

Sustainable Transportation Funding



City Council Meeting – Ordinance #28173
Presented by City Manager T.C. Broadnax
September 24, 2013



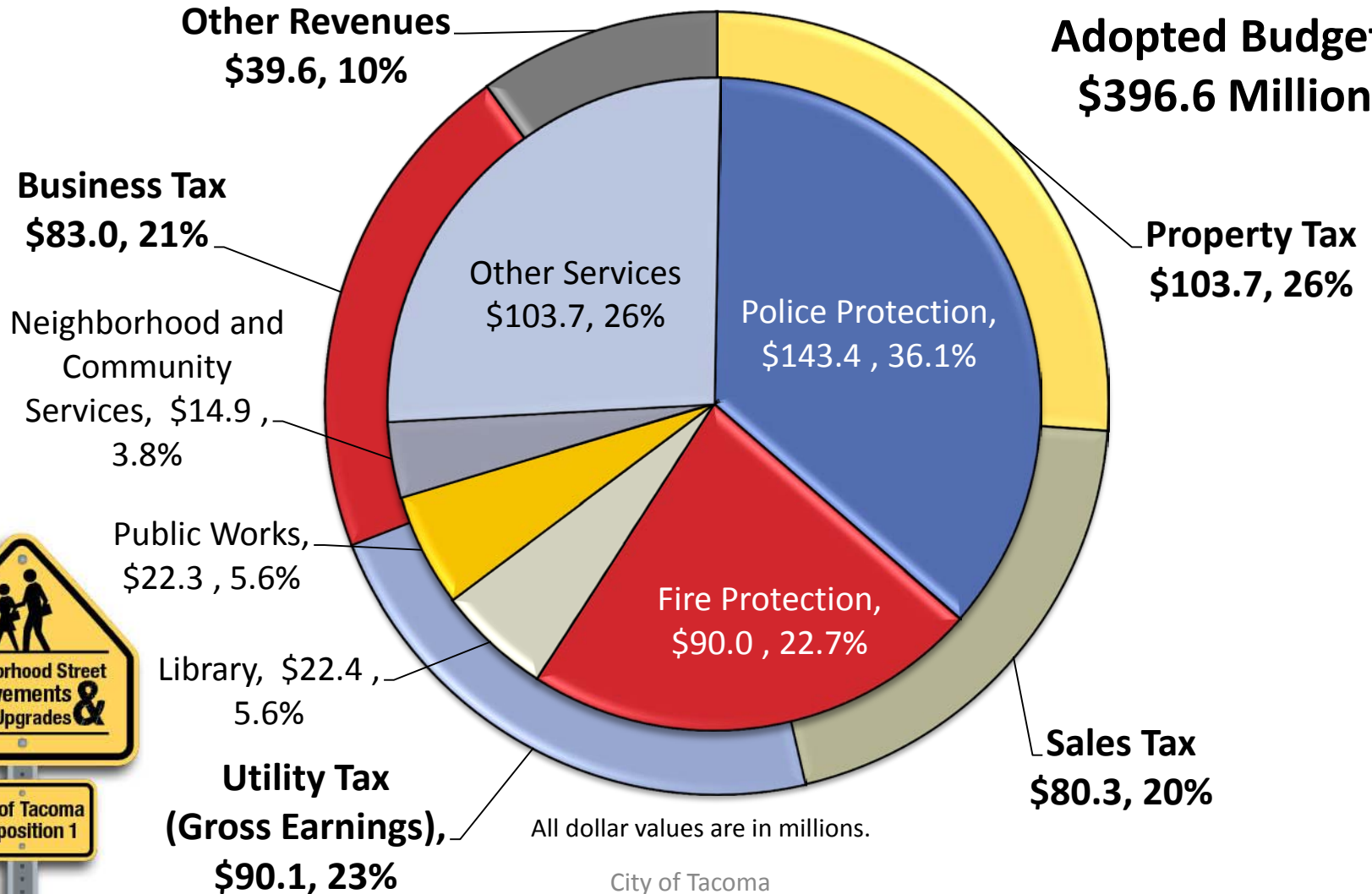
Agenda

- **Background**
 - 2013-2014 General Fund Budget
 - Citizen Engagement
- **Sustainable Transportation Funding**
 - Dedicated Revenues
- **Transparency and Financial Accountability**
- **Proposed Improvements**
- **Recommendation**



