ORDINANCE 123851

AN ORDINANCE relating to regular property taxes; requesting that a special election be held concurrent with the August 7, 2012, general election for submission to the qualified electors of the City a proposition to lift the limit on regular property taxes under Chapter 84.55 RCW and authorize the City to levy additional taxes for up to seven years for the purpose of supporting, maintaining and improving core public library services; authorizing creation of a new subfund; ratifying and confirming certain prior acts; and providing for effective dates.

WHEREAS, The Seattle Public Library (Library) was established in 1890 and since that time has served as a free source of information and a community gathering place for residents of Seattle and the region; and

WHEREAS, in 1998 Seattle voters overwhelmingly supported the Libraries for All bond measure, which made Library services more accessible throughout the City by supporting the construction of four branch libraries in communities without library service, the replacement or renovation of 22 existing branches and the development of a new downtown Central Library; and

WHEREAS, the successful implementation of Libraries for All has contributed to a tremendous growth in Library usage; in 2011 the Library recorded 6,700,000 in-person patron visits system-wide, circulated over 11,000,000 items and hosted 1,500,000 public internet sessions; and

WHEREAS, the Library provides residents with access to an array of free services and programming, including computer and job search classes, tax preparation help and citizenship classes and introduces Seattle to local and world-renowned authors through author readings and book discussion groups; and

WHEREAS, the Library is an important partner in the education of Seattle's youth through crucial literacy activities for young children, homework help, programs to encourage reading over summer vacation, teen activities, partnerships with teachers and schools, and other vital services; and

WHEREAS, the Library's public computers and wireless network provide free computer and internet access for Seattle residents, and Library staff are available to help residents to find, evaluate and use information; and

WHEREAS, the Library's mobile services bring books and other materials to seniors and other residents who may lack the mobility to access their neighborhood branch library; and

CITY CLERK

WHEREAS, the Library has no dedicated funding source to keep operating budgets stable or keep pace with increasing maintenance costs; and

WHEREAS, about 95 percent of the Library's 2012 operating budget is supported by the City's General Fund; and

WHEREAS, the Library's 2012 capital budget is primarily supported by the City's General Fund and Real Estate Excise Tax (REET) revenues; and

WHEREAS, the City applies a 0.5 percent REET to all real estate sales transactions in Seattle, and because the amount of revenue that the City receives from REET is determined by both the volume and value of these transactions, the Library's capital budget is similarly subject to this volatility; and

WHEREAS, the weakening of the national and local economies in recent years has affected City revenues and placed significant spending pressures on the General Fund and REET; and

WHEREAS, the Library's heavy reliance on the General Fund and REET makes it particularly vulnerable to the constraints on the growth of these revenue sources; and

WHEREAS, the Library's reliance on the City's General Fund and REET places it in competition for funding with other city priorities, and

WHEREAS, as a result of constraints on the City's General Fund, the entire Library system has been closed for one week every year since 2009, Library employees have taken an unpaid furlough of one week every year since 2009, fifteen of the 26 neighborhood branch libraries are currently closed two days per week and the Library's collections budget has been cut by more than 13 percent since 2009; and

WHEREAS, the Library's capital budget has been cut by 50 percent since 2009 as a result of constraints on the City's General Fund and REET revenues; and

WHEREAS, the City's financial situation is not expected to significantly improve within the next three to four years and further reductions in General Fund support for the Library appear to be unavoidable; and

WHEREAS, the Library has already restructured to gain efficiencies, so further reductions related to the anticipated 2013 General Fund shortfall would have a significant impact on Library services; and

WHEREAS, the City Council may not increase regular property taxes by more than one percent per year without a vote of the people; and

WHEREAS, levy proceeds support library system operations in other jurisdictions, including Port Townsend, Washington, and Multnomah County (Portland), Oregon; and

#11

CITY CLERK

WHEREAS, in response to a 2010 Statement of Legislative Intent (2010 SLI 95-1-A-1), the Library, City Council and Mayor reviewed and considered alternative funding sources that could be used to support the Library's operations; and

WHEREAS, the Library, City Council and Mayor identified a property tax levy lid lift as the revenue source that could most feasibly be used in combination with the City's General Fund and REET support; and

WHEREAS, during 2010-11 the Library developed a Strategic Plan based on an extensive public engagement process, using a series of open houses, public forums, an advisory committee and a community survey that generated nearly 33,000 responses; and

