



CITY OF KIRKLAND
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MEMORANDUM

To: David Ramsay, City Manager

From: Erin J. Leonhart, Intergovernmental Relations Manager

Date: November 10, 2008

Subject: CITY OF KIRKLAND DRAFT 2009 LEGISLATIVE AGENDA & PRE-LEGISLATIVE UPDATE

RECOMMENDATION

It is recommended that the City Council hear a brief pre-legislative report, review the proposed draft 2009 Legislative Agenda and provide comments to staff.

BACKGROUND

The Legislative Committee of the Kirkland City Council has developed a draft Legislative Agenda in preparation for the 2009 Legislative Session. This year's State session will be a long one starting on January 20, 2009 and extending through April. Recognizing the State of Washington's financial issues, the Legislative Committee suggested an overarching theme of protecting what we have. This draft legislative agenda focuses on issues related to municipal courts, housing, infrastructure, public safety, environmental stewardship, and annexation.

Again this year, we anticipate that State Legislators will pursue relatively modest legislative initiatives; however, few of the items on Kirkland's draft agenda require new funding sources. One focus for the City of Kirkland and Association of Washington Cities is increased flexibility for existing sources of funding, particularly for infrastructure. In addition to supporting legislation and funding, the 2009 draft Legislative Agenda opposes legislation that would allow counties to levy a county-wide utility tax and legislation that would require public agencies to tape executive sessions. A matrix is being developed to categorize and prioritize items on the State Agenda.

This year the Legislative Committee is proposing a brief Federal Legislative Agenda, in addition to capital funding requests. The items on this list are primarily those that have arisen during City Council meetings: reauthorization of the U. S. Highway and Transit Bill (with a particular focus on non-motorized opportunities), funding for climate change initiatives and continued vigilance about wireless facility zoning.

Some of the items included on Kirkland's draft agenda and catching the attention of other organizations, such as the Association of Washington Cities, are related to the King County budget and proposed methods to address a significant general fund shortfall.

King County Budget Proposal

King County Executive Sims has submitted a proposed budget to the King County Council that includes recommendations to close the County's projected \$93.4 million general fund shortfall. According to the King County Budget Summary Report, included in the recommendation are \$38 million in permanent reductions. Of the total proposed reductions, the largest portions are in Law, Safety and Justice (72 percent); General Government (17 percent); and Health and Human Services (6 percent). Some specific programs are:

- Department of Adult and Juvenile Detention – generate \$3.4 million in net new revenue by contracting with the Washington State Department of Corrections to house 225 additional inmates. Housing DOC inmates limits the number of beds available to cities.
- Prosecuting Attorney's Office – savings of \$3.8 million related to Filing and Disposition Standards (FADS) revisions increasing the threshold for certain felonies as of October 6, 2008:
 - Property crimes with a loss of value of under \$1,000 now referred to cities as misdemeanors (estimated 1,250 countywide cases per year);
 - Property crimes with a loss of value between \$1,101 and \$5,000 now filed in King County District Court as expedited gross misdemeanors (estimated 800 countywide cases per year);
 - Drug possession cases where the amount is for personal use also now filed in King County District Court as expedited gross misdemeanors (estimated 2,100 cases per year).

The changes in the Prosecuting Attorney's Office, in particular, will have an impact on the Kirkland Municipal Court, prosecutor, public defender and Police Department as the workload is shifted to cities.

Executive Sims has also placed many programs (46 percent Health and Human Services and 44 percent Law, Safety and Justice) in a "lifeboat" through June 30, 2009. If King County is not able to determine new sources of revenue for these programs, they will be reduced or eliminated on June 30, 2009. Included on the "lifeboat" list are closure of the Northshore Public Health clinic, elimination of several Juvenile Detention programs and gradual elimination of the Drug Court and Mental Health Courts.

In addition to the Executive's recommendations, a November 6, 2008 staff report from the King County Council's Capital Budget Panel suggests reductions to funds for the Transit Oriented Development program. This indicates that the Transit Oriented Development (TOD) program may be eliminated. Elimination of the TOD program could have adverse impacts on the South Kirkland Park and Ride TOD project. Staff is pursuing additional information and will report details at the November 18th Council meeting.

Legislative Impacts

Executive Sims has proposed legislative solutions to provide additional revenues for King County. Some of the proposed solutions, if the County is successful, could have an impact on the City of Kirkland. One proposal is to request that the State of Washington mandate annexations to reduce the County's costs in unincorporated urban areas. The County will also pursue new revenues for Public Health and Public Safety. An option currently under review is an additional sales tax or utility tax to be levied county-wide to support regional services. Another proposed option is a local utility tax for unincorporated King County to fund local services provided in areas such as Kirkland's Potential Annexation Area.

