

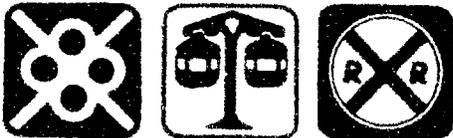
FINAL REPORT

Study of the Relationship Between State-Owned or Operated Transportation Facilities and Local Comprehensive Plans

Prepared for:



Washington State Legislature
Legislative Transportation Committee



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LEGISLATIVE TRANSPORTATION COMMITTEE

STUDY OF THE RELATIONSHIP BETWEEN STATE-OWNED OR OPERATED TRANSPORTATION FACILITIES AND LOCAL COMPREHENSIVE PLANS

EXECUTIVE SUMMARY

Introduction and Background

The purpose of this study is to address a gap in the Growth Management Act (GMA) -- the treatment of state transportation facilities in local comprehensive plans. The Act was silent or unclear about how specific state facilities would be treated in local comprehensive plans, how level of service (LOS) standards would be set on state facilities, and how concurrency requirements would be applied to state facilities. This policy ambiguity and local governments' individual and ad hoc responses to this uncertainty has created a planning and capital financing dilemma for the state. To resolve these issues, in SHB 1928 (Chapter 158, Section 9, Laws of 1994) the Legislature directed the Legislative Transportation Committee (LTC) to coordinate a comprehensive study on the appropriate relationship between state transportation facilities and local comprehensive plans, and that this 1994 interim study be guided by a Legislative and multi-jurisdictional steering committee.

The study took place from late May 1994 to January 1995, under the direction of the Steering Committee chaired by Senator Sylvia Skratek. The Steering Committee held seven meetings from June through December 1994. In addition to the full Steering Committee, a "working group" comprised of staff from the LTC, the Association of Washington Cities, the Washington Association of Counties, WSDOT and the consultant team met on numerous occasions to review technical and policy issues. In the later stages of the project, a "local government caucus" was formed to review and comment on the detailed technical recommendations. This group included the association staff, plus representatives from the Cities of Seattle, Bellevue, Redmond and Auburn, Pierce and King Counties, and the Puget Sound Regional Council.

Policy Findings

The Steering Committee was able to reach general (but not complete) agreement on a number of broad policy issues:

- There needs to be clarification of the state's role regarding state-owned transportation facilities;
- The state's interest in the state-owned transportation system varies by facility;
- There needs to be a distinction between facilities of statewide and regional significance;

- The current system for financing state-owned regionally significant facilities is flawed and needs to be changed;
- Concurrency management systems are complex and controversial; and
- The role of regional organizations is significant in resolving the issues listed above.

The Committee was not able to reach agreement on all of the implications and solutions to these problems. In discussions on nearly every issue, there was a range of opinion and perspectives, and therefore it should be noted that the findings and recommendations presented herein represent consultant recommendations, based on extensive Committee discussion.

Policy Recommendations

Exhibit 1 Summary of Principal Planning Recommendations

	Facilities of Statewide Significance	Facilities of Regional Significance
Classification of facilities	<ul style="list-style-type: none"> • Interstate highways • Rural principal arterials • Urban principal arterials – freeways only • Major ferry routes 	<ul style="list-style-type: none"> • Minor arterials • Collector arterials • Urban principal arterials – not freeways • Minor ferry routes • Interchanges on freeways & Interstates
Examples	<ul style="list-style-type: none"> • I-5, I-405 & I-90 • SR2, 12, 16, 18 • Seattle-Bainbridge • Seattle-Bremerton • Edmonds-Kingston • Anacortes-Sidney, B.C. 	<ul style="list-style-type: none"> • US 395 (urban) • SR 20, 28, 99, 161, 202, 410, 503 • All WSF ferry routes not statewide significant, including all San Juan Island routes
LOS Established by	State in consultation with the regions	State cooperatively with regions (RTPO/MPO)
Required in local comp plans & RTPs:		
> Inventory	YES	YES
> LOS standards	YES	YES
> Actual & forecast LOS	YES	YES
> Identify deficiencies	YES	YES
> List State projects	YES	YES
> Include State projects in CFP	NO	YES
> Financing plan for State projects	NO	YES
Required for concurrency	NO	YES *

* Concurrency only applies if new revenues are available to fund improvements

The study's principal recommendations are in two parts: this section summarizes the policy recommendations; a later section summarizes the technical recommendations. The policy recommendations consist of planning and financing recommendations. The planning recommendations are shown in Exhibit 1 on the previous page.

Financing Recommendations

The study's financing recommendations are summarized in Exhibit 2 below.

Exhibit 2 Summary of the Financing Recommendations -- Phases I and II

	Facilities of Statewide Significance	Facilities of Regional Significance
PHASE 1 -- with existing revenues		
Programming	Status Quo	<ul style="list-style-type: none"> • New structure involving local jurisdictions and local match funding • No concurrency
Funding	Status Quo	<ul style="list-style-type: none"> • Establish State fund (source of funds to be determined) • Explore option of including ISTEA funds into state fund • Local contribution from existing local funds
PHASE 2 -- with new revenues		
Programming	Status Quo	<ul style="list-style-type: none"> • Regional prioritization process based on regional priorities • Concurrency would apply
Funding	Status Quo	<ul style="list-style-type: none"> • New revenues earmarked for regional fund -- state and local shares

Existing vs. New Revenues. A key issue that emerged in discussing the financing recommendations is whether the local contribution to a new fund would come from existing local government revenues, or be predicated upon new funding authorized by the Legislature. Local government representatives felt very strongly that the proposal was viable only if it

involves new revenues. Consequently, a phased approach to implementing the financing structure for regional facilities was recommended -- a Phase I program with no new revenue and a Phase II program with new monies. Importantly, concurrency requirements would not become effective for regionally significant facilities until new revenues became available.

Technical Recommendations

In addition to the policy recommendations, the study analyzed and made recommendations on a series of technical issues, such as amendments to the wording and terminology of certain sections of the GMA, the Access Management statute and program implementation, and impact fee provisions. A summary of these recommendations is presented below.

Recommendations to Clarify Definitions and Terminology

- Clarify the meaning of "arterials and transit routes" vis-à-vis state facilities in local comprehensive plans. Specifically clarify who bears responsibility for setting LOS standards, and whether or not concurrency is required. [RCW 36.70A.070(6)(b)(ii)]
- Clarify the relationship of "concurrency" to "adequate public facilities" and "appropriate provision," and clarify the facilities to which the requirements apply. Make the following wording consistent:
 - RCW 36.70A.070 requires "concurrency" for "arterials and transit routes"
 - RCW 36.70A.020 requires "adequate public facilities" for "streets, roads, highways, sidewalks"
 - RCW 58.17.110 requires "appropriate provision" for "streets or roads, alleys, other public ways, transit stops"
- Clarify "level of service" vs. "service objective" to distinguish the land use review benchmark for concurrency from WSDOT's general planning guideline.
- Clarify the meaning of "financial commitments" for concurrency (or require a list to be prepared by rule): the following issues should be addressed in the definition:
 - Under construction
 - Subject to binding agreement for construction
 - To be paid by revenues that can be imposed or expended at the discretion of local governments (i.e., local taxes, fees, charges, intergovernmental entitlements)
 - Grants for which awards have been made
 - Irrevocable commitments from developers
 - Appropriated in state biennial budgetAdditional types of "financial commitments" could be added if deemed appropriate.
- Clarify the meaning of the 6-year limit for achieving concurrency. Select one of the following options:

- Six years for concurrency means 6 years from approval of development (rather than 6 years from occupancy and use), or
- Provide "financial commitments" for longer periods (i.e., up to 6 years from occupancy and use). This may require longer-range transportation plans and budgets.

Impact Fee Recommendations

- Clarify that local governments have the authority to use impact fees for impacts on state facilities. Change "streets and roads" to language that specifies local options to include state transportation facilities; the regional share of facilities of regional significance; and/or access to facilities of state significance [RCW 82.02.090(7)].
- Require WSDOT to contract with local governments that collect impact fees and SEPA mitigations for state facilities to ensure the expenditure of such monies within 6 years.
- Expand the list of impact fee-allowable expenditures to include ferry, transit, park & ride, and transportation demand management (TDM) improvements [RCW 82.02.090(7)]. The statute should clearly authorize that such expenditures be earmarked for physical improvements not programmatic expenses.
- Allow impact fees paid by developers to constitute full mitigation of all impacts (i.e. "pay and go"), but specify that such payments are not refundable.
- Clarify the requirement regarding "not rely solely on impact fees." Allow impact fees to finance all costs remaining after funding deficiencies with non-impact fee sources, and subtracting other financial commitments (i.e. grants, dedicated taxes, etc.) for the projects that serve new development.

Access Management Recommendations

- WSDOT should enforce municipal review and issuance of permits for access to state-owned facilities inside municipal boundaries.
- WSDOT should conduct in-house training for local governments regarding access management.
- Access management should be a criterion for review of local comprehensive plans, and for programming and prioritization of the Transportation Improvement Board (TIB), the State Transportation Policy Plan (STPP) and other competitive project funds.
- Integrate access management with LOS requirements in GMA planning. Develop measures of benefits of well managed access vs. poorly managed access. Incorporate these measures when calculating LOS for concurrency.

