

1
2
3 **AGENDA**
4 **City of Lynnwood**
5 **Transportation Benefit District (TBD) Board**
6 **Council Chambers, City Hall**
7 **19100 44th Avenue W, Lynnwood, WA, 98036**

8 **Special Meeting**
9 **June 10, 2015**
10 **7:00 P.M.**

11
12 **10 Call to Order**

13
14 **20 Roll Call**

15
16 **30 Approval of Minutes – May 4, 2015 Special Meeting, May 11, 2015 Special Meeting**
17 **and May 26, 2015 Special Meeting**

18
19 **40 Citizen Comments and Communications**

20
21 **50 Presentation, Discussion and Possible Final Action or other Disposition:**
22 **Transportation Funding Status and Needs, Potential Funding Sources and Next**
23 **Steps for Potential Funding, Including But Not Limited to Options for Possible**
24 **Ballot Measure**

- 25 • **Possible motion relating to potential ballot measure resolution for increased**
26 **sales tax and/or increased or decreased vehicle registration fee funding**
27 **options**

28
29 **60 Adjournment**
30
31

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

**City of Lynnwood
Transportation Benefit District Board**

Item 30

**Special Meeting
June 10, 2015
7:00 P.M.**

TITLE: Approval of Minutes – May 4, 2015 Special Meeting, May 11, 2015 Special Meeting and May 26, 2015 Special Meeting

DEPARTMENT: Public Works

DEPARTMENT CONTACT: David Mach

BACKGROUND: The TBD Board held special meetings on May 4, 2015, May 11, 2015 and May 26, 2015.

ACTION: Approve the meeting minutes from the May 4, 2015, May 11, 2015 and May 26, 2015 special meetings

ATTACHMENTS: May 4, 2015, May 11, 2015 and May 26, 2015 special meeting minutes

CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES
May 4, 2015

1
2 10. CALL TO ORDER – The May 4, 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 6:33 p.m.
5

6 20.

ROLL CALL

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

OTHERS ATTENDING

Public Works Director Franz
Deputy PW Director Elekes
Council Assistant Beth Morris
Inslee Best Attorney Bill Linton

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 EXECUTIVE SESSION – Existing Litigation – Hikel v. Lynnwood Transportation Benefit
13 District

14
15 The Board recessed into Executive Session at 6:34 p.m. for 25 minutes until 6:59 p.m. to
16 discuss an existing litigation matter. The Board came out of Executive Session at 6:59 p.m.
17

18 40. ADJOURNMENT

19
20 Board President Simmonds announced that a Special TBD Board Meeting would be held on
21 May 11, 2015 at 6:00 p.m.
22

23
24 The meeting was adjourned at 6:59 p.m.
25

26
27 _____
Loren Simmonds, TBD Board President

28
29
30
31 _____
32 Art Ceniza, Interim Finance Director

CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES
May 11, 2015

1
2 10. CALL TO ORDER – The May 11, 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
City Attorney Larson

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 – March 9, 2015 Regular Meeting
13

14 *Motion made by Board Vice President Roberts, seconded by Board Member Ross, to*
15 *approve the minutes of the March 9, 2015 Regular TBD Meeting as presented. Motion*
16 *passed unanimously (7-0).*
17

18 40. CITIZEN COMMENTS AND COMMUNICATIONS
19

20 Ted Hikel, 3820 – 191st Place SW, Lynnwood, WA 98036, recommended more open
21 communication to the public on any action the TBD Board might be taking. He suggested
22 the recordings of these meetings be put on the City of Lynnwood website along with the
23 minutes and the agendas for the TBD Board meetings. He also recommended putting notices
24 in utility bills when the TBD Board takes any action that might affect large portions of the
25 City.
26

27 50. PRESENTATION, DISCUSSION AND POSSIBLE FINAL ACTION OR OTHER
28 DISPOSITION: TRANSPORTATION FUNDING STATUS AND NEEDS, POTENTIAL
29 FUNDING SOURCES AND NEXT STEPS FOR POTENTIAL FUNDING, INCLUDING
30 BUT NOT LIMITED TO OPTIONS FOR POSSIBLE BALLOT MEASURE

- 31 • Possible motion relating to potential ballot measure resolution for increased sales
32 tax and/or increased or decreased vehicle registration fee funding options
33

34 Director Franz referred to the chart of Potential Transportation Funding Sources on page 50-
35 3 and 50-4. He stated that staff took Board Member Boyer's comments to heart and looked
36 for a more progressive/less regressive way to fund this, but weren't too successful. He stated

