



King County | Office of the Executive

Executive Girmay Zahilay

Chinook Building, CNK-EX-0800
401 Fifth Avenue, Suite 800
Seattle, WA 98104-2391

April 7, 2026

The Honorable Sarah Perry
Chair, King County Council
Room 1200
COURTHOUSE

Dear Councilmember Perry:

This letter transmits a proposed Ordinance that would, if enacted, authorize King County's participation in the City of Bellevue's (City) proposed Tax Increment Financing Project. This proposal to support the Grand Connection Crossing would authorize the County to support the City's efforts to build a bicycle and pedestrian crossing over I-405 by utilizing a unique feature in state law that expires on June 1, 2026. The County's participation in this initiative will provide the City with a new financial tool to support transportation and mobility improvements within downtown Bellevue.

The City of Bellevue is implementing the Grand Connection project connecting the Lake Washington waterfront at Meydenbauer Bay Park to downtown Bellevue, across I-405, to the Eastrail Corridor and the newly upzoned Wilburton commercial area. As part of this project, the Grand Connection Crossing will create a pedestrian and bicycle crossing over I-405. The pedestrian and bicycle crossing is expected to unlock long-term development potential in the downtown and Wilburton areas, incentivizing private development in new commercial and residential spaces, while new local housing policies incentivize affordable housing development. Adoption of this proposed Ordinance by the County will authorize property tax revenues derived from future development within downtown Bellevue and Wilburton to support the City's investments. Without the County's authorization, the City of Bellevue will not be able to capture these incremental revenues from the County's property tax levy and will be limited in its ability to finance the Grand Connection Crossing.

During its 2025 Regular Session, the Washington State Legislature provided a one-time ability to implement Tax Increment Financing in an area up to \$500 million assessed value, contingent on the authorization of affected taxing districts, via Engrossed Substitute Senate Bill 5801. Bellevue's one-time ability expires in June 2026.

The City of Bellevue expects to establish its tax increment area by Ordinance prior to June 2026, with initial property tax apportionments occurring in February 2027. These apportionments, or distributions of incremental property tax revenue, will continue annually based on growth within the tax increment area

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through either 2051 (the maximum duration) or until the County's maximum contribution of \$30,000,000 is reached. Bellevue will reimburse the County for Assessor and Treasury costs; and provide annual reporting on project expenses and affordable housing accomplishments to the County. Voter-approved property tax levies, including all existing and future lid lifts and the Emergency Medical Services levy are not subject to property tax apportionment until 2042, unless and until the maximum contribution has been reached.

This partnership with the City of Bellevue includes safeguards to preserve the intent of County voters while supporting economic development and a major pedestrian-oriented improvement in a growing urban downtown Bellevue.

Thank you for your consideration of this proposed Ordinance.

If your staff have questions, please contact Jeff Muhm, Special Advisor to the Executive Leadership Team, King County Executive Office, at 206-263-4601.

Sincerely,



for

Girmay Zahilay
King County Executive

Enclosure

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
 Melani Hay, Clerk of the Council
Karan Gill, Deputy Executive, Office of the Executive
Jasmin Weaver, Chief of Staff, Office of the Executive
Hyeok Kim, Chief Operating Officer, Office of the Executive
Sierra Howlett Browne, Director of Government Relations, Office of the Executive
Garrett Holbrook, Council Relations Manager, Office of the Executive
Aaron Rubardt, Chief Budget Officer, Office of the Executive
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