City of Tukwila

Thomas McLeod, Mayor

INFORMATIONAL MEMORANDUM

TO: **Transportation & Infrastructure Services Committee**

FROM: **Marty Wine, City Administrator**

CC: **Mayor Thomas McLeod**
Aaron BeMiller, Finance Director

DATE: **March 17, 2025**

SUBJECT: **Transportation Benefit District as a revenue option**

ISSUE

Briefing about potential for creation of a Transportation Benefit District by a student team from the UW Evans School. (Clare Collins, Jacquelyn Liu, Lucca Howard, Pieter Quinton)

BACKGROUND

One option that the City could consider for increasing or supplementing future city revenues would be the creation of a Transportation Benefit District. This source provides for dedicated transportation revenue (which, if enacted, could allow revenues from the General Fund currently used for transportation services to be freed up to be used for other General Fund services or purposes). As a project for the Public Policy - Local Government Management class, four students have teamed up to analyze the potential of creating a Transportation Benefit District for Tukwila, and will present their research and findings to the committee.

DISCUSSION

During 2025-26 budget adoption, the City Council requested a review of options to increase city revenues. The adopted budget included a proviso: "Throughout the rigorous biennial budget process, it has become clear that the City cannot depend exclusively on cost-cutting measures to address future budget deficits. To ensure long-term financial stability, it will be imperative to identify new revenue sources and strengthen existing revenue streams. The City Council has directed the Finance Department to return midyear to present and discuss potential additional revenue options." The Administration anticipates providing a report to respond to this proviso more fully in July, 2025. New or expanded revenue sources that would reduce reliance on the General Fund for city services could be considered for implementation. This report provides ideas for next steps, depending on the approach to implementation.

FINANCIAL IMPACT

The report estimates the potential revenue that could be generated if the TBD was created. This is an additional source that could be used for transportation (including traffic and transit) programs and projects.

RECOMMENDATION

Discussion only. Council is asked to consider the idea of creating a Transportation Benefit District as one potential revenue source, and include this concept as part of its broader consideration of revenue sources later in 2025, when the revenue proviso report is presented.

ATTACHMENTS

Team Report & Memorandum
Powerpoint presentation (available at Committee meeting)

Transportation Benefit District Analysis

Jacquelyn Liu –
Pieter Quinton –
Lucca Howard –
Clare Collins –

Table of Contents

Tukwila

- 21,135 residents
- More diverse in terms of race and languages spoken compared to the rest of King County.
- Major retail destination: Westfield Southcenter Mall

Why:

- Connect Revenue and Expenditures
- Relieve pressure off of the General Fund
- Improve vital roads and public transit

What:

- “Transportation projects and programs of regional or statewide significance”
- Within set borders

How:

- 10-Day Notice and Legislative Action
- Further action to create taxes or tabs
- Reinstated every 10 years

Where:

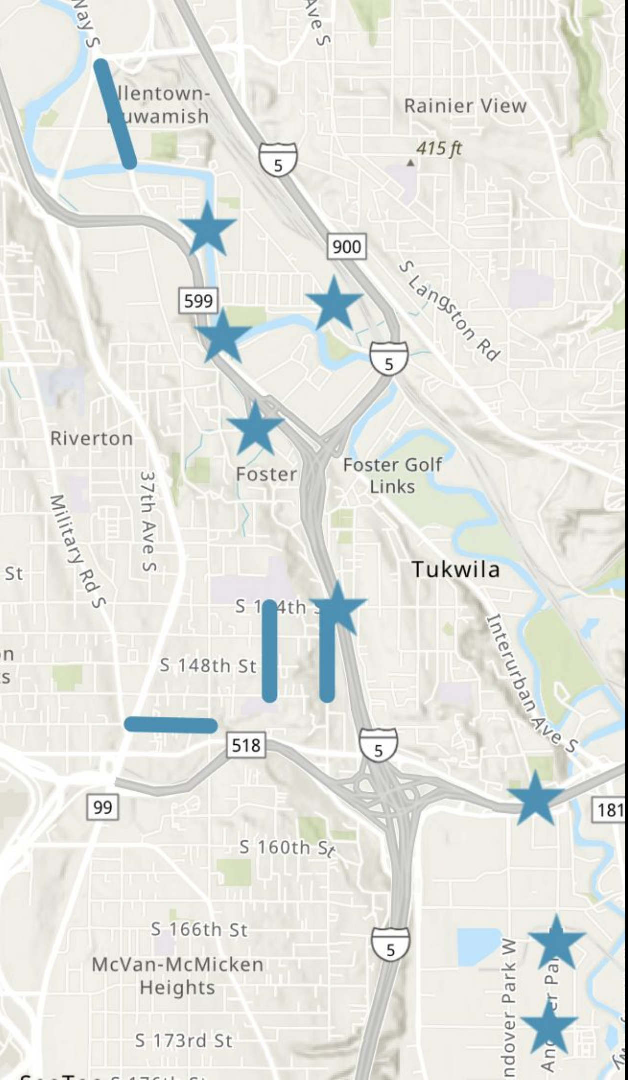
- Match Tukwila city lines
- Smaller borders within city
- Combine with neighboring TBD

