AGENDA

DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
VIA ZOOM

Thursday, March 4, 2021 - 5:00 PM

NOTE: The City of Des Moines is currently operating under a Proclamation of Emergency issued on March 5, 2020 and Governor Inslee's Stay-at-Home order issued March 23, 2020 in response to the COVID-19 Pandemic. Accordingly, this meeting will be held virtually using Zoom.

Public Comment continues to be encouraged and will be accepted in the following manner:

(1) In writing, either by email to the City Clerk's Office at https://www.desmoineswa.gov/FormCenter/City-Forms-3/Council-Meeting-Comments-49 or by mail; Attn: City Clerk Office, 21630 11th Avenue S., Des Moines WA 98198 no later than 4:00 p.m. day of the meeting. Please provide us with your first and last name and the city in which you live. Your full name and the subject of your public comment will be read into the record at the Council meeting. Incomplete forms will not be read into the record, however the full correspondence will be attached to the Council packet and uploaded to the website as part of the permanent record.

(2) By participation via Zoom. If you wish to provide oral public comment please email the City Clerk's office at https://www.desmoineswa.gov/FormCenter/City-Forms-3/Council-Meeting-Comments-49 no later than 4:00 p.m. day of the meeting to receive your Zoom log-in and personal identification number. Please note that Zoom attendees do not interact with one another; they join in listen-only mode until it is their turn to address the Council.

City Council meetings can also be viewed live on Comcast Channel 21 or live streamed on the City's website at www.desmoineswa.gov.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CORRESPONDENCE

Council Correspondence

COMMENTS FROM THE PUBLIC VIA ZOOM/WRITTEN PUBLIC COMMENT

ADMINISTRATION REPORTS

FINANCE PRELIMINARY 2020 CLOSE

Finance Preliminary 2020 Close

RECOLOGY DES MOINES 2020 ANNUAL REPORT

CONSENT CALENDAR

APPROVAL OF VOUCHERS

Motion is to approve for payment vouchers and payroll transfers through February 24, 2021 in the attached list and further described as follows:

Total A/P Checks/Vouchers	#162087-162141	$ 335,737.72
Electronic Wire Transfers	# 1606-1624	$ 906,607.69
Payroll Direct Deposit	# 70001-70141	$ 372,771.00

Total Checks and Wires for A/P and Payroll: $1,615,116.41

Consent Item 1

DAY TO REMEMBER MASTER POLICE OFFICER STEVEN J UNDERWOOD PROCLAMATION

Motion is to approve the Proclamation recognizing March 7, 2021 as a day to remember Master Police Officer Steven J. Underwood.

Consent Item 2

INTERLOCAL AGREEMENT (ILA) WITH KING HOUSING AND HOMELESSNESS PARTNERS (SKHHP) FOR THE PURPOSE OF POOLING RCW 82.14.540 SALES TAX RECEIPTS

Motion is to approve the Interlocal Agreement For the Purpose of Pooling Sales Tax Receipts with South King Housing and Homelessness Partners ("SKHHP") Cities to Administer Funds Under RCW 82.14.540 and to direct the City Manager to sign the agreement substantially in the form attached.

Consent Item 3

LEASE WITH SATORI SOLUTIONS LLC, DBA CAREFREE BOAT CLUB OF SEATTLE

Motion is to approve the lease agreement with Carefree Boat Club for moorage, and authorize the City Manager to sign the agreement substantially in the form as attached.

Consent Item 4

LEASE WITH MIKE RICE, DBA PUGET SOUND SAILING INSTITUTE LLC

Motion is to approve the lease agreement with Puget Sound Sailing Institute LLC for moorage and authorize the City Manager to sign the agreement substantially in the form as attached.

Consent Item 5

BOARD & COMMITTEE REPORTS/ COUNCILMEMBER COMMENTS

(4 minutes per Councilmember) - 30 minutes

PRESIDING OFFICER'S REPORT

EXECUTIVE SESSION

NEXT MEETING DATE

March 18, 2021 City Council Regular Meeting

ADJOURNMENT

Bonnie Wilkins

From: Candace Dyson <ckdyson99@gmail.com>
Sent: Sunday, February 21, 2021 6:05 PM
To: _CityCouncil
Subject: Marina Parking

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I am writing to support the proposal by
Anthony Martinelli
to make marina parking free for residents of Des Moines. I quit using the marina very often due to being disabled and not always able to find a place to park where I can walk in. I reject the paid parking out of principle for city residents. I can pay $30 to go to any state park I want. Please make the marina a good place for residents and return it to the fun active place it used to be before the gates.

Candace Dyson

Bonnie Wilkins

From: Henry Evans <erevansevans@protonmail.com>
Sent: Sunday, February 21, 2021 5:55 PM
To: _CityCouncil
Subject: On marina parking permit passes

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15 year resident of the marina. I lean towards supporting inclusivity parking should be free for citizens of Des Moines.

Bonnie Wilkins

From: Beverly Harren <beverlyeverlasting@yahoo.com>
Sent: Friday, February 19, 2021 8:00 PM
To: _CityCouncil
Subject: Greenside REC

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

i wait in line for hours for my medicine at Greenside because you all willnt allow more. yet here we have it the deputy mayor has already gotten $500 from Greenside for reelection campaign.

not ok.

Bev

Bonnie Wilkins

From: Sheri Knox <sherik2bk@aol.com>
Sent: Sunday, February 21, 2021 4:18 PM
To: _CityCouncil
Subject: Permit parking at marina

I completely support the idea of Des Moines residents being allowed free pass at the Marina.

Issues - could pass be taken away if a person is found to de disobeying park rules? (Gang stuff - things causing police calls)

Also, with paid stall holders, could they pay some type of premium with their dock fee that would give them a parking spot so that they don't have difficulty in summer? Where if they want, they can get the free, but if they want an assigned spot so it's always available to them, they add a fee to their rent. City would hold back x number of spaces for that use where no one else can park without permit type of thing. Adds back some revenue while giving tenants a way to park their car even at busy times.

Bottom line, we had to stop going to marina cause we can't pay the $30 for the permit and my knees won't tolerate the hill climb needed to park at the top of the hill. I totally support free parking for residents.

I also think (have forever!), that Redondo should be included in this pass.

Thanks!
Sheri Knox (and Carl)
Residents since 1994

Sent from the all new Aol app for iOS

Bonnie Wilkins

From: Luisa Bangs
Sent: Friday, February 19, 2021 7:18 PM
To: Bonnie Wilkins
Subject: Fwd: 4:00 Hazard Pay

Sent from my iPhone

Begin forwarded message:

> **From:** Vince <vcoaster@comcast.net>
> **Date:** February 19, 2021 at 5:21:39 PM PST
> **To:** Luisa Bangs <LBangs@desmoineswa.gov>
> **Subject: 4:00 Hazard Pay**
>
> CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.
>
> I do not believe that any government entity has the right to tell private industry private employers what they have to pay their employees under any circumstances. And that includes above the federal minimum wage. But especially now in these circumstances the city of Des Moines is trying to force employers in the grocery business to pay employees four dollars more an hour and calling it hazard pay. This is wrong on every level. Any body that has ever run their own business know that profit margin's are very slim all the time in every business and asking a business to pay virtually a 20% increase in wages is going to not only not serve any purpose except to have the stores close stores, cut hours cut employees time. People are going to be waiting longer for check out they're going to be spending more time in stores. I have friends that work for local groceries and they're already getting their hours cut and having less employees work a shift.
> Please do not let this go through.
> Respectfully, Vince Koester.

Bonnie Wilkins

From: Marco Cheryl <pakelenui@gmail.com>
Sent: Sunday, February 21, 2021 5:33 PM
To: _CityCouncil
Subject: Parking fees for residents

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

There was a posting by Anthony on Facebook...asking our opinion on changing the parking fees to be free for residents.

We would like to offer our thoughts, as marina tenants.

We totally support parking being Free for Seniors. For the rest of the residents, $30 is reasonable for an annual pass. But, possibly maybe there could be a further reduced fee for low income families.

It would be helpful for the city to be transparent in how the funds are being used and maybe even target some of these funds towards continued improvements for the marina/beach park area....or at least bring about this awareness, if it’s already being done. I would hope that residents would be more accepting of paying the parking fees, if they knew It was contributing towards some additional features, activities, etc. Things that families can enjoy. The beach park looks great! And the future plans will add a lot. And the year round Farmers Market will draw more people. Perhaps, there can be something like a playground, also.

Many residents believe that their tax dollars pay for the marina....and there should be an effort made to clarify and correct this misconception.

The paid parking had definitely improved so much at the marina. It made an impact in reducing the negative activity in the marina; and the Marina is in much better condition. We hope that there are measures put in place, to assure that this continues, in order to protect our community space. If all residents are free, how does this apply to teens, and the activity that may go on while they are hanging out here. The paid parking seemed to minimize this.

Thank you for considering our opinion.

Mark and Cheryl Sperling

Sent from my iPhone

February 22, 2021

City Council, Des Moines, WA
21630 11th Ave S
Des Moines, WA 98198

Greetings City Council Members,

I am hopeful that this finds you all well as we enter the spring season. Unfortunately, even after removing myself from all social media platforms, I still hear about the negative antics of the City Council. This time and once again, Council Member Martinelli is attempting to legislate via FaceBook by stirring up the "gimme gimme, if it's free, it's for me" crowd. CM Martinelli's ridiculous pitch to reverse the paid parking at the Marina is disheartening and disingenuous.

As you all know from studying the issue in the past, an annual Marina Parking Pass is $30.00, which comes out to about 8 cents a day. Virtually NOTHING… and ANYONE that owns a vehicle can afford that. If not, how do they pay for registration, fuel, insurance, maintenance etc…? Council Member Martinelli's misguided "whoa is the people" fiat is an abject waste of elected time and it certainly provides for NO resolution of any real issues. Bottom line, if you truly can't afford to park at the Marina, park up the hill and walk, the exercise will do you wonders! Or PM me, I will pay your annual Marina Parking fee if you cut my lawn.

