

City of Port Orchard

## TRANSPORTATION FUNDING

April 17, 2015

# City of Port Orchard

## Transportation Funding

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## Executive Summary

Transportation funding became a major focus of the city following the annexation of the Bethel Corridor. For many years the practice of the City of Port Orchard was to allocate a portion of its property tax to streets along with its share of the Motor Vehicle Excise Tax – “gas tax.” Gas tax revenue alone proved inadequate to meet transportation needs. The use of general fund property tax as the major source of transportation funding resulted in transportation funding competing with other city services.

The city is faced with four distinct transportation challenges which it seeks to solve in one policy decision process. They are: funding street preservation and maintenance; Tremont Widening Project funding; Bay Street Pedestrian Pathway funding; and a Bethel Corridor finance and construction plan.

This report encourages an open dialogue on transportation revenue and funding options for the city. It is the goal of this report that information provided can be used to make the best overall decision, which considers policy issues, construction costs, and financing costs, among others, to fund these major projects.

The Transportation Element of the city’s Comprehensive Plan classifies the city’s roadways, designates the city’s level of service standard for roads in the city, and identifies transportation goals and policies. The Capital Facilities Element of the Comprehensive Plan and the Transportation Improvement Program adopted by reference into the city’s Comprehensive Plan identifies the existing city facilities and the transportation projects that are to be budgeted for construction during the 20-year planning period. These mandatory elements of the city’s Comprehensive Plan are derived from the city’s Transportation System Plan – a standalone document that is currently being updated by the city’s consultant.

The city has paid for transportation projects using a pay-as-you-go strategy. This means the jurisdiction pays for the project with existing financial resources. Sources of pay-as-you-go financing include savings from previous budgets and money the city “saves up” for projects over time. However, local governments find it difficult to “save up” enough to finance multimillion dollar capital improvements.

Listing the various transportation funding choices for the city is not a difficult task. Choosing the right option is more complicated. The information presented here provides an overview of transportation financing methods and revenues available to the city. No single funding source will be appropriate for all projects. Most likely it will take a combination of the funding sources listed to pay for the city’s transportation needs.

## How To Read This Report

The reader of this report will find that it is written in three parts. They are: finance funding options; revenue estimates; and the four distinct transportation needs. While still a work in progress, the report is meant to enhance basic knowledge of transportation funding for both elected officials and staff. The estimates and assumptions in the report will change as policy decisions are made, new data becomes available, and priorities shift. The report does not determine revenue sources or apply assumptions to the four distinct transportation challenges outlined in this report.

## Chapter 1.

### Finance and Funding Options

#### Outline

- Transportation Benefit District (TBD)
  - Excess property taxes
  - Sales and Use Tax
  - Vehicle License Fees
  - Tolls
- Local Improvement District Assessments (LID)
- Transportation Impact Fees (TIF)
- General Obligation Bonds
- Motor Vehicle Fuel Tax
- General Fund Revenue
- Real Estate Excise Tax (REET)
- Grants
- State appropriation

#### Transportation Benefit District

Transportation Benefit Districts (TBD) are quasi-municipal corporations with independent taxing authority, including the authority to impose property taxes and impact fees for transportation purposes. The City of Port Orchard has not created a TBD. TBDs have been around for over 20 years. They are primarily a financing tool to provide resources for transportation improvements of particular importance to the city that creates the TBD.

A TBD may be formed “for the purpose of acquiring, constructing, improving, providing, and funding a transportation improvement within the district that is consistent with an existing state, regional, or local transportation plans necessitated by existing or reasonably foreseeable congestion levels.” All of the transportation improvements funded by the TBD must be included in the TBD boundaries.

Under most circumstances, the members of the legislative authority that creates the TBD will comprise the governing board of the TBD, and staffing is usually provided by the jurisdiction that created it. But TBDs are technically designated separate quasi-municipal corporations. As such they have a legal existence independent of their creating jurisdictions; have distinct limited purposes; distinct governing bodies with separate meetings and procedures; and should establish separate funds and accounts.

TBDs may finance transportation improvements through a variety of revenue sources, some of which are voted and some of which are non-voted.

*Revenue sources requiring voter approval.* Voter approval is required for the following revenue sources:

- *Excess property taxes.* May be imposed for one year to fund operations, or for multiple years to repay long-term bonds issued to finance capital projects.



- *Sales and Use Tax.* Voter approval is required at least every 10 years. Under the 2010 legislation, if sales taxes are “dedicated for the repayment of indebtedness” and initially imposed after July 1, 2010, they may be imposed for a longer period.
- *Vehicle License Fees (VLFs).* Upon voter approval, VLFs may be increased from a maximum of \$20 per vehicle to a maximum of \$100 per vehicle.
- *Tolls.* Upon voter approval, tolls may be imposed within the TBDs boundaries, subject to approval by the tolling authority.

*Revenue sources that do not require voter approval.* Certain revenue sources are available to a TBD without voter approval:

- *Vehicle License Fees.* Voter approval is not required for VLFs up to a maximum \$20 per vehicle.
- *LID Assessments.* May impose special benefit assessments for LIDs that are created pursuant to the petition method.

It is not particularly easy to change a TBD’s mission or transportation improvements once it has been created. A flexible description of a TBD’s permitted “transportation improvements” may be in order. It’s even harder to change a TBD’s mission or the transportation improvements to be financed once the voters have approved a revenue source.

### Transportation Impact Fees

The City of Port Orchard currently does not have transportation impact fees, but is currently conducting an impact fee analysis with David Evans & Associates. Impact fees are a comprehensive grouping of charges based on new development within a local municipality. These fees are assessed to pay for projects that increase the capacity of the city’s transportation network necessitated by new development.

The intent of impact fees are as follows:

- To ensure that adequate facilities are available to serve new growth and development.
- To promote orderly growth and development by establishing standards by which cities may require, by ordinance, that new growth and development pay a proportionate share of the cost of new facilities needed to serve new growth and development.
- To ensure that impact fees are imposed based on established procedures and criteria so that specific developments do not pay arbitrary fees or duplicate fees for the same impact.

Not all transportation projects and programs are eligible for impact fees.

In 2005 Kitsap County and GEM 1 LLC entered into the McCormick Urban Village Development Agreement for Transportation. The city became the successor to this development agreement through annexation in 2009. The agreement provides that GEM 1 LLC be reimbursed for certain transportation construction costs it has incurred in an amount equal to 35% of the transportation impact fees collected

pursuant to the development agreement. The city collects transportation impact fees under the agreement.

### General Obligation Bonds

General Obligation Bonds are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 20 year serial bonds with equal amounts of principal maturing each year (level debt service). There are two types:

- **Councilmanic bonds** are issued by a vote of the city council, backed by general fund revenues when voters have not been asked to pay increased property taxes. These may be used for any city purpose; they do not have to be for capital projects.
- **Unlimited General Obligation Bonds** must be approved by 60% majority of voters. This option raises property tax to pay for projects, and is only used for capital purposes.

The amount a city can borrow using general obligation debt and the purposes for which a city can borrow are governed by state law and the State Constitution. A city's debt limitation or debt capacity are subject to two sets of restrictions. First, debt limits set the maximum amount of general obligation debt that a city can have outstanding at any one time. Second, debt limits restrict how much of this capacity can be used for various purposes. There are no debt limits for revenue bonds.

City debt can be used for three purposes:

- General government (both voted and councilmanic capacity)
- Municipally-owned water, sewer, or electric facilities (voted debt capacity)
- Providing open space and parks (voted debt capacity)

Cities can borrow up to 2.5% of assessed property valuation, minus the amount of debt already issued, plus certain net assets available for debt service funds. A TBD may pledge its revenue to pay back general obligation bonds.

### Motor Vehicle Fuel Tax – “Gas Tax”

The city shares in the state-collected gas tax. Receiving a fixed percentage of the funds allocated on a per capita basis. Population figures, determined annually as of April 1 by the state demographer in the Office of Financial Management, are used as the basis for the per capita distribution.

The state currently levies a tax of 37.5 cents per gallon on motor vehicle fuel and on special fuels (diesel). Under various statutory provisions cities receive 10.6961 percent of the 23 cents per gallon levied and also are given 8.3333 percent share of the three cents taxes levied. The funds are distributed on a monthly per capita basis and are to be placed in a City Street fund to be spent for:

salaries and wages, materials, supplies, equipment, purchase or condemnation of right-of-way, engineering or other proper highway or street purposes in connection with the construction, alteration, repair, improvement or maintenance of any city street, bridge, viaduct, or under passage along, upon across such streets. Cities are required to spend

0.42 percent of their gas tax receipts on paths and trails, unless that amount is \$500 or less.

The city has two funds which receive and expend the state levied gas taxes distributed to the city. The city street fund currently receives 95% of the MVFT which helps to fund maintenance and repair projects. The city's Street Capital Projects Fund utilizes 5% of the gas tax as matching funds for grant specific or arterial street purposes. These are restricted revenue sources.

### **General Fund Revenue**

The city has traditionally used general fund revenue to fund transportation needs on a pay-as-go basis. A portion of the property tax collection is budgeted to streets and Real Estate Excise Tax when allowed.

Generally, during the writing of the preliminary budget, staff determines the amount of street maintenance and preservation and capital improvements for the upcoming year. Capital projects and maintenance (through 2016) are allowed to be financed using Real Estate Excise Tax (REET) revenue. Property tax collection for the coming year is budgeted to those purposes not allowed REET funding or in excess of available gas tax collection.

### **Real Estate Excise Tax Revenue**

The Real Estate Excise Tax (REET) is levied on all real estate sales, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. REET revenue is generally considered a one- time revenue. There are two categories, REET 1 and 2.

#### **REET 1**

“Capital projects are defined as; those public works projects of the local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of Street; roads; highway; sidewalks; street and road lighting systems; traffic signal; bridges semicolons and domestic water system; storm and sanitary sewer system; parks; recreational facilities; law enforcement facilities; fire protection facilities; trail; library; administrative and judicial facilities.”

#### **REET 2**

“Capital project means those public works projects in the local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, streets and road lighting systems, traffic signals, bridges, and domestic water systems, storm and sanitary sewer systems, and planning construction, reconstruction, repair, and rehabilitation, or other improvements to parks.”

To use REET revenue for street projects it must be listed in a Capital Facilities Plan element of the city's comprehensive plan. REET 1 may be used to make loan and debt service payments on projects that are a permitted use of these funds.

## Grants

Roadway projects are generally eligible for state and federal grant funds. These funds are not predictable and vary in amount by grantor. In early 2015 the city identified four grant funding opportunities that would enhance local funding options.

- Federal Highway Administration (FHWA) grant funding provided through the Puget Sound Regional Council (PSRC),
- Transportation Improvement Board (TIB) grants,
- Main Street/Complete Street funding, and
- Direct appropriation from the state legislature.

## Federal Highway Administration

The city accepts significant obligations when it receives federal highway funds. The Local Agency Guidelines (LAG) Manual for Local Agencies provides requirements and guidelines to follow when using FHWA funding. Funds granted and administered through FHWA programs are reimbursable. What this means is that a city must pay for project costs up front, and is then reimbursed through a billing procedure. Projects must be listed in the Statewide Transportation Improvement Program (STIP) before they may be authorized.

In nearly all cases a city must provide non-federal funds to match the federal funds. The non-federal match amount varies by program, up to 13.5 percent. Agencies must provide specific documentation before funds may be authorized and expended, including a Project Prospectus and a Local Agency Agreement.

FHWA grant funding is awarded by the PSRC and is actively being pursued. The next round of grant funding will be awarded in 2018. Should the city be awarded a grant it is not expected to cover the full cost of the project. For that reason grant funding is considered as lowering the cost that needs to be locally funded.

## Transportation Improvement Board

The TIB provides funding to its urban entities' through three state-funded grant programs. Eligible projects are located within federally designated urban areas. A successful arterial project must score well in one of four areas called "bands."

These bands are:

- Safety
- Growth & development
- Physical condition
- Mobility

It is believed the Tremont Widening Project would score well in competition for a TIB grant. The amount awarded would reduce the need for local funding. Receiving a TIB grant in the 2 to 4 million dollar range remains a possibility. TIB typically issues a call for projects each June for the next year's funding program.

## Main Street/Complete Street

The purpose of the Main Street/Complete Street program is to encourage street designs that safely meet the needs of all users, including bicyclists, pedestrians, motorists, and public transportation users while protecting and Preserving community environment and character. The Washington State Main Street Program helps communities revitalize the economy, appearance, and image of their downtown commercial districts. The program is managed by the Washington Trust for Historic Preservation.

## State Appropriation

Although identified as an option, a direct state appropriation from the legislature is highly unlikely. Any local city transportation project would need to rise to the level of statewide significances and receive broad-based statewide political support. Putting time and effort into seeking a direct appropriation is not viewed as the best use of city resources.

## Chapter 2.

### Revenue Estimates

#### Transportation Benefit District (TBD) Excess property taxes<sup>1</sup>

- Single-year, voter-approved excess property tax levies

A district may levy an ad valorem property tax in excess of the one percent limitation upon the property within the district for a one-year period whenever authorized by the voters of the district pursuant to RCW [84.52.052](#) and Article VII, section 2(a) of the state Constitution.

- Multi-year, voter-approved excess property tax levies for bond redemption

A district may provide for the retirement of voter-approved general obligation bonds, issued for capital purposes only, by levying bond retirement ad valorem property tax levies in excess of the one percent limitation whenever authorized by the voters of the district pursuant to Article VII, section 2(b) of the state Constitution and RCW [84.52.056](#).

1. See general obligation bonds

#### TBD Sales and Use Tax

Voters may authorize the collection of up to 0.2% sales and use tax on taxable transactions within the city. The city considers its annual taxable Sales and Use base \$446,000,000.

- A voter approved sales and use rate of 0.05% would annual collect \$223,000.
- A voter approved sales and use rate of 0.10% would annual collect \$446,000.
- A voter approved sales and use rate of 0.15% would annual collect \$669,000.
- A voter approved sales and use rate of 0.20% would annual collect \$892,000.

#### TBD Vehicle License Fees (VLFs) \$20 per vehicle to a maximum of \$100 per vehicle

The city estimates the number of vehicles in Port Orchard based upon Department of Licensing (DOL)

data count information provided by the state. The data count is based on vehicles currently subject to the local option vehicle fee, under authority 36.73.065 and 82.80.140 RCW.

There are numerous assumptions that affect vehicle data. Vehicle renewals take place each month and the monthly amount of collected varies. Once imposed VLF collections begin no sooner than 6 months from authorization. Revenue assumptions should recognize a deduction of one percentage allowed to DOL to administer and collect TBD vehicle fees.

DOL reports that there are 9710 automobiles subject to a VLF in the City. Additional information is found in Chapter 7.

- A \$20.00 imposed VLF would annually collect \$192,258.
- A \$40.00 voter approved VLF would annually collect \$384,516.
- A \$60.00 voter approved VLF would annually collect \$576,774.
- A \$80.00 voter approved VLF would annually collect \$769,032.
- The \$100.00 voter approved maximum VLF would annually collect \$961,290.

### Tolls

Tolls are used to support operations and maintenance, as well as to pay debt service on bonds issued to finance a tolled facility. With voter approval, tolls may be imposed on state routes, city streets or county roads within the TBD boundaries, subject to approval by the state legislature (for tolls on state routes) or the tolling authority (i.e., the state transportation commission (for city streets or County roads).

Although Washingtonians have a long history with tolled facilities such as bridges, hov lanes, and state ferries, support from elected officials and the public remains low. No TBD has sent a toll initiative to the ballot due to issues regarding toll collection, avoidance of tolled routes, concerns regarding low-income individuals, and trucking interests.

While allowed by statute this report does not contemplate revenue through the establishment or creation of tolled facilities in Port Orchard.

### LID Assessments

Local Improvement Districts (LIDs) are a means of assisting benefiting properties in financing needed capital improvements through the formation of special assessment districts. Special Assessment districts permit improvements, such as streets, to be financed and paid for over a period of time through assessments on the benefiting properties.

The most important point to realize about LIDs is that the entire LID process is about financing infrastructure improvements, not constructing them. LID processes lead, ultimately, to the sale of bonds to investors and the retirement of those bonds via annual assessments on the property owners within a district.

The amount available through an LID is determined by an assessment method. Statutes describe one or two specific methods of assessing benefited properties, but also allow the municipality to choose any other method which meets the basic criteria. There are two main assessment methods:

Mathematical - Relatively inexpensive, easier to explain to property owners.

Front-foot (per lineal foot of property street frontage)

Area (per square foot of property)

Zone and termini - described in RCW 35.44.030 and .040  
Unit (per lot or parcel)

Special Benefit Analysis - Safest, but relatively expensive.

Certified appraiser calculates the value of each parcel with and without the infrastructure improvement project. The difference between those two values is the special benefit. The portion of project costs assignable to the LID is then divided by the total of all special benefits. This ratio is then applied to the special benefit of each parcel to determine the assessment for each parcel.

Statutes specify that the assessment per parcel must not exceed the special benefit of the improvement to that parcel, which is defined as the difference between the fair market value of the property before and after the local improvement project.