Defining a TBD

Geographic Analysis

Recommendation: Matching Tukwila city lines

- Boundaries determine revenue sources
- Boundaries also determine location of spending
- Smaller than city line does not match intent
- Merging borders forgos control
- All surrounding cities (except Sea-Tac) have TBDs



Map of TIP improvements

TBD Spending

Items TBD Would Fund

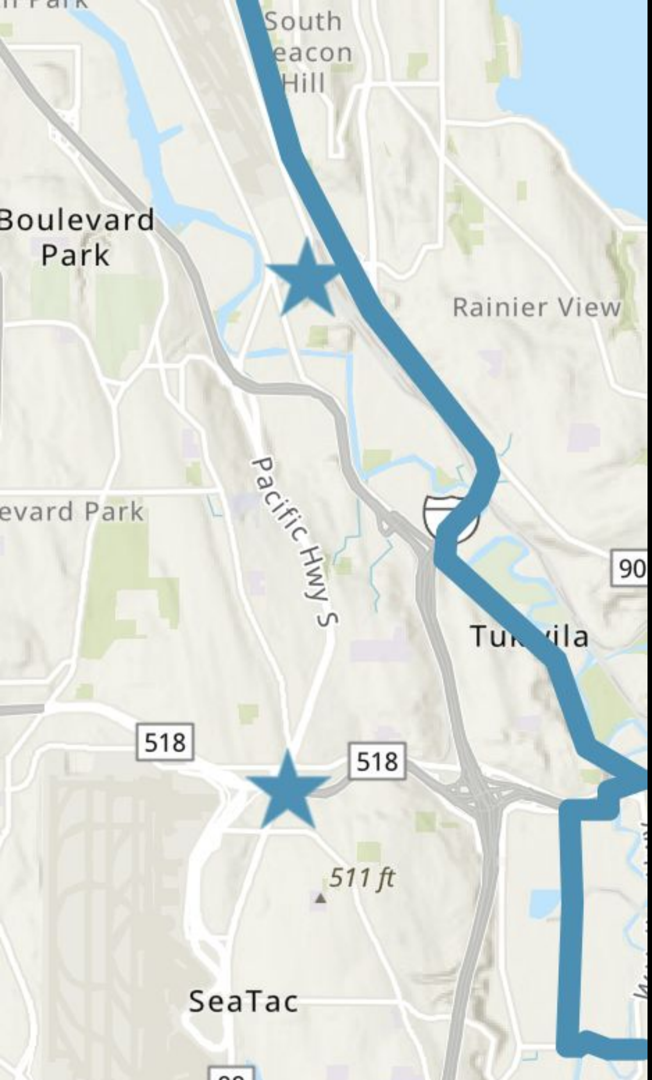
All projects included on map –

Maintenance for roads & bridges –

Operational budget for traffic lights –

Transportation demand management projects –

Without funding increases, TIP cannot complete –



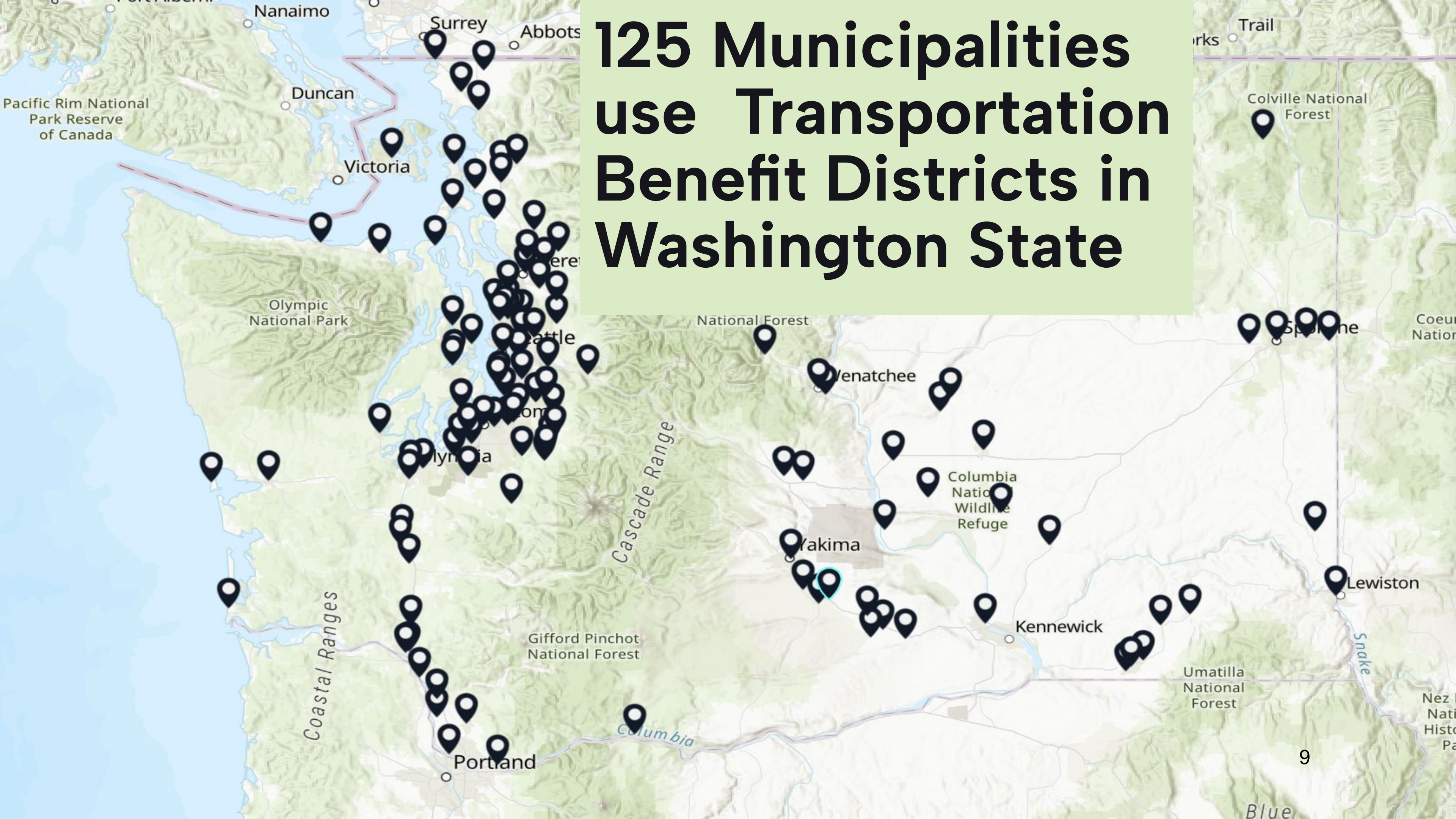
Major transit projects in Tukwila

Tukwila has highest Sound Transit investment per capita

Public transportation projects with good density, walkability

Safer streets, New development, Increased property tax revenues, connected neighborhoods, healthier communities

125 Municipalities use Transportation Benefit Districts in Washington State



Funding Methods

Car Tabs

- Used by 54 Municipalities
- Used by Seattle
- Good for municipalities with large population and high car ownership

Sales Tax

- Used by 82 Municipalities
- Used by Auburn, Renton, Seattle
- Good for municipalities with high sales volumes, high traffic commercial areas

Potential Funding Proceeds

Car Tabs

- At $20: 400k/ year, $2M over 5 years
- At $40: 800k/ year, $4M over 5 years

Sales Tax

- At 0.1%: $2.3M, $11M over 5 years
- At 0.3%: $7M/, $45M over 5 years

Equity Impact

Car Tabs

- Per car owner tax
- Will affect businesses that process car tabs
- Will only tax tukwila residents

Sales Tax

- Taxes businesses
- Dependant on sales traffic from Southcenter mall
- Large portion of revenue will not come from Tukwila residents

Options	Estimated Annual Revenue	Current Understanding of Legal Authority	Estimated Administrative Complexity	Estimated Time to Implement	Estimated Political Complexity
.Enact an additional 0.1% sales tax through council action	$2,344,788	Clear	Low	Less than 1 year	Low
