delay indefinitely many transportation projects needed to upgrade travel corridors, reduce congestion and improve safety for all – pedestrians, bicycles and vehicles. One of the most visible effects of I-976 is likely to be in the Pavement Management Program, which has been steadily improving pavement conditions citywide since adoption of the Street Funding Strategy. The loss of TBD funds also cuts the matching dollars the City needs to get state and federal grants. In 2019, the City used these revenues as leverage to pursue and get approximately \$6.6 million in new grants for transportation projects. If replacement revenue is not found, the City may need to forfeit about \$4 million in grants recently awarded for major capital street projects. The TBD and City Council will be considering replacement revenue options in 2020 and 2021.

The Transportation Improvement Program (TIP), adopted by the City Council in June 2019, guides how Street Funding Strategy revenues are used to meet key outcomes, which include pavement management, asset replacement, multimodal safety, accessibility, and neighborhood traffic calming, as well as major grant-funded projects. A searchable web map of TIP projects can be found here: www.cityofvancouver.us/tip

Reflecting our commitment to transparency and accountability, the City offers this report to the community. It includes details of 2019 Vancouver TBD finances and projects, and other important street funding information. We encourage all to review what's been accomplished and continue to stay informed as we work to improve Vancouver's streets. For more information, see: www.cityofvancouver.us/betterstreets.

Introduction



OVERALL STREET FUNDING STRATEGY REVENUES

Street Funding Strategy - Revenue 2019

In 2019, the City's Street Funding Strategy met the revenue objectives recommended by the Street Funding Commission to improve Vancouver's street system over time.

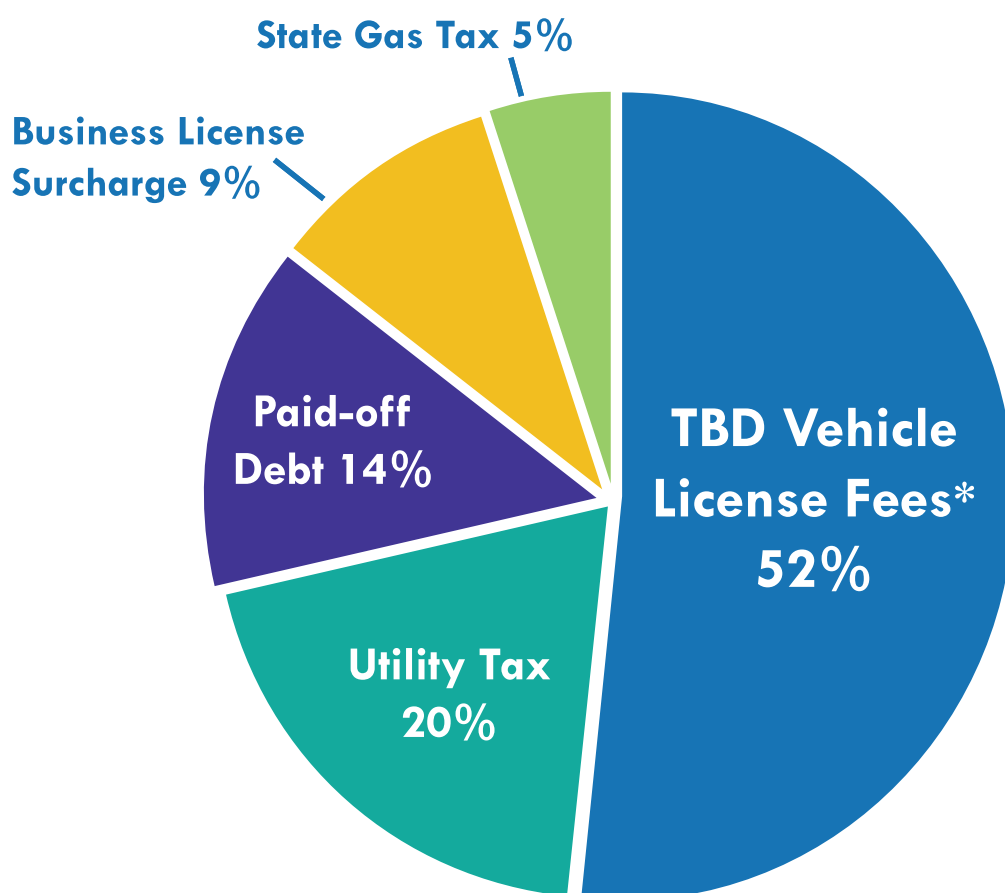
For 2019, the City anticipated it would receive \$9.2 million in total revenues from combined Street Funding Strategy resources, which are used to supplement the baseline streets budget. Actual revenues received for the Street Funding Strategy were approximately \$9.92 million, about 8% more than had been estimated.

