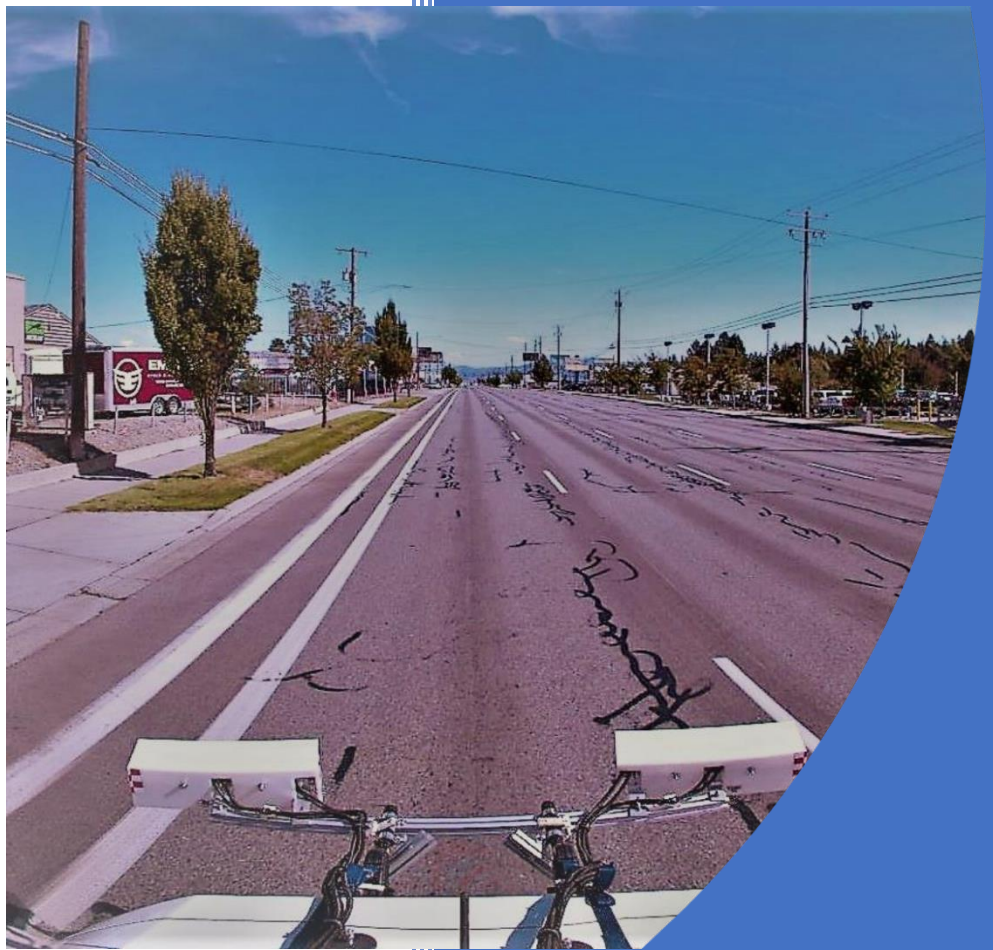


Streets Sustainability Committee Final Report



Community & Public Works Department
City of Spokane Valley
11/9/2021



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ACKNOWLEDGEMENTS

On March 23, 2021, City Council confirmed the membership list for the Streets Sustainability Committee. This report is the product of multiple committee meetings and many hours of educational review and discussion pertaining to Spokane Valley’s Pavement Management Program.

The City of Spokane Valley thanks the Streets Sustainability Committee for its time and effort.

Spokane Valley City Council	
Rod Higgins (Position 1)	Brandi Peetz (Position 2) - Deputy Mayor
Arne Woodard (Position 3)	Ben Wick (Position 4) - Mayor
Pam Haley (Position 5)	Tim Hattenburg (Position 6)
Linda Thompson (Position 7)	

Streets Sustainability Committee		
Name	Category	Employer
Lance Beck	Business – General	Greater Spokane Valley Chamber of Commerce
Cheryl Stewart	Business – General	Assoc. of General Contractors – Inland NW
Frank Tombari	Business – General	Banner Bank
Kyle England	Business – Large	Kaiser Aluminum
Jesse Granado III	Business – Large	Waste Management
Kevin Person	Business – Large	Wagstaff
Greg Repetti	Business – Large	MultiCare Deaconess and Valley Hospitals
Robin DeRuwe	Business – Small	Fitness Fanatics
Tom Dingus	Business – Small	Dingus, Zarecor & Associates, PLLC
Chris Moan	Citizen Representative	
Diana Wilhite	Citizen Representative	
Kathe Williams	Citizen Representative	
Matt Ewers	Freight	Inland Empire Distribution Services
Ben Small	Schools	Central Valley School District
Cal Coblenz	Social Services	Spokane Valley Partners
Mike Frucci	Transportation	Washington State Dept. of Transportation
Kelly Fukai	Transportation	Washington State Transportation Commission
Karl Otterstrom	Transportation	Spokane Transit Authority
Joe Tortorelli	Transportation	Spokane Good Roads Association
Kevin Wallace & Lois Bollenback	Transportation	Spokane Regional Transportation Council
Todd Henry	Utility Company	Vera Water and Power
Melanie Rose	Utility Company	Avista Utilities

EXECUTIVE SUMMARY

Street operations and maintenance, pavement preservation, and associated funding mechanisms, have been a topic of discussion for city councils shortly after Spokane Valley’s incorporation in 2003. Over the years, the Pavement Management Program has been recognized as a priority; however, the City has struggled to secure a consistent, reliable funding source that could sustain a long-term program.

Purpose & Methodology

The City’s Pavement Management Program has identified a total annual cost of \$16 million to sustain the City’s paved street network in its current overall “good” condition. The City has historically spent \$8 million each year, or approximately 50% of the recommended PMP amount. The \$8 million shortfall is an indicator that City streets are deteriorating at a faster rate than current available funding can sustain.

City Council created the Streets Sustainability Committee to assist the City’s public outreach efforts as it relates to the long-term goals of the Pavement Management Program.

The goals of the Streets Sustainability Committee included:

1. Evaluate citizens’ interest and support for maintaining city streets and suggesting pavement condition goals.
2. Identify preference for maintaining city streets, types of treatments used, and long-term levels of service.
3. Investigate current revenues and potential future funding sources for maintaining city streets at the recommended level of service.

THE COMMITTEE

The 22-member Streets Sustainability Committee served as staff’s primary resource to seek input and to connect with the community at large. Participants were leaders in their respective fields and helped gather input from their respective peer groups. The Committee included 19 invited members from different for- and nonprofit businesses, transportation backgrounds, and three citizen-representatives who applied to, and were recommended by Mayor Wick to participate on the Committee. The Committee membership was confirmed by the City Council on March 23, 2021.



The fundamental assumption that guided the process was the use of open-ended questions to address the Committee goals. This format promoted a *descriptive* process rather than a *prescriptive* process, describing public opinion instead of seeking agreement for a particular agenda or focus. In other words, to find out how the public felt about the City’s Pavement Management Program, the City would ask and listen to the responses. This fundamental assumption shaped the Committee meetings, public meetings, and the public survey.

THE COMMUNITY

City staff worked with the Committee to develop a public outreach plan to share information with and gather feedback from the community, including public meetings, community surveys, and paid social/print/digital media. Through an iterative review process, City staff and the Committee finalized a public survey that was used to gauge public opinion on the three goals of the Committee. The survey was open to the public from mid-June to mid-September.

Key Findings

The key findings of the public survey and the Committee activities are summarized in **Table 1**. The City’s public outreach process resulted in 22 Committee responses and 1,018 public survey responses.

Table 1. Executive Summary - Key Findings by Committee Goal

Goal	Item	Finding
1	A	The pavement condition of City streets is described as “fair” or better.
	B	The Pavement Management Program should be prioritized in the City’s budget planning process.
2	A	Survey respondents support increasing the prioritization of local access streets.
	B	Implement surface treatments in the Pavement Management Program.
	C	Increase Pavement Management Program funding to maintain the streets in their current condition.
3	A	Do not reduce funding of other City programs to increase funding of the Pavement Management Program.
	B	Transportation Benefit District is the most-preferred funding option.
	C	Survey respondents indicate new funding should evenly distribute costs to everyone.
	D	Pavement Management Program funding should not rely on annual surplus fund transfers.

Process Review

The process used by the City replicated the process used by other local agencies: informational material was developed and provided, and Committee members were asked to actively participate, formulate opinions on pavement management activities, and engage with the public to collect feedback. In comparison with other agencies, the Committee process was well-attended, participants openly and willingly provided comment, and were engaged and supportive in satisfying the Committee goals. The process proved to be beneficial to both the Committee participants and the City.

Should the City proceed to implement a new revenue stream, the Committee members stressed the importance of transparent, thoughtful, and intentional public messaging. Further, the Committee acknowledged the time and effort expended on this 2021 public outreach process and shared reservations that the findings would only be considered by City Council with no action taken.