As you all can imagine and may be personally experiencing, there is great angst amongst the citizens regarding the chosen way forward for the greater good of Des Moines. There are rumors that are counterproductive to maintaining the public's trust in our elected officials, much of which would have a negative impact on our business owners. A CM Martinelli FaceBook proposal for $4 an hour raises for employees at businesses located within Des Moines? Do the employees live in Des Moines? Seems like a perfect recipe to increase the size of our well-worn food desert that may turn into a sink hole causing even more businesses to finally throw in the Des Moines towel! To this end, the more facts that are easily available to the average citizen goes a long way toward tamping down the corrosive negativity that is spreading through our small community via one misinformed, misguided, and highly inexperienced City Council Member. Like it or NOT, CM Martinelli stands as a glowing blemish in our elected community, representative of ALL of you.

Since arriving in Des Moines in 2015, my wife and I have been VERY active in the local community. We have participated in city organized events, volunteered in our neighborhood watch, reengaged our HOA in current social and societal concerns, and have attended nearly every Police Advisory Council meeting from day one. I do not mention this for a pat on the back, it serves as a testament that we care and will continue to care about ALL things Des Moines. We are able and willing to assist this city in turning the corner for a brighter future. Long after the current issues are in the rear-view mirror we will still be participating. There is nothing but good in our hearts and minds, we LOVE it here in Des Moines… just a little less, with every CM Martinelli FaceBook legislative post. It's easy to spend other people's money :-(

Thank you in advance for your time and attention to this concern.

Respectfully,

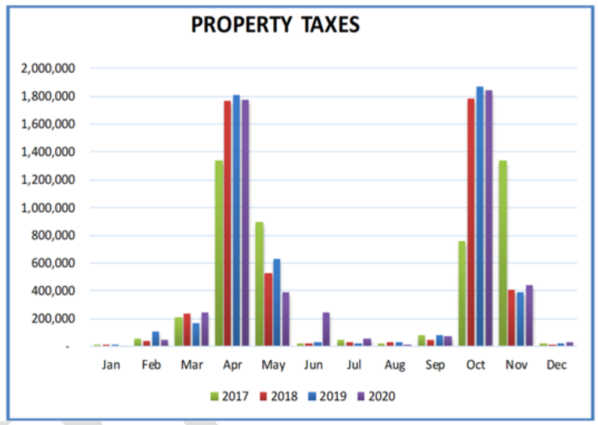
Kevin Isherwood

Kevin Isherwood

MAJOR REVENUE TRENDS
(CASH BASIS)

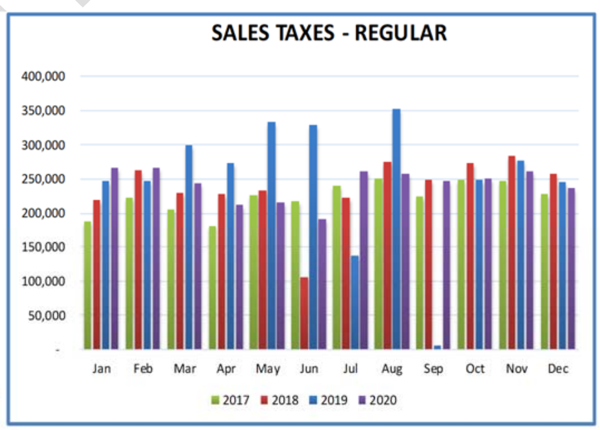
This preliminary financial report provides a summary budget vs. actual comparisons of revenues and expenditures as of December 31, 2020. This financial report is a snapshot of fund activity prior to the generation of and formal audit of the financial statements.

2020 YTD Compared to 2019 YTD:				(5,859)	-0.1%
	2020	**2019**	**2018**	**2017**	**PY YTD**
Jan	7,893	13,860	16,419	10,191	0.3%
Feb	49,315	104,282	36,447	52,372	2.3%
Mar	244,488	167,779	232,292	207,664	5.5%
Apr	1,776,167	1,810,494	1,766,445	1,341,941	40.5%
May	388,009	630,874	530,338	892,976	52.7%
Jun	245,696	33,867	24,549	22,136	53.4%
Jul	53,783	18,767	32,153	45,386	53.7%
Aug	11,412	33,071	27,125	22,470	54.4%
Sep	76,970	82,238	50,170	78,305	56.0%
Oct	1,841,432	1,866,328	1,781,413	757,497	92.1%
Nov	443,996	391,916	404,598	1,334,765	99.6%
Dec	27,193	18,537	16,001	20,037	100.0%
Totals	**5,166,354**	**5,172,013**	**4,917,950**	**4,785,740**	
2020 YTD Compared to Budget:				**5,222,110**	**98.9%**



Property Taxes represent the largest source of revenue for the General Fund. Year-to-date the City has received $5,166,354 or 98.9% of taxes levied. The majority of property taxes are received in the months of April and October. Taxes levied and not paid are considered due to the City and recorded as taxes receivable at year-end.

2020 YTD Compared to 2019 YTD:				(87,424)	-2.9%
	2020	**2019**	**2018**	**2017**	**PY YTD**
Jan	265,951	246,986	219,835	188,813	8.2%
Feb	267,496	248,141	263,849	222,214	16.5%
Mar	243,442	299,723	230,669	206,184	26.5%
Apr	212,562	272,874	228,365	180,327	35.6%
May	215,822	333,869	234,241	225,772	46.7%
Jun	191,318	330,267	105,465	218,517	57.7%
Jul	260,777	136,614	222,961	240,702	62.3%
Aug	258,143	352,783	274,972	251,535	74.0%
Sep	247,601	5,997	249,032	225,110	74.2%
Oct	251,749	249,688	274,171	248,661	82.6%
Nov	260,740	277,923	283,547	248,226	91.8%
Dec	237,278	245,437	258,734	228,030	100.0%
Totals	**2,912,879**	**3,000,303**	**2,845,841**	**2,684,092**	
2020 YTD Compared to Budget:				**3,009,660**	**96.8%**

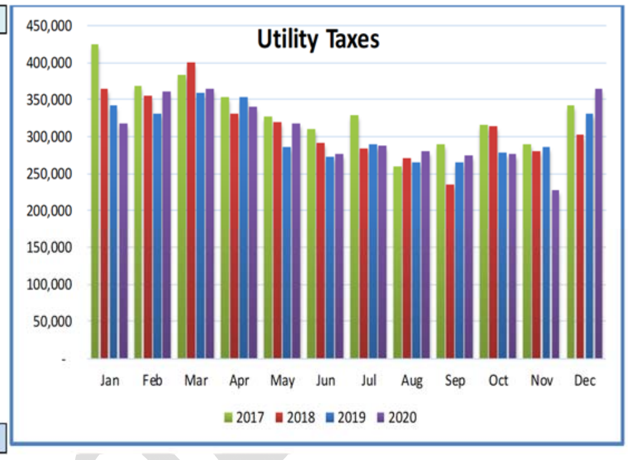


Sales tax-regular budgeted for 2020 is 11.5% of the General Fund revenue budget. Sales tax revenue through the end of December 2020 was ($87,424) (2.9%) lower compared to YTD December 2019. Revenue from retail trade accounts for 32.6% of total 2020 sales tax revenue which increased by 20.0% compared to YTD December 2020. The most significant decrease is in construction sales tax, which decreased by 48.0% YTD December 2020 compared to YTD December 2019, this decrease is partially due to Governor Inslee's "Stay Home Stay Healthy" in response to the COVID-19 pandemic and partially due to the completion of Zenith Elementary and Waterview Crossing in 2019.

MAJOR REVENUE TRENDS

(Cash Basis -Continued)

2020 YTD Compared to 2019 YTD:				27,254	0.7%
	2020	**2019**	**2018**	**2017**	**PY YTD**
Jan	317,812	343,389	364,526	424,753	9.4%
Feb	361,372	331,231	356,373	369,100	18.4%
Mar	365,521	359,176	401,190	384,143	28.2%
Apr	339,749	352,907	331,071	354,597	37.8%
May	318,816	286,910	319,357	326,610	45.7%
Jun	276,056	272,764	291,360	311,295	53.1%
Jul	287,198	289,744	283,591	330,214	61.0%
Aug	279,933	266,484	270,950	259,947	68.3%
Sep	274,822	266,438	236,382	289,489	75.6%
Oct	276,643	278,817	314,663	315,656	83.2%
Nov	228,718	285,724	279,898	289,793	91.0%
Dec	364,761	330,565	302,618	342,218	100.0%
Totals	**3,691,401**	**3,664,147**	**3,751,979**	**3,997,816**	
2020 YTD Compared to Budget:				3,643,339	101.3%



Utility taxes are the second largest source of General Fund revenue, comprising 28.2% of all unrestricted tax revenue in the General Fund. Utility taxes are levied on the gross income derived from the sales of electricity, natural gas, solid waste collection, cable television, telephone, and stormwater services provided within city limits and are collected monthly.

B&O Taxes - Regular

2020 YTD Compared to 2019 YTD:				**(38,360)**	**-3.6%**
	2020	**2019**	**2018**	**2017**	**PY YTD**
Jan	181,573	151,817	114,329	216,324	14.2%
Feb	287,559	320,145	181,623	112,795	44.1%
Mar	(30,676)	(49,379)	48,000	6,291	39.5%
Apr	58,498	163,580	48,450	89,260	54.8%
May	151,649	84,751	118,467	94,829	62.7%
Jun	(6,004)	(61,658)	(2,120)	3,205	57.0%
Jul	86,791	162,620	106,022	114,496	72.2%
Aug	109,513	99,602	84,875	97,730	81.5%
Sep	6,202	(43,349)	25,957	2,767	77.4%
Oct	67,009	109,547	120,989	171,216	87.7%
Nov	119,457	130,096	56,044	44,658	99.8%
Dec	(285)	1,873	(10,796)	1,400	100.0%
Totals	**1,031,286**	**1,069,646**	**891,840**	**954,972**	
2020 YTD Compared to Budget:				**1,100,000**	**93.8%**

Business and occupation (B&O) taxes are imposed on all business activity occurring within the Des Moines city limits. B&O tax revenue through the end of December was ($38,360) (3.6%) lower in 2020 compared to YTD December 2019. This was expected due to Governor Inslee's "Stay Home Stay Healthy" in response to the COVID-19 pandemic and the required closure of businesses.

