

5. IMPLEMENTATION AND FUNDING

This chapter presents the preliminary implementation and funding plan for recommended improvements. The total cost of future transportation improvements is estimated at \$7.032 million in 2008 dollars. Table 5-1 shows total project costs by segment.

Table 5-1. Summary of Preliminary Project Costs (2008 Dollars)

Project Element	Total Cost
Noll Road	
Noll Road - Lincoln Road Roundabout	\$375,000
Noll Road: Mesford Street to North City Limits	\$545,400
Noll Road - Hostmark Street Intersection Phase ¹	\$187,500
Noll Road - Hostmark Street Intersection Phase ²	\$187,500
Noll Road: Mesford Street to Poulsbo Elementary School	\$1,028,700
Noll Road: Poulsbo Elementary to South City Limits	\$1,319,300
Noll Road - SR 305 Intersection Channelization	\$0 ¹
Subtotal Noll Road	\$3,643,400
Johnson Road Extension	
Preliminary Engineering	\$75,000
Bjorgen Creek Fish Passage Improvements	\$160,000 ²
Johnson Road Extension	\$1,764,300
Johnson Road - SR 305 Signalized Intersection	\$0 ³
Subtotal Johnson Way Extension	\$1,999,300
Languanet/Maranatha Extension	
Languanet/Maranatha Street Extension	\$1,389,900
Subtotal Languanet-Maranatha	\$1,389,900
TOTAL COSTS	\$7,032,600

¹ Project costs to be borne by WSDOT.

² Cost from City of Poulsbo Stormwater Comprehensive Plan (2008).

³ Project costs to be borne by developer.

5.1 PROJECT PHASING

Due to funding constraints, the recommended plan will be implemented gradually, as growth occurs. The actual timing of needs may take more or less than the nominal 20-year “build out” assumed in this study. Therefore, a phased plan is proposed that allocates funds to those projects that are expected to be needed first. Given that the need for specific improvements is generally linked to population and traffic growth, the phasing plan does not include specific target dates to reflect the uncertain rate of development. The plan therefore provides flexibility to accelerate or defer specific improvements to match the rate of development and the City’s long-term TIP management strategy.

The proposed phasing plan is described as follows and costs are summarized in Table 5-2:

- Phase 1 – Johnson Way Extension
- Phase 2 – Hostmark Street to Poulsbo Elementary School
- Phase 3 – Lincoln Road – Noll Road Roundabout

- Phase 4 – Mesford Street to Hostmark Street
- Phase 5 – Mesford Street to north city limits
- Phase 6 – Poulsbo Elementary School to south city limits
- Phase 7 – Languanet Lane and Maranatha Lane extension

The phasing plan will likely be modified over time to match development conditions and funding opportunities.

5.1.1 Short Term Implementation Actions

Short term implementation actions are those actions that are critical to success of the corridor plan, and/or are likely to be necessary to accommodate development within the near term. Two short term implementation actions have been identified:

- Preliminary design of the Johnson Way extension to confirm right-of-way, and
- Preliminary design of improvements to the Noll Road - Hostmark Street intersection.

Each of these actions is described in more detail below.

5.1.1.1 Preliminary Design Johnson Way Extension

The Johnson Way extension is critical to corridor success because it would reduce traffic on the southern unimproved segment of Noll Road, and would provide for a new signalized intersection at Johnson Way. The Johnson Way extension has therefore been identified as the top implementation priority since future traffic will exceed the capacity of lower Noll Road and the SR 305 intersection.

Based on critical areas and topography, it is uncertain that the property where the Johnson Way extension is located would be developed to an extent that construction of the new roadway by a developer would be feasible. To ensure optimal alignment and adequate right-of-way for the future extension, it is recommended that the City proceed with preliminary engineering to establish alignment, right-of-way needs and costs. Preliminary engineering would also assist in defining potential impact mitigation fees to developers within the benefit area. This preliminary engineering would include critical area assessments, survey, preliminary plan and profile and identification of stormwater treatment and detention facilities. Capacity and fish passage improvements to the existing crossing of Bjorgen Creek would also be evaluated. Costs for this preliminary engineering work are estimated at between \$50,000 and \$75,000.