Note: Revenues not spent on transportation outcome-targeted areas in 2019 are held for use as local match on future projects.

The table and chart shown here provide details of funding sources and their related estimated and actual amounts from all Street Funding Strategy revenue sources in 2019.

FUNDING SOURCE	2019 REVENUE (Millions)	
	Estimated	Actual
TBD Vehicle License Fee	\$4.80	\$5.15*
Utility Tax	\$1.75	\$1.95
Business License Surcharge Fee	\$0.90	\$0.94
State Gas Tax	\$0.35	\$0.48
Paid-Off Debt	\$1.40	\$1.40
TOTAL	\$9.20	\$9.92

* Includes December TBD revenues of \$345,000 being held in a separate account pending state-level litigation of I-976.



**HOW
VANCOUVER'S
STREET
FUNDING
STRATEGY
2019 DOLLARS
BREAK DOWN**

Street Funding Strategy - Outcomes and Expenses 2019

Vancouver's Street Funding Strategy is focused on successfully delivering outcomes in the following targeted areas: pavement management; median/rights-of-way maintenance; neighborhood traffic calming; mobility, safety and accessibility; asset replacement; grant-funded projects; and improved sidewalk management.

Key Outcomes		2019 Expenses (Millions)
		Estimated
	Mobility, Safety and Accessibility	\$0.50
Neighborhood Traffic Calming		\$0.10
	Sidewalk Management	\$0.50
Asset Replacement		\$0.20
	Right of Way Maintenance and Arterial Sweeping	\$0.75
Pavement Management Pavement Reconstruction		\$3.50 \$0.50
	Grant-Funded Projects	\$2.40
Total		\$8.45

Street Funding Strategy - Activities 2019

Mobility, Safety and Accessibility

This component of the Street Funding Strategy rotates yearly among three areas: from ADA accessibility, to pedestrian improvements, to bicycle safety. In 2019, \$500,000 of TBD revenue from vehicle license renewal fees was allocated as local match for grant-funded projects. Projects included infill sidewalks along NE 112th Avenue in the vicinity of 9th Street, infill sidewalks along Devine Road near the Burnt Bridge Creek Trailhead, and complete street improvements along McLoughlin and MacArthur Boulevard. Additionally \$30,000 was spent on quick turn-around safety response improvements needed in Vancouver.

Neighborhood Traffic Calming

The City's Neighborhood Traffic Calming Program has received total annual funding of \$270,000 from all sources. Of that, \$100,000 was provided by TBD vehicle license fees. Neighborhoods play a large role in project selection for this program. The projects below were championed by neighborhood residents and reviewed by the independent Neighborhood Traffic Safety Alliance (NTSA). Projects included:

- NE 141st Avenue, NE 28th Street to NE 39th Street, speed cushions to slow traffic
- Lincoln Avenue, W 43rd Street and W 44th Street, pedestrian crossings to improve safety

More information about this program can be found here: www.cityofvancouver.us/trafficcalmingprogram.

Sidewalk Management

In 2019, approximately \$490,000 was spent on sidewalk management. Highlights of activities include:

- 647 inspections performed
- 383 correction notices sent
- 134 code cases closed
- 57 right of way permits processed for sidewalk repair and/or replacement
- 24 curb ramps constructed

City Sidewalk Management staff also continued work with local businesses to assure pedestrian accessibility while offering sidewalk seating in downtown Vancouver areas.