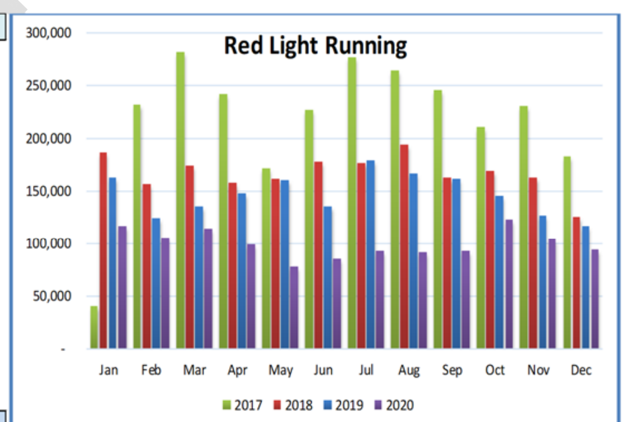
MAJOR REVENUE TRENDS
(Cash Basis -Continued)

Franchise Fees

2020 YTD Compared to 2019 YTD:				62,363	5.9%
	2020	**2019**	**2018**	**2017**	**PY YTD**
Jan	112,153	98,411	123,726	129,401	9.3%
Feb	86,857	91,424	94,879	89,045	17.9%
Mar	72,149	72,505	38,037	87,325	24.7%
Apr	117,654	106,009	145,331	116,973	34.7%
May	92,344	89,027	84,654	91,363	43.1%
Jun	72,643	75,646	75,876	82,575	50.2%
Jul	117,876	109,784	103,551	115,316	60.6%
Aug	94,716	85,899	87,305	91,478	68.7%
Sep	74,400	71,000	38,146	40,214	75.4%
Oct	114,376	103,791	136,538	156,940	85.2%
Nov	37,178	89,875	93,389	106,415	93.6%
Dec	130,818	67,430	74,794	74,885	100.0%
Totals	**1,123,164**	**1,060,801**	**1,096,226**	**1,181,930**	

Franchise fees are collected monthly and the year-to-date amount is $1,123,164 or 100.3% of budgeted revenue.

2020 YTD Compared to 2019 YTD:				(565,070)	-32.0%
	2020	**2019**	**2018**	**2017**	**PY YTD**
Jan	117,300	162,826	186,912	41,052	9.3%
Feb	105,681	124,681	157,163	232,138	17.1%
Mar	114,283	135,971	174,355	281,581	25.8%
Apr	99,100	148,371	158,143	242,435	33.6%
May	78,670	160,197	162,501	172,049	41.7%
Jun	85,511	136,007	178,283	227,114	50.6%
Jul	93,361	179,257	176,829	277,288	59.4%
Aug	92,523	166,795	195,111	264,954	69.1%
Sep	93,035	162,479	163,580	245,831	77.2%
Oct	123,470	146,326	169,926	210,839	85.6%
Nov	104,826	127,347	162,918	230,840	93.7%
Dec	94,946	117,418	126,092	183,507	100.0%
Totals	**1,202,706**	**1,767,675**	**2,011,813**	**2,609,628**	
2020 YTD Compared to Budget:				1,207,500	99.6%



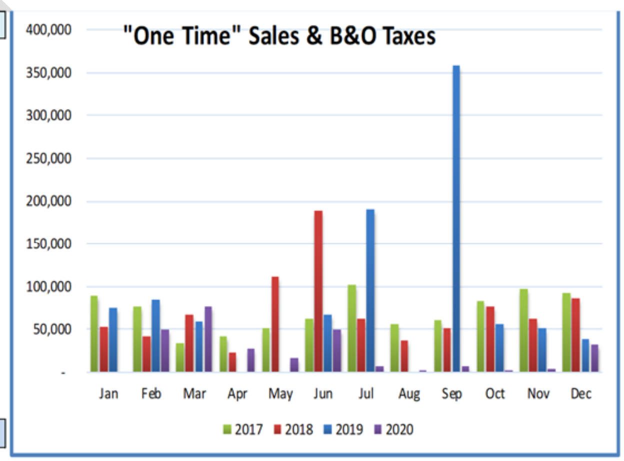
The Red Light Running program has two elements; budgeted structural on-going revenue of $1.5M and one-time revenue $250,000 for a total $1.75M which was included in the Adopted 2020 Annual Budget. Based on actual activity and collections the budgeted target will not be met for 2020. The 2020 budget was revised to reduce the revenue budget to $1,207,500 for structural on-going revenue and no one-time revenue.

MAJOR REVENUE TRENDS
(CASH BASIS - Continued)
CIP FUNDING SOURCES

2020 YTD Compared to 2019 YTD:				(440,937)	-22.4%
	2020	**2019**	**2018**	**2017**	**PY YTD**
Jan	-	-	100,179	296,469	0.0%
Feb	71,324	186,376	218,634	64,190	9.5%
Mar	109,552	153,182	94,383	78,233	17.3%
Apr	178,078	77,867	92,064	95,642	21.2%
May	95,430	117,781	184,602	132,598	27.2%
Jun	77,648	143,243	111,822	152,999	34.5%
Jul	-	507,720	134,460	448,867	60.4%
Aug	150,642	164,873	114,749	173,469	68.7%
Sep	160,490	266,579	137,688	136,573	82.3%
Oct	345,006	68,453	91,501	118,772	85.8%
Nov	166,210	96,496	77,299	132,237	90.7%
Dec	169,950	182,696	758,105	105,037	100.0%
Totals	**1,524,330**	**1,965,267**	**2,115,486**	**1,935,085**	
2020 YTD Compared to Budget:				**1,260,000**	**121.0%**

The City collected $1,524,330 in Real Estate Excise Tax (REET) revenue year-to-date and REET revenue through the end of December was ($440,937) (22.4%) lower in 2020 compared to YTD December 2019. REET revenues can be somewhat volatile, since they depend on both the volume of real estate sales and the sale value of properties sold.

2020 YTD Compared to 2019 YTD:				(706,704)	-172.0%
	2020	**2019**	**2018**	**2017**	**PY YTD**
Jan	-	75,168	53,243	89,266	7.7%
Feb	49,319	85,159	42,028	76,783	16.3%
Mar	76,085	59,986	67,676	33,370	22.4%
Apr	27,882	-	22,899	42,775	22.4%
May	17,108	-	112,228	52,185	22.4%
Jun	49,639	66,863	188,990	62,293	29.3%
Jul	7,539	190,312	61,955	101,589	48.6%
Aug	2,613	-	36,798	56,915	48.6%
Sep	6,502	358,780	51,661	60,445	85.2%
Oct	3,229	56,014	76,662	82,400	90.9%
Nov	3,280	50,776	63,324	97,018	96.1%
Dec	31,804	38,647	86,876	92,746	100.0%
Totals	**275,000**	**981,704**	**864,339**	**847,785**	
2020 YTD Compared to Budget:				**393,750**	**69.8%**



Normally all “one-time” sales and B&O tax revenues are designated for capital improvements; however, due to the need to address the financial impacts to the COVID-19 pandemic the City Council approved an Ordinance at their April 9, 2020 City Council meeting. This suspends the restrictions on the use of one-time revenue for capital improvements and allows the use of this revenue to ensure the 16.67% minimum ending fund balance for the General Fund for 2020. The City has been very disciplined in managing the operating expenditures for 2020 and finds it does not need the “one time” sales & B&O taxes to support the General Fund and will transfer the amount received to the fund designated for capital improvements.

GENERAL FUND 001

	2020 REVISED BUDGET ANNUAL 12 MONTHS			2020 Year to Date ACTUAL DECEMBER					
	REVENUES	EXPENDITURES	NET	REVENUES	%**	EXPENDITURES	%**	NET	
BEGINNING FUND BALANCE			5,837,998					5,837,998	
TOTAL GENERAL FUND	23,809,836	24,541,275	(731,439)	24,420,053	103%	23,937,980	98%	482,072	-66%
ENDING FUND BALANCE			5,106,559					6,320,070	
16.67% Minimum Ending Fund Balance			*4,127,610*					*25.5%*	

*** December is month 12 of 12 = 100.0%*

SPECIAL REVENUE FUND 105 (DEVELOPMENT - FEE BASED)

	2020 REVISED BUDGET ANNUAL 12 MONTHS			2020 Year to Date ACTUAL DECEMBER					
	REVENUES	EXPENDITURES	NET	REVENUES**	% **	EXPENDITURES	%**	NET	
BEGINNING FUND BALANCE			4,260,517					4,260,517	
TOTAL PBPW Fee Based	3,005,153	2,993,551	11,602	3,043,684	101%	2,655,397	89%	388,287	3347%
ENDING FUND BALANCE			4,272,119					4,648,804	

*** December is month 12 of 12 = 100.0%*

City of Des Moines, WA
All Funds Summary
Year-to-date through December 2020
(Note: Annual Budget)

