Washington’s Invisible Backbone: Infrastructure Systems in Washington’s Cities and Towns

State of the Cities
2008 Full Report
Washington’s Invisible Backbone:
Infrastructure Systems in Washington’s Cities and Towns

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The State of the Cities is an ongoing research effort by the Association of Washington Cities (AWC). A comprehensive study of the fiscal wellbeing of Washington’s cities and towns is completed every four years at the beginning of each gubernatorial term. In interim years, reports about a specific topic are released. This report focuses on the condition of city and town infrastructure systems. Other interim reports concentrated on intergovernmental partnerships and economic development.

This report discusses the significant role of infrastructure systems to the delivery of municipal and private services, with a focus on:

- Streets, bridges and street elements such as sidewalks, lighting, and bicycle lanes;
- Utilities such as drinking water, sewer/waste water, and stormwater;
- Parks and recreational facilities;
- Jails;

- Municipal buildings such as city halls, fire stations, police stations, and community centers; and
- Emerging infrastructure systems such as the technology that supports e-governance, and interoperable communications systems.

These infrastructure systems are of utmost importance and they provide a significant role in nurturing the economy of cities, towns and the state.

As demonstrated in this report, current funding for these important systems is inadequate to ensure their continuation, availability and adequacy. It is vital that we recognize the need for a state and local partnership to address these needs. Enhanced infrastructure funding can come from additional local resources, expanded state assistance, or a combination of such sources.

A special thank you is extended to the AWC Board of Directors and the cities and towns that participated in the survey, focus groups and interviews. Appreciation is also extended to Alicia Seegers Martinelli, who coordinated and wrote the report, as well as the many other AWC staff who helped in various ways.

Sincerely,
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Acknowledgement
Table of Contents

Chapter 1: City Infrastructure Systems:
The Foundation for a Strong Washington ........................................ 7
  What is infrastructure? .....................................................................................................10
  An eroding infrastructure ...............................................................................................10
  Impacts of growth ..........................................................................................................11
  Investments needed in Washington’s infrastructure .....................................................11

Chapter 2: Research Scope and Methodology .............................................. 13

Chapter 3: Financing City Infrastructure Systems ......................................... 17
  Shifting responsibilities .................................................................................................19
  Who should pay—our parents or our children? .............................................................20
  A new millennium brings tough times .........................................................................20
  Competing projects and increased costs .....................................................................21
  Huge costs for large and small cities ..........................................................................21
  Financing capital projects ............................................................................................22
  Where do we go from here? .........................................................................................24

Chapter 4: Cities and a Growing Population .............................................. 27
  The Growth Management Act .....................................................................................30
  Types of growth ..........................................................................................................30
  An infrastructure for the future ..................................................................................31

Chapter 5: City Streets and Bridges ............................................................. 33
  What is a city street? .....................................................................................................35
  Deteriorating city street and bridge conditions .........................................................35
  What do PCI ratings mean? .........................................................................................37
  More than pavement ....................................................................................................38
  Why are our streets failing? .........................................................................................39
  Traffic and capacity ....................................................................................................41
  City street financing .....................................................................................................41
  Escalating costs ............................................................................................................43
  Where do we go from here? .........................................................................................45
City Infrastructure Systems:
The Foundation for a Strong Washington
City Infrastructure Systems:
The Foundation for a Strong Washington

Infrastructure is a community’s invisible backbone. Most people take for granted the streets and bridges they drive on, the water that comes out of their faucet, the storm drains that keep streets from flooding, the parks where they play games, the jails that keep criminals off the street, the city halls where councils and citizens meet, and the technology that gives them online access to city council minutes.

City infrastructure systems keep cities clean, safe and livable. When these systems function well, they are a source of pride for a community and attract economic activity.

Today, Washington’s cities’ capital infrastructure systems are in a state of disrepair. Thirty percent of cities report that the condition of their streets is poor, very poor or failing, and 22 percent of cities report they do not have sufficient revenues to maintain sewer/waste water systems to meet current service levels.

The infrastructure systems citizens have been able to count on—the systems that make urban life possible—are making headlines.

- On May 2, 2007 a large water main ruptured near Seattle’s University Bridge, resulting in bridge closure, and a 15-foot deep sink hole. Over 31,400 daily commuters were affected, as well as 30 homes without water.¹
- After heavy rains on December 3, 2007 LOTT, a sewer partnership between Lacey, Olympia, Tumwater and Thurston County, was just one of several Western Washington treatment plants that was forced to implement an emergency bypass due to extreme high-flow conditions resulting from excessive stormwater entering the wastewater system. Over nine million gallons of untreated wastewater (mixed sewer and stormwater) entered Puget Sound from the LOTT system alone.²
- In late 2006, Tieton experienced 21 breaks in its water main over the course of five days and residents in Vader were told to boil water.³

The cost of these infrastructure failures goes far beyond the repair bill. Infrastructure failures rob a city of its citizens’ confidence, its economic vitality, and its quality of life. And when city infrastructure systems don’t work, the impacts spread beyond the city limits, becoming regional problems and the state’s problem.

We’re lucky that, so far, these stories aren’t as catastrophic as collapsing bridges. But luck is not a solid foundation for city infrastructure.

“City infrastructure is the backbone of the state. The 2007 flood disaster in Chehalis clearly highlights that. Our water, sewer and street infrastructure became even more important to our city and the entire region.”

~Anthony Ketchum, Mayor, Chehalis

¹ Seattle Times, “Pipe break, sinkhole keep University Bridge closed through Thursday evening,” May 2, 2007
² The Olympian, “Rain too much for LOTT capacity,” December 4, 2007
³ Seattle Times, “Funds at a trickle as water pipes fail,” May 6, 2007
What is infrastructure?

Washington’s cities provide residents, businesses and visitors with a network of fundamental public capital facilities and systems that are collectively known as “infrastructure.” This includes streets and bridges, drinking water and sewer treatment facilities, municipal buildings, parks and recreational centers, police cars and fire engines, and jails, just to name a few.

These systems are often unique to government, providing services that are large in scale and critical to the production and delivery of private and public goods and services.

A city accumulates its stock of capital systems in several ways.
• Systems are inherited from previous generations;
• Reinvestment ensures that some systems are sustained;
• Systems are assumed through annexations; and
• New investment allows systems to be built from scratch, expanded and/or retrofitted to meet current needs.

An eroding infrastructure

How did we find ourselves with an infrastructure on the cusp of crisis? Cities face multiple barriers to maintaining safe and effective infrastructure systems and needs outpace existing financing tools and mechanisms.

Capital investment challenges include:
• Aging, deteriorating systems are nearing the end of their useful life and cannot keep up with existing conditions.
• Many systems lack the capacity needed to accommodate new growth.
• Cities are on the receiving end of new demands. This includes—
  • Unfunded federal and state mandates that require costly system improvements;
  • Implementing more sophisticated and often costly technology; and
  • Changing citizen expectations.
• Growing competition for revenues requires cities to make tough funding choices and often delay needed maintenance.

Financing challenges include:
• Many of the grant and loan funds that cities depend on are under-funded. New appropriations and revenue streams are not keeping up with inflation, and in some cases are shrinking.
• State and federal mandates are accompanied by little or no financial assistance.
• Some cities struggle with inadequate local sales tax revenues, and their situations were made worse by the repeal of the Motor Vehicle Excise Tax (MVET), the loss of sales tax equalization and a property tax limit of one percent.
• Although some local revenue raising options have been authorized by the Legislature, they do not work for all cities and towns across the state.
• City councils struggle to find a balance between affordable utility rates for users and sufficient revenues to establish capital replacement strategies.
Impacts of growth

Overwhelmingly, cities report that growth has influenced the need for new and improved infrastructure systems. As more homes and businesses are built in urban areas, as more people move to Washington from other states, and as annexations occur, Washington’s dependence on city infrastructure systems will only increase.

In addition to pressures from population growth, the Growth Management Act (GMA) directs cities to provide public facilities and services necessary to support and encourage development in urban areas. After more than 15 years of GMA policies, it is clear the Act has a direct impact on city infrastructure. As more people live in cities, drive on city streets, use city public safety services, access city parks and utility systems, cities carry the brunt of the state’s development.

However, the inability to keep up with the demand for infrastructure is impeding residential, industrial and commercial growth. Capacity and concurrency issues are becoming a bigger concern for more city streets, utilities, parks, municipal buildings and jails. This trend, if not reversed, will be detrimental to Washington State’s future economic vitality.

Investments needed in Washington’s infrastructure

As city infrastructure systems built a half century or longer ago continue to deteriorate and new users place additional pressures on existing systems, Washington is facing an infrastructure crisis. Cities are:

- Behind on the basics—jeopardizing the core infrastructure systems our residents and businesses depend on;
- Making tough choices—forced to choose between funding basic city services and maintaining and constructing capital assets such as parks, community centers and fire stations that support public safety and quality of life;
- Struggling to build a 21st century infrastructure to serve a growing economy and population.

Today, the economic vitality, quality of life, public health and safety, and the environment of Washington’s cities is in danger. The question isn’t should we invest in better infrastructure systems? The question is can we afford not to?

“Along with education, infrastructure investments are among the largest, most important direct investments that the state makes in promoting economic growth.”

~The Next Washington: Growing Jobs and Income in a Global Economy
Research Scope and Methodology

The State of the Cities is an ongoing research program of the Association of Washington Cities (AWC) that regularly examines the fiscal health and trends of Washington’s cities and towns. A comprehensive report is released once every four years, at the beginning of each gubernatorial term. Interim reports such as this one present an in-depth look at a specific topic, and are released annually.

In this report, the word “cities” refers to all 281 cities and towns.

Research scope

The infrastructure examined in this research project includes city capital facilities necessary to deliver basic community services. Infrastructure systems discussed include:
- Streets, bridges and street elements such as sidewalks, lighting, and bicycle lanes;
- Utilities such as drinking water, sewer/waste water, and stormwater;
- Parks and recreational facilities;
- Jails;
- Municipal buildings such as city halls, fire stations, police stations, and community centers; and
- Emerging infrastructure systems such as technology that supports e-governance, and interoperable communications systems.

Because few cities manage libraries or transit systems, these systems are generally not included in the report’s discussion. Similarly, this report does not examine other infrastructure systems such as human capital and other non-physical capital.

Research methodology

Several data collection techniques were used for this report.
- Data were collected from Washington state agencies and boards such as the Office of Financial Management, Department of Transportation, Public Works Board, and the Transportation Improvement Board.
- A two-part survey was sent to all 281 cities.
  - Part I: Overview of City Infrastructure Systems was completed by 146 cities representing 66 percent of the city residents in 2007.
  - Part II: Drinking water, Sewer/Waste Water, Streets was completed by 148 cities representing 77 percent of city residents in 2007.
- A survey was sent to all 20 cities that own their own jail, with 14 cities completing the survey.
- Focus groups and interviews were held with city elected officials and staff from 40 cities.

Information about surveys, lists of respondents, interviewees and focus group participants is in the appendix. Additional information about the State of the Cities reports can be found on the AWC website www.awcnet.org.
Financing City Infrastructure Systems

Shifting responsibilities

During the past several decades, more of the responsibility for building infrastructure has fallen to local governments. Cities have witnessed a decline in the level of shared responsibility between federal, state and city governments.

In the years following World War II, the federal government played a large role in funding capital projects throughout the country. Programs such as the Interstate Highway Act and the Clean Water Act brought new dedicated funds to state and local governments. However, by the end of the 1970s, the federal government began to shift responsibility to the states and by the 1980s federal funds for many programs began to decrease.

Washington was directed through voter referendums in the 1970s to assist local governments in making improvements to water and sewer utilities. The state again increased its support for local infrastructure projects in the 1980s when federal funds began to decline. However rather than establish a grant and aid program the Legislature enacted a zero to low-interest loan program in the form of the Public Works Trust Fund.

The shift in financial responsibility from the federal and state governments to cities has been accompanied by a growing number of mandates that require local governments to meet more stringent regulations. Cities support the goal of growth management, ensuring public health and safety, and a clean environment. But higher standards have higher costs. Mandates often come with short-term funding, but require long-term and ongoing system improvements.

Higher commodity prices for construction materials are also a growing problem for cities. As costs have increased, cities have been responsible for filling the funding gap. City contributions to transportation projects increased 116 percent between 1998 and 2005. The local share increased from 65 percent of the total in 1998 to 73 percent of the total in 2005.

As transportation costs rise, cities’ share of expenditures have increased while the state and federal governments’ shares have fallen.
Who should pay—our parents or our children?

The philosophy about how to fund infrastructure projects has evolved over the years. During our parents’ generation, cities more often used “pay as you go” to avoid taking on significant debt. Today, paying cash for infrastructure projects is largely a thing of the past. Cities now rarely have the reserves on hand or large enough tax revenues to fund multi-million dollar projects outright. Instead, infrastructure projects are financed with future revenue, under the rubric "pay as you use"—which is another way of saying they will be paid for by our children, or the future users.

Each of these infrastructure financing approaches comes with benefits and drawbacks.

The benefits of pay as you go include:
- Additional flexibility to change plans, since debt service payments are not needed;
- No bond issuance costs and interest payments;
- Lower administrative costs;
- A legacy is created for future generations.

The benefits of pay as you use (or debt financing) include:
- Greater equity, since those who use a facility after it is built bear of the bulk of the costs;
- Preservation of city reserves for other purposes;
- Inflation is used to a city’s advantage;
- Lower taxes can be maintained by spreading debt over a longer time period.

Many infrastructure projects today require that cities employ the pay as you use method with the approach of financing capital facilities that meet or exceed the loan term. The costs of infrastructure projects have escalated so much that some cities turn to debt financing simply to meet grant-matching requirements.

However, a city’s ability to issue bonds and pay for debt service is restricted by law and the fiscal health of the city. Cities must be careful not to accrue too much debt, or the payments may interfere with the city’s ability to provide basic services.

A new millennium brings tough times

In the early part of this decade, cities in Washington—like the rest of the country—were experiencing tough times. In Washington, 73 percent of cities surveyed for AWC’s 2005 State of the Cities report indicated they were less able to meet financial needs in fiscal year 2004 than in fiscal year 1999. Thirty-three percent of cities reported that infrastructure needs were a negative budget influence; 30 percent reported decreases in capital investment, and 69 percent had delayed or reduced spending on capital programs.

The 2005 State of the Cities report also found that cities expected their infrastructure needs to get worse in the future. Seventy-two percent expected to delay or reduce spending on capital development projects between 2005 and 2011.
It can be difficult to make up deficiencies after tough economic times. When cities aren’t able to fund their operating budget commitments and maintain all their infrastructure systems, they prioritize, and defer maintenance or new construction of some systems (or parts of systems) for later. The result of delayed maintenance is more emergency fixes, increased need for full replacement of systems instead of maintenance, and greater expenses in the future.

Competing projects and increased costs

Some cities—but not all—are experiencing better fiscal conditions now. Since 2005, a stronger Washington economy has led to higher real estate excise tax revenues. Construction booms have elevated some cities’ property tax revenues beyond the one percent property tax cap mandated by Initiative 747. These additional revenues have helped some cities, but capital improvements continue to face increased costs that outpace inflation.

Fifty-three percent of cities reported they prioritize maintenance of infrastructure systems before addressing expansion needs or retrofitting old systems. This approach is fiscally responsible to their taxpayers, because delayed maintenance can substantially increase downstream costs.

Huge costs for large and small cities

Infrastructure costs are huge no matter the size of the city.

Smaller cities

Smaller cities lack economies of scale, which increases the cost per capita of a project. Further, these communities generally have fewer overall resources, less commercial base to share costs, and may have a higher than average population of low-income residents.

The lack of resources is exacerbated by the fact that small city staff may lack grant writing expertise and therefore require more technical assistance. Among cities responding that a lack of staff grant writing expertise is a challenge to financing a city drinking water system, the average population is 1,826.

Small cities can quickly accumulate debt in relation to their size. Of the 25 cities with the largest percent of general obligation debt, the median population is 7,490.

