



CITY OF KIRKLAND

City Manager's Office

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MEMORANDUM

To: Kurt Triplett, City Manager
From: Lorrie McKay, Intergovernmental Relations Manager
Date: November 30, 2011
Subject: CITY OF KIRKLAND DRAFT 2012 LEGISLATIVE AGENDA

RECOMMENDATION:

It is recommended that the City Council review the proposed draft 2012 Legislative Agenda (Attachment A) and provide comments to staff, so that a final agenda may be adopted at the January 3, 2012 Council meeting. An annotated version of the proposed draft agenda (Attachment B) is also included, providing explanatory information for some agenda items.

BACKGROUND DISCUSSION:

Following the September state revenue forecast, the Governor signaled that she would convene another special legislative session before the end of 2011 in order to address another projected budget shortfall. In anticipation of this special session, the City Council's Legislative Committee met in late September to begin mapping out the City's potential 2012 legislative priorities. Committee members also decided to try to schedule their annual legislative breakfasts with senators and representatives of the 32nd, 45th and 48th legislative districts in October, ahead of the special session schedule.

Throughout October and into November, the Legislative Committee met with each member of the City's state delegation to thank them for their support in 2011 and to discuss issues identified on the City's draft 2012 Legislative Agenda (Attachment C). The primary focus of these meetings was the preservation of the annexation sales tax credit and minimizing cuts to state shared revenues with cities. In addition to the draft agenda, the committee shared discussion papers prepared by staff on specific issues such as: the impact to the City if the annexation sales tax credit is eliminated (Attachment D); BNSF rail corridor use options (Attachment E); addressing fire hydrant costs to cities' general fund (Attachment F) and; eliminating cities' obligation to pay impact fees from qualifying public funds when exempting low-income housing from impact fee requirements (Attachment G).

One new item that has been added to the proposed Draft 2012 Legislative Agenda (Attachment A) is to support the State funding mitigation to communities impacted by diversion caused by tolling of state facilities. The proposed draft agenda formatted and categorized first by guiding principles, followed by Kirkland's top legislative priorities, and then the City's support of selected priority items of our ally organizations. The top legislative priority items will be the focus for the City's contracted lobbyists.

This year's regular session is a short 60-day session beginning on January 9, 2012 and extending to March 8, 2012. The legislature will finalize the cutoff schedule on the first day of session. Because of the short session and because of the State's financial crisis, the City's Legislative Committee recommends that Kirkland's proposed draft legislative agenda has few financial requests from the State. Instead, the City will focus on protecting existing state funding sources, including preserving the threatened annexation sales tax credit, advocating for flexibility in the use of current revenues and advocating for new revenue tools.

On November 21, Governor Gregoire proposed her 2012 supplemental budget proposal to address a budget shortfall of at least \$1.4 billion. The legislature convened in special session on November 28 where legislators are considering an array of budget cuts proposed by the Governor. In addition, they are also debating a half-cent sales tax increase that would go to the voters, as a way to prevent deep reductions to K-12 education and criminal justice programs. If approved by the voters, the Governor's proposed sales tax increase would expire in July 2015, raising an estimated \$1.5 billion. By law in Washington State, special sessions run for 30 calendar days. So, this special session will end on December 27, 2011.

Majken Ryherd and Jim Richards of Waypoint Consulting, who were retained by contract to serve as Kirkland's State lobbyists, have assisted staff with the development of the proposed draft agenda. Majken and Jim also participated in the legislative breakfasts.

After receiving the City Council's feedback and edits, a final Legislative Agenda will be prepared for adoption at the Council's January 3, 2012 regular meeting.

- Attachments:
- A. Proposed Draft 2012 Legislative Agenda
 - B. Annotated Proposed Draft 2012 Legislative Agenda
 - C. Legislative Breakfast Version of the Draft 2012 Legislative Agenda
 - D. Annexation Sales Tax Credit, Discussion Paper
 - E. Map of the BNSF Rail Corridor
 - F. Clarifying Fire Hydrant/Protection Costs, Discussion Paper
 - G. Local Government and Impact Fee Exemptions HB 1398/SB 5524, Discussion Paper



**CITY OF KIRKLAND
2012 LEGISLATIVE AGENDA – DRAFT #1**

General Principles

Kirkland supports legislation to promote the City Council's goals and protect the City's ability to provide basic municipal services to its citizens.

- Defend against state revenue reductions or legislation that hamper the City's ability to complete the Finn Hill, Juanita and Kingsgate-area annexation. (Keep State Sales Tax Credit)
- Protect shared state revenue sources available to the City, and provide new revenue options and flexibility in the use of existing revenues.
- Support long-term sustainability efforts related to City financial, environmental and transportation goals.

City of Kirkland 2012 Legislative Priorities

1. Kirkland opposes new mandates that draw on City resources, and opposes any further shifting of costs or services from the State or County to cities.
2. Kirkland supports legislation securing financial assistance to construct the Public Safety Building which will consolidate public safety services and adequately serve the City after annexation.
3. Kirkland supports preserving all options for future use of the BNSF corridor, and state financial assistance to implement multiple uses including recreation and transportation.
4. Kirkland supports solutions to transfer fire hydrant-related costs from the City's General Fund to other more appropriate sources.
5. Kirkland supports legislation providing cities with financing options to support public/private partnerships (including flexibility in the use of existing tax sources)
6. Kirkland supports legislation amending RCW 82.02.060 to eliminate cities' obligation to pay impact fees from qualifying public funds when exempting low-income housing from impact fee requirements.
7. Kirkland supports legislation allowing cities the same fire benefit charge authority that fire districts receive under RCW 52.18.010.
8. Kirkland supports the State funding mitigation to communities impacted by diversion caused by tolling of state facilities.