FUND	Beginning Balance	Revised Revenue Budget	Revenues	Revised Expenditure Budget	Expenditures	Ending Balance	% Expended
General	**5,837,998**	23,809,836	**24,420,053**	24,541,275	**23,937,980**	**6,320,070**	97.54%
Special Revenue Funds:							
Street	**847,392**	1,658,076	**1,726,792**	1,865,215	**1,392,396**	**1,181,788**	74.65%
Arterial Pavement	**1,869,372**	695,558	**649,955**	963,000	**535,998**	**1,983,329**	55.66%
Development	**4,260,517**	3,005,153	**3,043,684**	2,993,551	**2,655,397**	**4,648,804**	88.70%
Police Drug Seizure	**22,468**	1,250	**105**	1,000	**-**	**22,573**	0.00%
Hotel-Motel Tax	**74,489**	45,400	**40,206**	45,400	**19,918**	**94,777**	43.87%
Affordable Housing Sales Tax	**-**	22,500	**21,716**	22,500	**-**	**21,716**	0.00%
Redondo Zone	**23,341**	76,200	**76,117**	82,762	**79,251**	**20,207**	95.76%
Waterfront Zone	**119,768**	182,800	**203,736**	133,339	**126,467**	**197,037**	94.85%
PBPW Automation Fee	**370,769**	129,000	**149,875**	107,300	**107,300**	**413,344**	100.00%
Urban Forestry	**-**	5,000	**-**	5,000	**-**	**-**	0.00%
Abatement	**49,455**	29,100	**31,712**	28,000	**27,705**	**53,462**	98.95%
Automated Speed Enforcement (ASE)	**654,141**	103,000	**113,968**	192,000	**93,893**	**674,216**	48.90%
Transport Benefit District	**192,617**	985,000	**993,735**	71,400	**71,400**	**1,114,952**	0.00%
Debt Service Funds:		-					
REET 1 Eligible Debt Service	**16,110**	19,153	**13,148**	18,346	**17,845**	**11,413**	97.27%
REET 2 Eligible Debt Service	**35,056**	247,398	**236,446**	250,585	**250,634**	**20,868**	100.02%
2018 LTGO & Refunding Bonds	**112,641**	229,650	**229,583**	228,900	**229,011**	**113,213**	100.05%
Capital Project Funds:		-					
REET 1	**2,306,352**	659,000	**799,063**	2,115,004	**258,519**	**2,846,897**	12.22%
REET 2	**1,823,349**	645,000	**772,976**	2,077,398	**893,380**	**1,702,945**	43.00%
Park Levy	**13,056**	183,000	**162,384**	185,000	**-**	**175,440**	0.00%
Park in Lieu	**228,271**	362,840	**15,773**	183,000	**(300,423)**	**544,467**	-164.17%
One-Time Sales & B&O Tax Revenues	**2,636,090**	17,500	**18,293**	1,785,000	**80,013**	**2,574,370**	4.48%
Municipal Capital Improvements	**3,179,185**	9,542,000	**4,244,401**	8,627,000	**3,113,501**	**4,310,085**	36.09%
Transportation Capital Improvements	**1,602,503**	4,067,471	**1,473,842**	4,069,000	**2,529,908**	**546,437**	62.18%
Traffic in Lieu	**127,771**	787,000	**595**	-	**-**	**128,366**	0.00%
Traffic Impact - Citywide	**351,230**	1,267,000	**772,255**	756,000	**-**	**1,123,485**	0.00%
Traffic Impact - Pac Ridge	**585,158**	13,000	**12,715**	-	**-**	**597,873**	0.00%
Enterprise Funds:		-					
Marina	**11,833,257**	5,946,287	**4,921,194**	6,344,307	**4,276,788**	**12,477,663**	67.41%
Surface Water Management (SWM)	**23,023,752**	6,540,033	**4,882,467**	7,612,814	**3,581,234**	**24,324,985**	47.04%
Internal Service Funds:		-					
Equipment Rental Operations	**388,877**	542,367	**503,160**	570,962	**487,815**	**404,222**	85.44%
Equipment Rental Replacement	**4,849,345**	137,000	**78,014**	331,950	**392,746**	**4,534,613**	118.31%
Facility Major Repairs	**802,426**	5,000	**3,091**	29,000	**11,929**	**793,588**	41.14%
Computer Replacement	**1,406,978**	231,187	**247,511**	363,975	**105,639**	**1,548,850**	29.02%
Self Insurance	**720,843**	797,872	**820,893**	725,365	**680,031**	**861,704**	93.75%
Unemployment Insurance	**538,915**	49,173	**36,288**	105,000	**47,757**	**527,446**	45.48%
GRAND TOTAL	**$ 70,903,492**	**$ 63,036,804**	**$ 51,715,746**	**$ 67,430,348**	**$ 45,704,033**	**$ 76,915,205**	**67.78%**

MARINA FUND - OPERATING, DEBT SERVICE & CAPITAL FUNDS
Year-to-Date through December 31, 2020

	2020 Budget	2020 Year-to-Date	%	2019 Budget	2019 Year-to-Date	%
Operating Revenues						
Charges for Services	$ 3,125,814	$ 3,254,147	104%	$ 3,062,727	$ 3,124,695	102%
Fuel Sales	1,201,785	999,146	83%	1,161,785	1,174,324	101%
Parking Fines & Moorage Late Fees	20,000	4,432	22%	20,000	19,160	96%
Intergovernmental Revenues	-	11,164	-	-	-	-
Miscellaneous Revenues	77,416	64,273	83%	74,315	56,868	77%
Total Operating Revenues	$ 4,425,015	$ 4,333,162	98%	$ 4,318,827	$ 4,375,048	101%
Operating Expenses						
Salaries	673,473	635,356	94%	662,119	673,259	102%
Personnel Benefits	247,173	216,643	88%	231,041	210,760	91%
Supplies	142,943	141,693	99%	141,643	117,420	83%
Fuel Purchases	1,045,000	761,814	73%	1,010,000	1,010,298	100%
Services	432,210	533,227	123%	481,770	373,951	78%
Services - Interfund	478,882	416,435	87%	394,310	394,310	100%
Machinery & Equipment	-	8,077	-	-	400	-
Total Operating Expenses (excl. depreciation	3,019,681	2,713,244	90%	2,920,883	2,780,398	95%
Operating Income (Loss)	***$ 1,405,334***	***$ 1,619,918***		***$ 1,340,861***	***$ 1,594,649***	
Non-Operating Revenues						
Interest Revenue	10,000	41,823	418%	10,000	95,008	950%
Capital Contributions	-	865	-	-	16,263	-
Insurance Recoveries	4,459	-	0%	4,459	-	0%
Transfer In from Fund 309	-	-	-	50,000	13,363	27%
Total Non-Operating Revenues	14,459	42,689	295%	64,459	124,634	193%
Non-Operating Expenses						
Other Non-Operating Expenses	-	438	-	-	976	-
Capital Outlay	1,039,000	238,953	23%	315,000	195,158	62%
Transfer Out to Fund 309	-	-	-	50,000	-	0%
Debt Service	778,813	778,809	100%	782,575	856,017	109%
Total Non-Operating Expenses	1,817,813	1,018,201	56%	1,147,575	1,052,151	92%
Beginning Net Position - January 1st		$ 3,233,205			$ 2,566,072	
Ending Net Position - December 31st		3,877,611			3,233,205	
Net Change in Net Position		$ 644,406			$ 667,133	
December is the 12th month of 12	*100.0%*					
Fuel Profits (using COGS)		237,332			164,026	

SURFACE WATER MANAGEMENT FUND - OPERATING & CAPITAL FUNDS
Year-to-Date through December 31, 2020

	2020 Budget	2020 Year-to-Date	%	2019 Budget	2019 Year-to-Date	%
Operating Revenues						
Charges Goods & Services	$ 4,286,223	$ 4,323,732	101%	$ 4,071,914	$ 4,126,083	101%
Intergovernmental Revenues	5,250	45,342	8.637	-	2,625	-
Miscellaneous	-	-	-	-	-	-
Total Operating Revenues	4,291,473	4,369,074	102%	4,071,914	4,128,708	101%
Operating Expenses						
Salaries	913,482	824,257	90%	909,593	962,995	106%
Personnel Benefits	393,071	347,880	89%	467,030	392,132	84%
Supplies	116,650	46,131	40%	115,785	87,118	75%
Services	1,848,611	1,484,846	80%	1,723,532	1,418,237	82%
Total Operating Expenses (excluding depreciation)	3,271,814	2,703,115	83%	3,215,940	2,860,482	89%
Operating Income (Loss) - excluding depreciation	***1,019,659***	***1,665,958***		***855,974***	***1,268,226***	
Non-Operating Revenues						
Interest Revenue	60,000	79,702	133%	70,000	117,764	168%
Storm Drainage Hook-Up Fees	95,000	153,571	162%	65,000	147,696	227%
Total Non-Operating Revenues	155,000	233,273	150%	135,000	265,460	197%
Non-Operating Expenses						
Capital Outlay	2,084,000	466,628	22%	2,088,000	381,019	18%
Transfer Out to Municipal Capital	-	170,000		-	-	
Total Non-Operating Expenses	$ 2,084,000	636,628		$ 2,088,000	381,019	
Beginning Net Position - January 1st		$ 6,251,334			$ 5,098,667	
Ending Net Position - December 31st		7,513,937			6,251,334	
Net Change in Net Position		$ 1,262,603			$ 1,152,667	
December is the 12th month of 12	*100.0%*					

Note: Transfer out to Municipal Capital was for the Woodmont Landslide

The City of Des Moines' investment portfolio is managed in a manner to provide maximum security of principle while meeting daily cash flow demands and conforming to laws and regulations governing the investment of public funds. The primary objective of the City's investment activities, in priority order, are safety, liquidity and return on investment.

The City's Investment Policy has been adopted by Ordinance 1144 of the City Council (per Des Moines Municipal Code 3.12). Authorized investments are securities and investments authorized by State statute as defined in RCW 39.58 and further defined within the Investment Policy.

