

MEMORANDUM

DATE: October 2, 2020

TO: Mayor and City Council

FROM: Eric Holmes, City Manager

RE: **Transportation Budget Workshop**

CC: Chad Eiken, Director, Community and Economic Development
Brian Carlson, Interim Assistant City Manager
Dan Swensen, Interim Public Works Director
Rebecca, Kennedy, Long Range Planning Manager
Ryan Lopossa, Streets and Transportation Manager

Introduction

This memo is intended to provide background information relevant to the October 12, 2020 Council workshop on Transportation planning and project implementation processes, and to inform the development of the 2021-22 biennial budget. It addresses how projects move from policy priorities through the project development pipeline, and how a variety of programs and opportunities are utilized to implement capital improvements, with a focus on multimodal improvements. It also includes information on the City's Pavement Management Program, current criteria for prioritizing pavement maintenance work, and how the Pavement Program is leveraged to make other multimodal and safety improvements. Lastly, it reviews the City's overall transportation budget, the Street Funding Strategy adopted in 2015, and recent budget reductions necessitated by the passage of Initiative 976 and the COVID-19 pandemic.

Comprehensive Planning

The Vancouver Comprehensive Plan provides the overall long-term vision and policy direction for managing the built and natural environment and for the provision of necessary public facilities over a 20-year time horizon. It includes and integrates the following elements: community development; economic development; housing; environment; public facilities and services, including transportation, parks and recreation, water, sewer, and emergency services; and annexation. Capital facilities and services required to implement the policies in each element are included in the City's Capital Facilities Plan (CFP) and in discipline specific CFPs that reflect a diverse set of funding sources and service investment needs.

The Transportation System Plan (TSP) is the transportation element of the Comprehensive Plan and adopted by reference as part of it. The integration of the Transportation System Plan and the community development/land use element of the Comprehensive Plan is essential to making the built environment safer, more equitable, more livable and more sustainable. A transportation

system that is land use responsive, and that views streets as places of exchange, gathering and recreation rather than just high-speed mobility, benefits a community in several ways. This includes reductions in vehicle miles traveled, improvements in air quality, increases in walking/biking/rolling, increases in transit use, improved access to services and amenities, more attractive and usable public spaces, and increased economic development as businesses and employees locate in highly livable areas.

In addition to establishing citywide policy and priorities through the Transportation System Plan, transportation planning implements comprehensive planning objectives in several areas and utilizing a variety of tools/strategies. This includes planning for high capacity and frequent transit service, in coordination with C-TRAN; developing context-sensitive transportation and infrastructure recommendations for subareas, districts and corridors across the City, in alignment with land use planning activities; integrating the City's Complete Streets Policy and best practices into the design of arterial upgrades and major street investments; reviewing individual development proposals to ensure they align with established plans, goals and objectives; and ensuring transportation projects and investments are aligned with housing strategies to provide transportation options for residents.

Transportation System Plan (TSP) 2020-22 Update

The City of Vancouver last adopted a Transportation System Plan in 2004 and is currently in the process of a comprehensive TSP overhaul that will establish new policies and priorities to guide transportation investments over the next 20 years. Due to economic impacts of the COVID-19 pandemic, the project scope and budget for 2020 were amended to only include the below items:

- State of Mobility Report: established the Vancouver Moves brand and provided high level information about the transportation system and how people in Vancouver move around the City and the region
- Public Outreach Plan: equity-focused public engagement plan that will provide opportunities for residents of diverse backgrounds and experiences with the transportation system to give feedback on the Existing Conditions analysis; this includes an emphasis on reaching Black, Indigenous and Communities of Color (BIPOC), community members with disabilities, and lower-income residents
- Technical Analysis for Modal Systems: complete existing conditions analysis that integrate new approaches to respond to emerging needs from COVID-19 and a focus on equity
- Public Outreach: share results of existing conditions analysis and gather information on how residents use the transportation system
- Collision Dashboard: develop a comprehensive collision analysis tool
- Pedestrian Crossing Policy: update City's crossing policy to incorporate changes in best practices and add signal improvement recommendations
- Equity Analysis: Identify key demographic characteristics of concern for equity focus and use these geographies as a lens for all existing conditions work and future project prioritization.

