

RESOLUTION NO. 2024-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON PROVIDING FOR A BALLOT PROPOSITION TO BE SUBMITTED TO THE QUALIFIED VOTERS OF THE CITY AT AN ELECTION TO BE HELD ON AUGUST 6, 2024, AUTHORIZING A SALES AND USE TAX WITHIN THE CITY AT THE RATE OF TWO-TENTHS OF ONE PERCENT (0.2%), COMMENCING NOT EARLIER THAN JANUARY 1, 2025, FOR A PERIOD OF 10 YEARS, FOR THE PURPOSE OF PAYING FOR OR FINANCING THE COST OF TRANSPORTATION IMPROVEMENTS; SETTING FORTH THE TEXT OF BALLOT PROPOSITION 1; DIRECTING PROPER CITY OFFICIALS TO TAKE NECESSARY ACTIONS; PROVIDING THAT IF THE PROPOSITION IS APPROVED, IT SHALL NOT GO INTO EFFECT UNTIL AFTER THE CITY COUNCIL RESCINDS THE EXISTING \$20 VEHICLE LICENSE FEE THAT WAS ADOPTED PURSUANT TO ORDINANCE NO. 12-15; AND PROVIDING FOR OTHER PROPERLY RELATED MATTERS.

WHEREAS, Chapter 36.73 of the Revised Code of Washington (“RCW”) enables cities and counties to create transportation benefit districts to finance and carry out transportation improvements necessitated by economic development and to improve the performance of transportation systems; and

WHEREAS, under RCW 36.73.015, transportation improvements include, among other things, projects contained in the transportation plan of the state, a regional transportation planning organization, a county, a city, or eligible jurisdiction, including operation, preservation, and maintenance of transportation facilities, and may include investment in transportation projects and programs of regional and statewide significance; and

WHEREAS, following a public hearing in accordance with RCW 36.73.050, the City of Covington (the “City”) passed Ordinance No. 02-13 on April 9, 2013, establishing the Covington Transportation Benefit District (the “District”) pursuant to Chapter 36.73 RCW for funding transportation maintenance and improvement projects that are consistent with existing state, regional, and local transportation plans; and

WHEREAS, the District was originally organized as a legally separate municipal entity and taxing authority from the City; and

WHEREAS, on October 13, 2015, the Covington City Council (“City Council”) passed Ordinance No. 07-15, pursuant to which the City assumed the rights, powers, immunities, functions and obligations of the District, as allowed by Chapter 36.74 RCW, and as a result, the District was absorbed into the City and is no longer considered a legally separate entity; and

WHEREAS, on November 10, 2015, the City Council passed Ordinance No. 12-15 imposing a \$20 vehicle license fee (through its assumed authority of the District) and began collecting that fee on April 1, 2016; and

WHEREAS, the City has determined that a sales and use tax imposed in accordance with RCW 82.14.0455 is an equitable and reasonable funding source to fund transportation improvements in accordance with Chapter 36.73 RCW; and

WHEREAS, with voter approval, RCW 36.73.040(3)(a) gives transportation benefit districts the authority to impose a sales and use tax in accordance with RCW 82.14.0455 in the amount of two-tenths of one percent (0.2%) upon the occurrence of any taxable event within the boundaries of the City to fund transportation improvements; and

WHEREAS, the sales and use tax authorized under RCW 82.14.0455 may be imposed for a period not to exceed 10 years in accordance with the requirements of chapter 36.73 RCW; and

WHEREAS, the City now desires to fund and implement transportation maintenance and capital projects through the imposition of a two-tenths of one percent (0.2%) sales and use tax in accordance with RCW 82.14.0455, consistent with Chapter 36.73 RCW, upon a favorable vote of the qualified voters within the City for financing certain transportation improvements; and

WHEREAS, the City's Street Fund relies on the General Fund to subsidize the Street Fund's ongoing operations even after adding revenues from the vehicle license tab fee; and

WHEREAS, if approved by the voters, the sales and use tax will be used for the purpose of acquiring, investing in, constructing, improving, providing, operating, preserving, maintaining, and/or funding transportation improvements consistent with Chapter 36.73 RCW within the City; and

WHEREAS, if approved by the voters, the sales and use tax will apply not only to City residents, but will also apply to all persons who shop and thereby use streets and roadways within the City; and

WHEREAS, if approved by the voters, revenues from the sales and use tax will be used entirely for transportation maintenance and improvements in the City consistent with Chapter 36.73 RCW; and

WHEREAS, if the sales and use tax proposed herein is approved by the voters, the City intends such tax will replace, not supplement, the current \$20 vehicle license fee that was adopted pursuant to Ordinance No. 12-15; and

WHEREAS, if the sales and use tax is approved by the voters, the sales and use tax will not be collected on qualifying taxable events until after the City Council rescinds the existing \$20 vehicle license fee that was adopted pursuant to Ordinance No. 12-15; and

WHEREAS, the City Council has considered this matter during a duly called public meeting of said City Council, has given this matter careful review and consideration, and finds that good government and the best interests of the City will be served by the adoption of this resolution;

NOW THEREFORE, the City Council of the City of Covington, King County, Washington, resolves as follows:

Section 1. Findings of Fact. The recitals set forth above are hereby adopted as the City Council's findings of fact.