1. INTRODUCTION

A History: Spokane Valley’s Pavement Management Program (PMP)

The topics of street operations and maintenance, pavement preservation, and associated funding mechanisms have been a topic of discussion for city councils since shortly after Spokane Valley’s incorporation in 2003. Over the years, the PMP has been recognized as a priority; however, the City has struggled to secure a consistent, reliable funding source that could sustain a long-term program (**Figure 1**).

Historically, the City has focused its PMP efforts on the arterial and collector network. These streets were prioritized because they impacted the most users and businesses. Arterial and collector streets were also eligible for grant funding, and local access neighborhood streets were not.

While arterial and collector streets received the needed pavement preservation and maintenance treatments, local access and neighborhood streets required fewer treatments because they were generally in “new” condition and carried lower traffic volumes. Spokane County’s septic tank elimination program (STEP) during the 1990s and early 2000s resulted in newly paved residential streets that have performed well over the last 20 to 30 years. However, over the last 10 years, the aging local access street

2014	<i>Focus on sustainability of Street Preservation program beyond 2016.</i>
2015	<i>Pursue a sustainability plan in connection with the City’s Street Preservation program, to include sustained funding in the City’s Street fund to address concerns beyond the year 2019.</i>
2016	<i>Pursue a sustainability plan in connection with the City’s Street Preservation program, to include sustained funding in the City’s Street Fund #311 to address concerns beyond year 2020.</i>
2017	<i>Pursue a sustainability plan in connection with the City’s Street Preservation program, to include sustained funding in the City’s Street Fund #101 and Pavement Preservation Fund #311 to address concerns beyond year 2021.</i>
2018	<i>Continue to pursue a plan to sustain the City’s Pavement Preservation Program, to include sustained financing for the Street Fund #101 and Pavement Preservation Fund #311</i>
2019	<i>Continue to pursue a plan to sustain the City’s Pavement Preservation Program, to include sustained financing for the Street O&M Fund #101 and Pavement Preservation Fund #311</i>
2020	<i>Continue to pursue a plan to sustain the City’s Pavement Preservation Program, to include sustained financing in Street Fund #101 and Pavement Preservation Fund #311.</i>
2021	<i>Continue to pursue a plan to sustain the City’s Pavement Preservation Program, to include sustained financing in Street Fund #101 and Pavement Preservation Fund #311.</i>

Figure 1. Recurring City Council Goals for the PMP*

*For the purposes of this report, the various program titles used in Council Goals, such as Street Preservation, Street Fund #101, Pavement Preservation Fund #311, and Pavement Preservation Program, are all considered to be synonymous, or included within, the City’s Pavement Management Program.

network has required, but not received, additional maintenance and preservation measures to keep them in the “good” and manageable condition.

The City’s first street inventory assessment was completed in 2007 and is updated every four to six years. Over time, these periodic assessments have resulted in a consistent outcome: the paved street network is in “good” condition (mainly due to the ongoing annual work on the City’s arterials), but the program is underfunded, and pavement condition will continue to degrade over time.

Recent PMP Developments

In 2018, staff issued a Request for Qualifications to consult with a subject matter expert for the completion of an in-depth assessment and evaluation of the City’s pavement preservation practices. Nichols Consulting Engineers (NCE) was selected to complete the work and Dr. Linda Pierce, P.E., was tasked as the project lead. NCE’s deliverable work product included findings and recommendations for program improvements and strategies and is viewable under “Resources” on the city’s webpage: www.spokanevalley.org/pmp.

In March 2019, NCE delivered their findings and recommendations (**Figure 2**). NCE found that the City’s preservation practices were satisfactory, but improvements were suggested:

1. *Improve software capabilities and data collection frequency.*
2. *Identify pavement condition targets*
3. *Identify revenue to achieve targets*
4. *Engage the community*

Since 2019, the City has been actively working to address the NCE recommended improvements. The City took immediate action on the first NCE recommendation. In fall 2019, the City contracted with a new pavement condition assessment company, StreetScan, that utilizes state-of-the-art data collection equipment and a user-friendly pavement management software interface. StreetScan provides 100% street network assessment every three years at a lower cost than the previous consultant, who surveyed 100% of the street network every four to six years.

While City Council and staff had regularly discussed recommendations 2 and 3, the City had yet to reach out to the public and solicit feedback regarding the PMP (recommendation 4). Staff evaluated how other similar agencies had engaged their community and found that a stakeholders committee would be critical to gathering the necessary feedback from the public. Throughout 2020, City Council and staff discussed the creation of a PMP-related ad-hoc committee that would help the City perform its first PMP-related public engagement effort. These efforts are the basis of this report.

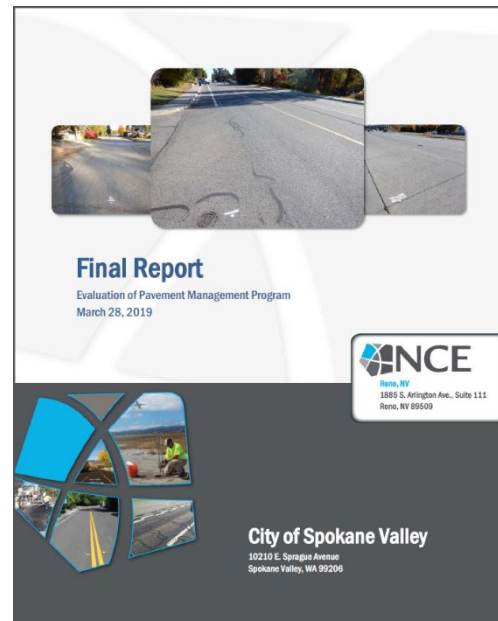


Figure 2. NCE Final Report - March 2019

2021: The City's PMP Today

Spokane Valley's paved street network includes approximately 1,000 lane miles (or 450 centerline miles) and nearly 1,900 acres of pavement. The streets are functionally classified into four categories: principal arterials, minor arterials, collectors, and local access streets (**Figure 3**).

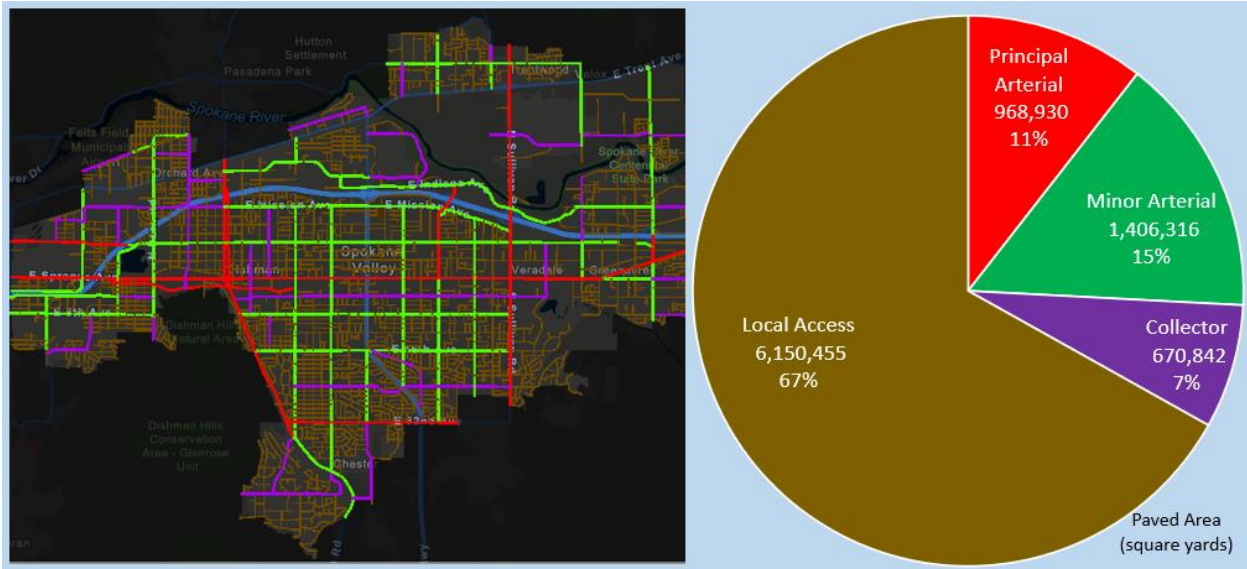


Figure 3. Spokane Valley Streets by Functional Classification

The 2019 pavement condition survey provided a pavement condition index (PCI) score from 0 (failed) to 100 (excellent) for every street within the City's paved street network. As a network average, the City's PCI score was 76, which is in the "good" rating category (**Figure 4**).

