

RESOLUTION NO. 2014 - _____

A resolution regarding a sustainable, 20-year levy lid lift for improved and integrated streets, terminating the existing \$0.57 property tax assessment for repayment of the 2004 Street Bond, and resulting in no increase in the 2015 tax rate for property owners.

WHEREAS, the City of Spokane, Washington (the "City") is a first-class city duly organized and existing under and by virtue of the Constitution and the laws of the state of Washington and its City Charter; and

WHEREAS, the City has the authority to enact a regular annual property tax levy and such other levies as may be approved by the electorate, subject to applicable limitations thereon, as required by law; and

WHEREAS, Chapter 84.55 RCW reflects a limitation that the annual rate of increase of the dollar amount of the regular property tax levy set by the City Council may not exceed the lesser of the rate of inflation or one percent, all as further reflected in Chapter 84.55 RCW; and

WHEREAS, RCW 84.55.050 permits an election to authorize a levy above the limit factor specified in Chapter 84.55 RCW, upon majority approval by the voters, subject to any otherwise applicable statutory dollar rate limitation, said election to be held not more than twelve (12) months prior to the date on which the proposed levy is to be made; and

WHEREAS, Spokane citizens consistently identify street repair as a top priority; and

WHEREAS, street construction provided for under the City's 2004 Street Bond is concluding, while debt payments are scheduled to continue until 2030; and

WHEREAS, citizens currently pay property taxes totaling .57 cents per \$1,000 of assessed property valuation toward repayment of that 2004 Street Bond debt; and

WHEREAS, street repair needs are perpetual, and ongoing investment is critical to maintain the streets repaired under the 2004 Bond and to continue to improve the condition of the overall street system; and

WHEREAS, the City Council desires to continue to invest in City streets by submitting to the voters a proposition to authorize an additional regular property tax levy equivalent to the 2004 Street Bond debt service levy of \$0.57 per \$1,000 of assessed value in 2015 that citizens pay today and to have that additional regular levy amount remain in place for 20 years; and

WHEREAS, upon approval of the property tax levy lid lift for street improvements and repair, the City would no longer levy the existing \$0.57 per \$1,000 of assessed valuation for repayment of the 2004 Street Bond; and

WHEREAS, separately, the City has identified an opportunity for strategic refinancing of that remaining debt at a lower cost, using other Street Fund resources; and

WHEREAS, ultimately, the changes would generate additional funding of approximately \$5 million annually for new investments in streets; and

WHEREAS, the City will focus these dollars on improvements on arterials, including both complete rehabilitation of streets and maintenance work, and will use an integrated approach that incorporates all uses of the right of way to leverage dollars and gain greater community benefits; and

WHEREAS, prioritization of street projects will be completed using the process developed in the Link Spokane update to the City's Comprehensive Plan that considers all needs within the right of way, including transportation and utility needs, holistically; and

WHEREAS, the prioritization process will include a variety of factors including, but not limited to, pavement condition, traffic volumes, pedestrian plan including Safe Routes to School, bike plan, high performance transit network, safety and collision concerns, integration with utilities, stormwater management, and economic development opportunities including those in identified centers and corridors; and

WHEREAS, pursuant to Section 84 of the City Charter, the City Council, of its own motion, may submit to popular vote for adoption or rejection at any election, any proposed ordinance or measure. -- Now, Therefore,

BE IT RESOLVED by the City Council of the City of Spokane that:

Section 1. The Spokane County Auditor is hereby requested pursuant to RCW 84.55.050 and RCW 29A.04.330 to hold a special election on November 4, 2014, in conjunction with the scheduled general election for the purpose of submitting to the voters of the City of Spokane for the approval or rejection of a

proposition to the qualified electors of the City asking whether the City shall levy regular property taxes in excess of the limitation established in RCW 84.55.010 to provide funding for street improvements.