Larger cities

Larger cities may have bigger economies and more sales and business tax revenue, but they also have the wear and tear of more traffic on their streets, more people using their parks, and more industries using their utilities. Larger cities are often regional hubs that serve populations beyond their own boundaries. Projects tend to be larger in scale, impact significantly more people, and have extensive costs associated with working in an urban environment.

Larger cities are also often required to adopt more stringent standards to protect the environment and public health and safety. These required system upgrades are costly.

“It takes a lot of funding to get in position and just apply for funds. More focus needs to be placed on helping small cities—it can be a jungle.”

~ Randy Lewis, City Administrator, Westport
Financing capital projects

All city services converge in one place—the city budget, where they compete for limited resources. When a specific project or service has a dedicated revenue stream, it may alleviate some of the competition for funds, but in general, resources are often scarce.

The result is that in many cases, cities’ capital systems have lost the “competing resources” battle to public safety and other city services.

City infrastructure systems are generally paid for out of one of two funds:
- The general fund—the fund used to account for nearly all city revenues and expenditures; and
- An enterprise fund—a separate fund used for city services that are self-supporting (typically utilities).

Capital expenditures are typically paid for with a variety of long-term sources, including bond issues and other debt, grants, dedicated sources (such as the local real estate excise tax), and/or subsidized with contributions from the general fund.

This table illustrates a variety of the funding sources a city might use for a major capital project.

**Funding sources available to cities for capital projects**

<table>
<thead>
<tr>
<th>Fund revenues</th>
<th>Bond &amp; debt financing</th>
<th>Local options</th>
<th>Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund:</td>
<td>State/federal low-interest loans</td>
<td>Real Estate Excise Tax (REET)*</td>
<td>State/federal grants</td>
</tr>
<tr>
<td>• Property taxes</td>
<td>General obligation bonds</td>
<td>Mitigation and development fees*</td>
<td></td>
</tr>
<tr>
<td>• Retail sales and use taxes</td>
<td>Revenue bonds</td>
<td>Local improvement districts*</td>
<td></td>
</tr>
<tr>
<td>• State-shared revenues</td>
<td>Other bonds (63-20 financing)</td>
<td>Transportation benefit districts*</td>
<td></td>
</tr>
<tr>
<td>• Utility taxes</td>
<td>Other federal/local debt—Section 108 loan guarantee program</td>
<td>Impact fees*</td>
<td></td>
</tr>
<tr>
<td>Enterprise funds:</td>
<td></td>
<td>Levy lid lift</td>
<td></td>
</tr>
<tr>
<td>• Charges and fees</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Revenues restricted for specific purposes

**Competition in the general fund**

There is significant competition for resources within a city’s general fund. Nearly half of this fund (47 percent in 2006) is typically allocated for public safety. This leaves the other half of the fund to finance all other city operating expenses, including infrastructure systems such as streets, parks and jails.
Enterprise activities
City utilities are traditionally funded through enterprise accounts, requiring that the service be self supporting. This includes utilities such as water, sewer, electricity and gas, and may include golf courses, performing arts centers and other such facilities.

Enterprise funds can be an effective management tool, but fees cannot always cover all capital needs for two reasons:
• It is difficult, if not impossible, for cities to anticipate future mandates and plan for these through reserve funds.
• Smaller communities have special challenges because they lack economies of scale, and rates can exceed their residents' ability to pay.

In 2006, charges and fees for services comprised 77 percent of city enterprise activity revenues. The remainder was financed by interest and investment earnings, rentals, capital contributions, debt proceeds and other income sources.

Local options
In addition to bond and debt financing, cities use local revenue-raising options granted by the state for some infrastructure projects. These options help cities piece together financing for capital projects. But not all options are a good fit for all communities.

Many local options are restricted by laws governing how a tax is levied, and by how much and where the funds may be used. For example, the REET can be levied in two quarter percent portions and can be used for a number of capital purposes. However, cities have more flexibility with how they use the first quarter percent than the second quarter percent. Property tax multi-year levy lid lifts, if approved by the voters, can be used for a specific purpose determined by the city, but due to statutory requirements existing funds cannot be supplanted.

Real Estate Excise Tax (REET) allowable expenditures

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>1st Quarter Percent (0.25%) Authorized for all cities/counties</th>
<th>2nd Quarter Percent (0.25%) Authorized for GMA planning cities/counties only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Acquisition</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Re-Construction</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Repair</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Replacement</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Improvement</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Streets, Roads, Highways</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sidewalks</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Street Lighting</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Traffic Signals</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bridges</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Domestic Water Systems</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Storm and Sanitary Sewer</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Parks</td>
<td>Yes</td>
<td>Yes (no land acquisition)</td>
</tr>
<tr>
<td>Recreational Facilities</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Law Enforcement Facilities</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Fire Protection Facilities</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Trails</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Libraries</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Administrative or Judicial Facilities</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>River and/or Waterway Flood Control</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
There are additional local options for transportation, such as the Border Area Motor Vehicle Fuel Tax and Commercial Parking Tax. But these options are not usable for many cities. For example, the Commercial Parking Tax may work well for a city with many parking lots, but will do little to generate revenue in most smaller communities.

Local tax options are helpful for cities to augment financing for local projects. However, each option alone - or even multiple options combined - do not fully solve the overarching problem, leaving many city budgets without the funds necessary to meet all infrastructure needs.

**State and federal grants**
Cities rely on the state and federal governments for help to finance infrastructure improvements. Cities use a variety of grant and low-interest loan programs, each with different criteria that meet different needs. It should be noted that some city infrastructure systems—such as emerging technological systems, jails and other municipal buildings—are not always eligible for state and federal assistance programs.

State assistance programs are discussed in more detail in the chapter on state assistance, page 83.

**Where do we go from here?**

Many of Washington’s cities act as regional hubs and are an important component of our state’s economy. However, many cities struggle to finance the infrastructure systems their businesses and residents, as well as the entire state, rely on.
Cities and a Growing Population
Cities and a Growing Population

In recent decades, the majority of the state's population growth has taken place in cities. There are now 57 percent more city residents than in 1990, compared with a statewide population growth of 33 percent during the same period. Currently 61 percent of Washingtonians live in cities.

Washington State's population is expected to grow by 2.48 million between 2000 and 2030, from 5.9 to 8.4 million people. Because people choose to live in cities—and as a result of our growth management framework—the bulk of the projected growth will continue to occur in cities.

Eighty-two percent of cities surveyed by AWC responded that growth is influencing the city's need to update or expand infrastructure systems. Financing and providing adequate infrastructure to support this growth will be one of Washington State's and Washington's cities' primary challenges in the first half of this century.
The Growth Management Act

The original intent of the Growth Management Act (GMA), according to former Speaker of the Washington House of Representatives, Joe King, "... was to make sure that as we grew we had measured the impacts of growth and had infrastructure in place to fund the impacts."6

The GMA directs local governments to:
• Ensure public facilities and services necessary to support development are in place at the time the development is available for occupancy.
• Encourage development in urban areas where adequate public facilities and services exist.
• Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development.

One of the GMA’s primary planning goals is to encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.7 Public facilities and services necessary to support development must be in place when the development is available for occupancy and use, without decreasing current service levels below locally established minimum standards.

While cities are doing their part to encourage and direct growth and development in urban areas, the ability to finance adequate infrastructure to support growth is an immense challenge.

Types of growth

Of the cities that responded that growth is influencing their need for updated or expanded infrastructure, 97 percent indicated it was due to residential growth, 77 percent commercial growth, and 37 percent industrial growth. (Some cities responded that more than one type of growth was affecting their need to update or expand infrastructure). Thirty-four percent of cities said it was due to other types of growth, such as growth outside their boundaries, public or nonprofit facility expansion (such as a hospital/prison), and tourism.

Each type of growth requires cities to meet different needs.

Residential growth
Residential growth is affecting cities’ need for upgraded infrastructure more than other types of growth. Economic activity generated from residential growth can produce a short-term spike in property taxes and sales and use taxes. However, many cities aren’t able to keep up with long-term service demands.

Commercial and industrial growth
Commercial growth can be good news for city business taxes and/or sales tax revenues, but it is also typically accompanied by increased freight traffic, large daytime populations and increased commuter traffic.

These businesses are integral to the state’s economy. They create additional state revenues (including B&O and sales tax) and they position the state as a leader in international trade. However, city infrastructure systems take on the brunt of commercial and industrial wear and tear.

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6 Washington State Department of Community, Trade and Economic Development, Creating Livable Communities, June 2006
7 RCW 36.70A.020
An infrastructure for the future

Cities and the state need to plan now for growth in the future. Expected population growth will put more pressure on streets and utility systems. Greater housing density means that shoreline access, parks and recreational facilities must serve more people.

Due to budget constraints, cities focus resources on maintenance and repair of their infrastructure (patching emergencies). Cities struggle to build the infrastructure that is needed today, much less the infrastructure that’s needed to accommodate or prepare for growth.
City Streets and Bridges
City Streets and Bridges

What is a city street?

An urban city street is more than just a paved surface on which a car is driven. Above ground, it includes sidewalks, streetlights, parking, and other amenities. Below ground, streets provide rights of way for water lines, sewer lines, and electric cables.

Citizens and business owners are generally more involved in the planning of streets than in any other infrastructure system. Not only do they care about the street’s surface condition—because they want to drive or ride bikes without bumps or potholes on the road—they also care about how new sidewalks intersect their lawns, where roundabouts are placed in neighborhoods, and how long they wait at a light on a major arterial. Citizens also expect street lighting, landscaping and adequate parking.

Nearly every trip begins and ends on a city street or county road. City residential streets comprise over 16,000 centerline miles, over which 40.9 million daily vehicle miles are traveled. City arterial streets total 3,416 centerline miles and carry three-quarters of city traffic. Cities are also responsible for 674 bridges over rivers, rail road tracks and the like.

Deteriorating city street and bridge conditions

Many of Washington’s cities report their streets and bridges are in poor condition. Deteriorating pavement conditions, increased usage and a general lack of resources to make needed improvements are significant contributors to the problem. Yet, this vital aspect of the state’s collective infrastructure system is critical to statewide economic development, quality of life and a healthy environment.

Cities reported the following about the condition of their streets and bridges:

- Thirty percent of cities rated the overall condition of their streets as poor, very poor or failing.
- Fourteen percent of cities reported that overall their bridges are poor, very poor or failing.

“Walla Walla is a 145 year old city, so most of the street system is in place. It’s just falling apart and there’s no money to do the major repairs that need to happen.”

-Duane Cole, City Manager, Walla Walla
Of all city streets, residential streets fare the worst. Thirty-four percent of cities reported that their local access streets are poor, and this finding was supported by focus group discussions. Seventeen percent of cities replied that primary/secondary collectors are in poor condition, and eight percent replied that their arterials are poor.

“Our arterials—particularly our truck and bus routes—are in really bad shape. There’s just no way to tell it so it sounds good any more.”

–Dennis Dowdy, Public Works Director, Auburn

Even though fewer cities reported that the condition of their arterials as poor, these streets are not without problems. Cities near industrial parks or regional ports have experienced significant impacts related to the upkeep of freight routes. Arterials are a recognized state route through a city, and carry a significant percentage of pass-through traffic originating from outside the jurisdiction that is responsible for maintenance of the route.

Under companion legislation to the transportation efficiencies bill of 2003, cities report pavement conditions for arterial and collector streets to the Department of Transportation. Cities report the pavement conditions in terms of a Pavement Condition Index (PCI) rating. A rating of 70 is on the cusp of needing rehabilitation. In 2004 the average PCI rating was 76, and by 2006 had fallen to 67.³ Thirty-one of the 58 cities reporting in 2006 were at or below a PCI rating of 70.

³ 21 cities reported PCI ratings in 2004; 58 cities reported PCI ratings in 2006
What do PCI ratings mean?

The Pavement Condition Index or PCI rating is based on a scale from 0 to 100. A rating of a 100 indicates a new street. A rating near 0 indicates a street where the pavement has failed.

This street has a PCI rating of 90. It is virtually a new street.

This street has a PCI rating of 50. It is rutting in the center, which most likely reflects settlement of an underlying utility trench. This street required excavation of the pavement where severe alligator cracking had already rendered the pavement unsalvageable. This will require new asphalt for the trench and a thick overlay of this lane only.

Streets in our Harbour Pointe neighborhood were all put in at the same time. That means they’ll fail at the same time.”

~Joe Marine, Mayor, Mukilteo
This street has a PCI rating of 10. The photo illustrates what occurs when nothing is done after a street begins to fail. The rutting of the wheel paths, followed by cracking of pavement, eventually accelerates into failure of the entire roadway. There is no portion of this street that can be salvaged.

Routine maintenance and early intervention of eroding streets save money. When maintenance is deferred, costs increase substantially. As street conditions begin to deteriorate, the City of Auburn reports that for 2007 simple crack sealing cost between $0.60 and $5 a square yard. If maintenance is delayed, significant capital investments may be required. A thick overlay can cost $35 a square yard and reconstruction $85 a square yard.

**More than pavement**

Unlike a highway or country road, a city street has curbs, bike lanes, sidewalks and wheelchair accessible ramps. These additional amenities require more costly work and materials.

Many of these elements are in poor condition or simply do not exist. Cities particularly rated the condition of city bicycle facilities (43 percent) and sidewalks (28 percent) as poor.

These street amenities compete for the same funds as general street maintenance and construction, as well as public safety and other city services.
**Percentage of cities reporting on the condition of street elements**

<table>
<thead>
<tr>
<th>Element</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curbs</td>
<td>45%</td>
<td>15%</td>
</tr>
<tr>
<td>Bicycle facilities</td>
<td>32%</td>
<td>43%</td>
</tr>
<tr>
<td>Sidewalks</td>
<td>53%</td>
<td>28%</td>
</tr>
<tr>
<td>Stormwater disposal system</td>
<td>49%</td>
<td>21%</td>
</tr>
<tr>
<td>Striping</td>
<td>30%</td>
<td>17%</td>
</tr>
</tbody>
</table>

The Washington State Bicycle Facilities and Pedestrian Walkways Plan (2007) calculates the total amount needed by local governments for bicycle and pedestrian needs, including ADA compliance, roadway crossings, shared use paths and sidewalks, to be $1.2 billion. This is a sum well in excess of city capacity, or expected to be available from state or federal sources.

Many of the sidewalks in the City of Hoquiam (population 8,845) are 60 or 70 years old. After Initiative 695 passed, the city lost much of the funds previously available for sidewalk maintenance and repair.

The Town of Wilson Creek (population 245), with just 13 miles of streets, spends more than 10 percent of the city’s general fund on electricity costs for street lighting. The city council must carefully weigh the public safety needs of street lighting and adjoining sidewalks for children to walk to and from school with other city services.

**Why are our streets failing?**

Cities struggle with a number of issues that contribute to poor street conditions. High usage by many users—including tourists, freight and residents—was reported to be the primary contributor to required maintenance and repairs. Other reasons included the high costs of deferred maintenance, escalating commodity prices and a general inadequacy of funding sources.

Factors contributing to cities’ need for street maintenance and repair include:
- General usage (97 percent)
- Residential/commuter traffic (92 percent)
- Deferred maintenance (87 percent)
- Freight (69 percent)

“Why do we need lights? It’s a security issue. It’s a safety issue. You wouldn’t want kids walking home from sport practice in the dark, would you?”

—Kathy Bohnet, Mayor, Town of Wilson Creek
“We have 117 year old streets with no more than an oil coat.”

-Ken Ratliff,
Councilmember, Cle Elum

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**General usage (residential, commuter traffic):** The 61 percent of Washingtonians who live in cities drive on city streets between work, school and the grocery store. People from unincorporated areas also travel into cities for the same reasons. The daytime population of many cities increases as people come into business centers to work. For example, the City of Tukwila’s daytime population is 40,589—more than twice the city’s residential population.9

**Deferred maintenance:** Deferred maintenance was recognized by 87 percent of responding cities as a contributor to the need for street maintenance and repair. This does not mean that cities are not taking care of their streets to the best of their ability. Sixty-four percent of cities have a pavement management system in place. These cities tend to be larger and more urban.

