

**CITY OF MOUNTLAKE TERRACE**

**ORDINANCE NO. 2584**

**AN ORDINANCE OF THE CITY OF MOUNTLAKE TERRACE,  
WASHINGTON, AMENDING THE MOUNTLAKE TERRACE  
MUNICIPAL CODE TO ENACT A NEW CHAPTER 3.85, MOUNTLAKE  
TERRACE TRANSPORTATION BENEFIT DISTRICT, ESTABLISHING  
A TRANSPORTATION BENEFIT DISTRICT, SPECIFYING THE  
BOUNDARIES FOR THE TRANSPORTATION BENEFIT DISTRICT,  
AND SPECIFYING THE MAINTENANCE AND PRESERVATION OF  
EXISTING TRANSPORTATION IMPROVEMENTS AND OTHER  
STREET IMPROVEMENTS**

**WHEREAS**, the City Council of the City of Mountlake Terrace 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 RCW Chapter 35A.47; and

**WHEREAS**, the improvement, maintenance, protection and operation of public ways requires preserving existing transportation improvements to avoid both catastrophic failure of the improvements which would require significant additional funds to reconstruct, as well as their gradual deterioration; and

**WHEREAS**, the number one priority in the “Washington Transportation Plan for 2007-2026” adopted by the Washington Transportation Commission (“State Transportation Plan”) is to preserve and extend prior investments in existing transportation facilities and the services they provide to people and commerce; and

**WHEREAS**, the State Transportation Plan identifies in Section II that there is no more fundamental transportation investment than existing system preservation-keeping the physical infrastructure in safe and efficient operating condition; and

**WHEREAS**, the state Transportation Plan on page 72 establishes unfunded high priorities of state-wide significance and includes the need to “[p]reserve, maintain and operate city streets \$6 billion” thereby recognizing that the shortfall in funding to preserve, maintain and operate city streets is a matter of state-wide significance and accordingly, an eligible transportation improvement listed on the state plan within the meaning of RCW 36.73.015; and

**WHEREAS**, Transportation 2040, this area’s regional transportation plan, calls for transportation improvements that focus first on maintenance and preservation and after that on efficiency and mobility improvements that provide multimodal solutions; and

**WHEREAS**, the City Council has adopted economic development goals and strategies and recognizes that the foundation of economic development is adequate infrastructure,

including effective transportation facilities; and

**WHEREAS**, the City has limited transportation funding to pay for necessary transportation preservation, maintenance and improvement and reduction of congestion on its streets; and

**WHEREAS**, the funding dedicated for the preservation, maintenance and improvement of the City's transportation infrastructure has been dramatically reduced due to factors such as the passage of Initiative 695 in 1999 and Initiative 776 in 2002; and

**WHEREAS**, while dedicated revenues have decreased, the ongoing annual costs to preserve, maintain and improve the City's transportation infrastructure continue to rise, leaving the City unable to continue to adequately preserve and maintain the City's transportation infrastructure; and

**WHEREAS**, 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 reasonable foreseeable congestion levels; and

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

**WHEREAS**, the City Council desires to form a Transportation Benefit District which includes the entire City of Mountlake Terrace as the boundaries currently exist or as they may exist following future annexations; and

**WHEREAS**, the City provided notice of and conducted the public hearing on December 5, 2011, regarding the proposed establishment of a Transportation Benefit District in accordance with RCW 36.73.050; and

**WHEREAS**, the City Council of the City of Mountlake Terrace finds it to be in the best interests of the City to establish a citywide Transportation Benefit District to provide for preservation and maintenance of the City's transportation infrastructure consistent with Chapter 36.73 RCW, to protect the City's long-term investments in that infrastructure, to reduce the risk of transportation facility failure, to improve safety, to continue optimal performance of the infrastructure over time, to provide for economic development, and to avoid more expensive infrastructure replacements in the future; and

**WHEREAS**, the City of Mountlake Terrace finds it to be in the best interest of the City to establish a citywide Transportation Benefit District to provide for City street improvements when designated on local, state or regional plans to reduce congestion on such streets; and

**WHEREAS**, the City Council of the City of Mountlake Terrace 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 MOUNTLAKE TERRACE, WASHINGTON, DOES ORDAIN AS FOLLOWS:**

**Section 1.** The Recitals set forth above are hereby adopted and incorporated as Findings of Fact and/or Conclusions of Law of the City Council. The City Council bases its findings and conclusions on the entire record, including all written and oral testimony before the City Council.

