

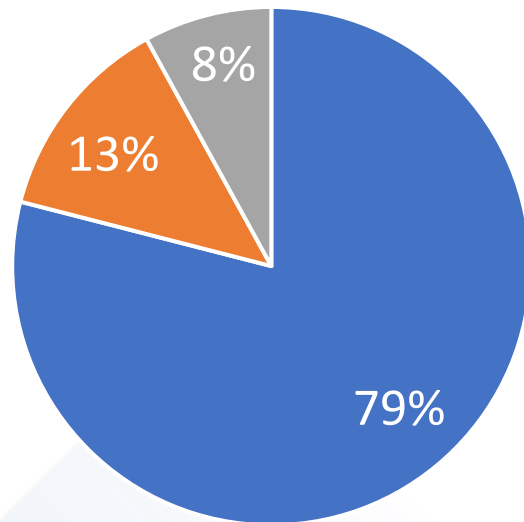
City transportation needs in the wake of COVID-19

Brandy DeLange



City Transportation Infrastructure Overview

City transportation funding



■ Local ■ State ■ Federal

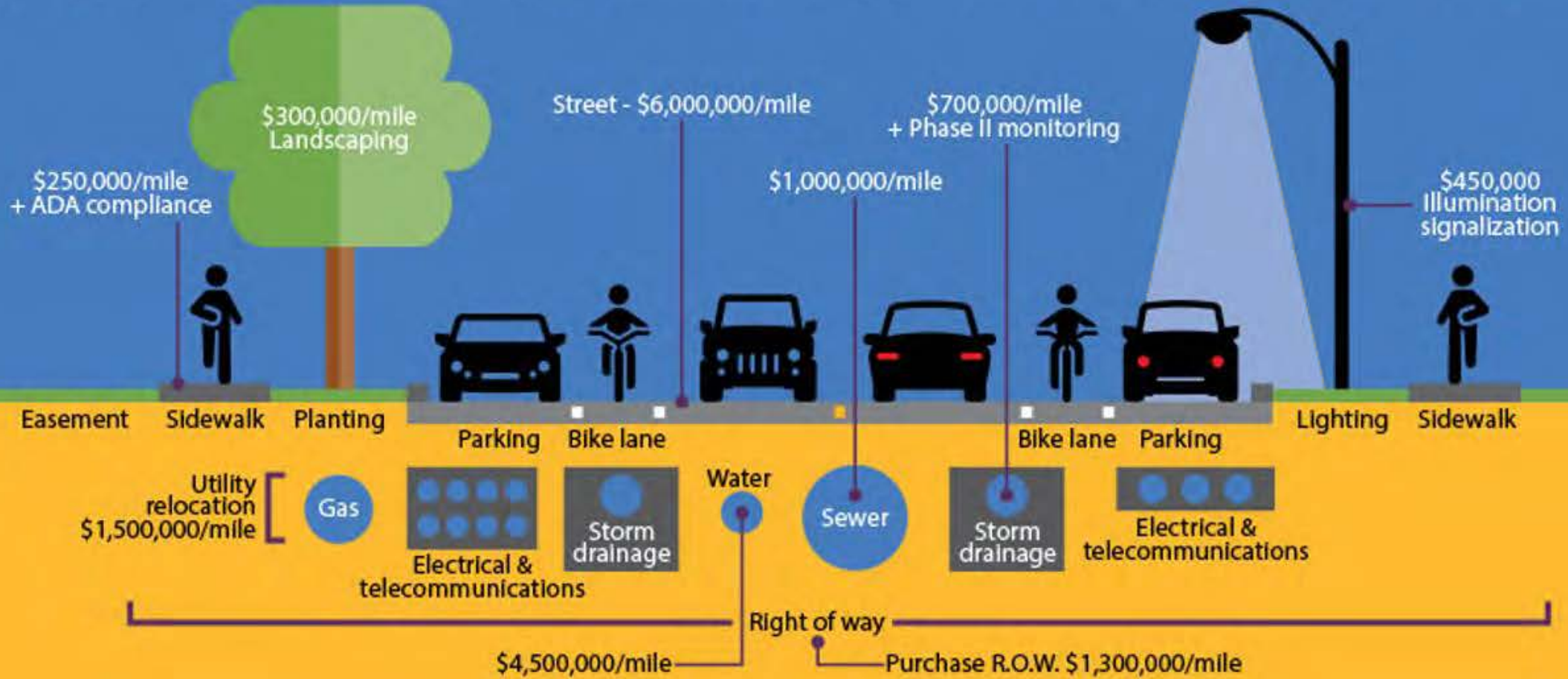
- The majority of city street funding comes from local resources
- Cities are tasked with maintaining 26% of all statewide travel lanes
- 25,000 lane miles of streets
- 750 bridges