5.1.1.2 Preliminary Design Noll Road - Hostmark Street Intersection

Improvements to the Noll Road – Hostmark Street intersection are proposed to be conducted in two phases, with Phase 1 consisting of channelization and AWSTC, and Phase 2 consisting of signalization. Intersection improvements would be conducted by both the City (west side of road) and the developer of the plat of Mountain Aire (east side of Mountain Aire). A preliminary engineering plan, prepared by the City, would help to ensure effective integration of the phasing plan, define construction responsibilities, and integrate with the Public Facilities District plan. Preliminary engineering would also assist in defining potential impact mitigation fees to developers within the benefit area. This preliminary engineering would include survey, channelization plan, and preliminary plan and profile. Costs for this preliminary engineering work are estimated at \$15,000.

Table 5-2. Preliminary implementation plan (all costs in 2008 dollars).

Element	Total Cost	City Portion	City Cost	Developer Portion	Developer Cost
Phase 1 - Johnson Road Extension					
Preliminary Engineering	\$75,000	All	\$75,000	none	\$0
Bjorgen Creek Fish Passage Improvements	\$160,000	all improvements	\$160,000	none	\$0
Johnson Road Extension ¹	\$1,764,300	none	\$0	all improvements	\$1,764,300
Johnson Way - SR 305 Signalized Intersection	\$0	none	\$0	all improvements	To Be Determined ³
Subtotal Phase 1	\$1,999,300		\$235,000		\$1,764,300
Phase 2 - Noll Road: Hostmark Street to Poulsbo Elementary School (incl corridor improvements adjacent to school)					
Noll Road - Hostmark Street Intersection, Phase 1	\$187,500	west half of intersection	\$93,750	east half of intersection	\$93,750
Noll Road: Mesford Street to Poulsbo Elementary School	\$645,000	west half of road	\$322,500	east half of road	\$322,500
Subtotal Phase 2	\$832,500		\$416,250		\$416,250
Phase 3 - Lincoln - Noll Roundabout					
Noll Road - Lincoln Road Roundabout	\$375,000	half of total cost	\$187,500	County to fund 50%	\$187,500
Subtotal Phase 3	\$375,000		\$187,500		\$187,500
Phase 4 - Noll Road: Mesford Street to Hostmark Street					
Noll Road: Mesford Street to Hostmark Street	\$639,600	west half of road	\$319,800	east half of road	\$319,800
Noll Road - Hostmark Street Intersection, Phase 2	\$187,500	half of total cost	\$93,750	half of total cost	\$93,750
Subtotal Phase 4	\$827,100		\$413,550		\$413,550
Phase 5 - Noll Road: Mesford Street to North City Limits					
Noll Road: Mesford Street to North City Limits	\$545,400	north half of road	\$272,700	south half of road	\$272,700
Subtotal Phase 5	\$545,400		\$272,700		\$272,700
Phase 6 - Noll Road: Poulsbo Elementary School to South UGA					
Noll Road: Poulsbo Elementary School to South City Limits	\$1,063,400	none	\$0	all improvements	\$1,063,400
Noll Road - SR 305 Intersection	\$0	none	\$0	all improvements ²	\$0
Subtotal Phase 6	\$1,063,400		\$0		\$1,063,400
Phase 7 - Languanet/Maranatha Extension					
Languanet/Maranatha Street Extension	\$1,389,900	west half of road	\$694,950	east half of road	\$694,950
Subtotal Phase 7	\$1,389,900		\$694,950		\$694,950
TOTAL COSTS	\$7,032,600		\$2,219,950		\$4,812,650

¹ Segment between Noll Road and Johnson Ridge development. Johnson Ridge to SR305 segment costs borne by developer.

