Proposition S2
Tacoma Streets Initiative II

City of Tacoma | Public Works Department

City Council Meeting
December 17, 2024
Resolution No. 41588

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OVERVIEW

- A resolution transmitting a proposition to the Pierce County Auditor to be placed on the ballot for the Special Election on April 22, 2025, related to the Tacoma Streets Initiative II.
- Ballot would authorize a 2% increase in utility earnings tax and property tax increase of $0.25 per $1,000 of assessed property value.
- Secures sustainable funding to improve, maintain, repair, and enhance Tacoma's streets, sidewalks, and multimodal infrastructure.
- Proposition S2 will replace the current Proposition No. 3 tax rate.

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BACKGROUND

- In 2015, Tacoma voters approved Proposition No. 3, which increased utility taxes by 1.5% and property taxes by $0.20 per $1,000 of assessed value, to fund street repair, maintenance, and safety improvements, focusing on residential streets.
- The proposition raised funds through a tax increase, which was a key component in generating over $397 million, is set to expire in December 2025.
- Funded projects focused on residential resurfacing, pothole repairs, pedestrian safety improvements, school crossing beacons, and sidewalk enhancements, including over 6,000 residential blocks improved and 59 capital projects completed.

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ISSUES

- Arterial conditions have decreased by 22% according to 2023 Pavement Condition Index.
- 24.3% of Tacoma residents were satisfied or very satisfied with current street conditions.
- 64% of City's highest risk roads are located within areas with low or very low access to opportunity, according to the City's Equity Index.
- 83% of Tacoma residents believe that every Tacoman should be able to safely walk, roll, bike, and take transit to access schools, parks, grocery stores, and healthcare.

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DRAFT BALLOT LANGUAGE

CITY OF TACOMA
PROPOSITION S2

The Tacoma City Council adopted Resolution No. XXX concerning increasing the utility tax and lifting the property tax levy rate for street improvements.

This measure funds street repair, maintenance, and safety improvements for Tacoma streets, including pedestrian and bicycle improvements, by levying an additional 2 percent utility tax on natural gas, electric, and phone utilities effective 2026 and increasing the regular property tax levy by $0.25/$1,000 to a maximum rate of $1.95/$1000 of assessed value for collection in 2026; authorizing the 2026 levy amount to calculate future levies. Qualifying seniors, veterans and others are exempt, per RCW 84.36.381.

Should this proposition be approved?

Yes. . . . . ☐

No . . . . . ☐

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FUNDING MECHANISMS

- Utility Tax Increase:
  - From 1.5% to 2% (additional $2.13 per month for a typical Tacoma household).
- Property Tax Increase:
  - From $0.20 to $0.25 per $1,000 (additional $6 per month for a typical Tacoma household).
- Proposition S2 will generate approximately $25M in the first year.

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TACOMA STREETS INITIATIVE II GOALS

- Arterial road improvements.
- Residential road maintenance.
- Equity-focused projects in underserved neighborhoods.
- Safety enhancements aligned with Vision Zero goals.
- Multimodal connectivity improvements.

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RECOMMENDATIONS

The Public Works Department recommends that the City Council adopt this resolution placing the Tacoma Streets Initiative II proposition on the ballot for the April 22, 2025, Special Election.

This will secure a critical long-term funding to continue maintaining and improving Tacoma's streets and support economic and community development.

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