

September 19, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Ordinance amending 1) the 2015-2016 General Capital Investment Program (CIP) Fund to increase the appropriation by \$1,919,000; and, 2) the 2015-2021 CIP Plan to increase the budget for the Overlay Program (CIP Plan No. PW-M-1) by \$1,919,000 in annexation sales tax revenue provided through the State for overlay maintenance work in the Eastgate Annexation Area.

FISCAL IMPACT

This action is administrative in nature and will increase the 2015-2016 General CIP fund appropriation and the 2015-2021 project budget for the Overlay Program (CIP Plan No. PW-M-1) by \$1,919,000 to fund overlay maintenance work in the Eastgate Annexation area. This increase is funded through the annexation sales tax revenue provided through the State for providing municipal services to the Eastgate Annexation Areas of Eastgate, Hilltop, Tamara Hills and Horizon View.

STAFF CONTACTS

Dave Berg, Director 452-6468
Ron Kessack, Assistant Director 452-4631
Transportation Department

POLICY CONSIDERATION

Comprehensive Plan

TR-105 directs that the City “Aggressively seek available state and federal funds for transportation capital, operational, maintenance, service, and demand-oriented improvements.”

RCW

RCW 82.14.415 allows for sales and use tax for cities to offset municipal service costs to newly annexed areas.

DIRECTION NEEDED FROM COUNCIL

 X Action

BACKGROUND

Ordinance No. 6045 adopted by Council on February 16, 2012 imposed a sales and use tax as authorized by RCW 82.14.415 to offset the costs of providing certain municipal services to the Eastgate Annexation area.

Each year, for up to 10 years, in line with the State of Washington fiscal year from July to June, the City is required to adopt legislation that continues to impose the sales and use tax and to update the annual threshold amount authorized by RCW 82.14.415. The following updates adopted by Council provides the funding for tonight’s action.

- Resolution No. 8876 adopted by Council on January 22, 2015 set the new threshold amount for the fiscal year July 2015 to June 2016. The July 2015 to June 2016 cost to provide services within the annexation area exceeds estimated revenues by \$1,496,021. This Resolution allows the City to obtain up to \$1,496,021 from the state sales tax credit,

with an estimated split of \$648,000 General Capital Investment (CIP) for ongoing maintenance expenditures (through multiple projects) and \$848,021 for General Fund operations.

- Resolution No. 9063 adopted by Council on February 1, 2016 set the new threshold amount for the State of Washington fiscal year July 2016 to June 2017. The July 2016 to June 2017 cost to provide these services within the annexation areas exceeds estimated revenues by \$2,180,487, with an estimated split of \$1,291,030 General CIP for ongoing maintenance expenditures (through multiple projects) and \$889,457 for General Fund operations.

The operating portion of the annexation work was included in the General Fund appropriations, the capital investment appropriation was not increased. This is an administrative fix to the appropriation in the CIP.

The 2016 Overlay Program construction contract will reconstruct two project sites in the Eastgate annexation area amounting to 3.75 lane miles. The two streets on the program are Allen Road from SE 38th Street to 138th Avenue SE and also 146th Avenue SE from Allen Road to SE 36th Street. Full depth roadway reconstruction and ADA sidewalk ramp construction will be required at both locations. In addition, the channelization to be installed on Allen Road will include a bike lane and on-street pathway in the eastbound lane, while the westbound direction will maintain on street parking and bike sharrows.

EFFECTIVE DATE

If approved, the Ordinance becomes effective on September 29, 2016.

OPTIONS

1. Adopt Ordinance (1) Amending the 2015-2016 General Capital Investment Program (CIP) Fund to increase the appropriation by \$1,919,000; and, 2) Amending the 2015-2021 CIP Plan to increase the budget for the Overlay Program (CIP Plan No. PW-M-1) by \$1,919,000 in annexation sales tax revenue provided through the state for overlay maintenance work in the Eastgate Annexation Area.
2. Do not adopt the Ordinance and provide alternative direction to staff.

RECOMMENDATION

Option 1

MOTION

Move to Adopt Ordinance No. 6309: amending 1) the 2015-2016 General Capital Investment Program (CIP) Fund to increase the appropriation by \$1,919,000; and, 2) the 2015-2021 CIP Plan to increase the budget for the Overlay Program (CIP Plan No. PW-M-1) by \$1,919,000 in annexation sales tax revenue provided through the State for overlay maintenance work in the Eastgate Annexation Area.

ATTACHMENTS

CIP Project Description (PW-M-1)

Proposed Ordinance No. 6309

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A