

Unincorporated Area Transportation Issues/Solutions Meeting September 16, 2014

Thank you for participating. Over the past year we have delved into transportation issues plaguing King County, in general, and the unincorporated areas, in particular. We have researched State, Regional, County, and City plans, studies, policies, and laws. We have met with the King County officials and have spoken with WSDOT, PSRC, King County, Maple Valley, Covington, Black Diamond, and Renton.

Our work has resulted in the four Issue/Solutions Papers (ISPs) sent to you, which we will discuss. As you might expect with a topic as complex and overarching as transportation, many of these issues are interrelated and, as such, share critical aspects and, possibly, similar solutions. Here are the four ISPs:

Usage/Funding Imbalance

King County roads regularly serve unincorporated area residents, as well as many City residents and businesses, yet the County doesn't possess a sustainable road funding model due to over-reliance on unincorporated area property taxes.

We offer several potential solution paths for discussion. In the short term, State law could enable a more sustainable allocation and flexibility in use of gas tax monies. Incentives to cities could enable revenue sharing with Counties tied to growth in the absence of job opportunities. County road "networks," which know no jurisdictional boundaries (similar to State roads), could be established and funded by all County taxpayers--this concept is tied to the next ISP we will discuss on Concurrency. In the long term, the Puget Sound region could move towards PSRC's Transportation 2040 user-pays model by providing authority for usage charges.

Adequacy of Transportation Concurrency

State law requires concurrency to ensure Level of Service commitments are met within 6 years to respond to development impacts, thus introducing a lag for improvements to be in place. Often, "financial commitments" are based on not-as-yet-secured Grant monies. Jurisdictions use various techniques to evaluate concurrency, creating jurisdictional "seams." Jurisdictions sometimes greatly exceed growth targets. Finally, there is no Concurrency enforcement mechanism. Concurrency should be a great tool, but its application in practice is wanting.

We offer several potential solution paths for discussion. Overall, concurrency could be regionally enforced, possibly, by the PSRC. Specifically, concurrency should entail a faster response to infrastructure needs, real secured funding, and some consistency among jurisdictions. Once again, County road "networks," which know no jurisdictional boundaries, could be established which could ensure consistency. Also, policies that require population, growth, and revenue databases could be continuously updated and used consistently to conduct periodic traffic modeling and analyses. This is tied to the next ISP we will discuss on Assessing Requirements.

Issue/Solution Paper
Usage/Funding Imbalance

In general, a combination of revenue sources, primarily from unincorporated area residents, is used to fund/maintain King County road infrastructure. King County primarily relies on property taxes (over one-third of the revenues dedicated to County roads) and, to a lesser extent, on gas taxes (state motor vehicle fuel tax is shared among cities, counties and WSDOT; the County share is ~16%; 10% shared equally, 30% based on "equivalent" population, 30% based on "road costs" and 30% based on "money needs"--RCW 46.68.124).

To compound the problem, Rural Area taxpayers tend to *subsidize* (through property taxes) Urban drivers who use King County roads. Such Urban users comprise the majority of vehicle miles driven on major King County roads connecting urban areas (e.g., Issaquah-Hobart Rd. between the cities of Maple Valley and Issaquah). By not focusing on the actual "users," a funding/usage imbalance is created and perpetuated.

King County has many cities in which most workers commute to other cities via Rural Area roads accelerating road deterioration. Disproportionate use by those who pay little to support/maintain/build them, causes safety problems for Rural Area residents who depend on them for their primary access/connection.

The King County "**Transportation Concurrency Management Program 2013 Annual Update**" (att. E): "*some routes may never be able to be improved to comply with the Rural Area standard LOS B because of the heavy urban level of traffic using the road.*" Unless funding issues are resolved, King County may be forced to lower the LOS on, at least, some of the arterials in the rural area.

It is desired the imbalance between funding (payers) and usage (users) of County road services be reduced or eliminated through market-based solutions. A more sustainable funding model must be developed for County road services, especially for maintenance of existing roads. More equitable funding of Rural Area roads should be established so those roads, which regularly serve King County's City residents, and/or businesses support the efficient and timely movement of people and goods.

