City of Lynnwood

Transportation Benefit District

2013 Annual Report

November 2014

**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.
**Lynnwood TBD Background**

A Transportation Benefit District (TBD) is a Quasi-municipal corporation & independent taxing district created for the sole purpose of funding transportation improvements within the district. A TBD is created by ordinance of legislative authority (county or city) and may include other counties, cities, port districts, or transit districts through Inter-local agreements.

A law passed by the Washington State Legislature in 2007 allows city or county governments to create local transportation benefit districts and impose a local vehicle registration fee or other funding sources (such as sales tax) to fund local transportation projects. TBDs in Washington State have primarily been funded by a vehicle registration fee, but a few cities have implemented a sales tax funded TBD. As of October 2014, forty cities in Washington State have approved a vehicle registration fee funded TBD.

Following a public hearing on May 24th 2010, the Lynnwood City Council approved Ordinance #2837 forming the Lynnwood Transportation Benefit District and adopting a new chapter to the Lynnwood Municipal Code, 12.14, entitled “Transportation Benefit District”. The governing board of the Transportation Benefit District is the Lynnwood City Council, acting in an ex officio and independent capacity. The ordinance specifies that the boundaries for the TBD be coextensive with the City limits.

Following a public hearing on November 29th 2010 the TBD Board adopted TBD Ordinance #2 enacting a $20 vehicle registration fee for each eligible vehicle registered in Lynnwood. The $20 vehicle registration fee went into effect on July 1st 2011 and generates approximately $500,000 annually for transportation projects. The projects to be funded (in whole or in part) include:

- City of Lynnwood Street Fund 111 (operation and maintenance)
- Pavement Overlay Program
- Traffic Signal Rebuild Program
- Traffic Signal Reconstruction: Scriber Lake Road at 196th Street SW (complete)
- 48th Avenue W Sidewalk: 183rd Place SW to 180th Street SW (complete)

Although it is a separate legal entity from the City of Lynnwood, the TBD is reported as a blended component unit in the City’s annual financial statements because its sole purpose is for the construction, preservation, maintenance and operation of City streets.

**2013 Meetings Summary**

The TBD Board held three meetings in 2013. A brief summary of the meetings are listed as follows:

**March 25, 2013 Special Meeting**

- Election of Board Officers
- Presentation and Discussion: Transportation Planning, Funding and Community Education/Outreach
April 29, 2013 Special Meeting

- Presentation and Discussion: Transportation Planning, Funding and Community Education/Outreach

October 14, 2013 Regular Meeting

- Public Hearing on Ordinance #6 adopting the 2014 budget (*Ordinance passed unanimously 5-0*)
- Presentation, Discussion and Approval: 2012 TBD Annual Report (*Report was adopted*)
- Presentation and Discussion: Community Education and Outreach Plan

2013 Revenue

The TBD’s revenues for the year ending December 31, 2013 are follows:

\[ \begin{align*}
\text{Vehicle Registration Fees} & \quad 506,900 \\
\text{Investment Interest} & \quad 1074 \\
\text{Total Revenues} & \quad 507,974
\end{align*} \]

2013 Expense

2013 TBD expenses consist of administrative expenses, TBD insurance (through the Cities Insurance Association of Washington (CIAW)), and projects. The TBD’s administrative expenses consist of staff time (Public Works, Finance, and Legal), public meeting notices, and meeting minute recording/development. Total 2013 TBD expenditures are summarized as follows:

\[ \begin{align*}
\text{Administration Expenditures} & \quad 10,274 \\
\text{Insurance} & \quad 2,943 \\
\text{Audit Fees} & \quad 3,444 \\
\text{48th Sidewalk} & \quad 85,000 \\
\text{Total Expenditures} & \quad 101,660
\end{align*} \]

Fund Balance

The 2013 TBD ending fund balance is summarized as follows:

\[ \begin{align*}
\text{Beginning Fund Balance} & \quad 507,974 \\
\text{Revenue} & \quad 283,140 \\
\text{Expenditures} & \quad (101,660) \\
\text{Ending Fund Balance} & \quad 689,454
\end{align*} \]

A Schedule of Revenues, Expenditures and Changes in Fund Balance is provided on the last page of this report.
TBD Project Expenses and Schedules

Projects identified in TBD Ordinance #2 for potential TBD funding include:

1) City of Lynnwood Street Fund 111
   Expenses: Varies year to year
   2013 TBD Funding Contribution: No TBD Funds were expended on this project in 2013
   Schedule: Ongoing

2) Pavement Overlay Program
   Expenses: Varies year to year
   2013 TBD Funding Contribution: No TBD Funds were expended on this project in 2013
   Schedule: Various projects from year to year

3) Traffic Signal Rebuild Program
   Expenses: Varies year to year
   2013 TBD Funding Contribution: No TBD Funds were expended on this project in 2013
   Schedule: Ongoing

4) Traffic Signal Reconstruction: Scriber Lake Road at 196th Street SW
   Expenses: $733,285
   2013 TBD Funding Contribution: No TBD Funds were expended on this project in 2013
   Schedule: Project was completed in 2014

5) 48th Avenue W Sidewalk: 183rd Place SW to 180th Street SW
   Expenses: $1,453,275
   2013 TBD Funding Contribution: $85,000
   Schedule: Project was completed in 2014
# Schedule of Revenues, Expenditures and Changes in Fund Balance

**City of Lynnwood, Washington**  
**Transportation Benefit District**  
**For the Period Ended December 31, 2013**

<table>
<thead>
<tr>
<th><strong>REVENUES</strong></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Annual Vehicle Registration Fees</td>
<td>$506,900</td>
</tr>
<tr>
<td>Interest</td>
<td>1,074</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$507,974</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EXPENDITURES</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration Expenditures</td>
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<td>85,000</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$101,660</td>
</tr>
</tbody>
</table>

**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES**  
406,314

**OTHER FINANCING SOURCES (USES)**  

<table>
<thead>
<tr>
<th><strong>NET CHANGE IN FUND BALANCE</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance - beginning</td>
<td>283,140</td>
</tr>
<tr>
<td><strong>FUND BALANCE - Ending</strong></td>
<td>$689,454</td>
</tr>
</tbody>
</table>