1 that the menu of choices is pretty limited and many options on the chart probably aren't even
2 realistic. He then noted that the measure in Olympia to allow up to \$50
3 councilmatic/boardmatic tab fees is still alive. It also appears that Community Transit will
4 be able to go for as much as 0.3% increase in sales tax.
5

6 Project Manager Mach reviewed the table on pages 50.3 - 50.4 of the meeting packet
7 outlining funding options for transportation projects.
8

9 Discussion:

10 Board President Simmonds solicited comments on page 50.3 –*Potential Transportation*
11 *Funding Sources*.
12

13 Board Member Ross referred to General Utility Taxes and asked how that is different from
14 what the City currently does. Director Franz replied that the City has the ability to levy taxes
15 on both city and non-city utilities. Project Manager Mach noted that although there is
16 currently a utility tax in the City, it just goes into the General Fund. Board Member Ross
17 asked if a utility tax could be used to repay the loan. City Attorney Larson said she wasn't
18 aware of any restrictions which would prohibit that.
19

20 Board Member Boyer thanked staff for doing the extra research on funding options. He
21 commented that B&O taxes might be something to look into before the next biennial
22 budgeting process. He asked Board President Simmonds to relay that to the Council
23 President.
24

25 Board President Simmonds solicited comments on page 50.4 – *Potential Transportation*
26 *Funding Source (Continued)*.
27

28 Board Member Boyer noted these seem to be items not within the City's control or that are
29 incredibly volatile.
30

31 Board Vice President Roberts said he wasn't initially supportive of considering the B&O
32 tax, but the idea of swapping it out for a business license fee might be something to
33 consider. He expressed concern about taxing Lynnwood citizens more than the people who
34 actually use the roads. He would like to find a way to share the burden equitably. He thinks
35 the solution will end up being multi-faceted.
36

37 Board Member Goodwin asked about the General Obligation Bonds. Director Franz
38 explained that is the bond capacity that they have talked about with regard to the Wenatchee
39 decision. He added that it is questionable whether the City even has any bond capacity at this
40 time.
41

42 Board Member Cotton commended staff for their hard work looking for funding options. He
43 referred to page 50.3, line 11, *Street Utility*, and asked about the status of this. Director
44 Franz replied it would have to come through the state legislature, and there is no talk of it at
45 this time.
46
47

1 Board President Simmonds thought he recalled that Seattle started to enact a street utility,
2 but it was declared illegal. City Attorney Larson also recalled that it had been determined
3 not to be legal in some city that tried to enact it, but she didn't remember which city. She
4 explained that it was likened to a property tax that is not imposed uniformly based on the
5 value of the property.
6

7 Board Member AuBuchon commented that \$10-15 million seems like it would go a long
8 way to at least catch up. Deputy Public Works Director Elekes replied it depends what the
9 money would be spent on. For paving, \$3.5-4 million annually is needed for 12-24 years in a
10 row to catch up. For capital projects, 36th Avenue needs \$10 million; 196th Street needs \$14
11 million; Poplar Way needs \$35 million; etc. Public Works Director Franz added that 196th
12 Street and Poplar Way have received design grants through the federal grant process. He is
13 confident that if there is a local match available it could be used as leverage to get more
14 grants.
15

16 Board Vice President Roberts recommended that when the City gets a permanent finance
17 director one of the first things that needs to be done is a calculation of what the City's bond
18 capacity actually is.
19

20 Board President Simmonds referred to a recent meeting where Patrice Harding spoke about
21 ST3. He was discouraged by the discussion because Community Transit is pushing hard to
22 be able to do it and is talking about a 0.3 sales tax increase. He commented that if such a
23 ballot measure was submitted, the number of people voting on it would be substantially
24 greater than just the City of Lynnwood. He also noted that Sound Transit's game plan is to
25 go for a sales tax increase, property tax, and an increase on car tax. He expressed concern
26 about the impact of all of this on the TBD.
27

28 Board Member Boyer urged the Board not to over-strategize. He commented that the most
29 responsible thing they can do is to go again to the citizens of Lynnwood with the
30 transportation needs. He stated that it is going to take about \$4 million a year to get the roads
31 caught up and keep them that way. He suggested considering swapping a 0.2% sales tax
32 increase for the \$20 vehicle tab fee.
33

34 Board Vice President Roberts stated that Community Transit went out in 2001 for 0.3% and
35 got it. They marketed it as *Curb the Congestion*. Now they are at the legislature asking for a
36 local option to go up to 0.3% in order to do their second Swift line. Unfortunately that will
37 be a harder sell for them. He remarked that this is an off-year election, which may impact the
38 results. The legislature has made it clear to Community Transit that they won't support an
39 off-year or special election. This would allow the TBD to come back in February or April in
40 a special election. He thinks that waiting and watching what other jurisdictions do would be
41 insightful.
42

43 Board Member Cotton agreed that the City needs to do something in order to get caught up.
44 He commented that the TBD may have been too ambitious with the request at the last
45 election. He requested information on high, medium, and low options which wouldn't get
46 the full \$4 million, but could get a portion of it. Later they could look at some of the other
47 options to fill in the gap.

