AGENDA
KIRKLAND CITY COUNCIL SPECIAL MEETING
Council Chamber
Monday, February 10, 2014
9:00 a.m. – Special Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website www.kirklandwa.gov. Information regarding specific agenda topics may also be obtained from the City Clerk’s Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk’s Office (425-587-3190) or the City Manager’s Office (425-587-3001) if you have any questions concerning City Council meetings, City services, or other municipal matters. The City of Kirkland strives to accommodate people with disabilities. Please contact the City Clerk’s Office at 425-587-3190. If you should experience difficulty hearing the proceedings, please bring this to the attention of the Council by raising your hand.

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC HEARINGS

   a. Ordinance O-4435 and its Summary, Enacting a New Chapter 19.22 of the Kirkland Municipal Code Entitled “Kirkland Transportation Benefit District”; Establishing a Transportation Benefit District; Specifying the Boundaries for the Transportation Benefit District; Specifying the Authority of the District; Specifying the Transportation Improvements to be Funded by the District; Declaring an Emergency; Providing for Severability; and, Establishing an Immediate Effective Date.

4. ADJOURNMENT

For more information please contact Pam Bissonnette, Interim Public Works Director, at (425) 587.3802 or PBissonnette@kirklandwa.gov
MEMORANDUM

To: Kurt Triplett, City Manager
From: Pam Bissonnette, Interim Public Works Director
Date: February 6, 2014
Subject: City of Kirkland Transportation Benefit District

RECOMMENDATION:

After conducting a public hearing, the City Council determines whether to approve the attached Ordinance which would establish a transportation benefit district to include the entire City of Kirkland. Staff recommends approval.

BACKGROUND DISCUSSION:

Countywide Transportation Benefit District

The City of Kirkland has long supported regional transportation, and in particular, transit. The King County Executive recently announced a proposal that a countywide transportation district (TBD) be formed pursuant to RCW 36.73 (Attachment A). Under the Executive’s proposal, the members of the King County Council will become the governing board of the countywide TBD. The County Council will consider an ordinance to create the countywide TBD on February 10th. If approved, it is anticipated that the newly formed countywide TBD Board will place a transportation funding package on the ballot for a countywide vote in April of 2014. The measure would be for the purpose of funding transit and other transportation projects and programs within the County and cities in the event that the State Legislature does not act this session on a comprehensive transportation package. Voters would be asked to approve a $60 vehicle license fee and a 0.1 percent sales tax that would expire after ten years. The revenues are to be split 60 percent for transit and 40 percent for other transportation projects within cities and unincorporated King County based on population. King County maintains that without new funding, a $75 million funding gap exists which will result in 600,000 hours of transit service being cut in the fall of 2014.

Kirkland learned of this proposal in early January and requested that King County representatives come and brief the Kirkland City Council regarding the elements of the County TBD proposal and funding package. On February 4th, at the regularly scheduled Council meeting, Diane Carlson, Director of Regional Initiatives for the Executive made a presentation on the countywide TBD to the City Council.
Background on Transportation Benefit Districts (TBDs)

RCW Chapter 36.73 provides for the establishment of transportation benefit districts and for the levying of additional revenue sources for 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.

One of the key findings of the Washington Transportation Plan 2030 adopted by the Washington State Transportation Commission was that the mobility of people and goods is fundamental to the functioning of society and that investment must shift from moving vehicles to moving people and products. The Puget Sound Regional Council, a regional planning agency, has adopted its long-range strategy, VISION 2040, and its metropolitan transportation plan, Transportation 2040, both of which call for the development of a transportation system that includes bicycle and pedestrian transportation improvements.

Transportation 2040 calls for creating a regionally integrated network of non-motorized facilities linking bicycle and pedestrian infrastructure within urban places and connecting these facilities to regional transit services. In addition, Transportation 2040 identifies ways to improve transportation system efficiency with intelligent transportation systems by managing congestion, increasing reliability and providing convenient connections for people and goods. Transportation 2040 calls for maintenance, preservation and operation of the transportation system as its highest priority and calls for projects and programs that promote transportation safety, demand management, and system management.

Kirkland’s Capital Improvement Program, Transportation Improvement Plan, Active Transportation Plan, Transportation Element of the Comprehensive Plan, as well as the Transportation Master Plan and Cross Kirkland Corridor Master Plan currently under development, outline key strategies, objectives and investments for improving transportation safety, mobility, modal connectivity, and access by providing effective transportation choices. The City’s transportation plans are consistent with the existing state and regional transportation plans described above.

King County previously formed a TBD within unincorporated King County without levying revenues. Eleven other cities in King County have already established TBDs within their own boundaries: Covington, Enumclaw, Kenmore, Maple Valley, North Bend, Auburn, Seattle, Burien, Shoreline, Des Moines, and Lake Forest Park.

Types of revenue authorized for a TBD include:

- a $20 vehicle license fee by majority vote of its governing body;
- a voter approved additional vehicle license fee of up to $80 (the combined total of vehicle license fees cannot exceed $100, see above);
- a voter approved sales and use tax of up to 0.2 percent;
- a voter approved district ad valorem property tax in excess of the 1 percent limitation upon property within the district for a one-year period; and
- fees on building construction or land development by vote of its governing body.
Proposed Citywide TBD

The City of Kirkland has considered forming a local TBD within the boundaries of the City over the past several years as one of the important tools for phased funding of transportation improvements of which the voter approved street maintenance and pedestrian safety levy was the first phase. In November of 2012, Kirkland’s residents recognized the need for additional local transportation funding and stepped up to approve Proposition 1, a permanent, nearly $3 million property tax levy to make a significant down payment on City street maintenance and pedestrian safety needs. Despite this investment, the City still has $249 million in unfunded street, bridge and sidewalk projects. These projects are crucial to the safety of our residents and to the economic vitality of the City.