The remaining major elements required to complete the TSP Update will occur in the 2021-2022 biennium (pending budget approval), including the following elements:

- Public outreach process to help identify transportation system goals, policies, and objectives, which includes an emphasis on reaching Black, Indigenous and Communities of Color (BIPOC), community members with disabilities, and lower-income residents

- Completion of the 7 modal element plans with prioritized project lists, which will be integrated into an updated and prioritized 6-Year Transportation Improvement Program (TIP) as the forthcoming Comprehensive Plan Update and associated updated citywide Capital Facilities Plan (CFP). The seven modal elements include: Pedestrian, Bicycle, Transit, Freight, Vehicle, Transportation Systems and Demand Management, and Smart Mobility.
- Development of new city street standard typologies and complete standards update
- Development of project implementation system

The TSP project scope integrates new approaches that respond to emerging needs from COVID-19 and a stronger emphasis on equity and addressing systemic racism that is reflected in the built environment. This includes improving access and safety for the City's most vulnerable residents, including low-income resident and Black, Indigenous and People of Color (BIPOC) communities. The equity analysis will allow the City to:

- Determine where disadvantaged communities live and infrastructure and transportation conditions in those neighborhoods
- Help shape how we target outreach to more successfully reach these populations
- Help prioritize investments with the goal of overcoming historical inequities and disparate outcomes
- Update or create new policies that integrate racial justice and equity in transportation planning processes and investment prioritization

As noted above, the City's Transportation System Plan is the transportation element of the Comprehensive Plan, and the work completed through the TSP Update will be incorporated into the upcoming 2022-2025 Comprehensive Plan Update. The goals and policies developed through the TSP Update will become the new transportation policies and goals for the Comprehensive Plan and the prioritized project lists will be incorporated into the Capital Facilities Plan. Updating the TSP prior to the Comprehensive Plan update provides a foundation for a systemic approach to aligning land use and transportation policies and investments that will advance citywide livability and mobility in the decades to come.

Transportation Project Development Process

The process of moving from a transportation policy directive to the construction of a specific project implementing that policy includes many steps and provides three key opportunities for prioritization by policymakers.

1. The first opportunity for prioritization is at the policy stage, which includes both the Transportation System Plan (TSP) and the City's Strategic Plan, as well as additional geographically specific guidance provided through Council adopted subarea and corridor plans. Both the updated TSP and the City's Strategic Plan prioritize specific projects, and this prioritization is incorporated in to both the City's Capital Facilities Plan and the 6-Year Transportation Improvement Program (TIP). The Capital Facilities Plan includes all the projects identified by the TSP over the 20-year planning time horizon; the TIP represents the highest priority projects based on the project lists and prioritization criteria established by the TSP. Once the TSP update is complete, the TIP will also be updated to reflect updated project lists and priorities.
2. The second opportunity for prioritization is through the annual update to the Transportation Improvement Program (TIP), which must be updated once per year to comply with state law. In principle, the TIP is updated based on the project lists and

prioritization established by the Transportation System Plan and other policy directives as outlined above, and as priority projects are completed new priorities from the CFP migrate on to the TIP. Priorities can and do change in response to emerging conditions or information, and the Council can update the TIP to align with emerging priorities as well as projects previously identified through past planning efforts on an annual basis.

3. The third opportunity comes through the biennial budget process, and the allocation of funding for various capital and operating programs as well as one-time professional services to fund projects at the planning/outreach/conceptual design phase and one-time capital funding for construction of projects (or project elements) not supported by other programs. This includes opportunities to advance planning, outreach, analysis and conceptual design of projects, as well as projects for which planning work has been completed and the next phase is final engineering, right-of-way acquisition, permitting and construction. This process is interactive, and the time and cost associated with each step is directly related to the type and complexity of the project and the needs of the neighborhoods in which they are located.

For complete streets retrofits of existing roadways and other multimodal improvements, this involves identifying upcoming opportunities provided through the City's Pavement or Capital programs or through local, state or federal grant programs that can support one or more portions of a project. Previously, we had other programs that supported multimodal capital improvements- including the Safety Accessibility and Mobility, Rapid Response and Neighborhood Traffic Calming programs- but funding for these programs was eliminated in 2020 in response to the impacts of I-976 and COVID-19. Given these reductions as well as limited staff capacity to manage additional projects, opportunities for multimodal improvements at any phase are limited.