The King County Council is scheduled to adopt the 2009 budget on November 24, 2008.

Attachment: Draft 2009 Legislative Agenda

City of Kirkland
2009 Legislative Agenda - State & Federal

STATE LEGISLATIVE AGENDA

LAW AND JUSTICE

Municipal Courts

Kirkland supports cities' ability to form municipal courts and is working to preserve all options for providing municipal court services in the future. Kirkland supports coordination of criminal justice services provided by the state, counties and municipalities to achieve the greatest efficiencies possible. Kirkland opposes any further shifting of criminal justice services to municipalities from the state or county.

Local governments should have the authority to choose the court structure that best meets local needs, including municipal courts that feature cities contracting with neighboring cities to provide court services, as was codified in 2SHB 2557. The community court structure allows the contracting cities to keep the court local, while realizing cost efficiencies that would not be possible if each city were required to have its own court. It also increases citizen access to court services by having the courts located closer to home. By reducing law enforcement travel time to and from court, it allows law enforcement personnel to spend more time ensuring public safety.

To maintain the efficiency and independence of these courts, cities should retain the ability to appoint municipal judges who work less than full time. In addition, State law should continue to allow cities to retain and direct municipal court revenues at the local level.

Municipal Courts should retain their current authority to determine whether or not to extend their jurisdiction to anti-harassment and domestic violence protection orders. The City of Kirkland opposes any requirements to take on these additional responsibilities without adequate funding for staffing and training.

PUBLIC SAFETY

Kirkland supports legislation that provides additional funding options for public safety purposes, including public safety facilities.

Cities expend substantial resources on fire protection, emergency medical services, law enforcement, and jail services. Homeland security responsibilities, including planning, training, mitigation, and emergency response increasingly fall on local governments as first responders. Kirkland considers the state a partner in local government efforts to create safe communities.

Mitigating Medical Costs for Offenders (from AWC Legislative Priorities)

Kirkland supports removal of the two-year sunset provision which clarifies the charging entity is responsible for offender medical costs; passage of legislation expanding the use of the extraordinary criminal justice account to pay for extraordinary medical costs for offenders; and support proposals to provide additional funds for offender medical costs.

ANNEXATION

Kirkland supports legislation that extends the deadline for eligibility for the State annexation sales tax credit and that provides additional funding options for annexation-related expenses. Kirkland opposes legislation that would mandate annexations.

Annexation presents complex service delivery and financial challenges to municipalities and requires time to make informed and prudent decisions about how to provide services for a larger community. To support this decision-making process for Kirkland and other communities, the City requests an extension

of the 2010 deadline to commence annexation and retain eligibility for the State's annexation incentive funding. The City also supports additional funding to support capital facilities needs for annexing cities.

ECONOMIC DEVELOPMENT/INFRASTRUCTURE

Local Infrastructure (includes language from AWC Legislative Priorities)

Kirkland supports legislation that provides a new permanent source of funding for infrastructure; increased Transportation Improvement Board and Public Works Trust Fund funding; permanent funding of the Community Economic Revitalization Board for urban and rural projects; Local Infrastructure Financing Tool flexibility and reauthorization; enhanced urban Brownfield redevelopment. Kirkland also supports the \$100 million allocation to the Washington Wildlife Recreation Program.

Kirkland supports local infrastructure options and flexibility such as design-build authority for projects under \$10 million; updated bid limit authority; expanded uses of Real Estate Excise Tax; authorization of a street utility; and modification of Transportation Benefit District legislation.

Kirkland supports revisions to grant eligibility that would reward cities for accepting density in accordance with the Growth Management Act and additional grant funding to assist cities with implementation of new stormwater regulations.

Infrastructure is critical to the health, safety, and welfare of local communities and the citizens of the state. Infrastructure lays the foundation for economic well-being, growth, and quality of life of a community. Adequate infrastructure is required to accommodate Growth Management Act requirements, other state requirements, and a series of federal requirements administered by the state. Enhanced infrastructure funding is required to meet these requirements and ensure our communities excel.

The City of Kirkland supports new funding to address growth for economic development purposes, to repair an aging utility system and to upgrade streets and roads. The current state loan and grant programs are significantly under-funded and the need for an increase is great.

Kirkland supports local economic development incentives that help to attract, retain, expand and support economic activity that promotes prosperity and improves the quality of life in the community.

Condemnation Authority for Cascade Water Alliance

The City of Kirkland supports the right of eminent domain for Cascade Water Alliance. Clarification of the current statutes and granting of this authority is necessary as Cascade begins construction on the Tacoma/Cascade Regional Pipeline.

