

**CITY OF KIRKLAND****Public Works Department****123 Fifth Avenue, Kirkland, WA 98033 425.587.3800****www.kirklandwa.gov**

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**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance and Administration  
Kevin Raymond, City Attorney  
George Dugdale, Financial Planning Manager  
John Starbard, Deputy Director of Public Works

**Date:** December 1, 2022

**Subject:** TRANSPORTATION BENEFIT DISTRICT—ESTABLISH FEE

**RECOMMENDATION:**

It is recommended that the City Council hold a public hearing on an ordinance to establish, effective January 1, 2024, a twenty-dollar annual vehicle license fee on vehicles registered in Kirkland under the City's transportation benefit district authority. Following the public hearing, staff further recommends that the City Council approve the ordinance. Revenues from the vehicle license fee are assumed in the 2023-2034 budget. These revenues are proposed to support issuing debt to accelerate nearly \$26 million dollars of pedestrian and bicycle safety priority projects from the Safer Routes to School Action Plans (SRTSAP) and the Active Transportation Plan (ATP).

**BACKGROUND DISCUSSION:**

State law gives cities and counties the authority to establish Transportation Benefit Districts in order to respond to "special transportation needs and economic opportunities resulting from private sector development for the public good" (RCW 36.73.010). According to the Municipal Research and Services Center, five of Washington's thirty-nine counties and more than 100 of its 281 cities have established a Transportation Benefit District ("TBD").

Kirkland is one of those cities. On February 10, 2014, the City Council established a TBD by Ordinance 4435, the provisions of which are codified in chapter 19.22 of the *Kirkland Municipal Code*. There had been an active Council discussion of when to establish a TBD since at least 2010, but an impetus in 2014 was that King County was considering establishing its own TBD countywide, including Kirkland, and it was not clear at that time whether such an action by the County would preclude the City from establishing its own TBD.

Legally, the Kirkland TBD was an entity itself distinct from the City government. The boundaries of the TBD were coterminous with the city limits, the City Council itself was identified as the Governing Board of the TBD, and the Treasurer of the TBD was the Director of Finance and Administration. Separate records were required to be maintained for the TBD. However, the TBD never established a revenue, undertook no projects, nor incurred any expenses; the established TBD was not "activated."

**Assumption and Activation of TBD**

Following discussions in 2021 concerning the prioritization of City goals, the Council chose to amend the 2021-2022 City Work Program it had adopted through Resolution 5462. Of the amendments made, one was to:

*Activate the Kirkland Transportation Benefit District in 2022 for the purpose of funding Safer Routes to School Action Plan priority projects, Active Transportation Plan priority projects, Vision Zero 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.*

These amendments to the 2021-2022 City Work Program, including the one cited above, were made on November 16, 2021, through Resolution 5502.

On February 15, 2022, to advance the priority to activate the TBD, the Council enacted Ordinance 4783 so that the City Council itself assumed the rights, powers, immunities, functions, and obligations of the TBD. This assumption was authorized by the provisions of RCW 36.74, was deemed to be a benefit to the public's interests and welfare, and was determined by the Council to be more efficient than to have a separate transportation entity also governed by the Council.

**Adoption of Transportation Planning Documents**

On September 1, 2020, the Council passed Resolution 5445, which adopted the *Safer Routes to School Action Plans*. Those plans identify an extensive list of important multimodal and safety projects for improved access to schools in the City.

On June 7, 2022, the Council passed two separate resolutions to adopt two transportation planning documents. By Resolution 5541, the Council adopted the *Vision Zero Plan*, which guides the implementation of projects and programs to improve transportation safety. It also passed Resolution 5542, adopting the *Active Transportation Plan*, which guides the implementation of projects and programs to improve walking and bicycling.

**Consideration of Vehicle License Fee—Public Outreach**

Since assuming the TBD in February 2022, the City has undertaken an extensive effort to discuss with the community the fundamentals of the TBD, its funding options, and potential outcomes. At Council direction, staff launched a community conversation about this topic in August 2022 to understand any community interests, issues, and ideas related to this approach to accelerate funding for these transportation-related safety investments.

Outreach Methods

- *News Release and Social Media*  
Staff issued a news release on August 30 to invite the community to participate in the budget process and posted the same on the City's social media channels.
- *This Week in Kirkland*  
Staff promoted the Community Forum and other engagement opportunities in This Week in multiple Kirkland newsletter issues.

