



## ***Kalama City Council - Council Agenda Item Information Form***

**Agenda Item: New Business – 6C**

**Meeting Date**            September 5, 2019

**Prepared by:**            Coni McMaster, Clerk/Treasurer

**Subject:**                    Councilmanic Bond for Street Improvements

**Summary:**                The City has been reviewing the needed street improvements for the neighborhood and non-arterial streets throughout the City. The City has been utilizing the Vehicle Tab fees of \$40 to fund the Transportation Benefit District and make these street repairs, but has only been able to do smaller projects. If the City were to take out a Bond for a period of 10 to 15 years for \$1 million or \$1.5, they could do a couple of major projects to address a couple of the worse areas (North Second Street as an example) and then keep making progress on other smaller sections of neighborhood streets in future years. The Bond could be repaid with the existing funding from the Transportation Benefit District. There is the issue of I-976 being on the ballot which will make it so the City could no longer implement the vehicle tab fee, but the fees already in place would remain if the fees are being used to fund debt service. Once the debt is paid off, the vehicle tab fees would end under I-976.

### **Recommendation**

**Included in the Current Year's Budget    YES    NO    If No – Fiscal Impact:**

**Funding Source if not included in the current Budget**

**Alternatives:**        Should I-976 pass in November, the City will no longer have a funding source for local street improvements. There is an option to put a .02 sales tax proposal before the voters for approval in 2020 to be used only for street improvements. Without the existing funding source or the sales tax option, the City will not have the funds to make neighborhood street improvements on a regular basis in the future.

**► Draft/Suggested Motion:**