As noted earlier in this chapter, deferred maintenance increases the street repair and reconstruction costs. When cities don’t have adequate resources available to fulfill maintenance needs, projects are deferred and ultimately cost more.

**Freight:** Washington’s location in the Pacific Northwest gives the state an advantage in Pacific Rim trade. This means increased truck and train freight traffic, particularly for cities near regional ports and railroad terminals. While freight traffic as a share of overall traffic may be small, it contributes significantly to the deterioration of city streets. One loaded gravel truck with a trailer is equal to about 16,250 trips in a passenger car. An arterial with less than two percent freight traffic may last up to 25 years before major repairs are needed. However, if the percentage of freight traffic increases to eight or ten percent, the route will require major repairs or reconstruction within ten years because of load impacts.

Because there are no user fees for streets, these trucks travel on city streets paid for largely by city residents.

Further, freight trains bisect cities. This creates traffic problems and pressures on city governments to build overpasses and underpasses. It also jeopardizes public safety when ambulances, fire trucks and police cannot speedily respond to emergency calls.

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9 Census 2000, Estimated Daytime Population and Employment-Resident Ratios
Traffic and capacity

Residential, commuter and freight traffic lead to congestion on city streets. This can be a barrier to economic development, diminish quality of life, and increase harm to the environment from emissions.

- Total miles driven by Americans have increased three times faster than population, and twice as fast as vehicle registrations since 1980.\(^{10}\)
- During 2005, Seattle-area drivers spent an average of 45 hours in traffic due to congestion.\(^{11}\)
- An average, 48 percent of traffic on major freeways was moving at under 45 mph during afternoon rush hour in 2006.\(^{12}\)

These statistics don’t just affect state highways. Cities are part of regional transportation systems and are significantly affected by congestion on state roadways. For example:

- The City of Renton and other cities along Interstate 405 and State Route 167 frequently have people defaulting to city streets in order to avoid highway traffic.
- The City of Mukilteo is bisected by state highway 525. Traffic waiting to continue on to the Whidbey Island ferry makes it difficult for local drivers to turn in and out of neighborhoods.

City street financing

Street maintenance expenses are financed primarily with city general fund revenues, where they compete with public safety, parks and recreation, and other city operations. Budget pressures force city councils to make tough decisions regarding the allocation of scarce resources.

Street capital expenditures rely on a variety of revenue sources. In addition to a city’s general fund, these include Real Estate Excise Taxes, impact fees, SEPA mitigation, and state and federal grant and loan programs, among others.

Washington’s cities pay for nearly three-quarters of their transportation funding. The gas tax only funds seven percent of city streets. The remainder comes from federal and other state sources.

“We've had a terrific time trying to get our finances together for streets and our bridge. Every time we think we had it licked, some other problem came out.”

—Robert E. Cousart,
Former Mayor, Kittitas

Sources of city street funding (FY 2005)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount (M)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>$809 M</td>
<td>73%</td>
</tr>
<tr>
<td>State</td>
<td>$198 M</td>
<td>18%</td>
</tr>
<tr>
<td>TIB</td>
<td>$74 M</td>
<td>7%</td>
</tr>
<tr>
<td>Gas Tax Dist.</td>
<td>$81 M</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>$43 M</td>
<td>4%</td>
</tr>
<tr>
<td>Federal</td>
<td>$103 M</td>
<td>9%</td>
</tr>
</tbody>
</table>

\(^{10}\) Seattle Times, “Growing Cooler, in Urban Land Institute,” October 8, 2007
\(^{11}\) Seattle Post-Intelligencer, “Traffic’s Yearly Toll: 45 Hours in Jamo, September 19, 2007
Many cities dedicate certain revenues to street maintenance or capital improvements. But even these dedicated revenues can be diverted when the general operating budget is tight. For example, in the mid 1980s the City of Kennewick’s (population 62,520) city council chose to dedicate the optional sales tax to street capital projects. Since then, this portion of the sales tax has increased significantly. However, because of budget pressures, the council has been forced to divert a portion of these funds to other city priorities. The most recent impact of this diversion is the need to defer capital overlay projects on two of the city’s largest arterial streets.

**Gas tax**
Cities use gas tax revenues for street construction and maintenance. Even with recent increases to the gas tax, cities only receive 2.96 cents (or eight percent) of the state’s gas tax.
Gas tax distributions are allocated on a per capita basis. However, as city population has increased, the per capita distribution has decreased. As indicated in the following graph, even with an additional half cent gas tax authorized in 2005, distributions have not kept up with inflation.

<table>
<thead>
<tr>
<th>Year</th>
<th>City Population (millions)</th>
<th>Per-Capita Distribution in 1991 Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>1993</td>
<td>1.1</td>
<td>25</td>
</tr>
<tr>
<td>1995</td>
<td>1.2</td>
<td>20</td>
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<td>1997</td>
<td>1.3</td>
<td>15</td>
</tr>
<tr>
<td>1999</td>
<td>1.4</td>
<td>10</td>
</tr>
<tr>
<td>2001</td>
<td>1.5</td>
<td>5</td>
</tr>
<tr>
<td>2003</td>
<td>1.6</td>
<td>0</td>
</tr>
<tr>
<td>2005</td>
<td>1.7</td>
<td>0</td>
</tr>
</tbody>
</table>

**Escalating costs**

The cost of maintaining and constructing city streets is rising due to both rising material and construction costs, and because of federal and state mandates.

*Higher standards and unfunded mandates*

Although city streets are generally subject to fewer federal and state mandates than other infrastructure systems, unfunded mandates have nonetheless increased costs.

State and federal mandates for city streets include:

- New stormwater regulations will require cities to build enhanced stormwater treatment facilities as part of urban arterial street projects and will increase the size of required detention facilities.
- The Federal Highways Administration’s reclassification of asphalt overlay from a maintenance activity to a reconstruction activity requires upgrades to street facilities (such as curb ramps) to meet ADA standards along any corridor being overlaid.

While cities may support the goals of these mandates, the result is a greater demand for already scarce resources. For example, the Federal Highway Administration’s reclassification standard means that the City of Everett (population 101,800) must replace nearly all curb ramps—even relatively new ones—to meet current ADA standards. While the city is pleased about its progress toward ADA compliance, this reclassification means the city is able to overlay about 20 to 25 percent fewer street lane miles each year. Without additional overlay funding to compensate, the city expects to see maintained pavement ratings degrade.
Increased commodity and construction costs
Since 2000, the costs of commodities such as steel and asphalt have become more expensive.

“Day by day and week by week, we’ve seen increases in construction prices. It’s always the same story. You think you have a reasonable engineer’s estimate, you do your homework, but then you’re continually surprised.”

~John Starbard,
City Manager, Newcastle

This rapid increase in prices required the City of Newcastle (population 9,550) to return to external funders as well as the city council for extra support for the Coal Creek Parkway project. This project required significant upgrades to a failing corridor and bridge that lacked pedestrian facilities and needed safety improvements. When the city went out to bid for the project, the three lowest bidders were within eight percent of each other. Using historical price data from the Department of Transportation (DOT) for structural concrete, the engineer’s estimate was set at $250 a cubic yard above projected costs ($800 a cubic yard). However, when the bid price came in it was $1450 a cubic yard.
Newcastle is not alone. On average, the cost per mile for projects receiving funds from the Transportation Improvement Board has increased significantly. The following graph shows how average costs per mile have risen for the recipients of the board’s urban corridor program and urban arterial program.

Where do we go from here?

In the AWC’s 2005 *State of the Cities* report, the transportation shortfall for cities from 2004-2009 was projected to be $3.4 billion. That estimate does not reflect the significant cost increases cities have experienced since 2005.

As more people move to this state, more cars will congest city streets. As more freight is shipped overseas and goods coming from elsewhere enter through our ports, more trucks will contribute to street deterioration. Rail traffic will also grow, affecting cities along major rail routes.

The Department of Transportation indicates that at current funding levels for street repair and rehabilitation, city street conditions will continue to deteriorate. Deterioration of our city streets will erode Washington’s economic vitality and quality of life. The time to solve these problems is now.

“Costs are skyrocketing. Chip sealing is great if the street is worth preserving, but what do you do if chip seal covers up the real problem? The street looks good, but below it’s a mess.”

-Larry Turner,
Public Works Director, Connell
City Utilities

Cities endeavor to plan, design and construct utility systems that provide reliable, high quality services at affordable rates. They educate citizens and businesses about good water conservation practices and how to prevent stormwater from polluting waters. Utility services protect public health and our environment and make it possible for businesses to thrive and grow.

But in spite of the critical nature of city utility systems, the sustainability of some systems is in doubt. While cities have worked hard to build excellent utility systems, some cities’ utilities are in disrepair. These cities face substantial costs to upgrade systems to meet new and higher regulations, rebuild aging systems or construct a utility from scratch.

Cities of different sizes and locations struggle with inadequate utility systems. However, a larger portion of cities in rural areas report having poorer utility conditions than cities as a whole. These smaller, rural cities lack economies of scale which means costs per customer are higher and user rates may exceed lower income residents’ ability to pay.

Utility systems that require upgrades and/or repairs may include those that have reached or exceeded their recommended capacity, are operating on the cusp of safety risks, and those well beyond their structural lifespan.

In response to an AWC survey, cities reported the following about their utility systems:

- Twenty-two percent of cities reported they do not have sufficient revenues to maintain sewer/waste water systems to meet current service levels, and 18 percent of cities said the same of their drinking water system.
- More than one in every four cities (26 percent) indicated lack of sewer/waste water capacity is a barrier to economic development, and one in five said the same about drinking water.
- Six percent of cities reported that their utility systems are in poor condition and another 32 percent describe their systems as only “fair”.

Utilities discussed in this chapter include drinking water, sewer, and stormwater. Only a few cities also operate electric, natural gas and other utilities.

“Water and sewer is a tremendous issue for public safety. We’re all experiencing low water tables and that’s a problem for fire flow.”

-Jerry Cummins, Councilmember, Walla Walla

### Condition of city utility systems

- **Good to excellent**: 62%
- **Poor**: 6%
- **Fair**: 32%
- **Poor**: 6%
Utility system conditions
Drinking water systems

Cities supply millions of Washingtonians with safe, reliable drinking water. This requires an adequate water supply, treatment for water quality, and distribution systems to homes and businesses.

Cities derive their water from a variety of sources:
- Surface water from streams and lakes;
- Ground water from wells or aquifers; and/or
- Water purchased from another provider.

City drinking water is tested to ensure public health and safety. Most water is treated by filtration, disinfection, aeration or pH adjustment. The water is then distributed to homes and workplaces through miles of pipe.

Overall, five percent of cities responding to AWC’s survey rated the physical condition of the city’s drinking water system as poor, and another 22 percent rated their water systems’ condition as only "fair." More cities in rural areas reported their water system to be in poor condition. Among these cities, 15 percent rated their system as poor and another 35 percent rated it as “fair.”

While these data may not seem to indicate a large-scale problem, drinking water systems in less than optimal condition can be a concern to human health and safety. System problems can require residents to boil water before using. Insufficient water supply can be a problem for fire flow, and broken water mains can cause sink holes under streets and disruption of water service.

When asked which factors contribute to the need for new construction or improvements of their drinking water systems, cities responded:
- Aged system (85 percent)
- Residential growth (74 percent)
- State/federal mandates (62 percent)

More cities reported having a distribution system in need of replacement than other portions of the water system. Fifty-nine percent of cities reported that a portion of the water distribution system needs to be replaced in the next ten years or sooner. A failing distribution system may arise from old, corroding pipes lying under city streets. The Environmental Protection Agency reports that over the past decade 24 percent of the waterborne disease outbreaks reported in community water systems were caused by contamination of the water distribution system.

“No one thinks about what’s under the ground. They just know that when they turn the faucet, water comes out.”

- Pat Johnson, Mayor, Buckley
Forty-eight percent of cities also responded that a portion of the source infrastructure (such as a well or intake pipes) will need to be replaced within the next ten years. For example, the City of Buckley (population 4,555) receives its water via a 6.5 mile pipeline that was built in the 1920’s and crosses a creek, a canyon, steep slopes prone to slides and wetland areas. The city was told that the pipe reached the end of its useful life in 1977. Now, the city is facing a $10 to 12 million project to replace it. The city has inquired about new water sources to an area closer to town, but has been denied additional water rights.

Water capacity issues are also a significant problem for many cities. For example, the Town of Almira (population 275) has a water storage shortfall because it has only one 50,000 gallon tank. During the summer the town enforces an every-other day watering restriction. If there is a fire, volunteers go throughout town to shut off water to those who are watering their lawns. The town is currently trying to address this public safety problem with the help of state and federal aid.

**Sewer and wastewater systems**

Sewer and wastewater systems ensure that waste generated from residences and businesses is collected and sent to a city’s treatment facility before being released back into the environment. This fundamental service preserves our environment and public health.

However, seven percent of cities responded that their sewer/waste water system is in poor condition, and another 24 percent described their systems’ condition as only “fair.” Similar to the condition of drinking water systems, a larger percent of cities in rural communities reported their sewer systems to be in poor condition.

Eighty percent of cities replied that an aging sewer/waste water system contributes to the need for new construction and improvements. Other contributors are:

- Residential growth (79 percent)
- State/federal mandates (65 percent).

Fifty-three percent of cities indicated a portion of their sewer/waste water pump station will need to be replaced within the next ten years, and 51 percent of cities indicated the collection system needs to be replaced within the next ten years.

“A large portion of Richland’s sewer collection system is 60 to 70 years old. With so much of the system likely headed for failure at the same time, we’re facing a big challenge.”

- Pete Rogalsky, Public Works Director, Richland
Cities that need significant sewer system upgrades or must build a system from scratch face significant financial and logistical challenges.

The City of Hoquiam (population 8,845) is trying to prioritize improvements to its sewer system. The city wants to construct a new sewer treatment plant and replace its current plant, originally built in the 1950s. This new plant is expected to cost $20 million and that won’t even address the needed sewer force mains and other components of the system that need replacement. The city has used a sewer lagoon for the past 40 years that stretches 45 acres.

Airway Heights (population 5,030) was incorporated in 1955 and did not have a sewer system until the 1990s when it partnered with the Department of Corrections to construct a conveyance system that connects to a regional treatment facility. The system was set up to route wastewater to the Spokane regional treatment facility and then into the Spokane River. However, the Department of Ecology recently concluded that existing and additional sewage will worsen the phosphorus and dissolved oxygen levels in the river and existing and new development sewage must be treated to higher standards. The cost of improvements caused Airway Heights to consider constructing its own facility, which the city believes can be done for less than the city’s portion of upgrades to the regional facility. The city estimates $38.6 million is needed to design and construct a one-million gallon per day facility. Provided the city receives state and federal assistance, rates are still expected to increase significantly. Existing rates for single family sewer are currently $60 per month and are projected to reach $81 by 2010.

The City of Cashmere (population 2,980) is also planning to build a new wastewater treatment plant to meet higher standards of releasing its effluent into the Wenatchee River. The water treatment upgrade is required by 2015 and is estimated to cost $22.4 million. A 20-year loan is expected to increase monthly sewer charges from $45 to $100 or more.

Cities like Oakville (population 715) and Tenino (population 1,520), where residents currently use septic systems, are facing significant costs to establish wastewater collection systems and treatment plants.

### Stormwater systems

Stormwater contains pollutants from a nearly limitless number of sources that wash off rooftops, parking lots, agriculture, industrial facilities and streets. For example, water flowing in the streets picks up motor oil dripped from cars, fine particles of rubber, trace metals from brake pads and other mechanical sources, metals from tire wear, and settled air pollutants.
As urban areas grow, stormwater has been identified as one of Washington’s fastest growing water quality problems. Local governments have been assigned responsibility for clean-up and processing of these pollutants.

In 2007, new regulations went into effect requiring cities to obtain National Pollutant Discharge Elimination System (NPDES) Phase II permits. The permit requirements are costly and contain conditions that exceed Federal Clean Water Act standards. The permit is required of urbanized areas and cities with a population of 1,000 or more people per square mile.

This responsibility comes with tremendous financial challenges. While many cities have varying levels of stormwater systems in place, many are now required to meet newer and higher standards.

