




City of Tacoma

Transportation Benefit District Board Action Memorandum

TO: Hyun Kim, Interim City Manager
FROM: Jake Green, Street Operations Division Manager, Public Works
Jeffrey A. Jenkins, Director, Public Works 
COPY: Transportation Benefit District Governing Board and City Clerk
SUBJECT: Resolution - Setting Public Hearing Date to Amend the 2025-2026 Transportation Benefit District Budget and Spending Plan – September 30, 2025
DATE: September 15, 2025

SUMMARY AND PURPOSE:

A resolution setting Tuesday, October 14, 2025, at approximately 5:15 p.m., as the date and time for the public hearing on the proposed modifications to the 2025-2026 Transportation Benefit District Budget and Spending Plan, to budget additional projected revenues associated with Transportation Benefit District sales and use tax.

BACKGROUND:

Revised Code of Washington (RCW) sections 35.21.225 and 36.73.020 and City of Tacoma Ordinance No. 28099 authorized the establishment of a Transportation Benefit District (TBD) for the purposes of acquiring, constructing, improving, providing, and funding transportation improvements within the TBD, consistent with any state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels.

On November 27, 2012, the TBD Governing Board (Board) adopted Resolution No. TBD 001 authorizing the collection of a vehicle license fee of \$20.

On July 14, 2015, the Board adopted Amended Resolution No. TBD 008 to place ballot measure Proposition No. 4, later referred to as Proposition A, on the ballot for the General Election. Proposition A, which authorized a sales tax increase of one tenth of one percent (0.1%) to fund street improvements, was passed in the November 3, 2015, General Election.

On May 7, 2024, the City Council passed Ordinance No. 28965 amending Chapter 10.28 of the Municipal Code, relating to the Transportation Benefit District, by amending Section 10.28.020, entitled “Transportation Benefit District - Statement of Purpose”, and Section 10.28.060, entitled “Use of Funds”, to clarify language to enhance the usage of funds within the benefit district.

On December 3, 2024, the TBD Board approved Amended Resolution No. TBD 023 to replace and impose the 0.1% sales and use tax starting April 1, 2026, replacing the expiring voter-approved tax from 2015. This renewal ensures uninterrupted funding for street maintenance, preservation, and enhancements without increasing the overall tax rate. Additionally, at least 15 percent of the annual revenue associated with this legislation will be used for safety improvements that could include but are not limited to sidewalks, streetlights, and bulb outs, as authorized by law.

The City’s Office of Management and Budget estimates the City will collect \$5,796,000 (authorized vehicle license fee) and \$15,122,691 (sales and use tax increase of 0.1%) including 2026 revenues in a projected amount of \$5,629,594. In addition, there are anticipated investment revenues of \$51,772 and a planned use of \$364,400 of existing cash balance, bringing the total of TBD revenues for the 2025-2026 biennium to \$21,334,863.

The proposed revised Budget and Spending Plan includes a budgeted transfer of \$5,900,000 to the 1065 Streets fund along with an additional \$387,650 to 1065 Streets specifically to replace aging fleet equipment. In addition, there is a budgeted transfer of \$9,493,127 to the 1085 Streets Initiative fund, a budgeted transfer of \$744,435 to the 1060



Transportation Capital and Engineering fund, and an entry of \$4,809,651 to the ending cash balance, for a total expense appropriation of \$21,334,863.

RCW 36.73.020 states the Board shall consider the following criteria when selecting transportation improvements: reduced risk of transportation facility failure and improved safety; improved travel time; improved air quality; increases in daily and peak period trip capacity; improved modal connectivity; improved freight mobility; cost-effectiveness of the investment; optimal performance of the system through time; and other criteria, as adopted by the governing body in Chapter 10.28 of the Tacoma Municipal Code.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The TBD Budget and Spending Plan provides maintenance of the City's street system and affects all of Tacoma's residents. Maintenance projects are selected primarily upon the pavement condition of the City's street system and the Department uses the City's Equity Index to help guide selection of maintenance in underserved/underrepresented communities. The public hearing provides residents the opportunity to learn about and testify on the proposed modifications to the 2025-2026 TBD Budget and Spending Plan.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The public hearing provides residents with the opportunity to comment on the proposed TBD Budget and Spending Plan, which includes maintenance and repair of residential and arterial streets and the construction of new ADA accessible curb ramps.

Civic Engagement: *Equity Index Score:* High Opportunity

Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Explain how your legislation will affect the selected indicator(s).

A public hearing provides residents the opportunity to learn about and testify on the proposed modifications to the 2025-2026 TBD Budget and Spending Plan.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Do not conduct a Public Hearing. Neither RCW nor TMC requires a public hearing be held prior to the Board adopting the proposed Budget and Spending Plan.	By forgoing the public hearing, it saves staff time and does not require the Board to convene a meeting.	Public hearings provide residents the opportunity to learn about and testify on the proposed modifications to the 2025-2026 TBD Budget and Spending Plan and provides transparency of the Board and the Public Works Department actions.



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EVALUATION AND FOLLOW UP:

Testimony at the public hearing will provide the proposed TBD Budget and Spending Plan for 2025-2026, which will be followed by a resolution adopting the proposed Budget and Spending Plan at a later date.

STAFF/SPONSOR RECOMMENDATION:

The Public Works Department recommends the Board approve this request to set Tuesday, October 14, 2025, at approximately 5:15 p.m., as the date for a public hearing before the Board. A resolution to adopt the proposed modification to the 2025-2026 TBD Budget and Spending Plan will be forthcoming to the Board at a later date.

FISCAL IMPACT:

There is no fiscal impact. This action only sets the date of the public hearing before the Board.