Enact an additional 0.3% sales tax through ballot measure	$7,034,640	Clear	Low	1- 2 years	Medium
Enact a $20 vehicle license fee through council action	$360,000	Clear	Medium	Less than 1 year	High
Enact a $40 vehicle license fee through council action	$720,000	Clear	Medium	Less than 1 year	High

Options laid out and recommendation

1. **Enact a 0.1% sales tax increase through council action. (Recommended)**
2. **Enact a 0.3% sales tax increase through ballot measure. (Recommended for Maximizing Revenue)**
3. Enact a $20 vehicle license fee increase through council action.
4. Enact a $40 vehicle license fee increase through council action.

Next Steps

1. Conduct a workshop of ideas, if more information is needed
2. Decide whether to create a TBD and decide on a preferred revenue stream, either:
    a. All in one decision OR
    b. Vote to create a TBD now and identify a revenue stream later
3. Determine whether the city goal is to maximize funding through public votes to support the TIP goals or to do as much as possible through a councilmanic option.
4. Either bring one of the councilmanic options to the Council for review or submit a resolution to the county auditor calling for a special election

City of Tukwila

MEMORANDUM

TO: Administrator Marty Wine

FROM: Clare Collins, Jacquelyn Liu, Lucca Howard, Pieter Quinton

DATE: March 6, 2025

SUBJECT: Transportation Benefit District (TBD)

EXECUTIVE SUMMARY

The City of Tukwila is looking for a targeted, sustainable revenue stream that can be used to fund transportation specific projects within the City. TBDs are used throughout the State of Washington as a funding source for transportation improvements. Currently 125 cities across Washington use TBDs including almost all the cities directly bordering Tukwila. TBDs can generate revenue from sales taxes and vehicle license fees. TBD revenue over a certain rate requires ballot measure approval, otherwise they can be formed by a council vote. The table below highlights four possible options for forming a TBD as well as their respective tradeoffs.