Stormwater collection and treatment was a key issue driving the incorporation of Federal Way in 1990. At that time, that area of unincorporated King County did not have any regional stormwater detention facilities or any focus on surface water management. Federal Way (population 87,390) has since created regional detention facilities and a management plan that is one of the most stringent in the region in terms of addressing stormwater on a project and program basis.

While cities strongly support most of what is required by the permit and understand they play a significant role in improving community water quality, complying with this unfunded mandate is beyond the means of many cities. Further, some cities are concerned that costly new redevelopment requirements could discourage downtown infill development, a goal of GMA. Thirty percent of the survey respondents for AWC’s 2007 State of the Cities report indicated that improvement or expansion of their stormwater system was a barrier to economic development.

The Puget Sound Partnership has just started to develop an action plan for clean-up and restoration of the Sound by 2020. Local governments will be among those largely responsible for implementing the plan, which will undoubtedly impose greater requirements and costs on cities.

Challenges to providing basic utility services

Cities face a variety of challenges to provide residents and businesses with basic utility services. Among the top challenges identified by cities are inadequate financing, state and federal unfunded mandates, pressure from users for low rates, and the inability to build systems with adequate capacity for future generations.

Financing utility systems

Utility systems are typically funded as enterprise activities. User fees and charges are accounted for within the utility fund and provide a stable revenue source. Cities also depend on state grants and loans and reserves to maintain and construct these systems.

Twenty-two percent of cities say they do not have sufficient revenues to maintain sewer/waste water systems to meet current service levels. Eighteen percent of cities say the same of their drinking water system. One major upgrade or emergency can deplete fund reserves.

“Implementing the NPDES Phase II permit programs takes considerable energy and diverts attention from other city services. For smaller cities this is daunting.”

~Mitch Wasserman, City Administrator, Clyde Hill
Even with a dedicated revenue source for these services, funding challenges remain.

- Many cities struggle to address the maintenance and upgrade requirements of old systems that are at the end of their useful life.
- Cities bear the brunt of unfunded federal- and state-mandated upgrades.
- Utility revenues are inadequate to pay for future growth.
- Rates in many cities do not generate enough revenue for cities to pay for maintenance, construction and upgrades.
- Reserves are often inadequate due to rate pressures from users.
- Smaller communities lack economies of scale and struggle to provide quality services at an affordable rate.
- Work in urban environments is costly, often requiring street work and traffic control to access utility lines.

Cities struggle with many combinations of these funding challenges.

**User fees in small cities**

Small cities struggle to provide utility services at affordable rates while concurrently addressing the need to charge rates sufficient to maintain, repair and replace their utilities. This is largely because these communities lack economies of scale. When more people pay for a service, the unit price of that service decreases. In urban areas many users live in more compact communities, requiring less pipe per customer to carry drinking water or effluent. The unit price of a treatment plant also decreases when the cost is spread among more users.

Data from AWC’s 2006 Tax and User Fee Survey indicates that 19 of the 20 cities with the highest water base rates have a population of 5,000 or less. The median population among these cities is only 977. The median water base rate for cities of 5,000 or less is 14 percent higher than the median rate for all cities, and 122 percent higher than cities with a population of 25,000 or more.

More smaller cities than larger cities also report that utility rates exceed their residents’ ability to pay. City officials from cities in rural areas and with low-income residential populations are more likely than other city officials to agree or strongly agree with the statement that “rates exceed residents’ ability to pay.” One official from a small residential city responded to the survey, “Our customers cannot take much more.”

**State and federal mandated improvements**

Drinking water, sewer and stormwater systems all are affected by federal and state mandates. While cities clearly support many of these standards of public health and environmental stewardship, they struggle to fund utility systems to meet these new standards.
<table>
<thead>
<tr>
<th>Year</th>
<th>Mandate</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>State Environmental Policy Act (SEPA)</td>
<td>Requires all cities to identify environmental impacts that may result from governmental decisions such as issuing permits for private projects, constructing public facilities, or adopting regulations, policies or plans.</td>
</tr>
<tr>
<td>1971</td>
<td>Shoreline Management Act (SMA)</td>
<td>Requires more than 200 cities to protect and restore shorelines, protect the public’s right to use and access the waters of the state, and to foster all “reasonable and appropriate uses” that are dependent upon a waterfront location.</td>
</tr>
<tr>
<td>1972</td>
<td>Clean Water Act (includes wetlands regulations)</td>
<td>Federal law implemented through the Department of Ecology that established the basic structure for regulating discharges of pollutants into waters, requiring cities to regulate and monitor point and nonpoint sources of pollution discharging into surface waterbodies.</td>
</tr>
<tr>
<td>1973</td>
<td>Endangered Species Act</td>
<td>Federal statute designed to protect endangered and threatened species which requires cities to develop protective regulatory ordinances that modify development practices.</td>
</tr>
<tr>
<td>1974</td>
<td>Safe Drinking Water Act (SDWA)</td>
<td>Federal law implemented primarily through the Department of Health that requires cities to meet water quality standards, conduct sampling, treatment, and meet public notification requirements.</td>
</tr>
<tr>
<td>1987</td>
<td>Clean Water Act Amendments - National Pollutant Discharge Elimination System Permits (NPDES)</td>
<td>New amendments declare the discharge of stormwater from certain industries and municipalities to be a point source of pollution requiring NPDES permits or water quality discharge permits. The Environmental Protection Agency stormwater regulations establish two phases for the stormwater permit program.</td>
</tr>
<tr>
<td>1990</td>
<td>Growth Management Act (GMA)</td>
<td>The GMA specifies that all cities (and counties) in Washington must designate and protect critical areas, and they must ensure that new residential subdivisions have appropriate provisions for public services and facilities. GMA-planning cities must develop and implement land use, housing, capital facilities, utilities, and transportation elements in comprehensive plans.</td>
</tr>
<tr>
<td>1990</td>
<td>NPDES Phase I</td>
<td>Seattle and Tacoma are required to implement NPDES Phase I stormwater programs.</td>
</tr>
<tr>
<td>1996</td>
<td>SDWA Amendments</td>
<td>Added requirements for annual water quality reports, operator certification requirements, system capacity, and source water assessment and protection.</td>
</tr>
<tr>
<td>1998</td>
<td>ESA - Proposed listing for Chinook Salmon in Puget Sound basins</td>
<td>Broad implications for city operations and regulatory framework requires engagement in habitat conversation planning and monitoring.</td>
</tr>
<tr>
<td>1999</td>
<td>NPDES Phase II</td>
<td>NPDES Phase II stormwater permit is required of all urbanized areas and cities with a population of 1,000 people per square mile, affecting more than 100 cities and a number of counties across the state.</td>
</tr>
<tr>
<td>2007</td>
<td>DOE issues Phase II permits</td>
<td>Permit requires jurisdictions to make costly improvements and to be held accountable for programs that manage local stormwater runoff. Requirements are in excess of standards set by the federal government.</td>
</tr>
</tbody>
</table>
Examples of current mandates causing difficulties for cities:

- **Drinking water:** The City of Walla Walla (population 30,900) is struggling to meet regulations in accordance with the Clean Water Act. In 1996 they had a $16 million upgrade to construct an ozone purifying system to remove cryptosporidium from the drinking water, even though there had never been a documented case. Fifty-eight percent of the city’s current user rate revenue is now dedicated to debt repayment.

- **Sewer/waste water:** In 1998 the City of Westport (population 2,335) upgraded the sewage treatment plant with a U-V system to disinfect effluent, constructed new headworks and a new solids composting system. To make these upgrades, the city borrowed $3.8 million through a 40-year Rural Development Authority (RDA) loan, but received no grant funding. In 2001 additional upgrades to the main pump station were needed, costing the city nearly $300,000, of which $160,000 was funded through an additional loan. The city is now completing additional upgrades that cost nearly $1.9 million which are needed to meet new discharge permit standards. The city received approximately $380,000 in grant funds for these upgrades and the rest is being funded with loan funds. The city has also been informed it must provide additional redundancy upgrades in 2010 that are estimated to cost more than $2 million dollars and is seeking assistance to meet these new mandates.

- **Stormwater:** The City of Wenatchee (population 30,270) is an example of a city that is seriously revamping its stormwater program as a result of the NPDES Phase II permit. Previously, the city only had a stormwater system maintenance program. Even in light of receiving a grant from the Department of Ecology, the cost of implementing the new stormwater program is significant. The city hired additional staff and shifted other employee workloads to work towards implementing permit requirements. The city has been able to meet permit timeline requirements to date, but is concerned upcoming deadlines will be more challenging, specifically the illicit discharge detection and elimination program.

Cities recognize that the state is not the source of all mandates. But regardless, cities are likely to turn to the state for additional help to meet state and federal mandates because they cannot do so on their own.

**Where do we go from here?**

In the AWC’s 2005 *State of the Cities* report, the aggregate cost of domestic water, sanitary sewer and stormwater system improvement needs was estimated to be $2.39 billion between 1998 and 2003. Between 2004 and 2009, those costs were projected to increase 40 percent to $3.24 billion. Future costs for cities to become compliant with NPDES stormwater Phase II permits will likely take these figures higher.

Escalating construction costs exacerbate the problem. The longer city utility projects wait to be completed, the higher the cost. The Public Works Board estimates that for every construction cycle that passes, project costs increase an average of 30 percent. Over the past year, the board recognizes that construction bids have increased by 34 percent.

Optimally functioning utility systems ensure public health and safety and environmental protection. They also lay a foundation on which a strong Washington economy can grow.
Parks and Recreational Facilities
Parks and Recreational Facilities

Parks and recreational facilities include developed playgrounds, ball fields and swimming pools, undeveloped hillsides and ravines, major regional attractions, small neighborhood street-end parks, and passive wooded areas that separate conflicting land uses.

Well-designed public spaces foster a sense of community, encourage friendly relations among neighbors, and help create an increased sense of mutual trust, civic pride, and ownership. Public parks and recreation areas also enhance public health by providing places for community activities and exercise.

Parks, pools, community centers, museums and other recreational facilities are a reflection of community. These signals of a healthy community are important to business owners, residential developers, and citizens. People want to live and do business where there is open space and a vibrant community.

Citizen expectations regarding parks and open space are changing. For example, skate parks, which used to be “alternative”, are now commonplace. Joggers, dog owners, ball players and tennis enthusiasts all expect parks to meet their needs - including the need for restrooms, lighting, and other amenities. These rising expectations for additional services translate to rising costs.

Unfortunately, this increased demand is colliding with limited tax revenues, shrinking federal funds, and greater competition for limited resources.

Conditions of parks and recreational facilities

While very few cities surveyed by AWC indicated that their parks are in poor condition, in interviews and focus group discussions city representatives acknowledged that parks often lose out to other city services for resources. A number of interviewees also noted the poor condition of their city’s swimming pools.

Many cities have pools that are at the end of their useful life. While some cities have been successful at passing bond measures for improvements and construction, others have not. For example, the City of Port Angeles’ (population 19,010) pool was built nearly 50 years ago and is nearing the end of its life expectancy. A bond measure to finance the construction of a new pool failed in 2006. City officials decided to continue to operate the pool as long as it is safely possible, but recognize it could close at any time. User fees have been initiated at some facilities and fees have increased at others; however this revenue source cannot realistically cover construction of a new aquatic center estimated to cost between $6 and $10 million.

“There is an enormous amount of community pride in our parks system. Unfortunately, unless additional infrastructure resources are made available, we will have significant limits on our ability to meet our development goals while still addressing other top public priorities.”

~Ray Stephanson, Mayor, Everett
Financing challenges

City parks are funded from a city’s general fund. Within that fund, parks compete with all other general city services. When city budgets are tight, parks and recreational facilities are often the first city services to be cut.

Fifty-seven percent of cities reported that parks operation and maintenance costs are the greatest financial challenge for their city. This is why some cities are reluctant to take on new parks. Other cities cite development and construction (21 percent) and land acquisition (15 percent) as their greatest challenges. City officials from 29 percent of responding cities report they do not have an adequate number of parks based on benchmarks determined by the city.

As a result of general fund budget pressures, some cities have asked voters to form Metropolitan Parks Districts. These are junior taxing districts that raise additional property tax revenues. City councils can maintain control of their parks by exclusively managing the district, or the park district can be a regional solution that includes other municipalities or jurisdictions.

Conflicting goals

Cities planning under the GMA must ensure all urban growth areas include greenbelt and open space areas, and that open space corridors are identified within and between urban growth areas.\(^{13}\) However, open space lands are rapidly disappearing. The Shoreline Management Act also requires cities to preserve and promote public access to shorelines. In areas where property values have skyrocketed over the past decade, cities struggle to satisfy these goals.

\(^{13}\) RCW 36.70A.110(2) and RCW 36.70A.160

“People acknowledge that parks are important for quality of life—same with libraries. But there’s not enough money in the general fund because costs outweigh the revenues.”

- Mark Workman, Public Works Director, Pullman
Cities working toward solutions

Washington cities are continually forced to make tough funding choices between city priorities. Some communities—unable to find additional maintenance and operation resources—are reluctant to take on new parks. The City of Richland (population 45,070), well-known for its parks and trail system, has developed a procedure that prioritizes which parks receive resources first. Parks that fall near the bottom of the list are not maintained to the same degree as are others.

Twenty-eight percent of cities reported that they use volunteers or service groups to help maintain and construct their parks. This helps to keep costs low, and engages citizens in their community. The City of Wilson Creek (population 245) used the Job Corps to help create a community skate park. The mayor also drove to Colorado with a trailer to pick up a half-pipe donated by the Tony Hawk foundation.

Other cities have devised a number of creative approaches to reduce the costs of providing and maintaining facilities and services. The City of Kirkland (population 47,890) parks maintenance manager works regularly with the planning department to identify upcoming construction sites, where demolition and removal of old landscaping will be taking place. After approval is received from the property owner, parks crews remove mature trees, plants, landscape materials, and rock that can be used for city park and landscape projects. This approach has produced significant savings, allowed the city to install more mature landscape than would be possible through purchase, and reduced waste being sent to the landfill.

The City of Redmond (population 50,680) Parks Operations crews have been adding a product to the infield dirt in ball fields that absorbs water and improves drainage. This product, known as Turface, has been a huge success. It has reduced labor, minimized game cancellations, and improved safety.

However, even with the best and most creative management practices, cities struggle to fund an adequate number of parks and recreational facilities and to maintain them for optimal use and benefit. Funds to purchase land for recreational uses is costly in an environment where property prices have soared. Competition for resources to fund park maintenance and development is high. This valuable city asset often loses out to other city services, thereby diminishing local public health and civic pride.
City Jail Facilities and Capacity
City Jail Facilities and Capacity

Cities, counties and the state each have responsibilities for the incarceration of offenders. Those sentenced for more than a year serve time in the state prison. Offenders sentenced to a year or less are held in either a city or county jail. Between the 1980s and 2001, incarceration rates in county jails have grown 184 percent.\textsuperscript{14}

While few cities have their own jails, all must arrange to incarcerate offenders sentenced to jail. Therefore, the availability of jail space is a vital concern for all cities. Many city jails are old facilities that need improvements and have limited capacity. Cities also find they are being squeezed out of county facilities, causing more cities to consider building their own facilities.

Aging structures that lack capacity

Currently, 20 cities own and operate their own jails, a small proportion of all cities but comprising 11 percent of city population. Among cities responding to an AWC survey, 86 percent indicated their jail currently needs improvement. Ninety-two percent of the cities with jails needing improvement reported it's because of the need for greater capacity, and 67 percent reported it's because of an aging facility.

Most cities contract with counties or other cities to provide jail space for offenders. However, finding beds to house offenders is becoming more difficult. Two-thirds of the responding cities with jails reported that within the last five years, they have turned down a request to house other jurisdictions' inmates due to lack of capacity.

The City of Yakima (population 82,940) is currently studying the need for expanding its city jail. Lack of capacity at the city's 81-bed jail requires the city to send half of its inmates to the Yakima County jail and to facilities operated by surrounding cities. The cost of these contracted beds is much higher than for those housed in the city jail. The estimated cost of the proposed jail expansion is expected to cost as much as $8 million.

