KENT CHAMBER
OF ✦ COMMERCE

November 23, 2015

City Councilmembers:

We want to thank you for continuing to have conversations about the Business & Occupation Tax (B&O Tax). We continue to be alarmed regarding the management of this tax. We have rehashed this issue multiple times with the City and maintain that the Kent Chamber was presented a list of projects that were in such dire need of repair that we had no other choice than to become part of the solution by agreeing to a B&O Tax. In multiple presentations and conversations it has been stated that key arterial roads were declining and that as we continue to let that infrastructure crumble due to a lack of funds, the more expensive the repairs become, eventually leading to an entire road replacement.

We supported Council President Dana Ralph's amendment to the ordinance that gives a 2 year window to pay down debt with any B&O funds above the original agreed upon numbers of staff costs ($700K) and the $4.7 million to street maintenance in May of 2015. We understand that this debt will be paid down at the end of 2015 and for the next year B&O funds will again be diverted from arterial street projects to city projects that have nothing to do with our city's crumbling arterial infrastructure, which the B&O Tax was meant to address. We ask that this ordinance again be reviewed to make sure that B&O funds are used for the original intent of the tax, street paving, not to be spread over the City budget to pay for projects that have nothing to do with street paving.

Kent Chamber of Commerce was presented with the threat of road closures and skyrocketing costs for repair if something was not done. We recognized this funding need and our responsibility and collaborated with the City to find the solution of a B&O tax which we supported at minimal levels for arterial roads only. However, since the passage of the B&O tax it has been a continuous dialogue with the City to prevent multiple attempts to divert funds to additional projects and raise the B&O tax. As the years go by those priority projects that were identified for the original tax continue to deteriorate multiplying the cost of repair. Of the projects presented for B&O Tax use in 2016 almost $2 million in project costs have nothing to do with the original issue that was presented to the business community including:

- $950K in contracting work for pavement markings, overhead sign replacement, guardrail replacement, traffic island rehab, crack sealing, additional sidewalk ramp upgrades
- $765K in Sidewalk replacement and Sign Retro-reflectivity and another residential road project on Gowe and Kennebeck Ave
- $200K in Traffic Loop Replacement and Traffic Signal Controlling

Diverting $1,915,000 from the 4,615,000 of proposed B&O funds to projects that have nothing to do with the crumbling infrastructure that we were presented with in the first place violates the very essence of the agreed upon B&O Tax and continues to compound the problem we are facing with our key arterial and freight mobility infrastructure.

The Kent Chamber took an unprecedented stance when we worked through the difficult budget for street maintenance. We operated in good faith to come up with a solution to fix our crumbling arterial infrastructure when we moved forward with the City with the implementation of the B&O Tax for street maintenance.

Attached is the presentation from the City of Kent regarding the project list discussion at our meetings leading up to the implementation of the B&O Tax. The Kent Chamber maintains that this is the project list we were presented and that we were lead to believe that we were funding with the B&O Tax.

We have made multiple concessions in the years after the implementation of the B&O Tax including the crumbling of the 3 legged stool to fund streets which included:

- B&O Tax for street maintenance for arterial roads
- A property tax levy for residential streets that failed
- An efficiency study of the city that yielded no savings.

The fundamentally flawed and heavily burdensome B&O Tax on the business community is the only funding mechanism for street maintenance that is in place today. In addition to the destruction of the three legged stool many issues arose including:

- Failure of the City of Kent to continue to fund street projects at the rate it was previously funding them, $1 million annually as agreed upon.
- Borrowing of the B&O Tax funds for projects not on the list of arterials that were threatened to be shut down if not repaired, thus diverting much needed capital to start working on the agreed upon project list.
- A disintegration of the original project list that was presented to the business community and a failure to honor that list. It was our understanding throughout the conversations that these projects were to be completed right away to avoid dire, road closing circumstances. Unfortunately, the majority of these projects have not been addressed to date.

We ask, again, that the B&O Tax be used for its original purpose for street maintenance on arterial roads. Please stop diverting these much needed funds.

Best Regards,

Andrea Keikkala
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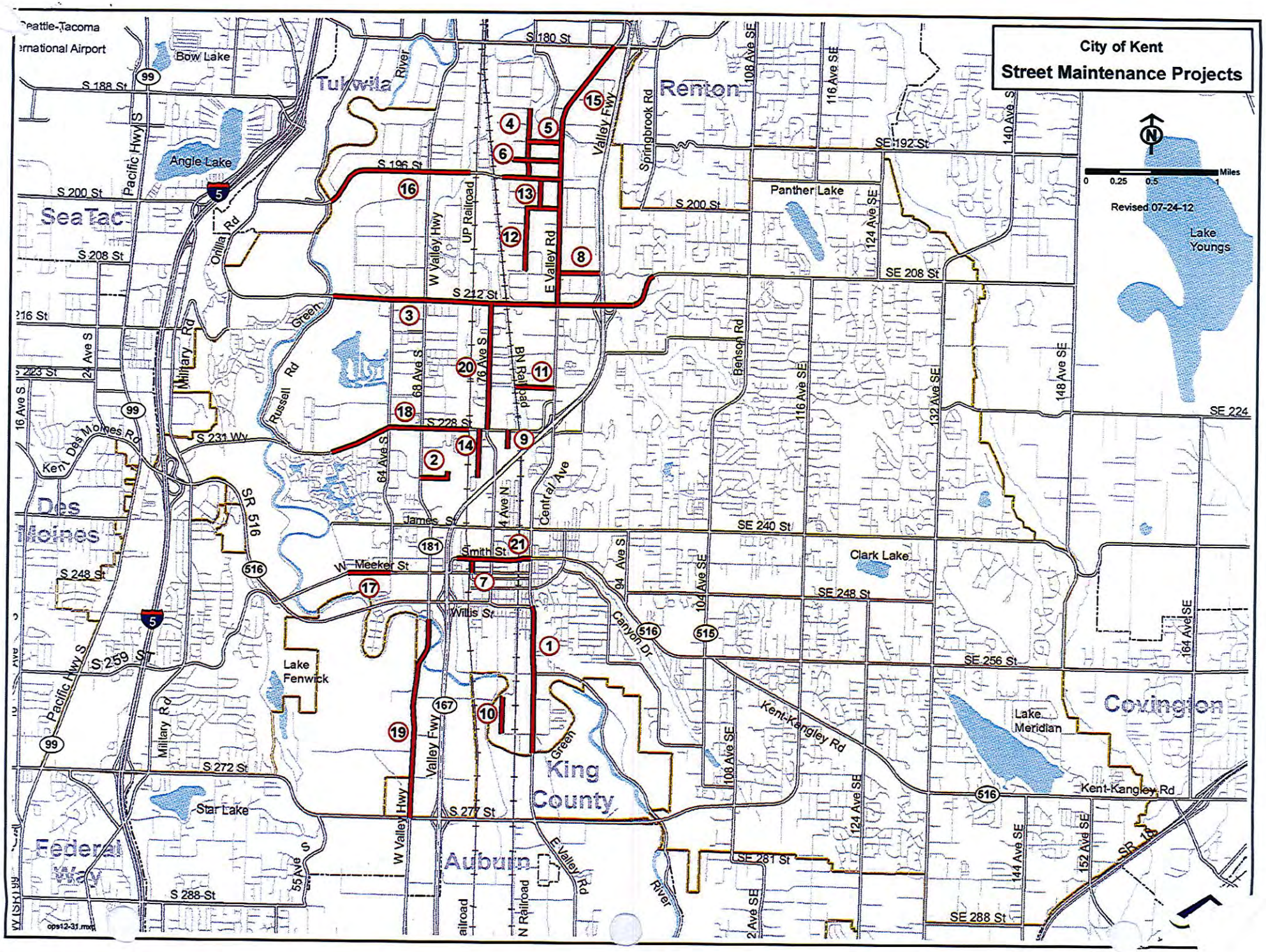
Kent, WA 98032
(253) 854-1770 ext. 140
andreak@kentchamber.com

