



Proposed 0.5% Utility Tax Increase - Fact Sheet

The proposed 0.5% utility tax increase would cost the typical Covington household about \$2 per month and would go specifically to the construction, operation and maintenance of Covington Community Park.

About the park

The community stated its desire for additional park and recreation opportunities including an extended trail system and large community park during the 2009 Parks, Recreation and Open Space planning process.

The city does not have enough athletic fields and there is no city-owned, city-maintained property in Covington for community events.

The city has already invested almost \$600,000 in city funds and grants for the master planning and design phases of Covington Community Park.

The city will have to give up more than \$1.5 million in grant funds if Covington Community Park does not move forward.

The first phase of Covington Community Park's development includes construction of a full size grass soccer field, a parking lot, and nearly a mile of trails.



Covington Community Park Plan

About the tax

Raising the utility tax by 0.5% will generate about \$180,000 per year for Covington Community Park.

Revenue from the proposed utility tax increase must be spent specifically on Covington Community Park.

A 0.5% raise in utility tax would bring the total utility tax rate to 6%. The utility tax then cannot be raised again without voter approval.

The proposed 0.5% increase would cost the typical Covington household about \$2 per month.

Q & A

Are there any options other than raising utility tax?

Yes. The city could enact a \$20 car tab fee, which would cost the typical Covington household more than the proposed utility tax increase or the city could enact a B&O tax that would hinder business in the city.

Why can't the city cut its budget to pay for the park?

The city's budget is already lean due to cuts made over the past few years as a result of the economy. Making any more cuts would affect core city services.

What if we don't increase the utility tax?

The city will have to give up more than \$1.5 million in grant funding that has been secured for the park and the park will not be built. The remaining 0.5% utility tax capacity would remain available for other purposes such as forecasted city budget shortfalls.

Why do we need this park?

Around 80% of Covington's households are made up of families and the city lacks the facilities for families and youth to recreate. The park provides trails and a place for organized sports and community events, which the city does not currently possess.

Comments?

Attend the public hearing on Tuesday, November 8 at 6 p.m. at City Hall or direct comments or questions to Community Relations Coordinator Karla Slate at kslate@covingtonwa.gov or (253) 638-1110