- Incorporate access management in route development planning.
- Identify and program high priority corridors to develop concurrent with an access management program.
- Encourage local governments to develop incentives for developers that promote access management.
- Study and further quantify the economic impacts of restricting left-turns.

Conclusion

The numerous findings and recommendations outlined in this report represent substantial research and analysis in areas that are technically complex and often highly controversial. Nevertheless, the Steering Committee and the working group of stakeholders, staff and consultants have much to be proud of, for much has been accomplished. An improved understanding of the issues, options and constraints was developed over many months of intensive work. Agreements have been reached on some important issues and those who do not agree with the consultant findings and recommendations have had full opportunity to communicate their perspectives and concerns.

The findings of this study and its recommendations are respectfully submitted to the Legislature of Washington State.

**STUDY OF THE RELATIONSHIP BETWEEN STATE-OWNED OR
OPERATED TRANSPORTATION FACILITIES AND LOCAL
COMPREHENSIVE PLANS**

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STUDY OF THE RELATIONSHIP BETWEEN STATE-OWNED OR OPERATED TRANSPORTATION FACILITIES AND LOCAL COMPREHENSIVE PLANS

Introduction and Background

The purpose of this study -- known formally as a *Study of the Relationship Between State-Owned or Operated Transportation Facilities and Local Comprehensive Plans* but shortened to the *Level of Service (LOS) Study* for purposes of brevity -- is to address a gap in the Growth Management Act (GMA). Although the background behind the 1990 crafting of the GMA indicates that the legislative intent was to include state facilities within the scope of the Act, the ramifications of such inclusion were controversial and ultimately, the Act was silent or unclear about how specific state facilities would be treated in local comprehensive plans, how LOS standards would be set, and how concurrency requirements would be applied to state facilities. For example, the statute is unclear as to whether state-owned or operated facilities are considered "arterials," and thus subject to LOS standards and concurrency requirements.

A preliminary review of local comprehensive plans completed in mid-1994 showed significant variation among jurisdictions on the treatment of state-owned transportation facilities. In Skykomish, for example, the City established LOS A as the standard for SR 2 while the state's LOS is C; in Anacortes, LOS C has been adopted for SR 20 rather than the state's standard of LOS D; and in Bothell, the City has established LOS standards at several intersections while exempting state highways generally. In some communities state facilities have been included for planning level analysis only, but not for concurrency purposes.

In the Puget Sound area alone, three large jurisdictions -- the Cities of Seattle and Bellevue and King County -- have developed varying approaches to dealing with state transportation facilities in their comprehensive plans. Bellevue exempts all state facilities. King County includes all state facilities for purposes of LOS evaluation and planning, but exempts facilities with HOV lanes for concurrency purposes. Seattle excludes limited access roads (I-5, I-90, SR 520) from concurrency, reasoning that limited access traffic is through traffic, and that the City does not control the access on these facilities.

Similarly, without clear legislative intent and direction, staff at the state level have been operating without clear policies to guide the review of local comprehensive plans and without clear direction in general about the state's role vis-à-vis state-owned transportation facilities. This policy ambiguity has resulted in confusion and state and local actions that often appear to be at cross-purposes.

Report Organization

This report is organized into two documents: a summary report and a technical appendix. The report contains an executive summary of the project, background and overview information

about the study, and sections describing the key policy and technical findings and recommendations.

The technical appendix contains detailed technical reports on numerous topics:

- Survey findings on the treatment of state transportation facilities in local comprehensive plans;
- Overview of state and local transportation plans;
- Analysis of current LOS and concurrency practices, issues and options;
- Urban vs. rural transportation planning and facility issues;
- Experience in other states with LOS, concurrency and related GMA issues;
- Summary of impacts on developers and their perspectives;
- Analysis of impact fee requirements and practices;
- Evaluation of WSDOT's Access Management Program;
- Analysis of funding mitigation alternatives;
- Evaluation of the relationship between state Multimodal Plan funding options and local comprehensive plans;
- Analysis of the state's transportation revenue allocations;
- Analysis of the relationship between LOS deficiencies and the state's programming and prioritization program;
- Presentation of a recommended classification system for distinguishing between facilities of statewide and regional significance; and
- Financing options for regionally significant state-owned facilities.

Readers of the summary report seeking more information about the findings and recommendations are referred to the appropriate chapter in the technical appendix.

Legislative Direction

The ambiguity and uncertainty surrounding the GMA's treatment of state-owned facilities, and local governments' individual and ad hoc responses to this uncertainty has created a planning and capital financing dilemma for the state. In addition, there has been considerable disagreement among the affected parties regarding how state facilities should most appropriately be included within the GMA framework, and how planning and financing issues should be resolved. To resolve these issues, state and local government representatives agreed to undertake a multi-jurisdictional study during the 1994 interim session. SHB 1928 specified that:

The Legislative Transportation Committee shall coordinate a comprehensive study on the appropriate relationship between state transportation facilities and local comprehensive plans. The Legislative Transportation Committee shall appoint members to a steering committee that shall be comprised of representatives from the Department of Transportation, the Department of Community, Trade, and Economic Development, regional transportation

planning organizations, cities, counties, and the development community. The study shall, at a minimum, address:

- 1. How state transportation facilities and services should be addressed in local comprehensive plans;*
- 2. Whether state transportation facilities should be included in local concurrency ordinances and the effectiveness of current methods provided for in the Growth Management Act to address concurrency for state transportation facilities;*
- 3. The long-term effects on state transportation facilities resulting from the development of urban growth areas;*
- 4. The "specific actions and requirements" adopted by local jurisdictions to bring into compliance a state transportation facility or service that is below the established level of service as set forth in RCW 36.70A.070;*
- 5. The status and effectiveness of the access management program required by the 1991 legislature to promote a coordinated planning process for the permitting of access points on the state highway system;*
- 6. Appropriate methods for mitigating land use impacts on state transportation facilities and services;*
- 7. An analysis of funding alternatives including, but not limited to, consideration of state transportation improvement benefit districts; a state latecomer fee system; fees related to impacts generated under the State Environmental Policy Act; impact fees; allocation of state transportation resources; and other alternatives; and*
- 8. The appropriate relationship between state transportation programming and prioritization systems and level of service deficiencies.*

The preliminary study findings shall be completed no later than December 15, 1994, and the final report shall be submitted no later than September 1, 1995. The report shall contain recommendations for improving the coordination of local land use decisions and state transportation decisions.

The LOS study was conducted from late May 1994 to January 1995, under the direction of a multi-jurisdictional Steering Committee chaired by Senator Sylvia Skratek. The Steering Committee held seven meetings in the Sea-Tac area, from June through December 1994. In addition to the full Steering Committee, a "working group" comprised of staff from the LTC, the Association of Washington Cities, the Washington Association of Counties, WSDOT and the consultant team met on numerous occasions to review technical and policy issues. In the later stages of the project, a "local government caucus" was also formed to review and comment on the detailed technical recommendations. This group included the association staff, plus representatives from the Cities of Seattle, Bellevue, Redmond and Auburn, Pierce and King Counties, and the Puget Sound Regional Council.

The members of the Steering Committee and their affiliations are shown below:

LEVEL OF SERVICE STUDY STEERING COMMITTEE

Senator Sylvia Skratek, Chair
Tom Ballard, Pierce County and Washington State Association of
County Engineers and Public Works Directors
Representative Lisa Brown
Charlie Dotson, City of Spokane
Jeff Doyle, LTC
Curt Eschels, Washington State Association of Counties
Vicki Fabre, LTC
Michael Feldman, Port of Seattle
Stan Finkelstein, Association of Washington Cities
Representative Ruth Fisher
Chris Freed, Office of Financial Management
Stevan Gorcester, King County Council
Bill Guenzler, City of Bellevue
Virginia Gunby, 1000 Friends of Washington
Charlie Howard, DOT - Planning
Denny Ingham, DOT - Local Programs
Jennifer Joly, LTC
Ejaz Khan, Clark County
Jerry Litt, Douglas County Regional Planning Department
Senator Valora Loveland
Mary McCumber, Puget Sound Regional Council
Renee Montgelas, DOT - Urban Mobility
Helga Morgenstern, DOT-Finance
Senator Gary Nelson
Mike Odom, City of Seattle
Al Ralston, The Boeing Company
Robin Rettew, LTC
Joan Rosenstock, City of Seattle
Gene Schlatter, LTC
Representative Karen Schmidt
Alice Tawresey, Transportation Commission
Scott Taylor, Washington Public Ports Association
Jim Toohey, DOT - TRIP
Amy Tousley, CTED
Bruce Walton, Washington Association of Realtors
Dave Williams, Association of Washington Cities
Lon Wyrick, Yakima Valley Conference of Governments

At an initial working group meeting which included many of the legislators on the Steering Committee, several key study parameters were developed to guide the scope and conduct of the effort. These parameters were:

Study Parameters

1. The study will focus on the relationship between local comprehensive plans and state-owned and operated transportation facilities.¹
2. Some state-owned facilities have greater state significance than others -- these differences will be recognized and evaluated in the study. The study will analyze the question of whether it is appropriate for the state to have different roles with different types of state-owned facilities.
3. Facilities not owned by the state but which have statewide significance (i.e. rail, airports) are also important -- but are not a part of this study.
4. The study will encompass ferries; it will not include state-provided services or transit districts, although these may be included in mitigation considerations.
5. It is understood that if the study Committee recommends new approaches for including state facilities in local plans, jurisdictions which are not currently in compliance with these approaches will not be penalized.