Attached: PowerPoint of B&O Tax project list presented to the Kent Chamber of Commerce by Public Works Director, Tim Laporte


City of Kent
Street Maintenance Projects
Revised 07-24-12
Miles
0 0.25 0.5 1
Seattle-Tacoma International Airport
Bow Lake
Angle Lake
SeaTac
Tukwila
Renton
Panther Lake
Lake Youngs
Clark Lake
Lake Fenwick
Lake Meridian
Star Lake
Des Moines
Covington
King County
Auburn
Federal Way
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SE 224
SE 240 St
SE 248 St
SE 256 St
SE 281 St
SE 288 St
Pacific Hwy S
Orilla Rd
Military Rd
Russell Rd
Kent Des Moines Rd
SR 516
W Valley Hwy
UP Railroad
E Valley Rd
Valley Fwy
Springbrook Rd
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116 Ave SE
124 Ave SE
132 Ave SE
140 Ave SE
148 Ave SE
152 Ave SE
164 Ave SE
Benson Rd
68 Ave S
76 Ave S
64 Ave S
BN Railroad
4 Ave N
Central Ave
James St
Smith St
W Meeker St
Willis St
94 Ave S
104 Ave SE
Canyon Dr
Kent-Kangley Rd
Green River
N Railroad
55 Ave S
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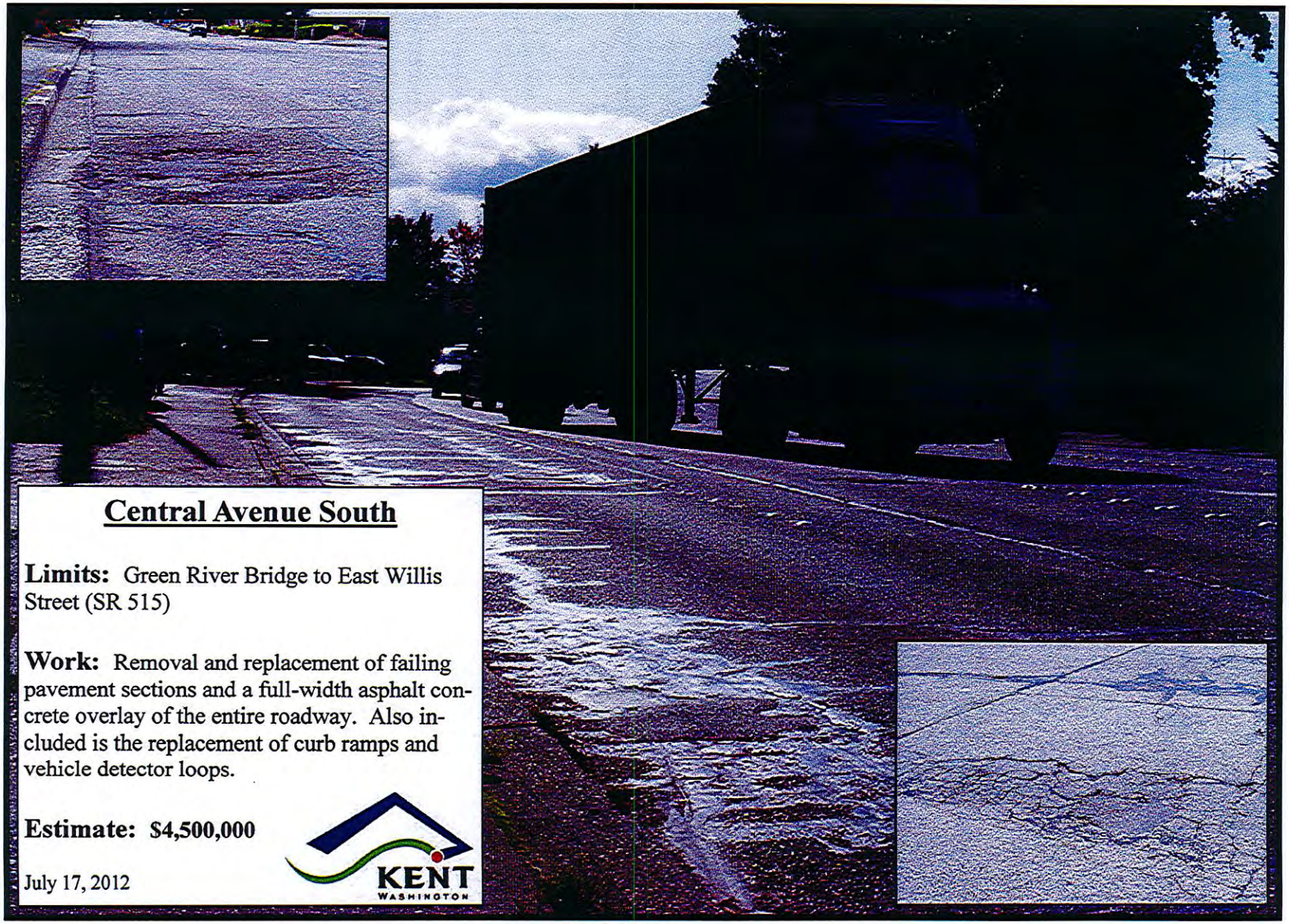

Central Avenue South

Limits: Green River Bridge to East Willis Street (SR 515)

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway. Also included is the replacement of curb ramps and vehicle detector loops.