City of Des Moines

Deposits and Investment Portfolio
Year-to-date December 31, 2020

Security Type	Fair Value as of 1/1/2020	January through December Activity	Fair Value as of 12/31/2020	% of Portfolio
Federal Farm Credit Bank	$ 5,992,890	$ 1,634,295	$ 7,627,185	15.8%
Federal Home Loan Bank	4,519,790	(984,450)	3,535,340	7.3%
Federal Home Loan Mtg. Corp.	1,001,750	7,980,591	8,982,341	18.6%
Residual Funding Corp.	4,700,853	(4,700,853)	-	0.0%
Freddie Mac	2,511,265	(2,511,265)	-	0.0%
Federal Agricultural Mortgage Corp	-	791,295	791,295	1.6%
Federal National Mortgage Association	-	999,600	999,600	2.1%
US Treasury Note/Bond	2,994,840	(2,994,840)	-	0.0%
United States Treasurey STRIP	1,504,547	27,224	1,531,770	3.2%
Key Bank	3,348,508	3,556,085	6,904,593	14.3%
LGIP	17,289,914	601,042	17,890,955	37.1%
Total	$ 43,864,356	$ 4,398,723	$ 48,263,079	100.0%

Consent Calender Item #1

March 4, 2021

Auditing Officer Certification

Vouchers and Payroll transfers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing, which has been made available to the City Council.

As of March 4, 2021 the Des Moines City Council, by unanimous vote, does approve for payment those vouchers through February 24, 2021 and payroll transfers through February 19, 2021 included in the attached list and further described as follows:

The vouchers below have been reviewed and certified by individual departments and the City of Des Moines Auditing Officer:

Beth Anne Wroe

Beth Anne Wroe, Finance Director

			# From		# To	Amounts
Claims Vouchers:						
Total A/P Checks/Vouchers			162087	-	162141	335,737.72
Electronic Wire Transfer			1606	-	1624	906,607.69
Total claims paid						**1,242,345.41**
Payroll Vouchers						
Payroll Checks	2/19/2021			-		
Direct Deposit			70001		70141	372,771.00
Total Paychecks/Direct Deposits paid						**372,771.00**
Total checks and wires for A/P & Payroll						**1,615,116.41**

Consent Calendar Item #2

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Day to Remember Master Police Officer Steven J. Underwood Proclamation

ATTACHMENTS:
1. Proclamation

FOR AGENDA OF: March 4, 2021

DEPT. OF ORIGIN: Police Department

DATE SUBMITTED: February 25, 2021

CLEARANCES:
[ ] Community Development ____
[ ] Marina ____
[ ] Parks, Recreation & Senior Services ____
[ ] Public Works ____

CHIEF OPERATIONS OFFICER: ____________

[ ] Legal ____
[ ] Finance ____
[ ] Courts ____
[ ] Police ____
[X] City Clerk ______

APPROVED BY CITY MANAGER
FOR SUBMITTAL: __MM_____

Purpose and Recommendation
The purpose of this item is to proclaim March 7, 2021 as a day to remember Master Police Officer Steven J. Underwood, a dedicated public servant, devoted son, loving husband and father. His service to our community and department will never be forgotten.

Suggested Motion

Motion: "I move to approve the Proclamation recognizing March 7, 2021 as a day to remember Master Police Officer Steven J. Underwood."

Background

On the morning of March 7, 2001 Des Moines Master Police Officer, Steven J. Underwood stopped to question four juvenile suspects on Pacific Highway S. at 0130 in the morning. Master Police Officer Underwood recognized one person as wanted for an outstanding felony warrant and upon initial contact, a senseless and unwarranted attack occurred on Master Police Officer Underwood. This resulted in him being struck by gunfire, causing his tragic death.

Master Patrol Officer Underwood was taken instantly from his family and the community. He was a dedicated public servant, devoted son, loving husband and father.

The City of Des Moines now remembers the loss of Master Police Officer Steven J. Underwood, after 20 years, you are not forgotten.

Attachment #1

City of Des Moines

ADMINISTRATION
21630 11TH AVENUE SOUTH, SUITE A
DES MOINES, WASHINGTON 98198-6398
(206) 878-4595 T.D.D.: (206) 824-6024 FAX: (206) 870-6540

Proclamation

WHEREAS, On the morning of March 7, 2001 Des Moines Master Police Officer, Steven J. Underwood stopped to question four juvenile suspects on Pacific Highway S. at 0130 in the morning;

WHEREAS, Master Police Officer Underwood recognized one person as wanted for an outstanding felony warrant and;

WHEREAS, upon initial contact, a senseless and unwarranted attack occurred on Master Police Officer Underwood. This resulted in him being struck by gunfire, causing his tragic death.

WHEREAS, Master Patrol Officer Underwood was taken instantly from his family and the community. He was a dedicated public servant, devoted son, loving husband and father; and

WHEREAS, the City of Des Moines now remembers the loss of Master Police Officer Steven J. Underwood, after 20 years, you are not forgotten.

NOW THEREFORE, the Des Moines City Council wishes to recognize March 7, 2021 as a day to remember Master Police Officer Steven J. Underwood. Your service to our community and department will never be forgotten.

.

SIGNED this 4^{th} day of March, 2021.

____
Matt Pina, Mayor

The Waterland City

Consent Calendar Item #3

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Interlocal Agreement (ILA) with King Housing and Homelessness Partners (SKHHP) for the Purpose of Pooling RCW 82.14.540 Sales Tax Receipts.

ATTACHMENTS:
1. Interlocal Agreement For the Purpose of Pooling Sales Tax Receipts with South King Housing and Homelessness Partners ("SKHHP") Cities to Administer Funds Under RCW 82.14.540

FOR AGENDA OF: March 4, 2021

DEPT. OF ORIGIN: Parks, Recreation and Senior Services

DATE SUBMITTED: February 25, 2021

CLEARANCES:
[X] Community Development Susan M. Cezar
[ ] Marina ____
[X] Parks, Recreation & Senior Services ____
[ ] Public Works ____

CHIEF OPERATIONS OFFICER: ____
[X] Legal /s/ TG
[X] Finance ____
[ ] Courts ____
[ ] Police ____

APPROVED BY CITY MANAGER
FOR SUBMITTAL: ____

Purpose

The purpose of this agenda item is for the City Council to review and approve the proposed Interlocal Agreement with South King Housing and Homelessness Partners ("SKHHP") to allow for the of pooling sales tax receipts received under RCW 82.14.540 to more effectively utilize these receipts for creating affordable housing in South King County.

Approving the ILA will solidify Des Moines' continued participation in this South King County partnership and ensure we have a place at the table in working through housing needs by pooling our funds.

Suggested Motion

Motion 1: "I move to approve the Interlocal Agreement For the Purpose of Pooling Sales Tax Receipts with South King Housing and Homelessness Partners ("SKHHP") Cities to Administer Funds Under RCW 82.14.540 and to direct the City Manager to sign the agreement substantially in the form attached."

Background

In 2019, the Cities of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, Tukwila, and King County entered into an Interlocal Agreement creating South King Housing and Homelessness Partners ("SKHHP"). The goal of this partnership is to ensure the availability of housing that meets the needs of all income levels in South King County. This also includes providing a sound base of housing policies and programs in South King County to complement the efforts of existing public and private organizations to address housing needs.

All Parties to the Agreement have a responsibility for local and regional planning for the provision of housing affordable to residents that work and/or live in South King County. Through the ILA, the Parties agreed to act cooperatively to formulate affordable housing policies that address housing stability and to foster efforts to preserve and provide affordable housing by combining public funding with private-sector resources.

The initial ILA serves as a framework for all participating municipalities within the broader SKHHP jurisdictions. The SKHHP Executive Board has a number of powers and duties including to (1) develop and approve an annual budget and annual work plan for SKHHP; (2) adopt procedures for the administration of SKHHP (and for the conduct of meetings); (3) and to make recommendations to the Parties concerning planning, policy, programs and the funding of affordable housing projects. Ultimate decision making remains with the elected officials of the Parties to the ILA, as the annual budget and work plans are subject to approval by each Party's legislative authority.

On November 22, 2019, the SKHHP Executive Board took unanimous action to adopt SKHHP Resolution 2019-06 urging each of the nine member jurisdictions to pool 100 percent of the tax receipts collected under the provisions of RCW 82.14.540 which expressly anticipates pooling of these receipts.

Discussion

The purpose of this Agreement is to allow each of the Parties to pool its tax receipts received under RCW 82.14.540 for use by SKHHP in funding affordable and supportive housing projects and/or programs as permissible under RCW 82.14.540. Pooling tax receipts received in this way will allow the use of the funds to leverage other funds and will make a more meaningful and significant impact on affordable housing. This multiplier effect is central to SKHHP's goal to maximize the impact of the tax funds authorized by RCW 82.14.540.

Ultimate control of whether these tax monies contributed by the City of Des Moines will be spent for any particular purpose under this agreement will remain with the City Council. Before any Party's pooled funds can be awarded or distributed for funding of a project or program by SKHHP under the

Agreement, the legislative body of such Party must authorize the application of a specified amount of its 82.14.540 tax receipts.

City staff continue to participate in SKHHP board meetings and staff planning meetings, and discussions continue between the nine South King County cities that comprise SKHHP.

Alternatives

The City Council may

1. Approve the attached Interlocal Agreement
2. Decline to approve the ILA

Financial Impact

The City has received the proceeds of the sales and use tax equaling 0.0073% (seventy-three ten-thousands of one percent) of taxable retail sales in the City for the year ending July 28, 2020, per SHB 1406. This amount totaled $30,000.00 (thirty thousand dollars). These funds are deducted from the State's portion of the sales and use tax, and are not taken out of the City portion of sales and use tax and do not impose an additional tax. There was and will be no increase in taxes paid locally, as the revenue is offset by a reduction in the state's portion and does not impact consumers.

Recommendation

Staff recommends approval of the proposed Interlocal Agreement as presented.

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Interlocal Agreement For the Purpose of Pooling Sales Tax Receipts with South King Housing and Homelessness Partners ("SKHHP") Cities to Administer Funds Under RCW 82.14.540

This Interlocal Agreement ("Agreement") is entered into by and between the Cities of Auburn, Burien, Des Moines, Federal Way, Kent, Normandy Park, and Tukwila each municipal corporations and political subdivisions of the State of Washington (individually, a "Party" and collectively, "the Parties").

