



CITY OF MUKILTEO, WASHINGTON
WISE INVESTMENTS IN TRANSPORTATION TASKFORCE MEETING MINUTES
February 24, 2016
City Council Chambers—11930 Cyrus Way

Call to order

Chairperson Joe Marine called the meeting to order at 6:34 p.m.

Roll Call

Committee Members Present: Len Baron, Diane Cooper, Melanie Field, Marius Grigore, Councilmember Randy Lord, Joe Marine, Laura McCarty, Kevin Wilson

Staff Present: Marko Liias, Policy Analyst; Andrea Swisstack, Assistant City Engineer; Karl Almgren, Assistant Planner

Agenda order

No changes

Meeting Items:

- Approve Meeting Minutes from December 16, 2015 and January 27, 2016

Len Baron moved to approve the meeting minutes as presented. Councilmember Lord seconded the motion which was approved unanimously

- BTW Open House Debrief

Assistant Planner Almgren reviewed public comments received during the Open House and using the online “Make Mukilteo” site. Residents were asked for feedback on various design concepts for 5th Street, locations for midblock crossings on SR 525, and options for neighborhood greenways. Taskforce members discussed the results and shared comments on what they have heard as well.

- Transportation Funding Tools

Policy Analyst Liias made a presentation to the Taskforce about Transportation Funding tools and Taskforce members asked questions and discussed the funding tools presented. The Taskforce focused on accountability tools, how to ensure that various user groups are all contributing to transportation investments, and which tools might be worth further review.

The consensus was to explore several scenarios, including a “tiered” approach in which basic maintenance and preservation needs are met by Council action while voters would be asked whether to support additional funding for enhancements like street rebuilds, bicycle and pedestrian improvements.

The Taskforce also discussed the need to receive Council feedback as they form scenarios, in order to ensure that the Taskforce is on the right track. There was discussion of meeting jointly with the Council’s Infrastructure Committee or with the full Council as a work session.

- Discuss Next Steps

Policy Analyst Liias asked for initial feedback on the various funding tools and which ones the Taskforce would like to study further. After discussion, the Taskforce reached a consensus to group funding tools into three categories: Tier 1, Tier 2, Do Not Consider.

Tier 1 (higher priority for review): Sales tax, vehicle license fee (less than \$50), banked property tax, business licenses, utility taxes on garbage, paid parking fees

Tier 2 (lower priority for review): Levy lid lift, utility taxes on water/sewer, gas/power/TV/phone

Do not consider further: Vehicle license fee over \$50

Public Comments

None

Reports and Communications

None

Comments from Staff

None

Adjournment: 8:35 p.m.

Next meeting: March 23, 2016

Exhibits: Transportation Funding Tools presentation

Wise Investments in Transportation Taskforce

Transportation Funding Tools
February 24, 2016

Big Questions

- What is the right funding level?
- Who should contribute?
- What funding tools are available?
- How can we ensure accountability?

What is the right funding level?

- The City currently uses real estate excise tax to support street maintenance and bicycle and pedestrian projects

	2016	2017	2018	2019	2020
Street Maintenance	\$902,000*	\$300,000	\$300,000	\$300,000	\$300,000
Bike Path Construction	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Sidewalk Construction	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Traffic Calming	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
ADA Improvements	\$50,000	\$25,000	\$25,000	\$25,000	\$25,000

* This includes \$747,000 in federal grant funds

What is the right funding level?

- Actual needs are higher than current funding levels

2017 Current vs. Need	Current	Need	Gap
Street Maintenance	\$300,000	\$900,000- \$1.5 million	\$600,000- \$1.2 million
Bike Path Construction	\$50,000	TBD: BTW Plan	TBD
Sidewalk Construction	\$50,000	TBD: BTW Plan	TBD
Traffic Calming	\$25,000	Council policy	N/A
ADA Improvements	\$25,000	\$100,000+	\$75,000+
Total			\$675,000-\$1.3 million

Who should contribute?

- Taxes and user fees draw from different segments of the community
- Mixing funding tools could spread the costs to various different user groups
- Potential user groups
 - City residents
 - Local businesses
 - Visitors

Who should contribute?

User Group	Currently pay	New Funding Tools
City Residents		
Homeowners/Renters	Property, sales, utility taxes	Same tools
Car owners	No car-based user fees	Vehicle License Fee
Local Businesses		
Fixed location	Property, sales, utility taxes; annual business license	Same tools
Vehicle fleets	No vehicle-based user fees	Vehicle License Fee
Visitors	Sales tax	Same tool

What funding tools are available?

- **New Revenue: Transportation Benefit District**
 - Funding mechanism created by state law
 - Restricted to transportation purposes
 - Revenue tools
 - Sales Tax: 0.1%-0.2% increase with voter approval, raises up to \$650,000
 - Vehicle License Fee: Up to \$100 per car, \$20-\$40-\$50 by Council action, above \$50 requires voter approval, raises up to \$1.3 million

What funding tools are available?