This report considers LID financing an available and viable option to provide financing for street capital improvements. The city should conduct an analysis on each street project to determine the viability of LID financing as a major means to pay a portion of project costs.

### **Impact fees**

David Evans and Associates, Inc. conducted a Transportation Impact Fee Rate Analysis in 2014. The impact fee for Port Orchard is computed based upon trip generation (the increase in traffic) resulting from growth, and the cost of improvements created by growth.

If adopted the growth share impact fee for a single-family unit would be \$3,898 and \$2,370 per unit for a multi-family unit. General office impact fee rates would be 5.69 per square foot while the specialty retail center rates would be \$7.25 per square foot of development.

Anticipated Annual Revenue from Impact fees: \$2,293,200 a year.

The complete David Evans analysis appears in appendix D of this report.

### **McCormick Woods Growth Management Act Transportation Impact Fee.**

The city collects transportation impact fees under the McCormick Urban Village Development Agreement for Transportation, and to the extent funds are available annually reimburses for the cost of construction of the Glenwood Connector Road and the Feigley Road / Clifton Road intersection at the total combined cost of \$2,200,296.37.

The current balance of the city's retained portion is \$503,529. These funds are available to pay for projects listed in the McCormick Urban Village Development Agreement for Transportation.

## General Obligation Bonds

There are two types:

**Councilmanic bonds** are issued by a vote of the city council, backed by general fund revenues when voters have not been asked to pay increased property taxes. Below they are described as Non-voted debt capacity.

**Unlimited General Obligation Bonds** must be approved by 60% majority of voters. This option raises property tax to pay for projects, and is only used for capital purposes. Below they are described as Voted debt.

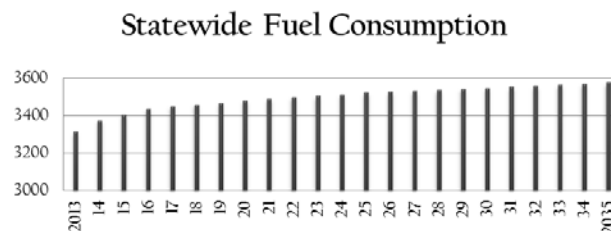
### Debt Limit Calculation Non-voted and Voted Debt

Assessed Value 2015	<u>\$1,350,675,513</u>
Non-voted debt capacity (1.50% of Assessed Valuation)	20,260,133
Less: Non-voted debt	<u>1,066,750</u>
Remaining capacity for Non-voted General Purposes	19,193,373
Percent of Non-voted debt Capacity Remaining	94.73%
Total General Debt capacity (2.50% of Assessed Valuation)	33,766,888
Less: Voted debt	0
Less: Non-voted debt	<u>1,066,759</u>
Remaining Capacity for Total General Debt purposes	32,700,129
Percent of General Debt Capacity Remaining	96.84%

The city could issue bonds in the amount calculated above. Other considerations would include the municipal bond rating provided by one of the major rating agencies, prevailing interest rates, and the ability of the city to identify a stable revenue stream to pay debt service.

## Motor Vehicle Fuel Tax – “Gas Tax”

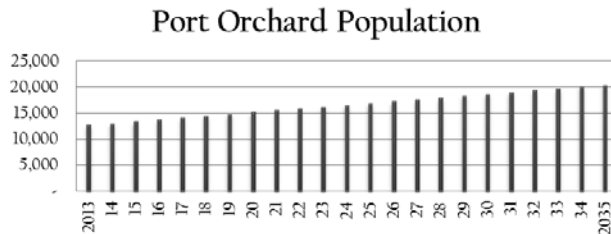
**Fuel Consumption.** The MVFT is collected on gallons sold; therefore, fuel consumption is a major component when estimating revenues. Consumer fuel consumption is influenced by personal income, gas prices, increasing fuel efficiency, and newer vehicles. Based on data from the Transportation Revenue Forecast Council September 2014 transportation economic and revenue forecasts, motor fuel consumption is expected to increase very slightly year-by-year.



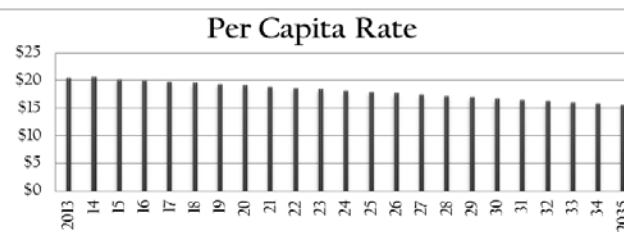
**Population.** A city receives a fixed percentage of the funds allocated on a per capita basis. Both the statewide population of incorporated areas (cities) and Port Orchard's population are factors in the motor vehicle fuel tax revenue calculation. Statewide population is a key part of the formula. Based upon



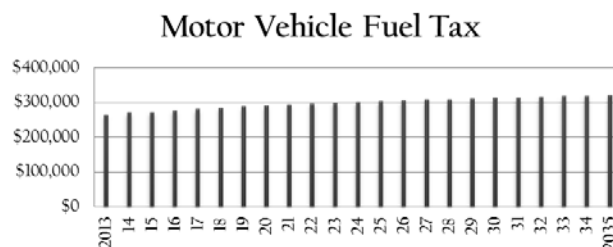
countywide planning policies the City of Port Orchard is expected to plan for 8,235 additional residents between the 2010 census and fiscal year 2035. The city assumes a straight line population increase of 329 residents per year.



The population of the incorporated areas (cities) continues to grow an estimated 1% per year and it appears that the rate of fuel consumption will not keep pace. The result of this will reduce the per capita rate. Port Orchard's population is expected to grow at a slightly faster pace than statewide. Therefore, even though the per capita rate may decrease, the increase in population will provide for a modest increase in the city's share of gas tax.



Estimated annual City of Port Orchard Motor Vehicle Fuel Tax 2013 – 2035. The city estimates fuel tax at the current 37.5 cents per gallon with a modest growth in revenue based upon population growth.



MVFT - gas tax - Annual Revenue Estimates 2013 – 2035.

2015	2016	2017	2018	2019	2020
272,210	277,287	280,976	284,408	287,601	290,852

2021	2022	2023	2024	2025	
293,826	296,592	299,058	301,350	303,863	

### Real Estate Excise Tax Revenue

Real Estate Excise Tax (REET) is considered a “one-time” revenue. Its use is typically reserved for small budgeted capital projects rather than major transportation needs. REET revenue fluctuates due to economic activity. As a one-time revenue source this report does not forecast future REET collection.

The chart below displays the amount of city’s historical use of REET revenue for street purposes.

REET Funding used for Street purposes		
Year	Amount	Project(s)
2005	-	
2006	-	
2007	-	
2008	-	
2009	9,011.52	Parking Garage Feasibility Study
2010	-	
2011	174,580.77	Roadway Asphalt Overlay
2012	438,867.64	Roadway Asphalt Overlay
2013	113,857.31	Bay St Ped Path Segment 2 w/ POB
2014	195,974.59	Roadway Asphalt Overlay \$141,921.37 & Bethel Grindouts Design \$54,053.22
2015	150,000.00	Bethel Lund Intersection

### General Fund Revenue

The city has historically allocated a portion of its property tax revenue to streets. The 3 most recent budget periods experienced 45% of property tax revenue allocated for streets. Cities face two primary restrictions on their property taxes – a maximum regular property tax levy rate and a limit on the amount of additional property taxes they can levy in a year. This report does not forecast future increases to property tax collection. The chart below displays past allocation of property tax to streets.

	2005	2006	2007	2008	2009	2010
Property Tax Collected	972,550	1,246,875	1,474,284	1,512,936	1,609,452	2,461,368
Tax allocated to Streets	740,484	1,012,131	959,876	656,299	304,594	633,702

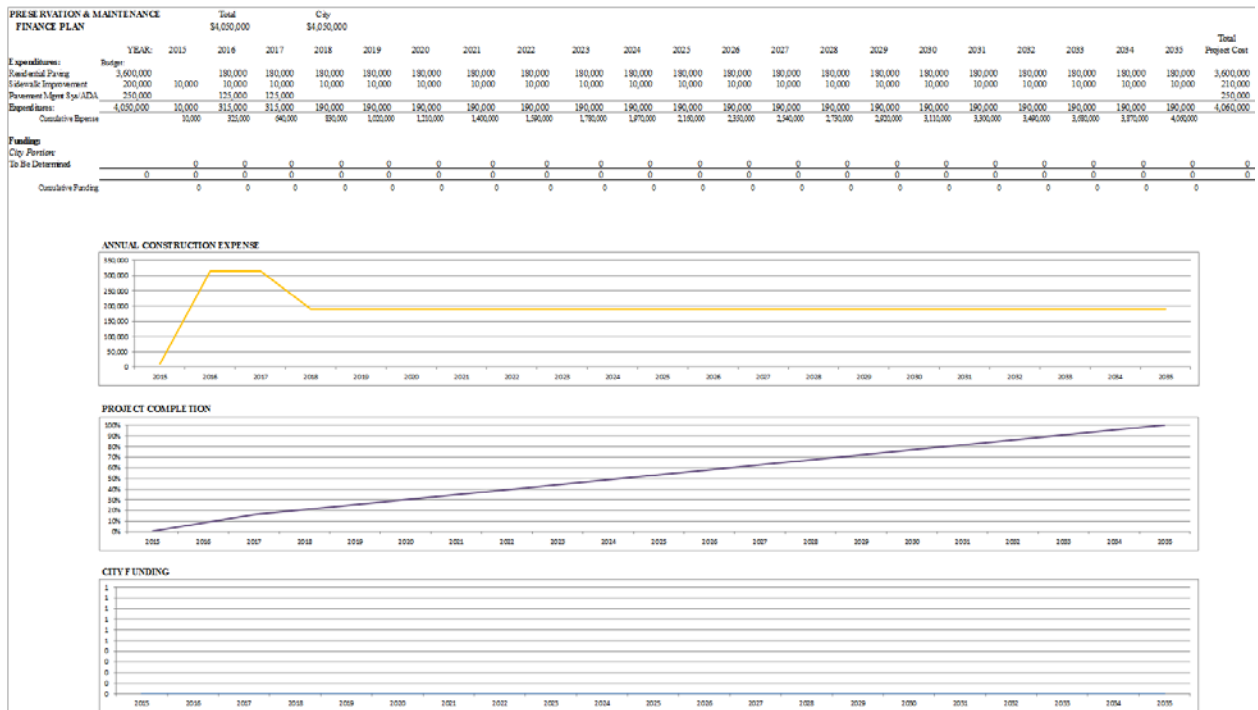
  

	2011	2012	2013	2014	2015	
Property Tax Collected	2,237,997	2,182,550	2,310,086	2,226,680	2,325,800	
Tax allocated to Streets	832,547	540,978	1,010,396	1,146,466	1,035,200	

## Chapter 3.

### Street Preservation and Maintenance

Based upon a Pavement Management System (PMS) and an Americans with Disability Act (ADA) Transition Plan the Street Preservation and Maintenance Program will address annual city-wide residential paving, sidewalk and curb ramp improvements. The annual residential paving program will consist of 1) pothole repairs, 2) mill & fills (saw-cutting, sub-grade repair and asphalt replacement) and 3) total asphalt roadway grinding with sub-grade repairs and new asphalt overlay. Street Preservation and Maintenance does not include residential 'complete street' projects (curb, gutter, sidewalk, bike lanes, travelled ways and associated storm drainage improvements), as these types of improvement projects will be budgeted as street capital projects.

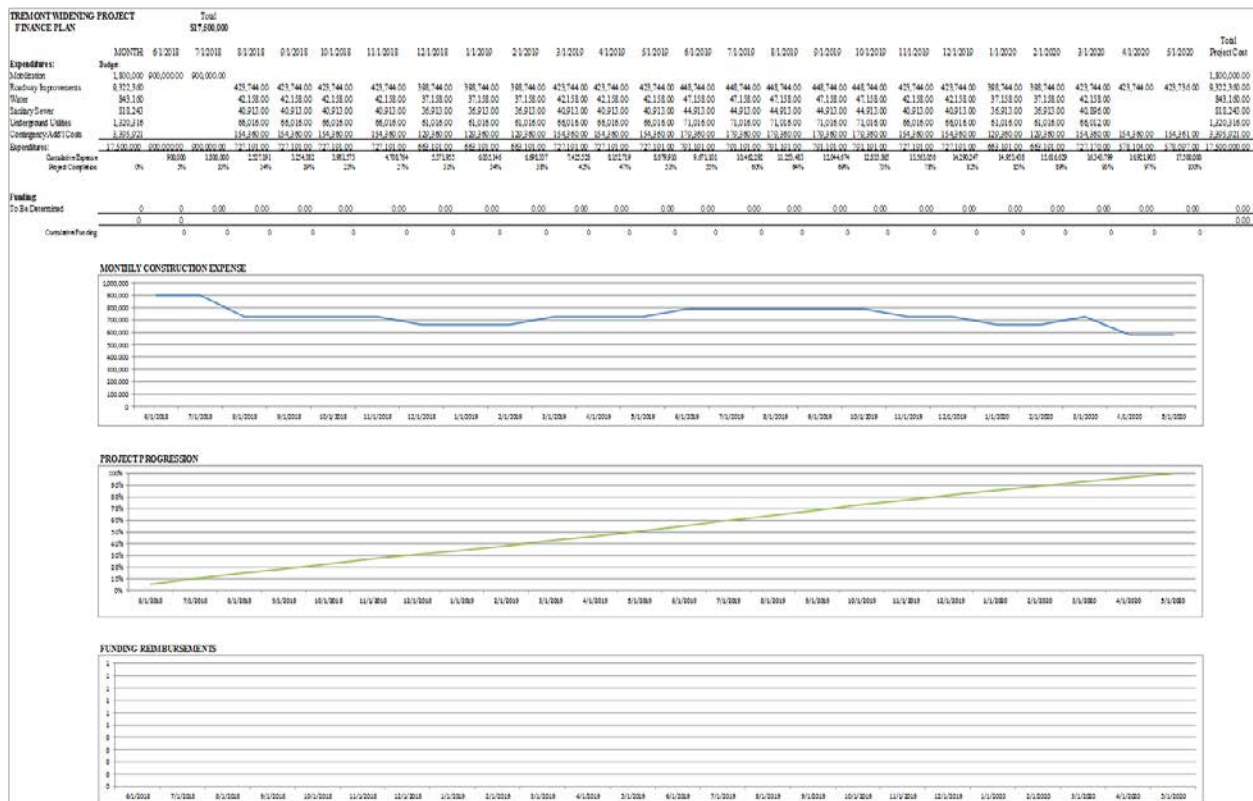


\*See appendix for enlarged chart

## Chapter 4.

### Tremont Widening Project

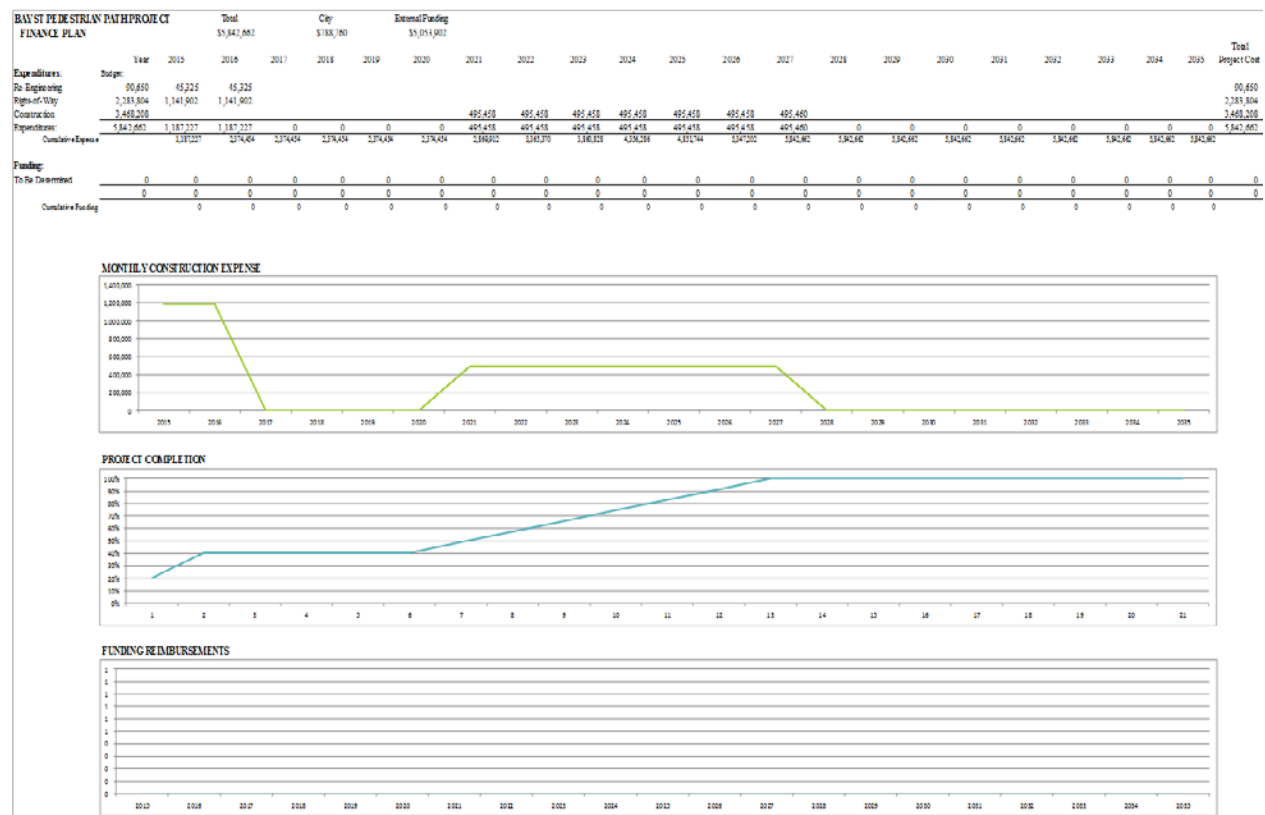
The Project is currently 'immediately ready to go', with a Construction Phase (CN) funding obligation deadline of September 30, 2018. The street widening project is a 0.67 mile long (State Route 16 to Port Orchard Boulevard) Federalized safety and capacity project. Initiated in 2005 through the obligation of Federal Highway Administration / Puget Sound Regional Council (FHWA/PSRC) funding, the project consists of widening from 2 to 4 lanes with median, curbs and gutter, sidewalks, bike lanes, and street lighting. The project includes undergrounding utilities. Two roundabouts will be constructed along with utility system improvements.



