

**Auburn Transportation Benefit District
March 18, 2019 - 6:00 PM
Council Chambers - City Hall
AGENDA**

I. CALL TO ORDER

A. Roll Call

II. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. Minutes of the March 5, 2018 Transportation Benefit District Meeting

III. ACTION

A. Benefit District Options

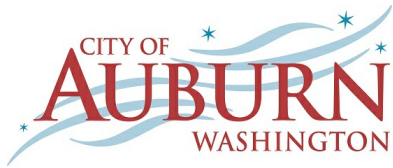
IV. RESOLUTIONS

A. Resolution No. 2019-01 - 2018 Annual Report

A Resolution of the Auburn Transportation Benefit District adopting the 2018 Annual Report

V. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Minutes of the March 5, 2018 Transportation Benefit District Meeting

Date:

March 10, 2019

Department:

Administration

Attachments:

[03-05-2018 Minutes](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

Background Summary:

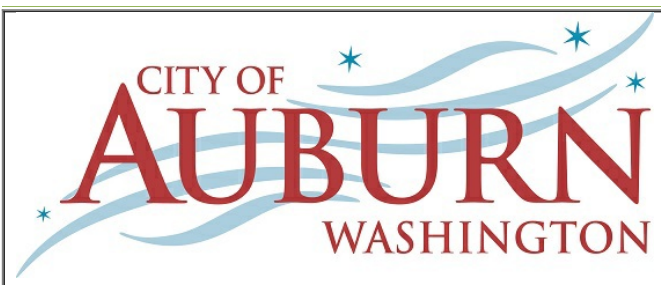
Reviewed by Council Committees:

Councilmember:

Meeting Date: March 18, 2019

Staff:

Item Number: CA.A

	<p>Auburn Transportation Benefit District March 5, 2018 - 6:30 PM Auburn City Hall MINUTES</p>
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I. CALL TO ORDER

A. Roll Call

Board Chairperson Nancy Backus called the special meeting to order at 6:30 p.m. Board Members present: Bob Baggett, Larry Brown, Claude DaCorsi, John Holman and Yolanda Trout-Manuel. Board Members Bill Peloza and Largo Wales were excused.

City of Auburn department directors and staff members present included: City Attorney Daniel B. Heid, Assistant Director of Engineering Services/City Engineer Ingrid Gaub, Finance Director Shelley Coleman, Assistant Public Works Director Randy Bailey, Police Commander Mike Hirman, and City Clerk Danielle Daskam.

II. CONSENT AGENDA

All matters listed on the Consent Agenda are considered by the City Council to be routine and will be enacted by one motion in the form listed.

A. Minutes of the September 18, 2017 Special Meeting

Member DaCorsi moved and Member Trout-Manuel seconded to approve the Consent Agenda.

MOTION CARRIED UNANIMOUSLY. 5-0

III. RESOLUTIONS

A. Resolution No. 2018-01

A Resolution of the Auburn Transportation Benefit District adopting the 2017 Annual Report

Auburn Assistant Director of Engineering Services/City Engineer Gaub presented Resolution No. 2018-01 adopting the 2017 Annual Report for the Auburn Transportation Benefit District. The Board has not enacted a fee or tax authorized pursuant to RCW 36.74, and since there was no funding source in place, the District does not have any substantive report for the calendar year 2017 for the status of transportation improvement costs, transportation, improvement expenditures, revenues and construction schedules.

Member Holman moved and Member Baggett seconded to adopt Resolution No. 2018-01.

MOTION CARRIED UNANIMOUSLY. 5-0

IV. **ADJOURNMENT**

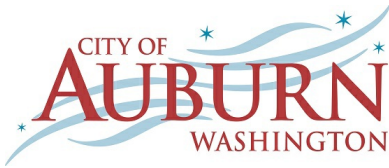
There being no further business to come before the Board, the meeting adjourned at 6:36 p.m.

APPROVED the _____ day of _____, 2019.

NANCY BACKUS, CHAIR

Clerk of the Board

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AGENDA BILL APPROVAL FORM

Agenda Subject:

Benefit District Options

Date:

March 1, 2019

Department:

Finance

Attachments:

[TBD Options](#)

[TBD List](#)

Budget Impact:**Administrative Recommendation:****Background Summary:**

This presentation will review options for the Transportation Benefit District (TBD) including:

Revenue options and capacity available to the TBD which include: car tab fees; excess property tax and sales tax levies; and voted bonds;

Also to be discussed is the assumption of the TBD's rights, powers, functions and obligations by the City. We will review the process required by State law for the assumption.

