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ORDINANCE _____

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AN ORDINANCE relating to taxation; increasing the commercial parking tax and amending
Sections 5.35.030 and 5.35.070 of the Seattle Municipal Code.

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WHEREAS, the City of Seattle (the "City") owns and operates a transportation system that is
critical to the safety, social, and economic well-being of its residents and visitors; and

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WHEREAS, state-shared gas tax revenues for Seattle do not keep up with inflation due to
annexations and incorporations; and

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WHEREAS, addressing the deteriorating condition of Seattle's transportation infrastructure will
require a substantial annual dedication of resources beyond those currently available; and

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WHEREAS, in 2005, the City adopted Resolution 30790 approving the Transportation Strategic
Plan with key themes of improving safety, preserving and maintaining transportation
infrastructure, and providing mobility and access through transportation choices; and

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WHEREAS, there are numerous commuters who work in the city and use Seattle's transportation
infrastructure; and

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WHEREAS, in 1990, the Washington State Legislature passed legislation that was adopted as
Section 208 of Chapter 42, Laws of Washington, codified at RCW 82.80.030, which
authorized cities to fix and impose a tax for the act of or privilege of parking a motor
vehicle in a facility operated by a commercial parking business within its incorporated
boundaries; and

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WHEREAS, there are numerous commercial parking businesses operating within the City
providing parking for which a fee is paid; and

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WHEREAS, the proceeds of the commercial parking tax herein imposed shall be used strictly for
transportation purposes in accordance with RCW 82.80.070; and

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WHEREAS, the City passed Council Bill 115668 imposing a commercial parking tax for the act
or privilege of parking a motor vehicle in a commercial parking lot within the City that is
operated by a commercial parking business; and

WHEREAS, the commercial parking tax imposed by Council Bill 115668 is equal to the parking
fee multiplied by the ten percent (0.10) parking tax rate; and

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WHEREAS, the City passed Council Bill [2009 ordinance authorizing MOA with State related
to AWV] which committed the City to move forward with City projects including but not

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limited to the Alaskan Way Seawall Replacement project, the Mercer West project, and other projects in conjunction with the State of Washington's Alaskan Way Viaduct Replacement Program; NOW, THEREFORE**,**

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. …Section 5.35.030, enacted by Ordinance 122192, is amended as follows:

A.   Pursuant to RCW 82.80.030, there is imposed on every person a tax for the act or privilege of parking a motor vehicle in a commercial parking lot within the City that is operated by a commercial parking business. The privilege of parking includes the right to park, whether or not the right is exercised.

B.   The amount of the parking tax shall be equal to the parking fee multiplied by the parking tax rate. ((~~Effective July 1, 2007, through June 30, 2008, the parking tax rate is imposed at five percent (0.05). Effective July 1, 2008, through June 30, 2009, the parking tax rate is imposed at seven and one half percent (0.075).~~)) Effective July 1, 2009, the parking tax rate is imposed at ten percent (0.10).)) Effective January 1, 2011, the parking tax rate is imposed at 12.5 percent.

Section 2. …Section 5.35.070, enacted by Ordinance 122192, is amended as follows:

The proceeds of the tax imposed herein shall be used for transportation purposes in accordance with RCW 82.80.070. ((~~None of the proceeds of the tax imposed herein shall be used to fund the major repair or replacement, including but not limited to replacement with a waterfront tunnel, of the Alaskan Way Viaduct or the seawall located to the west of Alaskan Way, unless appropriated for those purposes by ordinance.~~)) To the extent permitted by applicable law the City may issue bonds, notes, or other evidences of indebtedness payable

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2 wholly or in part from the parking tax and may pledge and may apply such tax to the payment of

3 principal of, interest on, and premium (if any) on such bonds, notes, or other evidences of

indebtedness and to the payment of costs associated with them.

4   Section 3. …This ordinance does not affect any existing right acquired or liability or

5 obligation incurred under the sections amended or repealed in this ordinance or under any rule or

6 order adopted under those sections, nor does it affect any proceeding instituted under those

7 sections.

8   Section 4. This ordinance shall take effect and be in force 30 days from and after its

9 approval by the Mayor, but if not approved and returned by the Mayor within ten days after

10 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

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2   Passed by the City Council the _____ day of _____, 2010, and

signed by me in open session in authentication of its passage this

3   _____ day of _____, 2010.

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6   _____

                                         President _____of the City Council

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8   Approved by me this _____ day of _____, 2010.

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11   _____

                                         Michael McGinn, Mayor

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13   Filed by me this _____ day of _____, 2010.

