

**CITY OF EDMONDS
TRANSPORTATION BENEFIT DISTRICT BOARD
APPROVED MINUTES
July 20, 2010**

The Edmonds Transportation Benefit District meeting was called to order at 6:07 p.m. by Board President Steve Bernheim in the Council Chambers, 250 5th Avenue North, Edmonds.

OFFICIALS PRESENT

Steve Bernheim, Board President
Strom Peterson, Board Member
D. J. Wilson, Board Member (arrived 7:19 p.m.)
Michael Plunkett, Board Member
Lora Petso, Board Member
Adrienne Fraley-Monillas, Board Member
Diane Buckshnis, Board Member

STAFF PRESENT

Stephen Clifton, Community Services/Economic
Development Director
Phil Williams, Public Works Director
Bertrand Hauss, Transportation Engineer
Rob English, City Engineer
Scott Snyder, City Engineer
Sandy Chase, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. APPROVAL OF AGENDA

BOARD MEMBER FRALEY-MONILLAS MOVED, SECONDED BY BOARD MEMBER BUCKSHNIS, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY. (Board Member Wilson was not present for the vote.)

2. CONSENT AGENDA ITEMS

Board Member Petso requested Item B be removed from the Consent Agenda.

BOARD MEMBER PETSO MOVED, SECONDED BY BOARD MEMBER BUCKSHNIS, TO APPROVE THE REMAINDER OF THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. (Board Member Wilson was not present for the vote.) The agenda items approved are as follows:

A. ROLL CALL

ITEM B: APPROVAL OF TRANSPORTATION BENEFIT DISTRICT BOARD MEETING MINUTES OF JULY 13, 2010

Board Member Petso requested the following amendments to the TBD Board minutes of July 13, 2010:

Page 3, paragraph 1: add “and” after “meandered into the General Fund”

Page 4, last paragraph: insert a period after “built” and delete the remainder of the sentence.

Page 5, next to last paragraph, delete “project 33” and delete “to be funded.”

Board Member Plunkett questioned whether the requested corrections accurately reflected what was said at the meeting. City Clerk Sandy Chase offered to review the tape of the meeting and schedule approval of the July 13, 2010 minutes on the agenda of the next TBD Board meeting.

3. **CONTINUED DISCUSSION REGARDING POSSIBLE INCREASE TO TBD LICENSE FEES TO BE PLACED ON THE GENERAL ELECTION BALLOT IN NOVEMBER 2010.**

Board President Bernheim referred to the revised project lists that Board Member Wilson and he submitted.

Board Member Fraley-Monillas requested staff comment on the impacts of the project lists proposed by Board Member Wilson and Board President Bernheim. Public Works Director Phil Williams offered to update the Board regarding what staff has done in response to direction from the TBD Board and provide a recommendation regarding the list. At the last meeting, the TBD Board indicated they would email staff their ideas regarding restructuring the list to advance the priority of some projects and to move projects above the estimated funding level. He anticipated the Board would review the lists and reach a consensus tonight. The Citizens Transportation Committee met yesterday and can provide their input to the Board.

Rather than focus on a specific term such as 10 or 20 years or however long the funds last, Mr. Williams suggested the Board recognize the declining value of a fixed fee over time as inflation erodes the purchasing value of the revenue stream and unknowns such as future project costs, future funding partners, grants, etc. It may not be appropriate to identify a bright line on the project list that indicates projects that are funded or unfunded at a specific funding level. He suggested the Board consider the entire list of projects as the work that Edmonds would like to complete. Adjustments in scope are possible such as replacing signal projects with a less expensive project that would accomplish some of the same benefits a signal would provide. He emphasized that unless the Board recommended some level of vehicle license fee for the ballot, the discussion regarding a project list was moot.

Mr. Williams suggested the Board consider the list a holistic list of work the City needs to accomplish with the additional \$40 vehicle license fee as the funding source. Staff would continue to hammer at the list using every tool available and every funding source until the projects are completed. The length of time to accomplish all the projects is unknown. He commented although the priority of projects on the list could be tweaked, it should not be assumed that projects would be implemented in that sequence. Another unknown was whether the Board would bond for the projects; he did not recommend bonding for overlays, preferring that overlays be funded from ongoing revenues.

