

City of Blaine
Request for Council Action
Meeting Date: October 28, 2019

Subject: Resolution 1781-19 – Opposing Initiative 976

Department: City Manager

Prepared By: _____
(Digital Signature)

Agenda Location: Consent Agenda Council Action Unfinished Business

Attachments:

1. Draft Resolution 1781-19
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Background/Summary:

The Washington State 2019 voter ballot will include Initiative 976 (I-976). Initiative Measure No. 976 concerns motor vehicle taxes and fees. According to the Secretary of State’s voter information site, “This measure would repeal, reduce, or remove authority to impose certain vehicle taxes and fees; limit annual motor-vehicle-license fees to \$30, except voter-approved charges; and base vehicle taxes on Kelley Blue Book value.” (Source: WA Secretary of State)

One impact of I-976 will be the reduction of state revenue collections for state and regional road projects. If I-976 passes, there would be reductions in many of the state accounts associated with transportation funding, including the Multimodal Transportation Account, the Motor Vehicle Account, State Patrol Highway Account, and the Transportation Partnership Account. The state estimates lost revenue of \$588 million in the 2019-21 biennium, \$677 million in the 2021-23 biennium, and \$758 million in the 2023-25 biennium. (Source: Association of Washington Cities)

The City has benefited from state transportation funding in the development of numerous road and trail projects. Projects for which the City has used state funding include:

- Bell/Peace Portal Grade Separation
- Peace Portal Community Trail Phase 2
- Hughes Avenue improvements, Peace Portal to City limits
- Mitchell Avenue, Boblett to I-5 Overpass
- Boblett Street Sidewalk, SR543 to Borderite Way
- H Street Sidewalk, SR543 to Ludwick
- H Street Sidewalk, I-5 overpass to 6th
- H Street improvements, Odell to Terrace Avenue
- Marine Drive, Phase 1 and 2 (Gateway)
- H Street Re-vitalization

Without State contributions it is likely that some of these projects would not have been constructed.

The City has numerous transportation needs. These are outlined in the City of Blaine Comprehensive Plan and the 6-Year Transportation Improvement Plan (TIP). The 6-Year TIP includes several projects that are indicated to rely at least partially on state funding. The projects include:

- Bell Road Grade Separation Project
- E Street Reconstruction - 3rd to 12th
- Peace Portal Drive Downtown Sidewalk Reconstruction - F Street to Clark
- Blaine Athletic Trail Installation
- Peace Portal Drive Sidewalk Gap Elimination - Clark to Boblett
- Semiahmoo Parkway Resurfacing - Drayton Harbor Road to City Limits
- Grant Ave / 14th Intersection Realignment
- Semiahmoo Spit Bike/Ped Path Improvement-County Park to Marina
- Marine Drive Phase 3 - Lighthouse Point Water Reclamation Facility to Public Pier
- Boblett Signalization and SR 543 improvements - Boblett to H Street
- H Street Sidewalk and Road Reconstruction (Ph. 2) - Terrace to Harvey
- East Blaine "Motts Hill" Parkway (D/E Street) Realignment - 16th to Jerome
- Peace Portal/Bell Road Signalization
- Peace Portal Community Trail - Phase 3-Hughes to Bell Road
- Hughes Avenue Pedestrian Improvements - West of RR Tracks to End

While all of these projects are important in their own way, the Bell Road Grade Separation project is arguably the most significant public infrastructure project planned in the City for the next decade. The project would relieve the traffic issues generated by slow moving trains at State Route 548 (Bell Road) by eliminating the at-grade crossing and replacing it with a bridge over the railroad. This would allow for the free flow of traffic over the railway regardless of the train traffic.

The City has worked hard with the State Legislature, the Governor's Office, and the Washington State Department of Transportation to find a solution to this issue, and we've made substantial headway. With the help of District 42 legislators, we were successful in securing \$1.65 million for project design and right-of-way acquisition, and we continue to work to secure the additional funds necessary to construct the project.

It is reasonably likely that the passage of I-976 will have a significant negative impact on the City's ability to complete planned transportation projects, including the Bell Road Grade Separation project.

Budget Implications: Current Budget New Budget Request Non-Budgetary

Adopting or rejecting the resolution has no direct budget impacts.

Recommendation:

Due to the significant impacts Initiative 976 will have on state transportation funding, and the potential impact reduced state funding may have on the City’s transportation improvement program, the City Manager recommends Council take a position on Initiative 976.

Reviewed By:

City Manager _____ Finance Director _____ City Clerk _____
(Digital Signature) (Digital Signature) (Digital Signature)

Resolution 1781-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON, OPPOSING INITIATIVE MEASURE NO. 976, AN INITIATIVE SEEKING TO REPEAL AUTHORITY TO IMPOSE CERTAIN VEHICLE TAXES, CHANGE VEHICLE VALUATION LAWS, AND LIMIT MOTOR VEHICLE LICENSE FEES TO \$30.00.

