

**CITY OF COVINGTON**

**RESOLUTION NO. 2018-09**

**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 NOVEMBER 6, 2018, AUTHORIZING A SALES AND USE TAX WITHIN THE CITY AT THE RATE OF TWO-TENTHS OF ONE PERCENT (0.2%), COMMENCING APRIL 1, 2019, FOR A PERIOD NOT TO EXCEED TEN 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; 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 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 Second Engrossed Substitute Senate Bill 5987, Section 302 (July 15, 2015), and as a result, the District was absorbed into the City and is no longer considered a legally separate entity; 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 maintenance and improvements; 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, 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 April 1, 2016, but has determined that a sales and use tax imposed in accordance with RCW 82.14.0455 is a more equitable and reasonable funding source; 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, a 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 within the City; and

WHEREAS, if approved by the voters, a 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 a sales and use tax will be used entirely for transportation maintenance and improvements in the City; and

WHEREAS, if a sales and use tax is approved by the voters, the existing \$20 vehicle license fee will be rescinded; and

WHEREAS, the City Council of the City of Covington 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 BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, AS FOLLOWS:**

**Section 1. 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 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 Council shall determine the application of moneys available for the transportation maintenance and capital improvement projects so as to accomplish, as nearly as may be, all of the transportation projects. If the proceeds of sales and use taxes authorized by this resolution plus other legally available funds are insufficient to accomplish all the transportation projects, the Council shall use the available funds for paying the cost of those portions of the transportation projects deemed by the Council most necessary and in the best interest of the City.

The 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 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 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 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 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 then 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 2. Calling of Election.** The Council 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 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 November 6, 2018, 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 period not exceeding ten years. The tax is in addition to any other taxes authorized by law and shall be collected from those persons who are taxable under the state 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 3. Ballot Proposition.** The City Clerk is authorized and directed to certify, no later than August 7, 2018, to the Director of Elections, a copy of this resolution and the following proposition to be submitted to the qualified voters at that election, in substantially the following form:

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

The City Council of the City of Covington, Washington, adopted Resolution No. 2018-09 concerning a sales and use tax to fund transportation improvements. This proposition would authorize a sales and use tax at a rate of two-tenths of one percent (0.2%) to be collected from all taxable retail sales within the City, in accordance with RCW 82.14.0455, for a period not exceeding ten years, for paying for or financing the costs of transportation maintenance and improvement projects identified in Resolution No. 2018-09. Should this proposition be approved?

YES.....

NO .....

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

The City Clerk is authorized to make necessary clerical corrections to this resolution including, but not limited to, the correction of scrivener's or clerical errors, references, resolution numbering, section/subsection numbers, and any reference thereto.

The proper City officials are authorized to perform such duties as are necessary or required by law to submit the question of whether the sales and use tax shall be imposed, as provided in this resolution, to the voters of the City at the November 6, 2018 election.

**Section 4. Voters' Pamphlet.** The Council finds and declares it to be in the best interests of the City to have information regarding the aforesaid proposition included in local voters' pamphlets, and authorizes the appropriate costs thereof to be charged to and paid by the City, and further authorizes and directs the City Attorney and City Clerk to provide such information to the Director of Elections and to take such other actions as may be necessary or appropriate to that end.

**Section 5. 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 per Department of Licensing guidelines.

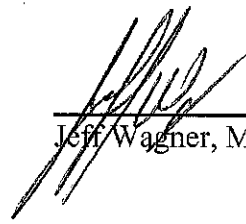
**Section 6. Severability.** If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be

separable from the remaining provisions and shall in no way affect the validity of the other provisions, or of the imposition or collection of the tax authorized in this resolution.

**Section 7. Effective Date.** This resolution shall be effective immediately after its adoption in the manner provided by law.

**Section 8. Ratification of Prior Acts.** Any action taken consistent with the authority and prior to the effective date of this resolution is hereby ratified, approved, and confirmed.

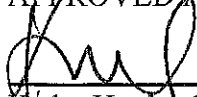
**PASSED** in open and regular session of the City of Covington on this 24th day of July 2018.

  
\_\_\_\_\_  
Jeff Wagner, Mayor

ATTESTED:

  
\_\_\_\_\_  
Sharon Scott, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Kathy Hardy, 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:

- Pavement Management Program (asphalt overlays, sealcoats, chip seals, crack seals, etc)
- Small capital improvements such as ADA accessible routes and pedestrian facilities.
- Asphalt patching and sidewalk repairs.
- Add an additional staff member to the engineering team to provide oversight of transportation programs including overlay, asphalt pavement condition, small CIP for transportation and pedestrian programs, and managing grants.

#### Transportation Improvements:

- SE 272nd Street (SR 516), Jenkins Creek to 185th Place SE: Widen to five lanes & reconstruct; sidewalks; new stream crossing.
- Covington Connector 204<sup>th</sup> Avenue SE – SE 272<sup>nd</sup> Street to SE 256<sup>th</sup> Street: Widen to full City Standard, sidewalks, bike lanes, planted medians.
- SE 272nd Street (SR 516), 185th Place SE to 192nd Avenue SE: Widen to five lanes & reconstruct; sidewalks; new signal.
- 164<sup>th</sup> Ave SE, SE 264<sup>th</sup> Street to SE 269<sup>th</sup> Street: Pedestrian Improvements, 5' sidewalk, drainage
- SE 256<sup>th</sup> Street, 168<sup>th</sup> Avenue SE to 173<sup>rd</sup> Avenue SE: Widen & 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 Const.: Signal modifications; add turn lanes; stream crossing.
- Town Center 1 Project, SE 276<sup>th</sup> Street - 168<sup>th</sup> Place SE to SE Wax Road: New route, new alignment, Type II Roadway
- Town Center 2 Project , 172<sup>nd</sup> Ave SE – SE 275<sup>th</sup> Street to SE 276<sup>th</sup> Street: New route, new alignment, Type I Roadway
- SE 256th Street and 180th Avenue SE, Safety improvements, Sidewalks Const.: Signal modifications; add right turn lane.