



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

Roundtable 4-Local Services (Discussion Related to Proposed 2021-2022 Budget)

*Councilmembers: Reagan Dunn, Co-Lead; Girmay Zahilay, Co-Lead;
Kathy Lambert, Joe McDermott, Pete von Reichbauer*

*Roundtable Lead: Brandi Vena (206-263-3129)
Roundtable Assistant: Angelica Calderon (206-477-0874)*

9:30 AM

Friday, October 16, 2020

Virtual Meeting

SPECIAL MEETING

PUBLIC NOTICE: Roundtable 4's October 16, 2020 meeting will be held virtually. To help prevent the spread of the COVID 19 virus, the chambers will be closed and all committee members and staff will be participating in the meeting remotely. The live feed of the video conference will be streaming on the King County Council's website and on KCTV Channel 22.

Pursuant to K.C.C.1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

HOW TO PROVIDE PUBLIC COMMENT: Roundtable 4 values community input and looks forward to hearing from you on agenda items.

The Roundtable will accept public comment on agenda items in writing. You may do so by submitting your written comments to kcccomitt@kingcounty.gov. If your comments are submitted before 8:00 a.m. on the day of the meeting, your comments will be distributed to the roundtable members and appropriate staff prior to the meeting.



*Sign language and communication material in alternate formats can be arranged given sufficient notice (206-1000).
TDD Number 206-1024.
ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.*



HOW TO WATCH/LISTEN TO THE MEETING: There are several ways to watch or listen in to the meeting:

- 1) Stream online via this link: <https://livestream.com/accounts/15175343/events/4485487>, or input the link web address into your web browser.
- 2) Watch King County TV Channel 22 (Comcast Channel 22 and 322(HD), Wave Broadband Channel 22)
- 3) Listen to the meeting by telephone.

Dial: 1 253 215 8782

Meeting ID: 541 737 1945

Password: 541205

To help us manage the meeting, please use the Livestream or King County TV options, if possible, to watch or listen to the meeting.

1. Call to Order
2. Roll Call

Briefing

4. Briefing No. 2020-B0091

Briefing on Proposed 2021-2022 Biennial Budget - Local Services

Adjournment

2021-2022 Council Budget Decision Guidelines for BFM and Roundtable meetings

- Gain consensus on budget decisions (new adds, rejection of executive proposed cuts, new cuts, expenditure restrictions, provisos) with the following guidelines:
 - Reach consensus on concept and allow central and district staff to determine details;
 - For a new add or rejection of an executive proposed cut, the author of the proposal must determine either a supporting revenue source or a new cut. For each roundtable, such proposals must be within the scope of the roundtable policy area; and
 - If possible, avoid using General Fund's fund balance to support new adds or rejection of executive proposed cuts to maintain the 6% Ending Fund Balance.
- Include all BFM and Roundtable budget decisions in the Chair's Striking Amendment pending budget balancing.
- *Close* appropriation units where consensus has been reached on budget decisions and further public deliberation is no longer needed.
- Keep *Open* appropriation units that need further analysis and consensus has not been reached on budget decisions:
 - Week 1: BFM – Any open appropriation units that align with a Roundtable policy area will be discussed during Week 2 Roundtables; all other open appropriation units that do not align with a Roundtable policy areas will be discussed during Week 3 BFM meetings;
 - Week 2: Roundtable – Any remaining open appropriation units will be discussed during Week 3 BFM meetings; and
 - Week 3: BFM – Any appropriation units that have not been closed may be further deliberated in a meeting of the BLT (Budget Leadership Team), to be formed by the BFM if needed.
- All councilmembers should actively participate with proposals given and decisions made at BFM and Roundtable meetings.
- Roundtable Co-leads should facilitate building of consensus on proposed budget decisions.



King County
Metropolitan King County Council

Roundtable 4-Local Services

October 16, 2020 – 9:30 a.m.

