



## CITY OF KIRKLAND

City Attorney's Office

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### MEMORANDUM

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance and Administration  
Kevin Raymond, City Attorney  
Ray Steiger, Active Transportation Plan Project Manager  
David Wolbrecht, Communications Program Manager

**Date:** February 7, 2022

**Subject:** **PUBLIC HEARING** REGARDING POSSIBLE ASSUMPTION OF THE RIGHTS, POWERS, IMMUNITIES, FUNCTIONS, AND OBLIGATIONS OF THE KIRKLAND TRANSPORTATION BENEFIT DISTRICT BY THE CITY OF KIRKLAND.

#### **BACKGROUND DISCUSSION:**

Pursuant to chapter 36.74 RCW, a city in which a transportation benefit district has been established with boundaries coterminous with the boundaries of the city may by ordinance or resolution of the city legislative authority assume the rights, powers, immunities, functions, and obligations of the transportation benefit district ("assumption") in accordance with such chapter. Assuming these powers and authorities requires that the Council holds a public hearing.

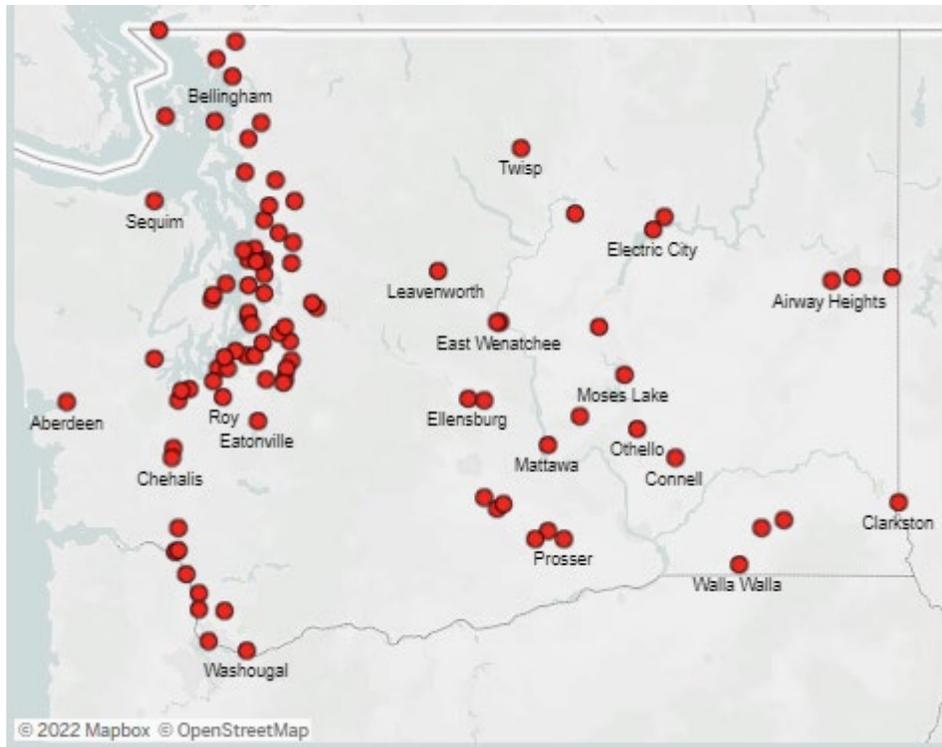
The boundaries of the City of Kirkland and the KTBD are coterminous. The City Council serves as the governing board for the KTBD, but the district is a separate legal entity from the City of Kirkland. If assumption occurs, the KTBD would become part of the City of Kirkland and be governed by the Council, while continuing to retain the statutory authority otherwise vested by state law (and the City's municipal code) in transportation benefit districts.

Pursuant to chapter 36.73 RCW, the Council established the Kirkland Transportation Benefit District (KTBD) through Ordinance O-4435 in 2014. Code provisions related to the KTBD are codified at Kirkland Municipal Code Chapter 19.22. Transportation benefit districts (TBD) have statutory authority to impose various taxes, fees, charges, and tolls with voter approval. Transportation benefit districts may also impose vehicle license fees (e.g. car tabs) in some instances through legislative action.