Asset Replacement

The community's investment in the City's street system assets is estimated at more than \$1 billion in replacement value. The Street Funding Strategy seeks to manage these assets pro-actively. In 2019, \$415,000 was directed to asset replacement. \$200,000 from the TBD combined with the city's \$215,000 baseline funds. The City replaced the traffic signal at St. Johns and NE 42nd Street and the traffic signal at E Fourth Plain Boulevard and Norris Road. Both signals had reached the end of their useful life and were replaced with signals meeting all current standards.

Rights-of-Way/Median Maintenance and Arterial Sweeping

In keeping with the recommendation of the Street Funding Commission, \$750,000 is dedicated annually to increased sweeping of arterial streets and restored levels of historically-maintained median and right of way. Arterial sweeping frequency continues at a two-week cycle. For medians and rights of way, emphasis is placed on maintenance of safe sight distances, weed management, and health of trees.

Pavement Management

The City's 2019 Pavement Management Program was again among the largest to date – \$12.6 million – thanks to Vancouver's Street Funding Strategy. This included \$1.7 million in grants for paving portions of Mill Plain Boulevard and 164th Avenue. The Street Funding Strategy provided \$3.5 million, including \$1 million of TBD fees, of the total 2019 Pavement Management Program.

Pavement resurfacing and/or preservation took place in or along nearly half of Vancouver's neighborhoods in 2019. The City resurfaced 27 lane-miles of streets, applied preservation treatments to 77 lane-miles of streets, and constructed 147 ADA-compliant curb ramps in Vancouver, above and beyond curb ramps constructed as part of the 2019 Sidewalk Management Program. The infographic on the following page highlights some facts of the 2019 Pavement Management Program.

Please note: Due to voter passage of I-976, the City's Pavement Management program will be reduced by \$1 million annually, starting in 2020, until a replacement revenue is found.

2019 Pavement Management

WWW.CITYOFVANCOUVER.US/PAVEMENT



Coverage in Square Yards =



225,280
Slurry Seal



302,720
Preservation

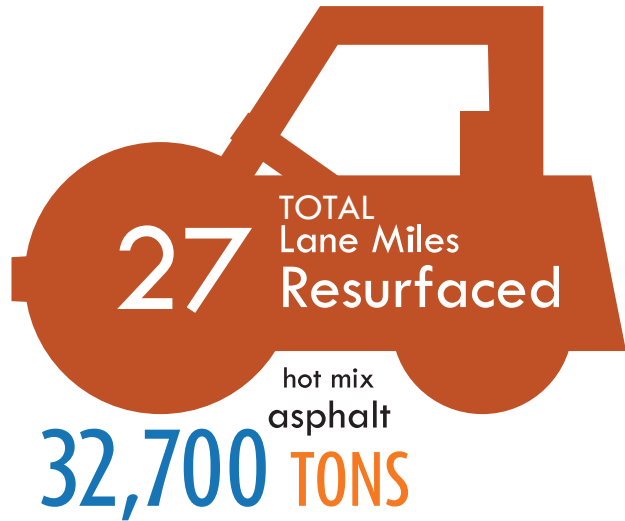


16,896
Additional Micro



Paving Preparations

5,800 TONS hot mix asphalt



27 TOTAL
Lane Miles
Resurfaced

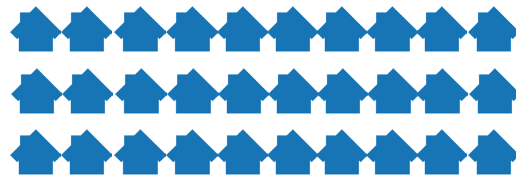
hot mix
asphalt

32,700 TONS

\$12.6 MILLION TO IMPROVE
STREETS



Nearly
half



of Vancouver's **67 NEIGHBORHOODS**

5,193
MAILINGS
to residents



and even more
doorhanger notices



147

New ADA Curb Ramps
Increased Accessibility

EAST 18TH STREET RESURFACING PROJECT FROM START TO FINISH



Before



Grinding



Paving



After (pre-stripping)