Estimate: $4,500,000

July 17, 2012

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S 234th Place

Limits: West Valley Highway East to End of Road

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway. Also included is the replacement of curb ramps.

Estimate: $400,000

July 18, 2012

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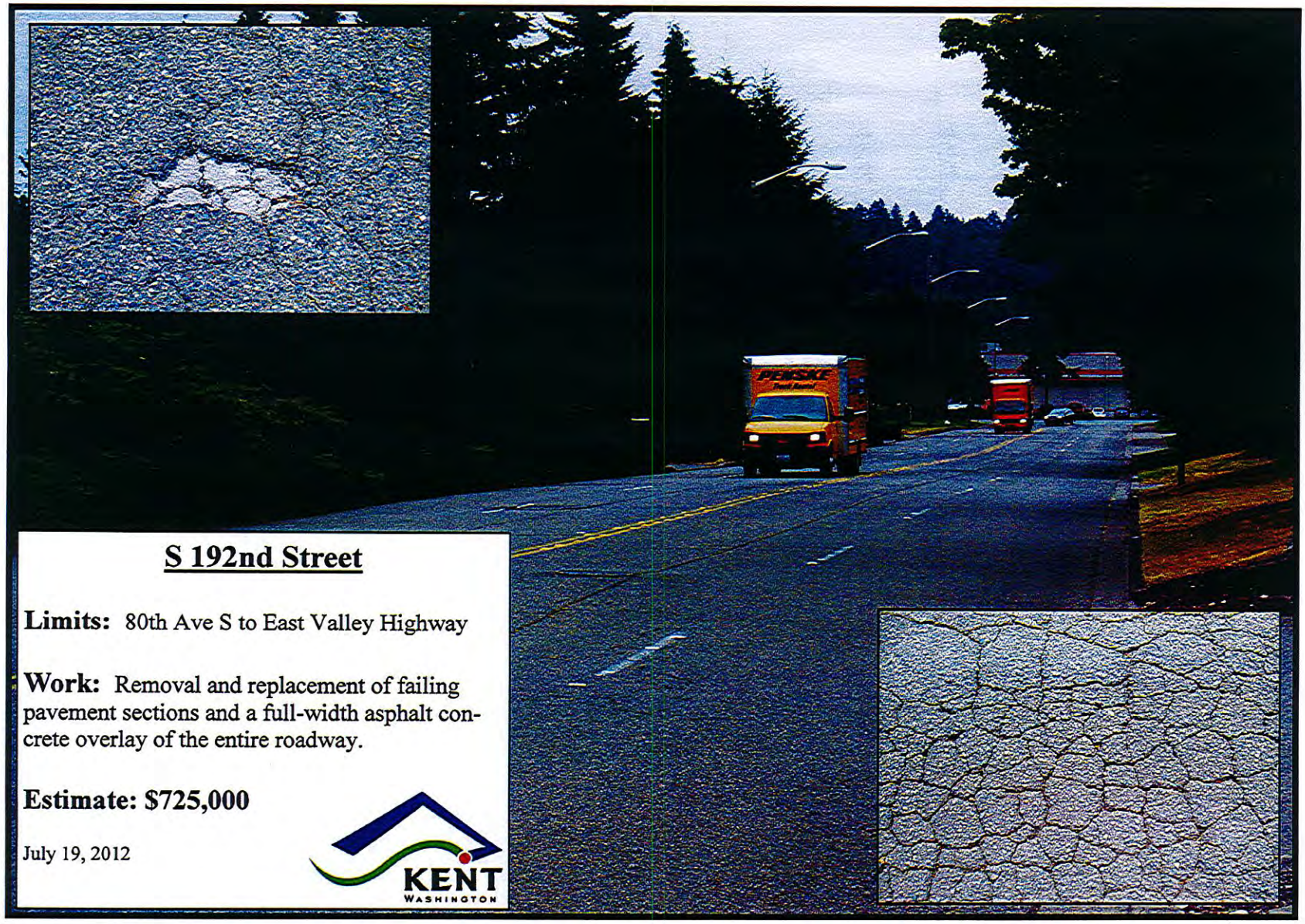

S 192nd Street

Limits: 80th Ave S to East Valley Highway

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway.

