



Tax Collection for Transportation Projects to Expire, Proposed Extension on February Ballot

Overview:

Since July of 2013, all taxable goods purchased in Aberdeen, whether purchased by residents or non-residents, have included an additional 0.13%* in sales tax to generate revenue for a local Transportation Benefit District (TBD). The TBD pays for transportation improvements within the city limits such as paving streets and building sidewalks. The current TBD sales tax will expire in June of 2019, and a 10-year extension of the tax at a rate of 0.18%** is on the February ballot for voter consideration. From July 2013 through the end of 2018, the current tax generated \$2,967,390.61 of revenue, of which \$2,861,950.01 has been spent on transportation projects as summarized below and detailed at the end of this handout. With Aberdeen being a regional commercial center, much of this revenue has been generated from purchases by non-residents.

*0.13% = 13 cents on every 100 dollars in taxable goods

**0.18% = 18 cents on every 100 dollars in taxable goods

Year	Revenue	Expenditure	Year-End Fund Balance
2013	180,975.34	-	180,975.34
2014	534,855.90	230,642.81	485,188.43
2015	547,724.86	390,340.79	642,572.50
2016	535,691.97	307,520.67	870,743.80
2017	572,735.70	965,830.43	477,649.07
2018	595,406.84	967,615.31	105,440.60
TOTAL	2,967,390.61	2,861,950.01	



TBD-funded paving on Haight Street

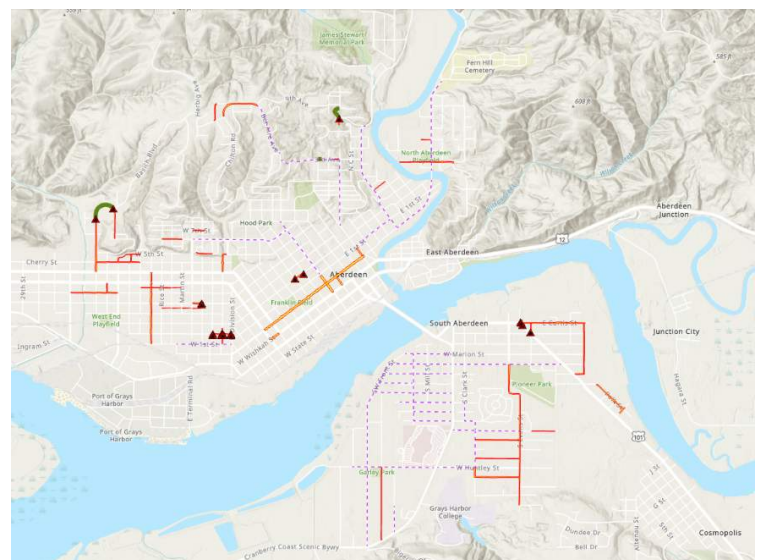
How has the money been spent so far?

- A detailed report is provided at the end of this handout.
- A link to an online map showing the improvements can be found at:

<https://www.aberdeenwa.gov/tax-collection-for-transportation-projects-to-expire/>

Background:

In October 2012, the City established a Transportation Benefit District – TBD for short, and sometimes referred to as the Transportation Improvement Fund or TIF – for the improvement of city streets, and in



Online map of TBD-funded improvements available at <http://www.aberdeenwa.gov/tax-collection-for-transportation-projects-to-expire/>

February 2013, Aberdeen voters approved a six-year 0.13% sales tax increase to fund the TBD. With the six-year TBD tax collection set to expire in June 2019, the City Council has recommended that a 10-year extension of TBD tax collection go before Aberdeen voters in the February 2019 election. Due to strong citizen approval of the transportation work completed and due to a long list of projects still to complete, the Council recommended that the proposed 10-year rate be set at 0.18% to increase the amount of work that can be performed annually.

Questions & Answers:

Q: How are TBD tax revenues spent?

A: TBD tax revenue by law may only be used for construction, maintenance, and operation costs for transportation projects that are included in a local, regional, or state transportation plan. In Aberdeen, the City's Engineering Department develops an annual project plan for TBD funds which is presented to the City Council for approval.

Q: How is the City's annual project plan for TBD funds developed?

A: The City's Engineering Department maintains a list of streets that have been identified by City staff, by the City Council, or by public comment as in need of repair or improvement. The streets on the list are inspected annually and their conditions are scored. The City Engineer then ranks the streets based on their scores and selects top-ranked streets for developing cost estimates. The City Engineer then assembles the annual project plan based on top-ranked streets and available budget, with an emphasis on providing a range of project types (large projects, small projects, sidewalks, crack sealing, etc.) over a broad geographical area, and avoiding funding projects with local TBD dollars that are eligible for state or federal grants.



TBD-funded reconstruction of Arnold St.

Q: What happens if the tax extension is not approved?