The proposition to be submitted to the qualified voters of the City for their approval or rejection is to authorize increasing the City's regular property tax levy by \$0.57 per \$1,000 of assessed valuation, to a total regular property tax levy rate of approximately \$3.60 per \$1,000 if this proposition is approved, for collection beginning in 2015.

If this proposition is approved, the City Council will be authorized to adopt, in accordance with its regular budget process, an increased regular property tax as described herein. If this proposition is approved, the City Council will not levy property taxes for the payment of debt service on the 2004 Street Bonds so that the net property tax rate per \$1,000 for collection in 2015 does not increase.

Section 2. For the purposes identified below, the City Council seeks voter approval under RCW 84.55.050(1) for a levy lid lift, as follows:

(a) Purpose. The amounts collected from the levy lid lift authorized by the Proposition shall be used to fund street improvements, repairs, maintenance and complete rehabilitation of streets using an integrated approach that incorporates all uses of the right of way to leverage dollars and gain maximum community benefits.

(b) Levy Lid Lift Effective in 2015. The Proposition authorizes a maximum increase in the City's total levy rate to the maximum rate otherwise allowed for collection in 2015 under ch. 84.55 RCW plus not to exceed .57 per \$1,000 of assessed value. The total regular property tax rate produced is estimated to be approximately \$3.60 per \$1,000 of assessed value if the Proposition passes, based on estimated 2015 assessed values.

(c) Increase Authorized through 2035. Pursuant to RCW 84.55.050(4), the dollar amount of the maximum authorized levy under ch. 84.55 RCW for collection in 2015 shall be used for the purpose of computing the limitations for subsequent levies in 2016 and each subsequent year up to and including 2035, and such funds shall be limited to the purposes described in Section 2(a) above.

Section 3. The City Clerk of the City of Spokane is hereby authorized and directed to deliver a certified copy of this resolution and the following proposition to the Spokane County Auditor, as ex officio Supervisor of Elections for the City, no later than August 5, 2014, in substantially the following form:

CITY OF SPOKANE

PROPOSITION NO. 1

LEVY FOR IMPROVED & INTEGRATED STREETS

THE SPOKANE CITY COUNCIL ADOPTED RESOLUTION NO. _____, APPROVING A LEVY PROPOSITION TO IMPROVE AND REPAIR THE CITY'S STREETS AND TERMINATE THE USE OF THE EXISTING \$0.57 PROPERTY TAX ASSESSMENT FOR REPAYMENT OF THE 2004 STREET BOND. THIS PROPOSITION WOULD AUTHORIZE A PROPERTY TAX LEVY LID LIFT COMMENCING IN 2015 OF \$0.57 PER \$1,000 OF ASSESSED VALUATION, RESULTING IN NO NET INCREASE IN THE 2015 TAX RATE. THE LEVY FUNDS WOULD BE USED TO PAY FOR STREET REPAIRS AND IMPROVEMENTS AND WOULD BE THE BASIS FOR SUBSEQUENT LEVIES FOR 20 YEARS, ALL AS PROVIDED IN THE RESOLUTION. .

SHOULD THIS PROPOSITION BE:

Approved

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Rejected

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Section 4. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be unconstitutional or invalid for any reason, then such provision shall be null and void, and shall be deemed separable from the remaining provisions of this resolution, and shall in no way affect the validity of the other provisions of this resolution.

Section 5. The City Clerk is hereby designated as the person to whom the County Auditor shall provide notice pursuant to RCW 29A.36.080.

Section 6. The City Attorney is authorized to make such minor adjustments to the wording of the proposition as may be necessary to effectuate the intent of the resolution or upon recommendation of the Spokane County Auditor, as long as the intent of the proposition remains clear and consistent with the intent of this resolution as approved by the City Council.

Section 7. This resolution shall take effect and be in full force immediately upon its passage.

Adopted this _____ day of July, 2014.

City Clerk

Approved as to form:

Assistant City Attorney