

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 715 Amending Shoreline Municipal Code 3.60 Regarding Functions and Powers of the Shoreline Transportation Benefit District
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Alex Herzog, Management Analyst
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

In its current form, the Shoreline Municipal Code (SMC) does not explicitly state that a transportation benefit district (TBD) may fund transportation improvements by tolling. Shoreline Municipal Code 3.60.030(B) currently states that "The [transportation benefit] district may impose additional taxes, fees, or charges authorized by RCW 36.73.040..." RCW 36.73.040 states that a transportation benefit district may administer the collection of vehicle tolls on city streets. Proposed Ordinance No. 715 would amend Shoreline Municipal Code 3.60.030(B) to include tolling, as permitted by state law, as an additional method by which the Shoreline Transportation Benefit District may fund transportation improvements.

This action does not authorize the implementation of tolling, recommend any specific type of tolling or provide further study of tolling. To implement tolling, a number of requirements established by various state laws and the SMC must be met, including passage of a proposition at a general or special election by a simple majority of voters within the TBD.

RESOURCE/FINANCIAL IMPACT:

No resource or financial impact is anticipated at this time. Further analysis on the financial impacts of tolling would be required should the Shoreline TBD pursue implementing tolling. Further, to establish approximate capital and on-going operating costs, a number of policy questions would need answering and an analysis of necessary operational and design requirements must be conducted.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 715 amending Shoreline Municipal Code 3.60.030(B) regarding functions and powers of the Shoreline Transportation Benefit District.

Approved By: City Manager *DT* City Attorney *MK*

BACKGROUND

Deputy Mayor Eggen and Councilmembers McConnell and Salomon are co-sponsoring this amendment to SMC 3.60.030(B) to explicitly include tolling, as permitted by state law, as an additional method by which the Shoreline TBD may fund transportation improvements.

On April 20, 2015, during its regular business meeting, the City Council held a public hearing on, and discussed proposed Ordinance No. 715 amending Shoreline Municipal Code 3.60 regarding the functions and powers of the Shoreline Transportation Benefit District. Two speakers commented during the public hearing and generally supported the proposed amendment. Council discussed tolling in the City and the proposed amendment to City code. Materials from the discussion on April 20, 2015 can be viewed here:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2015/staffreport042015-8a.pdf>

DISCUSSION

In its current form, SMC does not explicitly state that a TBD may fund transportation improvements by tolling. Shoreline Municipal Code 3.60.030(B) currently states that “The [transportation benefit] district may impose additional taxes, fees, or charges authorized by RCW 36.73.040...” RCW 36.73.040 states that a transportation benefit district may administer the collection of vehicle tolls on city streets. Proposed Ordinance No. 715 would amend Shoreline Municipal Code 3.60.030(B) to include tolling, as permitted by state law, as an additional method by which the Shoreline Transportation Benefit District may fund transportation improvements.

SMC 3.60.030 sets forth the functions and powers of TBDs. Subsection A of the code provides that the district can vote to authorize a motor vehicle license fee. Subsection B provides that the “district may impose additional taxes, fees, or charges authorized by RCW 36.73.040 or ad valorem property taxes authorized by RCW 36.73.060, only if approved by the voters. RCW 36.73.040(3) sets forth four different mechanisms for a district to impose certain “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.
- (d) Vehicle tolls on state routes, city streets, or county roads, within the boundaries of the district, unless otherwise prohibited by law.

While SMC 3.60.030(B) states that the “district may impose additional taxes, fees, or charges authorized by RCW 36.73.040 (which, as noted above, lists for possible revenue sources) it does so with the qualifier of “taxes, fees, or charges.” However, because certain methods of revenue generation are specified in the code, an intention to exclude all others from its operation may be inferred. As related to SMC 3.60.030(B), the inference might be that the adoption of TBD-related codes intentionally omitted tolls. Materials from the June 22, 2009 Council meeting where Ordinance No. 550 (establishing the Shoreline TBD and its powers and functions) was adopted, indicates

that the creation of the TBD was in response to Initiative-776. Initiative-776, approved by voters in 2002, but later overturned by a Washington judge, would have required license tab fees to be \$30 per year for motor vehicles.