1
2 Board Member Ross expressed concern that all the sales tax increases that people will be
3 able to stomach will go to someone else. She referred to how much the City already
4 subsidizes transportation at Community Transit and Sound Transit and how much more they
5 are trying to get. She encouraged the Board to support this idea in order to keep citizens'
6 dollars within the community. She suggested considering a 0.15% sales tax increase minus
7 the \$20 tab fee which might seem more reasonable to people.
8

9 Board Member Boyer discussed the possibility of asking for a sales tax increase, but giving
10 back the tab fee because sales tax spreads the burden of taking care of the roads to the
11 people who use them and don't live in Lynnwood. City Attorney Larson commented that the
12 \$20 tab fee is something that is within the Board's discretion, not necessarily the voters. She
13 stated she could research the issue of authority for the possibility of a ballot measure related
14 to swapping the tab fee for a sales tax increase.
15

16 Board Vice President Roberts said he likes the idea in principle, but expressed concern that
17 if the Board were to reduce the tabs one of the other groups would immediately go after that
18 money. He recommended instead they don't try to go for too much sales tax increase. By
19 getting a little here and a little there they can start getting the roads back in shape.
20

21 Board Member Goodwin said he likes the idea of spreading the burden instead of having it
22 all on Lynnwood citizens. He expressed concern that if they don't get enough funding to
23 complete the projects they need to do it would put the road maintenance even further behind.
24

25 Board Member AuBuchon commented that back in the 70's streets were funded at a rate of
26 13% of the General Fund, whereas today it is around 4% of the General Fund. He stated that
27 the City needs to start looking at where the money in the General Fund is going. Also, the
28 amount they should be dedicating to roads is probably somewhere between 4% and 13%.
29

30 Board President Simmonds noted that the date for submitting a ballot measure is August 4.
31 Project Manager Mach noted that staff could come back with a possible draft ballot measure
32 for review and discussion as late as July if desired by the Board. Board President Simmonds
33 suggested that staff put together a range of options for the Board to consider at a next
34 meeting.
35

36 Board Member AuBuchon asked if it is possible to put together a ballot measure without a
37 public hearing. City Attorney Larson replied that a public hearing is not required by statute
38 in order to pass a resolution submitting the ballot measure to vote.
39

40 *Motion made by Board Member Cotton, seconded by Board Member AuBuchon, to hold a*
41 *special meeting on Thursday, June 4, 2015 at 7:00 p.m. in the Council Chambers to review*
42 *the City Attorney's research regarding the legalities of swapping out license fees and sales*
43 *taxes and to hear from staff on several options for funding including a low, medium, and*
44 *high option. Motion passed.*
45