For Board President Bernheim, Mr. Williams suggested providing voters a map of the entire City that identified the location of the 35 projects. The voters could be asked to support a \$40 vehicle license fee that would attract that list of projects.

Neal Tibbett, Co-Chair, Citizens Transportation Committee, explained the Committee utilized three priorities to order the list of projects: 1) preservation which is addressed by the overlays, 2) congestion which is addressed by level of service/concurrency projects, and 3) safety. Once the list was ordered using those priorities, a second consideration was where in the City they were located. Based on that criteria, the Transportation Committee provided their recommended list of 33 projects. He noted the top 15-20 projects represent the highest priority although the Committee would like to see all the projects completed at some point. The Committee recognizes the need to be flexible and agrees with Mr. Williams' suggestion to adopt the entire list of projects. The Committee advocates flexibility for a number of reasons including the unknowns with regard to grant funds. The Committee plans to continue meeting; their next effort will be to educate citizens and work with the school district.

Moving forward, the Committee is committed to operating under three principles, 1) getting the biggest bang for the buck which includes partnerships, bond funding, grant funding, etc., 2) identifying a steady, secure funding stream for these projects such as the \$40 vehicle license fee, 3) delegating prioritization of projects, securing grants, identifying partnerships, etc. to City staff. He recognized staff's past efforts to secure grants for the 9th & Caspers walkway, improvements on Meadowdale Beach Road, etc. The Committee acknowledges the \$40 license fee will not be enough to complete all the projects; the Board will need to identify other ways to fund the projects. The highest priority projects are at the top of the list. The order of the projects was intended to spread projects throughout the City as well as accomplish projects that have been neglected for decades.

Board Member Plunkett referred to Board President Bernheim's recommended project list, noting an additional \$20 vehicle license fee funds only Project 1, overlays. Mr. Williams explained the intent would be to dedicate \$500,000 to overlays in the first year of expenditure. His goal would be to hold that value over time. If the Board bonds for that project and does a great deal of overlays over a short period of time, the ravage of inflation would be much less. If \$500,000 per year is expended over the next 20 years, the amount of overlays that could be accomplished each year would decline. He recommended the City accomplish at least \$500,000 of overlays per year, noting the cost of that amount of overlay would be significantly more in 20 years.

Board Member Plunkett referred to Board President Bernheim's recommended project list, noting that funding Projects 1-12 would require an additional \$40 vehicle license fee. Mr. Williams reiterated his suggestion that the funding line on the project list not be considered a bright line as some of the projects could attract outside funding, allowing projects further down on the list to be funded. Board Member Plunkett observed a \$20 additional vehicle license fee generated approximately \$5.5 million and a \$40 fee generated approximately \$11.5 million.

Board Member Plunkett pointed out Project 3 on Board President Bernheim's recommended project list was \$10,000 for restriping at Main Street @ 9th Avenue West rather than a signal. Mr. Williams agreed, recalling at the last meeting the Board was supportive of a less costly restriping project at that location that would provide a similar benefit for several years.

Board Member Buckshnis observed staff's recommendation was for the Board to recommend a \$40 vehicle license fee and adopt the entire list. If the Board adopted the entire list, she wanted to ensure it contained \$10,000 for restriping the two intersections on 9th rather than the signals but also retained the signals on the list in the event funding became available in the future. She pointed out Mill Creek accomplished 17 transportation projects for \$22.2 million. She planned to have the levy committee consider funding for a variety of things, potentially including capital projects. Mr. Williams commented a project could be on the TBD project list as well as be identified as a project to be funded via the levy as it was unknown which measure the voters would ultimately approve. If a project was funded via the levy, the revenue from the vehicle license fee could be used to fund other projects on the list. Board Member Buckshnis recognized the current economy was a good time to accomplish projects. She anticipated voters would support the additional vehicle license fee if they knew what projects the money would fund.

