

CITY OF GRANITE FALLS

ORDINANCE NO. 611

AN ORDINANCE OF THE CITY OF GRANITE FALLS, ADOPTING AMENDMENTS TO THE GRANITE FALLS COMPREHENSIVE LAND USE PLAN; ADDING A TRANSPORTATION ELEMENT WHICH CLARIFIES THE POLICY NATURE OF THE TRANSPORTATION PLAN OF 1994; DECLARING AN EMERGENCY FOR IMMEDIATE ADOPTION.

WHEREAS, the City of Granite Falls completed an update of the Comprehensive Plan in July of 1999 in compliance with the Growth Management Act of 1990; and,

WHEREAS, the City of Granite Falls Comprehensive Plan included a transportation plan which meets the objectives of the Growth Management Act, Chapter 36.70A; and,

WHEREAS, the transportation plan was later reviewed by the Puget Sound Regional Council (PSRC) and was found to lack policies and procedures relative to the Transportation Plan of 1994; and,

WHEREAS, in correspondence from the PSRC in March of 1999 and May of 1999 certification of the plan by PSRC was dependent upon several issues being addressed; and,

WHEREAS, PSRC requires that certification of the plan be accomplished prior to July 30, 1999 in order for the city to remain eligible for T.I.B. funding during the period 1999-2001; and,

WHEREAS, staff has prepared additions to the background and Transportation Element which are based upon the 1999 Transportation Plan; and,

WHEREAS, a draft of the transportation element was reviewed by PSRC and Pierce County PALS and comments from both agencies have been incorporated into the element, as appropriate; and,

WHEREAS, the transportation element supplements the Transportation Plan of 1994 and does supercede the Plan; and,

WHEREAS, as time is of the essence is submitting the transportation plan element to the PSRC as soon as possible, emergency procedures for adopting an ordinance at its first reading is deemed essential in this case.

THE CITY COUNCIL OF THE CITY OF GRANITE FALLS DO ORDAIN AS
FOLLOWS:

Section 1. The City of Granite Falls Comprehensive Plan is amended to include modifications to the Background Section or Transportation Element.

Section 2. The amendments are attached as Exhibit "A".

Section 3. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 4. Emergency adoption. The Council hereby declares an emergency necessitating immediate adoption of this ordinance. This emergency has been created because the Puget Sound Regional Council must certify the Comprehensive Plan Element by no later than July 30, 1999. Timely adoption is of the essence in meeting this deadline. This ordinance has been approved for immediate adoption by unanimous vote of the entire membership of the City Council.

Approved this 14 day of July, 1999.

APPROVED:

Rella R Morris
RELLA MORRIS, MAYOR

ATTEST:

Gerry James
GERRY JAMES, CITY CLERK

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

BY *Cheryl L Beyer*

PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.:

July 14, 1999
July 19, 1999
July 23, 1999
611

Higa Engineering, Inc.

Final Draft Transportation Element - PSRC Certification

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Capital Facilities Element

General Revenue Sources for Capital Facilities

The following section summarizes the revenue sources available to the City of Granite Falls for capital facilities projects such as transportation.

Property Tax: Property tax levies are most often used by local governments for operating and maintenance costs. They are not commonly used for capital improvements. However, in Granite Falls 10% is used for capital improvements to streets.

The 1998 property tax rate in Granite Falls was \$1.89 per \$1,000 of assessed value (AV). The maximum rate allowed by state law is \$3.60 per \$1,000 AV.

General Obligation Bonds & Leases-Purchase (Property Tax Excess Levy): There are two types of GO bonds: voter-approved and councilmanic.

Voter-approved bonds increase the property tax rate, with increased revenues dedicated to paying principal and interest on the bonds. Local governments are authorized in "excess levies" to repay voter-approved bonds. Excess levies are increased in the regular property tax levy above statutory limits. Approval requires a 60 percent majority vote in favor and a turn-out of at least 40 percent of the voters from the preceding general election.

