



TO: T.C. Broadnax, City Manager
FROM: TW Tadd Wille, Budget Director, Office of Management & Budget
COPY: City Council and City Clerk
SUBJECT: Resolution for the dedication and segregation of moneys received from Proposition No. 3 related to funding street improvements
DATE: July 23, 2015

SUMMARY:

This Resolution provides for the dedication and segregation of any moneys received related to Proposition No.3, should the voters approve said Proposition, for the purpose of street maintenance improvements and safety upgrades to the City’s streets and transportation infrastructure.

BACKGROUND:

The City passed Resolution No. 39236 on July 14, 2015 that will submit ballot Proposition No. 3 to the qualified voters of the City of Tacoma for their approval or rejection at the General Election to be held on November 3, 2015, which would generate an estimated \$130,000,000 in revenues from an 1.5 percent increase in the earnings tax on utilities companies and a levy lid lift of \$0.20/\$1,000 in assessed value over a period of ten years. If passed by the voters, these funds would be used for the sole purpose of financing street maintenance improvements and safety upgrades to the City’s streets and transportation infrastructure.

This Resolution would direct the City Treasurer, Finance Director and Budget Director to coordinate efforts to create a transparent fund structure that will segregate and dedicate any monies received from the increase in the earnings tax on utilities and the levy lid lift, should Proposition No. 3 be approved by the voters of the City of Tacoma.

This is similar to the “lockbox” that the City created in 2013 to dedicate and segregate a portion of the City’s gross earnings taxes on utilities solely for street maintenance and improvements.

ISSUE:

The City Council has identified infrastructure improvement as one of its strategic goals. In addition, the citizens of Tacoma have consistently stated that the repair and maintenance of City and neighborhood streets is a top concern and priority for funding. By submitting Proposition No. 3 to the voters, the City seeks to provide a sustainable, transparent and dedicated source of revenue to address the transportation infrastructure deficiencies with the City’s streets.

ALTERNATIVES:

The City could continue to use the current fund structure.

RECOMMENDATION:

Approval by the City Council is requested. The proposed changes will provide a sustainable, transparent and dedicated fund structure as part of the City’s efforts to address the deficiencies with the City’s streets and transportation infrastructure.