***Councilmembers: Reagan Dunn, Co-Lead; Girmay Zahilay, Co-Lead;
Kathy Lambert, Joe McDermott, Pete von Reichbauer***

Brandi Vena, Roundtable Lead Staff

Andrew Kim, Budget Lead Staff

Angelica Calderon, Roundtable Assistant

To show a PDF of the written materials for an agenda item, click on the agenda item below.

INDEX	
Briefing No. 2020-B0091	
Briefing on Proposed 2021-2022 Biennial Budget – Local Services	
Agency Overview and Highlights	Page no.
Department of Local Services Administration <i>Erin Auzins</i>	5
County Road Major Maintenance Capital County Road Construction Capital <i>Nick Bowman</i>	13

LOCAL SERVICES ADMINISTRATION

ANALYST: ERIN AUZINS

	Expenditures	Revenues	FTEs	TLTs
2019-2020 Revised Budget	\$12,460,594	\$12,455,599	18.0	1.0
2021-2022 Base Budget Adjust.	(\$3,782,701)	(\$4,425,669)	0.0	0.0
2021-2022 Decision Packages	\$2,303,254	\$2,453,291	4.0	0.0
2021-2022 Proposed Budget	\$10,982,000	\$10,484,000	22.0	1.0
% Change from prior biennium	(11.9%)			
Dec. Pkg. as % of prior biennium	18.5%			

Major Revenue Sources: General Fund Transfer, Cost Allocation to Divisions and Partner Agencies, Cost Allocation for UTRC Support Position

Base Budget Assumptions: (1) 0.0% GWI for 2021; (2) 2.0% GWI for 2022; (3) 0.5% for merit/step increases in each year; (4) 0% increase for cost pools; (5) removing one-time COVID-19 related costs/revenues

DESCRIPTION

The Local Services Administration Fund supports the Department of Local Services (DLS) Director's Office. The Director's Office functions include oversight of the Permitting and Road Services Divisions, the Community Service Area program (including workplans, service partnership agreements, and community needs lists), communications, government relations, economic development, and subarea planning.

SUMMARY OF PROPOSED BUDGET AND CHANGES

Changes in the Local Services Administration budget include:

- Addition of 1.0 FTE, and \$150,000, for a community service area liaison, starting in 2022.
- Addition of 1.0 FTE, and \$450,000, for a position to support a community-centered advisory board to represent unincorporated King County (UKC). This position is funded by the marijuana excise tax revenues.
- Addition of \$1.35 million, for investments in partnerships with and for urban UKC. This is funded by the marijuana excise tax revenues.
- Converting 1.0 TLT to an FTE in 2022 for Green Building Program Support.
- Moving the 1.0 FTE and associated costs for the Utilities Technical Review Committee (UTRC) support position from the Wastewater Treatment Division to the DLS Director's Office. This position is cost shared with other agencies, including the Permitting Division, Road Services Division, Department of Natural

Resources Director's Office, Wastewater Treatment Division, the Office of Performance, Strategy, and Budget, and the Environmental Health Division.

UPDATE: As part of the transmitted budget, the Executive transmitted a report¹ that described how the 2021-2022 budget implemented the Community Needs Lists (CNLS) for Skyway-West Hill and North Highline. The report identifies 22 different budget proposals that advance the initial catalogs transmitted as part of the budget.² Council staff inquired of Executive staff how these proposals were chosen, and what ESJ analysis was completed to choose these proposals.

Executive staff state that DLS worked with partner agencies to “report their budget proposals investing in UKC,” which they used to show where the proposal aligned with the initial catalogs. The response also noted that the prioritization for these items was done under each agency’s own process and then ultimately by the Executive.

On the ESJ question, Executive staff state that each of the 8 agencies with proposals in the 2021-2022 budget conducted their own equity analysis. The response also states that agency business plans require documentation on community engagement included in proposals. No additional detail on what that equity analysis entailed was provided.