2012 Legislative Support

Legislation on Kirkland's "Support" agenda from 2011

- Support brown grease to energy conversion legislation and programs.
- Support modification of the Washington State Department of Licensing's (DOL) implementation of the Commercial Driver's License process.
- Support legislation providing for the safe collection and disposal of unwanted drugs from residential sources through a producer provided and funded product stewardship program.
- Support an amendment to RCW 46.68.090 that would allocate gas tax revenues between counties and cities based on a per capita allocation rather than the current fixed percentages.
- Support legislation that would allow cities access to the State Department of Labor and Industries data as a means of verifying local business tax payments.

Additionally, Kirkland supports selected items of the 2012 legislative agendas for the following organizations:

Association of Washington Cities

(This initial agenda still needs approval from the AWC board)

1. Help our communities drive job growth

- Transportation funding – city funding in a statewide package and tools like Street Maintenance Utility authority.
- Enhanced local revitalization financing authority.
- Regulatory streamlining such as SEPA reform.

2. Preserve local authorities and essential programs and resources

- Ensure continued appropriation of committed state shared funds.
- Preserve existing local revenue authorities, including but not limited to the flexibility for cities to administer, collect, and enforce the municipal business and occupation tax and business license in a manner that meets unique, local needs.
- Help us stabilize and reduce our costs – Ways to help include:
 - Pursue options for creating sustainable personnel related costs.
 - Pursue proactive public records proposals that address some of the problems that come with the burgeoning public records requests.
 - Reasonable stormwater requirements coupled with funding.
 - Don't add new mandates or transfer state responsibilities to cities.

3. Ensure safe communities

- Retain traffic safety camera authority.
- Secure additional tools for combating gang activity, including funding for gang intervention and prevention activities.
- Seek further definition, clarification, and limits on medical marijuana that maintain local zoning, regulatory, and taxing authority.

Transportation Issues

Transportation Choices Coalition

- Safe and Flexible Street Design (HB1700) - Allows flexibility for cities, counties and developers to use updated guidelines for designing for bike and pedestrian uses, to increase safety and reduce costs of projects.
- Transportation Goal of Public Health (Rep. Billig) - Adds health to Washington's six transportation goals to integrate health in transportation policy, planning and investments, in order to reduce chronic diseases, reduce motor-vehicle-related injury and deaths, and ensuring transportation access for all people.
- Neighborhood Safe Speeds Bill (HB1217) - Provides cities and counties the authority to establish 20 mph zones on some non-arterial streets to lower accident rates and protect vulnerable users. The chances of dying from a collision with a car at 20 miles per hour are 5% compared to the 45% chance of death in a similar impact at 30 miles per hour.
- Peer to Peer Car Sharing (Rep. Hudgins) - Removes barriers to peer to peer car sharing (P2P), clearing the way for more pioneering companies to set up shop in Washington. P2P car sharing empowers people to travel more efficiently and cause a shift from personal to shared transport. It can trim emissions, traffic accidents, fuel costs, need for costly parking, while it generates income for car owners, and stimulates the local economy.
- Mileage Based Insurance (Rep. Ryu) - Promotes insurance policies that base premiums on miles driven. This policy offers the opportunity to improve the accuracy of auto insurance ratings, which is fairer and more economically efficient.

Bicycle Alliance of Washington

1. The Alliance supports:

- HB 1700, which would encourage higher-quality bike and pedestrian facilities.
- HB 1217, which would give cities and counties the authority to establish 20 mph zones.
- The Transportation for Washington funding package.
- Funding for the Complete Streets bill passed in 2011.
- A 3-5' safe passing bill and, if so, build a coalition of support.
- Work on the US Bicycle Route System (USBRS) in Washington State.
- Revise Department of Ecology's storm-water rules that currently inhibit widening shoulders or adding bikes lanes due to the creation of additional impervious surface, ability to mitigate, and cost.

Human Services Issues

Eastside Human Services Forum

1. Preserving Services for Basic Needs

- Maintain programs that provide basic needs for all residents, such as food (State Food Assistance Program for legal immigrants health care (the Basic Health Plan, Children's Health), and mental health counseling (Medicaid and non-Medicaid funds).
- Maintain funding for the Washington Information Network (WIN) 2-1-1.

2. Preventing and Ending Homelessness

- Maintain the State investment in the Housing Trust Fund.
- Ensure adequate funding for the Home Security Fund, generated by fees on the recording of real estate documents. These funds provide resources for an array of effective programs, such as homelessness prevention and other services.
- Maintain the Housing and Essential Needs Program that replaced the Disability Lifeline.

3. Supporting Early Learning and School Readiness

- Maintain the current investment in home visiting funding for evidence-based home visiting programs such as Healthy Start.
- Protect current investments in early learning for the Early Childhood Education and Assistance Program (ECEAP), WaKids (the new State kindergarten learning assessment), the WA State Child Care Resource & Referral Network, and the Working Connections Child Care Program.

4. Supporting the Most Vulnerable Older Adults and People with Disabilities

- Support services that enable older adults to remain in their homes and in the community.
- Protect vulnerable adults from abuse and neglect.
- Maintain medical services for older adults and people with disabilities and their families.