Section 2. Description of Transportation Projects. The specific transportation projects to be paid for or financed in whole or in part with proceeds of the sales and use tax described in this resolution consist of the transportation maintenance and capital projects identified within the attached Exhibit A (the "Transportation Projects"). The cost of all necessary design, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses, and other costs incurred in connection with the described transportation maintenance and capital projects shall be deemed a part of the cost of the Transportation Projects.

The City Council shall determine the application of moneys available for the Transportation Projects so as to accomplish, as nearly as may be, all of the Transportation Projects. If the proceeds of the sales and use tax authorized by this resolution plus other legally available funds are insufficient to accomplish all the Transportation Projects, the City Council shall use available funds for paying the cost of those portions of the Transportation Projects deemed by the City Council most necessary and in the best interest of the City.

The City Council shall determine the exact locations and specifications for the elements of the Transportation Projects as well as the timing, order, and manner of implementing or completing the Transportation Projects. The City Council may alter, make substitutions to, and amend the Transportation Project descriptions as it determines is in the best interests of the City.

If the City Council shall determine that it has become impractical to acquire, construct, or implement all or any portion of the Transportation Projects because of changed conditions, incompatible development, costs substantially more than the amount of sales and use tax proceeds estimated to be available, lack of matching funds, or acquisition by a superior governmental authority, the City Council shall not be required to acquire, construct, or implement such portions. If all the Transportation Projects have been acquired, constructed, implemented, or duly provided for, or found to be impractical, the City Council may apply the sales and use tax proceeds, plus any other legally available City money (including earnings), or any portion thereof, to other transportation improvements identified in the City's then-current Six-Year Transportation Improvement Program in accordance with the material change policy described in Chapter 36.73 RCW, as amended.

Section 3. Calling of Election. The City Council (acting through its assumed powers) finds and declares that the best interests of the City require the submission to the qualified voters

of the City a proposition of whether the City shall impose a sales and use tax within the limitations established in RCW 82.14.0455 for their approval or rejection. The City Council requests that the Director of Elections of King County, as *ex officio* Supervisor of Elections in King County (“Director of Elections”), call and conduct an election in the City, in the manner provided by law, to be held on August 6, 2024, for the purpose of submitting to the voters of the City, for their approval or rejection, a proposition whether the City shall impose a sales and use tax at the rate of two-tenths of one percent (0.2%) of the selling price in the case of a sales tax, or value of the article used in the case of the use tax. If approved, this sales and use tax shall be collected for a term of 10 years. The tax is in addition to any other taxes authorized by law and shall be collected from those persons who are taxable under Chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the boundaries of the City.

If such proposition is approved by the requisite number of voters, the City shall be authorized to use the proceeds of such sales and use tax for paying for or financing all or part of the costs of the Transportation Projects in accordance with the requirements of Chapter 36.73 RCW.

Section 4. Form of Ballot Proposition. Pursuant to RCW 29A.36.071, the City Attorney of the City has prepared the concise description of the aforesaid proposition for the ballot title in substantially the following form:

**CITY OF COVINGTON
PROPOSITION 1
SALES AND USE TAX FOR
TRANSPORTATION IMPROVEMENTS
AND MAINTENANCE**

The City Council of the City of Covington adopted Resolution No. 2024-11 concerning a sales and use tax for transportation maintenance and improvement.

This proposition would authorize a sales and use tax of 0.2% within the City pursuant to RCW 82.14.0455, for a term of 10 years, to pay for or finance costs of streets, sidewalks, pothole repair, pavement overlays, crack sealing, snow response, and other transportation improvements and maintenance identified in Resolution 2024-11. Collection of the tax will not begin unless and until the City Council repeals the \$20 vehicle license fee (car tabs) in Covington Municipal Code Section 12.125.045.

Should this proposition be approved?

YES

NO.....

Section 5. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot proposition required by RCW 29A.36.080, the City Council hereby designates the City Clerk as the individual to whom such notice should be provided. The City Clerk, in consultation with the Covington City Attorney, is authorized to approve changes to the ballot title, if any, deemed necessary by the Director of Elections.

