



**King County**

**Metropolitan King County Council  
Budget and Fiscal Management Committee**

Agenda Item No.: 5, 6, 7, 8 & 9  
2009-0430  
2009-0431  
2009-0432  
2009-0448  
Proposed No.: 2009-0449

Date: June 21, 2009

Prepared By: Pat Hamacher  
Polly St. John

**STAFF REPORT**

**SUBJECT:**

Proposed Ordinances 2009-0430, 2009-0431, 2009-0432, 2009-0448 and 2009-0449 would allow King County to “opt out” of urban revitalization areas that are being created by the cities of Auburn, Bellevue, Federal Way, and Renton (2 areas).

**SUMMARY:**

As defined by Chapter 270, Laws of Washington 2009, each local taxing jurisdiction in the area is automatically assumed to be a participant in a revitalization project, meaning those local jurisdictions would forgo existing revenue authority, unless official notice of a decision to “opt out” is provided. The proposed revitalization areas are scheduled by the four cities to be established in the first and second weeks of August, pending approval from their respective city councils.

The county must notify the cities of its decision to “opt out” and provide a copy of the adopted ordinance before Monday August 3, 2009 (for Auburn and Bellevue); Tuesday, August 4, 2009 for Federal Way; and Monday, August 17, 2009 for Renton. Consequently, all ordinances include an emergency declaration to accommodate the timelines necessary for council action prior to city legislative action.

**BACKGROUND:**

The state enacted Substitute Senate Bill 5045 (Community Revitalization Financing) in the last legislative session. As defined in Chapter 270, Laws of Washington 2009, each local taxing jurisdiction in the area is automatically assumed to be a participant in the project – meaning those local jurisdictions would forgo existing revenue authority, unless official notice of a decision to “opt

out” is provided. This type of action is known as Tax Increment Financing or TIF for short.

A TIF allows for the incremental raising of taxes for a specific purpose. In this case, cities have designated areas as “urban revitalization areas” and will be “keeping” a portion of all taxes collected in the areas to be used for debt service on capital infrastructure. This law allows for the cities to keep a portion of the increases to taxes collected in the area. This increase, kept by the cities, is the “increment” part of the TIF.

This law:

- authorizes cities to create revitalization areas to finance public improvements with “local revitalization financing”,
- allows cities to utilize a portion of the property tax collected by other municipalities (i.e. taxing districts) on lands within the proposed revitalization area, and
- allows other taxing districts located within the proposed revitalization area to withdraw from participation in the revitalization area, provided such taxing districts notify the city of the withdrawal from participation in the form of a resolution provided to the city prior to the city’s action to create their revitalization area.

**ANALYSIS:**

Under the provisions of SSB 5045, a city may seek to have a portion of taxes that would normally be allocated to King County allocated to support the revitalization project instead. The new law would affect collection of both property taxes and local sales and use taxes. Automatic local jurisdiction participation would pledge 75 percent of the regular property tax revenue increases that King County would otherwise receive from this area and divert them to the repayment of bonds supporting the local urban improvement project. The county would retain the remaining 25 percent of property tax revenue. *(It should be noted that certain levies, including dedicated lid lifts and excess levies, are not eligible for participation, and thus are automatically excluded.)* Additionally, a portion of local sales and use tax would be diverted from the county and dedicated to supporting the city revitalization projects.

King County currently levies property taxes and imposes local sales and use taxes within the five proposed revitalization areas. According to the transmittal letters, the amount of sales and use tax dedicated to the Revitalization Area would be determined by the cities and the county and finalized in Interlocal agreements.

Multiple taxing districts operated by King County are impacted by the proposed revitalization areas:

### Property Taxes

- King County Consolidated District (includes General Fund, Conservation Futures Fund and Unlimited Bond Fund levies)
- King County Flood Control Zone District
- King County Ferry District
- King County Emergency Medical Services (EMS) District

### Sales Taxes

- 1.0% Basic and Local option sales tax
- 0.9% Metro Transit sales tax
- 0.1% Criminal Justice sales tax
- 0.1% Mental Health and Drug Dependency sales tax

The proposed ordinances do not cover the King County Flood Control Zone District (KCFCZD) or the King County Ferry District (KCFD). Independent action by these governing bodies will be necessary.

### Impact on County finances

The county's General Fund is facing significant shortfalls in 2010, 2011 and beyond. It is projected that there is a \$110 million deficit between what would be necessary to maintain service levels and projected revenues over the next two years. The diversion of the property tax and sales tax revenues would exacerbate this funding crisis. The county's decision to "opt out" of the five proposed revitalization areas would maintain the current crisis, but it would not increase the deficits.

The county would not participate as a local government in the proposed revitalization areas. The proposed ordinances would remove the county regular property tax levy, the road district levy, the conservation futures levy (CFT) and the emergency medical services levy from consideration, as well as local sales and use taxes.

Additionally, the state also authorized the county to collect a \$0.075/\$1,000 AV property tax levy for transit services. Because action on this has not yet been taken by the County Council, the striking amendments discussed later in the staff report also adds this as a collection to be removed from participation in the urban revitalization districts. This will cover the property tax issue should the Council decide to enact this property tax later this year.

### Timelines

**The proposals must be acted upon immediately by the Council to "opt out".** King County has been notified that the cities of Auburn and Bellevue will vote on August 3<sup>rd</sup> and Federal Way will vote on August 4<sup>th</sup>. The City of Renton will vote on the two proposed areas on August 17<sup>th</sup>. The county must notify the cities of its decision to "opt out" and provide a copy of the adopted ordinance before these dates.

Due to the council's August recess, the committee will need to take action today and expedite the ordinances for Council action on Monday, July 27.

### **Issues with Structure of State Law**

The new statute implements a TIF structure for Washington Municipalities. This type of local financing option has been used elsewhere to accomplish similar goals to Washington. However, in order for the County to effectively consider the requests from the municipalities, several changes to the state law may need to be sought.

Changes that would assist in the evaluation and possible participation in the TIF districts could include:

1. **Modification of timelines:** Currently, cities are only required to provide 30 days notice to the County. In order to opt out, the County must provide notice to cities, and show an adopted ordinance prior to the expiration of that 30 days. This leaves little or no time to provide analysis, have discussions with the city, or evaluate the city plans prior to necessary Council action on an ordinance.

Under the County Code and County Charter, unless an emergency is declared, it can take as long as 25 days for an ordinance to become effective:

- After adoption by the Council, the Clerk has 5 days to present the ordinance to the Executive for signature.
- The Executive then has 10 days to decide.
- If the Executive signs the ordinance, it becomes effective 10 days later.

**90 days or 120 days may be a more appropriate timeline to allow for a deliberative process.**

2. **Selective Participation of Taxes:** The Current law allows the County to either participate or opt-out entirely. As shown previously, the County levies many types of taxes, many of which are dedicated to specific functions. It may be easier for the County to choose to participate in an urban revitalization project if it could dedicate the incremental increases in taxes related to the proposed use.

For example, if a city wanted to use the TIF to fund a transportation related project, it may be easier for the County to justify participation if it could opt-out the non-transportation related taxes, but continue to participate in the TIF with the transportation taxes. Current law does not allow for that choice.

3. **Clearer Direction on Information Exchange:** Currently, the state does not require the City to provide any information to the Counties, describe the project, provide an estimate of financing or any other details prior to the formation of the Urban Revitalization District. This puts the County in the difficult position of having to choose whether to forego tax collection for county purposes so that cities can use the increments for projects not yet reviewable by the County.

At a minimum, the County should be able to receive project description, timelines for completion, debt service estimates and requirements, a financial plan and conceptual design work prior to making a decision on the project.

It should be noted that cities have provided the county with general information, but not to the level that the County would require prior to making decisions regarding the County's own capital improvement projects.

### **STRIKING AMENDMENTS**

Striking amendments have been prepared for each of the five proposed ordinances. The amendments delete references to the quality and quantity of information received from the cities regarding the revitalization areas. All the legislation would still maintain an emergency declaration to meet the necessary timelines.

The striking amendments also add the "transit property tax" to the list of taxes opting out of the urban revitalization district.

### **REASONABLENESS**

Based on the current financial crisis, it would appear to be a reasonable decision to maintain county revenues by "opting out" of the revitalization areas. As such, adoption of the proposed ordinances, as amended, would constitute a reasonable business decision by the County.

### **INVITED**

- Beth Goldberg, Acting Director, Office of Management and Budget
- Hall Walker, Economist, OMB

### **ATTACHMENTS**

1. Striking Amendment to Proposed Ordinance 2009-0430
2. Proposed Ordinance 2009-0430
3. Striking Amendment to Proposed Ordinance 2009-0431
4. Proposed Ordinance 2009-0431
5. Striking Amendment to Proposed Ordinance 2009-0432
6. Proposed Ordinance 2009-0432
7. Transmittal Letter for 2009-0430, 0431, and 0432, dated July 9, 2009

8. Striking Amendment to Proposed Ordinance 2009-0448
9. Proposed Ordinance 2009-0448
10. Striking Amendment to Proposed Ordinance 2009-0449
11. Proposed Ordinance 2009-0449
12. Transmittal Letter for 2009-0448 and 0449, dated July 16, 2009
13. City notification letters and E-mails
14. SSB 5045

07-21-09

**S1**

FEDERAL WAY

pj

Sponsor: Larry Gossett

Proposed No.: 2009-0430

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2009-0430, VERSION 1**

2 On page 1, beginning on line 5, strike everything through page 4, line 54, and insert:

3 "BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

4 **SECTION 1. Findings:**

5 A. King County has received notification from the city of Federal Way of the  
6 city's intent to create a Revitalization Area, named the Federal Way Village Community  
7 Revitalization Area, as recently authorized under Chapter 270, Laws of Washington  
8 2009.

9 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
10 jurisdictions that levy regular property or local sales and use taxes in the proposed  
11 Revitalization Area are automatic participants in the revitalization areas unless contrary  
12 notification is provided to the initiating jurisdiction before formal action by the initiating  
13 jurisdiction to create the Revitalization Area. The city of Federal Way indicates that  
14 formal action will be taken on August 4, 2009.

15 C. Automatic local jurisdiction participants pledge seventy-five percent of  
16 regular property tax increases resulting from new construction in the Revitalization Area  
17 to repayment of debt issued to fund public improvements in the area.

18 D. King County's general fund faces substantial budget shortfalls for the  
19 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
20 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
21 county to notify the city of its intent to opt out of the Federal Way Village Community  
22 Revitalization Area, a declaration of an emergency is warranted.

23 SECTION 2. Through this ordinance, King County removes itself as a  
24 participating taxing district for the Federal Way Village Community Revitalization Area.  
25 By this action, King County removes the county regular property tax levy, the road  
26 district levy, the conservation futures levy, the transit levy and the emergency medical  
27 services levy from the Federal Way Village Community Revitalization Area and will not  
28 pledge any King County local property tax allocation revenues to the Federal Way  
29 Revitalization Area.

30 SECTION 3. Through this ordinance, King County will not participate as a local  
31 government in the Federal Way Village Community Revitalization Area. By this action,  
32 King County will not allow the use of any local sales and use tax imposed by King  
33 County to be used for the Federal Way Village Community Revitalization Area.

34 SECTION 4. Notification to city of Federal Way of withdrawal from  
35 **Revitalization Area.** The clerk of the council is hereby directed to send a notice to Ms.  
36 Carol McNeilly, the Federal Way City Clerk that King County has removed all King  
37 County taxing districts as participating taxing districts in the Federal Way Village  
38 Community Revitalization Area. This notice shall also indicate that King County has  
39 removed itself as a participating local government in the Federal Way Village  
40 Community Revitalization Areas. The notice shall indicate that the county will not



41 pledge local property tax allocation revenues or local sales and use taxes to the Federal  
42 Way Village Community Revitalization Area. The clerk of the council shall attach a copy  
43 of this ordinance with the notice and ensure that notice is received by the Federal Way  
44 city clerk no later than 4:30 p.m., July 31, 2009.

45 SECTION 5. The council finds as a fact and declares that an emergency exists  
46 and that this ordinance is necessary for the immediate preservation of public peace, health  
47 or safety or for the support of county government and its existing public institutions."

**EFFECT: This striking amendment would remove references to information received from the City of Federal Way. The legislation also adds a transit levy to the list of exempted taxes.**





KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

Signature Report

July 20, 2009

Ordinance

Proposed No. 2009-0430.1

Sponsors Patterson

1 AN ORDINANCE limiting King County's participation the  
2 Federal Way Village Community Revitalization Area; and  
3 declaring an emergency.  
4

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 SECTION 1. Findings:

7 A. King County has received notification from the city of Federal Way of the  
8 city's intent to create a Revitalization Area, named the Federal Way Village Community  
9 Revitalization Area, as recently authorized under Chapter 270, Laws of Washington  
10 2009, but has received limited written information with regard to the proposed  
11 Revitalization Area or related financial plan for debt repayment.

12 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
13 jurisdictions that levy regular property or local sales and use taxes in the proposed  
14 Revitalization Area are automatic participants in the revitalization areas unless contrary  
15 notification is provided to the initiating jurisdiction before formal action by the initiating  
16 jurisdiction to create the Revitalization Area. The city of Federal Way indicates that  
17 formal action will be taken on August 4, 2009.

18 C. Automatic local jurisdiction participants pledge seventy-five percent of  
19 regular property tax increases resulting from new construction in the Revitalization Area  
20 to repayment of debt issued to fund public improvements in the area.

21 D. Due to insufficient information, the impact to King County of dedicating  
22 certain portions of the county's regular property taxes and/or sales and use taxes to  
23 support of the Federal Way Village Community Revitalization Area is unknown at this  
24 time.

25 E. King County's general fund faces substantial budget shortfalls for the  
26 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
27 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
28 county to notify the city of its intent to opt out of the Federal Way Village Community  
29 Revitalization Area a declaration of an emergency is warranted.

30 SECTION 2. Through this ordinance, King County removes itself as a  
31 participating taxing district for the Federal Way Village Community Revitalization Area.  
32 By this action, King County removes the county regular property tax levy, the road  
33 district levy, the conservation futures levy and the emergency medical services levy from  
34 the Federal Way Village Community Revitalization Area and will not pledge any King  
35 County local property tax allocation revenues to the Federal Way Revitalization Area.

36 SECTION 3. Through this ordinance, King County will not participate as a local  
37 government in the Federal Way Village Community Revitalization Area. By this action,  
38 King County will not allow the use of any local sales and use tax imposed by King  
39 County to be used for the Federal Way Village Community Revitalization Area.

40            **SECTION 4. Notification to city of Federal Way of withdrawal from**

41            **Revitalization Area.** The clerk of the council is hereby directed to send a notice to Ms.  
42            Carol McNeilly, the Federal Way City Clerk that King County has removed all King  
43            County taxing districts as participating taxing districts in the Federal Way Village  
44            Community Revitalization Area. This notice shall also indicate that King County has  
45            removed itself as a participating local government in the Federal Way Village  
46            Community Revitalization Areas. The notice shall indicate that the county will not  
47            pledge local property tax allocation revenues or local sales and use taxes to the Federal  
48            Way Village Community Revitalization Area. The clerk of the council shall attach a copy  
49            of this ordinance with the notice and ensure that notice is received by the Federal Way  
50            city clerk no later than 4:30 p.m., July 31, 2009.

51            **SECTION 5.** The council finds as a fact and declares that an emergency exists

52

**Ordinance**

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53 and that this ordinance is necessary for the immediate preservation of public peace, health  
54 or safety or for the support of county government and its existing public institutions.

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KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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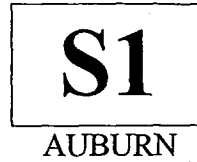
ATTEST:

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APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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**Attachments**      None



07-21-09

pj

Sponsor: Larry Gossett

Proposed No.: 2009-0431

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2009-0431, VERSION 1**

2 On page 1, beginning on line 5, strike everything through page 4, line 51, and insert:

3 "BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

4 **SECTION 1. Findings:**

5 A. King County has received notification from the city of Auburn of the city's  
6 intent to create a Revitalization Area as recently authorized under Chapter 270, Laws of  
7 Washington 2009.

8 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
9 jurisdictions that levy regular property or local sales and use taxes in the proposed  
10 Revitalization Area are automatic participants in the revitalization areas unless contrary  
11 notification is provided to the initiating jurisdiction before formal action by the initiating  
12 jurisdiction to create the Revitalization Area. The city of Auburn indicates that formal  
13 action will be taken on August 3, 2009.

14 C. Automatic local jurisdiction participants pledge seventy-five percent of  
15 regular property tax increases resulting from new construction in the Revitalization Area  
16 to repayment of debt issued to fund public improvements in the area.