**Section 2.** A new chapter of the Mountlake Terrace Municipal Code, Chapter 3.85 Mountlake Terrace Transportation Benefit District, is hereby added to read as follows:

**Chapter 3.85  
MOUNTLAKE TERRACE TRANSPORTATION BENEFIT DISTRICT**

Sections:

- 3.85.010 Purpose.
- 3.85.020 Establishing transportation benefit district.
- 3.85.030 Governing board.
- 3.85.040 Functions of the district.
- 3.85.050 Transportation improvements funded.
- 3.85.060 Dissolution of district.
- 3.85.070 Liberal construction.

**3.85.010 Purpose.**

The purpose of this Ordinance is to establish a Transportation Benefit District (TBD) pursuant to RCW 35.21.225 and Chapter 36.73 RCW, consistent with the public interest to provide adequate levels of funding for transportation improvements that preserve, maintain and as appropriate construct or reconstruct the transportation infrastructure of the City of Mountlake Terrace.

**3.85.020 Establishing transportation benefit district.**

There is created a transportation benefit district to be known as the Mountlake Terrace Transportation Benefit District or "District" with geographical boundaries comprised of the corporate limits of the city as they currently exist or as they may exist following future annexations.

**3.85.030 Governing board.**

A. The governing board of the transportation benefit district shall be the Mountlake Terrace 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 treasurer.

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). At a minimum, if the District funding participation in a transportation improvement exceeds its original cost by more than twenty percent, as identified in the District's original plan, a public hearing shall be held to solicit public comment regarding how the cost change should be resolved.

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

#### **3.85.040 Functions 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 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.

#### **3.85.050 Transportation Improvements funded.**

The funds generated by the transportation benefit district may be used for transportation improvements that preserve, maintain, operate, construct and reconstruct the existing transportation infrastructure of the city, consistent with the requirements of Chapter 36.73 RCW, as it now exists or is hereafter amended. In addition to the foregoing, the funds generated may be used for any purpose allowed by law including to operate the District and to make transportation improvements that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels pursuant to Chapter 36.73 RCW. The District shall select to the extent practicable projects for funding that reduce the risk of transportation facility failure and improve safety, decrease travel time, increase daily and peak period trip capacity, improve modal connectivity, provide for economic development, improve accessibility for persons with special transportation needs, and preserve and maintain optimal performance of the infrastructure over time to avoid expensive infrastructure construction and replacement in the future.

All funds raised through the District shall be expended only for such construction, reconstruction, preservation, maintenance and operation in accordance with the provisions of Chapter 36.73 RCW as it now exists or is hereafter amended. The funds expended by the District shall preserve, maintain, operate and improve the city's investments in the transportation infrastructure, reduce the risk of transportation facility failure, improve safety, continue the cost-effectiveness of the city's infrastructure investments, provide for economic development, and continue the optimal performance of the transportation system.

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.

#### **3.85.060 Dissolution of district.**

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

#### **3.85.070 Liberal construction.**

This chapter is to be liberally construed to accomplish the purpose of establishing a transportation benefit district with the broadest possible authority under Chapter 36.73 RCW as it

now exists or is hereafter amended.

**Section 3. Severability.** If any section, subsection, sentence, clause, paragraph, phrase, or word of this chapter should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, paragraph, phrase or word of this chapter.


**Section 4. Conflict.** All Ordinances or parts of Ordinances of the City of Mountlake Terrace in conflict herewith, be and the same, are hereby repealed.


**Section 5. Publication and Summary.** This Ordinance or summary thereof consisting of the title shall be published in the official newspaper of the City.

**Section 6. Effective Date.** This Ordinance shall be in full force and effect five (5) days after publication of the summary consisting of the title.

PASSED by the City Council of the City of Mountlake Terrace this 5<sup>th</sup> day of December 2011, and signed in authentication of its passage this 5<sup>th</sup> day of December 2011.

ATTEST:

  
\_\_\_\_\_  
CITY CLERK

  
\_\_\_\_\_  
MAYOR JERRY SMITH

APPROVED AS TO FORM: Gregory G. Schrag, City Attorney