Next Ord: 1790-14
Next Res: 894-14

VISION STATEMENT
SEDRO-WOOLLEY IS A FRIENDLY CITY THAT IS CHARACTERIZED BY CITY GOVERNMENT AND CITIZENS WORKING TOGETHER TO ACHIEVE A PROSPEROUS, VIBRANT AND SAFE COMMUNITY

MISSION STATEMENT
TO PROVIDE SERVICES AND OPPORTUNITIES WHICH CREATE A COMMUNITY WHERE PEOPLE CHOOSE TO LIVE, WORK AND PLAY

CITY COUNCIL WORKSESSION
AGENDA

March 5, 2014
7:00 PM
Sedro-Woolley Municipal Building
Public Safety Training Room
325 Metcalf Street

A. Public Works Project Update
(Staff Contact – Mark Freiberger

B. Engineering Fee Schedule Update
(Staff Contact – Mark Freiberger)

C. Transportation Benefit District
(Staff Contact – Eron Berg)

D. LED Streetlight Retrofit
(Staff Contact – Eron Berg)

CITY COUNCIL
WORKSESSION

MAR 05 2014

AGENDA ITEM C

CITY OF SEDRO-WOOLLEY
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-9922
Fax (360) 855-9923

Eron Berg
City Supervisor/Attorney

MEMO TO: City Council
FROM: Eron Berg
RE: Transportation Benefit District
FOR MEETING ON: March 5, 2014

ISSUE: Should the Council consider the formation of a Transportation Benefit District (TBD) to fund street maintenance and improvement projects within the city?

BACKGROUND: At the council's retreat, participants discussed the lack of stable, dedicated funding for street and sidewalk maintenance and projects. One of the potential options available to cities is a local option car tab tax through the formation of a transportation benefit district (TBD). The council asked for additional information for discussion on this topic and this memo with attachments is intended to provide that detail.

Attached are the following documents:

AWC fact sheet on TBD's (1 page);
Listing of current TBD's by year of formation (1 page);
DOL detail on TBD's including local car tab tax (3 pages);
City of Covington Ordinance 02-13 forming a TBD (5 pages); and
City of Federal Way Ordinance 06-532 forming a TBD (5 pages).

A TBD is an independent taxing district that can be formed by the city council for the benefit of city infrastructure and is managed by the city council in a separate role as the governing body of the TBD. TBD funding can come from property taxes, up to .2% sales tax (vehicles not exempt), car tab fees of up to $100/year with up to $20/year available without a popular vote, vehicle tolls and transportation impact fees.

The vast majority of TBD's have used the $20.00 per year vehicle tab tax. In Sedro-Woolley, this would generate $173,400 in tax revenue dedicated to transportation projects annually (we currently have 8,670 vehicles that would be subject to the car tab tax).

RECOMMENDATION: We are struggling to keep up with our street and sidewalk infrastructure and do not have a dedicated source of funding to perform this function; is the council interested in pursuing the possibility of a TBD as a source of long-term, stable, dedicated funding for street and sidewalk maintenance?

February 2013

Transportation Benefit Districts (RCW 36.73)

What is a Transportation Benefit District (TBD)?

A TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district. A TBD is an independent taxing district that can impose specific taxes or fees, either through a vote of the people or through district board action. TBDs are flexible - they allow cities and counties to work independently or cooperatively to address both local and regional transportation challenges.

Who may create a TBD?

The legislative authority of a county or city may create a TBD. The county or city proposing to create a TBD may include other counties, cities, port districts, or transit districts through interlocal agreements.

Who governs the TBD?

The members of the legislative authority (county or city) proposing to establish a TBD serve as the governing body of the TBD. The legislative authority is acting ex officio and independently as the TBD governing body. If a TBD includes additional jurisdictions through interlocal agreements, then the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions.

Why create a TBD if the county or city legislative authority is the governing board?

TBDs have more flexibility to solve specific transportation issues. For example, more than one type of jurisdiction can be part of a TBD and the boundaries can be less than countywide or citywide.

What transportation improvements can be funded by a TBD?

The definition of transportation improvements is fairly broad. This can include maintenance and improvements to city streets, county roads, state highways, public transportation, transportation demand management, and other transportation projects identified in a local, regional or state plan.

What revenue options do TBDs have?

TBDs have several revenue options subject to voter approval:

- Property taxes - a 1-year excess levy or an excess levy for capital purposes;
- Up to 0.2% sales and use tax;
- Up to $100 annual vehicle fee per vehicle registered in the district; and
- Vehicle tolls.

