



Taking Care of What We Have

Factsheet on Mayor's Commission on Street Funding Recommendation

Inadequate Funding for Taking Care of Streets

Pavement conditions are declining citywide, and current funding can't keep up. Vancouver has a nearly \$130 million backlog of repairs and reconstruction, projected to reach about \$250 million in 20 years.

Local funding to upgrade substandard major streets is nearly exhausted. There is limited, inadequate funding to improve mobility, safety or replace worn-out street lights, traffic signals or city-owned bridges. Without matching local funds, the City cannot apply for grants.

Landscape maintenance of City-managed medians and rights of way was cut during the 2009 recession. Citizens and businesses have expressed growing concerns with the results and how it reflects on the City's image.

Streets Funding Commission Recommendation

The Mayor's Commission on Streets Funding recommends increasing funding to improve pavement conditions, enhance safety and mobility, and upgrade substandard core streets, in addition to returning median maintenance and sweeping of major streets to pre-2009 levels.

New street funding revenue would come from a new vehicle license fee, and increases in the business license surcharge and the tax included on City-owned utilities. Also contributing to funding for streets will be new state gas tax revenue expected for Vancouver, and the use of funds from retired debt service on past road projects.

Demonstrated public transparency, accountability and progress are critical components of this recommendation.

Additional Streets Funding Revenue Details:

- **Vehicle License Fee:** Owners of vehicles registered in Vancouver would pay a \$20 license fee in 2016, increasing to \$40 in 2018. For more information about vehicle license fees and exemptions, see www.cityofvancouver.us/betterstreets.
- **Business License Surcharge:** Businesses licensed in Vancouver would pay an additional \$10 (to the current \$50) per employee fee in 2016, increasing to an additional \$20 per employee in 2018. (Note: The cap is 400 employees, and businesses with less than \$12,000 annual gross receipts are exempt.)
- **Utilities Tax:** All customers of City water, sewer, stormwater and garbage utilities would pay an additional 1.5 percent increase to the current 20 percent tax. For the typical residential household within the City of Vancouver, that would amount to about \$1.64 more per month, or approximately \$20 more per year, in total water, sewer, stormwater and garbage costs.
- **Gas Tax:** In 2015, the state Legislature raised the gas tax and Vancouver's share of new revenue is estimated to be about \$200,000 in 2016, increasing to \$450,000 in 2018.
- **Debt Service Retirement:** As loans are paid off from previous road construction projects, these funds will be utilized for streets funding on a pay-as-you-go approach to making improvements.

Recommended Allocation of Additional Street Funding Revenues (\$ in Millions)						
	2016	2017	2018	2019	2020	2021
Taking Care of What We Have						
Maintain Right of Way and Arterial Sweeping	\$0.20	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
Pavement Preservation	\$1.00	\$3.40	\$3.60	\$3.50	\$3.95	\$4.00
Pavement Reconstruction				\$0.50	\$0.60	\$1.10
Asset Replacement	Note 1	\$0.20	\$0.20	\$0.20	\$0.35	\$0.40
Improving the System						
Mobility, Accessibility, Safety, Neighborhood Improvements (Note 2.)	Note 1	\$0.60	\$0.60	\$0.60	\$0.60	\$0.70
Arterial Corridor Improvements (Note 3.)	Note 1	\$3.40	\$3.50	\$3.50	\$3.60	\$3.60
<i>Note 1. Implement the 2016 Transportation Improvement Program with Existing Resources</i>						
<i>Note 2. Locally funded Projects With Limited Potential to Leverage with Competitive Grants</i>						
<i>Note 3. Local Dollars to Leverage with Competitive Transportation Grants</i>						

Additional Street Revenues (\$ in Millions)						
	2016	2017	2018	2019	2020	2021
Vehicle License Fee (Fee Amount)	\$20	\$20	\$40	\$40	\$40	\$40
Vehicle License Fee (Est. Revenue)*	\$1.2M	\$2.4 M	\$3.6 M	\$4.8 M	\$4.8 M	\$4.8 M
Business License Surcharge (Fee Increase)	\$10	\$10	\$20	\$20	\$20	\$20
Business License Surcharge (Est. Revenue)	\$0.44M	\$0.44M	\$0.88M	\$0.88M	\$0.88M	\$0.88M
Utility Tax on City Utilities (Increase)	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Utility Tax on City Utilities (Est. Revenue)	\$1.5 M	\$1.5 M	\$1.5 M	\$1.5 M	\$1.5 M	\$1.5 M
Additional Gas Tax (Est. Revenue)	\$0.20M	\$0.20M	\$0.45M	\$0.45M	\$0.45M	\$0.45M
Debt Service Retirement	\$1.00M	\$1.00M	\$1.00M	\$1.40M	\$2.20M	\$2.90M
<i>* Note: The Department of Licensing has advised that revenue from the license fee begins to be collected six months after the fee is established by the Transportation Benefit District.</i>						



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