A: The tax would end in June of 2019 and the fund would stop collecting revenue. A final annual project plan for TBD would be developed to use remaining funds in 2019. The transportation system would continue to be maintained and improved with funds from the City's annual budget, albeit at a considerably slower rate. The approximately \$540,000 per year that the TBD tax has generated has allowed for faster implementation of repairs and improvements.

Q: What happens if the tax extension is approved?

A: The tax will be extended for 10 years and will generate an estimated \$748,000 of annual revenue to be used solely for TBD transportation improvements in addition to the City's regular annual budget for street work. With Aberdeen being a regional commercial center, a large portion of the revenue will be generated from purchases by non-residents.

Interested in learning more about TBDs in Washington State? More information can be found here:

<http://mrsc.org/Home/Explore-Topics/Finance/Special-Topics/Transportation-Benefit-Districts.aspx>

ABERDEEN TBD EXPENDITURES BY YEAR

Year	Expenditure	Description
2013	-	(No expenditures)
2014	209,197.93	Full funding for contract with Granite Construction to repave: Oak Street and Anderson Drive between Sumner Avenue and 6th Street Willow Street between Simpson Avenue and Aberdeen Avenue 6th Street between Rice Street and Martin Street
	21,444.88	Materials purchased for City crews to perform pre-paving work and minor street repairs
	230,642.81	TOTAL
2015	270,943.37	Partial funding for contract with Lakeside Industries to repave: Market Street between Park Street and F Street Broadway Street between 1st Street and Wishkah Street I Street between Market Street and Wishkah Street F Street between 1st Street and Market Street
	119,397.42	Materials purchased for City crews to repave Lawrence Street, MacFarlane Street, and Evans Street between Cushing Street and Lomax Street
	390,340.79	TOTAL
2016	249,346.00	Full funding for contract with Lakeside Industries to repave: Aberdeen Avenue between Myrtle Street and Maple Street Wishkah Street between Park Street and Alder Street Chilton Road and Bel Aire Avenue between Purkey Avenue and 9th Avenue Lafayette Street between Young Street and Olympic Street
	39,167.79	Materials purchased for City crews to repave Decatur Street between Curtis Street and Perry Street
	19,006.88	Materials purchased for City crews to perform pre-paving work and minor street repairs
	307,520.67	TOTAL
2017	465,072.04	Full funding for contract with Lakeside Industries to repave: Haight Street between Sumner Avenue and 1st Street 7th Street between Scammel Street and Jeffries Street Williams Street between Sumner Avenue and 5th Street Lovett Street between Lewis Street and Evans Streets Lewis Street between Huntley Street and Baldwin Street Baldwin Street between Lewis Street and Evans Street Perry Street between West Boulevard and Decatur Street Polk Street between Schley Street and Taylor Street Taylor Street between Polk Street and West Boulevard
	368,958.12	Full funding for contract with Rognlin's to rebuild Arnold Street between Steward Boulevard and 8th Avenue
	60,880.19	Materials purchased for City crews to perform pre-paving work and minor street repairs
	26,160.46	Materials purchased for City crews to repave alleys: Alleys bound by Rice Street, Bay Avenue, Martin Street, and Pacific Avenue Alley bound by B Street, Arthur Street, Grant Street, Holmes Street, and Cleveland Street
	23,991.83	Materials purchased and equipment rented for City crews to seal roadway cracks (pavement preservation)
	20,767.79	Materials purchased for City crews to construct sidewalks (Anderson Drive, Market Street)
	965,830.43	TOTAL
2018	871,388.75	Full funding for contract with Lakeside Industries to repave: Cherry Street between Oak Street and Duffy Street 5th Street between Maple Street and Duffy Street Maple Street between 5th Street and Cherry Street Wooding Street between 5th Street and Cherry Street Pacific Avenue between Scammell Street and Jeffries Street Morgan Street between Thornton Street and Division Street Williams Street between 1st Street and 2nd Street 2nd Street between K Street and L Street 5th Street between Don Street and Thornton Street Graves Street between Bel Aire Avenue and Purkey Avenue Lafayette Street between Young Street and Wishkah River Curtis Street between West Boulevard and Decatur Street Tilden Street between Curtis Street and West Boulevard Farrell Street between Lewis Street and Evans Street Coolidge Street between Huntley Street and Boone Street
	43,672.96	Materials purchased for City crews to repave: Harriman Street east of Miller Junior High Tecumseh Street west of Young Street
	25,914.93	Materials purchased for City crews to repave alleys: Alleys bound Duffy Street, Aberdeen Avenue, Martin Street, and Simpson Avenue Alleys bound by Martin Street, Bay Avenue, Jeffries Street, and Pacific Avenue
	16,056.29	Materials purchased and equipment rented for City crews to seal roadway cracks (pavement preservation)
	10,582.38	Materials purchased for City crews to perform pre-paving work and minor street repairs
	967,615.31	TOTAL