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3 **AGENDA**  
4 **City of Lynnwood**  
5 **Transportation Benefit District (TBD) Board**  
6 **Council Chambers, City Hall**  
7 **19100 44<sup>th</sup> Avenue W, Lynnwood, WA, 98036**

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8 **Regular Meeting**  
9 **March 9, 2015**  
10 **6:00 P.M.**

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12 **10 Call to Order**

13  
14 **20 Roll Call**

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16 **30 Approval of Minutes – January 20, 2015 Special Meeting**

17  
18 **40 Voucher Approval**

19  
20 **50 Citizen Comments and Communications**

21  
22 **60 Presentation and Discussion: Transportation Funding Status, Needs, Potential**  
23 **Funding Sources and Next Steps**

24  
25 **70 Adjournment**  
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**City of Lynnwood  
Transportation Benefit District Board**

**Item 30**

**Regular Meeting  
March 9, 2015  
6:00 P.M.**

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**TITLE:** Approval of Minutes – January 20, 2015 Special Meeting

**DEPARTMENT:** Public Works

**DEPARTMENT CONTACT:** David Mach

**BACKGROUND:** The January 20, 2015 special meeting was the most recently held Board meeting.

**ACTION:** Approve the meeting minutes from the January 20, 2015 special meeting

**ATTACHMENTS:** January 20, 2015 special meeting minutes

CITY OF LYNNWOOD  
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES  
January 20, 2015

1  
2 10. CALL TO ORDER – The January 20, 2015 Special Meeting of the City of Lynnwood  
3 Transportation Benefit District (TBD) Board, held in the Council Chambers of Lynnwood  
4 City Hall, was called to order by Board President Simmonds at 6:00 p.m.

5  
6 20.

ROLL CALL

Board President Loren Simmonds  
Board Vice President Sid Roberts  
Board Member Van AuBuchon  
Board Member Benjamin Goodwin  
Board Member M. Christopher Boyer  
Board Member Ruth Ross  
Board Member Ian Cotton

OTHERS ATTENDING

Public Works Director Franz  
Deputy PW Director Elekes  
Project Manager David Mach  
Council Assistant Beth Morris  
Interim Finance Dir. Chris Johnson  
Budget Supervisor Harrigan

7  
8  
9 Board President Simmonds read the Introductory Statement reviewing the formation and  
10 function of the TBD and the purpose of the meeting.

11  
12 30 APPROVAL OF MINUTES – November 19, 2014 Special Meeting Minutes

13  
14 *Motion made by Board Member Boyer, seconded by Board Vice President Roberts to*  
15 *approve the minutes of the November 19, 2014 Special Meeting. Motion passed*  
16 *unanimously.*

17  
18 40. CITIZEN COMMENTS AND COMMUNICATIONS

19  
20 None

21  
22 50. PRESENTATION: 2014 General Election Proposition 1 Results

23  
24 Project Manager Mach recounted the results of the elections noting that Proposition 1 which  
25 would have raised the General Sales Tax Rate in Lynnwood from 9.5% to 9.7% did not pass.  
26 Page 50-1 in the Board's packet shows the percentage results. The Proposition was about  
27 470 votes shy of passing.

28  
29 60. PRESENTATION AND DISCUSSION: TRANSPORTATION FUNDING STATUS,  
30 NEEDS, AND POTENTIAL FUNDING SOURCES

31  
32 Public Works Director Bill Franz gave a PowerPoint presentation. He summarized that  
33 making city streets safe for drivers and pedestrians should be one of the highest priorities  
34 based on Lynnwood's Vision Statement. He commented that transportation is consistently  
35 reported as an area of concern by Lynnwood's citizens. He noted he has heard it said many  
36 times by leadership that the City's first and highest priority as a city is public safety. He

1 indicated that transportation is linked to public safety, since statistics show that traffic  
2 crashes are the leading cause of death.

