



CITY OF KIRKLAND

Department of Public Works

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MEMORANDUM

To: Kurt Triplett, City Manager

From: Juliana Elsom, Sr. Operations and Finance Analyst
Ray Steiger, P.E., Public Works Director

Date: July 28, 2011

Subject: TRANSPORTATION BENEFIT DISTRICT UPDATE

RECOMMENDATION:

City Council review previous decisions regarding implementation of a Transportation Benefit District (TBD) for Kirkland and comment on staff recommendations for a public education and outreach plan to the community regarding a potential TBD.

BACKGROUND DISCUSSION:

A Transportation Benefit District (TBD) is a funding mechanism authorized by the State in 2007 to assist cities in funding critical transportation infrastructure such as roads, bridges and sidewalks, as well as related investments such as traffic lights and other transportation management systems. The boundaries of a TBD are designated by the City Council and the TBD provides several revenue options. The City Council, acting as the TBD Board of Directors, may adopt up to a \$20/vehicle license fee. A public vote by residents of the TBD can authorize up to a \$100 license fee or 0.2% local sales tax option, and under some circumstances, tolling within the TBD.

On February 17, 2009, Public Works staff presented the 2008 State of the Streets report to the City Council outlining the funding deficiencies in the Street Preservation Program and recommending several options to provide additional funding. One such option was the formation of a TBD.

Staff worked on street preservation funding issues throughout 2009 and 2010 with both the Transportation Commission and the City Council. The Council has taken a variety of actions related to additional street preservation funding during 2010.

At a study session on May 18, 2010, the Council directed staff to include the assumption of revenues from a \$20 car tab fee (estimated at \$750,000 annually for the pre-annexation city boundaries) in the 2011-2016 Preliminary CIP list but also asked that staff develop a public education and outreach plan for Kirkland residents.

On June 15, 2010, Council was presented with a public outreach process for the fall of 2010 to inform the upcoming budget deliberations. However in summer of 2010 Kirkland's budget situation worsened and staff had to focus on developing 5% budget reductions as well as an increased effort on annexation-related initiatives and the outreach plan was not able to be implemented.

In the fall of 2010, during the final 2011-2012 Budget deliberations, due to the need for public outreach and the uncertainties associated with the upcoming annexation, the City Council concluded that proceeding with the TBD should be delayed until 2011. However the City Council concurred with the staff recommendation to keep the revenue assumptions of a TBD in the 2011-2016 adopted CIP.

The Council will be reviewing the adopted CIP at the Council meetings in September of 2011 and the Council will need to decide whether to implement a TBD to fund the projects or to remove the assumption of TBD revenues and make reductions to the CIP.

This memo highlights some of the issues related to the timing of implementing a local TBD, and it concludes with a draft outreach proposal on how to advance the issue with the Kirkland community. More information regarding the State of the Streets will be presented at the Council meeting.

Issues

Since adoption of the City's 2011-2012 Budget, a number of regional issues have moved forward that are likely to compete with the limited supply of citizen funds: the WSDOT has begun construction of their tolling facilities along SR 520 and, pending resolution of problems with the vendor's collection system, \$3.50 tolls will be soon implemented along this heavily used route; King County Metro is looking at ways to stem a significant loss of revenue and keep transit service at existing levels, and now with the approval of recent State legislation, they are considering a \$20 per vehicle car tab for congestion mitigation funding for a two year period. Locally, Community conversations with the Kirkland City Council are advancing a potential Park Bond; the exploratory committee and outreach effort are moving ahead. Advancing the park and open space infrastructure of the City is important, and should be done in a coordinated manner so as not to detract from critical transportation infrastructure needs.

Now that annexation is completed and multiple upcoming forums are being developed to begin dialogue regarding needs in the annexation area, transportation needs are an essential part of that discussion. Outreach to the new neighborhoods will involve the "civics academy" in the fall of 2011, the semi-annual community telephone survey in February of 2012, budget focus groups in the spring of 2012, a full assessment of the entire street pavement network by staff in 2012, and additional community meetings still to be determined. Information regarding the needs and priorities for the new neighborhoods will then be included in the 2013-2018 CIP process that will be formulated in the fall of 2012. Therefore, the approach recommended by Staff is to utilize the current CIP update process to inform the community of the TBD rationale and impacts; Council could adopt a \$20 per vehicle car tab fee this year with boundaries drawn to include the entire new City.

Revenue from this approach would begin in approximately spring of 2012 and is anticipated to be approximately \$1,130,000 for all City residents including the new neighborhoods. Because of annexation, the revenue generated is significantly higher than originally anticipated in 2010; the effects of this increased potential revenue on the overall PCI are not yet known as the assessment of the annexation area PCI has not yet been modeled. However there are projects such as safety improvements to Juanita Drive that could be identified for implementation in 2012. Attachment A indicates the effect of the \$20 car tab TBD on the 2010 City streets.