The City is currently engaged in updating its Comprehensive Plan through 2035, including an updated Transportation Master Plan (TMP) which will further refine the projects and update the levels of investment needed to fund them. The TMP is expected to include a recommendation for funding tools for its implementation. It is essential that Kirkland have all the tools available to meet this crucial need for implementation of the TMP when adopted in 2015. A Kirkland TBD is intended to be one such tool for consideration.

RCW 35.21.225 authorizes the City Council to establish a transportation benefit district subject to the provisions of RCW 36.73. However, it is not clear under RCW 36.73 whether the establishment of a countywide TBD would preclude the City from later establishing its own TBD. Kirkland staff had originally intended to bring the issue of creating a Kirkland TBD to the City Council in March. The County’s proposed TBD formation on February 10th has caused the City to accelerate its timetable for consideration of the establishment of its own TBD.

For these reasons staff is proposing that the Kirkland City Council create a Kirkland TBD coterminous with the existing boundaries of the City before King County acts. This requires the Kirkland City Council to approve formation of a Kirkland TBD boundary on the morning of February 10, 2014. Therefore, the City has called a Special Council Meeting at 9:00 a.m. on February 10th for the purpose of holding a public hearing to take and consider public testimony as to whether Kirkland should form a TBD. Forming a TBD at this time will preserve these funding options for future consideration within the context of the TMP. Following the hearing the Council will consider an ordinance to form a TBD. No TBD funding authorities are proposed to be implemented by this action.

Proposed Ordinance O-4355

Under the proposed ordinance, future funds generated by the Kirkland TBD may be used for any purpose allowed by law, including the operation of the TBD and to make transportation improvements that are consistent with existing state, regional and local transportation plans and necessitated by reasonably foreseeable congestion levels pursuant to RCW Chapter 36.73. Any transportation improvements funded by the TBD shall be made to preserve, maintain and operate transportation infrastructure, improve public safety, implement projects identified in the funded and unfunded projects of the Transportation Section of the adopted Capital Improvement Program, the Transportation Improvement Program, the non-motorized transportation facilities in the Active Transportation Plan, the Intelligent Transportation System Strategic Plan, and the Transportation Element of the Kirkland Comprehensive Plan, invest in bicycle and pedestrian mobility, including the Cross Kirkland Corridor, sidewalks, and transit enhancements, and to provide people with choices to meet their mobility needs. Additional
transportation improvement projects may be funded only after compliance with the provisions of RCW 36.73.050(b) following notice, public hearing and enactment of an authorizing ordinance.

The ordinance before the Council forms a Kirkland TBD and establishes a governing board consisting of the members of the Kirkland City Council. None of the available TBD revenue options would be levied or imposed by Council action approving the ordinance. The ordinance specifically provides that any time non-voter approved revenues are being considered to fund the Kirkland TBD transportation improvements, a public hearing shall be held first.

Staff is recommending approval of the formation of the Kirkland TBD to preserve future transportation funding options while not committing the Council to use any of those options.

**Notice of the Public Hearing**

Notice of the Council's public hearing was provided through distribution of a news release, legal notices placed in *The Seattle Times* and *Kirkland Reporter*, the City's homepage, and email through listserv to the neighborhood associations and all other subscribers.

Attachment:

A. RCW 36.73 authorizing the establishment of Transportation Benefit Districts
Chapter 36.73 RCW
TRANSPORTATION BENEFIT DISTRICTS

Chapter Listing

RCW Sections
36.73.010 Intent.
36.73.015 Definitions.
36.73.020 Establishment of district by county or city -- Participation by other jurisdictions.
36.73.030 Establishment of district by city.
36.73.040 General powers of district.
36.73.050 Establishment of district -- Public hearing -- Ordinance.
36.73.060 Authority to levy property tax.
36.73.065 Taxes, fees, charges, tolls, rebate program.
36.73.067 Vehicle fee rebate program -- Low-income individuals -- Report to legislature.
36.73.070 Authority to issue general obligation bonds, revenue bonds.
36.73.080 Local improvement districts authorized -- Special assessments -- Bonds.
36.73.090 Printing of bonds.
36.73.100 Use of bond proceeds.
36.73.110 Acceptance and use of gifts and grants.
36.73.120 Imposition of fees on building construction or land development.
36.73.130 Power of eminent domain.
36.73.140 Authority to contract for street and highway improvements.
36.73.150 Department of transportation, counties, cities, and other jurisdictions may fund transportation improvements.
36.73.160 Transportation improvement projects -- Material change policy -- Annual report.
36.73.170 Completion of transportation improvement -- Termination of district operations -- Termination of taxes, fees, charges, and tolls -- Dissolution of district.
36.73.180 Supplemental transportation improvements.
36.73.900 Liberal construction.

Notes:
Roads and bridges, service districts: Chapter 36.83 RCW.

36.73.010
Intent.
The legislature finds that the citizens of the state can benefit by cooperation of the public and private sectors in addressing transportation needs. This cooperation can be fostered through
enhanced capability for cities, towns, and counties to make and fund transportation improvements necessitated by economic development and to improve the performance of the transportation system.

It is the intent of the legislature to encourage joint efforts by the state, local governments, and the private sector to respond to the need for those transportation improvements on state highways, county roads, and city streets. This goal can be better achieved by allowing cities, towns, and counties to establish transportation benefit districts in order to respond to the special transportation needs and economic opportunities resulting from private sector development for the public good. The legislature also seeks to facilitate the equitable participation of private developers whose developments may generate the need for those improvements in the improvement costs.

