



# King County

1200 King County  
Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Meeting Agenda

### Local Services and Land Use Committee

*Councilmembers:*  
*Sarah Perry, Chair;*  
*De'Sean Quinn, Vice-Chair;*  
*Reagan Dunn, Teresa Mosqueda*

*Lead Staff: Erin Auzins (206-477-0687)*  
*Committee Clerk: Marka Steadman (206-477-0887)*

9:30 AM

Wednesday, March 19, 2025

Hybrid Meeting

**Hybrid Meetings:** Attend King County Council committee meetings in person in Council Chambers (Room 1001), 516 3rd Avenue in Seattle, or through remote access. Details on how to attend and/or provide comment remotely are listed below.

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

**HOW TO PROVIDE PUBLIC COMMENT:** The Local Services and Land Use Committee values community input and looks forward to hearing from you on agenda items.

There are three ways to provide public comment:

1. **In person:** You may attend the meeting and provide comment in the Council Chambers.
2. **By email:** You may comment in writing on current agenda items by submitting your email comments to [kcccomitt@kingcounty.gov](mailto:kcccomitt@kingcounty.gov). If your email is received before 8:00 a.m. on the day of the meeting, your email comments will be distributed to the committee members and appropriate staff prior to the meeting.
3. **Remote attendance at the meeting by phone or computer:** You may provide oral comment on current agenda items during the meeting's public comment period by connecting to the meeting via phone or computer using the ZOOM application at <https://zoom.us/join> and entering the Webinar ID number below.

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
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You are not required to sign up in advance. Comments are limited to current agenda items.

You have the right to language access services at no cost to you. To request these services, please contact Language Access Coordinator, Tera Chea at (206) 477-9259 or email [Tera.chea2@kingcounty.gov](mailto:Tera.chea2@kingcounty.gov) by 8:00 a.m. no fewer than three business days prior to the meeting.

**CONNECTING TO THE WEBINAR**

Webinar ID: 840 9948 4774

By computer using the Zoom application at <https://zoom.us/join> and the webinar ID above.

Via phone by calling 1-253-215-8782 and using the webinar ID above.

**HOW TO WATCH/LISTEN TO THE MEETING REMOTELY:** There are several ways to watch or listen in to the meeting:

- 1) Stream online via this link: <http://www.kingcounty.gov/kctv>, or input the link web address into your web browser.
- 2) Watch King County TV on Comcast Channel 22 and 322(HD) and Astound Broadband Channels 22 and 711(HD)
- 3) Listen to the meeting by telephone – See “Connecting to the Webinar” above.

To help us manage the meeting, if you do not wish to be called upon for public comment please use the Livestream or King County TV options listed above, if possible, to watch or listen to the meeting.

1. Call to Order



2. Roll Call

To show a PDF of the written materials for an agenda item, click on the agenda item below.

3. Approval of Minutes

*February 19, 2025 meeting p. 5*

4. Public Comment

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711. Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
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## Consent

5. [Proposed Ordinance No. 2025-0038](#) **p. 8**

AN ORDINANCE relating to the annexation of approximately 1.1 acres of land into the Northeast Sammamish sewer and water district, known as the Parklane Annexation, for the purpose of sewer service.

**Sponsors:** Perry

*Andy Micklow, Council staff*

6. [Proposed Ordinance No. 2025-0071](#) **p. 14**

AN ORDINANCE relating to retail establishments; changing the effective date of the requirement that retailers in unincorporated King County, unless otherwise exempted, must accept payment in cash; and amending Ordinance 19639, Section 6.

**Sponsors:** Zahilay

*Mary Bourguignon, Council staff*

## Discussion and Possible Action

7. [Proposed Ordinance No. 2024-0261](#) **p. 56**

AN ORDINANCE authorizing the King County executive to enter into an interlocal agreement with the City of Shoreline to implement a regional program to transfer development rights from lands in unincorporated King County into the city of Shoreline.

**Sponsors:** Dembowski

*Jake Tracy, Council staff*



## Briefing

8. [Briefing No. 2025-B0039](#) **(No materials)**

Briefing on King County Roads Capital Program and Maintenance Needs

*Tricia Davis, Director, Road Services Division*

*Leon Richardson, Director, Department of Local Services*

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711. Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
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## Other Business

## Adjournment



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).  
TTY Number - TTY 711.  
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by a hearing aid when it is set to 'T' (Telecoil) setting.





# King County

1200 King County  
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Seattle, WA 98104

## Meeting Minutes Local Services and Land Use Committee

**Councilmembers:**  
*Sarah Perry, Chair;*  
*De'Sean Quinn, Vice-Chair;*  
*Reagan Dunn, Teresa Mosqueda*

**Lead Staff:** *Erin Auzins (206-477-0687)*  
**Committee Clerk:** *Marka Steadman (206-477-0887)*

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9:30 AM

Wednesday, February 19, 2025

Hybrid Meeting

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### DRAFT MINUTES

1. **Call to Order**

*Chair Perry called the meeting to order at 9:30 a.m.*

2. **Roll Call**

**Present:** 4 - Dunn, Mosqueda, Perry and Quinn

3. **Approval of Minutes**

*Vice Chair Quinn moved approval of the September 11, 2024, meeting minutes. There being no objections, the minutes were approved.*

4. **Public Comment**

*The following individual provided public comment: Sandeep Bisla*

### Consent

5. **[Proposed Motion No. 2024-0362](#)**

A MOTION confirming the executive's appointment of Richard Bard, who resides in council district eight, to the King County Vashon-Maury Island groundwater protection committee, representing Vashon-Maury Island residents.

**A motion was made by Councilmember Quinn that this Motion be Recommended Do Pass Consent. The motion carried by the following vote:**

**Yes:** 4 - Dunn, Mosqueda, Perry and Quinn

6. [Proposed Motion No. 2024-0363](#)

A MOTION confirming the executive's appointment of Donna Klemka, who resides in council district eight, to the King County Vashon-Maury Island groundwater protection committee, representing residential exempt well owners.

**A motion was made by Councilmember Quinn that this Motion be Recommended Do Pass Consent. The motion carried by the following vote:**

**Yes:** 4 - Dunn, Mosqueda, Perry and Quinn

7. [Proposed Ordinance No. 2024-0252](#)

AN ORDINANCE approving the Valley View Sewer District 2023 General Sewer Plan dated February 21, 2023.

**A motion was made by Councilmember Quinn that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:**

**Yes:** 4 - Dunn, Mosqueda, Perry and Quinn

8. [Proposed Ordinance No. 2024-0410](#)

AN ORDINANCE approving the Southwest Suburban Sewer District General Sewer Plan Update dated July 2024.

**A motion was made by Councilmember Quinn that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:**

**Yes:** 4 - Dunn, Mosqueda, Perry and Quinn

## Discussion and Possible Action

9. [Proposed Ordinance No. 2024-0263](#)

AN ORDINANCE authorizing the King County executive to execute an interlocal agreement with the city of Kent for the inspection and maintenance of the Rock Creek Bridge.

*Nick Bowman, Council staff, briefed the committee. Councilmember Dunn moved amendment 1. The amendment was adopted.*

**A motion was made by Councilmember Dunn that this Ordinance be Recommended Do Pass Substitute Consent. The motion carried by the following vote:**

**Yes:** 4 - Dunn, Mosqueda, Perry and Quinn

## Briefing

10. [Briefing No. 2025-B0022](#)

Briefing on the Executive's Recommended Critical Area Regulations

*Megan Smith - Environment and Water Quality Policy Manager, Department of Natural Resources and Parks; and Robin Proebsting, Policy Analyst, Department of Local Services; briefed the committee and answered questions from the members. Leon Richardson, Director, Department of Local Services, answered questions from the members.*

**This matter was Presented**

11. [Briefing No. 2025-B0011](#)

Chair's 2025 Committee Workplan

*Chair Perry provided an overview of the committee's role and scope of responsibility, as well as the priorities and anticipated legislation for 2025.*

**This matter was Presented**

## Other Business

*There was no further business to come before the committee.*

## Adjournment

*The meeting was adjourned at 10:40 a.m.*

Approved this \_\_\_\_\_ day of \_\_\_\_\_

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Clerk's Signature



**King County**

**Metropolitan King County Council  
Local Services and Land Use Committee**

**STAFF REPORT**

<b>Agenda Item:</b>	5	<b>Name:</b>	Andy Micklow
<b>Proposed No.:</b>	2025-0038	<b>Date:</b>	March 19, 2025

**SUBJECT**

Proposed Ordinance 2025-0038 would approve the Parklane Annexation into the Northeast Sammamish Sewer and Water District.

**SUMMARY**

Proposed Ordinance 2025-0038 would approve the annexation of approximately 1.1 acres of land into the Northeast Sammamish sewer and water district, known as the Parklane Annexation, for the purpose of sewer service. Council action on an annexation into a sewer district is required, subject to criteria found in state law.

**BACKGROUND**

The Northeast Sammamish Sewer and Water District (District) is situated in a predominantly residential area located east of Lake Sammamish, encompassing the northern portion of the City of Sammamish. As of 2022, the District serves 4,673 single-family residences, 58 multi-family residences, and 24 non-residential customers.

The proposed annexation was initially requested by the property owner as a transfer of part of a district under RCW 57.32.160. As there is no transfer of territory as part of the proposed annexation, the Northeast Sammamish sewer and water district is proposing the annexation based upon a property owner petition under chapter 57.24 RCW. Annexation into the District will allow for safe and reliable sewer service to the annexed properties.

Northeast Sammamish Sewer and Water District approved the proposed annexation in Resolution No. 4350, passed on December 4, 2024. The Notice of Intention was filed with the Council on January 7, 2025.

**ANALYSIS**

Under RCW 57.02.040(3), when reviewing the annexation, the Council is required to consider three criteria:



- (a) Whether the proposed action in the area under consideration is in compliance with the development program that is outlined in the county comprehensive plan, or city or town comprehensive plan where appropriate, and its supporting documents;
- (b) Whether the proposed action in the area under consideration is in compliance with the basinwide water and/or sewage plan as approved by the state department of ecology and the state department of social and health services; and
- (c) Whether the proposed action is in compliance with the policies expressed in the county plan for water and/or sewage facilities.

When the UTRC reviewed the Northeast Sammamish Sewer and Water District General Sewer Plan, which was ultimately approved by Council in 2023, their review included consideration of these criteria. While the review of the plan did not look at a specific annexation, at a planning level, the UTRC found that the District's plan met these criteria. KCC 13.24.010(A)(2) requires comprehensive plans for water and sewer districts to be adopted by the District and approved by the King County Council as a prerequisite for Council approval of annexation proposals. That requirement is satisfied with the current District plan.

## **ATTACHMENTS**

1. Proposed Ordinance 2025-0038 (and its attachment)



**KING COUNTY**  
**Signature Report**

ATTACHMENT 1  
1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Ordinance**

**Proposed No. 2025-0038.1**

**Sponsors Perry**

1 AN ORDINANCE relating to the annexation of  
2 approximately 1.1 acres of land into the Northeast  
3 Sammamish sewer and water district, known as the  
4 Parklane Annexation, for the purpose of sewer  
5 service.

6 **STATEMENT OF FACTS:**

- 7 1. A notice of intention proposing the annexation of approximately 1.1  
8 acres of land into the Northeast Sammamish sewer and water district,  
9 known as the Parklane Annexation, for the purpose of providing sewer  
10 service was filed with the county council on January 7, 2025.
- 11 2. The annexation was initially requested by the property owner as a  
12 transfer of part of a district under RCW 57.32.160. There is no transfer of  
13 territory as part of the proposed annexation. The Northeast Sammamish  
14 sewer and water district is proposing the annexation based upon a property  
15 owner petition under chapter 57.24 RCW.
- 16 3. The Parklane Annexation area receives water service from Sammamish  
17 Plateau water and sewer district and will continue to remain in that district  
18 for the purpose of water service.
- 19 4. Sammamish Plateau water and sewer district has approved the  
20 proposed annexation in Resolution No. 5231, passed on October 16, 2024.

21           5. Northeast Sammamish sewer and water district has approved the  
22           proposed annexation in Resolution No. 4350, passed on December 4,  
23           2024.

24           6. Northeast Sammamish sewer and water district issued a determination  
25           of nonsignificance on the proposed annexation dated November 13, 2024.

26           7. The utilities technical review committee reviewed the Northeast  
27           Sammamish sewer and water district general sewer plan and found that  
28           plan met the criteria for approval. The county approved the most recent  
29           sewer plan for the Northeast Sammamish sewer and water district in 2023,  
30           as part of Ordinance 19593.

31           8. The county council held the legally required public hearing and has  
32           considered the criteria in RCW 57.02.040.

33           **BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:**

34           SECTION 1. The annexation of approximately 1.1 acres of land into the  
35           Northeast Sammamish sewer and water district for the purpose of providing sewer  
36           service described in Attachment A to this ordinance is approved. Approval of this  
37           proposed annexation is consistent with RCW 57.02.040.

38           SECTION 2. Northeast Sammamish sewer and water district is the appropriate  
39           entity to provide sewer service to the area proposed to be annexed.

40           SECTION 3. Completion of this annexation does not constitute county approval

41 or disapproval of any other permits, certifications, or actions necessary to provide service  
42 to this annexation area.

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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Girmay Zahilay, Chair

ATTEST:

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Melani Pedroza, Clerk of the Council

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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Dow Constantine, County Executive

**Attachments:** A. Legal Description

**Legal Description of Transfer Area - NESSWD Annexation 25**

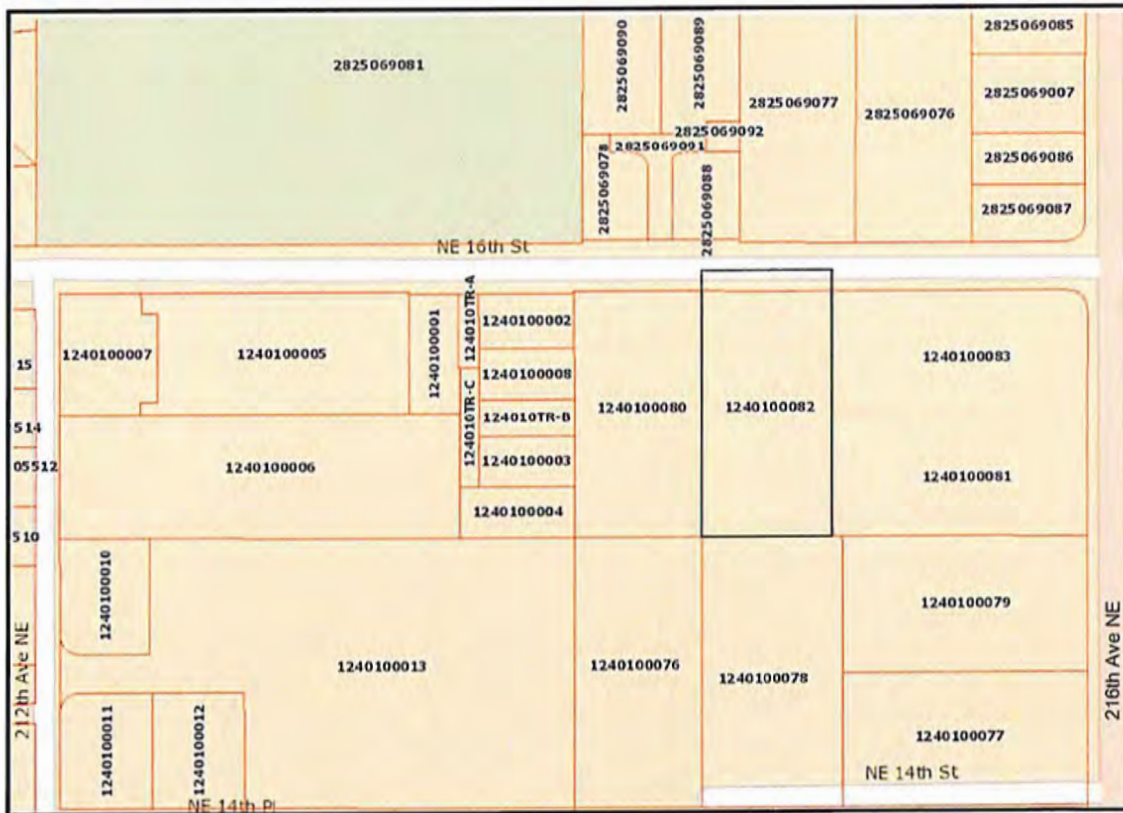
Portion of the southwest ¼ of Section 28, described as follows:

The West 160 feet of the East 510 feet of the North 331.825 feet measured along the Easterly line of the East half of the West half of the Southwest quarter of Section 28, Township 25 North, Range 6 East, W.M. King County Washington.

Including the North 30 feet heretofore conveyed to King County of County roads;

Being known as a portion of Tract 16, Burke and Farrars Kirkland Addition to the City of Seattle, Division No. 17, according to the unrecorded plat thereof.

Tax Parcel No. 124010-0082



Signed 10/22/24

J:\Data\NES\24-0001\01 - Annexation 25\Legal Description of Transfer Area\_20241022.docx



**King County**

**Metropolitan King County Council  
Local Services and Land Use Committee**

**STAFF REPORT**

<b>Agenda Items:</b>	6	<b>Name:</b>	Mary Bourguignon
<b>Proposed No.:</b>	2025-0071	<b>Date:</b>	March 19, 2025

**SUBJECT**

Proposed Ordinance 2025-0071 would extend the effective date of Ordinance 19639 for one year, to July 1, 2026.

**SUMMARY**

Ordinance 19639, which was enacted in July 2023, requires retailers in unincorporated King County, unless otherwise exempted, to accept payment in cash beginning on July 1, 2025, when the ordinance takes effect.

The ordinance requires that unincorporated area retailers accept cash for in-person purchases up to \$200, with the caveat that a retailer can refuse cash suspected to be counterfeit, can refuse bills larger than \$20, and can refuse cash if they have a cash-to-card kiosk on the premises that converts cash into a prepaid card. Transactions made by phone, mail, Internet, mobile app, for Metro Transit fares, or when an employee is not physically present (such as at a parking lot payment kiosk) are exempt.

Retailers seeking to be exempted from the requirement can apply to the Hearing Examiner with documentation of a history of theft or attempted theft, the presence of only a single employee, the location of the retail establishment within a residence, distance of more than 15 miles by road to a bank branch, or other circumstances.

Ordinance 19639 did not specify enforcement mechanisms. Instead, the ordinance asked the Executive to transmit an implementation and enforcement plan in December 2024. The transmitted plan<sup>1</sup> outlined three potential levels of informational outreach and enforcement, which are estimated to range in cost from \$360,000 to \$770,000 annually and would require General Fund appropriations.

Proposed Ordinance 2025-0071 cites the need for additional time and effort to ensure that affected retailers are educated about the requirements of Ordinance 19639 and prepared to accept cash, and extends the effective date for one year, to July 1, 2026.

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<sup>1</sup> 2024-RTP0140, King County Department of Local Services, Unincorporated King County Retailer Cash Requirement Implementation and Enforcement Plan, November 27, 2024 ([link](#))

## **BACKGROUND**

**Trends in cash and credit use.** Over the last decade, American consumers have increasingly begun to pay for their purchases using credit cards, debit cards, and Internet-based mobile payment apps, rather than cash. This trend was furthered during the pandemic, when many retailers stopped accepting cash and switched to contactless forms of payment.

According to a study published by the Federal Reserve in 2024,<sup>2</sup> in 2023, 22% of non-bill payments were made online or remotely, an increase from 19% in 2022. The study noted that the share of card payments is increasing and that the level of cash payments is not likely to return to pre-pandemic levels.

However, the study also noted that demand for cash payments may continue in coming years because cash offers anonymity, ubiquity, and zero transaction costs. Specifically, the study pointed to a difference in cash use by age and income:

- Consumers living in households with income of less than \$50,000 a year used cash for 28% of payments, compared to 13% for consumers in households with annual income of more than \$50,000.
- Consumers 55 and older used cash for 22% of all payments, compared to 12% for consumers younger than 55.

**Local requirements for use of cash.** In recent years, in response to the trend toward cashless payments, and to ensure access to goods and services by low-income people, seniors, and others who might prefer to use cash, a number of local and state governments have passed laws requiring retail establishments to accept cash. These include the City of New York, City and County of San Francisco, City of Philadelphia, Washington DC, and Commonwealth of Massachusetts.<sup>3</sup>

**King County cash requirement.** Ordinance 19639, which was enacted in July 2023, requires retailers in unincorporated King County, unless otherwise exempted, to accept payment in cash beginning on July 1, 2025, when the ordinance takes effect.

The ordinance requires that unincorporated area retailers accept cash for in-person purchases up to \$200, with the caveat that a retailer can refuse cash suspected to be counterfeit, can refuse bills larger than \$20, and can refuse cash if they have a cash-to-card kiosk on the premises that converts cash into a prepaid card. Transactions made by phone, mail, Internet, mobile app, for Metro Transit fares, or when an employee is not physically present (such as at a parking lot payment kiosk) are exempt.

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<sup>2</sup> Bayeh, Berhan, Emily Cubides, Shaun O'Brien, The Federal Reserve Financial Services, 2024 Findings from the Diary of Consumer Payment Choice ([link](#))

<sup>3</sup> Information about the cash requirements and enforcement mechanisms in these jurisdictions can be found in 2024-RTP0140, King County Department of Local Services, Unincorporated King County Retailer Cash Requirement Implementation and Enforcement Plan, November 27, 2024 ([link](#))

The ordinance offers an exemption process for retailers that believe the cash requirement would be a hardship. To qualify for this exemption, the retailer must write to the King County Hearing Examiner and document the specific reasons that accepting cash payments will pose unique difficulties, including, but not limited to:

- A history of theft or attempted theft at the retail establishment or a bona fide concern for theft or robbery of cash,
- The presence of only a single retail employee at the retail establishment,
- Location of the retail establishment within a residence,
- Distance of 15 or more miles by road between the retail establishment and the nearest branch of a banking institution, and
- Other circumstances that affect the ability of the retailer to accept cash payments.

**Implementation and enforcement plan.** Ordinance 19639 did not outline a plan for enforcement of the cash requirement. Instead, it asked the Executive to transmit an implementation and enforcement plan by December 1, 2024.

The implementation and enforcement plan,<sup>4</sup> which was transmitted in late 2024 as required, is based on information obtained by the Department of Local Services (DLS) from the City of New York, City and County of San Francisco, City of Philadelphia, Washington DC, and Commonwealth of Massachusetts.

After noting that King County does not currently employ consumer protection or business regulation staff and does not currently operate business regulation functions, the report outlines several potential strategies for King County based on the experiences of the jurisdictions that were surveyed:

- **Building Awareness** information campaign for businesses, community-based organizations, and Chambers in seven languages. This approach would have an estimated start-up cost of \$360,000, including funding for a nine-month term-limited temporary (TLT) position and a grant program to assist with outreach. Ongoing expenses for this approach are estimated at \$10,000/year, including a frequently-asked-questions document and web site.
- **Targeted education** (letter and materials) to businesses reported as being out of compliance with the cash requirement. This would require a full-time employee (FTE) at the Administrator I level to triage and respond to complaints. Start-up costs are estimated at \$360,000, with an ongoing annual cost of \$180,000.
- **Enforcement** for businesses reported as being out of compliance that do not take corrective action after receiving targeted education materials. This approach would require a new Consumer Protection Unit within DLS. Start-up costs are estimated at \$490,000, with an ongoing annual cost of \$770,00, which would include a tracking system, two FTE code enforcement officers, a per-visit cost, and system maintenance.