17 D. King County's general fund faces substantial budget shortfalls for the  
18 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
19 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
20 county to notify the city of its intent to opt out of the Auburn Revitalization Area, a  
21 declaration of an emergency is warranted.

22 SECTION 2. Through this ordinance, King County removes itself as a  
23 participating taxing district for the Auburn Revitalization Area. By this action, King  
24 County removes the county regular property tax levy, the road district levy, the  
25 conservation futures levy, the transit levy and the emergency medical services levy from  
26 the Auburn Revitalization Area and will not pledge any King County local property tax  
27 allocation revenues to the Auburn Revitalization Area.

28 SECTION 3. Through this ordinance, King County will not participate as a local  
29 government in the Auburn Revitalization Area. By this action, King County will not  
30 allow the use of any local sales and use tax imposed by King County to be used for the  
31 Auburn Revitalization Area.

32 SECTION 4. Notification to City of Auburn of withdrawal from  
33 **Revitalization Area.** The clerk of the council is hereby directed to send a notice to Ms.  
34 Dani Daskam, the Auburn City Clerk that King County has removed all King County  
35 taxing districts as participating taxing districts in the Auburn Revitalization Area. The  
36 notice shall also indicate that King County has removed itself as a participating local  
37 government in the Auburn Revitalization Areas. The notice shall indicate that the county  
38 will not pledge local property tax allocation revenues or local sales and use taxes to the  
39 Auburn Revitalization Area. The clerk of the council shall attach a copy of this



40 ordinance with the notice and ensure that notice is received by the Auburn city clerk no  
41 later than 4:30 p.m., July 31, 2009.

42 SECTION 5. The council finds as a fact and declares that an emergency exists  
43 and that this ordinance is necessary for the immediate preservation of public peace, health  
44 or safety or for the support of county government and its existing public institutions."

**EFFECT: This striking amendment would remove references to information received from the City of Auburn. The legislation also adds a transit levy to the list of exempted taxes.**





KING COUNTY

Attachment 4

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

Signature Report

July 20, 2009

Ordinance

Proposed No. 2009-0431.1

Sponsors Patterson

1 AN ORDINANCE limiting King County's participation  
2 in the Auburn Revitalization Area; and declaring an  
3 emergency.  
4

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 SECTION 1. Findings:

7 A. King County has received notification from the city of Auburn of the city's  
8 intent to create a Revitalization Area as recently authorized under Chapter 270, Laws of  
9 Washington 2009, but has received limited written information with regard to the  
10 proposed Revitalization Area or related financial plan for debt repayment.

11 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
12 jurisdictions that levy regular property or local sales and use taxes in the proposed  
13 Revitalization Area are automatic participants in the revitalization areas unless contrary  
14 notification is provided to the initiating jurisdiction before formal action by the initiating  
15 jurisdiction to create the Revitalization Area. The city of Auburn indicates that formal  
16 action will be taken on August 3, 2009.

17 C. Automatic local jurisdiction participants pledge seventy-five percent of  
18 regular property tax increases resulting from new construction in the Revitalization Area  
19 to repayment of debt issued to fund public improvements in the area.

20 D. Due to insufficient information, the impact to King County of dedicating  
21 certain portions of the county's regular property taxes and/or sales and use taxes to  
22 support of the Auburn Revitalization Area is unknown at this time.

23 E. King County's general fund faces substantial budget shortfalls for the  
24 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
25 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
26 county to notify the city of its intent to opt out of the Auburn Revitalization Area a  
27 declaration of an emergency is warranted.

28 SECTION 2. Through this ordinance, King County removes itself as a  
29 participating taxing district for the Auburn Revitalization Area. By this action, King  
30 County removes the county regular property tax levy, the road district levy, the  
31 conservation futures levy and the emergency medical services levy from the Auburn  
32 Revitalization Area and will not pledge any King County local property tax allocation  
33 revenues to the Auburn Revitalization Area.

34 SECTION 3. Through this ordinance, King County will not participate as a local  
35 government in the Auburn Revitalization Area. By this action, King County will not  
36 allow the use of any local sales and use tax imposed by King County to be used for the  
37 Auburn Revitalization Area.

38 SECTION 4. Notification to City of Auburn of withdrawal from  
39 **Revitalization Area.** The clerk of the council is hereby directed to send a notice to Ms.

40 Dani Daskam, the Auburn City Clerk that King County has removed all King County  
41 taxing districts as participating taxing districts in the Auburn Revitalization Area. The  
42 notice shall also indicate that King County has removed itself as a participating local  
43 government in the Auburn Revitalization Areas. The notice shall indicate that the county  
44 will not pledge local property tax allocation revenues or local sales and use taxes to the  
45 Auburn Revitalization Area. The clerk of the council shall attach a copy of this  
46 ordinance with the notice and ensure that notice is received by the Auburn city clerk no  
47 later than 4:30 p.m., July 31, 2009.

48 SECTION 5. The council finds as a fact and declares that an emergency exists  
49

**Ordinance**

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50 and that this ordinance is necessary for the immediate preservation of public peace, health  
51 or safety or for the support of county government and its existing public institutions.

52

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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ATTEST:

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APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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**Attachments**      None

07-21-09

**S1**

BELLEVUE

Sponsor: Larry Gossett

pj

Proposed No.: 2009-0432

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2009-0432, VERSION 1**

2 On page 1, beginning on line 5, strike everything through page 4, line 52, and insert:

3 "BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

4 **SECTION 1. Findings:**

5 A. King County has received notification from the city of Bellevue of the city's  
6 intent to create a Revitalization Area, named the Bellevue Revitalization Area Number  
7 One, as recently authorized under Chapter 270, Laws of Washington 2009.

8 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
9 jurisdictions that levy regular property or local sales and use taxes in the proposed  
10 Revitalization Area are automatic participants in the revitalization areas unless contrary  
11 notification is provided to the initiating jurisdiction before formal action by the initiating  
12 jurisdiction to create the Revitalization Area. The city of Bellevue indicates that formal  
13 action will be taken on August 3, 2009.

14 C. Automatic local jurisdiction participants pledge seventy-five percent of  
15 regular property tax increases resulting from new construction in the Revitalization Area  
16 to repayment of debt issued to fund public improvements in the area.

17 D. King County's general fund faces substantial budget shortfalls for the  
18 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
19 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
20 county to notify the city of its intent to opt out of the Bellevue Revitalization Area  
21 Number One, a declaration of an emergency is warranted.

22 SECTION 2. Through this ordinance, King County removes itself as a  
23 participating taxing district for the Bellevue Revitalization Area Number One. By this  
24 action, King County removes the county regular property tax levy, the road district levy,  
25 the conservation futures levy, the transit levy and the emergency medical services levy  
26 from the Bellevue Revitalization Area Number One and will not pledge any King County  
27 local property tax allocation revenues to the Bellevue Revitalization Area Number One.

28 SECTION 3. Through this ordinance, King County will not participate as a local  
29 government in the Bellevue Revitalization Area Number One. By this action, King  
30 County will not allow the use of any local sales and use tax imposed by King County to  
31 be used for the Bellevue Revitalization Area Number One.

32 SECTION 4. Notification to City of Bellevue of withdrawal from  
33 **Revitalization Area.** The clerk of the council is hereby directed to send a notice to Ms.  
34 Myrna L. Basich, the Bellevue City Clerk that King County has removed all King County  
35 taxing districts as participating taxing districts in the Bellevue Revitalization Area  
36 Number One. The notice shall also indicate that King County has removed itself as a  
37 participating local government in the Bellevue Revitalization Area Number One. The  
38 notice shall indicate that the county will not pledge local property tax allocation revenues  
39 or local sales and use taxes to the Bellevue Revitalization Area Number One. The clerk



40 of the council shall attach a copy of this ordinance with the notice and ensure that notice  
41 is received by the Bellevue city clerk no later than 4:30 pm July 31, 2009.

42 SECTION 5. The council finds as a fact and declares that an emergency exists  
43 and that this ordinance is necessary for the immediate preservation of public peace, health  
44 or safety or for the support of county government and its existing public institutions."

**EFFECT: This striking amendment would remove references to information received from the City of Bellevue. The legislation also adds a transit levy to the list of exempted taxes.**





Signature Report

July 20, 2009

Ordinance

Proposed No. 2009-0432.1

Sponsors Patterson

1 AN ORDINANCE limiting King County's participation  
2 in the Bellevue Revitalization Area Number One; and  
3 declaring an emergency.  
4

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 SECTION 1. Findings:

7 A. King County has received notification from the city of Bellevue of the city's  
8 intent to create a Revitalization Area, named the Bellevue Revitalization Area Number  
9 One, as recently authorized under Chapter 270, Laws of Washington 2009, but has  
10 received limited written information with regard to the proposed Revitalization Area or  
11 related financial plan for debt repayment.

12 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
13 jurisdictions that levy regular property or local sales and use taxes in the proposed  
14 Revitalization Area are automatic participants in the revitalization areas unless contrary  
15 notification is provided to the initiating jurisdiction before formal action by the initiating  
16 jurisdiction to create the Revitalization Area. The city of Bellevue indicates that formal  
17 action will be taken on August 3, 2009.

18 C. Automatic local jurisdiction participants pledge seventy-five percent of  
19 regular property tax increases resulting from new construction in the Revitalization Area  
20 to repayment of debt issued to fund public improvements in the area.

21 D. Due to insufficient information, the exact impact to King County of dedicating  
22 certain portions of the county's regular property taxes and/or sales and use taxes to  
23 support of the Bellevue Revitalization Area Number One is unknown at this time.

24 E. King County's general fund faces substantial budget shortfalls for the  
25 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
26 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
27 county to notify the city of its intent to opt out of the Bellevue Revitalization Area  
28 Number One a declaration of an emergency is warranted.

29 SECTION 2. Through this ordinance, King County removes itself as a  
30 participating taxing district for the Bellevue Revitalization Area Number One. By this  
31 action, King County removes the county regular property tax levy, the road district levy,  
32 the conservation futures levy and the emergency medical services levy from the Bellevue  
33 Revitalization Area Number One and will not pledge any King County local property tax  
34 allocation revenues to the Bellevue Revitalization Area Number One.

35 SECTION 3. Through this ordinance, King County will not participate as a local  
36 government in the Bellevue Revitalization Area Number One. By this action, King  
37 County will not allow the use of any local sales and use tax imposed by King County to  
38 be used for the Bellevue Revitalization Area Number One.

39 SECTION 4. Notification to City of Bellevue of withdrawal from  
40 **Revitalization Area.** The clerk of the council is hereby directed to send a notice to Ms.

41 Myrna L. Basich, the Bellevue City Clerk that King County has removed all King County  
42 taxing districts as participating taxing districts in the Bellevue Revitalization Area  
43 Number One. The notice shall also indicate that King County has removed itself as a  
44 participating local government in the Bellevue Revitalization Area Number One. The  
45 notice shall indicate that the county will not pledge local property tax allocation revenues  
46 or local sales and use taxes to the Bellevue Revitalization Area Number One. The clerk  
47 of the council shall attach a copy of this ordinance with the notice and ensure that notice  
48 is received by the Bellevue city clerk no later than 4:30 pm July 31, 2009.

49 SECTION 5. The council finds as a fact and declares that an emergency exists  
50

**Ordinance**

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51 and that this ordinance is necessary for the immediate preservation of public peace, health  
52 or safety or for the support of county government and its existing public institutions.

53

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

---

ATTEST:

---

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

**Attachments**      None

July 9, 2009

The Honorable Dow Constantine  
Chair, King County Council  
Room 1200  
COURTHOUSE

Dear Councilmember Constantine:

The cities of Auburn, Bellevue and Federal Way have informed the county of their intent to create Revitalization Areas under the provisions of the recently adopted Chapter 270, Laws of Washington 2009. The three Revitalization Areas are scheduled to be established in the first week of August, pending approval from the respective city councils.

As defined by Chapter 270, Laws of Washington 2009, each local taxing jurisdiction in the area is automatically assumed to be a participant in the project, meaning those local jurisdictions would forgo existing revenue authority, unless official notice of a decision to “opt out” is provided as prescribed in the law.

As a local jurisdiction impacted by these three revitalization areas, if King County takes no action, the county is automatically assumed to “opt in.” This would result in 75 percent of the regular property tax revenue increases that King County would otherwise receive from this area being diverted to the repayment of bonds supporting the project. The county would retain the remaining 25 percent of property tax revenue. Certain levies, including dedicated lid lifts and excess levies, are not eligible for participation, and thus automatically excluded. Additionally, a portion of local sales and use tax would be diverted from the county and dedicated to supporting the project.

Multiple taxing districts operated by King County are impacted by the proposed revitalization area. For property taxes this includes:

- King County Consolidated District (includes General Fund, Conservation Futures Fund and Unlimited Bond Fund levies)
- King County Flood Control Zone District
- King County Ferry District

- King County Emergency Medical Services (EMS) District

For sales taxes, the following King County taxing authorities are impacted:

- 1.0% Basic and Local option sales tax
- 0.9% Metro Transit sales tax
- 0.1% Criminal Justice sales tax
- 0.1% Mental Health and Drug Dependency sales tax

The amount of sales and use tax dedicated to the Revitalization Area would be determined by the cities and the county and memorialized in Interlocal Agreements.

In order to preserve the revenues for each of these property and sales tax authorities, King County must “opt out” through approval of the attached ordinances for each taxing authority. The ordinances included with this letter do not cover the King County Flood Control Zone District or the King County Ferry District. Independent action by the governing bodies of these districts is necessary for them to “opt out” of the revitalization areas.

None of the three cities has provided the county with any detailed information on the size or scope of the proposed revitalization areas or the projects they would support. The City of Bellevue has indicated that the project will “make key infrastructure improvement of four blocks in the vicinity of our Downtown Transit Center.” No maps, financial plans, or debt repayment schedules have been provided to King County by any of the cities. As a result, a meaningful estimate of the fiscal impact to the county cannot be modeled at this time and there is no fiscal note included with the ordinances. However, King County’s fiscal crisis leaves the county in a position where any additional declines in revenue only work to exacerbate an already tenuous and challenging situation.

Through the ordinances I am transmitting today, I seek council approval for the county to “opt out” of the Auburn, Bellevue and Federal Way Revitalization Areas. To do this, the council must adopt an ordinance removing all county taxing districts as participants from each of the revitalization areas.

The cities of Auburn and Bellevue have indicated that they will act on creating their revitalization areas on Monday, August 3, 2009. Federal Way has indicated it will act on August 4, 2009. The county must notify the cities of its decision to “opt out” of the revitalization area and provide a copy of the adopted ordinance *before* Monday, August 3, 2009. I recognize this is a very condensed timeframe. King County only received notification of Bellevue's intent, for example, on June 25, 2009. Given the short timeframe, my staff is available to immediately begin working with council staff to respond to any questions the council may have about this proposed ordinance. I also ask that the ordinances be adopted on an emergency basis to ensure that they are effective before Auburn and Bellevue act on



August 3, 2009, and before Federal Way acts on August 4, 2009.

Thank you for your prompt attention to this important matter. If you have any questions about this legislation, please contact Beth Goldberg, Deputy Director, Office of Management and Budget, at 206-263-9727.

Sincerely,

Kurt Triplett  
King County Executive

Enclosures

cc: King County Councilmembers  
    ATTN: Tom Bristow, Interim Chief of Staff  
          Saroja Reddy, Policy Staff Director  
          Anne Noris, Clerk of the Council  
          Frank Abe, Communications Director  
Bob Cowan, Director, Office of Management and Budget (OMB)  
Beth Goldberg, Deputy Director, OMB  
Noel Treat, Chief of Staff, King County Executive's Office (KCEO)  
De'Sean Quinn, Director of Regional and City Relations, KCEO



S1

07-21-09

RENTON – S. Lake Washington

Sponsor: Larry Gossett

pj

Proposed No.: 2009-0448

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2009-0448, VERSION 1**

2 On page 1, beginning on line 5, strike everything through page 4, line 51, and insert:

3 "BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

4 **SECTION 1. Findings:**

5 A. King County has received notification from the city of Renton of the city's  
6 intent to create a Revitalization Area as recently authorized under Chapter 270, Laws of  
7 Washington 2009.

8 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
9 jurisdictions that levy regular property or local sales and use taxes in the proposed  
10 Revitalization Area are automatic participants in the revitalization areas unless contrary  
11 notification is provided to the initiating jurisdiction before formal action by the initiating  
12 jurisdiction to create the Revitalization Area. The city of Renton indicates that formal  
13 action will be taken on August 17, 2009.

14 C. Automatic local jurisdiction participants pledge seventy-five percent of  
15 regular property tax increases resulting from new construction in the Revitalization Area  
16 to repayment of debt issued to fund public improvements in the area.