TBDs have two revenue options that do not require voter approval, but are subject to additional conditions. To impose either fee, the TBD's boundaries must be countywide or citywide, or if applicable, in the unincorporated county. Foregoing a vote is an option. A county or city still has the option of placing either fee to the vote of the people as an advisory vote or an actual requirement of imposition. The two options are:

1. **Annual vehicle fee up to $20.** This fee is collected at the time of vehicle renewal and cannot be used to fund passenger-only ferry service improvements. (HB 1485 increases this option up to $40.)
2. **Transportation impact fees on commercial and industrial buildings.** Residential buildings are excluded. In addition, a county or city must provide a credit for a commercial or industrial transportation impact if the respective county or city has already imposed a transportation impact fee.

Jurisdiction	Vehicle License Fee	Sales Tax
Transportation Benefit Districts passed in 2012		
Bainbridge Island	$20 (passed 01/09/2012)	
Castle Rock		$0.002 sales tax (passed, election 11/6/2012)
Eatonville	$20 (effective 03/01/2013)	
Kelso	$20 (passed 12/04/2012)	
Kenmore - Has not passed funding provision		
Maple Valley	$20 (passed 12/10/2012)	
Kittitas	$20 (effective 12/01/2012)	
Lynden		$0.002 sales tax (passed, election 11/6/2012)
Royal City	$20 (effective 11/01/2012)	
Stanwood		$0.002 sales tax (passed, election 2/12/2013)
Tacoma	$20	
Toppenish	$20 (effective 12/01/2012)	
Waitsburg		$0.002 sales tax (passed, election 4/17/2012)
Wapato	$20 (effective 04/01/2013)	
Yakima - Has not passed funding provision		
Transportation Benefit Districts passed in 2011		
Auburn - Has not passed funding provision		
Ferndale		$0.002 sales tax (passed, election 2/14/2012)
Grandview	$20 (02/01/2012)	
Mabton	$20 (12/01/2011)	
Mountlake Terrace	$20 (effective 08/01/2012)	
North Bend		$0.002 sales tax (passed, election 11/8/2011)
Orting	$20 (effective 02/01/2013 - 01/31/2015)	
Snohomish County		$0.002 sales tax (passed 8/16/2011)

Jurisdiction	Vehicle License Fee	Sales Tax
Transportation Benefit Districts passed in 2011 *(con't)*		
Spokane	$20 (09/01/2011)	
Walla Walla		$0.002 sales tax (passed, election 2/14/2012)
Wenatchee	$20 (effective 08/01/2012)	
Zillah	$20 (effective 7/12/2012)	
Transportation Benefit Districts passed in 2010		
Bellingham		$0.002 sales tax (4/01/2011)
King County - No funding designated		
Leavenworth		$0.002 sales tax (04/01/2011)
Lynnwood	$20 (07/01/2011)	
Seattle	$20 (05/01/2011)	
Snohomish		$0.002 sales tax (01/01/2012)
Snoqualmie	$20 (03/01/2011)	
Transportation Benefit Districts passed in 2009		
Bremerton	$20 (12/07/2011 passed, effective 07/01/2012)	
Burien	$10 (02/01/2010)	
Prosser	$20 (11/01/2009)	
Shoreline	$20 (02/01/2010)	
University Place - No funding designated		
Transportation Benefit Districts passed in 2008		
Des Moines	$20 (09/01/2009)	
Edmonds	$20 (09/01/2009)	
Lake Forest Park	$20 (09/01/2009)	
Olympia	$20 (10/01/2009)	
Ridgefield		Sales tax repealed effective 10/01/2012 - $0.002 sales tax (04/01/2009)
Sequim		$0.002 sales tax (04/01/2010)
Transportation Benefit Districts passed prior to 2008		
Liberty Lake (2002)		
Point Roberts, Whatcom County (1992)		Special gas tax $0.01/gallon (1992)

Local transportation benefit district fees

RCW 36.73.020 allows city or county governments to create transportation benefit districts and impose an additional vehicle registration fee to fund local transportation projects.