Potential solution paths for discussion: In the short term, State laws (listed below) could be reviewed for opportunities to enable a more *transportation-sustainable* allocation of gas tax monies and provide more flexibility in revenues used. Included should be some mechanism, along with incentives, for cities to share revenues with Counties, possibly tied to growth that occurs in the absence of job opportunities. Another strategy could be to establish County road "networks," which know no jurisdictional boundaries (similar to State roads), funded by all County taxpayers. In the long term, the Puget Sound region could move towards the Puget Sound Regional Council's (PSRC's) *Transportation 2040* user-pays model by providing authority for usage charges, such as tolling key roads and methods to implement such strategies.

RCW 36--COUNTIES / 36.78 RCW--ROADS AND BRIDGES—COUNTY ROAD ADMINISTRATION BOARD (CRAB) [<http://www.crab.wa.gov>]

RCW 46--MOTOR VEHICLES / 46.68--DISPOSITION OF REVENUE

46.68.120--Distribution of amount allocated to counties -- Generally; 46.68.122--Distribution of amount to counties -- Factors of distribution formula; 46.68.124--Distribution of amount to counties—Population, road cost, money need, computed—Allocation percentage adjustment.

RCW 84--PROPERTY TAXES / 84.52--LEVY OF TAXES

84.52.043--Limitations upon regular property tax levies. (Effective until January 1, 2018.)

WAC 458--REVENUE, DEPARTMENT OF

WAC 365-196-430--TRANSPORTATION ELEMENT.

References:

Strategic Plan for Road Services, December 2010: Presents King County's needs for a better funding model, which led to a 5-Tier Service Levels System. [Contact: Jay Osborne, Manager, Strategic Planning, Programming & Reporting Office (SPPRO), KCDOT, jay.osborne@kingcounty.gov, 206-477-3628]

Road Services--Service Levels for Unincorporated-Area Roads, <http://www.kingcounty.gov/transportation/kcdot/Roads/NewServiceLevels.aspx> Presents the Road 5-Tier Service Levels System. [Contact: Jay Osborne, Manager, SPPRO, KCDOT, jay.osborne@kingcounty.gov, 206-477-3628]

Transportation Needs Report: A Component of the Transportation Element of the King County Comprehensive Plan, King County, 2012 [Contact: Josh Peters, Transportation Planning Supervisor, Strategic Business Operations Section, KCDOT, josh.peters@kingcounty.gov, 206-477-3630]

Road Usage Charge Assessment, <http://www.wstc.wa.gov/StudiesSurveys/RoadUsage/RUC2013/default.htm>, 2014, WA State Transportation Commission. Identifies a sustainable, long-term revenue source as the State transitions from the current gas tax system, but doesn't address revenue allocation.

Transportation 2040 Update, PSRC, 2014. Strategy for a user-pays model. [Contact: Transportation Staff: 206-464-7090; Charlie Howard, Director of Integrated Planning, PSRC, choward@psrc.org, 206-464-7122].

Issue/Solution Paper
Adequacy of Transportation Concurrency

As part of Growth Management, State law requires transportation concurrency, to insure Level of Service (LOS) commitments are met within a reasonable time (6 years) to respond to transportation service impacts from development. There are concerns this amount of time is too long to have improvements in place to meet needs. Further, all too often, "financial commitments" are based on not-as-yet-secured Grant monies. Also, possibly most importantly, there appears to be no Concurrency enforcement mechanism.

There are several specific issues with applying Concurrency and setting LOS standards:

- (1) Holistic concepts like Travel Sheds (by which King County recognizes the *interconnected* nature of transportation in a way analogous to watersheds) have limitation in that they stop at jurisdictional boundaries (probably not the "natural" Travel Shed boundary).
- (2) Difficulty to respond to requirement for meaningful coordination with neighboring jurisdictions.
- (3) Integrated regional transportation concurrency is extremely difficult.
- (4) Some jurisdictions define LOS based on an "average" degree of travel comfort, e.g., intersection delay, road speed, capacity, "screenline," distance traveled, which easily disconnects from user experience, possibly allowing development with little infrastructure investment.
- (5) Jurisdictions *greatly* exceed growth targets and appear to have no obligation to create internal job opportunities equivalent to the population growth permitted within their jurisdiction.
- (6) The Public is usually not engaged when jurisdictions adopt LOS standards and, thus, unique subarea desires are not clearly identified, if at all.

It is desired Concurrency be managed holistically without jurisdictional "seams". Measurement must recognize "natural" interconnected travel patterns and be used consistently by all jurisdictions. Infrastructure needs should be timely met embracing best-available growth/employment forecasts. Measurement must align to the travel experience (moving people and freight).

