



**City of Bellingham**  
210 Lottie Street  
Bellingham, WA 98225

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## STAFF REPORT

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**TO:** CITY COUNCIL  
**FROM:** ERIC JOHNSTON, PUBLIC WORKS DIRECTOR  
**CC:** MAYOR SETH FLEETWOOD  
**SUBJECT:** RESOLUTION FOR THE EXTENSION OF SALES AND USE TAX (TRANSPORTATION FUND)  
**DATE:** 6 July 2020

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### **BACKGROUND:**

The Bellingham City Council formed a Transportation Benefit District (TBD) on July 10, 2010 to help provide dedicated funding for priority transportation needs within Bellingham. Voters in the City of Bellingham approved the imposition of the two-tenths of one percent (0.002) sales tax at the November 2010 election which allocated funding between the following three projects identified on the Six-Year Transportation Improvement Program (TIP): street paving, non-motorized transportation projects and public transit. In 2015 the city absorbed the TBD and assumed all of its rights, powers, functions and obligations, as authorized under state law. The tax was authorized for a ten-year period, expiring March 31, 2021. The sales tax may be extended for a period not exceeding ten years with an affirmative vote of the voters voting at the election. The benefits of extending the existing sales tax were discussed with Council at both the April 13 and May 18 Council meetings.

### **SUMMARY:**

In accordance with Chapter 36.73 RCW, transportation projects funded with the sales tax (Transportation Fund) are required to be identified in the six-year TIP. In the 2021-2026 TIP adopted by Council on June 8, the three projects to be funded with the Transportation Fund are shown as the Annual Street Pavement Resurfacing Program, Non-Motorized Transportation Improvements, and Climate Action Plan & Whatcom Transportation Authority (WTA) Transit Plan improvements. Additional details about the Transportation Fund Projects can be found at this link: [www.cob.org/transportationfund](http://www.cob.org/transportationfund).

**Project #1: Annual Street Pavement Resurfacing Program.** This general project entails the preservation, restoration and replacement of pavements on City streets.

**Project #2: Non-Motorized Transportation Improvements.** This general project entails annual improvements implementing and constructing infrastructure listed in the Bicycle and Pedestrian master plans. These projects connect neighborhoods to schools and parks, many of which are located in middle to low income areas of City.

**Project #3: Climate Action Plan & Whatcom Transportation Authority (WTA) Transit Plan.**

This new general project will program capital improvements for projects that implement transportation measures in the Climate Action Plan as well as projects that support WTA's transit system serving Bellingham. Projects will be wide ranging and may include accessible pathways to transit stops, transit bus queue jumps at traffic signals, electric-powered WTA buses, electric bus charging facilities at WTA stations, electric vehicle charging stations throughout the City, and group purchase of e-bikes & e-cars to name a few.

The split of dollars between these three projects will be determined annually with the 6-year TIP and City budget based on the City's needs for asset management. In order to prepare the TIP, staff reviews our adopted plans (Comprehensive Plan, Pedestrian Master Plan, Bicycle Master Plan, Climate Action Plan) as well as our pavement preservation and utility replacement lists, allowing us to coordinate projects and manage our assets effectively. Additionally, staff coordinates with WTA in order to integrate projects identified in their Strategic Plan. Where practical, multiple non-motorized transportation projects from the bike and pedestrian plans are combined with street overlay projects into a single construction project in order to simplify construction and save money.

Staff believes that the sales tax which provides revenue for a Transportation Fund provides great benefit to the city and allows for the maintenance and enhancement of our transportation system. Revenues in 2020 are expected to be in excess of five million dollars (\$5M). Extending the existing sales tax for an additional ten years through a vote of the people would generate in excess of fifty million dollars (\$50M) for construction of transportation projects called out in the annual six-year TIP.

**RECOMMENDATION ACTION:**

A motion to adopt the resolution providing for a ballot proposition to be submitted to the voters at the November 2020 election to extend the two-tenths of one percent (0.0002) sales and use tax within the City to fund transportation improvements.

**PROPOSED BALLOT MEASURE:**

**PROPOSITION NO. \_\_  
CITY OF BELLINGHAM, WASHINGTON  
EXTENSION OF SALES AND USE TAX FOR  
TRANSPORTATION IMPROVEMENTS**

The City Council of the City of Bellingham, Washington, exercising the assumed powers of Transportation Benefit District No. 1, adopted Resolution No. 2020-\_\_ concerning a sales and use tax to finance transportation improvements. This proposition would authorize the extension of an existing sales and use tax of two-tenths of one percent (0.002) on all taxable retail sales within the city in accordance with RCW 82.14.0455 for a ten-year period to pay or finance costs of the following transportation improvements contained in the City's Transportation Improvement Program: Annual Street Pavement Resurfacing Program; Nonmotorized Transportation Improvements; and Climate Action Plan & Whatcom Transportation Authority (WTA) Transit Plan improvements. Should this proposition be approved?

- Yes? .....
- No? .....

**ANTICIPATED EXPLANATORY STATEMENT (100 WORD MAX):**

In 2010, Bellingham voters approved a ballot proposition increasing the sales and use tax by two-tenths of one percent (0.002) to fund street paving, non-motorized transportation projects and transit. The tax was authorized for a ten-year period, expiring March 31, 2021. Bellingham voters are asked to continue and renew the sales and use tax of two-tenths of one percent (0.002) for an additional ten-year period to fund the following transportation projects identified in the City's Transportation Improvement Plan: Annual Street Pavement Resurfacing Program; Nonmotorized Transportation Improvements; and Climate Action Plan & Whatcom Transportation Authority (WTA) Transit Plan improvements.