

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

2020 Annual Report

April 2021

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 and/or
9 sales and use tax to fund local transportation projects. TBDs in Washington State have
10 primarily been funded by a vehicle registration fee, but a few cities have implemented a sales
11 tax funded TBD.
12

13 On May 24th 2010, the Lynnwood City Council approved Ordinance #2837 forming the
14 Lynnwood Transportation Benefit District and adopting a new chapter to the Lynnwood
15 Municipal Code, 12.14, entitled “Transportation Benefit District”. The governing board of
16 the Transportation Benefit District is the Lynnwood City Council, previously acting in an ex-
17 officio and independent capacity. The ordinance specified that the boundaries for the TBD be
18 coextensive with the City limits.
19

20 At the November 29th 2010 Board Meeting the TBD Board adopted TBD Ordinance #2
21 enacting an annual \$20 vehicle registration fee (for each eligible vehicle registered in
22 Lynnwood). At the July 27th 2016 Board Meeting the TBD Board adopted TBD Ordinance
23 #10 increasing the fee to \$40. The \$40 fee (increase from \$20 to \$40) went into effect on
24 February 1st, 2017 and generates a total of approximately \$1,200,000 annually for
25 transportation projects. On November 8th, 2016, the Lynnwood voters approved a 0.1% sales
26 and use tax increase to fund roads in Lynnwood through the TBD. The tax increase went into
27 effect on April 1st, 2017, lasts for 10 years, and is expected to generate approximately
28 \$2,800,000 per year. The projects to be funded (in whole or in part) by both the vehicle
29 registration fee and the sales and use tax include:
30

- 31 1. Preventative and routine pavement maintenance and reconstruction
- 32 2. Street and traffic maintenance and operations
- 33 3. Other capital projects as identified in the City’s Transportation Plan
34

35 On July 15, 2015, the Washington State Legislature enacted RCW 36.74.010, which
36 authorized any city that had established a TBD with boundaries coterminous with the city to
37 assume the rights, powers, functions and obligations of the TBD, in accordance with Chapter
38 36.74 RCW. The Lynnwood TBD matched these criteria. At the March 23, 2020 meeting,
39 City Council adopted Ordinance 3356 in which the City assumed the rights, powers,
40 functions, and obligations of the TBD. As of this date, the TBD no longer functions as a
41 separate entity from the City.
42

43 **2020 Meetings Summary**

44 Due to the adoption of Ordinance 3356 and the assumption of the TBD by the City, the TBD
45 Board did not hold any meetings in 2020. City Council reviewed a few items related to the
46 TBD which are summarized as follows:
47

1 **February 10, 2020 City Council Meeting**

- 2 • Consideration, discussion, and possible action on Resolution 2020-03 – City Council’s
3 intent to conduct a public hearing concerning the assumption by the city of the rights,
4 powers, functions, and obligations of the TBD.
5

6 **March 9, 2020 City Council Meeting**

- 7 • Public hearing – Ordinance on the City’s assumption of the TBD
8

9 **March 23, 2020 City Council Meeting**

- 10 • Ordinance 3356: City’s assumption of the TBD
11

12 **2020 Revenue**

13 The TBD’s revenues for the year ending December 31, 2020 are as follows:
14

15	\$ 1,306,113	Vehicle Registration Fees
16	2,470,245	Sales and Use Tax
17	<u>21,005</u>	Interest
18	\$ 3,797,363	Total Revenues
19		

20 **2020 Expenditures**

21 2020 TBD expenditures consist of administrative expenses, TBD insurance (through the
22 Cities Insurance Association of Washington (CIAW)), and projects. The TBD’s
23 administrative expenses consist of staff time (Public Works, Human Resources, and Finance),
24 public meeting notices, and meeting minute recording/development. Total 2020 TBD
25 expenditures are summarized as follows:

26	\$ 27,148	Administration
27	4,047	Professional Services
28	24	Legal Publications
29	<u>2,506,645</u>	Projects
30	\$ 2,537,864	Total Expenditures
31		

32 **Fund Balance**

33 The 2020 TBD ending fund balance is summarized as follows:
34

35	\$ 3,354,818	Beginning Fund Balance
36	3,797,363	Revenues
37	<u>(2,537,864)</u>	Expenditures
38	\$ 4,614,317	Ending Fund Balance
39		

40 A schedule of revenues, expenditures and changes in fund balance is provided on the last page
41 of this report.
42
43

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	2020 TBD Funding Contribution:	\$ 300,000
6	Schedule: Ongoing	
7		
8	2) Preventative and routine pavement maintenance	
9	and reconstruction	
10	Transportation Capital Infrastructure Fund 360	
11	2020 TBD Funding Contribution:	\$ 4,903,649
12	toward the following:	
13		
14	ADA Ramps & Sidewalks Program	\$ 240,000
15	Sidewalks/ADA	525,000
16	Traffic Signal Rebuild	550,000
17	196 th Street SW	550,000
18	Pavement Preservation	3,000,000
19	Pavement Preservation	<u>38,649</u>
20		\$ 5,203,649
21		

Schedule of Revenues, Expenditures, and Changes in Fund Balances
City of Lynnwood, Washington
Transportation Benefit District
For the Year Ending December 31, 2020

1
2
3
4
5
6

7
8
9
10

11
12
13
14
16
17
18

19
20
22

7

		Actual
REVENUES		
Annual Vehicle Registration Fees	\$	1,306,113
Sales and Use Tax		2,470,245
Interest		21,005
TOTAL REVENUES	\$	<u>3,797,363</u>
 EXPENDITURES		
Administration Expenditures	\$	27,148
Professional		4,047
Legal Publications		24
Projects		2,506,645
TOTAL EXPENDITURES	\$	<u>2,537,864</u>
 Net Change in Fund Balance	 \$	 1,259,499
 Fund Balance - Beginning		 <u>3,354,818</u>
Fund Balance - Ending	\$	<u>4,614,317</u>