

Why a Transportation Benefit District in Sequim?



Project Purpose:

Traffic is increasing in our city, and our streets need to be maintained and improved. With many pulls on the city budget, and future additional funding uncertain, the City of Sequim is strongly considering placing a “Transportation Benefit District” measure on the general election ballot this November to fund transportation projects within the city.

The State of Washington allows cities to designate a Transportation Benefit District (or “TBD”) to fund transportation improvements within a city. If approved, a TBD would authorize an independent taxing area of the City of Sequim for this purpose.

Project Benefits:

- Added revenue from a TBD would give Sequim the capability to move forward on many of the unfunded transportation projects in the Sequim six-year Transportation Improvement Program (TIP). A majority of the projects included in the TIP are of regional significance and eligible to receive funding from a TBD.
- If approved by voters, the TBD sales tax (0.2% or two cents on a \$10 purchase) would leverage funds from all those who shop and dine in the City, allowing for sharing costs of street improvement projects between residents and visitors.



What is a Transportation Benefit District (or TBD)?



- A Transportation Benefit District (or “TBD”) is an option authorized by Washington State that cities can use to help fund transportation improvements within an established district.
- This specified revenue source can only be used to fund transportation projects specifically within the City of Sequim.
 - TBD-eligible projects range in scope from new road and sidewalk construction, to rehabilitation of existing facilities.
- TBD’s can include several different revenue options: a property tax, annual vehicle fee, vehicle tolls and a sales and use tax.
- The TBD sales tax is required to sunset a maximum of ten years after adoption.

How would a TBD apply to Sequim?

- If approved by voters, a TBD would authorize an independent taxing area in the City of Sequim to fund local transportation projects.
- Sales and use tax would be levied for these projects.



How does a Transportation Benefit District create revenue?



Designating a TBD would require the City Council to move a proposal forward to a public vote. If approved by voters, 0.2% sales tax would be levied on items purchased in the city limits (two cents on a \$10 purchase).

Costs:

| Sales Tax | Estimated Annual Revenue |
|--|--|
| 0.2% sales tax (two cents on a \$10 purchase) | \$600,000 per year (based on 2007 sales)* |

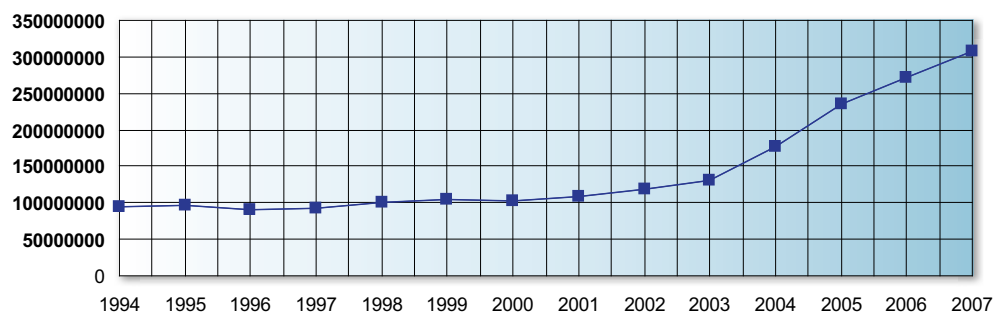
*As determined by city engineering consultant Gray & Osborne

Who pays?