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<sup>4</sup> 2024-RTP0140, King County Department of Local Services, Unincorporated King County Retailer Cash Requirement Implementation and Enforcement Plan, November 27, 2024 ([link](#))



The transmitted implementation and enforcement plan recommends proceeding with the “building awareness” level of outreach. It states that DLS would require additional General Fund resources to move forward with this recommended approach or with either of the other two options.

### **ANALYSIS**

Proposed Ordinance 2025-0071 cites the need for additional time and effort to ensure that affected retailers are educated about the requirements of Ordinance 19639 and prepared to accept cash, and extends the effective date for one year, to July 1, 2026.

### **ATTACHMENTS**

1. Proposed Ordinance 2025-0071
2. Ordinance 19639
3. 2024-RTP0140 (King County Department of Local Services, Unincorporated King County Retailer Cash Requirement Implementation and Enforcement Plan)



**KING COUNTY**  
**Signature Report**

ATTACHMENT 1  
1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Ordinance**

**Proposed No.** 2025-0071.1

**Sponsors** Zahilay

1 AN ORDINANCE relating to retail establishments;  
2 changing the effective date of the requirement that retailers  
3 in unincorporated King County, unless otherwise  
4 exempted, must accept payment in cash; and amending  
5 Ordinance 19639, Section 6.

6 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

7 **SECTION 1. Findings:**

8 A. King County strives to be an equitable and inclusive place and strives to  
9 empower all residents to participate in the economic life of the county. A key aspect of  
10 participation in economic life is the ability to purchase food, consumer goods and  
11 consumer services.

12 B. On July 10, 2023, Ordinance 19639 was enacted, which requires retailers in  
13 unincorporated King County, unless otherwise exempted, to accept payment in cash. The  
14 effective date of Ordinance 19639 is July 1, 2025.

15 C. Additional time and effort are necessary to ensure that retailers in  
16 unincorporated King County are educated about the requirements of Ordinance 19639  
17 and prepared to accept payment in cash.

18            SECTION 2. Ordinance 19639, Section 6, is hereby amended to read as follows:

19            ((~~This o~~)) Ordinance 19639 takes effect July 1, ((~~2025~~)) 2026.

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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Girmay Zahilay, Chair

ATTEST:

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Melani Pedroza, Clerk of the Council

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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Dow Constantine, County Executive

**Attachments:** None



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

### Ordinance 19639

**Proposed No.** 2023-0027.3

**Sponsors** Kohl-Welles

1 AN ORDINANCE relating to retail establishments;  
 2 requiring retailers in unincorporated King County, unless  
 3 otherwise exempted, to accept payment in cash; and adding  
 4 a new chapter to K.C.C. Title 12.

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 **SECTION 1. Findings:**

7 A. King County strives to be an equitable and inclusive place and strives to  
 8 empower all residents to participate in the economic life of the county. A key aspect of  
 9 participation in economic life is the ability to purchase food and consumer goods.

10 B. The organization Bank On Washington, which is a collaboration of financial  
 11 institutions, community-based organizations, and local governments, estimates that three  
 12 percent of Washington state residents are unbanked, meaning they do not use or do not  
 13 have access to traditional financial services, including bank accounts, credit cards, or  
 14 personal checks; and that more than seventeen percent of Washington state residents are  
 15 underbanked, meaning they might have a bank account but might often rely on alternative  
 16 financial services, such as money orders, check-cashing services, and payday loans rather  
 17 than on traditional loans and credit cards to fund purchases and manage their finances. If  
 18 those figures are applied to King County, it means that approximately sixty-seven  
 19 thousand people in King County could be unbanked and more than three hundred eighty  
 20 thousand people could be underbanked. If those figures are applied to unincorporated

Ordinance 19639

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21 King County, it means that approximately seven thousand four hundred people in  
22 unincorporated King County could be unbanked and forty-two thousand people could be  
23 underbanked.

24 C. A 2021 survey by the Federal Deposit Insurance Corporation of unbanked and  
25 underbanked households found that people of color and low-income people are more  
26 likely to be unbanked or underbanked than the population as a whole.

27 D. For residents who are unbanked or underbanked, the ability to purchase food  
28 and consumer goods often depends on the ability to pay in cash.

29 E. Relying on cash to make purchases can be inconvenient and difficult and can  
30 pose safety risks. As a result, King County supports the goal of connecting all residents  
31 to safe and appropriate financial products and services. However, until all residents have  
32 access to safe and appropriate financial products and services, many will continue to rely  
33 on cash to pay for food and consumer goods. In addition to those who are unbanked or  
34 underbanked, many people might prefer to pay for some purchases in cash, for reasons of  
35 convenience or privacy. The Federal Reserve Bank of San Francisco found in 2022 that  
36 consumers used cash in twenty percent of all transactions, that people sixty-five and older  
37 reported using cash for one-quarter of payments, and that cash use had decreased during  
38 the pandemic except for consumers with household incomes less than twenty-five  
39 thousand dollars, who make up nearly twenty percent of the population.

40 F. In recent years, many retailers have moved toward a cashless model of  
41 payment, citing improved technology, including tap-to-pay mobile applications and the  
42 emergence of "just walk out" payment technology, as well as the safety concerns of  
43 storing and handling cash.

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Ordinance 19639

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44 G. People who are unbanked or underbanked, as well as those who might prefer  
45 to use cash for some purchases, might find it difficult to purchase from retailers that use a  
46 cashless model and might be limited in the food and consumer goods they can procure.

47 H. Other jurisdictions, including the cities of New York, San Francisco, and  
48 Philadelphia, the District of Columbia, and the states of Massachusetts and New Jersey,  
49 have imposed requirements that retailers accept cash for purchases of food and consumer  
50 goods.

51 I. Policies to require retailers to accept cash for purchase would be most effective  
52 and efficient if adopted at the state or national level.

53 SECTION 2. Sections 3 through 5 of this ordinance should constitute a new  
54 chapter in K.C.C. Title 12.

55 NEW SECTION. SECTION 3. The definitions in this section apply throughout  
56 this chapter unless the context clearly requires otherwise.

57 A. "Cash" means United States currency, in the form of both paper federal  
58 reserve notes and metal coins. For the purposes of this chapter, "cash" does not include:

59 1. Currency issued under the authority of a country other than the United States;

60 2. A paper instrument other than a federal reserve note, including, but not  
61 limited to, any check, bond, or promissory note; and

62 3. A metal coin, including, but not limited to, a gold or silver coin that is not  
63 legal tender in the United States.

64 B. "Consumer goods" means items bought or acquired by individuals for  
65 personal, family, or household consumption or use.

66 C. "Retail employee" means a person who is employed by a retailer to work at a

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67 retail establishment for wages or salary, including, but not limited to, a full-time  
68 employee, a part-time employee, and a temporary worker.

69 D. "Retail establishment" means an establishment, including, but not limited to, a  
70 building, room, vehicle, pushcart, or stand, in which food or consumer goods are sold,  
71 displayed, or offered for sale.

72 E. "Retailer" means the same thing as defined in K.C.C. 6.72.020.B.

73 F. "Retail transaction" means a sale conducted in person of food or consumer  
74 goods at a retail establishment, in which payment for purchase is received directly and in  
75 person from the purchaser by a retailer or retail employee. For the purposes of this  
76 chapter, "retail transaction" does not include:

77 1. A transaction for which an order is placed and payment is made by telephone,  
78 mail, or Internet, including by mobile application;

79 2. A transaction for which a retailer or retail employee is not physically present  
80 to receive payment, such as at a parking lot at which payment is made at an automated  
81 kiosk; and

82 3. A transaction for the rental of consumer goods, including accommodations or  
83 equipment, for which posting of collateral or security is typically required.

84 G. "Unincorporated King County" means those areas outside any city or town  
85 and under King County's jurisdiction.

86 NEW SECTION. SECTION 4. A. A retail establishment in unincorporated  
87 King County shall not refuse to accept cash, if offered, as a form of payment for a retail  
88 transaction and shall not charge a higher price to customers who pay cash than they  
89 would pay using any other form of payment.

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90 B. A retailer may refuse to accept payment in cash or putative cash that the  
91 retailer reasonably suspects to be counterfeit. A retailer may also refuse to accept  
92 currency denominations greater than twenty dollars.

93 C. In single retail transactions that total more than two hundred dollars, the  
94 retailer must accept cash for any amount up to two hundred dollars but may refuse to  
95 accept cash as payment for the remainder of the amount due.

96 D. Fares for public transportation services operated by the Metro transit  
97 department shall be paid as authorized by K.C.C. 4A.700.010.B.

98 E. A retailer may refuse to accept payment in cash if the retail establishment  
99 provides a device on premises, or in a location proximate to the retail establishment if  
100 shared with other nearby retailers and accessible to consumers, that converts cash into a  
101 prepaid card that allows a consumer to complete a purchase, and:

102 1. The retailer shall place a conspicuous sign in the retail establishment  
103 indicating that the retailer does not accept cash payments and that cash can be exchanged  
104 for a prepaid card at the cash conversion device, and providing directions to the location  
105 of the cash conversion device;

106 2. The cash conversion device must not charge a fee to a consumer if requiring  
107 the device be used;

108 3. The cash conversion device must not require a minimum deposit amount  
109 greater than one dollar;

110 4. The cash conversion device must provide each consumer with a receipt  
111 indicating the amount of cash the consumer deposited onto the prepaid card;



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112           5. Cash deposits through a cash conversion device onto a prepaid card must not  
113 be subject to an expiration date, there must not be a limit on the number of transactions  
114 that may be completed on such a prepaid card, and a prepaid card must be able to be used  
115 at other retail establishments; and

116           6. If a cash conversion device malfunctions, the retailer where the device is  
117 located shall accept payment in cash from consumers throughout the time in which the  
118 cash conversion device does not function. The retailer shall place a conspicuous sign on  
119 or immediately adjacent to the cash conversion device indicating that the retailer is  
120 required to accept cash if the cash conversion device malfunctions.

121           F.1. A retailer may seek an exemption from the requirement to accept cash  
122 payments by applying in writing to the hearing examiner, documenting the specific  
123 reasons that accepting cash payments will pose unique difficulties for the retailer,  
124 including, but not limited to:

125           a. a history of theft or attempted theft at the retail establishment or a bona fide  
126 concern for theft or robbery of cash;

127           b. the presence of only a single retail employee at the retail establishment;

128           c. location of the retail establishment within a residence;

129           d. distance of fifteen or more miles by road between the retail establishment  
130 and the nearest branch of a banking institution; or

131           e. other circumstances that affect the ability of the retailer to accept cash  
132 payments.

133           2. The examiner should process the application in accordance with K.C.C.  
134 20.22.100; and

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135           3. If the retailer is granted an exemption, the retailer shall place a conspicuous  
136 sign in the retail establishment indicating that the retailer has been exempted from the  
137 requirement to accept cash payments.

138           NEW SECTION. SECTION 5. To ensure effective implementation and  
139 enforcement of this ordinance, the executive shall analyze implementation and  
140 enforcement mechanisms and shall transmit to the council an implementation and  
141 enforcement plan recommending an enforcement mechanism and implementation  
142 measures, as well as any legislation needed to implement the recommended actions. The  
143 executive shall electronically file the implementation and enforcement plan and any  
144 associated legislation no later than December 1, 2024, with the clerk of the council, who  
145 shall retain an electronic copy and provide an electronic copy to all councilmembers, the  
146 council chief of staff, and the lead staff for the local services and land use committee or  
147 its successor.

148           SECTION 6. This ordinance takes effect July 1, 2025.

149           SECTION 7. If any provision of this ordinance of its application to any person or

Ordinance 19639

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150 circumstance is held invalid, the remainder of the ordinance or the application of the  
151 provision to other persons or circumstances is not affected.

Ordinance 19639 was introduced on 1/10/2023 and passed as amended by the Metropolitan King County Council on 6/27/2023, by the following vote:

Yes: 5 - Dembowski, Kohl-Welles, Upthegrove, von Reichbauer and Zahilay

No: 4 - Balducci, Dunn, Perry and McDermott

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

DocuSigned by:  
  
E76CE01F07B14EF...

Dave Upthegrove, Chair

ATTEST:

DocuSigned by:  
  
8DE1BB375AD3422...

Melani Pedroza, Clerk of the Council

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

*Deemed enacted without the executive's signature on July 10, 2023.*

\_\_\_\_\_  
Dow Constantine, County Executive

**Attachments:** None

**Certificate Of Completion**

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AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Gavin Muller
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	SEATTLE, WA 98104
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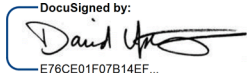
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Melani Pedroza  
melani.pedroza@kingcounty.gov  
Clerk of the Council  
King County Council  
Security Level: Email, Account Authentication (None)

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Kaitlyn Wiggins  
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Executive Legislative Coordinator  
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Security Level: Email, Account Authentication (None)

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cherie.camp@kingcounty.gov  
Legislative Clerk - Ccl  
King County Council  
Security Level: Email, Account Authentication  
(None)

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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	6/30/2023 9:34:22 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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**Unincorporated King County Retailer Cash Requirement  
Implementation and Enforcement Plan**

November 27, 2024



**King County**

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## II. Proviso Text

Of this appropriation, \$50,000 shall not be expended or encumbered until the executive transmits an unincorporated King County retailer cash requirement implementation and enforcement plan to enforce Ordinance 19639, per this Proviso. To ensure effective implementation and enforcement of Ordinance 19639, the executive shall analyze implementation and enforcement mechanisms and shall transmit to the council an implementation and enforcement plan recommending an enforcement mechanism and implementation measures, as well as any legislation needed to implement the recommended actions.

The executive shall electronically file the implementation and enforcement plan and any associated legislation no later than December 1, 2024, with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for the local services and land use committee or its successor.

Ordinance 19712, Section 64, Department of Local Services, P3.<sup>1</sup>

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<sup>1</sup> [Link to Ordinance 19712](#)



### III. Executive Summary

In the United States, the recent trend for businesses and consumers has been to increasingly use credit cards, debit cards, and Internet-based mobile applications to complete financial transactions, rather than cash.<sup>2</sup> When considering socioeconomic differences, this move to cashless purchasing is not evenly distributed. Those with less means may not have access to traditional financial services such as bank accounts, credit cards, or personal checks, which could inhibit the ability to obtain basic food and consumer goods if cash were not accepted. To address the concerns of unbanked and underbanked people, the King County Council enacted Ordinance 19639 establishing King County Code which requires retail establishments in unincorporated King County (UKC) to accept payment in cash for food and consumer goods for single transactions up to \$200.<sup>3</sup> This is the first consumer protection law enacted for UKC residents.

King County does not have consumer protection staff to implement and enforce the acceptance of cash at food and consumer goods retail establishments. Although responsible for King County Code enforcement, the Permitting Code Enforcement Unit Section in the Department of Local Services (DLS) investigates complaints regarding violations of the King County Code as it relates to zoning, building, property maintenance, shorelines, and critical areas.

The Department of Local Services conducted a review of jurisdictions currently implementing laws like Ordinance 19639 to understand implementation and enforcement mechanisms. The following jurisdictions were approached for information:

- City of New York, NY
- City and County of San Francisco
- City of Philadelphia
- Washington, District of Columbia
- Commonwealth of Massachusetts

These jurisdictions were asked a series of questions to understand the successes and failures of each program. This information, augmented with information found on the jurisdiction websites, was used to inform the implementation and enforcement mechanisms proposed for King County. For San Francisco, Washington, D.C., and the City of Philadelphia, this inquiry consisted of a phone call interview with staff. City of New York staff responded to a list of questions via email. Massachusetts was not able to respond due to pending litigation. Most jurisdictions reported that cash acceptance requirement laws have helped to guarantee cash acceptance, though no data is currently available to indicate actual success.

Common lessons learned from these inquiries were:

- All jurisdictions have existing staff and programming to address multiple consumer protection laws.
- No jurisdictions have staff solely dedicated to implementing and enforcing cash acceptance requirement laws.

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<sup>2</sup> Link to [Share of Americans who go 'cashless' in typical week continues to grow | Pew Research Center](#), accessed on August 5, 2024.

<sup>3</sup> Link to [Ordinance 19639](#), accessed on August 5, 2024.

- All jurisdictions use complaint-based education and enforcement systems, whereby consumers report potential violators to the jurisdiction upon which further action is taken.
- No jurisdiction is proactively identifying violators.
- Ongoing education is considered largely effective at obtaining compliance.
- Increased resources are needed to implement new consumer protection laws when they are enacted.
- Unless field officers have the authority to impose fines, applying monetary penalties is complicated or not possible.

By analyzing information gathered from the abovementioned jurisdictions and King County’s internal capabilities and resources, implementation and enforcement options were developed. These options build upon each other and are:

- Building awareness
- Targeted, complaint-based education
- Complaint-based enforcement

**Building Awareness**

Building awareness through a communications campaign would include informing all businesses in UKC of cash acceptance requirements in the seven most used languages. Communications materials would be shared with community-based organizations or chambers of commerce, which would be given small grants to help disseminate cash-requirement information to local retail businesses. The estimated cost of \$360,000 includes funding for a nine-month term-limited temporary employee, a grant program for community-based organizations to assist in disseminating information about the Ordinance, consultation with the Prosecuting Attorney’s Office to interpret the Ordinance, focus groups to identify questions, and materials translation and production. Ongoing annual estimated expenses of \$10,000 would cover updating and translating the frequently asked questions (FAQ) document and website information as questions arise.

**Targeted Education**

This level of implementation would include targeted education sent in the form of a letter and educational materials to businesses that are reported as being out of compliance. In addition to the costs for “building awareness,” “targeted education” includes the cost of adding a full-time Administrator I to triage and respond to complaints with education materials and to update those materials as more questions and scenarios are identified. The total start-up cost is estimated at \$360,000 with an ongoing annual cost of \$190,000 to fund the Administrator position.

**Enforcement**

An enforcement process could include visiting the retail business to explain the requirements and assess penalties if corrective action was not taken after targeted education. Setting up a new consumer protection unit or office within the Department of Local Services, Permitting Division is estimated to cost \$490,000 with an ongoing annual cost of \$770,000. In addition to all the costs included in “building awareness” and “targeted education,” “enforcement” includes the one-time implementation of a technical solution or system to track and document enforcement actions and penalties, and the ongoing annual cost of adding two full-time code enforcement officers, a per-visit cost, and system maintenance.

The recommended implementation level is “Building Awareness.” This approach aligns with the King County values of “We focus on the customer” and “We are responsible stewards.”<sup>4</sup> The General Fund faces severe constraints; discretionary funding available for non-mandatory services is increasingly limited. This option is the most cost-effective given the General Fund constraints. The additional options of adding focused complaint-driven education and enforcement would require additional funding.

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<sup>4</sup> Link to [True North and Values - King County, Washington](#)

## IV. Background

### Department Overview – Department of Local Services:

King County is the local service provider for the estimated 250,000 people who live in the unincorporated areas of King County.<sup>5</sup> The Department of Local Services (DLS), created in 2018 by Ordinance 18791, is dedicated to improving local services for unincorporated areas by strengthening coordination and collaboration between County agencies, communities, and other entities.<sup>6</sup> The mission of DLS is to promote the well-being of residents and communities in UKC by seeking to understand their needs and delivering responsive local government services.<sup>7</sup>

DLS has two divisions:

- The Permitting Division (Permitting) provides infrastructure and land use planning services; land use, building, and fire regulatory and operating permits; code enforcement; and a limited number of business licenses in unincorporated areas of the county.
  - The Permitting Code Enforcement Section investigates complaints regarding violations of the King County Code related to zoning, building, property maintenance, shorelines, and critical areas.
- The Roads Services Division (Roads) is responsible for all County-owned roads, bridges, and related infrastructure in the unincorporated areas of the County.

### Key Historical Context

In the United States, the business and consumer trend has been to increasingly use credit cards, debit cards, and Internet-based mobile applications to complete financial transactions rather than cash. This trend continued through the COVID-19 pandemic.<sup>8</sup> This move towards cashless purchasing is not evenly distributed throughout the population, varying when income and race are taken into consideration. According to a 2022 survey by the Pew Research Center, 59 percent of American consumers with an annual income at or above \$100,000 per year indicated they did not use cash; this was compared to only 24 percent of consumers who have an annual income under \$30,000 per year. There are racial disparities as well; 26 percent of Black and 21 percent of Hispanic adults stated that they used cash for almost all purchases, compared with 12 percent of White adults.<sup>9</sup> A person may also be using cash for purchases based on personal choice or due to a lack of access to credit and banking services.

Advocacy organization Bank On Washington estimates that three percent of Washington state residents are unbanked, meaning that they do not use or have access to traditional financial services such as bank accounts, credit cards, or personal checks. More than 17 percent of Washington residents are underbanked, meaning that they may have a bank account but rely on other services like money orders, check-cashing services, or payday loans.<sup>10</sup> If these statewide averages are applied to UKC, 7,400 unincorporated residents could potentially be unbanked and 42,000 could potentially be underbanked.

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<sup>5</sup> Link to [Demographics - King County, Washington](#), accessed on July 30, 2024.

<sup>6</sup> Link to [Ordinance 18791, p. 25](#), accessed on July 30, 2024.

<sup>7</sup> Link to [2023-2024 Budget Book](#), accessed on Oct. 10, 2024

<sup>8</sup> Link to [Share of Americans who go 'cashless' in typical week continues to grow | Pew Research Center](#), accessed on August 5, 2024.

<sup>9</sup> Link to [Share of Americans who go 'cashless' in typical week continues to grow | Pew Research Center](#), accessed on August 5, 2024.

<sup>10</sup> Link to [bankonwashington](#), accessed on August 5, 2024.

### **Key Current Conditions**

On June 27, 2023, the Metropolitan King County Council enacted Ordinance 19639, establishing King County Code which requires retail establishments in UKC to accept payment in cash.<sup>11</sup> King County Code (KCC) 12.26 prohibits retail establishments selling food and consumer goods in UKC from refusing to accept cash for transactions less than \$200.<sup>12</sup>

### **Report Methodology**

This report was developed by DLS between May and October 2024.

Information from the following jurisdictions is reflected in the document:

- City of New York, NY;
- City and County of San Francisco, CA;
- City of Philadelphia, PA;
- Washington, D.C., and
- State of Massachusetts.

These jurisdictions were selected because they have implemented similar or related retail cash requirement laws. These five jurisdictions vary in size and number of businesses. They also have varying consumer and worker protection laws.

To obtain information from these jurisdictions, each representative was given a set of standard questions to respond to and return to DLS. A qualitative analysis was then conducted by DLS staff synthesizing the interview results to understand lessons learned. The data, information, and experiences provided by these jurisdictions helped guide the development of implementation and enforcement recommendations within this report.