WHEREAS, this Agreement is made pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, and has been authorized by the legislative body of each jurisdiction to address the use of pooled tax receipts for affordable and supportive housing sales and use tax in accordance with RCW 82.14.540(10).

WHEREAS, SKHHP was formed on January 1, 2019 by Interlocal Agreement among the jurisdictions of Auburn, Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, Tukwila, and King County (the "SKHHP Interlocal Agreement"); and

WHEREAS, after SKHHP was formed, the Washington State Legislature passed Substitute House Bill (SHB) 1406, which was signed into law by the Governor, and is now codified at RCW 82.14.540; and

WHEREAS, RCW 82.14.540 authorizes the legislative authority of a county or city to impose a local sales and use tax for affordable and supportive housing to income-eligible persons; and

WHEREAS, RCW 82.14.540 stipulates the moneys collected or bonds issued through this sales tax credit may only be provided to persons whose income is at or below 60 percent of the median income of the county or city imposing the tax and may only be used for the following purposes: (i) acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; or (ii) funding the operations and maintenance costs of new units of affordable or supportive housing; and

WHEREAS, funding to support the acquisition, rehabilitation, and new construction of affordable housing, and operation and maintenance costs of new affordable housing is critical to providing an array of housing opportunities for residents; and

WHEREAS, RCW 82.14.540 allows cities with a population of one hundred thousand or less to use moneys collected for providing rental assistance to tenants in addition to the affordable housing purposes listed above. As of the date of this Agreement, although at least some of the Parties have a population of one hundred thousand or less, all such Parties intend that the funds they contribute pursuant to this Agreement shall not be used for providing rental assistance; and

WHEREAS, within six months of the effective date of RCW 82.14.540, each of the Parties adopted a resolution of intent to authorize the maximum capacity of the tax, and within 12 months, each of the Parties adopted legislation authorizing the maximum capacity of the tax; and

WHEREAS, on November 22, 2019, the SKHHP Executive Board took unanimous action to adopt SKHHP Resolution 2019-06 urging each of the nine member jurisdictions to pool 100 percent of the tax receipts collected under the provisions of RCW 82.14.540 which expressly anticipates pooling of tax receipts received under RCW 82.14.540 if done pursuant to this Agreement; and

WHEREAS, the Parties wish to act cooperatively to pool tax receipts received in individual cities to allow the use of funds to leverage other funds and make a more meaningful and significant impact on affordable housing challenges in south King County consistent with this Agreement and RCW 82.14.540; and

WHEREAS, pooling RCW 82.14.540 sales tax receipts with SKHHP will establish a regional funding source that will help to establish regional-decision making and shared housing solutions and increased investment in affordable and supportive housing in south King County.

NOW, THEREFORE, in consideration of the mutual promises, benefits, and covenants contained in this Agreement, the Parties incorporate by reference and agree to the above recitals and the following terms and conditions:

1. Purpose. The purpose of this Agreement is to allow each of the Parties to pool all or a portion of its tax receipts received under RCW 82.14.540 for use by SKHHP in funding affordable and supportive housing projects and/or programs as permissible under RCW 82.14.540.

2. Responsibilities and Authority. For the purposes of RCW 39.34.030(4)(a), the SKHHP Administering Agency is designated as the administrator responsible for overseeing and administering the joint or cooperative undertaking contemplated by this Agreement. No property shall be acquired by the Parties to this Agreement by reason of this joint or cooperative undertaking.

3. Pooled Funds. The legislative body of each Party shall consider whether it will pool with SKHHP all or a portion of its RCW 82.14.540 tax receipts. Each Party that determines that it will pool all or a portion of its RCW 82.14.540 tax receipts shall transfer the funds to be pooled into the SKHHP Housing Capital Fund.

4. Uses of Pooled Funds. Consistent with the permissible uses of funds set forth in RCW 82.14.540, SKHHP will distribute funds pooled under this Agreement only for the following purposes that serve persons whose income is at or below 60 percent of the median income:

a. Acquiring, rehabilitating, or constructing affordable housing, which may include new units of affordable housing within an existing structure or facilities providing supportive housing services under RCW 71.24.385; and/or

b. Funding the operations and maintenance costs of new units of affordable or supportive housing.

5. Selection of Funding Awards involving Pooled Funds. SKHHP intends to periodically invite applications for funding for projects and/or programs eligible for funding under the SKHHP Interlocal Agreement. For each round of funding applications for which SKHHP intends to use funds pooled under this Agreement, the following shall apply:

   a. The SKHHP Executive Board will identify funding guidelines that will include, but not be limited to: the amount of available funding, household income targets, funding priorities, eligible activities and geographic areas, regulatory terms, other award terms/reporting requirements, application contents, review process, evaluation criteria, and the schedule for funding allocation.

   b. The SKHHP Advisory Board, to be established by the SKHHP Executive Board as outlined in the SKHHP Interlocal Agreement, will provide recommendations to the SKHHP Executive Board on the strategic funding priorities and the allocation of tax receipts collected through this Agreement. These recommendations will consider south King County housing needs, other funding sources that support affordable housing and supportive housing, local housing needs, and equitable geographic distribution of funds.

   c. The SKHHP Executive Board shall consider the recommendations of the SKHHP Advisory Board to decide both the recommended funding awards for selected projects and/or programs and the specific funding from each participating Party consistent with the SKHHP Executive Board Powers.

   d. Funding will be limited to projects or programs that are within the SKHHP sphere of influence as identified in the SKHHP Interlocal Agreement and meet the eligibility criteria of RCW 82.14.540.

6. Expenditure of Pooled Funds; Legislative Authority of Each Party.

   a. As provided in the SKHHP Interlocal Agreement, the SKHHP Executive Board will recommend to the individual legislative bodies various terms to accompany their authorizations. Terms shall be consistent with RCW 82.14.540 and may include but will not be limited to: the amount of funds allocated, project description, minimum affordability requirements, nature of funding commitment (loan, grant, or other), and general repayment terms for loans, if applicable.

b. Before any Party's pooled funds are awarded or distributed for funding of a project or program selected pursuant to Section 4 "Selection of Funding Awards involving Pooled Funds" of this Agreement, the legislative body of such Party shall authorize the application of a specified amount of its 82.14.540 tax receipts in its Individual Account, as provided in Section 14 of the SKHHP Interlocal Agreement.

c. SKHHP may only award and distribute a Party's pooled funds after a Party's legislative body has approved participation in this Agreement.

7. Administration. Funds collected through this Agreement shall be administered through the SKHHP Housing Capital Fund as outlined in the SKHHP Interlocal Agreement and administered by the SKHHP Administering Agency. The SKHHP Administering Agency will maintain records sufficient to separately track the deposits and withdrawals within each Individual Account and each project account.

8. Reporting. In addition to reporting requirements under the SKHHP Interlocal Agreement, SKHHP will submit an annual report to the Parties of work plan progress that includes, but is not limited to, housing priorities, strategies, capital funding investments, use of pooled RCW 82.14.540 tax receipts, and other SKHHP accomplishments.

9. Audit. The Parties acknowledge that the expenditure of all funds will be subject to audit by the state auditor or other authorized entity. The SKHHP Administering Agency reserves the right to review, monitor, or audit the use of these funds as deemed necessary. Such activities may occur with or without notice.

10. Termination or Withdrawal. This Agreement may be terminated at any time by an affirmative vote of a majority of the legislative bodies of the Parties to this Agreement. If a Party wishes to withdraw from participation in this Agreement, it may do so with written notice to the SKHHP Executive Board of its intention to withdraw, due on or before July 1 of a year and become effective as of 11:59 p.m. on December 31 of that year. Upon termination of this Agreement or Party withdrawal from this Agreement, all uncommitted pooled RCW 82.14.540 tax receipt moneys in the SKHHP Housing Capital Fund will be distributed to the Parties in case of termination of the Agreement, or individually to any Party withdrawing from the Agreement, by remitting the total uncommitted amounts remaining in the Party's Individual Account to that Party, unless otherwise authorized by the legislative authority of that Party.

11. Additional municipalities. This Agreement may be expanded to include additional SKHHP municipalities through the execution of a companion agreement that is consistent with this Agreement and the SKHHP Interlocal Agreement, and upon an affirmative vote of a two-thirds majority of the membership of the SKHHP Executive Board.

12. Amendments. Any amendments to this Agreement must be in writing. This Agreement may be amended upon approval of at least two-thirds of the legislative bodies of all Parties to

this Agreement, evidenced by authorized signatures of those Parties as of the effective date of this Agreement, however, any amendment to this Agreement affecting the terms and conditions of membership, provisions regarding duration, termination or withdrawal, or the conditions of this Section will require consent of the legislative authorities of all Parties. This Section shall not be construed to require amendment of this Agreement for the addition of a new Party contemplated under Section 11.

13. Effective date. This Agreement will become effective March 1, 2021, subject to its approval by the legislative bodies of all participating jurisdictions, and pursuant to RCW 39.34.040. Although this Agreement may be approved and signed by a Party after the Agreement's effective date, all acts consistent with the authority of this Agreement that occur on or after March 1, 2021, are hereby ratified and affirmed, and the other terms of this Agreement will be deemed to have applied.

14. Agreement Duration. This agreement will be in full force and effect until it is terminated in accordance with the terms and conditions of this agreement.

(Signature Page Follows)

Approved and executed this _______ day of ________________, 2021.

Name of Party: *[fill in jurisdiction]*

____

[fill in appropriate signatory]

Approved as to form:

____

[fill in City Attorney information]

Consent Calendar Item #4

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Lease with Satori Solutions LLC, dba Carefree Boat Club of Seattle.