For large capital projects and arterial upgrades, the path from policy to planning to construction is a multi-year process that requires grant funding at many phases, and which often requires phased construction as funding is identified and allocated.

Upcoming Multimodal Planning and Design Opportunities

The Pavement Management Program provides an opportunity to leverage system maintenance work to more efficiently implement Complete Streets retrofits and other multimodal safety improvement projects. This is because pavement work creates a clean slate for new striping and carries the cost of both grinding off old striping and laying new striping down after pavement work is complete. The City's Pavement Program proactively identifies projects several years in advance, which allows the Transportation Planning program to identify opportunities to advance project priorities, complete needed upfront planning, outreach and analysis, and implement improvements in conjunction with street resurfacing. This leveraging of the Pavement Program is particularly effective for multimodal and safety improvement projects, but these projects almost always require additional funding to cover the cost of constructing capital elements. Capital elements include treatments that go beyond striping, and include things like pedestrian refuge islands, raised cross walks, traffic control devices at roadway crossings like rectangular rapid flashing beacons (RRFB) and HAWK signals, vertical separation of bike facilities, and other vertical devices in the roadway to slow traffic and delineate user areas.

The biennial budget includes funding requests to advance planning and design work for several multimodal improvement projects that can be partially implemented through future pavement work. The funding requests will support planning, community engagement, technical analysis, and conceptual design work. Based on the draft 2021, 2022 and 2023 Pavement Program, staff has

identified several projects as potential opportunities for Complete Streets improvements. Given limited staff capacity and funding resources, the list is limited and prioritizes projects based on the following factors: those with the greatest impact on safety, equity and climate action; how well the project will address geographically specific issues and overall system connectivity; and the ability to complete planning and design work in the next biennium, in advance of planned pavement work, with existing staff capacity and resources requested through the biennial budget.

1. Fourth Plain, F Street – Andresen Road
 - Listed in CFP, TIP; WSDOT City Safety Program funding for construction of safety project between F Street and Ft. Vancouver Way
 - Resurfacing planned from 2021-2023
 - Safety: improve multimodal infrastructure and safety in one of highest pedestrian-involved serious injury/fatality corridors citywide
 - Equity: home to significant populations of people identifying as/experiencing: BIPOC, low income, non-English speaking, transit dependent, environmental & public health hazards
 - Climate change: increase transportation options beyond single-occupancy vehicles, reduce emissions in overburdened area, increase access to transit, provide opportunities to experience mental & physical health benefits of active transportation/recreation
2. SE 34th Street, SE 164th Avenue – SE 192nd Avenue/City Limits
 - Listed in CFP
 - Resurfacing planned for 2022
 - Safety: provide facilities for people to bike (none existing), discourage driver speeding & decrease predominant speeds
 - Equity: rebalance street for all users, provide multimodal connectivity, serve east side of City, connect people to employment opportunities
 - Climate change: increase transportation options beyond single-occupancy vehicles, improve multimodal access to large employment centers
3. NE 112th Avenue, NE 51st Circle – SE Mill Plain Boulevard
 - Listed in CFP and TIP, rising safety issues related to recent fatalities
 - Resurfacing planned for 2022 and 2024
 - Safety: provide facilities for people to walk and bike (none existing), discourage driver speeding & decrease predominant speeds, address congestion
 - Equity: rebalance street for all users, provide multimodal connectivity, opportunity to provide sidewalks
 - Climate change: increase transportation options beyond single-occupancy vehicles, reduce emissions
4. Fort Vancouver Way, Mill Plain Boulevard – Fourth Plain Boulevard
 - Listed in CFP and TIP
 - Resurfacing planned for 2023
 - Safety: discourage driver speeding & decrease predominant speeds to enhance safety for students and other transit users accessing the Vine
 - Equity: rebalance street for all users, provide multimodal connectivity, serve students
 - Climate change: increase transportation options beyond single-occupancy vehicles, reduce emissions

Upcoming Multimodal Implementation Opportunities

Given budget reductions that have occurred in response to the passage of Initiative 976 and the COVID-19 pandemic, multimodal implementation opportunities are limited in the next biennium. Based on the most recent direction from Council, implementation opportunities in 2021 include improvements to Columbia Street identified through the Westside Bike Mobility Project, in conjunction with planned pavement management work. Additionally, some of the projects recommended for planning and design work above can be partially implemented through planned paving work in 2022. This includes 34th Street, 112th Ave., and a portion of the Fourth Plain Corridor identified above. Future implementation opportunities associated with the projects identified for planning and design this biennium will be implemented in 2023 or later, depending on available funding.

