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RESOLUTION R-4677

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND PROVIDING FOR THE BANKING OF LEVY CAPACITY PURSUANT TO RCW 84.55.092.

WHEREAS, on June 13, 2006, the King County Superior Court ruled that Initiative 747 ("I-747") is unconstitutional; and

WHEREAS, on August 18, 2006, the Washington State Supreme Court granted a stay of the effect of this ruling pending appeal; and

WHEREAS, on November 8, 2007, the Washington State Supreme Court upheld the 2006 King County Superior Court ruling and held that I-747 is unconstitutional; and

WHEREAS, when the Washington State Supreme Court's decision becomes final and a mandate is issued on November 28, 2007, the maximum limit factor under Chapter 84.55 RCW will return to 6% (from 1%) and the City's highest lawful levy will be calculated under the statute as it existed before I-747 was adopted; and

WHEREAS, the City Council finds that the need to provide funding for operating costs of new facilities, to maintain levels of service for current residents and, in the event of annexation, new residents, and to meet a potential future economic downturn creates a substantial need to set the levy limit at the maximum permitted under RCW 84.55.0101 and .092, as determined by the Washington State Supreme Court; and

WHEREAS, it is the intent of the City Council to bank the maximum amount of levy capacity available to it as a result of the Washington State Supreme Court's decision;

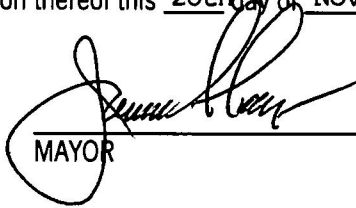
NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Council has determined that due to substantial need, it is the best interest of the City of Kirkland to increase the biennial budget by 7.98% in 2007-2008 compared to the 2005-2006 budget as of June 30, 2006 and to set the levy limit at the maximum allowable under RCW 84.55.0101, as determined by the Washington State Supreme Court, to ensure adequate funding for this purpose in future years.

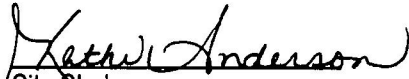
Section 2. The City Clerk is directed to certify to the King County Assessor, no later than November 30, 2007, a copy of this resolution showing its adoption; and to perform such other duties as are necessary or required by law to the end that the maximum levy capacity available to the City of Kirkland under Chapter 84.55 RCW, as determined by the Washington State Supreme Court, is banked for future years.

Passed by majority vote of the Kirkland City Council in open meeting
this 20th day of November, 2007.

Signed in authentication thereof this 20th day of November, 2007.


MAYOR

Attest:


City Clerk