WHEREAS, in early 2012 the Library held three public forums and conducted an online survey in order to help identify and prioritize the Library services that levy proceeds could be used to support, maintain and improve; and

WHEREAS, the Library worked with the City Council and Mayor to consider the levels of funding that would be required to support, maintain and improve core Library services; and

WHEREAS, it is the intent of the City Council and Mayor to continue to provide General Fund and REET support to the Library at 2012 service levels, adjusted proportionately based on increases or decreases to such support for comparable City departments; and

WHEREAS, the City Charter authorizes the Library Board to oversee the Library's annual operating and capital budgets; and

WHEREAS, the Library Board recognizes the need for additional revenue to support, maintain and improve core Library services, understands the current constraints on the City's General Fund and REET revenues and, therefore, supports a property tax levy lid lift that would provide the Library with a new revenue source that could be used in combination with General Fund and REET; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Findings. The City Council makes the following findings and declarations:

A. A strong Library system supports the economic, educational and cultural vitality of the City and helps to foster an informed community;

B. Libraries are anchor institutions in Seattle neighborhoods; and

C. A new dedicated and stable source of funding would diversify the Library's existing funding base. A stable source of funding, in combination with the City's General Fund and

CITY CLERK

REET revenue, is needed if the Library is to continue to provide the operating hours, collections, services, technology and programs valued by Seattle residents, and preserve the recent capital investments in Library buildings that were supported by Libraries for All.

Section 2. Definitions. The following terms, when used and capitalized in this ordinance, shall have definitions stated below:

A. "City" means the City of Seattle.

B. "Library Services" means the programs, services, capital improvements and administration referred to in Section 5, with such modifications as the City Council may from time to time authorize by ordinance.

C. "Library Board" means the board of trustees of the Library, a five-member body appointed by the Mayor and confirmed by the City Council, with exclusive control of the finances of the Library under RCW Chapter 27.12.210 and sole authority to expend the Library Fund under Article XII of the Seattle City Charter, consistent with the annual appropriation of funds by the City Council.

D. "Proceeds" means that portion of regular property taxes levied and collected as authorized by voter approval pursuant to this ordinance that are above the limits on levies provided for in RCW 84.55.010, and all interest and other earnings derived from that portion of the levy.

Section 3. Levy of Regular Property Taxes – Submittal. The City hereby submits to the qualified electors of the City a proposition as authorized by RCW 84.55.050 to exceed the levy limitation on regular property taxes contained in Chapter 84.55 RCW, as it now exists or may hereafter be amended, for property taxes levied in 2012 through 2018 for collection in 2013 through 2019, respectively, raising up to $122,630,099 in aggregate over a period of up to seven years. The proposition shall be limited so that the City shall not levy more than $17,000,000 in the first year, in addition to the maximum amount of regular property taxes it would have been limited to by RCW 84.55.010 in the absence of voter approval under this ordinance, plus other authorized lid lifts. Proceeds shall be used to provide operational and capital funding to the

CITY CLERK

Library. Pursuant to RCW 84.55.050(4), the maximum regular property taxes that may be levied in 2019 for collection in 2020 and in later years shall be computed as if the levy lid in RCW 84.55.010 had not been lifted under this ordinance.

Section 4. Application of Levy Proceeds. Unless otherwise directed by ordinance, Proceeds shall be deposited in the Library Levy Fund. The Director of Finance and Administrative Services, or the Director's designee, is authorized to create subfunds or accounts within the Library Levy Fund as may be needed or appropriate to implement the purposes of this ordinance. Proceeds may be temporarily deposited or invested in such manner as may be lawful for the investment of City money, and interest and other earnings shall be used for the same purposes as the Proceeds.

Section 5. Library Services. Levy Proceeds will be used, in combination with the annual budget appropriation of City General Fund and REET to the Library, for Library Services. Levy investments will be made in the following four categories of Library Services:

A. Hours and Access. Major program elements include supporting operating hours at the neighborhood branches and Central Library, and providing support for in-person reference services.

B. Collections. Major program elements include providing variety and depth in the Library's collections with new titles in print and other formats, increasing the size and quality of the digital collection, and making local history resources more widely available through digitization.

C. Technology. Major program elements include replacements and upgrades to the Library's public computer inventory and online resources, including user-focused improvements to the catalog and public website.