Kirkland is a member of Cascade Water Alliance (Cascade), a non-profit corporation comprised of eight cities and water and sewer districts. Cascade will be building a water supply delivery system to provide water for its members in the near- and long-term. To do so effectively, Cascade will be requesting eminent domain authority, consistent with other regional utilities.

Redistribution of Gas Tax

Kirkland supports legislation to implement a more equitable distribution of the state gas tax, with an increased share allocated to cities. Since 1991, the per capita gas tax distribution has declined significantly because the tax is not distributed equitably to growing municipal areas.

Currently, 10.6961 percent of the funds are distributed to cities and towns while 19.2287 percent is distributed to counties, regardless of population changes due to annexation or other reasons. City population has grown 43% since 1990, compared to 3.5% in unincorporated areas. Washington's cities are home to nearly two-thirds of the state's population. Despite this, transportation funding is increasingly focused on state needs, while neglecting city streets. Nearly 90% of the state GDP is generated in the state's top nine metropolitan areas, yet funding to support transportation in these employment centers continues to decline.

Future gas tax distributions should ensure a fairer return to cities, which handle a disproportionate amount of the state's employment and commuter traffic. Cities that are meeting their Growth

Management growth and density targets face significant transportation needs and should receive a proportionately higher percentage of the gas tax distribution.

Tolling/Roadway Pricing

The City of Kirkland generally supports roadway pricing as an effective tool for managing the regional transportation system and generating additional revenue to leverage against existing revenue sources. Revenues from pricing may be used for a variety of purposes, but there must be a reasonable nexus between collection and spending. Pricing for management must have clear objectives and pricing efforts must include careful consideration of potential negative impacts, particularly considering the needs of low income users of priced facilities.

This support includes early tolling of SR 520 and the I-90 bridge and implementation of High Occupancy Toll (HOT) lane systems on I-405 as long as potential impacts to Kirkland are considered before and addressed after implementation of any such roadway pricing program.

Besides funding for construction of the facility where it was collected, examples of reasonable uses for pricing revenue include: transit service on the priced or parallel facilities, mitigation of pricing impacts like diversion onto non-priced routes and operations/maintenance of the priced facility. Pricing revenues should supplement not supplant current revenue sources.

Pricing can be optimized to meet various objectives; however, prior to implementation, it is important that impacted jurisdictions have an opportunity to comment on the pricing objective.

In order to minimize negative impacts of pricing, choices such as high quality transit must be provided on priced corridors. Predictable and reasonable tolls will also help to minimize negative impacts.

County-Wide Utility Tax (from AWC Legislative Priorities)

Kirkland opposes legislation that would allow counties to levy a county-wide utility tax.

Cities have the authority to levy utility taxes on the gross operating revenues of private utilities (cable, garbage, etc.) and their own (water, sewer and surface water, in Kirkland's case) within their incorporated boundaries. Cities are not authorized to levy utility taxes on other local governments. The county association is considering a proposal that would authorize a county-wide utility tax. A modified version of this proposal could include a tax on unincorporated areas of a county only.

Fiscal Aid for Distressed Cities and Counties (from AWC Legislative Priorities)

Kirkland supports assistance for low-tax base cities and counties most impacted by the repeal of Motor Vehicle Excise Tax (MVET) from Initiative 695 and declining State backfill but not at the expense of the Public Works Trust Fund.

ESSB 6050 was passed in 2005 and funded a City-County Assistance Account from Real Estate Excise Tax to provide assistance for low-tax base cities and counties. This account will decrease with the decline in the real estate market and will need additional funding. The Association of Washington Cities will seek an increase but not at the expense of the Public Works Trust Fund. AWC will also look to establish a "floor" so distributions to qualifying governments do not drop below a certain amount.

HOUSING

Homelessness

Kirkland supports legislative action aimed at preventing homelessness and moving the homeless to stable, supported housing as quickly as possible. To accomplish these goals, the City supports the appropriation of funding for temporary rental assistance and supportive services, increased resources for mental health and substance abuse treatment services, supportive services to those transitioning out of the corrections system and young people who age out of the foster care system.

According to the Eastside Human Services Forum in 2007, over 8,300 people in King County are homeless on a typical night. Approximately 17% of homeless single adults are from the Eastside. In January 2007,

223 households living in emergency shelter or transitional housing reported that their last address was in East King County. Between 2000 and 2004, the estimated homeless population in King County increased by nearly 30%, ten times the rate of population growth experienced by the County as a whole.

