

FAQ



Shoreline Transportation Benefit District Proposition 1: Sales and Use Tax for Sidewalk Improvements

What is the Shoreline Transportation Benefit District (TBD)?

In 1987, the Washington State Legislature passed a law allowing cities to establish Transportation Benefit Districts (TBDs) as an option to fund transportation improvements. The sole purpose of a TBD is to fund transportation improvements.

The Shoreline City Council created the Shoreline Transportation Benefit District in 2009. Soon after, the TBD set an annual \$20 per vehicle license fee (VLF) to help pay for pavement management on City streets. On June 4, 2018, the City Council authorized an additional \$20 VLF to help fund sidewalk repairs and retrofits.

What authority does the TBD have to increase the sales and use tax?

Under RCW 36.73.040(3)(a), the State Legislature has authorized TBDs to impose a sales tax up to 0.2% with voter approval.

How much would a 0.2% sales tax increase a typical purchase?

A vote to approve Proposition 1 will authorize an additional retail sales and use tax of two-tenths of one percent (0.2%) of the selling price, increasing overall sales tax in Shoreline from 10.0% to 10.2% for a period of twenty years. This increase would add two cents to every ten dollar purchase of taxable goods or services within the city.

Would the additional sales tax be permanent?

No. The additional sales and use tax would end in twenty years.

What sidewalk projects will this sales tax increase fund?

Resolution 430 identifies 12 high priority sidewalk projects that were identified through a public process and are part of the 2018 Sidewalk Prioritization Plan, as well as the City's Pedestrian Plan. The projects that the City would construct if Shoreline voters approved Proposition 1 are:

<u>Project #*</u>	<u>Street</u>	<u>From</u>	<u>To</u>
98	15th Ave NE	NE 150th St	NE 160th St
57	Meridian Ave N***	N 194th St	N 205th St
21	8th Ave NW	North side of Sunset Park	Richmond Beach Rd NW
34	Dayton Ave N**	N 178th St	N Richmond Beach Rd
73	19th Ave NE	NE 196th St	NE 205th St
58	1st Ave NE	NE 192nd St	NE 195th St
40	Westminster Way N	N 145th St	N 153rd St
74	Ballinger Way NE***	19th Ave NE	25th Ave NE
35b	Dayton Ave N	N 155th St	N 160th St
85	5th Ave NE**	NE 175th St	NE 185th St
48	Linden Ave N	N 175th St	N 185th St
4	20th Ave NW	Saltwater Park entrance	NW 195th St

*The Project Number is assigned in the 2018 Sidewalk Prioritization Plan

**Two sides of the street (Bus Route)

***Puts sidewalk on second side (Bus Route)

Current projections show that the money collected from an increase in the sales and use tax will exceed the cost to construct the above listed high-priority projects. If this occurs, once the above listed projects are completed, the City Council will fund additional sidewalk projects using the [2018 Sidewalk Prioritization Plan \(shorelinewa.gov/2018-sidewalk-prioritization-plan\)](http://shorelinewa.gov/2018-sidewalk-prioritization-plan) and [Prioritization Matrix \(shorelinewa.gov/sidewalk-prioritization-matrix\)](http://shorelinewa.gov/sidewalk-prioritization-matrix) as a guide. Council may also choose to use available funds to expedite repair and maintenance of existing sidewalks. All monies generated through the ballot measure must be used to support the City’s sidewalk program.

Can the City use the money collected for anything other than sidewalks?

No. The City can only use the funds collected from the increased sales and use tax for sidewalk and pedestrian improvements, whether by constructing new sidewalks or repairing and maintaining existing sidewalks.

How much money will the increased sales and use tax generate?

A rate of 0.2% would generate approximately \$2 million in the first year and \$59 million over the twenty-year period based on sales tax collection projections. While the model is conservative, it only provides an estimate; it is not built to predict specific ups and downs in the economy, which can significantly affect sales tax collections.

The following table reflects the estimated revenue generated by the ballot measure over the twenty-year period, and the estimated average annual cost per household:

Increased Sales and Use Tax Rate	Estimated Revenue Over 20 Years	Average Annual Cost Per Household*
0.2%	\$59 million	\$81

What is Shoreline’s sales tax rate compared to other cities?

The following table reflects the current sales tax rates of Shoreline and its neighbors:

Sales Tax Rates of Jurisdictions Surrounding Shoreline as of June 2018	
City/Town	Sales Tax Rate
Lynnwood	10.4%
Edmonds	10.3%
Mountlake Terrace	10.3%
Woodway	10.3%
Seattle	10.1%
Kenmore	10.0%
Lake Forest Park	10.0%
Shoreline	10.0%