



2015 STATE LEGISLATIVE AGENDA

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The 2015 legislative session is a 105-day session, beginning January 12, 2015. The Legislature will continue to be a house divided this session, with Republicans holding a slim majority in the Senate and Democrats with a slimmer than usual majority in the House. Education funding is anticipated to dominate the session and will in turn affect many other budget issues. A transportation revenue package may be revived again this session but would face many challenges in passing both houses. Most observers anticipate the Legislature will need at least one 30-day special session to conclude business and lawmakers may be adjourning as late as June 30th.

The City of Federal Way's 2015 Legislative Agenda focuses on priority areas of economic development, fiscal health, transportation infrastructure and the vital public safety issue of reducing DUIs and distracted driving. The objectives outlined here involve seeking resources in the capital budget, transportation budget and operating budget in what is anticipated to be a challenging Legislative session.

The City will focus its efforts on the legislative items and funding requests outlined here. Where possible, we will work with other stakeholders and lawmakers to support legislative action on these and other items.

Economic and Community Development

- Support for the Performing Arts and Conference Center
- Support for the Federal Way College Initiative
- Enable King County cities to create single-city Tourism Promotion Areas
- South King County Regional Hygiene Shelter
- Address regional equity in affordable housing

Fiscal Health

- Restore local liquor revenue sharing to historic levels
- Establish equity in marijuana sales excise tax revenues
- Maintain existing state shared revenues

Transportation

- Fund Triangle Project completion
- Enact a transportation revenue package
- Provide ballot authority to put Sound Transit 3 before voters

Public Safety

- Support for Nick & Derek project to combat DUIs and distracted driving

The City may also take positions for or against issues that arise either as legislation or through the State of Washington budget process, according to their impact on city administration and programs, the Federal Way community and local economy. The Mayor's Office will keep Council informed about significant issues that arise during session.

Economic and Community Development

Performing Arts and Conference Center Funding – The City is seeking Capital Budget support for the downtown performing arts and conference center project up to \$4 million. In June, 2014 the City Council unanimously approved construction of the PACC. The facility will consist of a 700-seat theater, with up to 8,000 additional square feet to accommodate conferences, seminars, events, nonprofit and community meetings. The center will provide a much-needed community cultural venue to accommodate the increasing number of community cultural events that currently must seek venues outside the city for most performances. The project will also catalyze redevelopment of the City Center and implement the City's Comprehensive Plan vision for the City Center to develop into one of the key urban centers in the I-5 corridor, providing substantial growth in family wage jobs, housing and destinations in close proximity to the Federal Way Transit Center.

Federal Way College Initiative – The City is seeking state support for the initial research and exploration efforts necessary to bring a branch campus to Federal Way. The City is seeking to partner with a college or university to open a branch campus in Federal Way to serve the region's growing higher education needs. Siting of a branch campus would be made in coordination with downtown development priorities such as Town Center and would be supported by the plentiful public transit options available in the downtown.

Tourism Promotion Area Equity – The City is seeking changes to state law to enable large King County cities to create Tourism Promotion Areas, just as cities across the state can do. Hoteliers in the City of Federal Way have been working to create a Tourism Promotion Area (RCW 35.101) to strengthen tourism marketing and the local economy. When a majority of hoteliers agree to create a TPA, State law allows the entity to charge a fee that funds marketing and promotion activities through the TPA to increase tourism and ultimately the health of the local hotel market. However, King County cities are not provided the same opportunity for TPAs as cities across the state enjoy. State law does not allow King County cities to establish their own TPA, and requires collaboration among at least two government entities in order to form a TPA and enjoy the associated economic development benefits. This limitation is a significant restraint on the economic growth of local economies in King County and doesn't reflect the needs of larger King County cities. This restriction has prevented Federal Way from forming a TPA in 2013, despite approval from 63% of our hotels. The proposed legislation would allow cities above 50,000 population to form sole jurisdiction TPAs, if all other requirements of the statute are met.

South King County Regional Hygiene Shelter for the Homeless – The City will explore options for a Hygiene Center in South King County and pursue possible seed money for a plan to pursue such a facility.

Affordable Housing Task Force – The Washington State Housing Financing Commission provides federal and state tax credits to developers of affordable housing, which helps the state achieve its goal of meeting the statewide demand for low- and moderate-income housing. In King County, the combination of varying housing market strength and the lack of specific targets for regional equity is resulting in affordable income multifamily housing becoming concentrated in communities with lower housing market prices. WSHFC tax incentives make it more profitable to build low- and affordable-income housing in weaker housing markets. This makes cities with stronger housing markets less attractive to projects involving WSHFC tax credits and create affordable housing “deserts” in the cities where the need is greatest. This is a very complex issue without simple solutions and requires a true regional approach. The City is requesting a legislative working group to convene regional stakeholders in affordable housing, the development community, and local governments to study the issue and bring forth recommendations, including possible legislation for upcoming legislative sessions.

