

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** 2005 Legislative Priorities  
**DEPARTMENT:** Communications & Intergovernmental Relations  
**PRESENTED BY:** Joyce Nichols, C&IR Director

**PROBLEM/ISSUE STATEMENT:** The 2005 session of the Washington State Legislature begins January 10, 2005. This is a "long" session, running 105 calendar days. Staff has developed proposed policies for your review. These policies, once adopted by Council, will provide a set of statements and policy direction that staff will use to determine whether the City should support or oppose specific bills during the 2005 session.

The City of Shoreline needs to actively monitor and impact legislative proposals at the state level. Our success in advancing/defending the City's interests in Olympia is generally based on providing information to legislators and their staff to help them understand the impacts of pending legislation on our community. As in past years, we will work with the Association of Washington Cities (AWC), which has a bigger voice and greater presence in Olympia. On federal issues, we will continue to work with the National League of Cities (NLC) in a similar manner as we do with AWC on state issues.

Included for your review and approval is the 2005 Proposed Statement of Legislative Priorities (Attachment A). Most of the statements are relatively broad. Once adopted by Council, staff will use these general policy statements to produce letters and testimony in support or opposition to specific bills, and to respond to changes or amendments to legislation during the session. Key pieces of legislation that do not fit any of the adopted Council priorities will be brought forward during the session for Council review.

**FINANCIAL IMPACT:** At the time this staff report is written, the outcome of the governor's race is still unknown, and may still be uncertain until after the holidays. Under state law, Governor Gary Locke is required to present a balanced budget to the Legislature, even though he's leaving office in January. The Governor released two budgets in mid-December—the first one is balanced using existing revenue and without tax increases. That budget would require cuts the Governor deemed unacceptable. His second proposed budget, at \$26 billion, relies on cuts, savings and fund transfers to deal with \$1.3 billion of the projected \$1.8 billion revenue shortfall for the coming biennium. New revenues from proposed tax increases on hard liquor and other beverages and on the gross receipts of doctors cover the rest of the shortfall. The next governor will want to put together his/her own budget and Governor Locke's proposals are at best a template to get the process started. With so much uncertainty going into the 2005 session, we and other cities will have to work together to keep the state funding we have and oppose unfunded mandates or budget cuts that shift the state's revenue problems to local governments. Transportation funding will likely be a major issue during this session. Many agencies and associations have adopted a slate of priorities designed to address local, state and Puget Sound area transportation issues. We have included several of these proposals on our high priority list for your review.

**KEY PRIORITIES FOR 2005:** Staff proposes that the City focus its legislative efforts in the following high priority areas during the 2005 session:

- Pursue funding for the City's Capital Improvement Projects including the Aurora Corridor and Interurban Trail projects.
- Oppose unfunded mandates.
- Pursue options for expanded local options for transportation needs, including:
  - Statewide gas tax increase with dedicated distributions to local jurisdictions for preservation and maintenance that would help replace revenue lost due to passage of statewide initiatives.
  - Additional state funding that emphasizes transportation corridors connecting urban growth centers and employment centers.
  - Creation of a special category of state funding for major safety and preservation projects such as the Alaskan Way Viaduct, SR 520 floating bridge, I-5 resurfacing, and others.
  - Additional transportation funding options for local governments, including local option gas tax (with a higher rate and distribution on a per capita basis), vehicle license fee, vehicle weight fee; and/or street utility—some of which may be subject to voter approval.
  - Changes in the Regional Transportation Investment District (RTID) legislation that would allow (subject to voter approval) use of gas tax, ability to enact tolls on the SR 520 floating bridge, ability to use the state's bond cap for transportation projects, increased ability to fund transit from RTID funds.
  - Pursue other means of funding transportation, including indexing the gas tax to inflation, and/or a tax on auto-related items.
- Support City authority to cooperatively provide municipal court services through interlocal agreements with other cities for the provision of court services and support ability to appoint part-time judges.
- Support the multi-state sales tax streamlining initiative and change in the distribution of sales taxes from point of sale to point of delivery in order to allow collection of legally owed sales and use taxes from online/mail order sales.
- If the Legislature acts to close or substantially reduce the Fircrest School operations, the City must be a participant and help facilitate redevelopment or other activities related to future uses of the Fircrest campus.
- Monitor and oppose proposed cuts in health/human services programs that reduce the safety net for our most vulnerable residents and/or that shift costs and responsibilities for these programs to cities without appropriate funding.
- Support legislation clarifying that local governments have the ability to zone gambling activities.
- Support a constitutional amendment that allows cities, and other local taxing districts, the ability to seek voter approval of multi-year operation and maintenance levies for a period of up to six years.
- Support passage of a meaningful tax increment financing mechanism to enhance the ability of cities to create economic development opportunities. Also support state-funded technical and financial assistance for expansion of the Small Business Incubator program and expansion of the Community Economic Revitalization Board (CERB) resources and programs designed to help urban areas.
- Support funding for affordable housing, including the Housing Trust Fund and the Housing Finance Commission as well as creation of a stable funding source for affordable housing.