## Chapter 5.

### Bay Street Pedestrian Pathway

The 1.0 mile long project is a Federalized enhancement pathway project initiated in 2005 through the obligation of FHWA/PSRC funding. The multi-modal project will connect the Sidney/Kitsap Transit Terminal to the Annapolis/Kitsap Transit Terminal, consisting of a multi-modal pathway constructed along the Bay Street waterfront and a bike/pedestrian bridge at Black Jack Creek. The Project is currently at the Right-of-Way Acquisition Phase, with a revised right-of-way plan, relocation plan, and updated project funding estimate. The National Environmental Policy Act (NEPA) is required to be amended in order to use awarded funding for this project phase. Construction Phase (CN) funding must be obligated prior to September 30, 2023.

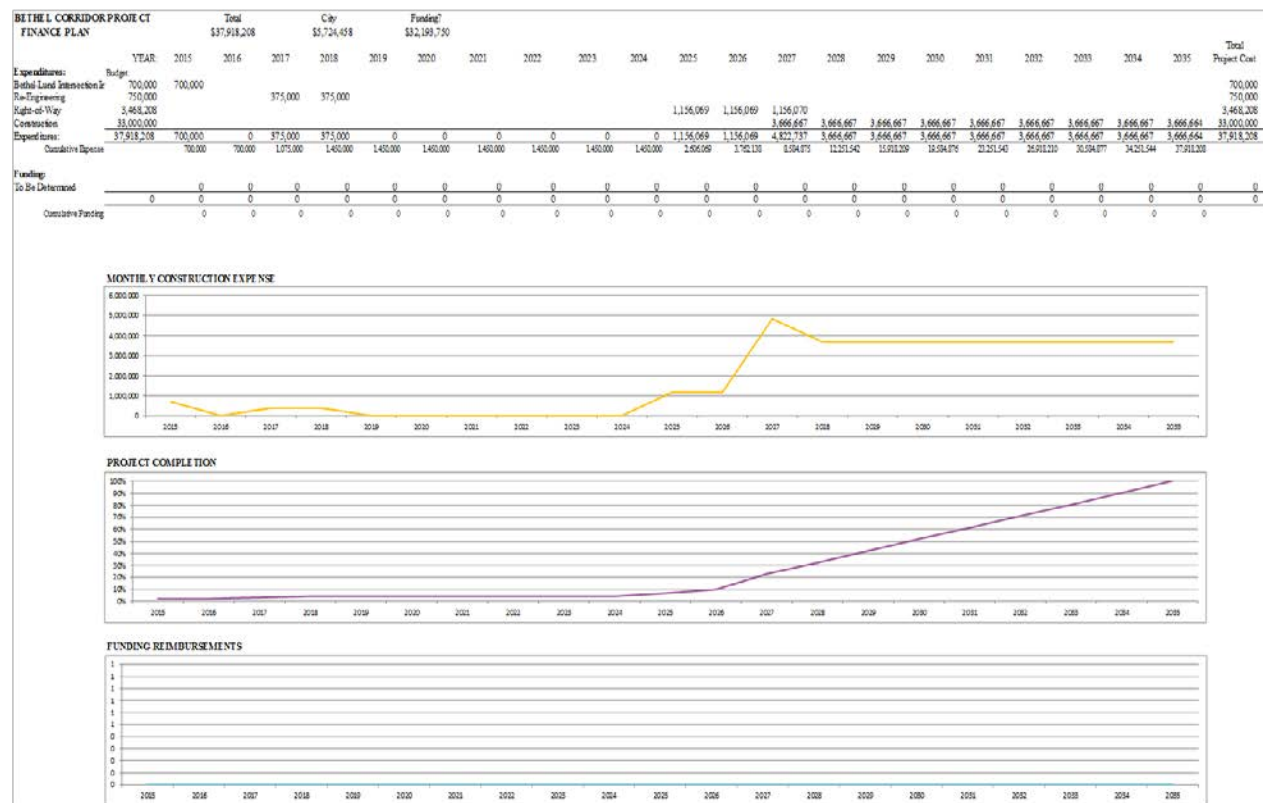


\*See appendix for enlarged chart

## Chapter 6.

### Bethel Road Corridor

The Bethel Road Corridor Project is a 2.25 mile long “Complete Street” project from the State Route 166 round about to South East Sedgwick Road. Improvements include curb, gutter, sidewalk, bike lanes, 2 travel lanes, continuous center turn lane, and controlled intersections. The project is currently non-federalized. Utilities will be placed under ground and will include regional storm drainage mitigation. It is anticipated that ongoing street preservation efforts scheduled for 2015/2016 will provide for a drivable roadway corridor until the current Kitsap County safety/capacity project can be redesigned in 2017 and the overall Bethel Corridor Project divided into viable segments.



\*See appendix for enlarged chart

## Chapter 7.

### TBD Vehicle License Fees (VLFs) \$20 per vehicle to a maximum of \$100 per vehicle

The city estimates the number of vehicles in Port Orchard based upon Department of Licensing (DOL) Data count. The data count is based on vehicles currently subject to the local option vehicle fee, under authority 36.73.065 and 82.80.140 RCW.

There are numerous assumptions that affect vehicle data. Also included is information in “Table 2” that shows the average percentage of vehicles renewing statewide each month. The information assists when determining monthly revenue collection. Revenue assumptions should recognize a deduction of one percentage allowed to DOL to administer and collect TBD vehicle fees.

Date assumptions :

- Data is recorded in the DOL vehicle headquarters database.
- Data is for records with an expiration date between April 1, 2015 through March 31, 2016 by location code (Table 1).
- Only eligible vehicles subject to the fee that have a location code are included in the counts.
- The information is the best estimation only.
- Some vehicles eligible for the fee may not be included in the calculations because the location code is blank.
- Vehicles may be required to renew within a specific month, however, they can renew early or may renew later.
- The number of vehicles subject to renewal each month vary. Percentages were based estimated renewal in 2012 (table 2).

Table 1: Average Count of Vehicles Subject To the Fee	
Location Code	Count of Vehicles
1802	9710

Table 2: Average Percentage of Vehicles Renewing Each Month Statewide (5 years of renewal data was used to calculate average percent)											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
7.2%	7.2%	9.0%	9.0%	9.7%	9.9%	9.6%	9.1%	8.0%	7.5%	6.6%	7.3%

APPENDIX A

FUNDING OPTIONS FOR BAY STREET PEDESTRIAN PATH & TREMONT

GORDON THOMAS HONEYWELL



Received At  
JAN 20 2015  
Council Meeting

To: Port Orchard Mayor  
From: Briahna Taylor  
Date: Updated January 9, 2015  
RE: Funding Options for Bay Street Pedestrian Path & Tremont

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Port Orchard Mayor requested a report on the funding options to complete the Bay Street Pedestrian Path and the Tremont project. GTHGA has met with city staff, and with WSDOT staff, to develop this memo on the current funding status of each project, and potential funding sources. Each project presents its own challenges.

#### **Tremont**

The City has received \$2.7 million in federal funding, and has until **September 30, 2018** to obligate the construction phase (i.e. begin construction). The total cost of the construction phase of the project is \$17.5 million. The city could take the following course of action (many can be done in combination):

- 1) **Deadline Extension** - WSDOT/FHWA only grants deadline extensions if there is a funding plan in place (i.e. we had identified all of the funding but it takes a few extra months for it to get allocated, etc.). They will not grant an extension if we have not identified the funding.
- 2) **Redesign to Reduce Cost** – The city could choose to redesign the project (at the city's cost) to a smaller more affordable project, and then submit the redesign for approval to WSDOT Local Programs/FHWA.
  - a. City would have to pay for redesign (\$300k at a minimum)
  - b. Potential redesign? 2 lanes inbound, 1 lane outbound? Redesign may not result in significant savings.
  - c. Challenges w/ redesign: May make project less competitive for grant funding.
  - d. Not guaranteed to be approved by WSDOT Local Programs/FHWA
- 3) **Stop Project** – The city could choose to not complete the project, and return the \$2.7 million in ROW acquisition funds that it has utilized.
  - a. Where to come up with the \$2.7 million?
  - b. May impact ability to receive future grant funding.
- 4) **Local Funding Options:**
  - a. Bond Revenue to complete project
  - b. Traffic Impact Fee/Transportation Benefit District Funding?? (locally imposed)
  - c. If full funding needs to be identified by 2018, the City could choose to fund the program locally out of its budget.

- i. 2015: \$4.375 million
- ii. 2016: \$4.375 million
- iii. 2017: \$4.375 million
- iv. 2018: \$4.375 million

**5) Identify Grant Funding (No Guarantee – could be done in concert with #4)**

- a. PSRC Grant Funding
- b. Transportation Improvement Board – Perhaps \$2-4 million??
- c. Main Street/Complete Street Funding
- d. Direct Appropriation via the Legislature (challenging)

**Bay Street Pedestrian Path, Phase 1**

Phase 1 of Bay Street Pedestrian Path includes segments 1-5. Segments 2, 4, & 5 have been completed with nonfederal funds. Segments 1 and 3 need to be completed. The city has received \$2.2 million in Right of Way Acquisition funding that is federalized. The city needs \$3 million to begin construction by 2023, or will need to return the \$3 million.

**1) Local Funding Options:**

- a. Bond Revenue to complete project
- b. If full funding needs to be identified by 2023, the City could choose to fund the program locally out of its budget.
  - i. 2015: \$400k
  - ii. 2016: \$400k
  - iii. 2017: \$400k
  - iv. 2018: \$400k
  - v. 2019: \$400k
  - vi. 2020: \$400k
  - vii. 2021: \$400k
  - viii. 2022: \$400k
  - ix. 2023: \$400k

**2) Identify Grant Funding (No Guarantee – could be done in concert with #1)**

- a. PSRC Grant Funding
- b. Bike/Pedestrian Grant Funding
- c. RCO Funding (small components)
- d. Direct Appropriation through Legislature

APPENDIX B

EXCERPT FROM KEEPING THE LIGHTS ON IN TOUGH TIMES, PGS. 25 – 27

ALICE M. OSTDIEK, FOSTER PEPPER PLLC

### 3.3 Transportation – Transportation Benefit Districts

#### (a) Overview and Legal Authority

Transportation Benefit Districts (TBDs) have been around for over twenty years, but the statute was recently amended, making them much more useful and practical. Transportation Benefit Districts are primarily a financing tool to provide resources for transportation improvements of particular importance to the city, town or county that creates the TBD and to the surrounding region.

A TBD may be formed “for the purpose of acquiring, constructing, improving, providing, and funding a **transportation improvement** within the district that is consistent with any existing state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels.”<sup>74</sup> All of the transportation improvements provided or funded by the TBD must be included in the TBD boundaries.<sup>75</sup>

Under RCW 36.73.015(4), “transportation improvements” include:

...project[s] contained in the transportation plan of the state, a regional transportation planning organization, city, county, or eligible jurisdiction as identified in RCW 36.73.020(2). A project may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.<sup>76</sup>

To the extent practicable, the TBD governing board should consider the criteria set forth in RCW 36.73.020(1) when identifying the specific transportation improvements to be funded.<sup>77</sup>

Under most circumstances, the members of the legislative authority that creates the TBD will comprise the governing board of the TBD, and staffing is usually provided by the jurisdiction that created it. But TBDs are technically designated as separate quasi-municipal corporations.<sup>78</sup> As such, they have a legal existence independent of their creating jurisdictions; have distinct limited purposes; distinct governing bodies with separate meetings and procedures (and the members of those governing bodies must be careful to understand which hat they are wearing at any given time); and should establish separate funds and accounts.

Over the life of the TBD, the scope, cost or other characteristics of the TBD’s transportation improvement plan may need to be revised in response to changed economic, engineering or other conditions. Recognizing this possibility, TBDs are required to develop a “material change policy to address major plan changes that affect project delivery or the ability to finance the plan.” Among other things, the policy must provide for a public hearing if a project exceeds its original cost estimate by more than 20 percent.<sup>79</sup> Changes that are

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<sup>74</sup> RCW 36.73.020 (emphasis added).

<sup>75</sup> RCW 36.73.020(1).

<sup>76</sup> RCW 36.73.015(4).

<sup>77</sup> RCW 36.73.020(1) (factors include: reduced risk of transportation facility failure and improved safety; improved travel time; improved air quality; increases in daily and peak period trip capacity; improved modal connectivity; improved freight mobility; cost-effectiveness of the investment; optimal performance of the system through time; improved accessibility for, or other benefits to, persons with special transportation needs as defined in RCW 47.06B.012; and other criteria, as adopted by the governing body.)

<sup>78</sup> TBDs are declared to be quasi-municipal corporations, independent taxing “authorities” within the meaning of Article VII, Section 1 of the Washington State Constitution, and “taxing districts” within the meaning of Article VII, Section 2 of the State Constitution. RCW 36.73.040(1).

<sup>79</sup> RCW 36.73.160(1).

significant enough to result in TBD functions and activities that go beyond those specified in the formation notice trigger additional notice and public hearing requirements.

The members of the legislative authority establishing the TBD, acting *ex officio* and independently, constitute the governing body of the TBD.<sup>80</sup> If the TBD includes more than one jurisdiction, governance may be determined by interlocal agreement, with a governing body of at least five members (including at least one elected official from the legislative authority of each participating jurisdiction).<sup>81</sup>

**(b) Revenue Options.**

TBDs may finance transportation improvements through a variety of revenue sources, some of which are voted and some of which are non-voted.<sup>82</sup>

**(a) Revenue Sources Requiring Voter Approval.** Voter approval is required for the following revenue sources:

- *Excess property taxes.* May be imposed for one year to fund operations, or for multiple years to repay long-term bonds issued to finance capital projects.<sup>83</sup>
- *Sales and Use Taxes.* Voter approval is required at least every ten years.<sup>84</sup> Under the 2010 legislation, if sales taxes are “dedicated for the repayment of indebtedness” and initially imposed after July 1, 2010, they may be imposed for a longer period.<sup>85</sup>
- *Vehicle License Fees (VLFs).* Upon voter approval, VLFs may be increased from a maximum of \$20 per vehicle to a maximum of \$100 per vehicle.<sup>86</sup>
- *Tolls.* Upon voter approval, tolls may be imposed on state routes, city streets or county roads within the TBD boundaries, subject to approval by the state legislature (for tolls on state routes) or approval by the tolling authority (i.e., the State Transportation Commission) (for city streets or county roads).<sup>87</sup>

**(b) Revenue Sources that Do Not Require Voter Approval.** Certain revenue sources are available to a TBD without voter approval. A TBD that includes all of the territory of the jurisdiction(s) that created it may impose the following fees and charges by a majority vote of the governing body:

- *Vehicle License Fees.* Voter approval is not required for VLFs up to a maximum of \$20 per vehicle.<sup>88</sup>
- *Impact fees.* May impose impact fees on the construction or reconstruction of commercial buildings, industrial buildings, or on any other commercial or industrial building or building space or appurtenance, or on the development, subdivision, classification, or reclassification of land for commercial purposes. Impact fees must be reasonably necessary as a result of the

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<sup>80</sup> RCW 36.73.020(3).

<sup>81</sup> Multi-jurisdiction TBDs may now be governed by the governing body of the metropolitan planning organization serving the TBD, but only if the TBD and the metropolitan planning organization boundaries are identical. RCW 36.73.020(3).

<sup>82</sup> See RCW 36.73.065(1).

<sup>83</sup> RCW 36.73.060.

<sup>84</sup> RCW 82.14.0455.

<sup>85</sup> RCW 36.73.040(3)(a) and RCW 82.14.0455.

