

RESOLUTION R-4910

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND DETERMINING THE ANTICIPATED SHORTFALL IN REVENUES FOR PROVIDING MUNICIPAL SERVICES TO THE ANNEXATION AREA AS REQUIRED BY RCW 82.14.415.

WHEREAS, RCW 82.14.415 authorizes the City to impose a sales and use tax as a credit against the state tax to assist the City in providing municipal services to the Finn Hill, Kingsgate and North Juanita Annexation Area; and

WHEREAS, on April 7, 2009, the City Council passed Resolution R-4751 which directed the City Clerk to file a notice of intent to annex the Finn Hill, Kingsgate and North Juanita Annexation Area with the King County Boundary Review Board; and

WHEREAS, the Boundary Review Board held a public hearing on the proposed annexation on June 8, 2009, and approved the annexation on July 9, 2009; and

WHEREAS, the City Council passed Resolution R-4763 calling for an election which was held pursuant to state statute; and

WHEREAS, the King County Council transmitted a certified abstract of the vote in the November 3, 2009, general election reflecting that the annexation was approved by the voters; and

WHEREAS, the City Council passed Ordinance No. 4229 on December 15, 2009, annexing the Finn Hill, Kingsgate and North Juanita Annexation Area, an area that has a population of at least twenty thousand people; and

WHEREAS, on February 16, 2010, the City Council passed Ordinance No. 4237 creating Chapter 5.07 of the Kirkland Municipal Code and imposing the sales and use tax at the rate of 0.2 percent; and

WHEREAS, the City was notified by the Washington State Department of Revenue (DOR) on March 31, 2010, that the City would not be eligible to draw on the state sales tax credit until after the effective date of the annexation, June 1, 2011; and

WHEREAS, RCW 82.14.415 requires the City to provide DOR with an estimate of the anticipated shortfall or "threshold amount" in the Annexation Area for the next fiscal year by March 1, 2012; and

WHEREAS, the City Council finds and determines that the projected cost to provide municipal services to the Annexation Area exceeds the projected general revenue that the City would receive from the Annexation Area by \$3.64 million for the state fiscal year starting July 1, 2012, through June 30, 2013; and

WHEREAS, state fiscal year July 1, 2012, through June 30, 2013, represents the second year of the ten-year period available to the City for the imposition of the tax authorized by RCW 82.14.415; and

WHEREAS, the effective date of annexation was June 1, 2011 and the Department of Revenue has acknowledged that the City has yet to receive a full year's annexation sales tax credit as of the date of this resolution, therefore certification of actual costs for the period of July 1, 2011 to June 30, 2012 will occur in the notification occurring March 1, 2013;


NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. Purpose. The Kirkland City Council determines that the City's projected net cost in providing municipal services to the Finn Hill, Kingsgate and North Juanita Annexation Area is in the amount of \$3.64 million. The City Council previously imposed a sales and use tax at the rate of 0.2 percent, with the passage of Ordinance No. 4237 on February 16, 2010.

Section 2. Implementation. The City Manager is hereby authorized to implement such administrative procedures as may be necessary to carry out the directions of this Resolution.

Passed by majority vote of the Kirkland City Council in open meeting this 21st day of February, 2012.

Signed in authentication thereof this 21st day of February, 2012.


MAYOR

Attest:


City Clerk