KEY ISSUES

ISSUE 1 – USE OF MARIJUANA EXCISE TAX REVENUE

The County expects to receive \$4.6 million in marijuana excise tax revenue in the 2021-2022 biennium. Of that, the Executive’s proposed budget includes two proposals in DLS, to dedicate \$1.8 million of marijuana excise tax revenue to support community-based decision making and investments in urban unincorporated King County.

The first proposal is 1.0 FTE and \$450,000 to support a community advisory board. This board would participate in participatory budgeting, to direct new capital and/or operating investments. The scope and duties of this board have not yet been determined; Executive staff state:

Our priorities are to engage with the community in the allocation of these investments and to start making these investments as soon as we can. When the new position is hired, their first task will be to work with the community and partner with Council, DLS’s equity and inclusion manager, and the Office of Equity and Social Justice to develop the membership and purpose of the new advisory committee.

As a result of this process, legislation may be necessary to establish the community advisory board. Executive staff state that they are willing to brief the Council as this process is undertaken.

¹ [2020-RPT0135](#)

² Proposed Ordinance 2020-0320

The second proposal is \$1.35 million that would be used for operating or capital investments in urban unincorporated areas, as stated in the budget book, “where the retail marijuana sales tax is generated, and which have been impacted by disproportionate drug convictions.” The community advisory board may also help to direct the capital money described in the Unincorporated King County Capital Fund staff report. Executive staff state that DLS will use “the ‘County engages in dialogue’ and ‘County and community work together’ on the OESJ Community Engagement Continuum to ensure a participatory budgeting process to select the services and programs to be funded by this decision package.” It is not clear how the Equity Impact Review tool will be used to evaluate the equity impact of the investments approved through this community-based decision making, how the investments will be evaluated for consistency with adopted plans and policies, the role of the Executive and Council in this decision making, and whether the investments are consistent with the restrictions on use of the marijuana excise tax revenue.

Council staff continue to work with Executive staff to understand these requests.

The package of changes regarding the use of marijuana excise tax revenue is also described in the Community Services Operating and Sheriff’s Office budgets.

UPDATE: Executive staff have provided more information on how the urban unincorporated investments would be determined. Additional details provided by the Executive include:

- *Timeline:* DLS expects to “develop the [community] advisory board and support the development of the investment process and criteria in 2021.” At the same time, DLS will continue to develop and refine the CNLs for Skyway-West Hill and North Highline with the community, which are expected to be completed at the end of 2021. The advisory board is expected to begin evaluating projects in early 2022.
- *Community advisory board membership and scope:* DLS states that the advisory board will be “co-developed with trusted community advisors, identified in collaboration with representative Councilmembers.” The advisory board is expected to develop the process and criteria for choosing investments, and to determine whether and how further community engagement or public participation will occur. Since the advisory board will be using the CNLs to guide the investments, additional engagement by the broader community may not be necessary, because DLS expects to use a robust community engagement process to further refine and develop the final CNL for Skyway-West Hill and North Highline.
- *Parameters on investments:* Council staff requested information on the parameters the Executive is considering for the investments decided by the advisory board. Executive staff state “DLS will work with PSB and PAO to ensure we are adhering to appropriate usage of funds and is committed to

supporting the community advisory board to develop the process, criteria, and any other parameters deemed necessary for the success of the program.”

ISSUE 2 – PARTNER AGENCY COST ALLOCATION MODEL

The Local Services Administration fund supports the full cost of services included in the Director’s Office. Costs that are not covered by the DLS Overhead Administration (supported by the Permitting and Road Services Division), or other revenues, such as the marijuana excise tax moneys and the cost allocation for the UTRC position, were allocated to the “Local Services Admin Allocation,” which is charged to partner County agencies that provide local services.

