



Legislation Details (With Text)

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On agenda: 7/27/2020
Final Action: 7/31/2020 **Ord. No.** Ord 126115

Title: AN ORDINANCE relating to a sales and use tax; providing for the submission to qualified electors of the City at an election to be held on November 3, 2020, a proposition to collect a sales and use tax to fund transit and related transportation programs in Seattle.

Sponsors: Alex Pedersen

Indexes:

Attachments: 1. Summary and Fiscal Note, 2. Proposed Amendment 1, 3. Proposed Amendment 2, 4. Proposed Amendment 3, 5. Proposed Amendment 6 (added 7/27/20), 6. Proposed Amendment 6b (added 7/27/20), 7. Proposed Amendment 7b (added 7/27/20), 8. Proposed Amendment 8b (added 7/27/20), 9. Central Staff Memo, 10. Amendment 1 (Pedersen-Herbold), 11. Amendment 2 (Pedersen), 12. Amendment 3 (Morales-Gonzalez), 13. Amendment 4 (Pedersen), 14. Amendment 5 (Herbold), 15. Amendment 6A (Sawant), 16. Amendment 6B (Pedersen-Herbold), 17. Amendment 7 (Morales-Pedersen), 18. Amendment 8 (Morales) (added; 7/17/20), 19. Signed Ordinance 126115, 20. Affidavit of Publication

Date	Ver.	Action By	Action	Result
7/31/2020	3	City Clerk	attested by City Clerk	
7/31/2020	3	Mayor	returned	
7/31/2020	3	Mayor	Signed	
7/30/2020	3	City Clerk	submitted for Mayor's signature	
7/27/2020	2	City Council	passed as amended	Pass
7/17/2020	1	Select Committee on Seattle Transportation Benefit District Funding	pass as amended	Pass
7/13/2020	1	City Council	referred	
7/8/2020	1	Council President's Office	sent for review	
7/7/2020	1	City Clerk	sent for review	
7/7/2020	1	Mayor	Mayor's leg transmitted to Council	

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to a sales and use tax; providing for the submission to qualified electors of the City at an election to be held on November 3, 2020, a proposition to collect a sales and use tax to fund transit and related transportation programs in Seattle.

WHEREAS, the Revised Code of Washington (RCW), Chapter 36.73, provides for the establishment of transportation benefit districts by cities and counties and authorizes those districts to levy and impose various taxes and fees to generate revenues to support transportation improvements that benefit the district and that are consistent with state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels; and

WHEREAS, City of Seattle Ordinance 123397 created the Seattle Transportation Benefit District for preserving and maintaining transportation infrastructure, improving public safety, implementing elements of the Seattle Transportation Strategic Plan and other planning documents, investing in bicycle, pedestrian, freight mobility and transit enhancements, and providing people with choices to meet their mobility needs; and

WHEREAS, in STBD Resolution 12, the Governing Board of the STBD submitted a ballot measure (“STBD Proposition 1”) to the qualified electors of the STBD to authorize up to a 0.1 percent sales and use tax and an annual vehicle license fee of up to an additional \$60 per registered vehicle with a \$20 rebate for low-income individuals, for the purposes of funding additional transit service in Seattle for a six-year term expiring on December 31, 2020; and

WHEREAS, on November 4, 2014, STBD Proposition 1 was approved by a majority of qualified electors of the STBD; and

WHEREAS, on December 1, 2014, in STBD Resolution 14, the Governing Board of the STBD imposed the revenue measures authorized by the voters through the approval of STBD Proposition 1; and

WHEREAS, on July 8, 2016, by Ordinance 125070, The City of Seattle assumed the rights, powers, immunities, functions, and obligations of the STBD as authorized under RCW 36.74.030; and

WHEREAS, The City of Seattle, having assumed the powers of the Seattle Transportation Benefit District, has the authority to seek voter approval for the Council to enact up to a 0.2 percent sales and use tax for transportation improvements under RCW 82.14.0455; and

WHEREAS, on June 29, 2018, by Ordinance 125606, The City of Seattle authorized material scope changes to STBD Proposition 1, including provisions to provide transit passes to Seattle Public School students, expanding the ORCA Opportunity Program and authorizing capital improvements to improve transit speed and reliability; and

WHEREAS, since passage of STBD Proposition 1 in 2014, The City of Seattle has been able to expand bus service by over 8,000 new weekly trips, make bus service more reliable and increase access to very frequent (ten minutes or better) bus service within a ten-minute walk from 25 percent of households in 2015 to 70 percent in 2019; and

WHEREAS, STBD funded transit equity and access initiatives provided ORCA Opportunity cards to 15,000 Seattle public high school students and Promise Scholars, 500 income-qualified middle school students, and 1,500 Seattle Housing Authority residents; and

