



2005

# State of the Cities Key Facts

Critical findings from an extensive analysis of the fiscal needs and service challenges to Washington's cities.

## Population shift to cities

61% of Washington's population lives in 281 cities and towns – up from 52% in 1990.

## City growth outpacing state

39% growth in people living in Washington cities between 1990-2000, compared to 21% population growth in Washington State. Virtually all of Washington's growth in the last 13 years took place in cities.

## Cities and public safety

Cities employ 67% of local law enforcement and 65% of fire personnel in Washington.

## City water utility costs

City water utilities provide 79% of the state's domestic water.

## City personnel costs

60% of average city budget covers personnel wages and benefits.

## Health care costs to cities

Health care costs to Washington cities have risen by 135% since 1994 – outpacing inflation and city revenue growth and are expected to rise 10-15% annually for the next several years.

## City share of property tax dollars

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.

## Infrastructure needs v. resources

Utilities have reached the point where rate increases can no longer be absorbed by low and moderate income communities. These cost increases are triggered by federal mandates.

City needs for domestic water, sanitary sewer and storm water will increase by 40%, to \$3.24 billion (2004-09), further widening the gap between city resources and demand. (67)

## GMA & local governments

The population of Washington State is projected to grow by more than 1.7 million by 2025. The Growth Management Act requires local governments in 29 counties to plan for and accommodate their share of that population growth. It's anticipated that most of the growth will take place in cities.

## Public works funding needs

Cities are exhausting the capacity of state programs like the Transportation Improvement Board (TIB) which offers cities grants with local matches. TIB revenues are limited – only \$1 was granted for every \$8 requested.

The Public Works Trust Fund (PWTF) is only able to meet half of the cities requests for loans. PWTF received 91 applications from cities for the 2004 construction cycle requesting \$292m. 47 projects were approved totaling \$154m.

## Impact of MVET elimination

\$100 million annual loss to cities.

## Impact of I-695, I-747 & I-776

Cummulative \$1.2 billion loss to cities by 2007.

## City streets & Washington's economy

60% of the state's population lives along 16,190 miles of city streets and 90% of the state's GDP is generated by businesses that use these streets.

## City streets funding

Washington's cities pay for over two-thirds (69%) of their transportation funding. Only 16% comes from the state gas tax.

## Reduction in gas tax distribution

40% decrease in per capita state gas tax distributions over the past 12 years.

## Transportation funding shortfall

1998 legislative study showed Washington cities facing a \$2.42 billion shortfall in transportation infrastructure funding.

## Transportation costs of doing nothing

Lack of maintenance for streets and arterials results in skyrocketing costs that double every 10-15 years.