3  
4 Director Franz then reviewed the City's transportation funding status and project needs. He  
5 commented that since Lynnwood has been a city, over \$.5 billion has been invested in  
6 transportation infrastructure. He asserted that an investment of that magnitude should be  
7 protected and maintained. The Operations and Maintenance portion of transportation  
8 funding (Street Fund 111) relates to daily maintenance of potholes, signs, and pavement  
9 markings. Currently there are 10 FTEs in the Street Fund, but the two of them are shared  
10 with the Storm Department. Not only are there not many people, but there also is not a lot of  
11 money and supplies in the budget. He noted that in the 1970's the City had one more crew  
12 member in the Street Department than it does now.

13  
14 Capital infrastructure investment or reinvestment includes the overlay program, traffic  
15 signals (57 signals) and sidewalks (200 miles). He noted that what is in the current two-year  
16 budget is about \$614,000 per year for the overlay program. This is enough by current  
17 requirements to pave about .35 miles a year of roads which is about .1% of the City's 300  
18 lane miles of road. At this rate it will take 857 years to repave the City. Back in the 70's the  
19 City was paving 1.6-2.8 miles a year and its overall amount of roads was much smaller.

20  
21 Lynnwood's Operation and Maintenance need is about \$4.6 million a biennium compared to  
22 about \$4.2 million which is budgeted. As far as Capital Maintenance, the City needs \$7.5  
23 to \$8 million over the biennium for overlays. He reviewed numbers for signal rebuilds and  
24 sidewalks as shown in the presentation. He summarized that the total need for the biennium  
25 is approximately \$13.2 million; currently they have \$5.4 million budgeted. He explained that  
26 a good chunk of this comes from the General Fund allocation. The MD fuel tax hasn't  
27 changed for two decades or more. There is some revenue from licenses and fees. The City  
28 has also asked for some REET (Real Estate Excise Tax) funds to help plug some holes. The  
29 current contribution from the \$20 tabs is about \$500,000 a year. There are also some Utility  
30 contributions that go toward paving because of the cutting of the streets that the Utilities do  
31 to put in water, sewer, etc.

32  
33 The Capital program to build new projects is another huge need over the next 20 years.  
34 These projects include things like the Poplar Bridge, 196<sup>th</sup>, and 36<sup>th</sup>. There is little to no  
35 funding sources for that right now. This is a topic that is important and will need to be  
36 discussed as well. Director Franz explained over last seven or so biennia, the General Fund  
37 contribution to Streets was pretty much the same (around \$2 million annually) except for the  
38 2013-2014 biennium when monies were shifted around and concerns were raised over the  
39 appropriate funding source. He asserted that streets and transportation is an obligation of the  
40 City no matter what fund it comes from.

41  
42 Over the long term from 1992 to 2014, the Street Fund is funded one FTE less while other  
43 parts of the city have gone up dramatically in FTEs. Streets have kept costs down over many  
44 years. From 1992 to 2014 the yearly budget has only gone up 1.3 times. Based on inflation it  
45 should have gone up 2.7 times. He concluded that the City has not chosen to put money into  
46 the street system for many years. He showed pictures of the status of streets around the City  
47 and discussed how staff is handling it. Board Member Boyer commented that crack seals are

1 important for the integrity of the pavement, but create visual difficulties for drivers. Director  
2 Franz summarized that the City is falling dangerously behind on maintenance with  
3 implications to safety as well as aesthetics and economics. The long-term financial  
4 sustainability issue is a huge one if they don't address this now.