## **V. Report Requirements**

### **A. Analyze Implementation and Enforcement Mechanisms**

This section consists of a review of information from the jurisdictions are currently implementing laws that require retail businesses to accept cash. This review includes the results of virtual interviews and email responses from representatives of the programs that implement these laws in each jurisdiction.

#### **1. Review of Jurisdictions Implementing Similar Ordinances**

King County's Ordinance 19639 implemented KCC standards such as those adopted by other local and state governments in the United States. The laws implemented by each jurisdiction are listed in Table 2 and are described below.

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<sup>11</sup> Link to [Ordinance 19639](#), accessed on August 5, 2024.

<sup>12</sup> [King County Code 12.26](#)

Table 1: Retailer Cash Requirement Laws and Enforcement Agency by Jurisdiction

Jurisdiction	Retailer Cash Requirement Law	Year Enacted	Enforcing Agency
New York	Local Law 34 of 2020	2020	Department of Consumer and Worker Protection
San Francisco	Article 55 of the San Francisco Police Code	2019	County Agricultural Commissioner-Sealer of Weights and Measures
Philadelphia	Law 9-1132	2019	Philadelphia Commission on Human Relations
Washington, D.C.	Law 23-187 of 2020	2020	Office of Enforcement in the Department of Licensing and Consumer Protection
Massachusetts	General Law Part III, Title IV, Chapter 255D, Section 10A	1978	Consumer Protection Division of the Attorney General's Office

### City of New York, NY

In early 2020, the City Council of New York City adopted Local Law 34 of 2020, requiring businesses such as food stores and retail establishments to accept cash or to provide a device on the business premises to convert cash into a cashless form of payment.<sup>13</sup> This law does not apply to phone, mail, or Internet transactions. This law does not apply to foreign currencies or payments made with bill denominations greater than \$20. The law prohibits retailers from charging a higher price to a customer paying cash. The department enforcing this law is the Department of Consumer and Worker Protection (NYC DCWP), which supports businesses and consumers through equitable enforcement of multiple consumer protection and worker protection laws.<sup>14</sup>

### City and County of San Francisco, CA

In 2019, the San Francisco Board of Supervisors approved Article 55 of the San Francisco Police Code, which requires the acceptance of cash by any “brick and mortar business,” meaning any business operating at fixed permanent physical premises if the customer is physically present in the place of business. Internet stores, vehicles, temporary business locations such as pop-ups and food trucks, or professional services are not included in the application of this law.<sup>15</sup> Enforcement of the law is done by the County Agricultural Commissioner-Sealer of Weights and Measures, within the San Francisco Department of Health.<sup>16</sup>

### City of Philadelphia, PA

In 2019, the City Council of Philadelphia adopted Law 9-1132, a requirement to accept cash that applies to consumer goods or services offered at retail establishments.<sup>17</sup> It applies to retail transactions conducted in person but excludes telephone, mail, or Internet transactions; parking lots and garages; transactions at wholesale clubs or other retail stores that use a membership model and require payment through a membership application; transactions for the rental of goods, services, or accommodations,

<sup>13</sup> Link to [LOCAL LAWS OF THE CITY OF NEW YORK FOR THE YEAR 2020, No. 34](#), accessed on July 30, 2024.

<sup>14</sup> Link to [DCWP - About - Overview \(nyc.gov\)](#), accessed on July 30, 2024.

<sup>15</sup> Link to [ARTICLE 55: ACCEPTANCE OF CASH BY BRICK-AND-MORTAR BUSINESSES \(amlegal.com\)](#), accessed on July 30, 2024.

<sup>16</sup> Link to [Weights and Measures Program \(sfdph.org\)](#), accessed on July 30, 2024.

<sup>17</sup> Link to [§ 9-1132. Cashless Retail Prohibition. \(amlegal.com\)](#), accessed on July 30, 2024.

for which a security deposit is often required; and goods or services provided exclusively to employees. The law requires that U.S. currency be accepted, and that the retailer may not charge a higher price for cash payments. The law is enforced by the Philadelphia Commission on Human Relations (Philadelphia CHR).<sup>18</sup>

### **Washington, District of Columbia**

In 2020, the Council of the District of Columbia adopted Law 23-187, the Cashless Retailers Prohibition Act of 2020, which applies to any retailer holding a basic business license engaged in retail sales.<sup>19</sup> The law does not apply during a declared public health emergency; to sales made by mail, phone, or Internet; at parking facilities that did not accept cash as of December 1, 2020; or at establishments that provide a device on premises that converts cash into a prepaid card. Implementation of this law falls under the Office of Enforcement in the Department of Licensing and Consumer Protection (DC DLCP).<sup>20</sup> Washington, D.C. has temporarily ceased to enforce this law.

### **Commonwealth of Massachusetts**

The Commonwealth of Massachusetts has the oldest cash requirement law of the jurisdictions contacted. Enacted in 1978, General Law Part III, Title IV, Chapter 255D, Section 10A applies to most retailers with a physical store.<sup>21</sup> The law is implemented by the Consumer Protection Division of the Attorney General's Office.<sup>22</sup> The Division Chief of the Consumer Protection Division of the Massachusetts Attorney General's Office declined to discuss the law and its implementation in any detail due to pending litigation.

### **Interview Results**

All five of the abovementioned jurisdictions were contacted for interviews. The interviewees were presented with a standard set of questions to yield comparable results. The responses ranged from brief emails providing links to web pages, to an hour-long free-flowing conversation with an appointed commissioner. The questions posed were:

- *What is the process of addressing Ordinance violations?*
- *How many staff are dedicated to enforcing this Ordinance? What other standards are they enforcing?*
- *What do you estimate is the additional cost of enforcing this Ordinance? (A rough estimate or range is acceptable and will be noted as such in King County's report.)*
- *Has enforcing this Ordinance helped guarantee the acceptance of cash in transactions throughout your jurisdiction?*
- *Were there any unanticipated issues with implementing a cash requirement Ordinance?*

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<sup>18</sup> Link to [Philadelphia Commission on Human Relations | Homepage | City of Philadelphia](#), accessed on July 30, 2024.

<sup>19</sup> Link to [D.C. Law 23-187. Cashless Retailers Prohibition Amendment Act of 2020. | D.C. Law Library \(dccouncil.gov\)](#), accessed on July 30, 2024.

<sup>20</sup> Link to [dlcp \(dc.gov\)](#)

<sup>21</sup> Link to [General Law - Part III, Title IV, Chapter 255D, Section 10A \(malegislature.gov\)](#), accessed on August 12, 2024.

<sup>22</sup> Microsoft Teams interview with Yael Shavit, Division Chief, Attorney General's Office, Commonwealth of Massachusetts, conducted on August 9, 2024.

- *Is there anything you would add as worthy information for a fellow jurisdiction that will be implementing and enforcing a new cashless Ordinance soon?*

The section below summarizes the interview results from the four responding jurisdictions, organized by question. As mentioned above, the Commonwealth of Massachusetts declined to participate.

**What is the process of addressing Ordinance violations?**

Most of the jurisdictions interviewed do not have the resources to proactively look for violations. This means the process is complaint-based as shown in Table 2 below.

*Table 2: Summary of Enforcement Processes and Penalties*

Jurisdiction	Enforcement Process	Penalties
New York City	Complaint-based, private right of action	First violation: \$1,000 Second and subsequent violations: \$1,500
San Francisco	Complaint-based, warning letters then fines	First violation: \$50 to \$100 Second violation within 12 months: \$100 to \$200 Third violation within 12 months: \$500 to \$1,000
Philadelphia	Complaint-based	First violation: \$0 Second violation: not more than \$2,000
Washington, D.C.	Complaint-based	Undecided at the time of the interview

In New York City, the DCWP utilizes an education-first approach with businesses. Its enforcement focuses on businesses that have received complaints and/or prior violations for any number of consumer concerns. Enforcement is done through complaint-based enforcement, through which consumer complaints can be filed online, by mail, or by fax.<sup>23</sup> In response, NYC DCWP investigates and then imposes penalties, as shown in Table 2, where violations have been verified.

In San Francisco, the Agricultural Commissioner/Sealer of Weights and Measures receives a complaint and then provides a notice of violation to the business through a letter.<sup>24</sup> If after 30 days the business is still violating the cash acceptance requirement law when an officer visits the business, the officer sends a second violation letter. After the second violation, the Commissioner involves the City attorney because it does not currently have the authority to assess fines.

In the Philadelphia model, potential violations are received through complaints from consumers.<sup>25</sup> If an individual is denied the ability to purchase with cash, they can file a complaint with the Philadelphia CHR.<sup>26</sup> The Philadelphia CHR allows the violating business to correct its error; the business must then

<sup>23</sup> Link to [DCWP - Consumers - File Complaint \(nyc.gov\)](https://www.nyc.gov/dcwp/consumers-file-complaint), accessed on July 30, 2024.

<sup>24</sup> Phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>25</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

<sup>26</sup> Link to [Philadelphia Commission on Human Relations | Homepage | City of Philadelphia](https://www.phila.gov/philadelphia-commission-on-human-relations/), accessed on July 30, 2024.



inform the Philadelphia CHR when it has added the ability to accept cash. If another complaint is filed, violations can lead to fines of not more than \$2,000, or imprisonment for not more than 90 days.<sup>27</sup>

In Washington, D.C., when a cash acceptance complaint is received, it is triaged and assigned to an investigator.<sup>28</sup> The investigator visits the location where the complaint originated and attempts to buy something using cash, documenting everything that occurs during the visit. If the store does not accept cash but refers the investigator to an alternative like a reverse ATM, which turns cash into a card that can be used to purchase the item, that is acceptable. If a store does not accept cash and does not have an alternative for accepting cash, the investigator explains the law to the manager and/or owner of the business. Washington, D.C. is currently using an education-only model through the end of 2024. Starting in January 2025 there will be a mechanism for issuing civil infractions, with an option for the violating business to contest the infraction through a hearing process.

**How many staff are dedicated to enforcing this Ordinance? What other standards are they enforcing?**

None of the jurisdictions interviewed have staff solely dedicated to implementing and enforcing their cash requirement laws, but most have a team of labor and/or consumer protection law enforcement officers who address such laws in addition to a suite of other existing laws, as shown in Table 3. Response data does not suggest a correlation between the number of laws and staff nor the number of staff and population.

*Table 3: Number of Laws, Staff, and Population per Jurisdiction*

Jurisdiction	Number of Consumer and Worker Protection Laws	Staff Dedicated to Implementing Consumer and Worker Protection Laws	Population <sup>29</sup>
New York <sup>30</sup>	20	33	8,804,190
San Francisco <sup>31</sup>	3	13	873,965
Philadelphia <sup>32</sup>	11	7	1,603,797
Washington, D.C. <sup>33</sup>	16	33	689,545

For the NYC DCWP, enforcement is conducted by the 33 enforcement staff dedicated to general enforcement operations across the five boroughs, along with assistance from some of the attorneys in

<sup>27</sup> Link to [§ 9-1121. Penalties. \(amlegal.com\)](#), accessed on July 30, 2024.

<sup>28</sup> Phone interview with Anisah Crosby, Acting Chief of Compliance & Christopher Johnson, Consumer Protection Program Manager, Office of Enforcement, Department of Licensing and Consumer Protection, City of Washington, D.C., conducted on July 2, 2024.

<sup>29</sup> Link to [2020 Census](#). The population for UKC was calculated from 2020 Census data. Link to [Demographics - King County, Washington](#).

<sup>30</sup> Number of laws and dedicated staff was obtained by an email from Karlene Jung, City of New York Department of Consumer and Worker Protection, received on July 18, 2024.

<sup>31</sup> All data except population was obtained during a phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>32</sup> Worker and law data was obtained during a phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

<sup>33</sup> All data except population was obtained during a phone interview with Anisah Crosby, Acting Chief of Compliance & Christopher Johnson, Consumer Protection Program Manager, Office of Enforcement, Department of Licensing and Consumer Protection, City of Washington, D.C., conducted on July 2, 2024.

the General Counsel division.<sup>34</sup> Enforcement officers have an inspection checklist they use when visiting brick-and-mortar businesses, which covers 20 separate consumer protection laws, including laws that cover price listing, pricing of goods, signs, receipts, price accuracy, layaway plans, and expired over-the-counter medication.<sup>35</sup> These laws are in addition to their prohibition of cashless establishments.

In San Francisco, the Agricultural Commissioner/Sealer of Weights and Measures has a program that tests and approves cash registers and scales, as well as other measurement tools.<sup>36</sup> Because the program inspectors are already visiting businesses to test and approve equipment, the San Francisco Board of Directors assigned the implementation of its cash acceptance requirement law to this team, which consists of eight inspectors and five supervisors.

The Philadelphia CHR has no staff dedicated to enforcing its cash acceptance law but currently has five investigators and two supervisors enforcing 11 human relations laws.<sup>37</sup> The Philadelphia CHR recommends that if King County anticipates receiving many complaints, funding and dedicating staff for enforcement would be beneficial.

The D.C. DLCP enforces 16 consumer and worker protection laws, including laws that pertain to auto repair services, unlicensed businesses and businesses that operate outside of their licensed scope, cashless retailers, certificate of occupancy, electronic smoking devices, flavored tobacco sales, gas-powered leaf blowers, home improvement services and warranty claims, COVID-19, motor vehicle sales, occupational and professional licensing, rental property, tow trucks, trash noise, unfair and deceptive trade practices, and vending.<sup>38</sup> The DC DLCP has 33 employees: 27 investigators, four program managers who manage the investigation team, and two administrative employees who triage cases.<sup>39</sup> There is a separate team that processes and serves notices of infractions.

***What do you estimate is the additional cost of enforcing this Ordinance? (A rough estimate or range is acceptable and will be noted as such in King County's report.)***

Most jurisdictions that implement and enforce cash acceptance requirement laws also implement other laws relating to consumer protection, making it difficult for the jurisdictions interviewed to estimate the cost of implementing cash acceptance laws alone. For example, NYC DCWP inspectors cover a total of 20 consumer protection laws when visiting brick-and-mortar stores.<sup>40</sup> This is also the case with Philadelphia and San Francisco.<sup>41</sup>

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<sup>34</sup> Email from Karlene Jung, City of New York Department of Consumer and Worker Protection, received on July 18, 2024.

<sup>35</sup> Link to [DCWP - Consumers - File Complaint \(nyc.gov\)](https://dcwp.consumers-file.complaint.nyc.gov), accessed on July 30, 2024.

<sup>36</sup> Phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>37</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

<sup>38</sup> Link to [Consumer Protection Complaint Request \(kustomer.help\)](https://kustomer.help), accessed on July 30, 2024

<sup>39</sup> Phone interview with Anisah Crosby, Acting Chief of Compliance & Christopher Johnson, Consumer Protection Program Manager, Office of Enforcement, Department of Licensing and Consumer Protection, City of Washington, D.C., conducted on July 2, 2024.

<sup>40</sup> Email from Karlene Jung, City of New York Department of Consumer and Worker Protection, received on July 18, 2024.

<sup>41</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

In November 2020, Washington, D.C. published a fiscal impact statement on the Cashless Retailers Prohibition Act of 2020, by the Washington, D.C. Office of the Chief Financial Officer.<sup>42</sup> The statement assigned the cost of \$171,000 in fiscal year 2021 and \$685,000 over the four-year financial plan (2021 through 2025). This cost assumed 720 shops would be visited per year, at \$42 per visit. Enforcement of the law ceased on March 11, 2024, due to an increase in robberies of businesses, but is expected to continue again in 2025 potentially with new administrative rules aimed to support businesses.<sup>43</sup>

***Has enforcing this Ordinance helped guarantee the acceptance of cash in transactions throughout your jurisdiction?***

In general, the jurisdictions interviewed indicated that their cash acceptance laws have helped guarantee the ability to use cash in transactions, but none has supporting data. For Philadelphia CHR, staff concluded that the law has generally helped guarantee the acceptance of cash as they no longer receive many complaints, but some outlier cases contradict this conclusion.<sup>44</sup> For example, one business refuses to accept cash despite repeated warnings and enforcement actions. Most businesses are aware of and in compliance with the law in Philadelphia. Initially, there was pushback, specifically from business establishments like fitness centers. This group of businesses successfully advocated to amend the law and no longer needed to comply.

In San Francisco, officers find that often when businesses do not accept cash, they are simply not aware of the cash acceptance requirement law.<sup>45</sup> According to the San Francisco Agricultural Commissioner/Sealer of Weights and Measures, most new businesses in San Francisco do not want to handle cash because it is uncommon and comes with added risks and costs in terms of safety, such as registers, safes, and services from armored vehicles. However, staff indicated that overall San Francisco's cash acceptance requirement law has helped with cash acceptance, but implementation has not been comprehensive.

Washington, D.C. does not have any concrete data, but the staff's impression was that cashless businesses were amenable to compliance.<sup>46</sup> Some businesses obtained cash registers, safes, and other means for accepting cash. Overall, they concluded that there was a positive effect on businesses and people who want to use cash. To date, the primary implementation of the law has solely been education.

***Were there any unanticipated issues with implementing a cash requirement Ordinance?***

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<sup>42</sup> Link to [FISCAL IMPACT STATEMENT \(dcccouncil.gov\)](https://dcccouncil.gov), accessed on July 30, 2024.

<sup>43</sup> Phone interview with Anisah Crosby, Acting Chief of Compliance & Christopher Johnson, Consumer Protection Program Manager, Office of Enforcement, Department of Licensing and Consumer Protection, City of Washington, D.C., conducted on July 2, 2024.

<sup>44</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

<sup>45</sup> Phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>46</sup> Phone interview with Anisah Crosby, Acting Chief of Compliance & Christopher Johnson, Consumer Protection Program Manager, Office of Enforcement, Department of Licensing and Consumer Protection, City of Washington, D.C., conducted on July 2, 2024.

Some unanticipated issues were mentioned by the jurisdictions interviewed. Philadelphia's cash acceptance law was adopted quickly, and from this experience, Philadelphia CHR recommended determining enforcement mechanisms before complaints begin to arrive.<sup>47</sup>

One issue with the cash acceptance requirement law in Philadelphia and San Francisco is that both jurisdictions have a small group of community members who file most of the complaints.<sup>48, 49</sup> Twenty percent of all the complaints in San Francisco have come from one individual.

The officers within the City and County of San Francisco Agricultural Commissioner/Sealer of Weights and Measures Program do not have citation authority, unlike a police officer in parking enforcement who has the power to conduct a self-executing court judgment in the form of a parking ticket.<sup>50</sup> An officer can visit a business after receiving a complaint but cannot issue a citation. This lack of authority was not considered when the legislation was developed. The City and County have thus determined that a new position, such as a transaction inspector, should be created on this team.

There were unanticipated issues reported for some businesses in San Francisco. For example, there are complexities with implementation in such venues as stadiums, concert halls, and ballparks that have gone cashless because entities such as Major League Baseball decided to no longer accept cash.<sup>51</sup> Businesses without stationary locations, such as temporary events like fairs and festivals, as well as door-to-door salespeople, have also presented challenges for the enforcement of San Francisco's cash acceptance requirement law. In these cases, the lack of location created difficulties with enforcement. Additionally, there are chain stores in San Francisco that do not accept cash as a business model, where the Commissioner worked with the company to change their protocols to accept cash. Washington, D.C. had a similar issue where a system is being figured out to address those who patronize with only cash.<sup>52</sup>

Other companies have chosen to remain non-compliant. One business in San Francisco decided to become non-compliant with the cash acceptance requirement law because its bank had merged with another bank and no longer provided free courier service for cash. A well-documented example of noncompliance with a cashless ban law in New York City and an ice cream franchise, where a legal settlement was needed to obtain compliance (more details on this settlement are in the following section).<sup>53</sup>

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<sup>47</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

<sup>48</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

<sup>49</sup> Phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>50</sup> Phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>51</sup> Phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>52</sup> Phone interview with Anisah Crosby, Acting Chief of Compliance & Christopher Johnson, Consumer Protection Program Manager, Office of Enforcement, Department of Licensing and Consumer Protection, City of Washington, D.C., conducted on July 2, 2024.

<sup>53</sup> Link to [Consent Order - Van Leeuwen Icecream \(nyc.gov\)](#), accessed on July 31, 2024.

A major unanticipated issue noted in Washington, D.C. was a notable increase in robberies after their cash acceptance requirement law was enacted.<sup>54</sup> For this reason, enforcement of the law ceased on March 11, 2024, but it will continue again in 2025. In the meantime, Washington, D.C. is exploring ways to reduce this risk. The nexus of cash acceptance requirement laws and increased robberies was mentioned by other local governments but under varying contexts. In Philadelphia, there was no demonstrable link between the law's adoption and increased crime, although crime was cited as a reason to not accept cash by businesses that did not want to comply.<sup>55</sup> In San Francisco, there was one business that got robbed three times after the cash acceptance requirement law was adopted, but it is unclear whether the law led to these crimes or if there was an increase in robberies overall.

***Is there anything you would add as worthy information for a fellow jurisdiction that will be implementing and enforcing a new cashless ordinance soon?***

There were a variety of considerations and ideas mentioned by the jurisdictions interviewed when asked this final question.

- Washington, D.C.:
  - Be aware of potential links between cash acceptance requirements and safety.
- Philadelphia:
  - Develop a compelling problem statement, backed by location-specific data.
- New York:
  - Consider the size and scale of violating businesses when enforcing the ordinance.
  - Consider penalties of different sizes for different-sized businesses.
- San Francisco:
  - Focus efforts on new businesses and let them know the requirements when they open.
  - Because most businesses have annual fire inspections, fire departments could be asked to check for cash acceptance, since staff will be visiting these businesses routinely anyway.
  - Consider how fees would be collected if violations occur.
  - Explore ways for unbanked community members to get cash cards.

Philadelphia CHR mentioned the need to have data that demonstrates why a cash acceptance requirement law is important for a jurisdiction.<sup>56</sup> It advised that a compelling problem statement, backed by location-specific data, needs to be articulated by those who would benefit from such laws because, in their staff's experience, most of the businesses that don't accept cash are places unbanked community members rarely visit. In Philadelphia, the two main violators of its cash acceptance law are an expensive salad franchise and a high-end coffee shop franchise.

Staff from the DC DLCP found that the size and scale of the business should be considered during enforcement investigations. They found many businesses are under the same ownership and the same payment model or are part of a franchise, so staff try to conduct due diligence on such connections

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<sup>54</sup> Phone interview with Anisah Crosby, Acting Chief of Compliance & Christopher Johnson, Consumer Protection Program Manager, Office of Enforcement, Department of Licensing and Consumer Protection, City of Washington, D.C., conducted on July 2, 2024.

<sup>55</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

<sup>56</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

before exploring violations. By being more comprehensive in their investigation, they hope to lessen redundancy.<sup>57</sup> They also mentioned considering enforcement penalties relative to the scale of the businesses; small stores generally comply because of the cost of a violation, whereas bigger retailers easily ignore violations because the fine is relatively insignificant to them. The issue is being explored further by DC DLCP.