Options	Estimated Annual Revenue	Current Understanding of Legal Authority	Estimated Administrative Complexity	Estimated Time to Implement	Estimated Political Complexity
1. Enact an additional 0.1% sales tax through council action	$2,344,788	Clear	Low	Less than 1 year	Low
2. Enact an additional 0.3% sales tax through ballot measure	$7,034,640	Clear	Low	1- 2 years	Medium
3. Enact a $20 vehicle license fee through council action	$360,000	Clear	Medium	Less than 1 year	High

4. Enact a $40 vehicle license fee through council action	$720,000	Clear	Medium	Less than 1 year	High

This report recommends the Council implement a 0.1% councilmanic sales tax. Given Tukwila's commercial hub at Southcenter Mall, a sales tax increase is a better option for Tukwila's community than vehicle tabs because a large portion of the revenue generated will not be paid by Tukwila residents. Additionally, the neighboring cities of Renton, Auburn, and Seattle all have at least a 0.1% sales tax for their TBDs so Tukwila's businesses wouldn't be at a competitive disadvantage if it enacts a 0.1% sales tax funded TBD. The TBD funding will generate important revenue to support funding Tukwila's highest priority transit investments that currently do not have funding, and bring in private investment around large WSDOT, Sound Transit, and King County projects. Should the Council favor larger revenue streams than provided by the 0.1% sales tax, this report recommends considering a 0.3% sales tax via ballot measure. Some of the increases in cost from the sales tax would be offset by the scale of private investment that would come from investing in infrastructure around station areas.

BACKGROUND

Tukwila is a city of about 21,135 residents, according to US Census Bureau estimates.[1] It is located in the western part of King County, south of Seattle, between SeaTac and Burien to the west and Renton to the east.[2] The City lies along the Duwamish and Green River and Interstate 5.[3] Tukwila has a population density of 2,373 residents per square mile, which is comparable to the neighboring city of SeaTac. However, it is much less dense compared to other nearby cities

[1] "US Census Bureau Quick Facts: Tukwila city, Washington," United States Census Bureau, July 1, 2023, https://www.census.gov/quickfacts/fact/table/tukwilacitywashington/PST045223#PST045223.
[2] "City Maps," City of Tukwila, accessed February 23, 2025, https://www.tukwilawa.gov/departments/community-development/city-maps/.
[3] "City Maps."

like Seattle, Burien, and Renton.[4][5][6][7] Part of the reason Tukwila is less dense compared to its neighbors is the Westfield Southcenter Mall, which employs over 43,000 people, a significant job base for a city the size of Tukwila.[8] Tukwila is more diverse in terms of race and languages spoken compared to the rest of King County.[9] Due to the Westfield Southcenter Mall, as well as Tukwila's proximity to Seattle-Tacoma International Airport, Tukwila is a major regional retail destination. The City has well-connected transportation options, with multiple bus routes, light rail stations, and access to major highways like Interstate 5 and 405.

CURRENT STATUS

Tukwila has proposed total budget expenditures for 2025 of $163,747,027.[10] That is offset by projected revenue (resources) of $157,560,372. As such, the City is projecting a modest budget deficit which can be offset by fund reserves. Presently, transportation related expenditures fall under the general fund obligations. The Public Works Department has a proposed budget of $9,738,964 for 2025. Within the proposed Public Works budget, $4,761,271 has been earmarked for "Street Maintenance".[11] The City has targeted several transportation related indicators of success, including:[12]

- Continue improvements for the Traffic Calming/Residential Safety Program
- Complete 100% design of the 42nd Ave S Bridge Replacement Project
- Begin construction of Boeing Access Road Bridge Replacement Project

[4] "US Census Bureau Quick Facts: Seattle city, Washington," United States Census Bureau, July 1, 2024, https://www.census.gov/quickfacts/fact/table/tukwilacitywashington/PST045223#PST045223.
[5] "US Census Bureau Quick Facts: Burien city, Washington," United States Census Bureau, July 1, 2024, https://www.census.gov/quickfacts/fact/table/tukwilacitywashington/PST045223#PST045223.
[6] "US Census Bureau Quick Facts: Renton city, Washington," United States Census Bureau, July 1, 2024, https://www.census.gov/quickfacts/fact/table/tukwilacitywashington/PST045223#PST045223.
[7] "US Census Bureau Quick Facts: SeaTac city, Washington," United States Census Bureau, July 1, 2024, https://www.census.gov/quickfacts/fact/table/tukwilacitywashington/PST045223#PST045223.
[8] "City of Tukwila Community Profile and Peer Benchmarking," City of Tukwila, December 1, 2023, https://www.tukwilawa.gov/wp-content/uploads/Tukwila-Community-Profile-and-Peer-Benchmarking-Summary-Revised.pdf.
[9] "Tukwila," Puget Sound Regional Council, 2013, https://www.psrc.org/sites/default/files/2022-03/rgc-profile-tukwila.pdf
[10] "2025–2026 Biennial Budget." *City of Tukwila*, www.tukwilawa.gov/wp-content/uploads/FIN-Current-Budget.pdf.
[11] "2025-26 Preliminary Proposed Biennial Budget - Public Works." *City of Tukwila*, www.tukwilawa.gov/wp-content/uploads/Tab-10-PW.pdf. Accessed 26 Feb. 2025.
[12] "2025-26 Preliminary Proposed Biennial Budget - Public Works." *City of Tukwila*