Jurisdictional development should not *greatly* exceed growth targets. The highest priority of a jurisdiction should be to *minimize* impacts to other jurisdictions' infrastructure by creating internal job opportunities at least equal to the growth being permitted. Funding for infrastructure improvements must be highly prioritized in jurisdictional 6-yr Capital Improvement Plans (CIPs) with *guaranteed* revenue sources clearly identified. A regional perspective must be ensured whereby intercity needs and uses are addressed and accommodated by accurately describing impacts to all elements of the transportation network regardless of jurisdiction.

Infrastructure needs should be identified as early and accurately as possible, with implementation of identified improvements truly concurrent, otherwise the development approval must be delayed or denied. Concurrency must be linked to a public dialog. Concurrency must have an enforcement mechanism.

Potential solution paths for discussion: Policies that require population, growth, and revenue databases could be continuously updated and used to conduct periodic traffic modeling and impact analyses. Legislation could be enacted that strengthens requirements for a demonstrated LOS link to public dialog. Mechanisms could be established so the Growth Management Planning Council and Puget Sound Regional Council can:

- (1) Enforce the requirement that jurisdictions create job opportunities at least equal to the population growth they permit within their jurisdictions.
- (2) Ensure consistent methods for analyzing regional impacts of development across all jurisdictions.
- (3) Implement policies that ensure jurisdictional seams are addressed or removed from Concurrency.
- (4) Scrutinize "financial commitments" to ensure they are real and attainable sources of funds.
- (5) Enforce the requirements of Concurrency are met as intended.

We have identified the following RCWs and WACs that could provide such opportunities:

RCW 36.70A--GROWTH MANAGEMENT--PLANNING BY SELECTED COUNTIES & CITIES.

36.70A.020--Planning Goals [see 12. Public facilities and services].

36.70A.070--Comprehensive Plans--Mandatory Elements [see (6) transportation element].

WAC 365-196-840--CONCURRENCY. (4) Measurement Methodologies

References:

King County Proposed 2013 Transportation Concurrency Update, October 2013. [Travel Sheds (zones)]
Seattle Comp. Plan. ["Screenline" -- close proximity parallel routes considered single unit]
Renton Comp. Plan, Sect. XI. [Index of Measured Travel Rates (dist. traveled over fixed period of time)]
Maple Valley Comp. Plan, Oct. 2011 Update, pp. T-35-38. [Avg. of delays across multiple intersections]
Your Community's Transportation System -- A Guide to Reviewing, Updating and Implementing Your Transportation Element; WA State Dept. of Commerce; Sept. 2012
<http://www.commerce.wa.gov/Documents/GMS-Transportation-2012.pdf>; Table 4E2, pp. 145-150.

***Unincorporated Area Transportation Issues/Solutions Meeting
September 16, 2014***

Assessing Requirements Accurately

Each County administers Growth Management in concert with State and regional organizations, such as the PSRC, to ensure infrastructure requirements are identified early, are part of the Comprehensive Plan process, and are timely met.

Accurately assessing future transportation needs is key to sustainable growth within the State and, in particular, King County--one of the fastest growing counties in the country. Unfortunately, a dichotomy exists between growth targets, which are not forecasts, and identifying and addressing future transportation infrastructure needs. Such a gap complicates planning efforts and, as more development occurs, could result in inadequate infrastructure to meet Concurrency.

We offer a potential solution path for discussion. State law could establish criteria to ensure forecasting, not growth targets, inform Comprehensive Planning and Transportation Needs Reports.

Annexation Debt Transfer

This issue derives from a law passed 63 years ago! Under Growth Management, Counties work toward annexing urban unincorporated areas into cities. A county's remaining unincorporated area properties provide road taxes to maintain an extensive road network.

When funds to improve or maintain roads are secured by a Bond, the repayment of the debt is based upon the anticipated repayment from a relatively fixed number of properties. Yet, some of the properties presumed to repay the debt are absolved of such responsibility when annexed into a city, which does not assume such debt. The encumbered debt effectively is re-distributed to the remaining unincorporated properties resulting in a reduced SOW and, thus, reduced county road services. No such restriction exists for Surface Water Management bonded debt. In fact, Library and Fire District obligations stay with property owners.

We offer a potential solution path for discussion. State law could foster a more equitable negotiation process between Counties and Cities regarding such bonded debt responsibilities.

CLOSING COMMENTS:

What can we do to help you?