Initiative 976

In November 2019 the voters approved Initiative 976 which limited vehicle renewal fees to \$30 and removed the TBD's ability to implement a vehicle license fee. This has resulted in a loss of approximately \$5 million/year for the Street Funding Strategy (SFS). I-976 is currently being reviewed by the Washington Supreme Court, with a decision expected imminently. The recommended budget reflects an assumption that the initiative will be upheld and the license tab revenue will not be available. If the I-976 This \$5 million per year was used to support the following programs, which have subsequently been reduced by the following amounts:

- \$1 million for pavement preservation
- \$0.6 million for multimodal safety and accessibility
- \$0.2 million for asset replacement
- \$3.2 million as a local match for grant-funded arterial improvements.

Staff had been successful at leveraging these funds for grant opportunities averaging approximately \$7 million/year for the last 3 years. Therefore, the true loss associated with I-976 is approximately \$12 million/year which is approximately 30% of the funding allocated for transportation.

The 2020 Pavement Management program has been reduced due to the impact of the pandemic, mostly pushing into the future the some of the work that was anticipated to be completed in 2020. Additionally, the Business License Surcharge (BLS) has been suspended until the Spring of 2021 and gas tax collections are down because people are driving less. This has resulted in approximately \$1 million less revenues for 2020-21. The Real Estate Tax revenue and the utility tax revenue that fund the Pavement Management program and other have been coming in at higher amounts that anticipated earlier in 2020 and are anticipated to replace some of the revenue reductions from other revenue sources in 2021-2022. Other revenue is coming in at the reduced levels forecasted.

We anticipate all these revenue sources combined will provide approximately \$6 million annually after the economy recovers from COVID-19. The City Manager's Recommended Budget allocates approximately \$1 million towards right-of-way and sidewalk maintenance and \$3.5 million towards pavement management. The remaining \$1.5 million annually is recommended to be allocated towards partially fulfilling the funding need for future grant funded projects.

Pavement Management Program

Vancouver's street system contains 1,900 lane miles of paved surfaces. It is the City's largest asset which carries the highest cost to replace (valued at over \$1 Billion to replace the entire network). Vancouver's Pavement Management Program, using a variety of tools, works to ensure

that the community enjoys the best pavement conditions practical in the most cost-effective way possible. The Program's stated objectives are:

- Extend the life of the pavement assets as long as possible
- Maintain the condition of the overall street network
- Improve the city street conditions system-wide if funding allows

The pavement management program is one of the primary contributors to the delivery of the City's mobility and multimodal improvements annually. Over 100 curb ramps are constructed or upgraded as part of the program annually, with 120 corners planned to be revised or constructed as part of the 2021 program.

In addition to the curb ramps, sidewalk repairs are made adjacent to the ramps being constructed, small sections of missing sidewalk are replaced, broken curbs are repaired, and coordination is done with the traffic signal group to add accessible pedestrian signals (APS) to existing intersections.

A large component of developing the pavement program every year is to coordinate with transportation planning staff to look at opportunities to improve multimodal options on existing streets as well as traffic calming and neighborhood traffic safety projects. Since the streets will have a blank canvas after the pavement work is done, changes to striping configurations, such as adding in bike lanes or changing crosswalk configurations, can easily be incorporated into the plans to cost effectively implement. One prominent example of this was the removal of a travel lane and installation of a buffered bike lane on Macarthur Blvd.

The pavement program also coordinates with the NTSA and planning groups to help implement traffic calming and neighborhood safety projects in conjunction with the pavement program. Traffic calming devices are either paid for by the pavement program or built with the pavement projects, which helps bring down the costs of the traffic calming and safety measures. Since 2006, there have been over 28 projects or street corridors that the pavement program has built and implemented throughout the City.

The Pavement Management team also works with water, sewer, and stormwater utilities to repave some neighborhood streets completely, based upon the pre-utility project PCI, rather than just patch the roadway after the installation of utility piping.