- Begin construction of S 152nd Pedestrian Improvements

The Traffic Calming/Residential Safety Program, or Neighborhood Traffic Calming Program (NTCP) as it's commonly referred to as, is a way for the City to improve the livability of its neighborhoods by regulating car speeds and traffic on the roads.[13] The NTCP was created by Council in 2018, and resulted in improvements at several key intersections in the Allentown Neighborhood.[14] Looking ahead, the City has created its key Transportation Improvement Plan (TIP) which outlines priority projects and their respective cost schedules. The TIP has a projected cost of $65,632,000 spread over five years, 2024-2029.[15] Those costs are largely front loaded, with over $50 million coming in the first three years of the plan. City staff anticipate needing to secure an additional $17,955,000 in City funding to cover the projected costs over the duration of the plan.[16] The full TIP can be found in Appendix 1 of this report. Given the current budget constraints, the City will need to secure additional or financing to complete all the items on its TIP on schedule.

Despite budget constraints, Tukwila is in a particularly advantageous position to invest in transportation improvements. There are three major capital projects planned in Tukwila. The Boeing Access road infill station for the light rail, the Stride station, and pedestrian bridge near the existing light rail station.[17] RapidRide also named route 150 bus as the highest priority BRT project going into the future.[18] Tukwila is uniquely positioned to capitalize on these major public works through transportation improvement projects. For every $1 spent on these transportation projects, cities can receive around $5 in private investment.[19] Due to the high density of these major capital projects in Tukwila, this figure could be higher. Investing in

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[13] "Neighborhood Traffic Calming Program." *City of Tukwila*, 13 Nov. 2023, www.tukwilawa.gov/departments/public-works/construction-projects-and-transportation-impacts/neighborhood-traffic-calming-program/
[14] "Neighborhood Traffic Calming Program." *City of Tukwila*
[15] "Transportation Improvement Plan." *City of Tukwila.*
[16] "Transportation Improvement Plan." *City of Tukwila.*
[17] Sound Transit, *Sound Transit future services,* January 2025 https://www.soundtransit.org/sites/default/files/documents/st-future-service-map.pdf
[18] Lin, Wesley. "Rapidride Future and Prioritization." *Seattle Transit Blog*, 23 July 2024, seattletransitblog.com/2024/07/23/rapidride-future-and-prioritization/
[19] "Transit Benefits." *Public Transportation*, www.publictransportation.org/transit-benefits/grows-communities

transportation improvements around new stations will yield private investment, especially while there is still excitement surrounding them, which provides a plethora of benefits to Tukwila.

As discussed, money for the transportation improvement projects is currently coming out of the general fund. While this is not necessarily a problem, and to fund the Transportation Improvement Plan fully money will need to continue to come out of the general fund, it is not ideal. General fund expenses can vary, and if there is a crisis, this may lead to transportation improvements being cut. Tukwila is also facing a budget shortfall. One solution is to create a funding source for transportation separate from the general fund. Having a stand alone funding source for transportation would allow for a greater amount of flexibility when apportioning general budget funds to transportation, which could mean more funding for key services when budgets are tight. There is precedent for this move, since utilities and garbage services in Tukwila also have dedicated revenue streams, taking funding for those services out of the general fund.[20]

TRANSPORT BENEFIT DISTRICT OVERVIEW

In its simplest definition, a Transportation Benefit District (TBD) is a governmental organization that can be created with the purpose of collecting funds which can only be used for the purpose of transportation improvements—it is a nexus to connect revenue and expenditure streams. The scope of these improvements are limited within the district's lines, but may be applied to "transportation projects and programs of regional or statewide significance" including but not limited to highways and arterial roads, public transportation, and high capacity transportation.

The creation of the Transportation Benefit District involves legislative action with a proper, 10-day notice to the public. Further modifications or the discontinuation of the TBD involve a similar process. The creation of the TBD requires specifying the geographic boundaries of the TBD covers and the activities to be funded. This action does not itself include the creation of

[20] "Revenue & Tax Information." *City of Tukwila*, 3 Mar. 2025, www.tukwilawa.gov/departments/finance/revenue-taxes/.

taxes or fees. TBDs are created without an innate duration; although sales taxes, one of the primary forms of funding a TBD uses, can only be set for a duration of 10 years or less. [21]

While many TBDs share the same boundaries as the county or city that forms them, they can be created with smaller or larger borders. If the borders of the TBD are that of the establishing local government, then the acting legislature serves as the independent legislature of the TBD. In order to create a TBD across city or county lines, an interlocal agreement must be made and the governing board must be made up of either 5 members of which at least 1 is from each jurisdiction or the governing body of a metropolitan planning organization with the same boundaries. In either case, a TBD is not permitted to serve a population greater than 1.5 million individuals. [22]

GEOGRAPHIC SCOPE

The geographical boundaries of the TBD must be outlined when it is established. Most TBDs are formed with the same borders as the county or city that establishes it.[23] While there are alternatives available, many pose individual challenges. The border determines the zone from where funding can be sourced and spent. The boundaries can be made smaller than city limits when establishing the TBD. However, in order to create a TBD that extends beyond city lines, an interlocal government agreement must be reached. The governing body of a TBD that encompasses multiple cities must include a council that includes elected legislative officials from all municipalities included in the TBD.