Given the legislative direction and the study parameters described above, the study was designed to bring parties with varying interests and needs together to develop a common understanding of the problem (including the various perspectives on that problem) and to craft a politically acceptable and operationally feasible solution. The challenges posed by the project included the complexity and density of the subject matter, the need to gain an understanding of the nuances of technical issues in order to develop appropriate policy recommendations, and the financial constraints within which a workable solution had to be designed.

Policy Findings

This section summarizes the key policy findings and recommendations that emerged from the Steering Committee's discussions, based on the consultants' technical research and analysis.

¹ The Committee also discussed the issue of local transportation facilities, and where they fit into the spectrum of planning and funding parameters. Some Committee members from local governments noted that the study should have encompassed local streets and roads, since the transportation system is comprised of a network of facilities without regard to ownership, and instituting changes on one segment will simply transfer traffic problems to another jurisdiction.

Principal Findings

The Steering Committee was able to reach general (but not complete) agreement on a number of broad policy issues:

- There needs to be clarification of the state's role regarding state-owned transportation facilities;
- The state's interest in the state-owned transportation system varies by facility;
- There needs to be a distinction between facilities of statewide and regional significance;
- The current system for financing regionally significant facilities is flawed and needs to be changed;
- Concurrency management systems are complex and controversial; and
- The role of regional organizations is significant in resolving the issues listed above.;

The Committee was not able to reach agreement on all of the implications and solutions to these problems. In discussions on nearly every issue, there was a range of opinion and perspectives, and therefore it should be noted that the findings and recommendations presented below represent consultant recommendations, based on extensive Committee discussion.

There needs to be clarification of the state's role regarding state-owned transportation facilities

The Committee spent considerable time discussing the need to define and clarify the state's interest and role in our transportation system. There was general consensus that currently the state's role is largely undefined, and that providing this direction will help resolve many of the problems and uncertainties that we now face. Some of the points made by Committee members include:

- The state's interest in the transportation system should be broadly defined.
- The state has certain overriding interests which should be recognized.
- The state needs to have a clear, consistent approach.
- The state doesn't know what it wants. The region doesn't know what the state's interest is. Once that is resolved, a lot of things will fall into place.
- The state's responsibilities need to be clarified.
- State significant facilities need to be defined by specific criteria.

The state's interest in the state-owned transportation system varies by facility

There was general Committee recognition and agreement that the state's interest is not equal for all state facilities. Within the 7,000 miles of the state's roadway system, state interest can be characterized as ranging from very high to very low. The concept that there is a continuum of state interest is shown graphically in Exhibit 1.

The figure shows that there are regional (city and county) interests in state facilities as well. In fact, for some state-owned facilities, the level of state interest is relatively low and the degree of regional interest is relatively high.

Exhibit 1
The State's Interest in Transportation Facilities is a Continuum



The Committee thoroughly discussed the implications of this spectrum of state-regional interest. Some Committee members noted that the state has an interest in local as well as state-owned facilities; some noted that there is sometimes but not always an inverse relationship between state and local interests -- that is, in some cases a local government can be keenly interested in a facility where there is also a high degree of state interest (i.e. portions of I-5); and others noted that there are local roads of regional significance that should be included in the discussion.

There needs to be a distinction between facilities of statewide and regional significance

Given the recognition that some state-owned facilities are of greater state significance than others, the Committee discussed the concept of two and three-tiered systems of classifying state facilities. The two-tiered system would classify facilities as being either of statewide significance or regional significance; the three-tiered system would add a middle category of "mutually significant" facilities. This category would encompass facilities of statewide significance that are used for regional (commuting) purposes, such as portions of I-405, SR 520 and other commuting corridors. After much discussion, the Committee determined to use the two-tiered approach, since the mutually significant category was by its nature a "gray area" and was considered to be fraught with opportunities for controversies and conflicting interpretations.

In discussion about the proposed classification system, it was noted that this issue is not a new one -- as part of the 1992 State Transportation Policy Plan (STPP) a subcommittee was formed to address the issue of facilities of statewide significance. Of the 17-member subcommittee, eight participants were also serving on the LOS Steering Committee. Some of these Committee members noted that the Policy Plan recommendations -- which called for a two-tiered system of distinguishing between facilities of statewide and regional significance -- were unsuccessful because they encompassed all transportation facilities in the state, including airports and marine ports.

While Committee agreement on the basic framework of state and regional significance was relatively straightforward and non-controversial, reaching agreement on the criteria for determining facility classification and the classification of specific facilities involved more discussion. The consultants prepared several drafts of classification options and criteria, and several working group meetings were held to identify and discuss options. For more information about these options, please see the report entitled *State Facility Functional Classification* in the Technical Appendix, Section 13.

The current system for financing regionally significant facilities is flawed and needs to be changed

The Committee discussed the problems jurisdictions now face in trying to assemble financing for regional facilities, and the resulting backlog of facility needs and unfunded projects. There was general agreement that the “current system is broken,” and its structural problems are so significant that even if more money were available, it is unlikely that the problem could be corrected. Some of these structural problems are that regional projects require a “package” of funds to be assembled, which is administratively difficult, time-consuming and highly sensitive to a mix of agency funding cycles. Furthermore, there is relatively limited ability to make funding tradeoffs and exercise flexibility at the local level.

There was general recognition by the Committee that there is a need for new funding structures and incentives to facilitate the financing of major regional projects and to more effectively utilize and leverage existing funding sources. There was also agreement that there is a need to identify and create effective regional forums where state and local governments can come together to discuss and resolve planning, programming and funding issues. Moreover, there was agreement surrounding some of the criteria for evaluating various options for a new regional financing structure. These criteria include:

- Minimization of additional layers of government and coordination;
- The ability to serve as an effective coordinator and facilitator of multi-jurisdictional funding packages;
- An understanding of local funding needs and priorities; and
- An understanding of state funding parameters and requirements.

However, there was little agreement among Committee members regarding the appropriate entity to assume new responsibilities for regional programming and financing. Five possible governing entities were identified -- counties, WSDOT regional offices, regional transportation planning organizations (RTPOs), the Transportation Improvement Board (TIB), or a new forum -- and the merits of each organization were discussed. Exhibit 2 summarizes the advantages and disadvantages of each organization.

Exhibit 2 New Regional Financing Structure -- Governance Options

RTPOs	Counties	WSDOT Regions	TIB-Type Entity	New Entity
Reasons for:				
<ul style="list-style-type: none"> • Existing structure with financing responsibility (ISTEA) • Organized according to regional interests • Federal MPO • Responsible for LOS on regional facilities • Regional body of elected officials 	<ul style="list-style-type: none"> • Existing organization with experience allocating revenues • Have taxing authority • Ability to implement projects 	<ul style="list-style-type: none"> • Ability to implement projects • Detailed knowledge of state-owned facilities 	<ul style="list-style-type: none"> • Can be an efficient conduit for funding • Has experience with competitive allocations 	<ul style="list-style-type: none"> • Possible to create a customized structure to address specific needs
Reasons against:				
<ul style="list-style-type: none"> • No taxing authority • Not an implementing body 	<ul style="list-style-type: none"> • Jurisdictional concerns with cities • Counties may not be most appropriate geography for regional projects, may require multi-county entity 	<ul style="list-style-type: none"> • Geographic definition of regions may not be appropriate (would likely require redistricting) • Not enough local/regional involvement in decision making 	<ul style="list-style-type: none"> • A statewide organization that is too disconnected from the land use decisions • Not an implementing entity • Current focus is roads only 	<ul style="list-style-type: none"> • Adds another layer to an already multi-layered funding system

Concurrency Management Systems are Complex and Controversial

The Committee spent many hours discussing concurrency in theory and in practice. The concurrency theory is that private and public development be congruent with available public facilities. The general statutory requirement is that public facilities be provided to meet the jurisdiction's adopted LOS standard within 6 years of development. This is variously termed "concurrency as the three-legged stool that brings planning, land use and finance in balance," or the "truth in planning" mechanism that insures that a community's vision is congruent with its financing capability.

However, in practice, concurrency is a policy goal and there are numerous techniques for meeting its requirements. These techniques include:

- Increasing capacity by constructing improvements;
- Increasing capacity by imposing mitigation requirements and/or impact fees;
- "Managing" the LOS standard using technical methods such as averaging or targeted LOS areas;
- Imposing demand-related solutions -- such as TDM or development caps;
- Imposing non-SOV solutions (and increase carrying capacity) via HOV lanes, transit, rail, pedestrian and bicycle options; and
- Granting exemptions -- through vesting or the SEPA process.

Implementing each of these options will have consequences, since how concurrency is implemented has significant impacts on a community's growth, development, finances and character. For example, some urban areas do not favor concurrency requirements since they do not want to mitigate capacity problems on certain facilities -- they want congestion levels to encourage transit ridership.