[2005 c 336 § 2; 1987 c 327 § 1.]

Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.015 Definitions.
The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "City" means a city or town.

(2) "District" means a transportation benefit district created under this chapter.

(3) "Low-income" means household income that is at or below forty-five percent of the median household income, adjusted for household size, for the district in which the fees, taxes, or tolls were imposed.

(4) "Rebate program" means an optional program established by a transportation benefit district that includes a city with a population of five hundred thousand persons or more for the purpose of providing rebates to low-income individuals for fees, taxes, and/or tolls imposed by such transportation benefit district for: (a) Vehicle fees imposed under RCW 36.73.040(3)(b); (b) sales and use taxes imposed under RCW 36.73.040(3)(a); and/or (c) tolls imposed under RCW 36.73.040(3)(d).

(5) "Supplemental transportation improvement" or "supplemental improvement" means any project, work, or undertaking to provide public transportation service, in addition to a district's existing or planned voter-approved transportation improvements, proposed by a participating city member of the district under RCW 36.73.180.

(6) "Transportation improvement" means a project contained in the transportation plan of the state, a regional transportation planning organization, city, county, or eligible jurisdiction as identified in RCW 36.73.020(2). A project may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.

[2012 c 152 § 1. Prior: 2010 c 251 § 2; 2010 c 105 § 1; 2006 c 311 § 24; 2005 c 336 § 1.]
Notes:
Findings -- 2006 c 311: See note following RCW 36.120.020.
Effective date -- 2005 c 336: "This act takes effect August 1, 2005." [2005 c 336 § 26.]

36.73.020
Establishment of district by county or city — Participation by other jurisdictions.
(1) The legislative authority of a county or city may establish a transportation benefit district within the county or city area or within the area specified in subsection (2) of this section, for the purpose of acquiring, constructing, improving, providing, and funding a transportation improvement within the district that is consistent with any existing state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels. The transportation improvements shall be owned by the county of jurisdiction if located in an unincorporated area, by the city of jurisdiction if located in an incorporated area, or by the state in cases where the transportation improvement is or becomes a state highway. However, if deemed appropriate by the governing body of the transportation benefit district, a transportation improvement may be owned by a participating port district or transit district, unless otherwise prohibited by law. Transportation improvements shall be administered and maintained as other public streets, roads, highways, and transportation improvements. To the extent practicable, the district shall consider the following criteria when selecting transportation improvements:

(a) Reduced risk of transportation facility failure and improved safety;
(b) Improved travel time;
(c) Improved air quality;
(d) Increases in daily and peak period trip capacity;
(e) Improved modal connectivity;
(f) Improved freight mobility;
(g) Cost-effectiveness of the investment;
(h) Optimal performance of the system through time;
(i) Improved accessibility for, or other benefits to, persons with special transportation needs as defined in RCW 47.06B.012; and
(j) Other criteria, as adopted by the governing body.

(2) Subject to subsection (6) of this section, the district may include area within more than one county, city, port district, county transportation authority, or public transportation benefit area, if the legislative authority of each participating jurisdiction has agreed to the inclusion as provided in an interlocal agreement adopted pursuant to chapter 39.34 RCW. However, the boundaries of the district need not include all territory within the boundaries of the participating jurisdictions comprising the district.
(3) The members of the legislative authority proposing to establish the district, acting ex officio and independently, shall constitute the governing body of the district: PROVIDED, That where a district includes area within more than one jurisdiction under subsection (2) of this section, the district shall be governed under an interlocal agreement adopted pursuant to chapter 39.34 RCW, with the governing body being composed of (a) at least five members including at least one elected official from the legislative authority of each participating jurisdiction or (b) the governing body of the metropolitan planning organization serving the district, but only if the district boundaries are identical to the boundaries of the metropolitan planning organization serving the district.

(4) The treasurer of the jurisdiction proposing to establish the district shall act as the ex officio treasurer of the district, unless an interlocal agreement states otherwise.

(5) The electors of the district shall all be registered voters residing within the district.

(6) Prior to December 1, 2007, the authority under this section, regarding the establishment of or the participation in a district, shall not apply to:

(a) Counties with a population greater than one million five hundred thousand persons and any adjoining counties with a population greater than five hundred thousand persons;

(b) Cities with any area within the counties under (a) of this subsection; and

(c) Other jurisdictions with any area within the counties under (a) of this subsection.

[2010 c 250 § 1; 2009 c 515 § 14; 2006 c 311 § 25; 2005 c 336 § 3; 1989 c 53 § 1; 1987 c 327 § 2.]

Notes:
*Reviser's note: RCW 47.06B.012 was repealed by 2011 c 60 § 51.
Findings -- 2006 c 311: See note following RCW 36.120.020.
Effective date -- 2005 c 336: See note following RCW 36.73.015.
Severability -- 1989 c 53: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1989 c 53 § 5.]

Transportation benefit district tax authority: RCW 82.47.020.

36.73.030
Establishment of district by city.
See RCW 35.21.225.

36.73.040
General powers of district.
(1) A transportation benefit district is a quasi-municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.

(2) A transportation benefit district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may now or
hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, to acquire, hold, and dispose of real and personal property, and to sue and be sued. Public works contract limits applicable to the jurisdiction that established the district apply to the district.

(3) To carry out the purposes of this chapter, and subject to the provisions of RCW 36.73.065, a district is authorized to impose the following taxes, fees, charges, and tolls:

(a) A sales and use tax in accordance with RCW 82.14.0455;

(b) A vehicle fee in accordance with RCW 82.80.140;

(c) A fee or charge in accordance with RCW 36.73.120. However, if a county or city within the district area is levying a fee or charge for a transportation improvement, the fee or charge shall be credited against the amount of the fee or charge imposed by the district. Developments consisting of less than twenty residences are exempt from the fee or charge under RCW 36.73.120; and

(d) Vehicle tolls on state routes, city streets, or county roads, within the boundaries of the district, unless otherwise prohibited by law. However, consistent with RCW 47.56.820, the vehicle toll must first be authorized by the legislature if the toll is imposed on a state route. The department of transportation shall administer the collection of vehicle tolls authorized on state routes, unless otherwise specified in law or by contract, and the state transportation commission, or its successor, may approve, set, and impose the tolls in amounts sufficient to implement the district's transportation improvement finance plan. The district shall administer the collection of vehicle tolls authorized on city streets or county roads, and shall set and impose the tolls in amounts sufficient to implement the district's transportation improvement plan. However, consistent with RCW 47.56.850, the vehicle toll, including any change in an existing toll rate, must first be reviewed and approved by the tolling authority designated in RCW 47.56.850 if the toll, or change in toll rate, would have a significant impact, as determined by the tolling authority, on the operation of any state facility.

[2008 c 122 § 17; 2005 c 336 § 4; 1989 c 53 § 3; 1987 c 327 § 4.]

Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.
Severability -- 1989 c 53: See note following RCW 36.73.020.

36.73.050
Establishment of district — Public hearing — Ordinance.

(1) The legislative authorities proposing to establish a district, or to modify the boundaries of an existing district, or to dissolve an existing district shall conduct a hearing at the time and place specified in a notice published at least once, not less than ten days before the hearing, in a newspaper of general circulation within the proposed district. Subject to the provisions of RCW 36.73.170, the legislative authorities shall make provision for a district to be automatically dissolved when all indebtedness of the district has been retired and anticipated responsibilities have been satisfied. This notice shall be in addition to any other notice required by law to be published. The notice shall, where applicable, specify the functions or activities proposed to be provided or funded, or the additional functions or activities proposed to be provided or funded, by the district. Additional notice of the hearing may be given by mail, by posting within the proposed district, or in any manner the legislative authorities deem necessary to notify affected
persons. All hearings shall be public and the legislative authorities shall hear objections from any person affected by the formation, modification of the boundaries, or dissolution of the district.

(2)(a) Following the hearing held pursuant to subsection (1) of this section, the legislative authorities may establish a district, modify the boundaries or functions of an existing district, or dissolve an existing district, if the legislative authorities find the action to be in the public interest and adopt an ordinance providing for the action.

(b) The ordinance establishing a district shall specify the functions and transportation improvements described under RCW 36.73.015 to be exercised or funded and establish the boundaries of the district. Subject to the provisions of RCW 36.73.160, functions or transportation improvements proposed to be provided or funded by the district may not be expanded beyond those specified in the notice of hearing, unless additional notices are made, further hearings on the expansion are held, and further determinations are made that it is in the public interest to so expand the functions or transportation improvements proposed to be provided or funded.
[2007 c 329 § 3; 2005 c 336 § 5; 1987 c 327 § 5.]

Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.060
Authority to levy property tax.
(1) A district may levy an ad valorem property tax in excess of the one percent limitation upon the property within the district for a one-year period whenever authorized by the voters of the district pursuant to RCW 84.52.052 and Article VII, section 2(a) of the state Constitution.

(2) A district may provide for the retirement of voter-approved general obligation bonds, issued for capital purposes only, by levying bond retirement ad valorem property tax levies in excess of the one percent limitation whenever authorized by the voters of the district pursuant to Article VII, section 2(b) of the state Constitution and RCW 84.52.056.
[2005 c 336 § 6; 1987 c 327 § 6.]

Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.065
Taxes, fees, charges, tolls, rebate program.
(1) Except as provided in subsection (4) of this section, taxes, fees, charges, and tolls may not be imposed by a district without approval of a majority of the voters in the district voting on a proposition at a general or special election. The proposition must include a specific description of: (a) The transportation improvement or improvements proposed by the district; (b) any rebate program proposed to be established under RCW 36.73.067; and (c) the proposed taxes, fees, charges, and the range of tolls imposed by the district to raise revenue to fund the improvement or improvements or rebate program, as applicable.

(2) Voter approval under this section must be accorded substantial weight regarding the validity of a transportation improvement as defined in RCW 36.73.015.
(3) A district may not increase any taxes, fees, charges, or range of tolls imposed or change a rebate program under this chapter once the taxes, fees, charges, tolls, or rebate program takes effect, unless authorized by the district voters pursuant to RCW 36.73.160.

(4)(a) A district that includes all the territory within the boundaries of the jurisdiction, or jurisdictions, establishing the district may impose by a majority vote of the governing board of the district the following fees and charges:

(i) Up to twenty dollars of the vehicle fee authorized in RCW 82.80.140; or

(ii) A fee or charge in accordance with RCW 36.73.120.

(b) The vehicle fee authorized in (a) of this subsection may only be imposed for a passenger-only ferry transportation improvement if the vehicle fee is first approved by a majority of the voters within the jurisdiction of the district.

(c)(i) A district solely comprised of a city or cities shall not impose the fees or charges identified in (a) of this subsection within one hundred eighty days after July 22, 2007, unless the county in which the city or cities reside, by resolution, declares that it will not impose the fees or charges identified in (a) of this subsection within the one hundred eighty-day period; or

(ii) A district solely comprised of a city or cities identified in RCW 36.73.020(6)(b) may not impose the fees or charges until after May 22, 2008, unless the county in which the city or cities reside, by resolution, declares that it will not impose the fees or charges identified in (a) of this subsection through May 22, 2008.