There is no significant advantage in Tukwila creating a TBD larger than its municipal borders. All cities bordering Tukwila have their own existing TBDs. If Tukwila were to want to join forces, neighboring cities would have to modify their TBD borders to include Tukwila. Furthermore, a shared TBD would concede some control from each party and would place a greater emphasis on shared projects.

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[21] Washington State Legislature, Revised Code of Washington, Title 36 Counties, Chapter 73 Transportation Benefit Districts, last updated December 2024, https://app.leg.wa.gov/rcw/default.aspx?cite=36.73&full=true#36.73.030

[22] Revised Code of Washington Chapter 36.73

[23] "Transportation Benefit Districts (TBDs)"

FORMATION OPTIONS

A city may establish a Transportation Benefit District (TBD) after holding a public hearing, if it decides that it will serve the public interest.[24] There are two main ways of forming a TBD:

- Council vote - A council vote is generally a quicker method of forming a TBD. However, a council vote can only raise sales tax by 0.1%.[25] If the council wishes to raise the sales tax by more than 0.1%, it must use a ballot measure to do so.[26] Another TBD funding source, vehicle license fees, can be imposed up to $50 by a council vote.[27]
- Ballot measure - In recent years, voters have approved nearly all proposed TBD sales and use taxes.[28] A ballot measure can authorize a vehicle license fee of up to $100 or a sales tax of up to 0.3%.[29]

CASE STUDIES

Across Washington since the enactment of the law permitting TBDs, 125 municipalities have enacted some form of TBD.[30] Most major cities in the state have a TBD, the largest without one is Bellevue. A majority of municipalities that have enacted a TBD use sales taxes. 82 have a sales tax, and out of those that have a sales tax, a majority have a rate of 0.1%. Seven cities have the highest sales tax rate of 0.3%. Out of the 125 state TBDs, 54 use car tabs. Of those, the vast majority use a rate of $20, with some using the highest councilmanic rate of $40. The highest vehicle tab rate used was $60 between 2014 and 2020 in Seattle, however that rate was allowed to expire. No other city has tried to implement a car tab rate over $40.[31] The table below summarizes the distribution of how cities in Washington have funded their TBDs.

[24] "Transportation Benefit Districts (TBDs)," Municipal Research and Services Center of Washington, Accessed February 23, 2025, https://mrsc.org/explore-topics/finance/revenues/transportation-benefit-districts
[25] "Transportation Benefit Districts (TBDs)"
[26] "Transportation Benefit Districts (TBDs)"
[27] "Transportation Benefit Districts (TBDs)"
[28] "Transportation Benefit Districts (TBDs)"
[29] "Transportation Benefit Districts (TBDs)"
[30] "Transportation Benefit Districts (TBDs)"
[31] "Transportation Benefit Districts (TBDs)"

	Only Sales Tax	Only Vehicle License Fees	Both Sales Tax and Vehicle License Fees
Number of Cities	66	38	16

Tukwila borders the cities of Renton, Kent, Burien, Seatac, and Seattle. Auburn is also relevant here due to similarities in government and location in the Duwamish River Valley. Of those cities, Kent and Seatac do not have TBDs. Of the cities that do, Renton and Auburn have a 0.1% sales tax, the maximum councilmanic sales tax. Burien also has a TBD, but it is funded with a $20 car tab. Of the cities close to Tukwila, Seattle has the largest TBD with a $40 car tab and a 0.15% sales tax. Auburn has had a sales tax funded TBD since 2023, and is using the money to fund a plethora of improvements to its downtown core. In general, the majority of cities proximate to Tukwila have a TBD, some have adopted it recently, others have had it for a number of years.

ANALYSIS, OPTIONS, AND RECOMMENDATIONS

This report is considering four possible pathways for Tukwila to create a TBD:

1. Enact a 0.1% sales tax increase through council action.
2. Enact a 0.3% sales tax increase through ballot measure.
3. Enact a $20 vehicle license fee increase through council action.
4. Enact a $40 vehicle license fee increase through council action.

In evaluating the options, this report analyzes the revenue generating capacity, community support, and equity impact of each proposal.