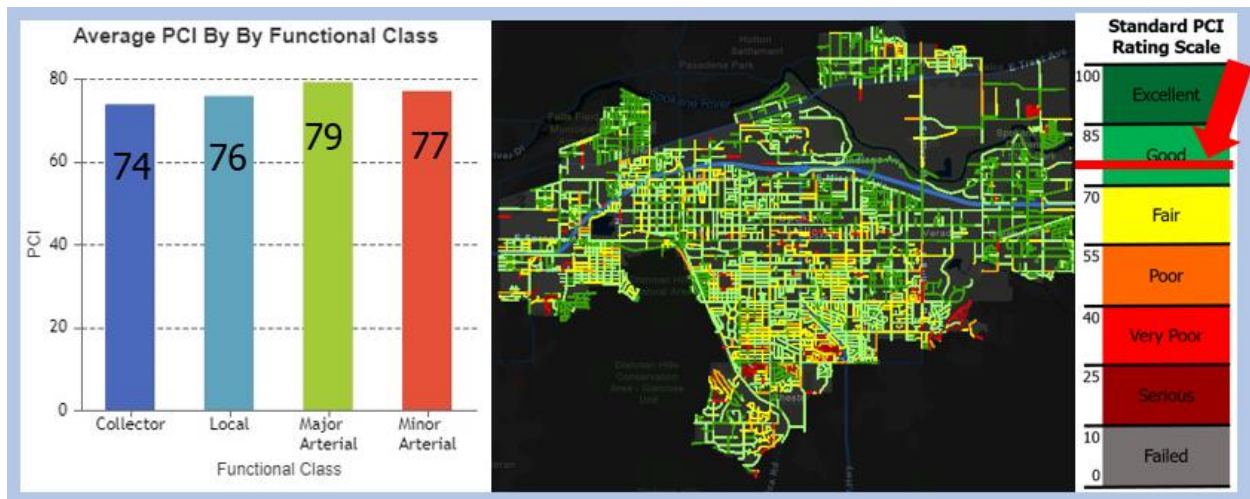


Figure 4. Pavement Condition Index (PCI) Map of the Paved Street Network

The PMP consists of two elements: pavement preservation and street maintenance (**Figure 5**). As mentioned, the PMP has historically focused on arterials and collectors, the City’s busiest streets, and therefore have sustained their overall condition. However, due to limited funding, the PMP has not provided the needed preservation and maintenance efforts on its less travelled, local access and neighborhood streets.

The City’s PMP has identified a total funding amount of \$16 million per year to sustain the City’s paved street network in its overall “good” condition. The work associated with this \$16 million annual cost includes additional pavement preservation projects necessary to prevent the decline of the overall condition of the paved street network and the annual funding shortfall that is offset by surplus fund transfers to support street maintenance and operations. The City has historically spent an average of \$8 million each year, or approximately 50% of the recommended PMP amount (**Table 2**). This is an indicator that city streets are deteriorating faster than available funding can sustain.



Figure 5. PMP Elements: Preservation & Maintenance

Table 2. Existing Average Annual PMP Revenues

Revenue Amount	Revenue Sources	Comments
\$1.7 million	Gas Tax	Expected to decline slowly over long term
\$0.9 million	Telephone Tax	Declining annually, rapidly
\$2.0 million	Grant Awards	State/Federal grants, not guaranteed but historically reliable
\$0.9 million	General Fund	6% of recurring General Fund expenditures to Fund #311
\$1.5 million	Street Wear Fee	Initiated in 2018, prioritized for local access streets
+\$1.0 million	Real Estate Excise Tax	Matching funds for grants & excess revenues from positive years
\$8.0 million	Existing Revenues	Historical Average of Existing Revenue Sources
+\$8.0 million	Unknown	Annual funding shortfall required to fulfill \$16 million
\$16.0 million		Annual funding required to maintain today’s level of service



2. PURPOSE & METHODOLOGY

On March 23, 2021, City Council created the Streets Sustainability Committee to help inform the City’s public outreach efforts as it relates to the long-term goals of the PMP. The following summarizes the process and findings of the Streets Sustainability Committee activities.

Purpose: Streets Sustainability Committee Goals

The goals of the Streets Sustainability Committee included:

1. Evaluate citizens’ interest and support for maintaining city streets and suggesting pavement condition goals.
2. Identify preference for maintaining city streets, types of treatments used, and long-term levels of service.
3. Investigate current revenues and potential future funding sources for maintaining city streets at the recommended level of service.

Methodology: A Broad-Reaching Effort

The 22-member Streets Sustainability Committee served as staff’s primary resource to seek input and to connect with the community at large. Participants were leaders in their respective fields and helped staff gather input from their respective “base.” The Committee included 19 invited members from different for-profit and non-profit businesses, transportation backgrounds, and three citizen-representatives who applied, and were recommended by Mayor Wick, to participate on the Committee. The Committee membership, as recommended by the Mayor, was confirmed by the City Council on March 23, 2021.



The fundamental assumption that guided the Committee’s process used open-ended questions to address the goals identified above in **Purpose: Streets Sustainability Committee Goals**. This format promoted a *descriptive* process rather than a *prescriptive* process, describing public opinion instead of seeking agreement for a particular agenda or focus. In other words, to find out how the public felt about

the City’s PMP, the City would ask and listen to the responses. This fundamental assumption shaped the Committee meetings, public meetings, and the public survey.

Methodology: A Detailed Process

THE COMMITTEE

City staff contracted with Dr. Joy York to facilitate the Committee process. Dr. York is a professor of Communication Studies at Whitworth University, and her research and scholarship focus is on communication in relationships, organizations, and leadership. Dr. York’s expertise shaped the format of the Committee meetings and guided the steps taken to share information and ensure that all participants were given a supportive and open platform to share opinions and ask questions.

Notably, Dr. York guided and facilitated the creation of informational videos used to educate the Committee and public at large. Committee meetings were held virtually and included large and small group discussions to maximize participation amongst the participants and give everyone equal opportunity to participate. Committee meetings were open for viewing to the public, but public comments were not permitted; however, during each meeting, public viewers were explicitly invited to email any questions, comments, or concerns to the City staff.

From April to September, the Committee held its monthly virtual meeting. Meeting agendas were provided prior to the meeting date to allow the Committee to prepare for the discussion. The Committee was provided with prepared educational videos made available at the City’s websites: <https://www.spokanevalley.org/streetscommittee> and <https://www.spokanevalley.org/pmp>. The Committee members were asked to view the videos prior to each meeting to inform members on the days’ PMP topics (PMP history, best-practices versus current practices, and funding). All Committee meetings were recorded and made available at: www.spokanevalley.org/pmp. **Figure 6** details each of the Committee meetings and the topics discussed.



Figure 6. Streets Sustainability Committee Meeting Topics

The “Breakout Rooms” feature of Zoom was frequently used to facilitate small group discussions amongst committee members. A staff person was in each “room” to record and support the discussion, so all committee members had a chance to contribute their perspective. The “Breakout” discussion topics were intentionally phrased in an open-ended way to maximize the feedback of the committee members. This allowed for multiple committee member perspectives on the topics. This format enriched the discussion and promoted participation, ultimately supporting the process of informing and engaging the committee members.

THE COMMUNITY: MEDIA, MEETINGS, & SURVEY

Leading up to the first Committee meeting, staff worked to formulate a public engagement plan. As part of the first three Committee meetings, staff and the Committee worked together to shape the final public engagement process. Through this coordination, City staff and the Committee identified a variety of public outreach methods to gather feedback from the community, including public meetings, community surveys, and social/print/digital media.

First, the City staff created PMP websites describing the program and the Committee, including the videos discussing the PMP topics. Second, a public survey was drafted, reviewed, and revised by the Committee and released to the public in June 2021. The survey was published online through SurveyMonkey and in print through the City’s semi-annual publication of the Spokane Valley *View* newsletter. A copy of the publication is viewable under “Resources” on the city’s webpage: www.spokanevalley.org/pmp. Third, the City advertised the Committee’s efforts to seek public opinion on the PMP through a variety of media releases and public meetings. Various media outlets shared the PMP information and provided opportunity for the public to participate in the survey. A summary of the public messaging is summarized in **Figure 7**.