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

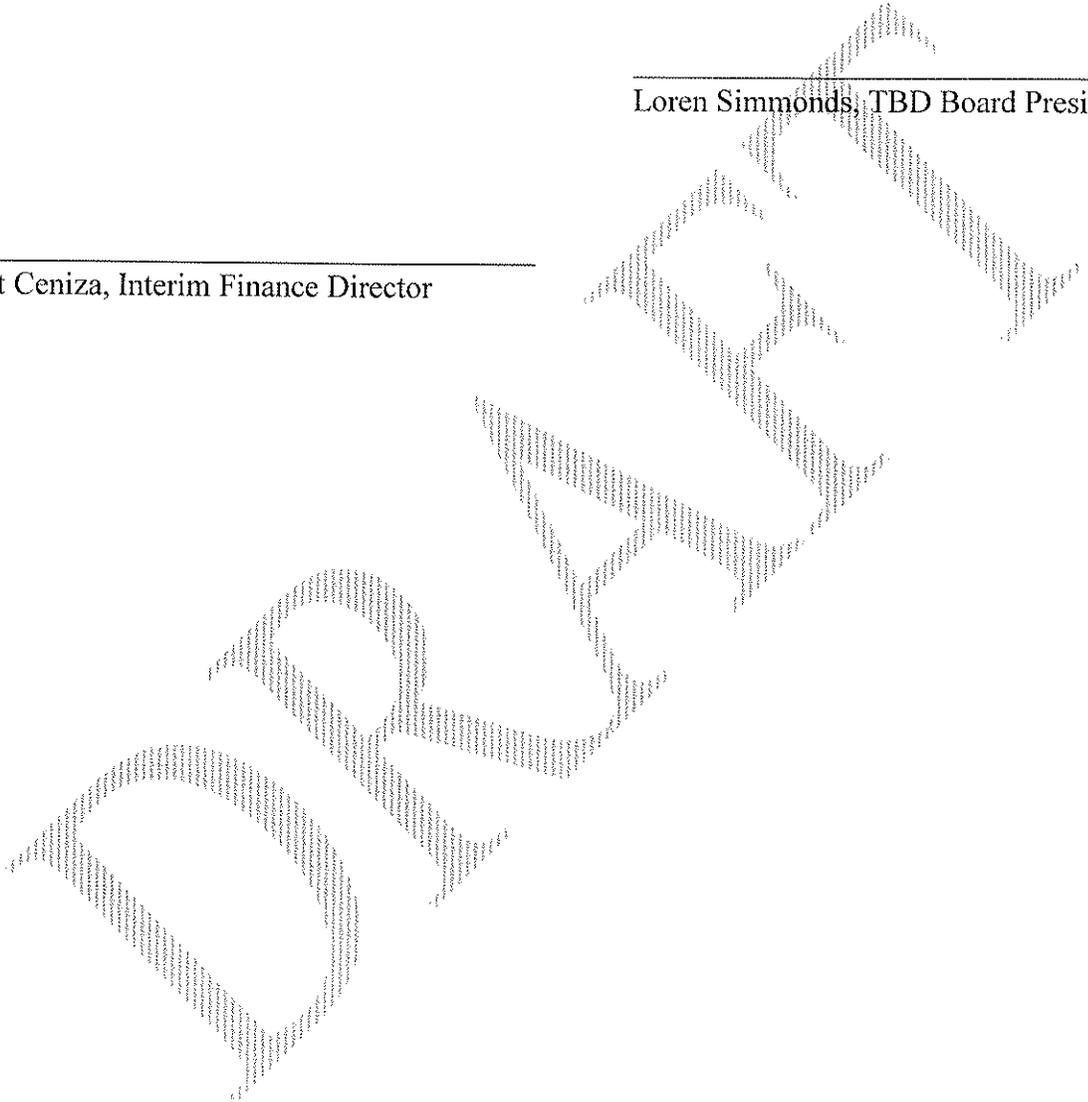
60 ADJOURNMENT

Board President Simmonds announced that a Special TBD Board Meeting would be held on June 4, 2015 at 7:00 p.m.

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

Loren Simmonds, TBD Board President

Art Ceniza, Interim Finance Director



CITY OF LYNNWOOD
TRANSPORTATION BENEFIT DISTRICT BOARD SPECIAL MEETING MINUTES
May 26, 2015

1
2 10. CALL TO ORDER – The May 26, 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 9:18 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

Council Assistant Beth Morris

7
8
9 30 CONSIDERATION, DISCUSSION AND POSSIBLE FINAL ACTION OR OTHER
10 DISPOSITION: RESCHEDULING JUNE 4, 2015 SPECIAL MEETING
11

12 Board President Simmonds explained to the Board that when making the decision to
13 schedule a Special TBD meeting for Thursday, June 4 at 7:00 p.m. he had forgotten that he
14 had already made a commitment to attend a special event. He asked the Board if they would
15 be open to moving the Thursday, June 4 meeting to Wednesday, June 10 at 7:00 p.m.
16

17 *Scheduling motion made by Board Member Boyer, seconded by Board Member Ross, to*
18 *move the meeting to Wednesday, June 10 at 7:00 p.m. Motion passed 6-1 with*
19 *Councilmember Goodwin voting against the motion.*
20

21 40. ADJOURNMENT

22
23 *Motion made by Board Member Boyer, seconded by Board Member Cotton, to adjourn the*
24 *meeting. Motion passed unanimously.*
25

26 The meeting was adjourned at 9:21 p.m.
27
28

29 _____
Loren Simmonds, TBD Board President

30
31
32
33 _____
Art Ceniza
34 Interim Finance Director

1
2
3
4
5
6
7
8
9

**City of Lynnwood
Transportation Benefit District Board**

10
11
12
13
14

Item 50

15
16
17
18
19

**Special Meeting
June 10, 2015
7:00 P.M.**

20
21
22
23
24

TITLE: Presentation, Discussion and Possible Final Action or other Disposition:
Transportation Funding Status and Needs, Potential Funding Sources and Next Steps for
Potential Funding, Including But Not Limited to Options for Possible Ballot Measure