REVENUE GENERATION

There are two feasible methods for Tukwila to generate TBD revenue: sales tax and vehicle tabs. The City of Tukwila currently imposes an additional 1% sales tax on its residents. The sales tax is anticipated to garner $23,447,886 in revenue in 2025.[32] If Tukwila were to take a conservative approach similar to Auburn and Renton and enact a 0.1% councilmanic sales tax, the 2025

[32] "Budgets," City of Tukwila, Accessed March 6, 2025, https://www.tukwilawa.gov/departments/finance/budgets/

numbers project additional revenues of $2,344,788. The maximum possible sales tax for a TBD is 0.3%, which can be accomplished via ballot measure. Extrapolating 2025 numbers again, this would raise $7,034,364 per year. The other feasible method would be car tabs. Tukwila does not have a vehicle tab, so Kenmore will be used as a stand in. Kenmore has only about two thousand more residents than Tukwila, and the car ownership rate is also similar[33], so it is reasonable to assume a similar projection for vehicle fees between the two cities. Kenmore's 2025-26 budget projects revenue of $1,434,336 at a car tab rate of $40.[34] So if the city of Tukwila were to adopt a $40 fee, the maximum councilmanic fee, it should expect roughly similar income over a two year period, or half that number per year. Another option would be to adopt a $20 fee like Burien. The revenue from the $20 fee in 2025 is expected to be $764,000.[35] Burien has roughly twice the population of Tukwila, so Tukwila could expect half that number per year from a $20 vehicle tab. The projected revenues of each of the five proposals are summarized in the table below. As the data illustrates, increasing the sales tax, even 0.1%, will generate considerably more revenue than all of the vehicle license fee increases.

Option	**Projected Annual Revenue**
1. Enact a 0.1% sales tax increase through council action	$2,344,788
2. Enact a 0.3% sales tax increase through ballot measure.	$7,034,364
3. Enact a $20 vehicle license fee increase through council action.	$360,000
4. Enact a $40 vehicle license fee increase through council action.	$720,000

COMMUNITY SUPPORT

[33]"Kenmore, WA." *Data USA*, datausa.io/profile/geo/kenmore-wa
[34] "Budget Documents." *City of Kenmore*, www.kenmorewa.gov/government/departments/finance-administration/financial-accounting/budget-documents.
[35] "Budget." *City of Burien*, www.burienwa.gov/city_hall/finance/budget.

The feasibility of each option depends on the way the TBD is formed, councilmanic or by ballot measure, and the size of either the sales tax or vehicle tab increase. Looking at neighboring cities, both Renton and Auburn enacted TBDs with 0.1% sales tax increases by council vote. Renton and Auburn are important guides for understanding the feasibility of such an action in Tukwila because they, like Tukwila, have Mayor-Council forms of government. Renton City Council faced little public pushback when it enacted its TBD last year. In Auburn, the city council initially adopted a $20 vehicle license fee increase but quickly suspended and then rescinded that resolution before any fees were collected.[36] Instead, Auburn opted to enact a 0.1% sales tax increase.[37] Vehicle tabs have generated pushback statewide. In 2021, the State Senate explored the possibility of payment plans for vehicle license fees as a result of community frustration over growing fees.[38] As a result of anticipated community pushback, this report recommends against utilizing vehicle license fees for funding a TBD.

In order for Tukwila to approve a greater than 0.1% sales tax increase, the TBD will need to be created through a ballot measure. Tukwila residents have demonstrated a political willingness to approve measures with the potential for cost increases. In the last decade, Tukwila residents approved both the Public Safety Bond measure and the Regional Fire Authority. That being said, ballot measures would require public campaigns and outreach that could incur costs and delay the implementation of the TBD. Additionally, many jurisdictions avoid combining tax measures on the ballot as voters may be less likely to approve them all.[39] Therefore, Tukwila would need to be strategic in the timing of when the ballot measure was introduced, potentially delaying a crucial funding stream even further. Looking at all these factors, councilmanic is the most politically feasible way to form a TBD.

EQUITY IMPACT

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[36] "Transportation Benefit District." *City of Auburn*, www.auburnwa.gov/city_hall/public_works/transportation/transportation_benefit_district
[37] "Transportation Benefit District." *City of Auburn*
[38] Scott, Hanna. "No Car Tab Relief in Washington but Workgroup Will Tackle Challenges." *MyNorthwest.Com*, 1 Apr. 2021, mynorthwest.com/local/car-tab-relief-washington-workgroup-tackle-challenges/2741168
[39] "Local Government Ballot Measures," Municipal Research and Services Center of Washington, https://mrsc.org/explore-topics/elections/propositions/ballot-measures

Progressive revenue is any funding source that graduates by income. A progressive tax is based on the taxpayer's ability to pay, meaning a lower tax rate on low-income earners than on those with a higher income[40]. Neither vehicle tabs nor sales taxes are progressive revenue. There are equity considerations around enacting either of these taxes, since they equally target rich and poor. However, considering the population of Tukwila, and comparing the volume of money appropriated to the tax burden on residents, the more equitable option is a sales tax. *Most people that will be subject to a sales tax will be from outside of city limits.* This is because a large amount of the sales taxes collected come from Southcenter mall. A majority of Southcenter mall customers come from outside of Tukwila. This means that residents of Tukwila will not be paying the bulk of appropriated revenue.

