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Lummi Level of Service Alternatives Analysis Capital Funding Opportunities

	Grant Program	Eligibility and Allowable Expenditures	Funding Outlook and Assessment
FHWA	<p>Surface Transportation Block Grant Program (STBG) Formerly known as the STP this is most flexible of FHWA aid programs and can be used to fund a wide range of programs.</p>	<p>Can be used for rural projects but there are some restrictions. Capital and cost-effective preventative maintenance. Ferry boats and terminal facilities are eligible</p>	<p>Funds are allocated to the Whatcom Council of Governments by statewide formula for distribution based on the Transportation Improvement Plan (TIP) Funds awarded on a competitive county basis. Although the envisioned shoreside project would be eligible the investment level is high and competition from more modest projects in more populated areas would be strong Typical match requirement are 20%</p>
FHWA	<p>Construction of Ferry Boats and Ferry Terminal Facilities Formula Program(FBP) Established to fund the construction of ferry boats and ferry terminal facilities based on a statutory formula.</p>	<p>Requires POF service be included in biennial National Census of Ferry Operators at the Bureau of Transportation Statistics. Design and construction of POF ferry vessels; design and acquisition of right-of-way, and construction of POF terminal facilities.</p>	<p>Variable level of funding as appropriated by Congress. Funds are allocated to by statutory formula based on service and operating variables and data reported by each entity to the Bureau of Transportation Statistics Whatcom does receive an allocation annually through FBP - \$300,500 in FY 2017 Typical match requirements are 20%</p>
U.S. DOT	<p>Better Utilizing Investments to Leverage Development Transportation Discretionary Grants (BUILD) Formerly known as TIGER, BUILD funds a broad range of investment in all forms of transportation including ferry service.</p>	<p>Direct funding to any public entity. Road, rail, transit, and port capital projects that promise to achieve critical national objectives.</p>	<p>Although grant awards amounts can be large, up to \$25M applicants compete on a national basis against high performance projects. FY 2018 will give special consideration to rural projects Typical match requirement are 20%</p>

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County Road Administration Board (CRAB)	<p>County Ferry Capital Improvement Program(CFCIP) CFCIP offers grants for major improvement projects to four county owned ferry systems including Whatcom County.</p>	<p>Vessel replacement or major upgrades to vessel or terminals Access to funding is allowed once every four years The county must first seek finding from alternative sources such as the Public Works Trust Fund</p>	<p>Applications are administered through CRAB but project funding is approved by the Legislature. Funding may be awarded in amounts up to \$10M with annual payments not to exceed \$500K Match requirements range from 30% to 70% with the lower match requirements currently available only to county ferry districts. Legislation has been introduced to eliminate the county ferry district requirement as a condition of eligibility CRAB has completed review of Skagit's ferry funding application and has forwarded a request to the Legislature for \$7.5M</p>
Department of Commerce	<p>Public Works Trust Fund (PWTF) The PWTF was established to assist local governments with local infrastructure needs by creating a revolving loan program.</p>	<p>Cities, counties, special purpose districts, and quasi-municipal organizations Loans and grants for capital facilities including ferry boats and terminals, emergency construction, preconstruction, and construction</p>	<p>The Legislature restored funding to the PWTF in 2018 after a five year lapse. \$97M was appropriated for loan projects The PWTF has been used in conjunction with CRAB's ferry improvement with CRAG grant being applied to retire the PWTF loan. In 2006 Pierce Ferry received \$7.1M from CRAB which they are using to repay their PWTF loan</p>

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Department of Ecology	<p>Volkswagen Settlement Funds Washington State is the beneficiary of \$112.7M from the federal Volkswagen settlement.</p>	<p>The US settlement with Volkswagen established a trust to fund projects to reduce emissions. Marine vessels built to reduce emission are designated eligible projects under the State's mitigation spending plan</p>	<p>The State is developing a plan for selecting projects to receive grants from the settlement. The proposed allocations for ferries, tugs and ocean going vessel shore power is up to 45% of the settlement</p>
Whatcom County	<p>County Bond Issuance County revenue backed bonds could be issued for all of part of the required capital investment.</p>	<p>All capital asset acquisition expenses for vessels and terminals are typically eligible for bond financing</p>	<p>Restricted by the financial bonding capacity of the county and the County Council willingness to issue general obligation debt.</p>
Whatcom County	<p>General Fund Appropriations The Whatcom County Road currently allocates 45% of operating cost to the Lummi Ferry service. The County Council can appropriate additional funds.</p>		<p>The level of funding is constrained by overall county revenues and the County Council's prioritization of general government funding needs.</p>

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Whatcom County	<p>Vessel Replacement Surcharge on Ferry Fares RCW 36.54.200 allows a county ferry to impose a vessel replacement surcharge on every fare sold.</p>	Revenue from the replacement surcharge may only be used for the construction or purchase of ferry vessel. Surcharge proceeds may also be used to pay principal and interest on bonds issued for vessel construction or purchase.	The surcharge must be at least equal to the surcharge authorized for Washington State Ferries which is \$.25 on every fare sold. In 2017 a \$.25 surcharge would have yielded about \$44,000 dollars.
Lummi Island Ferry District	<p>County Ferry District RCW 36.54 allows a county to adopt an ordinance creating a ferry district in all or a portion of the area of the county. The ferry district may levy an annual ad valorem tax on all taxable property within the district not to exceed seventy five cents per thousand dollars of assesses valuation. Per RCW 36.54.110, the legislative authority of a county may adopt an ordinance creating a ferry district in all or a portion of the area of the county, including the area within the corporate limits of any city or town within the county. The ordinance may be adopted only after a public hearing has been held on the creation of a ferry district, and the county legislative authority makes a finding that it is in the public interest to create the district.</p>	Taxes imposed by a county ferry district may be used for purchase, lease or rental of ferry vessels and facilities, operation and maintenance of vessels and facilities, shuttle services and parking facilities	The assessed valuation of the property within the boundaries of the district will determines the maximum possible tax revenue that might be generated. Lummi Island is a relatively small area with a net valuation in the range of \$267M which at the maximum levy rate would generate about \$200,000 annually which would be about \$150 a year for a \$200,000 home. A countywide ferry district would generate over \$21M at the maximum rate and almost \$3M at a levy rate of \$.10 per thousand or \$20 annually on a \$200,000 home.