Mr. Williams suggested the Board reach consensus on a project list tonight, recalling the Board indicated its preference for a \$40 vehicle license fee at its last meeting and to place the measure on the November ballot.

Board Member Petso advised although she did not plan to support placing an increased vehicle license fee on the ballot for the reasons she identified at the TBD's last meeting, she expressed her appreciation for the work done by Board Members and staff over the past week to identify a list of projects. She also

thanked the Transportation Committee members for their work and for scheduling a meeting with short notice.

Board Member Peterson referred to the 10 versus a 20 year term, commenting the benefit of 20 year TBD funding is a set amount of dollars over 20 years, recognizing that those dollars were not worth as much in future years. He asked whether staff recommended either a 10 or 20 year term, whether a 10 year term was better so that the \$40 would still be worth approximately \$40 after 10 years and then the TBD Board could ask the voters again or was the long term funding a better alternative. Mr. Williams answered staff's recommendation was neither a 10 nor 20 year term, their recommendation was for no term and a finite list of projects. The revenues would be collected until the projects on the list were completed. Once the projects on the list were completed, by statute the TBD must be dissolved.

City Attorney Scott Snyder explained if the voters approved the additional vehicle license fee, the TBD would need to be re-formed which will include establishing a time period, considering bonding options, etc. The TBD was formed to do certain things which do not include the projects on the list. There are a number of options with regard to the term; it could be 10 years, 20 years, the length of the bond or until all the projects on the list are completed.

BOARD MEMBER BUCKSHNIS MOVED, SECONDED BY BOARD MEMBER PETERSON, TO PLACE A MEASURE ON THE NOVEMBER BALLOT THAT WOULD INCREASE THE TRANSPORTATION BENEFIT DISTRICT VEHICLE LICENSE FEE BY AN ADDITIONAL \$40 WITHOUT A DURATION PERIOD PURSUANT TO STAFF'S AND THE CITIZENS TRANSPORTATION COMMITTEE'S RECOMMENDATION, USE THE LIST PROPOSED BY BOARD PRESIDENT BERNHEIM IN THE AGENDA PACKET AS THE GENERAL PRIORITY AND INCLUDE ON THE LIST THE TWO SIGNAL PROJECTS ON 9TH AVENUE WEST.

For Board Member Fraley-Monillas, Mr. Williams explained staff's recommendation was to adopt the project list as a holistic list of transportation projects to be completed in Edmonds. The project list proposed by Board President Bernheim included restriping of the two intersections on 9th rather than the signal projects. He anticipated restriping could attain concurrency for a period of years. The signals would also be included on the project list so that when concurrency was lost due to increased traffic, consideration could then be given to a signal.

Board Member Peterson pointed out Board President Bernheim's list did not include the two signal projects on 9th; those projects were replaced with two \$10,000 restriping projects. Mr. Williams clarified the projects on the list should have been retitled as restriping when the cost estimate was changed to \$10,000 for each.

Board Member Fraley-Monillas agreed with including the 9th Avenue signals on the project list.

Mr. Snyder advised the results of the Board's vote would be used to draft a resolution to place a ballot measure on the November ballot. The Board would have another opportunity to vet the issue at next week's meeting.

Board President Bernheim commented a sunset provision on the license fee may make it more palatable to the voters. The proposal now was a \$40 additional fee that would be collected until further notice. He did not have a preference but was initially attracted to a finite term and a finite list in order to demonstrate accountability to the voters.

Board Member Wilson explained he would ultimately vote against the measure. With regard to a sunset date, he explained the fee would sunset when all the projects on the list were completed which he

estimated would take at least 60 years. He anticipated the TBD would not exist in this form for 60 years. Mr. Snyder explained the TBD had the ability to terminate its functions or restart at any time. That could be done for a variety of reasons such as the projects remaining on the list are no longer appropriate or the funding source has eroded to the point it is no longer productive. He anticipated the TBD would re-form somewhere in the 10-30 year range.