NEXT STEPS

Included below are a few potential next steps for the City to take:

- ❖ If more information is needed by the council to make a decision, it may be advisable to do a workshop of these ideas and to clarify what additional information is needed to make a decision.
- ❖ If the council is in support of forming a TBD, it may be helpful to vote to create one now and identify a revenue stream later. However, if the council is able to create a TBD and decide on a preferred revenue stream, that would be the most logical approach, as they only have to be involved in the decision once.
- ❖ To identify a revenue stream, determine:
    - ➢ Whether to maximize funding through public votes to support the $17,955,000 the City expects to need for the TIP over the next five years, avoiding the use of general funds, or to do as much as possible through a councilmanic option.
    - ➢ Whether the council has a preference when it comes to car tabs versus sales tax.
- ❖ Once the council has identified their preferred TBD revenue sources, they can form a TBD by:

[40] Iranon, Kasey. "Why You Should Care about Progressive Revenue." *YWCA Seattle | King | Snohomish*, 26 Jan. 2022, www.ywcaworks.org/blogs/firesteel/wed-01262022-1228/why-you-should-care-about-progressive-revenue.

- **Options 1, 3 and 4:** Bringing one of these options to the Council for review and action since the final decision is councilmanic. These instructions pertain to the following three actions, including the recommended 0.1% sales tax:
    - **Option 1 (recommended): Enact a 0.1% sales tax increase through council action.**
    - Option 3: Enact a $20 vehicle license fee increase through council action.
    - Option 4: Enact a $40 vehicle license fee increase through council action.
- **Option 2:** This is a voter approved option**.** For the ballot measure option listed below, the city council must submit a resolution to the county auditor calling for a special election and choose one of four special election dates to hold the ballot measure.[41] They must also submit the information included in the MRSC website (cited) to the county auditor's office before the filing deadline.[42] These instructions pertain to the following action:
    - Option 2: Enact a 0.3% sales tax increase through ballot measure. This option is **recommended if the city would like to maximize revenue streams** to support the projected TIP costs.

[41] "Local Government Ballot Measures," Municipal Research and Services Center of Washington
[42] "Local Government Ballot Measures," Municipal Research and Services Center of Washington

Appendix 1

DRAFT 2024 - 2029 TIP SUMMARY

2023-2028 CIP Sheet	PROJECT TITLE	Project Costs in Thousands of Dollars 2024	2025	2026	2027	2028	2029	TOTAL	Funding Sources Federal	State/TIB	City/Local	Unsecured Grant	City*
9	42nd Avenue S Bridge Replacement	900	15,637	13,500	0	0	0	30,037	12,900	17,000	137		
5	46th Avenue Safe Routes to School	510	2,070		0	0	0	2,580		2,060	520	2,060	410
10	Allentown Truck Reroute Project	600	0	0	0	0	0	600			600		
14	ADA Improvements	50	50	50	50	50	50	300			300		250
20	APE/Minkler Blvd Intersection	0	144	1,570	0	0	0	1,714			1,714		1,714
22	APE/Industry Drive Intersection	0	85	657	0	0	0	742			742		742
13	Annual Bridge Inspections and Repairs	205	215	220	230	235	240	1,345			1,345		1,140
12	Annual Overlay and Repair Program	1,400	1,400	1,400	1,500	1,500	1,650	8,850			8,850		7,450
15	Annual Traffic Signal Program	130	130	130	150	150	150	840			840		710
25	E Marginal Way S (BAR - S 112th St)	0	50	0	0	0	3,300	3,350		1,300	2,050	1,300	2,050
-	Keeping South King County Moving with TDM	210	105	0	0	0	0	315		315			
6	Macadam Road S Complete Streets Project	500	3,100	0	0	0	0	3,600		3,250	350	3,250	300
18	S 119th St Pedestrian Bridge Painting	0	200	0	0	0	0	200			200		
23	S 133rd St/SR 599 Southbound Intersection	0	0	0	0	350	2,070	2,420			2,420		2,420
21	S 144th St Bridge Sidewalks	0	0	579	2,690	0	0	3,269	2,500		769	2,500	769
4	S 152nd Street Safe Routes to School	4,015	0	0	0	0	0	4,015		3,200	815	3,200	
-	South King County Regional TDM	261	0	0	0	0	0	261	223	30	8		
19	Southcenter Blvd/65th Avenue S Signal	1,100	0	0	0	0	0	1,100		500	600	500	
-	Transportation Demand Management Impleme	47	47	0	0	0	0	94		94			
	TOTAL	**9,928**	**23,233**	**18,106**	**4,620**	**2,285**	**7,460**	**65,632**	**15,623**	**27,749**	**22,260**	**12,810**	**17,955**

PROJECTS REVISED FROM 2023-2028 TIP

New	**Deleted/Completed:**
APE/Industry Drive Intersection	Green River Trail (to be completed 2023)
E Marginal Way S (BAR - S 112th St)	S 140th St Intersection Improvements
S 133rd St/SR 599 Southbound Intersection	

** Unsecured City funding includes all funds necessary outside of the current biennial budget cycle*

May 4, 2023

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