Committee members cautioned against the application of concurrency requirements in many instances. Some of the problems with concurrency which were highlighted are:

- Difficulty applying concurrency to regional facilities -- i.e. how can capacity be allocated during the permit process to one jurisdiction or monitored by a single locality when multiple jurisdictions are involved?
- Applying concurrency to limited access facilities doesn't make sense and would be impossible to enforce.
- Imposing concurrency requirements for any state facility will require adequate funding to pay for improvements, and such funding is not available at present.
- Exempting state highways of statewide significance from concurrency has the effect of placing limits on the tools local officials have in managing growth, and will concentrate traffic increases onto local roads.

The role of regional organizations is significant

The role of the RTPOs was a central issue addressed by the Committee. SHB 1928 empowered the RTPOs with responsibility for setting LOS standards, and it was noted by several Committee members that the state (WSDOT) has been working collaboratively for over a year with the various RTPOs in the identification of regional priorities and the development of the state's Multimodal Plan.

The Committee recognized that there is a good working relationship between state and regional planners, and a solid basis for working collaboratively to set LOS standards on a regional basis. However, there was much less agreement about the merits of expanding the regional role to encompass programming and funding of state facilities classified as regionally significant, as discussed below.

Policy Recommendations

This section outlines the major policy recommendations that emerged from the study, based on the broad policy findings and agreements outlined above. These recommendations are presented in two parts: planning recommendations and financing recommendations.

Planning Recommendations

The planning recommendations are shown in summary form in Exhibit 3. As the table shows, the study's major planning recommendations are to establish a two-tiered system classifying

transportation facilities as statewide or regionally significant. LOS is to be established by the state in consultation with the region for facilities of statewide significance and by the state and region cooperatively for regionally significant facilities. Concurrency requirements will apply to regionally significant facilities only. The last recommendation regarding concurrency for regionally significant facilities will not be required until a new funding source for improvements is established.

Exhibit 3 Summary of Principal Planning Recommendations

	Facilities of Statewide Significance	Facilities of Regional Significance
Classification of facilities	<ul style="list-style-type: none"> • Interstate highways • Rural principal arterials • Urban principal arterials – freeways only • Major ferry routes 	<ul style="list-style-type: none"> • Minor arterials • Collector arterials • Urban principal arterials – not freeways • Minor ferry routes • Interchanges on freeways & Interstates
Examples	<ul style="list-style-type: none"> • I-5, I-405 & I-90 • SR2, 12, 16, 18 • Seattle-Bainbridge • Seattle-Bremerton • Edmonds-Kingston • Anacortes-Sidney, B.C. 	<ul style="list-style-type: none"> • US 395 (urban) • SR 20, 28, 99, 161, 202, 410, 503 • All WSF ferry routes not statewide significant, including all San Juan Island routes
LOS Established by	State in consultation with the regions	State cooperatively with regions (RTPO/MPO)
Required in local comp plans & RTPs:		
> Inventory	YES	YES
> LOS standards	YES	YES
> Actual & forecast LOS	YES	YES
> Identify deficiencies	YES	YES
> List State projects	YES	YES
> Include State projects in CFP	NO	YES
> Financing plan for State projects	NO	YES
Required for concurrency	NO	YES *

* Concurrency only applies if new revenues are available to fund improvements

Rationales, caveats and major assumptions behind the planning recommendations are presented below. For more background regarding these recommendations, please see the following section of this report titled *Technical Analysis and Findings* as well as the relevant sections of the Technical Appendix.

Classification of Facilities of Statewide vs. Regional Significance

Developing a classification system for determining statewide vs. regional significant facilities proved to be one of the more controversial elements of the study. The recommended set of criteria, presented in Exhibit 4, was developed after numerous iterations and discussions among Committee members. It should be noted that final decisions about facility classification on the "significance" continuum needs to be a collaborative process between state and local governments. Several considerations informed the development of the recommended criteria, including:

- Although state facilities are too diverse for a "one-size-fits-all" approach, instituting too many categories can create problems of administration and understandability.
- Establishment of two categories allows for differentiation on some critical issues (i.e. who sets LOS, whether or not to require concurrency, who/how to fund needed improvements).
- Existing classification plans (the Trunk and Branch System, the National Highway System, and other functional classifications) were seen by some Committee members as formulaic and restrictive. Nonetheless, these classification approaches served as useful starting points in the development of the recommended classification system.

Establishing Level of Service Standards

It is recommended that establishing LOS standards should be "consultative" for facilities of statewide significance, and "cooperative" for regionally significant facilities. The consultative approach is defined (by the Federal Highway Administration for purposes of implementing ISTEA) as allowing unilateral action after consultation; the cooperative approach is defined as continued collaboration until a solution is reached (with no unilateral action by any party).

Taking a longer-term perspective, the Committee discussed the concept and implementation of LOS as a measurement of traffic and congestion, determined that it is an overly narrow and technical approach to the problem, and concluded that broader measurement techniques and approaches are needed. However, it was noted that development of such approaches would be complex and time consuming, and would need to be addressed in a future effort. Other elements of the recommendations regarding establishment of LOS standards are as follows:

- LOS for facilities of regional significance should be established regionally, using the process established by SHB 1928, and should be a collaborative process between the state and each of the 14 RTPOs.
- LOS standards should be considered a relatively short-term tool for growth management and transportation planning purposes. A new performance measure is needed. Such a measure should account for movement of persons (as well as, or in lieu of vehicles); movement of freight and goods; measurement of travel time; multimodal considerations; and public perceptions (as a reality check on objective measures of the performance of the transportation system).

Exhibit 4
Recommended Criteria for Determining Statewide and Regionally Significant Facilities

Criteria	State Owned Facilities		Local Facilities
	Statewide Significance	Regionally Significant	
Connection of Centers	Connects Major Population Centers. Serves Statewide and Interregional Travel	Connects Major Population Centers within a Region and Serves Intraregional Travel	Serves small centers within local jurisdiction
Average Trip Length	Over 10 Miles	10 Miles or Less	6 Miles or Less
Balance of Through versus Local Travel	Mostly Long Haul Through Trips. Through Trips are Greater Than 50 %	Mostly Local Travel. Through Trips are Less than 50%	Local Trips are greater than 80 %
Movement of Freight	Serves Long Haul Truck Travel (i.e., T1 Truck Class Routes)	Serves Some Long Haul Truck Travel but Mostly Intraregional Truck Connections	Local Access Truck Use Only
Spacing with Other Routes	No Other Major State Route Serves the Same Corridor	Other Statewide Significant Routes may Serve the Corridor	Part of a Local Street Network
Degree of Access Control	High to Medium (limited access; class 1,2)	Medium (class 2,3)	Low to medium (class 4,5)
Jurisdictional Boundaries	Typically Crosses Several Jurisdictional (local, regional) Boundaries	Can cross jurisdictional lines (local, region). Generally within One or Two Counties	Typically Entirely within Local Jurisdiction (City or County)

Note: Criteria can be applied to a corridor or to individual facilities within the corridor.

Definitions:

Corridor: A combination of transportation facilities and services linking common origins and destinations.

Center: Major = 50,000 or higher population; small = less than 50,000 population.

Through Trips: Trips which have no origin or destination within the corridor. Typically trips exceeding 10 miles in length along the corridor.

Jurisdictions: Local = city or county; region = RTPD boundary.

- WSDOT's service objectives should be revisited. The current service objectives for highways are:
 - Provide uncongested conditions (LOS C) on rural highways.
 - Mitigate congestion on urban highways in cooperation with local and regional jurisdictions when peak period level of service falls below LOS D.

However, LOS C may be too low for some rural areas (i.e. perhaps it should be B or even A); and LOS D may be too high for some urban areas since if LOS isn't set at E or F, it will be difficult to achieve mode-shift strategies (i.e. transit, non-motorized improvements and HOV lanes).

- The joint state-regional responsibility to collaboratively establish LOS standards includes the authority to use any of the following techniques in establishing such standards: identification of mitigating transit improvements; a shift in land use requirements; implementation of transportation system management (TSM) improvements or efficiency measures (including access management); determination that density is preferred and therefore "no action" is the optimal alternative; determination that agreement can't be reached and further study is needed; and system expansion through new construction.

State Transportation Facilities Required in Local Plans

It is recommended that all local comprehensive plans include state facilities. This requirement enables local governments to demonstrate awareness of the role of state facilities in the total transportation system, and the relationship of state facilities to the community's land use plan. This requirement would not be onerous, since 88% of local plans already take some state facilities into consideration (65% consider non-interstate state highways). However, a grace period should be provided to enable local governments to comply with this recommendation.

It is also recommended that RTPOs review local compliance with this recommendation as part of their certification process. This would assure congruence between state, local and regional plans.

Concurrency for State Transportation Facilities

It is recommended that concurrency be required only for facilities of regional significance. The rationale for this recommendation is that traffic on facilities of statewide significance is primarily through traffic on trips between regions or major population centers. Because of the low volume of local traffic, local land use decisions have less impact on the performance of facilities of statewide significance, and therefore concurrency is not appropriate. Facilities of regional significance are impacted more by local traffic, therefore local land use decisions need to be linked to these facilities via the concurrency requirement. Because the concurrency requirement assumes both authority to set LOS, and authority and participation in facility funding decisions, it is recommended that concurrency be required for regionally significant facilities only following identification and development of funding sources for these facilities.