<sup>86</sup> RCW 36.73.040(b) and RCW 82.80.140.

<sup>87</sup> RCW 36.73.040(d).

<sup>88</sup> RCW 82.80.140. Special rules apply if a TBD is county-wide, and voter approval is required if the VLF will be used for a passenger-only ferry transportation improvement.

impact of the development or other land use action on identified transportation needs. TBD impact fees must be credited against any transportation impact fees imposed by the city or county.<sup>89</sup>

- *LID Assessments.* May impose special benefit assessments for LIDs that are created pursuant to the petition method.<sup>90</sup>

(c) Pointers and Pitfalls

Care must be taken in the formation and operation of a TBD. It is important to read the applicable statutes carefully, because they contain very specific requirements. A number of things must particularly be kept in mind:

- It is important to keep the TBD governing body's actions separate and distinct from those of the governing body of the creating city or county. TBDs are separate legal entities. Elected officials and staff must be clear about which hat they are wearing at any given time. And remember that it is the TBD that imposes the taxes and fees, not the city or county that created it.
- A city or county that creates a TBD should promptly enter into an interlocal agreement with the TBD. This agreement should set forth the staffing and other services (i.e., treasury, revenue collections, etc.) the city or county will provide, and whether (and to what extent) the city or county will be compensated for those services.
- Despite recent statutory clarification, the definition of a "transportation improvement" is still not crystal clear. To be on the safe side, TBD-financed projects should be at least referenced in a regional transportation planning organization's plan or be of regional or statewide significance.
- It is not particularly easy to change a TBD's mission or transportation improvements once it has been created. A flexible description of a TBD's permitted "transportation improvements" may be in order. It is even harder to change a TBD's mission or the transportation improvements to be financed once the voters have approved a revenue source.

### **3.4 Utilities – Joint Municipal Utility Services Act (ESHB 1332 (2011))**

(a) Overview and Legal Authority

Legislation adopted in 2011 provides an improved interlocal mechanism for cooperation among local government utilities that provide water, wastewater, stormwater and/or flood control services. The legislation authorizes cities, towns, counties, and special purpose districts voluntarily to form an intergovernmental municipal corporation, known as a "joint municipal utility services authority" or "Joint Utility Authority," which may provide services to other local utilities and their customers.

A statewide collaborative process identified two dozen specific technical and structural issues that municipal utilities encounter when they use existing statutes (including the Interlocal Cooperation Act, Chap. 39.34 RCW) for collaborative service delivery. The legislation was drafted to address these specific issues, and does not provide any new powers or alter existing powers of local government utilities.

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<sup>89</sup> RCW 36.73.120.

<sup>90</sup> RCW 36.73.080.

APPENDIX C  
TRANSPORTATION BENEFIT DISTRICTS  
AWC FEBRUARY 2013



# Transportation Benefit Districts

## (RCW 36.73)

### What is a Transportation Benefit District (TBD)?

A TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district. A TBD is an independent taxing district that can impose specific taxes or fees, either through a vote of the people or through district board action. TBDs are flexible - they allow cities and counties to work independently or cooperatively to address both local and regional transportation challenges.

### Who may create a TBD?

The legislative authority of a county or city may create a TBD. The county or city proposing to create a TBD may include other counties, cities, port districts, or transit districts through interlocal agreements.

### Who governs the TBD?

The members of the legislative authority (county or city) proposing to establish a TBD serve as the governing body of the TBD. The legislative authority is acting ex officio and independently as the TBD governing body. If a TBD includes additional jurisdictions through interlocal agreements, then the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions.

### Why create a TBD if the county or city legislative authority is the governing board?

TBDs have more flexibility to solve specific transportation issues. For example, more than one type of jurisdiction can be part of a TBD and the boundaries can be less than countywide or citywide.

### What transportation improvements can be funded by a TBD?

The definition of transportation improvements is fairly broad. This can include maintenance and improvements to city streets, county roads, state highways, public transportation, transportation demand management, and other transportation projects identified in a local, regional or state plan.

### What revenue options do TBDs have?

TBDs have several revenue options subject to voter approval:

- Property taxes - a 1-year excess levy or an excess levy for capital purposes;
- Up to 0.2% sales and use tax;
- Up to \$100 annual vehicle fee per vehicle registered in the district; and
- Vehicle tolls.

TBDs have two revenue options that do not require voter approval, but are subject to additional conditions. To impose either fee, the TBD's boundaries must be countywide or citywide, or if applicable, in the unincorporated county. Foregoing a vote is an option. A county or city still has the option of placing either fee to the vote of the people as an advisory vote or an actual requirement of imposition. The two options are:

1. **Annual vehicle fee up to \$20.** This fee is collected at the time of vehicle renewal and cannot be used to fund passenger-only ferry service improvements. (HB 1485 increases this option up to \$40.)
2. **Transportation impact fees on commercial and industrial buildings.** Residential buildings are excluded. In addition, a county or city must provide a credit for a commercial or industrial transportation impact if the respective county or city has already imposed a transportation impact fee.



Jurisdiction	Vehicle License Fee	Sales Tax
<b>Transportation Benefit Districts passed in 2012</b>		
Bainbridge Island	\$20 (passed 01/09/2012)	
Castle Rock		\$0.002 sales tax (passed, election 11/6/2012)
Eatonville	\$20 (effective 03/01/2013)	
Kelso	\$20 (passed 12/04/2012)	
Kenmore - Has not passed funding provision		
Maple Valley	\$20 (passed 12/10/2012)	
Kittitas	\$20 (effective 12/01/2012)	
Lynden		\$0.002 sales tax (passed, election 11/6/2012)
Royal City	\$20 (effective 11/01/2012)	
Stanwood		\$0.002 sales tax (passed, election 2/12/2013)
Tacoma	\$20	
Toppenish	\$20 (effective 12/01/2012)	
Waitsburg		\$0.002 sales tax (passed, election 4/17/2012)
Wapato	\$20 (effective 04/01/2013)	
Yakima - Has not passed funding provision		
<b>Transportation Benefit Districts passed in 2011</b>		
Auburn - Has not passed funding provision		
Ferndale		\$0.002 sales tax (passed, election 2/14/2012)
Grandview	\$20 (02/01/2012)	
Mabton	\$20 (12/01/2011)	
Mountlake Terrace	\$20 (effective 08/01/2012)	
North Bend		\$0.002 sales tax (passed, election 11/8/2011)
Orting	\$20 (effective 02/01/2013 - 01/31/2015)	
Snohomish County		\$0.002 sales tax (passed 8/16/2011)

Jurisdiction	Vehicle License Fee	Sales Tax
<b>Transportation Benefit Districts passed in 2011</b> <i>(con't)</i>		
Spokane	\$20 (09/01/2011)	
Walla Walla		\$0.002 sales tax (passed, election 2/14/2012)
Wenatchee	\$20 (effective 08/01/2012)	
Zillah	\$20 (effective 7/12/2012)	
<b>Transportation Benefit Districts passed in 2010</b>		
Bellingham		\$0.002 sales tax (4/01/2011)
King County - No funding designated		
Leavenworth		\$0.002 sales tax (04/01/2011)
Lynnwood	\$20 (07/01/2011)	
Seattle	\$20 (05/01/2011)	
Snohomish		\$0.002 sales tax (01/01/2012)
Snoqualmie	\$20 (03/01/2011)	
<b>Transportation Benefit Districts passed in 2009</b>		
Bremerton	\$20 (12/07/2011 passed, effective 07/01/2012)	
Burien	\$10 (02/01/2010)	
Prosser	\$20 (11/01/2009)	
Shoreline	\$20 (02/01/2010)	
University Place - No funding designated		
<b>Transportation Benefit Districts passed in 2008</b>		
Des Moines	\$20 (09/01/2009)	
Edmonds	\$20 (09/01/2009)	
Lake Forest Park	\$20 (09/01/2009)	
Olympia	\$20 (10/01/2009)	
Ridgefield		Sales tax repealed effective 10/01/2012 - \$0.002 sales tax (04/01/2009)
Sequim		\$0.002 sales tax (04/01/2010)
<b>Transportation Benefit Districts passed prior to 2008</b>		
Liberty Lake (2002)		
Point Roberts, Whatcom County (1992)		Special gas tax \$0.01/gallon (1992)

APPENDIX D  
TRANSPORTATION IMPACT FEE RATE ANALYSIS 2014  
DAVID EVANS AND ASSOCIATES, INC.

CITY OF PORT ORCHARD

## Transportation Impact Fee Rate Analysis



PREPARED BY



DAVID EVANS  
AND ASSOCIATES INC.

2014

# CITY OF PORT ORCHARD

## TRANSPORTATION IMPACT FEE RATE ANALYSIS

PREPARED BY:



DAVID EVANS  
AND ASSOCIATES INC.

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2014



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# 1. Impact Fee Overview

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## 1.1. Introduction

This analysis and report summarizes the policy and technical development of the updated Transportation Impact Fee program for the City of Port Orchard, Washington. This analysis describes the requirements for charging impact fees, basis for the fees, rate methodology, summary of eligible City projects, analyses performed to determine impact fees, and rate schedules.

## 1.2. Definition of Impact Fees

Impact fees are a comprehensive grouping of charges based on new development within a local municipality. These fees are assessed to pay for capital facility improvement projects necessitated by new development (including but not limited to parks, schools, streets/roads, etc.).

Transportation Impact Fees are collected to fund improvements that add capacity to the transportation system, accommodating the travel demand created by new development in Port Orchard. The Revised Code of Washington (RCW) Section 82.02.050 identifies the intent of impact fees as the following:

- To ensure that adequate facilities are available to serve new growth and development;
- To promote orderly growth and development by establishing standards by which counties, cities, and towns may require, by ordinance, that new growth and development pay a proportionate share of the cost of new facilities needed to serve new growth and development; and
- To ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicative fees for the same impact.

## 1.3. Statutory Basis for Impact Fees

The purpose of this study is to establish the rates for impact fees for streets in the city of Port Orchard, Washington.

Transportation impact fees are a financing mechanism authorized by the Growth Management Act (GMA) of Washington State (see RCW 36.70A.070 and 82.02.050 et seq.). However, impact fees are not mandatory; they are simply authorized by the GMA as a local option. State law imposes strict limitations on impact fees. These limitations are intended to assure property owners that the fees collected are reasonably related to their actual impacts and will not be used for unrelated purposes.

If impact fees are imposed, the funds collected from developments can be expended only on transportation system improvements that are: (a) identified in the Comprehensive Plan as needed for growth, and (b) reasonably related to the impacts of the new development from which fees are collected.

Specifically, condition (a) requires that impact fees are not used on improvements needed to remedy existing deficiencies. Those needs must be entirely funded from other resources. Condition (b) is satisfied if the local government defines a reasonable service area, identifies the public facilities within the service area that require improvement during the designated planning period, and prepares a fee schedule taking into account the type and size of the development as well as the type of public facility being funded.

To achieve the goal of simplicity, impact fee calculations are applied on an average basis for the entire transportation system, rather than project-by-project. This is a key difference between impact fees and

State Environmental Policy Act (SEPA) voluntary mitigation payments, whereby pro-rata shares of specific project improvements are collected.

Pre-calculated impact fees are easier to administer than traditional SEPA development mitigation, at the point of development review. However, more complex administrative procedures are necessary to track the funds collected from each development. This is necessary to assure that the funds are expended only on eligible transportation system improvements, and also to assure that impact fee revenues are used within ten years. Fees not expended within ten years must be refunded with interest to the current owner of the property.

The methodology and results described next are consistent with the requirements of the GMA. All calculations are based on the adopted transportation facilities list described in the City of Port Orchard Comprehensive Plan. The procedures described herein can be formally enacted by an impact fee ordinance incorporating this report by reference.

## 2. Impact Fee Analysis

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### 2.1. Methodology

The primary basis for the impact fee is that existing transportation facilities are not sufficient to provide the future transportation capacity needed to serve growth. The analysis focuses on those projects that provide capacity improvements needed for growth. The improvements for maintenance such as pavement overlays and physical obsolescence, as well as improvements necessary to mitigate existing level of service deficiencies and correct existing safety issues, are not eligible for funding with impact fees.

### 2.2. Current Impact Fee Methodology in Port Orchard

The City of Port Orchard currently does not have a transportation impact fee. Many cities have been conducting studies and implementing impact fee programs. This study will be the basis of a program that implements transportation impact fees for the City.

### 2.3. Other Impact Fee Methodologies

Other cities employ various methodologies to compute impact fees. Some cities charge the full cost of every project attributable to growth in their fee. This method assumes that existing residents get no benefit from the projects, and growth creates 100% of the need for the projects. This is seldom true and is not consistent with GMA requirements, but happens nevertheless.

Other agencies go through rigorous analyses to compute the growth share of every capital project to more accurately capture the growth share of each project. The City of Sammamish chose this approach. This approach requires significant analysis in traffic forecasting tools and proportionate share calculation. The Sammamish example is interesting in that the resulting impact fee, the highest in the state, represented about 35% of the City's Capital Program cost. The recovery of expended costs on capital projects that serve growth is rare, but was used in the City of Sammamish to recover the cost of the 228<sup>th</sup> Avenue Project.

Other agencies choose to set the impact fee by what they consider to be a rate acceptable to the market and comparable to their neighbors so as not to discourage development. This method typically results in an underfunded Capital Program that lags behind the impacts of growth.

Other cities use zone-based fee structures to capture the differences between commercial and residential zones. This can create challenges when the impact fee on the north side of the street is 10 times higher than the fee on the south side. This is why many cities use a single-zone structure.

Each method comes with advantages and risks. In general, the higher the fee, the more supporting documentation is required.

Cities also allow various levels of adjustment for special conditions within their impact fee ordinances. Deductions for trip length associated with certain land uses, reductions to trip generation in mixed-use areas, and credits for provision for alternative modes or TDM programs are all utilized.

## **2.4. Service Area**

The City of Port Orchard impact fee is calculated based upon a single service area encompassing the entire city.

## **2.5. Projects Eligible for Impact Fees**

Not all planned transportation projects and programs are eligible for impact fees. The complete list of projects is divided below into the following categories, in order to arrive at a list of qualifying improvements that will form the basis for impact fees calculated for the City of Port Orchard:

- Project Improvements
- Planned Roadway Projects needed within 20 years
- Maintenance Projects

### **2.5.1. Project Improvements**

Project improvements are transportation improvements necessary for a specific development that do not provide significant system benefits. These are typically low-volume local streets that serve driveways and parking areas. They may provide connections to other developments, but not for the purpose of significant system capacity. Other project improvements include safety improvements and new access connections to existing arterials that serve only one development. Project improvements are typically required by other development regulations or as SEPA mitigation for specific development impacts not anticipated in the Comprehensive Plan. Project improvements are not eligible for impact fees. There are some cases in which a proportion of a project improvement may be eligible for impact fees. For the purpose of this rate analysis, roadway extensions that connected existing developments, but were not significant arterials, were considered project improvements that could be required under other City codes and regulations.

### **2.5.2. Planned Roadway Projects**

The roadway projects identified in the Six-Year Transportation Improvement Program (TIP) are anticipated to be needed to serve motorized traffic growth for the next 20 years. The roadway capacity provided is accomplished by adding turn lanes to increase through lane capacity, adding signals for intersection capacity, and other improvements to increase the capacity of the roadway system for motorized vehicles. The proportional share of these projects reasonably related to growth is eligible for impact fees.



### 2.5.3. Maintenance Projects and Programs

Maintenance programs, general studies, and non-capital activities are not eligible for impact fees. A component of ongoing pavement preservation could be eligible for impact fees if it is demonstrated that growth increases the magnitude of pavement reconstruction requirements. For instance, if existing conditions require a two-inch asphalt overly, but added traffic from growth requires a three-inch asphalt overlay to achieve the same pavement life, the cost of the additional inch of asphalt could be attributed to growth.

The projects not included in the impact fee calculation list, because of their classification as non-growth, existing deficiencies, or maintenance projects include the following:

Project Title	TIP Priority Number	Project Description	Cost Budgeted
Arnold Creek Crossing	1.2	Replace wooden span under Bay Street for Arnold Creek culvert.	\$300,000
Annual Residential Paving Program	1.4	May include repairing or replacing the existing paving in residential areas.	\$450,000
Sidewalk Improvement Project	1.5	Repair and replace concrete sidewalk as needed.	\$60,000
Sidney Avenue (north of SR 16) Overlay	2.4	Overlay Sidney Avenue and construct a shoulder.	\$500,000
Bay Street & Rockwell Avenue Intersection	2.13	Improvements are needed at the intersection for driver safety and visibility.	\$100,000
Cline Avenue Rehabilitation	2.14	Replace sidewalk and parking strip on the west side of the road, the east side has already been replaced	\$250,000
		<b>Total</b>	<b>\$1,660,000</b>

## 2.6. Project Costs

Total project costs for each eligible group of impact fee projects in the city of Port Orchard are summarized below. These costs include various elements, all necessary for the construction of transportation improvements including design, permitting, right-of-way, construction, and construction management. Ongoing or future maintenance is not an eligible impact fee cost. Some projects have been removed from the project list because they are not capacity projects or are considered maintenance projects/programs.