² Project costs to be borne by WSDOT.

³ Project costs are dependant on development. Costs to be determined by developer at a later date in consultation with City and WSDOT.

5.2 PRELIMINARY FUNDING PLAN

This section describes the City's preliminary plan for funding recommended improvements. Pursuant to the requirements of Chapters 35.77 and 47.26 RCW, the City has previously adopted and periodically updates a Comprehensive Street Program that includes a 6-year TIP. The 6-year TIP for the calendar years 2009-2014, was adopted in August 2008.

The TIP identifies Noll Road as the third highest priority in the City after Viking Way and Finn Hill Road. The TIP identifies a total cost of \$6,700,000 for the Noll Road project, with \$3,250,000 identified as being paid for with local funds (City and developer). The Lincoln-Noll roundabout is identified separately in the TIP at a total cost of \$450,000 with \$200,000 in local funds.

The preliminary funding plan shown in Table 5-3 shows the City's contribution to the project as approximately \$2,200,000 as well as potential funding sources.

The cost of improvements to existing roads and existing intersections would be born by a combination of public and private sources. Developers would provide 100 percent of the new road projects needed within new subdivisions and along frontage to Noll Road. Table 5-3 shows some of the options the City could pursue to fund the transportation projects needed to implement the recommended plan. The total amount to be covered is about \$2.2 million. This amount may vary in the future, as refinements are added to design and construction costs. Not all options apply to all projects and ongoing work will be needed to match specific projects and funding sources, and to be sure adequate funding is identified for all projects. Funding sources for which the project may be eligible are described below.

5.2.1 Grants

Grants for transportation related improvements are potentially available from WSDOT, the Department of Ecology (Ecology) and the Kitsap Regional Coordinating Council (KRCC). Each of these potential funding sources is described in more detail below.

5.2.1.1 Washington State Transportation Improvement Board (TIB)

The TIB is administered by WSDOT and invests state gas tax funds in local communities through grant programs serving cities, urban counties and transportation benefit districts. The TIB identifies and funds the highest-ranking transportation projects based on criteria established by the Board for each program. Applications are due each August, and TIB typically issues a call for projects each June for the next year's funding program.

For the Noll Road project, eligible funding categories include the Urban Arterial Improvement Program and Urban Pedestrian Safety Program, as described below.

Urban Arterial Program

The Urban Arterial Program (UAP) is intended for cities with a population of five thousand or greater. The program's intent is to improve mobility and safety. Individual applications are scored based on:

- Projects must be consistent with state, regional and local transportation plans
- The local match requirement is determined by the city's valuation, or in the case of counties, by its road levy valuation. Minimum local match ranges from 10 to 20 percent
- Funds are distributed across five regions based on arterial lane miles and population

Table 5-3. Preliminary funding plan, City portion only (all costs in 2008 dollars).