The allocation in the 2019-2020 biennial budget was based on adjusted 2017 expenditures as a proxy for level of service in the unincorporated County. Agencies providing regional services (such as Metro Transit, Animal Services, Human Services, etc.) were included at about 12% of operating expenditures, based on King County’s population in unincorporated King County, while agencies providing local services (such as Road Services, Permitting, some Parks Services, etc.) were included at 100% of operating expenditures. At the time, Executive stated that they expected that as DLS creates service partnership agreements, and establishes measurement and reporting metrics, that the cost allocation model will be refined for future biennia.

For the 2021-2022 biennial budget, the allocation model is carried forward from the previous biennium. Executive staff state:

The decision was made to keep the allocation percentages consistent with the 2019-2020 model mainly because the rationale for the original allocations has not significantly changed for the UKC Area Services cost pool (meaning some county agencies are local like SWM, and others are regional like Transit and WTD). In addition, there were significant work impacts on DLS staff related to the deployment of the \$4M allocated to DLS for COVID Relief grants. DLS discussed its budget and allocations with its UKC service partners during the budget development process and no concerns regarding the current allocation method were raised. As the DLS and County services evolve in the unincorporated areas, DLS and PSB will work together to consider other potential options for allocating costs, with consideration for value, data availability, and competing priorities.

The following tables summarize the Local Services Administration revenue and allocations for 2021-2022.

Table 1.
Revenue Sources for Local Services Administration

	Total
Administration Overhead	\$3,914,958
General Fund Transfer	\$2,162,316
Other Revenues	\$386,613
Partner Agency Allocation	\$4,019,334
TOTAL	\$10,483,221

Table 2.
Partner Agency Allocation Breakdown

Fund	Allocation	Percentage
General Fund	\$1,153,170	28.7%
DLS - Permitting	\$188,788	4.7%
DLS - Roads	\$385,055	9.6%
DCHS - BHRD	\$305,302	7.6%
DCHS - BSK	\$59,131	1.5%
DCHS - EER	\$22,140	0.6%
DCHS - MIDD	\$77,959	1.9%
DCHS - VSHSL	\$33,653	0.8%
DNRP - Noxious Weed	\$3,736	0.1%
DNRP - Parks	\$202,828	5.0%
DNRP - Solid Waste	\$77,014	1.9%
DNRP - SWM	\$437,014	10.9%
DNRP - Waste Water	\$66,105	1.6%
Metro - Transit	\$828,283	20.6%
PH - EHS	\$35,563	0.9%
PH - EMS	\$110,586	2.8%
PH - Admin fund	\$33,006	0.8%

Staff analysis of the cost allocation model is ongoing.

ISSUE 3 – GREEN BUILDING PROGRAM SUPPORT

The Executive's proposed budget includes a request to convert 1.0 TLT to 1.0 FTE in 2022 for green building program support. The TLT position was approved as part of a supplemental appropriations ordinance. The following excerpt from the staff report for Ordinance 19021 described the reasoning for the position:

The proposed ordinance would appropriate \$136,353 and add a two-year term-limited temporary position for a green building code planner/code writer within the DLS Director's Office. This position would focus on creating and updating codes and standards to implement green development, including building codes, construction and demolition regulations, Living Building Challenge certifications, incentivizing green building, and related efforts. The 2015 Strategic Climate Action Plan (SCAP) identifies strategies to update green building programs as well as adopting and implementing energy, water, construction and demolition diversion, and other green building codes.

Executive staff provided the reasoning behind converting this position to an FTE:

The Green Building position includes support for development and implementation of code updates, such as those required by the SCAP, the Comprehensive Plan, including public outreach and staff education, and future updates to Titles 16 and 17, which are anticipated over several years. The role is currently working to get the County up to speed on permitting changes that have happened over the last few years. Without an ongoing position, we will likely fall behind. Some additional reasons this position is proposed to be ongoing include, the need for ongoing communication and education for builders and developers, ongoing engagement in conversations at the State level, and the national building code changes every three years, which creates an ongoing body of work.