Estimate: $725,000

July 19, 2012

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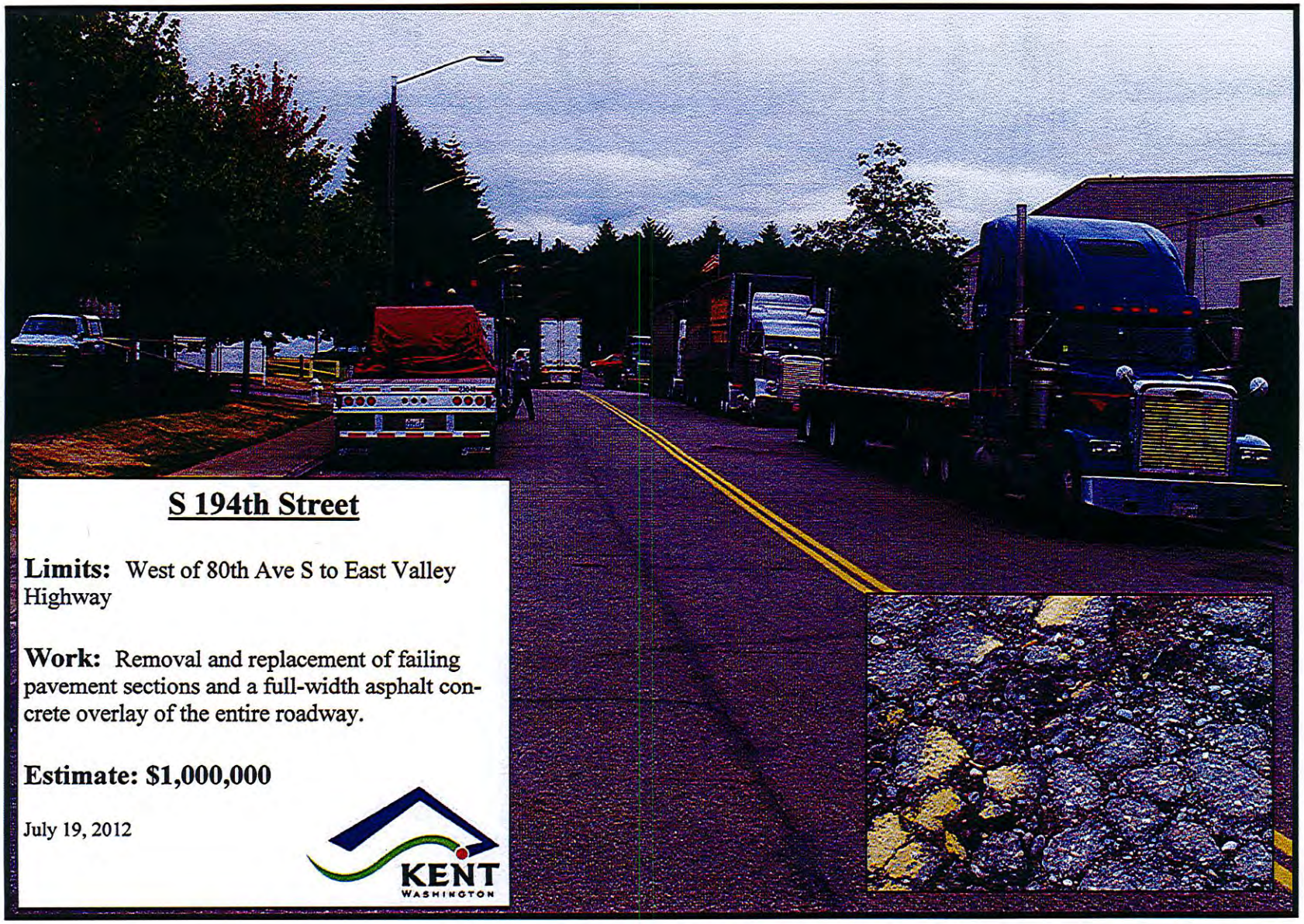

S 194th Street

Limits: West of 80th Ave S to East Valley Highway

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway.

Estimate: $1,000,000

July 19, 2012

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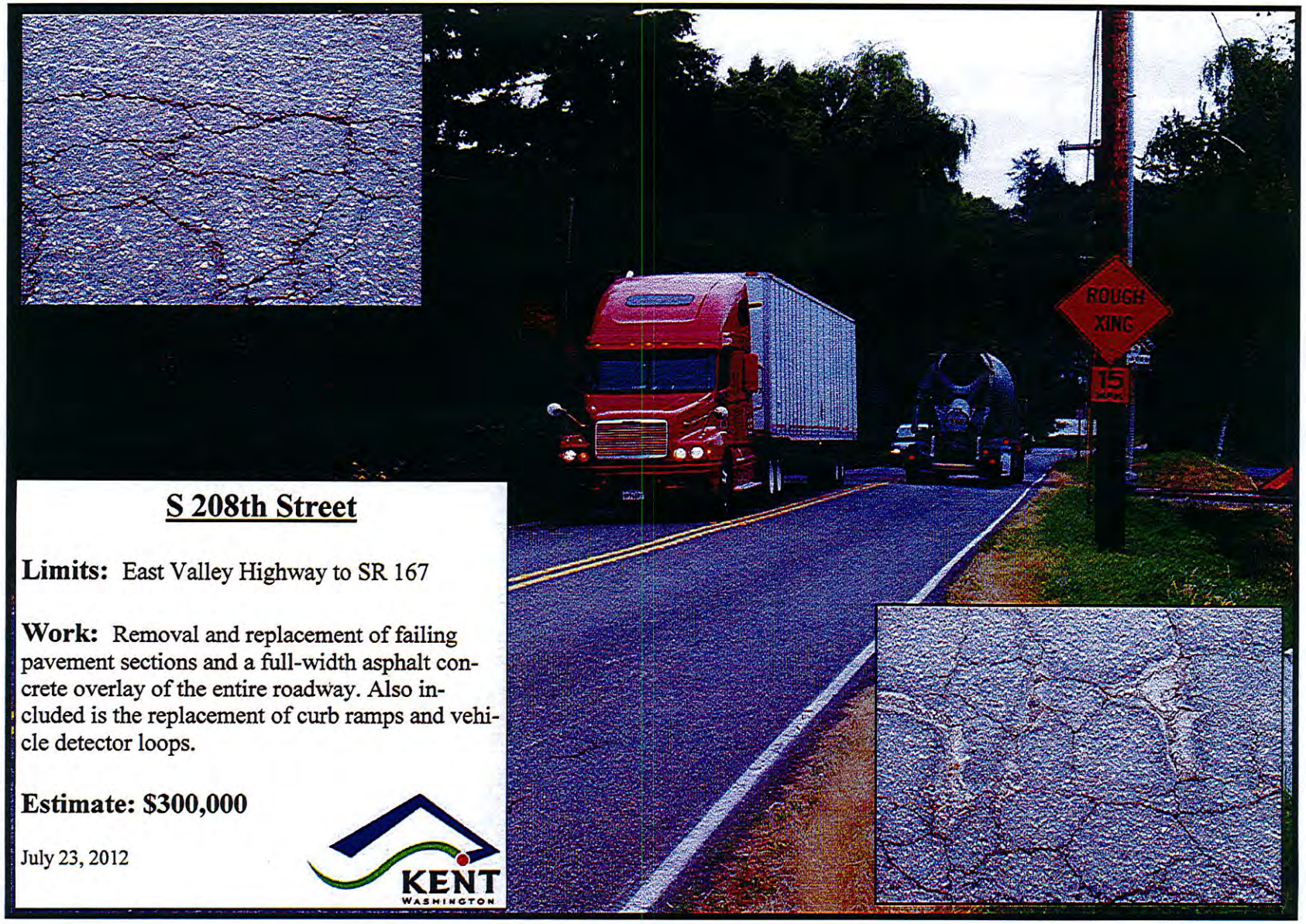

S 208th Street

Limits: East Valley Highway to SR 167

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway. Also included is the replacement of curb ramps and vehicle detector loops.

