



City Council Agenda Bill

20233

Bill Number

Subject: An Ordinance amending the 2013 Budget by creating the Waterfront Construction Fund.

Summary Statement: The Waterfront Construction Fund will be used to track local sales and use tax that the city began receiving in September. This is not a new tax, but a re-distribution of the state's portion (6.5%) of the sales and use tax. The revenue is distributed to the City of Bellingham to pay for public infrastructure improvements within the Revenue Development Area.

Previous Council Action: Ordinance 2006-10-105 created the Revenue Development Area. Ordinance 2009-08-056 selected the maximum rate of tax under RCW 82.14.475. Ordinance 2013-04-028 imposed the tax.

Fiscal Impact: The City of Bellingham is eligible to qualify for a state contribution of up to one million dollars per year for twenty-five years.

Funding Source:

Attachments: Ordinance

Meeting Activity	Meeting Date	Staff Recommendation	Presented By	Time
Consent Agenda	09-Dec-2013	Vote to Approve		0

Council Committee:

Agenda Bill Contact:

Brian Henshaw

Committee Actions:

Reviewed By	Initials	Date
Brian Henshaw, Finance	BA	11/19/13
Tara Sundin, Econ. Dev.	TS	11.19.13
Legal	MTS	11/20/13
Mayor	KL	11.26.13

Council Action:

AN ORDINANCE RELATING TO THE 2013 BUDGET CREATING THE WATERFRONT CONSTRUCTION FUND TO ACCOUNT FOR REVENUE AND EXPENSES ASSOCIATED WITH THE REDEVELOPMENT OF THE WATERFRONT DISTRICT.

WHEREAS, RCW 39.102 (Chapter 181, Laws of 2006, and as hereafter amended collectively the "Act") and RCW 82.14.475 authorize the imposition of a local sales and use tax (the "LIFT Tax") for the purpose of financing certain public improvements located within a Revenue Development Area; and,

WHEREAS, the Act provides the City with the opportunity to create a Revenue Development Area (RDA) and subject to the provisions of the Act qualify for a state contribution up to a total amount of one million dollars per year for twenty-five years; and,

WHEREAS, this is not an increase to existing taxes, but a re-distribution of the state's portion of sales tax, which is credited against the state's sales tax and is then refunded to the City of Bellingham to pay for the public improvements; and,

WHEREAS, pursuant to this authority, the City of Bellingham, by Ordinance 2013-04-028, imposed the Sales and Use Tax for the purpose of financing public improvements located within the RDA; and,

WHEREAS, establishment of a separate fund that will account for the revenue and expenses associated with the redevelopment of the Waterfront District follows best accounting practices and is in the best interest of the City of Bellingham.

NOW, THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1. The Construction Fund to be known as the "Waterfront Construction Fund" is hereby created. It shall be used to account for revenue and expenses related to the redevelopment of the Waterfront District. It shall exist until the Bellingham City Council closes the fund by official action.

Section 2. The Finance Director is delegated the authority to administratively change the name and number of the fund created in Section 1 of this ordinance as necessary for best accounting practices and so long as the purpose of and use of the funds deposited therein do not change in any manner.

PASSED by the Council this _____ day of _____, 2013.

Council President

APPROVED by me this _____ day of _____, 2013.

Mayor

ATTEST: _____
Finance Director

APPROVED AS TO FORM:

Office of the City Attorney

Published:
