

1
2
3
4
5
6
7 **City of Lynnwood**

8
9 **Transportation Benefit District**

10
11
12
13
14
15 **2018 Annual Report**

16
17
18
19
20
21 November 2019

22
23
24
25
26 *RCW 36.73.160(2) - A district shall issue an annual report, indicating the status of*
27 *transportation improvement costs, transportation improvement expenditures, revenues, and*
28 *construction schedules, to the public and to newspapers of record in the district.*
29

30 *TBD Charter 6.06 – In addition, the District, upon approval by the Board, shall issue an*
31 *annual report, indicating the status of transportation improvement costs, transportation*
32 *improved expenditures, revenues, and construction schedules, to the public and the*
33 *newspapers of record in the District (the “Plan”). “Newspapers of record in the District”*
34 *shall include all newspapers which have filed a request for public notice of meetings with the*
35 *District.*
36

Lynnwood TBD Background

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

A law passed by the Washington State Legislature in 2007 allows city or county governments to create local transportation benefit districts and impose a local vehicle registration fee and/or sales and use tax to fund local transportation projects. TBDs in Washington State have primarily been funded by a vehicle registration fee, but a few cities have implemented a sales tax funded TBD. As of October 2019, 61 cities in Washington State have approved a vehicle registration fee funded TBD.

On May 24th 2010, the Lynnwood City Council approved Ordinance #2837 forming the Lynnwood Transportation Benefit District and adopting a new chapter to the Lynnwood Municipal Code, 12.14, entitled "Transportation Benefit District". The governing board of the Transportation Benefit District is the Lynnwood City Council, acting in an ex-officio and independent capacity. The ordinance specifies that the boundaries for the TBD be coextensive with the City limits.

At the November 29th 2010 Board Meeting the TBD Board adopted TBD Ordinance #2 enacting an annual \$20 vehicle registration fee (for each eligible vehicle registered in Lynnwood). At the July 27th 2016 Board Meeting the TBD Board adopted TBD Ordinance #10 increasing the fee to \$40. The \$40 fee (increase from \$20 to \$40) went into effect on February 1st 2017 and generates a total of approximately \$1,200,000 annually for transportation projects. On November 8th 2016, the Lynnwood voters approved a 0.1% sales and use tax increase to fund roads in Lynnwood through the TBD. The tax increase went into effect on April 1st 2017, lasts for 10 years, and is expected to generate approximately \$2,400,000 per year. The projects to be funded (in whole or in part) by both the vehicle registration fee and the sales and use tax include:

1. Preventative and routine pavement maintenance and reconstruction
2. Street and traffic maintenance and operations
3. Other capital projects as identified in the City's Transportation Plan

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

2018 Meetings Summary

The TBD Board held two meetings in 2018. A brief summary of the meetings is listed as follows:

March 21, 2018 Special Meeting

- Presentation and discussion – ADA Transition Plan
- Presentation and discussion – Sidewalk Maintenance
- Ordinance #14 and #15 – Decreasing or eliminating the vehicle licensing fee

- 1 • Election of Board Officers

2
3 **November 21, 2018 Special Meeting**

- 4 • Ordinance #14 and #15 – Decreasing or eliminating the vehicle licensing fee
5 • Presentation, discussion and approval of the 2017 TBD Annual Report
6 • Public hearing, consideration, discussion and possible action on Ordinance #18 – 2019
7 Budget

8
9 **2018 Revenue**

10 The TBD's revenues for the year ending December 31, 2018 are as follows:

11
12
13
14
15
16

\$	1,241,953	Vehicle Registration Fees
	3,191,049	Sales and Use Tax
	31,984	Interest
\$	4,464,986	Total Revenues

17 **2018 Expenditures**

18 2018 TBD expenditures consist of administrative expenses, TBD insurance (through the
19 Cities Insurance Association of Washington (CIAW)), and projects. The TBD's
20 administrative expenses consist of staff time (Public Works and Finance), public meeting
21 notices, and meeting minute recording/development. Total 2018 TBD expenditures are
22 summarized as follows:

23
24
25
26
27
28
29

\$	178	Administration
	2,359	Professional Services
	165	Legal Publications
	0	Insurance
	3,688,420	Projects
\$	3,691,122	Total Expenditures

30 **Fund Balance**

31 The 2018 TBD ending fund balance is summarized as follows:

32
33
34
35
36
37

\$	1,772,523	Beginning Fund Balance
	4,464,986	Revenues
	(3,691,122)	Expenditures
\$	2,546,387	Ending Fund Balance

38 A schedule of revenues, expenditures and changes in fund balance is provided on the last page
39 of this report.
40
41

1 **TBD Project Expenses and Schedules**

2 Projects identified in TBD Ordinance #10 for potential TBD funding include:

3 1) Street and traffic maintenance and operations

4 Street Fund 111

5 2018 TBD Funding Contribution: \$ 250,000

6 Schedule: Ongoing

8 2) Preventative and routine pavement maintenance
9 and reconstruction

10 Transportation Capital Infrastructure Fund 360

11 2018 TBD Funding Contribution: \$3,306,420

12 toward the following:

13 36th Ave W Improvements \$ 1,025,000

14 Pavement Preservation 1,961,973

15 Poplar Way 216,420

16 Paving done in conjunction with utility improvements 103,027

17 \$ 3,306,420

18 Schedule: Ongoing

20 3) Transfers directly to Fund 412 for paving done in
21 conjunction with utility improvement

\$ 132,000

22

Schedule of Revenues, Expenditures, and Changes in Fund Balances
City of Lynnwood, Washington
Transportation Benefit District
For the Year Ending December 31, 2018

	Actual
REVENUES	
Annual Vehicle Registration Fees	\$ 1,241,953
Sales and Use Tax	3,191,049
Interest	<u>31,984</u>
TOTAL REVENUES	<u>\$ 4,464,986</u>
EXPENDITURES	
Administration Expenditures	\$ 178
Professional	2,359
Legal Publications	165
Projects	<u>3,688,420</u>
TOTAL EXPENDITURES	<u>\$ 3,691,122</u>
Net Change in Fund Balance	\$ 773,864
Fund Balance - Beginning	<u>1,772,523</u>
Fund Balance - Ending	<u>\$ 2,546,387</u>