17 D. King County's general fund faces substantial budget shortfalls for the  
18 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
19 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
20 county to notify the city of its intent to opt out of the South Lake Washington  
21 Revitalization Area, a declaration of an emergency is warranted.

22 SECTION 2. Through this ordinance, King County removes itself as a  
23 participating taxing district for the South Lake Washington Revitalization Area. By this  
24 action, King County removes the county regular property tax levy, the road district levy,  
25 the conservation futures levy, the transit levy and the emergency medical services levy  
26 from the South Lake Washington Revitalization Area and will not pledge any King  
27 County local property tax allocation revenues to the South Lake Washington  
28 Revitalization Area.

29 SECTION 3. Through this ordinance, King County will not participate as a local  
30 government in the South Lake Washington Revitalization Area. By this action, King  
31 County will not allow the use of any local sales and use tax imposed by King County to  
32 be used for the South Lake Washington Revitalization Area.

33 SECTION 4. Notification to city of Renton of withdrawal from Revitalization  
34 Area. The clerk of the council is hereby directed to send a notice to Ms. Bonnie Walton,  
35 the Renton City Clerk, that King County has removed all King County taxing districts as  
36 participating taxing districts in the South Lake Washington Revitalization Area. The  
37 notice shall also indicate that King County has removed itself as a participating local  
38 government in the South Lake Washington Revitalization Area. The notice shall indicate  
39 that the county will not pledge local property tax allocation revenues or local sales and

40 use taxes to the South Lake Washington Revitalization Area. The clerk of the council  
41 shall attach a copy of this ordinance with the notice and ensure that notice is received by  
42 the Renton city clerk no later than 4:30 p.m., July 31, 2009.

43 SECTION 5. The council finds as a fact and declares that an emergency exists  
44 and that this ordinance is necessary for the immediate preservation of public peace, health  
45 or safety or for the support of county government and its existing public institutions."

**EFFECT: This striking amendment would remove references to information received from the City of Renton regarding the South Lake Washington Revitalization Area. The legislation also adds a transit levy to the list of exempted taxes.**





KING COUNTY

Signature Report

July 20, 2009

Ordinance

Proposed No. 2009-0448.1

Sponsors Constantine

1 AN ORDINANCE limiting King County's participation in  
2 the South Lake Washington Revitalization Area; and  
3 declaring an emergency.  
4

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 SECTION 1. Findings:

7 A. King County has received notification from the city of Renton of the city's  
8 intent to create a Revitalization Area as recently authorized under Chapter 270, Laws of  
9 Washington 2009, but has received limited written information with regard to the  
10 proposed Revitalization Area or related financial plan for debt repayment.

11 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
12 jurisdictions that levy regular property or local sales and use taxes in the proposed  
13 Revitalization Area are automatic participants in the revitalization areas unless contrary  
14 notification is provided to the initiating jurisdiction before formal action by the initiating  
15 jurisdiction to create the Revitalization Area. The city of Renton indicates that formal  
16 action will be taken on August 17, 2009.

17 C. Automatic local jurisdiction participants pledge seventy-five percent of  
18 regular property tax increases resulting from new construction in the Revitalization Area  
19 to repayment of debt issued to fund public improvements in the area.

20 D. Due to insufficient information, the impact to King County of dedicating  
21 certain portions of the county's regular property taxes and/or sales and use taxes to  
22 support of the South Lake Washington Revitalization Area is unknown at this time.

23 E. King County's general fund faces substantial budget shortfalls for the  
24 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
25 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
26 county to notify the city of its intent to opt out of the South Lake Washington  
27 Revitalization Area a declaration of an emergency is warranted.

28 SECTION 2. Through this ordinance, King County removes itself as a  
29 participating taxing district for the South Lake Washington Revitalization Area. By this  
30 action, King County removes the county regular property tax levy, the road district levy,  
31 the conservation futures levy and the emergency medical services levy from the South  
32 Lake Washington Revitalization Area and will not pledge any King County local  
33 property tax allocation revenues to the South Lake Washington Revitalization Area.

34 SECTION 3. Through this ordinance, King County will not participate as a local  
35 government in the South Lake Washington Revitalization Area. By this action, King  
36 County will not allow the use of any local sales and use tax imposed by King County to  
37 be used for the South Lake Washington Revitalization Area.

38 SECTION 4. Notification to city of Renton of withdrawal from Revitalization  
39 Area. The clerk of the council is hereby directed to send a notice to Ms. Bonnie Walton,



40 the Renton City Clerk, that King County has removed all King County taxing districts as  
41 participating taxing districts in the South Lake Washington Revitalization Area. The  
42 notice shall also indicate that King County has removed itself as a participating local  
43 government in the South Lake Washington Revitalization Area. The notice shall indicate  
44 that the county will not pledge local property tax allocation revenues or local sales and  
45 use taxes to the South Lake Washington Revitalization Area. The clerk of the council  
46 shall attach a copy of this ordinance with the notice and ensure that notice is received by  
47 the Renton city clerk no later than 4:30 p.m., July 31, 2009.

48           SECTION 5. The council finds as a fact and declares that an emergency exists  
49

**Ordinance**

---

50 and that this ordinance is necessary for the immediate preservation of public peace, health  
51 or safety or for the support of county government and its existing public institutions.

52

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

---

ATTEST:

---

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

---

**Attachments**      None

**S1**

RENTON - Port Quendall

07-21-09

pj

Sponsor: Larry Gossett  
Proposed No.: 2009-0449

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2009-0449, VERSION 1**

2 On page 1, beginning on line 5, strike everything through page 4, line 51, and insert:

3 "BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

4 **SECTION 1. Findings:**

5 A. King County has received notification from the city of Renton of the city's  
6 intent to create a Revitalization Area as recently authorized under Chapter 270, Laws of  
7 Washington 2009.

8 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
9 jurisdictions that levy regular property or local sales and use taxes in the proposed  
10 Revitalization Area are automatic participants in the revitalization areas unless contrary  
11 notification is provided to the initiating jurisdiction before formal action by the initiating  
12 jurisdiction to create the Revitalization Area. The city of Renton indicates that formal  
13 action will be taken on August 17, 2009.

14 C. Automatic local jurisdiction participants pledge seventy-five percent of  
15 regular property tax increases resulting from new construction in the Revitalization Area  
16 to repayment of debt issued to fund public improvements in the area.

17 D. King County's general fund faces substantial budget shortfalls for the  
18 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
19 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
20 county to notify the city of its intent to opt out of the Port Quendall Revitalization Area, a  
21 declaration of an emergency is warranted.

22 SECTION 2. Through this ordinance, King County removes itself as a  
23 participating taxing district for the Port Quendall Revitalization Area. By this action,  
24 King County removes the county regular property tax levy, the road district levy, the  
25 conservation futures levy, the transit levy and the emergency medical services levy from  
26 the Port Quendall Revitalization Area and will not pledge any King County local  
27 property tax allocation revenues to the Port Quendall Revitalization Area.

28 SECTION 3. Through this ordinance, King County will not participate as a local  
29 government in the Port Quendall Revitalization Area. By this action, King County will  
30 not allow the use of any local sales and use tax imposed by King County to be used for  
31 the Port Quendall Revitalization Area.

32 SECTION 4. Notification to city of Renton of withdrawal from Revitalization  
33 Area. The clerk of the council is hereby directed to send a notice to Ms. Bonnie Walton,  
34 the Renton City Clerk, that King County has removed all King County taxing districts as  
35 participating taxing districts in the Port Quendall Revitalization Area. The notice shall  
36 also indicate that King County has removed itself as a participating local government in  
37 the Port Quendall Revitalization Area. The notice shall indicate that the county will not  
38 pledge local property tax allocation revenues or local sales and use taxes to the Port  
39 Quendall Revitalization Area. The clerk of the council shall attach a copy of this

40 ordinance with the notice and ensure that notice is received by the Renton city clerk no  
41 later than 4:30 p.m., July 31, 2009.

42 SECTION 5. The council finds as a fact and declares that an emergency exists  
43 and that this ordinance is necessary for the immediate preservation of public peace, health  
44 or safety or for the support of county government and its existing public institutions."

**EFFECT: This striking amendment would remove references to information received from the City of Renton regarding the Port Quendall Revitalization Area. The legislation also adds a transit levy to the list of exempted taxes.**





KING COUNTY

**Attachment** ||  
1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**July 20, 2009**

**Ordinance**

**Proposed No.** 2009-0449.1

**Sponsors** Constantine

1 AN ORDINANCE limiting King County's participation in  
2 the Port Quendall Revitalization Area; and declaring an  
3 emergency.  
4

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 SECTION 1. Findings:

7 A. King County has received notification from the city of Renton of the city's  
8 intent to create a Revitalization Area as recently authorized under Chapter 270, Laws of  
9 Washington 2009, but has received limited written information with regard to the  
10 proposed Revitalization Area or related financial plan for debt repayment.

11 B. As set forth in Chapter 270, Laws of Washington 2009, local taxing  
12 jurisdictions that levy regular property or local sales and use taxes in the proposed  
13 Revitalization Area are automatic participants in the revitalization areas unless contrary  
14 notification is provided to the initiating jurisdiction before formal action by the initiating  
15 jurisdiction to create the Revitalization Area. The city of Renton indicates that formal  
16 action will be taken on August 17, 2009.

17 C. Automatic local jurisdiction participants pledge seventy-five percent of  
18 regular property tax increases resulting from new construction in the Revitalization Area  
19 to repayment of debt issued to fund public improvements in the area.

20 D. Due to insufficient information, the impact to King County of dedicating  
21 certain portions of the county's regular property taxes and/or sales and use taxes to  
22 support of the Port Quendall Revitalization Area is unknown at this time.

23 E. King County's general fund faces substantial budget shortfalls for the  
24 foreseeable future. Allowing the diversion of property and sales tax revenues during this  
25 budget crisis would exacerbate the current funding crisis. Given the limited time for the  
26 county to notify the city of its intent to opt out of the Port Quendall Revitalization Area a  
27 declaration of an emergency is warranted.

28 SECTION 2. Through this ordinance, King County removes itself as a  
29 participating taxing district for the Port Quendall Revitalization Area. By this action,  
30 King County removes the county regular property tax levy, the road district levy, the  
31 conservation futures levy and the emergency medical services levy from the Port  
32 Quendall Revitalization Area and will not pledge any King County local property tax  
33 allocation revenues to the Port Quendall Revitalization Area.

34 SECTION 3. Through this ordinance, King County will not participate as a local  
35 government in the Port Quendall Revitalization Area. By this action, King County will  
36 not allow the use of any local sales and use tax imposed by King County to be used for  
37 the Port Quendall Revitalization Area.

38 SECTION 4. Notification to city of Renton of withdrawal from Revitalization  
39 Area. The clerk of the council is hereby directed to send a notice to Ms. Bonnie Walton,



40 the Renton City Clerk, that King County has removed all King County taxing districts as  
41 participating taxing districts in the Port Quendall Revitalization Area. The notice shall  
42 also indicate that King County has removed itself as a participating local government in  
43 the Port Quendall Revitalization Area. The notice shall indicate that the county will not  
44 pledge local property tax allocation revenues or local sales and use taxes to the Port  
45 Quendall Revitalization Area. The clerk of the council shall attach a copy of this  
46 ordinance with the notice and ensure that notice is received by the Renton city clerk no  
47 later than 4:30 p.m., July 31, 2009.

48 SECTION 5. The council finds as a fact and declares that an emergency exists

49

**Ordinance**

---

50 and that this ordinance is necessary for the immediate preservation of public peace, health  
51 or safety or for the support of county government and its existing public institutions.

52

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

---

ATTEST:

---

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

**Attachments**      None

July 16, 2009

The Honorable Dow Constantine  
Chair, King County Council  
Room 1200  
C O U R T H O U S E

Dear Councilmember Constantine:

The City of Renton has informed the county of its intent to create two Revitalization Areas under the provisions of the recently adopted Chapter 270, Laws of Washington 2009. The two Revitalization Areas, the South Lake Washington Revitalization Area and the Port Quendall Revitalization Area, are scheduled to be established in mid-August, pending approval from the Renton City Council.

As defined by Chapter 270, Laws of Washington 2009, each local taxing jurisdiction in the area is automatically assumed to be a participant in the project, meaning those local jurisdictions would forgo existing revenue authority, unless official notice of a decision to “opt out” is provided as prescribed in the law.

As a local jurisdiction impacted by these two revitalization areas, if King County takes no action, the county is automatically assumed to “opt in.” This would result in 75 percent of the regular property tax revenue increases that King County would otherwise receive from this area being diverted to the repayment of bonds supporting the project. The county would retain the remaining 25 percent of property tax revenue. Certain levies, including dedicated lid lifts and excess levies, are not eligible for participation, and thus automatically excluded. Additionally, a portion of local sales and use tax would be diverted from the county and dedicated to supporting the project.

Multiple taxing districts operated by King County are impacted by the proposed revitalization area. For property taxes this includes:

- King County Consolidated District (includes General Fund, Conservation Futures Fund and Unlimited Bond Fund levies)
- King County Flood Control Zone District
- King County Ferry District
- King County Emergency Medical Services (EMS) District

For sales taxes, the following King County taxing authorities are impacted:

- 1.0% Basic and Local option sales tax
- 0.9% Metro Transit sales tax
- 0.1% Criminal Justice sales tax
- 0.1% Mental Health and Drug Dependency sales tax

The amount of sales and use tax dedicated to each Revitalization Area would be determined by the city and the county and memorialized in Interlocal Agreements.

In order to preserve the revenues for each of these property and sales tax authorities, King County must “opt out” through approval of the attached ordinances for each taxing authority. The ordinances included with this letter do not cover the King County Flood Control Zone District or the King County Ferry District. Independent action by the governing bodies of these districts is necessary for them to “opt out” of the Revitalization Areas.

Renton has provided the county with very limited information on the scope of the proposed projects that would take place in the revitalization areas. No financial plans or debt repayment schedules have been provided to King County. As a result, a meaningful estimate of the fiscal impact to the county cannot be modeled at this time and there is no fiscal note included with the ordinances. However, King County’s fiscal crisis leaves the county in a position where any additional declines in revenue only work to exacerbate an already tenuous and challenging situation.

Through the ordinances I am transmitting today, I seek council approval for the county to “opt out” of the South Lake Washington Revitalization Area and the Port Quendall Revitalization Area. To do this, the council must adopt an ordinance removing all county taxing districts as participants from each of the Revitalization Areas.

The City of Renton has indicated that they will act on creating their Revitalization Areas on Monday, August 17, 2009. The county must notify the cities of its decision to “opt out” of the Revitalization Area and provide a copy of the adopted ordinance *before* Monday, August 17, 2009. I recognize this is a very condensed timeframe. Given the short timeframe, my staff is available to immediately begin working with council staff to respond to any questions the council may have about this proposed ordinance. I also ask that the ordinances be adopted on an emergency basis to ensure that they are effective before Renton acts on August 17, 2009.

Thank you for your prompt attention to this important matter. If you have any questions about this legislation, please contact Beth Goldberg, Deputy Director, Office of Management and Budget, at 206-263-9727.

Sincerely,

Kurt Triplett  
King County Executive

Enclosures

cc: King County Councilmembers

ATTN: Tom Bristow, Interim Chief of Staff  
Saroja Reddy, Policy Staff Director  
Anne Noris, Clerk of the Council  
Frank Abe, Communications Director

Bob Cowan, Director, Office of Management and Budget (OMB)  
Beth Goldberg, Deputy Director, OMB  
Noel Treat, Chief of Staff, King County Executive's Office (KCEO)  
De'Sean Quinn, Director of Regional and City Relations KCEO





CITY HALL  
33325 8th Avenue South  
Mailing Address: PO Box 9718  
Federal Way, WA 98063-9718  
(253) 835-7000  
[www.cityoffederalway.com](http://www.cityoffederalway.com)

July 6, 2009

*file*

RECEIVED JUL 07 2009

KING COUNTY EXECUTIVE OFFICE

TO: EO: Desam Quinn + DCHS

FROM: Patrick Doherty

SUBJECT: ACTION

RESPONSE FOR EXEC. SIG.

RESPOND FOR EXECUTIVE

REVIEWED BY \_\_\_\_\_

F.Y.I.

King County Executive King Triplett  
King County Chinook Building  
401 5th Ave. Suite 800  
Seattle, WA 98104

FAX #: 206-296-0194

Subject: Public Hearing on Proposed "Federal Way Village" Community Revitalization Area

Dear County Executive Triplett:

Please find attached the notice of a public hearing scheduled for August 4, 2009 regarding the City of Federal Way's intent to consider adoption of a Community Revitalization Area (CRA) pursuant to the Community Revitalization Act, RCW 82.14 and 82.32.