NYC DCWP experienced an extreme example of noncompliance by a large-scale business. NYC DCWP and Van Leeuwen Ice Cream entered a settlement agreement in 2022 after Van Leeuwen repeatedly refused to comply with the City's cashless ban, adopted in November 2020.<sup>58</sup> Van Leeuwen has 19 locations in New York City.<sup>59</sup> In response to dozens of consumer complaints, NYC DCWP brought more than 90 violations against Van Leeuwen for violating the cashless ban law. NYC DCWP was preparing to pursue a court order to force the ice cream company to comply, which prompted Van Leeuwen to finally pay \$33,000 in outstanding civil penalties and comply with the cashless ban law at all New York City locations.

## 2. Lessons Learned from Other Jurisdictions' Implementation and Enforcement of Similar Laws

Lessons that consistently came up during jurisdiction interviews included the following:

- All jurisdictions have existing staff and programming that address some form of consumer protection.
- No jurisdictions have staff solely dedicated to implementing and enforcing cash acceptance requirement laws but have added this law to the suite of laws their office/department already implements.
- No jurisdictions are proactively looking for violations.
- All jurisdictions feel increased resources are needed to implement new consumer protection laws when they are enacted.
- Unless field officers have the authority to impose fines, applying monetary penalties is complicated or not possible.
- In general, the jurisdictions indicated that cash acceptance requirement laws have helped guarantee cash acceptance, though no data is currently available to showcase such successes.

All the jurisdictions interviewed have existing programs involving field officers dedicated to enforcing suites of consumer protection laws; however, no jurisdiction is proactively looking for violations. These programs are complaint-based, meaning a consumer filing a complaint initiates a field visit by jurisdiction staff. Common resources include the following:

- A system through which consumers can file a complaint.
- Administrative staff dedicated to reviewing and triaging complaints.
- Field staff dedicated to visiting potentially violating businesses.
- A set procedure or checklist for examining potential violations while at businesses.
- Management staff to oversee the program.

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<sup>57</sup> Phone interview with Anisah Crosby, Acting Chief of Compliance & Christopher Johnson, Consumer Protection Program Manager, Office of Enforcement, Department of Licensing and Consumer Protection, City of Washington, D.C., conducted on July 2, 2024.

<sup>58</sup> Link to [Consent Order - Van Leeuwen Icecream \(nyc.gov\)](#), accessed on July 31, 2024.

<sup>59</sup> Link to [DCWP Settles With Van Leeuwen Ice Cream as Company Agrees To Comply With the Cashless Ban Law | City of New York \(nyc.gov\)](#), accessed on July 31, 2024.

Some jurisdictions noted equity concerns with having a complaint-based system because they have experienced large numbers of complaints coming from a small group of people who were not those intended to benefit from the laws. For example, San Francisco noted that 20 percent of their complaints come from one person, and the person has the means to purchase goods and services regardless of retail cash acceptance requirements.<sup>60</sup>

The mechanism by which the interviewed jurisdictions apply fines varies, with some having set systems with procedural and financial elements. Some jurisdictions often start with a warning and then apply escalating monetary fines for every subsequent violation. Others are either not set up for fining businesses and are in the process of creating procedures, need to involve an attorney's office to implement fines, or have yet to create and implement a system to penalize violators. Unless a system is already in place to fine businesses for violations of various consumer protection law infractions, creating one requires additional technology and staffing.

Interviewed jurisdictions were unable to identify the cost of implementing and enforcing their cash acceptance requirement laws in terms of technology, staffing, and communications because they also implement other consumer protection laws under the same program with field officers investigating multiple potential violations in a single visit. Washington, D.C. does have a fiscal impact statement from 2020, which estimates the cost of their cash acceptance law and is detailed in Table 4.

In general, the interviewed jurisdictions indicated that cash acceptance laws have helped guarantee cash transactions, although there are outliers. The outliers are mostly franchise businesses with existing payment models that accept only non-cash payments. Some exceptions to cash acceptance law compliance include experience- or service-based businesses such as stadiums, concert halls, and gyms, and areas where robberies are common.

### 3. Analysis of Implementation

The findings outlined in this subsection reflect feedback from other jurisdictions' experience. This section explores:

- Actions that led to effective implementation
- Mechanisms that were successful in obtaining compliance from businesses
- Unintended consequences
- Approximate costs of implementing and enforcing such laws

An effective approach to implementing a cash acceptance requirement law is to start with education and warnings to violating businesses, subsequently issuing violations to businesses that remain non-compliant. Both New York and Washington, D.C. found this education-first approach effective for achieving compliance.<sup>61,62</sup> Staff from these jurisdictions observed that education of the business community is largely effective as a mechanism to obtain business compliance, though some businesses

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<sup>60</sup> Phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>61</sup> Email from Karlene Jung, City of New York Department of Consumer and Worker Protection, received on July 18, 2024.

<sup>62</sup> Phone interview with Anisah Crosby, Acting Chief of Compliance & Christopher Johnson, Consumer Protection Program Manager, Office of Enforcement, Department of Licensing and Consumer Protection, City of Washington D.C., conducted on July 2, 2024.

need penalties or legal action to comply.<sup>63</sup> As noted above, proactively searching for violators is not common among jurisdictions with similar statutes. Analysis for this report finds that addressing complaints uses fewer resources to administer as staff work only with businesses that have been reported to the agency.

If issuing violations is part of the enforcement strategy, experience in San Francisco shows that giving field officers the authority to do so is considered the simplest approach.<sup>64</sup> For most businesses in noncompliance with cash acceptance requirement laws, in particular the smaller businesses, fines worked to encourage and achieve compliance.<sup>65</sup> However, for larger businesses, where fines could be more easily absorbed, more enforcement work was necessary.<sup>66</sup> Some businesses needed to work with the jurisdictions to develop systems for cash-only customers, as was the case in San Francisco.<sup>67</sup> In the most extreme case, litigation was needed to gain compliance.<sup>68</sup>

Some unintended consequences of implementing cash acceptance requirement laws as conveyed by the jurisdictions interviewed include:

- A small group of community members reporting most violations. Often these community members were not the intended beneficiaries of the law, meaning enforcement resources might not reach the businesses serving the intended beneficiaries of the law.
- The complexity of bringing businesses and venues that are associated with larger organizations, or which have no fixed location, into compliance.
- The inability to issue citations due to the lack of authority.
- The need to create new processes and tools to accept cash in new businesses and franchises whose business models are cashless.
- Increased crime.

It was not possible for the jurisdictions interviewed to provide a cost analysis of solely implementing their respective cash acceptance requirement laws, since implementation and enforcement of such laws are intertwined with the business processes of implementing other consumer protection laws. A basic qualitative summary of the cost of implementation is that the more resources available, the higher business compliance will be.

One available data point, specific to the implementation of a cash acceptance requirement law, is the table below from a fiscal impact statement created by Washington, D.C. in 2020.<sup>69</sup>

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<sup>63</sup> Link to [Consent Order - Van Leeuwen Icecream \(nyc.gov\)](#), accessed on July 31, 2024.

<sup>64</sup> Phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>65</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

<sup>66</sup> Phone interview with Pamela Gwaltney, Deputy Director, Commission on Human Relations, City of Philadelphia, conducted on July 25, 2024.

<sup>67</sup> Phone interview with Cree Morgan, Agricultural Commissioner/Sealer of Weights and Measures, City and County of San Francisco, conducted on June 24, 2024.

<sup>68</sup> Link to [Consent Order - Van Leeuwen Icecream \(nyc.gov\)](#), accessed on July 31, 2024.

<sup>69</sup> Link to [Fiscal Impact Statement \(dccouncil.gov\)](#), accessed on July 30, 2024.



Table 4: Washington, D.C. Cashless Retailers Prohibition Act of 2020, Fiscal Impact Statement Costs

	2021	2022	2023	2024
<b>Enforcement Staff (1 FTE) *</b>	\$140,000	\$141,000	\$141,000	\$142,000
<b>Proactive Investigation Compliance**</b>	\$30,000	\$30,000	\$30,000	\$30,000
<b>Total Cost</b>	<b>\$171,000</b>	<b>\$171,000</b>	<b>\$172,000</b>	<b>\$172,000</b>

\*Assumes Manager Grade 13 midpoint salary and fringe (Washington D.C. labor rates)

\*\*Estimated 720 shops reviewed per year for \$42 per visit.

This is the additional cost to Washington, D.C. of adding one code enforcement officer to implement a new consumer protection law to an already-established Consumer Protection Assistance program.<sup>70</sup>

## B. Implementation and Enforcement Plan Recommending an Enforcement Mechanism and Implementation Measures

Although King County has a Code Enforcement Section in DLS, this agency mainly enforces building and land-use codes, which are fundamentally different from consumer protection laws. Building and land-use code enforcement addresses unpermitted structures or uses and nuisances, such as noise, pollution, and excessive quantities of stored garbage, that are considered to be incompatible with neighboring properties within the land-use zone. Consumer protection laws are oriented more toward the protection of the individual, in this case the individual’s access to goods and services.

Adding consumer protection enforcement would create a new body of work for the Department. This new body of work requires funding, as DLS has no established or funded consumer protection program.

### 1. List of Potential Implementation and Enforcement Mechanisms

Possible mechanisms for implementing and enforcing the KCC statutes of Ordinance 19639 in UKC include building awareness, targeted education after implementation to businesses reported as non-compliant (complaint-based targeted education), and complaint-based enforcement. These elements are outlined below in Table 5.

Table 5: Summary of Potential Implementation and Enforcement Mechanisms

Implementation levels	Building Awareness	Targeted Education	Enforcement
Basic pre-implementation awareness/communications campaign	Yes	Yes	Yes
Community-led awareness/communications campaign (grant program for community-based organizations/chambers of commerce)	Yes	Yes	Yes
Complaint response	None	Complaint-based educational response	Complaint-based enforcement and penalty system

<sup>70</sup> Link to [Consumer Protection Assistance | dlcp](#), accessed on August 2, 2024.

Implementation levels	Building Awareness	Targeted Education	Enforcement
Estimated one-time startup cost (see Appendix) <sup>71</sup>	\$360,000	\$360,000	\$490,000
Estimated ongoing annual cost (see Appendix)	\$10,000	\$180,000	\$770,000

For a detailed cost breakdown, refer to the Appendix.

These levels of implementation build upon each other. Building awareness is foundational for implementation so that retail businesses are aware of the law. Education before enforcement was emphasized in the interviews with jurisdictions as being largely effective in obtaining business compliance.

### Building Awareness

Building awareness through a communications campaign would include informing all businesses in UKC of cash acceptance requirements in the seven most used languages by developing and releasing:

- Answers to frequently asked questions (FAQ)
- A website with information for both UKC retail businesses and customers
- A video emphasizing the need for cash acceptance to support unbanked customers
- Advertising in languages other than English
- Press releases
- Flyers
- Newsletter postings
- Paid social media posts

These materials would also be shared with community-based organizations and chambers of commerce. Small grants would be available to help disseminate cash-requirement information to local retail businesses. The estimated cost includes funding for a nine-month term-limited temporary (TLT) employee to develop educational materials and provide businesses with education on the Ordinance; a grant program for community-based organizations to assist in disseminating information about the law; consultation with the Prosecuting Attorney’s Office to interpret the Ordinance; focus groups to identify questions; and production and translation of materials. Ongoing expenses include updating the FAQ and website information as questions arise.

### Targeted Education

This level of implementation would include targeted education sent in the form of a letter and educational materials to businesses that are reported as out of compliance. In addition to the costs for building awareness, targeted education includes the cost of adding a full-time Administrator I to triage and respond to complaints with education materials and to update those materials as more questions and scenarios are identified.

### Enforcement

Complaint-based enforcement could be implemented after targeted educational materials have been sent out. An enforcement process could include visiting the retail business to explain the requirements and assess penalties if corrective action was not taken. In addition to all the costs included in building awareness and targeted education, enforcement includes the cost of adding two full-time code

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<sup>71</sup> All cost estimates in this report are estimated in 2024 dollars, unless otherwise noted.

enforcement officers, a per-visit cost, and the implementation of a technical solution or system to track and document enforcement actions and penalties.

## 2. Recommended Implementation and Enforcement Plan

Implementing the cash requirement Ordinance by focusing on building awareness of the requirement is the lowest cost, and therefore the recommended, option to support implementation of the Ordinance. Other jurisdictions indicated that educating businesses on the requirement to accept cash in retail establishments was effective at gaining compliance. The General Fund faces severe constraints because of Washington state's one percent annual revenue growth limit for property taxes. Additionally, much of the General Fund goes to services mandated by the State, such as courts, property assessments, public defense, and corrections. Consequently, discretionary funding that can be put toward non-mandatory services is increasingly limited. Building awareness of Ordinance 19639 is possible with some cost, but creating an enforcement program for this Ordinance would require a significant financial investment.

DLS estimates the communications campaign to build awareness to cost \$360,000, which includes \$100,000 in small grants to local chambers of commerce and community-based organizations that support small businesses to help disseminate information. The grants would cover staff, marketing, and materials reproduction costs. Ongoing expenses for this option would be roughly \$10,000 per year to update the FAQ and website with new questions and answers. See the Appendix for a detailed cost breakdown. Building initial awareness of the Ordinance amongst retail businesses is the most important step leading to compliance.

### C. Analysis and Determination of Whether Legislation is Needed to Implement the Recommended Actions

Because education to build awareness is the only element of implementation and enforcement of Ordinance 19639's King County Code statute and the Executive is not recommending additional actions, no legislation is necessary to be provided with this report. Notably, if funding is made available to support enforcement activities beyond awareness, further code changes would be necessary to provide the code enforcement staff with the authority to enforce this law and issue monetary penalties. In addition, an appeal process established, and policies developed through coordination with multiple agencies for such tasks as creating a fund to house the revenues collected from citations.

## VI. Conclusion

Providing education to build awareness is the cost-effective way to implement this Ordinance. Enforcement of this Ordinance would involve the creation of a small consumer protection enforcement program with three staff and a system to track complaints and enforcement actions. The current DLS Code Enforcement Section solely focuses on building, land use, and zoning violations. If King County determines that compliance is not being met after raising awareness about the Ordinance and that an enforcement program would be beneficial, resources to support the development of a consumer protection program would be needed.



## VII. Appendix

### A. Estimated Cost of Implementation and Enforcement Options

All cost estimates in this appendix are estimated in 2024 dollars unless otherwise noted. The estimated totals are rounded up to the nearest \$10,000. Where no dollar amounts are given, the deliverable is considered to have no added expense.

*Table 1: Estimated One-Time and Ongoing Annual Cost of Building Awareness*

<b>Deliverable for Building Awareness</b>	<b>Scope</b>	<b>One-Time Expense</b>	<b>Ongoing Annual Expense</b>
Communications plan and implementation management	Develop a communications plan and all associated content such as an FAQ document, website text, newsletter text, etc. <ul style="list-style-type: none"> <li>• Manage implementation.</li> <li>• Escalate additional questions to The Prosecuting Attorney’s Office (PAO) as needed.</li> <li>• Run small grant program for chambers of commerce.</li> </ul> Estimated at a nine-month TLT.	\$170,000	
Phone, supplies, mileage, etc.		\$1,000	
Prosecuting Attorney Consultation (PAO)	Code interpretation for FAQs	\$20,000	\$5,000
Translation	Translation of FAQ and other materials into seven top languages. Estimated at 10 pages of text x seven languages x \$150/page	\$10,500	\$1,000
Focus Groups for FAQ Development	<ul style="list-style-type: none"> <li>• Facilitate two focus groups with businesses to identify FAQ.</li> <li>• Develop FAQ responses with PAO.</li> <li>• Layout.</li> <li>• Printing.</li> </ul>	\$2,500	

## Estimated Cost of Implementation and Enforcement Options

Deliverable for Building Awareness	Scope	One-Time Expense	Ongoing Annual Expense
	Estimated at two focus groups x ten participants x two hours x \$50/hour		
Business Support (community partners to spread the word)	Grants for ten or more chambers and community-based organizations to support communication to businesses.	\$100,000	
Postcard/mailer	Send postcards to all UKC businesses, to ensure word is spread to retail businesses. Estimated at \$1/postcard.	\$45,000	
Posters/flyers	Develop and print posters for community gathering spaces and business districts.	\$1,000	
In-language advertising	Paid ads in chosen four primary languages (translation).	\$5,000	
Video	Video production costs.	\$3,000	
Social media and social media advertising	Create and post creative content on multiple platforms.	\$2,000	
Email Announcement	GovDelivery email to all retail businesses provided through a paid vendor service.		
Graphics	Develop branding and graphics.		
Website page for retail business owners	Develop layout, text, and graphics.		
Website page retail business customers	Develop layout, text, and graphics.		
Newsletters	Create content for sharing with multiple newsletters (King County and non-profits, chambers, etc.).		
Press release	Develop and release press releases.		
<b>Estimated total cost</b>		<b>\$360,000</b>	<b>\$10,000</b>

**Appendix**  
**Estimated Cost of Implementation and Enforcement Options**

*Table 2: Estimated One-Time and Ongoing Annual Cost Targeted Education*

<b>Deliverable for Targeted Education</b>	<b>Scope</b>	<b>One-Time Expense</b>	<b>Ongoing Annual Expense</b>
Building awareness		\$360,000	\$10,000
Targeted education	Tracking complaints, sending out educational letters, answering questions (1 FTE Administrator I)		\$170,000
<b>Estimated total cost</b>		<b>\$360,000</b>	<b>\$180,000</b>

*Table 3: Estimated One-Time and Ongoing Annual Cost of Enforcement*

<b>Deliverable for Enforcement</b>	<b>Scope</b>	<b>One-Time Expense</b>	<b>Ongoing Annual Expense</b>
Building awareness and targeted education		\$360,000	\$180,000
Enforcement system	Enforcement system modifications or implementation and integration of a new system with ongoing system maintenance expenses.	\$125,000	\$20,000
Enforce retail cash requirement	Visit locations based on complaints, educate, and assess penalties for repeat violators (2 FTE Enforcement Officers) <sup>72</sup>		\$540,000
500 investigations	\$53.31 per investigation x 500 investigations <sup>73, 74</sup>		\$27,000
<b>Estimated total cost</b>		<b>\$490,000</b>	<b>\$770,000</b>

<sup>72</sup> Wage assumed for both positions as Code Enforcement Officer III, mid-step Range 64, using the Office of Performance, Strategy and Budget’s Benefit Rate Calculator on October 10, 2024.

<sup>73</sup> In Washington, D.C.’s fiscal impact statement, the cost of a single visit was assigned \$42 in 2020. With inflation, this is \$53.31 in 2024. Inflation was calculated using the 12-month percentages between 2020 and 2024 from the [Consumer Price Index, Seattle area — June 2024 : Western Information Office : U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov). The regional price parity of King County and Washington, D.C. are similar.

<sup>74</sup> In Washington, D.C.’s fiscal impact statement an estimation of 720 shops were reviewed per year. Unincorporated King County has approximately 70 percent as many businesses as Washington, D.C., thus a multiplier of 0.7 was applied to the 720 visits used in Washington, D.C.’s fiscal impact statement. That number was then rounded down from 504 to 500.



**King County**

**Metropolitan King County Council  
Local Services and Land Use Committee**

**STAFF REPORT**

<b>Agenda Item:</b>	7	<b>Name:</b>	Jake Tracy
<b>Proposed No.:</b>	2024-0261	<b>Date:</b>	March 19, 2025

**SUBJECT**

Proposed Ordinance (PO) 2024-0261 would authorize the Executive to enter into an interlocal agreement (ILA) with the City of Shoreline to implement a program of using transferrable development rights (TDR credits) from unincorporated King County for development within the City.

**SUMMARY**

PO 2024-0261 would authorize the Executive to enter into an ILA with the City of Shoreline to implement a program of using TDR credits from unincorporated King County for increased development within the City.

The ILA would establish receiving areas within the City of Shoreline for which TDR credits could be used for increased residential density or reductions in structured parking requirements. TDR credits from all eligible sending areas in unincorporated King County could be transferred to the City of Shoreline.

The agreement would commit the City to accepting at least 20 TDR credits, and would stipulate that the City must purchase 185 TDR credits from the County’s TDR Bank before accepting any TDR credits from another source.

The County would be required to provide the City with 25% of the net revenue from sale of each TDR credit for use in providing infrastructure and amenities in the receiving area. The ILA would also suggest that the County provide up to \$1 million in conservation futures tax funding to the City for acquisition of public open space and parks, but only if recommended by the Conservation Futures Advisory Committee and approved by the Council through budget deliberations.

The agreement would be good for 25 years, unless extended by the parties.



## **BACKGROUND**

King County adopted a transfer of development rights program ("the TDR program") in 2001 to transfer residential density from eligible sending sites to eligible receiving sites through a voluntary process that permanently preserves urban, rural, and resource lands that provide a public benefit. The TDR provisions are intended to supplement land use regulations, resource protection efforts, and open space acquisition programs and to encourage increased residential development density or increased commercial square footage, especially inside cities, where it can best be accommodated with the least impacts on the natural environment and public services.<sup>1</sup> Since 2001, the TDR program has protected more than 147,500 acres of rural area and resource lands.

The TDR Program is governed by K.C.C. 21A.37. Eligible sending sites are:

- Designated agricultural production district or forest production district and zoned accordingly;
- Designated in the Comprehensive Plan as rural area, zoned RA, and meeting the state definition of open space or farm and agricultural land;
- Designation as a regional trail or open space site;
- Habitat for endangered or threatened species;
- Designated urban separator or zoned R-1; or
- Zoned R-4 through R-48 and approved for conservation futures tax (CFT) funding.

Eligible receiving sites are:

- Unincorporated urban sites zoned R-4 through R-48;
- RA-2.5-zoned properties;
- Sites in Snoqualmie Pass Rural Town through the inclusionary housing program; and
- Cities.

The County operates a TDR Bank to assist in the implementation of the TDR program by bridging the time gap between willing sellers and buyers of development rights by purchasing and selling development rights, purchasing conservation easements, and facilitating interlocal TDR agreements with cities in King County through the provision of amenity funds. TDR credit sales through the TDR Bank are required to be at or above the fair market value of the TDR credits.<sup>2</sup>

For TDRs sold by the TDR Bank to be used in cities, the County and the City are required to have an executed ILA and the City must have enacted legislation to implement the program for the receiving area.

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<sup>1</sup> K.C.C. 21A.37.010.A.

<sup>2</sup> Except those sold under a TDR for affordable housing program.

K.C.C. 21A.37.140, quoted below, includes the requirements for TDR ILAs.

