

RESOLUTION R-5037

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 areas annexed in 2011; 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 annexation sales tax credit revenues for the fiscal year July 1, 2012 to June 30, 2013 were necessary to support the true and actual costs to provide municipal services to the Annexation Area; and

WHEREAS, the City Council certifies the true and actual cost to provide municipal services to the Annexation Area totaled \$23.74 million for the period corresponding to the State's fiscal year July 1, 2012 to June 30, 2013; and the revenue from the Annexation Area, excluding gambling and sales tax credit revenues for the same period totaled \$17.66 million, resulting in a difference of \$6.10 million. The gambling tax revenue from the Annexation Area of \$754,821 reduced

this gap to \$5.32 million. The annexation sales tax credit received from the State was \$3.64 million.

WHEREAS, RCW 82.14.415 requires the City to provide the Washington State Department of Revenue with an estimate of the anticipated shortfall or "threshold amount" in the Annexation Area for the next fiscal year by March 1, 2014; and

WHEREAS, the City Council finds and determines that the projected net cost to provide municipal services to the Annexation Area exceeds the projected general revenue that the City would receive from the Annexation Area by \$3.65 million for the state fiscal year starting July 1, 2014, through June 30, 2015; and

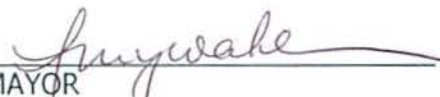
NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

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 \$3.65 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 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 18th day of February, 2014.

Signed in authentication thereof this 18th day of February, 2014.

  
MAYOR

Attest:

  
City Clerk