



AGENDA

RICHLAND TRANSPORTATION BENEFIT DISTRICT MEETING

Richland City Hall ~ Council Chamber ~505 Swift Boulevard

Tuesday, April 18, 2017

Directly Following the City Council Meeting (approximately 8:00 p.m.)

Call to Order and Roll Call:

Public Comments:

Agenda Items:

1. Ordinance – First Reading

- a. Ordinance No. 01-17, Transportation Benefit District Funding
- Pete Rogalsky, Public Works Director

Adjournment:



AGENDA ITEM COVERSHEET

Date: 04/18/2017

Agenda Category: Ordinances - First Reading

Key Element: Key 1 - Financial Stability & Operational Effectiveness

Subject:

Ordinance No. 01-17, Transportation Benefit District Funding

Department:
Public Works

Ordinance/Resolution Number:
01-17

Document Type:
Ordinance

Recommended Motion:

Give first reading, by title only, to Ordinance No. 01-17, Transportation Benefit District Funding

Summary:

The City operates and maintains two hundred sixty (260) miles of public streets. The 2017 budget for this system is approximately \$4.3 million, of which \$2,840,000 comes from Streets-specific funding sources. The remaining \$1,450,000 represent allocations of general tax revenues. At this funding level the City is able to dedicate \$1.2 million per year to street resurfacing.

Pavement condition rating and system financial modelling suggest that a resurfacing program funded at between \$3 million and \$3.5 million per year is needed to sustain acceptable street surface conditions. This suggests that additional revenue on the order of \$2 million per year is needed. Over the past several years staff and Council subcommittees have determined that a new funding source is needed to address this need.

The Duportail Bridge is the highest priority transportation system improvement being planned by the City. Preparations for constructing this improvement are nearly complete, including securing a large majority of the needed funding from Washington State sources. The 2017 - 2030 Capital Improvement Plan (CIP) estimated the need for a City-funded bond at \$4,450,000. Since the CIP approval additional funding has been identified, such that the current estimate for the needed City bond issue is \$2,250,000.

The CIP identified a Transportation Benefit District as the recommended funding source to address the Pavement Preservation Program and Duportail Bridge needs. At its March 21 meeting Council created the Richland Transportation Benefit District. The proposed ordinance would fund the District's purposes with a twenty dollar per year vehicle license fee. This funding tool is recommended because of its clear nexus to the TBD purposes and its administrative simplicity.

If approved by Council revenue collection would begin in 2018 and expire in 2039, the estimated time required to retire bonds issued for the Duportail Bridge funding.

Fiscal Impact:

The proposed vehicle license fee is estimated to increase revenues by \$850,000 per year beginning in 2018, with revenues projected to increase at roughly the rate of population growth in future years.

Attachments:

- I. Ord. No. 01-17 TBD Funding

ORDINANCE NO. 01-17

AN ORDINANCE of the Richland Transportation Benefit District Establishing and Imposing \$20 of the Vehicle License Fee Authorized in RCW 36.73.065 and RCW 82.80.140, and fixing a time when the same shall be collected.

WHEREAS, Chapter 36.73 RCW and RCW 35.21.255 authorize the City Council to establish a transportation benefit district within the City's jurisdiction for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels; and

WHEREAS, the City Council of the City of Richland found it to be in the best interest of the City to establish a citywide Transportation Benefit District for the preservation and maintenance of the City's streets and related infrastructure consistent with Chapter 36.73 RCW, to protect the City's long term investments in that infrastructure, to reduce the risk of transportation facility failures and improve safety, to continue optimal performance of the infrastructure over time, to avoid more expensive infrastructure replacements in the future and to provide construction funding for the Duportail Bridge; and

WHEREAS, in Ordinance No. 02-17, the City Council of the City of Richland established a Transportation Benefit District as authorized by RCW 35.21.225 and subject to the provisions of RCW 36.73; and

WHEREAS, the Transportation Benefit District includes the entire City of Richland as the boundaries currently exist or as they may be extended by annexation; and

WHEREAS, pursuant to RCW 36.73.030(3), the members of the Richland City Council, acting *ex officio* and independently, constitute the governing body of the Richland Transportation Benefit District; and

WHEREAS, RCW 36.73.065 authorizes a transportation benefit district to impose, by majority vote of the district's governing board, up to \$20 of the vehicle fee authorized in RCW 82.80.140; and

WHEREAS, the Board of the Richland Transportation Benefit District finds it in the best interest of the District to establish an annual vehicle fee in the amount of \$20 for the purpose of providing adequate levels of funding for completion of the Duportail Bridge as identified in Richland's 2017-2022 Transportation Improvement Program (TIP), and for the Pavement Preservation Program, the objective of which is to preserve and maintain the transportation infrastructure of the City of Richland, consistent with Chapter 36.73 RCW.

NOW, THEREFORE, BE IT ORDAINED by the Board of the Richland Transportation Benefit District, as follows:

Section 1. Establishment of Annual Vehicle Fee. In accordance with the authority granted to the District by RCW 82.80.140 and RCW 36.73.065, as now exist or as hereafter amended, the Richland Transportation Benefit District establishes and imposes an annual vehicle fee in the amount of twenty dollars per vehicle registered in the district, for each vehicle subject to license tab fees under RCW 46.16.0621, as now exists or as hereafter amended, and for each vehicle subject to gross weight fees under RCW 46.16.070, as now exists or as hereafter amended, with an unladen weight of six thousand pounds or less. The annual vehicle fee shall be collected by the Washington Department of Licensing on qualifying vehicles, as set forth in RCW 82.80.140, as now exists or as hereafter amended, and Chapters 36.73 and 46.16 RCW, as now exist or as hereafter amended.

Section 2. Effective Date of Fee Collection. The vehicle fee shall take effect for notices mailed in 2017 for vehicle license renewals due on or after January 1, 2018, or as soon thereafter as the Washington Department of Licensing is reasonably able to incorporate collection of the \$20.00 fee. Vehicle license fees will not be collected sooner than six (6) months after approval of this ordinance as provided in RCW 82.80.140(4), as written or hereafter amended. The vehicle license fee shall be collected during the term of the existence of the District as set forth in City of Richland Ordinance 02-17, or as subsequently amended. The vehicle license fee shall cease to be collected upon dissolution of the District.

Section 3. Notification to Department of Licensing. The City Clerk, serving as the Richland Transportation Benefit District Board Clerk, is directed to notify the Washington State Department of Licensing (DOL) of the vehicle fee established in Section 1 of this ordinance, and to request that DOL take all steps necessary to implement collection of this fee in accordance with RCW 82.80.140.

Section 4. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 5. This ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.

PASSED by the Richland Transportation Benefit District at a regular meeting on the _____ day of April, 2017.

ROBERT J. THOMPSON
Board Chair

ATTEST:

APPROVED AS TO FORM:

MARCIA HOPKINS
Board Clerk

HEATHER KINTZLEY
Attorney for the Richland TBD

Date Published: _____