

OVERVIEW OF REGIONAL FINANCING TOOLS AND STRATEGIES

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Transportation Benefit District (TBD)

City Council Retreat

April 30, 2010

What is a TBD?

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- Quasi-municipal corporation & independent taxing district created for the sole purpose of funding transportation improvements within the district.
- Created by ordinance of legislative authority (county or city) and may include other counties, cities, port districts, or transit districts through Inter-local Agreements (ILA).
- For a multi-jurisdiction TBD, the governing body has at least 5 members with at least 1 elected from each participating jurisdiction.
- Can also be less than an entire jurisdiction (city or county)

TBD Formation

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- Today, Counties & Cities may form own Districts and/or ILA's in any combination.
 - ▣ If seeking voter approval, a multi-jurisdictional TBD can have one ballot measure-**If it is the same revenue source(s) for each jurisdiction.**
- Creating ordinance must include finding of public's interest, boundaries of TBD, description of improvements and proposed taxes, etc. to be imposed by TBD.

Eligible TBD Projects

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Threshold Criteria

- ▣ Necessitated by existing or reasonably foreseeable congestion levels

Threshold Criteria

- ▣ Projects or program included in any existing state or regional transportation plan
- ▣ Transportation Improvements
 - New or existing highways
 - High Capacity Transit
 - Public Transportation

(continued)

Eligible TBD Projects (con't)

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- ▣ Transportation Improvements (continued)
 - Transportation Projects and Programs of Local, Regional and Statewide Significance
 - Transportation Demand Management
 - Operations
 - Preservation
 - Maintenance
- ▣ Transit Agency and Port District projects may also be included.

TBD Project Criteria

RCW 36.73.020(1)

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- ▣ Improved safety
- ▣ Improved travel time
- ▣ Improved air quality
- ▣ Increases in daily and peak period capacity
- ▣ Improved modal connectivity
- ▣ Improved freight mobility
- ▣ Improved maintenance, operations, and preservation
- ▣ *Other criteria as adopted by governing body*

TBD Accountability Measures

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- ❑ Public Hearings are required during TBD formation
- ❑ TBD must issue an annual report indicating status of plan
- ❑ TBD must develop a material change policy if a project departs more than 20% from orig. est.
- ❑ TBD must go through notice, public hearing, and ordinance process if TBD functions are expanded beyond original TBD establishment
- ❑ TBD has sunset provision

TBD Revenue Options

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- Councilmanic – voter approval not required
 - TBD must be jurisdiction-wide*
 - ▣ Up to \$20 annual Vehicle License Fee
 - ▣ Commercial & Industrial Impact Fee

- Voter approved-*TBD can be less than jurisdiction wide*
 - ▣ Up to 0.2% sales and use tax (10 year plus limit)
 - ▣ Property Tax, an excess levy for capital purposes or a 1 year excess levy
 - ▣ Up to \$100 annual Vehicle License Fee
 - ▣ Vehicle Tolls

TBD Funding Example

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Annual Revenue from \$20 Vehicle License Fee

▣ Vancouver = ~\$2.8 million

Annual Revenue from 0.2% Sales Tax Increase

▣ Vancouver = ~\$2.4 million

Who has implemented a TBD?

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- ▣ Ridgefield – 2/10 % voter approved Sales Tax for interchange improvement
- ▣ Lake Forest Park- \$20VLF
- ▣ Edmonds - \$20VLF
- ▣ Olympia - \$20VLF
- ▣ Des Moines - \$20VLF
- ▣ Prosser - \$20VLF
- ▣ Shoreline - \$20 VLF
- ▣ Sequim – 2/10% voter approved sales tax
- ▣ King County (unincorporated)-January 2010

Transportation Benefit District – Work to Date

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- Met with Clark County and all Cities in County regarding interest in learning more about TBD's
- Explore interest in forming a County-wide TBD

Transportation Benefit District – Proceeding from Here

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- Decision on City or County-wide TBD
- Definition of Projects, Funding Sources, and Duration
- Schedule of Major Benchmarks for TBD Formation