5  
6 Project Manager Mach referred to the Transportation Traffic Task Force presentation in the  
7 Board's binders and reviewed potential funding sources as follows:

- 8 • License tab – Vehicle tab tax is currently \$20, but can be increased up to \$100. This  
9 could increase revenue from \$500,000 to \$2,500,000, but would require a public  
10 vote. Director Franz commented that there has been talk in Olympia about increasing  
11 the Councilmatic amount to \$40.
- 12 • Increase in sales tax – would generate up to \$4 million a year.
- 13 • City Council Levy LID lift
- 14 • Local Improvement Districts – Certain subsets of the City are assessed an increased  
15 property tax that goes toward a certain improvement that benefits their properties.  
16 This has been implemented many times around the mall.
- 17 • General utility taxes – can be increased to generate \$700,000 additional revenue
- 18 • Business & Occupation taxes – could generate \$1.9 million additional revenue.
- 19 • General Fund – Council can determine how much of the General Fund money needs  
20 to go to the different departments. The Council can adjust the revenue to meet the  
21 priorities of the City.
- 22 • Street Utility Tax – not currently an option, but has been discussed elsewhere.

23  
24 Comments and Questions:

25  
26 Board Member Cotton asked staff about the overlay study that was done showing the  
27 requirements to put the City on track. He asked how far behind the City is now based on that  
28 schedule. Deputy Director Elekes replied that they are way behind. On a scale of 0 to 100,  
29 the City is around 50 and heading downward. The analysis that staff prepared for the Board  
30 last summer showed that the City needs to spend an average of \$3.5 to \$4 million annually  
31 in a mix of overlays, chip seals, etc.

32  
33 Board Member Boyer asked about the street utility tax which is labeled “not yet legal.” City  
34 Attorney Larson replied that the option is not legal in Washington right now because it is a  
35 property tax that is not imposed at a uniform rate. There was some discussion about the  
36 history of this tax in Washington State. Board Member Boyer referred to the various options  
37 and noted that the sales tax, property tax, and utility taxes could be considered regressive  
38 taxes because they don't take into account the greater or lesser ability of the taxpayer to pay.  
39 However the street utility is at least based on a function of usage which seems like a more  
40 fair way to allocate the costs. Project Manager Mach pointed out that the street utility tax  
41 would capture properties in Lynnwood, but it would not capture trips that are coming into  
42 the City from outside.

43  
44 Board Vice President Roberts expressed concern about how this could work when some of  
45 the biggest roads in the City are mainly used by people passing through. He wondered if the  
46 mall, who is the recipient of all that traffic, could somehow pay for it. He then expressed  
47 appreciation for the reference to the Vision Statement, noting that the citizens have said this

1 is important to them, although the City is not funding it. He wondered if the reason the sales  
2 tax increase didn't pass is because it might have been too much. He suggested a combination  
3 approach where they look at several sources to fund this. He asked where the money was  
4 coming from back in the 70's when they were paving a lot more. Director Franz did not have  
5 that information, but indicated he might be able to find it. Board Vice President Roberts  
6 thought that data would be helpful.  
7

8 Board President Simmonds commented that there are only 36,000 residents in Lynnwood,  
9 but the large volume of traffic that goes through the community on a daily basis is three to  
10 four times that amount. Because of that factor he leans toward letting those that come  
11 through here help share in the costs. He wondered if it would have helped if the City had  
12 stated they would eliminate the \$20 vehicle tab fee if the measure passed. He commented  
13 that he thinks the problem is going to get worse before it gets better based on what is going  
14 on around the mall. He then asked about a comment staff had made about stormwater money  
15 being tied in with the streets. Deputy Director Elekes noted that the City currently taps into  
16 the stormwater utilities for about \$233,000 a year which was a policy decision the Council  
17 made to address issues caused by waterline or sewer repairs. He explained that the  
18 stormwater utility rates could be increased to cover more maintenance of the drainage  
19 system, but this has not been discussed.  
20

21 Board Member AuBuchon referred to an email sent out by Board Vice President Roberts  
22 concerning an article that appeared in this morning's paper. He observed that according to  
23 the article, Snohomish County received \$81.8 million in federal funding from the state. King  
24 County received \$3.9 billion which is about 50 times more than what Snohomish County  
25 received. He thinks that the Mayor is on the right track by spending money on a legislative  
26 assistant to lobby in Olympia. Director Franz clarified that the numbers referred to by Board  
27 Member AuBuchon are what the Governor put in his proposed transportation package for  
28 2015-2017, not what was actually received. He agreed that the allocation didn't make sense  
29 to him either especially considering the huge manufacturing industry in Snohomish County.  
30

