



City of Tacoma

City Council Action Memorandum

TO: Hyun Kim, City Manager
FROM: Kurtis D. Kingsolver, P.E., Interim Public Works Director *KDK*
Joseph M. Franco, Special Assistant to the Director, Public Works
COPY: City Council and City Clerk
SUBJECT: Resolution – Placing Utility Tax and Property Tax Proposition on August 4, 2026, Primary Election
Ballot – April 21, 2026
DATE: April 16, 2026

SUMMARY AND PURPOSE:

A resolution replacing and superseding Resolution No. 41890 and transmitting a proposition to the Pierce County Auditor to be placed on the ballot for the Primary Election on August 4, 2026, related to the **Connect Tacoma: Safe Streets and Sidewalks Levy**, that would authorize a 1.5% increase in utility earnings tax and property tax increase of \$0.20 per \$1,000 of assessed property value, to secure funding over a 10-year period to improve, maintain, repair, and enhance Tacoma's streets, sidewalks, and multimodal infrastructure, ensuring improved pedestrian safety, accessibility, and connectivity.

BACKGROUND:

This Department's Recommendation is Based On:

Tacoma's transportation system is a critical public asset that supports safety, mobility, and economic vitality. Since 2015, voter-approved investments through the original Streets Initiative have resulted in significant improvements, including the repair and maintenance of over 5,600 residential street blocks, arterial street improvements, expanded pedestrian and bicycle infrastructure, and enhanced safety features such as crossings and traffic calming.

Despite this progress, substantial needs remain. The City's pavement condition data shows continued deterioration of arterial streets, while sidewalk gaps, accessibility barriers, and safety risks persist across the transportation network—particularly in historically underserved areas. With the expiration of current Streets Initiative funding at the end of 2025, the City faces a critical need to sustain and expand investments.

The **Connect Tacoma: Safe Streets and Sidewalks Levy** builds on past success while reflecting a more transparent and strategic approach. Rather than relying on a fixed project list, the proposal uses a data-driven and equity-focused framework to prioritize investments based on safety, system preservation, connectivity, and community need.

The proposed 10-year Levy is anticipated to generate \$200 million of local funding combined with an expected \$90 million in grant funding as well as \$30 million in partnership funding for an approximate \$320 million program that is organized into three investment categories:

- **Better Neighborhood Streets (approximately \$85M | 26%)** – Enhancing the quality of neighborhood streets and nearby spaces.
- **Safe Streets for Everyone (approximately \$159M | 50%)** – Improving our busiest streets and key arterials.
- **Improve Connections (approximately \$76M | 24%)** – Easier access to transit, schools, and neighborhood business districts.



This approach ensures that Tacoma can continue making measurable progress while remaining flexible to respond to changing conditions and opportunities, including leveraging an estimated \$120 million in additional grant and partnership funding. In 2025, voters considered a successor measure to the original Streets Initiative. While that measure was not approved, it provided valuable community insight. Feedback emphasized the need for a clearer investment strategy, stronger alignment with community priorities, and greater transparency around how funds would be used and what residents could expect to see.

The Connect Tacoma: Safe Streets and Sidewalks Levy reflects these lessons by introducing a simplified, three-category investment framework focused on safety, neighborhood improvements, and connectivity, along with a more transparent and accountable approach to project prioritization and delivery.

On April 14, 2026, the City Council adopted Resolution No. 41890 authorizing the Connect Tacoma ballot proposition to be transmitted to the Pierce County Auditor to be placed on the August 4, 2026, Primary Election ballot. A question was raised during the presentation to the City Council regarding how the public can be assured that if the voters approve the proposition, the funds will be used for three categories of improvements described in the presentations. The proposed resolution would add a requirement that all revenues derived from the increase in taxes, should the measure pass, together with additional funding through grants and partnership agreements leveraged with those funds, would be invested in three primary areas of improvements: (1) better neighborhood streets, (2) safer streets for everyone, and (3) improved connections. The proposed resolution would also change the maximum levy rate from \$1.78 set forth in Resolution No. 41890 to \$1.95 per \$1,000 of assessed value. If assessed values go down, the tax rate would increase and could potentially go above \$1.78 per \$1,000 assessed value for collection in 2027 in order to collect the total amount of property tax revenue the City wishes to generate in the upcoming year. The maximum levy rate set forth in Resolution No. 41890 did not account for this potential decrease in property values and needs to be adjusted. Council adoption of the superseding and replacement resolution is sought to allow the City to submit a proposition for the August 4, 2026, Primary Election ballot for the levy lid lift to approve the ballot title below:

CITY OF TACOMA
PROPOSITION 1
FUNDING TRANSPORTATION SAFETY IMPROVEMENTS

The Tacoma City Council adopted Connect Tacoma: Safe Streets and Sidewalks Resolution No. 41894 concerning increases in utility and property taxes for street improvements.

This measure funds safe streets, school routes, pothole repairs, paving, sidewalks, maintenance, traffic safety, neighborhood connections, by levying an additional 1.5% utility tax on natural gas, electric, phone utilities for 10 years beginning 2027; increasing the regular property tax levy for 10 years by \$0.20/\$1,000 to a maximum rate of \$1.95/\$1,000 assessed value for 2027 collections; using the 2027 levy amount to calculate subsequent levies through 2036 (RCW 84.55). Qualifying seniors and others are exempt (RCW 84.36.381).

Should this proposition be approved?

Approved..... []
Rejected..... []



COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The Connect Tacoma proposal has been shaped through extensive community engagement, including a four-meeting **Community Levy Committee (CLC)** process conducted in February-April 2026, as well as a community-wide **Listening Session and Open House** held on April 2, 2026.