Transportation benefit districts and fees

If you live in any of the following locations, you must pay an additional transportation benefit district fee when you renew your vehicle tabs:

Transportation Benefit District	Fee	Effective date (Tabs expiring on or after...)	Location code
Bainbridge Island 206.780.8624	$20	August 1, 2013	18-04
Bremerton 360.473.5920	$20	July 1, 2012	18-01
Buckley 360.829.1921, ext. 7801	$20	February 1, 2014	27-02
Burien No. 1 206.241.4647	$10	February 1, 2011	17-34
Carbonado 360.829.0125	$20	November 1, 2013	27-03
Des Moines 206.870.7586	$20	September 1, 2009	17-09
DuPont 253.964.8121	$20	September 1, 2013	27-04
Edgewood 253.952.3299	$20	July 1, 2014	27-20
East Wenatchee 509.884.9515	$20	August 1, 2013	09-02
Eatonville 360.832.3361	$20	March 1, 2013	27-05
Electric City 509.633.1510	$20	May 1, 2013	13-02
Edmonds 425.771.0260	$20	September 1, 2009	31-04
Grandview 509.882.9200	$20	February 1, 2012	39-01
Kalama 360.673.4561	$20	October 1, 2013	08-02
Kelso 360.423.0900	$20	July 1, 2013	08-03
Kenmore 425.398.8900	$20	June 1, 2013	17-38
Kittitas 509.968.0220	$20	December 1, 2012	19-03
Lake Forest Park 206.368.5440	$20	September 1, 2009	17-17
Lynnwood 425.670.5020	$20	July 1, 2011	31-10
Mabton 509.894.4096	$20	December 1, 2011	39-04
Maple Valley 425.413.8800	$20	July 1, 2013	17-20
Mountlake Terrace 425.744.6272	$20	August 1, 2012	31-13
Olympia 360.570.3727	$20	October 1, 2009	34-03

Orting 360.892.2219, ext. 133	$20	February 1, 2013– January 31, 2015 (Fee applies to all renewals with these registration dates, including renewals paid after Feb. 1, 2015.)	27-10
Prosser 509.786.2332	$20	November 1, 2009	03-03
Royal City 509.346.2263	$20	November 1, 2012	13-11
Seattle 206.233.5005	$20	May 1, 2011	17-26
Shoreline 206.801.2302	$20	February 1, 2010	17-37
Snoqualmie 425.888.1555, ext. 1135	$20	March 1, 2011	17-28
Soap Lake 509.246.1211	$20	November 1, 2013	13-12
Spokane 509.625.6252	$20	September 1, 2011	32-10
Tacoma 253.591.5511	$20	June 1, 2013	27-17
Toppenish 509.865.4500	$20	December 1, 2012	39-10
Wapato 509.877.2334	$20	April 1, 2013	39-12
Wenatchee 509.888.3600	$20	August 1, 2012	04-05
Zillah 509.829.5151	$20	July 1, 2012	39-14

Vehicles subject to fees

- Passenger vehicles
- Trucks that weigh 6,000 pounds or less
- Motorcycles
- Commercial passenger vehicles and trucks that weigh 6,000 pounds or less
- Combination trucks that weigh 6,000 pounds or less
- Tow trucks
- House moving dollies
- Trucks used exclusively for hauling logs that weigh 6,000 pounds or less
- Taxicabs
- For-hire or stage vehicles with 6 seats or less
- For-hire or stage vehicles with 7 or more seats that weigh 6,000 pounds or less
- Private use trailers over 2,000 pounds
- Motorcycle trailers
- Travel trailers
- Fixed load vehicles that weigh 6,000 pounds or less
- Mobile homes licensed as vehicles

Exempt vehicles

- All farm vehicles
- Campers
- Off-road vehicles
- Snowmobiles
- Mopeds
- Personal use trailers with a single axle and less than 2,000 pounds scale weight
- Commercial trailers
- Combination trailers
- Trailers used exclusively for hauling logs
- Horseless carriage, collector, or restored-plate vehicles
- Converter gear
- Government vehicles
- Private school vehicles
- Vehicles properly registered to disabled American veterans

How a transportation benefit district works

Once a local transportation benefit district is set up, the district's board of directors may vote to charge a local vehicle licensing fee due when a vehicle owner buys new tabs.

- The transportation benefit district board has the authority to impose a fee of up to $20 per vehicle without voter approval.
- A transportation benefit district may impose a vehicle renewal fee of up to $100 per vehicle or seek other sources of funding if approved by voters.

Related laws

- RCW: 36.73: Transportation benefit districts
- RCW 82.80.140: Vehicle fee — Transportation benefit district — Exemptions

ORDINANCE NO. 02-13

AN ORDINANCE OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, ESTABLISHING A TRANSPORTATION BENEFIT DISTRICT; SPECIFYING THE BOUNDARIES FOR THE TRANSPORTATION BENEFIT DISTRICT; SPECIFYING THE TRANSPORTATION IMPROVEMENTS TO BE FUNDED BY THE TRANSPORTATION BENEFIT DISTRICT; AND CREATING A NEW CHAPTER 12.125 OF THE COVINGTON MUNICIPAL CODE ENTITLED "TRANSPORTATION BENEFIT DISTRICT."

