



ORDINANCE NO. 29025

1 AN ORDINANCE relating to funding of transportation improvements; establishing
2 expenditure targets and reporting requirements for revenues derived from
3 Proposition 1 (Funding Transportation Improvements) and the 0.10 percent
4 Sales and Use Tax imposed by the Transportation Benefit District;
establishing requirements for City Council review and evaluation of progress
toward expenditure targets; and establishing planning requirements.

5 WHEREAS on December 17, 2024, the City Council adopted Resolution
6 No. 41588 transmitting Proposition 1 to the Pierce County Auditor, to be placed on
7 the April 22, 2025, Special Election Ballot, that would authorize an increase in the
8 City of Tacoma property tax of \$0.25 per \$1,000 of assessed value for a maximum
9 levy rate of \$1.95 for collection in 2026, and authorize an increase in gross earnings
10 tax on certain utilities in the amount of 2 percent, for the sole purpose of funding
11 street repair, maintenance, and safety improvements including pedestrian and
12 bicycle improvements, and
13

14 WHEREAS the funding to be derived from Proposition 1 is supplemented by
15 a 0.10 percent sales and use tax, which was previously approved by the
16 Transportation Benefit District ("TBD") on December 3, 2024, pursuant to
17 Resolution No. TBD 023, to replace and impose the 0.1 percent sales and use tax
18 starting April 1, 2026 ("TBD Sales and Use Tax"), and
19

20 WHEREAS if Proposition 1 is approved by the voters, the combination of
21 revenues from Proposition 1 and revenues from the TBD Sales and Use Tax will
22 provide a permanent funding source that will ensure long-term funding stability for
23 essential transportation infrastructure projects and promote continuous
24 enhancements and maintenance to the City's transportation network and public
25 safety, and
26



1 WHEREAS a 15-year performance period has been established to
2 accomplish the initial expenditure targets ("Expenditure Targets") across different
3 project categories, each of which includes safety improvements, and

4 WHEREAS the Expenditure Targets are as follows:

- 5 • Arterial Projects: 60 percent of funds directed toward the improvement of
6 major roadways that facilitate high-volume traffic movement,
- 7 • Multimodal Enhancements: 26 percent designated for enhancing various
8 transportation options, including pedestrian pathways, transit corridors,
9 and bicycle-friendly infrastructure,
- 10 • Residential Maintenance: 11 percent focused on maintaining
11 neighborhood streets and improving accessibility within residential areas,
12 and
- 13 • Administrative Costs: 3 percent allocated to cover management expenses
14 necessary for effective implementation and oversight of the initiative,
15 excluding the City's internal services.
16

17 WHEREAS the goal is to significantly improve the City's transportation
18 infrastructure over the designated performance period, and more specifically to
19 achieve the following improvements:

- 20 • Arterial Roads: 1,100 to 1,400 lane miles repaired and upgraded to
21 enhance traffic flow reduce congestion, and improve safety,
- 22 • Sidewalks: 250 to 300 miles of new or rehabilitated sidewalks to improve
23 pedestrian accessibility and safety,
- 24 • Bicycle Infrastructure: 130 to 170 miles of bike lanes and pathways to
25 promote alternative, eco-friendly transportation options, and
26



- Residential Streets: 5,200 to 6,200 blocks of residential streets resurfaced and maintained to enhance neighborhood connectivity, and

WHEREAS the City Council desires to establish Expenditure Targets and reporting requirements to ensure the effective execution of the plan for long-term funding for essential transportation infrastructure projects; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

Section 1. That the City Council hereby adopts the above-stated recitals of this Ordinance as its formal legislative findings.

Section 2. The following targets are established for expenditure of funds derived from Proposition 1 and the 0.10 percent Transportation Benefit District Sales and Use Tax over the initial fifteen years following passage of Proposition 1:

- Arterial Projects: 60 percent of funds directed toward the improvement of major roadways that facilitate high-volume traffic movement,
- Multimodal Enhancements: 26 percent designated for enhancing various transportation options, including pedestrian pathways, transit corridors, and bicycle-friendly infrastructure,
- Residential Maintenance: 11 percent focused on maintaining neighborhood streets and improving accessibility within residential areas, and
- Administrative Costs: 3 percent allocated to cover management expenses necessary for effective implementation and oversight of the initiative, excluding internal assessments.

Section 3. The Department of Public Works shall compile and submit a report to the City Council on an annual basis providing a comprehensive analysis



of the progress toward the above-referenced expenditure targets, measuring accomplishments against the stated target goals. The annual report will include:

- An overview of completed and ongoing projects, detailed revenue and expenditure breakdowns, illustrating the utilization of allocated funds, and
- Identification of any additional financial resources acquired through state and federal grants, as well as contributions from public and private partnerships.

To maintain transparency and public engagement, the report will be made publicly accessible promptly after briefing the City Council.

Section 4. Every 5 years following passage of Proposition 1 and the commencement of collection of the additional tax revenues, the City manager shall include in the annual report an evaluation of progress toward the targeted expenditures in each category, including the percentage of expenditures in each target category, a forecast for future expenditures in each target category, and if expenditures exceed expenditure targets in any category an explanation regarding why the forecasts are exceeded and the plan for achieving balance over the initial 15-year forecast period and each successive 15-year forecast period.

Section 5. Every 5 years following passage of Proposition 1 and the commencement of collection of the additional tax revenues, the City Council shall review and evaluate progress toward the expenditure targets and determine if adjustments are necessary to meet the expenditure targets over the initial 15-year forecast period and each successive 15-year forecast period.

Section 6. Every 14 years, a new plan must be developed outlining:

- A 15-year revenue forecast



- Any proposed revenue reallocations for each target category
- New categories and allocations, if applicable
- Proposed projects for each target category
- Reasons for any incomplete projects from the previous 15 years, if applicable.

Section 7. That the City Clerk, in consultation with the City Attorney, is authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any references thereto.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney