



AGENDA

RICHLAND TRANSPORTATION BENEFIT DISTRICT MEETING
Richland City Hall ~ Council Chamber 505 Swift Boulevard
Tuesday, May 2, 2017 ~ Directly Following the City Council Meeting
Approximately at 8:15 p.m.

Call to Order and Roll Call:

Public Comments:

Consent Agenda:

1. Minutes
 - a. Approve the Minutes of the Meeting Held April 18, 2017
- Heather Kintzley, City Attorney

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

Adjournment:



MINUTES

RICHLAND TRANSPORTATION BENEFIT DISTRICT MEETING
Richland City Hall ~ Council Chamber 505 Swift Boulevard
Tuesday, April 18, 2017 ~ Directly Following the City Council Meeting

Call to Order:

Mayor Thompson called the Richland Transportation Benefit District meeting to order at 8:57 p.m.

Attendance:

Mayor Thompson, Mayor Pro Tem Christensen, Councilmembers Rose, Lemley, Anderson, Kent and Luzzo Gilmour were present.

Also present were Assistant City Manager Amundson, City Attorney Kintzley, Administrative Services Director Koch, Public Works Director Rogalsky, Community Development Director Jensen, Fire and Emergency Services Director Huntington, Parks and Public Facilities Director Schiessl, Police Services Director Skinner, Energy Services Business Manager Edgemon and City Clerk Hopkins.

Staff Presentation:

Mr. Rogalsky explained the purpose of establishing a Richland Transportation Benefit District, how it operates and what it will accomplish.

Public Comments:

Megan Harrison, 329 Rossell Avenue, Richland, WA. She said she was not in favor of the \$20 car tab fee and believes the businesses in the Queensgate area should be taxed to fund the bridge. She also said she posted comments on the City's Facebook and they were removed and she was banned from posting anything further. She was concerned that action limited her free speech rights.

Timothy Sailer, 1217 Cedar, Richland, WA. He suggested that the car tab fee have a limit per family and wanted other options for funding to be explored.

Robert Winter, 1915 Orchard Way, Richland, WA. He suggested to put the car tab fee to the vote of the people.

Phyllis Strickler, 1015 McPherson, Richland, WA. She suggested using a toll on the bridge and supplement by a car tab fee.

Mayor explained that the City does not have the authority, per state law, to implement a toll on the bridge. He explained the options available to the City are limited to fund the Duportail Bridge and street maintenance.

Agenda Items:

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

MAYOR PRO TEM CHRISTENSEN MOVED AND COUNCILMEMBER KENT SECONDED A MOTION TO GIVE FIRST READING TO ORDINANCE NO. 01-17, TRANSPORTATION BENEFIT DISTRICT FUNDING.

Councilmember Luzzo Gilmour said she would like to have a low-income program implemented to exempt eligible individuals from having to pay for the car tab fee.

Councilmember Kent was not in favor of the car tab fee and would like to look at a low-income program and a limit of car tab fee per individuals. She said she will be voting no on this ordinance.

Councilmember Rose complimented Mr. Rogalsky on the work he has done on the Duportail Bridge over the past ten years. He stated that 40% of the car tab fee would go to the bridge and 60% would go to street maintenance which would maintain the streets per Council policy. He said that even if people do not use the bridge, they do use the streets.

Mayor Pro Tem Christensen said another benefit of the bridge is that it will connect to the downtown area of Richland for revitalization efforts in that area. He also emphasized the need to fund street maintenance through the car tab fee as well.

Mayor Thompson said that \$34 million dollars has been secured from outside sources to fund the bridge and the car tab fee is needed to secure the remaining balance needed to complete the bridge. The street maintenance needs exceed the City's budget capacity and the car tab fee will enable the City to keep the street maintenance at a high standard.

THE MOTION CARRIED 6-1. COUNCILMEMBER KENT OPPOSED.

Adjournment:

Mayor Thompson adjourned the meeting at 9:16 p.m.

Respectfully Submitted,

Marcia Hopkins, City Clerk

FORM APPROVED:

Robert J. Thompson, Mayor

DATE APPROVED:

DATE PUBLISHED:



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 05/02/2017

Agenda Category: Ordinances - Second Reading/Passage

Key Element: Key I - 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 second reading and pass 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 represents 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.

The Duportail Bridge, a local street connection, 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 current estimate for the City bond issue needed to complete the funding package is \$2,250,000.

The City's Transportation Benefit District is the recommended funding source to address the Pavement Preservation Program and Duportail Bridge needs. The proposed ordinance would fund the District's purposes with a \$20 per year vehicle license fee. While other funding methods/sources were fully vetted, this funding tool is recommended due in part to its clear nexus to the TBD purposes and its administrative simplicity.

If approved, revenue collection would begin in 2018 and end in 2039. First reading was approved at the April 18 TBD Board Meeting. Staff has presented options for a rebate program for low-income individuals to the City Council, however State statute does not allow for a rebate program with TBD funds for cities under 500,000 population. A low-income rebate program could be subsidized through the General Fund, however, it is estimated the administration costs would exceed the amounts refunded. Staff recommends final approval of the proposed ordinance.

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 in valid 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 2nd day of May, 2017.

ROBERT J. THOMPSON
Board Chair

ATTEST:

APPROVED AS TO FORM:

MARCIA HOPKINS
Board Clerk

HEATHER KINTZLEY
Attorney for the Richland TBD

Date Published: May 7, 2017