2013 – 2014 General Fund Budget

**Total General Fund
Adopted Budget:
\$396.6 Million**



Citizen Recommendations

Mobility Stakeholder Funding Task Force Recommendations (2011)

- **Maintain or increase existing programs & funding**
- Submit Levy Lid Lift ballot measure to Citizens
- Issue utility revenue bonds for replacement of aging infrastructure
- Establish a Transportation Benefit District Fund

Citizens Neighborhood Street Improvement & Safety Task Force Recommendations (2012)

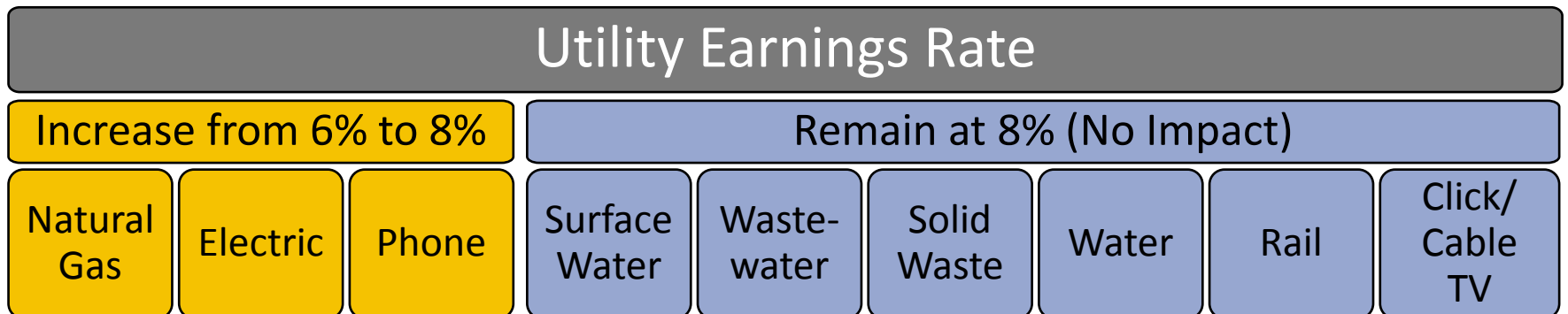
- **Dedicate sustainable funding to address the growing maintenance needs**
 - **Focus improvements on school safety, residential road maintenance and arterial maintenance**



Sustainable Transportation Funding

Proposition 1

- Additional 2% tax on natural gas, electric, and phone company earnings
- Sole purpose of funding basic neighborhood street improvements and safety upgrades
- Generates an additional \$10-11 Million annually
- Estimated household impact is less than \$5 per month