(5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be reached, a district that includes only the unincorporated territory of a county may impose by a majority vote of the governing body of the district up to twenty dollars of the vehicle fee authorized in RCW 82.80.140.

[2012 c 152 § 3; 2007 c 329 § 1; 2005 c 336 § 17.]

Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.067
Vehicle fee rebate program — Low-income individuals — Report to legislature.
(1) A district that: (a) Includes a city with a population of five hundred thousand persons or more; and (b) imposes a vehicle fee under RCW 36.73.040(3)(b), sales and use taxes under RCW 36.73.040(3)(a), or tolls under RCW 36.73.040(3)(d), may establish a rebate program for the purposes of providing rebates of up to forty percent of the actual fee, tax, or toll paid by a low-income individual.

(2) Funds collected from a vehicle fee under RCW 36.73.040(3)(b), sales and use tax under RCW 36.73.040(3)(a) or tolls under RCW 36.73.040(3)(d) may be used for a rebate program established under this section.

(3) A district that establishes a rebate program is responsible for the development and
administration of the program and all functions and costs associated with the rebate program.

(4) A district that establishes a rebate program under this section must report back to the legislature two years after the program takes effect. The report must include, but is not limited to, a detailed description of the structure of the program, the average rebate, the total amount of rebates issued, and the number of people that received rebates.
[2012 c 152 § 2.]

36.73.070
Authority to issue general obligation bonds, revenue bonds.
(1) To carry out the purposes of this chapter and notwithstanding RCW 39.36.020(1), a district may issue general obligation bonds, not to exceed an amount, together with any other outstanding nonvoter-approved general obligation indebtedness, equal to one and one-half percent of the value of taxable property within the district, as the term "value of taxable property" is defined in RCW 39.36.015. A district may additionally issue general obligation bonds for capital purposes only, together with any outstanding general obligation indebtedness, not to exceed an amount equal to five percent of the value of the taxable property within the district, as the term "value of taxable property" is defined in RCW 39.36.015, when authorized by the voters of the district pursuant to Article VIII, section 6 of the state Constitution, and may also provide for the retirement thereof by excess property tax levies as provided in RCW 36.73.060(2). The district may, if applicable, submit a single proposition to the voters that, if approved, authorizes both the issuance of the bonds and the bond retirement property tax levies.

(2) General obligation bonds with a maturity in excess of forty years shall not be issued. The governing body of the district shall by resolution determine for each general obligation bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable interest rate or rates, maturity or maturities, redemption rights, registration privileges, manner of execution, manner of sale, callable provisions, if any, covenants, and form, including registration as to principal and interest, registration as to principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system of recording the ownership of a bond whether or not physical bonds are issued; or (b) recording the ownership of a bond together with the requirement that the transfer of ownership may only be effected by the surrender of the old bond and either the reissuance of the old bond or the issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and any coupons. Refunding general obligation bonds may be issued in the same manner as general obligation bonds are issued.

(3) Whenever general obligation bonds are issued to fund specific projects or enterprises that generate revenues, charges, user fees, or special assessments, the district may specifically pledge all or a portion of the revenues, charges, user fees, or special assessments to refund the general obligation bonds. The district may also pledge any other revenues that may be available to the district.

(4) In addition to general obligation bonds, a district may issue revenue bonds to be issued and sold in accordance with chapter 39.46 RCW.
[2005 c 336 § 7; 1987 c 327 § 7.]

Notes:
Effective date — 2005 c 336: See note following RCW 36.73.015.
36.73.080  
Local improvement districts authorized — Special assessments —  
Bonds.

(1) A district may form a local improvement district to provide any transportation improvement it  
has the authority to provide, impose special assessments on all property specially benefited by  
the transportation improvements, and issue special assessment bonds or revenue bonds to  
fund the costs of the transportation improvement. Local improvement districts shall be created  
and administered, and assessments shall be made and collected, in the manner and to the  
extent provided by law to cities and towns pursuant to  
chapters 35.43, 35.44, 35.49, 35.50, 35.51, 35.53, and 35.54 RCW. However, the duties  
devolving upon the city or town treasurer under these chapters shall be imposed upon the  
district treasurer for the purposes of this section. A local improvement district may only be  
formed under this section pursuant to the petition method under RCW 35.43.120 and 35.43.125.

(2) The governing body of a district shall by resolution establish for each special assessment  
bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable  
interest rate or rates, maturity or maturities, redemption rights, registration privileges, if any,  
covenants, and form, including registration as to principal and interest, registration as to  
principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system  
of recording the ownership of a bond whether or not physical bonds are issued; or (b) recording  
the ownership of a bond together with the requirement that the transfer of ownership may only  
be effected by the surrender of the old bond and either the reissuance of the old bond or the  
issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and  
any coupons. The maximum term of any special assessment bonds shall not exceed thirty years  
beyond the date of issue. Special assessment bonds issued pursuant to this section shall not be  
an indebtedness of the district issuing the bonds, and the interest and principal on the bonds  
shall only be payable from special assessments made for the improvement for which the bonds  
were issued and any local improvement guaranty fund that the district has created. The owner  
or bearer of a special assessment bond or any interest coupon issued pursuant to this section  
shall not have any claim against the district arising from the bond or coupon except for the  
payment from special assessments made for the improvement for which the bonds were issued  
and any local improvement guaranty fund the district has created. The district issuing the  
special assessment bonds is not liable to the owner or bearer of any special assessment bond  
or any interest coupon issued pursuant to this section for any loss occurring in the lawful  
operation of its local improvement guaranty fund. The substance of the limitations included in  
this subsection (2) shall be plainly printed, written, or engraved on each special assessment  
bond issued pursuant to this section.