Councilmanic bonds are authorized by a jurisdiction's legislative body without the need for voter approval. Principal and interest payments for councilmanic bonds come from general government revenues, without a corresponding increase in property taxes. Therefore, this method of bond approval does not utilize a dedicated funding source for repaying the bond holders. Lease-purchase arrangements are also authorized by vote of the legislative body and do not require voter approval.

The amount of the local government debt allowable for GO bonds is restricted by law, to 7.5 percent of the taxable value of the property within the City limits.

The City has not taken advantage of these funding sources.

Real Estate Excise Tax: RCW 82.46 authorizes local governments to collect a real estate excise tax levy on 0.25 percent of the purchase price of real estate within the city limits. The Growth Management Act authorizes collection of another 0.25 percent. The first and second 0.25 percents are required to be used

for financing capital facilities specified in local government's capital facilities plans.

The first and second 0.25 percent may be used for the following capital facilities:

- (1) The planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, and storm and sanitary sewer systems; or
- (2) The planning, construction, repair, rehabilitation, or improvement of parks and recreational facilities.

The City of Granite Falls uses this source of funding for water system projects and is considering using this funding for other capital facilities in the future.

Motor Vehicle Excise Tax: This tax is paid by motor vehicle owners, and is administered by the Department of Licensing. Cities receive 17 percent of the total revenues from this tax, distributed on a per capita basis. In 1999, Granite Falls budgeted \$25,845 from this tax, which was used for Operations and Maintenance. Future revenues from this source will be used for Operations and Maintenance.

Community Development Block Grants: Approximately \$8.5 million in community development block grant (CDBG) funding is available annually statewide through the federal Department of Housing and Urban Development for public facilities, economic development, and housing projects which benefit low- and moderate-income households. A maximum amount of grant per project is \$500,000. Funds may not be used for maintenance and operations. The amount of CDBG funding varies substantially from year to year, therefore it is not possible to reliably forecast revenue from these grant sources.

Community Economics Revitalization Board Grant (CERB): The state Department of Trade and Economic Development provides low-interest loans, and occasionally grants, to finance sewer, water, access roads, bridges, and other facilities for specific private sector development. Funding is available only for project, which support specific private developments or expansion that promotes the trading of goods and services outside the state. It is not possible to forecast revenues from CERB loans or grants.

The City has not utilized this funding source.

Public Works Trust Fund Grants (PWTF): The state Department of Community Development provides low-interest loans for capital facilities planning, emergency planning, and construction of bridges, roads, domestic water, sanitary sewer, and storm sewer. Applicants must have a capital facilities plan in place and must be levying the original 0.25 percent real estate sales tax (see real estate

excise tax, above). Construction and emergency planning projects must be for reconstruction of existing capital facilities only. Capital improvement planning projects are limited to planning for streets and utilities.

Loans for construction projects require a local match generated only from local revenues or state-shared entitlement (gas tax) revenues. The required local match is 10 percent of a 3 percent loan, 20 percent for a 2 percent loan, and 30 percent for a 1 percent loan.

Emergency planning loans are at a five percent interest rate. If state or federal disaster funds are received, they must be applied to the loan for the life of the project (20 years). Capital improvement planning loans are at least 0 percent interest, but require a 25 percent local match.

The City has taken advantage of this program.

Add to Background Information section of Comp. Plan

Transportation Financing Plan

Introduction

The Transportation Inventory and Analysis section identifies needed transportation facilities, service improvements, and existing transportation conditions. The improvements and programs are only meaningful if they can be funded in a reasonable period of time. This section will identify existing and future revenue sources that will fund all or a portion of the improvements and programs identified. This section also describes a six-year capital facility revenue and expenditure plan and an implementation program that will help Granite Falls meet their transportation need over the next six years.