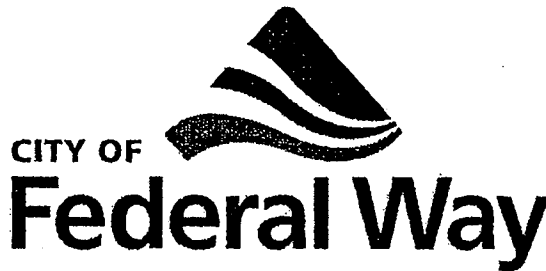
If you require additional information, please do not hesitate to contact me.

Sincerely,

Patrick Doherty  
Economic Development Director  
253-835-2612  
[patrickd@cityoffederalway.com](mailto:patrickd@cityoffederalway.com)

(JUL 07 2009

RECEIVED \_\_\_\_\_  
KING COUNTY EXECUTIVE OFFICE  
TO \_\_\_\_\_  
DATE: \_\_\_\_\_  
AUTHOR: \_\_\_\_\_  
SUBJECT: \_\_\_\_\_



### NOTICE OF PUBLIC HEARING

ACTION  
\_\_\_\_\_ RESPONSE FOR EXEC. SIG.  
\_\_\_\_\_ RESPOND FOR EXECUTIVE  
REVIEWED BY \_\_\_\_\_  
\_\_\_\_\_ F.Y.I

ON  
ESTABLISHMENT OF A REVITALIZATION AREA  
PURSUANT TO THE  
COMMUNITY REVITALIZATION FINANCING (CRF) PROGRAM  
(RCW 82.14, 82.32)

Pursuant to the State CRF Program, outlined in RCW 82.14 and 82.32, the City of Federal Way is proposing to establish a Community Revitalization Area (CRA), encompassing a 44-acre development site at the southwest corner of South 336<sup>th</sup> Street and Pacific Highway South. The purpose of the CRA is to finance public infrastructure improvements through incremental, local tax revenues generated within the CRA, matched with State incremental tax revenues generated within the CRA. Such new public infrastructure improvements are intended to complement and stimulate new private redevelopment projects within the CRA that will provide housing, jobs and goods and services, and increase the fair market value of real property within and nearby the CRA.

- The name of the proposed CRA is the "Federal Way Village Community Revitalization Area."
- The public hearing on this matter will be held during a regularly scheduled City Council meeting at the following date, time and place:

7:00 p.m., Tuesday, August 4, 2009  
City Council Chambers  
City Hall  
33325 8<sup>th</sup> Ave South

- The earliest possible date for City Council adoption of the proposed CRA will be August 4, 2009.
- For more information and/or for a copy of the Ordinance adopting the proposed CRA, you may contact Economic Development Director Patrick Doherty at [patrickd@cityoffederalway.com](mailto:patrickd@cityoffederalway.com), by phone at 253-835-2612 or by mail at PO Box 9718, Federal Way, WA 98063-9718.



## St. John, Polly

---

**From:** Hamacher, Pat  
**Sent:** Thursday, July 16, 2009 1:42 PM  
**To:** St. John, Polly  
**Subject:** FW: Federal Way Local Revitalization Area

For the record as an attachment

---

**From:** Patrick Doherty [mailto:Patrick.Doherty@cityoffederalway.com]  
**Sent:** Thursday, July 16, 2009 1:38 PM  
**To:** Hamacher, Pat  
**Subject:** Federal Way Local Revitalization Area

Hi Patrick:

The site occupies about 44 acres of undeveloped property at the southwest corner of S 336th St and Pacific Highway S. A development partnership is proposing a mixed-use (retail and residential) project on the site, consisting of a mostly commercial/partially mixed-use portion on the eastern half nearest Pacific Highway and a residential (townhomes and attached and semi-attached single-family homes) on the western portion).

The project would contain up to 230,000 SF of retail (including goods and services, restaurants and entertainment), and 155 residential dwelling units.

The project is in an area where new street extensions are required by the Comprehensive Plan as the area has never before been developed. The burden to dedicate the land necessary for the ROW extensions and construct the improvements is not insignificant. The project developer has indicated that this burden is one of the reasons the project is slow to start up (the other, of course, being the very tight lending environment). For this reason, the developer has asked that the City help finance the public ROW improvements found within the mostly commercial (eastern) half of the project.

The total cost for such improvements is approximately \$3 million, towards which the developer has asked the City to contribute up to 70% (\$2.1 million).

The LRF funding mechanism would enable the City to match the local incremental tax revenue with State incremental tax revenue for up to 25 years, creating a revenue stream against which a bond in the amount of the City's requested contribution could be issued.

This could be a very important project for Federal Way in that it would begin to provide for the intrinsic retail demand within Federal Way that is currently being met elsewhere beyond the city (the city experiences an up to 40% leakage of retail dollars).

This not only addresses the direct retail supply-and-demand issue, but also helps to address concerns over excessive automobile driving and "smart growth." With a greater percentage of goods and services provided within Federal Way, the city's residents will be that much less inclined to travel many miles on the region's congested roadways and highways to find those goods and services. This should address both City, County and State-wide Growth Management Goals in a very positive manner.

For these reasons, we would encourage the King County Council to consider the positive benefits of this project and the proposed public-private partnership that can help make it possible during these difficult financial times. By opting out of the local revitalization financing scheme, the County would hinder the ability of the public sector to engage in this

desired partnership. We would, therefore, ask the County Council to refrain from opting out in the spirit of economic development for Federal Way and Growth Management Goals related to reducing traffic congestion.

If you have any additional questions, please do not hesitate to contact me.

Thanks,

Patrick Doherty  
Economic Development Director  
City of Federal Way  
33325 8th Ave S  
Mailing Address: PO Box 9718  
Federal Way, WA 98063-9718  
T 253-835-2612  
F 253-835-2409  
[patrick.doherty@cityoffederalway.com](mailto:patrick.doherty@cityoffederalway.com)

County Executive Kurt Triplett  
King County Chinook Building  
401 5th Ave. Suite 800  
Seattle, WA 98104

0709-011

JUL 09 2009

Peter B. Lewis, Mayor

RECEIVED \_\_\_\_\_  
KING COUNTY EXECUTIVE OFFICE  
TO: EO - DeSean Owen  
DUE DATE: 07/23/09  
AUTHOR: Peter Lewis  
SUBJECT: \_\_\_\_\_

X ACTION  
RESPONSE FOR EXEC. SIG.  
RESPOND FOR EXECUTIVE  
REVIEWED BY ML  
F.Y.I

July 6, 2009

**RE: Notice of Public Hearing –  
Intent to Create a Revitalization Area Pursuant to Substitute  
Senate Bill 5045**

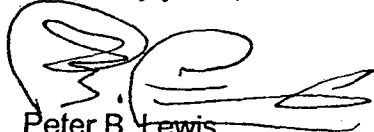
Dear Sir or Madam:

This is to remind you that the City of Auburn will conduct a public hearing on July 20, 2009, on Resolution 4502, which will form a Revitalization Area under the provisions of Substitute Senate Bill 5045 (the "Act"), to be known as [name of RA]. As we said in our letter to you dated May 21, 2009, the City intends to issue debt to finance these improvements, to be repaid with revenues as permitted by the Act.

As we mentioned in our earlier letter, the Act, allocated to the City a portion of taxes off of the incremental increase in property and/or local sales and use taxes resulting from the improvements that would normally be allocated to you allocated to the City instead, to be used to construct public improvements within the Revitalization Area unless the City receives a copy of your jurisdiction's ordinance or resolution opting out of participating no later than 4:30 p.m., local time, on August 3, 2009, which is the date the City intends to adopt legislation creating the Revitalization Area.

The City invites you to attend the public hearing and comment on the formation of the RA. Also, if you intend to opt out, please provide a copy of that legislation to Dani Daskam, City Clerk, 25 W. Main Street, Auburn, WA 98001 by the date and time listed above. She may be reached at 253.931.3039.

Very truly yours,



Peter B. Lewis  
Mayor

#0709-011

**RECEIVED**  
Peter B. Lewis, Mayor

25 West Main Street \* Auburn WA 98001-4998 \* www.auburnwa.gov \* 253-931-3000

County Executive Kurt Triplett  
King County  
King County Chinook Building  
401 5th Ave. Suite 800  
Seattle, WA 98104

**KING COUNTY EXECUTIVE**

RECEIVED  
KING COUNTY EXECUTIVE OFFICE  
TO: EO - De Leon Qui-  
DUE DATE: 07/23/09  
AUTHOR: P. Lewis  
SUBJECT: \_\_\_\_\_

ACTION  
 RESPONSE FOR EXEC. SIG.  
 RESPOND FOR EXECUTIVE  
REVIEWED BY M.Y.  
\_\_\_\_\_ F.Y.I

May 21, 2009

RE: Notice of Intent to Create a Revitalization Area Pursuant to Substitute Senate Bill 5045

Dear Sir or Madam,

To support regional efforts in creating jobs and enhancing economic development, the City of Auburn intends to form a Revitalization Area under the provisions of Substitute Senate Bill 5045 (the "Act"), to be known as Auburn Revitalization Area. The City intends to issue debt to finance these improvements, to be repaid with revenues as permitted by the Act. This may have an affect on the revenues you receive from property or sales and use taxes. The purpose of the Auburn Revitalization Area is to secure the financial means of making key infrastructure improvements of four blocks in the vicinity of our Downtown Transit Center that are complimentary to promoting transit oriented development and achieving the City's density goals within its Urban core to meet the targets that have been allocated to the City of Auburn by PSRC under the Growth Management Act.

Your jurisdiction either levies (or has levied on its behalf) a property tax, imposes a local sales and use tax, or both, within the proposed Revitalization Area. Under the provisions of the Act, the City may seek to have a portion of taxes off of the incremental increase in property and/or local sales and use taxes resulting from the improvements that would normally be allocated to you allocated to the City instead, to be used to construct public improvements within the Revitalization Area that will encourage and support private development. The Act does not increase taxes to citizens in your jurisdiction—it merely reallocates the incremental increases in existing taxes that result from the improvements.

The Act makes this allocation automatic, unless the City receives a copy of your jurisdiction's ordinance or resolution opting out of participating no later than 4:30

Revitalization Area Notice

Page 2 of 2

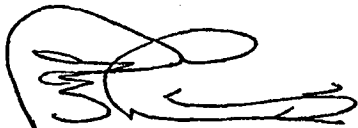
p.m., local time, on August 3, 2009, which is the date the City intends to adopt legislation creating the Revitalization Area. The City will hold a public hearing on the creation of the Auburn Revitalization Area on July 20, 2009. The public hearing will be held at the City of Auburn City Council chambers at 7:30 p.m.

If you intend to opt out, please provide a copy of that legislation to Dani Daskam, City Clerk, 25 W. Main Street, Auburn, WA 98001 by the date and time listed above. She may be reached at (253)931-3039.

If you do not opt out, the Act provides that the City will receive a fixed portion of your allocation of property taxes based on the increased value of real property within the Revitalization Area. For local governments that impose local sales and use taxes, the Act provides that the City will, in addition to a portion of property taxes, receive some or all of new retail sales and use taxes generated in the Revitalization Area that would otherwise be allocated to you. The exact amount of sales and use tax increments to be dedicated will be determined by the City and you, with the Department of Revenue's technical assistance, and must be memorialized in an Interlocal Agreement. If you are a local government that imposes a local sales and use tax, and do not intend to opt out, please contact Karen Jester, Financial Planning Manager, at (253)804-5017 as soon as possible to begin discussing the terms of the Interlocal Agreement the Act requires to implement the program.

The City strongly believes that creation of this Revitalization Area is essential to the long-term economic health of the region, and that your participation in funding these public improvements, while temporarily diverting revenue from your jurisdiction, will in the long run result in an increase in revenue to you. I encourage you to join with us in investing in our community.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter B. Lewis". The signature is stylized with a large, looping initial "P" and "L".

Peter B. Lewis  
Mayor

Metropolitan King County Council  
King County  
516 Third Avenue, Room 1200  
Seattle, WA 98104

May 21, 2009

**RE: Notice of Intent to Create a Revitalization Area Pursuant to Substitute  
Senate Bill 5045**

Dear Sir or Madam,

To support regional efforts in creating jobs and enhancing economic development, the City of Auburn intends to form a Revitalization Area under the provisions of Substitute Senate Bill 5045 (the "Act"), to be known as Auburn Revitalization Area. The City intends to issue debt to finance these improvements, to be repaid with revenues as permitted by the Act. This may have an affect on the revenues you receive from property or sales and use taxes. The purpose of the Auburn Revitalization Area is to secure the financial means of making key infrastructure improvements of four blocks in the vicinity of our Downtown Transit Center that are complimentary to promoting transit oriented development and achieving the City's density goals within its Urban core to meet the targets that have been allocated to the City of Auburn by PSRC under the Growth Management Act.

Your jurisdiction either levies (or has levied on its behalf) a property tax, imposes a local sales and use tax, or both, within the proposed Revitalization Area. Under the provisions of the Act, the City may seek to have a portion of taxes off of the incremental increase in property and/or local sales and use taxes resulting from the improvements that would normally be allocated to you allocated to the City instead, to be used to construct public improvements within the Revitalization Area that will encourage and support private development. The Act does not increase taxes to citizens in your jurisdiction—it merely reallocates the incremental increases in existing taxes that result from the improvements.

The Act makes this allocation automatic, unless the City receives a copy of your jurisdiction's ordinance or resolution opting out of participating no later than 4:30 p.m., local time, on August 3, 2009, which is the date the City intends to adopt

Revitalization Area Notice  
Page 2 of 2

legislation creating the Revitalization Area. The City will hold a public hearing on the creation of the Auburn Revitalization Area on July 20, 2009. The public hearing will be held at the City of Auburn City Council chambers at 7:30 p.m.

If you intend to opt out, please provide a copy of that legislation to Dani Daskam, City Clerk, 25 W. Main Street, Auburn, WA 98001 by the date and time listed above. She may be reached at (253)931-3039.

If you do not opt out, the Act provides that the City will receive a fixed portion of your allocation of property taxes based on the increased value of real property within the Revitalization Area. For local governments that impose local sales and use taxes, the Act provides that the City will, in addition to a portion of property taxes, receive some or all of new retail sales and use taxes generated in the Revitalization Area that would otherwise be allocated to you. The exact amount of sales and use tax increments to be dedicated will be determined by the City and you, with the Department of Revenue's technical assistance, and must be memorialized in an Interlocal Agreement. If you are a local government that imposes a local sales and use tax, and do not intend to opt out, please contact Karen Jester, Financial Planning Manger, at (253)804-5017 as soon as possible to begin discussing the terms of the Interlocal Agreement the Act requires to implement the program.

The City strongly believes that creation of this Revitalization Area is essential to the long-term economic health of the region, and that your participation in funding these public improvements, while temporarily diverting revenue from your jurisdiction, will in the long run result in an increase in revenue to you. I encourage you to join with us in investing in our community.

Very truly yours,



Peter B. Lewis  
Mayor

RE: Notice of Intent to Create a Revitalization Area Pursuant to Substitute Senate Bill 5045

Dear Sir or Madam,

To support regional efforts in creating jobs and enhancing economic development, the City of Bellevue intends to form a Revitalization Area under the provisions of Substitute Senate Bill 5045 (the Act) to be known as Bellevue Revitalization area. The City intends to issue debt to finance these improvements, to be repaid with revenues as permitted by the Act. This may have an effect on the revenues you receive from property or sales and use taxes. The purpose of the Bellevue Revitalization Area is to secure the financial means of making key infrastructure improvement of four blocks in the vicinity of our Downtown Transit Center that are complimentary to promoting transit oriented development and achieving the City's density goals within its Urban core to meet the targets that have been allocated to the City of Bellevue by PSRC under the Growth Management Act.

Your jurisdiction either levies (or has levied on its behalf) a property tax imposes local sales and use tax or both within the proposed Revitalization Area Under the provisions of the Act the City may seek to have a portion of taxes off of the incremental increase in property and/or local sales and use taxes resulting from the improvements that would normally be allocated to you allocated to the City instead, to be used to construct public improvements within the Revitalization Area that will encourage and support private development. The Act does not increase taxes to citizens in your jurisdiction-it merely reallocates the incremental increases in existing taxes that result from the improvements.

The Act makes this allocation automatic, unless the City receives a copy of your jurisdiction's ordinance or resolution opting out of participating no later than 4:30 p.m., local time, on August 3, 2009 which is the date the City intends to adopt legislation creating the Revitalization area. The City will hold a public hearing on the creation of the Bellevue Revitalization Area on July 20, 2009. The public hearing will be held at the City of Bellevue City Council chambers at 7:30 p.m.

If you intend to opt out, please provide a copy of that legislation to Myrna L. Basich, City Clerk, and 450 110<sup>th</sup> Avenue NE, Bellevue, WA 98004 by the date and time listed above. She may be reached at (425) 452-6805.

