YAKIMA COUNTY TRANSPORTATION ISSUES, CHALLENGES AND SUCCESSES

PRESENTATION TO THE WASHINGTON STATE TRANSPORTATION COMMISSION
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County Background
County Roadway Responsibilities

- 39 Counties/39,000 centerline miles
- 59% of Washington roadways
- 45% of Washington bridges
- 4 ferry systems
Counties are very different

- **Geographic example:** Okanogan County is 30 times bigger than San Juan County
- **Population example:** King County has 2.2 million residents and Garfield County has 2200
- **Revenue example:** Snohomish County has 41 times more transportation revenue than Wahkiakum County
Rural & Urban Counties Transportation Funding Sources, 2014-2018 Average
Revenue Issues
Counties face **structural revenue challenges** to two key revenue sources, the county road fund property tax and state gas tax:

- Declining share of gas tax allocations.
- Reduced tax base from annexations and incorporations.
- Property tax one percent limit.
- Property tax road fund diversions and shifts.

Meanwhile, county transportation departments face **rising costs**:

- Deferred maintenance costs.
- Increasing asphalt costs.
- Environmental regulations.
- Costs to replace bridges at the end of their lifespan.
This gap is around half of county needs for programmatic and capital expenses.

The annual base funding gap for county transportation programmatic and capital needs is $719 million to $1.23 billion.

Beyond this base funding gap:

- Deferred maintenance. Total road deferred maintenance costs for all counties are roughly $4.7 billion and $6.3 billion—around five to six times annual transportation expenditures across all counties.
- Fish passage barrier removal. At least $4.7 billion.
- Investments in safety, ADA, and active transportation.
Proposed Solutions
Recommendations

- Increase investment for preservation and maintenance.
- Implement a federal fund exchange program.
- Increase the county share of the gas tax.
- Expand or enhance local county transportation funding options.
<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Description</th>
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<tbody>
<tr>
<td>State Shared Revenue</td>
<td>• Increase State shared revenue to Counties for transportation and infrastructure preservation and maintenance</td>
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<tr>
<td>County Road Administration Board</td>
<td>• Increase funding for CRAB’s Rural Arterial Program (RAP) and County Arterial Preservation Program (CAPP)</td>
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<td>Federal Fund Exchange</td>
<td>• Allow a federal fund exchange program</td>
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<td>Fish Barrier Removal</td>
<td>• Coordinate and fund the removal of priority fish barriers regardless of jurisdictional ownership</td>
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<td>Regulatory Reform</td>
<td>• Implement regulatory reform to create efficiencies and reduce costs</td>
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Ongoing Economic Challenges
Workforce Challenges

- Difficult to recruit and retain employees
- Wages not keeping up with inflation
Construction Challenges

- **Impacts to construction, maintenance, and operations:**
  - Disrupted supply chains for equipment and supplies
  - Increased costs for materials resulting in change orders
  - Challenging discussions with contractors and oversight of contracts
  - Complex procurement and contracting decisions
  - Postponed or prolonged project timelines
Revenue Challenges

- Impacts of unanticipated revenue fluctuations
  - Decreases of Motor Vehicle Fuel Tax Revenues
  - Decreased or delayed grant funding or grant cycles
  - Influx of American Rescue Plan Act funding and need for increased program capacity (water/sewer/broadband)
  - New and more complex audit requirements
Long-term Challenges

- The Impact of uncertainty:
  - How have travel habits changed?
  - How long will these changes last, and how will they continue to impact the transportation system?
  - How will these changes continue to impact traditional sources of transportation revenue?
  - Should we/can we change how we forecast revenue and plan projects during this time of uncertainty?
  - Will inflation exacerbate the existing County revenue problem?
Questions?