WHEREAS, voters statewide approved Initiative 976 in spite of 76 percent of voters in Seattle rejecting this Tim Eyman measure intended to undermine Seattle's transit needs; and

WHEREAS, The City of Seattle joined other parties in challenging the constitutionality of I-976, including its repeal of Vehicle License Fee authority under RCW 82.80.140; and

WHEREAS, the City's legal authority to fix, impose, and extend up to a one hundred dollar vehicle license fee under RCW 82.80.140 with approval of a majority of City voters has been thrown into question by statewide passage of I-976 which, in part, attempts to repeal this authority, potentially in an unconstitutional manner; and

WHEREAS, access to transit provides mobility to essential workers as they perform essential functions to combat the COVID-19 emergency; and

WHEREAS, the City wishes to maintain sufficient transit service and access to opportunity made possible by Proposition 1, while also facilitating COVID-19 response and the recovery of the economy with mobility for essential workers, job seekers, students, and others who will continue to rely on transit, and

while also mitigating impacts from the closure of the West Seattle Bridge; and

WHEREAS, the Reconnect West Seattle strategy has a goal of shifting transit mode share in West Seattle from

17 percent to 30 percent to manage congestion during the closure of the West Seattle High Bridge; and

WHEREAS, because of the importance of the regional public transit network in promoting equitable transit

access in communities throughout King County, the City of Seattle supports future efforts to enact a

countywide transit funding measure that incorporates transit service and access opportunities for Seattle

residents in accordance with the equity and sustainability principles detailed in the King County

Mobility Framework, and the City intends to work with King County in partnership on a future transit

measure that could be approved by countywide voters, thereby allowing the City to consolidate or phase

-out this funding measure; and

WHEREAS, in the meantime, King County Metro has agreed to continue partnering with The City of Seattle in

providing expanded transit service to Seattle residents through renewal of service purchase agreements

it entered with the City following passage of STBD Proposition 1 in 2014; and

WHEREAS, if Initiative 976 is overturned, the Seattle City Council and Mayor have the authority to increase

the existing annual \$20 vehicle license fee to \$40 and then, after 24 months, by another \$10 to \$50; and

WHEREAS, in 2019, SDOT invested approximately \$3.4 million for first-last mile pilot projects including \$1

million for Ride2 in West Seattle and \$2.4 million for VIA in South Seattle; and

WHEREAS, Sales Taxes and Vehicle License Fees are regressive taxes that disproportionately burden poor and

working-class people, especially communities of color; and

WHEREAS, public transit like Metro is an essential component of the Green New Deal; and

WHEREAS, Developer Impact Fees could be established as early as 2021 to increase funding to buy bus

service hours from Metro; and

WHEREAS, Developer Impact Fees are a progressive funding source paid for by large, corporate developers;

and

WHEREAS, the Seattle City Council intends to complete in 2020 any required SEPA analysis to enable Developer Impact Fees to be enacted in 2021; and

WHEREAS, the Seattle City Council is committed to enacting Developer Impact Fees in 2021 to raise not less than \$44 million which would allow Seattle to increase funding for Metro bus hours; and

WHEREAS, in response to public requests that the City pursue progressive sources of revenue to supplement the STBD, the City Council intends to consider imposing a transportation development impact fee under RCW 36.73 or RCW 82.02, which could fund necessary capital and other transportation investments that support transit capacity; and

WHEREAS, SDOT intends to conduct a Race and Social Justice analysis to inform the City Council in consideration of future STBD spending decisions in the City's annual budget process to focus on the needs of Black, Indigenous, and People of Color and benefit these and other historically underserved communities, including low-income households, people with disabilities and other priority populations identified in SDOT's Transportation Equity program; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City submits to the qualified electors of the City of Seattle a proposition to authorize up to a 0.15 percent sales and use tax for a term ending April 1, 2027, which is six years from the date upon which the state Department of Revenue would commence collections on the tax authorized by approval of this measure. This sales and use tax replaces the \$60 Vehicle License Fee and 0.1 percent sales and use tax first authorized by Seattle voters in 2014 for a six-year term expiring at the end of 2020. If approved by voters, the revenues will be used solely for the purpose of maintaining transit service and access to frequent transit service for Seattle neighborhoods, students and low income individuals, including associated maintenance and capital improvements that serve efficient operation of transit service; emerging mobility needs to support COVID-19 recovery and the Reconnect West Seattle strategy to mitigate the ongoing closure of the West Seattle High Bridge; community-led oversight; and continuation of programs to increase transit access for low income

residents, seniors and students.

Section 2. Use of revenues. The funds raised by this proposition (“Proposition 1 revenues”) will be used solely for the transit and transportation purposes as described in this ordinance and associated administrative costs. Proposition 1 revenues will first be used to pay any required administrative costs to the state Department of Revenue and elections costs.