5. Other Issues

- Support the Local Government Flexibility and Impact Fee Exemption Bill (HB 1398/SB 5524).
- Preserve funding for naturalization services.
- Maintain Funding for medical interpretation.

Bellevue Network on Aging

The Bellevue Network on Aging 2012 legislative agenda, as approved at their 11/3 meeting, is:

- Provide support services that enable adults to stay in their homes.
- Protect older adults from abuse and neglect.
- Maintain medical services for older adults.

Washington Association of Area Agencies on Aging

The W4A has not yet listed a 2012 legislative agenda.

Washington Low Income Housing Alliance/Washington Coalition for the Homeless

(These groups have merged and have a joint agenda)

1. Invest/add more dollars to the Housing Trust Fund.
2. Provide opportunity for Washington's most vulnerable.
 - Preserve the Housing & Essential Needs Program.
3. Protect Revenue to Fight Homelessness
 - Support HB 2048/Kenney and SB 5952/Kohl-Welles (document recording fee increase).
4. Remove Barriers to Housing.
 - Enact the Fair Tenant Screening Act - SB 5952 (Kohl-Welles) – to require transparent and fair reporting standards.

5. Support affordable housing policies

- Impact Fee Waiver for Affordable Housing: HB 1398/Fitzgibbon and SB 5524/White.
- Allow DOH access to transient housing to conduct inspections (inspection of substandard lodgings).
- Mobile Home Landlord Tenant Act Clarification: HB 1566/Lias, and SB 5433/Fraser.
- Protect Youth Aging Out of Foster Care.
- Protect Washington's Housing Trust Fund Investments: HB 1699/Kenney.
- Protect TANF and the families that rely on this important program.
- Replicate innovative and cost-saving approaches to addresses chronic homelessness: HB 1957/Goodman.

Environmental Issues

Environmental Priorities Coalition

The Environmental Priorities Coalition has not finalized its 2012 agenda. Here is their general statement on the 2012 Legislative session:

"In the upcoming legislative session, the Environmental Priorities Coalition will work to protect the things that are most important to Washington's families - our kids' health, rebuilding our economy, and maintaining our clean air and clean water."

Water Issues

- WRIA 8 support (*if legislation comes forward...*)
- Support legislation to establish a sustainable funding mechanism to implement the Puget Sound Partnership agenda including funding for projects, programs, permitting and monitoring related to storm water pollution.
- Authorize legislation for creation of multipurpose Watershed Districts.

Cascade Water Alliance

CWA does not have a 2012 state legislative agenda, according to their intergovernmental affairs director.

Public Safety Issues

Washington Association of Sheriffs and Police Chiefs

1. WASPC agenda items:

- Security Alarm System and Vacation Watch Program Information Exempted from Public Disclosure/ HB 1234/HB 5244.
- Supplemental Budget 2012/WASPC Operating Budget and Preservation of the Washington Auto Theft Prevention Authority.
- DNA Collection upon Arrest/HB 1369.
- Extending Statute of Limitations for Trafficking in Stolen Property from 3 to 6 years

2. WASPC priority items

- Gang Omnibus Legislation/Mandatory Health Care Reporting to Law Enforcement: HB 1126.
- Code Enforcement Officers and Assault in the 3rd Degree: HB 1047.
- Credit Card/ATM Skimming.
- Boating Under the Influence Increased Penalties/Implied Consent.
- Issuance of Driver's Licenses and Identical Cards/Proof of Citizenship: HB 1577/SB 5407.
- Warrant Extradition Fund.
- Public Records Act Improvements:
 - HB 1044 Office of Open Records
 - HB 1299/SB 5089 Conferences for Disputes
 - HB 1139/SB5062 Notice to Agency of Error Dispute
 - HB 1300/SB 5088 Recovering Costs of Production
 - SB 5099 Enjoining Inmate Request (pretrial)
 - SB 5007 Criminal Justice employee voter registration exemption
 - SB 5022 Statute of limitations (PRA action must be filed w/in one year of specified actions)

Washington Fire Chiefs Association

(This agenda has not been finalized)

1. The WFCFA supports:

- EMS simple majority elections (50% plus 1) for EMS (Emergency Medical Services) Levies and Benefit Charge elections.
- Funding for State Fire Training Academy at North Bend, WA.
- CBRNE: funded regional hazardous materials incident response teams.
- Labor Law Issues (mediation & arbitration, workplace safety).

Parks Issues

Washington Recreation and Parks Association

1. The WRPA supports the following:

- Protect WWRP dollars.
- Complete Streets funding in any transportation package – and an overall “Healthy & Sustainable Communities” line item (protect public health funding, etc.).
- Non-highway funds “cap removal” in any transportation package.
- Refinements to Discover Pass to ensure confidence in the program (likely changes to transferability, etc.).
- Intervention/prevention components of Gangs Prevention legislation.
- Monitor Impact Fee legislation (mandating collection at sale/closing).
- Metropolitan Park District levy “suppression” adjustments (if brought forward).

Planning Issues

Washington Chapter of the American Planning Association

- Enable Tax Increment Financing (TIF): Provide new local revenue and financing options for cities and counties to support growth, community revitalization, natural resource conservation and housing affordability.
- Amend SEPA and other state laws to facilitate “shovel ready” projects.
- Require Special Purpose Districts to plan under GMA.
- Require State Agencies to plan under GMA.
- Clarify and connect state Climate Change goals to regional plans and local actions, including the following:
 - Amend RCW 47.80 to require that reductions in vehicle miles traveled and greenhouse gas emissions be addressed regionally.
 - Amend RCW 36.70A.020(10) to recognize the role that compact urban development and multimodal transportation play in reducing greenhouse gas emissions.
 - Amend RCW 36.70A.070 (6) to include multimodal transportation strategies and highlight transit-oriented development (TOD) as a strategy to create compact, complete and connected communities.