If you do not opt out, the Act provides that the City will receive a fixed portion of your allocation of property taxes based on the increased value of real property within the Revitalization area. For local governments that impose local sales and use taxes, the Act provides that the City will in addition to a portion of property taxes, receive some or all of the new retail sales and use taxes generated in the Revitalization area that would otherwise be allocated to you. That exact amount of sales and use tax increments to be dedicatee will be determined by the City and you, with the Department of Revenue's technical assistance, and must be memorialized in an Interlocal Agreement. If you are a local government that imposes a local sales and use tax, and do not intend to opt out please contact \_\_\_\_\_ Financial Planning Manger at (425) --- ----- as soon as possible to begin discussing the terms of the Interlocal Agreement the Act requires to implement the program.

The City strongly believes that creation of this Revitalization Area is essential to the long-term economic health of the region, and that your participation in funding these public improvements, while temporarily diverting revenue from your jurisdiction, will in the long run result in an increase in revenue to you. I encourage you to join with us in investing in our community.



Denis Law  
Mayor



July 9, 2009

Mr. Bob Cowan  
Budget Office Director  
King County  
516 Third Avenue, 4<sup>th</sup> Floor  
Seattle, WA 98104

**SUBJECT: Notice of Intent to Create Revitalization Area – "South Lake Washington"**

Dear Mr. Cowan:

The City of Renton is considering leveraging State funds for local revitalization financing by establishing "revitalization areas" (RAs) for economic development purposes, as authorized by the State Legislature's recent passage of Second Substitute Senate Bill 5045 (Chapter 270, Laws of 2009). The two potential RAs identified are South Lake Washington and Port Quendall.

The Renton City Council has fixed the 10th day of August, 2009, at 7:00 p.m. as the date and time for a public hearing to be held in the Council Chambers on the seventh floor of Renton City Hall, 1055 S. Grady Way, Renton, WA 98057, to consider ordinances which would establish these revitalization areas.

This notice is regarding the area which is named "South Lake Washington," and includes the properties in the attached map. The earliest date of adoption of the Revitalization Area ordinances is August 17, 2009. If the South Lake Washington revitalization area is established, the City of Renton would consider issuing bonds for necessary public infrastructure improvements supported by the anticipated incremental tax revenues generated in the area.

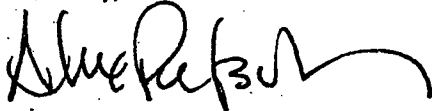
Per Section 106, Second Substitute Senate Bill 5045 (Chapter 270, Laws of 2009), "Participating taxing districts must allow the use of all of their local property tax allocation revenue for local revitalization financing. If a taxing district does not want to allow the use of its property tax revenues for the local revitalization area, its governing body must adopt an ordinance to remove itself as a participating taxing district and must notify the sponsoring government."

All interested parties are invited to attend the August 10 hearing and present written or oral comments regarding the proposal. For those unable to attend the public hearing, written comments submitted to the City Clerk by 5:00 p.m. on the day of the hearing will be entered into the public hearing record. Written comments must include the submitter's full name and address. Renton City Hall is in compliance with the American Disabilities Act, and interpretive services for the hearing impaired will be provided upon prior notice. For information about ADA compliance, call 425-430-6510.

Mr. Bob Cowan  
Page Two

If you have any questions or desire clarification of the above, please contact Suzanne Dale Estey, Economic Development Director, at (425) 430-6591.

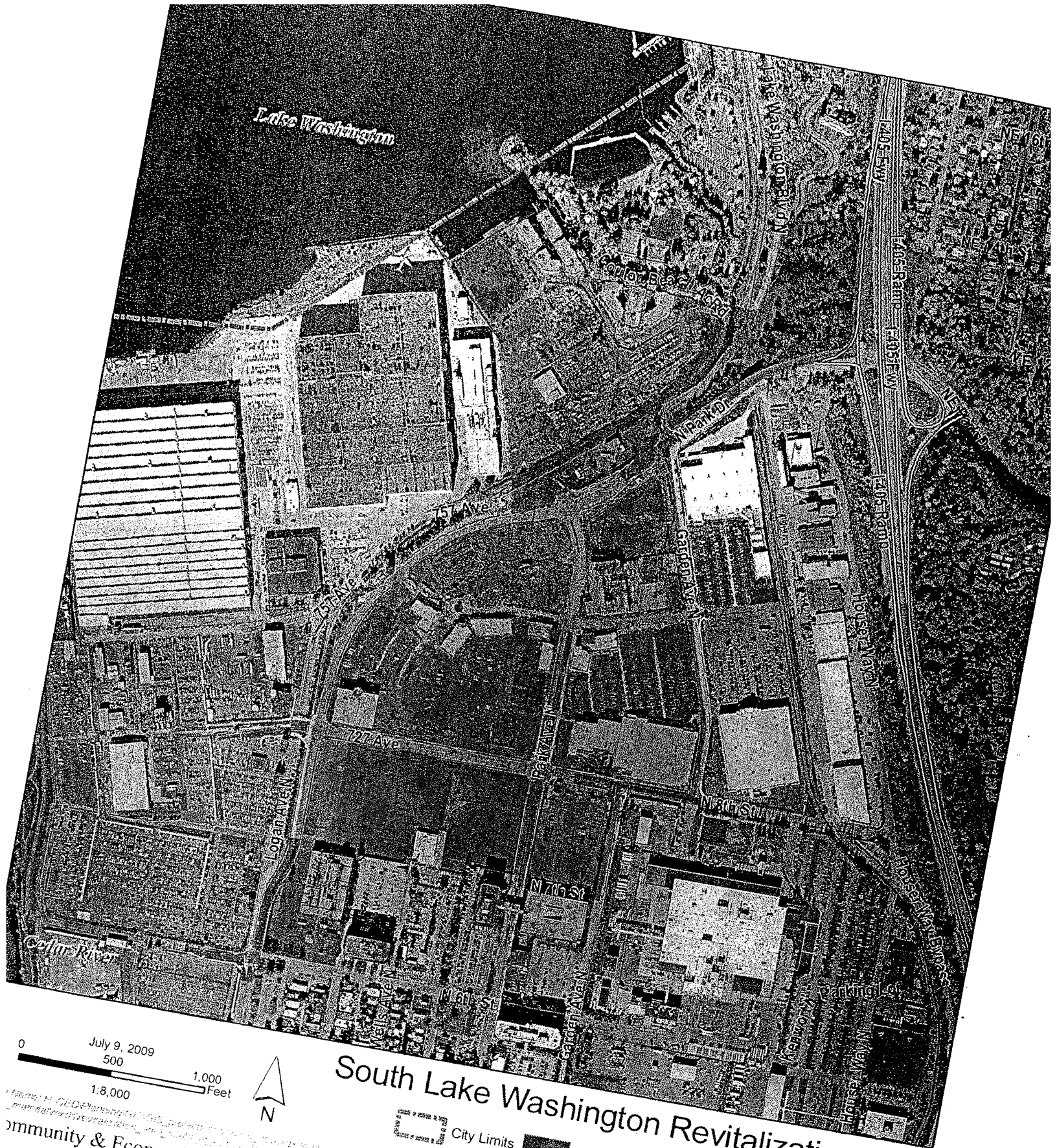
Sincerely,



Alex Pietsch  
Administrator  
Department of Community & Economic Development

Enclosure: Map of proposed South Lake Washington revitalization area

cc: Kurt Triplett, King County Executive  
King County Council  
Denis Law, Mayor  
Renton City Council  
Jay Covington, CAO  
Iwen Wang, Finance and Information Services Administrator  
Suzanne Dale Estey, Economic Development Director



0 500 1,000 Feet  
1:8,000



# South Lake Washington Revitalization Area

City Limits  
South Lake Washington Revitalization Area

Community & Economic Development  
Alex Pictsch, Administrator  
Data/GIS Analysis Services  
Adriana A. Johnson, Patrick Radum

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No warranties of any sort, including but not limited to accuracy  
of content or availability, are made by the City of Renton.

# Renton



Denis Law  
Mayor



July 9, 2009

Mr. Bob Cowan  
Budget Office Director  
King County  
516 Third Avenue, 4<sup>th</sup> Floor  
Seattle, WA 98104

**SUBJECT: Notice of Intent to Create Revitalization Area – “Port Quendall”**

Dear Mr. Cowan:

The City of Renton is considering leveraging State funds for local revitalization financing by establishing “revitalization areas” (RAs) for economic development purposes, as authorized by the State Legislature’s recent passage of Second Substitute Senate Bill 5045 (Chapter 270, Laws of 2009). The two potential RAs identified are South Lake Washington and Port Quendall.

The Renton City Council has fixed the 10th day of August, 2009, at 7:00 p.m. as the date and time for a public hearing to be held in the Council Chambers on the seventh floor of Renton City Hall, 1055 S. Grady Way, Renton, WA 98057, to consider ordinances which would establish these revitalization areas.

This notice is regarding the area which is named “Port Quendall,” and includes the properties in the attached map. The earliest date of adoption of the Revitalization Area ordinances is August 17, 2009. If the Port Quendall revitalization area is established, the City of Renton would consider issuing bonds for necessary public infrastructure improvements supported by the anticipated incremental tax revenues generated in the area.

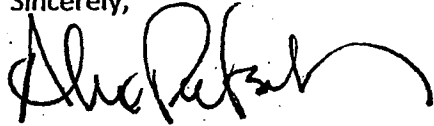
Per Section 106, Second Substitute Senate Bill 5045 (Chapter 270, Laws of 2009), “Participating taxing districts must allow the use of all of their local property tax allocation revenue for local revitalization financing. If a taxing district does not want to allow the use of its property tax revenues for the local revitalization area, its governing body must adopt an ordinance to remove itself as a participating taxing district and must notify the sponsoring government.”

All interested parties are invited to attend the August 10 hearing and present written or oral comments regarding the proposal. For those unable to attend the public hearing, written comments submitted to the City Clerk by 5:00 p.m. on the day of the hearing will be entered into the public hearing record. Written comments must include the submitter’s full name and address. Renton City Hall is in compliance with the American Disabilities Act, and interpretive services for the hearing impaired will be provided upon prior notice. For information about ADA compliance, call 425-430-6510.

Mr. Bob Cowan  
Page Two

If you have any questions or desire clarification of the above, please contact Suzanne Dale Estey, Economic Development Director, at (425) 430-6591.

Sincerely,



Alex Pietsch  
Administrator  
Department of Community & Economic Development

Enclosure: Map of proposed Port Quendall revitalization area

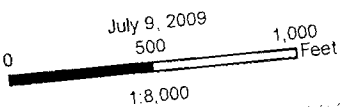
cc: Kurt Triplett, King County Executive  
King County Council  
Denis Law, Mayor  
Renton City Council  
Jay Covington, CAO  
Iwen Wang, Finance and Information Services Administrator  
Suzanne Dale Estey, Economic Development Director



MERCER ISLAND

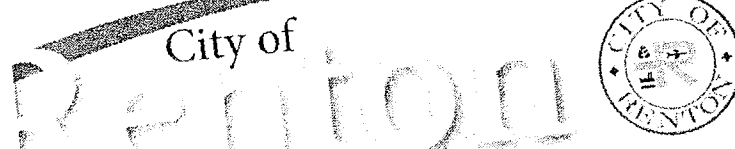
Lake Washington

# Port Quendall Revitalization Area



City Limits 
 Port Quendall Revitalization Area

File Name: PECELA...  
 marketing\_material...  
**Community & Economic Development**  
 Alex Pietsch, Administrator  
 Data/GIS Analysis Services  
 Adriana A. Johnson, Patrick Rodman



# Renton

## St. John, Polly

---

**From:** Hamacher, Pat  
**Sent:** Thursday, July 16, 2009 1:43 PM  
**To:** St. John, Polly  
**Subject:** FW: Local Revitalization Funding  
**Attachments:** Draft Interlocal Agreement for Local Revitalization Financing.doc; Auburn Revitalization Boundary.pdf; Promenade Project Summary.doc; Downtown Redevelopment 052809.pdf

For the record as an attachment.

---

**From:** Karen Jester [mailto:kjester@auburnwa.gov]  
**Sent:** Monday, July 13, 2009 3:00 PM  
**To:** Hamacher, Pat  
**Cc:** Shelley Coleman  
**Subject:** FW: Local Revitalization Funding

Here is the information I provided earlier to King County's Budget Office. Please let me know if you would like additional information.

Karen Jester  
*Financial Planning Manager*  
(253) 804-5017

---

**From:** Karen Jester  
**Sent:** Wednesday, June 17, 2009 3:59 PM  
**To:** 'hall.walker@kingcounty.gov'; 'anthony.cacallori@kingcounty.gov'  
**Cc:** Shelley Coleman; Steven Gross; Dani Daskam; Elizabeth Chamberlain; Cindy Baker; Dennis Dowdy; Ingrid Gaub  
**Subject:** Local Revitalization Funding

The City of Auburn is a demonstration project under Second Substitute Senate Bill 5045 and is eligible for up to \$250,000 per year from the State in local revitalization funding. Our proposed public improvements are estimated to cost \$8 million. The City is in the process of obtaining an EDA grant in the amount of \$3 million for this project. We are proposing to finance the remainder of the project over a 25 year period with GO bonds.

The Auburn Junction project is a four block phased redevelopment within downtown Auburn that consists of 254 residential units, a 160 room hotel, 211,000 square feet of retail, 163,000 square feet of office, and associated parking adjacent to Auburn City Hall and the Auburn Transit Station. The project will create an urban living environment that is pedestrian friendly and transit oriented development.

I have attached to this email the following documents regarding our local revitalization project:  
Draft Interlocal Agreement  
Auburn Revitalization Boundary Map  
Proposed public improvements – Promenade Project Summary and Downtown Redevelopment site map

If you have legal questions regarding this, please feel free to have your attorney contact our Assistant City Attorney, Steven Gross, at (253) 804-5027.

Please let me know if you need any further information or have additional questions.

Regards,  
Karen Jester  
Financial Planning Manager  
City of Auburn  
Finance Department  
(253) 804-5017

The information contained in this electronic communication is personal, privileged and/or confidential information intended only for the use of the individual(s) or entity(ies) to which it has been addressed. If you read this communication and are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication, other than delivery to the intended recipient is strictly prohibited. If you have received this communication in error, please immediately notify the sender by reply e-mail. Thank you.



**CITY OF AUBURN – KING COUNTY  
INTERLOCAL AGREEMENT FOR LOCAL REVITALIZATION  
FINANCING**

**THIS INTERLOCAL AGREEMENT** made and entered into, pursuant to the Interlocal Cooperation Act, Chapter 39.34 of the Revised Code of Washington, on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by and between the CITY OF AUBURN, a municipal corporation of the State of Washington (hereinafter referred to as the “City”), and King County, a subdivision of the State of Washington (hereinafter referred to as the “County”),

**WITNESSETH:**

**WHEREAS**, the Washington State Legislature in its 2009 Regular Session approved SSHB 5045 as Chapter 270, Laws of 2009 (the “Act”), authorizing the formation of Local Revitalization Areas for the purpose of undertaking public improvements in areas that will benefit from private development in those areas arising as a result of those public improvements; and,

**WHEREAS**, the City adopted Resolution No. \_\_\_\_\_ on \_\_\_\_\_, 2009, which created the Auburn Revitalization Area, a copy of which is attached hereto and incorporated by reference; and,

**WHEREAS**, the Act provides that the City and the County may allocate property taxes on a portion of any increase in the assessed value of real property resulting from new construction in a revitalization area built because of certain public improvements made under the Act, as well as a portion of the estimated increase in local sales and use taxes within the revitalization area to pay for public improvements within the revitalization area; and,

**WHEREAS**, the County has agreed to participate with the City in this program and, under the requirements of the Act, both the City of Auburn and the County wish to memorialize the conditions of the County’s participation.

**NOW THEREFORE** in consideration of their mutual covenants, conditions and promises, **THE PARTIES HERETO DO HEREBY AGREE** as follows:

1. Pursuant to Sections 106 and 201 of the Act, the County understands that the additional portion of the regular property taxes levied by it on local property tax allocation revenues (as defined in Section 102(6) of the Act) will be used for local revitalization financing for the purposes and time period set forth in Resolution \_\_\_\_\_. The parties acknowledge that, in accordance with Section 201(1)(b) of the Act, any of these additional property taxes collected in any year in excess of the amount needed for bond service, reserve, and other bond covenant requirements shall

be allocated to the County in proportion to its regular tax levy rate for that year.

2. Pursuant to Sections 107 and 301(1) of the Act, the parties agree that the County will allocate \_\_\_\_\_ [percent][dollars] of the County's local sales and use tax increment to the City for local revitalization financing. The parties further that the City will allocate \_\_\_\_\_ [percent][dollars] of the City's local sales and use tax increment to be used for local revitalization financing. These allocations shall begin on July 1, 2010, and shall end on June 30, 2035.