*“B.1. At a minimum, each interlocal agreement shall:*

- a. describe the legislation that the receiving jurisdiction adopted or will adopt to allow the use of TDR;*
- b. identify the receiving area;*
- c. require the execution of a TDR extinguishment document in conformance with K.C.C. 21A.37.080; and*
- d. address the conversion ratio to be used in the receiving site area.*

*2. If the city is to receive any amenity funds, the interlocal agreement shall establish the amount of funding and the amenities to be provided in accordance with K.C.C. 21A.37.150.I. Such an interlocal agreement may also indicate that a priority should be given by the county to acquiring TDRs from sending sites in specified geographic areas. If a city has a particular interest in the preservation of land in the rural area or a natural resource land, or in the specific conditions on which it will be preserved, then the interlocal agreement may provide for periodic inspection or special terms in the conservation easement to be recorded against the sending site as a preacquisition condition to purchases of TDRs within specified areas by the TDR bank.*

*C. A TDR conversion ratio for development rights purchased from a sending site and transferred to an incorporated receiving site area may express the amount of additional TDRs in terms of any combination of units, floor area, height, or other applicable development standards that may be modified by the city to provide incentives for the purchase of TDRs.”*

King County can provide money for amenities in receiving areas through the TDR program, as referenced above and outlined in an ILA. Amenities may include “the acquisition, design, or construction of: public art, cultural and community facilities, parks, open space, trails, roads, parking, landscaping, sidewalks, other streetscape improvements, transit-related improvements, affordable housing for households whose income is at or below area median income, which, for the purposes of this subsection C., is the median household income for the TDR receiving area as established by the United States Department of Housing and Urban Development, adjusted for household size, or other improvements or programs that facilitate increased densities on or near receiving sites.”<sup>3</sup>

In 2024, The City of Shoreline adopted Ordinance 1009, which adopted a Transfer of Development Rights Program authorizing and prioritizing sending sites from unincorporated King County for use in designated areas within the City.<sup>4</sup>

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<sup>3</sup> K.C.C. 21A.37.150

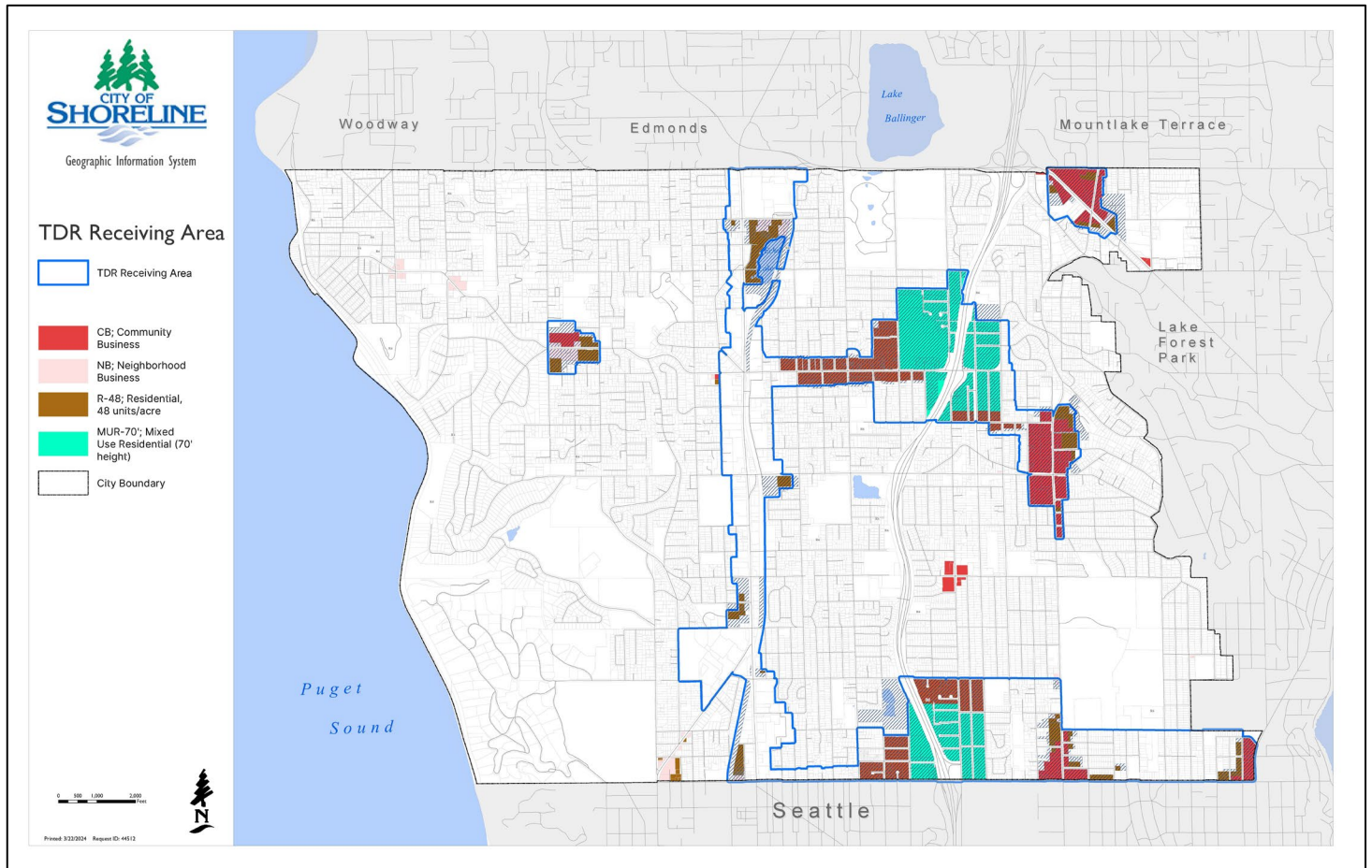
<sup>4</sup> SMC 20.50.800

## ANALYSIS

PO 2024-0261 would authorize the Executive to enter into an ILA with the City of Shoreline to implement a program of using TDR credits from unincorporated King County for increased development within the City. The ILA is Attachment A to the PO and contains the following substantive provisions.

**Receiving Area and Exchange Rates.** Exhibit A to Attachment A shows the eligible receiving areas, as shown in the blue-outlined areas of Figure 1 below.

**Figure 1. Eligible Receiving Areas in the City of Shoreline**



The ILA would establish the following exchange rates for TDR credits, as shown in Exhibit B, which reflects Shoreline Municipal Code 20.50.800

**Table 1. TDR Credit Exchange Rates**

Zone	Baseline Height	Max Height	Bonus	Pierce	King	Sno Co.	Type
R-48	35'	70'	Height	1 credit = 1,100 sqft 1 credit = 2,900 sqft	1 credit = 7,000 sqft 1 credit = 3,100 sqft	1 credit = 2,900 sqft 1 credit = 2,900 sqft	Farm Non-Farm
NB	50'	70'	Height	1 credit = 1,100 sqft 1 credit = 2,900 sqft	1 credit = 7,000 sqft 1 credit = 3,100 sqft	1 credit = 2,900 sqft 1 credit = 2,900 sqft	Farm Non-Farm
CB	60'	70'	Height	1 credit = 1,100 sqft 1 credit = 2,900 sqft	1 credit = 7,000 sqft 1 credit = 3,100 sqft	1 credit = 2,900 sqft 1 credit = 2,900 sqft	Farm Non-Farm
MUR-45'	45'	45'	Parking Reduction	1 credit = .48 spaces 1 credit = .87 spaces	1 credit = 1.75 spaces 1 credit = .92 spaces	1 credit = .87 spaces 1 credit = .87 spaces	Farm Non-Farm
MUR-70'	70'	70'	Parking Reduction	1 credit = .41 spaces 1 credit = .67 spaces	1 credit = 1.25 spaces 1 credit = .7 spaces	1 credit = .67 spaces 1 credit = .67 spaces	Farm Non-Farm
MUR-70'	70'	140'	Height	1 credit = 3,100 sqft 1 credit = 8,200 sqft	1 credit = 19,700 sqft 1 credit = 8,900 sqft	1 credit = 8,200 sqft 1 credit = 8,200 sqft	Farm Non-Farm

**City of Shoreline Responsibilities.** The City would agree to accept at least 20 TDR Credits from King County, to be used for increased building height or reductions in structured parking requirements in the Receiving Area shown in Figure 1, pursuant to the TDR conversion ratios shown in Table 1. The receiving area ratios could be modified by mutual agreement between the City and the County. Note that, while the agreement describes the increased height as “increased density,” and increased height can be used to increase residential density, this is not a given. Increased height could also be used to provide the same number of units at larger sizes, rather than more units.

The City would also agree to purchase at least 185 TDR credits from the TDR Bank and use those credits for the purposes outlined in Table 1 before buying credits from any other sellers.<sup>5</sup>

<sup>5</sup> The ILA says “from any other Sending Area,” but Executive staff have confirmed that the intent is that the credits be purchased from the bank before being purchased from private sellers.

The City would develop a notification and reporting process by which it would notify the County that it has approved the use of TDR credits in a development project, and report each year on the number and location of credits used.

**King County Responsibilities.** The County would be required to facilitate and pursue qualification and certification of sending sites in unincorporated King County and require easements on said properties. It would also be required to operate the TDR Bank and administer sales to developers in receiving areas.

King County would also be required to provide amenity funding, and be encouraged to provide conservation funding, as discussed below.

*Amenity Funding.* As discussed in the background section of this staff report, King County code allows the County to provide funding for various amenities in receiving areas through execution of an ILA. The proposed ILA would require that the County, through the TDR Bank, provide the City with 25% of the net revenue for each TDR credit used in the receiving area, after 15% of gross revenue has been retained for administrative costs. The funding must be provided to the City with 60 days of TDR credit sale. All code-allowed amenity uses (listed in the Background section of this staff report) would be eligible to receive this funding. The County could choose to provide additional amenity funding.

*Conservation Futures Funding.* The agreement would state that, if recommended by the Conservation Futures Advisory Committee and included in enacted appropriations legislation, the County will provide up to \$1 million in conservation futures tax funding to the City for acquisition of public open space and parks to “support a healthy, resilient, and sustainable community” in the Receiving Area. In accordance with K.C.C. 26.12.025, money would need be used for one of the following eligible purposes:

1. Parks, open space, gardens, or gateways;
2. Wildlife habitat;
3. Salmon habitat and aquatic resources;
4. Scenic resources;
5. Historic or cultural resources;
6. Urban passive-use natural area/greenbelt;
7. Park, open space or natural corridor addition; or
8. Passive recreation opportunity in area with unmet needs.

The City would become eligible for this funding 60 calendar days after 20 TDR Credits have been purchased from the Bank, but no sooner than January 15, 2026.

**Other Provisions.** The agreement would be in effect for twenty-five years, unless terminated earlier or renewed. It contains legal language around evaluation and monitoring, indemnification, and other general terms.

## **AMENDMENT**

Amendment 1 would replace Attachment A, the ILA, with a new version of the attachment that makes technical and clarifying changes, including updating the

receiving area map to remove extraneous data, adding hyperlinks, adding the most recent version of code provisions, and making changes to phrasing to match Executive intent.

### **INVITED**

- Nicholas Bratton, Transfer of Development Rights Program Manager, Department of Natural Resources and Parks

### **ATTACHMENTS**

1. Proposed Ordinance 2024-0261 (and its attachment)
2. Amendment 1 (and its attachment)
3. Transmittal Letter
4. Fiscal Note



**KING COUNTY**  
**Signature Report**

ATTACHMENT 1  
1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Ordinance**

**Proposed No.** 2024-0261.1

**Sponsors** Dembowski

1           AN ORDINANCE authorizing the King County executive  
2           to enter into an interlocal agreement with the City of  
3           Shoreline to implement a regional program to transfer  
4           development rights from lands in unincorporated King  
5           County into the city of Shoreline.

6           STATEMENT OF FACTS:

- 7           1. The Washington state Growth Management Act, chapter 36.70A RCW  
8           ("the GMA"), establishes a policy of directing growth and development  
9           into urban areas, protecting rural and resource land, and encouraging the  
10          use of innovative land use tools like transfer of development rights  
11          ("TDR") to accomplish these outcomes.
- 12          2. The GMA encourages the conservation of productive agricultural and  
13          forest lands and the retention of rural open space to conserve fish and  
14          wildlife habitat and enhance recreational opportunities.
- 15          3. The Washington state Legislature affirmed the value of Regional TDR  
16          programs by adopting a framework for a regional TDR marketplace as codified in  
17          chapter 43.362 RCW.
- 18          4. King County adopted a TDR program ("the TDR program") in 2001 to  
19          conserve rural and resource lands by transferring rural development  
20          potential into existing incorporated and unincorporated urban areas. Since

21           2001, the program has protected over 147,700 acres of rural and resource  
22           lands in unincorporated King County.

23           5. King County recognizes the role of TDR in achieving the goals of the  
24           Land Conservation Initiative and supporting the Strategic Climate Action  
25           Plan.

26           6. King County has worked with the city of Shoreline to develop a means  
27           by which TDRs from unincorporated King County lands may be used to  
28           increase density and reduce parking requirements within the city's light  
29           rail station districts and certain business zones to achieve conservation that  
30           is important to the environmental health of the Puget Sound, while  
31           encouraging redevelopment within the Urban Growth Area.

32           7. The city of Shoreline, by Ordinance 1009, amended its municipal code to  
33           create a TDR program and establish receiving sites for King County TDRs; and  
34           by consent agenda item 7(f) on June 24, 2024 the city council -authorized the city  
35           manager to sign an interlocal agreement with King County, attached hereto as  
36           Attachment A to this ordinance, that will provide financial incentives for the city  
37           to accept development rights by funding amenities to support growth.

38           8. K.C.C. 21A.37.140 requires the county to execute an interlocal agreement with  
39           a city before sale and transfer of TDRs from the King County TDR bank into that  
40           city.

41           9. King County and the cities within it are authorized to enter into  
42           interlocal agreements pursuant to chapter RCW 39.34, the Interlocal  
43           Cooperation Act.



44           10. King County and the city of Shoreline desire to enter into an interlocal  
45           agreement to establish a regional program to transfer development rights  
46           from lands in unincorporated King County into the city of Shoreline and to  
47           share revenue, as more fully described in the agreement.

48           BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

49           SECTION 1. The executive is hereby authorized to enter into an interlocal

50 agreement with the city of Shoreline, substantially in the form of Attachment A to this  
51 ordinance.

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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Girmay Zahilay, Chair

ATTEST:

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Melani Pedroza, Clerk of the Council

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

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Dow Constantine, County Executive

**Attachments:** A. Interlocal Agreement For The Implementation of a Regional Program To Transfer Development Rights From Unincorporated King County To The City of Shoreline.

**INTERLOCAL AGREEMENT FOR THE IMPLEMENTATION OF A  
REGIONAL PROGRAM TO TRANSFER DEVELOPMENT RIGHTS FROM  
UNINCORPORATED KING COUNTY TO THE CITY OF SHORELINE**

This Interlocal Agreement for the Implementation of a Regional Program to Transfer Development Rights from Unincorporated King County to the City of Shoreline ("Agreement") is hereby entered into by King County, a home rule charter county and political subdivision of the State of Washington ("County"), and The City of Shoreline, a municipal corporation of the State of Washington ("City"), each a "Party" and collectively the "Parties."

**RECITALS**

- A. The Washington State Growth Management Act ("GMA"), RCW 36.70A, directs development into urban areas and discourages inappropriate conversion of undeveloped rural land into sprawling, low-density development.
- B. The GMA encourages the conservation of productive forest and agricultural lands and the retention of open space so as to enhance fish and wildlife habitat and recreational opportunities.
- C. The GMA requires counties to adopt county-wide planning policies in cooperation with cities within the County.
- D. By Interlocal Agreement, the County and the City adopted and ratified the Countywide Planning Policies for King County.
- E. The Countywide Planning Policies, at Policy DP-64, seek to use transfer of development rights to shift development from rural areas and natural resource lands into urban growth areas and seeks to implement this through a partnership between the County and its cities.
- F. The County's rural and resource areas are recognized by both the City and the County as containing important countywide public benefits such as forestry, agricultural, wildlife habitat, scenic resources, and recreational opportunities.
- G. The City has identified rural and resource lands in King County as preservation priorities.
- H. The County has, in King County Code Chapter 21A.37, adopted a Transfer of Development Rights ("TDR") program, which authorizes incorporated areas to receive development rights transferred from conserved land in unincorporated areas.
- I. By Shoreline Ordinance Nos. 702 and 750, the City adopted the 145<sup>th</sup> and 185<sup>th</sup> Street Station Subarea Plans which encourages the incorporation of a Transfer of

Attachment A

Development Rights system to use market forces to better protect ecological resources and open space with public benefits.

- J. The 145<sup>th</sup> and 185<sup>th</sup> Street Station Subarea Plans call for increased public amenities to improve the pedestrian, bicycle, park, and transit patterns in the Station Areas.
- K. Shoreline's Development Code (SMC Title 20) provides for additional residential density and other incentives, including the use of a Transfer of Development Rights program, to increase residential development capacity and reduce structured parking requirements in certain zones within the City.
- L. With the adoption of Ordinance No. 1009, the City adopted a Transfer of Development Rights program set forth in SMC 20.50.800; the Transfer of Development Rights program authorizes and prioritizes sending sites from unincorporated King County for use in designated areas within the City.
- M. The City and the County share an interest in creating an effective, cooperative Transfer of Development Rights system to achieve the City's goals for redevelopment of the light rail station areas and business districts; the County's goals in the King County Comprehensive Plan; and goals inherent to the Countywide Planning Policies, the King County Land Conservation Initiative, Regional Growth Strategy as set forth in the Puget Sound Regional Council's, Vision 2050, and the GMA.
- N. This shared interest is manifested through this Agreement in which the City agrees to accept additional development to protect land with conservation benefits and the County invests in receiving area public improvements.
- O. The Washington State Legislature affirmed the value of Regional TDR programs in RCW 43.362.
- P. This Agreement will act to encourage other cities in the Puget Sound region to enter into similar TDR agreements with the County.
- Q. The County and the City are authorized, pursuant to RCW 39.34 and Article 11 of the Washington State Constitution, to enter into an interlocal governmental cooperation agreement to accomplish these shared goals.

**AGREEMENT**

NOW THEREFORE, in consideration of the above and the mutual covenants, terms, and conditions contained herein, the Parties agree as follows:

**I. PURPOSE**

The County and the City agree to implement a program ("TDR Program") through

this Agreement to transfer development rights (“TDR Credits”) from unincorporated Sending Areas in the County, per K.C.C. 21A.37.020, into designated areas within the City (“Receiving Area”), as depicted in Exhibit A, according to the provisions described below and pursuant to K.C.C. 21A.37 and SMC 20.50.800. Furthermore, this Agreement seeks to establish a marketplace for TDR Credits in order to protect lands with conservation value in King County, while funding public improvements in the City, using the King County TDR Bank (“Bank”).

**II. RESPONSIBILITIES AND POWERS OF THE CITY OF SHORELINE**

**A. City Ordinances**

The City has adopted ordinances establishing the 145<sup>th</sup> and 185<sup>th</sup> Street Station Subareas and implementing regulations for those Station Areas (Ordinance Nos. 702, 706, and 750), and a Transfer of Development Rights regulations (Ordinance No. 1009), which will facilitate the transactions contemplated in this Agreement. These ordinances provide the following:

1. Amended Title 20 of the Shoreline Municipal Code (“SMC”) to establish development regulations, standards, and design guidelines for development within the 145<sup>th</sup> and 185<sup>th</sup> Street Station Subareas.
2. Amended the SMC to include SMC 20.50.800, which provides for the transfer of development rights from Sending Areas within unincorporated King County.
3. Allowed for certain zoning districts, shown in Exhibit A, to function as Receiving Areas for TDR Credits that originate from the Sending Area under the terms of this Agreement.

**B. TDR Sending Area**

Lands in King County defined in K.C.C. 21A.37.020 are eligible to transfer their development potential into the City in the form of TDR Credits. Referred to as the “Sending Area,” protection of these lands in King County through this Agreement will result in multiple public benefits including, but not limited to, improved food security, climate resilience, flood risk reduction, open space, enhanced water and air quality, and natural resource production. TDR Credits from the Sending Area will be used for increased residential density and reduced structured parking requirements in new construction within the Receiving Area.

**C. TDR Credit Commitment and TDR Receiving Area Incentives**

1. The City agrees to accept at least twenty (20) TDR Credits from the Sending Area that may be used for increased residential density or reductions in structured parking requirements in the Receiving Area pursuant to the TDR conversion ratios established in the Exchange Rates Table codified in SMC 20.50.800.H, and attached as Exhibit B and incorporated herein. Nothing in this

Section II.C.1 shall limit the City from accepting more than twenty (20) TDR Credits to be used within the Receiving Area.

2. The receiving area identified in Exhibit A and conversion ratios identified in Exhibit B may be modified upon mutual agreement between City and County and will be documented through an exchange of letters executed by the City of Shoreline City Manager or designee and King County Department of Natural Resources and Parks Director or designee. Any modifications to the TDR conversion ratios must be subject to the process established in SMC 20.50.800.

**D. King County TDR Bank**

1. The City agrees that the Bank will play an important role in facilitating the City-County TDR Credit market by: (1) buying TDR Credits from willing Sending Area landowners, (2) holding the TDR Credits, and (3) selling the TDR Credits to meet demand in the Receiving Area.
2. The City agrees that at least One Hundred and Eighty Five (185) development rights must be purchased from the Bank and extinguished per Section II.E.2 before any development rights are transferred in any other manner and from any other Sending Area.
3. Nothing herein shall be construed to require the County to deviate from the valuation, purchase, and sale process and procedures required in K.C.C. 21A.37.130, as hereinafter amended, for sales of TDR Credits from the Bank.

**E. Notification Process**

1. The City, in consultation with the County, shall develop a process to notify the County when it has approved the use of TDR Credits in specific development projects in the Receiving Area. For purposes of this Agreement, the City has “approved” the use of TDR Credits upon the earlier occurrence of: (a) issuance by the City’s Planning and Community Development Department of a building permit for a project using TDR Credits; or (b) when the City has entered into a contract or agreement which includes the use of TDR Credits in the Receiving Area.
2. After construction of any Receiving Area project using TDR Credits is complete, but prior to issuing the first certificate of occupancy, whether temporary or permanent, the City shall execute and deliver to the County TDR Credit extinguishment documentation in substantially the form of Exhibit E, attached hereto, or a form acceptable to the County in its reasonable discretion. For the purposes of this Agreement, TDR Credits will be “extinguished” upon acceptance of this documentation by the County.

**F. Reporting**

1. The City shall report to the County within thirty (30) calendar days after the end of each calendar quarter the number of TDR Credits that have been approved by the City for transfer into the Receiving Area and, shall identify the

specific projects to be constructed. In addition, the City shall cooperate with the County in maintaining current public information about TDR Program activity.

2. Consistent with Section VII, the City shall reasonably track and record the public improvements and expenditures described in this Agreement using generally accepted municipal accounting procedures.

### **III. RESPONSIBILITIES AND POWERS OF KING COUNTY**

#### **A. Program Administration**

The County has adopted polices, regulations, and administrative procedures that will support implementation of this Agreement. The County's obligations hereunder shall include:

1. In accordance with K.C.C. 21A.37, as hereafter amended, facilitate and pursue the qualification and certification of properties located in the Sending Area;
2. Establish procedures to facilitate the sale of TDR Credits from private landowners and the Bank for transfer into the Receiving Area; and
3. In accordance with K.C.C. 21A.37, require the recording of a conservation easement or similar encumbrance on properties within the Sending Area as part of the process for the transfer of development rights into the Receiving Area.

#### **B. Operation of the TDR Bank**

1. The County shall identify, appraise, and purchase TDR Credits from Sending Area properties and administer the sale of TDR Credits to Receiving Area developers.
2. The County shall provide the City with amenity funding, in the form of a Revenue Share Amenity Funding and Conservation Investment Amenity Funding, as more fully described in Sections IV and V of this Agreement, for the purpose of supporting and serving the increased development in the Receiving Area.