How can we keep an open dialogue on these and other transportation issues?

Issue/Solution Paper Assessing Requirements Accurately

The Growth Management Act (GMA) created a framework for the management of population growth within the State of Washington. Each County administers the GMA in concert with State and regional organizations, such as the Puget Sound Regional Council (PSRC). The PSRC seeks a regional approach by incorporating and addressing the requirements of King, Snohomish, Kitsap, and Pierce Counties.

One of the goals of the GMA is to ensure infrastructure requirements are identified early, are part of the Comprehensive Plan process, and are met in a timely fashion. Accurately assessing future transportation needs is key to viable and sustainable growth within the State and, in particular, within King County—one of the fastest growing counties in the country.

The GMA requires jurisdictions to establish growth targets: *“A growth target is the minimum number of residents or jobs that a jurisdiction must accommodate and will strive to absorb in some future year. Growth targets reflect aspirational goals, but must be rooted in objective analysis....They are a primary input to developing a comprehensive plan, with the target impacting or guiding nearly every plan element, particularly the land use, housing, and transportation elements. This in turn guides the development regulations, as they are required to be consistent and implement the comprehensive plan policies.”* (Ref. 3, p. 5.)

Currently, *“No direction is given in the GMA as to the methodology for setting growth targets. Cities and counties have a duty to accommodate the targets, but are provided broad discretion on how they do so.”* (Ref. 3, p. 11.) This can result in an opaque process through which cities utilize selective criteria to furnish information they deem relevant or advantageous. Further, jurisdictions can grossly exceed their growth targets. This was the case in 2012, as a small city in Southeast King County, in one of the fastest growing and heavily congested areas in the State, with a growth target of 1,900 people, signed Development Agreements that would eventually bring an *additional* 6,050 residences, or approximately 20,000 people, into the city. This scenario could easily repeat itself throughout the county and state as long as it remains to each county and its cities to determine what is relevant in developing such projections.

To compound the problem, another disconnect occurs when King County uses adopted growth targets for both the cities and the unincorporated areas to forecast future traffic loads, which then are used to identify road capacity needs on unincorporated area roads.

A great dichotomy exists between growth targets, which are not forecasts, and identifying and addressing future transportation infrastructure needs. Such a gap complicates planning efforts and, as more development occurs, could result in inadequate infrastructure to meet GMA Concurrency requirements.

It is desired that forecasts, not allocated growth targets, be the primary information that supports Comprehensive Planning and the identification of infrastructure needs.

Potential solution paths for discussion: State law could be revised to establish criteria to ensure forecasting, not growth targets, inform Comprehensive Planning and Transportation Needs Reports.

We have identified the following RCWs that could provide such opportunities:

RCW 43.62 -- DETERMINATION OF POPULATIONS -- STUDENT ENROLLMENTS

43.62.035 -- Determining population -- Projections

RCW 36.70A -- GROWTH MANAGEMENT -- PLANNING BY SELECTED COUNTIES & CITIES.

36.70A.040 -- Who must plan -- Summary of requirements—Development regulations must implement comprehensive plans [Requires cities and unincorporated areas to plan for future growth through formation of Comprehensive Plans. In King County, Comprehensive Plans are reviewed/updated every four years with the current target year of 2025. Many King County cities currently are updating their Comprehensive Plans to be completed by June 2015.]

References:

1. *Vision 2040*, PSRC, December 2009.
2. *Transportation 2040 Plan Update*, PSRC, May 29, 2014.
3. *“Growth Management by the Numbers,”* PSRC, July 2005.
4. *“The First Round of Growth Targets Since VISION 2040 Adoption,”* PSRC, Presentation to the Growth Management Policy Board, March 2014.

Issue/Solution Paper Annexation Debt Transfer

The State Growth Management Act (GMA) encourages counties to work toward annexing *urban* unincorporated areas into cities. The properties in a county's unincorporated areas provide road taxes to maintain the extensive network of county roads. There are smaller numbers of taxable properties in the unincorporated areas and their value is typically lower than properties in cities.

When funds to improve or maintain roads are secured by a Bond, the repayment of the debt is based upon the anticipated repayment from a relatively fixed number of properties. Yet, some of the properties eligible (i.e., presumed to repay the debt) are absolved of such responsibility when annexed into an adjacent city, which does not assume such debt. Thus, the encumbered debt is *re-distributed* to the remaining unincorporated properties, even if the improved roads are now within a city.