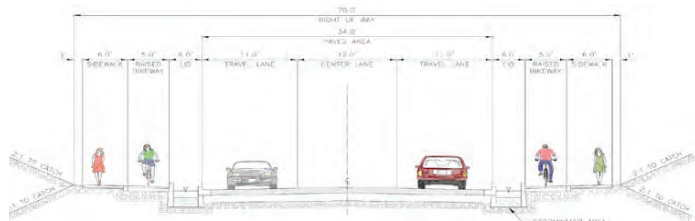
Street Funding Strategy - Activities 2019

Grant-funded Projects

In 2019, the City of Vancouver was awarded more than \$6.61 million in grants for transportation projects.

This success was made possible by Street Funding Strategy money, which allowed the City to meet the local match requirements established by the grant funding agencies to obtain these critical funds. Below are the grants received by the City of Vancouver:

- \$1,000,000 Federal Surface Transportation Block Grant awarded by the Regional Transportation Council (RTC) for construction of SE 1st Street Improvement Project, 164th Avenue to 177th Avenue segment
- \$2,000,000 State Transportation Improvement Board (TIB) grant for construction of SE 1st Street Improvement Project, 177th Avenue to 192nd Avenue segment
- \$1,800,000 Federal Surface Transportation Block Grant awarded by RTC for construction of Jefferson-Kauffman Realignment Project, Evergreen Boulevard to Mill Plain Boulevard
- \$635,000 Federal Surface Transportation Block Grant awarded by RTC for right-of-way acquisition associated with NE 18th Street Project, NE 97th Avenue to NE 107th Avenue, west of Interstate 205
- \$400,000 State TIB grant for construction of Devine Road sidewalks, E Mill Plain Boulevard to 18th Street
- \$75,000 Washington Traffic Safety Commission grant for construction of a pedestrian crossing flashing beacon at Devine Road and Idaho Street
- \$700,000 Transportation Alternatives Program (TAP) awarded by RTC for construction of sidewalks and bike lanes along NE 68th Street, from NE 28th Avenue to NE Saint Johns Road



SE 1st Street Conceptual Cross-Section Design



In 2019, the City spent approximately \$7.3 million on capital projects. Some of the highlights are:

- Advancing to construction the E Mill Plain Boulevard Improvement Project, 104th Avenue to Chkalov
- Continuing design and right-of-way acquisition for 137th Avenue Corridor Completion Project, 49th Street to E Fourth Plain Boulevard; Jefferson-Kauffman Realignment Project, Evergreen to Mill Plain Boulevard; and SE 1st Street Improvement Project, 164th Avenue to 192nd Avenue

Due to the passage of I-976, many of the City's capital projects will be delayed indefinitely until replacement revenue is found. Projects that may be impacted include:

- SE 1st Street Improvement Project, 177th Avenue to 192nd Avenue segment
- 137th Avenue Corridor Completion Project, 49th Street to E Fourth Plain Boulevard
- Jefferson-Kauffman Realignment Project, Evergreen to Mill Plain Boulevard
- NE 18th Street Project, NE 97th Avenue to NE 107th Avenue, west of Interstate 205
- W 32nd Avenue Extension Project, State Route 501 to Fruit Valley Road

In addition to the above I-976 impacts, approximately \$4 million in grant awards may have to be forfeited if replacement revenue is not found. These include a \$2 million grant toward construction of the NE 137th Avenue Corridor Completion Project and a \$1.8 million grant toward construction of the Jefferson-Kauffman Realignment Project.



Vancouver Transportation Benefit District

Vancouver Transportation Benefit District 2019

The Vancouver Transportation Benefit District (TBD) is the largest component of the City's overall Street Funding Strategy. In 2019, TBD revenue accounted for slightly more than half of the total Street Funding Strategy revenues, which supplement baseline general streets funding. In accordance with state law, the TBD is a quasi-municipal entity, a legally separate and distinct body from the City of Vancouver, formed to fund and support transportation improvements. Below is the TBD's 2019 report to the community on revenues, expenditures and projects, in compliance with the District's commitment to accountability and state TBD requirements.

