

ORDINANCE NO. 2009-08-056

AN ORDINANCE OF THE CITY OF BELLINGHAM, WASHINGTON ESTABLISHING THE MAXIMUM LOCAL INFRASTRUCTURE FINANCE TOOL (LIFT) TAX RATE AS REQUIRED BY ENGROSSED SUBSTITUTE SENATE BILL 5901, SECTION 8 (4).

WHEREAS, Chapter 181, Laws of 2006 (the "Act") provided that a sponsoring local government may create a Revenue Development Area (RDA) within which certain specified public improvements may be financed through the allocation of various property and excise taxes; and

WHEREAS, the Act provides the City of Bellingham ("City") and the Port of Bellingham ("Port") with the opportunity to collaboratively demonstrate in Washington State the benefits of the Local Infrastructure Financing Tool ("LIFT") a limited form of tax increment financing, which has been used successfully to promote positive economic development in states throughout the nation; and

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

WHEREAS, the Act requires the City to establish the maximum Local Infrastructure Finance Tool tax rate by September 1, 2009; and

WHEREAS, this is not an increase to existing taxes, but a re-distribution of the state's portion of the 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, the Act requires the City to adopt a new ordinance imposing the LIFT tax, specifying both the rate of the tax to be enacted as well as the date the tax will take effect.

NOW, THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:


Section 1. Maximum Tax Rate. The estimated maximum tax rate necessary to receive the awarded funds is .000607 (0.0607 percent). It is calculated by dividing the total award amount of \$1,000,000 by the estimated taxable base of \$1,977,008,576, and increasing it by 20 percent to collect the money over ten months.

Section 2. Time of Tax and Revenue Collection. The estimated time during which local excise tax allocation revenues, local property tax allocation revenues, and other revenues from local public sources are to be used as part of the local infrastructure financing for the New Whatcom RDA is twenty-five years.

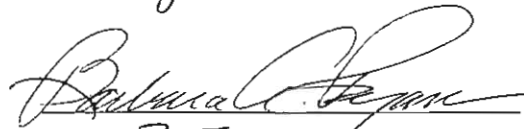
Section 3. Date for Commencement of use of Revenues. The City's use of local excise tax allocation revenues and local property tax allocation revenues with respect to the New Whatcom RDA is anticipated to commence on or before July 1, 2014.

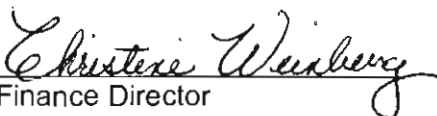
Section 4. Use of Funds. These funds will only be used for pay-as-you-go funding and financing of public improvements within the Revenue Development Area that encourage private development.

PASSED by the Council this 24th day of Aug, 2009.


Council President

APPROVED by me this 24th day of August 2009.


Mayor PRO TEMPORE

Attest: 
Finance Director

Approved as to form:


Office of the City Attorney

Published: 8/28/09