This position is supported by the General Fund. Converting this position to an FTE position is a policy choice for the Council.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: HOW WILL AN EQUITY LENS BE USED FOR THE INVESTMENTS IN URBAN UNINCORPORATED KING COUNTY?

ANSWER: Executive staff state:

The intent is to have equity at the core of the process to make investments. The categories referenced in the prior response were phases in the Community Engagement Continuum (copied below), as referenced in the Equity Impact Review Tool (Phase 2), which DLS has consulted in

thinking about this process. If this proposal moves forward, DLS will work with the Office of Equity and Social Justice to ensure equity is considered throughout each step in the process.

Levels of Engagement				
County Informs	County Consults	County engages in dialogue	County and community work together	Community directs action
King County initiates an effort, coordinates with departments and uses a variety of channels to inform community to take action	King County gathers information from the community to inform county-led interventions	King County engages community members to shape county priorities and plans	Community and King County share in decision-making to co-create solutions together	Community initiates and directs strategy and action with participation and technical assistance from King County

Further, the Executive provided additional detail regarding the participatory budgeting proposal for these investments. The budget book states that the community advisory board will use a participatory budgeting approach to direct new capital and operating investments, including the \$1.35 million in marijuana excise tax revenue, and \$10 million in capital investments. Executive staff state that this approach is intended to “shift power to the people most affected by the issues.” To establish this participatory budgeting approach, DLS plans to work with OESJ and PSB to support the advisory board in determining what the process will look like. DLS states that Councilmembers or staff will be invited to sit in on the advisory board's meetings.

QUESTION 2: IS ANY COMPONENT OF THE COUNTY FACILITY ON VASHON-MAURY ISLAND A COMMUNITY CENTER? WHAT FUNCTIONS ARE HOUSED IN THAT FACILITY?

ANSWER: The Vashon Rural Services Center includes District Court and Sheriff’s Office functions, as well as Vashon Island Fire and Rescue, who own the building. There is not a community center as part of this facility.

QUESTION 3: HOW ARE THE COMMUNITY NEEDS LIST BUILDING OFF COMMUNITY ASSETS/ STRENGTHS? HOW IS THAT PART OF THE CONVERSATION?

ANSWER: Executive staff state:

Per Ordinance 19146, Section C.2.b., each CNL will “. . .include potential services, programs, facilities and capital improvements that respond to community-identified needs, including, but not limited to, those that build on the community's strengths and assets.” Subarea planning staff have an

understanding of Skyway-West Hill and North Highline strengths and assets from community engagement during the first phase of their respective subarea plans. Staff is working to further understand community strengths and assets through community discussions. Community assets and strengths are referenced strongly in the subarea planning process and when soliciting community requests. Staff expects these strengths and assets to play a large role during the needs prioritization process with community and Councilmembers.

ROADS CAPITAL IMPROVEMENT PROGRAM

ANALYST: NICK BOWMAN

	2021-2022 Proposed	2023-2024 Projected	2025-2026 Projected
3855 County Road Major Maintenance			
Revenues	\$48,524,152	\$49,156,194	\$28,944,868
Expenditures	\$48,524,152	\$49,156,194	\$28,944,868
3865 King County Road Construction			
Revenues	(\$1,442,424)	\$10,800,000	\$41,695,000
Expenditures	(\$1,442,424)	\$10,800,000	\$41,695,000
Major Revenue Sources: Fund Balance, Transfer from County Road Operating Fund, State and Federal Aid, Grants, and the Sale of County Owned Property.			

DESCRIPTION

The Road Services Division of the Department of Local Services manages the unincorporated area roadway network that supports more than one million trips per day while providing pathways for essential public utilities. The system consists of about 1,500 miles of county roads and 182 bridges, plus numerous sidewalks and pathways, traffic signs and signals, drainage pipes and culverts and other critical transportation infrastructure. The Strategic Plan for Road Services (SPRS) defines the vision and mission for the Road Services Division (RSD), consistent with the King County Strategic Plan and Comprehensive Plan.