#### **C. Program Evaluation**

The County shall, jointly with the City, track and publish information about TDR Program according to the provisions in Section VII of this Agreement.

#### **D. Public Amenity Investments**

The County shall provide amenity funds according to the provisions in Section IV and Section V.

**IV. REVENUE SHARE**

To support growth associated with increased density in the Receiving Area, the County shall provide to the City a share of revenue from the sale of TDR Credits sold from the Bank into the Receiving Area as an amenity investment, consistent with adopted County appropriations and statutory provisions (hereinafter, “Revenue Share Amenity Funding”). The use of the Revenue Share Amenity Funding shall be consistent with restrictions on expenditure of funds established in KCC 21A.37.150. Revenue Share Amenity Funding shall be disbursed according to Subsection IV.A of this Agreement. Unless otherwise required by statutory restrictions on such funds and only when applicable, City contracting procedures shall be used for projects and acquisitions utilizing the Revenue Share Amenity Funding.

**A. Revenue Share Amenity Funding Disbursement**

Consistent with K.C.C. 21A.37.110(F), the County, through the Bank, shall provide the City with funds equivalent to twenty-five percent (25%) of the net revenue from the sale of each TDR Credit for use in the Receiving Area (after fifteen percent (15%) of the gross revenue is retained by the County for administrative costs). This method will share revenue with the City as TDR Credits are sold. The funds described in this Section IV.A will be provided by the Bank to the City within sixty (60) calendar days of closing of each sale of TDR Credit(s).

**B. Eligible Amenities**

The City may expend Revenue Share Amenity Funding on infrastructure improvements consistent with K.C.C. 21A.37.150, as amended, including, but not limited to, planning, design, or acquisition of community facilities; parks; public transportation; and road improvements.

**C. Funding is Additional**

County funding under this Agreement is in addition to any funding provided to the City under any other agreement, grant, commitment, or program.

**D. Funding Limitations**

Notwithstanding any provision in this Agreement to the contrary, nothing herein shall be construed as a commitment by the County to provide Revenue Share Amenity Funding in excess of the funding provided for in this Agreement, nor shall any Revenue Share Amenity Funding payment exceed appropriation of the Metropolitan King County Council for the biennium in which such payment is sought. Any portion of Revenue Share Amenity Funding that remains unspent by the City on the public improvements contemplated in this Agreement after five (5) years from the date of receipt of such funds shall be returned to the County, together with interest, unless the Parties otherwise agree in writing to direct the funds to amenities other than those described in Exhibit C of this Agreement.



**V. CONSERVATION INVESTMENT**

Subject to funding availability and consistent with adopted County appropriations and statutory provisions, including, but not limited to, K.C.C. Chapter 26.12 Conservation Futures, the County shall apply for Conservation Futures Tax (“CFT”) grant funds to provide to the City as a conservation investment (hereinafter “Conservation Investment Amenity Funding”). If funds are recommended by the Conservation Futures Advisory Committee, budgeted by the Metropolitan King County Council, and approved by the King County Executive, Conservation Investment Amenity Funding of up to One Million Dollars (\$1,000,000) would be available to the City, after eligibility requirements in Section V.A of this Agreement are met. The City shall use Conservation Investment Amenity Funding awarded under this Section V for the acquisition of public open space and parks to support a healthy, resilient, and sustainable community in the Receiving Area. Projects eligible for use of Conservation Investment Amenity Funding as provided in K.C.C. 26.12.025 and outlined in Exhibit D, attached hereto and by this reference incorporated herein. The County shall disburse Conservation Investment Amenity Funding in accordance with Subsection V.D of this Agreement.

**A. Eligibility**

The City shall become eligible for Conservation Investment Amenity Funding sixty (60) calendar days after twenty (20) TDR Credits have been purchased from the Bank, but no sooner than January 15, 2026. For purposes of this Section V.A, “purchased” means the sale of each of the twenty (20) TDR Credits has closed, and the funds have been disbursed to the County.

**B. County Fund Sources; Contracting**

The Conservation Investment Amenity Funding shall only be used by the City as provided in Section V.D of this Agreement. Unless otherwise required by statutory restrictions on such funds and only where applicable, City contracting procedures shall be used for projects and acquisitions utilizing the Conservation Investment Amenity Funding.

**C. Eligible Amenities**

The City shall only use Conservation Investment Amenity Funding for acquisition of property interests satisfying one or more of the following criteria provided in K.C.C. 26.12.025, attached as Exhibit D and incorporated herein by this reference:

1. Parks, open space, gardens, or gateways;
2. Wildlife habitat;
3. Salmon habitat and aquatic resources;
4. Scenic resources;
5. Historic or Cultural Resources;
6. Urban passive-use natural area/greenbelt
7. Park, open space or natural corridor addition

8. Passive Recreation opportunity in area with unmet needs

**D. Disbursement**

Thirty (30) calendar days prior to the County’s disbursement of Conservation Investment Amenity Funding, the City shall provide the County with an executed purchase and sale agreement. Upon receipt of the purchase and sale agreement, the County shall wire funds to an escrow account established for the acquisition at time of closing. In the event the transaction does not close, the funds shall be returned to the County. The County shall not withhold or delay approval of a purchase, unless such purchase fails to meet the requirements set forth in Section V.C above. Any disapproval by the County shall include a written statement of the grounds for disapproval and the changes deemed necessary by the County.

**VI. DURATION**

**A. Duration**

This Agreement shall become effective on the date that the last of the following has occurred: the Agreement has been (i) approved by the respective legislative bodies of each of the Parties, and (ii) executed by the Parties (the “Commencement Date”). The Agreement shall expire on the date that is twenty-five (25) years after the Commencement Date (the “Expiration Date”), unless earlier terminated as provided in Section VI.B or extended as provided in Section VI.C. The period between the Commencement Date and the Expiration Date is hereinafter referred to as the “Term.”

**B. Termination**

Either Party may terminate this Agreement upon 180 calendar days’ written notice to the other if: (i) the City’s development regulations allowing the use of TDR Credits, or the provisions of the County’s development regulations allowing transfer of development rights to cities, are held invalid by any court of competent jurisdiction in a final judgment no longer subject to appeal; or (ii) the other Party has materially defaulted in the performance of its obligations herein, and (a) does not cure such default within thirty (30) calendar days’ notice after receiving written notice thereof from the other Party, or (b) fails to take steps to cure such default, if the nature of the default requires more than thirty (30) calendar days to cure. Any termination of this Agreement shall not affect the use of TDR Credits previously certified by the County for use in the City’s Receiving Area only to the extent provided in City development regulations, as the same may be amended. Any termination of this Agreement shall not affect the City’s or County’s rights or duties with respect to the Conservation Investment Amenity Funding previously provided by the County under the terms hereof, nor the City’s right to receive County funds for which the City has satisfied all conditions for disbursement prior to termination. If this Agreement is terminated by the County pursuant to Section VI(B)(ii) because the City has modified its municipal code and/or land use regulations in a manner that prohibits or effectively prohibits the use of TDR Credits consistent with the Agreement, and the Conservation

Investment Amenity Funding as provided in Section V(D) has been disbursed to the City, then the City shall refund the same to the County within sixty (60) calendar days of termination of the Agreement.

**C. Extension and Future Funding Negotiations**

1. To extend this Agreement, the City or the County shall make a written request to the other within twelve (12) months of the Expiration Date. The Parties must agree to the extension in writing by the Expiration Date, or this Agreement will automatically terminate on the Expiration Date. Notwithstanding anything in this Agreement to the contrary, it is acknowledged by the Parties that neither Party has an obligation to renew or extend this Agreement.
2. Notwithstanding any provision of this Agreement to the contrary, extension of the Term of this Agreement is contingent upon the availability of a combination of County, State, or Federal amenity funding incentives for the City.
3. Use of Future Amenity Funding. Additional funds provided by the County, if any, under Sections IV and V shall be expended by the City only for amenities mutually approved by the City and County. The County shall not unreasonably withhold approval of amenities consistent with County statutory restrictions and the City's Capital Facilities Plan. Any additional amenity funding is contingent on appropriation by King County at its sole and absolute discretion.
4. Prior to distribution of any future amenity funding, the City must provide and the County must approve a concept plan and written scope of work describing the elements, estimated schedule, and estimated budget for the work to be accomplished with the funding. The City shall provide sufficient detailed scope and budget information consistent with the terms of K.C.C. 21A.37.150. The County shall not unreasonably withhold or delay approval of the concept plan and scope of work. Any disapproval by the County shall include a written statement of the grounds for disapproval and the changes deemed necessary by the County. The County shall approve or disapprove a concept plan and scope of work within sixty (60) calendar days of its delivery to the County, or within twenty (20) working days of delivery to the County of revisions after any County disapproval.

Commented [MMF1]: Is this what the city was hoping to have in the ILA wrt a more general allowance for use of amenity funds for planned actions?  
Commented [BN2R1]: Yes, take a look at Exhibit C.

**VII. EVALUATION AND MONITORING**

**A. Records**

The records and documents with respect to all matters covered by this Agreement shall be subject to inspection, review, or audit by the City or County as requested by each jurisdiction during the applicable records retention period specified by or pursuant to law. Each Party shall respond to public disclosure requests as required by the Public Records Act, RCW 42.56 et seq. (the "PRA"), and coordinate responses with the other Party as needed to ensure compliance with PRA and this Agreement.

**B. Public Resources**

The City and County shall cooperate to develop and maintain public resources to track and support implementation of this Agreement. Such resources should create transparency and provide information to facilitate a TDR market. Examples of resources include a program overview for prospective users, the number of TDR Credits purchased, sale prices of TDR Credits purchased, location and amount of Sending Area lands conserved, location and amount of Receiving Area bonus gained, and the amount of revenue shared.

**C. Program Evaluation**

The City and County shall jointly assess program performance at a frequency of not less than once per five (5) years. The Parties shall develop and implement an approach to evaluate progress towards the goals of this Agreement and identify and pursue modifications to the Program if needed.

**VIII. INDEMNIFICATION**

**A. County Negligence**

The County will indemnify and hold harmless the City and its officers, agents, and employees, or any of them, from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason or arising out of any negligent action or omission of the County, its officers, agents, and employees, or any of them, in performing obligations pursuant to this Agreement. If any suit based upon such a claim, action, loss, or damage is brought against the City, then the County shall defend, with counsel acceptable to the City, the same at its sole cost and expense, provided that the City retains the right to participate in said suit if any principle of governmental or public law is involved, and if final judgment is rendered against the City and its officers, agents, and employees, or any of them, or jointly against the City and County and their respective officers, agents, and employees, or any of them, then the County shall satisfy the same.

**B. City Negligence**

The City will indemnify and hold harmless the County and its officers, agents and employees or any of them, from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason or arising out of any negligent action or omission of the City, its officers, agents, and employees, or any of them, in performing obligations pursuant to this Agreement. If any suit based upon such a claim, action, loss, or damage is brought against the County, the City shall defend, with counsel acceptable to the County, the same at its sole cost and expense, provided that the County retains the right to participate in said suit if any principle of governmental or public law is involved. If final judgment is rendered against the County and its officers, agents, employees, or any of them, or

jointly against the City and County and their respective officers, agents, and employees, or any of them, then the City shall satisfy the same.

**C. Concurrent Negligence**

The City and the County acknowledge and agree that if such claims, actions, suits, liability, loss, costs, expenses, and damages are caused by or result from the concurrent negligence of the City, its agents, employees, and/or officers; and the County, its agents, employees, and/or officers, then this section shall be valid and enforceable only to the extent of the negligence of each Party, its agents, employees and/or officers.

**IX. GENERAL TERMS**

**A. Administration**

This Agreement shall be administered for the City by the Planning and Community Development Director or their designee, and for the County by the Director of the Water and Lands Resources Division of the King County Department of Natural Resources and Parks, or their designee.

**B. Severability**

If any provision of this Agreement shall be held invalid, the remainder of the Agreement shall not be affected.

**C. No Waiver**

Waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any prior or subsequent breach, and shall not be construed to be a modification of this Agreement.

**D. No Third Party Beneficiary**

This Agreement is made and entered into for the sole protection and benefit of the Parties hereto. No other person or entity shall have any right of action or interest in this Agreement based upon any provision set forth herein.

**E. Entire Agreement**

This Agreement is the complete expression of the terms hereof and any oral representation or understanding not incorporated herein is excluded. Any modifications to this Agreement shall be in writing and signed by both Parties.

**F. Authority to Bind**

The Parties represent that they have the authority to bind their respective organizations to this Agreement.

**G. Agreement to be Filed**

The Parties shall file this Agreement with their respective clerks and/or place it on its web site or another electronically retrievable public source, provided the failure of either Party to comply with this requirement shall not invalidate this Agreement.

**H. Venue**

This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington, without giving effect to its choice of law rules or conflicts of law provisions. Venue of any action brought under this Agreement shall be in Superior Court for King County.

**I. Counterparts**

This Agreement may be executed in any number of counterparts and all counterparts shall be deemed to constitute a single agreement. The execution of one counterpart by any party shall have the same force and effect as if that Party had signed all other counterparts. The signatures to this Agreement may be executed on separate pages and when attached to this Agreement shall constitute one complete document. A portable document format (PDF) or DocuSign signature on this Agreement shall be equivalent to, and have the same force and effect as, an original signature.

In witness whereof, the Parties have executed this Agreement as of the \_\_\_\_ day of \_\_\_\_\_, 2024.

KING COUNTY

Approved as to Form:

By: \_\_\_\_\_  
Dow Constantine, King County Executive

By: \_\_\_\_\_  
Erin Jackson,  
Senior Deputy Prosecuting Attorney

Pursuant to Ordinance \_\_\_\_\_

Attachment A

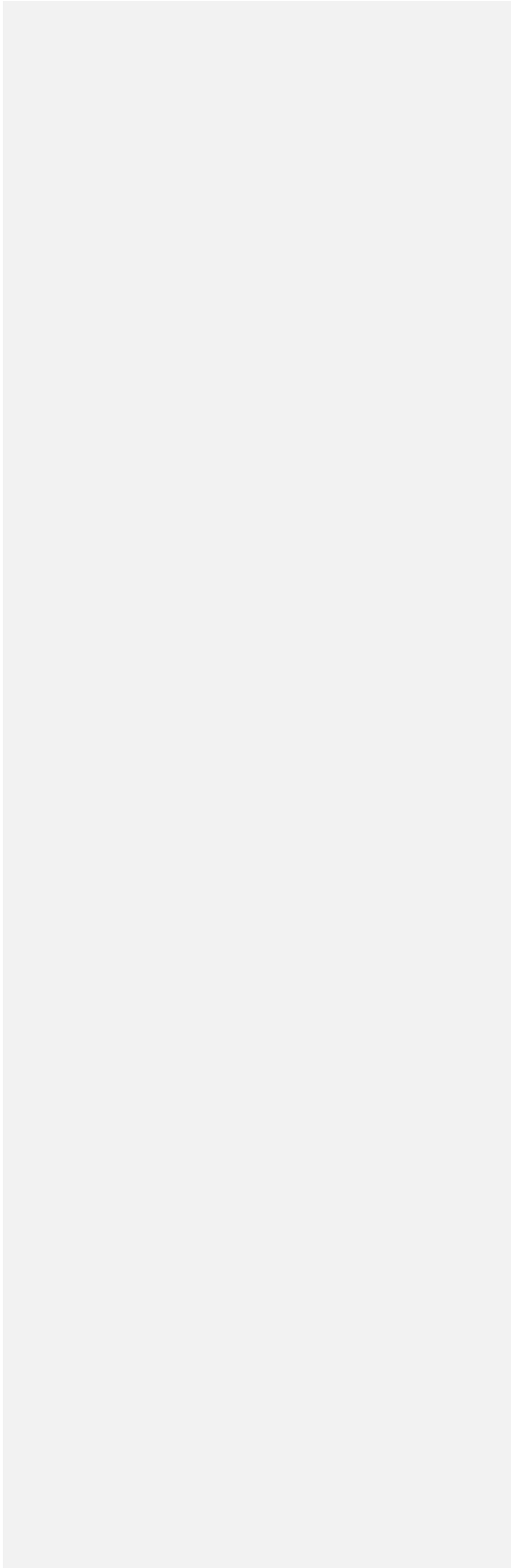
THE CITY OF SHORELINE

By: \_\_\_\_\_  
Bristol Ellington, City Manager

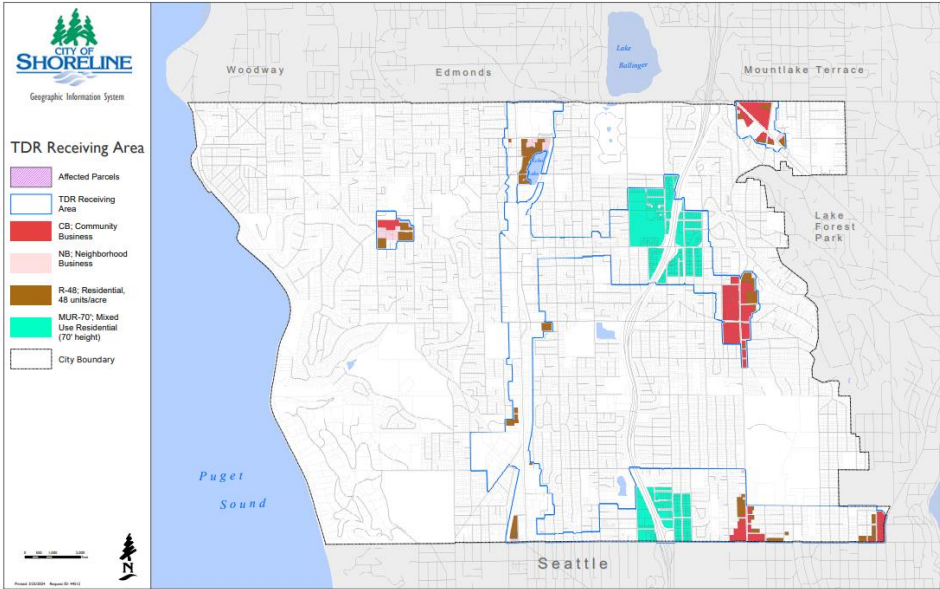
Approved as to Form Only:

By: \_\_\_\_\_  
Julie Ainsworth-Taylor,  
Assistant City Attorney

Pursuant to City Council adoption of  
Agenda Bill #7 June 24, 2024



**EXHIBIT A**  
**City of Shoreline Receiving Area Map**





**EXHIBIT B****Exchange Rates Table (Table A – from SMC 20.50.800.H)**

Exchange Rates Table

Zone	Baseline Height	Max Height	Bonus	Pierce	King	Sno Co.	Type
R-48	35'	70'	Height	1 credit = 1,100 sqft 1 credit = 2,900 sqft	1 credit = 7,000 sqft 1 credit = 3,100 sqft	1 credit = 2,900 sqft 1 credit = 2,900 sqft	Farm Non-Farm
NB	50'	70'	Height	1 credit = 1,100 sqft 1 credit = 2,900 sqft	1 credit = 7,000 sqft 1 credit = 3,100 sqft	1 credit = 2,900 sqft 1 credit = 2,900 sqft	Farm Non-Farm
CB	60'	70'	Height	1 credit = 1,100 sqft 1 credit = 2,900 sqft	1 credit = 7,000 sqft 1 credit = 3,100 sqft	1 credit = 2,900 sqft 1 credit = 2,900 sqft	Farm Non-Farm
MUR-45'	45'	45'	Parking Reduction	1 credit = .48 spaces 1 credit = .87 spaces	1 credit = 1.75 spaces 1 credit = .92 spaces	1 credit = .87 spaces 1 credit = .87 spaces	Farm Non-Farm
MUR-70'	70'	70'	Parking Reduction	1 credit = .41 spaces 1 credit = .67 spaces	1 credit = 1.25 spaces 1 credit = .7 spaces	1 credit = .67 spaces 1 credit = .67 spaces	Farm Non-Farm
MUR-70'	70'	140'	Height	1 credit = 3,100 sqft 1 credit = 8,200 sqft	1 credit = 19,700 sqft 1 credit = 8,900 sqft	1 credit = 8,200 sqft 1 credit = 8,200 sqft	Farm Non-Farm

**EXHIBIT C**

**City of Shoreline anticipated use of Conservation Investment and Revenue Sharing funds**

The City has identified public improvements in various Council Adopted Plans. Projects identified in these plans are funded in the City's 6-year Capital Improvement Plan and funding is included in the City's biennial budget. The City will invest amenity funds shared by King County through this Agreement in projects that are within the TDR Receiving Area and identified in the then current City Adopted Plan or the City's Capital Improvement Plan. Following are links to the City's current Council Adopted Plans and CIP:

- Parks Recreation, Open Space and Arts Plan
- Transportation Improvement Plan
- Surface Water Master Plan
- Wastewater Master Plan
- Climate Action Plan

**EXHIBIT D**

**K.C.C. 26.12.025 – Conservation Futures Tax (CFT) Open Space Criteria**

**K.C.C. Chapter 26.12**

**26.12.025 Open space criteria.** In making an annual allocation of conservation futures tax levy funds, the county shall consider the following criteria: wildlife habitat or rare plant reserve; salmon habitat and aquatic resources; scenic resources; community separator; historic or cultural resources; urban passive-use natural area or greenbelt; park, open space or natural corridor addition. passive recreation opportunity in an area with unmet needs. projects that seek to redress historic disparities in access to or health benefits of open space in opportunity areas. Additional criteria may include: educational or interpretive opportunity; impact to open space resources; feasibility, including ownership complexity, a willing seller or sellers or community support; partnerships; if the property identified in an adopted comprehensive plan, park open space, habitat, cultural resource or community plan; transfer of development rights participation; stewardship and maintenance; regional significance; adopted financial policies. any other criteria consistent with chapter 84.34 RCW...

**K.C.C. 21A.37.150 – Restrictions on Expenditure of TDR bank funds on TDR Amenities**

**K.C.C. Chapter 21A.37  
21A.37.150**

Expenditures by the county for amenities to facilitate development rights sales in cities shall be authorized by the TDR executive board during review of proposed interlocal agreements, and should be roughly proportionate to the value and number of development rights anticipated to be accepted in an incorporated receiving site pursuant to the controlling interlocal agreement, in accordance with K.C.C. 21A.37.040. Expenditures by the county to fund projects in receiving areas located in urban unincorporated King County shall be authorized by the TDR executive board and should be roughly proportionate to the value and number of development rights accepted in the unincorporated urban area.

B. The county shall not expend funds on TDR amenities in a city before execution of an interlocal agreement, except that:

1. The executive board may authorize up to twelve thousand dollars be spent by the county on TDR amenities before a development rights transfer for use at a receiving site or for the execution of an interlocal agreement if the TDR executive board recommends that the funds be spent based on a finding that the expenditure will expedite a proposed transfer of development rights or facilitate acceptance of a proposed transfer of development rights by the community around a proposed or established receiving site area;

2. King County may distribute the funds directly to a city if a scope of work, schedule and budget governing the use of the funds is mutually agreed to in writing by King County and the affected city. Such an agreement need not be in the form of an interlocal agreement.