Finally, when and how a TBD is dissolved.

Attached is a list of over 100 TBD's in the state noting whether their powers have been assumed, revenues, or not, in place to fund the TBD and other notations.

Reviewed by Council Committees:**Councilmember:****Staff:**

Coleman

Meeting Date: March 18, 2019

Item Number:

ACT.A

Transportation Benefit District (TBD)

Agenda

- ▶ Review Revenue Options Provided by the TBD Legislation.
- ▶ Discuss Assumption of the TBD by the City.
- ▶ Dissolution of the TBD.

Revenue Options

Transportation Benefit District (TBD) Revenue Options			
Source	Via		Potential \$
Car tab fees	B	\$20/license	\$ 900,000
Car tab fees	B	\$40/license	1,800,000
Car tab fees	B	\$50/license	2,250,000
Car tab fees	V	\$50/license	2,250,000
One year excess levy	V	TBD	TBD
Sales tax	V	0.20%	4,200,000
GO Bonds	B	1.5%	171,000,000
GO Bonds	V	5%	570,000,000 *

B=Board authorized

V=Voted

*=5% includes the 1.5% of Board capacity

Other Revenue Options

(Not so practical for Auburn)

- ▶ Commercial Construction Fees.
 - ▶ Similar to a transportation impact fee (TIF) and would be net of any existing TIF's.

- ▶ Road Tolls.



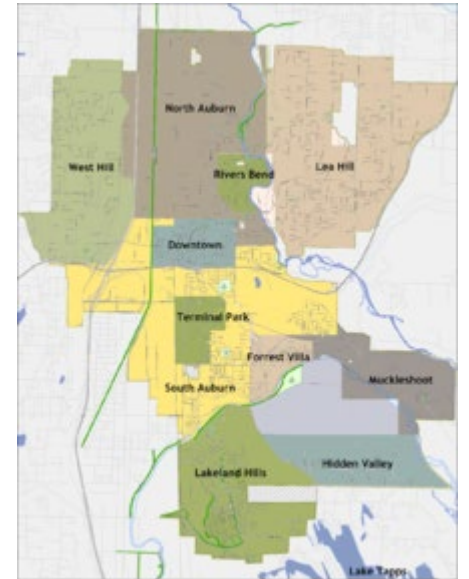
TBD Revenue Authority

	\$20-\$100 License Fee	.2% Sales & Use Tax	Ad Valorem Property Taxes in Excess of the 1% Limit	Ad Valorem Property Tax to Retire GO Bonds Issued for Capital Purposes Only.
Estimated Annual Revenues	\$900k - \$4.5M	\$4.3M	Each additional 1% generates \$220k.	Levied for the amount of the debt service annually until debt is retired.
Voter Approval	No and Yes	Yes	Yes	Yes
Taxes, fees, charges, some vehicles licensing fees, and tolls require approval by a majority of voters in the District, voting on a proposition, at a general or special election. All propositions must include specific description of the improvement(s).	Fees up to \$20 per tab do not require voter approval; Additional \$20 fee may be implemented after 24 months; another \$10 after another 24 months; subject to Ref. Tab fees >\$50-\$100 do require voter approval.	Based on 2018 taxable retail sales in the City of \$2.14B.	Can exceed the 1% limit for a one year period.	Voted GO Bonds, with maturities not exceeding 40 years. Amount of indebtedness: non voter approved up to 1.5% of AV (\$171M) or 5% of AV (\$570M).
Authorizing RCW		36.73.040	36.73.060	36.73.060-.070

To Assume or not to Assume

Assumption of TBD into the City

- ▶ The 2015 Legislature changed the law where the TBD may be absorbed by a city.
 - ▶ The TBD must have the same boundaries as the city;
 - ▶ The city would assume all the TBD's rights, powers, functions, and obligations;
 - ▶ The TBD would cease to exist as a separate entity.
- ▶ As of December 2018 about three quarters of the TBD's in the State have been assumed by their cities.