Financing Recommendations

The study's financing recommendations are organized around the statewide and regionally significant facility framework. Key financing recommendations are as follows:

For statewide-significant facilities -- the state should continue with the status quo for funding maintenance and preservation and improvement projects.

For regionally significant facilities -- the state should continue with the status quo for funding maintenance and preservation projects. Improvement projects should be funded through a new structure in which the state and local governments share financial responsibility. It is recommended that the state establish a new regional fund that will match local contributions based on a sliding scale depending on the relative level of state and local interest.

The rationale for this recommendation goes to the heart of the Growth Management Act -- the requirement that land use and financing be linked. Currently local governments have control over land use decisions, and under the study's recommendations, they will also have authority to set LOS for regionally significant facilities. Along with this authority, it is recommended that they also have responsibilities for participating in the funding of such facilities.

Existing vs. New Revenues

A key issue that emerged during the finance discussion is whether the local contribution to the new fund would come from existing local government revenues, or be predicated upon new funding authorized by the Legislature. Most Committee members felt very strongly that the proposal was viable only if it involves new revenues.

Consequently, a phased approach to implementing the financing structure for regional facilities was recommended -- a Phase I program with no new revenue and a Phase II program with new monies. The elements of this phased approach are shown in Exhibit 5.

PHASE I -- NO NEW REVENUE

Local participation in financing regionally significant facilities will be voluntary -- at the option of local governments. The state would establish a fund to finance regional facilities, and the fund would match local contributions based on a sliding scale depending on the level of state and regional interest. Local jurisdictions can improve the likelihood of getting a project constructed by contributing relatively larger sums. This is similar to the current system in which localities contribute funding to "buy a project up" the state's priority programming list.

- The source of the state's matching fund will be determined.

Exhibit 5
Summary of the Financing Recommendation -- Phases I and II

	Facilities of Statewide Significance	Facilities of Regional Significance
PHASE 1 -- with existing revenues		
Programming	Status Quo	<ul style="list-style-type: none"> • New structure involving local jurisdictions and local match funding • No concurrency
Funding	Status Quo	<ul style="list-style-type: none"> • Establish State fund (source of funds to be determined) • Explore option of including ISTEA funds into state fund • Local contribution from existing local funds
PHASE 2 -- with new revenues		
Programming	Status Quo	<ul style="list-style-type: none"> • Regional prioritization process based on regional priorities • Concurrency would apply
Funding	Status Quo	<ul style="list-style-type: none"> • New revenues earmarked for regional fund -- state and local shares

- The ability to allocate ISTEA monies to this fund will be investigated.
- A new structure to administer the fund will be created.

PHASE II -- WITH NEW REVENUE

- New revenues will be earmarked specifically for the regional fund, including state and local shares. With new monies, there would be a transition to a fully regional prioritization process, based on regional projects and priorities. The prioritization process will determine how to deal with existing system deficiencies.
- LOS would be revisited at the regional level to encompass and incorporate the regional prioritization system
- Concurrency management systems would not be required for regionally significant facilities until new revenues are available.

Technical Analysis and Findings

The LOS project encompassed a broad range of planning, governance and financing issues. This section summarizes the key issues and findings of the technical research and analysis developed by the consultants and used by the Steering Committee to clarify current policy and identify new policy requirements. Fourteen issues were analyzed and policy recommendations were developed. The Technical Appendix contains the research analysis of the 14 issues.

1. Survey findings regarding the status of local comprehensive plans
2. Overview of state and local transportation plans
3. Analysis of LOS and concurrency practices, issues and options
4. Urban vs. rural transportation planning and facility issues
5. Experience in other states with LOS, concurrency and related GMA issues
6. Summary of impacts on developers and their perspectives
7. Impact fee analysis
8. Access management program evaluation
9. Funding mitigation alternatives analysis
10. Evaluation of the relationship between state Multimodal Plan funding options and local comprehensive plans
11. Analysis of the state's transportation revenue allocation
12. Analysis of the relationship between LOS deficiencies and the state's programming and prioritization program
13. A classification system for distinguishing between facilities of statewide and regional significance
14. Financing options for regionally significant facilities

1. Survey findings regarding the status of local comprehensive plans

In August 1994, a survey of local governments was conducted to determine the treatment of state transportation facilities in local comprehensive plans. Surveys were distributed to approximately 250 cities and counties that are planning under GMA. A total of 104 responses were received, 22 from counties and 82 from cities.

State Facilities and Local Comprehensive Plans

- Most of the local governments surveyed (88%) include some state transportation facilities in their local comprehensive plans.
- Of those local governments that have included state transportation facilities in their local comprehensive plans, 28% are using LOS standards developed locally; 20% are using state standards; 16% are using standards developed by the RTPO. The remainder are either using other operating standards or are not using LOS standards.

- Of those local governments that have included state transportation facilities in their local comprehensive plans, 43% of the local governments require concurrency for state facilities. More than half (51%) of the local governments said they will not need improvements to state facilities in order to achieve concurrency.

Urban Growth Areas

- Only about half (43%) of the cities and counties responding to the survey stated that transportation facilities are a factor in establishing the boundaries of urban growth areas.
- Most of the local governments (46%) treat concurrency the same in urban and rural areas. However, they tend to split on whether their treatment of LOS and programming and prioritization is the same or different in urban areas versus in rural areas.
- In the majority (over 60%) of the jurisdictions surveyed, the creation of urban growth boundaries has had little effect on the *need* for, or the *prioritization* of projects for transportation facilities.

Mitigation and Impact Fees

- GMA impact fees and SEPA mitigation payments are common among large counties and cities in Western Washington, but they are rare among smaller jurisdictions and in Eastern Washington.

Access Management

- More than half (53%) of the local governments include policies on managing access for local or regional transportation facilities in their local comprehensive plans, but more than half (48%) do *not* do so for state facilities.
- A large majority (70%) of the local governments responding to the survey have not received any Access Permits from WSDOT as part of any development reviews.

Prioritization

- Nearly three quarters (69%) of the local governments surveyed have a specific process for prioritizing road improvements, and most of those consider deficiencies on transportation facilities as one of the factors in prioritizing road improvements.

2. Overview of state and local transportation plans

An analysis was conducted to document the treatment of state transportation facilities within the state, regional and local planning process.

- The state policy plans have provided good overall policy direction relating to issues of statewide significance. More guidance is needed, however, with respect to the treatment of state transportation facilities within regional and local plans.
- Local plans have done a fairly good job of including state facilities. The local plans have been less successful in relating the state facility needs and LOS to the development of concurrency management systems required by GMA.
- The use of SEPA mitigation or GMA-based impact fees is sporadic and, typically, focused within the larger urban areas.
- There remains a gap between the longer range visions expressed in the comprehensive transportation plans and the realities of short term land use controls embodied within concurrency or SEPA management.

The following key issues were identified:

- **Level of Service Methods.** Local agencies have been left to their own initiative to develop LOS methods to meet their own needs. These methods, often innovative and instructive to policy makers and the public, have not been coordinated at the state or regional level.
- **Urban Growth Area Boundaries.** The establishment of growth management boundaries has involved a balance between local and regional policy and political needs. These decisions have been left to the local and regional agencies, resulting in some significant differences among these agencies in selecting appropriate growth boundaries.
- **Concurrency Requirements and Procedures for State Facilities.** While the surveys showed that almost 50% of local agencies indicate that state facility improvements must be made to achieve concurrency, there has been limited guidance by the state regarding how concurrency should be applied to state facilities.
- **Funding Commitments for State Facilities.** A great concern of local agencies is the potential that state facilities could be included in local concurrency programs, but without the necessary state funding commitments to make the improvements to those facilities to achieve or maintain concurrency.
- **Local Prioritization and Programming.** The state has a Priority and Programming System that accounts for some LOS factors and other statewide concerns. There has not been, however, guidance to local agencies regarding prioritization for local (and sometimes state) facility improvements which affect LOS on state facilities.

3. Analysis of LOS and concurrency practices, issues and options

This section examines technical aspects of defining level of service and its relationship to concurrency.

- Local governments planning for transportation under the Growth Management Act have interpreted the meaning and application of the term "level of service" in a variety of ways, with significantly different consequences for the treatment of state transportation facilities.
- There are many approaches for measuring LOS. The following are the principal methodologies: volume to capacity ratios, travel time or speed, index of congestion factors, person carrying capacity, and multi-factor (condition and operation). The principal disadvantage to the current diversity is the difficulty in comparing the performance and standards of facilities used by multiple jurisdictions.
- A "performance measure" approach is preferable to the "level of service" measured by volume/capacity ratios, but a transition period is needed while a "performance measure" is created.
- There is a substantial investment in the current LOS methodologies, and individual local governments will be reluctant to lose their investment without assurance that the replacement is (1) better than current approaches, (2) feasible for their jurisdiction (i.e., data is available and staff are capable of using the new method), and (3) worth the cost of changing methods.
- There is no consensus about which current LOS method is best. The Puget Sound Regional Council technical committee on LOS spent 2 years working on the issue, and ultimately agreed that the current approaches need more testing in the real world of growth management.
- Some local governments have interpreted the word "arterial" in general terms to include all major roadways, including highways and freeways. Others have interpreted the term to include highways, but not limited access freeways. Still others have used a specific definition of the term arterial (from sources other than growth management) to conclude that highways and freeways are not covered by GMA because they are not "arterials".
- The survey conducted as part of this study indicates that 88% of local comprehensive plans already take some state facilities into consideration when setting LOS standards and land use assumptions. The largest portion (68%) include state highways, and 37% include the interstate system and other limited access freeways (the two combined exceed 88% because many local governments include both types of state roads).
- The current legal and administrative distinction between state roads and local roads does not mesh well with comprehensive planning under the Growth Management Act. Some state roads carry substantial amounts of regional, and local traffic. The LOS on these roads is

strongly influenced by local land use decisions. In some instances, local governments are able to use state facilities in lieu of local roads to meet local and regional transportation needs. State roads need to be classified according to their state or regional significance.

