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**City of Lynnwood**

**Transportation Benefit District**

**2013 Annual Report**

November 2014

*RCW 36.73.160(2) - A district shall issue an annual report, indicating the status of transportation improvement costs, transportation improvement expenditures, revenues, and construction schedules, to the public and to newspapers of record in the district.*

*TBD Charter 6.06 – In addition, the District, upon approval by the Board, shall issue an annual report, indicating the status of transportation improvement costs, transportation improved expenditures, revenues, and construction schedules, to the public and the newspapers of record in the District (the “Plan”). “Newspapers of record in the District” shall include all newspapers which have filed a request for public notice of meetings with the District.*

1 **Lynnwood TBD Background**

2 A Transportation Benefit District (TBD) is a Quasi-municipal corporation & independent  
3 taxing district created for the sole purpose of funding transportation improvements within the  
4 district. A TBD is created by ordinance of legislative authority (county or city) and may  
5 include other counties, cities, port districts, or transit districts through Inter-local agreements.  
6

7 A law passed by the Washington State Legislature in 2007 allows city or county governments  
8 to create local transportation benefit districts and impose a local vehicle registration fee or  
9 other funding sources (such as sales tax) to fund local transportation projects. TBDs in  
10 Washington State have primarily been funded by a vehicle registration fee, but a few cities  
11 have implemented a sales tax funded TBD. As of October 2014, forty cities in Washington  
12 State have approved a vehicle registration fee funded TBD.  
13

14 Following a public hearing on May 24<sup>th</sup> 2010, the Lynnwood City Council approved  
15 Ordinance #2837 forming the Lynnwood Transportation Benefit District and adopting a new  
16 chapter to the Lynnwood Municipal Code, 12.14, entitled “Transportation Benefit District”.  
17 The governing board of the Transportation Benefit District is the Lynnwood City Council,  
18 acting in an ex officio and independent capacity. The ordinance specifies that the boundaries  
19 for the TBD be coextensive with the City limits.  
20

21 Following a public hearing on November 29<sup>th</sup> 2010 the TBD Board adopted TBD Ordinance  
22 #2 enacting a \$20 vehicle registration fee for each eligible vehicle registered in Lynnwood.  
23 The \$20 vehicle registration fee went into effect on July 1<sup>st</sup> 2011 and generates approximately  
24 \$500,000 annually for transportation projects. The projects to be funded (in whole or in part)  
25 include:

- 26 • City of Lynnwood Street Fund 111 (operation and maintenance)
- 27 • Pavement Overlay Program
- 28 • Traffic Signal Rebuild Program
- 29 • Traffic Signal Reconstruction: Scriber Lake Road at 196<sup>th</sup> Street SW (complete)
- 30 • 48<sup>th</sup> Avenue W Sidewalk: 183<sup>rd</sup> Place SW to 180<sup>th</sup> Street SW (complete)
- 31

32 Although it is a separate legal entity from the City of Lynnwood, the TBD is reported as a  
33 blended component unit in the City’s annual financial statements because its sole purpose is  
34 for the construction, preservation, maintenance and operation of City streets.  
35

36 **2013 Meetings Summary**

37 The TBD Board held three meetings in 2013. A brief summary of the meetings are listed as  
38 follows:  
39

40 **March 25, 2013 Special Meeting**

- 41 • Election of Board Officers
- 42 • Presentation and Discussion: Transportation Planning, Funding and Community  
43 Education/Outreach  
44

1 **April 29, 2013 Special Meeting**

- 2 • Presentation and Discussion: Transportation Planning, Funding and Community  
3 Education/Outreach  
4

5 **October 14, 2013 Regular Meeting**

- 6 • Public Hearing on Ordinance #6 adopting the 2014 budget (*Ordinance passed*  
7 *unanimously 5-0*)  
8 • Presentation, Discussion and Approval: 2012 TBD Annual Report (*Report was*  
9 *adopted*)  
10 • Presentation and Discussion: Community Education and Outreach Plan  
11

12 **2013 Revenue**

13 The TBD's revenues for the year ending December 31, 2013 are follows:

\$ 506,900	Vehicle Registration Fees
1,074	Investment Interest
<u>\$ 507,974</u>	Total Revenues

14  
15  
16 **2013 Expense**

17 2013 TBD expenses consist of administrative expenses, TBD insurance (through the Cities  
18 Insurance Association of Washington (CIAW)), and projects. The TBD's administrative  
19 expenses consist of staff time (Public Works, Finance, and Legal), public meeting notices, and  
20 meeting minute recording/development. Total 2013 TBD expenditures are summarized as  
21 follows:

\$ 10,274	Administration Expenditures
2,943	Insurance
3,444	Audit Fees
85,000	48th Sidewalk
<u>\$ 101,660</u>	Total Expenditures

22  
23 **Fund Balance**

24 The 2013 TBD ending fund balance is summarized as follows:

\$ 283,140	Beginning Fund Balance
507,974	Revenue
(101,660)	Expenditures
<u>\$ 689,454</u>	Ending Fund Balance

25  
26 A Schedule of Revenues, Expenditures and Changes in Fund Balance is provided on the last  
27 page of this report.  
28

1 **TBD Project Expenses and Schedules**

2 Projects identified in TBD Ordinance #2 for potential TBD funding include:

3 1) City of Lynnwood Street Fund 111

4 Expenses: Varies year to year

5 2013 TBD Funding Contribution: No TBD Funds were expended on this project in 2013

6 Schedule: Ongoing

8 2) Pavement Overlay Program

9 Expenses: Varies year to year

10 2013 TBD Funding Contribution: No TBD Funds were expended on this project in 2013

11 Schedule: Various projects from year to year

13 3) Traffic Signal Rebuild Program

14 Expenses: Varies year to year

15 2013 TBD Funding Contribution: No TBD Funds were expended on this project in 2013

16 Schedule: Ongoing

18 4) Traffic Signal Reconstruction: Scriber Lake Road at 196<sup>th</sup> Street SW

19 Expenses: \$733,285

20 2013 TBD Funding Contribution: No TBD Funds were expended on this project in 2013

21 Schedule: Project was completed in 2014

23 5) 48<sup>th</sup> Avenue W Sidewalk: 183<sup>rd</sup> Place SW to 180<sup>th</sup> Street SW

24 Expenses: \$1,453,275

25 2013 TBD Funding Contribution: \$85,000

26 Schedule: Project was completed in 2014

27

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
City of Lynnwood, Washington  
Transportation Benefit District  
For the Period Ended December 31, 2013**

**REVENUES**

Annual Vehicle Registration Fees	\$ 506,900
Interest	1,074
<b>TOTAL REVENUES</b>	<u>\$ 507,974</u>

**EXPENDITURES**

Administration Expenditures	\$ 10,274
Insurance	2,943
Audit Fees	3,444
48th Sidewalk	85,000
<b>TOTAL EXPENDITURES</b>	<u>\$ 101,660</u>

EXCESS (DEFICIENCY) OF REVENUES  
OVER EXPENDITURES

406,314

**OTHER FINANCING SOURCES (USES)**

TOTAL OTHER FINANCING SOURCES (USES)

-

NET CHANGE IN FUND BALANCE

406,314

Fund balance - beginning

283,140

FUND BALANCE - Ending

\$ 689,454

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