Auburn Washington, Neighborhood Map

Steps to Assumption by the City

- ▶ Passage of a resolution or ordinance indicating the intention to hold a public hearing on the proposed assumption of the rights, powers, functions, and obligations of the TBD, and setting the time and place of the hearing.
- ▶ After the hearing, the legislative authority determines that “public interest or welfare would be satisfied” by the assumption of the TBD, it passes an ordinance or resolution assuming the rights, powers, functions, and obligations of the TBD.
- ▶ A final annual financial report is required for the final year of existence
 - ▶ Auburn has had no activity therefore the final report would be unnecessary if the Auburn TBD continues to have no revenue or expenditures.



Pro/Con Analysis of Assumption

Pro	Con
<ol style="list-style-type: none">1. No longer a legal separate entity requiring a separate financial report and audit. Activities would be included in the City's budget and annual financial statements.2. Revenue options remain.3. May use City's unused debt capacity: \$231M.	<ol style="list-style-type: none">1. Lose the 5% bond capacity provided to a TBD that is a legal separate entity.

Debt Capacity Comparison

TBD Under the City		
1.50%	170,925,000	Councilmanic capacity
1.00%	113,950,000	Additional capacity w/vote
2.50%	<u>\$ 284,875,000</u>	Total Limit
	<u>\$ 54,200,000</u>	Current outstanding debt
	\$ 116,725,000	Councilmanic capacity
	113,950,000	Additional capacity w/vote
	<u>\$ 230,675,000</u>	Legal debt limit

TBD Stand Alone		
1.50%	170,925,000	Board capacity
3.50%	398,825,000	Additional capacity w/vote
5.00%	<u>\$ 569,750,000</u>	Legal debt limit for TBD

Dissolution of the TBD

TBD Dissolution

- ▶ A TBD must end its operations within 30 days of the specified project(s) completion.
- ▶ A TBD may continue to collect revenue to service debt after project completion.
- ▶ A TBD must be completely dissolved within 30 days after the financing or debt is paid off.
- ▶ Dissolution is by ordinance.



Questions?



List of City Transportation Benefit Districts (TBDs) in Washington State

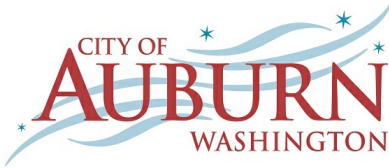
City	County/Counties	Established	Powers Assumed?	Sales Tax	Vehicle License Fee	Other Notes
Aberdeen	Grays Harbor	2012	Yes	0.13%		
Airway Heights	Spokane	2013	No	0.20%		
Anacortes	Skagit	2014	Yes	0.20%		
Arlington	Snohomish	2013	Yes	0.20%		
Auburn	King/Pierce	2011	No			\$59 million bond measure failed in 2012
Bainbridge Island	Kitsap	2012	Yes		\$20	
Battle Ground	Clark	2014	Yes		\$20	
Bellingham	Whatcom	2010	Yes	0.20%		
Black Diamond	King	2015	Yes		\$20	
Blaine	Whatcom	2017	No			Unfunded/no information
Bothell	King/Snohomish	2015	No			Unfunded/no information
Bremerton	Kitsap	2009	Yes		\$20	Voted \$30 fee failed in 2009 (when maximum nonvoted fee was \$20)
Bridgeport	Douglas	2016	No		\$20	
Buckley	Pierce	2012	Yes		\$20	
Burien	King	2009	No		\$20	Voted \$30 fee failed in 2009 (when maximum nonvoted fee was \$20)
Carbonado	Pierce	2012	Yes		\$20	
Castle Rock	Cowlitz	2012	No	0.20%		
Centralia	Lewis	2014	Yes	0.20%		
Chehalis	Lewis	2014	No	0.20%		
Clarkston	Asotin	2014	Yes	0.20%		Replaced \$20 vehicle license fee with 0.2% sales tax
College Place	Walla Walla	2017	Yes			Unfunded/no information
Connell	Franklin	2016	Yes	0.20%		
Covington	King	2013	Yes		\$20	0.2% sales tax failed in 2013 and 2015
Dayton	Columbia	2014	Yes	0.20%		
Des Moines	King	2008	Yes		\$40	\$40 vehicle license fee is nonvoted
DuPont	Pierce	2013	No		\$20	
Duvall	King	2015	Yes			Unfunded/no information
East Wenatchee	Douglas	2012	Yes		\$20	
Eatonville	Pierce	2012	Yes		\$20	
Edgewood	Pierce	2013	Yes		\$20	
Edmonds	Snohomish	2008	Yes		\$20	Voted \$40 fee failed in 2009 (when maximum nonvoted fee was \$20)
Electric City	Grant	2012	Yes		\$20	
Ellensburg	Kittitas	2015	Yes	0.20%		
Elmer City	Okanogan	2015	Yes		\$20	
Enumclaw	King	2013	No	0.10%	\$20	
Ephrata	Grant	2018	Yes	0.20%		
Everett	Snohomish	2014	Yes		\$20	
Ferndale	Whatcom	2011	Yes	0.20%		
Fife	Pierce	2015	No		\$20	
Friday Harbor	San Juan	2014	Yes	0.20%		
George	Grant	c. 2018	Yes		\$20	
Gig Harbor	Pierce	2018	No			Unfunded/no information - 0.2% sales tax narrowly failed in 2018.
Grand Coulee	Grant	2017	Yes	0.20%		
Grandview	Yakima	2011	Yes		\$20	
Granite Falls	Snohomish	2015	Yes		\$20	
Kalama	Cowlitz	2012	Yes		\$40	\$40 vehicle license fee is nonvoted
Kelso	Cowlitz	2012	Yes		\$20	
Kenmore	King	2012	No		\$20	
Kirkland	King	2014	No			Unfunded/no information
Kittitas	Kittitas	2012	Yes		\$20	