Estimate: $300,000

July 23, 2012

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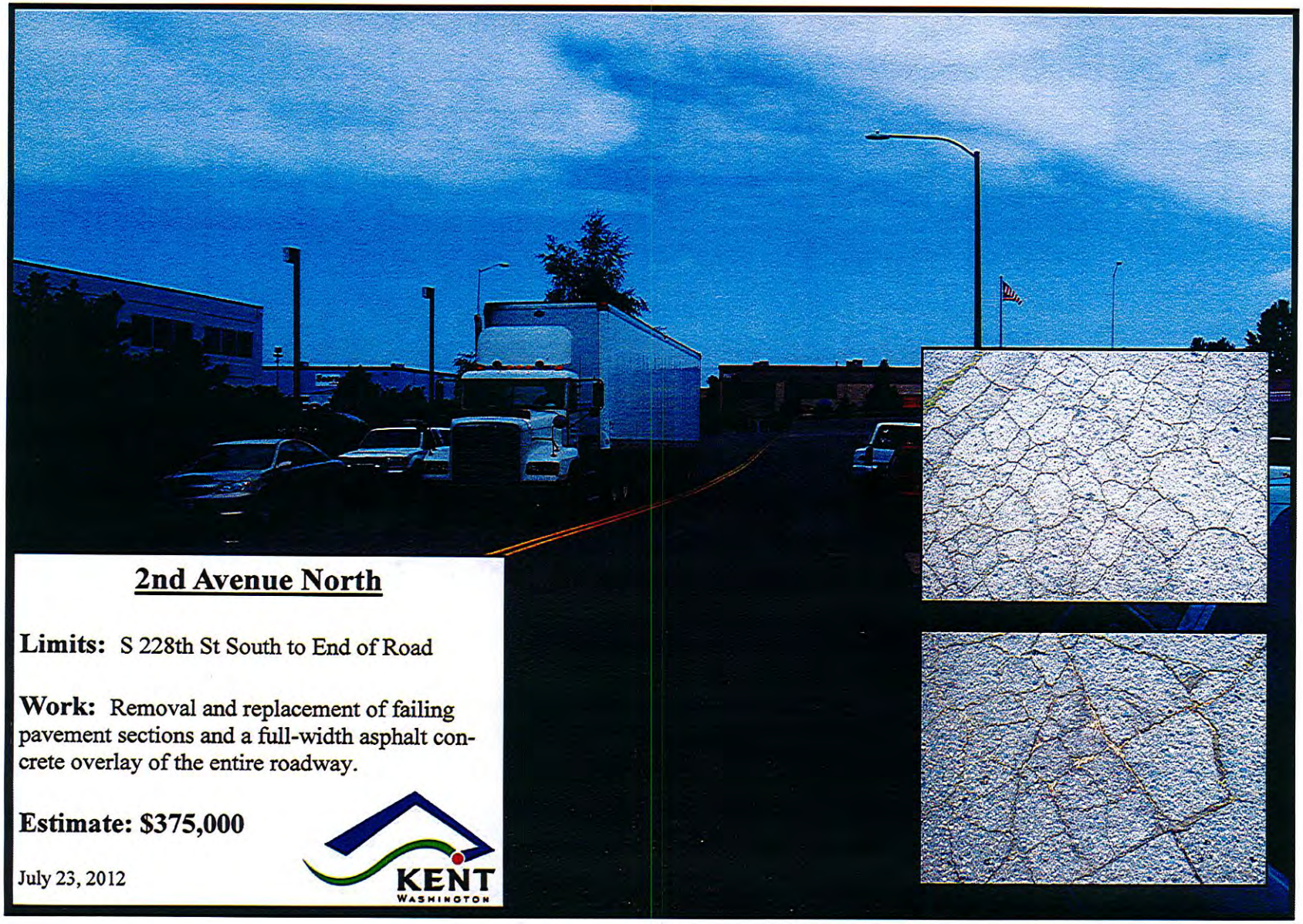

2nd Avenue North

Limits: S 228th St South to End of Road

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway.

