City transportation needs in the wake of COVID-19

Brandy DeLange
City Transportation Infrastructure Overview

- 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

Source: JTC City Needs Assessment, 2019
City streets are more than pavement - a typical urban mile costs $16 million.

- Easement: $250,000/mile + ADA compliance
- Sidewalk: $300,000/mile
- Planting: $300,000/mile
- Parking: $1,000,000/mile
- Bike lane: $700,000/mile + Phase II monitoring
- Street: $6,000,000/mile
- Lighting: $450,000
- Sidewalk: $450,000
- Right of way: $4,500,000/mile
- Utility relocation: $1,500,000/mile
- Gas: $1,500,000/mile
- Electrical & telecommunications: $1,500,000/mile
- Storm drainage: $700,000/mile
- Sewer: $1,000,000/mile
- Electrical & telecommunications: $1,000,000/mile

Purchase R.O.W. $1,300,000/mile
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
Realized impacts to city revenues

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

- Less than 5% reduction: 36%
- 5-15% reduction: 39%
- More than 15% reduction: 25%
City budgetary policies used in 2020 as response to COVID-19

<table>
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<tr>
<th>Budgetary Response Policies &amp; Timelines</th>
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<td>Using capital reserves</td>
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<td>Hiring Freeze</td>
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<td>Eliminating travel/training</td>
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- **Currently implemented**
- **Considering within six months**
- **Considering within a year**
- **Not considering**
City budgetary policies used in 2021 as response to COVID-19

- Eliminate travel/training: 48%
- Freeze hiring: 24%
- Other actions: 10%
- Freeze spending: 25%
- Reduce/eliminate programs: 22%
- Use operating reserves: 31%
- Cancel capital projects: 34%
- Use capital reserves: 11%
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
Contact

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