

RESOLUTION NO. 2880

A RESOLUTION BY THE COUNCIL OF THE TOWN OF FRIDAY HARBOR PROVIDING FOR A BALLOT PROPOSITION TO BE SUBMITTED TO THE QUALIFIED VOTERS ON NOVEMBER 5, 2024, TO RENEW AND CONTINUE TO IMPOSE A SALES AND USE TAX IN THE AMOUNT OF TWO-TENTHS OF ONE PERCENT (0.2%) WITHIN THE BOUNDARIES OF THE TOWN FOR A PERIOD OF TEN YEARS TO FUND OR FINANCE SPECIFIED TRANSPORTATION PROJECTS

WHEREAS, the Council of the Town of Friday Harbor adopted Ordinance No. 1539 on July 17, 2014, creating the Friday Harbor Transportation Benefit District (the "District") with geographical boundaries comprised of the corporate limits of the Town as they then existed and as thereafter altered by annexation, pursuant to Chapter 36.73 RCW; and

WHEREAS, the District was authorized pursuant to RCW 36.73.040(3)(a) to impose a sales and use tax in accordance with RCW 82.14.0455 in the amount of up to two-tenths of one percent (0.2%) for a period of ten years upon a favorable vote of the qualified voters within the District for the purpose of funding or financing certain transportation improvements; and

WHEREAS, the sales and use tax is an authorized source of revenue identified in Chapter 36.73 RCW to finance the transportation capital improvements identified in the Town's adopted Transportation Improvement Plan; and

WHEREAS, on November 4, 2014, the qualified voters within the District approved a sales and use tax in accordance with RCW 82.14.0455 in the amount of two-tenths of one percent (0.2%) for a period of ten years; and

WHEREAS, the Town Council adopted Ordinance No. 1581 on November 19, 2015, assuming the rights, powers, immunities, functions, and obligations of the Friday Harbor Transportation Benefit District; and

WHEREAS, the previously adopted sales and use tax is due to expire at the end of 2024, and the Town Council has determined that it is appropriate to ask the voters to renew this tax at the same rate of two-tenths of one percent (0.2%) and should be submitted to the voters for the ensuing ten years; and

WHEREAS, with voter approval, the Town may impose a sales and use tax upon the occurrence of any taxable event within the boundaries of the Town to fund or finance transportation improvements; and

WHEREAS, projects related to public transportation are included in the definition of a transportation improvement project pursuant to RCW 36.73.015(3) and are eligible Town transportation projects; and

WHEREAS, if approved by the voters, the sales and use tax will apply to persons who shop and thereby use the streets in the Town of Friday Harbor and not just to Town residents; and

WHEREAS, the sales and use tax is estimated to generate an average of \$400,000 of revenue per year, which will be used entirely to fund the shortfall in funding for the projects included in Town's Transportation Improvement Plan as adopted or amended and as allowed by state law.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF FRIDAY HARBOR:

Section 1. Incorporation of Recitals.

The above stated recitals are incorporated by this reference as though fully set forth here in.

Section 2. Current Purpose and Need.

The Town Council hereby finds that the best interests of Town residents require the renewal of a sales and use tax in the amount of two-tenths of one percent (0.2%) pursuant to RCW 36.73.040(3)(a) and RCW 82.14.0455 for the purpose of providing a portion of the funds necessary to finance transportation improvement projects in the Town.

The following items are identified as proposed transportation improvements projects:

1. Sidewalk preservation and installation.
2. Bulb outs to enhance pedestrian safety at intersections.
3. Street preservation which extends the lifecycle of street sections (i.e. pavement repair, overlay, chip seal, patching).
4. Other projects as identified in the Town's adopted Transportation Improvement Plan.

The cost of all necessary design, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses, and other costs incurred in connection with the transportation improvement projects shall be deemed a part of the costs of the transportation improvement projects .

The Town Council shall determine the application of moneys available for transportation improvement projects so as to accomplish, as nearly as may be practical, all identified transportation improvement projects. In the event that the proceeds of sales and use taxes authorized herein, plus any other money of the Town legally available for these purposes, are insufficient to accomplish all of the transportation improvement projects , the Town Council shall use the available funds for paying the cost of those portions of the projects deemed by the Town Council most necessary and in the best interests of the Town.

The Town Council shall determine the exact locations and specifications for the elements of transportation improvement projects as well as the timing, order, and manner of implementing or completing those projects. The Town Council may alter, make substitutions to, and amend

transportation improvement project descriptions as it determines is in the best interests of the Town consistent with the general descriptions provided above and in accordance with the material change policy adopted by the Town Council and the notice, hearing, and other procedures described in Chapter 36.73 RCW, including RCW 36.73.050(2)(b), in each case as the same may be amended from time to time.