Section 6. Authorization to Deliver Resolution to Director of Elections and Perform other Necessary Duties. The Covington City Clerk ("City Clerk") or designee is authorized and directed to present a certify copy of this resolution to the Director of Elections no later than May 3, 2024, to be submitted to the qualified voters at the election on August 6, 2024. The proper City officials are authorized to perform such other duties as are necessary or required by law to submit the question of whether the sales and use tax shall be imposed (e.g., including submitting information to be included in the local voters' pamphlet), as provided in this resolution, to the voters of the City at the August 6, 2024 election.

Section 7. Vehicle License Fee. Upon favorable passage and certification of the ballot proposition by the King County Department of Elections, the City Council will rescind the existing \$20 vehicle license fee that was adopted pursuant to Ordinance No. 12-15.

Section 8. Effective Date of Sales and Use Tax. If approved by the voters, the sales and use tax authorized herein shall not be collected unless and until the City Council takes action to repeal the existing \$20 vehicle license fee that was adopted pursuant to Ordinance No. 12-15.

Section 9. Severability. If any section, paragraph, sentence, clause, or phrase of this resolution, or its application to any person or situation, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this resolution be pre-empted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this resolution or its application to other persons or situation. The City Council of the City of Covington hereby declares that it would have adopted this resolution and each section, subsection, sentence, clauses, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

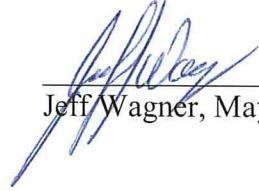
Section 10. Corrections. Upon the approval of the city attorney, the city clerk and the codifiers of this resolution are authorized to make any necessary corrections to this resolution including, but not limited to, the correction of scrivener's/clerical errors, references, resolution numbering, section/subsection numbers, and any reference thereto.

Section 11. Ratification. Any act consistent with the authority and prior to the effective date of this resolution is hereby ratified and affirmed.

Section 12. Resolution Effective Date. This resolution shall be effective immediately upon passage by the City Council of the City of Covington.

Passed by the City Council of the City of Covington this 23rd day of April, 2024.

Signed in authentication of its passage this 23rd day of April, 2024.



Jeff Wagner, Mayor

AUTHENTICATED:



Krista Bates, City Clerk

APPROVED AS TO FORM:



Mark Orthmann, City Attorney

Exhibit A

Identification of Transportation Projects

The specific City improvements to be paid for and/or financed with proceeds of the sales and use tax described in this resolution consist of the following transportation maintenance projects as well as improvement projects described in detail within the City's six-year Transportation Improvement Program, abbreviated descriptions of which are incorporated as follows in no specific order of priority, and as may be amended from time to time.

Transportation Maintenance:

- Routine Maintenance (pothole repair, graffiti removal, litter removal).
- Pavement Management Program (asphalt overlays, sealcoats, chip seals, crack seals, etc.).
- Striping and pavement markings.
- Snow and ice response.
- Vegetation maintenance (mowing, trimming, pruning).
- Sidewalk repairs.
- Traffic Signal and Sign maintenance.
- Small capital improvements such as ADA accessible routes and pedestrian facilities.

Transportation Improvements:

- SE 272nd Street (SR 516), 185th Place SE to East City Limits (CIP 1128, 1130, 1131): Widen to five lanes and reconstruct; sidewalks; intersection improvements.
- SE 256th Street, 168th Avenue SE to 173rd Avenue SE: Widen and reconstruct, sidewalks, new stream crossing.
- 185th Place SE Extension, Wax Road/180th Avenue SE Roundabout to SE 272nd Street: New route; new alignment; access management.
- SE 272nd Street (State Route 516), 160th Avenue SE to 164th Avenue SE Construction: Covington Way Roundabout, pedestrian improvements; stream crossing.
- Town Center 1 Project, SE 276th Street - 168th Place SE to SE Wax Road: New route, new alignment, Type II Roadway.
- Town Center 2 Project, 172nd Ave SE – SE 275th Street to SE 276th Street: New route, new alignment, Type I Roadway.
- SE 256th Street and 180th Avenue SE, Safety and intersection improvements: Signal modifications; pedestrian improvements, add turn lanes.
- Covington Way SE and SE Wax Road Intersection project: capacity and pedestrian improvements.

CERTIFICATION

I, the undersigned, City Clerk of the City of Covington, hereby certify as follows:

1. The foregoing Resolution No. 2024-11 ("Resolution") is a full, true, and correct copy of the Resolution passed at a regular meeting of the City Council on April 23, 2024; and
2. A quorum of the members of the City Council was present throughout the meeting and enough members of the City Council present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of April 2024.

CITY OF COVINGTON



Krista Bates, City Clerk