

RESOLUTION R-5408

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.

1 WHEREAS, RCW 82.14.415 authorizes the City to impose a
2 sales and use tax as a credit against the state tax to assist the City in
3 providing municipal services to the newly annexed areas; and
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5 WHEREAS, on April 7, 2009, the City Council passed Resolution
6 R-4751 which directed the City Clerk to file a notice of intent to annex
7 the Finn Hill, Kingsgate and North Juanita Annexation Area with the King
8 County Boundary Review Board; and
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10 WHEREAS, the Boundary Review Board held a public hearing on
11 the proposed annexation on June 8, 2009, and approved the annexation
12 on July 9, 2009; and
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14 WHEREAS, the City Council passed Resolution R-4763 calling for
15 an election which was held pursuant to state statute; and
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17 WHEREAS, the King County Council transmitted a certified
18 abstract of the vote in the November 3, 2009, general election reflecting
19 that the annexation was approved by the voters; and
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21 WHEREAS, the City Council passed Ordinance No. 4229 on
22 December 15, 2009, annexing the Finn Hill, Kingsgate and North
23 Juanita Annexation Area, an area that has a population of at least
24 twenty thousand people; and
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26 WHEREAS, on February 16, 2010, the City Council passed
27 Ordinance No. 4237 creating Chapter 5.07 of the Kirkland Municipal
28 Code and imposing the sales and use tax at the rate of 0.2 percent;
29 and
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31 WHEREAS, the annexation sales tax credit revenues for the
32 fiscal year July 1, 2018 to June 30, 2019 were necessary to support
33 the true and actual costs to provide municipal services to the
34 Annexation Area; and
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36 WHEREAS, the City Council certifies the true and actual costs
37 to provide municipal services to the Annexation Area totaled \$31.808
38 million for the period corresponding to the State's fiscal year July 1,
39 2018 to June 30, 2019; and the revenue from the Annexation Area,
40 excluding gambling and sales tax revenues for the same period totaled
41 \$21.135 million, resulting in a difference of \$10.672 million. The

42 gambling tax revenue from the Annexation Area of \$1.268 million
43 reduced this gap to \$9.404 million. The annexation sales tax credit
44 received from the State was \$3.935 million; and

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46 WHEREAS, RCW 82.14.415 requires the City to provide the
47 Washington State Department of Revenue with an estimate of the
48 anticipated shortfall or "threshold amount" in the Annexation Area for
49 the next fiscal year by March 1, 2020; and

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51 WHEREAS, the City Council finds and determines that the
52 projected net cost to provide municipal services to the Annexation
53 Area exceeds the projected general revenue that the City would
54 receive from the Annexation Area by \$4.935 million for the state fiscal
55 year starting July 1, 2020, through June 30, 2021; and

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

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60 Section 1. Purpose. The Kirkland City Council determines that
61 the City's projected net cost in providing municipal services to the Finn
62 Hill, Kingsgate and North Juanita Annexation Area is in the amount of
63 \$4.935 million. The City Council previously imposed a sales and use tax
64 at the rate of 0.2 percent, with the passage of Ordinance No. 4237 on
65 February 16, 2010.

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

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71 Passed by majority vote of the Kirkland City Council in open
72 meeting this 18th day of February, 2020.

73
74 Signed in authentication thereof this 18th day of February, 2020.


Penny Sweet, Mayor

Attest:


Kathi Anderson, City Clerk