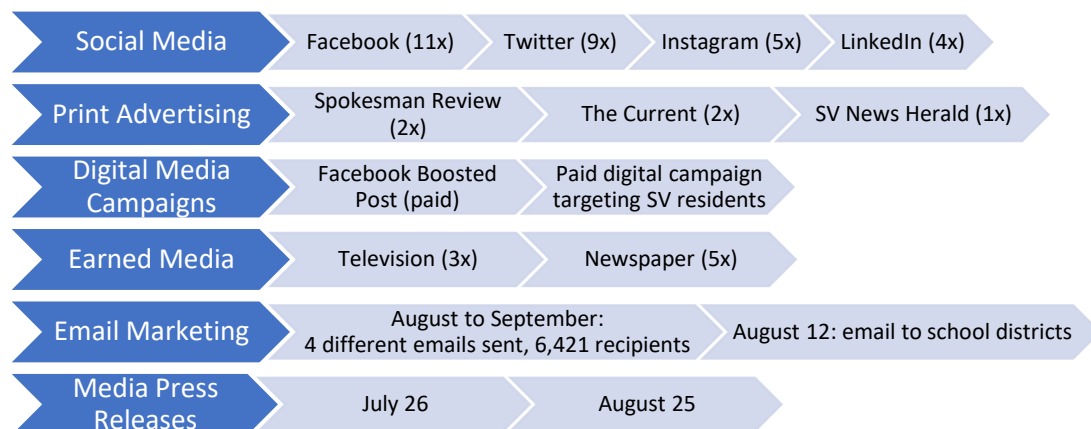


Figure 7. Public Messaging Summary

The public messaging efforts ran parallel to the City’s public meeting engagements. The Committee’s public outreach milestones are further identified in **Figure 8**. Through the assistance of the Committee, staff was able to connect with seven unique community interest groups to share its PMP information and ask people to participate in the community survey. In addition to participating in seven community group meetings, the City hosted three public open-house meetings. Ten meetings in total occurred, either in-person or virtually, and engaged approximately 100 individuals.

2021 PMP Public Outreach Milestones

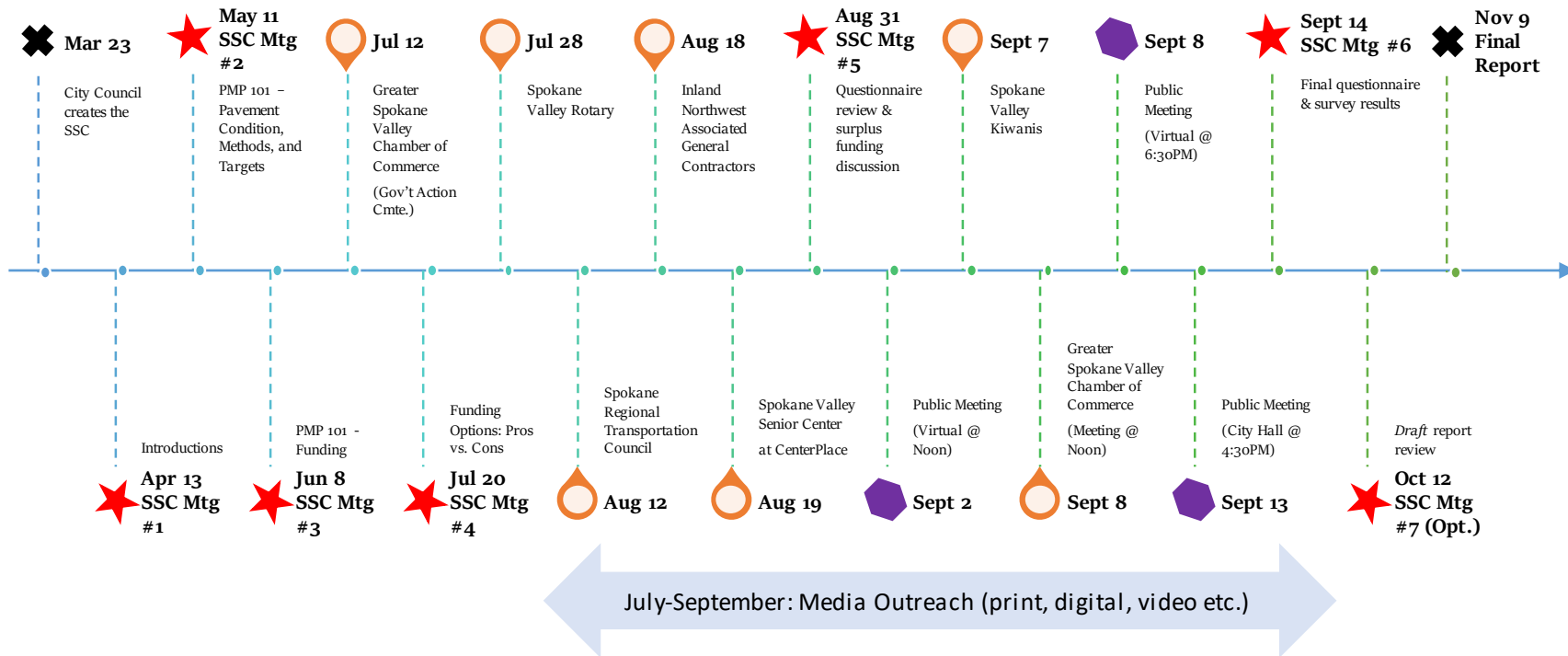


Figure 8. 2021 PMP Public Outreach Milestones

The community survey was available to the public from June 14 to September 21, 2021. All public outreach efforts from City staff and the Committee attempted to direct the public to the City’s website and its community survey. Parallel to the online information, the View newsletter was published and included a postage paid return-envelope for completed survey responses (**Figure 9**).

The survey was the most responded-to survey ever conducted by the City, **totaling 1,018 responses**. The regular collection of new survey responses was shared with the Committee at meetings 4, 5 and 6. These meetings allowed for the Committee discussion to consider public survey responses received to date to help inform their evaluation of the PMP. Survey findings are discussed in **Section 3. Key Findings**.

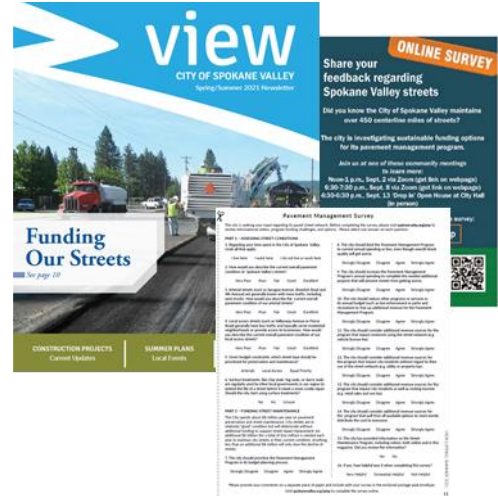


Figure 9. Community Survey

CREATING A DELIVERABLE PRODUCT

The Committee’s efforts culminated with the delivery of 22 unique questionnaire responses submitted by each member (**Appendix A**). The Committee was not asked to provide a single formal recommendation to City Council. Instead, each member was asked to provide their informed perspective on the PMP and how it relates to the Committee’s three goals, resulting in 22 distinctive perspectives to help inform the City Council.

Through all the steps described within this section, the Committee was positioned to document their final opinions as related to the City’s PMP. These perspectives are based on time spent with the Committee and through the personal and professional experiences of each member.



3. KEY FINDINGS

The City’s public outreach process resulted in 22 Committee responses and 1,018 survey responses from the public (**Figure 10**). Submitted Committee member questionnaires are provided in **Appendix A** and the public survey response summary is provided in **Appendix B**. A list of all comments received throughout the public engagement process are included in **Appendix C**.

Findings from the City’s public outreach process are a blend of high-level feedback from the public (via survey) and a detailed evaluation of the PMP from the Committee (via questionnaire) (**Table 3**).

Public Survey Responses
1,018 Total Responses
(Survey Question 1)

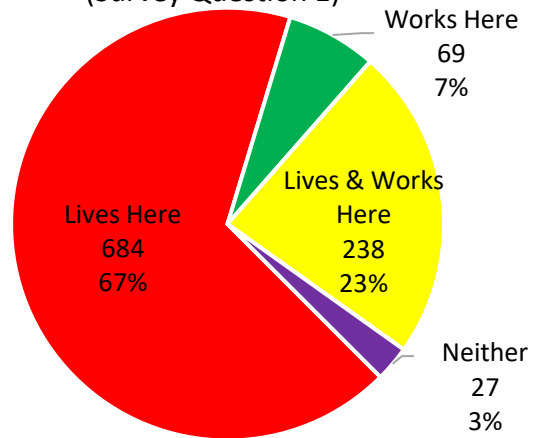


Figure 10. Survey Responses

Table 3. Summary of Findings by Committee Goal

Goal	Item	Finding
1	A	The pavement condition of City streets is described as “fair” or better.
	B	The PMP should be prioritized in the City’s budget planning process.
2	A	Survey respondents support increasing the prioritization of local access streets.
	B	Implement surface treatments in the PMP.
	C	Increase PMP funding to maintain the streets in their current condition.
3	A	Do not reduce funding of other City programs to increase funding of the PMP.
	B	Transportation Benefit District is the most-preferred funding option.
	C	Survey respondents indicate new funding should evenly distribute costs to everyone.
	D	PMP funding should not rely on annual surplus fund transfers.

Goal #1: Evaluate

Evaluate citizens' interest and support for maintaining city streets and suggesting pavement condition goals.

A. The pavement condition of City streets is described as "fair" or better. (Survey Questions 2, 3, 4)

The public survey divided the pavement condition rating into the following categories: excellent, good, fair, poor, and very poor. Respondents were asked to evaluate the pavement condition of the City street network considering (1) the overall system, (2) focusing on arterial and collector streets only, and (3) focusing on local access streets only (**Figure 11**). Across all three focus areas, 87% of survey respondents described the streets as "fair" or better.