SUMMARY OF PROPOSED BUDGET AND CHANGES

The Roads Capital Improvement Program consists of two primary funds: the County Road Major Maintenance Fund (Fund 3855) and the King County Road Construction Fund (Fund 3865). For the 2021-2022 biennium, the Executive has proposed approximately \$48.5 million in new appropriation authority for Fund 3855 and a net reduction of approximately \$1.4 million in appropriation authority for Fund 3865. The net reduction in Fund 3865 is primarily the result of a (\$4.58 million) adjustment to the Grant Contingency¹ project in order to more accurately reflect the average grant funds Roads receives and a (\$1.28 million) adjustment to the Issaquah-Hobart Road at May Valley Road Improvement project which disappropriates the amount anticipated from a Washington State Transportation Improvement Board grant which the project did not receive.² Other notable capital programs/projects in each fund include:

¹ Project 1129593

² Project 1129598

Drainage Preservation, Culvert Replacement and Fish Passage – \$10,500,000.

The Executive's proposed budget includes approximately \$6.2 million for drainage preservation projects and \$4.3 million for culvert replacement and fish passage projects. Roads' drainage preservation program is an ongoing program designed to protect road users and the existing roadway structures by eliminating failed or failing drainage systems. A list of projects from the existing backlog is chosen at the beginning of each year as determined by the priority array, which are subject to change throughout the year as new drainage problems arise.

The culvert replacement and fish passage program was created as part of the 2019-2020 biennium and is part of the Executive's broader county fish passage restoration program (led by the Water and Land Resources Division), which is intended to complement the county's collaboration with tribal governments salmon recovery efforts. According to Roads, the 2019-2020 Fish Passage Program provided funding for 15 projects: two construction projects, twelve projects to complete final design, and one project to finish preliminary design. To date, two construction projects have been completed, eleven of the twelve are in and/or starting final design, with one entering preliminary design this year, and the remaining project anticipated to finish preliminary design in the 1st quarter of 2021.

The 2021-2022 budget request includes funds to construct fish passable culverts on NE Woodinville Duvall Road at 172nd Street outside the City of Duvall, NE Lake Joy Road at NE 118th Place near the City of Carnation, and 284th Avenue SE outside the City of Enumclaw. It also requests funds to start designing replacement projects on 156th Avenue and SE 240th Street near Ham Lake, and SE 240th Street near the Covington Community Park, and to continue the design of a project on 185th Avenue NE and NE 179th Street near Cottage Lake.

As both programs receive substantial Surface Water Management fee funds, including \$3.7 million for drainage and \$4.3 million for culverts and fish passage, this issue is discussed further in the Water and Land Resources Division budget.

Bridge Safety and Bridge Load Upgrade Programs – \$11,800,000

The Executive's proposed budget includes \$10.3 million in new appropriation authority for seven bridge replacement projects approved in the 2019-2020 biennium³ and \$780,000 for a feasibility study of twelve bridges which are currently load restricted.

³ Five Bridges were approved in 2019-2020 Biennial Budget (Ordinance 18835): the Baring Bridge #509A (Project 1136000), S 277th Street Bridge #3126 (Project 1136001), Ames Lake Trestle Bridge #1320A (Project 1135998), Coal Creek Bridge #3035A (Project 1135997), and Upper Tokul Creek Bridge #271B (Project 1135999), and additional two bridges were added in the 2019 2nd Omnibus (Ordinance 19021): Boise X Connection #3055A (Project 1138913) and Fifteen Mile Creek Bridge #493C (Project 1138914).