Further, materials from the June 22, 2009 meeting indicate that the Council was primarily interested in implementing, via the TBD, a vehicle license fee as authorized by RCW 36.73.040(3)b. In fact, the Shoreline TBD Board passed Ordinance No. 1 on July 13, 2009, authorizing a vehicle license fee of \$20 for all vehicles whose tabs expire on or after February 1, 2010. Tolling was not discussed or a focus of discussion at that time by the TBD Board. This, coupled with the fact that tolling is not included in Council Ordinance No. 550, may lead a court to find that tolling is not within the function or powers of the City's TBD if tolling is pursued and implemented.

Amending the City's current TBD-related codes to include tolling as an additional method by which to fund transportation improvements brings the City's codes in line with state laws and decreases the potential that tolling may be struck down by a court should the TBD pursue its implementation.

If the Council adopts proposed Ordinance No. 715, SMC 3.60.030(B) would be amended as follows: "The district may impose additional taxes, fees, or charges, or tolls authorized by RCW 36.73.040 or ad valorem property taxes authorized by RCW 36.73.060 only if approved by district voters pursuant to RCW 36.73.065."

RESOURCE/FINANCIAL IMPACT

No resource or financial impact is anticipated at this time. Further analysis on the financial impacts of tolling would be required should the Shoreline TBD pursue implementing tolling. Further, to establish approximate capital and on-going costs, a number of policy questions would need answering and an analysis of necessary operational and design requirements must be conducted.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 715 amending Shoreline Municipal Code 3.60.030(B) regarding functions and powers of the Shoreline Transportation Benefit District.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 715 Amending Shoreline Municipal Code 3.60.030(B) Regarding Functions and Powers of the Shoreline Transportation Benefit District

ORDINANCE NO. 715

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING SHORELINE MUNICIPAL CODE CHAPTER 3.60, SHORELINE TRANSPORTATION BENEFIT DISTRICT, BY ADDING SPECIFIC AUTHORIZATION FOR TOLLING

WHEREAS, on June 22, 2009 the Shoreline City Council adopted Ordinance No. 550 enacting Chapter 3.60 and establishing the Shoreline Transportation Benefit District and setting forth its powers and functions; and

WHEREAS, RCW 36.73.040(3) sets forth four different mechanisms for a district to impose certain “taxes, fees, charges, and tolls”; and

WHEREAS, the current Chapter is unclear on whether it includes all four mechanisms, therefore, the Council desires to amend Chapter 3.60 to clarify; and

WHEREAS, a public hearing was held on April 20, 2015 following publication of a notice of public hearing to take public comment concerning the amendment of the Chapter 3.60; now therefore

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings of Fact. The recitals set forth above are hereby adopted as findings of the City Council.

Section 2. SMC 3.60.030 Amended. Section 3.60.030 of the Shoreline Municipal Code is amended to read as follows:

3.60.030 Functions and powers of the District.

- A. The District, by a majority vote of its governing board, may authorize a motor vehicle license fee of up to \$20 as provided in RCW 82.80.140 for the purposes set forth in this chapter and as may be subsequently authorized according to law.
- B. The District may impose additional taxes, fees, ~~or~~ charges or tolls authorized by RCW 36.73.040 or ad valorem property taxes authorized by RCW 36.73.060 only if approved by District voters pursuant to RCW 36.73.065.
- C. The District shall have all powers and functions provided by Chapter 36.73 to fulfill the functions of the District including the power to issue general obligation bonds and revenue bonds.

Section 3. Publication, Effective Date. This ordinance shall take effect five days after publication of a summary consisting of the title in the official newspaper of the City.

PASSED BY THE CITY COUNCIL ON MAY 4, 2015.

Mayor Shari Winstead

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: , 2015
Effective Date: , 2015