Focus First on Council Action

Given all the other initiatives discussed above, staff recommends that rather than evaluate all the potential voter approved TBD options, the City should explore first with the public the utilization of

existing City Council authority to create the TBD and authorize a \$20 car tab. The outreach plan included in this memo is based on that premise. Further, in order to recognize the feedback from the 2010 process that indicated the need for a focused effort on existing community infrastructure, the scope of TBD improvements should be targeted to demonstrate immediate results.

Scope

Kirkland City Councils have historically supported the preservation and maintenance of existing street infrastructure with steady increases in funding for the street preservation program; Councils have consistently recognizes the value of investment in the infrastructure and dependable infrastructure is one of the current Council's adopted goals. This support is related to expectations reflected by the Community in various public forums and in surveys, such as in the *2010 Citizen Survey*, supporting more spending on street maintenance. The proposed funding from the TBD would supplement the existing street preservation funds. However staff also feels it is appropriate to consider utilizing a portion of TBD revenues to restore funding for two other key transportation needs that were cut in the last budget: pedestrian safety and neighborhood traffic calming.

The State of the Streets reports that are done approximately every three years have concluded that significant additional funds are needed in order for the Community to realize their established Pavement Condition Index (PCI) goals. Other transportation maintenance systems have begun to be neglected due to reduced funding in the general fund (Street fund) and the reduction in the neighborhood traffic control program. Staff is recommending that safety enhancement typically done from the street operating fund: crosswalk maintenance and installation of street lights be funded with TBD revenues. Additionally, due to 2011/2012 reductions, staff is recommending that Council consider elements of the neighborhood traffic control program be reinstated with funds from the TBD. One example of how the anticipated revenue for the TBD could be assigned as follows:

~90%	Street preservation program	(\$1,010,000)
~5%	Pedestrian safety and lighting	(\$60,000)
~5%	neighborhood traffic control	(\$60,000)

Public Involvement

Staff intends to build on the TBD outreach plan done in 2010 which continues to be available to the community through the City's web site, [\(Kirkland- TBD\)](#). Staff is proposing to utilize that approach to the public involvement process in August, September and October concurrent with the 2011 update of the CIP. The 2011 public involvement process will be consistent with the "consult" level of public participation to seek public feedback on the proposal. This level will afford opportunities for the *entire* Community, including the new neighborhoods, to learn about the importance of the various street maintenance programs, the status of their system, and the consequences of not investing in robust maintenance funding. It will provide staff a mechanism to communicate the level of financial commitment that will be made using the TBD, feedback will be taken and the information will be provided to the City Council in their decision process regarding the CIP update.

Communication Plan

Depending on the City Council's desire to proceed, below is a draft Communication Plan for the TBD. Staff is seeking Council input on the Plan which has the following goals:

- Describe the existing Street Preservation Program
- Outline Kirkland's pavement condition scores (now and over time)
- Chart the need for sustainable funding (now and over time)

- Explain the Transportation Benefit District (TBD)
- Gather public feedback

Communication Methods and target audiences:

1. Webpage (exists) update	1. http://www.kirklandwa.gov/depart/PublicWorks/TransportationStreets.htm (created in October 2010)	1-5. All stakeholders
2. Fact Sheet	2. To be created for public distribution	
3. List Serv (exists)	3. Email updates sent to subscribers (Budget Annexation, Neighborhood, CIP List Serves) Includes Kirkland Alliance of Neighborhoods and the Chamber	
4. City newsletter	4. Published quarterly, 1 printed, 4 online	
5. Multimedia/Video	5. Create informational video of the street maintenance programs. Post online; highlight in Currently Kirkland TV program	
6. Totem Lake On Track bulletin	6. Article on TBD. Produced 4/year with limited hard copies	6. Totem Lake Stakeholders
7. Editorials	7. Published at the discretion of local media	7. All stakeholders
8. Public Survey	8. Have information and survey cards available at public facilities and community & special events. Electronically send link to list serves and community groups	8. General public, existing organizations, and active citizens on existing list serves
9. Farmers Markets	9. Have information and survey cards available at Friday Juanita Beach Market and Kirkland Wednesday Market	9. General public
10. Boards and Commissions	10. Presentation to Boards/Commissions	10. 10.Boards and Commissions
11. Speakers Bureau	11. Speakers Bureau: Presentations to community, business and neighborhood groups in September and October	11. Community, business and neighborhood Groups

Additional outreach efforts or suggestions from Council will also be incorporated.

TBD's Effect on Kirkland's Pavement Condition