Recognizing that an expanded list provided additional flexibility with regard to funding projects, Board Member Wilson commented an expanded list also created the potential that the TBD Board may have spent some money on projects and not have completed them by the time the TBD was re-formed. Mr. Snyder assured there would be a process that includes annual reports, a material change policy that requires review of projects that come in over budget, and review by the City Council as part of the Transportation Improvement Plan. He summarized the project list as well as each individual project would be under constant review. For example any project that is over 20% off or delayed in scope or time would be the subject of a public hearing before the TBD Board. He assured the project list was a work in progress that would be reviewed by the Board on at least an annual basis.

With regard to Board Member Wilson's suggestion that a project would be started but not finished, Mr. Williams assured staff would not spend 20% of the project cost on a design unless they were sure funding for construction was forthcoming. Staff may do minimal conceptual design to support a grant application but would not go beyond that until design and construction funding was assured. Board Member Wilson assured his comment was not intended to be a reflection of staff's professionalism, it was his expectation that the political entity at the time may allocate money for design and then a year or two later change its mind about the project.

Board President Bernheim asked whether the motion could include a rough schedule/priority for the projects, recognizing that none of the projects relied on grants for funding. Mr. Williams answered scope, schedule and budget work together, a change in one typically changed the other. It would be difficult to develop a schedule when answers for the list of unknowns were not available such as the value of the purchasing dollars collected or funding partners. Mr. Snyder explained the Board had three legal options: time, until the projects on the list were completed or until the bonds were paid off.

Board Member Wilson commented the time period could be more finite by eliminating some of the projects. Although that reduces flexibility, it would identify to the voters the projects that would be completed in a specific period of time for a \$40 additional fee.

Board Member Fraley-Monillas commented if projects were removed from the list they would no longer be prioritized. She preferred to adopt the list as proposed, recognizing this was the list of projects that were prioritized by the Citizens Transportation Committee and at open houses held by the Committee.

Board Member Wilson explained his vote in opposition was not because he did not think that cars should pay their fair share and not that he did not recognize the infrastructure challenge and capital deficit, it was because he did not think the ballot measure would pass. He also did not feel an increase in the vehicle license fee was the most paramount financial question that should be posed to the voters at this time.

Board President Bernheim indicated he would support the motion. He supported offering the voters the opportunity to tax their cars to fund transportation-related projects.

UPON ROLL CALL, MOTION CARRIED (4-3), BOARD PRESIDENT BERNHEIM AND BOARD MEMBERS BUCKSHNIS, PETERSON, AND FRALEY-MONILLAS VOTING YES; AND BOARD MEMBERS WILSON, PLUNKETT AND PETSO VOTING NO.

On behalf of staff and the Citizens Transportation Committee, Mr. Williams thanked the Board for their vote, recognizing it was an important step.

4. AUDIENCE COMMENTS

Al Rutledge, Edmonds, recommended forming a 20-25 person committee to educate the voters and if the measure passed, those people continue to serve on a Transportation Committee. He also suggested \$25,000-\$30,000 be allocated to projects that arise. He recommended a term of 10 years or less.

Kristiana Johnson, Edmonds, explained the project list was prepared using 2009 dollars and was intended to identify all the City's transportation needs through 2025. There was a balanced source of revenues and a balance in the type of projects. She recognized the project list would be reconsidered in the future and some could be delayed by interim projects. She pointed out that because the consultant recommended an \$80 license fee in addition to the \$20 fee, the proposed fee puts the City out of balance with the Comprehensive Plan. The contingency plan developed by the consultant in case of a revenue shortfall included considering a change in the level of service standards, increasing revenue from another existing source, identifying other sources of revenue such as LIDs or grants, requiring developers to provide facilities at their own expense, or changing the Land Use Element. She explained in order for development to occur, transportation improvements must occur concurrently with development. There is a list of projects to be completed by 2015 and another list of projects to be completed by 2025.

5. BOARD COMMENTS

Board Members Peterson and Fraley-Monillas thanked the Citizens Transportation Committee and staff for their efforts.

6. ADJOURN

With no further business, the TBD Board meeting was adjourned at 7:00 p.m.