Background

Washington State law RCW 36.73 allows a city or county government to create a TBD and impose a vehicle license fee to fund local transportation projects. Vancouver established its TBD in November 2015, at the recommendation of the citizen-led Street Funding Commission. Following a public hearing in December 2015, the TBD Board adopted a \$20 vehicle license fee, which took effect July 1, 2016. On December 18, 2017, the Vancouver TBD Board adopted an increase in the fee from \$20 to \$40. This increase was part of the Commission's 2015 recommendations for long-term, sustainable funding to take care of streets and improve the transportation system.

These fees, paid in Vancouver, stay in Vancouver. Per state law, they can be spent only on transportation projects/programs identified by the TBD Board. For Vancouver's TBD, these projects and programs are to be selected from the most currently adopted Six-Year Transportation Improvement Program (TIP) and Pavement Management Program. The full TIP report is posted online at www.cityofvancouver.us/TIP.

The fees support the targeted outcomes recommended by the Street Funding Commission and the Vancouver City Council including:

- Pavement management
- Asset replacement
- Mobility, safety and accessibility
- Neighborhood traffic management
- Grant-funded projects

In addition to the annual report, information about the TBD, can be found on the website at www.cityofvancouver.us/TBD.

Revenues

Actual 2019 TBD-generated revenues, generated by the \$40 vehicle license renewal fee, came in slightly above estimates – \$5.15 million versus \$4.8 million.

Note: I-976 was to take effect on December 5, 2019. However, due to state-level litigation over the initiative, the TBD vehicle license fees continue to be collected as of February 2020. Status of the fees will be dependent upon the court's determination. Therefore, any revenues collected after December 5, 2019, are currently being held in a separate account in the event that they need to be refunded. December 2019 TBD revenues were approximately \$345,000.

Expenditures

In 2019, the TBD contributed to the following City Street Funding Strategy projects:

- \$1,000,000 toward Pavement Management, taking care of the streets we have;
- \$500,000 toward Mobility, Safety and Accessibility projects;
- \$100,000 toward the Neighborhood Traffic Calming Program, which helps improve livability and neighborhood street systems;
- \$200,000 toward the traffic signal and lighting sustainability program, which helps fulfill the asset replacement outcome;
- \$1,000,000 toward the NE 1st Street - 164th Avenue to 192nd Avenue Improvement project;

Note: Per the City Council's/TBD "pay as you go financial policy" unspent funds are carried forward to fund future transportation projects.

Vancouver Transportation Benefit District Board

Anne McEnerny-Ogle, Chair | Bart Hansen, Vice Chair

Bill Turlay (2019)/Sarah J. Fox (2020) | Ty Stober | Linda Glover | Laurie Lebowsky | Erik Paulsen

Eric J. Holmes, Executive Director



HOW YOUR VANCOUVER TBD LICENSE FEES WERE SPENT IN 2019 BY OUTCOME

Vancouver TBD Fee \$40

Grant-funded Projects
SE 1st Street (164th Ave - 192nd Ave)
Construction Funding
\$1 Million



**Pavement
Management**
\$1 Million

**Neighborhood
Traffic Calming**
\$100,000



**Traffic Signal and
Lighting Sustainability**
\$200,000



**Mobility, Safety and
Accessibility**
\$500,000



Total 2019 TBD Revenues = \$5.15 Million*

*Note: In keeping with the City Council/TBD "pay as you go financial policy" all unspent funds are carried forward to fund future transportation projects. *Total revenues shown include December TBD revenues of \$345,000 being held in a separate account pending court decision concerning state-level litigation of I-976.*

Vancouver TBD Look Ahead for 2020

TBD Board Meetings

Regular meetings of Vancouver's Transportation Benefit District Board are scheduled by resolution in the first quarter of each calendar year. Meetings typically follow regular City Council meetings at City Hall, 415 W. 6th Street. Meeting agendas, materials and other details are posted online at www.cityofvancouver.us/tbd.