Remaining Proposition 1 revenues will be used to fund:

A. Service hours on King County Metro operated services with more than 65 percent of stops within Seattle, consistent with the Seattle Transit Master Plan and King County Metro Transit’s Service Guidelines, or any King County Metro operated route serving historically low-income communities in Seattle; and

B. King County Metro transit service hours on current and future RapidRide lines serving Seattle, identified in the Seattle Transit Master Plan and King County Metro’s long-range plan (Metro CONNECTS); and

C. Up to 10 million dollars of the Proposition 1 revenues may be used annually to support the implementation, management, and administration of programs to support transit access by low income residents, workers, seniors and youth, including the ORCA Opportunity program, which provides transit passes for Seattle Public Schools students in grades K-12, as well as students participating in the Seattle Promise scholarship or other similar programs at Seattle colleges and universities, along with programs targeted to seniors and public housing residents. These funds may be used to provide transit passes, for low income medical workers, healthcare workers, first responders, pharmacy workers, grocery store workers, and other workers deemed essential by any state order (“Essential Workers”) such as the COVID-19 civil emergency; and

D. Up to 9 million dollars of the Proposition 1 revenues may be used in 2021, and up to 3 million dollars annually in the following years, to support infrastructure maintenance and capital improvements to maximize the efficiency of transit operations, including enhancements to transit speed, passenger amenities, transit street pavement maintenance, and reliability of transit service operated by King County Metro within the

City of Seattle; and

E. Up to 9 million dollars of the Proposition 1 revenues may be used annually to support emerging mobility needs related to COVID-19 response and recovery, and closure of the West Seattle High Bridge. Such investments could include transit service, speed and reliability improvements, first-last mile transit connections, and Transportation Demand Management strategies described in the community-driven Reconnect West Seattle plan. These funds may also be used throughout the six-year term to support or pilot innovative partnerships with King County Metro.

Section 3. In addition to the restrictions on the use of revenues in Section 2, the combined yearly expenditures for Section 2(A) and 2(B) shall be a majority of the yearly expenditures of Proposition 1 revenues beginning in 2022 and thereafter.

Section 4. No supplanting of existing funding for transit service. Before funding any transit service, the City anticipates that there will be an interlocal agreement with King County Metro to provide that the Proposition 1 revenues will not supplant other funding for any routes partially or completely operating within Seattle that King County Metro would otherwise provide in accordance with the Seattle Transit Master Plan, and King County Metro's Transit Service Guidelines and long-range plan (Metro CONNECTS).

Section 5. Oversight. The City shall issue an annual report to the public that describes King County Metro's provision of transit service in Seattle and countywide, including service funded by Proposition 1 revenues and whether supplantation has occurred. The report will also analyze the impacts of service reductions, increases or changes approved by the Metropolitan King County Council or King County Metro in Seattle.

The community-led Seattle Transit Advisory Board will continue to serve as the public oversight committee charged with advising on spending of Proposition 1 revenues. Appointments to the Transit Advisory Board, the scope of its duties, and reporting requirements shall continue to be consistent with Resolution 31572, as adopted by Council in 2015, following passage of the 2014 Transportation Benefit District measure.

Section 6. Election - Ballot title. The City Council directs the City Clerk to file this ordinance with the Director of Elections of King County, Washington, as ex officio supervisor of elections, requesting the Director of Elections to call and conduct a special election in conjunction with the state general election to be held on November 3, 2020, for the purpose of submitting to the qualified electors of the City the proposition set forth in this ordinance.

The City Clerk is directed to certify to the King County Director of Elections the ballot title approved by the City Attorney in accordance with the City Attorney's responsibilities under RCW 29A.36.071 and RCW 29A.72.050. The following ballot title containing a statement of subject and concise description are submitted to the City Attorney for consideration:

CITY OF SEATTLE

PROPOSITION NO. 1

The City of Seattle's Proposition 1 concerns funding for transit and related transportation needs in Seattle.

If approved, this proposition authorizes up to a 0.15% sales and use tax expiring April 1, 2027, and as proposed in Ordinance ____, to replace the current voter-approved 0.1% sales tax, expiring December 31, 2020.

Revenues are dedicated to: transit services benefitting Seattle residents, including frequent transit network maintenance and associated capital improvements; low-income fare programs for Seattle seniors, students, workers, and residents; and transportation needs related to COVID-19 recovery and the West Seattle Bridge closure.

Should this proposition be approved?

Yes ___

No ___

Those in favor shall vote “Yes”; those opposed shall mark their ballots “No”.

Section 7. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances.

Section 8. Effectiveness. Those portions of this ordinance providing for the submission of a ballot proposition to the voters shall take effect and be in force immediately upon its approval by the Mayor.

Passed by the City Council the _____ day of _____, 2020, and signed by me in open session in authentication of its passage this _____ day of _____, 2020.

President _____ of the City Council

Approved by me this _____ day of _____, 2020.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)