The City of Olympia (population 44,460) has a 28 bed jail, but also rents space from other jurisdictions from as far away as Benton County. In addition, Olympia's facility is in dire need of renovation—both to improve conditions and expand capacity. Even without these capital improvements, the city projects jail costs to increase 14 percent between 2007 and 2008. The city is currently investigating other options because it is uncertain how long Benton County will have available capacity.

The Washington Association of Sheriffs and Police Chiefs report for 2006 some of the cities that faced capacity issues included:

- Renton at 122% of capacity
- Kent at 116%
- Marysville at 106%
- Aberdeen at 96%
- Wapato at 93%
- Lynnwood at 93%
- Issaquah at 92%

Cities that do not own their own jails are also facing capacity challenges.
City inmates are routinely being forced out of county jails due to limited capacity. For example, the King County jail will no longer house city inmates after 2012. This and other similar circumstances are forcing cities to look seriously at building their own jails.

**Financing city jail construction**

Financing for a city jail usually is provided through the capital facilities budget or bonds. Unlike city streets, utility systems and parks, the state does not offer grant or low-interest loan assistance for the construction of city jails. However, half of responding cities with jails indicated their greatest jail funding challenge is facility development and construction.

The Legislature has provided some additional financing options for jails and other public safety purposes.

- **Criminal justice sales tax:** Approved in 1990, this tax allows counties to levy an additional local sales and use tax of 0.1 percent for criminal justice programs. Ninety percent of the revenues are distributed within the county on a per capita basis.
- **Public safety tax:** Approved in 2003, this tax allows counties to levy an additional 0.3 percent sales and use tax, subject to voter approval. Cities within the levying county receive 40 percent of this tax.
- **Counties (except King County):** are able to levy an additional 0.1 percent sales and use tax for construction and operation of jail and juvenile detention facilities, but this tax is not shared with cities within the county.

Each of these options has serious limitations. Only county legislative bodies have the authority to impose or propose these taxes to voters, even though substantial portions of the sales and use tax are raised within the more densely populated cities.

**A growing concern**

Jails are commonly considered “county business.” However, times are changing. Many cities without their own facilities are now considering building jails in order to ensure capacity for their offenders. Many cities with their own jail facilities have aging buildings and/or lack capacity. These issues pose a significant problem for cities, and will continue to grow as population increases and continues to be concentrated within cities.
Municipal Buildings
Municipal Buildings

A city’s municipal buildings—city hall, fire stations, police stations, public works facilities, community centers, senior centers, libraries and the like—provide vital services and help create a community identity and community pride. The condition of these buildings affects the way many services are delivered—the speed in which fire fighters can respond to an emergency, how planners interact with their customers, and where citizens and city council collaborate to shape the community they want.

Yet twenty-three percent—almost one quarter—of cities reported that their city hall and police station are in poor condition. Seventeen percent of cities reported that their fire station and community center are in poor condition.
Many of the cities with municipal buildings in poor or fair condition noted that an aging facility contributed to the need to upgrade facilities. This number varied from a high of 92 percent for fire stations to a low of 69 percent for libraries. Cities with old buildings face expensive remodeling projects that include seismic upgrades and historic renovation requirements, and they must continue to deliver services while these projects are underway.

Growth in population and in economic activity has influenced the need for increased capacity. A lack of capacity has contributed to the need for facility upgrades for police stations (79 percent), city halls (77 percent), libraries (73 percent), fire stations (68 percent), and community center/senior centers (46 percent).

Municipal buildings are important pieces of a city’s capital assets. But unlike many other pieces of the city infrastructure system, state and federal grant and loan programs don’t exist for many municipal buildings. Yet these facilities are vital for economic development, quality of life and quality service delivery.
A New Era of Infrastructure
A New Era of Infrastructure

In the twenty-first century we have entered a new era of technological infrastructure.

A quarter century ago, few anticipated how powerful and essential a part of city infrastructure the internet and instant electronic communication would become.

Essential elements of our infrastructure that we didn’t even think of 20 years ago include:
- E-governance that meets customer demands with 24-hour access to information such as permit information and parks and recreation facilities;
- Interoperable systems for emergency management;
- City web sites; and
- Video conferencing between judges and offenders for arraignment.

Even the old infrastructure systems have a new twenty-first century twist:
- Nearly every employee at city hall relies on a computer to increase efficiency; and
- Rolling stock and municipal buildings are becoming “green.”

This new wave of technology helps cities meet new expectations for service demands—but at a price.

E-government and computer technology

Citizen demands are changing. If the private sector can accept an order or provide customer service 24 hours a day, seven days a week, citizens expect cities to do the same.

For cities, the following factors drive e-government initiatives:
- Increased citizen participation in government;
- Improvements in the quality, range, and accessibility of services;
- Improved efficiencies; and
- Citizen and private sector demand.

Today, citizens in many cities can pay their utility bills online, schedule court appointments, easily access municipal plans and documents, and conduct business with various city departments. For example, citizens in Kent can view and register for recreational classes online, and in Olympia, they can schedule a construction inspection.

In addition to improving services to individual citizens, cities are developing e-government initiatives to better serve the private sector.

Where do we go from here?

Laying the foundation for a strong Washington economy means cities throughout the state must provide or partner in providing “new” infrastructure systems. Yet, many of these areas have no place in the state’s current view of infrastructure and cities do not have the financial resources to build these systems alone.
State Assistance:
Where Cities Go for Help
State Assistance: Where Cities Go for Help

Cities rely on the state as an important partner in building a strong infrastructure system. Good streets, drinking water and sewer systems, parks and recreational facilities, jails, municipal buildings and electronic communication systems provide the foundation for a strong Washington. Optimal infrastructure is a prerequisite for a strong economy—and a strong local and state economy, built on a strong infrastructure, is essential to serving the needs of citizens, protecting the environment, and generating revenue for both cities and the state.

Yet city infrastructure systems are inadequate and cannot always provide the level of service citizens and businesses expect. The most serious deficit in city infrastructure is the mismatch between growing needs and available resources. Competition for resources within the city general fund and state assistance programs, as well as restricted local revenue-raising options, leave unmet needs year after year.

State grant and low-interest loan programs are of vital importance to cities. Seventy-nine percent of cities indicate that state grants are among the top three most critical funding sources for street improvement and new construction. Seventy-nine percent of cities indicate that lack of state grants and loans are among the top three biggest challenges to financing the city’s sewer/waste water system.

Public Works Trust Fund

In sheer size, the Public Works Trust Fund (PWTF) is a critical state assistance program for cities. The PWTF provides low-interest loans for streets, bridges, sewer, drinking water, stormwater, solid waste and recycling systems, and cities compete with counties and special purpose districts for loans. Cities depend on these loans as a mechanism to provide basic infrastructure services and to reduce the cost of meeting state or federal mandates. When these loans are repaid, the fund is replenished, providing an opportunity for other entities to access loans.

The Public Works Board (PWB) sets and annually reviews a minimum threshold score for PWTF construction and pre-construction applicants to receive funding. In recent years the threshold has been set at 75 points (including a 40 point minimum threshold for local management). However, available resources have fallen short of funding applicants that meet the minimum threshold score. For awards in 2008, only applicants with a score of 82 or higher were recommended for funding, seven points above the minimum threshold. If sufficient funds were to be provided to all worthy applicants (those receiving a score of 75 points or more), $454.7 million would have been needed. This sum is $177 million more than the amount available to award.

“Are there projects that don’t get funding? Absolutely. Are there critical projects that don’t get funding? Absolutely. With a limited amount of funding and significant level of demand, we are only able to fund a portion of the requests we receive.”

- Kelly Snyder, Executive Director, Washington State Public Works Board
The Public Works Trust Fund annual amount requested compared to loans approved

Recommendations for the PWTF
The PWTF is one of the most significant infrastructure programs for cities. Looking to the future, this fund should:
• Be enhanced to fund loan requests that meet minimum threshold criteria;
• Ensure that any legislative action that includes new capital infrastructure categories will also include commensurate revenue enhancements;
• Receive flexibility to award projects in a timely manner;
• Periodically review and adjust project award size to account for inflation and project costs; and
• Ensure equitable distribution of funds that includes population served as well as jurisdiction served.

Transportation Improvement Board
The Transportation Improvement Board (TIB) was created to foster state investment in quality local transportation projects. The TIB distributes grant funding to cities and counties for funding transportation projects.

Most cities hold the TIB program in high regard and it is considered an important partner in many city street projects. One survey respondent simply noted, “TIB is great.”

However, decreasing gas tax forecasts, coupled with soaring street construction costs, are limiting the effectiveness of TIB’s urban programs. In 2007, TIB awarded only ten urban corridor grants and 13 urban arterial program grants. TIB provided $108 million in grants in comparison to the $793 million that was requested. In 2008, the amount awarded to applicants totaled $84 million, out of total requests of $515 million.
Recommendations for TIB
The TIB is cities’ greatest partner for street projects. In recent years street construction costs have escalated significantly and TIB’s dedicated funding has not kept pace.

Improvements for TIB assistance include:
• Enhance funding for TIB to address not only a massive “over-subscription” problem but also areas such as spot intersections, neighborhood arterials, and sidewalks/pedestrian areas that are either ineligible or highly unlikely to be funded under current conditions.
• Change TIB grant criteria so more urban cities can qualify for necessary projects on the local roadway system.
• Provide funds for city pedestrian safety projects, which are rarely available, except as part of a larger project.

Community Economic Revitalization Board (CERB)

The 2007 State of the Cities report on city economic development projects demonstrated that when cities have a sound infrastructure in place, it is of significant benefit to the city’s, and the state’s, economy. CERB’s economic development programs can be an important partner in this arena.

Historically, CERB has supported business and industrial job growth primarily in rural communities. This includes providing low-interest loans and limited grant assistance to help local governments finance public facility projects needed for private sector expansion and job creation. In recent years, its mission has expanded to support the Job Development Fund (JDF) and the Local Infrastructure Financing Tool (LIFT) competitive program.

Cities strongly support CERB, and especially appreciate its ability to award loans and grants within 45 days. However, there is concern that no dedicated, reliable, ongoing funding source exists to support CERB.

Recommendations for CERB:
• The Legislature should identify a permanent funding source for an expanded CERB program that includes urban areas and potentially bigger projects;
• LIFT should be funded beyond the 2007-2009 biennium and given the flexibility to award more than one applicant (city) per county.
• CERB should periodically review and adjust project award size to account for inflation and project costs.

“We as a state need to determine what our cities are going to look like and how we will maintain them.”

-Karen Rogers, Councilmember, Port Angeles
Washington Wildlife and Recreation Program

The Washington Wildlife and Recreation Program (WWRP) was created in 1990 in response to increasing public demand for outdoor recreation land and growing concerns about loss of wildlife habitat. The fund is administered by the Recreation and Conservation Funding Board and is charged to:

- Acquire the most significant lands for wildlife conservation and outdoor recreation before they are converted to other uses; and
- Develop existing public recreational land and facilities to meet the needs of present and future generations.

There are shortcomings in this program and opportunities for improvements. For example, under the current WWRP program:

- Projects receiving local parks program monies cannot use those funds toward frontage improvements leading into a park.
- Projects receiving local parks program monies cannot use those funds towards water-sewer line relocation costs.
- Aquatic centers and recreational community centers are ineligible.
- Pedestrian access points into parks in urban areas with nearby busy corridors or state highways are highly unlikely to score well enough to receive funding.
- Trail funding is almost exclusively geared toward multi-jurisdictional trails, giving lower priority to intra-jurisdiction or neighborhood loop trails.
Recommendations for City and State Action
Recommendations for City and State Action

Cities provide vital services that rely on sound infrastructure systems. They are first responders to many emergencies and provide residents and businesses with an essential foundation necessary for quality of life and economic vitality.

Limited public funding means many city infrastructure systems are in poor condition and unable to meet community needs. Many city streets are congested and in disrepair; aging drinking water pipes break; city jails are often overcrowded. These problems create a gap between what our cities currently have to offer new residents and potential businesses, and what our cities could offer if they had adequate resources.

City infrastructure systems are also critical to the state’s economic vitality. Thoughtful design, quality construction and diligent maintenance of all city infrastructure systems provide the physical environment necessary to encourage business development and economic growth. The business community expects cities to provide good streets, utility systems, public safety systems and recreational facilities. Infrastructure is key to the retention of existing businesses and to the recruitment of new businesses.

What happens to city infrastructure projects with inadequate funding?

City infrastructure projects that lack adequate funds will be delayed or will not get done. What might have been a simple maintenance project at one time may soon become a major reconstruction project.

Deferred maintenance costs more not only because of further deterioration, but also because of inflation. This means that the resources required to build and maintain an infrastructure element for a strong Washington are increasing every year.

What else might happen if these projects aren’t funded?

- A city may need to declare a moratorium on new construction;
- A city may have to declare a health hazard or bring in potable water;
- Communities may become unable to attract businesses; and
- Utility services may become unaffordable due to the costs of major repairs and/or mandated improvements.

Recommended city actions

Good city stewardship of local infrastructure is important to ensure well-functioning capital systems and service delivery for residents, businesses and tourists. Cities are encouraged to implement the following recommendations.

- **Address depreciation of capital assets annually.** Setting aside funds for depreciated assets when budgets are tight can be difficult. However, cities should address depreciation of capital assets on an annual basis as budgets are developed, much like operation and maintenance funds that are set aside. These reserve funds would allow
cities to be proactive in funding future capital replacements, and make cities better able to respond to unforeseen emergencies.

- **Employ good maintenance practices.**
  Maintaining an existing infrastructure system is always the most cost effective way to ensure its adequacy and longevity. The majority of cities indicated they are already doing this:
  - Fifty-three percent of cities ranked maintenance as their number one priority when evaluating overall infrastructure needs.
  - Sixty-four percent of cities indicate they have a pavement management system in place.

- **Fully consider costs to prevent spikes in user utility rates.**
  Utility system upgrades, meeting new regulations and making major repairs to systems is expensive. Further, construction costs are increasing faster than inflation. Cities should seriously consider current and forecasted cost increases when setting utility rates, and make adjustments in rates as needed. While system failures and future mandates cannot always be anticipated, cities can help prevent large increases in user rates by making annual adjustments that reflect costs.

- **Educate citizens about infrastructure needs and costs.**
  City officials should continue to work with citizens, and educate them about the costs associated with important city infrastructure systems. Many cities indicated in focus groups that they implement a citizen educational effort which includes providing information about infrastructure costs. These efforts will help cities when working with citizen groups to set priorities for future infrastructure initiatives.

**Recommended state actions**

A strong city-state partnership to improve all Washington’s infrastructure is critical. An expanded state role will lead to a strong state and local economy, quality of life and environmental protection. The state is encouraged to pursue the following recommendations.

- **Increase funding assistance through existing infrastructure grant and loan programs.**
  Washington’s assistance programs are under-funded. Programs such as the Public Works Trust Fund, the Transportation Improvement Board and others are vital to city infrastructure projects and public safety. State assistance programs for infrastructure projects that attract economic development are also important to cities. Without these programs, many infrastructure projects simply will not get done.

- **Provide local governments with greater fiscal flexibility with existing resources.**
  The state authorizes cities to raise revenues for specific projects. However, many of these additional revenue raising options (such as the real estate excise tax) are restricted to specific purposes. City infrastructure systems could benefit from greater flexibility with existing resources.

- **Provide cities that have an insufficient tax base with increased operating budget assistance which will help them address infrastructure deficiencies.**
  Low tax base cities simply do not have the funds to address the many infrastructure systems that depend on their general fund. This includes city streets, parks and recreational facilities and municipal buildings.
Greater assistance to cities through the city-county assistance account will help relieve some budget pressures and allow small and low-tax base cities to meet community needs.

Strong city infrastructure systems are critical to Washington State’s economic vitality, public health, environmental stewardship and quality of life. Systems—such as water and sewer utilities, streets and bridges, parks and recreational facilities, and municipal buildings—are among our state’s greatest assets. They are the critical foundation for a thriving economy today and into the future.