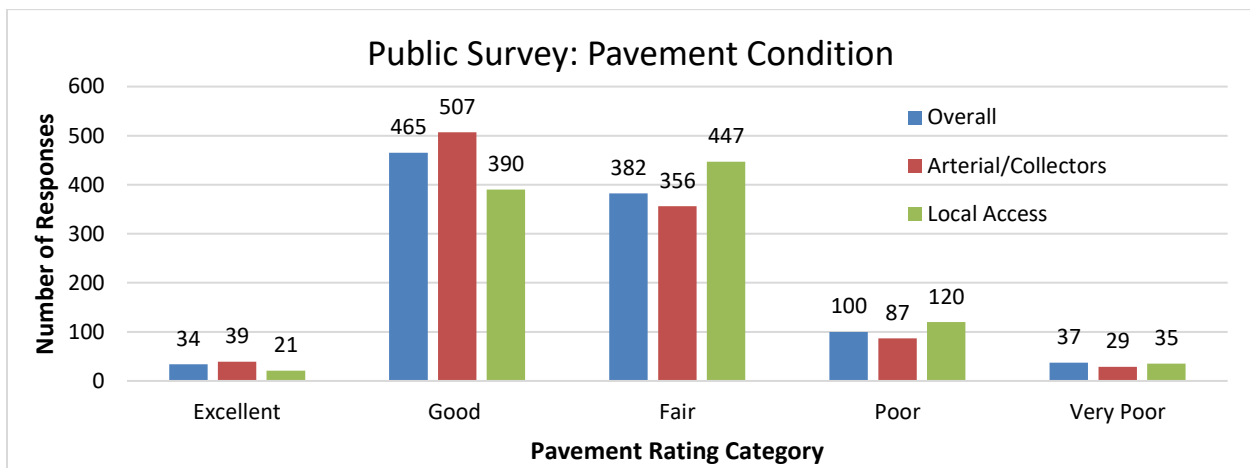


Figure 11. Public Survey: Pavement Condition

The Committee was not specifically asked to respond to this question as part of the questionnaire; however, unofficially, the Committee was asked to respond to this question prior to its first meeting and all committee responses were also "fair" or better. Public survey responses helped align the Committee's position with the public's position as related to the City's pavement condition.

B. The PMP should be prioritized in the City's budget planning process. (Survey Question 7)

Ninety percent of survey respondents indicated the PMP should be a budget priority for the City.

The purpose of this survey question was to ensure the Committee's baseline assumption was correct. The Committee was not asked to respond to this question because it was a baseline assumption. Unofficially, the Committee validated and supported prioritizing and funding the PMP as discussed in Goal 2 and Goal 3 in the following pages.

Goal #2: Identify

Identify preference for maintaining city streets, types of treatments used, and long-term levels of service.

A. Survey respondents support increasing the prioritization of local access streets. (Survey Question 5)

Sixty percent of survey respondents supported increasing the City’s prioritization of local access streets. Currently, the PMP prioritizes the City’s arterial streets over local access streets. This prioritization occurs because the PMP has historically operated under budget limitations that are unable to provide the needed preservation and maintenance measures for all streets. As a result, the City has prioritized arterials because they are most eligible for grant funding, most-travelled and impact the most users.

Figure 12 illustrates the received public survey responses to street prioritization by roadway class.

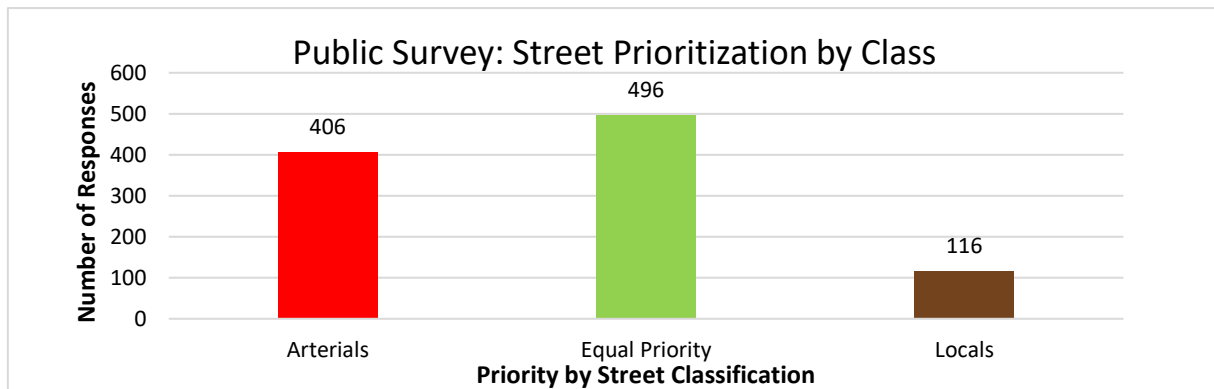


Figure 12. Public Survey: Street Prioritization by Class

The Committee was not specifically asked to respond to this question as part of the questionnaire; however, the Committee did answer it indirectly through Questionnaire Response #7. This question asked Committee members to select which PMP services should be considered for reduction if funding would not support a complete program. Responses indicate that most Committee members would not reduce funding to the arterial/collector streets but would consider reduced funding to the local access street network (Figure 13).

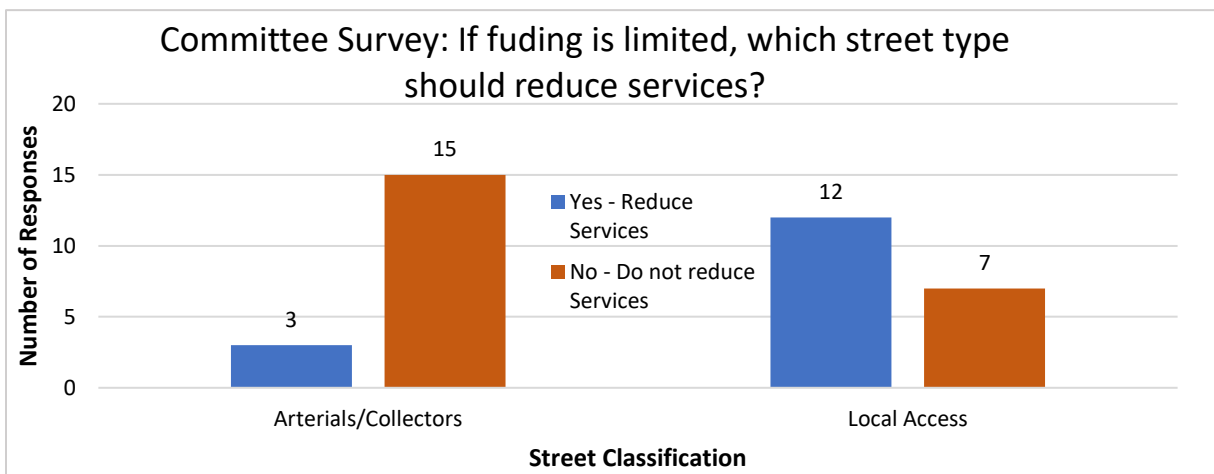


Figure 13. Committee Survey: Street Prioritization by Class

**B. Implement surface treatments in the PMP.
(Committee Questionnaire Question 1 and Survey Question 6)**

Surface treatments, such as chip seals, fog seals, or slurry seals, are an important element for an effective PMP. All Committee members supported and recommended the City consider industry best practices and use all available tools to effectively implement the PMP, including use of surface treatments.

During the 10 public meetings held in July, August, and September, meeting participants were asked their opinion regarding surface treatments. Participants were able to listen to information regarding surface treatments and to ask questions or provide comments. Amongst these responses, 90% of meeting attendees were in favor of implementing surface treatments.

Public survey responses included 65% in favor of surface treatments, 14% against surface treatments, and 21% unsure of surface treatments. Survey responses indicated a portion of the community requires additional information related to surface treatments. Discussions throughout the Committee process strongly encouraged a thorough public messaging effort to help inform the public about surface treatments prior to any potential implementation in the future.

Figure 14 summarizes how the support for surface treatments trended upward based on the increased level of engagement between City staff and the respondents. Committee members were provided a detailed review of how surface treatments can support the PMP, and unanimously (100%) supported surface treatment implementation. Attendees at the 10 public meetings were provided a high-level introduction to surface treatments along with informed discussion with staff, and resulted in a 90% concurrence for surface treatment implementation. Finally, public survey respondents were provided various methods for obtaining information on surface treatments (including websites, print newsletters, and social media content), and 65% agreed with surface treatment implementation.