**RECOMMENDATION**

Staff recommends that Council adopt the proposed 2005 Statement of Legislative Priorities.

**Attachments**

A: 2005 Proposed Statement of Legislative Priorities

Approved By: City Manager  City Attorney N | X

## City of Shoreline 2005 Proposed Statement of Legislative Priorities

During 2005, the City of Shoreline will support or oppose legislation at the state and federal levels in accordance with the following policies:

### I. Self Government

#### Local Control

Requests the Legislature give local elected officials maximum flexibility in addressing the needs and desires of their communities and to allow them to have a major voice in determining the nature, scope, and funding of local programs and services.

#### Mandates

- Supports adequate funding for existing mandated programs.
- Opposes efforts to reduce funding for mandated programs while leaving program requirements.
- Opposes additional state and federal mandates on local governments unless such mandates are compelled by a significant public interest and are accompanied by sufficient financial resources.

### II. Infrastructure and Capital Financing

(Infrastructure includes roads, storm water systems, treatment facilities, water systems, sanitary sewer systems, parks, etc..)

#### Federal and State Capital Assistance

1. Strongly supports maintaining existing infrastructure funding, including the Public Works Trust Fund, and placing a priority on stable, adequate funding for transportation, storm water, water supply, and water quality facilities.
2. Strongly supports a comprehensive legislative approach addressing how the state will help fund needed capital facilities, especially transportation related infrastructure. A comprehensive approach is essential given that five state/federal highways are located in Shoreline—I-5, Highway 99 North, Bothell Way (SR 522) 145<sup>th</sup> and 205<sup>th</sup>.

#### Parks and Recreation

Supports legislation that establishes an ongoing capital funding program for the acquisition, development, and/or rehabilitation of local park and recreation facilities, and that allows for public-private agreements.

### III. Transportation

#### Transportation Funding

1. Strongly supports additional state and federal funding for the Aurora and Interurban Trail projects.
2. Strongly supports state funding for capital improvements to state highways and roads located inside cities, including funds for mobility, safety and drainage improvements as part of the base budget for transportation projects.
3. Supports the Transportation Improvement Board (TIB) and recommends continued funding for the Transportation Improvement Account. Shoreline will be applying for funding from these programs for street and sidewalk improvement projects on our six-year CIP list.
4. Supports legislation indexing the motor vehicle fuel tax (to inflation) to allow revenue to keep pace with inflation and to address increasing demands on the transportation system. Shoreline's 2005 projected gas tax revenue is approximately \$1.1 million, which provides funds for our street maintenance budget.
5. Supports funding for public transportation and development of alternative transportation systems including pedestrian and bicycle facilities.
6. Supports state regulate motorized scooters as it does other motorized vehicles.