However, these systems are failing in many communities. As the state’s population grows, as state and federal mandates proliferate, and as inflation rates increase, city councils will continue to make tough decisions between funding capital assets and essential services.

A solid, long-term city-state partnership to provide durable city infrastructure systems, poised to take on new growth, will guarantee a strong future for Washington State, its cities, businesses and residents.
Appendix
PART I: OVERVIEW OF CITY INFRASTRUCTURE SYSTEMS

146 cities participated in Part I of the *State of Cities* survey. The survey was sent to mayors, city managers and administrators. 52 percent of cities completed Part I, comprising 66 percent of incorporated residential population.

Survey responses are reported to the nearest whole number. Some responses may not total 100 percent due to rounding.

1. Your City Information *(see Appendix B1 for a list of responding cities)*
   - City/Town of
   - Name
   - Title
   - Email
   - Phone

2. Does your city have a capital facilities plan?
   - Yes (count 124; 85%)
   - No (count 18; 12%)
   - Don’t know (count 4; 3%)

3. Has your city requested technical assistance from a state agency (such as CTED or WSDOT) for your capital facilities plan in the last five years?
   - Yes (count 64; 44%)
   - No (count 63; 43%)
   - Don’t know (count 18; 12%)

4. If your city has requested assistance, did your city receive assistance?
   - Yes (count 58; 91%)
   - No (count 2; 3%)
   - Don’t know (count 0)
   - Other, please explain (count 0)

5. To what extent is growth in your community influencing your city’s need to update or expand infrastructure systems?
   - A great deal (count 74; 51%)
   - Some (count 45; 31%)
   - Very little (count 23; 16%)
   - Not at all (count 3; 2%)

6. If you indicated “a great deal” or “some” for the previous question, please indicate the types of development that have impacted your city’s need for expanded or improved infrastructure? (Check all that apply.)
   - Commercial
     - Yes (count 75; 77%)
     - No (count 21; 21%)
     - Don’t know (count 2; 2%)
   - Industrial
     - Yes (count 31; 37%)
     - No (count 50; 59%)
     - Don’t know (count 4; 5%)
   - Residential
     - Yes (count 114; 97%)
     - No (count 3; 3%)
     - Don’t know (count 0)
   - Other
     - Yes (count 15; 34%)
     - No (count 19; 43%)
     - Don’t know (count 10; 23%)
7. If you selected "other" for the previous question, please explain. 
**Answers included growth in nearby communities, tourism, public/organizational growth (such as school, hospitals, penitentiary), annexation**

8. How does your city prioritize the maintenance and construction needs for your infrastructure systems? Please rank the following from 1 to 4, with 1 being the greatest priority and 4 being the least priority.

   **Capacity expansion**
   1 (count 40; 34%)
   2 (count 40; 34%)
   3 (count 26; 22%)
   4 (count 11; 9%)
   Don’t know (count 2; 2%)

   **Maintenance**
   1 (count 70; 53%)
   2 (count 49; 37%)
   3 (count 9; 7%)
   4 (count 2; 2%)
   Don’t know (count 2; 2%)

   **Retrofit**
   1 (count 5; 4%)
   2 (count 24; 20%)
   3 (count 56; 48%)
   4 (count 17; 14%)
   Don’t know (count 16; 14%)

   **Other**
   1 (count 1; 3%)
   2 (count 4; 12%)
   3 (count 11; 33%)
   4 (count 17; 52%)
   Don’t know

9. If you selected "other" for the previous question, please explain. 
**Answers included regulatory requirements, economic development**

10. Overall, what do you believe are your city’s **greatest infrastructure successes**?

11. Overall, what do you believe are your city’s **greatest infrastructure challenges**?

**Community Facilities and Other Infrastructure Systems**

12. How would you describe the condition of your city’s community facilities and other infrastructure systems (not including streets, utilities and parks)? For each of the following, please mark: excellent, good, fair, poor or N/A (city does not have facility).

   **City Hall**
   Excellent (count 26; 18%)
   Good (count 33; 23%)
   Fair (52; 36%)
   Poor (33; 23%)
   N/A

   **Community Center/Senior Center**
   Excellent (count 20; 22%)
   Good (count 32; 35%)
   Fair (count 24; 26%)
   Poor (count 16; 17%)
   N/A (count 50)

   **Fire Department**
   Excellent (count 34; 30%)
   Good (count 40; 35%)
   Fair (count 21; 18%)
Library
- Excellent (count 27; 27%)
- Good (count 27; 27%)
- Fair (count 35; 35%)
- Poor (count 10; 10%)
- N/A (count 26)

Police Department
- Excellent (count 22; 21%)
- Good (count 34; 32%)
- Fair (count 26; 25%)
- Poor (count 24; 23%)
- N/A (count 36)

Rolling stock (police, fire, public works, and other vehicles)
- Excellent (count 26; 19%)
- Good (count 60; 44%)
- Fair (count 38; 28%)
- Poor (count 13; 10%)
- N/A (count 6)

Technology
- Excellent (count 11; 8%)
- Good (count 69; 49%)
- Fair (count 49; 35%)
- Poor (count 12; 9%)
- N/A (count 3)

Other
- Excellent
- Good (count 1; 14%)
- Fair (count 5; 71%)
- Poor (count 1; 14%)
- N/A (count 16)

13. If you selected "other" for the previous question, please describe.
   Answers include public works shops, marina, employee parking

14. If you indicated the condition of your city hall to be fair or poor, which factor(s) have contributed to the need for upgrades? (Please check all that apply.)
   - Aging facility
     - Yes (count 76; 91%)
     - No (count 8; 10%)
   - Changing community expectations
     - Yes (count 26; 31%)
     - No (count 58; 69%)
   - Community development/redevelopment
     - Yes (count 22; 26%)
     - No (count 62; 74%)
   - Inability to meet customer demands
     - Yes (count 21; 25%)
     - No (count 63; 75%)
   - Inadequate capacity
     - Yes (count 65; 77%)
     - No (count 19; 23%)
   - Other, please specify
     - Yes (count 13; 15%)
     - No (count 72; 85%)
   Answers included no city hall, needs seismic upgrades, building not intended to be city hall, inadequate space

15. If you indicated the condition of your community center/senior center to be fair or poor, which factor(s) have contributed to the need for upgrades? (Please check all that apply.)
Aging facility  
Yes (count 34; 87%)  
No (count 5; 13%)  

Changing community expectations  
Yes (count 16; 41%)  
No (count 23; 59%)  

Community development/redevelopment  
Yes (count 3; 8%)  
No (count 36; 92%)  

Inability to meet customer demands  
Yes (count 18; 46%)  
No (count 21; 54%)  

Inadequate capacity  
Yes (count 18; 46%)  
No (count 21; 54%)  

Other, please specify  
Yes (count 3; 8%)  
No (count 35; 92%)  

Answers included deferred maintenance, not intended as a senior center

16. If you indicated the condition of your fire department to be fair or poor, which factor(s) have contributed to the need for upgrades? (Please check all that apply.)  

Aging facility  
Yes (count 35; 92%)  
No (count 3; 8%)  

Changing community expectations  
Yes (count 9; 24%)  
No (count 29; 76%)  

Community development/redevelopment  
Yes (count 7; 18%)  
No (count 31; 82%)  

Inability to meet customer demands  
Yes (count 8; 21%)  
No (count 30; 79%)  

Inadequate capacity  
Yes (count 26; 68%)  
No (count 12; 32%)  

Other, please specify  
Yes (count 15; 10%)  
No (count 129; 90%)  

Answers included poor location, no space for trucks/apparatus, safety factors

17. If you indicated the condition of your library to be fair or poor, which factor(s) have contributed to the need for upgrades? (Please check all that apply.)  

Aging facility  
Yes (count 31; 69%)  
No (count 14; 31%)  

Changing community expectations  
Yes (count 23; 51%)  
No (count 22; 49%)  

Community development/redevelopment  
Yes (count 5; 11%)  
No (count 40; 89%)  

Inability to meet customer demands  
Yes (count 19; 42%)  
No (count 26; 58%)  

Inadequate capacity  
Yes (count 33; 73%)  
No (count 12; 27%)  

Other, please specify
Yes (count 10; 22%)
No (count 35; 78%)
Answers included limited space, rented library building, inadequate parking, better handicapped facilities

18. If you indicated the condition of your police department to be fair or poor, which factor(s) have contributed to the need for upgrades? (Please check all that apply.)
   Aging facility
     Yes (count 42; 88%)
     No (count 6; 13%)
   Changing community expectations
     Yes (count 15; 31%)
     No (count 33; 69%)
   Community development/redevelopment
     Yes (count 9; 19%)
     No (count 39; 81%)
   Inability to meet customer demands
     Yes (count 20; 42%)
     No (count 28; 58%)
   Inadequate capacity
     Yes (count 38; 79%)
     No (count 10; 21%)
   Other, please specify
     Yes (count 6; 13%)
     No (count 42; 88%)
Answers included poor security, location

19. If you indicated the condition of your rolling stock to be fair or poor, which factor(s) have contributed to the need for upgrades? (Please check all that apply.)
   Aging vehicles
     Yes (count 46; 98%)
     No (count 1; 2%)
   Changing community expectations
     Yes (count 9; 19%)
     No (count 38; 81%)
   Inability to meet customer demands
     Yes (count 10; 21%)
     No (count 37; 79%)
   Inadequate capacity
     Yes (count 12; 26%)
     No (count 35; 75%)
   Other, please specify
     Yes (count 3; 6%)
     No (count 44; 94%)
Answers included unreliable, inefficient, lack of necessary equipment

20. If you indicated the condition of your technology systems to be fair or poor, which factor(s) have contributed to the need for upgrades? (Please check all that apply.)
   Outdated technology
     Yes (count 40; 68%)
     No (count 19; 32%)
   Changing community expectations
     Yes (count 23; 39%)
     No (count 36; 61%)
   Inability to meet customer demands
     Yes (count 25; 42%)
     No (count 34; 58%)
   Inadequate capacity
     Yes (count 31; 53%)
     No (count 27; 47%)
Other, please specify
Yes (count 11; 19%)
No (count 48; 81%)

Answers included dial-up internet access, poor software, poor hardware

Utilities (Such as Drinking Water and Sewer/Waste Water)
21. Please rate the overall condition of your utility systems.
   Excellent (count 15; 12%)
   Good (count 66; 51%)
   Fair (count 41; 32%)
   Poor (count 8; 6%)
   N/A (count 9)

22. How would you rate the overall capacity of your utility systems?
   Excellent (count 16; 13%)
   Good (count 67; 52%)
   Fair (count 34; 27%)
   Poor (count 11; 9%)
   N/A (count 16)

23. Please indicate how strongly you agree or disagree with the following statement: Drinking water rates in my city exceed the majority of residents' ability to pay.
   Strongly agree (count 6; 5%)
   Agree (count 10; 8%)
   Neutral (count 33; 25%)
   Disagree (count 68; 51%)
   Strongly disagree (count 17; 13%)

24. Please indicate how strongly you agree or disagree with the following statement: Sewer/waste water rates in my city exceed the majority of residents' ability to pay.
   Strongly agree (count 7; 6%)
   Agree (count 13; 10%)
   Neutral (count 40; 31%)
   Disagree (count 55; 43%)
   Strongly disagree (count 13; 10%)

Parks & Recreation
25. What entity provides parks and recreation facilities for your city? (Check all that apply.) If “no city parks,” please skip to question #31.
   City (count 137; 94%)
   Another city (please specify in "other") (count 0; 0%)
   Special district (please specify in "other") (count 12; 8%)
   No city parks (count 1; 1%)
   Other, please specify (count 15; 10%)

26. Does your city rely on volunteers or service groups for park maintenance or construction?
   Yes (count 39; 28%)
   No (count 100; 72%)
   Don’t know (count 0)

27. What benchmark does your city use in determining how many parks are within your city limits? (E.g. number of acres per capita; parks accessed by number of users)
   Answers included specified acres per capita, number of users and demand

28. Does your city have an adequate number of parks based on the benchmark(s) above?
   Yes (count 67; 52%)
   No (count 37; 29%)
   Don’t know (count 26; 20%)
29. How would you rate the condition of your city parks?
   Excellent (count 28; 20%)
   Good (count 80; 58%)
   Fair (count 28; 20%)
   Poor (count 2; 1%)
   Don’t know (count 0)

30. What is your city’s greatest challenge in financing parks and recreation facilities?
   Land acquisition (count 20; 15%)
   Development/construction (count 29; 21%)
   Operation and maintenance (count 78; 57%)
   Other, please specify (count 9; 7%)

Stormwater
(NPDES Phase II permit cities please do not complete these questions.)

   Yes (count 27; 36%)
   No (count 46; 61%)
   Don’t know (count 2; 3%)

32. If so, how is it funded? (Please check all that apply.)
   General fund
     Yes (count 9; 33%)
     No (count 18; 67%)
     N/A (count 114)
   Utility fees
     Yes (count 18; 67%)
     No (count 9; 33%)
     N/A (count 114)
   Developer contributions
     Yes (count 2; 7%)
     No (count 25; 93%)
     N/A (count 114)
   Other, please specify
     Yes (count 1; 4%)
     No (count 26; 96%)
     N/A (count 114)
PART II: DRINKING WATER, SEWER/WASTE WATER, STREETS
148 cities participated in Part II of the State of Cities survey. Survey was sent to public works directors, and at cities with no public works director, the mayor. 53 percent of cities completed Part II of the survey, comprising 77 percent of incorporated residential population.

1. Your City Information (see Appendix B2 for a list of responding cities)
   - City/Town of
   - Name
   - Title
   - Email
   - Phone

Condition of City Drinking Water System
3. Is a lack of drinking water capacity a barrier to economic development?
   - Yes (count 30; 20%)
   - No (count 109; 74%)
   - Don’t know (count 8; 5%)

If your city is NOT serviced by another city, special district or private water company, please skip to question #6.

4. If your drinking water system is provided by another city, special district or private water company, are your new capacity needs met?
   - Yes (count 34; 81%)
   - No (count 4; 10%)
   - Don’t know (count 4; 10%)

5. If your drinking water system is provided by another city, special district or private water company, how much input does your city have on the capital facilities plan?
   - A great deal (count 6; 14%)
   - Some (count 20; 47%)
   - Very little (count 6; 14%)
   - Not at all (count 9; 21%)
   - N/A (count 2; 5%)

If your city does NOT have its own drinking water system, please skip to question #19.