Phase and Description	Funding Element	Total City Cost	Potential Funding Sources
Phase 1 - Johnson Road Extension	Preliminary Engineering	\$75,000	Impact fees
	Bjorgen Creek Fish Passage Improvements	\$160,000	Grant or Stormwater fees
	Johnson Way Extension ¹	\$0	Developer
	Johnson Way - SR 305 Signalized Intersection	\$0	Developer
	<i>Subtotal Phase 1</i>	\$235,000	
Phase 2 - Noll Road: Hostmark Street to Poulsbo Elementary School	Sidewalks and pedestrian improvements	\$0	Developer
	Shared path	\$207,900	Safe Routes to School Grant
	Bioretention	\$112,500	WDOE Stormwater Grant
	Road Improvements	\$0	Developer
	Noll Road - Hostmark Street Intersection, Phase 1	\$95,850	Impact Fees, KRCC, TIB
	<i>Subtotal Phase 2</i>	\$416,250	
Phase 3 - Lincoln Road - Noll Road Roundabout	Noll Road - Lincoln Road Roundabout	\$187,500	Impact Fees, KRCC, TIB
	<i>Subtotal Phase 3</i>	\$187,500	
Phase 4 - Noll Road: Mesford Street to Hostmark Street	Sidewalks and pedestrian improvements	\$115,088	
	Shared path	\$0	Developer
	Bioretention	\$0	Developer
	Road Improvements	\$204,713	
	Noll Road - Hostmark Street Intersection, Phase 2	\$93,750	Impact Fees, KRCC, TIB
	<i>Subtotal Phase 4</i>	\$413,550	
Phase 5 - Noll Road: Mesford Street to North City Limits	Sidewalks and pedestrian improvements	\$0	Developer
	Shared path	\$230,175	Safe Routes to School Grant
	Bioretention	\$0	Developer
	Road Improvements	\$42,525	Impact Fees, KRCC, TIB
	<i>Subtotal Phase 5</i>	\$272,700	
Phase 6 - Noll Road: Poulsbo Elementary to South City Limits	Sidewalks and pedestrian improvements	\$0	Developer
	Shared path	\$0	Developer
	Rain garden	\$0	Developer
	Road Improvements	\$0	Developer
	Noll Road - SR 305 Intersection	\$0	WSDOT
	<i>Subtotal Phase 6</i>	\$0	
Phase 7 - Languanet/Maranatha Extension	Sidewalks and pedestrian improvements	\$178,200	Safe Routes to School Grant
	Shared path	\$0	Developer
	Rain garden	\$0	Developer
	Road Improvements	\$516,750	Impact Fees, KRCC, TIB
	<i>Subtotal Phase 7</i>	\$694,950	
TOTAL COSTS		\$2,219,950	

¹ Segment between Noll Road and Johnson Ridge development.

² Project costs to be borne by WSDOT.

³ Project costs are dependant on development. Costs to be determined by developer at a later date in consultation with City and WSDOT.

Urban Sidewalk Program

The intent of the Urban Sidewalk Program is to provide funding for projects that address safety and system connectivity. All projects must be transportation related on a federally classified route and be consistent with the American with Disabilities Act (ADA). The sidewalk program was established by the Legislature in 1995 to provide funding for pedestrian projects. The program is available to both small city and urban agencies. Urban and small city projects compete separately. To be eligible for the program, the project intent must be transportation and not recreation, and the project must be on a federally classified route (principal, minor, or collector). Projects improve pedestrian safety, access, connectivity, and address system continuity. Completed projects must be consistent with the Americans with Disabilities Act (ADA). A minimum 20 percent match is required on all urban SP projects. Funds are distributed across five regions based on arterial lane miles and population.

5.2.1.2 Washington State Highways and Local Programs

The Kitsap Regional Coordinating Council (KRCC) serves as the Countywide (sub-regional) Board in the allocation of some federal transportation grant funds to projects within Kitsap County, through the Puget Sound Regional Council. The KRCC allocates funding based on regional priorities. Potential funding sources administered by KRCC include:

Safe Routes to School Grants

The purpose of the Safe Routes to School program is to increase the number of children walking and biking to school safely. The Washington State Legislature included \$74 million in the 2008-20 to support pedestrian and bicycle safety projects such as pedestrian and bicycle paths, sidewalks, safe routes to school and transit. Eligible projects may include engineering improvements, education and encouragement efforts, and enforcement efforts. All projects must be within two-miles of primary or middle schools (K-8).

Examples of eligible projects include improvements that reduce potential pedestrian and bicycle conflicts with motor vehicle traffic; reduce traffic volume around schools; and/or establish safer and fully accessible crossings, walkways, trails or bikeways. Projects may include items such as sidewalk improvements; traffic calming and speed reduction improvements; pedestrian and bicycle crossing improvements including new or upgraded traffic signals; off-street bicycle and pedestrian facilities such as multi-use bicycle and pedestrian trails and pathways that are separated from a roadway.