Pavement Condition Rating

The Pavement Management Program approaches its mission in a proactive rather than reactive manner, working to mitigate pavement deterioration that occurs naturally due to exposure to water, sunlight, and oxygen before that deterioration reaches a stage that requires extensive remediation or replacement. As a result, the program focuses on keeping streets in good condition as long as possible since this is the most cost-effective way to maintain the system over time and follows best pavement management practices.

The Pavement Management team uses several tools to prioritize the use of maintenance resources. One heavily used tool is the "Pavement Condition Index" or PCI. The PCI uses a scoring scale of 0 to 100 and helps to divide streets into categories of; Excellent (PCI = 85-90), Good (70-85), Fair (55-70), Poor (40-55), Very Poor (25-40), and Failed (0-25). Each of the streets in the system is rated by visual observation and receives an updated PCI score once every two years. This score is then used to help determine what an appropriate pavement treatment is for that street as well as to help guide when that treatment should be placed.

In 2015, before the addition of Street Funding Strategy resources, Vancouver's street system had an overall PCI of 68, with 61% of the streets in Excellent or Good condition and 19% in Poor or Very Poor condition. In 2019, the overall PCI had increased to 73, with 69% of the streets in Excellent or Good condition, and 14% in Poor or Very Poor condition.

The methods used for improving the pavement condition of the street system can be grouped into three categories. The preservation category includes several surfacing treatment options that are applied over an existing, prepared asphalt surface. The resurfacing category includes more expensive treatments than what occur through preservation and involves laying a new layer of asphalt over an existing prepared asphalt surface. The third category, Rehabilitation/Reconstruction, is the most expensive approach and involves either milling of the old asphalt for use as new pavement base, or removing the old pavement entirely and rebuilding the supportive base underneath followed by laying down two or more layers of new asphalt. Preservation surface treatments are the most cost effective on a street where the PCI rating is "Good" or better. Resurfacing is used where streets are rated at "Fair" to "Poor". Rehabilitation/Reconstruction generally must be used when the street rating falls below "Poor" or lower.

Streets are selected for pavement surface improvements using a variety of criteria. The Pavement Condition Index described above is a major input into that process. Other criteria are: visual observations, keeping a good balance between Preservation treatments and Resurfacing efforts, focusing on keeping arterial street condition a priority, grouping together streets to be treated to add efficiency in the actual construction effort, coordination with other city departments and other agencies, and how much can actually be accomplished within the typical NW acceptable weather window. An overarching guideline for the last many years has been that the Preservation efforts are focused in an alternating manner, with one year's focus being on streets east of I-205, and the next year's focus being west of I-205. Resurfacing and rehabilitation work is spread throughout the City.

Pavement Treatment Costs

Current costs for implementing Preservation options run \$2-\$8 per square yard, Resurfacing costs are \$20-\$40 per square yard, and Rehabilitation/Reconstruction costs are in the range of \$60-\$100 per square yard. The costs can vary depending on several factors including type of pavement treatment, type of street the work is being done on, required curb ramp construction or upgrades, signal detection replacement, preparation or repair work, striping, design, and inspection.

With the 2019 levels of funding for the Pavement Management Program, Vancouver was gaining on the overall city-wide PCI. Keeping in mind that the last increments of PCI gain are increasingly harder to accomplish, the 2015 to 2019 PCI gain of 5 points (68 to 73) demonstrates the success of the program. With the loss of \$1 million due to the passage of I-976, analysis shows a slow decline in PCI in the future, with the PCI approaching 70 before the end of this decade.

Larger reductions in budget will bring a faster decline in the PCI. If, for example, the Street Funding Strategy resources were removed, the PCI would decline to below 70 by 2030. At half of the current Pavement Management funding, the PCI drops to just over 65 by 2030. In an extreme example, if the funding for pavement management were cut entirely, the overall city-wide PCI would drop to 55 (Condition "Poor") by the end of the decade.

Deferment of pavement preservation treatment also leads to advancing natural deterioration, which makes the cost of eventual repairs and/or replacement higher. This advancing deterioration is not linear; it accelerates as time passes. If left unaddressed, deferred costs to repair or replace

pavement surfaces do not grow along a straight line, but instead in an upward curve. For example, \$1 million in deferred pavement treatments due to I-976 this year may only grow to a \$3 million need in 4 years but grows to \$20 million need by 2030.