List of City Transportation Benefit Districts (TBDs) in Washington State

City	County/Counties	Established	Powers Assumed?	Sales Tax	Vehicle License Fee	Other Notes
Lacey	Thurston	2016	Yes	0.20%		
Lake Forest Park	King	2008	Yes		\$40	\$40 vehicle license fee is nonvoted
Lakewood	Pierce	2012	Yes		\$20	
Leavenworth	Chelan	2010	No	0.20%		
Liberty Lake	Spokane	2002	No			Unfunded/no information
Long Beach	Pacific	2017	Yes	0.20%		
Longview	Cowlitz	2016	Yes		\$20	
Lynden	Whatcom	2012	Yes	0.20%		
Lynnwood	Snohomish	2010	No	0.10%	\$40	\$40 vehicle license fee is nonvoted
Mabton	Yakima	2011	Yes		\$20	
Maple Valley	King	2012	Yes		\$20	
Marysville	Snohomish	2013	Yes	0.20%		
Mattawa	Grant	2015	Yes	0.20%		
Mercer Island	King	2014	Yes		\$20	
Monroe	Snohomish	2012	No	0.20%		
Moses Lake	Grant	2016	Yes	0.20%		Replaced \$20 vehicle license fee with 0.2% sales tax
Mountlake Terrace	Snohomish	2011	Yes		\$20	
Mount Vernon	Skagit	2016	Yes	0.20%		
Mukilteo	Snohomish	2017	Yes	0.10%		
Normandy Park	King	2013	Yes		\$20	
North Bend	King	2011	Yes	0.20%		
Oak Harbor	Island	2018	No			
Ocean Shores	Grays Harbor	2017	No	0.20%		
Olympia	Thurston	2008	No		\$40	\$40 vehicle license fee is nonvoted
Orting	Pierce	2011	Yes		\$20	
Othello	Adams	2012	Yes	0.20%		Sales tax passed in April 2016 after failing in November 2013
Port Angeles	Clallam	2017	Yes	0.20%		
Port Orchard	Kitsap	2015	Yes		\$20	
Prosser	Benton	2009	No		\$25	
Richland	Benton	2017	Yes		\$20	
Ridgefield	Clark	2008	No			Unfunded/no information - 0.2% sales tax repealed in 2012
Roy	Pierce	2014	Yes		\$20	
Royal City	Grant	2012	Yes		\$20	
Seattle	King	2010	Yes	0.10%	\$80	Voters approved a \$60 vehicle license fee increase in November 2014
Sedro-Woolley	Skagit	2014	Yes		\$20	
Sequim	Clallam	2008	Yes	0.20%		
Shelton	Mason	2015	Yes	0.20%		
Shoreline	King	2009	Yes	0.20%	\$20	Shoreline imposed 20-year TBD sales tax for repayment of debt
Snohomish	Snohomish	2010	Yes	0.20%		
Snoqualmie	King	2010	Yes		\$20	
Soap Lake	Grant	2013	Yes		\$20	
Spokane	Spokane	2011	Yes		\$20	
Stanwood	Snohomish	2012	Yes	0.20%		
Steilacoom	Pierce	2015	No			Unfunded/no information
Tacoma	Pierce	2012	No	0.10%	\$20	
Toppenish	Yakima	2012	Yes		\$20	
Tumwater	Thurston	2014	Yes	0.20%		
Twisp	Okanogan	2016	Yes	0.20%		
University Place	Pierce	2009	Yes		\$35	
Vancouver	Clark	2015	No		\$40	\$40 vehicle license fee is nonvoted
Waitsburg	Walla Walla	2012	No	0.10%		
Walla Walla	Walla Walla	2011	Yes	0.20%		
Wapato	Yakima	2012	Yes		\$20	

