

Mountlake Terrace Transportation Benefit District

2016 Annual Report

Report Purpose

This report provides information on the status of the Mountlake Terrace Transportation Benefit District (“District” or “TBD”) and fulfills the requirements of the State of Washington and the District for an annual report. Below are excerpts from the relevant state law and local documents.

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.

Mountlake Terrace District Bylaws (Section 6.3): Pursuant to Chapter 36.73 RCW, the District shall issue an annual report to the public and to the newspaper of record. The District’s annual report shall indicate the status of transportation improvement costs, transportation expenditures, revenues, and construction schedules.

Mountlake Terrace District Organizational Rules (Section 6.05): In addition, the District, upon approval by the Board, shall issue an annual report, indicating the status of transportation improvement costs, transportation improvement expenditures, revenues, and construction schedules, to the public and the newspapers of record in the District...

Background

Cities and counties are authorized to form Transportation Benefit Districts under state law (Chapter 36.73 RCW) for the purpose of funding transportation projects. A Transportation Benefit District may cover an entire city; if so, it must be governed by a board comprised of the same members that are on the City Council. Funding may be from various sources, including a vehicle license fee.

In late 2011, the Mountlake Terrace City Council adopted Ordinance No. 2584 to establish a Transportation Benefit District that could fund selected transportation projects. The new District Board, comprised of City Council members acting in an independent capacity (per state requirement), held its first meeting on January 3, 2012. The meeting included a public hearing to consider adopting a \$20 vehicle license fee, which would be collected by the state Department of Licensing. After the public hearing, the Board voted to adopt the \$20 fee via Mountlake Terrace Transportation Benefit District Ordinance No. 1.

- On September 6, 2016 the City Council adopted Resolution No. 770, which declared the City Council’s intention to consider the assumption of the rights, powers, functions and obligation of the Transportation Benefit District (TBD) and set the October 3 public hearing. The following motions were made at the public hearing: “That the Council finds that the public interest and welfare would be satisfied by the City’s assumption of the rights, powers, functions, and obligations of the Mountlake Terrace Transportation Benefit District.”

- “That the City assume all of the rights, powers, functions, and obligations of the Mountlake Terrace Transportation Benefit District and abolish the Transportation Benefit District’s governing board on December 31, 2016.”
- “To adopt Ordinance amending Chapter 3.85 MTMC and assuming the rights, powers, functions, and obligations of the Mountlake Terrace Transportation Benefit District by the City.”

Transportation Benefit Districts (TBDs) are independent taxing districts formed specifically to fund transportation improvements. Generally, the most practical and most often utilized funding source for the TBD is an annual vehicle license fee. Mountlake Terrace formed a TBD on December 5, 2011.

The Mountlake Terrace TBD Board consists of City Council members in an independent ex officio role as required by State law. The TBD Board had its first meeting on January 3, 2012 and adopted TBD Ordinance No. 1 to provide a \$20 annual vehicle license fee.

The TBD’s priority has been the Downtown Main Street Revitalization Project. The Main Street Project involves the design of street, pedestrian, and bicycle enhancements along with improvements to utilities, street lighting and signals, stormwater systems, and undergrounding of overhead power along 56th Avenue (236th Street north to 230th Street), and 236th Street (from 56th Avenue to the Transit Station). The TBD transmits annual license fee revenue to the City for the city to design and construct Main Street.

In 2015 the State Legislature adopted 2ESSB 5987, which enacted a law allowing cities and counties with TBD boundaries that are contiguous with the city/county boundary to assume control over the TBD. The new law sets forth a process for the assumption of a TBD. This may be initiated by the adoption of a resolution of intent to conduct a public hearing to consider the assumption of the rights, powers, functions and obligations of the TBD and specifying a time and place for the public hearing.

The TBD Board held a meeting on February 1, 2016: 1. Election of Officers; and 2. 2015 Annual Report. Regular monthly meetings of the District were canceled for the months of January, March, April, May, June, July, August, September, October, November, and December as no District business needed to be considered.

Transportation Improvement Projects and Costs

Main Street Revitalization: The District’s highest priority project is “Main Street Revitalization.” This project is to reconstruct “Main Street”—i.e., the portion of 56th Avenue West between 236th and 230th Streets SW, along with connecting segments of 236th and 230th Streets SW (see the attached map). The project is estimated to cost \$18 million. Using the District’s ability to obtain revenues from a vehicle license fee, the City won a grant, in the amount of \$643,461 for the first stage of the Main Street Revitalization project. In September 2013, the City was selected for a state appropriation, in the amount of \$2 million, for the Main Street Revitalization project. In November 2014, the City was selected for a federal grant, in the amount of \$1 million, for the Main Street

Revitalization project. In August 2015, the City was selected for a state appropriation, in the amount of \$1.3 million, for the Main Street Revitalization project. In 2016 the City was awarded a \$4.06 million grant toward construction of Phase 1 of the project.

Gateway Boulevard: The “Gateway Boulevard” project was added in 2013 as a project that may have been funded in part by TBD revenues. With the advancement of the Gateway TOD development in 2017, this roadway section will be constructed by the developer and therefore no future TBD revenues will be necessary.