- There needs to be a distinction between state significance and regional significance that reflects the responsibility for funding and improvements to the system.
 - State facilities are too diverse for a "one-size-fits-all" approach.
 - Too many categories can create problems of administration and understandability.
 - Two categories allow distinction on some critical issues (who sets LOS, whether or not to require concurrency, how to fund needed improvements).
- Traffic on facilities of state significance is primarily through traffic on long trips between regions or major population centers. Because of the low volume of local traffic, local land use decisions have less impact on performance of facilities of state significance, therefore concurrency is not an appropriate requirement.
- Facilities of regional significance are impacted more by local traffic, therefore local land use decisions need to be linked to these facilities via the concurrency requirement.

4. Urban vs. rural transportation planning and facility issues

An analysis was undertaken examining issues relating to the distinction between urban and rural areas as they relate to state transportation facilities and local plans.

- The reality of local government comprehensive plans in Washington is markedly different than the concept of the state's growth management law.

Concept

- Urban growth areas (UGAs) are the primary tool to manage growth.
- LOS standards define the quality of life by setting benchmarks for the performance of public facilities.
- Concurrency affects development within UGAs by matching the availability and adequacy of urban services with the timing and location of development.

Reality

- UGAs are as large as possible.
- LOS standards for transportation are set to allow the maximum acceptable congestion that imposes the fewest restrictions on development.
- Concurrency is one of the gatekeepers of growth management.
- Urban or rural location does not determine whether or not a state transportation facility is of state significance or regional significance.
- Local governments use different "market adjustment factors" in determining urban growth areas. As a result, urban character will vary considerably from one jurisdiction to another.

- Hearings boards are defining urban as city limits (unless counties can prove that cities cannot absorb forecasted growth). If this interpretation is enforced, it will offset the problem of UGAs being drawn as large as possible. This will lead to less area in which urban service objectives apply, and more area in which rural service objectives apply.
- The state has established service objectives for state transportation facilities. The service objective for roads in rural areas is LOS C. In urban areas, the objective is to mitigate impacts when the LOS falls below D.
- These service objectives are a step in the right direction, but they use a single standard to all situations, which may produce results that are not consistent with GMA or local needs. Consider the following situations:
 - LOS C may be too low for some rural areas.
 - LOS measures of volume to capacity ratios may not be best measure for some rural needs.
 - LOS D may be too high for some urban areas.
- Urban growth boundaries, as provided in GMA, are weak tools. The 20-year boundary allows substantial growth. The only statutory provision for concentrating growth in portions of the UGA during the 20-year period is concurrency.
- Current formulas for gasoline taxes contradict the intent of GMA. The Act uses UGAs as a method of concentrating development. The gas tax formulas take some gas taxes from urban areas and give them to rural areas. If urban growth areas are to accept the growth directed to them as a result of GMA, they will need to retain the gas taxes they generate in order to achieve even minimal levels of service.
- Stable UGA boundaries cause development to concentrate in ways that conserve natural resource and critical areas, produce densities needed for multimodal solutions and make public infrastructure investments more efficient. If UGA boundaries are re-designated every year (or even every 5 years), there will always be substantially larger area for long-term development than is required in the immediate future, and there will not be appropriate limits on sprawling development patterns. Stable boundaries also create predictability for land owners, developers, builders, lenders, realtors, the public and governments (which provide public facilities).

Stability of UGA boundaries is critical if concurrency is not used, but is less essential if concurrency is consistently used to direct growth to specific sub-areas of the larger UGA.

- UGA boundaries need to be coordinated (and reasonably consistent) among all local governments within a metropolitan area. If development and local governments are all on the proverbial “level playing field” there will not be incentives for poor planning in order to gain a competitive advantage for development, jobs and economic growth. Multi-county

coordination of UGA boundaries will eliminate density as a competitive strategy for economic development.

5. Experience in other states with LOS, concurrency and related GMA issues

Four states and four local jurisdictions were examined to learn how other areas have dealt with growth management, concurrency and level of service issues. The four states were California, Florida, Oregon, and Virginia. The four local jurisdictions were Contra Costa County, CA, Fairfax County, VA, Montgomery County, MD, and Riverside County, CA.

- All four of the states examined require that state transportation facilities be addressed in plans at the regional or local level. Florida and California require variable treatment of state facilities by local governments.
- In Florida, a top-down approach to setting LOS standards has produced conflicts between the state and local governments. Virginia and Oregon have had success with more cooperative approaches to defining LOS standards. In California, MPOs set LOS under guidelines provided by the state.
- LOS methodologies vary between local jurisdictions in all of the states examined, leading to difficulties with coordination between jurisdictions. However, these differences have also led to local innovations that further local goals. Because many LOS methodologies over-emphasize the role of the SOV in the transportation system, some variation by regions to take account of local needs has been successful.
- Of the four states surveyed, only Oregon requires urban growth boundaries. The use of this mechanism has helped Oregon contain suburban sprawl. In the other three states suburban sprawl persists.
- LOS deficiencies on state transportation facilities were generally found to be the responsibility of the state, although Contra Costa County, CA, and Montgomery County, MD, have assumed some of this responsibility.
- Florida and California have Adequate Public Facility Ordinances (a type of concurrency method), and have found that development moratoria have resulted when adequate funding was not available. Oregon and Virginia do not use concurrency.
- Several states and local jurisdictions evaluated the use of development impact fees to supplement public funds for making necessary transportation improvements, although impact fees do not generate sufficient revenue to correct deficiencies. Other funding sources used by states include the increased gas tax, registration fees, local option gas taxes, general obligation bonds, and large development project bonding fees. In

California, transportation uniform management fees (TUMF) were identified as innovative sources.

6. Summary of impacts on developers and their perspectives

Developers were provided an opportunity to comment on GMA and the use of development impact fees through participation in a roundtable and completion of a written questionnaire. Though the response rates for the focus group and written questionnaire were low, several findings emerged.

- The developers believe that it is generally too early to evaluate the full impact of GMA. The developers were, however, willing to offer preliminary perspectives on the effect of the legislation.
- The participating developers stressed the need for fairness and coordination between affected jurisdictions in regard to concurrency. They also expressed concern over the time frame for which concurrency is determined, and over predictable review periods.
- Pertaining to impact fees, the developers focused on the extent to which the payment of impact fees ensures compliance with concurrency, the way in which impact fees are expended, the administration of impact fees, and implementation of alternative structures for collecting and using impact fees.
- GMA was felt to increase the cost of current development practices to the developer, although the costs are usually passed along to the consumer at a rate of 100% to 200%.
- The participating developers felt that the establishment of urban growth boundaries has not yet contributed to increased land costs.

The views of the developers surveyed also included the following suggestions:

- Methods of determining concurrency should be fair; the last developer's project that causes a facility to fall below its established LOS standards should not bear the full burden of correcting that deficiency.
- The time frame used in determining concurrency is significant, given that transportation improvement plans are for six years, comprehensive plans for 20 year periods, but capital budgets are usually for two year periods.
- Payment of impact fees should guarantee that development may proceed.
- Impact fees should be tracked to ensure that they are expended appropriately.

- Alternative means of collecting impact fees such as transportation uniform management fees (TUMF) merit consideration.

7. Impact fee analysis

The Growth Management Act provides two new sources of revenue for local governments for capital facilities: (1) impact fees, and (2) the second 1/4% real estate excise tax. This analysis examines the relationship of impact fees to state transportation facilities.

Limitations of Impact Fees

- There are many limitations on impact fees. The following cannot be paid by impact fees:
 - Existing deficiencies
 - Costs paid by other revenues
 - Non-road costs
 - On-site improvements
- Impact fees pay for a relatively small portion of needed transportation system capacity. However, the size of the problem is so great (\$15.5 billion in mobility projects, according to WSDOT) that impact fees have the potential to raise significant amounts of money: the growth-related portion of the projects is estimated to be \$4.3 billion, and there are virtually no other revenues that would "buy down" the impact fees.
- There are two other limitations of impact fees. One is fundamental, the other is procedural.
 - The fundamental limitation arises from the wording "streets and roads" in RCW 82.02. There is some disagreement about whether state highways and arterials qualify as "streets and roads" for the purpose of impact fees.
 - At the procedural level, it may be difficult for agencies to commit to expend impact fees within the 6-year period allowed by law. If the money is not expended, it must be refunded with interest.