DRAFT



**CITY OF KIRKLAND
2012 LEGISLATIVE AGENDA – ANNOTATED – DRAFT #1**

General Principles

Kirkland supports legislation to promote the City Council's goals and protect the City's ability to provide basic municipal services to its citizens.

- **Defend against state revenue reductions or legislation that hamper the City's ability to complete the Finn Hill, Juanita and Kingsgate-area annexation. (Keep State Annexation Sales Tax Credit)**

Without the State Annexation Sales Tax Credit, police, safety and other services will need to be spread "thinner" across the whole service area.

If the Annexation Sales Tax Credit were eliminated, the required reduction to the overall costs of serving the annexation area would be approximately 15%. However, there are a variety of large costs that cannot be reduced, for example, election costs and 911 dispatch. The majority of positions required to serve the annexation area (almost 60%) are directly related to Public Safety (Police, Fire, Court). It is likely those services would see substantial reductions. (See white paper, Attachment C).

- **Protect shared state revenue sources available to the City, and provide new revenue options and flexibility in the use of existing revenues.**
- **Support long-term sustainability efforts related to City financial, environmental and transportation goals.**

City of Kirkland 2012 Legislative Priorities

1. **Kirkland opposes new mandates that draw on City resources, and opposes any further shifting of costs or services from the State or County to cities.**

This is a carry-over from Kirkland's 2011 legislative agenda

2. **Kirkland supports legislation securing financial assistance to construct the Public Safety Building which will consolidate public safety services and adequately serve the City after annexation.**

This is a carry-over from Kirkland's 2011 legislative agenda. The City of Kirkland is seeking \$2.65 million in state capital dollars to partner with local funding (\$11.5 spent to date) for the building, renovation and co-location of public safety and Court services in the Totem Lake urban center.

3. Kirkland supports preserving all options for future use of the BNSF corridor, and state financial assistance to implement multiple uses including recreation and transportation.

This is a carry-over from Kirkland's 2011 legislative agenda. In January of 2011, following considerable community outreach, the Transportation Commission published an Interest Statement concluding that the Eastside Rail Corridor is a transportation facility that represents enormous opportunity for the City of Kirkland and the region. The Transportation Commission concluded that the best use of the corridor is as the site of a welcoming, transportation-oriented facility for pedestrians and bicyclists and a high capacity transit system that connects Kirkland to the region. In July of 2011, the City of Kirkland retained the Urban Land Institute (ULI) to undertake a Technical Assistance Panel (TAP) to review City policies and plans for the Totem Lake Business District with a focus on the southeast quadrant of the district that includes the BNSF railroad corridor. Among the ULI panel of experts' findings was recommending that the City take control of the railroad corridor. It has recreational value as a trail (including access to a larger lake park) and also for transit and as a vehicular connector that could compensate for the lack of other connector options. (See map, Attachment D). Challenges include funding construction and insuring that the corridor stays in public ownership.

4. Kirkland supports solutions to transfer fire hydrant-related costs from the City's General Fund to other more appropriate sources.

In October 2008, the Washington State Supreme Court ruled that fire hydrant costs are a general government function and should be paid out of general tax revenues. This ruling has far-reaching consequences for all water providers throughout Washington, in that water rate-making standards specifically include fire protection costs as part of water rates.

Under the ruling, providing fire protection is a general government service that must be paid for out of general fund revenue and not through water-use rates and charges. The ruling pertains not only to cost of fire hydrant maintenance and operations but also to a proportion of the capital costs for providing fire protection -- the infrastructure necessary to deliver water to hydrants and to insure there is adequate water supply in the water mains.

The City seeks to clarify that fire protection costs are considered an integral part of providing water service and thus appropriate in rates. The main benefits to the City of Kirkland would be simplifying its water rate and tax structure (for clarity to the customer) and eliminating the administrative burden that produces no real change to what customers pay (what they paid for in rates before is now being paid as a tax). It would also return water rate-making in Washington to the industry standard that is applied in the rest of the United States. (See white paper, Attachment E).

5. Kirkland supports legislation providing cities with financing options to support public/private partnerships (including flexibility in the use of existing tax sources)

Given its limited economic development tools for attracting or retaining businesses, the State of Washington is at a major competitive disadvantage. Pursuing new tools to help cities recover, thrive and be efficient is critical to revitalizing local economies, the economic engines of the State.

6. Kirkland supports legislation amending RCW 82.02.060 to eliminate cities' obligation to pay impact fees from qualifying public funds when exempting low-income housing from impact fee requirements.

Removing the requirement for cities to pay impact fees on low-income housing is an ARCH 2011 priority and is a carry-over from Kirkland's 2010 and 2011 legislative agendas. In 2011, the City supported HB 1398 / SB 5524 (See discussion paper, Attachment F). Currently, cities that exempt low-income housing from impact fees must pay the fees from their general fund.

7. Kirkland supports legislation allowing cities the same fire benefit charge authority that fire districts receive under RCW 52.18.010.