King County owns and maintains 178 vehicular bridges and Roads is currently in the process of evaluating each bridge using current bridge condition information and the new federal standards to calculate bridge weight carrying capacity as mandated by the Federal Highway Administration. According to Roads, 112 bridges have been evaluated so far and 23 bridges have been designated with vehicle weight restrictions. Of these 23 load restricted bridges, 11 are either due for replacement under the Bridge Safety Program or have a high priority for replacement and need no further review. For the remaining 12 load restricted bridges, Roads has determined a consultant is needed to evaluate each bridge in order to determine load upgrade alternatives, remaining life and anticipated costs, as well as to prioritize candidates for replacement.

According to the Executive, this study will be completed by the end of the 2021-2022 biennium and design will begin in 2022 on bridges prioritized for rehabilitation and/or replacement. A multitude of funding sources finance these projects including, REET 1, federal grants and county road funds. The proposed financing for these and other projects will be discussed later in this staff report and in the REET budget.

KEY ISSUES

ISSUE 1 – ROADS FUNDING

The Road Services Division is supported by revenue from three primary sources: a dedicated property tax on unincorporated properties,⁴ the state gas tax and grant funding. The property tax contributes the vast majority of Roads-specific revenue. Over the years, the combined impact of municipal annexations, state limitations on available revenue options, lingering effects of the Great Recession, implementation of the state's Growth Management Act, voter initiatives, and aging infrastructure has resulted in a structural decline in the County's capacity to maintain and improve its road and bridge network. Using just the effects of the Great Recession as an example, average assessed residential value in unincorporated King County fell by almost 40 percent between 2010 and 2013; sharply reducing roads levy funding, which has yet to fully recover.

In August of 2015, the Bridges and Roads Task Force (Task Force) was established to assess Roads' constrained finances and explore funding solutions to address the county's deteriorating road network. In January of 2016, the Task Force published its final report that identified a funding gap of \$250 million to \$400 million a year. Based on state property and gas tax data, Executive staff estimate that Roads will see average revenues of just over \$100 million annually over the next ten years – less than half of the estimated \$220 million needed annually to moderate the decline of the system and to minimize risk.

⁴ RCW 36.82.040

The financial situation for Roads' Capital Improvement Program is particularly strained. With existing revenues, current estimates show that Roads funding transfers for capital projects could cease entirely as early as 2025. If such trends continue, Roads estimates there are thirty-five bridges and over seventy miles of roadway that would need to be restricted or closed to public use over the next twenty-five years.

The Roads 2021-2022 Line of Business Report highlights the number of ways the Division has approached their funding challenge including: cutting costs; finding efficiencies; identifying new ways to do business; and engaging internal and external stakeholders, regional partners, and elected officials in discussions about the solutions to the structural funding gap. Roads staff state that while these efforts have proved effective in allowing Roads to address the critical safety and operational needs of the County's road network, they cannot solve the underlying structural deficit alone.

In February 2020, a proposed ordinance that would have placed a proposition on the August 4th primary ballot authorizing a six-year permanent levy lid lift to support the maintenance and preservation of the King County roads system was introduced in the County Council.⁵ The proposal was estimated to generate approximately \$714 million to \$758 million through 2026, which represents approximately \$122 million to \$166 million in additional annual revenue above what would be generated under the current levy rate. However, as the result of the COVID 19 pandemic and its yet uncertain impact on the economy, this proposal was placed on hold.

The Executive's 2021-2022 budget proposes a new allocation of REET 1 funding to pay for the debt service on general obligation bonds on Roads capital projects. The use of REET 1 funding in the Roads Capital Budget will be discussed further in this staff report and the larger issue of Roads funding is likely to be discussed in the Local Services Roundtable.