(3) Assessments shall reflect any credits given by a district for real property or property right  
donations made pursuant to RCW 47.14.030.

(4) The governing body may establish, administer, and pay money into a local improvement  
guaranty fund, in the manner and to the extent provided by law to cities and towns under  
chapter 35.54 RCW, to guarantee special assessment bonds issued by the district.  
[2005 c 336 § 8; 1987 c 327 § 8.]

Notes:

Effective date -- 2005 c 336: See note following RCW 36.73.015.
36.73.090
Printing of bonds.
Where physical bonds are issued pursuant to RCW 36.73.070 or 36.73.080, the bonds shall be printed, engraved, or lithographed on good bond paper and the manual or facsimile signatures of both the treasurer and chairperson of the governing body shall be included on each bond.
[1987 c 327 § 9.]

36.73.100
Use of bond proceeds.
(1) The proceeds of any bond issued pursuant to RCW 36.73.070 or 36.73.080 may be used to pay costs incurred on a bond issue related to the sale and issuance of the bonds. These costs include payments for fiscal and legal expenses, obtaining bond ratings, printing, engraving, advertising, and other similar activities.

(2) In addition, proceeds of bonds used to fund capital projects may be used to pay the necessary and related engineering, architectural, planning, and inspection costs.
[2005 c 336 § 9; 1987 c 327 § 10.]
Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.110
Acceptance and use of gifts and grants.
A district may accept and expend or use gifts, grants, and donations.
[2005 c 336 § 10; 1987 c 327 § 11.]
Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.120
Imposition of fees on building construction or land development.
(1) Subject to the provisions in RCW 36.73.065, a district may impose a fee or charge on the construction or reconstruction of commercial buildings, industrial buildings, or on any other commercial or industrial building or building space or appurtenance, or on the development, subdivision, classification, or reclassification of land for commercial purposes, only if done in accordance with chapter 39.92 RCW.

(2) Any fee or charge imposed under this section shall be used exclusively for transportation improvements as defined in RCW 36.73.015. The fees or charges imposed must be reasonably necessary as a result of the impact of development, construction, or classification or reclassification of land on identified transportation needs.

(3) If a county or city within the district area is levying a fee or charge for a transportation improvement, the fee or charge shall be credited against the amount of the fee or charge imposed by the district.
[2010 c 105 § 2; 2007 c 329 § 4; 2005 c 336 § 11; 1988 c 179 § 7; 1987 c 327 § 12.]
Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.130
Power of eminent domain.
A district may exercise the power of eminent domain to obtain property for its authorized purposes in the same manner as authorized for the city or county legislative authority that established the district.
[2005 c 336 § 12; 1987 c 327 § 13.]
Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.140
Authority to contract for street and highway improvements.
A district has the same powers as a county or city to contract for street, road, or state highway improvement projects and to enter into reimbursement contracts provided for in chapter 35.72 RCW.
[2005 c 336 § 13; 1987 c 327 § 14.]
Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.150
Department of transportation, counties, cities, and other jurisdictions may fund transportation improvements.
The department of transportation, counties, cities, and other jurisdictions may give funds to districts for the purposes of financing transportation improvements under this chapter.
[2005 c 336 § 14; 1987 c 327 § 15.]
Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.160
Transportation improvement projects — Material change policy — Annual report.
(1) The district governing body shall develop a material change policy to address major plan changes that affect project delivery or the ability to finance the plan. The policy must at least address material changes to cost, scope, and schedule, the level of change that will require governing body involvement, and how the governing body will address those changes. At a minimum, in the event that a transportation improvement cost exceeds its original cost by more than twenty percent as identified in a district’s original finance plan, the governing body shall hold a public hearing to solicit comment from the public regarding how the cost change should be resolved.
(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.

[2005 c 336 § 18.]

Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.170
Completion of transportation improvement — Termination of district operations — Termination of taxes, fees, charges, and tolls — Dissolution of district.
Within thirty days of the completion of the construction of the transportation improvement or series of improvements authorized by a district, the district shall terminate day-to-day operations and exist solely as a limited entity that oversees the collection of revenue and the payment of debt service or financing still in effect, if any and to carry out the requirements of RCW 36.73.160. The district shall accordingly adjust downward its employees, administration, and overhead expenses. Any taxes, fees, charges, or tolls imposed by the district terminate when the financing or debt service on the transportation improvement or series of improvements constructed is completed and paid and notice is provided to the departments administering the taxes. Any excess revenues collected must be disbursed to the participating jurisdictions of the district in proportion to their population, using population estimates prepared by the office of financial management. The district shall dissolve itself and cease to exist thirty days after the financing or debt service on the transportation improvement, or series of improvements, constructed is completed and paid. If there is no debt outstanding, then the district shall dissolve within thirty days from completion of construction of the transportation improvement or series of improvements authorized by the district. Notice of dissolution must be published in newspapers of general circulation within the district at least three times in a period of thirty days. Creditors must file claims for payment of claims due within thirty days of the last published notice or the claim is extinguished.

[2005 c 336 § 19.]
Notes:
Effective date -- 2005 c 336: See note following RCW 36.73.015.

36.73.180
Supplemental transportation improvements.
(1) In districts comprised of more than one member city, the legislative authorities of any member city that is located in a county having a population of more than one million five hundred thousand may petition the district to provide supplemental transportation improvements.

