RESOLUTION R-5167

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
MAKING A FINDING OF SUBSTANTIAL NEED FOR PURPOSES OF
SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY FOR 2016.

WHEREAS, RCW 84.55.0101 provides that a taxing jurisdiction
may levy taxes in an amount that does not exceed the limit factor
multiplied by the highest levy of the most recent three years plus
additional amounts resulting from new construction and improvements
to property; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a
taxing jurisdiction with a population of 10,000 or over is the lesser of
101 percent or 100 percent plus inflation; and

WHEREAS, RCW 84.55.005(1) defines "inflation" as the
percentage of change in the implicit price deflator for personal
consumption expenditures for the United States as published for the
most recent 12-month period by the Bureau of Economic Analysis of the
federal Department of Commerce in September of the year before the
taxes are payable; and

WHEREAS, "inflation" for July 2015 is 0.251 percent and the limit
factor is 100.251 percent, meaning the taxes levied in the City of
Kirkland in 2015 for collection in 2016 will decrease from the budgeted
level except for the amounts resulting from new construction and
improvements to property; and

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of
up to 101 percent with a finding of substantial need by a majority of
the Council Members plus one; and

WHEREAS, the adopted 2016 budget assumed that the City
would implement the optional levy increase of one percent; and

WHEREAS, if no finding of substantial need is adopted, the
property tax revenues for 2016 would be reduced by $201,326; and

WHEREAS, Resolution R-5163 supports the addition of an
ongoing firefighter position at Fire Station 25 in 2017, for deployment
at the new Fire Station 24 when it is constructed, which represents a
new on-going cost; and

WHEREAS, the City faces short and long term revenue losses,
including reduced sales taxes from Totem Lake and Parkplace during
construction activities and the expiration of the Annexation Sales Tax
Credit in 2021.

NOW, THEREFORE, be it resolved by the City Council of the City
of Kirkland as follows:
Section 1. A finding is made of substantial need under RCW 84.55.0101, which authorizes a limit factor of 101 percent for the property tax levy for 2016, due to the need to maintain and enhance ongoing public safety services, including the addition of an ongoing firefighter position at Fire Station 25, and to maintain the City's budgeted level of revenues in 2016 recognizing the short term revenue loss posed by construction at Totem Lake and Parkplace and the longer term financial challenge presented by the expiration of the Annexation Sales Tax Credit in 2021.

Passed by majority vote of the Kirkland City Council plus one in open meeting this 17th day of November, 2015.

Signed in authentication thereof this 17th day of November, 2015.

[Signature]

MAYOR

Attest:

[Signature]

Kathie Anderson
City Clerk