3. The funds may be used for project design renderings, engineering or other professional services performed by persons or entities selected from the King County approved architecture and engineering roster maintained by the department of finance or an affected city's approved architecture and engineering roster, or selected by an affected city through its procurements processes consistent with state law and city ordinances.

C. TDR amenities may include the acquisition, design or construction of public art,

cultural and community facilities, parks, open space, trails, roads, parking, landscaping, sidewalks, other streetscape improvements, transit-related improvements or other improvements or programs that facilitate increased densities on or near receiving sites.

D. When King County funds amenities in whole or in part, the funding shall not commit the county to funding any additional amenities or improvements to existing or uncompleted amenities.

E. King County funding of amenities shall not exceed appropriations adopted by the council or funding authorized in interlocal agreements, whichever is less.

F. Public transportation amenities shall enhance the transportation system. These amenities may include capital improvements such as passenger and layover facilities, if the improvements are within a designated receiving area or within one thousand five hundred feet of a receiving site. These amenities may also include programs such as the provision of security at passenger and layover facilities and programs that reduce the use of single occupant vehicles, including car sharing and bus pass programs.

G. Road fund amenities shall enhance the transportation system. These amenities may include capital improvements, such as streets, traffic signals, sidewalks, street landscaping, bicycle lanes and pedestrian overpasses, if the improvements are within a designated receiving site area or within one thousand five hundred feet of a receiving site. These amenities may also include programs that enhance the transportation system.

H. All amenity funding provided by King County to cities, or to urban unincorporated receiving areas to facilitate the transfer of development rights shall be consistent with federal, state and local laws.

I. The timing and amounts of funds for amenities paid by King County to each participating city shall be determined in an adopted interlocal agreement. The interlocal agreement shall set forth the amount of funding to be provided by the county, an anticipated scope of work, work schedule and budget governing the use of the amenity funds. Except for the amount of funding to be provided by the county, these terms may be modified by written agreement between King County and the city. Such an agreement need not be in the form of an interlocal agreement. Such an agreement must be authorized by the TDR executive board. If amenity funds are paid to a city to operate a program, the interlocal agreement shall set the period during which the program is to be funded by King County.

J. A city that receives amenity funds from the county is responsible for using the funds for the purposes and according to the terms of the governing interlocal agreement.

K. To facilitate timely implementation of capital improvements or programs at the lowest possible cost, King County may make amenity payments as authorized in an interlocal agreement to a city before completion of the required improvements or implementation programs, as applicable. If all or part of the required improvements or implementation programs in an interlocal agreement to be paid for from King County funds are not completed by a city within five years from the date of the transfer of amenity funds, then, unless the funds have been used for substitute amenities by agreement of the city and King County, those funds, plus interest, shall be returned to King County and deposited into the originating amenity fund for reallocation to other TDR projects.

L. King County is not responsible for maintenance, operating and replacement costs associated with amenity capital improvements inside cities, unless expressly agreed to in an interlocal agreement. (Ord. 18427 § 14, 2016: Ord. 17485 § 42, 2012: Ord. 14190 § 17, 2001: Ord. 13733 § 14, 2000. Formerly K.C.C. 21A.55.250).

**EXHIBIT E**

**Sample TDR Certificate Extinguishment Document**

Insert city letterhead/logo

**Extinguishment Documentation for Transfer of Development Rights Credit Certificate # [certificate number]**

Date: [date]

This shall serve as official City of Shoreline documentation for the extinguishment of Transferable Development Rights (TDR) Credits that originate from Sending Area properties located in King County to gain bonus density or parking requirement reduction in the City of Shoreline in accordance with Shoreline Municipal Code (SMC) Chapter 20.50.800.

The TDR Credit Certificate # [certificate number] issued to [name of certificate holder] with recording # [King County recording number] is hereby extinguished, and [number] TDR Credits associated with Certificate # [certificate number] are hereby redeemed and considered permitted into development on the Receiving Site with parcel number(s) [parcel number(s)], and with Shoreline Department of Planning and Community Development Permit # [permit number].

Exhibit A: Abbreviated receiving site legal description (shown as written on Certificate # [certificate number]).

Exhibit B: Sending site parcel numbers (shown as written on Certificate # [certificate number]).

These Extinguished TDR Credits were transferred from the following certified sending site(s), pursuant to King County Code 21A.37:

- King County TDR Sending Site File Number: [file number]
- Sending Site Name: [name]
- Type of TDR Credit: [farm or non-farm]

The official record of transferable development rights is maintained by King County. If there is any discrepancy between the number of rights identified on this Extinguishment Document and the official record, the official record shall control.

Approved by City of Shoreline TDR Program Manager:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit A: Abbreviated receiving site legal description**  
**Exhibit B: Sending site parcel numbers**



3.4.25  
ILA Amendment

[J. Tracy]

Sponsor: Dembowski

Proposed No.: 2024-0261

1 **AMENDMENT TO PROPOSED ORDINANCE 2024-0261, VERSION 1**

2 Strike Attachment A, Interlocal Agreement For The Implementation of a Regional  
3 Program To Transfer Development Rights From Unincorporated King County To The  
4 City of Shoreline, and insert Attachment A, Interlocal Agreement For The  
5 Implementation of a Regional Program To Transfer Development Rights From  
6 Unincorporated King County To The City of Shoreline dated March 4, 2025.

7

8 **EFFECT prepared by J. Tracy:** The amendment would replace Attachment A with a  
9 new attachment that makes technical and clarifying changes, including updating the  
10 receiving area map to remove extraneous data, adding hyperlinks, adding the most recent  
11 version of code provisions, and making changes to phrasing to match Executive intent.

**INTERLOCAL AGREEMENT FOR THE IMPLEMENTATION OF A REGIONAL PROGRAM TO TRANSFER DEVELOPMENT RIGHTS FROM UNINCORPORATED KING COUNTY TO THE CITY OF SHORELINE**

This Interlocal Agreement for the Implementation of a Regional Program to Transfer Development Rights from Unincorporated King County to the City of Shoreline ("Agreement") is hereby entered into by King County, a home rule charter county and political subdivision of the State of Washington ("County"), and The City of Shoreline, a municipal corporation of the State of Washington ("City"), each a "Party" and collectively the "Parties."

**RECITALS**

- A. The Washington State Growth Management Act ("GMA"), RCW 36.70A, directs development into urban areas and discourages inappropriate conversion of undeveloped rural land into sprawling, low-density development.
- B. The GMA encourages the conservation of productive forest and agricultural lands and the retention of open space so as to enhance fish and wildlife habitat and recreational opportunities.
- C. The GMA requires counties to adopt county-wide planning policies in cooperation with cities within the County.
- D. By Interlocal Agreement, the County and the City adopted and ratified the Countywide Planning Policies for King County.
- E. The Countywide Planning Policies, at Policy DP-64, seek to use transfer of development rights to shift development from rural areas and natural resource lands into urban growth areas and seeks to implement this through a partnership between the County and its cities.
- F. The County's rural and resource areas are recognized by both the City and the County as containing important countywide public benefits such as forestry, agricultural, wildlife habitat, scenic resources, and recreational opportunities.
- G. The City has identified rural and resource lands in King County as preservation priorities.
- H. The County has, in King County Code Chapter 21A.37, adopted a Transfer of Development Rights ("TDR") program, which authorizes incorporated areas to receive development rights transferred from conserved land in unincorporated areas.
- I. By Shoreline Ordinance Nos. 702 and 750, the City adopted the 145<sup>th</sup> and 185<sup>th</sup> Street Station Subarea Plans which encourages the incorporation of a Transfer of

Development Rights system to use market forces to better protect ecological resources and open space with public benefits.

- J. The 145<sup>th</sup> and 185<sup>th</sup> Street Station Subarea Plans call for increased public amenities to improve the pedestrian, bicycle, park, and transit patterns in the Station Areas.
- K. Shoreline’s Development Code (SMC Title 20) provides for additional residential density and other incentives, including the use of a Transfer of Development Rights program, to increase residential development capacity and reduce structured parking requirements in certain zones within the City.
- L. With the adoption of Ordinance No. 1009, the City adopted a Transfer of Development Rights program set forth in SMC 20.50.800; the Transfer of Development Rights program authorizes and prioritizes sending sites from unincorporated King County for use in designated areas within the City.
- M. The City and the County share an interest in creating an effective, cooperative Transfer of Development Rights system to achieve the City’s goals for redevelopment of the light rail station areas and business districts; the County’s goals in the King County Comprehensive Plan; and goals inherent to the Countywide Planning Policies, the King County Land Conservation Initiative, Regional Growth Strategy as set forth in the Puget Sound Regional Council’s, Vision 2050, and the GMA.
- N. This shared interest is manifested through this Agreement in which the City agrees to accept additional development to protect land with conservation benefits and the County invests in receiving area public improvements.
- O. The Washington State Legislature affirmed the value of Regional TDR programs in RCW 43.362.
- P. The County and the City are authorized, pursuant to RCW 39.34 and Article 11 of the Washington State Constitution, to enter into an interlocal governmental cooperation agreement to accomplish these shared goals.

**AGREEMENT**

NOW THEREFORE, in consideration of the above and the mutual covenants, terms, and conditions contained herein, the Parties agree as follows:

**I. PURPOSE**

The County and the City agree to implement a program (“TDR Program”) through this Agreement to transfer development rights (“TDR Credits”) from unincorporated Sending Areas in the County, pursuant to K.C.C. 21A.37.020, into designated areas within the City ("Receiving Area"), as depicted in Exhibit A,



according to the provisions described below and pursuant to K.C.C. chapter 21A.37 and SMC 20.50.800. Furthermore, this Agreement seeks to establish a marketplace for TDR Credits in order to protect lands with conservation value in King County, while funding public improvements in the City, using the King County TDR Bank (“Bank”).

## **II. RESPONSIBILITIES AND POWERS OF THE CITY OF SHORELINE**

### **A. City Ordinances**

The City has adopted ordinances establishing the 145<sup>th</sup> and 185<sup>th</sup> Street Station Subareas and implementing regulations for those Station Areas (Ordinance Nos. 702, 706, and 750), and a Transfer of Development Rights regulations (Ordinance No. 1009), which will facilitate the transactions contemplated in this Agreement. These ordinances provide the following:

1. Amended Title 20 of the Shoreline Municipal Code ("SMC") to establish development regulations, standards, and design guidelines for development within the 145<sup>th</sup> and 185<sup>th</sup> Street Station Subareas.
2. Amended the SMC to include SMC 20.50.800, which provides for the transfer of development rights from Sending Areas within unincorporated King County.
3. Allowed for certain zoning districts, shown in Exhibit A, to function as Receiving Areas for TDR Credits that originate from the Sending Area under the terms of this Agreement.

### **B. TDR Sending Area**

Lands in King County defined in K.C.C. 21A.37.020 are eligible to transfer their development potential into the City in the form of TDR Credits. Referred to as the “Sending Area,” protection of these lands in King County through this Agreement will result in multiple public benefits including, but not limited to, improved food security, climate resilience, flood risk reduction, open space, enhanced water and air quality, and natural resource production. TDR Credits from the Sending Area will be used for increased residential density and reduced structured parking requirements in new construction within the Receiving Area.

### **C. TDR Credit Commitment and TDR Receiving Area Incentives**

1. The City agrees to accept at least twenty (20) TDR Credits from the Sending Area that may be used for increased residential density or reductions in structured parking requirements in the Receiving Area pursuant to the TDR conversion ratios established in the Exchange Rates Table attached as Exhibit B and incorporated herein. Nothing in this Section II.C.1 shall limit the City from accepting more than twenty (20) TDR Credits to be used within the Receiving Area.

2. The receiving area identified in Exhibit A and conversion ratios identified in Exhibit B may be modified upon mutual agreement between City and County and will be documented through an exchange of letters executed by the City of Shoreline City Manager or designee and King County Department of Natural Resources and Parks Director or designee. Any modifications to the TDR conversion ratios must be subject to the process established in SMC 20.50.800.

**D. King County TDR Bank**

1. The City agrees that the Bank will play an important role in facilitating the City-County TDR Credit market by: (1) buying TDR Credits from willing Sending Area landowners, (2) holding the TDR Credits, and (3) selling the TDR Credits to meet demand in the Receiving Area.
2. The City agrees that at least One Hundred and Eighty Five (185) development rights must be purchased from the Bank and extinguished pursuant to Section II.E.2 before any development rights are transferred in any other manner and from any other source to be used in relation to development projects within the Receiving Area.
3. Nothing herein shall be construed to require the County to deviate from the valuation, purchase, and sale process and procedures required in K.C.C. 21A.37.130, as hereinafter amended, for sales of TDR Credits from the Bank.

**E. Notification Process**

1. The City, in consultation with the County, shall develop a process to notify the County when it has approved the use of TDR Credits in specific development projects in the Receiving Area. For purposes of this Agreement, the City has “approved” the use of TDR Credits upon the earlier occurrence of: (a) issuance by the City’s Planning and Community Development Department of a building permit for a project using TDR Credits; or (b) when the City has entered into a contract or agreement which includes the use of TDR Credits in the Receiving Area.
2. After construction of any Receiving Area project using TDR Credits is complete, but prior to issuing the first certificate of occupancy, whether temporary or permanent, the City shall execute and deliver to the County TDR Credit extinguishment documentation in substantially the form of Exhibit E, attached hereto, or a form acceptable to the County in its reasonable discretion. For the purposes of this Agreement, TDR Credits will be “extinguished” upon acceptance of this documentation by the County.

**F. Reporting**

1. The City shall report to the County within thirty (30) calendar days after the end of each calendar quarter the number of TDR Credits that have been approved by the City for transfer into the Receiving Area and, shall identify the

specific projects to be constructed. In addition, the City shall cooperate with the County in maintaining current public information about TDR Program activity.

2. Consistent with Section VII, the City shall reasonably track and record the public improvements and expenditures described in this Agreement using generally accepted municipal accounting procedures.

### **III. RESPONSIBILITIES AND POWERS OF KING COUNTY**

#### **A. Program Administration**

The County has adopted polices, regulations, and administrative procedures that will support implementation of this Agreement. The County's obligations hereunder shall include:

1. In accordance with K.C.C. chapter 21A.37, as hereafter amended, facilitate and pursue the qualification and certification of properties located in the Sending Area;
2. Establish procedures to facilitate the sale of TDR Credits from private landowners and the Bank for transfer into the Receiving Area; and
3. In accordance with K.C.C. chapter 21A.37, require the recording of a conservation easement or similar encumbrance on properties within the Sending Area as part of the process for the transfer of development rights into the Receiving Area.

#### **B. Operation of the TDR Bank**

1. The County shall identify, appraise, and purchase TDR Credits from Sending Area properties and administer the sale of TDR Credits to Receiving Area developers.
2. The County shall provide the City with amenity funding, in the form of a Revenue Share Amenity Funding and Conservation Investment Amenity Funding, as more fully described in Sections IV and V of this Agreement, for the purpose of supporting and serving the increased development in the Receiving Area.

#### **C. Program Evaluation**

The County shall, jointly with the City, track and publish information about TDR Program according to the provisions in Section VII of this Agreement.

#### **D. Public Amenity Investments**

The County shall provide amenity funds according to the provisions in Section IV and Section V.

**IV. REVENUE SHARE**

To support growth associated with increased density in the Receiving Area, the County shall provide to the City a share of revenue from the sale of TDR Credits sold from the Bank into the Receiving Area as an amenity investment, consistent with adopted County appropriations and statutory provisions (hereinafter, “Revenue Share Amenity Funding”). The use of the Revenue Share Amenity Funding shall be consistent with restrictions on expenditure of funds established in KCC 21A.37.150. Revenue Share Amenity Funding shall be disbursed according to Subsection IV.A of this Agreement. Unless otherwise required by statutory restrictions on such funds and only when applicable, City contracting procedures shall be used for projects and acquisitions utilizing the Revenue Share Amenity Funding.

**A. Revenue Share Amenity Funding Disbursement**

Consistent with K.C.C. 21A.37.110(F), the County, through the Bank, shall provide the City with funds equivalent to twenty-five percent (25%) of the net revenue from the sale of each TDR Credit for use in the Receiving Area (after fifteen percent (15%) of the gross revenue is retained by the County for administrative costs). This method will share revenue with the City as TDR Credits are sold. The funds described in this Section IV.A will be provided by the Bank to the City within sixty (60) calendar days of closing of each sale of TDR Credit(s).

**B. Eligible Amenities**

The City may expend Revenue Share Amenity Funding on infrastructure improvements consistent with the current version of K.C.C. 21A.37.150, attached as Exhibit D and incorporated herein by this reference, including, but not limited to, planning, design, or acquisition of community facilities; parks; public transportation; and road improvements.

**C. Funding is Additional**

County funding under this Agreement is in addition to any funding provided to the City under any other agreement, grant, commitment, or program.

**D. Funding Limitations**

Notwithstanding any provision in this Agreement to the contrary, nothing herein shall be construed as a commitment by the County to provide Revenue Share Amenity Funding in excess of the funding provided for in this Agreement; nor shall any Revenue Share Amenity Funding payment exceed appropriation of the Metropolitan King County Council for the biennium in which such payment is sought. Any portion of Revenue Share Amenity Funding that remains unspent by the City on the public improvements contemplated in this Agreement after five (5) years from the date of receipt of such funds shall be returned to

the County, together with interest, unless the Parties otherwise agree in writing to direct the funds to amenities other than those described in Exhibit C of this Agreement.

**V. CONSERVATION INVESTMENT**

Subject to funding availability and consistent with adopted County appropriations and statutory provisions, including, but not limited to, K.C.C. chapter 26.12 Conservation Futures, the County shall apply for Conservation Futures Tax (“CFT”) grant funds to provide to the City as a conservation investment (hereinafter “Conservation Investment Amenity Funding”). If funds are recommended by the Conservation Futures Advisory Committee, budgeted by the Metropolitan King County Council, and approved by the King County Executive, Conservation Investment Amenity Funding of up to One Million Dollars (\$1,000,000) would be available to the City, after eligibility requirements in Section V.A of this Agreement are met. The City shall use Conservation Investment Amenity Funding awarded under this Section V for the acquisition of public open space and parks to support a healthy, resilient, and sustainable community in the Receiving Area. Projects eligible for use of Conservation Investment Amenity Funding as provided in K.C.C. 26.12.025 and outlined in Exhibit D, attached hereto and by this reference incorporated herein. The County shall disburse Conservation Investment Amenity Funding in accordance with Subsection V.D of this Agreement.

**A. Eligibility**

The City shall become eligible for Conservation Investment Amenity Funding sixty (60) calendar days after twenty (20) TDR Credits have been purchased from the Bank, but no sooner than January 15, 2026. For purposes of this Section V.A, “purchased” means the sale of each of the twenty (20) TDR Credits has closed, and the funds have been disbursed to the County.

**B. County Fund Sources; Contracting**

The Conservation Investment Amenity Funding shall only be used by the City as provided in Section V.D of this Agreement. Unless otherwise required by statutory restrictions on such funds and only where applicable, City contracting procedures shall be used for projects and acquisitions utilizing the Conservation Investment Amenity Funding.

**C. Eligible Amenities**

The City shall only use Conservation Investment Amenity Funding for acquisition of property interests satisfying one or more of the following criteria provided in current version of K.C.C. 26.12.025, attached as Exhibit D and incorporated herein by this reference:

1. Parks, open space, gardens, or gateways;
2. Wildlife habitat;
3. Salmon habitat and aquatic resources;

4. Scenic resources;
5. Historic or Cultural Resources;
6. Urban passive-use natural area/greenbelt;
7. Park, open space or natural corridor addition; or
8. Passive Recreation opportunity in area with unmet needs

**D. Disbursement**

Thirty (30) calendar days prior to the County’s disbursement of Conservation Investment Amenity Funding, the City shall provide the County with an executed purchase and sale agreement. Upon receipt of the purchase and sale agreement, the County shall wire funds to an escrow account established for the acquisition at time of closing. In the event the transaction does not close, the funds shall be returned to the County. The County shall not withhold or delay approval of a purchase, unless such purchase fails to meet the requirements set forth in Section V.C above. Any disapproval by the County shall include a written statement of the grounds for disapproval and the changes deemed necessary by the County.

**VI. DURATION**

**A. Duration**

This Agreement shall become effective on the date that the last of the following has occurred: the Agreement has been (i) approved by the respective legislative bodies of each of the Parties, and (ii) executed by the Parties (the “Commencement Date”). The Agreement shall expire on the date that is twenty-five (25) years after the Commencement Date (the “Expiration Date”), unless earlier terminated as provided in Section VI.B or extended as provided in Section VI.C. The period between the Commencement Date and the Expiration Date is hereinafter referred to as the “Term.”

**B. Termination**

Either Party may terminate this Agreement upon 180 calendar days’ written notice to the other if: (i) the City’s development regulations allowing the use of TDR Credits, or the provisions of the County’s development regulations allowing transfer of development rights to cities, are held invalid by any court of competent jurisdiction in a final judgment no longer subject to appeal; or (ii) the other Party has materially defaulted in the performance of its obligations herein, and (a) does not cure such default within thirty (30) calendar days’ notice after receiving written notice thereof from the other Party, or (b) fails to take steps to cure such default, if the nature of the default requires more than thirty (30) calendar days to cure. Any termination of this Agreement shall not affect the use of TDR Credits previously certified by the County for use in the City’s Receiving Area only to the extent provided in City development regulations, as the same may be amended. Any termination of this Agreement shall not affect the City’s or County’s rights or duties with respect to the Conservation Investment Amenity Funding previously provided by the County under the terms hereof, nor the City’s right to receive County funds for which the

City has satisfied all conditions for disbursement prior to termination. If this Agreement is terminated by the County pursuant to Section VI(B)(ii) because the City has modified its municipal code and/or land use regulations in a manner that prohibits or effectively prohibits the use of TDR Credits consistent with the Agreement, and the Conservation Investment Amenity Funding as provided in Section V(D) has been disbursed to the City, then the City shall refund the same to the County within sixty (60) calendar days of termination of the Agreement.

**C. Extension; Additional Amenity Funding**

1. To extend this Agreement, the City or the County shall make a written request to the other within twelve (12) months of the Expiration Date. The Parties must agree to the extension in writing by the Expiration Date, or this Agreement will automatically terminate on the Expiration Date. Notwithstanding anything in this Agreement to the contrary, it is acknowledged by the Parties that neither Party has an obligation to renew or extend this Agreement.
2. Notwithstanding any provision of this Agreement to the contrary, extension of the Term of this Agreement is contingent upon the availability of a combination of County, State, or Federal amenity funding incentives for the City.
3. Use of Additional Amenity Funding. Any additional amenity funding is at the sole and absolute discretion of the County and contingent on appropriation by the Metropolitan King County Council. Additional funds provided by the County, if any, under Sections IV and V shall be expended by the City only for amenities mutually approved by the City and County. The County shall not unreasonably withhold approval of amenities consistent with County statutory restrictions and the City's Capital Facilities Plan.
4. Prior to distribution of any additional amenity funding, the City must provide and the County must approve a concept plan and written scope of work describing the elements, estimated schedule, and estimated budget for the work to be accomplished with the funding. The City shall provide sufficient detailed scope and budget information consistent with the terms of K.C.C. 21A.37.150. The County shall not unreasonably withhold or delay approval of the concept plan and scope of work. Any disapproval by the County shall include a written statement of the grounds for disapproval and the changes deemed necessary by the County. The County shall approve or disapprove a concept plan and scope of work within sixty (60) calendar days of its delivery to the County, or within twenty (20) working days of delivery to the County of revisions after any County disapproval.