(2) Upon receipt of a petition as provided in subsection (1) of this section for supplemental transportation improvements that are to be fully funded by the petitioner city, including ongoing operating and maintenance costs, the district must:

(a) Conduct a public hearing, and provide notice and opportunity for public comment consistent with the requirements of RCW 36.73.050(1); and
(b) Following the hearing, if a majority of the district's governing board determines that the proposed supplemental transportation improvements are in the public interest, the district shall adopt an ordinance providing for the incorporation of the supplemental improvements into any existing services. The supplemental transportation improvements must be in addition to existing services provided by the district. The district shall enter into agreements with the petitioner city or identified service providers to coordinate existing services with the supplemental improvements.

(3) Upon receipt of a petition as provided in subsection (1) of this section for supplemental transportation improvements proposed to be partially or fully funded by the district, the district must:

(a) Conduct a public hearing, and provide notice and opportunity for public comment consistent with the requirements of RCW 36.73.050(1); and

(b) Following the hearing, submit a proposition to the voters at the next special or general election for approval by a majority of the voters in the district. The proposition must specify the supplemental transportation improvements to be provided and must estimate the capital, maintenance, and operating costs to be funded by the district.

(4) If a proposition to incorporate supplemental transportation improvements is approved by the voters as provided under subsection (3) of this section, the district shall adopt an ordinance providing for the incorporation of the supplemental improvements into any existing services provided by the district. The supplemental improvements must be in addition to existing services. The district shall enter into agreements with the petitioner city or identified service providers to coordinate existing services with the supplemental improvements.

(5) A supplemental transportation improvement must be consistent with the petitioner city's comprehensive plan under chapter 36.70A RCW.

(6) Unless otherwise agreed to by the petitioner city or by a majority of the district's governing board, upon adoption of an ordinance under subsection (2) or (4) of this section, the district shall maintain its existing public transportation service levels in locations where supplemental transportation improvements are provided.

[2010 c 251 § 3.]

36.73.900

Liberal construction.
The rule of strict construction does not apply to this chapter, and this chapter shall be liberally construed to permit the accomplishment of its purposes.

[1987 c 327 § 16.]
AN ORDINANCE OF THE CITY OF KIRKLAND ENACTING A NEW CHAPTER 19.22 OF THE KIRKLAND MUNICIPAL CODE ENTITLED "KIRKLAND TRANSPORTATION BENEFIT DISTRICT"; ESTABLISHING A TRANSPORTATION BENEFIT DISTRICT; SPECIFYING THE BOUNDARIES FOR THE TRANSPORTATION BENEFIT DISTRICT; SPECIFYING THE AUTHORITY OF THE DISTRICT; SPECIFYING THE TRANSPORTATION IMPROVEMENTS TO BE FUNDED BY THE DISTRICT; DECLARING AN EMERGENCY; PROVIDING FOR SEVERABILITY; AND, ESTABLISHING AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the City Council of the City of Kirkland has the responsibility under the Constitution of the State of Washington for the improvement, maintenance, protection and operation of public ways within the corporate limits of the City pursuant to RCW 35A.11.020 and Chapter 35A.47 RCW; and

WHEREAS, Chapter 36.73 RCW provides for the establishment of transportation benefit districts and for the levying of additional revenue sources for 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, one of the key findings of the Washington Transportation Plan 2030 adopted by the Washington State Transportation Commission was that the mobility of people and goods is fundamental to the functioning of society and that investment must shift from moving vehicles to moving people and products; and

WHEREAS, the Puget Sound Regional Council, a regional planning agency, has adopted its long-range strategy, VISION 2040, and its metropolitan transportation plan, Transportation 2040, both of which call for the development of a transportation system that includes bicycle and pedestrian transportation improvements; and

WHEREAS, Transportation 2040 calls for creating a regionally integrated network of non-motorized facilities linking bicycle and pedestrian infrastructure within urban places, and connecting these facilities to regional transit services; and

WHEREAS, in addition, Transportation 2040 identifies that one way to improve transportation system efficiency is with intelligent transportation systems, by managing congestion, increasing reliability and providing convenient connections for people and goods; and
WHEREAS, Transportation 2040 calls for maintenance, preservation and operation of the transportation system as its highest priority, and calls for projects and programs that promote transportation safety, demand management and system management; and

WHEREAS, the City’s Capital Improvement Program, Transportation Improvement Plan, Active Transportation Plan, Transportation Element of the Comprehensive Plan, and the Transportation Master Plan and Cross Kirkland Corridor Master Plan which are currently being developed, outline key strategies, objectives and investments for improving safety, mobility, modal connectivity, and access through providing effective transportation choices; and

WHEREAS, the City’s transportation plans are consistent with the existing state and regional transportation plans described above; and

WHEREAS, RCW 35.21.225 authorizes the City Council to establish a transportation benefit district subject to the provisions of Chapter 36.73 RCW; and

WHEREAS, the City of Kirkland has explored the establishment of a transportation benefit district since at least 2010 and included the potential revenues from a transportation benefit district in the 2011-2016 Capital Improvement Program; and

WHEREAS, King County officials recently announced a proposal to create a countywide transportation benefit district, including the City of Kirkland, and it is not clear under state law whether the establishment of a countywide transportation benefit district would preclude the City from later establishing its own transportation benefit district; and

WHEREAS, the County’s proposed transportation benefit district has caused the City to accelerate its timetable for consideration of the establishment of its own transportation benefit district; and

WHEREAS, the City Council finds that establishing a stable local funding mechanism for funding a portion of transportation improvements is essential to the continued mobility and the economic health and quality of life of Kirkland; and

