

Attachment D: Revenue Options
Council Meeting May 16, 2016

There are several options under RCW for new revenue generated either by Councilmanic action or by voted measure. Each revenue option is broken down between Councilmanic and Voted with estimates of revenue generation.

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SUMMARY OF WHO PAYS AND REVENUE OPTIONS: (O= operating, C= capital, V=voted only)

Revenue Option	Councilmanic	Voter Approved	Who Pays	O	C	Considerations
Property Tax	\$8.6M banked capacity, 20 cents or 24% 1 cent = ~~\$444k annually	Any increment 1 cent = ~~\$444k -Voted simple levy can be used on pay-as-you-go basis or bonded over 9 years -Voted bonded UTGO levy can be combined with bond issuance to yield large amount of capital up front. Requires a separate M&O funding source.	All Property owners (residential, business, and developers)	X	V	-Councilmanic banked capacity available
Transportation Benefit District	\$20 vehicle Fee = \$2M \$40 if at \$20 for 2yrs = \$4M \$50 if at \$40 for 2 yrs = \$5M (with public outreach noted in RCW) If the TBD contains all territory within the jurisdiction(s) that established the TBD, Council may implement without a vote of the people a <ul style="list-style-type: none"> \$20 per vehicle fee; increasing to \$40 per vehicle after two years at \$20; increasing to \$50 per vehicle after two years at \$40 with public outreach. 	\$100 vehicle fee = \$10M Up to 0.2% sales tax = \$12M Any increment of property tax -Vehicle fees from \$50 to \$100 per vehicle require voter approval, as does property tax, and sales tax.	Vehicle Fee: any resident or business with a vehicle Sales tax – all consumers (residential, business, developers, visitors) Property tax – all property owners	X	X	-RCW 35.21.225 governs formation. -Funds must be used for transportation improvement projects. Projects may include operation, preservation, and maintenance of these transportation facilities or programs.
B&O	Increase by 0.0504% to maximum of 2%; generates ~~\$9.5M annually	NA	Business	X	X	-Can be used for operating and capital -To stay competitive within market for business generation, rate should be within median of local jurisdictions.

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Utility Taxes	If all available taxes increase by 0.5% then up to \$1.9M annually	NA	Existing business and residential	X	X	-Use is unrestricted
Impact Fees	Transportation Impact Fee – Could go up to \$8000 per latest TFP – add \$4M annually Fire and/or Parks (no estimates)	NA	Developers		X	-Transporation restricted to capacity projects
Local Improvement District	NA	Any increment of special benefit	Existing residential and business property owners		X	-Requires a formal process -Bonds must be repaid, typically over 20-years
Parking Tax	Can be levied on a per stall, per vehicle, or gross receipts	NA	People who park vehicles	X	X	-Use restricted to transportation or transit purposes (RCW 82.80.070.)
Regional Fire Authority	NA	Property tax up to \$0.50/\$1000 AV Special Benefit Charge	Property owners (residential, business and developers)	X	X	-Requires a formal process -District can levy benefit charges, property taxes or a combination of both
Public Facility District	NA	Sales and use tax not to exceed 0.2%	Sales tax – all consumers (residential, business, developers, visitors)	X	X	-Requires a formal process -May be used for financing, design, acquisition, construction, equipping, operating, maintaining, remodeling, repairing, and reequipping public facilities
Grants	NA	NA	Depending on the Grant requirements	X	X	-Must be project specific -Requires addition of new discrete projects in the CIP