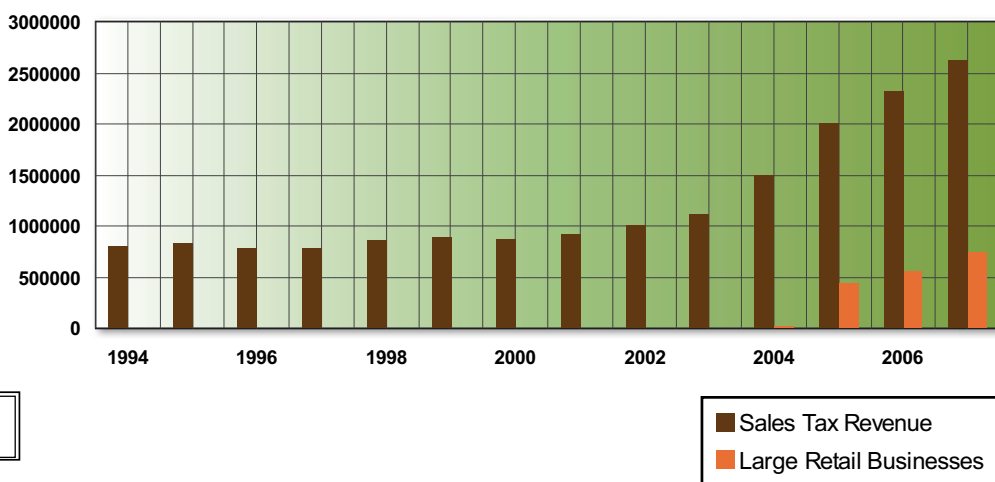
Anyone shopping in the Sequim Transportation Benefit District would pay the associated sales tax.

- Approximately two-thirds of Sequim shoppers live outside of the city limits.
- The tax would not apply to cost of your groceries, prescriptions, gasoline, rent or mortgage payments, as these are exempted by state law.

City of Sequim Taxable Sales 1994- 2007



City of Sequim Taxable Sales Revenue 1994- 2007



■ Sales Tax Revenue
■ Large Retail Businesses

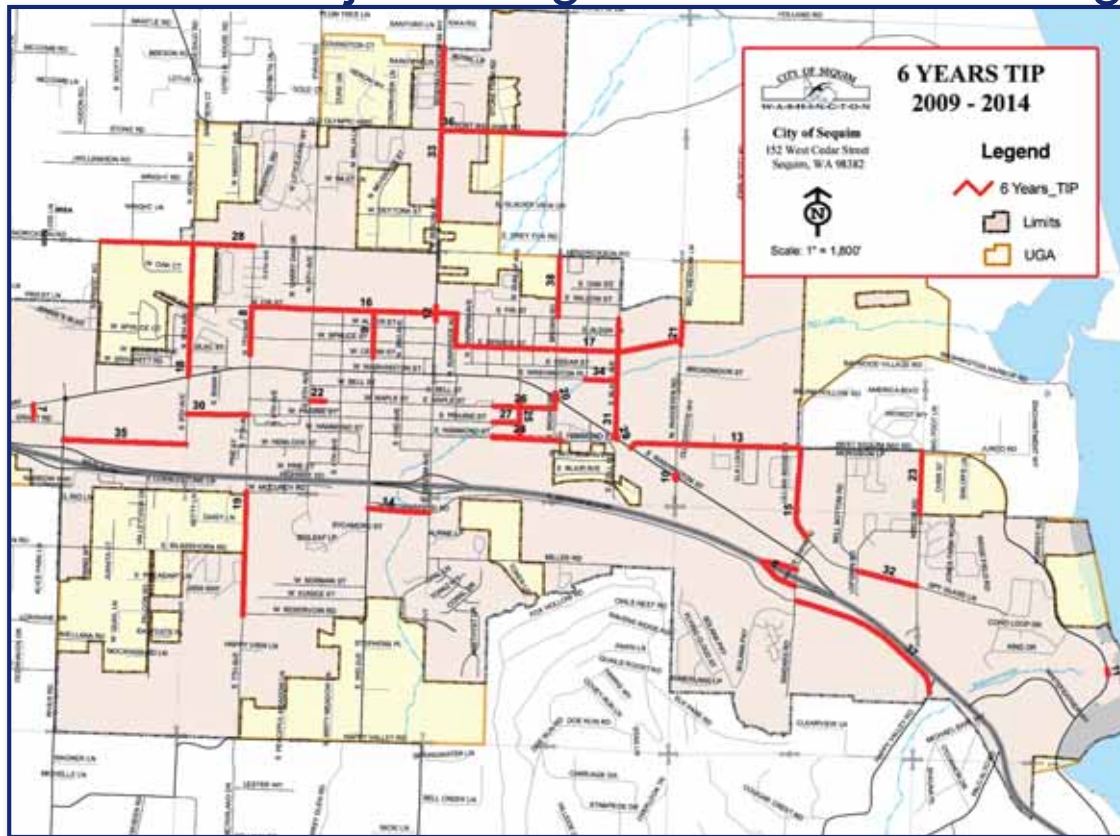
What transportation projects could the Transportation Benefit District fund?