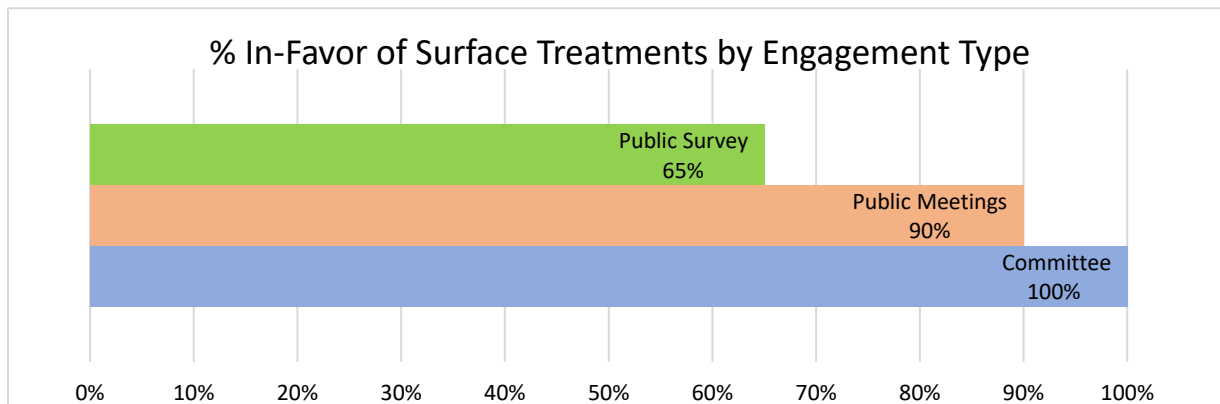


Figure 14. % In-Favor of Surface Treatments by Engagement Type

**C. Increase PMP funding to maintain the streets in their current condition.
(Committee Questionnaire Questions 2, 3 and Survey Questions 8, 9)**

Eighty percent of survey respondents were against the City continuing with the current \$8 million annual PMP funding amount and allowing the overall street condition to decline.

Further, 83% of survey respondents supported increasing the PMP funding to complete the additional projects needed to maintain the overall network condition. **Figure 15** was used during public meetings as part of presentation materials to stress the importance of adequately funding the PMP.

Committee responses support the public survey respondents and indicate the City should fund the PMP at a level to either *maintain* or *improve* the overall condition. This equates to funding an additional \$8 million annually in addition to current \$8 million of funding, for a total of \$16 million annually, to prevent the overall decline in pavement condition.

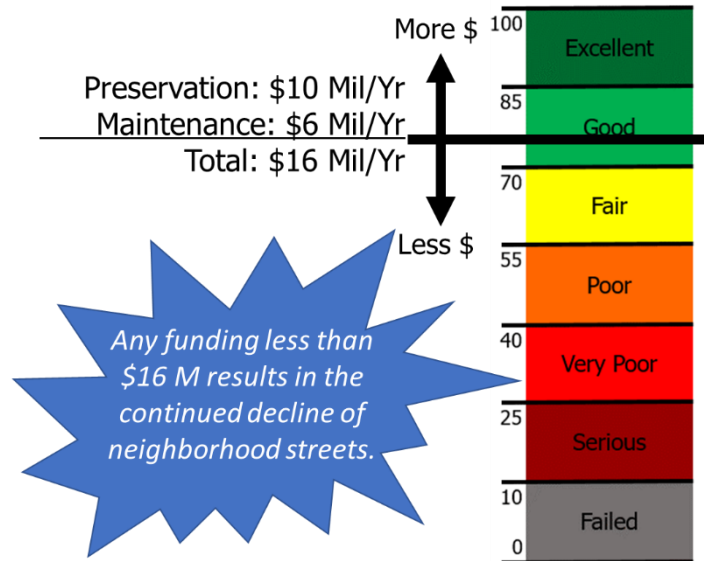


Figure 15. Excerpt from Public Meeting presentation

No Committee members recommended to *reduce* the overall condition of the City streets.

Goal #3: Investigate

Investigate current revenues and potential future funding sources for maintaining city streets at the recommended level of service.

The City’s identified available funding options, and the financial impact of each, are listed in **Table 4**.

Table 4. Available Funding Options

Funding Method	Approval Method	Cost Impacts	Est. Annual Revenues	Notes
Property Tax Banked Capacity	Council	\$7.60 per \$100,000 of assessed property value	\$878,000	Uses remaining “taxable” amount on property values.
Levy Lid Lift	Voter	\$1.17 per \$100,000 of assessed property value for every 1% increase	1% increase generates \$136,000	Used after Property Tax Banked Capacity is implemented.
TBD: Vehicle License Fee	Council - up to \$50 Voter – over \$50	Start: \$20 license fee Year 2: Up to \$40 Year 4: Up to \$50 Max Fee: \$100	\$20: \$1.4 M \$40: \$2.9 M \$50: \$3.6 M	Fees can increase in 2-year increments without voter approval until fees exceed \$50.
TBD: Sales & Use Tax	Voter	Added tax up to 0.2%	\$3.3 M to \$5.9 M	Revenue varies based on economic trends.
TBD: Excess Property Tax	Voter	\$1.10 per \$100,000 of assessed property value for every 1% increase	1% increase generates \$127,000	Typically, only lasts for a one-year duration.
Utility Tax	Council or Voter	Min: \$0.33 Max: \$13.68 (monthly)	Min: \$86,000 Max: \$8.1 M	Varies on which utilities are taxed, and at which rate.

Public survey participants were provided the same informational materials (through the PMP and Committee websites) as provided to the Committee, but were not required to view it prior to completing the survey. Instead, the public survey provided a high-level description of the general types of funding and who would be impacted by the various options. This allowed the survey to gauge the general feelings of the overall public without overwhelming survey respondents with an in-depth evaluation of the various funding mechanisms.

Alternatively, the Committee took an in-depth evaluation of each funding option during Meetings 3, 4, and 5. This allowed a focused discussion on the pros and cons of each option and how each option might impact the community.

As indicated in **Goal #2: Identify**, all participants indicated preference for the City to *maintain* the overall pavement condition at the current levels. The following provides additional insight on the preferences and impacts of the various available funding sources to secure an additional \$8 million each year to fully fund the PMP.

**A. Do not reduce funding of other City programs to increase funding of the PMP.
(Committee Questionnaire Questions 4, 6 and Survey Question 10)**

Seventy four percent of public survey respondents were against reducing funding to other City programs or services (such as law-enforcement or parks and recreation) to make additional funds available for the PMP.

The Committee’s findings align with the public survey findings. Each committee member was asked to prioritize the available funding options. When evaluating all responses, *re-allocating existing funds* was found to be the least-preferred method (**Figure 16**).

**B. Transportation Benefit District is the most-preferred funding option.
(Committee Questionnaire Question 4, 6 and Survey Questions 11, 12, 13)**

Public survey respondents identified TBD-Vehicle License Fee (61% favorable) and TBD- Sales & Use Tax (60% favorable) as the most favorable funding options, while a Utility or Property Tax was rated as the least favorable option (46% favorable). Public survey participants were not asked to prioritize between the different property taxes or a utility tax. The reason for this was to simplify the survey to differentiate between how the various revenue sources might impact the participant and the community overall. For this reason, a utility tax or the various property tax options were grouped together because they are all applied towards property owners (i.e., residents or business owners). Public survey responses are graphed on page 21 (**Figure 17**).

Consistent with the Committee’s intent and process, the Committee conducted a detailed evaluation of each potential funding option. Each Committee member ranked the available funding options from 1 (most preferred) to 8 (least preferred). The results show that Transportation Benefit District (TBD) – Vehicle License Fees and Sales & Use Tax were ranked 1 and 2, respectively, followed by Utility Tax with a rank of 3 (**Figure 16**).

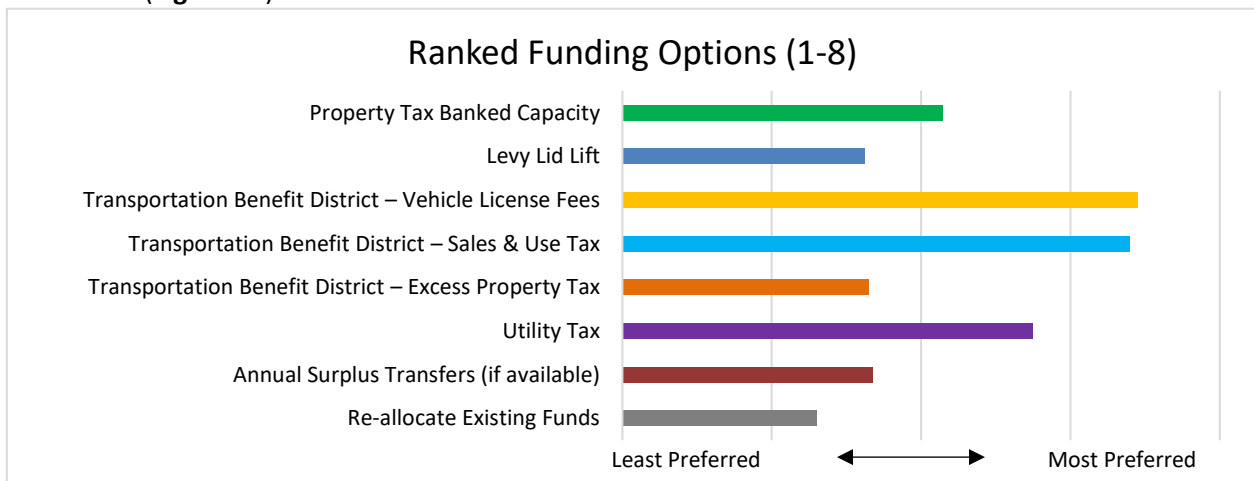


Figure 16. Committee Ranked Funding Options (1-8)