Estimate: $375,000

July 23, 2012

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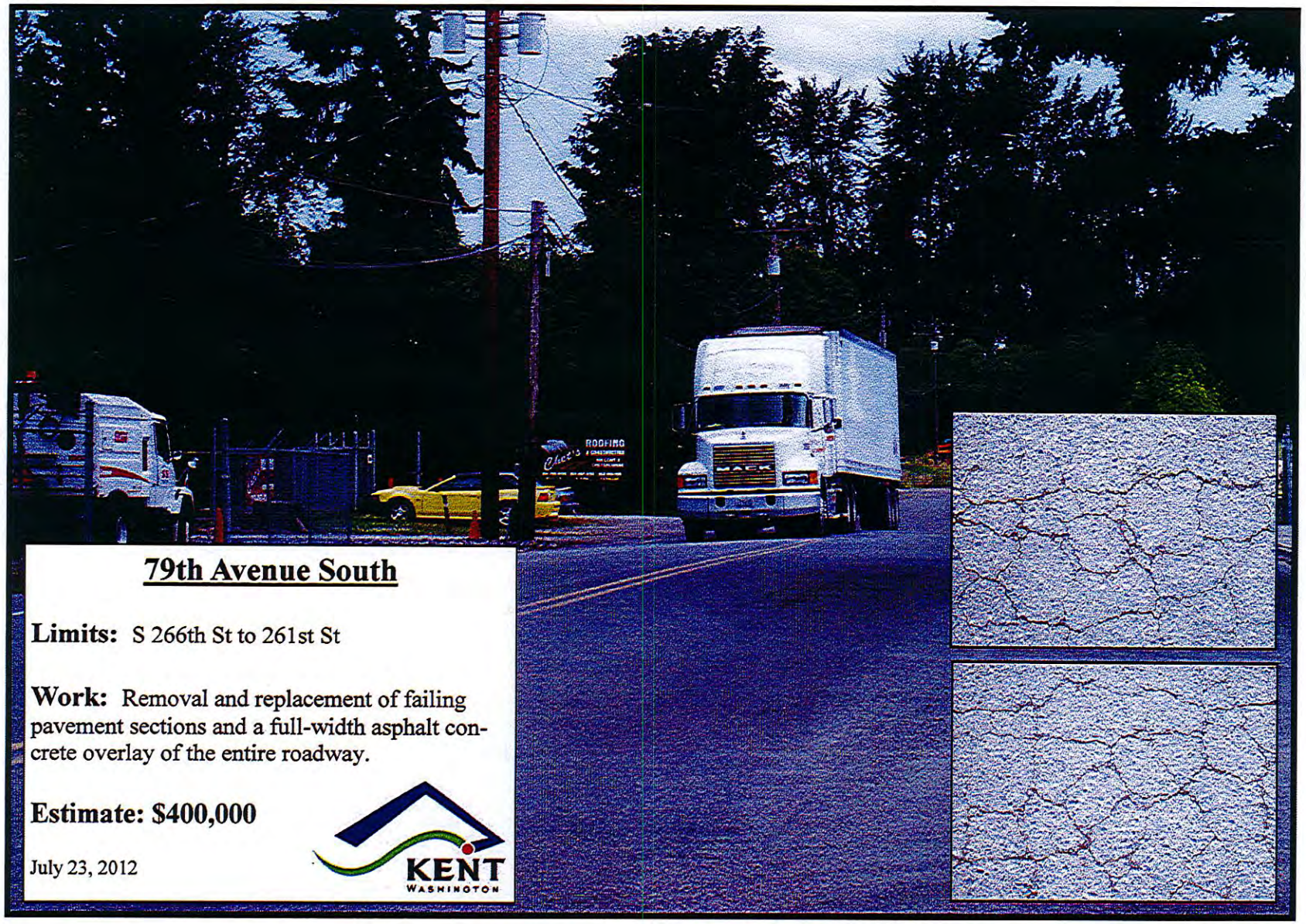

79th Avenue South

Limits: S 266th St to 261st St

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway.

Estimate: $400,000

July 23, 2012

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S 222nd Street

Limits: BN RR to 84th Ave S

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway.

Estimate: $250,000

July 23, 2012

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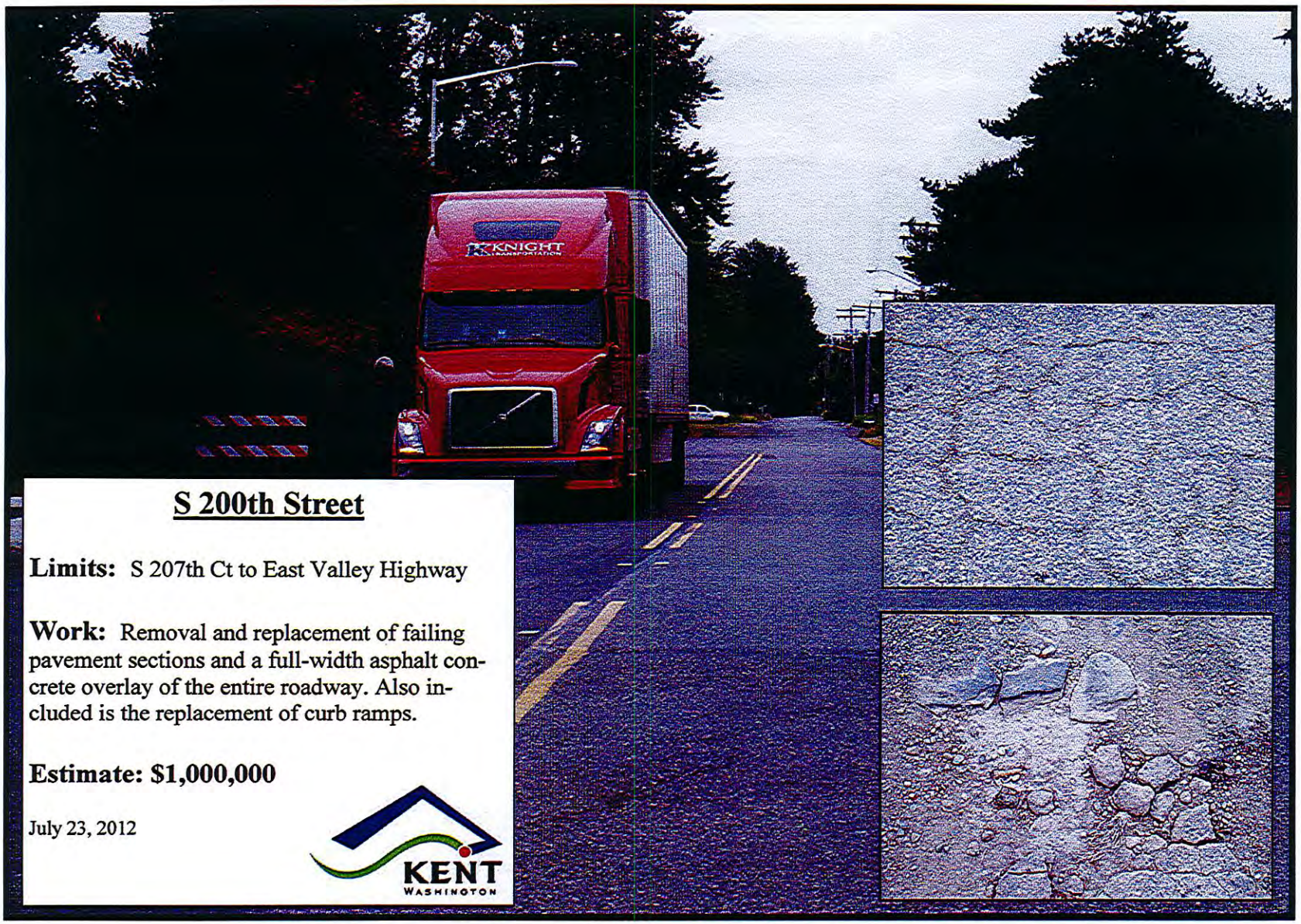

S 200th Street

Limits: S 207th Ct to East Valley Highway

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway. Also included is the replacement of curb ramps.