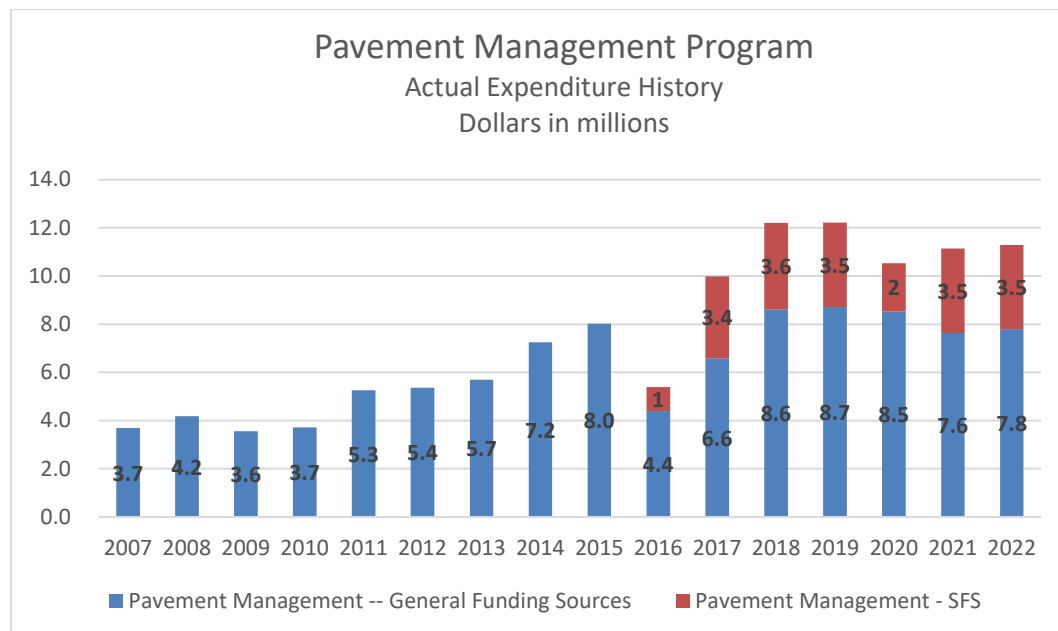
History of Transportation Finances

In the last 3 decades the City has more than doubled in physical size due to multiple annexations. Many of the streets annexed were built to a rural County standard and were maintained at County standards. For 20+ years the City has struggled to find a way to fund improvements that will bring these streets up to City of Vancouver urban standards. For many years the City utilized issuance of bonds to fund Transportation Capital. This funding model became unsustainable over time, as the annual debt service continued to grow.

Specific growth figures From 1980 to 2010 include:

- The population of Clark County more than doubled, growing from 190,000+ to 425,000+ with the 2020 census will likely show Clark County’s population at over 500,000
- The City of Vancouver
- The number of lane miles more than tripled from 577 to 1,900+ miles
- The number of traffic signals increased from 69 to 265

For over 15 years, the City has made a priority of funding Pavement Management program by setting aside additional General Fund resources to support the annual program increases. Unlike many other agencies in the state, where funding of pavement management programs stagnated, and unlike any other service area of the city, the city has committed through one of its financial policies to annually increase funding for the program for the cost of pavement management costs related to the new roads built and adjusting funding for the annual inflation index. As a result of this thoughtful strategy, the City’s Pavement Management program grew from \$3.6 million during the pre-recession year 2007 to \$12 million per year in 2019. Beginning in 2016, new Street Funding Initiative began contributing \$1-\$3.5 million per year to achieve the goal of conversion all city streets to a “Good” rating faster.



In 2012, the annual debt service for Transportation had reached over \$5 million/year. In 2021, the annual debt service costs will be around \$2.75 million. Annual debt services costs will drop

off in increments starting in 2025 and will be completely retired in 2035. The freed-up budget capacity will continue to be re-directed to fund Transportation capital in the upcoming years.

Street Funding Strategy

In 2012, the Vancouver City Council established a series of transportation goals, including: “Address the City’s long-term transportation and infrastructure needs through development of a dedicated, long-term street funding program”.