3. The County's allocation of local property tax allocation revenues shall cease when local property tax allocation revenues are no longer obligated to pay the costs of public improvements.

4. LIMITATIONS AND CONFIRMATIONS

a. Any obligations issued to provide the local revitalization area financing by the City will be the sole responsibility of the City. The County shall have no liability, directly or indirectly, for those obligations.

b. The administration and governance of the revitalization area shall be the sole responsibility of the City.

5. COMPLIANCE WITH REGULATIONS AND LAWS

The parties shall comply with all applicable rules and regulations pertaining to them in connection with the matters covered herein.

6. NOTICES

All notices and payments hereunder may be delivered or mailed. If mailed, they shall be sent to the following respective addresses:

To the County:

\_\_\_\_\_ (name) \_\_\_\_\_  
\_\_\_\_\_ (address) \_\_\_\_\_  
\_\_\_\_\_ (phone number) \_\_\_\_\_  
\_\_\_\_\_ (Fax number) \_\_\_\_\_

To the City:

City of Auburn  
25 West Main  
Auburn, WA 98001-4998

Attn: \_\_\_\_\_

Phone: (253) 931-3000

FAX (253) 931-3053

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. All notices and payments mailed by regular post (including first class) shall be deemed to have been given on the second business day following the date of mailing, if properly mailed and addressed. Notices and payments sent by certified or registered mail shall be deemed to have been given on the day next following the date of mailing, if properly mailed and addressed. For all types of mail, the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing.

## 7. MISCELLANEOUS

A. All of the covenants, conditions and agreements in this Agreement shall extend to and bind the legal successors and assigns of the parties hereto.

B. This Agreement shall be deemed to be made and construed in accordance with the laws of the State of Washington jurisdiction and venue for any action arising out of this Agreement shall be in of the county in Washington State in which the property or project is located, and if not site specific, then in King County, Washington.

C. The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.

D. The duration of this Agreement shall be for twenty-five years, or for the period of time it reasonably takes for the performances by the parties as completed herein.

E. Unless otherwise specifically provided herein, no separate legal entity is created hereby, as each of the parties is contracting in its capacity as a municipal corporation of the State of Washington. The identity of the parties hereto is as set forth hereinabove.

F. The purpose of this Agreement is to accomplish the objectives of this Agreement.

G. The funding of the respective obligations of the parties shall be out of the respective general funds/current expenses of the parties, except as otherwise specifically provided.

H. The performances of the duties of the parties provided hereby shall be done in accordance with standard operating procedures and customary practices of the parties.

I. Unless a joint oversight and administration board is created as provided herein, the oversight and administration of the Agreement shall be by the respective named representatives identified in Paragraph 6 hereof, or their designees.

J. Unless otherwise specifically provided herein, any real property to be held in connection herewith, if applicable, shall be held as the separate property of the party or parties in whose name(s) the property is/was acquired.

K. No provision of this Agreement shall relieve either party of its public agency obligations and or responsibilities imposed by law.

L. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable by a final decision of any court having jurisdiction on the matter, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect, unless such

court determines that such invalidity or unenforceability materially interferes with or defeats the purposes hereof, at which time the City shall have the right to terminate the Agreement.

M. This Agreement constitutes the entire agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modifications or amendments of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

N. Copies of this Agreement shall be filed with the Auditor's Office of the county in Washington State in which the property or project is located, and if not site specific, then in the King County Auditor's Office; the Secretary of State of the State of Washington; and the respective Clerks of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

**COUNTY OF KING**

**CITY OF AUBURN**

By: \_\_\_\_\_  
Kurt Triplett, County Executive

\_\_\_\_\_  
Peter B. Lewis, Mayor

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Prosecuting Attorney

\_\_\_\_\_  
Auburn City Attorney

**DRAFT**

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

ON THIS \_\_\_\_ day of \_\_\_\_\_, 200\_\_, before me, personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me known to be the \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_, a municipal corporation, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument, and the seat of said municipal corporation is affixed hereon.

WITNESS my hand and official seal hereto the day and year in this certificate first above written.

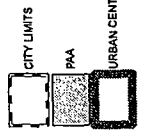
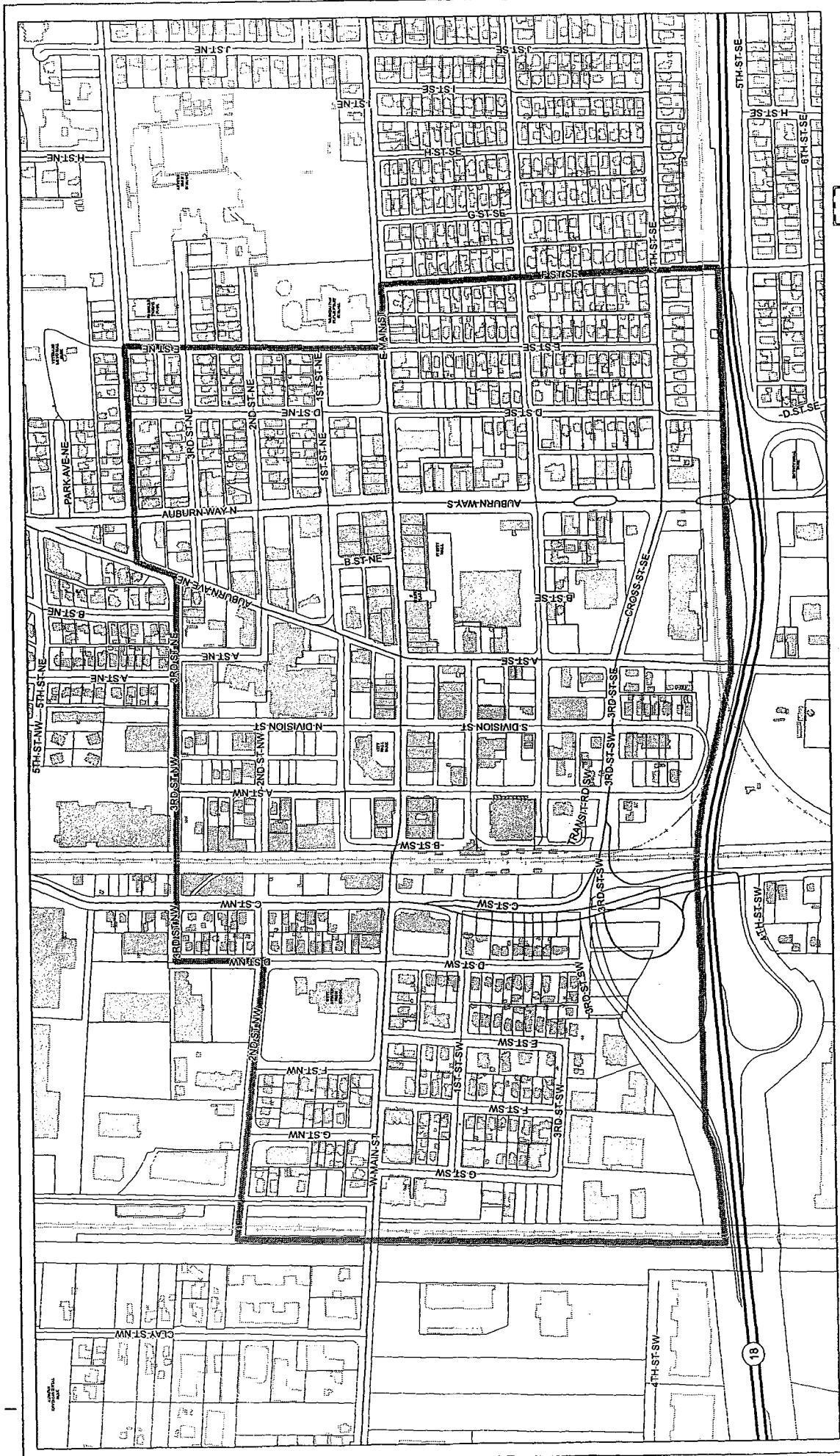
\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

ON THIS \_\_\_\_ day of \_\_\_\_\_, 200\_\_, before me, personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me known to be the Mayor and City Clerk of the CITY OF AUBURN, a municipal corporation, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

WITNESS my hand and official seal hereto the day and year in this certificate first above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



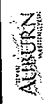
**MAP 3.4  
URBAN CENTER**



1 INCH EQUALS 400 FEET

MAP ID # 1271

PRINTED ON 600/206



INFORMATION SHOWN IS FOR GENERAL REFERENCE PURPOSES ONLY AND DOES NOT NECESSARILY REPRESENT EXACT GEOGRAPHIC OR CARTOGRAPHIC DATA AS MAPPED. THE CITY OF AUBURN MAKES NO WARRANTY AS TO ACCURACY.

CITY LIMITS  
PAA  
URBAN CENTER BOUNDARY (231.34 ACRES)

## **City of Auburn Promenade Project**

### **Scope of Work**

The project scope currently includes the reconstruction of S. Division Street including roadway pavement, crosswalks, sidewalks, street trees and tree grates, potted plants, pedestrian lighting, street lighting, City-owned fiber conduits, storm drainage improvements for street drainage and aesthetic treatments at the intersections of 1<sup>st</sup> Street and at Main Street all in accordance with the City's Promenade plan and the adopted Downtown Sidewalk Guidelines. In addition, the project includes the relocation of City-owned sanitary sewer lines, upsizing of City-owned water lines, and restoration of public improvements needed to accomplish these improvements. Other improvements include the relocation and undergrounding of power facilities from the alleyways to the public street right-of-way.

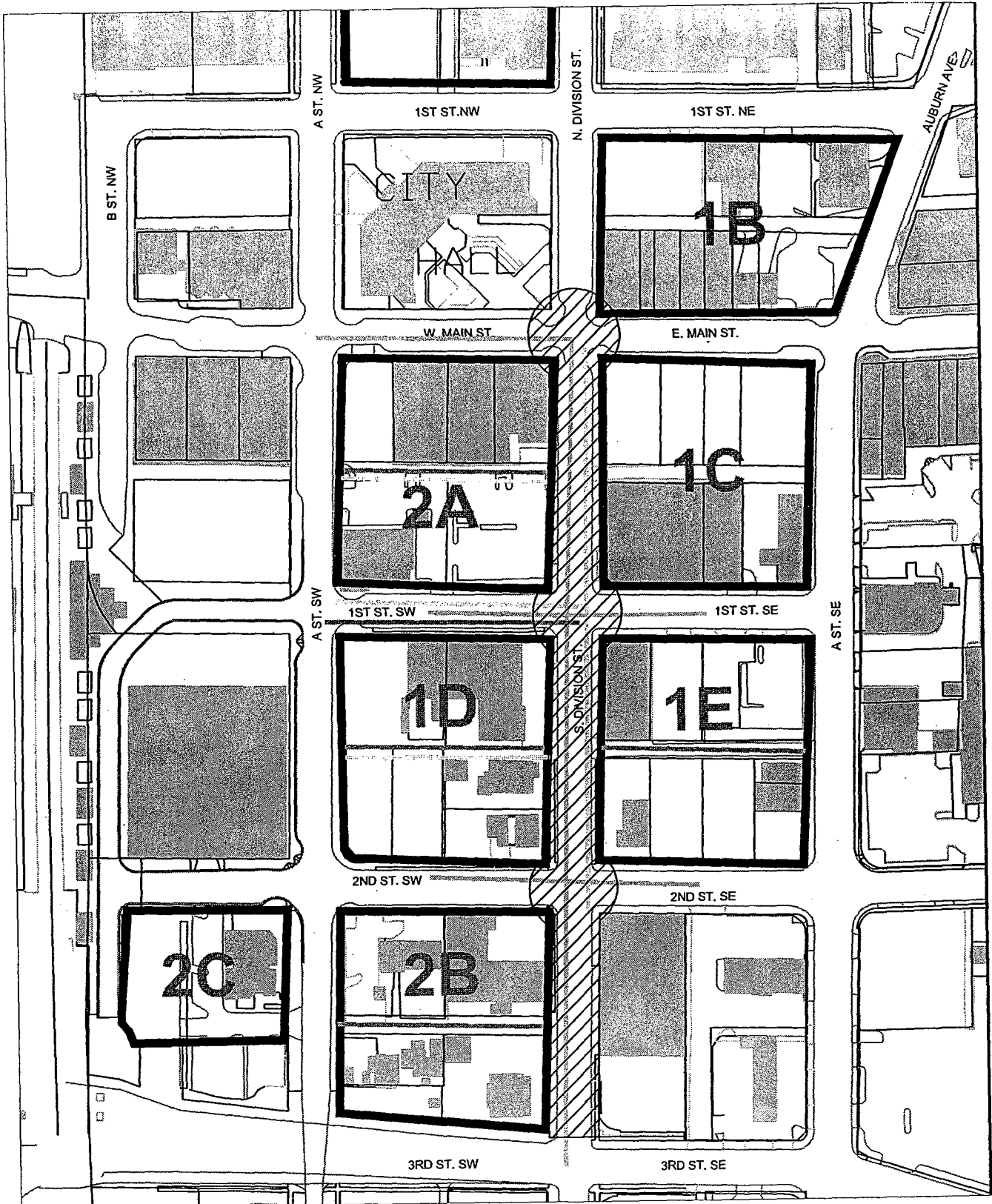
### **Estimated Costs**







Total Project Cost is \$8M

Breakdown:

Design = \$950,000.00

Construction = \$7,050,000.00



-  Relocate Existing Gas from within Alley
-  Relocate Existing Power from within Alley
-  New 8", 12", & 15" Sanitary Sewer Lines
-  New 12" Storm Drainage Lines
-  New 12" Water Lines
-  Roadway Infrastructure and Promenade Improvements

## Downtown Redevelopment Infrastructure Needs



S-2210.1

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SECOND SUBSTITUTE SENATE BILL 5045

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State of Washington

61st Legislature

2009 Regular Session

By Senate Ways & Means (originally sponsored by Senators Kilmer, Zarelli, Brown, Kauffman, Shin, Marr, King, Regala, Rockefeller, Haugen, Berkey, Eide, Kastama, Jarrett, Pridemore, McAuliffe, and Ranker)

READ FIRST TIME 03/02/09.

1 AN ACT Relating to community revitalization financing; adding a new  
2 section to chapter 82.32 RCW; adding new sections to chapter 82.14 RCW;  
3 and adding a new chapter to Title 39 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 PART I

6 LOCAL REVITALIZATION FINANCING--GENERAL PROVISIONS

7 NEW SECTION. Sec. 101. The legislature recognizes that the state  
8 as a whole benefits from investment in public infrastructure because it  
9 promotes community and economic development. Public investment  
10 stimulates business activity and helps create jobs, stimulates the  
11 redevelopment of brownfields and blighted areas in the inner city,  
12 lowers the cost of housing, and promotes efficient land use. The  
13 legislature finds that these activities generate revenue for the state  
14 and that it is in the public interest to invest in these projects  
15 through a credit against the state sales and use tax to those local  
16 governments that can demonstrate the expected returns to the state.

1        NEW SECTION.    **Sec. 102.**    DEFINITIONS.    The definitions in this  
2 section apply throughout this chapter unless the context clearly  
3 requires otherwise.

4        (1) "Annual state contribution limit" means two million five  
5 hundred thousand dollars statewide per fiscal year.

6        (2) "Assessed value" means the valuation of taxable real property  
7 as placed on the last completed assessment roll.

8        (3) "Department" means the department of revenue.

9        (4) "Fiscal year" means the twelve-month period beginning July 1st  
10 and ending the following June 30th.

11       (5) "Local government" means any city, town, county, and port  
12 district.

13       (6) "Local property tax allocation revenue" means those tax  
14 revenues derived from the receipt of regular property taxes levied on  
15 the property tax allocation revenue value and used for local  
16 revitalization financing.

17       (7) "Local revitalization financing" means the use of revenues from  
18 local public sources, and revenues received from the local option sales  
19 and use tax authorized in section 601 of this act, dedicated to pay the  
20 principal and interest on bonds authorized under section 701 of this  
21 act.

22       (8) "Local sales and use tax increment" means the estimated annual  
23 increase in local sales and use taxes as determined and anticipated by  
24 the local government in the calendar years following the approval of  
25 the revitalization area by the department from taxable activity within  
26 the revitalization area.

27       (9) "Local sales and use taxes" means local revenues derived from  
28 the imposition of sales and use taxes authorized in RCW 82.14.030.

29       (10) "Ordinance" means any appropriate method of taking legislative  
30 action by a local government.

31       (11) "Participating local government" means a local government  
32 having a revitalization area within its geographic boundaries that has  
33 taken action as provided in section 107(1) of this act to allow the use  
34 of all or some of its local sales and use tax increment or other  
35 revenues from local public sources dedicated for local revitalization  
36 financing.