6. Overall, how would you rate the physical condition of your city’s drinking water system?
   - Excellent (count 23; 18%)
   - Good (count 69; 55%)
   - Fair (count 28; 22%)
   - Poor (count 6; 5%)

7. How much does each of the following contribute to your city’s need for drinking water system new construction and improvements? Please mark: a great deal, some, very little, or not at all.
   - Aged system
     - A great deal (count 48; 38%)
     - Some (count 59; 47%)
     - Very little (count 14; 11%)
     - Not at all (count 5; 4%)
   - Commercial growth
     - A great deal (count 22; 18%)
     - Some (count 42; 33%)
     - Very little (count 47; 37%)
     - Not at all (count 15; 12%)
   - Industrial growth
     - A great deal (count 15; 12%)
Some (count 29; 23%)
Very little (count 52; 41%)
Not at all (count 30; 24%)

Residential growth
A great deal (count 50; 40%)
Some (count 43; 34%)
Very little (count 26; 21%)
Not at all (count 6; 5%)

Inadequate pipes (such as lead, wood)
A great deal (count 25; 20%)
Some (count 42; 34%)
Very little (count 36; 29%)
Not at all (count 22; 18%)

Insufficient capacity
A great deal (count 19; 15%)
Some (count 47; 38%)
Very little (count 39; 31%)
Not at all (count 20; 16%)

Lack of water pressure
A great deal (count 10; 8%)
Some (count 32; 26%)
Very little (count 51; 42%)
Not at all (count 30; 24%)

Leaking pipes/water loss
A great deal (count 18; 15%)
Some (count 33; 27%)
Very little (count 59; 47%)
Not at all (count 14; 11%)

State/federal mandates
A great deal (count 31; 25%)
Some (count 46; 37%)
Very little (count 35; 28%)
Not at all (count 13; 10%)

Water quality
A great deal (count 17; 14%)
Some (count 22; 18%)
Very little (count 52; 42%)
Not at all (count 34; 27%)

Other
A great deal (count 7; 17%)
Some (count 5; 12%)
Very little (count 2; 5%)
Not at all (count 28; 67%)

8. If you selected “other” in the previous question, please explain.
Answers included water rights, interconnection of independent water systems, storage, water supply, arsenic

9. Which parts of your drinking water system either currently need to be replaced or will need to be in the future?
Source infrastructure (well, intake pipes)
Needs replacement now (count 29; 24%)
Needs replacement in 10 years (count 30; 25%)
Needs replacement in 20 years (count 28; 23%)
Needs replacement in 30+ years (count 17; 14%)
Will not need replacement (count 13; 11%)
Don’t know (count 5; 4%)

Treatment facility
Needs replacement now (count 12; 11%)
Needs replacement in 10 years (count 19; 17%)
Needs replacement in 20 years (count 23; 21%)
Needs replacement in 30+ years (count 20; 18%)
10. What are the number of hook-ups your city’s drinking water system services?
   Residential # (Answer range: 40 to 159,000)
   Commercial # (Answer range: 2 to 27,000)
   Industrial # (Answer range: 1 to 1,024)

11. Approximately what percentage of these hook-ups are within your city’s incorporated area?
   Residential %
   Commercial %
   Industrial %

   Due to confusion over this question, the reported answers were not used

Financing of City Drinking Water System

12. Does your city have sufficient revenues to maintain your drinking water system to meet current level of service?
   Yes (count 91; 72%)
   Don’t know (count 12; 10%)
   If no, please explain (count 23; 18%)

13. From the following list, which do you consider to be the three biggest challenges to financing your city’s drinking water system?
   Citizen desire for low rates
     1st Greatest challenge (count 73; 59%)
     2nd Greatest challenge (count 14; 11%)
     3rd Greatest challenge (count 12; 10%)
   Excessive rates
     1st Greatest challenge (count 8; 7%)
     2nd Greatest challenge (count 11; 9%)
     3rd Greatest challenge (count 8; 7%)
   Lack of staff grant writing expertise
     1st Greatest challenge (count 8; 7%)
     2nd Greatest challenge (count 15; 12%)
     3rd Greatest challenge (count 9; 8%)
   Limited state grants and loans
     1st Greatest challenge (count 18; 15%)
     2nd Greatest challenge (count 52; 42%)
     3rd Greatest challenge (count 21; 18%)
   Limited federal grants and loans
     1st Greatest challenge (count 8; 7%)
     2nd Greatest challenge (count 23; 19%)
     3rd Greatest challenge (count 44; 38%)
   Other
     1st Greatest challenge (count 9; 7%)
     2nd Greatest challenge (count 8; 7%)
     3rd Greatest challenge (count 22; 19%)

14. Which of the following does your city use to finance your current drinking water system (please do not include financing for new capacity)? (Check all that apply.)
   Federal grants and loans (count 29; 23%)
   State grants and loans (count 63; 50%)
Hook up fees \( (\text{count 93}; \ 74\%)\)
Local Real Estate Excise Tax (REET) \( (\text{count 6}; \ 5\%)\)
Rates and charges \( (\text{count 124}; \ 98\%)\)
Reserves \( (\text{count 61}; \ 48\%)\)
Special Assessment Districts/Local Improvement Districts \( (\text{count 10}; \ 8\%)\)
Other, please specify \( (\text{count 9}; \ 7\%)\)

Answers included bond, specific state/federal assistance programs

15. Please indicate which are the three most critical funding sources for your current drinking water system by putting the corresponding letter from the previous question in the space provided.

Federal grants and loans
- 1\(^{st}\) Most critical \( (\text{count 14}; \ 11\%)\)
- 2\(^{nd}\) Most critical \( (\text{count 8}; \ 7\%)\)
- 3\(^{rd}\) Most critical \( (\text{count 12}; \ 11\%)\)

State grants and loans
- 1\(^{st}\) Most critical \( (\text{count 8}; \ 7\%)\)
- 2\(^{nd}\) Most critical \( (\text{count 23}; \ 19\%)\)
- 3\(^{rd}\) Most critical \( (\text{count 27}; \ 25\%)\)

Hook up fees
- 1\(^{st}\) Most critical \( (\text{count 10}; \ 8\%)\)
- 2\(^{nd}\) Most critical \( (\text{count 44}; \ 36\%)\)
- 3\(^{rd}\) Most critical \( (\text{count 21}; \ 20\%)\)

Local Real Estate Excise Tax (REET)
- 1\(^{st}\) Most critical \( (\text{count 0})\)
- 2\(^{nd}\) Most critical \( (\text{count 1}; \ 1\%)\)
- 3\(^{rd}\) Most critical \( (\text{count 4}; \ 4\%)\)

Rates and charges
- 1\(^{st}\) Most critical \( (\text{count 88}; \ 72\%)\)
- 2\(^{nd}\) Most critical \( (\text{count 19}; \ 16\%)\)
- 3\(^{rd}\) Most critical \( (\text{count 8}; \ 8\%)\)

Reserves
- 1\(^{st}\) Most critical \( (\text{count 1}; \ 1\%)\)
- 2\(^{nd}\) Most critical \( (\text{count 21}; \ 17\%)\)
- 3\(^{rd}\) Most critical \( (\text{count 26}; \ 24\%)\)

Special Assessment Districts/Local Improvement Districts
- 1\(^{st}\) Most critical \( (\text{count 0})\)
- 2\(^{nd}\) Most critical \( (\text{count 1}; \ 1\%)\)
- 3\(^{rd}\) Most critical \( (\text{count 5}; \ 5\%)\)

Other, please specify
- 1\(^{st}\) Most critical \( (\text{count 2}; \ 2\%)\)
- 2\(^{nd}\) Most critical \( (\text{count 5}; \ 4\%)\)
- 3\(^{rd}\) Most critical \( (\text{count 4}; \ 4\%)\)

16. Which of the following does your city use to finance the expansion of your drinking water system to meet new capacity? (Check all that apply.)

- Developer contributions (e.g. SEPA mitigation) \( (\text{count 74}; \ 59\%)\)
- Federal grants and loans \( (\text{count 37}; \ 29\%)\)
- State grants and loans \( (\text{count 66}; \ 52\%)\)
- Impact fees \( (\text{count 20}; \ 16\%)\)
- Hook up fees \( (\text{count 92}; \ 73\%)\)
- Local Real Estate Excise Tax (REET) \( (\text{count 6}; \ 5\%)\)
- Rates and charges \( (\text{count 87}; \ 69\%)\)
- Reserves \( (\text{count 46}; \ 37\%)\)
- Special Assessment Districts/Local Improvement Districts \( (\text{count 15}; \ 12\%)\)
- N/A (new capacity not an issue) \( (\text{count 13}; \ 10\%)\)
- Other, please specify \( (\text{count 12}; \ 10\%)\)

Answers included developer contributions, bonds

17. Please indicate which are the three most critical funding sources for the expansion of your drinking water system by putting the corresponding letter from the previous question in the space provided.
Developer contributions (e.g. SEPA mitigation)
1st Most critical (count 38; 33%)
2nd Most critical (count 11; 10%)
3rd Most critical (count 8; 8%)

Federal grants and loans
1st Most critical (count 18; 16%)
2nd Most critical (count 9; 8%)
3rd Most critical (count 5; 5%)

State grants and loans
1st Most critical (count 13; 11%)
2nd Most critical (count 34; 31%)
3rd Most critical (count 11; 11%)

Impact fees
1st Most critical (count 4; 4%)
2nd Most critical (count 4; 4%)
3rd Most critical (count 7; 7%)

Hook up fees
1st Most critical (count 17; 15%)
2nd Most critical (count 26; 23%)
3rd Most critical (count 22; 21%)

Local Real Estate Excise Tax (REET)
1st Most critical (count 0)
2nd Most critical (count 0)
3rd Most critical (count 1; 1%)

Rates and charges
1st Most critical (count 19; 17%)
2nd Most critical (count 14; 13%)
3rd Most critical (count 30; 29%)

Reserves
1st Most critical (count 2; 2%)
2nd Most critical (count 7; 6%)
3rd Most critical (count 11; 11%)

Special Assessment Districts/Local Improvement Districts
1st Most critical (count 0)
2nd Most critical (count 2; 2%)
3rd Most critical (count 4; 4%)

N/A (new capacity not an issue)
1st Most critical (count 1; 1%)
2nd Most critical (count 0)
3rd Most critical (count 1; 1%)

Other, please specify
1st Most critical (count 3; 3%)
2nd Most critical (count 4; 4%)
3rd Most critical (count 3; 3%)

18. Has your city estimated a dollar amount needed to finance your drinking water improvement/expansion needs in your capital facilities plan?
   No (count 40; 30%)
   Don’t know (count 17; 19%)
   If yes, what is the amount needed? (count 70; 52%)

19. Is there anything else you would like us to know about your city’s drinking water system?

Condition of City Sewer/Waste Water
20. What entity provides sewer/waste water within your city? (Check all that apply.)
   City (count 111; 76%)
   Another city (please identify in “other”) (count 11; 8%)
   Special district (please identify in “other”) (count 14; 10%)
   Residential septic systems (count 13; 9%)
Other, please specify (count 35; 24%)

21. Is lack of capacity for your city’s sewer/waste water system a barrier to economic development?
   Yes (count 35; 26%)
   No (count 95; 70%)
   Don’t know (count 6; 4%)

If your city is not serviced by another city or special district, please skip to question #24.

22. If your sewer/waste water system is provided by another city or special district do you have the opportunity to address new capacity needs?
   Yes (count 24; 67%)
   No (count 11; 31%)
   Don’t know (count 1; 3%)

23. If your sewer/waste water system is provided by another city or special district, how much input does your city have on the capital facilities plan?
   A great deal (count 2; 6%)
   Some (count 17; 52%)
   Very little (count 8; 24%)
   Not at all (count 3; 9%)
   N/A (count 3; 9%)

If your city does NOT have its own sewer/waste water system, please skip to question #37.

24. Overall, how would you rate the physical condition of your sewer/waste water system?
   Excellent (12; 11%)
   Good (count 65; 58%)
   Fair (count 27; 24%)
   Poor (count 8; 7%)

25. How much does each of the following contribute to your city’s need for sewer/waste water system new construction and improvements? Please mark: a great deal, some, very little, or not at all.
   Aged System
     A great deal (count 42; 37%)
     Some (count 48; 43%)
     Very little (count 15; 13%)
     Not at all (count 8; 7%)
   Commercial growth
     A great deal (count 16; 14%)
     Some (count 43; 38%)
     Very little (count 44; 39%)
     Not at all (count 9; 8%)
   Industrial growth
     A great deal (count 13; 12%)
     Some (count 26; 23%)
     Very little (count 47; 42%)
     Not at all (count 25; 23%)
   Residential growth
     A great deal (count 42; 38%)
     Some (count 45; 41%)
     Very little (count 19; 17%)
     Not at all (count 4; 4%)
   Inadequate pipes
     A great deal (count 17; 15%)
     Some (count 52; 47%)
     Very little (count 34; 31%)
     Not at all (count 8; 7%)
   Not enough capacity
     A great deal (count 23; 21%)
Some (count 35; 32%)
Very little (count 37; 34%)
Not at all (count 14; 13%)

State/federal mandates
A great deal (count 33; 30%)
Some (count 38; 35%)
Very little (count 26; 24%)
Not at all (count 12; 11%)

Other
A great deal (count 5; 36%)
Some (count 1; 7%)
Very little (count 1; 7%)
Not at all (count 7; 50%)

26. If you selected “other” for the previous question, please explain.
Answers include infiltration inflow, new system that has failed

27. Which parts of your sewer/waste water system either currently need to be replaced or will need to be in the future?

Collection system
Needs replacement now (count 31; 28%)
Needs replacement in 10 years (count 26; 23%)
Needs replacement in 20 years (count 20; 18%)
Needs replacement in 30+ years (count 19; 17%)
Will not need replacement (count 5; 5%)
Don’t know (count 10; 9%)

Pump stations
Needs replacement now (count 21; 19%)
Needs replacement in 10 years (count 37; 34%)
Needs replacement in 20 years (count 30; 28%)
Needs replacement in 30+ years (count 9; 8%)
Will not need replacement (count 4; 4%)
Don’t know (count 8; 7%)

Treatment plant
Needs replacement now (count 24; 23%)
Needs replacement in 10 years (count 21; 20%)
Needs replacement in 20 years (count 19; 18%)
Needs replacement in 30+ years (count 23; 22%)
Will not need replacement (count 6; 6%)
Don’t know (count 11; 11%)

Effluent pipe
Needs replacement now (count 11; 11%)
Needs replacement in 10 years (count 18; 18%)
Needs replacement in 20 years (count 28; 27%)
Needs replacement in 30+ years (count 15; 15%)
Will not need replacement (count 11; 11%)
Don’t know (count 20; 19%)

28. What is the number of hook-ups serviced by your city’s sewer/waste water system?
Residential # (Answer range 100 to 157,000)
Commercial # (Answer range 5 to 27,000)
Industrial # (Answer range 1 to 500)

29. Approximately what percentage of these hook-ups are within you city’s incorporated area?
Residential %
Commercial %
Industrial %

Due to confusion over this question, the reported answers were not used
Financing of City Sewer/Waste Water

30. Does your city have sufficient revenues to maintain your sewer/waste water system to meet current level of service?
   Yes (count 75; 68%)
   Don’t know (count 12; 11%)
   If no, please explain (count 24; 22%)

   Answers include low-income population, insufficient reserves, in debt, need of significant and costly improvements

31. From the following list, which do you consider to be the three biggest challenges to financing your city’s sewer/waste water system?