All public agencies in Washington are eligible to apply. While match is not a requirement, preference is given to projects that provide match. Projects are to be submitted as complete projects and fully funded. Project proposals are generally due in May of each year.

Transportation Enhancement Program

The Federal Transportation Acts have provided a 10 percent set-aside from the Surface Transportation Program (STP) for the enhancement program. The enhancement program was created to invest in a more balanced, multi-modal approach to mobility and accessibility. The purpose of the transportation enhancement program is to fund projects that allow communities to strengthen the local economy, improve the quality of life, enhance the travel experience for people traveling by all modes, and protect the environment. Projects must relate to surface transportation, and include at least one of the twelve (12) qualifying activities listed below:

1. Provision of facilities for pedestrians and bicycles
2. Provision of safety and educational activities for pedestrians and bicyclists

3. Acquisition of scenic easements and scenic or historic sites (including historic battlefields)
4. Scenic or historic highway programs (including the provision of tourist and welcome center facilities)
5. Landscaping and other scenic beautification
6. Historic preservation
7. Rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals)
8. Preservation of abandoned railway corridors (including the conversion and use of the corridors for pedestrian or bicycle trails)
9. Inventory control and removal of outdoor advertising
10. Archaeological planning and research
11. Environmental mitigation to address water pollution due to highway runoff; or reduce vehicle-caused wildlife mortality while maintaining habitat connectivity
12. Establishment of transportation museums

In 2006, the federal government provided an estimated \$67 million for the Transportation Enhancement program. In 2006, 148 projects were approved totaling \$41.8 million. The 2007-2009 Transportation Budget appropriated \$8.25 million for several additional projects.

Kitsap Transportation Priorities Project

During 2005, the KRCC Transportation Committees developed an overview of available transportation funding sources and a list of regionally-significant transportation projects throughout Kitsap County. Its purpose is to provide an overview of Kitsap transportation needs. Noll Road is identified in this list of regionally significant projects.

5.2.1.3 Department of Ecology Stormwater Grants

The 2007 Washington State Legislature appropriated funding for Ecology to develop the Stormwater Management Implementation Grant Program and to issue and manage stormwater grants to local governments in the Puget Sound and non-Puget Sound regions. The Legislature designated \$17.92M to Puget Sound and \$3M to non-Puget Sound local governments to meet their emerging stormwater needs including reducing stormwater pollutant loads to protect critical environments such as spawning habitats and drinking water sources, in addition to protecting and recharging aquifers. The Stormwater Management Implementation Grant Program provides needed funding to local communities for the management of stormwater, through planning, implementation, regulation, and prevention. The Legislature directed funding to three priority stormwater management areas, which include, but are not limited to:

- Retrofit of existing stormwater projects in urban areas where stormwater is a significant source of contamination
- Identification and removal of non-stormwater discharges into municipal storm sewer systems
- Demonstration of low-impact development stormwater management projects

5.2.2 Low-Cost Loans

Public Works Trust Fund Loan Program: Cities, towns, counties and special purpose districts are eligible to receive loans. Water, sewer storm, roads, bridges and solid waste/recycling are eligible and funds may be used for repair, replacement, rehabilitation, reconstruction and improvements including reasonable growth (generally the 20-year growth projection in system planning documents).

PWTF loans are available at interest rates of 0.5 percent, 1 percent and 2 percent with the lower interest rates given to applicants who pay a larger share of the total project costs. The loan applicant must provide a minimum local match of funds of 5 percent towards the project cost to qualify for a 2 percent loan, 10 percent for a 1 percent loan, and 15 percent for a 0.5 percent loan. The useful life of the project determines the loan term up to a maximum of 20 years.

