

Ordinance No. 123396

Council Bill No. 116936

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.

Related Legislation File:

Date Introduced and Referred: <u>August 2, 2010</u>	To: (committee): <u>Transportation</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>9.20.10</u>	Date Presented to Mayor: <u>9.22.10</u>
Date Signed by Mayor: <u>9/28/10</u>	Date Returned to City Clerk: <u>9/29/10</u>
Published by Title Only _____ Published in Full Text <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: *Tom Rasmussen*

Committee Action:

Date	Recommendation	Vote
<u>9-14-10</u>	<u>Pass as amended</u>	<u>TRTB NL RC 4-0 3-0 (M.O. Abstain)</u>

This file is complete and ready for presentation to Full Council.

Full Council Action:

Date	Decision	Vote
<u>9/20/10</u>	<u>Passed as amended</u>	<u>7-1 Excused: SC No: MO</u>

Law Department

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

3 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

4 **Section 1.** Section 5.35.030 of the Seattle Municipal Code, enacted by Ordinance
5 122192, is amended as follows:

6 **SMC 5.35.030 Parking Tax Imposed.**

7
8 A. Pursuant to RCW 82.80.030, there is imposed on every person a tax for the act or
9 privilege of parking a motor vehicle in a commercial parking lot within the City that is operated
10 by a commercial parking business. The privilege of parking includes the right to park, whether or
11 not the right is exercised.
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14 B. The amount of the parking tax shall be equal to the parking fee multiplied by the parking
15 tax rate. (~~Effective July 1, 2007, through June 30, 2008, the parking tax rate is imposed at five~~
16 ~~percent (0.05). Effective July 1, 2008, through June 30, 2009, the parking tax rate is imposed at~~
17 ~~seven and one half percent (0.075).)~~ Effective July 1, 2009, the parking tax rate is imposed at
18 ten percent (0.10).) Effective January 1, 2011, the parking tax rate is imposed at 12.5 percent.
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20 **Section 2.** Section 5.35.070 of the Seattle Municipal Code, enacted by Ordinance
21 122192, is amended as follows:

22 **SMC 5.35.070 Use Of Revenues.**

23
24 The proceeds of the tax imposed herein shall be used for transportation purposes in
25 accordance with RCW 82.80.070. (~~None of the proceeds of the tax imposed herein shall be used~~
26 ~~to fund the major repair or replacement, including but not limited to replacement with a~~
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1 ~~waterfront tunnel, of the Alaskan Way Viaduct or the seawall located to the west of Alaskan~~
2 ~~Way, unless appropriated for those purposes by ordinance.))~~ To the extent permitted by
3 applicable law the City may issue bonds, notes, or other evidences of indebtedness payable
4 wholly or in part from the parking tax and may pledge and may apply such tax to the payment of
5 principal of, interest on, and premium (if any) on such bonds, notes, or other evidences of
6 indebtedness and to the payment of costs associated with them.
7

8 Section 3. 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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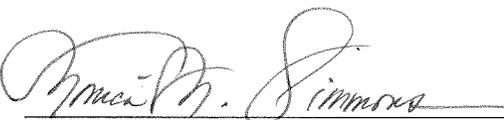
1 Passed by the City Council the 20th day of September, 2010, and
2 signed by me in open session in authentication of its passage this
3 20th day of September, 2010.

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6 _____
7 President _____ of the City Council

8 Approved by me this 28th day of Sept., 2010.

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11 _____
12 Michael McGinn, Mayor

13 Filed by me this 29th day of September, 2010.

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15 _____
16 City Clerk

17 (Seal)

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1 WHEREAS, the City passed Council Bill 116668 which committed the City to move forward
2 with City projects including but not limited to the Alaskan Way Seawall Replacement
3 project, the Mercer West project, and other projects in conjunction with the State of
4 Washington's Alaskan Way Viaduct Replacement Program; NOW, THEREFORE,

5 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

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

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

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

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

17 The proceeds of the tax imposed herein shall be used for transportation purposes in
18 accordance with RCW 82.80.070. ~~((None of the proceeds of the tax imposed herein shall be used
19 to fund the major repair or replacement, including but not limited to replacement with a
20 waterfront tunnel, of the Alaskan Way Viaduct or the seawall located to the west of Alaskan
21 Way, unless appropriated for those purposes by ordinance.))~~ To the extent permitted by
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THIS VERSION IS NOT ADOPTED



1 applicable law the City may issue bonds, notes, or other evidences of indebtedness payable
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
4 indebtedness and to the payment of costs associated with them.

5 Section 3. ...This ordinance does not affect any existing right acquired or liability or
6 obligation incurred under the sections amended or repealed in this ordinance or under any rule or
7 order adopted under those sections, nor does it affect any proceeding instituted under those
8 sections.
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10 Section 4. This ordinance shall take effect and be in force 30 days from and after its
11 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
12 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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THIS VERSION IS NOT ADOPTED



1 Passed by the City Council the ____ day of _____, 2010, and
2 signed by me in open session in authentication of its passage this
3 ____ day of _____, 2010.