   - Citizen desire for low rates
     1st Greatest challenge (count 68; 61%)
     2nd Greatest challenge (count 11; 10%)
     3rd Greatest challenge (count 12; 12%)

   - Excessive rates
     1st Greatest challenge (count 14; 13%)
     2nd Greatest challenge (count 13; 12%)
     3rd Greatest challenge (count 11; 11%)

   - Lack of staff grant writing expertise
     1st Greatest challenge (count 4; 4%)
     2nd Greatest challenge (count 9; 8%)
     3rd Greatest challenge (count 5; 5%)

   - Limited state grants and loans
     1st Greatest challenge (count 16; 14%)
     2nd Greatest challenge (count 48; 45%)
     3rd Greatest challenge (count 20; 19%)

   - Limited federal grants and loans
     1st Greatest challenge (count 4; 4%)
     2nd Greatest challenge (count 20; 19%)
     3rd Greatest challenge (count 44; 43%)

   - Other
     1st Greatest challenge (count 5; 5%)
     2nd Greatest challenge (count 6; 6%)
     3rd Greatest challenge (count 11; 11%)

32. Which of the following tools does your city use to finance your current sewer/waste water system (please do not include financing for new capacity)? (Check all that apply.)
   Federal grants and loans (count 34; 30%)
   State grants and loans (count 79; 70%)
   Hook up fees (count 86; 76%)
   Local Real Estate Excise Tax (REET) (count 2; 2%)
   Rates and charges (count 108; 96%)
   Reserves (count 62; 55%)
   Special Assessment Districts/Local Improvement Districts (count 16; 14%)
   Other, please specify (count 3; 3%)

34. Which of the following does your city use to finance the expansion of your sewer/waste water system to meet new capacity? (Check all that apply.)
   Developer contributions (e.g. SEPA mitigation) (count 63; 59%)
   Federal grants and loans (count 41; 38%)
   State grants and loans (count 65; 61%)
   Impact fees (count 24; 22%)
   Hook up fees (count 83; 78%)
   Local Real Estate Excise Tax (REET) (count 3; 3%)
   Rates and charges (count 85; 79%)
   Reserves (count 49; 46%)
   Special Assessment Districts/Local Improvement Districts (count 49; 46%)
   N/A (new capacity not an issue) (count 7; 6%)
   Other, please specify (count 9; 8%)
36. Has your city estimated a dollar amount needed to finance your sewer/waste water improvement/expansion needs in your capital facilities plan?
   No (count 45; 34%)
   Don’t Know (count 26; 19%)
   If yes, what is the amount needed? (count 63; 47%)

37. Is there anything else you would like us to know about your city’s sewer/waste water system?

Street Construction and Maintenance
38. Overall, how would you rate the condition of your city’s streets?
   Excellent (count 5; 4%)
   Good (count 36; 27%)
   Fair (count 54; 40%)
   Poor (count 37; 27%)
   Very poor (count 2; 2%)
   Failing (count 2; 2%)

39. Overall, how would you rate the condition of your city’s bridges?
   Excellent (count 4; 5%)
   Good (count 40; 51%)
   Fair (count 24; 30%)
   Poor (count 8; 10%)
   Very poor (count 1; 1%)
   Failing (count 2; 3%)
   No bridges (count 58)

40. Does your city have a pavement management system in place?
   Yes (count 87; 64%)
   No (count 40; 29%)
   Don’t know (count 9; 7%)

41. How much of the following factors contribute to your city’s need for street maintenance and repair? For each please mark: a great deal, some, very little, or not at all.
   Deferred maintenance
      A great deal (count 65; 49%)
      Some (count 51; 38%)
      Very little (count 14; 10%)
      Not at all (count 4; 3%)
   Freight traffic
      A great deal (count 18; 14%)
      Some (count 74; 56%)
      Very little (count 33; 25%)
      Not at all (count 8; 6%)
   General usage
      A great deal (count 68; 49%)
      Some (count 66; 48%)
      Very little (count 4; 3%)
      Not at all
   Residential/commuter traffic
      A great deal (count 60; 44%)
      Some (count 66; 48%)
      Very little (count 10; 7%)
      Not at all (count 1; 1%)
   Freeze/thaw cycle
      A great deal (count 31; 23%)
      Some (count 56; 42%)
      Very little (count 46; 34%)
      Not at all (count 2; 2%)
Other

A great deal (count 10; 40%)
Some (count 6; 24%)
Very little (count 3; 12%)
Not at all (count 6; 24%)

42. If you selected "other" for the previous question, please explain. Answers include heavy load vehicles, stormwater runoff, utility cuts

43. What is the condition of your city's streets in each of the following areas? For each please mark: excellent, good, fair, poor, N/A (does not apply to city).

Arterials

Excellent (count 10; 7%)
Good (count 62; 45%)
Fair (count 51; 37%)
Poor (count 11; 8%)
N/A (count 3; 2%)

Primary/secondary collectors

Excellent (count 5; 4%)
Good (count 37; 27%)
Fair (count 70; 51%)
Poor (count 24; 17%)
N/A (count 2; 1%)

Local access

Excellent (count 5; 4%)
Good (count 31; 23%)
Fair (count 54; 39%)
Poor (count 47; 34%)
N/A (count 0)

44. What is the condition of the following elements of your city's street network? For each mark: excellent, good, fair, poor, N/A (does not apply to city).

Curbs

Excellent (count 4; 3%)
Good (count 47; 37%)
Fair (count 58; 45%)
Poor (count 19; 15%)
N/A (count 9)

Bicycle facilities

Excellent (count 5; 5%)
Good (count 20; 19%)
Fair (count 34; 33%)
Poor (count 44; 43%)
N/A (count 32)

Sidewalks

Excellent (count 3; 2%)
Good (count 22; 17%)
Fair (count 69; 53%)
Poor (count 37; 28%)
N/A (count 6)

Stormwater disposal systems

Excellent (count 2; 2%)
Good (count 36; 29%)
Fair (count 61; 49%)
Poor (count 26; 21%)
N/A (count 12)

Striping

Excellent (count 9; 7%)
Good (count 62; 47%)
Fair (count 40; 30%)
45. If your city has annexed within the last 10 years, what was the general condition of the streets in the annexed area?
   - Excellent (count 4, 4%)
   - Good (count 12, 13%)
   - Fair (count 38, 41%)
   - Poor (count 22, 24%)
   - Don’t know (count 16, 17%)

46. Is street capacity a barrier to economic development?
   - Yes (count 47; 34%)
   - No (count 72; 52%)
   - Don’t know (count 19; 14%)

47. Are concurrency requirements a barrier to residential, commercial or industrial growth?
   **Residential**
   - Yes (count 19; 17%)
   - No (count 63; 58%)
   - Don’t know (count 27; 25%)
   - N/A (count 26)
   **Commercial**
   - Yes (count 24; 22%)
   - No (count 54; 51%)
   - Don’t know (count 29; 27%)
   - N/A (count 27)
   **Industrial**
   - Yes (count 14; 14%)
   - No (count 50; 50%)
   - Don’t know (count 36; 36%)
   - N/A (count 33)

48. Please estimate the percentage of your city’s arterials that are currently in each of the following maintenance and repair categories?
   **No repair or maintenance needed**
   - 0-20% (count 63; 49%)
   - 21-40% (count 22; 17%)
   - 41-60% (count 18; 14%)
   - 61-80% (count 10; 8%)
   - 81-100% (count 7; 5%)
   - Don’t know (count 10; 8%)
   **Some maintenance needed (e.g. slurry seal)**
   - 0-20% (count 27; 22%)
   - 21-40% (count 36; 29%)
   - 41-60% (count 33; 26%)
   - 61-80% (count 12; 10%)
   - 81-100% (count 5; 4%)
   - Don’t know (count 12; 10%)
   **Moderate repair or maintenance needed (e.g. overlay)**
   - 0-20% (count 28; 22%)
   - 21-40% (count 38; 30%)
   - 41-60% (count 33; 26%)
   - 61-80% (count 17; 13%)
   - 81-100% (count 4; 3%)
   - Don’t know (count 9; 7%)
   **Significant repair or reconstruction needed**
   - 0-20% (count 51; 39%)
   - 21-40% (count 35; 27%)
   - 41-60% (count 14; 11%)
49. Please estimate the percentage of your city’s residential streets that are currently in each of the following maintenance and repair categories?

No repair or maintenance needed
- 0-20% (count 70; 55%)
- 21-40% (count 20; 16%)
- 41-60% (count 14; 11%)
- 61-80% (count 8; 6%)
- 81-100% (count 7; 6%)
- Don’t know (count 8; 6%)

Some maintenance needed (e.g. slurry seal)
- 0-20% (count 30; 23%)
- 21-40% (count 52; 40%)
- 41-60% (count 25; 19%)
- 61-80% (count 9; 7%)
- 81-100% (count 6; 5%)
- Don’t know (count 7; 5%)

Moderate repair or maintenance needed (e.g. overlay)
- 0-20% (count 21; 16%)
- 21-40% (count 52; 40%)
- 41-60% (count 32; 24%)
- 61-80% (count 15; 12%)
- 81-100% (count 5; 4%)
- Don’t know (count 5; 4%)

Significant repair or reconstruction needed
- 0-20% (count 47; 36%)
- 21-40% (count 34; 26%)
- 41-60% (count 17; 13%)
- 61-80% (count 17; 13%)
- 81-100% (count 8; 6%)
- Don’t know (count 8; 6%)

Financing of City Streets
50. From the following list, which do you consider to be the three biggest challenges to financing the maintenance and repair of your city’s streets?

Citizen expectations/demands
- 1st Greatest challenge (count 17; 13%)
- 2nd Greatest challenge (count 17; 13%)
- 3rd Greatest challenge (count 19; 15%)

Inadequate resources
- 1st Greatest challenge (count 81; 60%)
- 2nd Greatest challenge (count 21; 16%)
- 3rd Greatest challenge (count 24; 19%)

Lack of staff grant writing expertise
- 1st Greatest challenge (count 4; 3%)
- 2nd Greatest challenge (count 7; 5%)
- 3rd Greatest challenge (count 8; 6%)

Lack of staff time
- 1st Greatest challenge (count 1; 1%)
- 2nd Greatest challenge (count 14; 11%)
- 3rd Greatest challenge (count 15; 12%)

Limited state grants and loans
- 1st Greatest challenge (count 19; 14%)
- 2nd Greatest challenge (count 56; 42%)
- 3rd Greatest challenge (count 22; 17%)

Limited federal grants and loans
1st Greatest challenge (count 6; 4%)
2nd Greatest challenge (count 16; 12%)
3rd Greatest challenge (count 39; 30%)

Other
1st Greatest challenge (count 7; 5%)
2nd Greatest challenge (count 2; 2%)
3rd Greatest challenge (count 3; 2%)

51. If you selected “other” for the previous question, please explain.
Answers include lack of gas tax revenue, lack of a street utility fee

52. Which of the following does your city currently use to finance the improvements and new construction of streets? (Check all that apply.)
- Bonds (councilmanic) (count 17, 12%)
- Bonds (voter-approved) (count 8, 5%)
- Developer contributions (e.g. SEPA mitigation) (count 72, 49%)
- Federal grants and loans (count 75, 51%)
- State grants (e.g. TIB, WSDOT) (count 115, 78%)
- State loans (e.g. PWT, CERB) (count 43, 29%)
- General city revenues (count 97, 66%)
- Impact fees (count 38, 26%)
- Levy lid lift (count 2, 1%)
- Local Real Estate Excise Tax (REET) (count 63, 43%)
- Reserves (count 40, 27%)
- Special Assessment Districts/Local Improvement Districts (count 19, 13%)
- State gas tax distribution (count 89, 61%)
- Transportation Benefit Districts (count 3, 2%)
- Other, please specify (count 10, 7%)
Answers include utility taxes, specific state/federal assistance

53. Please indicate which are the three most critical funding sources for your street improvements and new construction by putting the corresponding letter from the previous question in the space provided.
- Bonds (councilmanic)
  1st Most critical (count 0)
  2nd Most critical (count 0)
  3rd Most critical (count 2; 2%)
- Bonds (voter-approved)
  1st Most critical (count 3; 2%)
  2nd Most critical (count 0)
  3rd Most critical (count 2; 2%)
- Developer contributions (e.g. SEPA mitigation)
  1st Most critical (count 9; 7%)
  2nd Most critical (count 7; 6%)
  3rd Most critical (count 6; 5%)
- Federal grants and loans
  1st Most critical (count 18; 14%)
  2nd Most critical (count 14; 11%)
  3rd Most critical (count 15; 13%)
- State grants (e.g. TIB, WSDOT)
  1st Most critical (count 49; 39%)
  2nd Most critical (count 39; 31%)
  3rd Most critical (count 11; 9%)
- State loans (e.g. PWT, CERB)
  1st Most critical (count 2; 2%)
  2nd Most critical (count 13; 10%)
  3rd Most critical (count 11; 9%)
- General city revenues
  1st Most critical (count 18; 14%)
  2nd Most critical (count 13; 10%)
  3rd Most critical (count 23; 19%)
Impact fees
1st Most critical (count 3; 2%)
2nd Most critical (count 1; 1%)
3rd Most critical (count 12; 10%)

Levy lid lift
1st Most critical (count 0)
2nd Most critical (count 2; 2%)
3rd Most critical (count 2; 2%)

Local Real Estate Excise Tax (REET)
1st Most critical (count 9; 7%)
2nd Most critical (count 9; 7%)
3rd Most critical (count 8; 7%)

Reserves
1st Most critical (count 1; 1%)
2nd Most critical (count 5; 4%)
3rd Most critical (count 5; 4%)

Special Assessment Districts/Local Improvement Districts
1st Most critical (count 2; 2%)
2nd Most critical (count 1; 1%)
3rd Most critical (count 3; 3%)

State gas tax distribution
1st Most critical (count 12; 9%)
2nd Most critical (count 18; 14%)
3rd Most critical (count 17; 14%)

Transportation Benefit Districts
1st Most critical (count 0)
2nd Most critical (count 0)
3rd Most critical (count 1; 1%)

Other, please specify
1st Most critical (count 1; 1%)
2nd Most critical (count 4; 3%)
3rd Most critical (count 2; 2%)

54. Has your city identified potentially unsafe street conditions that cannot be addressed with your existing resources?
   No (count 66, 50%)
   Don’t know (count 23, 18%)
   If yes, please explain (count 42, 32%)
   Answers include lack of sidewalks, street lights, left turn lanes, traffic congestion

55. Is there anything more you would like us to know about your city’s streets?
## Appendix A3

### PART III: Jails

Part III was sent to all 20 cities that own and operate their own jail. 70 percent of those cities completed the survey.

1. Your City Information *(See Appendix B3 for a list of responding cities)*
   - City/Town of
   - Name
   - Title
   - Email
   - Phone

2. How many total beds does your jail have?
   *Answer range 12 to 130*

3. Does your city currently provide beds to another jurisdiction through a contract?
   - Yes *(count 9; 64%)*
   - No *(count 5; 36%)*

4. If yes, what percent of your jail’s beds are contracted out throughout the year?
   *Answer range less than 5% to 85%*

5. Has your city turned down contracts to house inmates from another jurisdiction due to a lack of capacity?
   - No - the city has not turned down contracts and doesn’t expect to in the future. *(count 4; 33%)*
   - No - the city has not yet turned down contracts but will likely to so in the future. *(count 0)*
   - Yes - within the last 5 years *(count 8; 67%)*
   - Yes - more than 5 years ago *(count 0)*
   - Not applicable *(count 2)*

6. How was your jail originally financed? (Check all that apply.)
   - Don’t know *(count 3; 21%)*
   - Bonds *(count 5; 36%)*
   - City revenues *(count 7; 50%)*
   - County correctional facility sales tax *(count 0)*
   - State funding *(count 1; 7%)*
   - Other, please specify *(count 2; 14%)*

7. What is your city’s greatest challenge in financing jail facilities? (Check only one.)
   - Development and construction *(count 7; 50%)*
   - Operation and maintenance *(count 5; 36%)*
   - Other, please specify *(count 2; 14%)*

8. What year was the jail originally built? *Answer range 1908 to 1999*

9. Has a major renovation been completed since the jail was first constructed?
   - Yes *(count 7; 50%)*
   - No *(count 7; 50%)*

10. Does the condition of your city’s jail currently need improvement?
    - Yes *(count 12; 86%)*
    - No *(count 2; 14%)*

If you answered no to question #10, please skip to question #15.
11. If you replied yes to question #10, which factor(s) have contributed to the need for improvements? (Check all that apply.)
   - Aging facility (count 8; 67%)
   - Need for greater capacity (count 11; 92%)
   - New mandates/regulation (count 1; 8%)
   - Need for new programs/treatment facilities (count 4; 33%)
   - Other, please specify (count 2; 17%)

12. If you replied yes to question #10, has your city identified the amount needed for improvements? (Check all that apply.)
   - Yes (count 4; 33%)
   - No (count 8; 67%)

13. If you replied yes to question #12, please provide the following information regarding needed improvements?
   - Total project amount needed:
   - Time period for which the amount is needed:
   - If time period is beyond 2008, what amount is needed solely for 2008?

14. If you replied yes to question #12, has the source of funds needed for jail improvements been identified?
   - Yes (count 1; 25%)
   - No (count 3; 75%)

15. Is there anything more you would like us to know about the condition of your jail and the ability to finance it?
# Appendix B1:

Survey respondents, Part I

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## Appendix B2:

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Appendix B3:
Survey respondents, Part III
Aberdeen
Auburn
Buckley
Enumclaw
Forks
Grandview
Kent
Lynnwood
Oak
Harbor
Olympia
Renton
Toppenish
Wapato
Yakima

Appendix B4:
Focus group participants and interviewees
Airway Heights
Almira
Auburn
Bellevue
Bonney Lake
Bremerton
Buckley
Cle Elum
Connell
Edmonds
Everett
Federal Way
Hoquiam
Kennewick
Kettle Falls
Kittitas
Longview
Issaquah
Mukilteo
Newcastle
Nooksack
Oakville
Pacific
Pasco
Port Angeles
Pullman
Richland
Ruston
Skykomish
Snohomish
Tieton
Toppenish
Union Gap
Walla Walla
Wapato
Wenatchee
West Richland
Westport
Wilson Creek
Yakima