31 Board Member Ross asked about using LIDs for maintenance. Director Franz replied that  
32 LIDs can't be used for maintenance unless it can be proven that there is an inherent benefit.  
33 If the road is there today it's the City's responsibility to maintain it; however if we are going  
34 to widen it, expand it, or increase its capacity in some fashion, that can be looked at from a  
35 LID standpoint. Routine maintenance is not allowed. Board Member Ross asked if there is  
36 anything the City can address on this topic in Olympia. She thinks maintenance is going to  
37 increase the value of anybody's property as long as the roads are passable.  
38

39 Board Vice President Roberts asked what traffic impact fees can be used for. Project  
40 Manager Mach replied that traffic impact fees are a fee that is assessed on new development  
41 and can primarily be used for capacity improvements, but not safety or maintenance  
42 improvements. He explained that some of the funds are being used for the 204<sup>th</sup> Street  
43 project, may be used for part of 36<sup>th</sup> for the right of way, and possibly another project. This  
44 has been a solid revenue source. The idea of the traffic impact fees is that that *Growth pays*  
45 *for growth*.  
46

1 Board President Simmonds asked if LIDs could be used to widen 196<sup>th</sup>. Deputy Director  
2 Elekes replied that it could because the road widening could have a benefit to the adjacent  
3 property. Director Franz added that traffic mitigation fees could be used on that project also  
4 because the growth has caused a capacity issue.

5  
6 Board Member AuBuchon asked Director Franz if the numbers on the budget breakdown  
7 include the developer of the ring road. Director Franz replied that they do not. Those  
8 numbers are for operational budgets and that funding is a capital expenditure. He reminded  
9 the Board that there was a grant for that area. The City also took out a loan which will be  
10 paid back by future sales tax.

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12 70. ADJOURNMENT

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14 Board President Simmonds stated that the next regularly scheduled TBD Board Meeting  
15 would be held on March 9, 2015 at 6:00 p.m.

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17 *Motion made by Board Vice President Roberts, seconded by Board Member Cotton, to*  
18 *adjourn the meeting. Motion passed unanimously.*

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20 The meeting was adjourned at 6:58 p.m.

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24 Loren Simmonds, TBD Board President

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28 Chris Johnson  
29 Interim Finance Director

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City of Lynnwood  
Transportation Benefit District Board

**Item 40**

Regular Meeting  
March 9, 2015  
6:00 P.M.

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11 **TITLE:** Voucher Approval

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13 **DEPARTMENT:** Finance/Public Works

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15 **DEPARTMENT CONTACT:** Dean Rohla/David Mach

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17 **BACKGROUND:** The TBD has incurred various expenses since the last voucher approval at  
18 the November 19, 2014 special meeting. Staff is asking for voucher approval at this time.

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20 **ACTION:** Approve claims in the amount of \$13,556.83.

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22 **ATTACHMENTS:** None

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**City of Lynnwood  
Transportation Benefit District Board**

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**Item 60**

**Regular Meeting  
March 9, 2015  
6:00 P.M.**

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**TITLE:** Presentation and Discussion: Transportation Funding Status, Needs, Potential Funding Sources and Next Steps

**DEPARTMENT:** Public Works

**DEPARTMENT CONTACT:** Bill Franz/David Mach

**BACKGROUND:** Staff will provide a recap of the presentation provided to the Board at their January 20, 2015 meeting as well as discuss current capital funding needs vs. revenues. The TBD Board has the ability to proceed with the following funding options:

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#	TBD Funding Options	New Annual Revenue
A	Do nothing	\$0
B	Increase existing \$20 vehicle tab fee to \$100	\$20 to \$40 - \$0.5M \$20 to \$60 - \$1.0M \$20 to \$80 - \$1.5M \$20 to \$100 - \$2.0M
C	0.1% sales tax increase minus \$20 vehicle tab fee	\$1.5M
D	0.1% sales tax increase	\$2.0M
E	0.2% sales tax increase minus \$20 vehicle tab fee	\$3.5M
F	0.2% sales tax increase	\$4.0M

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If the Board decides to move forward with a potential ballot measure, the following table provides options for upcoming election dates:

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#	Election Date	Ballot Measure Due By
A	August 4, 2015	May 8, 2015
B	November 3, 2015	August 4, 2015
C	Sometime in 2016	-

**ACTION:** Discussion

**ATTACHMENTS:** 1) Current capital funding needs vs. revenues  
2) 1976 Transportation Spending Analysis and Comparison  
3) Board Members: Please bring the Transportation Binder which was provided by staff at the January 20, 2015 meeting

A

B

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# Capital Funding Needs and Revenues

DRAFT, 2/26/2015

## Transportation Funding

### Biennium

#### 1 Continuous, secured funding sources

2 Years
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3	Fund 110: Trans. Impact Fees	\$ 800,000
4	Fund 128: Paths/Trails	
5	Fund 150: Trans. Benefit District	\$ 650,000
6	Fund 199: Program Devel.	
7	Fund 224: LID Guarantee	
8	Fund 330: REET 2	\$ 900,000
9	Fund 331: REET 1	\$ 900,000
10	Fund 333: Capital Devel.	\$ 300,000
11	EDIP (loan and multi-yr payback)	\$ 10,000
12	Fund 411: Utilities	\$ 560,000

14 sub total\*\* \$ 4,120,000

#### 16 Other Funding Sources, Unsecured

2 Years
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18	Grants	\$ 1,500,000
19	Fund 150: TBD new resolution, sales tax	\$ 8,000,000

21 sub total \$ 9,500,000

23 **TOTAL REVENUE** \$ 13,620,000

#### 26 Capital Needs: Transportation

2 Years
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28	Overlays	\$ 7,500,000
29	Signal Rebuild Program	\$ 500,000
30	Sidewalks	\$ 600,000
31	Capacity Projects to Support Growth and Vision (i.e. 36th Ave W, Poplar Bridge, 196th St SW)	\$ 18,000,000

33 **TOTAL NEEDS** \$ 26,600,000

35 **DIFFERENCE\*** \$ (12,980,000)

36 \*assumes passage of TBD and secured grants

37 \*\*assumes all capital funding resources to be used towards Transportation

60-2

# 1976 City of Lynnwood Budget Analysis Transportation Spending and Funding

				1976 Budget	% of GF	15-'16 Compare	% of GF
1	General Fund			\$ 2,560,685		\$ 104,088,370	
2							
3	Street Fund, 111			\$ 328,085	13%	\$ 4,200,000	4%
4							
5	Funded by:						
6	General Fund	\$ 126,443	39%			\$ 1,960,000	47%
7	Motor Veh. Fuel Tax	\$ 119,606	36%			\$ 1,459,560	35%
8	Misc. (BFB, Permits, etc.)	\$ 82,036	25%			\$ 789,720	19%
9							
10							
11	Capital Transportation Budget			\$ 1,203,476	47%	\$ 5,500,000	5%
12	Funded by:						
13	Beginning Fund Balance	\$ 424,608	35%				
14	Motor Veh. Fuel Tax	\$ 85,573	7%				
15	Misc.	\$ 20,850	2%				
16	Federal Grants	\$ 282,600	23%				
17	State Shared Revenue	\$ 74,000	6%				
18	Parking Fees	\$ 315,845	26%				
19							
20							
21				\$ 1,531,561	60%	\$ 9,700,000	9%
22							
23							
24							

1976 Projects: Overlays, 36th, 188th, Beech Road  
2015-16 Projects: 196th, Poplar Bridge, 36th, Overlays