ATTACHMENTS:

1. Lease Agreement
2. Exhibit "A" Slip Location Map

FOR AGENDA OF: March 4th 2021

DEPT. OF ORIGIN: Marina

DATE SUBMITTED: March 4th 2021

CLEARANCES:
[ ] Community Development ____
[X] Marina KB
[ ] Parks, Recreation & Senior Services ____
[ ] Public Works ____

CHIEF OPERATIONS OFFICER: ____

[X] Legal /s/ TG
[X] Finance ____
[ ] Courts ____
[ ] Police ____

APPROVED BY CITY MANAGER FOR SUBMITTAL: ____

Purpose and Recommendation

The purpose of this agenda item is to request Council's approval for a lease agreement between Carefree Boat Club and the Marina for the use of 3-28ft covered moorage on J Dock, slips 49, 51, and 53, for the purpose of operating a Boating Club with established and future Club members.

Suggested Motion

Motion 1: "I move to approve the lease agreement with Carefree Boat Club for moorage, and authorize the City Manager to sign the agreement substantially in the form as attached"

Background:

Carefree Boat Club is a nationwide network of boat clubs with both nationwide and worldwide reach. The Seattle based club was established in 2016 with 10 boats and two locations in Washington State. Carefree has since expanded to six locations and over 30 vessels, moored in Marinas located at Lake Union, Shilshole Bay, Bellevue, Kirkland, Bellingham, and Lake Chelan.

Members of the Carefree Boat Club of Seattle pay a yearly membership fee for the privilege of reserving any of the boats in the club's fleet. Club staff meets members at the dock at the beginning and the end of each reservation to ensure that the boat is clean, fueled, and appropriately equipped; to assist with loading and unloading; and to ensure that the member will have a safe trip. Club members have access to free training from licensed instructors as well as reservations from other Carefree Boat Clubs.

Carefree Boat Club wishes to expand their club to include the Des Moines Marina to provide greater access to their members to Puget Sound boating. This location will be the prime access point for members to boating in South Puget Sound.

Discussion

Carefree Boat Club offers a great new alternative to boat ownership. With membership into their club, one doesn't need to worry about maintenance, trailering, moorage, usage fees, insurance, or cleaning. Their fleet is comprised of newer Ranger Boats, Pontoon boats and others, all kept in pristine condition. Included within membership is, unlimited complimentary training and valet docking service. Membership also includes use of all vessels in their fleet throughout all their various locations.

This lease also provides the opportunity for Club members, whether members of the local club or members of an out-of-state or international club, to experience what the Des Moines Marina and the marina district have to offer, and to return in the future. It will also offer the opportunity for local residents who would enjoy this model of boat sharing a convenient location to start and end their trips, if they choose. Club members who graduate to boat ownership are also potential Marina tenants.

The Marina receives numerous inquiries about boat rentals, suggesting that the demand for boat sharing opportunities is real in Des Moines. The Marina's proximity to the Airport makes this a very attractive opportunity for the fly in customers.

Alternatives

The City Council may decline to approve the agreement. This alternative would result in lost revenue for the Marina.

Financial Impact

The monthly rent of $1,122.90 plus Lease-hold tax is the combined total of 3-28ft slips within a commercial lease agreement. The size of slip that will be leased under this lease are rarely, if ever, filled to capacity. This lease provides stable occupancy and income that the Marina would likely not realize otherwise and is not displacing other tenants.

Recommendation

Staff recommends that the City Council approve the lease agreement with Carefree Boat Club.

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Attachment #1

LEASE FOR MARINA FACILITIES

This Lease is entered into between the CITY OF DES MOINES, a municipal corporation (hereinafter "Lessor") and Satori Solutions LLC, dba Carefree Boat Club of Seattle, a Washington limited liability corporation (hereinafter "Lessee").

(1) Terms and Premises. Lessor grants to Lessee for a term of one year, commencing on the first day of April 2021 and ending on the 31st of March 2022 the exclusive right to use and occupy certain real and personal property located at the Des Moines Marina. Such property shall be hereinafter referred to as "premises". The premises are generally described as mooring slips J-49, J-51, J-53 (all 28 foot covered slips), Owing to the difficulty of writing a legal description for the premises, the premises are schematically described on the diagram attached hereto as Exhibit "A" and by this reference incorporated herein.

(2) Conditions of use. The following conditions shall apply to the use of the leased area.

(a) The lessee is authorized to operate as a Boating Club with established members.

(b) The lessee may provide the use of Lessee-owned boats moored under this agreement to Club Members pursuant to a membership agreement.

(c) Club members and member's guests shall be given access to the boat via marina float by Lessee or an authorized employee of Lessee who shall be responsible for member(s) and guest(s) until they exit the Marina.

(d) Upon return to the Marina at the end of the reservation, club members shall be greeted by Lessee or authorized employee of Lessee who shall be responsible for club member(s) and guest(s) until they exit restricted areas of the Marina.

(e) Lessee shall not allow access to Marina floats to any person other than Club members in connection with the reservation of a boat moored under this agreement; guests of a member on such reservation; or employees of Lessee on bona fide business activities permitted under this agreement. No casual use of floats by Lessee or invitees is permitted.

(f) Lessor shall provide six (6) parking/float access devices and six (6) mirror hangers authorizing overnight parking to Lessee. Lessee may provide mirror hangers to Club Members or their guests during the term of a reservation to allow the member or guest to park overnight in the Marina Parking Lot. Lessee shall repossess mirror hangers when the reservation ends. Access to the Marina Parking Lot by access device shall only be for Lessee or Lessee's employees and agents for bona fide business reasons. All access devices and mirror hangers shall be returned to Lessor upon termination of this agreement.

(g) Lessor shall provide eighteen (18) parking coupons to Lessee at no additional charge for the purpose of allowing Club Members to exit the Marina Parking Lot without payment upon the end of a reservation. Additional coupons may be purchased by Lessee at the cost of three dollars ($3.00) each. Coupons may not be used for any other purpose than is specified in this paragraph. If the option provision in paragraph 5 is exercised, Lessor shall provide an additional eighteen parking coupons at the beginning of each new option year.

(3) Additional Facilities. Lessor and Lessee reserve the right to negotiate for expansion, and/or relocation of the premises. Lessee may also be placed on the waiting list for additional slips. The decision to allow the Lessee to Lease additional slips shall be at the sole discretion of the City of Des Moines.

Lessee may sub-lease other slips in the Marina, subject to Marina Rule 3.0. Lessee will be charged the regular and customary rate for such sub-leases. Marina facilities other than Leased or sub-leased facilities will be available to the Lessee at the regular posted rates therefore.

(4) Rent. Monthly rent shall be $1,122.90 (one thousand one hundred twenty two and 90 cents) plus State Lease-hold Tax, payable in advance on or before the first day of each month of this Lease. During the term of this lease and any options exercised by the Lessee the monthly rent will be increased each subsequent year in January by the same percentage increase applied to all other slips of the same size and type.

(5) Option The Lessee shall have the option to extend the Lease for two (2) additional one (1) year terms. Such option must be exercised in writing by the lessee not later than 60 days before the expiration date of the original term or the subsequent term.

(6) Inspection of Moorage. During business hours, the City Manager, or his designated agent, shall have the right to inspect the dock structure. The right of inspection reserved to the City hereunder shall impose no obligation of the City to make inspections to ascertain the conditions of the premises and shall impose no liability upon the City for failure to make such inspections.

(7) Utilities. In addition to the above rent, Lessee shall be required to pay, within ten (10) days after billed, all utilities furnished to the premises, except surface water management charges and water, which are included in the monthly rent. Power rates billed to the Lessee shall billed at the rates posted in the Marina office.

(8) Sales and Real Property Taxes. If required by law, Lessee shall be required to pay any sales tax on the rent or any property taxes or Leasehold tax, if levied.

(9) Restrictions on use of Leased Premises.

(a) The sale of gas, diesel fuels and propane gas is prohibited except when used by Lessee to test work performed and the excess conveyed to customer.

(b) The leased area may be structurally modified by Lessee only after prior written consent of Lessor. All additions and modifications permanently attached to structures shall be at the expense of Lessee and shall become the property of Lessor at the termination of this Lease and any extension thereof. Any non-attached additions, lighting fixtures, furniture and trade fixtures ever added by Lessee, which are removable without injury to the premises, shall be and remain the property of Lessee. Only such modifications that would normally be approved under the current Rules and Regulations of the Des Moines Marina will be allowed.

(10) Conduct of Business. Lessee shall be required to follow all City Ordinances, Federal, State and County laws and the Rules and Regulations of the Des Moines Marina. This shall include provisions of the Des Moines Municipal Code relating to Business Licenses and taxation under Titles 3 and 5 DMMC. The Lessor shall have the right to restrict certain types of operations during the hours of 10 P.M. to 6 A.M. if they create a nuisance or have a detrimental effect upon adjacent residents and Marina tenants.

(11) Duties of Lessor. Lessor will at all times during the tenancy:

(a) Comply with all City ordinances, state, and federal regulations and any special provisions in this Lease related to environmental protection.

(b) Maintain the premises to substantially comply with all applicable codes, statutes, ordinances, or regulations pertaining to the Leased premises;

(c) Except where the conditions attributable to normal wear and tear, make repairs and arrangements necessary to put the premises in as good condition as it was at the commencement of the tenancy;

(d) Maintain all electrical, plumbing, heating, and other facilities in reasonably good working order;

(e) No duty shall devolve upon the Lessor to repair a defective condition where the defective condition complained of was caused by the conduct of Lessee.

(12) Duties of Lessee. Lessee accepts the premises in its present condition, and will at all times during the tenancy:

(a) Will possess and maintain all required U.S. Coast Guard licenses and certificates.

(b) Comply with all city, state, and federal regulations related to environmental protection, and any special provisions described in this Lease.

(c) Keep the Leased premises as clean and sanitary as the conditions of the premises permit;

(d) Properly dispose all solid waste, liquids, and hazardous waste in a clean and lawful manner at reasonable and regular intervals;

(e) Properly use and operate all electrical, gas, heating, plumbing and other fixtures.

(f) Not permit a nuisance or common law waste.

(g) Not allow junk or debris to accumulate on the demised premises;

(h) At the expiration of the Lease term, or any extension thereof, surrender the premises in as good condition as they were at the beginning of the term, reasonable wear and tear excepted.