Fiscal Health

Restore local liquor revenue sharing to historic levels – Historically, the state has shared liquor revenues from liquor profits and liquor excise taxes with cities and counties in recognition of the local public health and safety impacts caused by alcohol consumption. Following passage of Initiative 1183, the Legislature suspended liquor excise tax revenue sharing in 2012, and then restored it in 2013 at 50% of historic levels. The 2012 suspension resulted in a \$435,000 cut in the City’s liquor excise tax revenues. Additionally, the Legislature in 2012 capped liquor profit revenue sharing to cities and counties at \$49.4 million, which effectively reduced the percentage shared with local government from 50% to 35% and secured all future excess liquor profits for the state.

The City of Federal Way is joining cities and counties statewide in asking legislators to restore liquor profit and liquor excise tax revenue sharing to historic levels. Liquor privatization is significantly increasing the availability of alcohol in Washington State. The burden for increased public safety due to liquor privatization falls primarily on the local police, courts and social services.

Establishing equity in marijuana sales tax revenues – Legalized marijuana sales and production began in 2014 in Washington State under Initiative 502. The Initiative did not provide meaningful revenues sources to support cities’ regulation and law enforcement needs stemming from the increased availability and sales of this drug. Both state and federal agencies have acknowledged that effective local law enforcement is the foundation for legalized marijuana to be successful. However, while the marijuana initiative will increase demand for

local law enforcement, court services and social services, current taxing structures do not provide additional revenues to local communities. The City will support legislation to address this funding imbalance and direct adequate portions of marijuana revenues to cities and counties.

Transportation

Completion of the “Triangle” Project – Federal Way supports funding of \$114 million to complete remaining phases of the “Triangle” interchange - Interstate 5, State Highway 18, and State Route 161. Project components will include ramps connecting southbound I-5 to SR 161 and S. 356th Street, northbound I-5 to eastbound SR 18, reconstruction of the I-5/SR 161 undercrossing, and restoring the Weyerhaeuser Way connection to SR 18. The project is essential to Federal Way’s economic development, and will improve access to local businesses while enhancing freight mobility for Port of Tacoma traffic. The project is also important for safety and is expected to reduce collisions over 50% at a societal cost savings of up to \$600,000 annually.

Transportation Revenue Package – The City supports significant steps to address the state’s crumbling roads infrastructure and transit needs. The City is advocating for inclusion of the Triangle Project, I-5 HOV lanes through Tacoma, SR 167 extension as well as I-5/S. 320th and I-5/SR-509 improvements. Additionally, it is vital that a transportation package support Transportation Improvement Board (TIB) funds, direct distribution funds and local funding options, including Metro transit. A key priority for the City will be to ensure that any funding for local roads ensures equity for cities like Federal Way that have consistently invested in roads maintenance.

Legislative Authority for Sound Transit 3 ballot – The City of Federal Way supports expansion of the high capacity transit system to help address the region’s growing transportation needs and has been engaged in Sound Transit’s process to plan for future investments. Completion of the “Sound Transit” spine will bring light rail into and through downtown Federal Way. With the passage of ST2 in 2008, Sound Transit used its taxing authority under state statute and will not have revenue capacity for future projects available until the 2040’s. The City of Federal Way supports efforts to seek additional revenue options from the Legislature which would provide Sound Transit the opportunity to propose a new package of investments to voters as early as 2016.

Public Safety

The Nick & Derek Project – Traffic safety poses the highest risk to Federal Way residents and people driving through our community. Federal Way Police Department began this DUI and

distracted driving enforcement program to address this threat. The program was begun in response to the tragic loss of two Decatur High School students (Nicholas Hodgins & Derek King) killed by a DUI driver in Tukwila in June, 2010. The Nick & Derek Project is modeled after the highly successful Target Zero campaign and dedicates highly trained DUI traffic officers to patrol for DUIs during weekends, holidays and special event evenings, and for traffic officers to emphasize distracted driving, a large and growing problem among Washington drivers. The City has dedicated \$50,000 in its 2015-2016 budget for this program and is seeking additional state support to expand the program and demonstrate the effectiveness of the targeted enforcement approach at the local level.