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6 _____
7 President _____ of the City Council

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

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10 _____
11 Michael McGinn, Mayor

12 Filed by me this ____ day of _____, 2010.

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14 _____
15 City Clerk

16 (Seal)

THIS VERSION IS NOT ADOPTED



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?**

None identified at this time.

- **Is the legislation subject to public hearing requirements:**

There are no public hearing requirements.

- **Other Issues**

The City has committed to move forward with approximately \$841 million of transportation and utility projects in conjunction with the State's Alaskan Way Viaduct Replacement Program. Assuming the City's remaining utility relocation costs are funded by rate-payers, the City faces a \$425 million funding gap to pay for the Alaskan Way Seawall replacement, waterfront open space, Mercer West, and Parking Program / Project Services.

Assuming current project schedules, the funding gap for these projects is \$26 million in 2011 and \$35 million in 2012 (total 2011-2012 funding gap is \$61 million)

An increase in the commercial parking tax to 12.5 percent will raise approximately \$5.4 million per year in new revenues. This estimate is based on 2010 adopted budget projections for commercial parking tax revenues of \$21.8 million and the 2010 commercial parking tax rate of 10 percent.

Recent analysis by the City Budget Office concluded that a \$5.4 million annual cash flow is sufficient to support approximately \$68 million in bonds.

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

- **List attachments to the fiscal note below:**

No attachments.

1
2 **ORDINANCE _____**

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

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

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

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

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

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

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

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

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

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

28 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

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

THIS VERSION IS NOT ADOPTED



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

4 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

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

6 A. Pursuant to RCW 82.80.030, there is imposed on every person a tax for the act or
7 privilege of parking a motor vehicle in a commercial parking lot within the City that is operated
8 by a commercial parking business. The privilege of parking includes the right to park, whether or
9 not the right is exercised.
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11 B. The amount of the parking tax shall be equal to the parking fee multiplied by the parking
12 tax rate. ((Effective July 1, 2007, through June 30, 2008, the parking tax rate is imposed at five
13 percent (0.05). Effective July 1, 2008, through June 30, 2009, the parking tax rate is imposed at
14 seven and one half percent (0.075).)) Effective July 1, 2009, the parking tax rate is imposed at
15 ten percent (0.10).)) Effective January 1, 2011, the parking tax rate is imposed at 12.5 percent.
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18 Section 2. ...Section 5.35.070, enacted by Ordinance 122192, is amended as follows:

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



1 wholly or in part from the parking tax and may pledge and may apply such tax to the payment of
2 principal of, interest on, and premium (if any) on such bonds, notes, or other evidences of
3 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

9 Section 4. This ordinance shall take effect and be in force 30 days from and after its
10 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
11 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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THIS VERSION IS NOT ADOPTED



1 Passed by the City Council the ____ day of _____, 2010, and
2 signed by me in open session in authentication of its passage this
3 ____ day of _____, 2010.

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6 _____
7 President _____ of the City Council

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

9
10 _____
11 Michael McGinn, Mayor

12 Filed by me this ____ day of _____, 2010.

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14 _____
15 City Clerk

16 (Seal)

THIS VERSION IS NOT ADOPTED



123396

STATE OF WASHINGTON – KING COUNTY

--SS.

261516
CITY OF SEATTLE, CLERKS OFFICE

No.

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

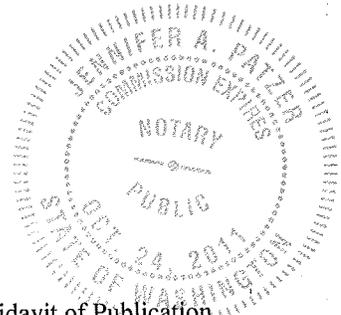
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:123396 ORDINANCE

was published on

10/11/10

The amount of the fee charged for the foregoing publication is the sum of \$ 177.45, which amount has been paid in full.



[Handwritten Signature]

Subscribed and sworn to before me on

10/11/10

[Handwritten Signature]

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

ORDINANCE 123396

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.

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

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

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

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

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

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 or privilege of parking a motor vehicle in a facility operated by a commercial parking business within its incorporated boundaries; and

WHEREAS, there are numerous commercial parking businesses operating with-

in the City providing parking for which a fee is paid; and

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

WHEREAS, the City passed Ordinance 122192 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 Ordinance 122192 is equal to the parking fee multiplied by the ten percent (0.10) parking tax rate; and

WHEREAS, the City passed Council Bill 116668 which committed the City to move forward with City projects including but not 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 of the Seattle Municipal Code, enacted by Ordinance 122192, is amended as follows:

SMC 5.35.030 Parking Tax Imposed.

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 of the Seattle Municipal Code, enacted by Ordinance 122192, is amended as follows:

SMC 5.35.070 Use Of Revenues.

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

Section 3. This ordinance shall take effect and be in force 30 days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 20th day of September, 2010, and signed by me in open session in authentication of its passage this 20th day of September, 2010.

Richard Conlin

President of the City Council

Approved by me this 28th day of September, 2010.

Michael McGinn, Mayor

Filed by me this 29th day of September, 2010.

Publication ordered by the City Clerk
Date of publication in the Seattle Daily Journal of Commerce, October 11, 2010.
10/11(261516)

affidavit