This results in a reduced county roads district statement of work and, thus, fewer road projects that can be accomplished to meet unincorporated area needs. An example of the potential magnitude of the problem can be seen in King County where, in the last two decades, it is estimated approximately one-third of the unincorporated area residents were part of an annexation to an adjacent city. The road district taxes paid by those properties no longer accrue to the King County's Roads Fund. No such restriction exists for Surface Water Management bonded debt. In fact, Library and Fire District obligations stay with property owners.

There is ~\$3.5 million per year of debt service in 2015 and 2016 for "capacity projects" now located in cities that is still charged to the Roads Fund. The debt service for the South Park Bridge is ~\$2 million per year for 20 years and likely will be charged to the Roads Fund.

It is desired Counties have consistent opportunities to require bonded debt obligations transfer with residents upon annexation. Cities and counties should work together to determine how debt incurred in now-annexed formerly unincorporated areas, which benefit from road improvements, is repaid until fully retired. Consistency in monies and timing should be maintained between County and City Capital Improvement Plans (CIPs) and Transportation Improvement Plans (TIPs) for those road segment improvements meant to meet Transportation Concurrency.

Potential solution paths for discussion: The rigidity of State law could be revisited so that Counties and Cities have the opportunity to "negotiate" any transfer of bonded debt incurred within the annexed area. Approval of County bonded debt could be similar to how cities do so upon annexation by offering a vote to the annexing residents and allow the county to require a disapproval of the annexation should residents vote against the bonded debt continuance.

We have identified the following RCWs that could provide such opportunities:

RCW 35.13.110--Election method--Effective date of annexation or annexation and comprehensive plan or annexation and creation of community municipal corporation, taxation of area annexed.

RCW 35.13.270 and 35A.14.801--Taxes collected in annexed territory--Notification of annexation. (1) Whenever any territory is annexed to a city or town which is part of a road district of the county and road district taxes have been levied but not collected on any property within the annexed territory, the same shall when collected by the county treasurer be paid to the city or town and by the city or town placed in the city or town street fund; except that road district taxes that are delinquent before the date of annexation shall be paid to the county and placed in the county road fund. [Requires road district tax revenue to go to annexing city, e.g., in mid 2013 Bellevue annexed the Eastgate neighborhood, whose residents had already been assessed County road taxes, so the County and Bellevue had to split the revenue proportionately. This law dates back over 60 years ago to 1951 with revisions in 1957 and 1965.]

References:

Dwight Dively, King County Finance Director. [Indicated state law denies ability to have the indebtedness *remain* with the properties that *now* belong to the annexing city. Money is still due and the debt service (principal and interest payments) on debt issued for roads projects is charged to the county's Roads Fund and is, thus, paid out of any Roads District property tax levy. If a debt-financed project is in an area that incorporates or is annexed, the responsibility to pay the debt service on that project remains with the county's Roads Fund. The property owners in the area that is annexed or incorporated no longer pay any Roads District tax levy, so the beneficiaries of the project no longer are paying for it.]

9/16/14 ATTENDEES

NAME	ORGANIZATION	E-MAIL
Kathleen Kear	Voice of the Valley	
Hornie Sundel	GV/LHA	
MIKE MORRIS	GV/LHA	
MARLENE BORTLESON	GV/LHA	
GIL BORTLESON		GBORTLES@GMAIL.COM
HENDRICK W. HAYNES	GMVAC	NONE
JAY Rodne	State House	
Ryle Burling	State Senate	Ryleburling@gmail.com
Alan Painter	DNR	alan.painter@kingcounty.gov
Harold Tamiguchi		
PETE ERBERG	FCUAC	
Kathy & Bob Johnson	SELF	johnsonk.b@latund.com
Timothy Gates	LA Rep. Hurst	timothy.gates@leg.wa.gov
Jason Brown	CM Dum's office	
Nancy Stafford	Upper Bear CRUAC	
Glenn & Judy Carrier	Green Valley/Lakeholm Assoc	gotrocks886@msn.com
Rhys Sterling	GMVAC	rhys.hobart@hotmail.com
Chad Magandanz	State Leg	chad@magandanz.com
TOM CARPENTIER	FCUAC	tdcarp@comcast.net
Tim Gould	Sierra Club	tim.gould@cascade.sierraclub.org
Paul Olson	PSCL	volson@pscl.org
Kathy Lambert	KC	Kathy.Lambert@kingcounty.gov