**VII. EVALUATION AND MONITORING**

**A. Records**

The records and documents with respect to all matters covered by this Agreement shall be subject to inspection, review, or audit by the City or County as requested by each jurisdiction during the applicable records retention period specified by or

pursuant to law. Each Party shall respond to public disclosure requests as required by the Public Records Act, RCW 42.56 et seq. (the “PRA”), and coordinate responses with the other Party as needed to ensure compliance with PRA and this Agreement.

**B. Public Resources**

The City and County shall cooperate to develop and maintain public resources to track and support implementation of this Agreement. Such resources should create transparency and provide information to facilitate a TDR market. Examples of resources include a program overview for prospective users, the number of TDR Credits purchased, sale prices of TDR Credits purchased, location and amount of Sending Area lands conserved, location and amount of Receiving Area bonus gained, and the amount of revenue shared.

**C. Program Evaluation**

The City and County shall jointly assess program performance at a frequency of not less than once per five (5) years. The Parties shall develop and implement an approach to evaluate progress towards the goals of this Agreement and identify and pursue modifications to the Program if needed.

**VIII. INDEMNIFICATION**

**A. County Negligence**

The County will indemnify and hold harmless the City and its officers, agents, and employees, or any of them, from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason or arising out of any negligent action or omission of the County, its officers, agents, and employees, or any of them, in performing obligations pursuant to this Agreement. If any suit based upon such a claim, action, loss, or damage is brought against the City, then the County shall defend, with counsel acceptable to the City, the same at its sole cost and expense, provided that the City retains the right to participate in said suit if any principle of governmental or public law is involved, and if final judgment is rendered against the City and its officers, agents, and employees, or any of them, or jointly against the City and County and their respective officers, agents, and employees, or any of them, then the County shall satisfy the same.

**B. City Negligence**

The City will indemnify and hold harmless the County and its officers, agents and employees or any of them, from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason or arising out of any negligent action or omission of the City, its officers, agents, and employees, or any of them, in performing obligations pursuant to this Agreement. If any suit



based upon such a claim, action, loss, or damage is brought against the County, the City shall defend, with counsel acceptable to the County, the same at its sole cost and expense, provided that the County retains the right to participate in said suit if any principle of governmental or public law is involved. If final judgment is rendered against the County and its officers, agents, employees, or any of them, or jointly against the City and County and their respective officers, agents, and employees, or any of them, then the City shall satisfy the same.

**C. Concurrent Negligence**

The City and the County acknowledge and agree that if such claims, actions, suits, liability, loss, costs, expenses, and damages are caused by or result from the concurrent negligence of the City, its agents, employees, and/or officers; and the County, its agents, employees, and/or officers, then this section shall be valid and enforceable only to the extent of the negligence of each Party, its agents, employees and/or officers.

**IX. GENERAL TERMS**

**A. Administration**

This Agreement shall be administered for the City by the Planning and Community Development Director or their designee, and for the County by the Director of the Water and Lands Resources Division of the King County Department of Natural Resources and Parks, or their designee.

**B. Severability**

If any provision of this Agreement shall be held invalid, the remainder of the Agreement shall not be affected.

**C. No Waiver**

Waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any prior or subsequent breach, and shall not be construed to be a modification of this Agreement.

**D. No Third Party Beneficiary**

This Agreement is made and entered into for the sole protection and benefit of the Parties hereto. No other person or entity shall have any right of action or interest in this Agreement based upon any provision set forth herein.

**E. Entire Agreement**

This Agreement is the complete expression of the terms hereof and any oral

representation or understanding not incorporated herein is excluded. Any modifications to this Agreement shall be in writing and signed by both Parties.

**F. Authority to Bind**

The Parties represent that they have the authority to bind their respective organizations to this Agreement.

**G. Agreement to be Filed**

The Parties shall file this Agreement with their respective clerks and/or place it on its web site or another electronically retrievable public source, provided the failure of either Party to comply with this requirement shall not invalidate this Agreement.

**H. Venue**

This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington, without giving effect to its choice of law rules or conflicts of law provisions. Venue of any action brought under this Agreement shall be in Superior Court for King County.

**I. Counterparts**

This Agreement may be executed in any number of counterparts and all counterparts shall be deemed to constitute a single agreement. The execution of one counterpart by any Party shall have the same force and effect as if that Party had signed all other counterparts. The signatures to this Agreement may be executed on separate pages and when attached to this Agreement shall constitute one complete document. A portable document format (PDF) or DocuSign signature on this Agreement shall be equivalent to, and have the same force and effect as, an original signature.

In witness whereof, the Parties have executed this Agreement as of the \_\_\_ day of \_\_\_\_\_, 2025.

KING COUNTY

Approved as to Form:

By: \_\_\_\_\_  
Dow Constantine, King County Executive

By: \_\_\_\_\_  
Erin Jackson,  
Senior Deputy Prosecuting Attorney

Pursuant to Ordinance \_\_\_\_\_

THE CITY OF SHORELINE

Approved as to Form Only:

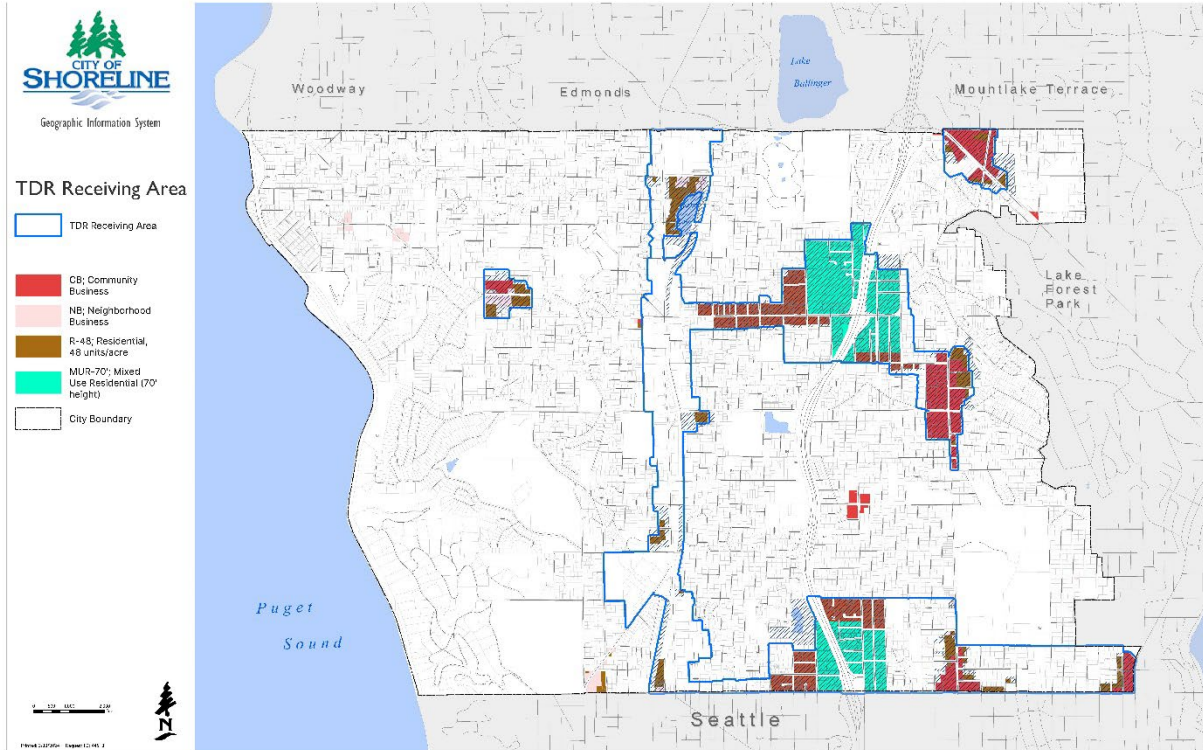
By: \_\_\_\_\_  
Bristol Ellington, City Manager

By: \_\_\_\_\_  
Julie Ainsworth-Taylor,  
Assistant City Attorney

Pursuant to City Council adoption of  
Agenda Bill #7 June 24, 2024

# EXHIBIT A

## City of Shoreline Receiving Area Map



**EXHIBIT B**

**Exchange Rates Table (Table A – from SMC 20.50.800.H)**

Exchange Rates Table

Zone	Baseline Height	Max Height	Bonus	Pierce	King	Sno Co.	Type
R-48	35'	70'	Height	1 credit = 1,100 sqft 1 credit = 2,900 sqft	1 credit = 7,000 sqft 1 credit = 3,100 sqft	1 credit = 2,900 sqft 1 credit = 2,900 sqft	Farm Non-Farm
NB	50'	70'	Height	1 credit = 1,100 sqft 1 credit = 2,900 sqft	1 credit = 7,000 sqft 1 credit = 3,100 sqft	1 credit = 2,900 sqft 1 credit = 2,900 sqft	Farm Non-Farm
CB	60'	70'	Height	1 credit = 1,100 sqft 1 credit = 2,900 sqft	1 credit = 7,000 sqft 1 credit = 3,100 sqft	1 credit = 2,900 sqft 1 credit = 2,900 sqft	Farm Non-Farm
MUR-45'	45'	45'	Parking Reduction	1 credit = .48 spaces 1 credit = .87 spaces	1 credit = 1.75 spaces 1 credit = .92 spaces	1 credit = .87 spaces 1 credit = .87 spaces	Farm Non-Farm
MUR-70'	70'	70'	Parking Reduction	1 credit = .41 spaces 1 credit = .67 spaces	1 credit = 1.25 spaces 1 credit = .7 spaces	1 credit = .67 spaces 1 credit = .67 spaces	Farm Non-Farm
MUR-70'	70'	140'	Height	1 credit = 3,100 sqft 1 credit = 8,200 sqft	1 credit = 19,700 sqft 1 credit = 8,900 sqft	1 credit = 8,200 sqft 1 credit = 8,200 sqft	Farm Non-Farm

## EXHIBIT C

### City of Shoreline anticipated use of Conservation Investment and Revenue Sharing funds

The City has identified public improvements in various Council Adopted Plans. Projects identified in these plans are funded in the City's 6-year Capital Improvement Plan and funding is included in the City's biennial budget. The City will invest amenity funds shared by King County through this Agreement in projects that are within the TDR Receiving Area and identified in the then current City Adopted Plan or the City's Capital Improvement Plan. Following are links to the City's current Council Adopted Plans and CIP:

- [Parks Recreation, Open Space and Arts Plan](#)
- [Transportation Improvement Plan](#)
- [Surface Water Master Plan](#)
- [Stormwater Master Plan.](#)
- [Climate Action Plan](#)

**EXHIBIT D**

**K.C.C. 26.12.025 – Conservation Futures Tax (CFT) Open Space Criteria**

**K.C.C. Chapter 26.12**

**26.12.025 Open space criteria.** In making an annual allocation of conservation futures tax levy funds, the county shall consider the following criteria: wildlife habitat or rare plant reserve; salmon habitat and aquatic resources; scenic resources; community separator; historic or cultural resources; urban passive-use natural area or greenbelt; park, open space or natural corridor addition. passive recreation opportunity in an area with unmet needs. projects that seek to redress historic disparities in access to or health benefits of open space in opportunity areas. Additional criteria may include: educational or interpretive opportunity; impact to open space resources; feasibility, including ownership complexity, a willing seller or sellers or community support; partnerships; if the property identified in an adopted comprehensive plan, park open space, habitat, cultural resource or community plan; transfer of development rights participation; stewardship and maintenance; regional significance; adopted financial policies. any other criteria consistent with chapter 84.34 RCW...

**K.C.C. 21A.37.150 – Restrictions on Expenditure of TDR bank funds on TDR Amenities**

**K.C.C. Chapter 21A.37**

**21A.37.150**

A. Expenditures by the county for amenities to facilitate development rights sales in cities shall be authorized by the TDR executive board during review of proposed interlocal agreements, and should be roughly proportionate to the value and number of development rights anticipated to be accepted in an incorporated receiving site pursuant to the controlling interlocal agreement, in accordance with K.C.C. 21A.37.040. Expenditures by the county to fund projects in receiving areas located in urban unincorporated King County shall be authorized by the TDR executive board and should be roughly proportionate to the value and number of development rights accepted in the unincorporated urban area.

B. The county shall not expend funds on TDR amenities in a city before execution of an interlocal agreement, except that:

1. The executive board may authorize up to twelve thousand dollars be spent by the county on TDR amenities before a development rights transfer for use at a receiving site or for the execution of an interlocal agreement if the TDR executive board recommends that the funds

be spent based on a finding that the expenditure will expedite a proposed transfer of development rights or facilitate acceptance of a proposed transfer of development rights by the community around a proposed or established receiving site area;

2. King County may distribute the funds directly to a city if a scope of work, schedule, and budget governing the use of the funds is mutually agreed to in writing by King County and the affected city. Such an agreement need not be in the form of an interlocal agreement; and

3. The funds may be used for project design renderings, engineering, or other professional services performed by persons or entities selected from the King County approved architecture and engineering roster maintained by the department of finance or an affected city's approved architecture and engineering roster, or selected by an affected city through its procurements processes consistent with state law and city ordinances.

C. TDR amenities may include the acquisition, design, or construction of: public art, cultural and community facilities, parks, open space, trails, roads, parking, landscaping, sidewalks, other streetscape improvements, transit-related improvements, affordable housing for households whose income is at or below area median income, which, for the purposes of this subsection C., is the median household income for the TDR receiving area as established by the United States Department of Housing and Urban Development, adjusted for household size, or other improvements or programs that facilitate increased densities on or near receiving sites.

D. When King County funds amenities in whole or in part, the funding shall not commit the county to funding any additional amenities or improvements to existing or uncompleted amenities.

E. King County funding of amenities shall not exceed appropriations adopted by the council or funding authorized in interlocal agreements, whichever is less.



F. Public transportation amenities shall enhance the transportation system. These amenities may include capital improvements such as passenger and layover facilities, if the improvements are within a designated receiving area or within one thousand five hundred feet of a receiving site. These amenities may also include programs such as the provision of security at passenger and layover facilities and programs that reduce the use of single occupant vehicles, including car sharing and bus pass programs.

G. Road fund amenities shall enhance the transportation system. These amenities may include capital improvements, such as streets, traffic signals, sidewalks, street landscaping, bicycle lanes, and pedestrian overpasses, if the improvements are within a designated receiving site area or within one thousand five hundred feet of a receiving site. These amenities may also include programs that enhance the transportation system.

H. All amenity funding provided by King County to cities, or to urban unincorporated receiving areas to facilitate the transfer of development rights shall be consistent with federal, state, and local laws.

I. The timing and amounts of funds for amenities paid by King County to each participating city shall be determined in an adopted interlocal agreement. The interlocal agreement shall set forth the amount of funding to be provided by the county, an anticipated scope of work, work schedule, and budget governing the use of the amenity funds. Except for the amount of funding to be provided by the county, these terms may be modified by written agreement between King County and the city. Such an agreement need not be in the form of an interlocal agreement. Such an agreement must be authorized by the TDR executive board. If amenity funds are paid to a city to operate a program, the interlocal agreement shall set the period during which the program is to be funded by King County.

J. A city that receives amenity funds from the county is responsible for using the funds for the purposes and according to the terms of the governing interlocal agreement.

K. To facilitate timely implementation of capital improvements or programs at the lowest possible cost, King County may make amenity payments as authorized in an interlocal agreement to a city before completion of the required improvements or implementation programs, as applicable. If all or part of the required improvements or implementation programs in an interlocal agreement to be paid for from King County funds are not completed by a city within five years from the date of the transfer of amenity funds, then, unless the funds have been used for substitute amenities by agreement of the city and King County, those funds, plus interest, shall be returned to King County and deposited into the originating amenity fund for reallocation to other TDR projects.

L. King County is not responsible for maintenance, operating, and replacement costs associated with amenity capital improvements inside cities, unless expressly agreed to in an interlocal agreement.

## EXHIBIT E

### Sample TDR Certificate Extinguishment Document

Insert city letterhead/logo

#### **Extinguishment Documentation for Transfer of Development Rights Credit Certificate # [certificate number]**

Date: [date]

This shall serve as official City of Shoreline documentation for the extinguishment of Transferable Development Rights (TDR) Credits that originate from Sending Area properties located in King County to gain bonus density or parking requirement reduction in the City of Shoreline in accordance with Shoreline Municipal Code (SMC) Chapter 20.50.800.

The TDR Credit Certificate # [certificate number] issued to [name of certificate holder] with recording # [King County recording number] is hereby extinguished, and [number] TDR Credits

associated with Certificate # [certificate number] are hereby redeemed and considered permitted into development on the Receiving Site with parcel number(s) [parcel number(s)], and with Shoreline Department of Planning and Community Development Permit # [permit number].

Exhibit A: Abbreviated receiving site legal description (shown as written on Certificate # [certificate number]).

Exhibit B: Sending site parcel numbers (shown as written on Certificate # [certificate number]).

These Extinguished TDR Credits were transferred from the following certified sending site(s), pursuant to King County Code 21A.37:

King County TDR Sending Site File Number: [file number]  
Sending Site Name: [name]  
Type of TDR Credit: [farm or non-farm]

The official record of transferable development rights is maintained by King County. If there is any discrepancy between the number of rights identified on this Extinguishment Document and the official record, the official record shall control.

Approved by City of Shoreline TDR Program Manager:

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Signature

Date

**Exhibit A: Abbreviated receiving site legal description**

**Exhibit B: Sending site parcel numbers**



## King County

**Dow Constantine**  
 King County Executive  
 401 Fifth Avenue, Suite 800  
 Seattle, WA 98104-1818  
**206-263-9600** Fax 206-296-0194  
 TTY Relay: 711  
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August 19, 2024

The Honorable Dave Upthegrove  
 Chair, King County Council  
 Room 1200  
 C O U R T H O U S E

Dear Councilmember Upthegrove:

This letter transmits a proposed Ordinance that if enacted, would authorize the County to enter into an interlocal agreement (ILA) with the City of Shoreline. This ILA will move transferrable development rights (TDRs) from high conservation value properties into the City of Shoreline's light rail station areas and neighborhood business districts, permanently preserving open space lands in King County.

The City of Shoreline recently amended its development Code by Ordinance 1009, establishing a TDR program that designates receiving areas for King County TDRs. The TDR program awards additional floor area and reduces parking requirements in residential and mixed-use projects that purchase TDRs.

Through the attached ILA, the City of Shoreline commits to placing the first 185 TDRs from the King County TDR Bank (TDR Bank) before TDRs can be purchased from other sources. These purchases are projected to generate up to \$7.4 million for land conservation over the ILA's 25-year duration. The transfers will relocate development potential out of the county's rural area and enable the construction of taller buildings in transit-oriented neighborhoods where the City of Shoreline wants growth.

In exchange for this commitment, the TDR Bank will provide the City of Shoreline with 25 percent of the proceeds from each TDR sold to in-city developers, after administrative costs. Shared revenue must be used on public improvements, such as transit, stormwater facilities, or other infrastructure as allowed by KCC 21A.37.150. King County has successfully implemented similar arrangements with other cities.

The Honorable Dave Upthegrove

August 19, 2024

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This ILA furthers the goals of the Land Conservation Initiative and Strategic Climate Action Plan by incentivizing market-based protection of high conservation value lands. It advances the County's Comprehensive Plan goals by encouraging growth within urban areas. Additionally, it provides market-based financing to help pay for infrastructure investments that support healthy neighborhoods around regional transit.

Thank you for your consideration of this proposed Ordinance to protect important open space in our county and to shape land use patterns in more sustainable ways.

If your staff have questions, please contact Josh Baldi, Division Director of the Water and Land Resources Division, Department of Natural Resources and Parks, at 206--477-9440.

Sincerely,



for

Dow Constantine  
King County Executive

Enclosures

cc: King County Councilmembers  
ATTN: Stephanie Cirkovich, Chief of Staff  
Melani Hay, Clerk of the Council  
Karan Gill, Chief of Staff, Office of the Executive  
Penny Lipsou, Council Relations Director, Office of the Executive  
John Taylor, Director, Department of Natural Resources and Parks (DNRP)  
Mo McBroom, Deputy Director, DNRP  
Josh Baldi, Division Director, Water and Land Resources Division, (WLRD) DNRP  
Nick Bratton, Transfer of Development Rights Program Manager, Rural and Regional Services Section, WLRD, DNRP

Ordinance/Motion: XXXX-2024  
 Title: INTERLOCAL AGREEMENT FOR THE IMPLEMENTATION OF A REGIONAL PROGRAM TO TRANSFER DEVELOPMENT RIGHTS FROM UNINCORPORATED KING COUNTY TO THE CITY OF SHORELINE  
 Affected Agency and/or Agencies: Water and Land Resources Division, Department of Natural Resources and Parks (DNRP)  
 Note Prepared By: Veronica Doherty, Business & Finance Officer IV, WLRD, DNRP  
 Date Prepared: August 5th, 2024  
 Note Reviewed By: Elena Davert, Office of Performance, Strategy, and Budget (PSB)  
 Date Reviewed: August 5th, 2024

**Description of request:**

This budget request supports the implementation of an Interlocal agreement with the City of Shoreline to transfer development credits from unincorporated King County to the City of Shoreline.

**Revenue to:**

Agency	Fund Code	Revenue Source	2025	2026-2027	2028-2029
DNRP\WLR	3691	34501	0	240,000	300,000
<b>TOTAL</b>			<b>0</b>	<b>240,000</b>	<b>300,000</b>

**Expenditures from:**

Agency	Fund Code	Department	2025	2026-2027	2028-2029
DNRP\WLR	3691	DBRP	0	240,000	300,000
<b>TOTAL</b>			<b>0</b>	<b>240,000</b>	<b>300,000</b>

**Expenditures by Categories**

	2025	2026-2027	2028-2029
Aministrative Costs	0	87,000	108,750
Acquisitions	0	153,000	191,250
<b>TOTAL</b>	<b>0</b>	<b>240,000</b>	<b>300,000</b>

**Does this legislation require a budget supplemental? No**

Notes and Assumptions:

1. Revenues through 2029 will come from the sale of TDRs from the King County TDR Bank to developers in Shoreline. Sales are not expected to begin before the 2026-2027 biennium. Revenue from TDR sales are expected to reach \$7,400,000 over the ILA's 25 year duration depending on the growth in the real estate market. Construction in the current growth cycle will likely account for most of the revenue as the light rail station areas redevelop, after which revenue may slow as the neighborhoods are built out.
2. Expenditures reflect a 75% King County and 25% City of Shoreline revenue share of TDR sales, after retaining 15% for program support. The TDR bank will use the proceeds from sales to acquire additional development rights for land protection.



## **Local Services and Land Use Committee**

**March 19, 2025**

**Agenda Item No. 8  
Briefing No. 2025-B0039**

**Briefing on King County Roads Capital Program and  
Maintenance Needs**

**Materials for this item will be available after the meeting.**