D. Maintenance. Major program elements include enhanced resources to provide regular care and major maintenance, such as repair or replacement of structural elements and building systems, for the Library's heavily-used buildings as they age, to prolong their useful life and ensure they are clean, safe and welcoming.

BIS CITY CLERK

These program elements are illustrative examples. The levy proceeds will be spent in accordance with the annual City budget process for each year of the levy. The City Librarian and Library Board shall submit to the Mayor and City Council the Library Services and funding expenditure plan that will support, maintain and improve the core Library Services identified in this section. Each year the Library Board shall adopt an annual operations plan and capital budget.

Section 6. Reporting. The City Librarian and the Library Board will submit to the City Council, Mayor and citizens of Seattle annual progress reports on the implementation of the levy and how levy Proceeds were used to restore, maintain and improve the core Library Services identified in Section 5. The report shall be due to the City Council and Mayor by no later than March 1 of calendar years 2014 through 2020.

Section 7. Election – Ballot Title. The City Council directs that the City Clerk file this ordinance with the Director of Elections of King County, Washington, as ex officio supervisor of elections, requesting that the Director of Elections call and conduct a special election in the City in conjunction with the general election to be held on August 7, 2012, for the purpose of submitting to the qualified electors of the City the proposition set forth in this ordinance. The City Clerk is directed to certify to the King County Director of Elections the ballot title approved by the City Attorney in accordance with his responsibilities under RCW 29A.36.071. The following ballot title is submitted to the City Attorney for his consideration:

THE CITY OF SEATTLE
PROPOSITION NUMBER 1
REGULAR TAX LEVY INCLUDING SEATTLE PUBLIC LIBRARIES

The City of Seattle's Proposition 1 concerns supporting, maintaining and improving core Library Services.

BIS CITY CLERK

This proposition would increase library collections, support library hours and services, update technology and maintain library facilities, as provided in Ordinance ____. It authorizes regular property taxes above RCW 84.55 limits, allowing additional 2013 collection of up to $17,000,000 (approximately $0.15/$1,000 assessed value) and up to $122,630,099 over seven years. In 2013, total City taxes collected would not exceed $3.60 per $1,000 of assessed value. Should this levy be approved?

Yes

No

Those in favor shall vote "Yes"; those opposed shall mark their ballots "No".

Section 9. Ratification. Certification of such proposition by the City Clerk to the King County Director of Elections in accordance with law prior to the date of such election on August 7, 2012, and any other act consistent with the authority and prior to the effective date of this ordinance, are hereby ratified and confirmed.

Section 10. Severability. In the event any one or more of the provisions of this ordinance shall for any reason be held to be invalid, such invalidity shall not affect any other provision of this ordinance or the levy of the taxes authorized herein, but this ordinance and the authority to levy those taxes shall be construed and enforced as if such invalid provisions had not been contained herein; and any provision which shall for any reason be held invalid shall be deemed to be in effect to the extent permitted by law.

Section 11. Those portions of this ordinance providing for the submission of a ballot proposition to the voters shall take effect and be in force immediately upon the approval by the Mayor; or if returned to the Council by the Mayor unsigned, then immediately upon its return; or if not approved and returned by the Mayor within 10 days after presentation, then on the 11th day after its presentation to the Mayor; or if vetoed by the Mayor, then immediately after its passage over his veto. All provisions of this ordinance that have not taken effect on an earlier date shall take effect and be in force 30 days from and after the Mayor's approval of this ordinance, but if this ordinance shall not be approved and returned by the Mayor within ten days

CITY CLERK

after presentation, such provisions shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 9th day of April, 2012, and signed by me in open session in authentication of its passage this 9th day of April, 2012.

President _____ of the City Council

Approved by me this 9th day of April, 2012.

Michael McGinn, Mayor

Filed by me this 9th day of April, 2012.

Monica Martinez Simmons, City Clerk

(Seal)

State of Washington,
County of King

I, Monica Martinez Simmons certify that this is a true and correct copy of Ordinance 123851, on file in the records of the City of Seattle, Office of the City Clerk

CORPORATE SEAL OF THE CITY OF SEATTLE 1869

Signed by:
Signature: Monica Martinez Simmons
Title: City Clerk
Date: 4/9/12

CITY CLERK