- *PeachJar*  
Staff also promoted the Community Forum and the community conversation through Lake Washington School District's "PeachJar" system, an e-flyer distribution service provider that distributes information to students and families.
- *Greater Kirkland Chamber of Commerce*  
Staff sent notification of the TBD approach to the Greater Kirkland Chamber of Commerce requesting that it send out the message to its members. Chamber staff indicated to City staff that the message had been sent out.

#### Feedback Collection Methods

- *Community Forum*  
The City hosted a community forum on the Transportation Benefit District on October 3. Fifty people pre-registered to receive reminders for the event, and 29 attended through Zoom and in the Council Chambers.
- *Small Group Meetings*  
Staff hosted two small group follow up meetings for interested community members with a total of ten participants. Staff also provided presentations to the Kiwanis Club of Kirkland, the Kirkland Rotary, and the Rotary of Downtown.
- *OurKirkland*  
Community members provided feedback via OurKirkland about the TBD approach to accelerating the safety investments.
- *Social Media*  
Staff received many comments in response to social media posts made on the City's main social platforms.

#### Public Hearings

Since amending the 2021-2022 City Work Program on November 16, 2021, the Council has conducted public hearings on February 1, 2022, and October 4, 2022, relating to the TBD, the acceleration of planned transportation projects, and the vehicle license fee funding option. As required by state law, the Council also conducted multiple public hearings in October and November on the 2023-2024 budget and the revenues assumed in the budget, including the vehicle license fee.

#### **PROPOSED ESTABLISHMENT OF VEHICLE LICENSE FEE:**

After thorough policy consideration and extensive public engagement, the recommended action before the City Council is to enact an ordinance to impose a \$20 per vehicle license fee on vehicles registered in the City of Kirkland. Per State law and this proposed ordinance, the vehicles that would be subject to this license fee are [RCW 46.17.350(1)]:

- Auto stage, six seats or less
- Commercial trailer
- For-hire vehicles, six seats or less
- Mobile home (if registered)
- Motor home
- Motorcycle

- Passenger car
- Sport utility vehicle
- Tow truck
- Trailer, over 2,000 pounds
- Travel trailer

The fee also would apply to each vehicle subject to gross weight license fees under RCW 46.17.355 with a scale weight of six thousand pounds or less.

The projected annual revenue is approximately \$1.3 million. This new revenue would be used to accelerate the implementation of priority projects identified in the Safer Routes to School Action Plans, the *Vision Zero Plan*, the *Active Transportation Plan*, and other transportation projects. The projects that would be funded are listed in Attachment A to this staff report, "Transportation Benefit District Projects."

### **NEXT STEPS:**

Deciding to impose this proposed vehicle license fee is a Councilmanic decision. The City already has taken the steps required by State law to enable the Council to act on this ordinance.

However, the *Kirkland Municipal Code* provides that if the Council is prepared to impose a vehicle license fee on its own authority, it must first conduct a public hearing before the Council takes its vote (KMC 19.22.050).

A public hearing on this matter has been noticed. Once the Council has conducted and closed the public hearing, it may take action on the ordinance.

The proposed ordinance would take effect five days after passage and publication. However, as discussed at the July 5 Study Session, because of the unprecedented rate of inflation at the present time and other pressures on the cost of living, the implementation of the vehicle license fee itself would not begin until January 1, 2024. In 2023 the City has \$2 million in funding from School Zone Safety Camera revenue to continue work on the Safer Routes to School Action Plan (NMC 087) CIP project.

