

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussing the 2020 State Legislative Priorities		
DEPARTMENT:	City Manager's Office		
PRESENTED BY:	Jim Hammond, Intergovernmental Program Manager		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

Tonight, Council will discuss the upcoming 2020 Legislative Session and the City's proposed 2020 Legislative Priorities ("Priorities"). For 2020, staff proposes the continuation of efforts to secure funding and/or other legislative support for: a bike/pedestrian bridge at N 148th Street that would connect neighborhoods to the Shoreline South/145th Street light rail station; the 145th Street/Interstate-5 interchange; and a Fircrest Campus redevelopment that aligns with City goals.

In terms of policy, staff proposes to seek passage of legislation that would:

- Make changes to allowed annexation processes;
- Continue to request measures to support local government financial sustainability and flexibility including new financial resources for transportation, especially in light of the recent passage of I-976;
- Support efforts to continue to address homelessness and affordable housing
- Pursue creation of a tax increment financing option for cities;
- Advocate for a watershed-based approach to tackling fish-blocking culverts; and
- Support legislation that addresses climate change impacts, particularly in the transportation sector.

The proposed 2020 Legislative Priorities (Attachment A) will be considered by Council tonight. Council is scheduled to adopt the Legislative Agenda on December 9, 2019.

RESOURCES/FINANCIAL IMPACT:

This item has no direct financial impact.

RECOMMENDATION

No action is required tonight; this item is for discussion purposes only. Staff recommends that the City Council move to adopt the 2020 Legislative Priorities when this item is brought back to Council for adoption on December 9, 2019.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

2020 is the second year of the State's 2019-2021 biennium, or "short" legislative session, which is scheduled to last 60 days. The City's legislative priorities provide policy direction in a highly fluid and dynamic legislative environment. They guide staff in determining whether the City supports or opposes specific legislation and amendments in Olympia during the legislative session. The City actively monitors legislative proposals at the state level, as success in advancing the City's position in Olympia depends on providing accurate and timely information to Legislators and their staff that illustrates the impacts of pending legislation on Shoreline.

The legislative priorities are the general policy positions that provide staff and Council representatives the flexibility to respond to requests for information and input. Key topics of legislation that do not fall under the adopted Legislative Priorities will be presented to the Council in regular briefings. The City also continues to partner with the Association of Washington Cities (AWC) and Sound Cities Association (SCA), which provides a consistent voice and a strong presence for cities in Olympia.

DISCUSSION

The proposed 2020 State Legislative Priorities (Attachment A) are attached to this staff report for Council for review and potential approval. Some of the Shoreline legislative agenda is influenced by and/or in line with the priorities adopted through a statewide process by AWC. For background information, this memo will review AWC-identified priorities first.

AWC Priorities/Concerns

With the engagement of City Councilmembers and staff, AWC arrived at a legislative agenda for the 2020 session that calls out seven key issue areas. Additional information can be found at the following link: <https://wacities.org/advocacy/City-Legislative-Priorities>.

1. Adopt a comprehensive set of transportation policies that provide robust new resources and local options.

Cities are responsible for a significant share of the statewide transportation system and fund most of that responsibility out of local tax dollars. Cities struggle to meet the \$1 billion gap in transportation maintenance and preservation costs. To meet these ever-expanding needs, the state must maintain existing and create new transportation specific revenue options for cities. The state must also develop a statewide transportation package that includes increased resources for city transportation needs.

2. Fully fund the Public Works Trust Fund

The Public Works Trust Fund is a crucial funding partner in our efforts to provide the necessary infrastructure for our communities. We seek full funding for the program and ask the state to protect the current stream of loan repayments and

uphold the 2% state share of REET dedicated to the account. Additionally, we look to strengthen the program by ending the ongoing revenue diversions as soon as possible.

3. Create a tax increment financing (TIF) option for cities.

Washington's cities need economic development tools that help maintain, expand, and modernize local infrastructure to spur local private sector investment. By investing in TIF, the Legislature can partner with cities to advance our shared goals of building a robust and diverse economy for communities around the state. For maximum impact, cities need access to both property-tax and sales-tax based TIF programs.

4. Preserve city fiscal health with secure funding sources.

Cities need revenue authority and flexibility to keep up with community growth and increasing service needs. State investment in shared revenue distributions is instrumental to support essential city programs and services. Responsive revenue options allow local elected officials to make the best community-based decisions about how to keep up with growth and the increasing costs of providing basic services like public safety and transportation. Arbitrary restrictions on local revenue decisions unnecessarily hurt residents by limiting critical local services.

5. Support statewide medication assisted treatment (MAT) services in city and regional jails by providing local flexibility.

Cities are experiencing the consequences of an overwhelmed state behavioral health system. While the state has made investments to address some of the challenges, more help is needed. Local jails have increasingly been called to action to address opioid use disorder and provide treatment. However, the costs are overwhelming city criminal justice budgets across the state. City jails need additional state support to access MAT services to save lives and reduce recidivism.

6. Advance a watershed-based strategic plan to address local fish-blocking culverts along with state culverts.

Cities need the state to adopt a broader vision to create a comprehensive response that funds local barrier corrections and provides actual habitat access for fish. Cities recognize that the state is facing a \$4 billion price tag to fix fish-blocking culverts that the U.S. Supreme Court has found to impinge on tribal treaty rights to fish harvests. Cities also own 1,300 barriers in the same streams, and similarly have no identified revenues to pay for needed corrections. A statewide approach is the only way to achieve meaningful salmon and orca recovery.