This is a carry-over from Kirkland's 2011 legislative agenda. Kirkland seeks the same authority that Fire Districts currently have under RCW 52.18.010 to propose a fire benefit charge on personal property and improvements to real property within the district, but not on any land. The charge would apply to residential buildings, commercial structures, agricultural buildings and other structures affixed to the land. RCW 52.18.010 provides for certain exemptions and states the total amount that can be raised by a benefit charge cannot exceed 60% of the district's operating budget. It also requires the charge to be reasonably proportioned to the benefits received by the specific property resulting from the services provided by the district.

Benefit Charge proposals must be voted upon by the residents of the district and must be approved by a 60% majority. RCW 52.18.050 also states the district must hold a hearing not less than 10 days or more than 6 months before the election and, if the charge is approved, the district must thereafter hold a hearing before November 15 of each year to review and establish the charge for the subsequent year. Further, the charge cannot be imposed for more than 6 years. The charge is collected by the County Treasurer's office along with the property taxes as provided by RCW 76.04.610. Similar language for cities would be needed that considers the differing tax structures.

8. Kirkland supports the State funding mitigation to communities impacted by diversion caused by tolling of state facilities.

2012 Legislative Support

Legislation on Kirkland's "Support" agenda from 2011

- Support brown grease to energy conversion legislation and programs.
- Support modification of the Washington State Department of Licensing's (DOL) implementation of the Commercial Driver's License process.

On January 2, 2009, the Department of Licensing (DOL) significantly changed the skill and training requirements for a State of Washington Commercial Drivers License. An applicant must now complete 160 hours of training provided by a training institute (up to \$10,000). Alternatively, an employer (i.e. the City of Kirkland) can sign a certificate stating the employee possesses the skills and required training to safely operate a vehicle requiring a CDL license. WCIA issued Risk Management Bulletin # 32 recommending that employers do not certify their employees as safe drivers because of significant and ongoing liability concerns. This has a direct impact on the ability for the City to hire qualified employees for many of its Public Works positions.

- Support legislation providing for the safe collection and disposal of unwanted drugs from residential sources through a producer provided and funded product stewardship program.
- Support an amendment to RCW 46.68.090 that would allocate gas tax revenues between counties and cities based on a per capita allocation rather than the current fixed percentages.
- Support legislation that would allow cities access to the State Department of Labor and Industries data as a means of verifying local business tax payments.

The City of Kirkland imposes a business license fee based on the number of full-time equivalent employees. Until recently, the City was able to obtain L&I records to verify accurate reporting of full-time equivalents. The State determined that that the records were confidential and that they would not provide it to cities. The City is seeking legislation that clarifies the cities' ability to access L&I data.

Additionally, Kirkland supports selected items of the 2012 legislative agendas for the following organizations:

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1. Help our communities drive job growth

- Transportation funding – city funding in a statewide package and tools like Street Maintenance Utility authority.
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- Regulatory streamlining such as SEPA reform.

2. Preserve local authorities and essential programs and resources

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- Help us stabilize and reduce our costs – Ways to help include:

- Pursue options for creating sustainable personnel related costs.
- Pursue proactive public records proposals that address some of the problems that come with the burgeoning public records requests.
- Reasonable stormwater requirements coupled with funding.
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- The Transportation for Washington funding package.
- Funding for the Complete Streets bill passed in 2011.
- A 3-5' safe passing bill and, if so, build a coalition of support.
- Work on the US Bicycle Route System (USBRS) in Washington State.

- Revise Department of Ecology's storm-water rules that currently inhibit widening shoulders or adding bikes lanes due to the creation of additional impervious surface, ability to mitigate, and cost.

Human Services Issues

Eastside Human Services Forum

1. Preserving Services for Basic Needs

- Maintain programs that provide basic needs for all residents, such as food (State Food Assistance Program for legal immigrants health care (the Basic Health Plan, Children's Health), and mental health counseling (Medicaid and non-Medicaid funds).
- Maintain funding for the Washington Information Network (WIN) 2-1-1.

2. Preventing and Ending Homelessness

- Maintain the State investment in the Housing Trust Fund.
- Ensure adequate funding for the Home Security Fund, generated by fees on the recording of real estate documents. These funds provide resources for an array of effective programs, such as homelessness prevention and other services.
- Maintain the Housing and Essential Needs Program that replaced the Disability Lifeline.

3. Supporting Early Learning and School Readiness

- Maintain the current investment in home visiting funding for evidence-based home visiting programs such as Healthy Start.
- Protect current investments in early learning for the Early Childhood Education and Assistance Program (ECEAP), WaKids (the new State kindergarten learning assessment), the WA State Child Care Resource & Referral Network, and the Working Connections Child Care Program.

4. Supporting the Most Vulnerable Older Adults and People with Disabilities

- Support services that enable older adults to remain in their homes and in the community.
- Protect vulnerable adults from abuse and neglect.
- Maintain medical services for older adults and people with disabilities and their families.

5. Other Issues

- Support the Local Government Flexibility and Impact Fee Exemption Bill (HB 1398/SB 5524).
- Preserve funding for naturalization services.
- Maintain Funding for medical interpretation.

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- Protect older adults from abuse and neglect.
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(These groups have merged and have a joint agenda)

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4. Remove Barriers to Housing.
 - Enact the Fair Tenant Screening Act - SB 5952 (Kohl-Welles) – to require transparent and fair reporting standards.
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 - Allow DOH access to transient housing to conduct inspections (inspection of substandard lodgings).
 - Mobile Home Landlord Tenant Act Clarification: HB 1566/Lias, and SB 5433/Fraser.
 - Protect Youth Aging Out of Foster Care.
 - Protect Washington's Housing Trust Fund Investments: HB 1699/Kenney.
 - Protect TANF and the families that rely on this important program.
 - Replicate innovative and cost-saving approaches to addresses chronic homelessness: HB 1957/Goodman.

