

Legislation Text

File #: ORD 17 3341, **Version:** 1

ORDINANCE NO. 3341 - ASSUME LONGVIEW TRANSPORTATION BENEFIT DISTRICT

COUNCIL INITIATIVE ADDRESSED:

Improve transportation systems
Continue effective financial management

CITY ATTORNEY REVIEW: REQUIRED

SUMMARY STATEMENT:

The Longview Transportation Benefit District (TBD) was formed on December 15, 2016, by the City Council pursuant to Ordinance No. 3334, effective January 19, 2017. On January 26, 2017, the TBD and the City authorized an interlocal agreement for the City to provide all administrative and technical support necessary for the TBD to function, with the TBD reimbursing the City for all costs incurred providing that support, except for certain overhead and higher level management support.

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 with support provided 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 TBD business.
- Eliminate need for separate insurance for the TBD.

Disadvantages

- City must assume and pay all debts of the district, including outstanding general obligation bonds and revenue bonds.
- District bonds and debt count against the City's overall debt capacity.

On February 23, 2017, the City Council adopted Resolution No. 2208 declaring the City's intent to conduct a public hearing to consider assuming the TBD and setting the March 23, 2017 city council meeting as the date and time for the public hearing to obtain input on the matter. As required by RCW 36.74, the resolution was published in The Daily News twice during the two weeks preceding the public hearing.

After conducting the public hearing and considering public testimony, support, protests, and objections to assumption of the TBD, the City Council may determine the public interest and welfare would be satisfied by assuming the rights, powers, immunities, functions, and obligations of the TBD. Proposed Ordinance No. 3341 assumes the TBD and abolishes the governing body of the TBD.

FINANCIAL SUMMARY:

An interlocal agreement between the TBD and the City provides for the City to be reimbursed most costs incurred providing administrative and technical support for the TBD. In consideration of the benefits received by the City for TBD-funded improvements to City infrastructure, the interlocal agreement specified that certain overhead and higher level management staff costs would be absorbed by the City. Staff expects TBD administrative costs will be reduced and no additional costs will be incurred by the City after assuming the TBD.

RECOMMENDED ACTION:

Motion to approve Ordinance No. 3341.

STAFF CONTACT:

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