In 2015, a Street Funding Commission was created from major stakeholders to provide written recommendations for a Street Funding Strategy (SFS). The SFS would provide a roadmap to addressing how to fund transportation in a sustainable manner. Additionally, the City Council refined the street funding goal to read “Identify an adopted street funding program that provides reliable, dedicated, long-term funding for streets, including pedestrian, bike and accessible infrastructure”. By the end of the year, after several months of public outreach, the Street Funding Commission presented their written recommendations to City Council. The recommendations included the following guiding principles and outcomes for the SFS:

Guiding principles:

- Supplement – not supplant – current street funds
- “Take care of what we have”
- Pay as we go is preferred to debt financing
- Equitable responsibility for supporting Vancouver’s streets
- Predictability of funds
- Provide annual reporting to Council and community
- Require public process/review of any proposal to shift recommended revenues to anything other than streets
- Reinvest retired transportation debt service into streets

Outcomes:

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

The City Council agreed with the recommendations and in November 2015 took action to implement the recommendations. These actions included:

- Creation of the Vancouver Transportation Benefit District (TBD). The TBD would go on to implement a vehicle license fee within the City limits of \$20/renewal in 2016 and \$40/renewal in 2018.
- Increasing the Business License Surcharge (BLS) by \$20/employee in 2016 and an additional \$20/employee in 2018.
- Increasing the City’s utility tax by 1.5%.

In addition to Council’s actions, the City implemented a financial policy redirecting any retired transportation debt service to funding transportation following a “pay-as-you-go” model. The graphic below shows the amount of revenue brought in from each source by year (in millions):

Source	2016	2017	2018	2019	2020	2021
Vehicle License Fees	\$1.08	\$2.41	\$3.82	\$5.15*	\$0.0	\$0.0
Business License Surcharge	\$0.43	\$0.45	\$0.89	\$0.94	\$0.3	\$0.75
Utility Tax	\$1.43	\$1.72	\$1.86	\$1.95	\$1.9	\$1.9
Debt Service Retirement	\$1.0	\$1.0	\$1.0	\$1.4	\$2.2	\$2.9
State Gas Tax Increase	\$0.27	\$0.35	\$0.48	\$0.48	\$0.25	\$0.45
Total	\$4.21	\$5.93	\$8.05	\$9.92	\$4.65	\$6.0

*Includes \$345,000 received in December 2019 being held in special account for vehicle license fee refunds associated to I-976.

The chart below shows how the revenues were spent year by year (in millions):

	2016	2017	2018	2019	2020	2021
Median Maintenance & Sweeping	\$0.2	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
Pavement Preservation	\$1.0	\$3.4	\$3.6	\$3.5	\$2.0	\$3.5
Pavement Reconstruction				\$0.5	\$0.0***	\$0.0***
Mobility, Safety, Etc.	N/A	\$0.6	\$0.6	\$0.6	\$0.0	\$0.0
Arterial Streets Upgrades	N/A	\$3.4	\$2.0*	\$2.0*	\$2.0**	\$0.0
Asset Replacement	N/A	\$0.2	\$0.2	\$0.2	\$0.0	\$0.0
Sidewalk Management	N/A	N/A	\$0.2	\$0.5	\$0.25	\$0.25

* Allocated about \$3.5 M/year but saving for construction phases of future projects.

** using last of vehicle license fee reserves to move along an important arterial project.

***was supposed to be \$1.5 million/year but went to zero due to I-976.

Potential Future Funding Opportunities

In the short term we have reduced/delayed transportation operating and capital expenses to address revenue shortfalls associated with COVID-19 and I-976. We also plan on asking the Transportation Benefit District (TBD) to allow the City to use \$2 million of the remaining \$2.7 million TBD fund balance for the upcoming improvements to SE 1st Street (177th to 192nd).

The solution to the reduced funding for transportation capital caused by suspension of the vehicle license fee revenues in the future has not been included in the City Manager's Recommended Budget. Restarting the conversation about viability of replacement of the vehicle license tab fees is planned for early 2021.

Potential replacement revenue options could include increases in either property taxes and/or increase sales taxes to raise revenues for City transportation needs. Both property tax and sales tax options would have to be approved by voters and would require significant public outreach.