Estimate: $1,000,000

July 23, 2012

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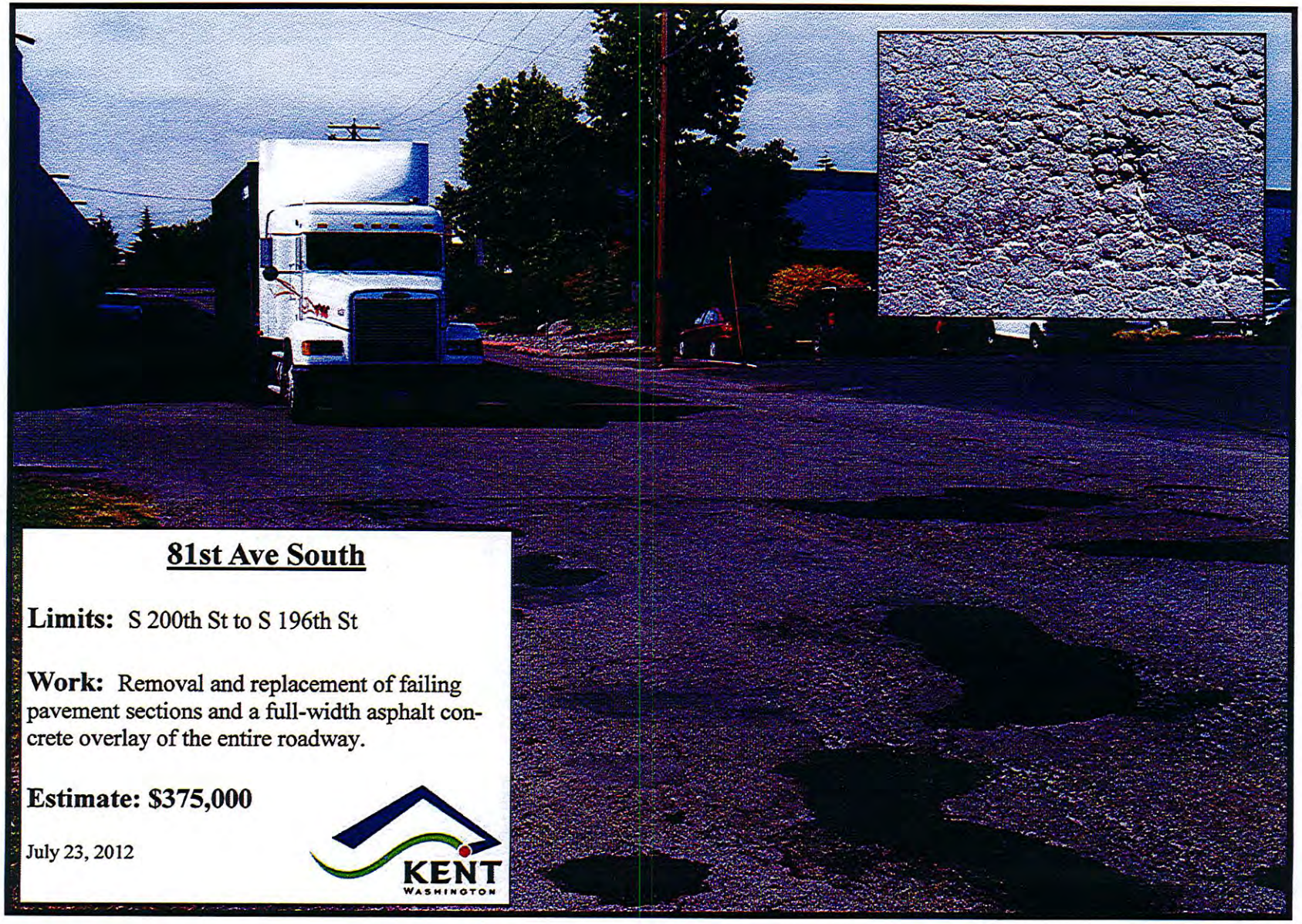

81st Ave South

Limits: S 200th St to S 196th St

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway.

Estimate: $375,000

July 23, 2012

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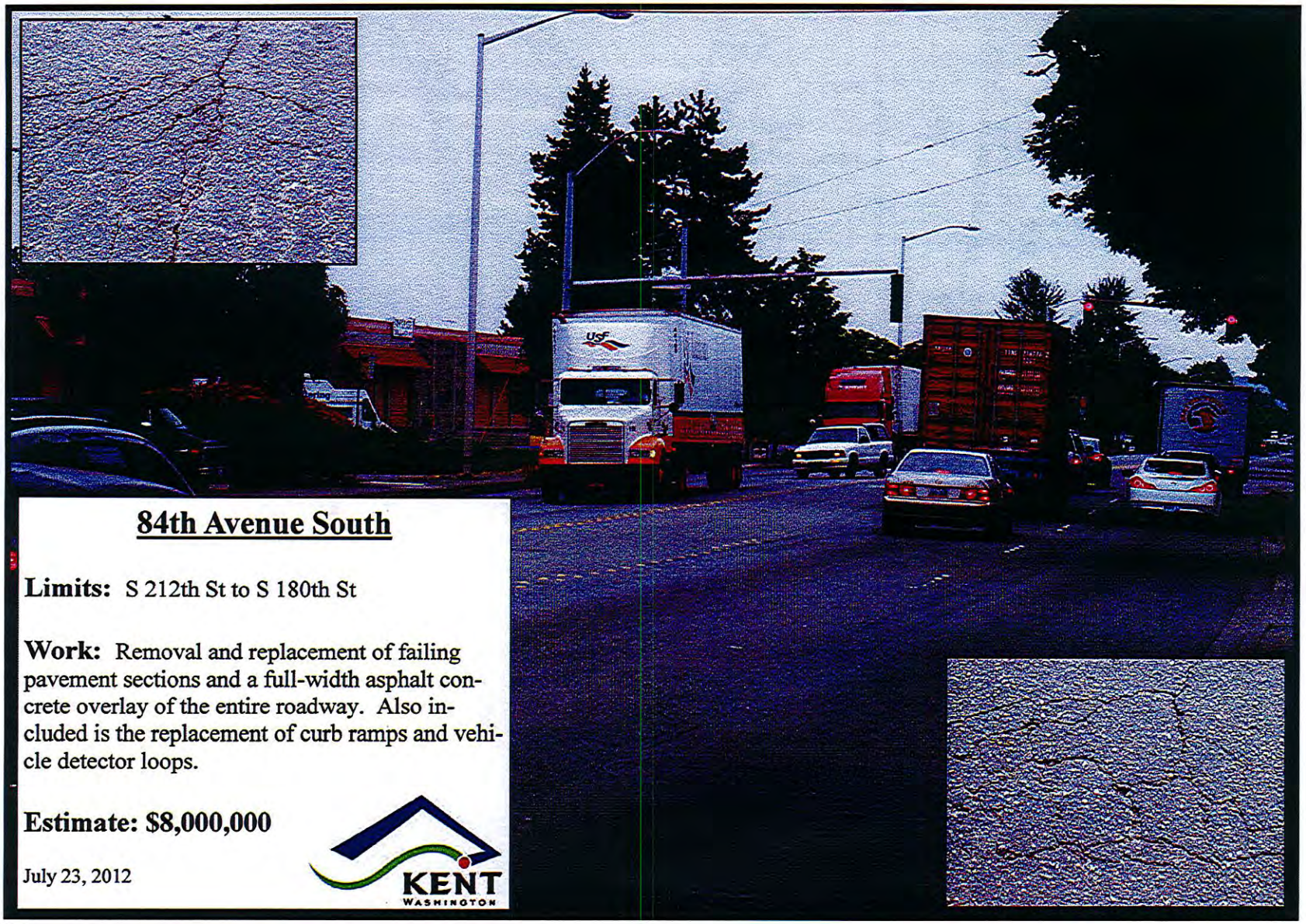