Anticipated meetings for 2020 are as follows:

- February 2020 - Regular Meeting
- June 2020 - Workshop
- December 2020 - Workshop and Regular Meeting

Work Plan

By state law, Vancouver's TBD Board must adopt a budget and work plan for the year ahead. The 2020 Work Plan, below, reflects identified Street Funding Strategy outcomes and is based on the six-year Transportation Improvement Program (TIP), adopted annually. TIP reference numbers are shown in the table to provide easier access to information.

TBD Revenues - Vehicle License Fees

With passage of I-976, the TBD can effectively no longer impose a local vehicle license fee. This means the TBD will lose about \$5 million annually. Implementation of I-976 was to take place December 5, 2019, but has placed on hold pending resolution of litigation as to its constitutionality. Although TBD license fees continue to be collected, operationally, the TBD is assuming the court will uphold I-976, no further license fees will be received, and fees collected as of December 5, 2019, must be refunded.

As of February 2020, the TBD had about \$4.7 million in reserves, with \$2 million allocated to the SE 1st Street Project as indicated in the 2020 work plan below. The remaining \$2.7 million in reserves will be held until more is known about the Washington Court's decision or until a replacement revenue is found. The TBD and City of Vancouver will be pursuing replacement revenue options in 2020 and 2021.

2020 Vancouver Transportation Benefit District Work Plan

PROJECT NAME	◆ TIP ID	EST. 2020 PRE I-976 TBD FUNDS	2020 POST I-976 TBD FUNDS	2020 OTHER FUNDING	2020 BUDGETED COST POST I-976
Traffic Signal and Lighting Sustainability	Trans A-237	\$200,000	\$0	\$215,000	\$215,000
Pavement Management Program (Preservation)	Trans A-241	\$1,000,000	\$0	\$10,500,000	\$10,500,000
Mobility, Safety and Accessibility	Trans A-844	\$500,000	\$0	\$120,000	\$120,000
Neighborhood Traffic Management Program	Trans A-240	\$100,000	\$0	\$170,000	\$170,000
SE 1st Street Project (164th-177th Ave) Construction	Trans-268	\$2,000,000	\$2,000,000	\$8,000,000	\$10,000,000
NE 137th Avenue Project (49th to Fourth Plain) Right of Way	Trans-275	\$1,000,000	\$0	\$0	\$0
TOTAL		\$4,800,000	\$2,000,000	\$19,005,000	\$21,005,000



Additional Information

Title VI Statement: The City of Vancouver ensures full compliance with Title VI of the Civil Rights Act of 1964 by prohibiting discrimination against any person on the basis of race, color, national origin, or sex in the provision of benefits and services resulting from its federally assisted programs and activities. For questions regarding the City's Title VI Program, please contact Chris Malone, Finance/Asset Management Manager, at 360-487-7130.

Americans with Disabilities Act (ADA): Individuals requiring reasonable accommodation for information above may request written materials in alternate formats, sign language interpreters, physical accessibility accommodations, or other reasonable accommodation. Contact Loretta Callahan, Public Information/Community Relations, City of Vancouver Public Works, 360-487-8255. (TTY: 360-487-8602)

Este informe contiene información importante. Pídale a alguien que se lo traduzca o llame Ciudad de Vancouver, 360-487-7130.

В данном отчете содержится важная информация. Попросите кого-нибудь перевести ее для вас или звоните City of Vancouver, 360-487-7130.

Báo cáo này có thông tin bổ sung về dự án. Hãy nhờ người khác giải thích cho quý vị hoặc gọi cho City of Vancouver, 360-487-7130.

MORE INFORMATION

Webpage: www.cityofvancouver.us/betterstreets

Email: betterstreets@cityofvancouver.us

City of Vancouver | Transportation Benefit District
PO Box 1995
Vancouver, WA 98668-1995