- **New Revenue: Property Tax**
 - **Banked Levy Capacity**
 - Generates up to \$350,000 per year
 - Would not be legally-restricted to transportation
 - **Levy Lid Lift**
 - The City could ask voters to approve a permanent increase in the City's levy of up to \$1.80 per \$1,000 of assessed value
 - Generates up to \$6.8 million per year
 - Could be legally-restricted to transportation

What funding tools are available?

- **New Revenue: Existing City Taxes**
 - Would not be legally-restricted to transportation
 - **Business licenses:** The City charges a per-employee FTE fee
 - **Utility taxes:** Tax on utility services
 - **Paid parking:** Paid parking program on the waterfront

What funding tools are available?

- **Grants**
 - There are multiple state and federal grant programs that the City is eligible for and has previously received funding from
 - Generally require a matching contribution from local sources
 - Mostly focused on new street and bike/ped improvements
 - Examples: STP, CMAQ, Regional Mobility, Safe Routes to School, Complete Streets

What funding tools are available?

- **Other tools**
 - There are two additional tools that the City could use to fund specific improvements
 - **Latecomer charges**
 - Allows the City to recover the costs of sidewalk improvements from property owners when development happens
 - **Local Improvement Districts**
 - Mechanism for neighborhoods to approve a short-term assessment to build infrastructure

What funding tools are available?

Funding Tool	Vote Req'd	Restrict	Rate	Potential Revenue
Transportation Benefit District				
Sales Tax	Yes	Yes	0.1%-0.2%	\$325K-\$650K
Vehicle License Fee	Yes	Yes	\$50-\$100/vehicle	\$650K-\$1.3M
Vehicle License Fee	No	Yes	\$20-\$40-\$50	\$260K-\$650K
Banked Property Tax	No	No	\$0.09/\$1,000 AV	\$350,000
Levy Lid Lift	Yes	Yes	Up to \$1.80/\$1,000	Up to \$6.8M
Business Licenses	No	No	FTE fee	\$50K-\$100K
Utility Taxes: Water/Sewer	No	No	1-5%	\$110K-\$550K
Utility Taxes: Garbage	No	No	1%+	\$35,000+
Utility Taxes: Gas/Power/ TV/Phone	Yes	Yes	1%+	\$400,000+
Paid Parking	No	No	Varies	\$50K-\$100K

What funding tools are available?

Low Scenario

- Funding Gap: \$675,000
- Funding strategy:
 - Use banked capacity: \$350,000
 - Form a TBD and enact a \$25 per car fee: \$325,000
- TBD funds would be legally-restricted to transportation

High Scenario

- Funding Gap: \$1.3 million
- Funding strategy:
 - Ballot measure
 - 0.2% sales tax: \$650,000
 - \$0.17/\$1,000 property tax levy: \$638,000
- All funds would be legally-restricted to transportation

What funding tools are available?

How much would it cost? (per year)	Low Scenario	High Scenario
City Residents		
Homeowners	\$85 (home + two cars)	\$145 (4 people)
Renters	\$25+ (one car)	\$40+ (2 people)
Local Businesses		
Large business	\$3,500 (facility + 25 veh's)	\$6,500+
Small business	\$95 (office + 3 vehicles)	\$50+
Visitors	No cost	Local sales tax

How can we ensure accountability?

- **Legal Restrictions**
 - **Transportation Benefit District**
 - **Voter-approved**
- **Community Oversight Process**
- **Performance Measurement**
 - **Benchmarks**
 - **Accountability reporting**

Next Steps

- We need to answer some basic questions
 - What funding level or range should we examine?
 - Which funding tools should we explore further?
 - Which funding tools should be off the table?
 - How many scenarios should we consider?
 - Are there specific impacts we should examine?
Specific population groups to consider?

Transportation Funding Tools

Funding Tool	Vote Req'd	Form TBD	Restrict	Rate	Potential Revenue
Tier 1					
Banked Property Tax	No	No	No	\$0.09/\$1,000 AV	\$350,000
Business Licenses	No	No	No	FTE fee	\$50K-\$100K
Paid Parking	No	No	No	Varies	\$50K-\$100K
Sales Tax	Yes	Yes	Yes	0.1%-0.2%	\$325K-\$650K
Utility Taxes: Garbage	No	No	No	1%+	\$40,000+
Vehicle License Fee	No	Yes	Yes	\$20-\$40-\$50	\$260K-\$650K
Tier 2					
Levy Lid Lift	Yes	No	Yes	Up to \$1.80/\$1,000	Up to \$6.8M
Utility Taxes: Water/Sewer	No	No	No	1-5%	\$110K-\$550K
Utility Taxes: Gas/Power/ TV/Phone	Yes	No	Yes	1%+	\$400,000+
Do Not Consider					
Vehicle License Fee	Yes	Yes	Yes	\$50-\$100/vehicle	\$650K-\$1.3M