Local Funding Sources: Property Tax, Sales and Use Tax, B&O Tax, Utility Tax

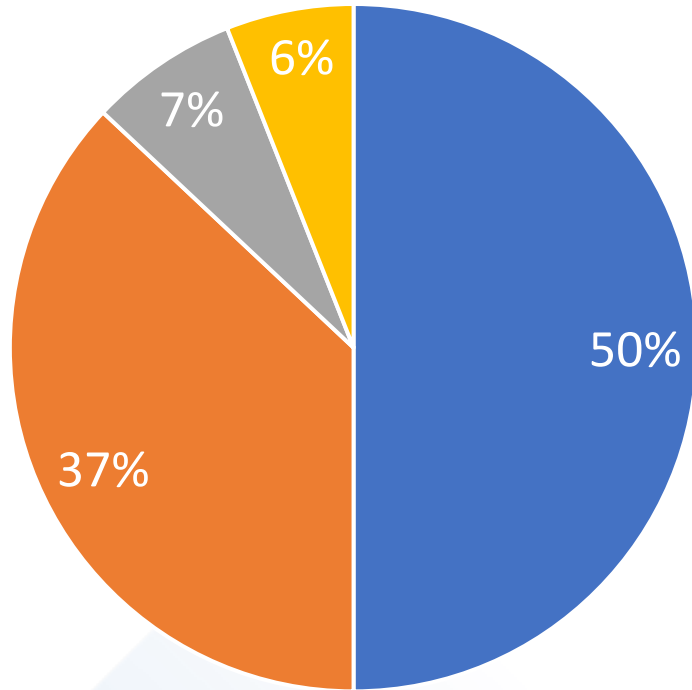
State Funding Sources: Commerce, TIB, FMSIB, Gas tax distributions

Federal Sources: Local Bridge Program, Highway Safety Improvement Program

City streets are more than pavement - a typical urban mile costs \$16 million



City Transportation Expenditures



■ Capital & Preservation ■ Maintenance & Operation
■ Administration ■ Other

- Trends in city spending indicate significant structural deficit
- Maintenance and operation costs continue to grow while funding sources are limited
- Cities must spend less on capital and preservation projects, despite the critical need

Source: JTC City Needs Assessment, 2019

Impacts on City Transportation Systems due to COVID-19

- AWC surveyed members in June and November 2020
- **42%** of cities indicated that state investment into local transportation infrastructure is their top policy priority for 2021
- Many cities anticipate and are responding to significant declines in revenue:
 - **60%** of cities anticipate significant decrease in fuel taxes
 - **68%** of cities have cancelled or postponed capital projects, as of November 2020
 - **56%** of cities have begun to use or are considering using capital reserves within the next year

Uncertainty for State and Local Transportation Revenues

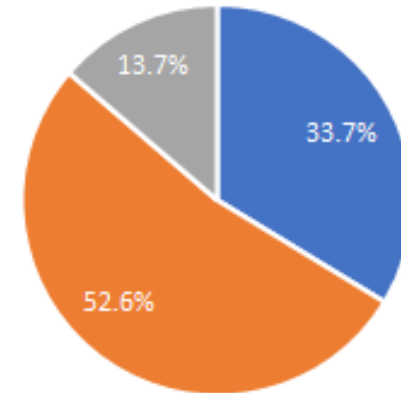
- Financial impacts of COVID-19 on state and local economies
 - The state anticipated transportation revenue losses from the 2019-21 biennium to total over \$115 million
 - State transportation revenues through FY 2020 were 10% lower than FY 2019

Cities anticipated similar revenue shortfalls

- Decline in ridership
- Local revenue sources continue to decline
- Decreased grant availability

Projected impacts to city revenues

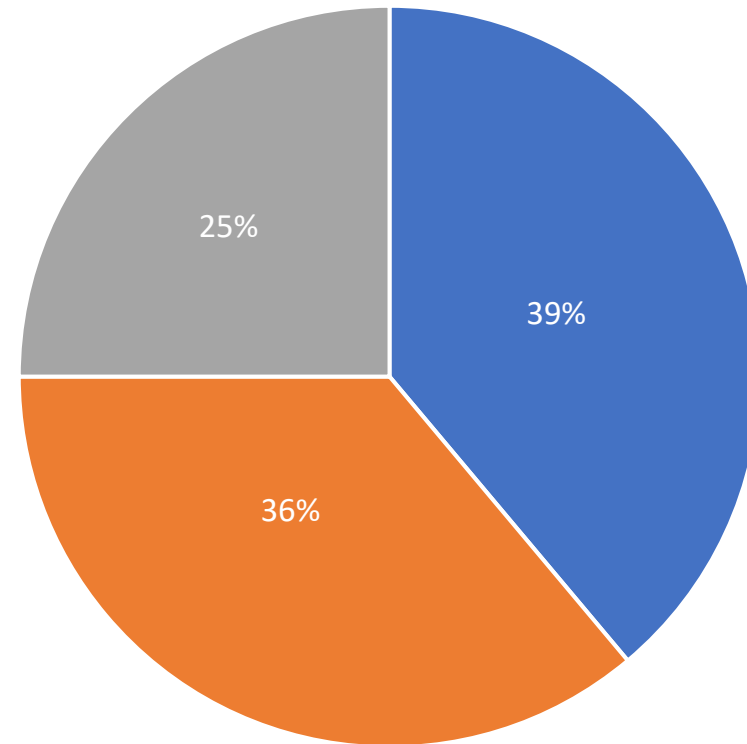
Percentage of Cities Reporting FY 2021 Revenue
Loss by Impact on Budget