Transportation Improvement Expenditures

To continue the District’s operation, the following expenditures were made in 2016:

- \$4,565 for professional services.
- \$225 for supplies.
- \$2,500 for insurance (from Washington Cities Insurance Authority).
- \$307,596 transferred to the Street Construction Fund for:
 - \$186,135 Main Street Project
 - \$121,461 Reserves
- \$30,900 for debt service on Public Works Board loan for Gateway Boulevard.

As of December 31, these expenditures and transfers totaled \$345,786.

Transportation Improvement Revenues

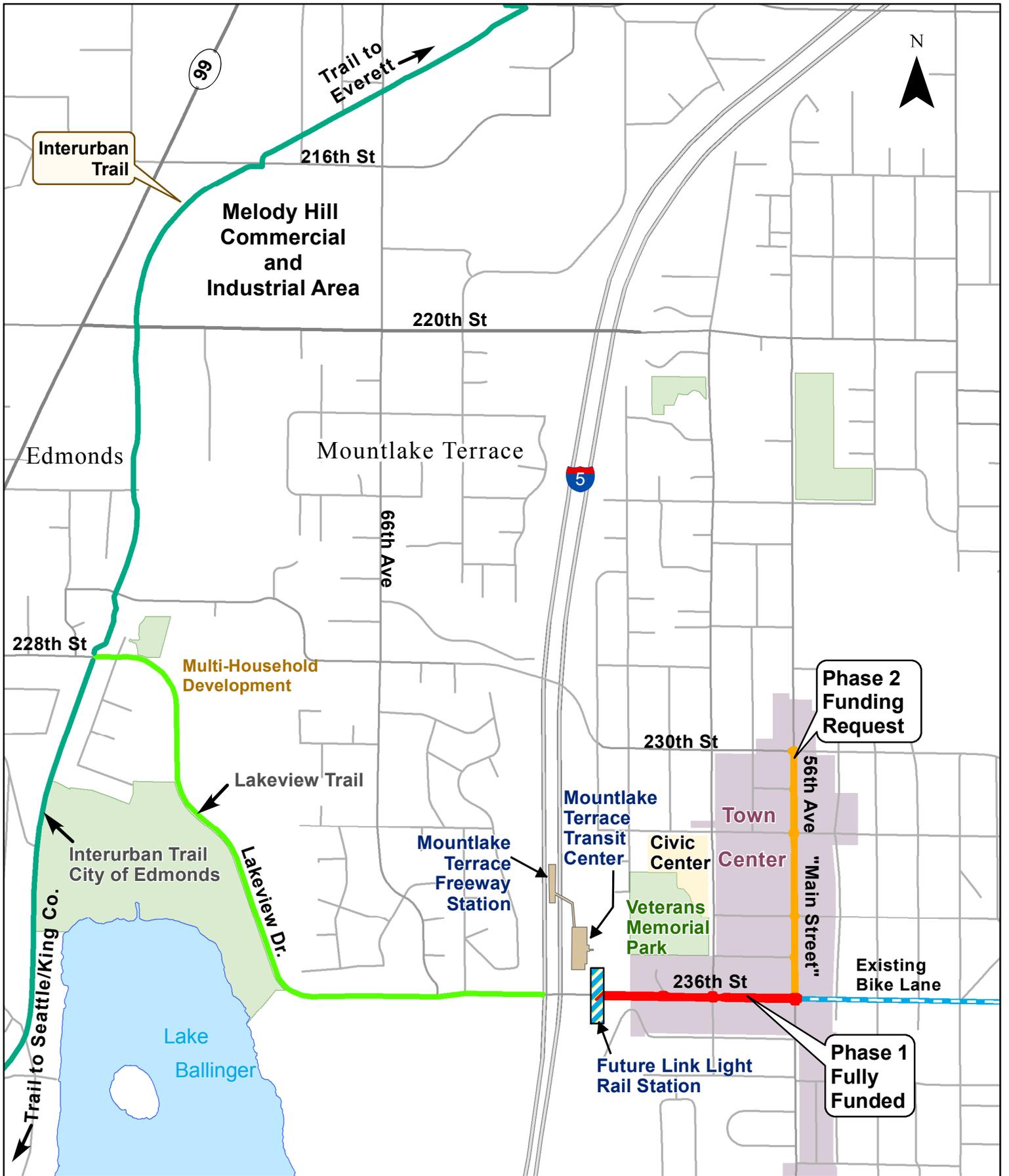
Vehicle license fee revenues for 2016 through December 31, 2016 amounted to \$329,671. With a beginning fund balance of \$16,115, and 2016 revenues totaling \$329,671, and 2016 expenditures totaling \$224,325 as of December 31st, the unspent fund balance at the end of 2016 was \$121,461.

Construction Schedules

A consultant, KPG, Inc., was selected and a professional services agreement executed for design of the Main Street Revitalization project. The City’s consultant is currently finalizing the plans, specifications and estimates. A sub consultant to KPG is finalizing right of way acquisition which is anticipated to be complete in 2017. The Main Street Revitalization project had been divided into two phases with Phase 1 designated as 236th Street SW and Phase 2 as 56th Avenue W. Phase 1 is expected to go to bid and construction in mid to late 2017, contingent on completion of right of way acquisition.

Attachment

- Main Street Revitalization Project Map



Main Street Reconstruction Project

- Phase 1
- Phase 2



Feet
Updated February 2017