WHEREAS, the City of Covington ("City") has the responsibility, to the extent of its resources, for the improvement, maintenance, and protection of public ways within the corporate limits of the City pursuant to RCW 35A.11.020 and Chapter 35A.47 RCW; and

WHEREAS, the Washington State Transportation Plan 2007-2026 notes that adequate maintenance, preservation, and expansion of the local roads are an important element of the transportation system and that new local option taxes should be put to this purpose; and

WHEREAS, the investment principles from the Puget Sound Regional Council "Destination 2030 Metropolitan Transportation Plan for the Central Puget Sound Region" states that the first priority should be to maintain, preserve, make safe, and optimize existing transportation infrastructure and services; and

WHEREAS, due to initiatives that have stripped away revenues, as well as rising annual costs, the City has limited transportation funding to maintain, operate, replace, and improve the transportation system; and

WHEREAS, Chapter 36.73 RCW 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 reasonably foreseeable congestion levels; and

WHEREAS, RCW 35.21.225 authorizes the city council to establish a Transportation Benefit District subject to the provisions of Chapter 36.73 RCW; and

WHEREAS, the City desires to form a Transportation Benefit District that includes the entire City of Covington as the boundaries currently exist or are hereafter expanded due to annexation; and

WHEREAS, transportation improvements include transportation related maintenance and improvements to city streets and state highways, high capacity transportation, public transportation, transportation demand management, parking facilities, and other transportation projects designed to reduce congestion on facilities of regional or statewide significance; and

WHEREAS, in its final recommendations report, the City's Budget Priorities Advisory Committee recommends moving forward with the creation of a Transportation Benefit District; and

WHEREAS, the City, after giving proper notice, conducted a public hearing on April 9, 2013, and took public comment regarding the proposed establishment of a Transportation Benefit District in accordance with RCW 36.73.050.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, DOES HEREBY ORDAIN as follows:

Section 1. Purpose. The purpose of this ordinance is to establish a Transportation Benefit District pursuant to RCW 35.21.255 and 36.73 RCW.

Section 2. Findings. The City Council finds that all the "whereas" recitals above in this ordinance are true and it is in the public interest to form a Transportation Benefit District to provide adequate levels of funding for transportation improvements that are consistent with

existing state, regional, and local transportation plans and are necessitated by existing or reasonably foreseeable congestion levels, as provided in Chapter 36.73 RCW.

The city council further finds that it is in the public interest to provide for transportation improvements that, without limitation, improve modal connectivity and reduce congestion on State Highway 516 and throughout the City and that protect the City's long-term investments in its infrastructure, reduce the risk of transportation facility failure, improve safety, continue optimal performance of the infrastructure over time, and avoid more expensive infrastructure replacements in the future.

The city council further finds that the City's six-year Transportation Improvement Plan shall be annually updated to identify projects that constitute transportation improvements that may be funded by the Transportation Benefit District as funding becomes available.

Section 3. <u>Creating New City Code Chapter Providing for Formation of a Transportation Benefit District.</u> A new chapter, Chapter 12.125 of the Covington Municipal Code entitled "Transportation Benefit District," is hereby created to read as follows:

Chapter 12.125
Transportation Benefit District

12.125.010 Establishing Transportation Benefit District.
12.125.020 Governing Board.
12.125.030 Powers.
12.125.040 Transportation Improvements Funded.
12.125.050 Dissolution.
12.125.060 Liberal Construction.

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

12.125.020 Governing Board.

(a) The governing board of the TBD (the "TBD Board") shall be the Covington 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 Mayor shall serve as the chair of the TBD Board and shall preside over all meetings of the TBD Board.

(c) The City Finance Director shall serve as the Treasurer of the TBD Board.

(d) The City Manager shall serve as the Chief Executive Officer of the TBD Board.

(e) The Covington City Attorney will serve as legal advisor to the TBD Board, except where separate counsel is engaged by the TBD or the City Attorney has a conflict of interest.

(f) The City Clerk shall serve as the Clerk of the TBD Board.

(g) The TBD 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).

(h) The TBD Board shall issue an annual report, pursuant to the requirements of RCW 36.73.160(2).