Transportation Funding Sources

The following section is intended to identify those areas of funding specifically used for funding of transportation related projects:

Motor Vehicle Fuel Tax: RCW 82.36 authorizes this tax, which is administered by the state Department of Licensing and paid by gasoline distributors. Cities and counties receive 11.53 percent and 22.78 percent, respectively, of motor vehicle fuel tax receipts. Revenues must be spent for "highway purposes" including the construction, maintenance, and operation of city streets, county roads, and highways. In 1999, \$45,675 in fuel tax revenue is budgeted in Granite Falls, of which \$31,125 is for operating, maintenance, and debt service costs, and \$14,550 is for capital facilities.

Forecasted revenue from this source, based on proposed land use allocations from 2000-2005 is \$301,455.

Road Impact Fees: RCW 82.02.050-090 authorizes cities and counties to exact road impact fees from new development for its "fair share" of the system improvement costs of roads necessary to serve the development. Impact fees must be used for capital facilities necessitated by growth and not to correct existing deficiencies in level of service. Impact fees cannot be used for operating expenses.

Granite Falls has not adopted road impact fees.

Other Participation (Private, SEPA Mitigation, Developer Contributions): The City of Granite Falls requires all developers to complete full frontage lot improvements as a requirement for each development. Through the State Environmental Policy Act (SEPA), the City requires developers to contribute money towards an expense account that is utilized for street projects. The City has also been the benefit of private contributions from private industry to help fund street projects within the City.

Local Option Vehicle License Fee: RCW 82.80 authorizes a county-wide local option fee of up to \$15.00 maximum annually per vehicle registered in the county. Revenues are distributed back to the county and cities within the county levying the tax on a weighted per capita basis (1.5 for the population in unincorporated areas and 1.0 for population in incorporated areas). Revenues must be spent for "general transportation purposes." This fee is currently being collected in Snohomish County at the maximum of \$15.00. Granite Falls allocation in 1999 was \$952, all of which is budgeted to be used for maintenance and operations. No forecasts were performed for this revenue source since the maximum fee is already being charged, and all revenues are currently being used for operations and maintenance.

Surface Transportation Program (STP) Grants: Puget Sound Regional Council provides grants for road construction, transit, capital projects, bridge projects, transportation planning, and research and development. Projects must be on the regional TIP list, and if a road project, it must be on a road classified as a rural minor collector or higher; local roadways are not eligible.

Funds are available on an 86.5 percent federal/13.5 percent local match. The grant is distributed based on the highest ranking projects from the regional TIP list.

Granite Falls has not received any STP grant revenue.

Urban Arterial Trust Account Grants (UATA): The Washington State Transportation Improvement Board (TIB) provides funding for projects to alleviate and prevent traffic congestion. In order to be eligible, roads should be structurally deficient, congested by traffic, and have geometric deficiencies, or a high incidence of accidents. Funds are awarded on an 80 percent federal/20 percent local matching basis. Granite Falls has not applied for any UATA grants.

Transportation Improvement Account Grants (TIA): The state TIB provides funding for projects to alleviate and prevent traffic congestion caused by economic development or growth. Eligible projects should be multi-agency, multi-modal, congestion, and economic development-related, and partially funded locally. Funds are awarded on an 80 percent/20 percent local matching basis. Granite Falls has applied for TIA grants, but did not receive funding in 1997 or 1998.

Six-Year Transportation Revenue and Expenditure Plan

The revenue projections used for this plan include projecting taxes, general facility charges for utilities, and other revenue sources earmarked for transportation related projects. Funds currently available and reserved for capital facility projects are also included in this analysis.

The tax revenues were projected using the annual average percent increase of each tax revenue source and was calculated from historical data.

It is important to note that the expenditures and revenues presented here are in 1999 dollar amounts. There has been no attempt to escalate the costs to account for inflation.

Table TP-1 shows the projected revenues from these sources over the next six years, as well as current reserve funds set aside for capital facility projects, and compares them to the total expenses outlined in the Transportation Capital Improvement Plan.