The Community Levy Committee included a diverse group of stakeholders representing neighborhoods, business, labor, accessibility advocates, and multimodal transportation interests. This group provided input on investment priorities, funding structure, and messaging.

Community members most affected by this proposal include Tacoma residents, property owners, businesses, commuters, and individuals who rely on safe and accessible transportation options, particularly those in historically underserved neighborhoods.

Key themes from engagement included:

- Strong support for prioritizing safety and reducing traffic-related fatalities and serious injuries
- The need to balance investments between neighborhood streets and major arterial corridors
- Frustration with incomplete sidewalks and disconnected transportation networks
- Desire for equitable investment across geographic areas
- Interest in clear expectations, transparency, and visible outcomes

The three investment categories were refined based on this feedback and reflect a clearer, more community-centered framework.

Targeted outreach efforts ensured inclusion of underrepresented communities, including engagement with communities of color, individuals with disabilities, and residents in areas identified through the City's Equity Index as having lower access to opportunity.

In addition to community engagement, the City conducted two scientific surveys in 2024 and early 2026 to better understand resident priorities and test potential funding approaches.

Residents expressed strong concern about transportation conditions in Tacoma, with street and sidewalk repairs—including potholes—emerging as the top issue. This concern is reflected in the fact that the vast majority of respondents rated the quality of Tacoma streets as fair or poor, highlighting a widespread negative perception of current conditions. At the same time, there is broad agreement on the need for safety improvements, with a clear majority stating that the City should do more to improve safety for all street users. Encouragingly, there is growing openness to investment, as a majority of respondents indicated that maintaining safe and well-functioning streets is important, even if it requires additional funding. Across responses, accountability emerged as a critical factor, with the strongest drivers of support including commitments to local spending, annual reporting, and leveraging outside funding sources.

Compared to prior survey results from 2024, the 2026 findings indicate improved public support, a stronger understanding of transportation needs, and greater alignment around safety and infrastructure investment. These findings directly informed the development of the Connect Tacoma proposal, including its focus on safety, clear investment categories, and an emphasis on transparency and accountability.



2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The Connect Tacoma levy directly advances equity by prioritizing investments in areas with the greatest infrastructure needs and highest safety risks, as identified through the City's Equity Index and crash data. Investments in sidewalks, ADA accessibility, and safer crossings will reduce barriers to mobility for historically underserved populations, including lower opportunity, low-income households, seniors, and individuals with disabilities.

Economy/Workforce: *Equity Index Score: Very Low Opportunity*

Increase the number of Tacoma households that have livable wage jobs within proximity to the city.

Increase the number of infrastructure projects and improvements that support existing and new business developments.

Civic Engagement: *Equity Index Score: Very Low Opportunity*

Representation at public meetings will reflect the diversity of the Tacoma community

Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Livability: *Equity Index Score: Very Low Opportunity*

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Increase positive public perception of safety and overall quality of life.

Explain how your legislation will affect the selected indicator(s).

The Connect Tacoma levy will improve access to jobs, schools, and essential services by enhancing transportation infrastructure across the city. Investments in safer streets and expanded multimodal options will improve mobility and reduce transportation barriers, particularly in underserved communities. Infrastructure investments will also support job creation and local economic activity, while transparent reporting and continued community engagement will strengthen public trust and civic participation. Improvements to safety and accessibility will enhance overall livability and quality of life for Tacoma residents.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. No Action	No impact on current tax rates for residents	Continued deterioration of streets and sidewalks; reduced safety; loss of grant funding opportunities; reduced service levels
2. Delay ballot measure	No impact on current tax rates for residents	Continued deterioration of streets and sidewalks; reduced safety; loss of grant funding opportunities; reduced service levels
3. Reallocate Existing Funds	No impact on current tax rates Avoids new taxes	Reduces funding for other essential City services; insufficient to meet infrastructure needs



EVALUATION AND FOLLOW UP:

Success will be measured through:

- Improvements in Pavement Condition Index (PCI)
- Reduction in traffic-related fatalities and serious injuries
- Completion of sidewalk, ADA, and multimodal projects
- Amount of external grant funding leveraged

The Public Works Department will provide annual reports to City Council and the public, maintain a public-facing dashboard to track progress, and conduct a mid-program evaluation to assess performance and adjust priorities as needed.

STAFF/SPONSOR RECOMMENDATION:

The Public Works Department recommends that the City Council adopt a resolution placing the **Connect Tacoma: Safe Streets and Sidewalks Levy** on the August 4, 2026, Primary Election ballot. This action will secure long-term, stable funding for the next 10 years to maintain and improve Tacoma's transportation system, enhance safety, and support equitable access and economic vitality.

FISCAL IMPACT:

The proposed 10-year Levy is anticipated to generate \$200 million of local funding combined with an expected \$90 million in grant funding as well as \$30 million in partnership funding for an approximate \$320 million program, which is approximately **\$32 million annually** over a 10-year period.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. New Sub-Fund	TBD	Various	
2. New Sub-Fund	TBD	Various	
TOTAL			Approx. \$32,000,000 annually

What Funding is being used to support the expense?

Revenue generated from the proposed utility earnings tax and property tax levy as well as grant and partnership funds.

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

If approved by voters, revenues and associated expenditures will be incorporated into future biennial budgets.

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

YES

Will the legislation change the City's FTE/personnel counts?

YES, PLEASE EXPLAIN BELOW

If not approved, current Streets Initiative funded positions will be affected.