List of City Transportation Benefit Districts (TBDs) in Washington State

City	County/Counties	Established	Powers Assumed?	Sales Tax	Vehicle License Fee	Other Notes
Washougal	Clark	2015	Yes		\$20	
Wenatchee	Chelan	2011	Yes		\$20	
Wilkeson	Pierce	2014	No		\$20	
Woodland	Cowlitz/Clark	2016	No			Unfunded/no information - 0.2% sales taxes narrowly failed in 2016 and 2017.
Yakima	Yakima	2017	Yes		\$20	
Zillah	Yakima	2011	Yes		\$20	



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 2019-01 - 2018 Annual Report

Department:

Public Works

Attachments:

[Resolution 2019-01](#)

[Exhibit A](#)

Date:

March 10, 2019

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

Transportation Benefit District to adopt the 2018 Annual Report

Background Summary:

Subsection 2 of RCW 36.73.160 (Transportation improvement projects – Material change policy-Annual report) specifies that 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.

Reviewed by Council Committees:**Councilmember:**

Meeting Date: March 18, 2019

Staff:

Gaub

Item Number:

RES.A

RESOLUTION NO. 2019-01

A RESOLUTION OF THE AUBURN TRANSPORTATION
BENEFIT DISTRICT ADOPTING THE 2018 ANNUAL
REPORT

WHEREAS, RCW 36.73.160(2) requires the District to 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.

NOW, THEREFORE, THE BOARD OF THE AUBURN TRANSPORTATION BENEFIT DISTRICT RESOLVES as follows:

Section 1. The Board accepts the report attached as Exhibit A as its 2018 Annual Report.

Section 2. The Board Chairperson is authorized to issue the Report, and to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 3. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed this _____ day of _____, 2019.

CITY OF AUBURN

NANCY BACKUS, BOARD CHAIR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, Clerk of the District

Steven L. Gross, District Legal Counsel

AUBURN TRANSPORTATION BENEFIT DISTRICT

2018 ANNUAL REPORT

(RCW 36.73.160.2)

DATED JANUARY 22, 2019

Pursuant to RCW 36.73.160.2, the Auburn Transportation Benefit 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.

The Auburn Transportation Benefit District was formed on September 19, 2011 with the passage of Ordinance No. 6377 by the Auburn City Council. The Auburn Transportation Benefit District was established in accordance with the statutory provisions of RCW 36.73 (Transportation Benefit Districts). Subsequent to its formation the Auburn Transportation Benefit District Board has not, through its own authority or through voter approval, implemented a funding mechanism(s) to make or fund transportation improvements necessitated by economic development and to improve the performance of the transportation system within the geographic boundaries of the District.

Subsequent to the formation of the Auburn Transportation Benefit District and prior to December 2018, the Auburn Transportation Benefit District Board had not completed the process to enact a fee or tax authorized pursuant to RCW 36.74 (Transportation Benefit Districts). Therefore, and because throughout 2018 there was no funding source in place, the Auburn Transportation Benefit District does not have any substantive report for the calendar year 2018 for the status of transportation improvement costs, transportation improvement expenditures, revenues and construction schedules.

Following Board acceptance of this Annual Report, it shall be made available to the public and to newspapers of record within the District.