WHEREAS, the City Council now desires to form a transportation benefit district which includes the entire City of Kirkland; and
WHEREAS, upon proper notice describing the functions and purposes of the proposed transportation benefit district, the City Council conducted a public hearing and took public comment; and

WHEREAS, the City Council finds it in the best interest of the City to establish a citywide transportation benefit district as one tool for the funding and implementation of the transportation improvements described in the funded and unfunded projects in the Transportation Section of the adopted 2013-2018 Capital Improvement Program, the Transportation Improvement Program, the non-motorized transportation facilities in the Active Transportation Plan, Intelligent Transportation System Strategic Plan, and the Transportation Element of the Kirkland Comprehensive Plan; and

WHEREAS, the City Council of the City of Kirkland shall be the governing body for the transportation benefit district acting in an ex officio and independent capacity;

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Purpose. The purpose of this Ordinance is to establish a transportation benefit district pursuant to RCW 35.21.225 and Chapter 36.73 RCW. The City Council finds it is in the public interest to provide adequate levels of funding for the purposes of implementing and funding transportation improvements that preserve, maintain and, as appropriate, construct or reconstruct the infrastructure of the City of Kirkland, consistent with Chapter 36.73 RCW.

Section 2. Creation of New City Code Chapter Providing for the Establishment of a Transportation Benefit District. A new chapter is added to the Kirkland Municipal Code as follows:

Chapter 19.22 Kirkland Transportation Benefit District

19.22.010 Transportation benefit district established.
There is established a transportation benefit district to be known as the Kirkland Transportation Benefit District “District” with geographical boundaries comprised of the corporate limits of the City of Kirkland as they currently exist.

19.22.020 Governing board.
   a. The governing board “Board” of the Transportation Benefit District shall be the Kirkland City Council acting in an ex officio and independent capacity, which shall have the authority to exercise the statutory powers set forth in Chapter 36.73 RCW.
   b. The treasurer of the transportation benefit district shall be the City Director of Finance and Administration.
c. The Board shall develop a material change policy to address major plan changes that affect project delivery or the ability to finance the plan, pursuant to the requirements set forth in RCW 36.73.160(1).

d. The Board shall issue an annual report, pursuant to the requirements of RCW 36.73.160(2).

19.22.030 Authority of the District.

The Board shall have and may exercise any powers provided by Chapter 36.73 RCW to fulfill the functions of the District.

19.22.040 Transportation improvements funded.

The funds generated by the Transportation Benefit District may be used for any purpose allowed by law including the operation of the District and to make transportation improvements that are consistent with existing state, regional and local transportation plans and necessitated by reasonably foreseeable congestion levels pursuant to Chapter 36.73 RCW. The transportation improvements funded by the District shall be made in effort to preserve and maintain and operate transportation infrastructure, improve public safety, implement projects identified in the funded and unfunded projects in the Transportation Section of the adopted Capital Improvement Program, the Transportation Improvement Program, the non-motorized transportation facilities in the Active Transportation Plan, the Intelligent Transportation System Strategic Plan, and the Transportation Element of the Kirkland Comprehensive Plan, invest in bicycle and pedestrian mobility, including the Cross Kirkland Corridor, sidewalks, and transit enhancements, and to provide people with choices to meet their mobility needs. Additional transportation improvement projects may be funded only after compliance with the provisions of RCW 36.73.050(b) following notice, public hearing and enactment of an authorizing ordinance.

19.22.050 Public hearing before imposing fee or charge.

Prior to imposing a District fee or charge for funding transportation improvements that does not require voter approval, the Board shall hold a public hearing to solicit comment from the public on the proposed fee or charge.

19.22.060 Dissolution of District.

The Transportation Benefit District shall be dissolved when all indebtedness of the District has been retired and when all of the District’s anticipated responsibilities have been satisfied.

Section 3. Declaration of Emergency. Based upon the recitals set forth above, the City Council declares a public emergency exists requiring that this ordinance take effect immediately.

Section 4. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the
remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 5. Effective Date. This ordinance shall be in force and effect immediately upon passage by the Kirkland City Council.

Section 6. Publication. Publication of this ordinance shall be pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of ______________, 2014.

Signed in authentication thereof this _____ day of ______________, 2014.

____________________________
MAYOR

Attest:

____________________________
City Clerk

Approved as to Form:

____________________________
City Attorney
AN ORDINANCE OF THE CITY OF KIRKLAND ENACTING A NEW CHAPTER 19.22 OF THE KIRKLAND MUNICIPAL CODE ENTITLED "KIRKLAND TRANSPORTATION BENEFIT DISTRICT"; ESTABLISHING A TRANSPORTATION BENEFIT DISTRICT; SPECIFYING THE BOUNDARIES FOR THE TRANSPORTATION BENEFIT DISTRICT; SPECIFYING THE AUTHORITY OF THE DISTRICT; SPECIFYING THE TRANSPORTATION IMPROVEMENTS TO BE FUNDED BY THE DISTRICT; DECLARING AN EMERGENCY; PROVIDING FOR SEVERABILITY; AND, ESTABLISHING AN IMMEDIATE EFFECTIVE DATE.

SECTION 1. States the purpose of the ordinance to establish a Transportation Benefit District.

SECTION 2. Creates a new City Code Chapter providing for establishment of a Transportation Benefit District.

SECTION 3. Declares that a public emergency exists requiring that the ordinance take effect immediately.

SECTION 4. Provides a severability clause for the ordinance.

SECTION 5. Establishes the effective date as immediately upon passage by the Kirkland City Council.

SECTION 6. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____________________, 2010.

I certify that the foregoing is a summary of Ordinance ______ approved by the Kirkland City Council for summary publication.

________________________________
City Clerk