East King County lacks an adequate supply of shelter beds and transitional housing. Current estimates show an immediate need for 930 subsidized apartments for homeless families on the Eastside. Service providers turn-away approximately five families for every family served in transitional housing.

Funding for Affordable Housing

Kirkland supports protection of and new state contributions to the Housing Trust Fund levels established in 2008 to support statewide public-private investment in low-income housing. Kirkland also supports tax incentives and targeted investments in workforce housing.

Lack of affordable housing is a significant problem throughout King County, including the City of Kirkland. About one third of the City's residents earn less than 80 percent of median income and face considerable difficulty in affording housing. According to the 2003 Kirkland Housing Needs Analysis, prepared by A Regional Coalition for Housing (ARCH), Kirkland's current housing market is most lacking in providing rental housing units priced appropriately for low-income households (those earning zero to 50 percent of median income) and ownership housing priced appropriately for median-income households (earning 80 - 120 percent of median income).

Washington State provides funding for low-income housing needs through the Housing Trust Fund (HTF). These monies help local housing providers to develop much needed affordable housing throughout the state. The state has increased funding for the Housing Trust Fund in recent years and should continue its investment in this vital fund.

In addition, the City of Kirkland supports a percent of the Housing Trust Fund being dedicated for emergency bridge funding and earnest money deposits. Properties are placed on the market in affluent real estate markets and due to quick sales and funding restrictions they are unattainable as affordable housing. To create diverse housing markets it is important to provide the tools and resources necessary to save potential affordable housing sites. One of the tools needed is bridge funding to ensure non-profits and local governments can enter into purchase options quickly.

Inclusionary Zoning

Kirkland supports legislation that provides jurisdictions clear authority to require the inclusion of affordable housing in permitted housing developments.

Inclusionary zoning, also known as inclusionary housing, refers to city planning ordinances that require that a given share of new construction be affordable to people with low to moderate incomes. The term inclusionary zoning is derived from the fact that these ordinances seek to counter exclusionary zoning practices which aim to exclude affordable housing from a municipality through the zoning code. In practice, these policies involve placing deed restrictions on 10%-30% of new houses or apartments in order to make the costs of the housing affordable to lower income households. The mix of "affordable" and "market-rate" housing in the same neighborhood is seen as beneficial by many, especially in jurisdictions where housing shortages have become acute. Inclusionary zoning is becoming a common tool for local municipalities in the United States to help provide a wider range of housing options than the market provides on its own.

The City of Kirkland supports legislation that provides jurisdictions the authority to require inclusionary zoning. The City does not support legislation mandating inclusionary zoning be implemented but leaves the policy decision in the hands of local elected officials.

TELECOMMUNICATIONS

Kirkland supports maintaining local franchising and opposes any legislation that would create a statewide franchise. Kirkland recognizes the importance and need for local governments to manage their rights-of-ways and ability to deliver local programming. Kirkland supports telecommunications

legislation that is balanced and addresses the concerns and interests of local government, consumers and telecommunication/ broadband providers.

Kirkland supports competition in video, telephone and broadband services and the social obligation to support public, educational and government channels. Kirkland supports like services being treated alike with clear definitions and requirements. For example, cable and telephone companies are regulated differently even though they provide very similar services in today's marketplace.

Kirkland supports continued authority to lease public rights-of-ways to telecommunication providers and to impose video franchise fees.

GAMBLING

Kirkland supports legislation that would clarify that local governments have the ability to ban and zone gambling activities. Kirkland also supports legislation that would allow grandfathering of existing gambling establishments in annexation areas without having to allow additional establishments.

Local jurisdictions should have binding authority to determine the land use and zoning regulations that apply to gambling establishments. This is particularly important given the potential negative impacts of gambling establishments on the surrounding community. Cities that annex an area with existing gambling establishments should have the discretion to allow the establishment to continue operations under limitations without having to allow new establishments in the annexed area or in the existing city.

ENVIRONMENT

Climate Change

Kirkland supports legislation that builds on the land use and transportation planning that is already required of state and local governments to help accomplish the State's adopted greenhouse gas emissions reduction goals. This approach should be targeted at the more populous cities, counties and regions. Kirkland opposes mandates related to climate change and, if there are new mandates, they should be fully funded by the State.

Kirkland also supports legislation that implements the Governor's Climate Advisory Team recommendations and that provides monetary incentives for reducing vehicle miles traveled and increasing fuel efficiency through annual motor vehicle license fees.

Kirkland supports incentives for including transit-oriented development with transit investment.

Kirkland supports legislation that encourages alternative modes of transportation including capital and regulatory support to encourage biking and walking.