Current Use of Impact Fees and SEPA Payments

- The survey of local governments shows that 63% of local governments use or are interested in imposing one or more forms of mitigation payments on new development. Exhibit 6 shows the percent of 104 local governments that currently use or intend to use impact fees and/or SEPA mitigation payments for transportation facilities.
- Current usage is more SEPA than GMA, but anticipated usage is more GMA impact fees than SEPA mitigation payments. There are a significant number of future new users of SEPA despite the availability of GMA impact fees. It is likely that SEPA will be used for on-site and near-site mitigations, while GMA impact fees will be used for off-site ("system") improvements.

Exhibit 6
Mitigation Tools for Transportation Facilities

Tool	Local Facilities	State Facilities
Impact Fees	44%	18%
SEPA	47%	22%

Source: Survey by Henderson, Young & Company, 1994

- Application of impact fees for local facilities are approximately double the usage for state facilities. This applies to impact fees and to SEPA, and to current use and to intended use.
- Impact fee usage is concentrated in the larger cities and counties in the Central Puget Sound, and most of those large governments have adopted impact fees. This tool is being used by the jurisdictions with the biggest transportation problems, and also the largest anticipated growth.

Effect of Impact Fees on Development

- Contrary to popular opinion, impact fees do not stop development.
 - A 1990 study at the University of Florida examined 5 different markets in the state for an extended period before and after the imposition of impact fees. The study demonstrated that there is no correlation between impact fees and development activity.
 - The October 1994 issue of Florida Trend magazine reports that Florida led the nation in construction of new housing for the third consecutive year.

Inconsistency of Current Impact Fee Law

- The current restriction of impact fees for roads, but not other transportation facilities, is not consistent with the state's promotion of a multi-modal transportation system.
- The developers' right to a refund if they cancel their development project contradicts the requirement for the government to spend the money in six years. The law should require either (a) expenditure within 6-years, and no refunds after expenditure, or (b) refunds are required if development is canceled, but governments can hold the money until development is complete (with no time limit).

8. Access management program evaluation

Access management is a set of strategies to improve safety and preserve the flow of traffic while providing for local and adjacent land access. This analysis undertakes to evaluate recent legislation and the resulting administrative code regarding access management.

- WSDOT has developed a classification system and administrative code to ensure adequate planning for access along state facilities to protect the functional integrity of state facilities. The state, however, is not the permitting authority over facilities in incorporated cities. Additionally, state staff reviewing permits may not enforce access management, particularly in the cities.
- WSDOT staff applied engineering judgment to the development of the Access Classification System. Now that GMA planning is nearing completion, the regions may want to review the classification system and its consistency with land use planning.
- There are enforcement procedures in place; however, staff have not been able to monitor state facilities and ensure that access management is being adhered to where permitted.
- Cities have authority to grant access on state facilities, although the state has a shared burden of responsibility with the cities if the access is not safe, or if excessive granting of access results in the need for additional capacity. Cities are often not consistent with the state in permitting access or in adopting access classifications. Access management may not be a part of local land use decisions, particularly for subdivisions.
- The success of any access management system depends on the understanding and training of the individuals that are required to implement and uphold that system. WSDOT staff could benefit from regular training and the exchange of ideas to insure consistency.
- Studies of conditions before and after restrictive medians may be needed to assist in the determination of economic impacts to businesses.
- Access management as a criterion for project programming and prioritization should advance projects that increase the efficiency of the current infrastructure.

9. Funding mitigation alternatives analysis

Washington State has traditionally financed highway improvements from taxes and fees levied on highway users statewide. Tax revenues, however, are not keeping pace with transportation needs. This section examines ways to develop a closer connection between the financing of transportation facilities and the decisions which give rise to the need for these facilities.

- Development-based financing and concurrency requirements represent two different kinds of tools, though related, for bringing together transportation financing and the permitting of additional development.
- WSDOT's current use of SEPA mitigation to fund improvements required to serve new development works reasonably well for large projects, but is ineffective for addressing cumulative development impacts, particularly in rapidly urbanizing areas.

- The potential application of development-based financing to state highways is limited to a fairly small portion of the system (i.e., urban minor arterials and collectors, some principal arterials) which account for about 6% of the project costs targeted for future deficiencies.
- Rather than seeking new ways to mitigate traffic impacts via development-based financing, the state could consider declaring portions of the state highway system to be subject to concurrency. Along with this requirement, authority could be delegated to regions to program state funds now used to fund improvements to these highways. The state funds could require some matching funds from sources available to local government, such as TIB funds, federal STP funds, impact fees (provided authority to levy these for state highways is clarified) and other local revenues.
- Other improvements which could be made to the current practice would be to: (1) broaden the types of development permits requiring WSDOT's review; and (2) modify RCW 82.02 to allow state highways to be included in impact fees levied by local jurisdictions.

10. Evaluation of the relationship between state Multimodal Plan funding options and local comprehensive plans

This analysis examines the funding implications of differences between current statewide and local plans.

- The Multimodal Plan and local comprehensive plans have been developed during a common time frame and have applied similar methods to determine transportation needs, but their integration has been limited by the number of parties involved.
- GMA requires local governments to include "arterials and transit routes" in their local comprehensive plans, but this language is ambiguous with respect to *state* arterials. Consequently, some have included state highways, and some have not. In the case of the former, the ability to provide state highway capacity concurrent with new development is of interest.
- A comparison of the Multimodal Plan and local plans found that unfunded state facility improvements may be a material factor in addressing concurrency requirements in local plans. Based on a review of 116 state highway concurrency projects identified in local plans, 14% were not included in the Multimodal plan and another 13% may be unfunded in the financially-constrained Multimodal Plan.
- The total unfunded amount of state concurrency projects is difficult to ascertain with available data, but appears to be in the range of \$1.0 billion to \$1.8 billion -- or between 15% and 28% of the financially-constrained mobility projects now included in the Multimodal Plan.

- Despite general agreement on the location and extent of highway deficiencies, important differences appear to exist between state and local priorities regarding improvements to state transportation facilities. These differences tend to be most pronounced for principal and minor arterials in urban areas. While some differences also exist between state and local plans with respect to interstate highways, these are limited to interchange improvements.

11. Analysis of the state's transportation revenue allocation

This section provides an analysis of how funds are being allocated to the critical mobility projects that are the heart of the LOS and concurrency debate.

- The future allocation of state revenues for highway improvements will be greatly influenced by the Mobility program within the state Multimodal Plan.
- The Mobility program presents an effective allocation of projects to observed deficiencies in the state highway system. The distribution of project expenditures tracks very closely with key measures of the extent and location of deficiencies, such as deficient lane miles and vehicle miles traveled (VMT) on the deficient segments.
- The Mobility program expenditures are also equitably allocated among Eastern Washington, Central Washington, the Central Puget Sound, and Western Washington outside of the Central Puget Sound.
- Most mobility expenditures (72%) are triggered by existing deficiencies. These are most acute on urban highways, especially in the central Puget Sound.
- Rural highway deficiencies were found to be very sensitive to changes in the LOS standard. If the performance of rural highways were evaluated at LOS D, as is the case in urban areas, deficient miles on the rural highway system would fall by 60%. Downgrading the urban standard to LOS E from D, however, would reduce deficient mileage by just 10%, thus emphasizing the severity of congestion on urban highways.

12. Analysis of the relationship between LOS deficiencies and the state's programming and prioritization program

This section examines the project selection process used by WSDOT at the planning stage (20-year horizon) and at the programming stage (2-year horizon).

- The expenditure priorities expressed in the financially-constrained Multimodal Plan have substantially more influence today in affecting LOS deficiencies than does the Priority Programming System (PPS).

- The financially-constrained Multimodal Plan presents a substantial reduction in mobility project funding compared to the unconstrained plan. In all, approximately \$8.4 billion of mobility projects were eliminated – unless additional funding can be found beyond the trend line forecasted revenues which defined the financially-constrained plan.
- Project selection for this short list of mobility projects tended to favor projects on the state-significant urban system. This is a function of the index used to rank the projects, which emphasized the difference between projected and desired LOS, and weighted the results for auto occupancy rates and freight movement. This tended to benefit the urban projects, but only those on the state system. *The regionally significant urban projects experienced the greatest proportional loss in funding.* This will be of concern if the state decides to include these highways in local comprehensive plans.
- The PPS uses a different method for project ranking than the Multimodal Plan, and accordingly is likely to produce different priorities. The potential effect of these differences is mitigated to some extent by the stratification of Mobility program funds by WSDOT region, and by project type – urban, rural, or "worst first".
- The PPS rankings are influenced primarily by the net present value of a project's costs and benefits. This is a widely-accepted technique for project selection. It works best, however, when used to select among alternatives that present different solutions for the same problem. It has less value as an expression of project worth when applied to different projects serving different purposes. The structure of the PPS, however, is well thought-out and appears to be methodologically sound.
- The first application of the PPS is for construction projects in the 1995-97 biennium. Because only \$30 million is available for new projects (which would be spent only on design – not construction), the PPS has little practical effect as of today.
- If the state implements the state-regional highway classification system, the PPS should continue to be applied to the state-significant system. It could also be applied to the regionally significant system, but its weight for that system should be subordinate to land use and community support considerations.