### 2.6.1. Planned Roadway Projects

The cost of planned roadway projects identified in the City's Transportation Improvement Program totals \$108,325,950 and is summarized below.

Project Title	TIP Priority Number	Project Description	Cost Budgeted
Tremont Street Widening: SR 16 to Port Orchard Blvd.	1.1	Widen Tremont from two travel lanes to four travel lanes with sidewalks and stormwater improvements.	\$21,800,000
Bay Street Pedestrian Path	1.3	Install guardrail, street improvements, and sidewalks from Downtown Port Orchard to the Annapolis Foot Ferry Terminal which links to the Washington State Ferry System.	\$4,775,950
Maple Street Improvements	1.7	Revise well site, rebuild Maple Street, and acquire property to secure road right-of-way.	\$1,350,000

Project Title	TIP Priority Number	Project Description	Cost Budgeted
Bethel Avenue	2.2	Widen Bethel Avenue from two travel lanes to four travel lanes and add sidewalks, street lighting, and stormwater improvements.	\$4,000,000
Bethel Avenue West	2.3	Bethel Road is currently two lanes wide – it needs to be widened to four lanes with street lights, sidewalks, and stormwater upgrades.	\$5,000,000
Pottery Avenue Widening (Tremont Street to Melcher Street )	2.5	Widen road to two travel lanes with sidewalks on both sides and stormwater system improvements.	\$1,600,000
Melcher Street Widening	2.6	Melcher Street West is currently a narrow two-lane road; the reconstruction would widen the road to allow two safe travel lanes.	\$400,000
Fireweed Road Widening	2.7	Fireweed is a two-lane road currently; it needs to be widened to include shoulders, and a stormwater system needs to be installed.	\$500,000
Sherman Avenue Widening	2.8	Sherman Avenue is currently two travel lanes wide, but needs shoulders and a stormwater system.	\$750,000
Port Orchard Gateway Entry Phase II	2.9	Port Orchard Boulevard is currently three lanes wide with narrow shoulders. As a continuation of the Tremont Widening Project, it will need to be widened to include sidewalks traffic calming, and traffic control at the intersection with Bay Street.	\$16,000,000
Pottery Avenue Widening (Tremont Street to SR 16)	2.11	Pottery Avenue is currently a two-lane road. It needs to be widened to a four-lane road with sidewalks, traffic calming, and upgrades to the stormwater system.	\$5,700,000
Sidney Avenue (South of SR 16) Widening	2.12	Sidney Avenue is currently two lanes wide. It needs to be widened to four lanes including the addition of sidewalks, traffic calming, and stormwater system improvements.	\$5,700,000
Bethel Corridor Improvements	2.15	Widen roadway (Bethel Road from Ives Mill Road to Lincoln Avenue).	\$40,750,000
		<b>Total</b>	<b>\$108,325,950</b>

### 2.6.2. McCormick Urban Village Development

The above table does not include the McCormick Urban Village Development projects because they are captured in a separate mitigation fee, which is only applied to the parcels located within the development. There are four (4) projects within the TIP that are primarily funded by the impact fees associated with the McCormick Urban Village Development and are not included in the citywide impact fee calculated above. Refer to the table below for the four (4) projects covered within the McCormick Development impact fee. The mitigation fees for these projects are collected through pre-existing agreements and are, in some cases, subject to credits for improvements already made to support the McCormick Urban Village Development.

Project Title	TIP Priority Number	Project Description	Cost Budgeted
Anderson Hill & Old Clifton Road Intersection Improvements	1.6	Intersection Improvements at Anderson Hill & Old Clifton Road.	\$400,000
Old Clifton Road & Campus Parkway Intersection Improvements	2.1	Construct roundabout at Old Clifton Road and the Campus Parkway intersection.	\$400,000

Project Title	TIP Priority Number	Project Description	Cost Budgeted
Old Clifton Road Widening	2.10	Old Clifton Road is currently a two-lane road without sidewalks. This project would widen the road to four lanes and add street lighting, sidewalks, and storm drainage.	\$1,734,000
Old Clifton Road & McCormick Woods Drive Intersection Signal Improvements	2.16	Signal improvements at the intersection of Old Clifton Road & McCormick Woods Drive.	\$270,000
		<b>Total</b>	<b>\$2,804,000</b>

## 2.7. Impact Fee Calculation

The impact fee for the City of Port Orchard has been computed based upon trip generation (the increase in traffic) resulting from growth, and the cost of improvements related to growth.

### 2.7.1. Growth Share of Roadway Projects based on Trip Generation

Trip generation is a function of land use. While Port Orchard is predominately residential, the commercial uses do have a contribution in trip generation. For simplicity, the trip generation associated with growth was calculated based upon trip generation for residential units and employment in the city of Port Orchard. This information was obtained from the City of Port Orchard, Puget Sound Regional Council, and U.S. Census. This approach assumes that the need for projects is proportional to the added growth in the city. This is the most conservative approach, as some growth projects address a need solely created by growth, while others address a combination of existing deficiencies (unallowable for impact fees), and still others provide capacity in excess of the current projected growth. In this case, the growth share is ultimately proportional to the growth's utilization of each improvement.

Year	Single-Family Units	Multi-Family Units	Employees	Single-Family Trips	Multi-Family Trips	Employee-Generated Trips	Total Trips
2014	8,182	4,141	3,647	8,346	2,568	5,471*	16,385
2035	13,651	6,907	6,779	13,924	4,283	10,169*	28,376
<b>Net New Trips</b>							<b>11,991</b>
<b>Growth Share as a Proportion of Total Trips</b>							<b>42.3%</b>

\*employee trip rate estimated as a mix of office/retail

## 2.8. Impact Fee Formula

Impact fees were calculated based upon the costs identified in Section 2.6 above. The impact fee for planned roadway projects based upon a conservative and defensible fee established from the total project costs and growth traffic is shown below:

**Total Project Costs of \$108,325,950 times ratio of growth trips to total trips of 42.3% divided by 11,991 new trips = \$3,822/trip**

This fee is substantially less than 100% of the cost of the growth projects, and was not adjusted for other payments made relative to transportation as there are currently no fees or taxes being collected from growth and dedicated to transportation in the city.

If adopted in the new impact fee ordinance, the growth share impact fee for a single-family unit would be \$3,898, and \$2,370 for a multi-family unit. General office impact fee rates would be \$5.69 per square foot while the specialty retail center rates would be \$7.25 per square foot of development. This methodology is used as a basis throughout the remainder of this analysis.

## 2.9. Upper Limit of Impact Fee Calculation

The impact fee was calculated based upon the ratio of growth-generated trips to total trips in Section 2.7 above. This represents the lower limit of the impact fee rate that could be collected by the City of Port Orchard. The growth projects in Port Orchard's TIP clearly provide significant new capacity for new growth. A growth share as high as 75% of the total cost of a project could be supported with additional analysis. The upper limit of the impact fee calculation is shown below:

**Total Project Costs of \$108,325,950 times growth share of 75% divided by 11,991 new trips = \$6,776/trip**

# 3. Additional Issues for Consideration

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## 3.1. Anticipated Annual Revenues from Impact Fees

Based on anticipated residential and employment projections for the City of Port Orchard, below is the anticipated annual revenue from the proposed transportation impact fees:

Projects Planned: 600 trips/year x \$3,822/trip = \$2,293,200/year

## 3.2. Anticipated Grant Revenue

Roadway projects are generally eligible for state and federal grant funds. These funds are not predictable and vary in amount by grantor. Fifty percent of the total project cost is a reasonable estimate for grants on roadway projects.

## 3.3. Anticipated Need for Other Public Funds

Based on a growth share of 42.3% and a 50% assumption for grants, the City will still need to identify other revenue sources to cover approximately 7.7% of the cost of planned roadway projects.

# 4. Impact Fee Rate Table

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The table in **Appendix A** establishes the effective Transportation Impact Fee for various land uses both residential and non-residential in Port Orchard. It includes adjustments for pass-by trips.

## 5. Future Impact Fee Updates

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### 5.1. Future Impact Fee Program Update

The Port Orchard impact fee rate analysis generated in this report should be reviewed and approved or updated in the following manner:

- A. *The schedule in **Attachment A** shall be reviewed by the Council no later than three years after the effective date of the approved ordinance, and every three years thereafter.*
- B. *The schedule in **Attachment A** may be reviewed by the Council as it deems appropriate in conjunction with the update of the Transportation Improvement Program.*

## 6. Transportation Impact Fee Comparison

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### 6.1. Comparison of 2013 TIF Base Rates in Western Washington

To provide a relative comparison of the City of Port Orchard Transportation Impact Fees to those within the State of Washington and on a national level, below are some road impact fee metrics from the *Comparison of 2013 TIF Base Rates in 60 Cities and 5 Counties in Western Washington*<sup>1</sup>. The Port Orchard rate of \$3,885 per trip would be above the average impact fee, but far from the highest in Washington.

Washington Average Transportation Impact Fee: \$2,880

Washington Maximum Transportation Impact Fee: \$14,707 (City of Sammamish)

Washington Minimum Transportation Impact Fee: \$515 (Kitsap County)

Proposed Port Orchard Transportation Impact Fee: \$3,822

**Appendix B** provides the *Comparison of 2013 TIF Base Rates in 60 Cities and 5 Counties in Western Washington* documentation identified above.

<sup>1</sup>City of Bellingham, WA Public Works. “*Comparison of 2013 TIF Base Rates in 60 Cities and 5 Counties in Western Washington*” (Chris Comeau, AICP, 2012)

## 7. Credits and Adjustments

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### 7.1. Impact Fee Credits

An applicant may request that credit for impact fees be awarded to him/her for the total value of system improvements, including dedications of land, improvements, and/or construction provided by the applicant. Credits should be considered on a case-by-case basis and should not exceed the impact fee payable.

Claims for credit should be made before the payment of the impact fee. Credits for the construction should be provided only if the land, improvements, and/or the facility constructed are listed as planned transportation projects in the Rate Analysis and Impact Fee Ordinance. No credit should be given for code-based frontage improvements or right-of-way dedications, or direct access improvements to and/or within the subject development (project improvements) unless the improvement is part of a project listed in the Rate Analysis and Impact Fee Ordinance.

### 7.2. Impact Fee Adjustments

An applicant may submit an independent fee calculation for the proposed development activity. The documentation submitted should be prepared by a traffic engineer licensed in Washington State and should be limited to adjustments in the trip generation rates used in the fee calculation. The impact fee per trip should not be adjusted.

# Appendix A

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## IMPACT FEE RATE TABLE

## Transportation Impact Fee Rate Worksheet - Residential

				Impact Fee Per Trip Rate : \$ 3,822				
Land Use Group	ITE Code <sup>1</sup>	ITE Land Use Category <sup>1</sup>	ITE Trip Rate <sup>2</sup>	% Pass By Trips <sup>3</sup>	Net New Trips per Development Unit	Impact Fee per Development Unit <sup>4</sup>		
Dwelling	210	Single Family Detached Housing	1.02	0%	1.020	\$ 3,898	per	DU
Dwelling	220	Apartment	0.62	0%	0.620	\$ 2,370	per	DU
Dwelling	231	Low-Rise Condo / Townhouse	0.78	0%	0.780	\$ 2,981	per	DU
Dwelling	240	Mobile Home park	0.59	0%	0.590	\$ 2,255	per	DU
Dwelling - Group	251	Sr. Housing Detached	0.27	0%	0.270	\$ 1,032	per	DU
Dwelling - Group	252	Sr. Housing Attached	0.25	0%	0.250	\$ 956	per	DU
Dwelling - Group	253	Congregate Care Facility	0.17	0%	0.170	\$ 650	per	DU
Dwelling - Group	254	Assisted Living (limited data)	0.22	0%	0.220	\$ 841	per	Bed
Dwelling - Group	620	Nursing Home	0.22	0%	0.220	\$ 841	per	Bed

<sup>1</sup> Institute of Transportation Engineers, Trip Generation Manual (9th Edition)

<sup>2</sup> Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1,000 SF

<sup>3</sup> Average Pass-by Rates, per Trip Generation Manual (9th Edition) User's Guide and Handbook: an ITE Recommended Practice, 2012. Additional pass-by rate adjusted based on local conditions and engineering judgment.

<sup>4</sup> DU = Dwelling Unit



## Transportation Impact Fee Rate Worksheet - Non-Residential

				Impact Fee Per Trip Rate : \$ 3,822			
Land Use Group	ITE Code <sup>1</sup>	ITE Land Use Category <sup>1</sup>	ITE Trip Rate <sup>2</sup>	% Pass By Trips <sup>3</sup>	Net New Trips per Development Unit	Impact Fee per Development Unit <sup>4</sup>	
Education	520	Public Elementary School	1.21	0%	1.210	\$ 4.62	per Sq. Ft.
Education	522	Public Middle/Junior High School	1.19	0%	1.190	\$ 4.55	per Sq. Ft.
Education	530	Public High School	0.97	0%	0.970	\$ 3.71	per Sq. Ft.
Education	534	Private School K-8 (limited data)	3.27	0%	3.265	\$ 12.48	per Sq. Ft.
Education	536	Private School K-12 (limited data)	2.75	0%	2.750	\$ 10.51	per Sq. Ft.
Industrial	110	General Light Industrial	0.97	0%	0.970	\$ 3.71	per Sq. Ft.
Industrial	130	Industrial Park	0.85	0%	0.850	\$ 3.25	per Sq. Ft.
Industrial	140	Manufacturing	0.73	0%	0.730	\$ 2.79	per Sq. Ft.
Medical	610	Hospital	0.93	0%	0.930	\$ 3.55	per Sq. Ft.
Medical	630	Clinic (limited data)	5.18	0%	5.180	\$ 19.80	per Sq. Ft.
Medical	720	Medical/Dental Office	3.57	0%	3.570	\$ 13.64	per Sq. Ft.
Office	710	General Office	1.49	0%	1.490	\$ 5.69	per Sq. Ft.
Office	715	Single Tenant Office	1.74	0%	1.740	\$ 6.65	per Sq. Ft.
Office	750	Office Park	1.48	0%	1.480	\$ 5.66	per Sq. Ft.
Park and Ride	090	Park and Ride with Bus Service	0.62	0%	0.620	\$ 2,370	per Space
Recreation	420	Marina (limited data)	0.19	25%	0.143	\$ 545	per Slip
Recreation	430	Golf Course	0.30	25%	0.225	\$ 860	per Acre
Recreation	441	Live Theater (limited data)	0.02	25%	0.015	\$ 0.06	per Sq. Ft.
Recreation	491	Racquet/Tennis Club	0.84	25%	0.630	\$ 2.41	per Sq. Ft.
Recreation	492	Health Fitness Club	3.53	25%	2.648	\$ 10.12	per Sq. Ft.
Recreation	495	Recreational Community Center	2.74	25%	2.055	\$ 7.85	per Sq. Ft.
Retail - Automotive	853	Convenience Market w/Gas Pumps	19.07	66%	6.484	\$ 24,781	per VSP
Retail - Automotive	941	Quick Lubrication Vehicle Shop	5.19	42%	3.010	\$ 11,505	per VSP
Retail - Automotive	944	Gasoline/Service Station	13.87	42%	8.045	\$ 30,746	per VSP
Retail - Automotive	945	Gas Station w/Convenience Market	13.51	56%	5.944	\$ 22,719	per VSP
Retail - Automotive	946	Gas Station w/Convenience Market and Car Wash	13.86	42%	8.039	\$ 30,724	per VSP
Retail - Automotive	947	Self Serve Car Wash	5.54	42%	3.213	\$ 12,281	per VSP
Retail - Large	445	Multiplex Movie Theater	4.91	34%	3.241	\$ 12.39	per Sq. Ft.
Retail - Large	814	Variety Store	6.82	34%	4.501	\$ 17.20	per Sq. Ft.
Retail - Large	815	Free Standing Discount Store	4.98	17%	4.133	\$ 15.80	per Sq. Ft.
Retail - Large	850	Supermarket	9.48	36%	6.067	\$ 23.19	per Sq. Ft.
Retail - Large	854	Discount Supermarket	8.34	23%	6.422	\$ 24.54	per Sq. Ft.
Retail - Large	862	Home Improvement Super Store	2.33	48%	1.212	\$ 4.63	per Sq. Ft.
Retail - Large	863	Electronics Super Store	4.50	40%	2.700	\$ 10.32	per Sq. Ft.
Retail - Large	867	Office Supply Superstore	3.40	48%	1.768	\$ 6.76	per Sq. Ft.
Retail - Regional	813	Free Standing Discount Superstore	4.35	34%	2.871	\$ 10.97	per Sq. Ft.
Retail - Regional	820	Shopping Center < 1 Million Sq Ft	3.71	34%	2.449	\$ 9.36	per Sq. Ft.
Retail - Regional	861	Sporting Goods Superstore	1.84	34%	1.214	\$ 4.64	per Sq. Ft.
Retail - Small	590	Library	7.30	0%	7.300	\$ 27.90	per Sq. Ft.
Retail - Small	816	Hardware/Paint Store	4.84	43%	2.759	\$ 10.54	per Sq. Ft.
Retail - Small	826	Specialty Retail Center	2.71	30%	1.897	\$ 7.25	per Sq. Ft.
Retail - Small	848	Tire Store	4.15	28%	2.988	\$ 11.42	per Sq. Ft.
Retail - Small	849	Tire Superstore	2.11	28%	1.519	\$ 5.81	per Sq. Ft.
Retail - Small	851	Convenience Market	52.41	61%	20.440	\$ 78.12	per Sq. Ft.
Retail - Small	880	Pharmacy/Drug Store w/o Drive-Thru	8.40	49%	4.284	\$ 16.37	per Sq. Ft.
Retail - Small	881	Pharmacy/Drug Store w/Drive-Thru	9.91	53%	4.658	\$ 17.80	per Sq. Ft.
Retail - Small	896	DVD/Video Rental Store	13.60	49%	6.936	\$ 26.51	per Sq. Ft.
Retail - Small	911	Walk in Bank (limited data)	12.13	47%	6.429	\$ 24.57	per Sq. Ft.
Retail - Small	912	Drive-in Bank	24.30	47%	12.879	\$ 49.22	per Sq. Ft.
Retail - Small	931	Quality Restaurant	7.49	44%	4.194	\$ 16.03	per Sq. Ft.
Retail - Small	932	High Turnover Restaurant	9.85	43%	5.615	\$ 21.46	per Sq. Ft.
Retail - Small	933	Fast Food wo Drive-Thru	26.15	49%	13.337	\$ 50.97	per Sq. Ft.
Retail - Small	934	Fast Food w/Drive-Thru	32.65	50%	16.325	\$ 62.39	per Sq. Ft.
Retail - Small	936	Coffee/Donut Shop wo Drive-Thru	40.75	44%	22.820	\$ 87.22	per Sq. Ft.
Retail - Small	942	Automobile Care Center	3.11	28%	2.239	\$ 8.56	per Sq. Ft.
Services	151	Mini Warehouse	0.26	0%	0.260	\$ 0.99	per Sq. Ft.
Services	310	Hotel	0.60	0%	0.600	\$ 2.29	per Sq. Ft.
Services	320	Motel	0.47	0%	0.470	\$ 1.80	per Sq. Ft.
Services	560	Church	0.55	0%	0.550	\$ 2.10	per Sq. Ft.
Services	565	Day Care Center	12.34	75%	3.085	\$ 1.00	per Sq. Ft.
Services	732	US Post Office	11.22	47%	5.947	\$ 22.73	per Sq. Ft.