WHEREAS, the City in Ordinance No. 17-2896 found that it was in the public interest to form the Blaine Transportation Benefit District (“TBD”) to provide additional funding necessary to support anticipated funding and financial support from the State of Washington for necessary transportation improvement projects throughout the City, and is a critical element of the City’s long-term funding plan for the City’s Six Year (FY 2020 - 2025) Transportation Improvement Program (“TIP”); and

WHEREAS, continued financial support in the form of grants, matching funds, and other funding mechanisms from the State of Washington are critical and necessary for the City to fund and develop its planned transportation improvement projects set forth throughout the City; and

WHEREAS, the City of Blaine voters, at an April 25, 2017 Special Election, approved a sales and use tax of two-tenths of one percent (0.002), which will generate approximately \$200,000 a year for the purpose of funding city transportation projects, including having funds available for the required matching funds in order to receive State grants; and

WHEREAS, Initiative No. 976 (“I-976”) will be presented to Washington State voters at the November 2019 General Election, which proposes to lower motor vehicle and light duty registration tab fees, eliminate the 0.3 percent sales tax on vehicle purchases, reduce trailer fees, and other reduction or modification of tax provisions presently allowed in State law; and

WHEREAS, if I-976 is passed by the voters, it is estimated by the State of Washington Office of Financial Management (“OFM”) fiscal notes that I-976 would impact State of Washington revenue in the amount of \$1.921 billion dollars in reduced revenue over six years (FY 2020-2025); and

WHEREAS, if passed by the voters, it is projected by the OFM that local governments will experience the effect of cuts in the form of reduction in State funding for local transportation projects (including the loss or reduction of potential State matching funds, State grants, and other State funding mechanisms) due to the loss of revenue that would be caused by the passage of I-976; and

WHEREAS, if passed by the voters in the November 2019 General Election, the loss of state funding for local transportation projects may significantly impact the city’s ability to complete planned transportation improvements in the City that are reliant on State funds; and

WHEREAS, a number of projects on the City’s Six Year (FY 2020-2025) Transportation Improvement Program are projected to receive State funding, and may not proceed if the City does not receive funding from the State of Washington. City projects that may be in jeopardy of timely completion if I-976 is passed include the following projects:

- Bell Road Grade Separation
- E Street Reconstruction - 3rd to 12th
- Peace Portal Drive Downtown Sidewalk Reconstruction - F Street to Clark
- Blaine Athletic Trail Installation

- Peace Portal Drive Sidewalk Gap Elimination - Clark to Boblett
- Semiahmoo Parkway Resurfacing - Drayton Harbor Road to City Limits
- Grant Ave / 14th Intersection Realignment
- Semiahmoo Spit Bike/Ped Path Improvement-County Park to Marina
- Marine Drive Phase 3 - Lighthouse Point Water Reclamation Facility to Public Pier
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WHEREAS, the improvements on the City's Six Year TIP are necessary for the City to meet its goals for infill and growth management growth planning, public safety improvements, pedestrian safety, safe school zones and walkways; and

WHEREAS, the Bell Road Grade separation project is a necessary regional transportation project dependent on state funding that is necessary for public safety to eliminate the existing rail and roadway conflict, and necessary to resolve significant traffic delays and delays in emergency (fire, medical and police) response services to the Blaine, Semiahmoo, and Birch Bay areas; and

WHEREAS, RCW 42.17A.555 permits the City Council to oppose a ballot proposition at an open public meeting so long as notice of the meeting includes the title and number of the ballot proposition and those expressing an opposing view are afforded an approximately equal opportunity to express an opinion, and said meeting was held at a regular City Council meeting on October 28, 2019.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLAINE, WASHINGTON, HEREBY RESOLVES:

Section 1. Statement in Opposition to Initiative No. 976. The Blaine City Council hereby expresses its opposition to Initiative No. 976 and encourages the citizens of Blaine to reject Initiative No. 976, a measure repealing or removing authority to impose certain vehicle taxes and fees, including charges funding mass transit or regional transportation; change vehicle valuation laws; and limit motor vehicle license fees to \$30, except voter-approved changes; at the November 2019 General Election.

Section 2. This Resolution shall take effect and be in full force immediately upon passage by the City Council.

PASSED BY the City Council of the City of Blaine, Washington and approved by the Mayor on this 28th day of October, 2019.

Bonnie Onyon, Mayor

ATTEST:

Samuel Crawford, City Clerk

APPROVED AS TO FORM:

Jon Sitkin, City Attorney