Attachment A: Transportation Benefit District Projects  
Ordinance

| Attachment A  |   |                    |                          |                       |
|---|---|--------------------|--------------------------|-----------------------|
| Transportation Benefit District Projects                        |   |                    |                          |                       |
| <b>Safer Routes to School Plan--Sidewalks</b>                   |   |                    |                          |                       |
| Project ID  | Description   | From               | To                       | Preliminary Cost Est. |
| SRH 08  | 116th Avenue NE   | NE 75th Street     | North of 75th Place      | \$783,000             |
| EH 04   | 124th Avenue NE   | NE 145th Street    | City Limit               | \$501,000             |
| SRH 10  | 116th Avenue NE   | NE 73rd Street     | NE 75th Street           | \$1,167,000           |
| JN 03   | 98th Avenue NE  | Forbes Creek Drive | NE 110th Street          | \$890,000             |
| NRH 02  | 132nd Avenue NE (complete west side)                    | NE 110th Place     | NE 97th Street           | \$1,946,000           |
| FH 09   | 90th Avenue NE  | NE 134th Street    | NE 137th Place           | \$1,294,000           |
| EH 03   | NE 140th Street   | 124th Avenue NE    | 132nd Avenue NE          | \$3,714,000           |
| MK 01   | 6th Street West   | 13th Avenue West   | Market Street            | \$2,082,000           |
|   |   |                    | <b>Subtotal</b>          | <b>\$12,377,000</b>   |
| <b>Safer Routes to School Plan--Crosswalks</b>                  |   |                    |                          |                       |
| Project ID  | Description   |                    |                          | Preliminary Cost Est. |
| EV 04   | West of 106th Avenue NE/NE 68th Street                  |                    |                          | \$73,000              |
| JN 17   | East of 111th Place NE/NE 132nd Street                  |                    |                          | \$342,000             |
| MK 05   | North of Market Street/19th Avenue                      |                    |                          | \$342,000             |
| FH 11   | South of Juanita Drive NE/NE 124th Street               |                    |                          | \$264,000             |
| MB 04   | North or South of State Street/2nd Ave South            |                    |                          | \$264,000             |
| SRH 13  | East of 124th Avenue NE/NE 80th Street                  |                    |                          | \$264,000             |
| JN 16   | West of NE 124th Street/108th Court NE                  |                    |                          | \$393,000             |
| MB 09   | West of Parkplace Center/Kirkland Avenue (South of KPC) |                    |                          | \$264,000             |
| FH 29   | N or S of Juanita Dr NE / NE 132nd St                   |                    |                          | \$393,000             |
| JN 02   | W of 102nd Ln NE / NE 124th St                          |                    |                          | \$393,000             |
|   |   |                    | <b>Subtotal</b>          | <b>\$2,992,000</b>    |
| <b>Active Transportation Plan--Crosswalks</b>                   |   |                    |                          |                       |
| Project ID  | Description   |                    |                          | Preliminary Cost Est. |
| ATP 42  | Lake Street--2nd Avenue South                           |                    |                          | \$352,000             |
| ATP 43  | Lake Street--5th Avenue South                           |                    |                          | \$352,000             |
| ATP 10  | Lake Washington Boulevard--North of NE 52nd Street      |                    |                          | \$352,000             |
| ATP 82  | NE 131st Way--94th Avenue NE                            |                    |                          | \$352,000             |
| ATP 145   | NE 124th Street--105th Place NE                         |                    |                          | \$197,000             |
| ATP 58  | Central Way--1st Street                                 |                    |                          | \$197,000             |
|   |   |                    | <b>Subtotal</b>          | <b>\$1,802,000</b>    |
| <b>Active Transportation Plan--Sidewalks</b>                    |   |                    |                          |                       |
| Project ID  | Description   | From               | To                       | Preliminary Cost Est. |
| ATP 173   | NE 124th Street   | 116th Avenue NE    | 120th Avenue NE          | \$2,727,000           |
| ATP 174   | 120th Avenue NE   | Totem Lake Blvd NE | NE 124th Street          | \$786,000             |
| ATP 14  | Kirkland Way  | East of CKC Bridge | 2nd Avenue               | \$777,000             |
