



COUNCIL STAFF MEMORANDUM

CITY COUNCIL *of* SALT LAKE CITY

TO: City Council Members

FROM: Russell Weeks
Public Policy Analyst

DATE: January 8, 2015 at 10:57 AM

**RE: RESOLUTION OPTIONS SUPPORTING
INCREASED FUNDING FOR
TRANSPORTATION AND TRANSIT**

PROJECT TIMELINE:

Briefing: January 13, 2015

Set Date: N/A

Public Hearing: N/A

Potential Action: January 20,
2015

Council Sponsor: Legislative Item

ISSUE AT-A-GLANCE

This memorandum contains a menu of potential elements for the City Council to use in a resolution supporting increased funding for highway, road, and transit improvements regionally and within Salt Lake City. If the City Council adopts a resolution, it would add to resolutions adopted in other municipalities that also support increased funding for transportation and transit improvements. The resolutions will be presented to the Utah Legislature when it convenes January 26.

The resolutions also are part of an effort by the Utah Transportation Coalition which is affiliated with the Salt Lake Chamber, and the Utah League of Cities and Towns, and the Association of Utah Counties.

Formal consideration of a resolution tentatively is targeted for the City Council meeting January 20.

Goal of the briefing: To have the City Council arrive at language to use in a resolution supporting funding increases for transportation and transit.

ADDITIONAL & BACKGROUND INFORMATION

The City Council discussion is intended to focus on elements of the resolution that would outline the City Council's goals for funding transportation and transit, regionally and locally. Those elements are contained under the sub-head *Element Options*. Several options have appeared in previous memoranda or drafts.

The goals are intended to support the City Council's earlier positions on transportation and transit, including:



City Council policy since 1994 to consider neighborhoods – residential and commercial – as the building blocks of the community, and to focus on ways to transport people to their desired locations, but not at the expense of neighborhoods.¹

The City Council’s vision for transportation and mobility includes residents reaping the value of well-designed transportation systems that connect residents to neighborhoods and the rest of the region, and the City coordinating with transportation agencies and other municipalities to improve the movement of people throughout Salt Lake City.²

The reason for adopting the resolution involves three things. First, after several years of study and hearings, the Legislature appears ready to enact some form of revenue increase for transportation, possibly including transit.³ Second, the cost of oil has dropped more than 50 percent since June, making the time appropriate for a potential government tax on fuel.⁴ **Third, Utah’s population is projected to continue growing.**

The most recent demographic studies show that 91 percent of Utahans live in urban areas.⁵ Salt Lake City is the most urban place to live and work in Utah, and it is built on a street grid proven to accommodate multiple forms of transportation. If the Legislature enacts tax increases that would be allocated to transportation and transit, and if Salt Lake City receives a portion of an increase, the most immediate result probably would be more money to allocate for streets and other projects. Long-term, an increase made available to Salt Lake City would help the city to better prepare for the higher numbers of people expected to work and live in the city.

ELEMENT OPTIONS

- I.) The Utah Legislature should provide or authorize adequate funding to implement *Utah’s Unified Transportation Plan*, by providing adequate increased funding for state transportation needs, local transportation needs, and for transit needs.⁶ *(Previously suggested by Lynn Pace; also supported by the Mayor.)*
- II.) That any legislation increasing funding to implement the *Unified Transportation Plan* should provide for municipalities to determine how those funds are spent in each municipality. *(Previously suggested by Council Members Luke, Mendenhall, and Penfold.)*
- III.) That any legislation increasing funding to implement the *Unified Transportation Plan* should dedicate a portion of the funds specifically for transit such as bus and local rail service. *(Previously suggested by Council Members Mendenhall and Penfold; also supported by the Mayor.)*
- IV.) That any legislation increasing funding to implement the *Unified Transportation Plan* should provide a revenue source more stable than sales tax, or at least a legislative intent to seek a source more stable than sales tax to fund transportation. *(Previously suggested by Council Member Garrott.)*
- V.) Variations of I, II, and IV:
 - a. The Utah Legislature should provide or authorize adequate increased funding to meet regional and local transportation needs, including regional and local transit.
 - b. Any legislation increasing funding for local transportation and transit should provide for municipalities to determine how those funds are spent in each municipality.
 - c. Any legislation increasing funding for regional and local transportation and transit should provide a revenue source more stable than sales tax, or at least a legislative intent to seek a source more stable than sales tax.
- VI.) Include all or parts of the recommendations in the attached resolution by the Utah League of Cities & Towns which reads:

We the members of the Utah League of Cities and Towns recommend that the Utah State Legislature carefully consider the follow comprehensive approach:

1. A statewide, local option one-fourth-cent sales tax dedicated to transportation. This statewide, local option sales tax would provide additional critical transportation infrastructure funding for cities and towns to invest in the new transportation paradigm and reduce the impact of growth or aging transportation infrastructure on municipal general funds.
2. The one-fourth-cent sales tax for transportation would generate the approximately \$3 billion between now and 2040 and could meet the priority needs identified in the ***Unified Transportation Plan***.
3. Clarify and expand the definition for what transportation funds can be used to reflect both the diversity of transportation options in cities and town and the demand from our residents for more active transportation options. Under current state law, B&C revenues via the motor fuel tax may only be spent on B&C roads and on transportation modes within B&C rights of way. The new definition could include transit, sidewalks, trails, bridges, signage, road safety, tunnels, bicycle paths, and other modalities outside of B&C rights of way. Investing in trails, sidewalks, and bike paths will result in Utahans living more active and healthy lifestyles and thus decreasing healthcare costs and improving quality of life. Investing in transit, trails, and bike paths will also help improve the air quality because it will reduce the quantity of motor vehicles on the roads.
4. Raise the traditional statewide motor fuel tax and include an indexing component so that the motor fuel tax could keep pace with inflation.

Cc: Cindy Gust-Jenson, David Everett, Margaret Plane, Lynn Pace, Jennifer Bruno, Jill Love, Boyd Ferguson, Holly Hilton, Mary De La Mare-Schaefer, DJ, Baxter, Matt Dahl, Allison Rowland

File Location: Legislature, Transportation, Utah League of Cities & Towns

¹ *Citywide Transportation Philosophy*, Page F-1, *Council Member Policy Manual*.

² Resolution No. 33 of 2012, *Philosophy Statement on Transportation and Mobility*, adopted August 14, 2012

³ *Legislators: Utah tax hikes coming for gas, roads, transit*, Lee Davidson, *The Salt Lake Tribune*, January 6, 2015.

⁴ *Oil Snaps Four-Day Losing Streak after U.S. Crude Stockpiles Drop*, Reuters, January 7, 2015.

⁵ Natalie Gochnour, presentation at Urban Land Institute's Utah's Annual Trends, November 20, 2014.

⁶ The full title of the plan is *Utah's Unified Transportation Plan 2011-2040*. The plan "reflects Utah's approach to providing transportation choices to its residents, responding to the anticipated population and job growth and maintaining and preserving systems" already in place. It contains a compilation of metropolitan planning organization plans stretching from Cache County to Washington County. The *Wasatch Choice for 2040* plan is summarized in the *Unified Transportation Plan*, but is only one of five plans summarized in the statewide document.