■ Less than 5% reduction ■ 5-15% reduction ■ More than 15% reduction

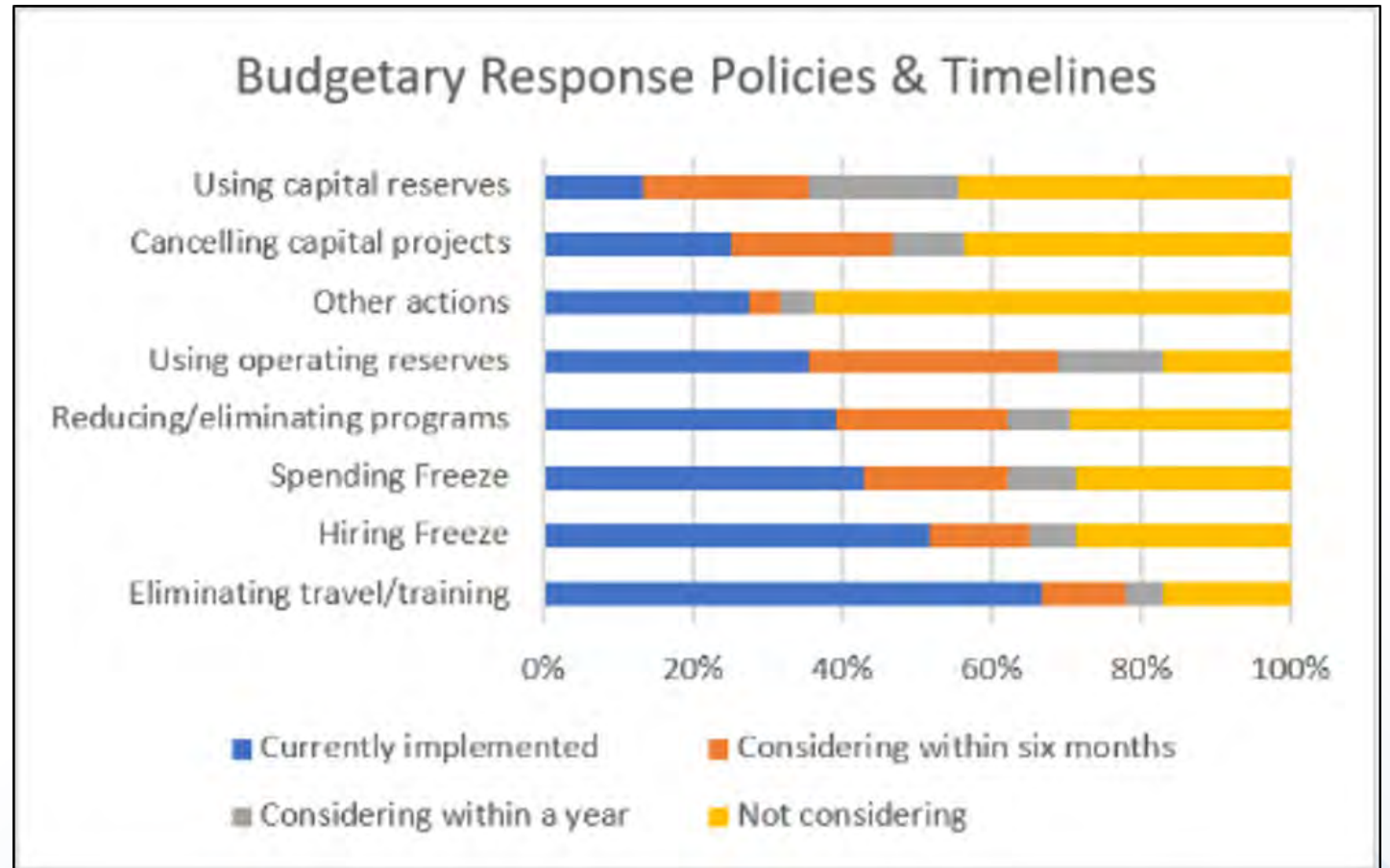
Realized impacts to city revenues

Percentage of cities reporting FY 2021 revenue loss by impact on budget

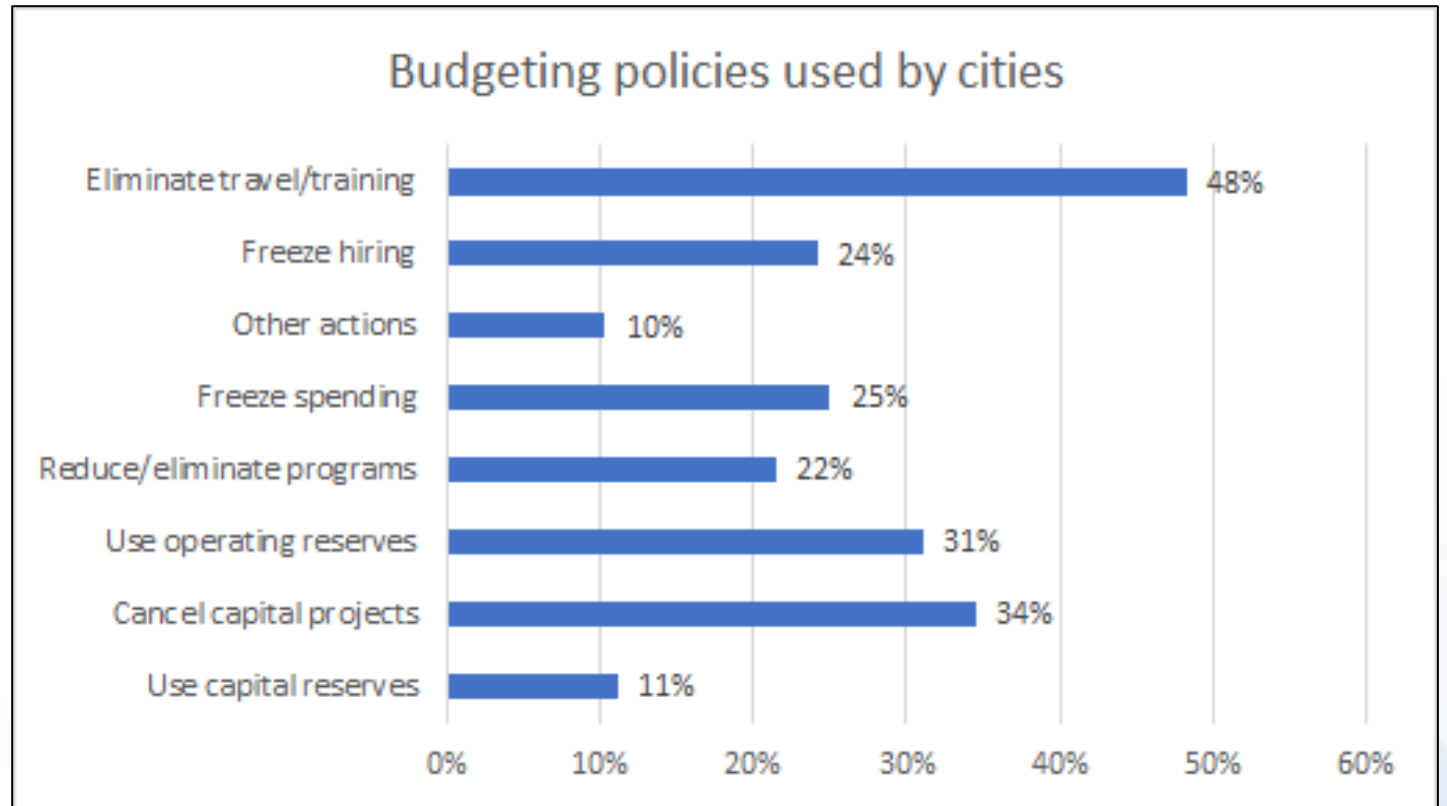


■ Less than 5% reduction ■ 5-15% reduction ■ More than 15% reduction

City budgetary policies used in 2020 as response to COVID-19



City budgetary policies used in 2021 as response to COVID-19



Looking Ahead to the Accessible, Equitable, Multimodal Future

- Increased, **dedicated funding sources** and incentives for transportation preservation and maintenance
- Continued funding for **competitive grant opportunities**, including TIB, FMSIB, WSDOT's Local Program
- Development of **equity-based transportation goals** in contracting, decision-making opportunities, and **multimodal capital investments**

Looking ahead to the 2022 session:

- Support a **New Transportation Package** with an emphasis on maintenance and preservation funding, that provides an equitable level of local funding
- Support **expanded local authority** for Transportation Benefit Districts to allow for continued use of the sales tax funding tool beyond the current term limits

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