If the Town Council shall determine that it has become impractical to acquire, construct, or implement all or any portion of the transportation improvement projects by reason of changed conditions, incompatible development, costs substantially in excess of the amount of sales and use tax proceeds estimated to be available, or acquisition by a superior governmental authority, the Town Council shall not be required to acquire, construct, or implement such portions. If all of the transportation improvement projects have been acquired, constructed, implemented or duly provided for, or found to be impractical, the Town Council may apply the sales and use tax proceeds (including earnings thereon) or any portion thereof to other transportation improvements then identified in the Town of Friday Harbor Transportation Improvement Plan in accordance with the material change policy adopted by the Town Council and the notice, hearing, and other procedures described in Chapter 36.73 RCW, including RCW 36.73.050(2)(b), in each case as the same may be amended from time to time.

Section 3. Findings of Fact.

1. The stated recitals above set forth as "WHEREAS" clauses are incorporated by this reference as findings of fact as though fully set forth herein.
2. Chapter 36.73 RCW enables cities and counties to create transportation benefit districts in order to finance and carry out transportation improvements necessitated by economic development and to improve the performance of the transportation system. Under RCW 36.73.015(6), transportation improvements include, among other things, projects contained in the transportation plan of the state, a regional transportation planning organization, city, county, or other eligible jurisdiction, including investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs. The Town Council, having assumed the role of the governing body of the Transportation Benefit District, is permitted to place a ballot measure before the voters and is so authorized pursuant to RCW 36.73.040(3)(a) to impose a sales and use tax in accordance with RCW 82.14.0455.
3. The Town Council determines that it is necessary and appropriate to impose and collect, upon approval by a majority of the voters in the Town, a sales and use tax authorized by RCW 82.14.0455 at a rate of two-tenths of one percent (0.2%) of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, for the purpose of paying part of the cost of identified transportation improvements and dedicated for the repayment of indebtedness, if incurred in the future in compliance with the requirements of Chapter 36.73 RCW, to finance those improvements.

4. The Town Council finds and declares that the best interests of the Town require the submission to the qualified voters of the Town a proposition whether the Town shall renew the sales and use tax within the limitations established in RCW 82.14.0455 for their ratification or rejection at an election to be held on November 5, 2024 for the purpose of providing funds necessary to pay or finance a portion of the costs of eligible projects.

Section 4. Ballot Measure.

The Town Council requests that the Auditor of San Juan County, Washington (the "County Auditor") call and conduct an election in the Town in the manner provided by law, to be held on November 5, 2024, for the purpose of submitting to the voters of the Town, for their approval or rejection, the question of whether or not the Town may impose the sales and use tax described in this Resolution. If such a proposition is approved by the requisite number of voters, the Town shall be authorized to impose the tax and to use the revenues for the purposes authorized by this Resolution.

The Clerk of the Town Council is hereby authorized and directed to certify said proposition to said official in the following form:

**Town of Friday Harbor
Proposition 1
Sales and Use Tax for Transportation Improvements**

The Town Council has adopted Resolution No. 2880 concerning a proposition to finance transportation improvements. This proposition would renew a sales and use tax at a rate of two-tenths of one percent (0.2%), for a period not exceeding the longer of 10 years or the time necessary to repay Town indebtedness issued (if any) to finance the infrastructure improvements as specified in the Town's Transportation Improvement Program.

Should this proposition be:

APPROVED?

REJECTED?

Section 5. Corrections.

The above-referenced proposition may be amended or revised consistent with statutory requirements or to conform with requested revisions by San Juan County that are approved by the Town Attorney without further action of the Town Council.

Section 6. Notices Relating to Ballot Proposition.

For purposes of receiving notice of the exact language of the ballot proposition required by RCW 29A.36.080, the Town Council hereby designates: (a) the Town Clerk; and (b) special counsel to the Town, Michael Kenyon, as the individuals to whom such notice should be provided.

Section 7. General Authorization and Ratification.

The proper Town officials are authorized to perform such duties as are necessary or required by law to submit to the voters the question of whether or not to authorize the sales and use tax described in this Resolution. Any action heretofore taken consistent with the authority of this Resolution is ratified, approved, and confirmed.

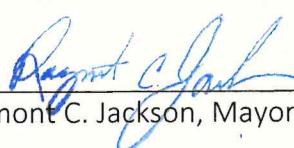
Section 8. Severability.

If any provision of this Resolution is declared by any court of competent jurisdiction to be invalid, then that provision shall be null and void and shall be separable from the remaining provisions and shall in no way affect the validity of the other provisions, or of the imposition or collection of the tax authorized herein.

Section 9. Effective Date.

This Resolution shall become effective immediately upon its adoption.

TOWN OF FRIDAY HARBOR


Raymont C. Jackson, Mayor

SEAL of the
Town of Friday Harbor
ATTEST:


Jennifer M. Krembs, Town Clerk