|   |   |                    | <b>Subtotal</b>          | <b>\$4,290,000</b>    |
| <b>Active Transportation Plan--Catalyst Projects (Bike/Ped)</b> |   |                    |                          |                       |
| Project ID  | Description   | From               | To                       | Preliminary Cost Est. |
| ATP 336   | Lakeshore Plaza   | Central Way        | Kirkland Ave/Lake Street | \$497,000             |
|   |   |                    | <b>Subtotal</b>          | <b>\$497,000</b>      |
| <b>Active Transportation Plan--Green Conflict Zone Markings</b> |   |                    |                          |                       |
| Project ID  | Description   | From               | To                       | Preliminary Cost Est. |
| ATP 713   | 120th Avenue NE   | NE 118th Street    | NE 124th Street          | \$89,000              |
| ATP 612   | 6th Street  | 5th Avenue South   | 1st Avenue South         | \$29,000              |
| ATP 612   | 6th Street  | NE 68th Street     | 5th Avenue South         | \$89,000              |
| ATP 306   | NE 128th Street   | 116th Way NE       | Totem Lake Boulevard     | \$89,000              |
| ATP 701   | NE 116th Street   | 124th Avenue NE    | Slater                   | \$60,000              |
| ATP 328   | Slater Avenue NE  | NE 116th Street    | NE 124th Street          | \$193,000             |
| ATP 332   | 124th Avenue NE   | NE 85th Street     | NE 112th Place           | \$399,000             |
| ATP 332   | 124th Avenue NE   | NE 112th Place     | NE 115th Place/Slater    | \$44,000              |
| ATP 333   | NE 116th Street   | 115th Lane NE      | 120th Avenue NE          | \$89,000              |
| ATP 333   | NE 116th Street   | 99th Place NE      | 115th Lane NE            | \$324,000             |
| ATP 333   | NE 116th Street Under I-405                             | 120th Avenue NE    | 124th Avenue NE          | \$163,000             |
| ATP 607   | State Street  | NE 68th Street     | 2nd Avenue South         | \$193,000             |
| ATP 716   | Kirkland Way-Avenue Central                             | 3rd Street         | 6th Street               | \$50,000              |
| ATP 335   | Central Way   | Peter Kirk Lane    | 6th Street               | \$32,000              |
| ATP 335   | Central Way   | Lake Street        | Peter Kirk Lane          | \$66,000              |
| ATP 330   | 100th Avenue NE   | NE 125th Drive     | NE 132nd Street          | \$124,000             |
| ATP 330   | 100th Avenue NE   | NE 124th Street    | NE 125th Drive           | \$75,000              |
| ATP 330   | 98th Avenue NE  | NE 116th Street    | NE 120th Place           | \$37,000              |
|   |   |                    | <b>Subtotal</b>          | <b>\$2,145,000</b>    |
| <b>Neighborhood Greenways</b>                                   |   |                    |                          |                       |
| Project ID  | Description   | From               | To                       | Preliminary Cost Est. |
| ATP 748   | 7th Avenue  | Market Street      | 6th Street               | \$422,000             |
| ATP 604   | 9th Avenue South  | 6th Street South   | Railroad Ave             | \$567,000             |
|   |   |                    | <b>Subtotal</b>          | <b>\$989,000</b>      |
| <b>City-wide Sidewalk Repair</b>                                |   |                    |                          |                       |
| Description   | From  | To                 | Preliminary Cost Est.    |                       |
| 14th Avenue   | Market Street   | 1st Street         | \$23,000                 |                       |
| 5th Street  | Central Way   | 6th Ave            | \$45,000                 |                       |
| 122nd Avenue  | N of 85th Street  | n end of sidewalk  | \$121,000                |                       |
| Main Street   | Central Way   | Park Lane          | \$29,000                 |                       |
| Market Street   | 9th Avenue  | 10th Ave           | \$90,000                 |                       |
| NE 144th Way  | 130th Avenue NE (Pool)                                  | 12629              | \$114,000                |                       |
| Lake Street   | Central Way   | Park Lane          | \$111,000                |                       |
|   |   | <b>Subtotal</b>    | <b>\$533,000</b>         |                       |
| <b>City-wide Wheelchair Ramp Improvements</b>                   |   |                    |                          |                       |
| Description   |   |                    | Preliminary Cost Est.    |                       |
| City-wide   |   |                    | \$300,000                |                       |
|   |   | <b>Subtotal</b>    | <b>\$300,000</b>         |                       |
| <b>Total Transportation Benefit District Program</b>            |   |                    |                          |                       |
|   |   | <b>Grand Total</b> | <b>25,925,000</b>        |                       |