(i) Meetings of the TBD Board shall be governed by the procedural rules applicable to meetings of the Covington City Council, as the same may be amended from time to time. Meetings of the TBD Board shall, whenever possible, take place on the same dates scheduled for city council meetings.

12.125.030 Powers. The TBD and the TBD Board shall have and may exercise any powers provided by law to fulfill the purpose of the TBD.

12.125.040 Transportation Improvements Funded. The funds generated by the TBD may be used for any purpose allowed by law including to operate the TBD 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, as the same may be amended from time to time. The transportation improvements funded by the TBD shall be made in an effort to protect the City's long-term investments in its infrastructure, to reduce the risk of transportation facility failure, to improve safety, to continue optimal performance of the infrastructure over time, to avoid more expensive infrastructure replacements in the future, and to improve modal connectivity within

the City of Covington. Additional transportation improvement project of the TBD may be funded only after compliance with the provisions of Chapter 36.73 RCW.

12.125.050 Dissolution. The TBD shall be automatically dissolved, pursuant to the procedures set forth in Chapter 36.73 RCW, when all indebtedness of the TBD has been retired and when the entire TBD's anticipated responsibilities have been satisfied.

12.125.060 Liberal Construction. As authorized pursuant to Chapter 36.73 RCW, this chapter shall be liberally construed to permit the accomplishment of its purposes.

Section 4. Severability. If any one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

Section 5. Effective Date of Ordinance. This ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication as required by law.

Adopted by the City Council of the City of Covington on this 9th day of April, 2013.

Margaret Harto
Mayor Margaret Harto

PUBLISHED: April 12, 2013
EFFECTIVE: April 17, 2013

ATTESTED:

Joan Michaud, Deputy City Clerk
for Sharon Scott, City Clerk

APPROVED AS TO FORM:

Sara Springer, City Attorney

ORDINANCE NO. 06-532

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FEDERAL WAY, WASHINGTON, PROVIDING FOR THE SUBMISSION TO THE ELECTORS OF THE CITY AT A GENERAL ELECTION TO BE HELD ON NOVEMBER 7, 2006 FOR A PROPOSITION AUTHORIZING THE CITY TO LEVY A UTILTY TAX FOR THE PURPOSE OF PROVIDING ENHANCED POLICE AND COMMUNITY SAFETY.

WHEREAS, there is substantial desire in the community to see increased police presence; quicker police responses; expedited code enforcement actions; and improved security to keep our parks free of vandals and graffiti; and

WHEREAS, an enhanced level of police service is essential in keeping the City of Federal Way (the "City") a safe and livable community; and

WHEREAS, police services and community safety is a prerequisite to a vibrant economy; and

WHEREAS, the City Council finds it is in the best interest of the residents and businesses of the City to enhance police and community safety services by adding eighteen police officers (8 patrol officers, 2 patrol lieutenants, 4 traffic officers, 4 detectives); 1 Police records clerk; 0.5 Judge (for a total of 2 full time judges), 1.5 prosecutors, 1 court clerk, jail and public defender resources necessary to support those additional police officers; 1 code compliance officer and 0.5 attorney for code enforcement; one park maintenance worker and contracted security services; and necessary operating supplies, equipment, vehicles, internal support staff; for a total estimated cost of $2.46 million; and

WHEREAS, RCW 35.21.870 permits cities to levy a tax on the privilege of conducting utility businesses such as electrical energy, natural gas, or telephone business; and

WHEREAS, the City's current levy of 6% utility taxes are necessary to meet debt service obligations for past capital investment projects, for the continued improvement to our transportation systems, for the annual street overlay program, and for the continuation of existing city services; and

WHEREAS, State law authorizes an additional utility tax increase of up to 6%, when approved by the qualified electors; and

WHEREAS, the City Council deems it necessary to submit to the qualified electors a proposed increase of 1.75% to generate the amount necessary to finance the police and community safety improvements described herein.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FEDERAL WAY, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Police and Community Safety Funding. The City Council hereby finds that it is in the best interests of the residents and businesses of the City to enhance police and community safety.

Section 2. Election. A proposition authorizing the City to levy an increase of 1.75% in tax on utility businesses, for a total of 7.75%, to provide enhanced police and community safety services shall be submitted to the qualified electors of the City at the a general election to be held November 7, 2006. The King County Department of Elections is hereby requested to assume jurisdiction of and to call and conduct such election and to submit to the qualified electors of the City the proposition set forth in Exhibit A. The City Attorney is authorized to modify the proposition as directed by King County Elections. The City Clerk is hereby directed, not less then 45 days prior to

November 7, 2006, to certify the proposition set forth in Exhibit A and forward the proposition to the King County Department of Elections.

