



CITY OF KIRKLAND

City Manager's Office

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www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Lorrie McKay, Intergovernmental Relations Manager
Date: May 13, 2013
Subject: 2013 LEGISLATIVE UPDATE #8

RECOMMENDATION:

Council should receive its eighth update on the 2013 legislative session (its first update on the special session).

BACKGROUND DISCUSSION:

The Governor reconvened the legislature in a 30-day special session on Monday, May 13th. At a press conference on Monday, Governor Inslee narrowed his agenda for the special session to three key items: the two-year state budget (and a subsequent Capital Budget), a roads-and-transit funding package to supplement the Transportation Budget, and a crackdown on impaired drivers. The Legislature is not necessarily bound to the Governor's agenda and may propose other policy issues to consider. Due to a continuing state budget deficit and the state Supreme Court "McCleary Decision" requiring additional funding for K-12 education, legislators must negotiate and either make cuts to state programs or raise revenue, or include a combination of both.

The City of Kirkland has a lot at stake in the legislature's special session work ahead. The interplay between the Operating Budget and the Transportation Revenue Package is most concerning, as there is significant funding (\$9M) for Kirkland specific transportation priorities and projects included. In addition to specific project funding, millions more in potential revenue from a statewide tax plan as well as authorized local options in the Transportation Revenue Package also hangs in the balance. On May 6, the Council's Legislative Committee sent a letter to Kirkland's Senate delegation about Kirkland specific projects in the Transportation Revenue Package (Attachment A). The Council's Legislative Committee members also met in district with key legislators last week to discuss transportation revenue and operating revenue.

Local liquor and other shared revenues are at risk as Legislators seek ways to reduce the state deficit. The Senate-passed budget proposal would further reduce local liquor taxes by 50% while the House-passed budget proposal did not make any reductions (the Legislature permanently capped local liquor profits during the 2012 legislative session). The Association of Washington Cities (AWC) urges elected officials to communicate with our local legislators, letting them know that liquor revenue is important to the city. The AWC recommends city officials ask legislators to please protect against cuts to 2013-2015 liquor revenues and to please restore growth in local liquor profits by reinstating the previous revenue sharing formula (Attachment B). In addition, the Senate budget proposal would permanently redirect revenue streams from the Public Works Trust Fund within the Capital Budget to the General Fund within the Operating Budget; the House would "sweep" the Public Works Trust Fund but would not permanently redirect its revenue. Also of note is that both House and Senate budgets redirect Stream-lined Sales Tax

mitigation money set aside for municipalities that were financially hurt when the state began assessing sales taxes at the point of sale rather than point of product storage.

By law, the special session can run up to 30 consecutive days, through June 11. Subsequent special sessions may be convened if necessary. The end of the state fiscal year is June 30th.

COUNCIL LEGISLATIVE COMMITTEE:

The Council’s Legislative Committee (Mayor McBride, Deputy Mayor Marchione and Council Member Asher) meets weekly on Friday’s at 3:30pm. However, the Council’s Legislative Committee did not meet on May 3, but it did meet on May 10.

Week 16 (4/27 – 5/3)

The primary focus in week 16

1. The regular 2013 legislative session ended on April 28.
2. Majority of legislators on break
3. Drafted letter to Kirkland’s Senate delegation about Kirkland specific projects in the Transportation Revenue Package
4. Arranged for Representative Moscoso (LD 1) to tour of the Cross Kirkland Corridor

Week 17 (5/4 – 5/10)

The primary focus in week 17

1. Majority of legislators on break
2. Sent letter to Kirkland’s Senate delegation about Kirkland specific projects in the Transportation Revenue Package
3. Council’s Legislative Committee met with key legislators about transportation revenue and operating revenue.
4. Hosted Representative Moscoso and his staff on a 5 stop tour of the Cross Kirkland Corridor, highlighting many of its economic development potentials (Attachment C)

2013 LEGISLATIVE PRIORITIES:

Below is a summary of the status of Kirkland’s legislative priorities (as of May 13):

2013 Legislative Priority	Bill Number	Hearing Status
Support state and local transportation revenue to maintain infrastructure investments and complete projects that enhance economic vitality.	HB 1954 HB 1955 HB 1956 HB 1957	5/13 – Reintroduce & retained in rules (NTIB) 5/13 – Reintroduce & retained in rules (NTIB) 5/13 – Reintroduce & retained in rules (NTIB) 5/13 – Reintroduce & retained in rules (NTIB)
Support retaining the State Annexation Sales Tax Credit and defend against state revenue reductions or legislation that impact completion of the Finn Hill, Juanita & Kingsgate-area annexation.		Left intact. Monitoring.
Support \$5 million in funding for the next phase of the NE 132nd Interchange ramp design and for the NE 132nd Interchange to be included in any statewide transportation package.	HB 1955	Listed (unfunded) in the Senate and House proposed ‘no new revenue’ Transportation Budgets. 4/22 – Rep. Moscoso included this funding in an amendment to HB 1955 as part of the new revenue package.
Support eliminating the \$10 million ongoing diversion of liquor taxes and reinstating local share of excess liquor profits.		Senate proposed Operating Budget reduces liquor shared revenue by half.
Support the development of the Cross-Kirkland Corridor including support of continued state financial assistance (WWRP) and other tools to implement multiple uses including recreation and transportation.		The Cross Kirkland Corridor ranked #2 among the WWRP Proposed Trail Projects to be funded in 2013. \$500,000 with a \$500,000 match. Included in both proposed Capital Budgets.