ORDINANCE O-4834

1 AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE  
2 IMPOSITION EFFECTIVE JANUARY 1, 2024, OF A TWENTY  
3 DOLLAR ANNUAL VEHICLE FEE ON VEHICLES REGISTERED IN  
4 KIRKLAND PROVIDED FOR BY RCW 36.73.065 RELATED TO  
5 TRANSPORTATION BENEFIT DISTRICTS.

6  
7 WHEREAS, the City of Kirkland (City) did establish a  
8 transportation benefit district known as the Kirkland  
9 Transportation Benefit District (KTBD) in accordance with chapter  
10 36.73 RCW through Ordinance O-4435 in 2014; and

11  
12 WHEREAS, at its November 16, 2021 meeting, and  
13 following a study session and staff presentations, the City Council  
14 amended the City's 2021-2022 City Work Program to add a goal  
15 of activating the KTBD for the purposes of funding Safer Routes  
16 to School Action Plan priority projects, Active Transportation Plan  
17 priority projects, and Vision Zero Plan priority projects to further  
18 the Goals of Community Safety, Vibrant Neighborhoods, Inclusive  
19 and Equitable Community, Balanced Transportation, and  
20 Dependable Infrastructure; and

21  
22 WHEREAS, in accordance with Resolution R-5511, the  
23 Council held a public hearing at its February 1, 2022 meeting  
24 regarding the possible assumption by the City of the rights,  
25 powers, immunities, functions and obligations of the KTBD as  
26 provided for in chapter 36.74 RCW; and

27  
28 WHEREAS, at its meeting on February 15, 2022, the  
29 Council did assume the rights, powers, immunities, functions and  
30 obligations of the former KTDB through adoption of Ordinance O-  
31 4783; and

32  
33 WHEREAS, at its July 5, 2022 meeting, the Council did  
34 conduct a study session to receive a staff update on potential  
35 transportation benefit district (TBD) funding options to support  
36 the City's 2021-2022 City Work Program, specifically including  
37 Councilmanic imposition of a \$20 annual vehicle fee on vehicles  
38 registered in Kirkland for possible inclusion as a revenue source in  
39 the City's proposed 2023-2024 operating budget and 2023-2028  
40 Capital Improvement Plan; and

41  
42 WHEREAS, the City conducted a transportation benefit  
43 district community forum on October 3, 2022 to receive public  
44 comment on the potential imposition of the \$20 annual vehicle fee  
45 in support of the purposes set forth herein; and

46  
47 WHEREAS, the Council conducted a public hearing at its  
48 October 4, 2022 meeting in order to receive additional public  
49 comment on proposed revenue sources for the City's 2023-2024

50 budget, including potential imposition of the \$20 annual vehicle  
51 fee on vehicles registered in Kirkland; and

52  
53 WHEREAS, prior to adoption of the City's 2023-2024  
54 budget, the Council conducted a public hearing on December 13,  
55 2022 to solicit public comment as required by the Kirkland  
56 Municipal Code on the proposed imposition of the \$20 annual  
57 vehicle fee on vehicles registered in Kirkland effective January, 1,  
58 2024; and

59  
60 WHEREAS, the Council now wishes to impose a \$20 annual  
61 vehicle on vehicles registered in Kirkland in accordance with RCW  
62 36.73.065(4)(a)(i) and Kirkland Municipal Code Chapter 19.22.

63  
64 NOW, THEREFORE, the City Council of the City of Kirkland  
65 do ordain as follows:

66  
67 Section 1. In accordance with RCW 36.73.065(4)(a)(i),  
68 RCW 82.80.140(2)(a)(i), and Kirkland Municipal Code chapter  
69 19.22, the Kirkland City Council does hereby impose, effective  
70 January 1, 2024, an annual vehicle fee of twenty dollars (\$20) for  
71 each vehicle registered in Kirkland and subject to vehicle license  
72 fees under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n)  
73 through (q) and for each vehicle subject to gross weight license  
74 fees under RCW 46.17.355 with a scale weight of six thousand  
75 pounds or less.

76  
77 Section 2. This ordinance shall be in force and effect five  
78 days from and after its passage by the Kirkland City Council and  
79 publication, as required by law.

80  
81 Passed by majority vote of the Kirkland City Council in open  
82 meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

83  
84 Signed in authentication thereof this \_\_\_\_\_ day of  
85 \_\_\_\_\_, 2022.

\_\_\_\_\_  
Penny Sweet, Mayor

Attest:

\_\_\_\_\_  
Kathi Anderson, City Clerk

Approved as to Form:

\_\_\_\_\_  
Kevin Raymond, City Attorney