

**CITY OF BURIEN  
AGENDA BILL**

<b>Agenda Subject:</b> Decision on Street Overlay Program and Funding Options		<b>Meeting Date:</b> April 26, 2010
<b>Department:</b> Public Works and Finance	<b>Attachments:</b> 1. Power Point Presentation	<b>Fund Source:</b> Transportation Related Funds <b>Activity Cost:</b> Depends on Options Taken by Council <b>Amount Budgeted:</b> Depends on Options Taken by Council <b>Unencumbered Budget Authority:</b> None
<b>Contact:</b> Larry R. Blanchard, Public Works Director & Gary Coleman, Acting Finance Director		
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<b>Adopted Initiative:</b> Yes      No      X	<b>Description:</b>	
<p><b>PURPOSE/REQUIRED ACTION:</b> The purpose of this agenda item is to provide the Council with additional information on the proposed Street Overlay Program and potential funding options including a Transportation Benefit District(TBD) funding option.</p> <p><b>BACKGROUND (Include prior Council action &amp; discussion):</b> Staff most recently discussed the funding options for the Street Overlay Program (SOP) during a City council meeting on April 12<sup>th</sup>, 2010. Previously the City had discussed the 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. 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 SOP has slowly eroded over the past 8 years due to gas tax decline, reduction of vehicle license fees by voter initiative between 1999 and 2003 to the point where the SOP has been stopped until adequate funding is restored. Not overlaying streets can only continue for a few years, then repair costs of streets will exponentially increase (up to 10X's the cost of normal repair) to the point that City cannot afford to replace the 263 lane miles of streets in the City.</p> <p>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 thereby investing in our infrastructure to minimize the extraordinary cost of rebuilding failed streets. The \$8.6 million would be funded by issuing bonds in the late summer of 2010. The 20-year \$650k annual debt service and the annual \$600k maintenance will be paid by the savings of Burien staff and equipment performing the work to maintain Surface Water Management and Street Maintenance programs currently provided by King County, and would also include other revenue options as approved by the City Council.</p> <p>One potential revenue source is a Transportation Benefit District (TBD) car tab fee. The Council reviewed information provided by staff on the possibility of dedicated TBD revenues being used for a Street Overlay Program. A number of Washington Cities TBD's were reviewed for comparison, and most TBD's were used for Street Maintenance related work (Overlays). The TBD is revenue that can be committed to long-term funding of the Street Overlay Program. Council requested staff to bring back an incremental comparison of the TBD for review @ the April 26<sup>th</sup>, 2010 City Council Meeting showing the cost of a TBD between \$10 to \$20 per vehicle.</p>		
<b>Administrative Recommendation:</b> Advance the Street Overlay project by issuing \$8.6 million in bonds and use councilmanic authority to impose a car tab fee determined by the City council between \$10 and \$20 per vehicle to help support debt service.		
<b>Committee Recommendation:</b> N/A		
<b>Advisory Board Recommendation:</b> N/A		
<b>Suggested Motion:</b> None required.		
Submitted by: Larry Blanchard		Mike Martin
<b>Administration</b> _____		<b>City Manager</b> _____
<b>Today's Date:</b> April 21, 2010	<b>File Code:</b> R:/CC/AgendaBill2010/042610ad-1 Street Overlay Update_v2	