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- Authorize legislation for creation of multipurpose Watershed Districts.

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- Supplemental Budget 2012/WASPC Operating Budget and Preservation of the Washington Auto Theft Prevention Authority.
- DNA Collection upon Arrest/HB 1369.
- Extending Statute of Limitations for Trafficking in Stolen Property from 3 to 6 years

2. WASPC priority items

- Gang Omnibus Legislation/Mandatory Health Care Reporting to Law Enforcement: HB 1126.
- Code Enforcement Officers and Assault in the 3rd Degree: HB 1047.
- Credit Card/ATM Skimming.
- Boating Under the Influence Increased Penalties/Implied Consent.
- Issuance of Driver's Licenses and Identical Cards/Proof of Citizenship: HB 1577/SB 5407.
- Warrant Extradition Fund.
- Public Records Act Improvements:
 - HB 1044 Office of Open Records
 - HB 1299/SB 5089 Conferences for Disputes
 - HB 1139/SB5062 Notice to Agency of Error Dispute
 - HB 1300/SB 5088 Recovering Costs of Production
 - SB 5099 Enjoining Inmate Request (pretrial)
 - SB 5007 Criminal Justice employee voter registration exemption
 - SB 5022 Statute of limitations (PRA action must be filed w/in one year of specified actions)

Washington Fire Chiefs Association

(This agenda has not been finalized)

1. The WFCFA supports:

- EMS simple majority elections (50% plus 1) for EMS (Emergency Medical Services) Levies and Benefit Charge elections.
- Funding for State Fire Training Academy at North Bend, WA.
- CBRNE: funded regional hazardous materials incident response teams.

CBRNE (chemical, biological, radiological, nuclear or explosive) Funded Regional Hazardous Materials Teams. Funded by the State and supported by existing local team all with identical standard operating procedures, equipment and training throughout the state.

- Labor Law Issues (mediation & arbitration, workplace safety).

Parks Issues

Washington Recreation and Parks Association

1. The WRPA supports the following:

- Protect WWRP dollars.
- Complete Streets funding in any transportation package – and an overall “Healthy & Sustainable Communities” line item (protect public health funding, etc.).
- Non-highway funds “cap removal” in any transportation package.
- Refinements to Discover Pass to ensure confidence in the program (likely changes to transferability, etc.).
- Intervention/prevention components of Gangs Prevention legislation.
- Monitor Impact Fee legislation (mandating collection at sale/closing).
- Metropolitan Park District levy “suppression” adjustments (if brought forward).

Planning Issues

Washington Chapter of the American Planning Association

- Enable Tax Increment Financing (TIF): Provide new local revenue and financing options for cities and counties to support growth, community revitalization, natural resource conservation and housing affordability.
- Amend SEPA and other state laws to facilitate “shovel ready” projects.
- Require Special Purpose Districts to plan under GMA.
- Require State Agencies to plan under GMA.
- Clarify and connect state Climate Change goals to regional plans and local actions, including the following:
 - Amend RCW 47.80 to require that reductions in vehicle miles traveled and greenhouse gas emissions be addressed regionally.
 - Amend RCW 36.70A.020(10) to recognize the role that compact urban development and multimodal transportation play in reducing greenhouse gas emissions.
 - Amend RCW 36.70A.070 (6) to include multimodal transportation strategies and highlight transit-oriented development (TOD) as a strategy to create compact, complete and connected communities.



CITY OF KIRKLAND 2012 LEGISLATIVE AGENDA – DRAFT

General Principles

Kirkland supports legislation to promote the City Council's goals and protect the City's ability to provide basic municipal services to its citizens.

- Defend against state revenue reductions or legislation that hamper the City's ability to complete the Finn Hill, Juanita and Kingsgate-area annexation. (Keep State Sales Tax Credit)
- Protect shared state revenue sources available to the City, and provide new revenue options and flexibility in the use of existing revenues.
- Support long-term sustainability efforts related to City financial, environmental and transportation goals.

City of Kirkland 2011 Legislative Priorities

1. Kirkland opposes new mandates that draw on City resources, and opposes any further shifting of costs or services from the State or County to cities.
2. Kirkland supports legislation securing financial assistance to construct the Public Safety Building which will consolidate public safety services and adequately serve the City after annexation.
3. Kirkland supports preserving all options for future use of the BNSF corridor, and state financial assistance to implement multiple uses including recreation and transportation.
4. Kirkland supports solutions to transfer fire hydrant-related costs from the City's General Fund to other more appropriate sources.
5. Kirkland supports legislation providing cities with financing options to support public/private partnerships (including flexibility in the use of existing tax sources)
6. Kirkland supports legislation amending RCW 82.02.060 to eliminate cities' obligation to pay impact fees from qualifying public funds when exempting low-income housing from impact fee requirements.
7. Kirkland supports legislation allowing cities the same fire benefit charge authority that fire districts receive under RCW 52.18.010.