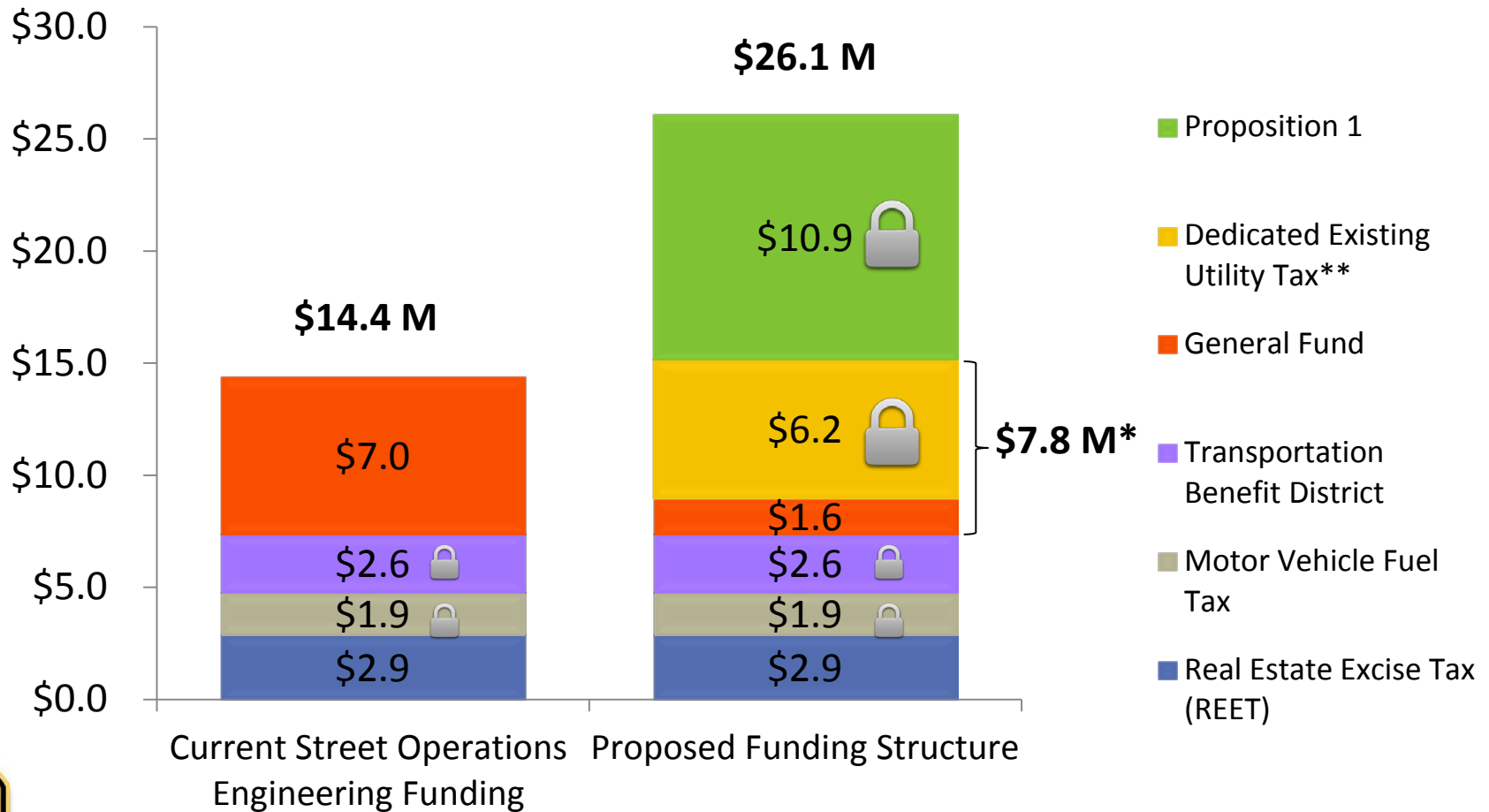


Transparency and Financial Accountability

- Creation of new fund dedicated for management of Proposition 1 revenues
- Establish systems to separate funds upon receipt
 - 6% to General Fund
 - 2% to Proposition 1 Fund
- Develop Six Year Infrastructure Management Plan (IMP)
- Provide quarterly updates on project progress
- For utilities currently at the 8% Utility Earnings Tax rate, commit 2% Utilities Earnings Tax rate to street maintenance and safety upgrades (\$6.2M in 2014)