<sup>1</sup> Institute of Transportation Engineers, Trip Generation Manual (9th Edition).

<sup>2</sup> Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm). Note: Sq. Ft. rate expressed per 1,000 SF.

<sup>3</sup> Average Pass-by Rates, per Trip Generation Manual (9th Edition) User's Guide and Handbook: an ITE Recommended Practice, 2012. Additional pass-by rate adjusted based on local conditions and engineering judgment.

<sup>4</sup> Sq. Ft. = Square Feet, VSP = Vehicle Servicing Position

# Appendix B

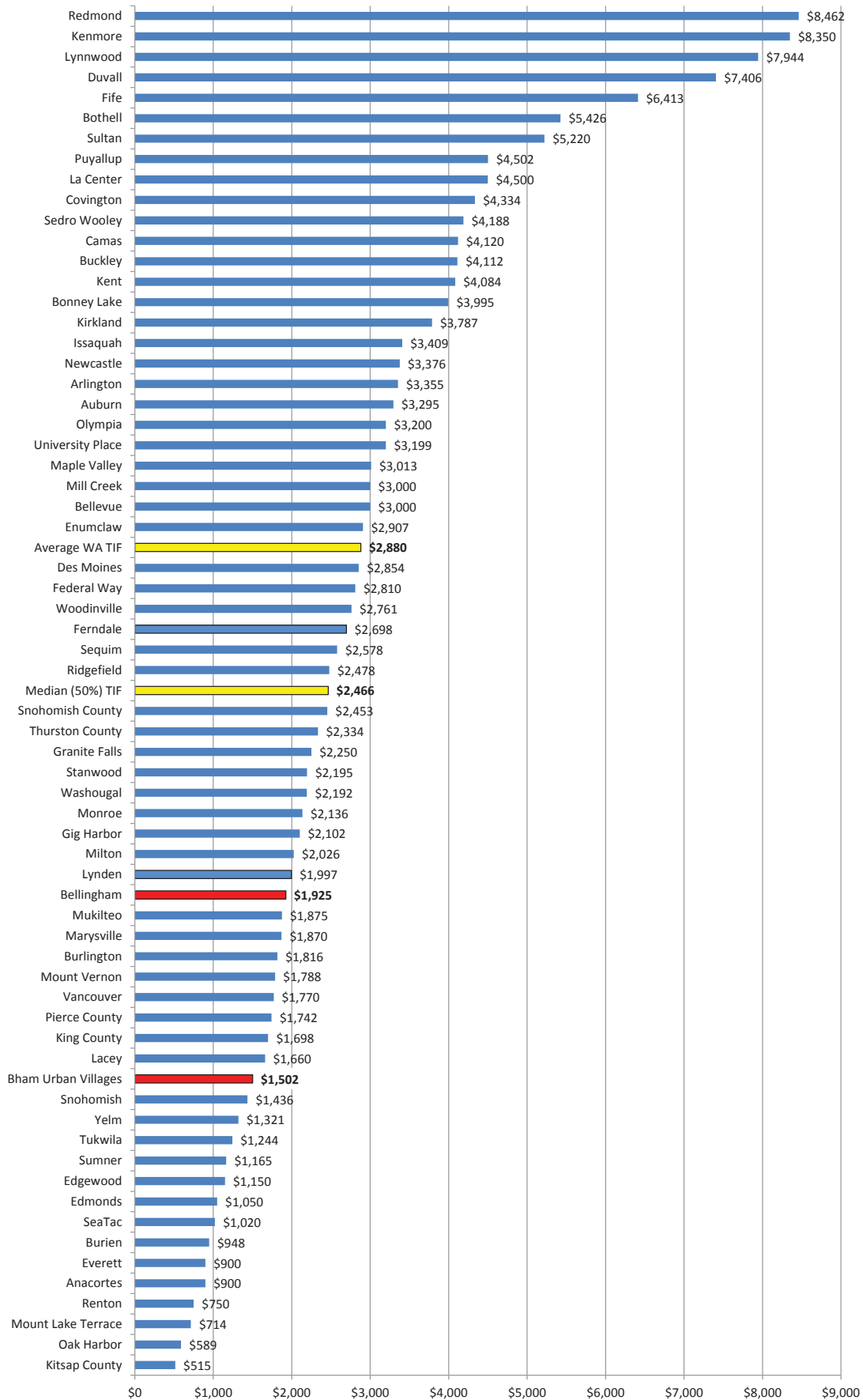
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## **COMPARISON OF 2013 TIF BASE RATES IN 60 CITIES AND 5 COUNTIES IN WESTERN WASHINGTON**

# **A Comparison of 2013 TIF Base Rates in 60\* Cities and 5 Counties in Western Washington With Whatcom County Cities and Bellingham's Urban Village TIF Reduction Highlighted for Emphasis**

*[\*City of Sammamish, WA \$14,707 TIF base rate excluded from graphic]*

**(Data compiled December 2012 by Chris Comeau, AICP, Transportation Planner, Bellingham Public Works)**



# Comparison of 2013 Transportation Impact Fee Rates In 60 Cities and 5 Counties in Western Washington

Data compiled in December 2012 by Chris Comeau, AICP, Transportation Planner, Bellingham Public Works Engineering

		2013	2013	2013			2013	2013	2013
City	Population	Base Rate	Per SFD	CBD	City	Population	Base Rate	Per SFD	CBD
Anacortes <sup>1</sup>	14,600	\$900	\$909		Milton	825	\$2,026	\$2,046	
Arlington	17,050	\$3,355	\$3,388		Monroe	16,550	\$2,136	\$2,158	
Auburn	60,400	\$3,295	\$3,882		Mount Vernon <sup>21</sup>	32,139	\$1,788	\$3,176	
Bellevue <sup>2</sup>	119,200	\$3,000	\$2,651		Mount Lake Terrace <sup>22</sup>	20,930	\$714	\$721	\$854
Bellingham <sup>3</sup>	77,000	\$1,925	\$1,925	\$1,502	Mukilteo	20,050	\$1,875	\$1,875	
Bonney Lake <sup>4</sup>	16,220	\$3,995	\$40		Newcastle	9,720	\$3,376	\$1,704	
Bothell	17,130	\$5,426	\$5,481		Oak Harbor <sup>23</sup>	22,638	\$589	\$907	
Buckley	4,560	\$4,112	\$4,153		Olympia <sup>24</sup>	46,100	\$3,200	\$3,200	\$2,560
Burien <sup>5</sup>	31,540	\$948	\$957		Puyallup	36,930	\$4,502	\$4,547	
Burlington <sup>6</sup>	6,800	\$1,816	\$1,835		Redmond <sup>25</sup>	51,320	\$8,462	\$6,916	
Camas <sup>7</sup>	17,950	\$4,120	\$4,202		Renton <sup>26</sup>	78,780	\$750	\$750	
Covington	18,514	\$4,334	\$4,378		Ridgefield	4,409	\$2,478	\$2,478	
Des Moines <sup>8</sup>	29,180	\$2,854	\$2,883		Sammamish <sup>27</sup>	40,550	\$14,707	\$14,854	
Duvall	5,980	\$7,406	\$7,480		SeaTac	25,720	\$1,020	\$777	
Edgewood <sup>9</sup>	9,595	\$1,150	\$1,162		Sedro Wooley <sup>28</sup>	11,024	\$4,188	\$4,230	
Edmonds	40,760	\$1,050	\$1,196		Sequim	5,840	\$2,578	\$2,893	
Enumclaw	11,470	\$2,907	\$2,937		Snohomish	9,020	\$1,436	\$1,450	
Everett <sup>10</sup>	102,300	\$900	\$900		Stanwood	5,445	\$2,195	\$2,216	
Federal Way <sup>11</sup>	88,040	\$2,810	\$3,205		Sultan	4,550	\$5,220	\$5,272	
Ferndale <sup>12</sup>	11,681	\$2,698	\$2,300	\$2,070	Sumner	9,060	\$1,165	\$1,165	
Fife <sup>13</sup>	7,525	\$6,413	\$6,478		Tukwila <sup>29</sup>	18,080	\$1,244	\$1,244	
Gig Harbor	6,910	\$2,102	\$2,124		University Place	31,440	\$3,199	\$3,199	
Granite Falls	3,290	\$2,250	\$2,250		Vancouver <sup>30</sup>	162,400	\$1,770	\$1,770	
Issaquah <sup>14</sup>	26,320	\$3,409	\$3,409		Washougal	13,807	\$2,192	\$2,192	
Kenmore	20,220	\$8,350	\$8,434		Woodinville <sup>31</sup>	9,200	\$2,761	\$2,761	
Kent <sup>15</sup>	85,631	\$4,084	\$3,702	\$2,858	Yelm	6,242	\$1,321	\$1,321	
Kirkland <sup>16</sup>	48,410	\$3,787	\$3,825						
La Center <sup>17</sup>	2,576	\$4,500	\$4,545				2013 Base Rate	2013 Per SFD	
Lacey	42,046	\$1,660	\$1,660		County	Population			
Lynden <sup>18</sup>	12,125	\$1,997	\$2,016		King County	1,916,441	\$1,698	\$1,698	
Lynnwood <sup>19</sup>	34,017	\$7,944	\$8,023	\$4,341	Kitsap County	240,862	\$515	\$515	
Maple Valley	20,480	\$3,013	\$3,043		Pierce County	796,836	\$1,742	\$1,742	
Marysville <sup>20</sup>	37,060	\$1,870	\$5,300		Snohomish County	694,571	\$2,453	\$2,453	
Mill Creek	17,770	\$3,000	\$3,030		Thurston County <sup>32</sup>	256,591	\$2,334	\$2,334	

## Notes:

- Anacortes uses a very old TIF system with very low rates, which needs to be updated.
- Bellevue TIF base rate will increase by 50% from \$2,000 in 2010 to \$3,000 in 2013 and will increase by another 66.6% to \$5,000 in 2016.
- Bellingham allows automatic 22% to 25% TIF reduction in Urban Villages; voluntary TDM performance measures up to 50% Urban Village TIF reduction.
- Bonney Lake voted to created TIF credits for 2 years to spur single family home building.
- Burien uses a very old TIF system with very low rates, which needs to be updated.
- Burlington cut TIFs by 50% (From \$3,633 to \$1,816.50) through March 2013 due to economic recession.
- Camas charges \$4,120 in north Camas; \$1,653 in south Camas.
- Des Moines is incrementally increasing TIFs to \$5,000 per pm peak trip (plus construction cost index for Seattle) by 2017.
- Edgewood Council voted to reduce TIF by 75% for a 3-year period beginning July 20, 2011.
- Everett uses a very old TIF system with very low rates, which needs to be updated. Allows up to 50% trip reduction in CBD.
- Federal Way charges 3% non-refundable administrative fee in addition to base rate + 3-year WSDOT construction cost index.
- Ferndale uses 3-zone TIF system. \$2,783 citywide; \$3,243 for 443-acre "Main Street" Planned Action; \$2,070 downtown Ferndale.
- Fife uses a VMT-based TIF system adjusted from ITE ADT rates.
- Issaquah created development incentive in which the first 10,000 SF of commercial TIF is paid from other public funding sources (per WA State law).
- Kent TIF system allows up to 30% reduction in downtown.
- Kirkland suspended change of use TIF Jan 2011 to Dec 2013 to encourage redevelopment. \$500,000 TIF revenue loss, has NOT spurred development.
- La Center allows TIF to be deferred to occupancy by requiring lien on property.
- Lynden TIF allows up to 50% reduction in industrial areas where there is a significant chance that grants can be obtained.
- Lynnwood has two TIF zones (\$5,107/trip & \$7,944/trip) and reduces TIF by 15% (per ITE) in portion of City Center.
- Marysville has temporarily reduced TIF base rate until July 2015; Commercial = \$1,870/trip, SFD residential = \$5,300/unit
- Mount Vernon temporarily reduced TIF until September 2013; Commercial = \$1,788/trip, SFD residential = \$3,176.50/unit
- Mount Lake Terrace reduced TIF base rates 33% from Aug 2011 to Oct 2014 due to economic recession.
- Oak Harbor uses a very old TIF system with very low rates, which needs to be updated.
- Olympia TIF allows up to 20% reduction in downtown for accepted TDM performance measures.
- Redmond uses "Person Trips/Mobility Units" for Concurrency and TIF
- Renton uses pre-GMA (1990) SEPA-based mitigation fees; Revising to GMA-based TIFs of \$2,856 per pm peak trip phased in 2013-2016.
- Sammamish has highest TIF \$14,707 in all of Washington due to exclusive residential development with little to no pass-by, diverted link trips.
- Sedro-Woolley uses a 15-zone TIF system with a low of \$2,000/SFD and a high of \$8,062/SFD; Average = \$4,230/SFD
- Tukwila uses a 4-zone TIF system with a low of \$819/trip and a high of \$1,737/trip; Average = \$1,244/trip
- Vancouver uses 5-zone ADT-based TIF system. Low of \$65/ADT, High of \$264/ADT; translates to \$1,770 per SFD. In process of TIF system revision.
- Woodinville calculates ADT and is phasing in new TIF at \$290/ADT in 2013, increasing 51% to \$440/ADT by 2017; translates to \$2,761 per SFD in 2013.
- Thurston County uses a 6-zone TIF system with a low of \$1,206, high of \$3,058; Average = \$2,334

## APPENDIX E

### MANAGING CITY DEBT

EXCERPT FROM AWC SMALL CITY RESOURCES MANUAL, PGS 45-46

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## Managing city debt

When city officials decide to build capital projects, they face a number of financing options, including different ways to borrow. Going into debt to finance a large project can make sense, and spread the project's financial burden out over many years so future users help pay for the project. Borrowing can also prevent depletion of a city's reserves. Projects can be built as they are needed and the benefits can be received sooner without waiting for funds to accumulate.

### Long-term borrowing

**General Obligation Bonds** are backed by full faith and credit of the city.

There are two types:

- **Councilmanic bonds** are issued by a vote of the city council, backed by general fund revenues when voters have not been asked to pay increased property taxes. These may be used for any city purpose; they do not have to be for capital projects.
- **Unlimited General Obligation Bonds** must be approved by 60% majority of voters. This option raises property tax to pay for projects, and is only used for capital purposes.

**Revenue Bonds** finance projects for any city enterprise that is self-supporting (water/wastewater/golf courses). Payment comes from user fees; so the debt is not backed by the full faith and credit of the city. Investors consider these somewhat less secure than general obligation bonds.

