Resolution No.____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANGLEY
WASHINGTON, ON THE SUBJECT OF PARTICIPATING IN THE WASHINGTON
MAIN STREET TAX CREDIT PROGRAM TO PROVIDE FUNDING FOR THE
LANGLEY MAIN STREET ASSOCIATION.

WHEREAS, the City of Langley is a Washington municipal corporation (hereinafter, the "City"), and Langley Main Street Association, a Washington nonprofit corporation and a nonprofit organization under internal revenue code sections 501(c)(3), Federal Tax ID # __________________________, (hereinafter, "The Association"); and

WHEREAS, the National Trust for Historic Preservation created the Main Street approach in 1980 in an effort to revitalize downtown "Main Streets", mainly in small towns, through preservation of historic downtown districts; and

WHEREAS, the Main Street approach offers a proven systematic, comprehensive model for downtown district revitalization that combines historic preservation and educational programs in local revitalization initiatives; and

WHEREAS, Main Street is a national movement that has spanned three decades and taken root in more than 2,000 communities in the United States; and

WHEREAS, the national Main Street movement has transformed the way communities think about the revitalization and management of their historic downtown commercial districts and have encouraged public and private reinvestment in such districts by galvanizing volunteers to promote historic preservation; and

WHEREAS, Main Street movements across the nation have demonstrated that a prosperous, sustainable community is only as healthy as its historic business core; and

WHEREAS, the Main Street approach features the creation of four community volunteer committees, each of which concentrates its efforts on one of the four elements of the “Main Street Four Points” approach: Organization, Economic Restructuring, Promotion, and Design; and

WHEREAS, organization builds consensus and cooperation between the many individuals and groups who have a role in the revitalization process; and

WHEREAS, economic restructuring strengthens downtown’s existing economic assets while simultaneously sustaining our historic small town culture and historic appearance; and

WHEREAS, promotion creates excitement and reinforces and markets a positive image to customers, potential investors, new businesses, local citizens, and visitors based on the unique attributes of a historic maritime district; and

WHEREAS, design enhances the unique visual qualities of downtown by addressing elements that create an appealing physical environment; and

WHEREAS, the Main Street Approach provides a flexible framework that puts the traditional assets of our downtown, such as unique architecture and locally-owned businesses, to work as a catalyst for a sustainable economy and community pride; and
WHEREAS, the Association anticipates being designated as an Affiliate, Start-up, or Main Street program and approved as a nonprofit organization under internal revenue code sections 501(c)(3); and

WHEREAS, the Association’s purpose is to promote historic preservation in a positive manner, to develop educational and social activity programs, to assist the City in public works streetscape activities and the development of design standards, and to collaborate with other organizations engaged in similar purposes; and

WHEREAS, RCW 82.73 entitled “Washington main street program tax incentives,” creates a Washington Main Street program to provide technical and financial assistance for revitalization of downtown and neighborhood commercial districts. The program is funded in part by a tax credit program for “tax payer” contributions given to eligible downtown or neighborhood commercial district revitalization organizations. Once designated the Langley Main Street Association will qualify as such an organization and the City of Langley qualifies as a “tax payer” eligible for the tax credit from Department of Revenue for the City of Langley’s contribution to the Langley Main Street Association; and

WHEREAS, the Washington State Department of Revenue issued a binding ruling to the City of Langley on October 27, 2011 that the city is eligible to participate in the program as long as the other requirements are met; and

WHEREAS, The Washington State Auditor issued a nonbinding opinion on December 28, 2012 that the City of Langley is eligible to participate in the main street tax credit program and that such participation does not “appear to violate the constitutional prohibition on the gift of public funds”.

WHEREAS, The Washington State Auditor’s non-binding opinion from December 28, 2012 stated the 25% additional payment the city will pay to participate in the program shall come from the city’s general fund.

WHEREAS, the City of Langley utility funds pay in excess of $45,000 in taxes to the State of Washington that may be redirected to the Langley Main Street Program; and

WHEREAS, by participating in the Main Street Tax Credit Program the City of Langley will receive a 75% tax credit in the following year; and

NOW, THEREFORE, in consideration of the public and community benefits and other valuable consideration it is hereby agreed to as follows:

Section 1. Upon the Langley Main Street Association being designated by the State of Washington to be eligible for the main street tax incentive program and subject to an application approval from the Washington Department of Revenue the City of Langley will allocate $45,000 in 2012 to the Langley Main Street Association as part of the Washington State Main Street Program.

Section 2. The City of Langley will provide payment to the Langley Main Street Association in equal quarterly installments commencing upon designation from the State of Washington and retroactive to January 1, 2012.

Section 3. The City of Langley shall consider future allocations of funds to the Langley Main Street Association annually during the budget process.
PASSED by the City Council of the City of Langley and approved by the Mayor at a regularly scheduled public meeting this ____day of _____________, 2012.

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LARRY KWARSICK, Mayor
ATTEST:

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DEBBIE L. MAHLER, Director of Finance/Clerk

APPROVED AS TO FORM:

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GRANT K. WEED, CITY ATTORNEY