CITY OF KIRKLAND

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Eliminating the Annexation State Sales Tax Credit: Impacts to the City of Kirkland Discussion Paper

The City of Kirkland recently added more than 31,000 residents by annexing the Juanita, Finn Hill, and Kingsgate areas. Without the Annexation State Sales Tax Credit (SSTC), the City won't have the resources needed to properly protect and serve these new residents. Data are still being reviewed, but reductions might include:

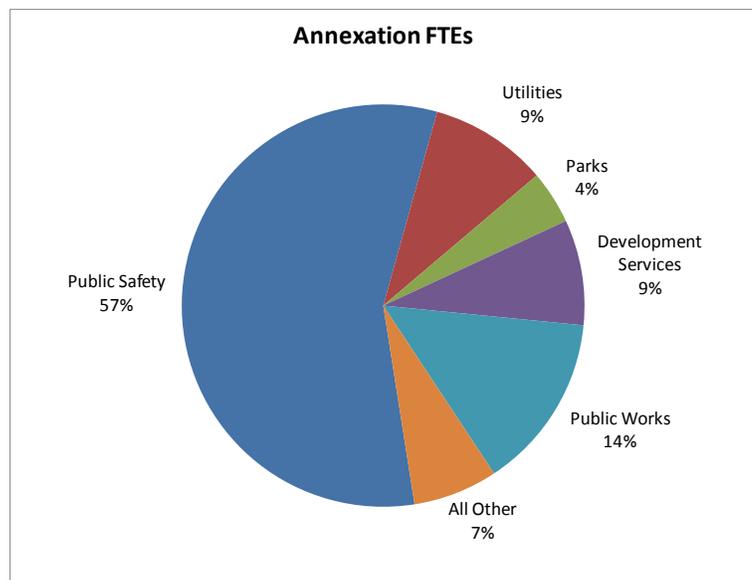
- Firefighter reductions that would result in "rolling brownouts" (periodic station closures) throughout the system, with the potential for increased response times.
- Elimination of proactive and community policing activities to that have proven effective in preventing criminal activity, resulting in a less responsive, more reactive service level.
- Reduced parking and traffic enforcement activities and elimination of marine patrol services.
- Closure of Park restrooms and significantly reduced levels of parks maintenance.
- Staffing reductions at the Municipal Court and reduced Code Enforcement activities.

Annual revenues to Kirkland from the SSTC will be \$3.4 million during the fiscal year from July 1, 2011 through June 30, 2012, growing with what will hopefully be an increase in taxable retail sales as the economy recovers during the SSTC's 10-year credit period.

This money will be used primarily to hire police officers and "first responders," in addition to staff who will supply other city services to the newly annexed area.

The City has a plan in place to deal with the completion of the credit period in 2022, but in the meantime, reduction or elimination of the credit would have a devastating impact on services in the newly annexed areas (since annexation service levels were matched to annexation revenues). Without the SSTC, police, safety and other services will need to be spread "thinner" across the whole service area.

If the SSTC were to be eliminated, the required reduction to the overall costs of serving the annexation area would be approximately 15%. However, there are a variety of large costs that cannot be reduced, for example, election costs and 911 dispatch. The City has also made commitments secured with existing revenue sources related to providing adequate public safety facilities to serve the larger City. As the chart shows, the majority of positions required to serve the annexation area (almost 60%) are directly related to Public Safety (Police, Fire, Court). It is likely that those services would see substantial reductions.





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October 3, 2011

WORKING TITLE: Addressing the need to clarify that fire hydrant/protection costs are an integral part of providing water service and thus appropriate in rates.

ISSUE BACKGROUND:

In October 2008, the Washington State Supreme Court ruled that fire hydrant costs are a general government function and should be paid out of general tax revenues ([Lane v. City of Seattle – Attachment 1](#)). The City of Seattle began to pay Seattle Public Utilities for fire hydrants from their general fund and raised utility taxes on SPU to cover for the general funds expended for the hydrants. This ruling has far-reaching consequences for all water providers throughout Washington in that water rate-making standards (as defined in the American Water Works Association M1 Manual) specifically include fire protection costs as part of water rates. Currently, the only direction that exists on how this ruling should be implemented is found in court documents related to Lane v. City of Seattle. Water utilities across Washington are grappling with how to comply with this ruling, especially given the limitations on general fund resources due to economic conditions and the absence of clear guidance on the specifics of how to apply the ruling to a wide variety of rate-setting approaches.

Under the ruling, providing fire protection is a general government service that must be paid for out of general fund revenue and not through water-use rates and charges. The ruling pertains not only to cost of fire hydrant maintenance and operations but also to a proportion of the capital costs for providing fire protection -- the infrastructure necessary to deliver water to hydrants and to insure there is adequate water supply in the water mains. Consistent with actions taken by several cities (including Seattle and Bellevue), Kirkland increased its water utility tax rate from 10.50% to 13.38% to generate sufficient general purpose revenue to absorb the costs of fire protection charged to the General Fund. While this action was revenue neutral to the utility (and ultimately to the ratepayers) because the utility received the same amount in additional revenue from the General Fund as the General Fund received from the water utility tax increase, the issue adds complications to the rate-setting and accounting process and is confusing to customers.