#### **IV. Municipal Finance**

##### **Shared Revenue Programs**

Supports legislation that protects existing revenues for local government and provides flexible revenue options for local government. Some of these options could include: authority to form a street utility; tax increment financing mechanisms; and loosening restrictions on usage of the current Real Excise Tax (REET) to allow use for all capital purposes.

##### **Electronic Commerce**

Shoreline advocates preserving and protecting state and local government tax authority when negotiating with the federal government on such matters as collecting legally-owed sales and use taxes on remote sales. There is a proposal to simplify and streamline the collection of state sales and use taxes. Washington state is participating in this process. The City supports the proposed system that allows collection of legally-owed sales and use taxes on goods and services purchased from out of state retailers or through electronic commerce. Additionally, Shoreline supports a change in the sales tax distribution system from point of sale to point of delivery.

##### **Local Taxing Authority**

Opposes legislation that would: preempt or reduce the tax rate and/or the local authority to tax gambling activities; expand gambling types and forms allowed by the state with no opportunity for input from the affected jurisdictions; and/or expand gambling activities without equitable revenue sharing between the state and local governments.

##### **State Facilities**

Strongly urges the legislature to reimburse cities for services provided to state facilities and for capital improvement costs necessary to serve state facilities and/or programs located in cities.

##### **County Utility Tax Authority**

Supports legislation granting King County authority to impose utility taxes in unincorporated areas if King County acts to deal with "urban subsidy" issues.

#### **IV. Health and Human Services**

##### **Human Services Funding**

1. Strongly urges the congress, the legislature and the county to meet their long-standing funding responsibility for vital human services, to address emerging needs, and provide replacement revenues to cities for programs formerly funded by the federal government.
2. Urges the state to carefully monitor how welfare reform places new social services burdens on local governments, and to provide adequate funds to local governments to make new initiatives succeed, and not result in a cost-shift to cities and counties.

##### **Family, Children and Youth Services**

1. Urges the legislature to adequately fund health and welfare programs for children.
2. Supports affordable child care, including before and after school programs, in recognition that affordable, accessible child care is essential for family economic self-sufficiency and children's health, growth and development.
3. Supports legislation that allows the blending of funds from a number of sources to provide effective state funded services to children and families.
4. Supports legislation and funding for youth involvement programs, e.g., after school/evening educational and activity programs for adolescent and teen-age youths, in recognition of the demonstrated benefits these positive, supervised activities can provide.
5. Supports continued funding for the Community Public Health and Safety Networks which Provides funding for local human services in Shoreline (e.g., Healthy Start abuse prevention program) and advocates for state-funded human services that respond to local needs and priorities; and for the Family Policy Council which coordinates activities of state agencies that provide child and family services.
6. Supports coordinated services for domestic violence victims that include additional funding for housing and shelter, prevention services, training for law enforcement personnel, and other services designed to break the cycle of domestic violence.

##### **Services for the Elderly**

Supports semi-independent living opportunities that allow the elderly to remain in the community.

## **Services for the Developmentally Disabled**

Supports programs to assist the developmentally disabled.

## **Siting Social Services Facilities**

Supports legislation to include local governments in the decision-making process for siting state social services facilities in their communities.

## **VI. Law and Justice**

1. Supports legislation to allocate funds to local governments when the state increases criminal penalties that require additional jail time, or when new laws require additional police, court, or jail services. Increases in jail time for certain categories of crimes amount to unfunded mandates and can increase jail costs with no offsetting revenue.
2. Urges legislature to seek innovative and cost-effective solutions to relieve overburdened courts, law enforcement agencies, and jails.
3. Supports legislation that promotes a more effective statewide court system and that any court reform measures carefully evaluate the impact on local courts and local governments.
4. Supports amendments to Department of Licensing legislation to fix the *Redmond v. Moore* decision, which concluded that mandatory suspension of a driver's license violated due process because defendants were not afforded an administrative hearing. This invalidated many license suspensions and removed an important enforcement tool. The DOL proposal does not address mandatory suspensions, which should be included in legislation.