At its November 16, 2021 meeting, a portion of the City Council's study session was devoted to a staff presentation and consideration of ways in which revenue generating options available through the KTBD could be activated to help fund priority projects from the Safer Routes to School Action Plans, the Active Transportation Plan, or for other lawful purposes.

In that discussion, Council asked staff to bring back information regarding the mechanism other cities have used to generate TBD revenue: voted revenue or councilmanic revenue. According to the Municipal Research and Services Center of Washington ([MRSC -- Washington TBDs](#)) there are approximately 110 Cities and 5 Counties as of September 2021 that have created TBDs in the State; 6 cities (including Kirkland) have created the TBD but have not adopted a

funding mechanism. 54 utilize a car tab for revenue (ranging from \$10 to \$40), 44 cities utilize a component of sales tax, and 6 cities use a combination of sales tax and car tab. From this information, less than 10 agencies report to have used the voted funding method; all others appear to utilize the Councilmanic adopted revenue.



Washington State Cities with TBDs

Also at the November 16, 2021 meeting, in addition to the discussion about the potential public benefits of initiating the Kirkland Transportation Benefit District ([memo](#)), the City Council amended the [2021-2022 City Work Program](#) to explore activating the TBD, adding the following goal to the City Work Program with the approval of [Resolution R-5502](#).

*Activate the Kirkland Transportation Benefit District in 2022 for the purpose of funding Safer Routes to School Action Plans priority projects, Active Transportation Plan priority projects, Vision Zero Plan priority projects and other active transportation projects to further the goals of Community Safety, Vibrant Neighborhoods, Inclusive and Equitable Community, Balanced Transportation, and Dependable Infrastructure.*

At the February 1, 2022 meeting, City Council adopted Resolution R-5511 establishing a public hearing date of February 15, 2022 as required by state law in order to consider assumption of the KTBD by the City. The resolution also directed the City staff to develop a community engagement plan about the process and purposes for which any transportation benefit district funding options could be utilized, which plan shall be presented as part of the scheduled hearing. Information regarding the community engagement plan is noted in the following section.

## Community Engagement Plan

The City Manager's Office has drafted a comprehensive community engagement plan that will include broad outreach to the community at large and focused outreach to the neighborhood associations, groups identified through the R-5434 process, and other community groups. The engagement plan dates and details will be finalized in March and will commence after the Council adopts the Active Transportation Plan (ATP) so that priority ATP projects may be considered as part of any funding package. The Council will be briefed on the Active Transportation Plan (ATP) in March and final adoption is currently anticipated in April of 2022.

Considerable attention in the engagement plan will be dedicated to public education around the purpose of the KTBD and the project categories listed in the City Work Program item. The informational materials will also include background on the Council's exploration of ways to reprioritize other CIP investments to fund such projects and the Council's decision to explore this additional source of revenue that may presently be unexercised.

The initial engagement plan is anticipated to include:

- Town Hall style organizing event
- Stakeholder meetings
- Follow up with focus groups
- Individual interviews
- Online engagement (City website landing page, surveys, etc.)

As in all major community conversations, staff will augment the engagement plan to be responsive to community interest and needs to the extent possible.

**NEXT STEPS:**

Following the public hearing the Council could formally close the hearing and take action, close the hearing and defer action, or continue the hearing to a future meeting within a total of 60 days.

Following the public hearing, if the Council approved such assumption, the former KTBD would be abolished as a separate legal entity and the Council would be vested with all rights, powers, immunities, functions and obligations otherwise vested by law in the governing board of the KTBD. The decision to assume the powers and authorities of the KTBD is not a decision to utilize any of the funding authorities. Options for whether and how to use KTBD funding authorities would be brought back to the Council after the community engagement process is concluded.

Attachment: Resolution