



# Communicate now with your legislators

*We must maintain our cities' fiscal health.*

*It's time to invest in healthy cities.*

## Cities are caught in a perfect financial storm.

- Health care costs risen by 135% since 1994, outpacing inflation and city revenue growth.
- Rate of property tax dollar growth is not keeping up with inflation. Cities receive 13% of each property tax dollar, compared to 23% for the state and 32% for local schools.
- Impact of Initiatives 695, 747 and 776 is a cumulative \$1.2 billion loss to cities by 2007.

## Legislative solution:

- Allocate state funding to struggling cities and towns. Cities that have the right economic development tools and circumstances can grow out of their fiscal problems. But cities with lower resident income bases, physical barriers for growth or geographic limitations need state funding.
- Provide greater fiscal flexibility at the local level.

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## Cities are falling dangerously behind in maintaining city streets and bridges.

- Transportation improvements are at a standstill.
- Lack of maintenance for streets and arterials results in skyrocketing costs that double every 10-15 years.
- Cities make a substantial investment in transportation: nearly 70% of roadway improvements are locally financed.
- Cities haven't seen a direct gas tax revenues increase since 1990! Per capita distributions have fallen from over \$24 in 1991 to less than \$15 in 2002.

## Legislative solution:

- Obtain at least 5 cents in new gas tax distribution as part of a statewide package and additional state grant funding.
- Authorize local transportation funding options.
- Refund the small city pavement preservation program
- Establish permanent funding for freight mobility.

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## Washington's economic health begins at the local level. Additional tools are needed to spur economic growth in cities.

- 61% of the state's population lives in cities, and 90% of the state's GDP is generated by businesses in cities.
- Cities own and operate over 25% of the transportation roadway system.
- Cities responding to AWC's State of the Cities survey report deterioration in key services that attract economic development: 79% see declines in street maintenance; 62% provide less park maintenance; 40% experience a reduction in police protection.
- Seven out of ten cities delayed capital spending since 1998 to balance their budgets.

## Legislative solution:

- Secure technical and financial help from the state for downtown economic development programs.
- Create a new capital facilities strategic investment fund that provides state financial assistance for costly local infrastructure projects. These projects create new jobs, retain existing jobs, and stimulate community and economic development.
- Extend the 10-year property tax exemption for new, rehabilitated or converted multi-family projects.
- Clarify the cities' and counties' ability to enter into economic development projects with other entities.

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## Cities are making the tough choices already:

- Tapped reserves.
- Cut key services.
- Raised user fees for popular services.

**The state and cities must renew our partnership and shared responsibility to strengthen Washington's economy and preserve our quality of life.**