## **Juvenile Justice Services**

Encourages the legislature to provide sufficient funds for local governments to initiate and expand youth services to divert juveniles from the juvenile justice system.

## **VII. General Government**

### **Liability**

Supports legislation to exempt cities from joint and several liability for the acts of other persons at fault. In certain circumstances, cities can be held jointly and severally liable for acts of third parties—even if the other party acted intentionally. Where a city may be minimally at fault, it may have to pay 100 percent of the damages if the other party at fault is without funds.

## **VIII. Economic Development and the Growth Management Act**

### **Economic Development**

Supports amending the state constitution to permit local governments to enter into public-private partnerships which are not in conflict with the "lending of credit" restrictions in the state constitution (prohibiting the state from lending or giving funds to private persons who are not poor or infirm). Current restrictions put Washington cities at a disadvantage when trying to support economic development opportunities and/or infrastructure improvements.

### **Growth Management Act**

1. Supports legislation that further defines, coordinates, simplifies and streamlines land use decisions and permitting under the Growth Management Act (GMA), the State Environmental Policy Act (SEPA) and the Shorelines Management Act (SMA). Legislative action to streamline these laws to address conflicting language, overlapping public notice requirements, and redundancies would simplify administrative requirements on local governments.
2. Urges the legislature to fully fund new planning and/or regulatory mandates.
3. Strongly supports retention of the right of cities to assume water/sewer districts, consistent with the GMA, without requiring a vote of all district residents.
4. Supports legislation requiring mitigation of the impacts to cities caused by state or agency actions around the siting of public facilities of regional or statewide significance, such as Fircrest.
5. Supports legislation changing the frequency of GMA review and update responsibilities from every seven years to every 10 years.
6. Supports legislation clarifying what the state expects when mandating cities to consider the use of *best available science* in reviewing/updating local environmental protection program regulations.

## **Affordable Housing**

Supports legislation that assures current affordable housing subsidies available to local governments are retained in law, and supports authorization of a permanent, stable funding source for affordable housing that allows low and middle income households entry into the housing market.

## **IX. Energy, Utilities and Telecommunications**

### **Energy**

Strongly supports meaningful participation by cities in state and federal actions relating to the development, planning, conservation, deregulation, allocation, and utilization of energy resources in the Northwest.

#### **Electric Energy Restructuring**

1. Strongly opposes legislation unfairly shifting costs to specific customer classes, particularly residential, low income and small commercial customers.
2. Supports legislation ensuring local government authority to serve as "aggregators" for their residential, small commercial, or institutional customers, or to participate in aggregation groups. (In a deregulated energy industry, cities could form large groups of consumers to get better electricity rates than if they were to act alone. This aggregation authority is included in the City's agreement with Seattle City Light as a means for Shoreline to maintain an 8% cap on power rate differentials in a deregulated environment.)
3. Opposes legislation that would allow locally produced power to leave the state in search of a higher price to the detriment of the local customer.

#### **Telecommunications**

1. Supports active participation by local governments in state and federal actions regarding wireless communications, cable television and broadcast satellite.
2. Strongly supports legislation affirming and protecting the City's ability to manage its rights-of-way and publicly-owned infrastructure—some of the City's most important assets—with specific authority to regulate how, when and where facilities are located and require utilities to bear the cost of relocating their facilities in the rights-of-way for needed public improvements.
3. Strongly supports legislation recognizing the responsibility of the telecommunications industry to assume appropriate legal liability due to its presence in City rights-of-way.

