

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

**City of Lynnwood**

**Transportation Benefit District**

**2015 Annual Report**

October 2016

*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 2016, 54 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 \$550,000 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 **2015 Meetings Summary**

37 The TBD Board held eight meetings in 2015. A brief summary of the meetings are listed as  
38 follows:  
39

40 **January 20, 2015 Special Meeting**

- 41 • Presentation: 2014 general election proposition 1 results
- 42 • Presentation and discussion: transportation funding status, needs and potential funding  
43 sources
- 44

45 **March 9, 2015 Regular Meeting**

- 46 • Presentation and discussion: transportation funding status, needs and potential funding  
47 sources

1  
2 **May 4, 2015 Special Meeting**

- 3 • Executive session  
4

5 **May 11, 2015 Special Meeting**

- 6 • Presentation, discussion and possible final action or other disposition: transportation  
7 funding status and needs, potential funding sources and next steps for potential  
8 funding, including but not limited to options for possible ballot measure  
9

10 **May 26, 2015 Special Meeting**

- 11 • Consideration, discussion and possible final action or other disposition: rescheduling  
12 June 4, 2015 special meeting  
13

14 **June 10, 2015 Special Meeting**

- 15 • Presentation, discussion and possible final action or other disposition: transportation  
16 funding status and needs, potential funding sources and next steps for potential  
17 funding, including but not limited to options for possible ballot measure  
18

19 **July 8, 2015 Special Meeting**

- 20 • Public Hearing - transportation funding status and needs, potential funding sources  
21 and next steps for potential funding, including but not limited to options for possible  
22 ballot measure including but not limited to imposing a sales and use tax and/or vehicle  
23 registration fee funding options  
24 • Presentation, discussion and possible final action or other disposition on Resolution #7  
25 and other various documents and procedures associated with a ballot proposition to  
26 impose a sales and use tax and/or vehicle registration fee funding options  
27

28 **November 18, 2015 Special Meeting**

- 29 • Presentation, discussion and approval of the 2014 TBD Annual Report  
30 • Public hearing, consideration, discussion and possible action on Ordinance #9 – 2016  
31 Budget  
32 • Presentation, discussion and possible final action or other disposition: transportation  
33 funding status and needs, potential funding sources and next steps for potential  
34 funding, including but not limited to options for possible ballot measure  
35

36 **2015 Revenue**

37 The TBD's revenues for the year ending December 31, 2015 are as follows:

38  
39

\$548,511	Vehicle Registration Fees
\$628	Interest
\$549,139	Total Revenues

40  
41  
42

43 **2015 Expense**

44 2015 TBD expenses consist of administrative expenses, TBD insurance (through the Cities  
45 Insurance Association of Washington (CIAW)), consultant services, and projects. The TBD's  
46 administrative expenses consist of staff time (Public Works, Finance, and Legal), public

1 meeting notices, and meeting minute recording/development. Total 2015 TBD expenditures  
2 are summarized as follows:

3		
4	\$4,442	Administration
5	\$34,667	Legal
6	\$737	Professional Services
7	\$550,000	Projects
8	\$589,846	Total Expenditures
9		

10 **Fund Balance**

11 The 2015 TBD ending fund balance is summarized as follows:

12		
13	\$108,156	Beginning Fund Balance
14	\$549,139	Revenues
15	(\$589,846)	Expenditures
16	\$67,449	Ending Fund Balance
17		

18 A Schedule of Revenues, Expenditures and Changes in Fund Balance is provided on the last  
19 page of this report.

20  
21 **TBD Project Expenses and Schedules**

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

- 23 1) City of Lynnwood Street Fund 111  
24 Expenses: Varies year to year  
25 2015 TBD Funding Contribution: \$150,000  
26 Schedule: Ongoing  
27
- 28 2) Pavement Overlay Program  
29 Expenses: Varies year to year  
30 2015 TBD Funding Contribution: \$400,000  
31 Schedule: Various projects from year to year  
32
- 33 3) Traffic Signal Rebuild Program  
34 Expenses: Varies year to year  
35 2015 TBD Funding Contribution: No TBD Funds were expended on this project in 2015  
36 Schedule: Ongoing  
37
- 38 4) Traffic Signal Reconstruction: Scriber Lake Road at 196<sup>th</sup> Street SW  
39 Expenses: \$733,285  
40 2015 TBD Funding Contribution: No TBD Funds were expended on this project.  
41 Schedule: Project was completed in 2014  
42
- 43 5) 48<sup>th</sup> Avenue W Sidewalk: 183<sup>rd</sup> Place SW to 180<sup>th</sup> Street SW  
44 Expenses: \$1,453,275  
45 2015 TBD Funding Contribution: None in 2015 (\$85,000 expended in 2013)  
46 Schedule: Project was completed in 2014  
47  
48

1

1 Schedule of Revenues, Expenditures, and  
2 Changes in Fund Balances City of Lynnwood, Washington  
3 TRANSPORTATION BENEFIT DIST  
4 For the Year Ended December 31, 2015  
5

	Actual
<b>REVENUES</b>	
Annual Vehicle Registration Fees	\$ 548,511
Interest	628
<b>TOTAL REVENUES</b>	<u>\$ 549,139</u>
<b>EXPENDITURES</b>	
Administration Expenditures	\$ 4,442
Legal	34,667
Insurance	-
Professional Services	737
Projects - Streets & Overlays	550,000
<b>TOTAL EXPENDITURES</b>	<u>\$ 589,846</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (40,707)
<b>OTHER FINANCING SOURCES (USES)</b>	
Total other financing source (uses)	<u>-</u>
Net change in fund balances	(40,707)
Fund balances - beginning	<u>108,156</u>
Fund balances - ending	<u>\$ 67,449</u>

2