37       (12) "Participating taxing district" means a local government

1 having a revitalization area within its geographic boundaries that has  
2 not taken action as provided in section 106(2) of this act.

3 (13) "Property tax allocation revenue base value" means the  
4 assessed value of real property located within a revitalization area,  
5 less the property tax allocation revenue value.

6 (14) (a) (i) "Property tax allocation revenue value" means seventy-  
7 five percent of any increase in the assessed value of real property in  
8 a revitalization area resulting from:

9 (A) The placement of new construction, improvements to property, or  
10 both, on the assessment roll, where the new construction and  
11 improvements are initiated after the revitalization area is approved by  
12 the department;

13 (B) The cost of new housing construction, conversion, and  
14 rehabilitation improvements, when the cost is treated as new  
15 construction for purposes of chapter 84.55 RCW as provided in RCW  
16 84.14.020, and the new housing construction, conversion, and  
17 rehabilitation improvements are initiated after the revitalization area  
18 is approved by the department;

19 (C) The cost of rehabilitation of historic property, when the cost  
20 is treated as new construction for purposes of chapter 84.55 RCW as  
21 provided in RCW 84.26.070, and the rehabilitation is initiated after  
22 the revitalization area is approved by the department.

23 (ii) Increases in the assessed value of real property in a  
24 revitalization area resulting from (a) (i) (A) through (C) of this  
25 subsection are included in the property tax allocation revenue value in  
26 the initial year. These same amounts are also included in the property  
27 tax allocation revenue value in subsequent years unless the property  
28 becomes exempt from property taxation.

29 (b) "Property tax allocation revenue value" includes seventy-five  
30 percent of any increase in the assessed value of new construction  
31 consisting of an entire building in the years following the initial  
32 year, unless the building becomes exempt from property taxation.

33 (c) Except as provided in (b) of this subsection, "property tax  
34 allocation revenue value" does not include any increase in the assessed  
35 value of real property after the initial year.

36 (d) There is no property tax allocation revenue value if the  
37 assessed value of real property in a revitalization area has not

1 increased as a result of any of the reasons specified in (a)(i)(A)  
2 through (C) of this subsection.

3 (e) For purposes of this subsection, "initial year" means:

4 (i) For new construction and improvements to property added to the  
5 assessment roll, the year during which the new construction and  
6 improvements are initially placed on the assessment roll;

7 (ii) For the cost of new housing construction, conversion, and  
8 rehabilitation improvements, when the cost is treated as new  
9 construction for purposes of chapter 84.55 RCW, the year when the cost  
10 is treated as new construction for purposes of levying taxes for  
11 collection in the following year; and

12 (iii) For the cost of rehabilitation of historic property, when the  
13 cost is treated as new construction for purposes of chapter 84.55 RCW,  
14 the year when such cost is treated as new construction for purposes of  
15 levying taxes for collection in the following year.

16 (15) "Public improvement costs" means the costs of:

17 (a) Design, planning, acquisition, including land acquisition, site  
18 preparation including land clearing, construction, reconstruction,  
19 rehabilitation, improvement, and installation of public improvements;

20 (b) Demolishing, relocating, maintaining, and operating property  
21 pending construction of public improvements;

22 (c) Relocating utilities as a result of public improvements;

23 (d) Financing public improvements, including interest during  
24 construction, legal and other professional services, taxes, insurance,  
25 principal and interest costs on general indebtedness issued to finance  
26 public improvements, and any necessary reserves for general  
27 indebtedness; and

28 (e) Administrative expenses and feasibility studies reasonably  
29 necessary and related to these costs, including related costs that may  
30 have been incurred before adoption of the ordinance authorizing the  
31 public improvements and the use of local revitalization financing to  
32 fund the costs of the public improvements.

33 (16) "Public improvements" means:

34 (a) Infrastructure improvements within the revitalization area that  
35 include:

36 (i) Street, road, bridge, and rail construction and maintenance;

37 (ii) Water and sewer system construction and improvements;

38 (iii) Sidewalks, streetlights, landscaping, and streetscaping;

1 (iv) Parking, terminal, and dock facilities;

2 (v) Park and ride facilities of a transit authority;

3 (vi) Park facilities, recreational areas, and environmental  
4 remediation;

5 (vii) Storm water and drainage management systems;

6 (viii) Electric, gas, fiber, and other utility infrastructures; and

7 (b) Expenditures for any of the following purposes:

8 (i) Providing environmental analysis, professional management,  
9 planning, and promotion within the revitalization area, including the  
10 management and promotion of retail trade activities in the  
11 revitalization area;

12 (ii) Providing maintenance and security for common or public areas  
13 in the revitalization area; or

14 (iii) Historic preservation activities authorized under RCW  
15 35.21.395.

16 (17) "Real property" has the same meaning as in RCW 84.04.090 and  
17 also includes any privately owned improvements located on publicly  
18 owned land that are subject to property taxation.

19 (18) "Regular property taxes" means regular property taxes as  
20 defined in RCW 84.04.140, except: (a) Regular property taxes levied by  
21 public utility districts specifically for the purpose of making  
22 required payments of principal and interest on general indebtedness;  
23 (b) regular property taxes levied by the state for the support of  
24 common schools under RCW 84.52.065; and (c) regular property taxes  
25 authorized by RCW 84.55.050 that are limited to a specific purpose.  
26 "Regular property taxes" do not include excess property tax levies that  
27 are exempt from the aggregate limits for junior and senior taxing  
28 districts as provided in RCW 84.52.043.

29 (19) (a) "Revenues from local public sources" means:

30 (i) The local sales and use tax amounts received as a result of  
31 interlocal agreement, local sales and use tax amounts from sponsoring  
32 local governments based on its local sales and use tax increment, and  
33 local property tax allocation revenues, which are dedicated by a  
34 sponsoring local government, participating local governments, and  
35 participating taxing districts, for payment of bonds under section 701  
36 of this act; and

37 (ii) Any other local revenues, except as provided in (b) of this

1 subsection, including revenues derived from federal and private  
2 sources, which are dedicated for the payment of bonds under section 701  
3 of this act.

4 (b) Revenues from local public sources do not include any local  
5 funds derived from state grants, state loans, or any other state moneys  
6 including any local sales and use taxes credited against the state  
7 sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

8 (20) "Revitalization area" means the geographic area adopted by a  
9 sponsoring local government and approved by the department, from which  
10 local sales and use tax increments are estimated and property tax  
11 allocation revenues are derived for local revitalization financing.

12 (21) "Sponsoring local government" means a city, town, county, or  
13 any combination thereof, that adopts a revitalization area and applies  
14 to the department to use local revitalization financing.

15 (22) "State contribution" means the lesser of:

16 (a) Five hundred thousand dollars;

17 (b) The project award amount approved by the department as provided  
18 in section 401 of this act; or

19 (c) The total amount of revenues from local public sources  
20 dedicated in the preceding calendar year to the payment of principal  
21 and interest on bonds issued under section 701 of this act.

22 (23) "State property tax increment" means the estimated amount of  
23 annual tax revenues estimated to be received by the state from the  
24 imposition of property taxes levied by the state for the support of  
25 common schools under RCW 84.52.065 on the property tax allocation  
26 revenue value, as determined by the sponsoring local government in an  
27 application under section 401 of this act.

28 (24) "State sales and use tax increment" means the estimated amount  
29 of annual increase in state sales and use taxes to be received by the  
30 state from taxable activity within the revitalization area in the years  
31 following the approval of the revitalization area by the department as  
32 determined by the sponsoring local government in an application under  
33 section 401 of this act.

34 (25) "State sales and use taxes" means state retail sales and use  
35 taxes under RCW 82.08.020(1) and 82.12.020 at the rate provided in RCW  
36 82.08.020(1), less the amount of tax distributions from all local  
37 retail sales and use taxes, other than the local sales and use taxes

1 authorized by section 601 of this act for the applicable revitalization  
2 area, imposed on the same taxable events that are credited against the  
3 state retail sales and use taxes under RCW 82.08.020(1) and 82.12.020.

4 (26) "Taxing district" means a government entity that levies or has  
5 levied for it regular property taxes upon real property located within  
6 a proposed or approved revitalization area.

7 NEW SECTION. Sec. 103. CONDITIONS. A local government may  
8 finance public improvements using local revitalization financing  
9 subject to the following conditions:

10 (1) The local government has adopted an ordinance designating a  
11 revitalization area within its boundaries and specified the public  
12 improvements proposed to be financed in whole or in part with the use  
13 of local revitalization financing;

14 (2) The public improvements proposed to be financed in whole or in  
15 part using local revitalization financing are expected to encourage  
16 private development within the revitalization area and to increase the  
17 fair market value of real property within the revitalization area;

18 (3) The local government has entered into a contract with a private  
19 developer relating to the development of private improvements within  
20 the revitalization area or has received a letter of intent from a  
21 private developer relating to the developer's plans for the development  
22 of private improvements within the revitalization area;

23 (4) Private development that is anticipated to occur within the  
24 revitalization area, as a result of the public improvements, will be  
25 consistent with the countywide planning policy adopted by the county  
26 under RCW 36.70A.210 and the local government's comprehensive plan and  
27 development regulations adopted under chapter 36.70A RCW;

28 (5) The local government may not use local revitalization financing  
29 to finance the costs associated with the financing, design,  
30 acquisition, construction, equipping, operating, maintaining,  
31 remodeling, repairing, and reequipping of public facilities funded with  
32 taxes collected under RCW 82.14.048 or 82.14.390;

33 (6) The governing body of the local government must make a finding  
34 that local revitalization financing:

35 (a) Will not be used for the purpose of relocating a business from  
36 outside the revitalization area, but within this state, into the

1 revitalization area unless convincing evidence is provided that the  
2 firm being relocated would otherwise leave the state;

3 (b) Will improve the viability of existing business entities within  
4 the revitalization area; and

5 (c) Will be used exclusively in areas within the jurisdiction of  
6 the local government deemed in need of either economic development or  
7 redevelopment, or both, and absent the financing available under this  
8 chapter and sections 601 and 602 of this act the proposed economic  
9 development or redevelopment would more than likely not occur; and

10 (7) The governing body of the local government finds that the  
11 public improvements proposed to be financed in whole or in part using  
12 local revitalization financing are reasonably likely to:

13 (a) Increase private investment within the revitalization area;

14 (b) Increase employment within the revitalization area; and

15 (c) Generate, over the period of time that the local sales and use  
16 tax will be imposed under section 601 of this act, increases in state  
17 and local property, sales, and use tax revenues that are equal to or  
18 greater than the respective state and local contributions made under  
19 this chapter.

20 NEW SECTION. **Sec. 104.** CREATING A REVITALIZATION AREA. (1)

21 Before adopting an ordinance creating the revitalization area, a  
22 sponsoring local government must:

23 (a) Provide notice to all taxing districts and local governments  
24 with geographic boundaries within the proposed revitalization area of  
25 the sponsoring local government's intent to create a revitalization  
26 area. Notice must be provided in writing to the governing body of the  
27 taxing districts and local governments at least thirty days in advance  
28 of the public hearing as required by (b) of this subsection. The  
29 notice must include at least the following information:

30 (i) The name of the proposed revitalization area;

31 (ii) The date for the public hearing as required by (b) of this  
32 subsection;

33 (iii) The earliest anticipated date when the sponsoring local  
34 government will take action to adopt the proposed revitalization area;  
35 and

36 (iv) The name of a contact person with phone number of the



1 sponsoring local government and mailing address where a copy of an  
2 ordinance adopted under sections 105 and 106 of this act may be sent;  
3 and

4 (b) Hold a public hearing on the proposed financing of the public  
5 improvements in whole or in part with local revitalization financing.  
6 Notice of the public hearing must be published in a legal newspaper of  
7 general circulation within the proposed revitalization area at least  
8 ten days before the public hearing and posted in at least six  
9 conspicuous public places located in the proposed revitalization area.  
10 Notices must describe the contemplated public improvements, estimate  
11 the costs of the public improvements, describe the portion of the costs  
12 of the public improvements to be borne by local revitalization  
13 financing, describe any other sources of revenue to finance the public  
14 improvements, describe the boundaries of the proposed revitalization  
15 area, and estimate the period during which local revitalization  
16 financing is contemplated to be used. The public hearing may be held  
17 by either the governing body of the sponsoring local government, or a  
18 committee of the governing body that includes at least a majority of  
19 the whole governing body.

20 (2) To create a revitalization area, a sponsoring local government  
21 must adopt an ordinance establishing the revitalization area that:

22 (a) Describes the public improvements proposed to be made in the  
23 revitalization area;

24 (b) Describes the boundaries of the revitalization area, subject to  
25 the limitations in section 105 of this act;

26 (c) Estimates the cost of the proposed public improvements and the  
27 portion of these costs to be financed by local revitalization  
28 financing;

29 (d) Estimates the time during which local property tax allocation  
30 revenues, and other revenues from local public sources, such as amounts  
31 of local sales and use taxes from participating local governments, are  
32 to be used for local revitalization financing;

33 (e) Provides the date when the use of local property tax allocation  
34 revenues will commence and a list of the taxing districts that have not  
35 adopted an ordinance as described in section 106 of this act to be  
36 removed as a participating taxing district;

37 (f) Finds that all of the requirements in section 103 of this act  
38 are met;

1 (g) Provides the anticipated rate of sales and use tax under  
2 section 601 of this act that the local government will impose if  
3 awarded a state contribution under section 401 of this act;

4 (h) Provides the anticipated date when the criteria for the sales  
5 and use tax in section 601 of this act will be met and the anticipated  
6 date when the sales and use tax in section 601 of this act will be  
7 imposed.

8 (3) The sponsoring local government must deliver a certified copy  
9 of the adopted ordinance to the county treasurer, the governing body of  
10 each participating taxing authority and participating taxing district  
11 within which the revitalization area is located, and the department.

12 NEW SECTION. Sec. 105. LIMITATIONS ON REVITALIZATION AREAS. The  
13 designation of a revitalization area is subject to the following  
14 limitations:

15 (1) No revitalization area may have within its geographic  
16 boundaries any part of a hospital benefit zone under chapter 39.100  
17 RCW, any part of a revenue development area created under chapter  
18 39.102 RCW, any part of an increment area under chapter 39.89 RCW, or  
19 any part of another revitalization area under this chapter;

20 (2) A revitalization area is limited to contiguous tracts, lots,  
21 pieces, or parcels of land without the creation of islands of property  
22 not included in the revitalization area;

23 (3) The boundaries may not be drawn to purposely exclude parcels  
24 where economic growth is unlikely to occur;

25 (4) The public improvements financed through bonds issued under  
26 section 701 of this act must be located in the revitalization area;

27 (5) A revitalization area cannot comprise an area containing more  
28 than twenty-five percent of the total assessed value of the taxable  
29 real property within the boundaries of the sponsoring local government  
30 at the time the revitalization area is created;

31 (6) The boundaries of the revitalization area may not be changed  
32 for the time period that local property tax allocation revenues, local  
33 sales and use taxes of participating local governments, and the local  
34 sales and use tax under section 601 of this act are used to pay bonds  
35 issued under section 701 of this act; and

36 (7) A revitalization area must be geographically restricted to the  
37 location of the public improvement and adjacent locations that the

1 sponsoring local government finds to have a high likelihood of  
2 receiving direct positive business and economic impacts due to the  
3 public improvement, such as a neighborhood or a block.

4 NEW SECTION. **Sec. 106.** OPTING OUT AS A PARTICIPATING TAXING  
5 DISTRICT. (1) Participating taxing districts must allow the use of all  
6 of their local property tax allocation revenues for local  
7 revitalization financing.

8 (2) (a) If a taxing district does not want to allow the use of its  
9 property tax revenues for the local revitalization financing of public  
10 improvements in a revitalization area, its governing body must adopt an  
11 ordinance to remove itself as a participating taxing district and must  
12 notify the sponsoring local government.

13 (b) The taxing district must provide a copy of the adopted  
14 ordinance and notice to the sponsoring local government creating the  
15 revitalization area before the anticipated date that the sponsoring  
16 local government proposes to adopt the ordinance creating the  
17 revitalization area as provided in the notice required by section  
18 104(1) (a) of this act.

19 NEW SECTION. **Sec. 107.** OPTING IN OR OUT AS A PARTICIPATING LOCAL  
20 GOVERNMENT. (1) A participating local government must enter into an  
21 interlocal agreement as provided in chapter 39.34 RCW to participate in  
22 local revitalization financing with the sponsoring local government.

23 (2) (a) If a local government that imposes a sales and use tax under  
24 RCW 82.14.030 does not want to participate in the local revitalization  
25 financing of public improvements in a revitalization area, its  
26 governing body must adopt an ordinance and notify the sponsoring local  
27 government that the taxing authority will not be a participating local  
28 government.