#### **Utility Taxation and Franchise Authority**

1. Monitor legislation equalizing taxing authority between municipalities that own utilities and those that do not. Shoreline is provided utility service by another City in critical areas; electricity (100% of the City) and water (60% of the City). For most cities in the state, utility tax revenues are a key source of revenue for ongoing operations. Shoreline residents served by Seattle utilities currently pay tax to Seattle's general fund making it difficult for Shoreline to utilize this revenue source. Shoreline's franchise agreement with Seattle City Light address this concern with respect to electrical services. Legislative cooperation between Seattle and Shoreline is an integral part of this agreement.
2. Strongly supports legislation recognizing that local franchising authority needs to be protected and asserted over all utilities on an equal basis which would allow cities to regulate activities of utilities operating inside their boundaries. Some telecommunications companies are asserting that they are exempt from municipal franchising authority. This recommendation seeks clarification that cities have uniform authority to manage their rights-of-way through franchises.
3. Strongly supports preservation of taxing authority and the right to compensation for costs incurred by cities as a result of the presence of telecommunication facilities in city rights-of-way, including full recovery of permitting and other administrative costs.

## **X. Environment**

### **Clean Water**

Supports flexibility in the administration of state and federal clean water regulations to achieve a balance between meeting environmental objectives and the financial costs of compliance.

#### **Water Resources**

1. Supports flexible regional planning for water resources and water supply that includes affected parties, including cities, and that when initiated, provides clear direction for the state in making

decisions affecting water rights, natural resource protection and overall allocation of the state's waters.

2. Supports legislation clarifying the state's water resource laws and policies to reflect a balance between in-stream uses (fish, wildlife, recreation), and out-of-stream uses (municipal water supply, hydroelectric power, irrigation), and encouraging state agencies to coordinate with each other and with local governments.
3. Supports continued evaluation and monitoring of the 1998 legislation authorizing flexible watershed-by-watershed basin planning.

#### **Endangered Species Act (ESA) Funding and Policy**

1. Supports provision of significant and ongoing funding assistance to local governments by the state legislature and federal government to assist cities as they respond to current and pending ESA listings. This assistance should include direct grants of federal and state money to cities located in territory covered by potential ESA listings to develop necessary scientific knowledge, habitat conservation plans, and habitat restoration projects to respond to ESA listings of salmon.
2. Supports ongoing evaluations of the actions of federal, state and local efforts to address ESA issues to ensure that the fish are being recovered and giving due consideration to economic impacts of salmon recovery efforts.

#### **XI. Fircrest**

Fircrest is an approximately 90-acre site located in Shoreline and owned by two state agencies. It includes several public uses, such as the Fircrest School for the Developmentally Disabled, Health Laboratories, and Washington State Patrol. Under the Growth Management Act, state agencies are required to comply with local land use plans. However, there is currently no requirement that a state agency proposing a change in the day-to-day use or operations of one of its facilities—a change that could have a major impact on surrounding areas—include the local jurisdiction in the decision-making process. At present, there is no requirement that major state facilities located within cities provide mitigation to the local jurisdiction(s) for the provision of services or infrastructure improvements needed to serve the state facility. The City incurs costs to serve Fircrest—e.g., police services and transportation system maintenance costs—and receives no compensation for these service impacts from the state agencies housed on the Fircrest Campus.

The 2003 Legislature discussed consolidation/closure of two Residential Habitation Centers. Fircrest was one of the centers recommended for consolidation/closure. This discussion may continue in the 2005 session. The City of Shoreline strongly believes that if the Legislature acts to close or substantially reduce the Fircrest School operations, the City must be a participant in redevelopment decisions or other activities related to future uses of the Fircrest campus.

The following proposed statements of policy are intended to address these issues and concerns:

1. Supports continued authority for cities to plan for all land within their boundaries, and for compliance by state agencies with local land use plans, development regulations and implementation strategies.
2. Supports proposals to allow City participation in redevelopment of the Fircrest campus.
3. Strongly urges legislation to reimburse cities for services provided to state facilities and capital improvement costs necessary to serve state facilities within city boundaries.
4. Supports legislation requiring state agencies as well as special purpose districts to update and coordinate their policy and capital plans to be in conformance with those adopted locally under the GMA.