- 25
26
27
28
29
- Possible motion relating to potential ballot measure resolution for increased sales tax and/or increased or decreased vehicle registration fee funding options

DEPARTMENT: Public Works

DEPARTMENT CONTACT: Bill Franz/David Mach

BACKGROUND: At the May 11, 2015 special TBD meeting, the Board discussed potential funding options and the possibility of providing direction to staff to draft a potential ballot measure resolution.

Staff will provide a recap of the presentations provided to the Board at their recent meetings regarding transportation funding status, needs, potential funding sources and next steps relating to the funding options. The TBD Board has the ability to proceed with funding options that include, but are not limited to, the following:

30
31
32
33

#	TBD Funding Options	New Annual Revenue
A	Postpone decision or no changes	\$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

Regarding a potential ballot measure, the following table provides options for upcoming election dates in 2015 and 2016:

1

TABLE 2 – POTENTIAL ELECTION DATES		
#	Election Date	Ballot Measure Due By
A	November 3, 2015	August 4, 2015
B	February 2016	December 2015
C	April 2016	March 2016
D	August 2016	May 2016
E	November 2016	August 2016

2

3

4

- ATTACHMENTS:** 1) Potential transportation funding sources matrix
2) Board Members: Please bring the Transportation Binder which was provided by staff at the January 20, 2015 meeting

5

6

7

Potential Transportation Funding Sources				
Item	Description	Issues/Status	Range Yearly Amount \$	Notes:
1	Transportation Benefit District (TBD)	<ul style="list-style-type: none"> * Lynnwood can increase existing tab up to \$100 * Requires public vote if >\$20 	\$0.5M - \$2.5M	Low range based on \$20 veh. fee. High range based on \$100 vehicle fee.
2	Transportation Benefit District (TBD)	<ul style="list-style-type: none"> * Lynnwood Sales Tax is already 9.5%. * Requires public vote 	Up to \$4 million	
3	Levy LID Lift	<ul style="list-style-type: none"> * Done by several other cities * City can define specific need and cost and timeline and put before voters 	varies	
4	Local Improvement Districts (LIDs)	<ul style="list-style-type: none"> * Good for specific Capital Projects * Used many times in past 	\$1M - \$3M	Many of the roads around the mall were originally financed with LIDs.
5	General Utility Taxes	<ul style="list-style-type: none"> * Lynnwood has assessed very few * Most other cities use 	\$ 700,000	Based on 1% across the board
6	Business & Occupation Taxes (B&O)	<ul style="list-style-type: none"> * Some cities use 	\$1.9 million	Based on 0.05%
7	Business License Revenue	<ul style="list-style-type: none"> * Balance needs of the city (fire, police, streets, parks...) 	varies	
8	General Fund	<ul style="list-style-type: none"> * Not yet legal 	varies	
9	Street Utility	<ul style="list-style-type: none"> Properties assessed based on land use and average use of system 	\$0.3M - \$1.5M	Low range based on Corvallis OR (actual). High range based on Kent's WA (projection)

Potential Transportation Funding Sources (continued)

Item	Description	Issues/Status	Range Yearly Amount \$	Notes:
1	Real Estate Excise Tax (REET)	0.5% tax on sales of properties in the City		
2	Grants	Various grant funding programs (federal, state, and local)	\$1 million	Varies on house prices and number of sales
3	Traffic Impact Fees	Paid by new developments to account for the cost of transportation improvements reasonably related to the demand created by the development	\$ 400,000	Value based on past 5 year annual average
4	Public Works Trust Fund (Loans)	A State sponsored loan program requiring repayment using local funds for a specific project	varies	Varies depending on development cycles
5	General Obligation Bonds	Bonds supported by the City's general fund for repayment	varies	
6	WSDOT	WSDOT is responsible for the maintenance of State facilities within the City limits. They may also be a funding partner for major improvements to state facilities.	varies	WSDOT is responsible to maintain pavement on state routes in the city (196th Street SW and Hwy99)
7	Economic Development Infrastructure Policy	The City participates in the funding of public infrastructure that implement the City's economic development policies. Funded through sales tax, property sales, REET, and other sources	varies	Recently implemented by Council; Sales tax generated by the new Lynnwood Costco to pay back general fund loan used to pay for adjacent road improvements

50-4