

**CITY OF BURIEN
AGENDA BILL**

Agenda Subject: Discussion on Street Overlay Program and Funding Options		Meeting Date: April 12, 2010
Department: Public Works and Finance	Attachments: 1. Power Point Presentation	Fund Source: Transportation Related Funds Activity Cost: Depends on Options Taken by Council Amount Budgeted: Depends on Options Taken by Council Unencumbered Budget Authority: None
Contact: Larry R. Blanchard, Public Works Director and Tabatha Miller, Finance Director		
Telephone: (206) 248-5514 & 439-3150		
Adopted Initiative: Yes No <input checked="" type="checkbox"/>	Description:	
PURPOSE/REQUIRED ACTION: The purpose of this agenda item is to provide the Council with additional information on the proposed Street Overlay Program and potential funding options.		
BACKGROUND (Include prior Council action & discussion): Staff most recently discussed the current state of the Burien City Streets at a Special Work Session on March 29, 2010. This discussion followed a prior presentation by the Public Work's Department on March 1, 2010. In essence, the issue is that the Pavement Condition Index (PCI) of Burien's street system continues to deteriorate due to weather, age, utility cuts and a lack of ongoing maintenance. Funding for the Street Overlay program has slowly eroded over the past 8 years. Dedicated funding sources such as the gas tax continues to decline and sources such as vehicle license fees were eliminated by a voter initiative in 2003. In 2009, lack of funding and budget reductions simply stopped the program. This solution will work for a few years, but over time the cost of repairing and replacing the streets that continue to deteriorate, multiplies exponentially. Instead of regularly overlays, the 263 lane miles in our Street System will require rebuilding at 10X or more the cost of regular maintenance. The proposed recommendation is to spend \$8.6 million over the next two years, bringing the Street System up to a PCI of 80+, and then spending \$600,000 a year to maintain that PCI. This solution invests in our infrastructure at a level that is doable by City Staff and minimizes the extraordinary cost of rebuilding failed streets. The \$8.6 million would be funded by issuing bonds in the late summer of 2010. The \$650k annual debt service for 20 years and the \$600k per year in maintenance would be paid for by savings created by changing the service model for Surface Water Management and Street programs currently provided by King County, additional utility revenues, property tax reserves and other potential taxes. One potential revenue source is a Transportation Benefit District (TBD) car tab fee. The Council requested additional information on the possibility of dedicated TBD revenues being used for a Street Overlay Program. There are a number of Washington Cities, including Des Moines, Shoreline, Lake Forest Park and Olympia, which have created TBD's funded with the Council imposed \$20 car tab fee used for street maintenance and paving programs. The TBD alternative has the added benefit of committing the funding long-term to the Street Overlay Program.		
Administrative Recommendation: Advance the Street Overlay project by issuing \$8.6 million in bonds and use councilmanic authority to impose a \$10/year car tab fee to help support debt service.		
Committee Recommendation: N/A		
Advisory Board Recommendation: N/A		
Suggested Motion: None required.		
Submitted by: Tabatha Miller & Larry Blanchard Administration _____	Mike Martin City Manager _____	
Today's Date: April 6, 2010	File Code: R:/CC/AgendaBill2010/011210ad-1 Street Overlay Update	