DPD | Director's Rule 28-2015

Applicant:	Page	Supersedes:
City of Seattle Department of Planning and Development	1 of 3	
	Publication: 10/26/15	**Effective:** 11/25/15

Subject:	Code and Section Reference:
Local Infrastructure Project Area Boundary	SMC 23.58A.044
	Type of Rule: Code Interpretation
	Ordinance Authority: SMC 3.06.040

Index:	Approved Date
	(signature on file) 11/25/15
	Diane M. Sugimura, Director, DPD

BACKGROUND:

In September 2013, the City Council adopted Ordinance 124287 creating a Local Infrastructure Project Area (LIPA) in South Lake Union and Downtown. Establishing the LIPA was necessary to implement a Land Conservation and Local Infrastructure Program (LCLIP) authorized by RCW 39.108 that allows the City to receive future King County property tax revenue in exchange for accepting regional Transferrable Development Rights as part of the local incentive zoning program.

Ordinance 124287 adopted a boundary map for the LIPA, which is codified in Seattle Municipal Code section 23.58A.044. The map's boundary has a bearing on LCLIP decision-making in three ways:
- Development projects located in Seattle Mixed Zones with heights greater than 85 feet are subject to different incentive zoning requirements within the LIPA;
- The portion of property tax revenue dedicated to the LCLIP program will be calculated on the value of development projects within the LIPA; and

- Infrastructure projects funded by King County tax revenue must be located within the LIPA.

In implementing the LCLIP, it has been determined that the inclusion of properties that are currently bisected by the LIPA boundary, or that could at a future date be bisected the LIPA boundary, creates challenges for tax assessment and revenue collection purposes. The King County assessment methodology relies on the assignment of levy codes to all parcels and does not allow for the assignment of multiple codes to individual parcels that may be bisected by the boundary line.

In interpreting the map and establishing a reasonable levy code boundary, rights-of-way provide the most appropriate boundaries as they are unlikely to change and existing parcels do not cross them.

RULE

For purposes of tax assessment and revenue collection, the boundaries of the Local Infrastructure Project Area shall be the centerline of the nearest right-of-way shown on Figure A (on the next page).

Figure A: LIPA boundaries for tax assessment and revenue generation

Legend:
- Adopted Local Infrastructure Project Area Boundary
- New modified boundary for purposes of tax assessment and revenue collection

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