Section 3. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

Section 4. Ratification. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

Section 5. Effective Date. This ordinance shall be effective five days after its passage, approval and publication as provided by law.

PASSED by the City Council of the City of Federal Way this 19th day of September, 2006.

CITY OF FEDERAL WAY

MAYOR, MICHAEL PARK

ATTEST:

CITY CLERK, LAURA HATHAWAY, CMC

APPROVED AS TO FORM:

Patricia A. Richardson

CITY ATTORNEY, PATRICIA A. RICHARDSON

FILED WITH THE CITY CLERK:	8/31/06
PASSED BY THE CITY COUNCIL:	9/19/06
PUBLISHED:	9/23/06
EFFECTIVE DATE:	9/28/06
ORDINANCE NO.:	06-532

EXHIBIT A

City of Federal Way

Additional Utility Tax Levy to Enhance Police and Community Safety

The Federal Way City Council passed Ordinance No. 06-532 to ask the voters to enhance police and community safety services with an additional utility tax levy. This proposition would fund 18 additional police officers. It will also add court and supporting staff to handle the increased workload generated from these officers, including a 0.5 Judge position; add 1 code enforcement officer and 1 park maintenance worker, and fund security resources to assist police in resolving code violations and identifying and preventing crimes in parks and on city facilities. Shall the City levy an additional 1.75% utility tax pursuant to RCW 35.21.870?

YES _____

NO _____

CITY COUNCIL
WORKSESSION

MAR 05 2014

AGENDA ITEM D

CITY OF SEDRO-WOOLLEY
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-9922
Fax (360) 855-9923

Eron Berg
City Supervisor/Attorney

MEMO TO: City Council
FROM: Eron Berg
RE: PSE owned streetlight LED retrofit
FOR MEETING ON: March 5, 2014

ISSUE: Should the Council proceed with a retrofit project to convert PSE owned streetlights from high pressure sodium (HPS) to light emitting diode (LED) bulbs?

BACKGROUND: Attached is a spreadsheet that includes an inventory of PSE owned streetlights in the city, current monthly costs, recurring costs if converted to LED fixtures and the cost of the conversion. Conversion of all 621 HPS streetlights to LED will cost $137,844.27 and will result in monthly savings of $2,440.10. If the city pays for this project with internally borrowed funds and repays the loan using the savings, the loan will be paid off in about 57 months. Beginning around 58 months from project completion our streetlight budget will be reduced by $2,440.10 per month or $29,281.00 per year.

It appears to me that the savings are significant enough and the payback period is short enough to make this project economically viable.

RECOMMENDATION: Consider funding this retrofit from funds borrowed internally and repaid through the savings.

City of Sedro Woolley HPS to LED Schedule 53 (PSE Owned) Cobrahead Streetlight Changeout Costs

Account	Quantity	Existing Wattage	New Wattage	New Monthly Rate	Existing Monthly Rate	Cost to Improve	Monthly Savings	Est. Payoff (Months)	RETROFIT INCENTIVES (TOTAL)	EST PAYOFF (MONTHS, REV)
CITY	205	70	43	8.61 (1,765.05)	11.42 (2,341.10)	26,065.75	576.05	45.25	7,380.00	32.44
CITY	214	100	54	9 (1,926)	12.91 (2,762.74)	32,367.50	836.74	38.68	7,276.00	29.99
CITY	74	150	94	11.07 (819.18)	15.29 (1,131.46)	21,070.76	312.28	67.47	5,624.00	49.46
CITY	108	200	130	12.62 (1,362.96)	18.39 (1,986.12)	42,634.08	623.16	68.42	9,504.00	53.16
CITY	19	250	196	16.35 (310.65	20.7 (393.30)	10,081.78	82.65	121.98	1,577.00	102.90
CITY	1	400	258	18.78 (18.78)	28 (28)	620.34	9.22	67.28	166.00	49.28
TOTAL	621			6,202.62	8,642.72	169,371.27	2,440.10	69.41	31,527.00	56.49

TOTAL, YEAR	169,371.27	29,281	5.78	
LESS RETROFIT INCENTIVES (AVAILABLE AFTER INSTALLATION)	31,527.00			
NET COST	137,844.27		4.71	4.71
WITHOUT 250 W FIXTURES	129,339.49	28,289.40	4.57	