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16   _____

                                         City Clerk

(Seal)

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FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Legislative	Dan Eder / 684-8147	n/a

Legislation Title:

AN ORDINANCE relating to taxation; increasing the commercial parking tax and amending Sections 5.35.030 and 5.35.070 of the Seattle Municipal Code.

- Summary of the Legislation:

This ordinance will increase the existing commercial parking tax rate from 10 percent to 12.5 percent.

- **Background:**

The Washington State Legislature passed legislation that was adopted as Section 208 of Chapter 42, Laws of Washington, codified at RCW 82.80.030, which authorized cities to fix and impose a tax for the act of or privilege of parking a motor vehicle in a facility operated by a commercial parking business within its incorporated boundaries.

In 2006, the City passed Council Bill 115668 imposing a commercial parking tax for the act or privilege of parking a motor vehicle in a commercial parking lot within the City that is operated by a commercial parking business. The commercial parking tax rate currently in effect is 10 percent.

___   **This legislation does not have any financial implications.** (*Stop here and delete the remainder of this document prior to saving and printing.*)

_x_   **This legislation has financial implications.** *(Please complete all relevant sections that follow.)*

Anticipated Revenue/Reimbursement: Resulting From This Legislation:

Fund Name and Number	Department	Revenue Source	2011 Revenue	2012 Revenue
Transportation Operating Fund	SDOT	Commercial Parking Tax	$ 5,460,000	$ 5,460,000
TOTAL			**$ 5,460,000**	**$ 5,460,000**

Notes:

- **What is the financial cost of not implementing the legislation?**

None identified at this time.

- **Does this legislation affect any departments besides the originating department?**

The legislation provides funding to complete high priority transportation projects within the Seattle Department of Transportation.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

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2   None identified at this time.

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4   • __Is the legislation subject to public hearing requirements__:

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6   There are no public hearing requirements.

7   • __Other Issues__

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9   The City has committed to move forward with approximately $841 million of transportation and utility projects in conjunction

10 with the State's Alaskan Way Viaduct Replacement Program. Assuming the City's remaining utility relocation costs are funded

11 by rate-payers, the City faces a $425 million funding gap to pay for the Alaskan Way Seawall replacement, waterfront open

12 space, Mercer West, and Parking Program / Project Services.

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14 Assuming current project schedules, the funding gap for these projects is $26 million in 2011 and $35 million in 2012 (total

15 2011-2012 funding gap is $61 million)

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17 An increase in the commercial parking tax to 12.5 percent will raise approximately $5.4 million per year in new revenues. This

18 estimate is based on 2010 adopted budget projections for commercial parking tax revenues of $21.8 million and the 2010

19 commercial parking tax rate of 10 percent.

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21 Recent analysis by the City Budget Office concluded that a $5.4 million annual cash flow is sufficient to support approximately

22 $68 million in bonds.

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24 By state law, all commercial parking tax revenues must be used for transportation purposes.

25 • __List attachments to the fiscal note below__:
        No attachments

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CB OR RESO NUMBER ◯ ◯ **INTRODUCTION DATE**
(WHEN ASSIGNED)

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NEW LEGISLATION CHECKLIST
DO NOT REMOVE THIS FORM FROM FILE JACKET

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Submitting
Dept. Head
Review By _____
_____Print Name_____ _____Phone_____ _____Date of Review_____ _____Version # Reviewed_____

6

Law Dept.
Review By _Jeff Slayton_ _3-2154_ _7/30/10_ _2_
_____Print Name_____ _____Phone_____ _____Date of Review_____ _____Version # Reviewed_____

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Dept. of Finance
Review By_____
_____Print Name_____ COUNCIL _____Version # Reviewed_____

9

Executive
Review _____ GENERATED
_____Print Name_____ _____Phone_____ _____Date of Review_____ _____Version # Reviewed_____

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Reviewer Comments: LEGISLATION

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* *
Legislative Department use

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Initial

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_____Intake review (complete, E-versions, attachments, Law) _____Sponsorship (Council President)

Committee Assignment: _____

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Central Staff Reviewer: _DAN EDER_ _7/30/10_ _4-8147_ _1_
_____Print Name_____ _____Date_____ _____Phone_____ _____V. #_____

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* *
Clerk Office use

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Action Required

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Clerk **Council** Clerk **OK** for Intro

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☐_____ ☐_____ V. Introduced ____ Stamp here

☐_____ ☐_____ V. For Full Council _____

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☐_____ ☐_____

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Initial Notes:
___ Full Text loaded onto Leg. drive and BRS _____

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___ All attachments included (in jacket and electronically) _____

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___ Tables formatted and maps saved/loaded, if included _____

___ Fiscal Note included and saved on Leg. and Clerk drive _____

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___ Other _____

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L:\CLERK\FORMS\Yellow Check-off List.doc 2/11/09

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