**Table TP-1
Transportation Revenue and Expenditures**

Project	2000	2001	2002	2003	2004	2005
EXPENDITURES						
Hwy 92 (<i>Alternate Route</i>)	80,000					
E. Stanley Street (<i>Granite Ave. to Alder Ave.</i>)		60,000	640,000			
Galena Street (<i>Portage to Alder Ave.</i>)			50,000			
Northend Grid System				30,000		
N. Alder Avenue (<i>Stanley to N City Limits</i>)				90,000	910,000	
S. Granite Ave. (<i>Stanley to S. City Limits E.</i>)					85,000	775,000
Jordan Rd. (<i>Stanley St. to Burn Rd.</i>)					115,000	575,000
W. Wallace Street E. Union Street, 500 Block Wabash (<i>Overlays</i>)	15,000	15,000	15,000	15,000	15,000	15,000
TOTAL CAPITAL EXPENDITURES	95,000	75,000	705,000	135,000	1,125,000	1,365,000
REVENUES						
City Share (i.e. tax, bonds)	15,000	35,000	40,000	50,000	85,000	65,000
Grants			425,000	85,000	880,000	1,100,000
Other Participation (i.e. Private, SEPA Mitigation)	80,000	40,000	240,000		60,000	100,000
Developers Contributions					100,000	100,000
NET DEFICIT/ SURPLUS	0	0	0	0	0	0

Note - The City of Granite Falls intends to take a more of an aggressive approach in applying for grant funding through a wide variety of sources. The City intends to apply for TEA-21 funding in 1999. The Legislature in 1999 approved a new source of grant funding for City's with populations under 2,500. The City will have an opportunity to compete for funding through this new grant source.

Implementation Plan

Growth Management Act requires cities to establish a multi-year financing plan in their transportation element of the comprehensive plan. This plan should identify the city's ability to provide funding and where these funds for their improvements will be coming from.

A major component of this plan should be to identify funding sources that could be identified and in place in case a project funding falls short. If funding is not available, then the City should re-evaluate its land use assumptions or level of service standards. This would bring these sections back into alignment with their Comprehensive Plan element.

One way to assure that funding sources would be available is to identify projects that will require multi-jurisdiction participation. These projects could be funded partially or fully by other agencies. Coordination of improvement projects between the city and other agencies will enhance their overall transportation system. Lack of funding sources from other agencies can impact the city's overall level of service in one or more location.

The City should begin coordination with WSDOT and Snohomish County to ensure both agencies can financially support the improvements that the City has identified for them. The City should begin work to get interlocal agreements with the agencies to ensure that coordination efforts can be a success when implementing a project.

In order for the city to be successful in development of the northerly by-pass, it should begin work on obtaining funding in conjunction with other agencies on this project. The project will directly serve growth both inside and outside the Urban Growth Area. In 1998 Snohomish County permitted a gravel pit northeast of the City that will add approximately 500 gravel trucks per day to the road in Granite Falls. In addition, there are approximately 1,000 existing lots in the County that may be developed when water service is extended to the north. Water service was extended in the spring of 1999 to serve approximately 200 lots in the Canyon Falls subdivision. Further water line extensions may occur in the next five years.

The City will need to maximize outside funding sources when ever possible. The City should annually submit applications for TIB, STP, CERB and other grants. The City should also attempt to maximize the funding from gas and property taxes, and vehicle license fees. Whenever possible the City should require developers to perform frontage and off-site improvements directly affecting their project. The City should require developers to coordinate with the City and Community Transit to implement transit service improvements concurrent with the development. Community Transit should also be consulted to help establish successful Transportation Demand Management (TDM) programs for major new developments within the UGA.

Add to Plan Elements section (Transportation Element)

General Policies

T8 Re-evaluate land use assumptions or level of service standards, if funding sources are not available.

- T9 The City should work together with other agencies/jurisdictions in planning transportation facilities within the UGA. This could be accomplished through an interlocal agreement that establishes a framework of common funding sources and reciprocal mitigation of traffic impacts.
- T10 Encourage city staff to annually apply for grants that might be available to assist in funding of transportation projects.