5.3 CITY FINANCING OPTIONS

Due to funding constraints, the recommended plan likely would be implemented gradually, as growth occurs. The actual timing of needs may take more or less than the nominal 20-year “build out” assumed in this study. The City’s portion of the project totals approximately \$2.2 million in 2008 dollars. The funding options available to meet the City’s needs fall into the following general categories:

- Grants as described above.
- Development contributions of direct road improvements, chiefly as frontage improvements and/or on-site circulation roads that may be part of the adopted transportation plan. This practice will provide for a portion of the identified needs. The exact scope remains to be determined and is dependant on specific development proposals.
- Impact Fees. Impact fees are authorized by the Growth Management Act, as one method of raising funds for transportation improvements needed for growth. In order for a GMA impact fee to be lawfully enacted, the underlying analysis of growth forecasts, deficiency assessment, and fiscal analysis, all must be included in the adopted Transportation Element of the Comprehensive Plan.

It is the City’s goal that impact fees generated from the Noll Road benefit area should generally remain in the Noll Road area. Future impact fees of approximately \$5,500 per single family residence would be expected to generate sufficient funds for implementation of the corridor plan if most of the proposed 815 new lots are developed. Management of impact fees and the phased implementation plan will be important since impact fees must be used within 5 years of collection.

- Offsite impact mitigation through the State Environmental Policy Act. This approach will be used to provide the balance of needs not accounted for by other means.
- General Obligation Bonds: General obligation (G.O.) bonds are bonds secured by the full faith and credit of the issuing agency, committing all available tax and revenue resources to debt repayment. With this high level of commitment, G.O. bonds have relatively low interest rates and few financial restrictions. However, the authority to issue G.O. bonds is restricted in terms of the amount and use of the funds, as defined by Washington constitution and statute. Specifically, the amount of debt that can be issued is linked to assessed valuation. While bonding capacity can limit availability of G.O. bonds, these can sometimes play a valuable role in project financing. A rate

savings may be realized through two avenues: the lower interest rate and related bond costs, and the extension of repayment obligation to all tax-paying properties (not just developed properties) through the authorization of a property tax levy. This option is available only as a speculative choice, since future decisions of legislatures and councils cannot be confirmed at this time.

5.4 PRELIMINARY FUNDING STRATEGY

Table 5-4 summarizes the proposed capital funding strategy, based on the costs and funding sources described above.

The funding strategy assumes that project implementation will be contingent upon receipt of sufficient grant funding and/or impact fees. Although it is an option, the City does not anticipate pursuing loans and general obligation debt to cover costs that exceed the other available funding sources.

Ongoing work to complete the implementation strategy will include the continued refinement of potential public finance capabilities, if any, and the refinement of improvement needs that are most appropriately accomplished directly by developers as part of site development plans (because the development in question generates most of the need), versus those improvements that are best implemented as a public project with a blend of public and private sector funding.

Costs in future years will rise with inflation. To keep the transportation plan's costs up to date, the 2008 cost estimates used in this report should be annually updated for the change in the construction cost index in the Puget Sound region, or for Washington State generally.

**Table 5-4. Noll Road Capital Improvements Preliminary Funding Summary,
City Portion Only (2008 Dollars)**

Projected Capital Needs and Resources	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	TOTAL	Minimum City Contribution¹
Total Capital Cost	\$416,250	\$187,500	\$413,550	\$272,700	\$0	\$694,950	\$235,000	\$2,219,950	
Potential Capital Funding Sources									
Safe Route To School Grants	\$207,900	\$0	\$115,088	\$230,175	\$0	\$178,200	\$0	\$731,363	\$182,841
WDOE Stormwater Implementation Grants	\$112,500	\$0	\$0	\$0	\$0	\$0	\$0	\$112,500	\$28,125
Impact Fees, KRCC, TIB	\$95,850	\$187,500	\$298,463	\$42,525	\$0	\$516,750	\$75,000	\$1,216,088	\$304,022
Salmon Recovery Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$160,000	\$160,000	\$40,000
TOTALS	\$416,250	\$187,500	\$413,550	\$272,700	\$0	\$694,950	\$235,000	\$2,219,950	\$554,988

¹ Minimum City contribution assumes 25 percent minimum match for all grants.