7. Continue to pursue new resources and policies to increase affordable housing both at the state and local level

Our communities continue to face a housing crisis and need state support to incentivize housing options. The Legislature can help by proactively supporting

cities' voluntary adoption of more effective ADU ordinances and providing additional councilmanic tax authority for housing. Cities need enhanced tools to attract and preserve multifamily development, like changing the multifamily tax exemption program to open it to smaller cities, extending the tax exemption for continued affordability guarantees, and expanding the ability to preserve existing affordable housing.

Shoreline Priorities/Concerns

Below are the proposed specific legislative priorities and a list of issues the City supports:

Shoreline-specific interests:

1. *N 148th Street Pedestrian/Bicycle Bridge.* Pursue funding support for a non-motorized pedestrian/bike bridge to integrate connections to the Shoreline South/145th Street light rail station.
2. *N 145th Street/I-5 Interchange.* In the event the legislature moves to assemble any package of transportation improvements, the City will work to maintain project visibility for the N 145th Street/I-5 Interchange as a strong candidate for any future funding appropriations.
3. *Fircrest Campus Underutilized Property Redevelopment.* Partner with State agencies to seek legislative action that supports City goals and the long-term vision of an approved Fircrest Master Development Plan.
4. *Annexation.* Seek passage of legislation which would provide code cities the ability to annex unincorporated areas pursuant to a cooperative interlocal agreement.

Shoreline-supported legislative issues:

1. *Transportation policies, funding and local control.* The recent passage of Initiative 976, along with expected legal challenges, will cloud the immediate future of transportation funding. However, with the City and other local jurisdictions at risk of losing significant locally generated transportation funding, it will be important to work with the Legislature to create new transportation specific revenue options for cities. Also needed is a statewide transportation package that could help Shoreline tackle key local transportation priorities, including the I-5 interchange at N 145th Street and the nearby N 148th bike/pedestrian bridge.
2. *Local Government Financial Sustainability and Flexibility.* Building on the conversation started with legislators over the past several years, staff proposes advocating for a more self-sufficient model where the City can control its revenue streams. Cities need to be able to plan for funding from one year to the next; providing cities more local financial flexibility allows each jurisdiction to make their own choices of how to fund local services. Examples include:
 - a. *1% Property tax limit.* This existing limit does not keep pace with inflation and restricts cities' ability to maintain services. Setting a limit tied to a tangible number (e.g. Consumer Price Index) would allow cities to better maintain existing services.

- b. *Increased flexibility on existing revenues.* Many available revenue options are constricted, restricted, or unpredictable, which makes it hard to maintain or increase city services, such as public safety, infrastructure, and human services programs.
3. *Support efforts to increase affordable housing and further address homelessness through use of incentives.* Last session saw significant strides toward tackling issues related to homelessness and affordable housing. But there remain significant opportunities to make additional progress, ranging from additional incentives and councilmanic revenue authority to new tools to attract/preserve multifamily development. It is important to avoid mandates that constrain City efforts or create unintended issues.
4. *Development of tax increment financing (TIF) to support economic development.* The City would benefit from economic development tools that help maintain, expand, and modernize local infrastructure to spur local private sector investment. Both property and sales tax-based TIF options would give all cities the tools and the flexibility to best meet the needs of each community.
5. *Advocate for a watershed-based approach and statewide strategic plan to address fish-blocking culverts in an efficient and effective manner.* Many critical fish runs are blocked by a series of fish-blocking culverts that are both state and locally owned. Funding that is focused solely on state culverts creates risk that the work won't yield results. A shared strategic vision and local funding are both essential to making progress that helps our threatened fish runs.
6. *Support legislation that addresses the impacts of climate change, particularly in the transportation sector.* The projected impacts of a changing climate represent one of the most serious threats to Shoreline, the region, and the world. The Governor and Legislature share the City's commitment to this issue, and the City will advocate for legislation that advances toward this goal. Given its contribution to greenhouse gases, the transportation sector is a high priority focus area.

RESOURCES/FINANCIAL IMPACT

This item has no direct financial impact.

RECOMMENDATION

No action is required tonight; this item is for discussion purposes only. Staff recommends that the City Council move to adopt the 2020 Legislative Priorities when this item is brought back to Council for adoption on December 9, 2019.

ATTACHMENTS

Attachment A: Draft 2020 Legislative Priorities



2020 Shoreline Legislative Priorities

Shoreline-Specific Interests:

- Pursue funding support for a non-motorized pedestrian/bike bridge to integrate connections to the Shoreline South/145th Street light rail station.
- Maintain project visibility for the N 145th Street/I-5 Interchange as a strong candidate for any state transportation package.
- Partner with State agencies to seek legislative action that supports City goals and the long-term vision of an approved Fircrest Master Development Plan.
- Seek passage of legislation which would provide code cities the ability to annex unincorporated areas pursuant to a cooperative interlocal agreement.

Legislative Issues the City Supports:

- Pursue a comprehensive set of transportation policies that provide new financial resources and local funding options
- Preserve city fiscal health with secure funding sources.
 - Remove the existing 1% property tax limitation or revise by indexing it to inflation, population growth, or some related indicator.
- Continue to address homelessness and opportunities to increase affordable housing at the state and local level through incentives and support, while avoiding mandates.
- Pursue the creation of a tax increment financing option for cities
- Continue to advance a watershed-based approach and strategic plan to address local fish-blocking culverts along with state culverts, and provide significant local funding.
- Support legislation that addresses climate change impacts, specifically in the transportation sector.