### Debt capacity

The amount a city can borrow using general obligation debt and the purposes for which a city can borrow are governed by state laws and the State Constitution. A city's debt limitations or debt capacity are subject to two sets of restrictions. First, debt limits set the maximum amount of general obligation debt that a city can have outstanding at any one time. Second, debt limits restrict how much of this capacity can be used for various purposes. There are no debt limits for revenue bonds.

City debt can be used for three purposes:

- General government (both voted and councilmanic capacity)
- Municipally-owned water, sewer, or electric facilities (voted debt capacity)
- Providing open space and parks (voted debt capacity)

In certain circumstances the state will allow cities to access debt through state programs such as the Treasurer's Local Option Capital Asset Lending (LOCAL) program or the Public Works Trust Fund.

Cities can borrow up to 2.5% of assessed property valuation, minus the amount of debt already issued, plus certain net assets available for debt service funds. But just because your city is allowed to borrow a certain amount doesn't always mean those limits should be used to their maximum extent.


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## Know the law



RCW 39.36.020 - Limitation of indebtedness prescribed

Article 8, Section 6, WA State Constitution - Limitation upon municipal indebtedness

## Resources for debt management

*A Debt Primer for Washington's Cities and Towns*, MRSC 


Local Option Capital Asset Lending Program, (LOCAL) Financing Solutions for Local Government, Office of the State Treasurer 

Community Development Programs, COM, (360) 725-3006  

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## Resources

AWC's Grant Gateway 

Grant resources for Washington local governments, Finance webpage, MRSC 

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## Questions Every City Should Consider

*From A Debt Primer for Washington's Cities and Towns, MRSC*

- What are the acceptable uses of short-term debt?
- How much does your city want to rely on "pay as you go" versus "pay as you use" financing?
- What is the appropriate term of bond or loan?
- What should nonvoted debt be used for and when?
- What consideration should be given to operating costs?
- What should the overall debt structure be?
- How should self-supporting projects, like utility projects, be financed?
- How much coverage should utility bonds have?
- What policies should be set for selling bonds with a negotiated versus a competitive sale?
- How much general obligation debt can a city safely issue?

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## Grants and loan opportunities

Many cities seek funding from grants and low-interest loans to augment infrastructure, capital improvement, and economic development activities. Many state agencies offer grant opportunities on a regular basis to cities. However, funding is limited and competition is great. Foundation and federal grants and loans are also another source of potential project revenue for cities.

However, there is no such thing as "free" money. Grant awards require the commitment of human, technical, and often financial resources for successful project management and grant administration. It is important to consider the capacity to effectively manage the activities and requirements of a grant or award before applying, and budget for audit costs and staff time to administer the grant. There are also long-term costs associated with grant-funded projects. Is there existing or new revenue adequate to maintain a program or service once grant funds expire?

Capacity may be enhanced by partnering with other organizations or by contracting out grant management. It can be helpful for a community to have an interlocal agreement that promotes a multi-jurisdictional grant-funded project and fund development for work that crosses municipal boundaries (e.g. telecommunications, floodplain management, open space). Such collaboration may increase the competitiveness of a proposal, increase the efficiency of program management, and increase the success of project outcomes.

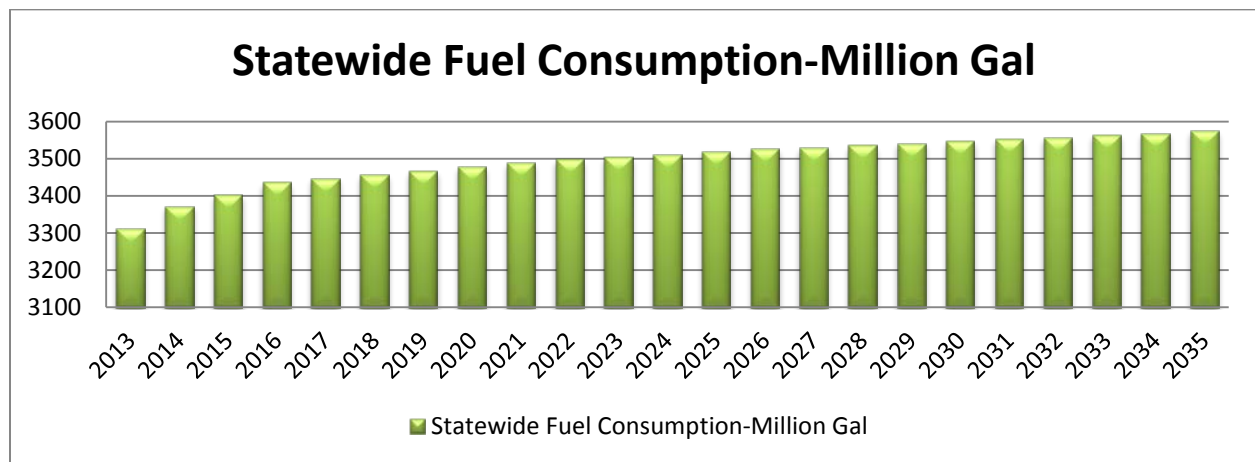
APPENDIX F  
MOTOR VEHICLE FUEL TAX REVENUE FORECAST  
CITY OF PORT ORCHARD



Motor Vehicle Fuel (MVFT) taxes in Washington are assessed as cents per gallon, therefore fuel tax revenue depends on the number of gallons sold, not the dollar value of the sales. Currently the State levies a tax of 37.5 cents per gallon on motor vehicle fuel under RCW 82.36.025 and special (diesel) fuel under RCW 82.38.030. Of the 37.5 cents cities receive 10.6961 percent. Cities are also given an 8.3333 percent share of the three cent taxes levied under RCW 82.36.025. The funds are divided on a per capita basis and cities receive monthly distributions. MVFT funds are restricted dollars and must be placed in a city street fund and used only for street purposes. There are many variables taken into consideration to determine how much funding a City may receive.

### Fuel Consumption

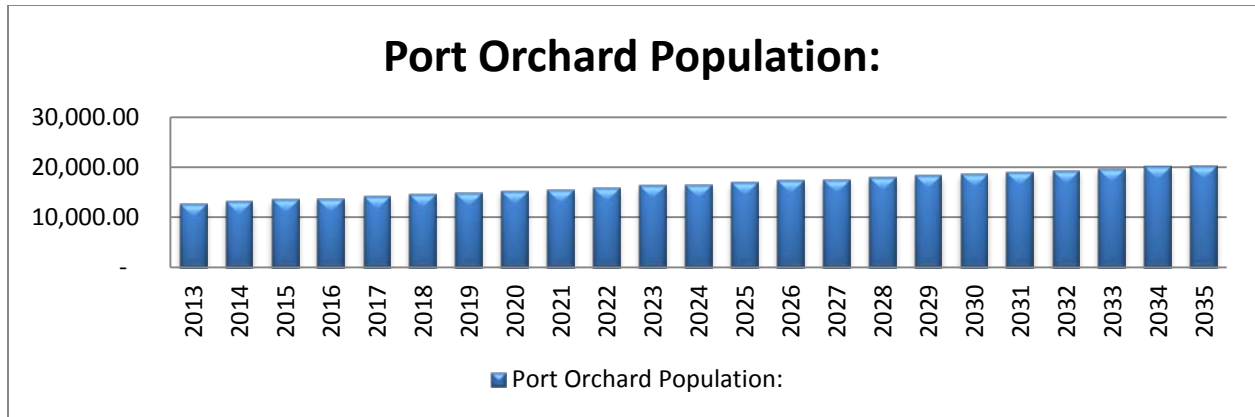
Because the tax is based on gallons sold, fuel consumption is an important part of calculating revenues. Consumer fuel consumption is influenced by a variety of factors including personal income, gas prices and the increasing fuel efficiency in newer vehicles. Based on data from the Transportation Revenue Forecast Council September 2014 Transportation Economic and Revenue Forecasts; motor fuel consumption is expected to increase very slightly year by year.



### Population

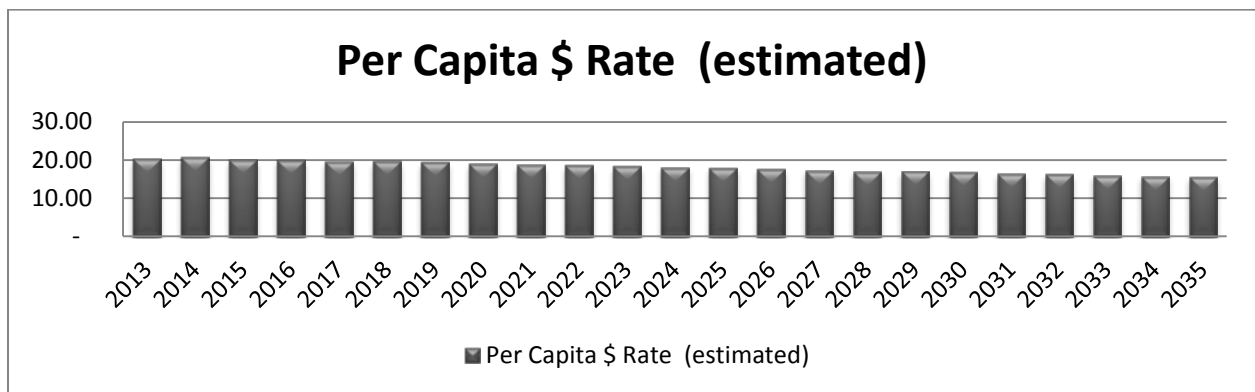
Another part of the equation is population. Both the statewide population of incorporated areas (Cities) and Port Orchard's population are factors in the MVFT tax revenue calculation. The statewide population is a key part of calculating the per capita rate used to determine a cities portion of the tax. The individual city's population is then multiplied by the per capita rate to provide the actual revenue to be received.

Based on County Wide Planning Policies the City of Port Orchard is expected to plan for 8235 additional residents between the 2010 census numbers and 2035 (25 years). This chart uses an average population increase of 329 residents per year ( $8235/25=329$ ). This is currently in line with OFM estimates; however is only a projection of what may be.



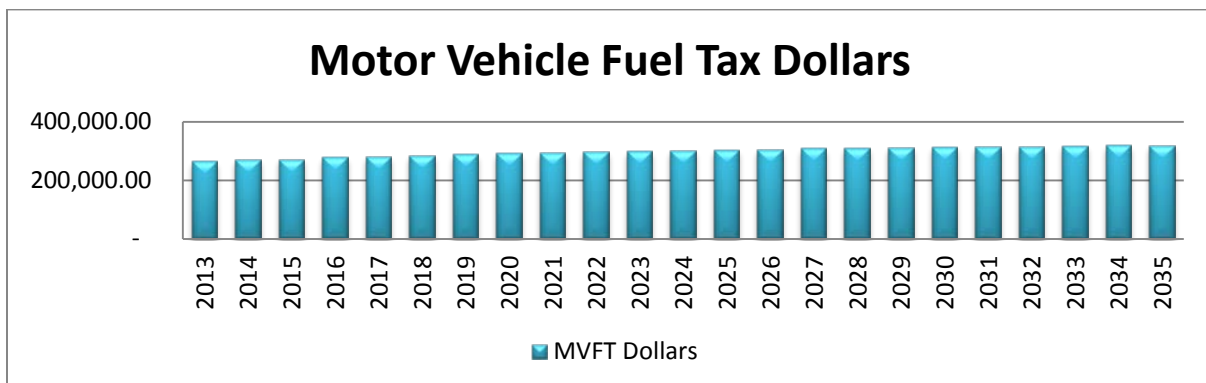
#### City Motor Vehicle Fuel Tax dollars

The population of the incorporated areas (cities) continues to grow an estimated 1% annually. It appears that the rate of consumption will not keep pace. The results of this will reduce the per capita rate received by the cities.



#### Results for Port orchard

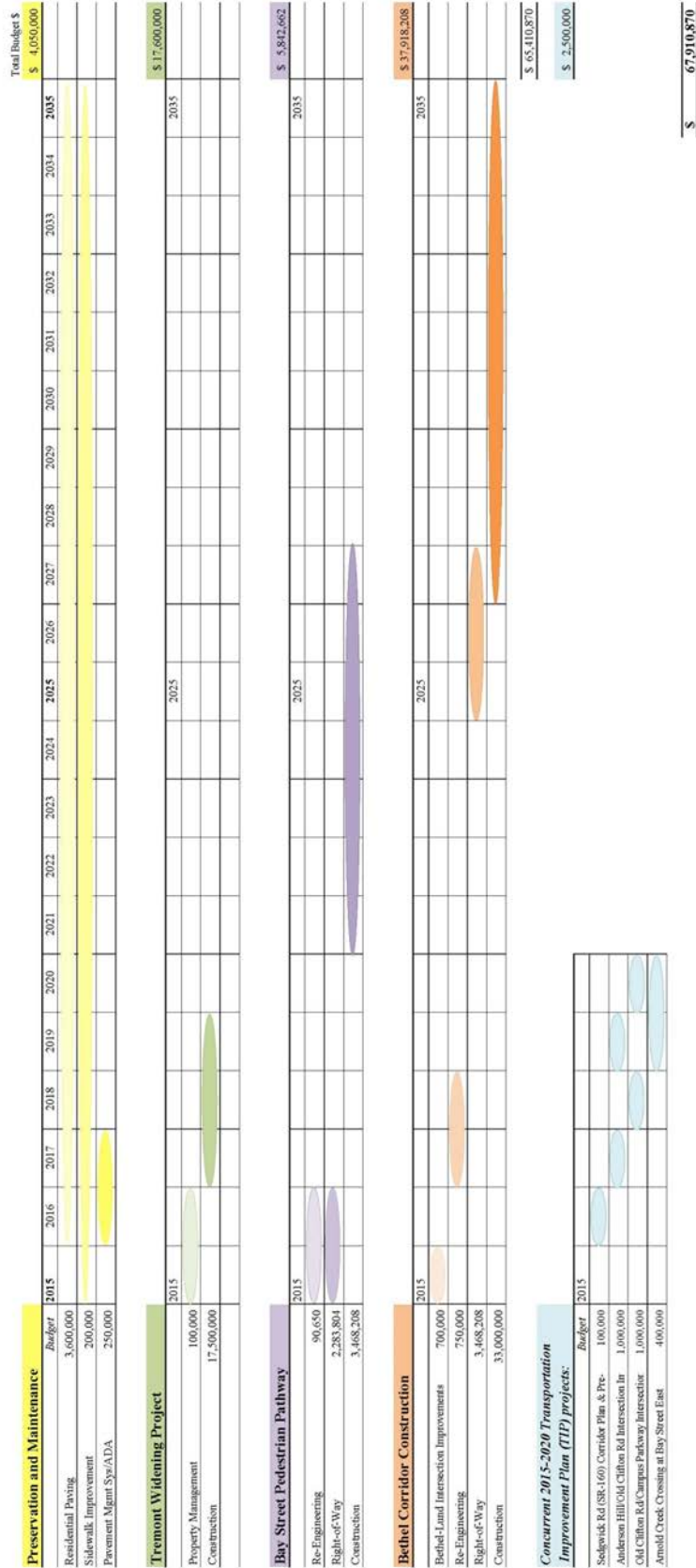
Port Orchard's population is expected to grow at a slightly faster rate than the statewide average. Therefore, even though the per capita rate decreases, based on the data we currently have available when it is multiplied by our population we will see modest growth of MVFT revenues through 2035. The chart below illustrates the estimated annual tax which the City will receive.



APPENDIX G  
TRANSPORTATION STREETS  
CITY OF PORT ORCHARD

**CITY OF PORT ORCHARD**  
Transportation  
Streets

The City is faced with four distinct transportation challenges which it seeks to solve in one policy decision process. They are funding, street preservation and maintenance, Tremont Widening Project funding, Bay Street Pedestrian Pathway funding, and a Bethel Corridor construction and finance plan.