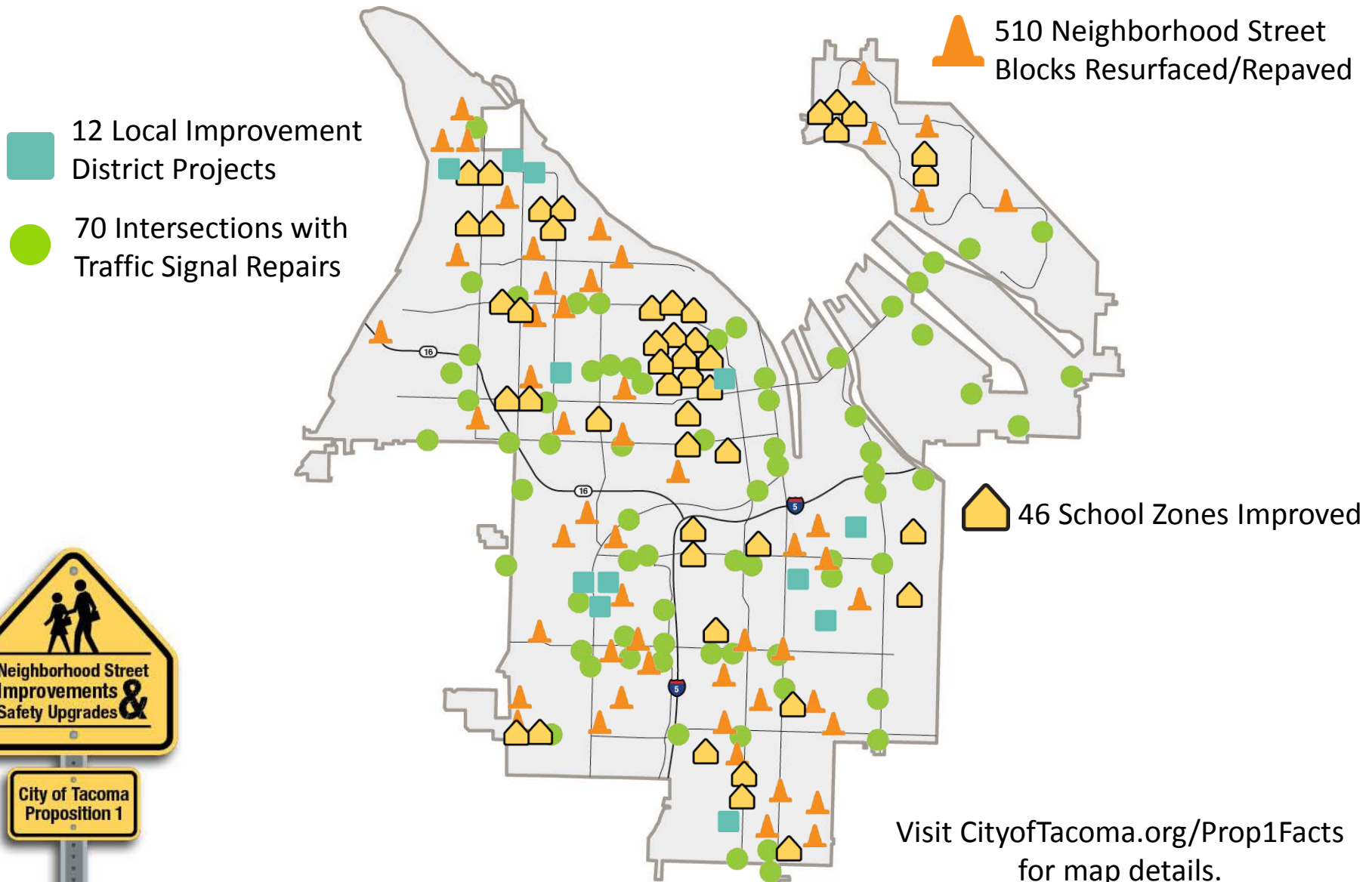
Proposed Funding Structure (2014 Estimate – in Millions)



*\$7.0 M previously General Fund Contribution
 **2% of Existing Gross Earnings Tax Revenues
 🔒 Dedicated funding for streets



Proposition 1 Funded Street & Safety Improvements Over the Next 5 Years



City of Tacoma
Proposition 1

Visit CityofTacoma.org/Prop1Facts
for map details.

Summary

Current Funding and Service

- Funding insufficient to cover maintenance and safety needs

Proposition 1

- Dedicated and sustainable funding to address backlog of needs, approximately \$10-11 M per year

Credibility

- Transparency and financial accountability

Recommendation

- Staff Recommends Approval of Ordinance No. 28173

