

## Legislation Text

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**File #:** 17-4700, **Version:** 1

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### **CONSIDER ASSUMING LONGVIEW TRANSPORTATION BENEFIT DISTRICT**

#### **COUNCIL INITIATIVE ADDRESSED:**

Improve transportation systems  
Continue effective financial management

#### **CITY ATTORNEY REVIEW: N/A**

#### **SUMMARY STATEMENT:**

The Longview Transportation Benefit District (TBD) was formed on December 15, 2016, by the Longview City Council pursuant to City of Longview Ordinance No. 3334, effective January 19, 2017. Formation of the TBD also included adoption of the TBD's initial Transportation Improvements Plan (TBD Plan).

On January 26, 2017, the TBD Board held its first meeting, elected its officers, approved an interlocal agreement with the City of Longview to provide administrative and technical support to the District, approved its operating bylaws, and set a public hearing for February 9, 2017, to consider establishing a vehicle license fee to provide funding to complete projects identified in the TBD Plan.

Revised Code of Washington (RCW) Chapter 36.74 authorizes a city that formed a transportation benefit district with the same boundaries as the city to abolish the governing board of the district and assume all rights, powers, immunities, functions, and obligations of the district. Approximately one-half of all transportation benefit districts formed by cities have been assumed by their city.

Because the TBD is a separate legal entity supported by City elected officials and staff, it would be more efficient and reduce costs for the City to assume the TBD. Some of the benefits and disadvantages are as follows:

#### Benefits

- Eliminate additional meetings for City elected officials and staff.
- Eliminate advertising and record keeping related to the separate meetings.
- Reduce staff time spent on separate district business.
- Eliminate need for separate insurance for the district.

#### Disadvantages

- City must assume and pay all debts of the district, including outstanding general obligation bonds and revenue bonds. This disadvantage would be minimal if the City agreed to issue bonds on behalf of the TBD to obtain lower interest rates (the TBD has no credit or agency history, so the rating for bonds issued by the TBD are unknown but likely to be higher than the City's bond rating).
- District bonds and debt count against the City's overall debt capacity.

If the City assumed the TBD, staff must provide the required financial and progress reporting and budgeting, and adhere to the TBD Material Change Policy; staff would be performing this work whether or not the TBD is assumed by the City based on the terms of the interlocal agreement between the City and the TBD.

#### Next Steps

Should the City Council decide to initiate the process to assume the TBD, the following actions must be taken:

1. Adopt a resolution declaring the City's intent to assume the TBD and setting the date and time for a public hearing to obtain public input on the matter.
2. Publish the resolution at least two times during the two weeks preceding the public hearing.
3. Conduct the public hearing and consider testimony, protests, and objections to assumption of the TBD.
4. After considering testimony and comments, if the City Council determines the public interest and welfare would be satisfied by assuming the rights, powers, immunities, functions, and obligations of the TBD, adopt an ordinance assuming the TBD and abolishing the governing body of the TBD.

**RECOMMENDED ACTION:**

Motion directing the City Attorney to prepare a resolution setting a public hearing to consider assuming the Longview Transportation Benefit District.

**STAFF CONTACT:**

Jeff Cameron, Public Works Director