84th Avenue South

Limits: S 212th St to S 180th St

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway. Also included is the replacement of curb ramps and vehicle detector loops.

Estimate: $8,000,000

July 23, 2012

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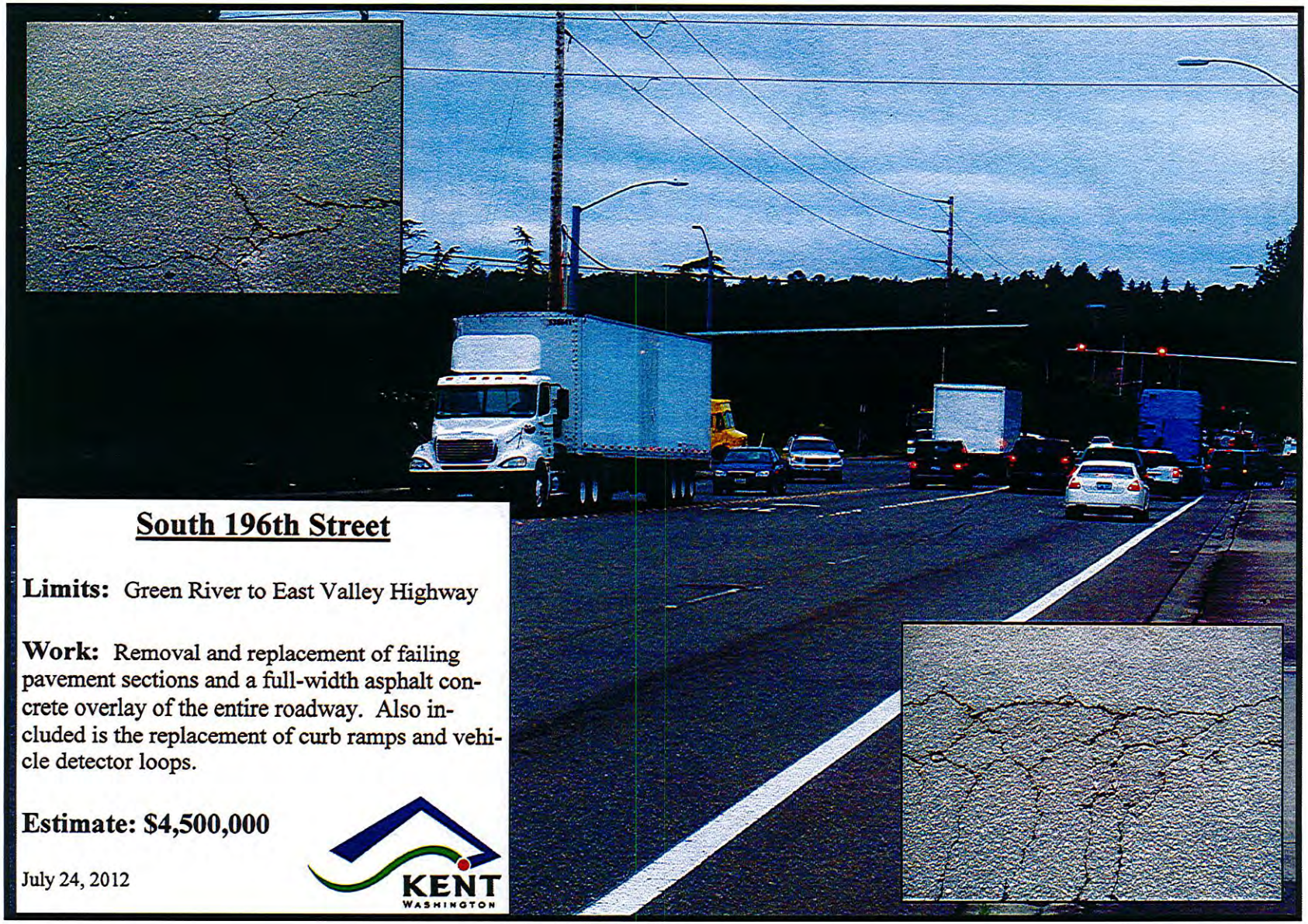

South 196th Street

Limits: Green River to East Valley Highway

Work: Removal and replacement of failing pavement sections and a full-width asphalt concrete overlay of the entire roadway. Also included is the replacement of curb ramps and vehicle detector loops.

Estimate: $4,500,000

July 24, 2012

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