



Resolution No. R2026-10

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority authorizing Sound Transit to participate in the City of Bellevue's Tax Increment Financing (TIF) for its Grand Connection Crossing project.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, the Central Puget Sound Regional Transit Authority ("Sound Transit") has authority under RCW 81.112 to plan, build, and operate high-capacity transit and to dispose of, lease, or develop property consistent with its mission; and

WHEREAS, changes to state law (RCW 39.114) in 2025 allow the City of Bellevue to form a Tax Increment Area (TIA) with a maximum of \$500 million of assessed value at the time of adoption and require each participating taxing district within a TIA to approve its partial or full participation in contributing its tax allocation revenues to the city's Tax Increment Financing (TIF) program and project; and

WHEREAS, the City of Bellevue has been developing the Grand Connection Crossing, a 1.5-mile urban pedestrian and cycling route between downtown Bellevue and the Eastrail corridor in Wilburton with a target completion year of 2030; and

WHEREAS, the City believes that the Grand Connection Crossing will stimulate economic growth, regional and international tourism, multimodal safety and connectivity, and community connection and activation; and

WHEREAS, the City of Bellevue plans to form a Tax Increment Area (TIA) in a 63.3 acre portion of Bellevue to help fund the Grand Connection Crossing using Tax Increment Financing (TIF); and

WHEREAS, taxing districts within the City of Bellevue's proposed TIA include the City of Bellevue, King County, King County Emergency Medical Services, King County Flood Control Zone, King County Library System, Port of Seattle and Sound Transit; and

WHEREAS, if a TIA is established, each taxing district within that area would continue to receive property tax revenues based on the area's initial assessed value, and as property values increase within the TIA, the additional tax revenue generated from that increment in assessed value during the TIF period would then be allocated to fund the TIA's identified public improvements, rather than flowing to the individual taxing districts; and

WHEREAS, the TIF proposed by the City of Bellevue would collect the additional tax increment for up to 25 years or until the TIF has collected sufficient revenues to pay for the public improvements; and

WHEREAS, the additional tax increment would be collected within the specified impacted area in East King subarea, and the revenue loss during the TIF period (2028-2052) is therefore attributed to the East King subarea; and

WHEREAS, Sound Transit estimates a loss of approximately \$6M to \$9M in property tax revenue during the TIF period (2028 – 2052), which represents approximately 0.10% to 0.14% of Sound Transit’s projected total property tax revenues during the TIF period; and

WHEREAS, the real estate development and economic development spurred by the Grand Connection Crossing is estimated to add \$17 million annually to local, regional and state governments through sales and use tax, lodging tax, and property tax revenue; and

WHEREAS, the City of Bellevue projects that on net the TIA is expected to bring in a greater amount of revenue than lost, in the form of increase sales tax estimates; and

WHEREAS, the City of Bellevue may still move forward with forming a TIA without the approval of the individual taxing districts but would not receive the tax allocation revenues from that district; and

WHEREAS, the Sound Transit 3 (ST3) System Plan included a System Access Program, which included the System Access Fund that is allocated equally among Sound Transit’s five subareas to fund such projects as safe sidewalks and protected bike lanes, shared use paths, improved bus-rail integration, and new pick-up and drop-off areas that provide convenient access so that more people can use Sound Transit services; and

WHEREAS, the Grand Connection Crossing will provide a safe and vehicle-free crossing over I-405 for people who walk, bike and roll, and improve connectivity from downtown to the wider region by linking to the Eastrail corridor and 175 miles of trails; and

WHEREAS, to meet the deadline required by state law, the Bellevue City Council must enact the TIA ordinance no later than June 30, 2026 and the Board must act by April 30, 2026 in order to meet the City’s timeline for participation in the TIA.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that Sound Transit is authorized to participate in the City of Bellevue’s Tax Increment Financing (TIF) for its Grand Connection Crossing project for up to 25 years after the first year in which tax allocation revenues are collected, or until the TIF has collected sufficient revenues to pay for the public improvements, whichever is earlier.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Dave Somers
Board Chair

Attest:

Kathryn Flores
Board Administrator