DIFFICULTIES ARISING FROM THE RULING:

While the solution described above addresses the impact of the ruling on the City's own utility, a number of inter-jurisdictional issues are pending that further illustrate the complications arising from the ruling. For example, the City of Bellevue has spent the last two years negotiating an interlocal agreement with the cities in which Bellevue owns fire hydrants. There are 8 Bellevue owned hydrants within Kirkland, so this is not a large cost to Kirkland, but it is a substantial cost to the other cities served by Bellevue, such as Medina. Further, water special purpose districts are contemplating how the ruling impacts their relationships with the cities in which they serve. Northshore Utility District, which serves a large portion of the northern part of Kirkland, has approached the City to establish a method for charging their fire protection costs to the City (which would also apply to the other cities and unincorporated areas in which they provide

service). The proposal is to increase the franchise fee the district pays to the City in the same amount as the City will pay the district for fire protection costs, creating another paper transaction with no real impact except to increase administrative costs. The issue is further complicated when unincorporated areas and fire districts are added to the mix. There is no clarity on whether or how this ruling should be applied by special purpose districts and the discussion is creating increasing tension between the agencies.

BENEFITS TO CITIES AND RATE-PAYERS BY CLARIFYING FIRE PROTECTION COSTS:

Ideally, the request is to clarify that fire protection costs are considered an integral part of providing water service and thus appropriate in rates. The main benefits to the City of Kirkland would be simplifying its water rate and tax structure (for clarity to the customer) and eliminating the administrative burden that produces no real change to what customers pay (what they paid for in rates before is now being paid as a tax). It would also return water rate-making in Washington to the industry standard that is applied in the rest of the United States. If that cannot be accomplished, limiting the application of the ruling to city-owned utilities would reduce the inter-jurisdictional disputes and the attendant administrative burden and customer confusion.

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Local Government Flexibility and Impact Fee Exemptions HB 1398/SB 5524

Background and Frequently Asked Questions

What is the problem?

Cities don't have a practical way to exempt low-income housing from impact fees. Local governments can exempt impact fees for low-income housing if they make up the fees from "public funds other than impact fee accounts." While impact fees go to specific accounts dedicated to capital purposes, the statute has been interpreted to mean a dollar-for-dollar replacement for exempted impact fees from city general funds. This has made this tool prohibitive for many cities.

What would HB 1398 and SB 5524 do?

This legislation would allow local governments the flexibility to exempt impact fees for low-income housing without a dollar-for-dollar replacement to impact fee accounts. Exemptions can only be granted for low-income housing as long as there is a covenant on the property restricting the identified low-income units to that use. Impact fees on other projects cannot be raised to offset the exemption.

If impact fees are exempted for low-income housing, who pays?

Impact fees go to accounts with dedicated purposes (road and park projects), and must be used within a ten-year period. Revenue to these accounts fluctuates for a variety of reasons including general economic conditions, amount of building occurring, etc. Local governments would have to evaluate the exemption against their plans and projected revenue for these accounts and decide if they want to provide the exemption. This allows local governments to determine the best way to meet the low-income housing needs unique to their community. Raising impact fees on others to directly cover this exemption is prohibited.

Why can't local governments use impact fee waivers instead of exemptions?

Any project type can seek waivers or reduced impact fees by showing that it has less impacts (for example less peak hour traffic) based on the project's unique characteristics. However, low-income housing may not always be able to show less impacts, or the cost for proving the reduction may outweigh the value of the reduction (such as hiring a transportation engineer to show that low-income people use transit more than cars and, therefore, make fewer car trips and reducing or waiving road impact fees).

Cities are also allowed to waive permit costs and allow density incentives. HB 1398 and SB 5524 make the intent of the current statute workable, giving local governments another tool to help with low-income housing development in a controlled way.

Who would use this?

The City of Kirkland, City of Gig Harbor, and the City of Sequim would like this flexibility. Other jurisdictions have expressed support for the ability to exempt impact fees, but may not have any applicable projects at this time. Here are some examples of how it could be used:

City of Kirkland: Imagine Housing (formerly St. Andrew's Housing Group) is a nonprofit housing provider that develops, owns and operates 325 affordable housing units in East King County. Imagine Housing is in the process of developing its funding for a new 76 unit affordable senior housing project to be built in the Totem Lake neighborhood of Kirkland. The units will be rented to seniors who earn between 30% and 50% of median income. The transportation impact fees for this project are \$85,000 and the park impact fees are \$191,000. While the City of Kirkland does not have that amount in general funds to transfer to these accounts, the City would be interested in exempting some or all of the impact fees. This would further the City's goals of assisting in the creation of low income housing and providing for a range of housing types and opportunities to meet the needs of all segments of the population.

City of Gig Harbor: Habitat for Humanity of Tacoma/Pierce County has not been able to go forward with a proposed Habitat development in Gig Harbor because the impact fees would be \$27,000/unit. Habitat has never built a home in the Gig Harbor city limits because these fees are prohibitive. The City of Gig Harbor is interested in exempting all or part of these fees in order to facilitate the Habitat project.

City of Sequim: Land and housing costs tend to be higher in the city of Sequim than the rest of Clallam County. As a result, it is more difficult to develop affordable housing units in the city. The city of Sequim would like to work with the Peninsula housing authority, the Serenity House, and other providers to encourage more affordable housing in the city. The current impact fee per unit for multiple family housing is \$1, 865 for transportation and \$2, 129 for parks impact fees. This results in total impact fees of almost \$80,000 for a 20 unit affordable housing complex. While these fees are a small percentage of the total cost for a housing project, the proposed provisions of House Bill 1398 would make it more likely to develop successful projects in Sequim.

Who supports this legislation?

HB 1398 and SB 5524 are priorities for the City of Kirkland, the City of Gig Harbor, and the City of Sequim.. It is also supported by the Association of Washington Cities, Habitat for Humanity, Master Builders Association of King and Snohomish Counties, and the Washington Low-Income Housing Alliance. In the 2011 legislative session, no interest group opposed either bill.