The State of Washington has adopted the following goals for reduction in greenhouse gas emissions:

- a. By 2020, reduce emissions to 1990 levels;
- b. By 2035, reduce emissions to 25 percent below 1990 levels; and
- c. By 2050, reduce emissions to 50 percent below 1990 levels, or 70 percent below the state's expected emissions that year.

At the local level, progress towards these goals depends on reducing land use patterns that increase vehicle usage and maximizing land use patterns that encourage compact communities, in-filling, denser development, linkages with transit options, and projects that reduce vehicle miles traveled (VMT). Transit-oriented development can provide additional affordable housing in communities in addition to reducing emissions related to VMT.

LOCAL GOVERNMENT REFORM**Cost Recovery for Performance Audit- Related Expenses**

Kirkland supports legislation that would reimburse local governments for the direct expenses related to the completion of and response to state performance audits. This reimbursement would be made from the Performance Audits of Government Account established by Initiative 900.

Executive Sessions and Attorney-Client Privilege (from AWC Legislative Priorities)

Kirkland opposes legislation that would require public agencies to tape executive sessions. Kirkland also opposes legislation that would limit a public agency's attorney-client privilege.

Capital Funding Requests:**LOCAL JAILS**

Kirkland supports expanding the bonding authority for Public Facility Districts to allow for correctional facilities and an ability to impose a 0.1% voter-approved sales tax to assist with construction of correctional facilities.

King County has notified cities that they will no longer house city misdemeanor offenders after 2012. Kirkland and other King County cities are working together to develop replacement alternatives. With the exception of King County, county governments have the authority to impose a 0.1% voter-approved sales tax for correctional facilities. If King County is granted this authority, it should be connected with providing regional jail facilities; otherwise, cities should be granted this authority to provide this mandated service.

FEDERAL LEGISLATIVE AGENDA**U. S. Highway and Transit Bill Reauthorization**

Kirkland supports reprioritization of funds within the next U. S. Highway Bill to include more sustainable transportation options including ongoing funding for non-motorized transportation.

The U.S. Highway and Transit Bill is due for reauthorization in 2009. The last Bill (the *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users - SAFETEA-LU*) included pilot funding for non-motorized transportation in the amount of \$25 million per year. Kirkland would like to see an increased focus on sustainable transportation and a significant investment in non-motorized transportation in addition to the ongoing investment in existing infrastructure. Increased use of non-motorized transportation, such as walking and biking, leads to decreases in greenhouse gas emissions and traffic congestion as well as encourages healthy, active lifestyles.

With increased funding for non-motorized transportation funding, the City would like to pursue the completion of non-motorized facilities along 116th Avenue to join Kirkland with Bellevue.

Climate Change

Kirkland supports legislation providing local governments with new opportunities and funding to combat climate change, including the full funding of the Energy Efficiency and Conservation Block Grant Program, included in the Energy Independence and Security Act of 2007.

The State of Washington and the City of Kirkland have set greenhouse gas emissions reduction goals. Progress towards these goals depends on reduced dependence on fossil fuels through construction of more efficient buildings in addition to projects and zoning that reduce vehicle miles traveled (VMT).

The Energy Independence and Security Act of 2007 includes a provision creating a block grant program for cities and counties to institute programs to improve energy efficiency and reduce dependence on

fossil fuels. Funding for the new Energy Efficiency and Conservation Block Grant (EECBG) program is authorized at \$2 billion annually, 68 percent of which would go directly to local governments to:

- Reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible entities;
- Reduce total energy use; and
- Improve energy efficiency in the transportation, building, and other appropriate sectors.

In June 2008, the House Appropriations Committee appropriated \$295 million for the program in FY 2009. In July, the Senate Appropriations Committee decided not to include any funding for the EECBG program in their FY 2009 appropriations bill for the U.S. Department of Energy.

Wireless Facility Zoning

Kirkland supports preservation of state and local land use and zoning authority over wireless siting.

In 2008, a wireless industry group petitioned the FCC requesting that local authority over the wireless siting process be diminished (FCC Docket No. 08-165). Kirkland's process for addressing land use applications ensures that the rights of citizens in our community to govern themselves and the appropriate development of the community are properly balanced with the interests of all applicants. The system works well and there is no evidence to suggest that there should be a special waiver of state and local law to the wireless or other similar industry. Any perceived difficulties experienced by such providers can be adequately addressed through existing remedies under federal and state law. The diminishment of local regulatory authority over wireless facilities is neither warranted nor authorized.

Capital Funding Requests:

NE 120th Street Roadway Extension
Department of Justice - Special Response Team/Emergency Services Equipment
FEMA Emergency Services Training
116th Avenue NE - Completion of Non-Motorized Facilities