In June of 2008, the Sequim City Council adopted the six-year Transportation Improvement Plan (TIP)

- The TIP includes proposed transportation projects for 2009 – 2014
- Two-thirds of these projects are eligible to receive funding from the Transportation Benefit District
- TBD-eligible projects range in scope from new road and sidewalk construction, to rehabilitation of existing facilities

Potential Projects Eligible for TBD Funding



6-Year Transportation Improvement Program (TIP) Project List

| | | | |
|--|--|--|---|
| 1 City Wide Safety Projects | 11 Pitship Pocket Estuary Bridge PE* | 21 North Rhodfer Road (Widening) | 30 W. Prairie Street (New Construction) |
| 2 City Wide Minor Construction | 12 Sequim Ave & Fir St (Signal) | 22 West Maple Street | 31 Blake Avenue (Reconstruction/Trail Extension) |
| 3 City Wide Pavement Rehab | 13 West Sequim Bay Road (Rehab) | (Street & Sidewalks) | 32 Spy Glass Lane (New Construction) |
| 4 City Wide Pedestrian Facilities | 14 West Brownfield Road (Realignment) | 23 Keeler Road (Widening) | 33 North Sequim Ave & Non-Motorized Trail Extension |
| 5 City Wide Misc Right of Way | 15 Wash Harbor Rd Extension (New Construction) | 24 East Hammond Street (New Construction) | 34 Washington Place Extension (New Construction) |
| 6 Simdars Interchange | 16 West Fir Street (Rehab & Sidewalk Construction) | 25 Center Parkway | 35 West Hemlock (New Construction) |
| 7 West Side Ramps | 17 Olympic Discovery Trail Phase 3** | 26 East Maple Street (New Construction) | 36 Port Williams Road (Widening) |
| 8 Grant/Western Way Connector (New Road) | 18 North 9th Avenue (New Construction) | 27 East Prairie Street Widening & New Construction) | 37 Happy Valley Road Extension (New Construction) |
| 9 North 7th Avenue (Rehab) | 19 South 7th Avenue (New Construction) | 28 Hendrickson Road (Rehab) | 38 Brown Rd (Reconstruction) |
| 10 3rd Ave Sidewalk Improvements | 20 Washington St & Brown Rd (Intersection Improvement) | 29 Washington St & Blake Rd (Intersection Improvement) | |

* Grant funding secured ** Seeking grant funding

*Finalization of exact project list would require refined cost estimates and prioritization by the City Council and staff.

How are cities with Transportation Benefit Districts held accountable?



By law, Transportation Benefit Districts have a built-in system to promote accountability through required annual reporting. If the TBD is approved by voters, these reports will be made available to Sequim citizens to see how the revenue is used and track the status of the transportation projects.

These annual documents would report:

- project status
- expenditures and revenues
- construction schedules

If a TBD is in place, cities must also hold a public hearing to resolve any transportation cost issues, in the event costs exceed the original project estimate by more than 20 percent.



What is the timeline for the Transportation Benefit District process?



Your input is a key component for the Sequim City Council's potential decision to move forward on a Transportation Benefit District (TBD). Here's the timeline for the TBD process:

Public Meeting:

Sequim Transportation Benefit District

July 26, 2008

Time: 10:00 AM

Location: Sequim Transit Center, corner of 2nd & Cedar Streets

- Gather more information on the eligible transportation projects
- Get questions answered from project staff

Public Hearing & City Council Meeting

August 11, 2008

Time: 6:00 PM

Location: Sequim Transit Center, corner of 2nd & Cedar Streets

- Hear final consultant report related to potential TBD
- Final action on potential TBD ballot measure taken by council

If TBD approved by Council:

Ballot submitted to Secretary of State

Deadline: August 12, 2008

Ballot Measure on Transportation Benefit District November 4, 2008

Residents located within the city limits of Sequim would vote on the tax levy associated with the creation of a TBD