Support providing cities with financing options to support public/private partnerships.	HB 1967	This bill is technically 'dead'
Support allowing local governments the option to award contracts to vendors whose pre-tax bid unit price is lowest.	SB 5110	4/22 – Signed by Governor Inslee.
\$1M for completion of the Park Lane Pedestrian Corridor Capital Budget Request: \$1.3M for phase one of a Pedestrian Span from SK-TOD to CKC		This project and others included in Rep. Lias's amendment to HB 1954 Included by Senator Tom in the Senate's proposed Capital Budget.

HEARINGS AND CORRESPONDENCE:

May 6 – letter sent to Kirkland's Senate delegation about Kirkland specific projects in the Transportation Revenue Package

- Attachments:
- A. May 6 Letter to Kirkland's Senate delegation re: Transportation Revenue Package
 - B. AWC Action Alert re: Local Liquor Revenue
 - C. May 8 CKC Tour Itinerary



May 6, 2013

The Honorable Andy Hill
Washington State Senate
45th Legislative District
PO Box 40445
Olympia, WA 98504-0445

RE: City of Kirkland projects included in HB 1954/HB 1955 – transportation revenue package

Dear Senator Hill,

HB 1954 and HB 1955, the transportation revenue package bills, include over \$9 million specifically for the City of Kirkland in designated projects. We respectfully request your support for these bills and hope you will actively work to pass them out of the Senate, with these projects included.

As you know, the NE 132nd interchange is a top priority for the City of Kirkland. The Totem Lake Urban Center is an integral part in the City's plan to revitalize this area to boost economic development and create jobs – without easy freeway access redevelopment will be limited at best. The NE 132nd interchange should also relieve traffic congestion currently very heavy at the 124th interchange. This project is already in line with the Department of Transportation but has been put on hold. Getting it going again is critical to the City of Kirkland and the overall I-405 project. HB 1955 includes language that would allow the interchange to be funded at the \$5 million level if it were selected in the final round of a narrow list. We would prefer it be named outright but feel this is a positive step in moving forward with this critical project.

HB 1954 includes four specific projects for the City of Kirkland. They are:

1. Cross Kirkland Corridor - \$1,297,000
2. NE 104th St Sidewalk - \$920,000 (Safe Routes to School)
3. NE 132nd St Sidewalk Improvement at Finn Hill MS - \$816,000 (Safe Routes to School)
4. Park Lane Pedestrian Corridor Enhancements - \$1,180,000

You are already very familiar with the Cross Kirkland Corridor. As you know the City has this development as a very high priority. Google also considers it crucial for their expansion and campus development. NE 104th and NE 132nd sidewalks will continue our commitment to Safe Routes to School. The Park Lane Pedestrian Corridor is for the final design and construction of an ADA compliant pedestrian connection between the Kirkland Marina, the new Downtown Transit Center and Peter Kirk Park.

We hope you will be able to advance a transportation revenue package in the upcoming session to fund these City of Kirkland projects. Thank you again for your continued support.

Sincerely,
KIRKLAND CITY COUNCIL

A handwritten signature in blue ink, appearing to read "Joan McBride".

By Joan McBride, Mayor



@ction! alert!

Urgent information from your lobbyists on the hill.

Dear mayors, councilmembers and city managers,

The special legislative session began yesterday, and key legislators are back in Olympia trying to reach agreement on a two-year state budget. As negotiations continue, legislators must either make significant cuts to state programs or raise revenue - a combination of both is likely.

Local liquor and other shared revenues are at risk. The Senate-passed budget proposal would further reduce local liquor taxes by 50%, while the House-passed budget proposal did not make any reductions. In addition, the Legislature permanently capped local liquor profits during the 2012 legislative session.

Your legislators again need to hear why liquor revenue is important to your city. Please contact your [Senator](#) and [Representatives](#) this week and ask them to:

- Protect against cuts to 2013-2015 liquor revenues.
- Restore growth in local liquor profits by reinstating the previous revenue sharing formula. Let them know that AWC is crafting legislation to reinstate this growth in a way that has no 2013-2015 fiscal impact on the state.

Also remind them:

- Like the state, local governments were significantly impacted by the recession and continue to struggle to provide essential services. Cities understand the fiscal challenges facing the state but ask legislators to refrain from additional cuts that would increase local fiscal burdens.
- Liquor revenues have been shared between the state and cities for nearly 80 years because the impacts of liquor consumption continue to cause behavioral and public safety impacts in cities, and it remains our job to provide police and support services to those impacted.
- Citizens supported liquor privatization in part because I-1183 promised more, not less, funding to support local public safety. Cities take that job seriously and are seeing increased pressures on law enforcement and the criminal justice system with a privatized liquor system that has quadrupled the number of stores selling liquor.

Please don't hesitate to contact AWC's [Victoria Lincoln](#) if you need assistance or have any questions.

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Association of Washington Cities
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Representative Moscoso, 1st Legislative District
May 8, 2013
Cross Kirkland Corridor
Briefing & Tour

10:30am	Briefing - Legal Status ➤ Injunction ➤ Surface Transportation Board	City Hall, Norkirk Room
<i>10:45am</i>	<i>Depart for Tour of CKC Tour</i>	<i>From City Hall</i>
11:00am	STOP #1 - South Kirkland TOD & Park and Ride	
11:15am	STOP #2 - Terrace Park & Lakeside Elementary	
11:45am	STOP #3 - Google Expansion Site	
12:10pm	STOP #4 - Totem Lake Business District / Designated Urban Center	
<i>12:30pm</i>	<i>Conclude Tour</i>	

Optional Stops:

If time allows **STOP #5 - Par Mac Business District**

If time allows **STOP #6 - Astronics Advanced Electronic Systems Corporation**