Considerations in the funding options that impacted the rankings included, but were not limited to:

- How much revenue is generated by each option? (*Is revenue enough? Is it worth implementing?*)
- How is each option implemented? (*Via voter approval or by council action?*)
- Who pays into the new revenue stream? (*Residents, businesses, visitors, etc.?*)

Transportation Benefit Districts: Vehicle License Fees and Sales & Use Tax

Committee members generally agreed the TBD – Vehicle License Fees and Sales & Use Tax options are the most applicable revenue sources that can generate a substantial amount of revenue for the PMP. Survey respondents agreed with the Committee in relation to TBDs. Both the TBD-Vehicle License Fee and the TBD-Sales & Use Tax funding options were favored by at least 60% of survey respondents.

Utility Tax

Committee members generally agreed a Utility Tax is a viable funding option. A Utility Tax is a widely implemented method in the greater Spokane region, which Spokane Valley has historically not used to generate funds except for the telephone utility tax. A combination of various utility taxes has the capacity to fully fund the PMP’s annual need. However, concern was expressed that utility taxes do not have a direct connection to the PMP and could unfairly burden certain population groups more than others. Public survey respondents did not prefer new revenues based on utility or property taxes.

Preferred Funding Options: Talking Points

- A consideration noted by the Committee is the impacts of voter-approved versus council-approved funding options. The TBD-Vehicle License Fee starts out for the first six years as a councilmanic option that generates a smaller dollar amount than the TBD – Sales & Use Tax option, which is voter-approved. After certain thresholds are met, a TBD-Vehicle License Fee requires a voter approval. Utility Taxes are council-approved for up to 6% on all utilities and have the capacity to wholly fund the PMP’s funding shortfall.
- A scaled approach across all funding options should be considered (**Finding 3.C**).
- **Table 5** summarizes comments from the Committee regarding TBDs and Utility Tax options.

Table 5. Talking Points: Preferred Funding Options

Transportation Benefit Districts	Utility Taxes
<i>“Directly related to use of roads.”</i> (Veh. Lic. Fee)	<i>“Has potential to raise significant dollars.”</i>
<i>“...easy to implement...”</i> (Veh. Lic. Fee)	<i>“Common tactic around the region.”</i>
<i>“...consistent with how other cities fund streets.”</i> (Veh. Lic. Fee)	<i>“Tax rate could decrease if paired with other funding options that increase over time.”</i>
<i>“...spreads the burden out evenly among businesses, residents and visitors.”</i> (Sales & Use)	<i>“Disproportionate impact on businesses.”</i>
<i>“Sales taxes are generally preferred by voters...”</i>	<i>“Will be a hardship for some residents such as low income and seniors.”</i>
<i>“Voter approval needed.”</i> (Sales & Use)	<i>“Does not require voter approval.”</i>

C. Survey respondents indicate new funding should evenly distribute costs to everyone. (Survey Question 14)

Public survey respondents’ preference of any single funding option varied between 46% to 61% approval, depending on the funding method. However, there was 77% approval from public survey respondents for the City to pull from all available options to distribute the cost of a fully funded PMP evenly to all groups (**Figure 17**).

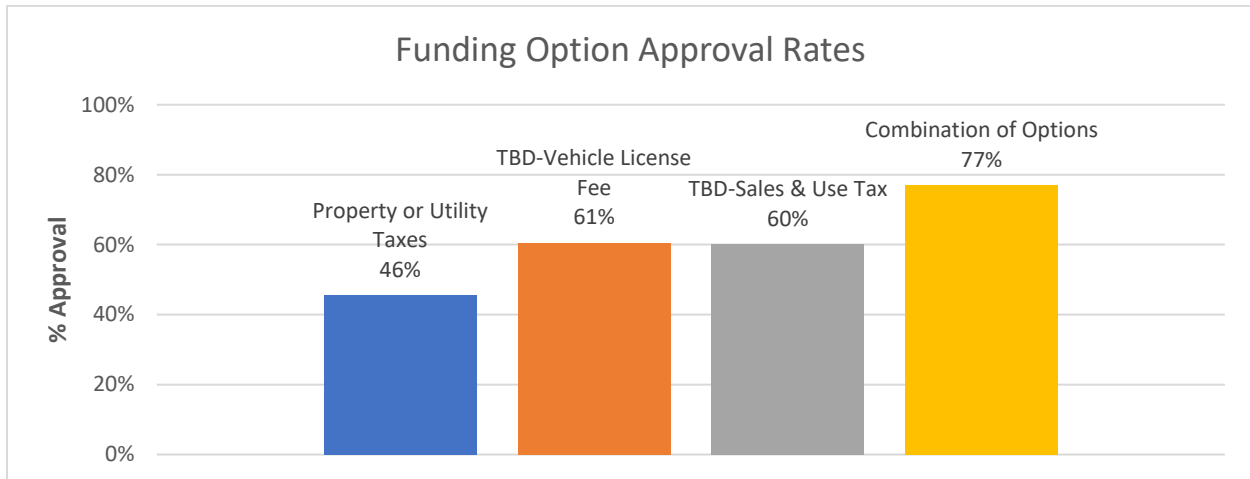


Figure 17. Public Survey - Funding Option Approval Rates

D. PMP funding should not rely on annual surplus fund transfers. (Committee Questionnaire Question 5)

The public survey did not specifically ask respondents for their input in on this topic. The Committee discussed the topic extensively in Meeting #5 and questionnaire responses indicate that the City should stop using annual surplus fund transfers to offset deficits of the PMP (**Figure 18**).

Excerpts shown in **Figure 19** are taken from questionnaire response comments provided by various Committee members. Completed questionnaires are included in **Appendix A**.

Continue surplus funds transfers to offset annual PMP deficits?

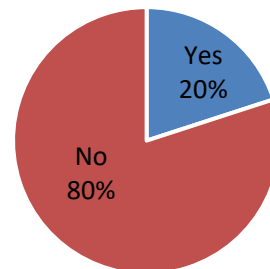


Figure 18. Annual Surplus Funds Transfers

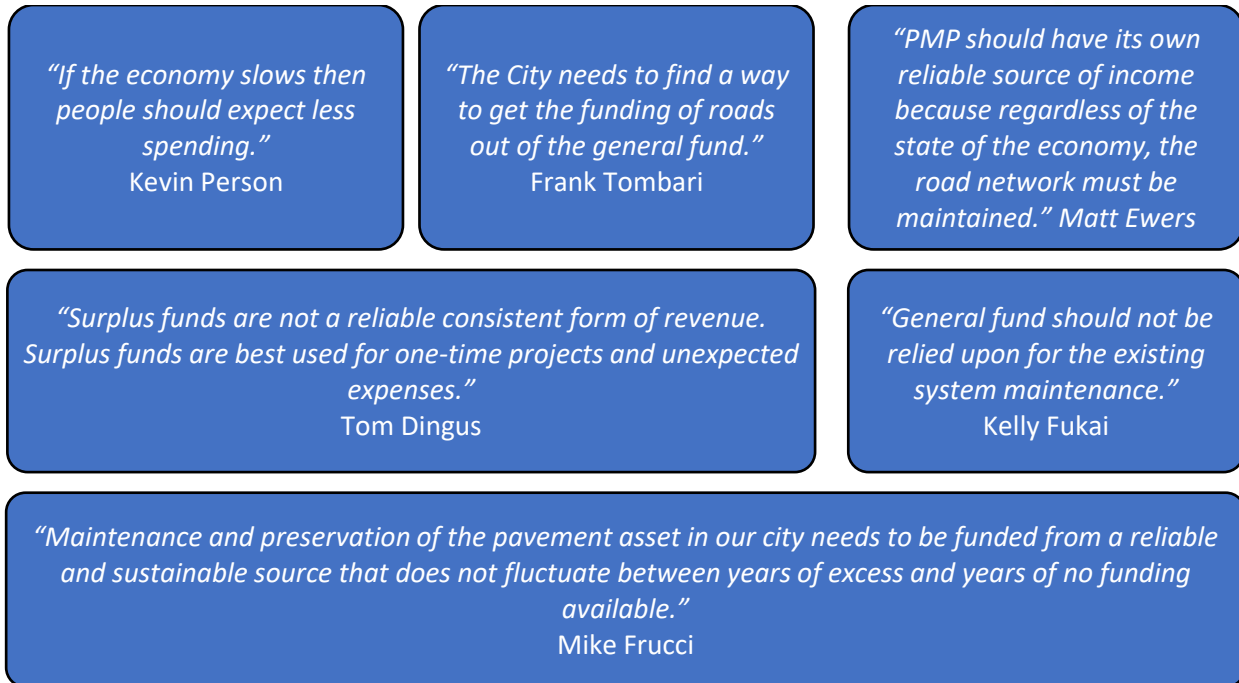


Figure 19. Surplus Funds - Committee Comments

If necessary, which services should be considered for reduction? (Committee Questionnaire Question 7)

Most Committee responses indicated that the following services should first be considered for reduction:

- Roadside landscaping
- Litter/weed control
- Pavement preservation on local access streets

Secondary to this list, five to eight Committee members recommended a reduction of pothole patching, sidewalk repairs, street lighting, schools beacons, and crack filling.