29 (b) The local government must provide a copy of the adopted  
30 ordinance and the notice to the sponsoring local government creating  
31 the revitalization area before the anticipated date that the sponsoring  
32 local government proposes to adopt an ordinance creating the  
33 revitalization area as provided in the notice required by section  
34 104(1) (a) of this act.

PART II  
LOCAL REVITALIZATION FINANCING  
USE OF LOCAL PROPERTY TAX ALLOCATION REVENUES TO PAY FOR  
THE COST OF PUBLIC IMPROVEMENTS

NEW SECTION. Sec. 201. LOCAL PROPERTY TAX ALLOCATION REVENUES.

(1) Commencing in the second calendar year following the creation of a revitalization area by a sponsoring local government, the county treasurer shall distribute receipts from regular taxes imposed on real property located in the revitalization area as follows:

(a) Each participating taxing district and the sponsoring local government must receive that portion of its regular property taxes produced by the rate of tax levied by or for the taxing district on the property tax allocation revenue base value for that local revitalization financing project in the taxing district; and

(b) The sponsoring local government must receive an additional portion of the regular property taxes levied by it and by or for each participating taxing district upon the property tax allocation revenue value within the revitalization area. However, if there is no property tax allocation revenue value, the sponsoring local government may not receive any additional regular property taxes under this subsection

(1)(b). The sponsoring local government may agree to receive less than the full amount of the additional portion of regular property taxes under this subsection (1)(b) as long as bond debt service, reserve, and other bond covenant requirements are satisfied, in which case the balance of these tax receipts shall be allocated to the participating taxing districts that levied regular property taxes, or have regular property taxes levied for them, in the revitalization area for collection that year in proportion to their regular tax levy rates for collection that year. The sponsoring local government may request that the treasurer transfer this additional portion of the property taxes to its designated agent. The portion of the tax receipts distributed to the sponsoring local government or its agent under this subsection (1)(b) may only be expended to finance public improvement costs associated with the public improvements financed in whole or in part by local revitalization financing.

(2) The county assessor shall determine the property tax allocation revenue value and property tax allocation revenue base value. This section does not authorize revaluations of real property by the

1 assessor for property taxation that are not made in accordance with the  
2 assessor's revaluation plan under chapter 84.41 RCW or under other  
3 authorized revaluation procedures.

4 (3) The distribution of local property tax allocation revenue to  
5 the sponsoring local government must cease when local property tax  
6 allocation revenues are no longer obligated to pay the costs of the  
7 public improvements. Any excess local property tax allocation  
8 revenues, and earnings on the revenues, remaining at the time the  
9 distribution of local property tax allocation revenue terminates, must  
10 be returned to the county treasurer and distributed to the  
11 participating taxing districts that imposed regular property taxes, or  
12 had regular property taxes imposed for it, in the revitalization area  
13 for collection that year, in proportion to the rates of their regular  
14 property tax levies for collection that year.

15 (4) The allocation to the revitalization area of that portion of  
16 the sponsoring local government's and each participating taxing  
17 district's regular property taxes levied upon the property tax  
18 allocation revenue value within that revitalization area is declared to  
19 be a public purpose of and benefit to the sponsoring local government  
20 and each participating taxing district.

21 (5) The distribution of local property tax allocation revenues  
22 under this section may not affect or be deemed to affect the rate of  
23 taxes levied by or within any sponsoring local government and  
24 participating taxing district or the consistency of any such levies  
25 with the uniformity requirement of Article VII, section 1 of the state  
26 Constitution.

27 **PART III**

28 **LOCAL REVITALIZATION FINANCING**

29 **USE OF LOCAL SALES AND USE TAX INCREMENTS TO PAY FOR**

30 **THE COST OF PUBLIC IMPROVEMENTS**

31 NEW SECTION. **Sec. 301.** LOCAL SALES AND USE TAX INCREMENTS. (1)  
32 A sponsoring local government may use annually local sales and use tax  
33 amounts equal to some or all of its local sales and use tax increments  
34 to finance public improvements in the revitalization area. The amounts  
35 of local sales and use tax dedicated by a participating local  
36 government must begin and cease on the dates specified in an interlocal

1 agreement authorized in chapter 39.34 RCW. Sponsoring local  
2 governments and participating local governments are authorized to  
3 allocate some or all of their local sales and use tax increment to the  
4 sponsoring local government as provided by section 107(1) of this act.

5 (2) The department must assist sponsoring local governments in  
6 estimating sales and use tax revenues from estimated taxable activity  
7 in the proposed or adopted revitalization area. The sponsoring local  
8 government must provide the department with accurate information  
9 describing the geographical boundaries of the revitalization area in an  
10 electronic format or in a manner as otherwise prescribed by the  
11 department.

12 **PART IV**

13 **LOCAL REVITALIZATION FINANCING--STATE CONTRIBUTION**

14 NEW SECTION. **Sec. 401.** APPLICATION PROCESS--DEPARTMENT OF REVENUE  
15 APPROVAL. (1) Prior to applying to the department to receive a state  
16 contribution, a sponsoring local government shall adopt a  
17 revitalization area within the limitations in section 105 of this act  
18 and in accordance with section 104 of this act.

19 (2) As a condition to imposing a sales and use tax under section  
20 601 of this act, a sponsoring local government must apply to the  
21 department and be approved for a project award amount. The application  
22 must be in a form and manner prescribed by the department and include,  
23 but not be limited to:

24 (a) Information establishing that over the period of time that the  
25 local sales and use tax will be imposed under section 601 of this act,  
26 increases in state and local property, sales, and use tax revenues as  
27 a result of public improvements in the revitalization area will be  
28 equal to or greater than the respective state and local contributions  
29 made under this chapter;

30 (b) Information demonstrating that the sponsoring local government  
31 will meet the requirements necessary to receive the full amount of  
32 state contribution it is requesting on an annual basis;

33 (c) The amount of state contribution it is requesting;

34 (d) The anticipated effective date for imposing the tax under  
35 section 601 of this act;

36 (e) The estimated number of years that the tax will be imposed;

1 (f) The anticipated rate of tax to be imposed under section 601 of  
2 this act, subject to the rate-setting conditions in section 601(3) of  
3 this act, should the sponsoring local government be approved for a  
4 project award; and

5 (g) The anticipated date when bonds under section 701 of this act  
6 will be issued.

7 The department shall make available electronic forms to be used for  
8 this purpose. As part of the application, each applicant must provide  
9 to the department a copy of the adopted ordinance creating the  
10 revitalization area as required in section 104 of this act, copies of  
11 any adopted interlocal agreements from participating local governments,  
12 and any notices from taxing districts that elect not to be a  
13 participating taxing district.

14 (3) (a) Project awards must be determined on:

15 (i) A first-come basis for applications completed in their entirety  
16 and submitted electronically;

17 (ii) The availability of a state contribution;

18 (iii) Whether the sponsoring local government would be able to  
19 generate enough tax revenue under section 601 of this act to generate  
20 the amount of project award requested.

21 (b) The total of all project awards may not exceed the annual state  
22 contribution limit.

23 (c) If the level of available state contribution is less than the  
24 amount requested by the next available applicant, the applicant must be  
25 given the first opportunity to accept the lesser amount of state  
26 contribution but only if the applicant produces a new application  
27 within sixty days of being notified by the department and the  
28 application describes the impact on the proposed project as a result of  
29 the lesser award in addition to new application information outlined in  
30 subsection (2) of this section.

31 (d) Applications that are not approved for a project award due to  
32 lack of available state contribution will be returned to the applicant.

33 (e) Once total project awards reach the amount of annual state  
34 contribution limit, no more applications will be accepted.

35 (f) If the annual contribution limit is increased, applications  
36 will be accepted again beginning sixty days after the effective date of  
37 the increase.

1 (4) The department shall notify the sponsoring local government of  
2 approval or denial of a project award within sixty days of the  
3 department's receipt of the sponsoring local government's application.  
4 Determination of a project award by the department is final.  
5 Notification must include the earliest date when the tax authorized  
6 under section 601 of this act may be imposed, subject to conditions in  
7 chapter 82.14 RCW. The project award notification must specify the  
8 rate requested in the application and any adjustments to the rate that  
9 would need to be made based on the project award and rate restrictions  
10 in section 601 of this act.

11 (5) The department must begin accepting applications on September  
12 1, 2009.

13 **PART V**

14 **ACCOUNTABILITY REPORTS**

15 NEW SECTION. **Sec. 501.** A new section is added to chapter 82.32  
16 RCW to read as follows:

17 **REPORTING REQUIREMENTS.** (1) A sponsoring local government  
18 receiving a project award under section 401 of this act must provide a  
19 report to the department by March 1st of each year beginning March 1st  
20 after the project award has been approved. The report must contain the  
21 following information:

22 (a) The amounts of local property tax allocation revenues received  
23 in the preceding calendar year broken down by sponsoring local  
24 government and participating taxing district;

25 (b) The amount of state property tax allocation revenues estimated  
26 to have been received by the state in the preceding calendar year;

27 (c) The amount of local sales and use tax or other revenue from  
28 local public sources dedicated by any participating local government  
29 used for the payment of bonds under section 701 of this act in the  
30 preceding calendar year;

31 (d) The amount of local sales and use tax dedicated by the  
32 sponsoring local government, as it relates to the sponsoring local  
33 government's local sales and use tax increment, used for the payment of  
34 bonds under section 701 of this act;

35 (e) The amounts, other than those listed in (a) through (d) of this



1 subsection, from local public sources, broken down by type or source,  
2 used for payment of bonds under section 701 of this act in the  
3 preceding calendar year;

4 (f) The anticipated date when bonds under section 701 of this act  
5 are expected to be retired;

6 (g) The names of any businesses locating within the revitalization  
7 area as a result of the public improvements undertaken by the  
8 sponsoring local government and financed in whole or in part with local  
9 revitalization financing;

10 (h) An estimate of the cumulative number of permanent jobs created  
11 in the revitalization area as a result of the public improvements  
12 undertaken by the sponsoring local government and financed in whole or  
13 in part with local revitalization financing;

14 (i) An estimate of the average wages and benefits received by all  
15 employees of businesses locating within the revitalization area as a  
16 result of the public improvements undertaken by the sponsoring local  
17 government and financed in whole or in part with local revitalization  
18 financing;

19 (j) A list of public improvements financed by bonds issued under  
20 section 701 of this act and the date on which the bonds are anticipated  
21 to be retired;

22 (k) That the sponsoring local government is in compliance with  
23 section 103 of this act and the date on which the bonds are anticipated  
24 to be retired;

25 (l) At least once every three years, updated estimates of the  
26 amounts of state and local sales and use tax increments estimated to  
27 have been received since the approval by the department of the project  
28 award under section 401 of this act; and

29 (m) Any other information required by the department to enable the  
30 department to fulfill its duties under this chapter and section 601 of  
31 this act.

32 (2) The department shall make a report available to the public and  
33 the legislature by June 1st of each year. The report shall include a  
34 summary of the information provided to the department by sponsoring  
35 local governments under subsection (1) of this section.

36

## PART VI

1                   LOCAL SALES AND USE TAX CREDITED AGAINST THE  
2                   STATE SALES AND USE TAXES

3       NEW SECTION.   Sec. 601. LOCAL SALES AND USE TAX. (1) Any city or  
4 county that has been approved for a project award under section 401 of  
5 this act may impose a sales and use tax under the authority of this  
6 section in accordance with the terms of this chapter. Except as  
7 provided in this section, the tax is in addition to other taxes  
8 authorized by law and must be collected from those persons who are  
9 taxable by the state under chapters 82.08 and 82.12 RCW upon the  
10 occurrence of any taxable event within the taxing jurisdiction of the  
11 city or county.

12       (2) The tax authorized under subsection (1) of this section is  
13 credited against the state taxes imposed under RCW 82.08.020(1) and  
14 82.12.020 at the rate provided in RCW 82.08.020(1). The department  
15 must perform the collection of such taxes on behalf of the city or  
16 county at no cost to the city or county. The taxes must be distributed  
17 to cities and counties as provided in RCW 82.14.060.

18       (3) The rate of tax imposed by a city or county may not exceed the  
19 lesser of:

20       (a) The rate provided in RCW 82.08.020(1), less:

21       (i) The aggregate rates of all other local sales and use taxes  
22 imposed by any taxing authority on the same taxable events;

23       (ii) The aggregate rates of all taxes under RCW 82.14.465 and  
24 82.14.475 and this section that are authorized but have not yet been  
25 imposed on the same taxable events by a city or county that has been  
26 approved to receive a state contribution by the department or the  
27 community economic revitalization board under chapter 39.-- RCW (the  
28 new chapter created in section 805 of this act) or chapter 39.100 or  
29 39.102 RCW; and

30       (iii) The percentage amount of distributions required under RCW  
31 82.08.020(5) multiplied by the rate of state taxes imposed under RCW  
32 82.08.020(1); and

33       (b) The rate, as determined by the city or county in consultation  
34 with the department, reasonably necessary to receive the project award  
35 under section 401 of this act over ten months.

36       (4) The department, upon request, must assist a city or county in  
37 establishing its tax rate in accordance with subsection (3) of this

1 section. Once the rate of tax is selected through the application  
2 process and approved under section 401 of this act, it may not be  
3 increased.

4 (5) (a) No tax may be imposed under the authority of this section  
5 before:

6 (i) July 1, 2011;

7 (ii) July 1st of the second calendar year following the year in  
8 which the department approved the application made under section 401 of  
9 this act;

10 (iii) The state sales and use tax increment for the preceding  
11 calendar year equals or exceeds the amount of the project award  
12 approved by the department under section 401 of this act; and

13 (iv) Bonds have been issued according to section 701 of this act.

14 (b) The tax imposed under this section expires the earlier of the  
15 date that the bonds issued under the authority of section 701 of this  
16 act are retired or twenty-five years after the tax is first imposed.

17 (6) An ordinance or resolution adopted by the legislative authority  
18 of the city or county imposing a tax under this section must provide  
19 that:

20 (a) The tax will first be imposed on the first day of a fiscal  
21 year;

22 (b) The cumulative amount of tax received by the city or county, in  
23 any fiscal year, may not exceed the amount approved by the department  
24 under subsection (10) of this section;

25 (c) The department must cease distributing the tax for the  
26 remainder of any fiscal year in which either:

27 (i) The amount of tax received by the city or county equals the  
28 amount of distributions approved by the department for the fiscal year  
29 under subsection (10) of this section; or

30 (ii) The amount of revenue from taxes imposed under this section by  
31 all cities and counties equals the annual state contribution limit;

32 (d) The tax will be distributed again, should it cease to be  
33 distributed for any of the reasons provided in (c) of this subsection,  
34 at the beginning of the next fiscal year, subject to the restrictions  
35 in this section; and

36 (e) The state is entitled to any revenue generated by the tax in  
37 excess of the amounts specified in (c) of this subsection.

1 (7) If a city or county receives approval for more than one  
2 revitalization area within its jurisdiction, the city or county may  
3 impose a sales and use tax under this section for each revitalization  
4 area.

5 (8) The department must determine the amount of tax receipts  
6 distributed to each city and county imposing a sales and use tax under  
7 the authority of this section and must advise a city or county when tax  
8 distributions for the fiscal year equal the amount determined by the  
9 department in subsection (10) of this section. Determinations by the  
10 department of the amount of tax distributions attributable to a city or  
11 county are not appealable. The department must remit any tax receipts  
12 in excess of the amounts specified in subsection (6)(c) of this section  
13 to the state treasurer who must deposit the money in the general fund.

14 (9) If a city or county fails to comply with section 501 of this  
15 act, no tax may be distributed in the subsequent fiscal year until such  
16 time as the city or county complies and the department calculates the  
17 state contribution amount according to subsection (10) of this section  
18 for the fiscal year.

19 (10)(a) For each fiscal year that a city or county imposes the tax  
20 under the authority of this section, the department must approve the  
21 amount of taxes that may be distributed to the city or county. The  
22 amount approved by the department under this subsection is the lesser  
23 of:

24 (i) The state contribution;

25 (ii) The amount of project award granted by the department as  
26 provided in section 401 of this act; or

27 (iii) The total amount of revenues from local public sources  
28 dedicated in the preceding calendar year, as reported in the required  
29 annual report under section 501 of this act.

30 (b) A city or county may not receive, in any fiscal year, more  
31 revenues from taxes imposed under the authority of this section than  
32 the amount approved annually by the department.

33 (11) The amount of tax distributions received from taxes imposed  
34 under the authority of this section by all cities and counties is  
35 limited annually to not more than the amount of annual state  
36 contribution limit.

37 (12) The definitions in section 102 of this act apply to this