ISSUE 2 – TRANSFER AND UTILIZATION OF REAL ESTATE EXCISE TAXES (REET 1)

The Executive's proposed budget would transfer approximately \$6 million of REET 1 funds to the Road Services Division to be used for the following projects/programs:

- Bridge Priority Maintenance⁶: \$490,320
- Renton Avenue Phase III Sidewalk⁷: \$297,000
- S 360 & Military Road Roundabout⁸: \$2.7 million
- Traffic Safety⁹: \$955,900
- SE Green Valley Road and 218th Avenue SE Improvements¹⁰: \$92,000
- Rainier S & Lakeridge Drive Intersection Improvements¹¹: \$400,000

⁵ Proposed Ordinance 2020-0110

⁶ Project 1129588

⁷ Project 1129599

⁸ Project 1131235

⁹ Project 1134093

¹⁰ Project 1139145

- Americans with Disability Act Program¹²: \$300,000
- Bridge Load Upgrade Safety Program¹³: \$780,000

Under State law,¹⁴ REET 1 funds are permitted to finance capital improvements that are listed in the capital facilities plan element of the County's Comprehensive Plan. King County Code¹⁵ specifies that these capital improvements must be located in the unincorporated area of the County. Though REET funds have historically been used to support Parks capital projects, the proposed transfer to Roads would continue a practice which began in the 2017-2018 biennium and continued in the 2019-2020 biennium. To date, approximately \$14.2 million in REET 1 revenues have been transferred to Roads.

In the past, however, REET 1 revenue transfers to Roads have not committed the continued use of REET funding for Roads projects and programs beyond the biennium. In the 2021-2022 budget, the Executive has proposed allocating REET 1 funds to pay for the debt service on general obligation bonds on two bridges in the Bridge Safety Program: 277th Street Bridge Replacement¹⁶ and Upper Tokul Creek Bridge Replacement.¹⁷ Additionally, the Executive is proposing to use REET 1 funds to pay the debt service on general obligation bonds for two additional bridges in the 2023-2024 biennium.¹⁸ Under this proposal, the bonds will be held by, and the debt service paid out, of the REET fund, therefore the expenditures do not appear in the Executive's Roads budget request. As such, the financial details of this proposal will be discussed further in the REET budget.

The proposed REET 1 transfers to Roads and the proposed use of REET funds for debt service are policy decisions for the Council.

RESPONSE TO COUNCIL INQUIRIES

QUESTION 1: HOW DO THE PROJECTS SELECTED IN ROADS' CULVERT REPLACEMENT AND FISH PASSAGE PROGRAM FIT WITH THE REPORT SUBMITTED IN OCTOBER 2019 IN RESPONSE TO MOTION 15328?

ANSWER: The October 2019 report in response to Motion 15328 summarized the status of early action fish passage restoration projects and an ongoing county-wide culvert

¹¹ Project 1139146

¹² Project 1139147

¹³ Project 1139286

¹⁴ RCW 82.46.010

¹⁵ KCC 4a.200.580

¹⁶ Project 1136001

¹⁷ Project 1135999

¹⁸ Ames Lake Trestle Bridge (Project 1135998) and the Baring Bridge (Project 1136000).

inventory. The projects selected for the proposed Roads' Culvert Replacement and Fish Passage Program represent:

- Continuation of 2019-2020 Early Action Roads and other fish passage restoration projects with the highest benefits to salmon, and
- New priority barrier removals that would benefit Chinook salmon and which we identified during the ongoing culvert inventory.

The Final Report regarding fish passage barriers will be transmitted to the council at the end of the year. The complete barrier assessment is on-track to be completed in the first quarter of 2021.

QUESTION 2: IS THERE ANY OVERLAP BETWEEN THE PROJECTS IN THE DRAINAGE PRESERVATION PROGRAM, THE CULVERT REPLACEMENT AND FISH PASSAGE PROGRAM AND THE COUNTYWIDE FLOOD CONTROL PROGRAM?

Projects in the Roads Drainage Preservation Program, Roads Fish Passage & Culvert Replacement Program, and the Roads projects in the Countywide Flood Control Program often provide complementary benefits to fish habitat, flood control/reduction, and water quality in addition to meeting Roads' strategic priorities of safety and preservation. However, each of these programs comprises a separate set of projects – there is no overlap in the project lists.