13. A classification system for distinguishing between facilities of statewide and regional significance

This section provides background information on current classification systems and develops a framework for assigning state facilities to statewide or regional significance.

- The study examined Functional Class, Trunk and Branch, and the National Highway System classification schemes. Some facilities do not fit neatly into one category, and the Steering Committee considered, in addition to statewide and regional significance, a third

category of “mutual” significance. This was ultimately not adopted, however, in the interest of simplicity and consistency with other classification systems.

- Criteria were suggested for the new classification, but have not been adopted, pending more detailed examination at the local, regional and state levels. The criteria include:
 - Connection of centers
 - Average trip length
 - Through vs. local travel
 - Movement of freight
 - Spacing with other routes
 - Degree of access control
 - Jurisdictional boundaries
- **Facilities of statewide significance** provide major connections between urban areas and serve statewide and interstate travel movements for various modes. Facilities should include interstate highways, state principal arterials outside urban areas, selected principal arterials within urban areas, and ferry routes that serve statewide travel.
- **Facilities of regional significance** serve primarily regional travel patterns whose operation can be directly affected by local land use decisions. They may also provide links through urban areas within a region or provide links to facilities of statewide significance. They should include selected state principal arterials in urban areas that serve regional travel, minor and collector arterials and ferry routes that serve local or regional travel.
- Classifications that require further discussion include principal arterials (urban), principal arterials (rural fringes), and interstate access points.
- A suggested process for implementing the new classification system is provided which includes updating local comprehensive plans, setting performance standards (LOS standards) through a cooperative approach among state and local agencies, and developing a concurrency management system and implementing it.

14. Funding Options for Regionally Significant Facilities

This section analyzes various funding options for regionally significant state-owned facilities. Until new revenues are available to create a new dedicated funding source for these projects, existing revenues may need to be used. WSDOT funds, federal funds and TIB funds were examined.

WSDOT Funds

- A total of approximately 12% of WSDOT funding has gone to regionally significant facilities over the last 3 biennia. This analysis indicates that as interstate funding has

declined over the 3 biennia, the share of funding going to regional facilities has increased from 8% in FY 89-91 to 12% in FY 91-93 and to 15% in FY 93-95.

- Comparing the state dollars that have flowed to each kind of facility (statewide vs. regional) to the proportions of the total state highways system that each kind of facility takes up, yields useful insights. While regionally significant facilities have received 12% of funding over the last 3 biennia, these facilities represent 51% of the road miles and 24% of the vehicle miles traveled on state highways. Similarly, facilities of statewide significance have received 89% of funds, but represent only 49% of road miles and 76% of vehicle miles traveled.
- Should WSDOT or the LTC determine that a larger share of state funds should be expended on regionally significant facilities, the most logical source is the Motor Vehicle Fund-Basic Account. Funds could be allocated either by creating a new account and transferring funds to it, or by reprioritizing existing improvement monies.

Federal Funds

- The STP, which will total \$697 million by 1997, is the largest federal highway program for Washington State during the six-year authorization of ISTEA. Unlike the other highway programs, STP funds are distributed to a variety of recipients, each of which has programmatic authority.
- Two of the distributions are most applicable to funding state-owned regionally significant facilities – the distributions to regions, and the statewide competitive fund. These funds are most applicable because they are not already committed to a specific use.
 - The statewide competitive funds total \$14 million in 1995 and are administered by the Multimodal Committee. Although this funding source is the smallest of the candidate sources, its method of allocation by a multi-party project selection committee lends itself to the kind of systemwide coordination most likely to yield a regional emphasis.
 - The TMA, MPO and County distribution funds total \$40 million in 1995 and project selection is administered by the respective regional bodies. Although this funding source is relatively large, there will be substantial institutional pressure to use these funds for local streets and roads as a first priority.

TIB Funds

- A significant portion of TIB-funded projects are already regional in nature. Using the consultants' method of classifying statewide and regionally significant facilities, over the 1990 to 1995 period, over 15% of TIB funds were distributed to regionally significant state-owned facilities.

- Due to its success as an institutional and funding model, the TIB has been repeatedly mentioned as the administrator of a new regional funding mechanism. Options for start-up funding prior to new revenues being available are to simply authorize the TIB to begin the new program and to commit TIA and UATA funds on an interim basis as loans to the new program, or to authorize additional bonding capacity to the TIB.

Technical Recommendations

In addition to the policy recommendations presented above, the study analyzed and made recommendations on a series of technical issues, such as amendments to the wording and terminology of certain sections of the GMA, the Access Management statute and program implementation, and impact fee provisions. A summary of these recommendations is presented below. For more information on the background behind these recommendations, please see the relevant chapters in the Technical Appendix.

Recommendations to Clarify Definitions and Terminology

As noted earlier in this report, a series of different terms in the GMA has resulted in confusion among local governments about the meaning of specific terminology, and inconsistent responses across jurisdictions to the GMA requirements. The following recommendations are intended to clarify terminology and provide for consistency, but not erode the principle of local control of comprehensive planning:

- Clarify the meaning of "arterials and transit routes" vis-à-vis state facilities in local comprehensive plans. Specifically clarify responsibility for setting LOS standards, and whether or not concurrency is required. [RCW 36.70A.070(6)(b)(ii)]
- Clarify the relationship of "concurrency" to "adequate public facilities" and "appropriate provision," and clarify the facilities to which the requirements apply. Make the following wording consistent:
 - RCW 36.70A.070 requires "concurrency" for "arterials and transit routes"
 - RCW 36.70A.020 requires "adequate public facilities" for "streets, roads, highways, sidewalks"
 - RCW 58.17.110 requires "appropriate provision" for "streets or roads, alleys, other public ways, transit stops"
- Clarify "level of service" vs. "service objective" to distinguish the land use review benchmark for concurrency from WSDOT's general planning guideline.
- Clarify the meaning of "financial commitments" for concurrency (or require a list to be prepared by rule). The following issues should be addressed in the definition:
 - Under construction
 - Subject to binding agreement for construction

- To be paid by revenues that can be imposed or expended at the discretion of local governments (i.e. local taxes, fees, charges, intergovernmental entitlements)
 - Grants for which awards have been made
 - Irrevocable commitments from developers
 - Appropriated in state biennial budget
- Additional types of “financial commitments” could be added if deemed appropriate.
- Clarify the meaning of the 6-year limit for achieving concurrency. Select one of the following options:
 - Six years for concurrency means 6 years from approval of development (rather than 6 years from occupancy and use), or
 - Provide "financial commitments" for longer periods (e.g. up to 6 years from occupancy and use). This may require longer-range transportation plans and budgets.

Impact Fee Recommendations

The study recommends no substantial substantive changes to the impact fees statutes. However, it does recommend that the Legislature should clarify certain terms and provisions in the GMA regarding impact fees. These recommended amendments are summarized below:

- Clarify that local governments have the authority to collect impact fees for impacts on state facilities. Change "streets and roads" to language that specifies local options to include state transportation facilities such as facilities of regional significance; the regional share of facilities of regional significance; and/or access to facilities of state significance [RCW 82.02.090(7)].
- Require WSDOT to contract with local governments that collect impact fees and SEPA mitigations for state facilities to ensure the expenditure of such monies within 6 years.
- Expand the list of impact fee-allowable expenditures to include ferry, transit, park & ride, and transportation demand management (TDM) improvements. [RCW 82.02.090(7)]. The statute should clearly authorize that such expenditures be earmarked for physical improvements not programmatic expenses.
- Allow impact fees to constitute full mitigation of all impacts (i.e. "pay and go"), but specify that such payments are not refundable.
- Clarify the requirement regarding "not rely solely on impact fees." Allow impact fees to finance all costs remaining after funding deficiencies with non-impact fee sources, and subtracting other financial commitments (i.e. grants, dedicated taxes, etc.) for the projects that serve new development.

Access Management Recommendations

Major recommendations of the Access Management program evaluation are summarized on the following page:

- WSDOT should enforce municipal review and issuance of permits for access to state-owned facilities inside municipal boundaries.
- WSDOT should conduct in-house training for local governments regarding access management.
- Access management should be a criterion for review of local comprehensive plans.
- Access management should be a criterion for programming and prioritization of TIB, STP and other competitive project funds.
- Integrate access management with level of service in GMA planning. Develop measures of benefits of well managed access vs. poorly managed access. Incorporate these measures when calculating LOS for concurrency.
- Incorporate access management in route development planning.
- Identify and program high priority corridors to develop with access management.
- Encourage local governments to develop incentives for developers that promote access management.
- Study and further quantify the economic impacts of restricting left-turns.

Conclusion

The numerous findings and recommendations outlined in this report represent substantial research and analysis in areas that are technically complex and often highly controversial. Nevertheless, the Steering Committee and the working group of stakeholders, staff and consultants have much to be proud of, for much has been accomplished. An improved understanding of the issues, options and constraints was developed over many months of intensive work. Agreements have been reached on some important issues and those who do not agree with the consultant findings and recommendations have had full opportunity to communicate their perspectives and concerns.

The findings of this study and its recommendations are respectfully submitted to the Legislature of Washington State.