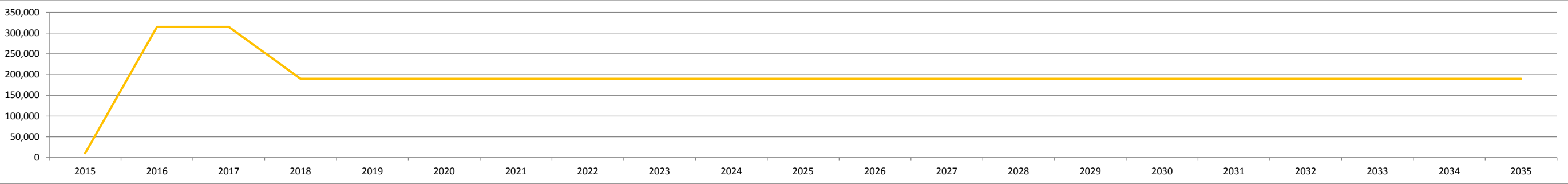
Revised: 5/5/2015

APPENDIX H  
STREET PRESERVATION AND MAINTENANCE ENLARGED CHART  
CITY OF PORT ORCHARD

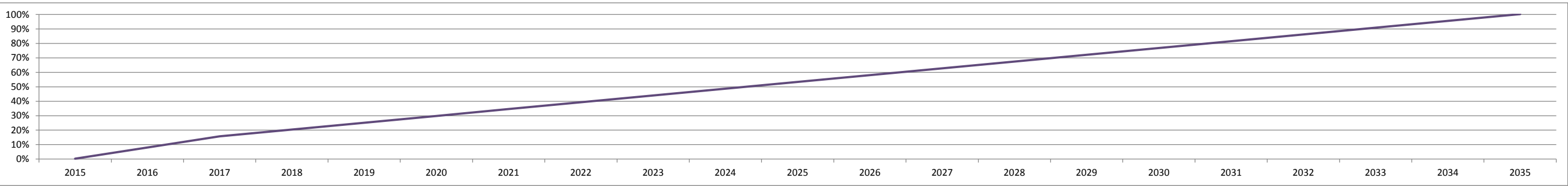
PRESERVATION & MAINTENANCE  
FINANCE PLAN

PRESERVATION & MAINTENANCE		Total		City																				Total
FINANCE PLAN		\$4,050,000		\$4,050,000																				Project Cost
YEAR:		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
Budget:																								
Expenditures:																								
Residential Paving	3,600,000		180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	3,600,000	
Sidewalk Improvement	200,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	210,000	
Pavement Mgmt Sys/AD/	250,000		125,000	125,000																			250,000	
Expenditures:	4,050,000	10,000	315,000	315,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	4,060,000	
Cumulative Expense		10,000	325,000	640,000	830,000	1,020,000	1,210,000	1,400,000	1,590,000	1,780,000	1,970,000	2,160,000	2,350,000	2,540,000	2,730,000	2,920,000	3,110,000	3,300,000	3,490,000	3,680,000	3,870,000	4,060,000		
Funding:																								
City Portion:																								
To Be Determined		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cumulative Funding		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

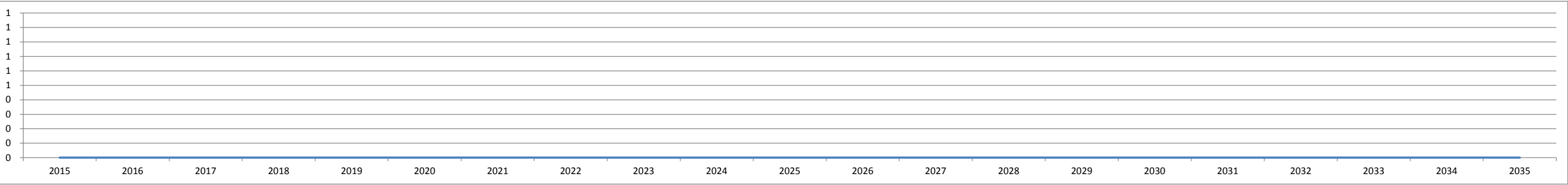
ANNUAL CONSTRUCTION EXPENSE



PROJECT COMPLETION



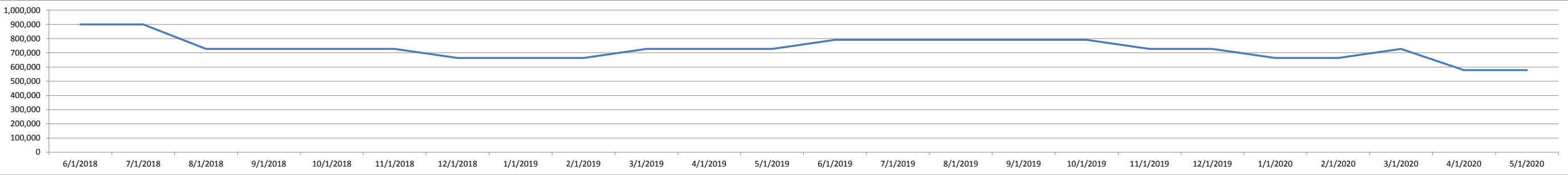
CITY FUNDING



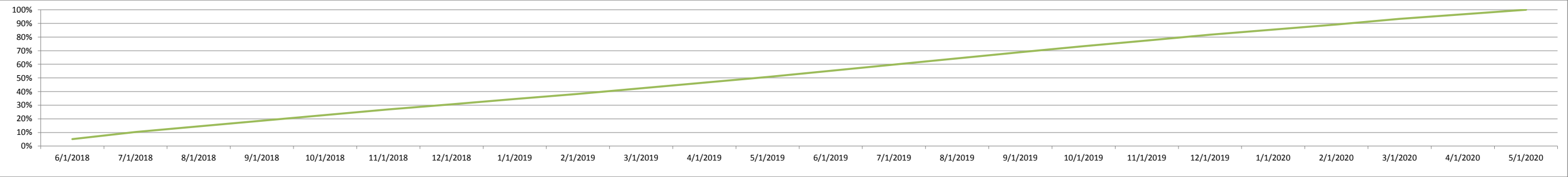
APPENDIX I  
TREMONT WIDENING PROJECT ENLARGED CHART  
CITY OF PORT ORCHARD

TREMONT WIDENING PROJECT FINANCE PLAN		Total \$17,500,000																									Total Project Cost
	MONTH:	6/1/2018	7/1/2018	8/1/2018	9/1/2018	10/1/2018	11/1/2018	12/1/2018	1/1/2019	2/1/2019	3/1/2019	4/1/2019	5/1/2019	6/1/2019	7/1/2019	8/1/2019	9/1/2019	10/1/2019	11/1/2019	12/1/2019	1/1/2020	2/1/2020	3/1/2020	4/1/2020	5/1/2020		
Expenditures:	Budget:																										
Mobilization	1,800,000	900,000.00	900,000.00																							1,800,000.00	
Roadway Improvements	9,322,360			423,744.00	423,744.00	423,744.00	423,744.00	398,744.00	398,744.00	398,744.00	423,744.00	423,744.00	423,744.00	448,744.00	448,744.00	448,744.00	448,744.00	448,744.00	423,744.00	423,744.00	398,744.00	398,744.00	423,744.00	423,744.00	423,736.00	9,322,360.00	
Water	843,160			42,158.00	42,158.00	42,158.00	42,158.00	37,158.00	37,158.00	37,158.00	42,158.00	42,158.00	42,158.00	47,158.00	47,158.00	47,158.00	47,158.00	47,158.00	42,158.00	42,158.00	37,158.00	37,158.00	42,158.00			843,160.00	
Sanitary Sewer	818,243			40,913.00	40,913.00	40,913.00	40,913.00	36,913.00	36,913.00	36,913.00	40,913.00	40,913.00	40,913.00	44,913.00	44,913.00	44,913.00	44,913.00	44,913.00	40,913.00	40,913.00	36,913.00	36,913.00	40,896.00			818,243.00	
Underground Utilities	1,320,316			66,016.00	66,016.00	66,016.00	66,016.00	61,016.00	61,016.00	61,016.00	66,016.00	66,016.00	66,016.00	71,016.00	71,016.00	71,016.00	71,016.00	71,016.00	66,016.00	66,016.00	61,016.00	61,016.00	66,012.00			1,320,316.00	
Contingency/Add'l Costs	3,395,921			154,360.00	154,360.00	154,360.00	154,360.00	129,360.00	129,360.00	129,360.00	154,360.00	154,360.00	154,360.00	179,360.00	179,360.00	179,360.00	179,360.00	179,360.00	154,360.00	154,360.00	129,360.00	129,360.00	154,360.00	154,360.00	154,361.00	3,395,921.00	
Expenditures:	17,500,000	900,000.00	900,000.00	727,191.00	727,191.00	727,191.00	727,191.00	663,191.00	663,191.00	663,191.00	727,191.00	727,191.00	727,191.00	791,191.00	791,191.00	791,191.00	791,191.00	791,191.00	727,191.00	727,191.00	663,191.00	663,191.00	727,170.00	578,104.00	578,097.00	17,500,000.00	
Cumulative Expense		900,000	1,800,000	2,527,191	3,254,382	3,981,573	4,708,764	5,371,955	6,035,146	6,698,337	7,425,528	8,152,719	8,879,910	9,671,101	10,462,292	11,253,483	12,044,674	12,835,865	13,563,056	14,290,247	14,953,438	15,616,629	16,343,799	16,921,903	17,500,000		
Project Completion	0%	5%	10%	14%	19%	23%	27%	31%	34%	38%	42%	47%	51%	55%	60%	64%	69%	73%	78%	82%	85%	89%	93%	97%	100%		
Funding:																											
To Be Determined	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	0	0																								0.00	
Cumulative Funding		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

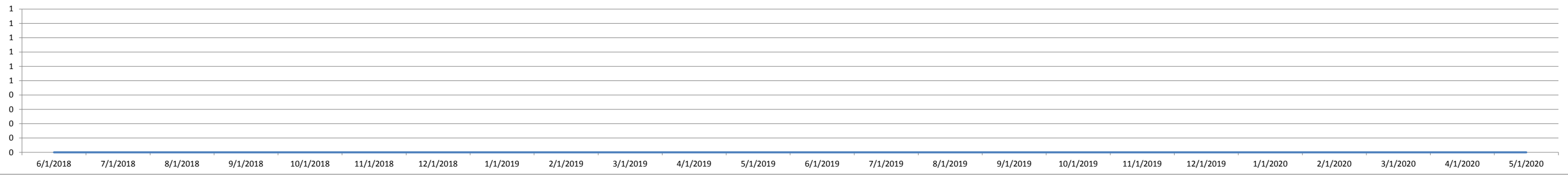
MONTHLY CONSTRUCTION EXPENSE



PROJECT PROGRESSION



FUNDING REIMBURSEMENTS





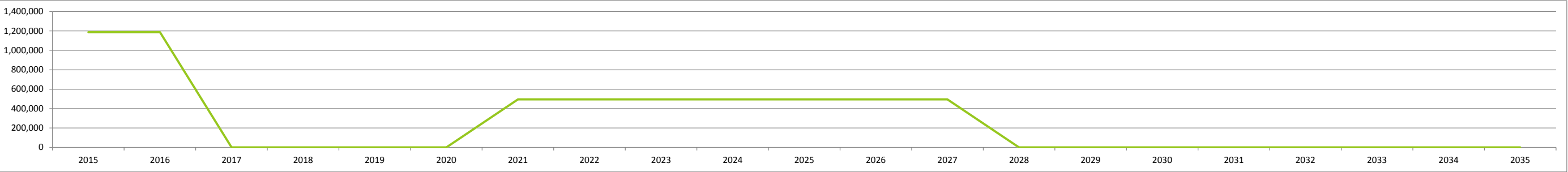
APPENDIX J

BAY STREET PEDESTRIAN PATHWAY ENLARGED CHART

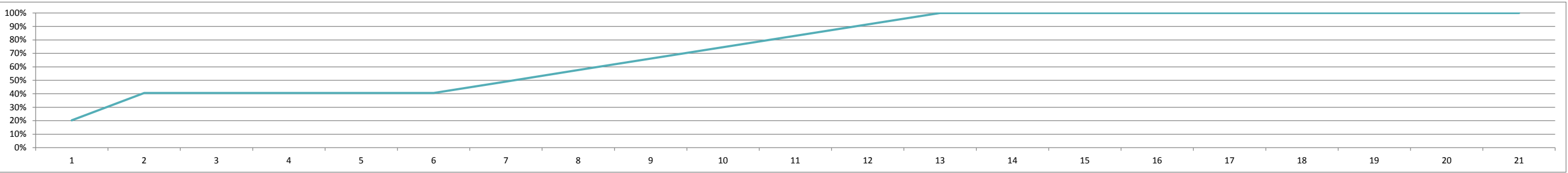
CITY OF PORT ORCHARD

BAY ST PEDESTRIAN PATH PROJECT FINANCE PLAN				Total \$5,842,662		City \$788,760		External Funding \$5,053,902																					
				Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total Project Cost			
<b>Expenditures:</b>																													
Re-Engineering				90,650	45,325	45,325																		90,650					
Right-of-Way				2,283,804	1,141,902	1,141,902																		2,283,804					
Construction				3,468,208											495,458	495,458	495,458	495,458	495,458	495,458	495,460								3,468,208
Expenditures:				5,842,662	1,187,227	1,187,227	0	0	0	0	495,458	495,458	495,458	495,458	495,458	495,458	495,460	0	0	0	0	0	0	0	0	5,842,662			
Cumulative Expense				1,187,227	2,374,454	2,374,454	2,374,454	2,374,454	2,374,454	2,374,454	2,869,912	3,365,370	3,860,828	4,356,286	4,851,744	5,347,202	5,842,662	5,842,662	5,842,662	5,842,662	5,842,662	5,842,662	5,842,662	5,842,662	5,842,662	5,842,662			
<b>Funding:</b>																													
To Be Determined				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Cumulative Funding				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			

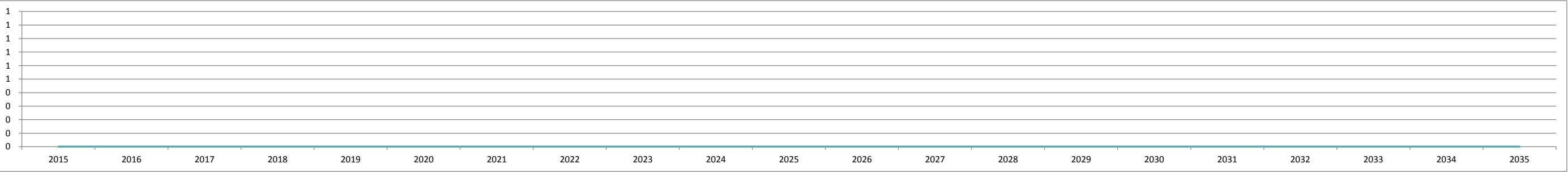
MONTHLY CONSTRUCTION EXPENSE



PROJECT COMPLETION



FUNDING REIMBURSEMENTS

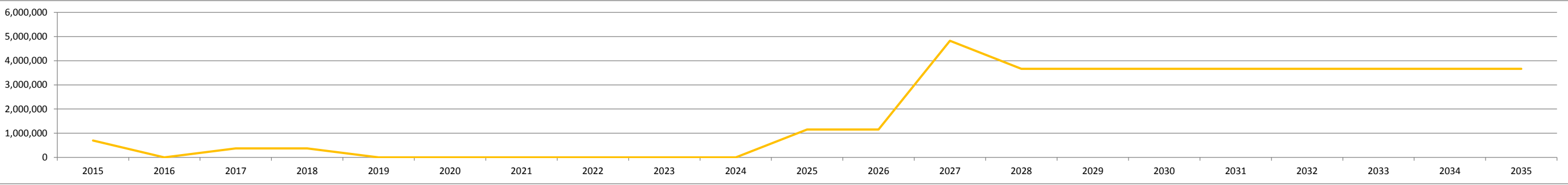


APPENDIX K  
BETHEL ROAD CORRIDOR ENLARGED CHART  
CITY OF PORT ORCHARD

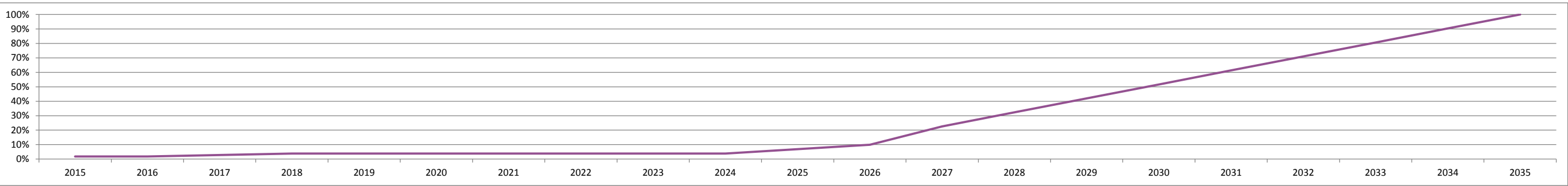
BETHEL CORRIDOR PROJECT  
FINANCE PLAN

BETHEL CORRIDOR PROJECT FINANCE PLAN		Total \$37,918,208		City \$5,724,458		Grants \$32,193,750																Total Project Cost	
YEAR:		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total Project Cost
Expenditures:	Budget:																						
	Bethel-Lund Intersection	700,000	700,000																				700,000
	Re-Engineering	750,000		375,000	375,000																		750,000
	Right-of-Way	3,468,208										1,156,069	1,156,069	1,156,070									3,468,208
	Construction	33,000,000													3,666,667	3,666,667	3,666,667	3,666,667	3,666,667	3,666,667	3,666,667	3,666,664	33,000,000
Expenditures:		37,918,208	700,000	0	375,000	375,000	0	0	0	0	0	1,156,069	1,156,069	4,822,737	3,666,667	3,666,667	3,666,667	3,666,667	3,666,667	3,666,667	3,666,667	3,666,664	37,918,208
Cumulative Expense			700,000	700,000	1,075,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	2,606,069	3,762,138	8,584,875	12,251,542	15,918,209	19,584,876	23,251,543	26,918,210	30,584,877	34,251,544	37,918,208	
Funding:																							
To Be Determined			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Funding			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

MONTHLY CONSTRUCTION EXPENSE



PROJECT COMPLETION



FUNDING REIMBURSEMENTS