4. PROCESS REVIEW

The process used by the City replicated the process used by other local agencies: informational material was developed and provided, and Committee members were asked to actively participate, formulate opinions on pavement management activities, and engage with the public. In comparison with other agencies, the Committee process was well-attended, participants openly and willingly provided comment, and were engaged and supportive in meeting the Committee goals. The process proved to be beneficial and informative to both the participants and the City.

A key component of a successful PMP is public opinion—evaluating how well pavement management decisions meet agency goals and how the public perceives the City’s implementation of its PMP activities. This public engagement effort set out to maximize public participation. As a result, the City received its highest public participation for any City-issued survey to date.

Out of the 1,018 surveys received, 387 unique comments were received, providing additional insight to the perspective of the public (**Figure 20**). Received comments are included in **Appendix C** and are categorized as follows: funding (102 comments), pavement (33 comments), services (38 comments), surface treatment (117 comments), and other miscellaneous (97 comments).

The high rate of participation by the public engagement can be directly attributed to the steps taken by the Committee. The Committee make-up fostered an open discussion of the issues and offered options for engagement that were based on each member’s experiences. The Committee members’ opinion on the overall public outreach process, their time spent on the Committee, and the effectiveness of the Committee were captured in the questionnaire responses (**Appendix A**).

Throughout the Committee meetings, three topics of interest regularly presented themselves during discussions:

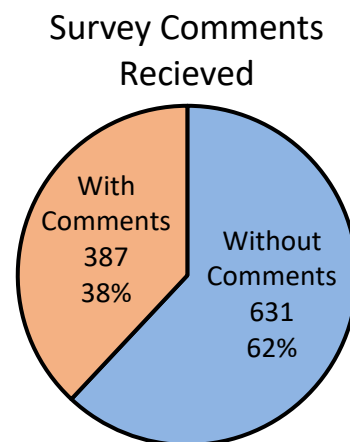


Figure 20. Public Survey Comments Received

- First, should a new revenue option be implemented: Committee members stressed the importance of transparent, thoughtful, and intentional public messaging. It's critical for the City to clearly communicate to the public exactly who is responsible to pay into any new revenue stream and how that new revenue will be expended. The Committee reiterated how transparency and accountability are key attributes of a successful implementation.

Should the City seek to implement new revenue options: the Committee suggested that City staff provide a project list based on the available revenues and available treatment options utilized by the PMP, outlining which projects would be completed over specific program years. It was confirmed by City staff that the PMP has the resources to complete this type of projection given the different variables that may be considered (i.e., available funds, types of treatments available, prioritized street types, etc.).

- Second, Committee members felt it important for the City to clearly communicate that any new utility tax revenues intended for the PMP and required by the City, would be generated by the utility agency but the utility agency acts only as a pass through for the City. Example: Should the City implement a new utility tax, that tax would show up on utility bills from the various purveyors and the public may perceive that as a new tax implemented by the utility company rather than the City. In this scenario, the utility company is a 'pass-through' for the City to collect the utility tax revenue.

"If the City Council decides to pursue a utility tax, it is critical that the communication be clear that it is a 'pass-through' tax. It's not Avista or Modern or Inland or Vera raising their rates, it's the City of Spokane Valley collecting more money in the form of a utility tax to use for streets."

- Melanie Rose, Avista Utilities

- Third, the Committee expressed reservations about how the public outreach findings would be received by City Council. The Committee acknowledged how the findings of its work, partnered with the findings of the public survey, support increasing revenues for the PMP to sustain current conditions. Given the extensive time commitment and amount of effort and resources expended throughout this process, the Committee expressed reservations and concerns that City Council would choose to do nothing, effectively negating the Committee's time.

The final questions of the questionnaire provided opportunity for open-ended comments from the members. Excerpts from the Committee member comments, along with a word cloud capturing the most frequently used keywords, are shown in **Figure 21**.

"...be sensitive to the fact that the committee was not made up totally of people who live within the City of Spokane Valley..." – Diana Wilhite

I would love to see sidewalks provided in all areas of the city. It is very costly but I think it is necessary for safety. - Ben Small

Well done in spite of the Pandemic. The breakout sessions were particularly effective. - Karl Otterstrom



I look forward to and hope that council truly considers the committee's recommendations. - Lance Beck

"Would have liked to dive deeper. Easy to speak up and ask questions. Worked great. - Chris Moan

I find this very interesting and being in this committee has taught me so much about various challenges Cities face to maintain funding and how they go and develop different strategic ideas/plans to develop revenues. Amazing! – Jesse Granado III

The community responses show that there is interest in improving local streets over arterials. That should not be ignored...The city staff should be commended for their efforts to make this process successful. It was very well organized, and the committee was provided ample resources and information to understand the challenges and imagine the solutions. Having a professional outside facilitator for the committee process was another major advantage. Great job! - Calvin Coblenz

Excellent process. – Joe Tortorelli

Most enlightening and enjoyable...It's deepened my commitment to the City... – Kathe Williams

I have been impressed with the high level of engagement during each meeting – even over the summer months! I am hopeful that the City Council will thoughtfully consider our recommendations, along with the input of the 940+ citizens who completed the survey, as they decide how best to move forward with a dedicated funding mechanism for the PMP in 2022. There is clear consensus that our streets are in good condition now and we agree that we need to keep them that way! - Melanie Rose

Great process, well prepared, good information. - Cheryl Stewart

Figure 21. Committee Comments & Word Cloud

5. CONCLUSION

Street operations and maintenance, pavement preservation, and associated funding mechanisms, have been a topic of discussion for city councils shortly after Spokane Valley’s incorporation in 2003. Over the years, the Pavement Management Program has been recognized as a priority; however, the City has struggled to secure a consistent, reliable funding source that could sustain a long-term program.

The PMP consists of two elements: pavement preservation and street maintenance. The PMP has identified a total annual cost of \$16 million to sustain the City’s paved street network in its overall “good” condition. The City has historically spent an average of \$8 million each year, or approximately 50% of the recommended PMP amount.

While City Council and staff have regularly discussed the challenges of a fully funded, sustainable PMP, the City has never conducted a formal public outreach process to seek feedback from the community. On March 23, 2021, City Council confirmed the creation of the Streets Sustainability Committee to help inform the City’s public outreach efforts. The 22-member Committee served as staff’s primary resource to seek input and to connect with the community. Members were leaders in their respective fields and helped staff gather input from the members’ “base.”

Collectively, the Committee generated 22 unique perspectives and facilitated a PMP survey that collected 1,018 responses from the public. Findings from this public outreach processes (the Committee and the public survey) are summarized below and align with the initial goals of the Committee.

Goal 1: Evaluate citizens’ interest and support for maintaining city streets and suggesting pavement condition goals.

- A. *The pavement condition of City streets is described as “fair” or better.*
- B. *The PMP should be prioritized in the City’s budget planning process.*

Goal 2: Identify preference for maintaining city streets, types of treatments used, and long-term levels of service.

- A. *Survey respondents support increasing the prioritization of local access streets.*
- B. *Implement surface treatments in the PMP.*
- C. *Increase PMP funding to maintain the streets in their current condition.*

Goal 3: Investigate current revenues and potential future funding sources for maintaining city streets at the recommended level of service.

- A. *Do not reduce funding of other City programs to increase funding of the PMP.*
- B. *Transportation Benefit District is the most-preferred funding option.*
- C. *Survey respondents indicate new funding should evenly distribute the cost to everyone.*
- D. *PMP funding should not rely on annual surplus fund transfers.*

In review, the public survey had the City’s highest ever participation rate. The Committee process was highly effective and fully engaged its members. Should the City opt to implement a new revenue option, effective public communication would be critical. The process proved to be beneficial and informative to both the participants and the City.

APPENDICES

Appendix A – Street Sustainability Committee Questionnaire
Response Forms

Appendix B – Public Survey Response Summary

Appendix C – Categorized Public Comments