



2024 Legislative Priorities

Remove Tax Exemption for Private Military Housing – SB 5845

Island County contains a large military population due to the Naval Base located in Oak Harbor. The State passed legislation in 2008 enacting a property tax exemption for private housing developers providing military housing. There is one such provider receiving this exemption in Island County, Hunt Military Communities, a multi-state property management company headquartered in Texas. Island County is committed to ensuring that military families have access to affordable housing close to base; however, this property tax exemption has resulted in an inequitable tax structure for other residents of Island County, who must take on additional tax burden to cover the cost of providing services to all residents. Though the federal government offers some services through Naval Base, the majority of key government functions are provided through the City, County, and other junior taxing districts, including healthcare, police, and schools. Under the current tax model, local taxpayers are subsidizing the cost of providing affordable military housing for the private corporation; however, it is the federal government's responsibility to ensure that housing remains affordable proportional to military salaries in their contracts with the housing provider. To ensure that all residents of Island County are paying for their share of costs, **Island County asks the Legislature to pass Senate Bill 5845, sunseting this property tax exemption provided to private housing providers.**

Emergency Generator Replacement

The County requests **\$1 million in the Capital budget** to cover additional costs associated with replacing a 1973 diesel generator used to energize the Island County emergency response center and County Jail. The current antiquated generator, which is beyond its useful life, will be replaced with a propane-fired generator sized to power all aspects of the Island County Administrative Annex, including the emergency response center, and the County Jail. The County received \$386,000 in the 2023 Capital budget for this project; however, bids have come back significantly higher than projected due to complicated electrical work to place the generator in the jail, and high costs for contractors. The total cost is now \$1.4 million to complete the project.

Ituha Stabilization Facility – Bridge Operating Dollars and Design for Bed Expansion

The Ituha Stabilization Center, located in Oak Harbor, provides mental health stabilization services, secure withdrawal management (SWM), medically assisted treatment (MAT), and inpatient treatment referrals to individuals in Island County and surrounding communities, including Skagit and San Juan Counties. This is the only secure withdrawal management and stabilization facility in Island County, allowing constituents to access life-saving care without needing to travel to the mainland. Currently, the Ituha Center has 10 beds. There is a need for additional service capacity in the community, and the facility could be expanded to include 6 more beds, for a 16-bed total. The County is ready to move into the design phase of the facility, with construction estimated to conclude by the end of 2026. **Island County requests \$90,000 in the Capital budget to complete design of this facility expansion**, with the intention to request \$900,000 in the 2025 legislative session for construction to complete the project. **Additionally, the County requests \$820,000 in the Operating budget to cover operational shortfalls for the Ituha Center through 2024.** These shortfalls are a result of inflationary increases in the cost to operate, which have outpaced MCO reimbursement rates for services.

County Aquifer Recharge Study

Island County requests \$250,000 in the operating budget to complete a comprehensive drinking water infrastructure assessment to ensure the County has adequate and sustainable drinking water sources to accommodate short-term and future growth. The funding will allow the County to contract with a consultant to complete a comprehensive, community-informed study, resulting in a report to the County including

recommendations for monitoring approaches, infrastructure improvements, and an assessment of existing state and federal funding opportunities for future investments.

Clarify the Allowed Use of .09 Funding for Workforce Housing and Land Banking

A lack of workforce housing is a significant inhibitor of economic development. In recognition of this, in 2022, the Legislature amended RCW 82.14.370 to allow use of funding for affordable workforce housing infrastructure and facilities. The amended statute remains unclear with respect to whether public ownership is required for those facilities and whether pre-development activities, such as land banking, are suitable uses of the funds. We ask the legislature to provide clarification so rural counties can utilize this funding with nonprofit partners to build workforce housing.

Fund Island County Transportation Needs:

State CAPRON Funding

Counties comprised entirely of islands, including Island and San Juan Counties, receive a direct state distribution from vehicle license fees and gas tax collected in the counties to make up for their lack of state highways and state highway investments. The funding goes straight into county road funds and represents a significant source of highway funding for Island County. As gas tax revenues decline statewide, we ask that the Legislature protect these funds, which are one of the primary sources of road maintenance revenue for island counties.

Regional Ferry Needs

Island County is a coastal community that relies on the state ferry system for mobility. Without a robust and reliable ferry system, County residents lack access to essential services and travel. Island County requests full funding for regional ferry needs, including:

- Full operational funding, including staffing, to operate two ferries on the Coupeville/Port Townsend Route and Clinton/Mukilteo Route
- Second half of capital funding for a replacement ferry boat in the fleet
- Support the Joint Legislative Transportation Committee Workforce Plan for Washington State Ferries

SR-20 Shoulder Widening – Race Road to Welcher Road

This WSDOT-led project will widen the shoulder on SR-20 from Race Road to Welcher Road. In addition to safety benefits, the 4-foot shoulder will improve emergency vehicle access and bicycle and pedestrian mobility. While design is fully funded, \$3.5 million is needed to complete construction. Island County respectfully requests **\$3.5 million** to finish the project and requests WSDOT improvements are completed on schedule, in 2026.

SR-20 Deception Pass Vicinity Guardrail Replacement

Guardrails along SR-20 leading up to Deception Pass Bridge are aging and do not meet current safety standards, creating a hazard for the multitude of residents and tourists that travel this stretch of road. The County and WSDOT have completed design for replacement guardrails that would both satisfy safety standards and meet historic character specifications as required for areas listed under the National Register of Historic Places. This project is in coordination with Skagit County and Deception Pass State Park. Island County requests **\$6.375 million** to replace the entire expanse of the aging guardrail.

Roundabout at East Camano Drive and Cross Island Road

Island County requests **\$3.4 million** to complete a roundabout at the intersection of East Camano Drive, Cross Island Road, and Arrowhead Road. The existing intersection experiences high rates of collision due to poor visibility. The total project cost is \$5.0 million. The County has included this project in their Transportation Improvement Plan and will provide \$1.64 million in local matching funds.