(i) Ensure that Lessee's agents, employees, Club Members, guests, contractors, and invitees comply with Lessee's duties under this agreement.

(13) Indemnification. Lessee shall defend, indemnify, and hold harmless the Lessor, its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of Lessee's use of Premises, or from the conduct of Lessee's business, or from any activity, work or thing done, permitted, or suffered by Lessee in or about the Premises, except only such injury or damage as shall have been occasioned by the sole negligence of the Lessor. It is further specifically and expressly understood that the indemnification provided herein constitutes the Lessee's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated and agreed to by the Lessee and Lessor. The provisions of this section shall survive the expiration or termination of this Lease.

(14) Insurance.

A. Insurance Term. The Lessee shall procure and maintain for the duration of the Lease, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Lessee's operation and use of the leased Premises.

B. No Limitation. The Lessee's maintenance of insurance as required by the Lease shall not be construed to limit the liability of the Lessee to the coverage provided by such insurance, or otherwise limit the Lessor's recourse to any remedy available at law or in equity.

C. Minimum Scope of Insurance. The Lessee shall obtain insurance of the types and coverage described below:

1. Commercial General Liability insurance shall be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover premises and contractual liability. The Lessor shall be named as additional an insured on Lessee's Commercial General Liability insurance policy using ISO Additional Insured-Managers or Lessors of Premises Form CG 20 11 or a substitute endorsement providing at least as broad coverage.

2. Property insurance shall be written on an all risk basis.

D. Minimum Amounts of Insurance. The Lessee shall maintain the following insurance limits:

1. Commercial General Liability insurance shall be written with limits no less than $2,000,000 each occurrence, $2,000,000 general aggregate.

2. Property insurance shall be written covering the full value of Lessee's property and improvements with no coinsurance provisions.

E. Other Insurance Provisions. The Lessee's Commercial General Liability insurance policy or policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the Lessor. Any insurance, self-insurance, or self-insured pool coverage maintained by the Lessor shall be excess of the Lessee's insurance and shall not contribute with it.

F. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

G. Verification of Coverage. The Lessee shall furnish the Lessor with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Lessee.

H. Waiver of Subrogation. Lessee and Lessor hereby release and discharge each other from all claims, losses and liabilities arising from or caused by any hazard covered by property insurance on or in connection with the Premises or said building. This release shall apply only to the extent that such claim, loss or liability is covered by insurance.

I. Notice of Cancellation. The Lessee shall provide the Lessor with written notice of any policy cancellation within two business days of their receipt of such notice.

J. Failure to Maintain Insurance. Failure on the part of the Lessee to maintain the insurance as required shall constitute a material breach of lease, upon which the Lessor may, after giving five business days notice to the Lessee to correct the breach, terminate the Lease or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the Lessor on demand.

K. Lessor Full Availability of Lessee Limits. If the Lessee maintains higher insurance limits than the minimums shown above, the Lessor shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Lessee, irrespective of whether such limits maintained by the Lessee are greater than those required by this Lease or whether any certificate of insurance furnished to the Lessor evidences limits of liability lower than those maintained by the Lessee.

(15) Sign. Lessee shall be permitted to install signs as are permitted by the Des Moines Municipal Code.

(16) Assignment. Lessee shall not assign this Lease or the rights granted hereunder or sublet the premises or any part thereof without first obtaining written consent of the City. Such consent shall not be unreasonably withheld. Lessor and Lessee recognize that the primary purpose of this Lease is to operate a boating club and, accordingly, the primary standards for approving assignment or sublease shall be as follows: the qualifications, business ability, financial capability, technical competence, personal reputation and integrity of the proposed assignee(s) and the continuity of the business operation as a boating club.

(17) Mediation/Arbitration Clause. If a dispute arises from or relates to this Agreement or the breach thereof and if the dispute cannot be resolved through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by a mediator under applicable rules of the American Arbitration Association. The mediator may be selected by agreement of the parties or through the American Arbitration Association. Following mediation, or upon the mutual written agreement of the parties to forgo the mediation process, any unresolved controversy or claim arising from or relating to this Agreement or breach thereof shall be settled through arbitration which shall be conducted under the American Arbitration Association's Arbitration Rules. The arbitrator may be selected by agreement of the parties or through the American Arbitration Association. All fees and expenses for mediation or arbitration shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence.

(18) Default.

(a) Event of Default. Each of the following shall be deemed an Event of Default:

(i) Failure to make full and timely payment of rent;

(ii) Failure by Lessee to perform or observe any covenant or condition of this Lease which is to be performed or observed by Lessee;

(iii) Abandonment of the premises;

(iv) The filing of execution or occurrence of:

(A) An adjudication of Lessee as a bankrupt or insolvent in the bankruptcy or equity sense, or;

(B) An assignment for the benefit of creditors, whether by trust or otherwise, or;

(C) The taking by any person of the rights hereunder upon execution or attachment or other process of law or equity.

(b) Cure of Default. Lessee may cure a default, except for failure to make full and timely payment of rent, and this Lease shall remain in effect, provided that Lessee cure such default or enters into good faith efforts with Lessor to cure such default, within fifteen (15) days of receiving written notice of default by Lessor. Lessee shall notify Lessor in writing of his intent to cure default and the amount of time required to cure the default. Subsequent failure of Lessee to cure the default under this subsection within a reasonable time shall be grounds for termination of the Lease.

(c) Termination of Lease. If Lessee fails to cure any default within the period of time described in the preceding subsection "b" herein, the Lessor may at its option, in addition to any other remedy or right given hereunder or by law,

(i) Except for failure to make full and timely payment of rent, give notice to Lessee that this Lease shall terminate upon the date specified in the notice, which date shall be not earlier than thirty (30) days after the giving of such notice, or

(ii) Immediately or at any time after occurrence of such Event of Default, and without notice or demand, enter upon the premises or any part thereof in the name of the whole, and upon the date specified in such notice or in any other notice pursuant to law, or upon such entry this Lease and the term thereof shall terminate.

(d) Repossession. Upon termination of this Lease as herein above provided, the Lessor may enter forthwith without further demand or notice and resume possession either by summary proceedings, or by action at law or in equity or by force or other-wise, as the Lessor may determine, without being liable in trespass. In no event shall such reentry or resumption of possession or reletting as hereinafter provided be deemed to be a waiver of the rights and remedies of the Lessor hereunder.

(e) Reletting. Upon termination of this Lease in any manner above provided, the Lessor shall use reasonable efforts to relet the premises. The Lessor shall be deemed to have used reasonable efforts if it Leases the whole or any part of the premises, separately or with other premises, for any period equal to or less than, or extending beyond, the remainder of the original term, for any sum or to any tenant or for any use it deems reasonably satisfactory or appropriate. Refusal to let to any person or for any use the Lessor deems objectionable, or for a use not expressly permitted under paragraph 2 of this Lease shall also be deemed a reasonable effort to relet.

(f) Damages. Upon termination of this Lease in any manner above provided, the Lessee shall pay the Lessor forthwith without demand or notice the sum of the following:

(i) All rent accrued to the date of such termination and a proportionate part of the rent otherwise payable for the month in which such termination occurs;

(ii) The cost of making all repairs, alterations and improvements required to be made by the Lessee hereunder, and of performing all covenants of the Lessee relating to the condition of the dock structure during the term, such cost to be deemed prima facie to be that cost estimated by a reputable architect or contractors selected by the Lessor or the amounts reasonable expended or incurred thereinafter by the Lessor; and

(iii) Such other damages as are proper under applicable provisions of statutory and common law.

(19) Cancellation by Lessee. Lessee shall have the right to cancel this Lease upon ninety (90) days written notice. During such ninety-(90) day period the parties shall enter into a cancellation agreement defining the rights and duties of the parties upon cancellation of this Lease. There shall be two (2) mandatory provisions contained in the cancellation agreement: (1) following the ninety (90) day notice period, Lessee shall have no further obligation to pay rent, (2) on the effective date of the ninety (90) day notice, Lessee shall vacate the premises and Lessor shall have the right to re-enter and re-let. As to any other term of the cancellation agreement, should the parties be unable to agree on any provision, it shall be submitted to arbitration as provided in paragraph 17 herein.

(20) Written Notice. All notices, requests, demands, and other communications required or permitted under the Lease must be in writing. As of the effective date, Lessee maintains its right to receive notice affecting the Lease. Notice will be deemed to have been duly given immediately upon being mailed with postage prepaid to respective addresses, as follows:

Lessee:	Mailing Address	1900 W Nickerson St, Suite 112 Seattle, WA, 98119-1650
	Physical Address	(same as above)
Lessor:		City of Des Moines Attention City Manager 21630 11th Ave. So., Suite A, Des Moines, WA 98198

Upon change of address, each party shall provide the updated address to all parties within ten (10) days after the effective date of the change of address. Failure to provide the updated address constitutes waiver of the right to notice under this section.

(21) This Lease shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

(22) Entire Lease. The written provisions and terms of this Lease, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Lease. All of the attached documents are hereby made a part of this Lease. However, should any language in any of the Attachments to this Lease conflict with any language contained in this Lease, the terms of this Lease shall prevail.

(23) Ratification/Confirmation. Any acts consistent with the authority and prior to the effective date of this Lease are hereby ratified and confirmed.

(24) Counterparts. This Lease may be executed in any number of counterparts, each of which shall constitute an original, and all of which will together constitute this one Lease.

IN WITNESS WHEREOF, Lessor and Lessee have affixed their signatures on the dates below written signifying agreement to the terms and conditions of the foregoing Lease for Marina Facilities.

LESSEE: Satori Solutions LLC
dba Carefree Boat Club of Seattle

By: ______________________________
Justin Wolff, Governor

Date:______________________________

LESSOR: City of Des Moines

By:______________________
Michael Matthias, Its City Manager

At the direction of the City Council by motion regularly passed in its open public meeting on ____________,2021.

Date:______________________________

APPROVED AS TO FORM:

____
Timothy A. George
City Attorney

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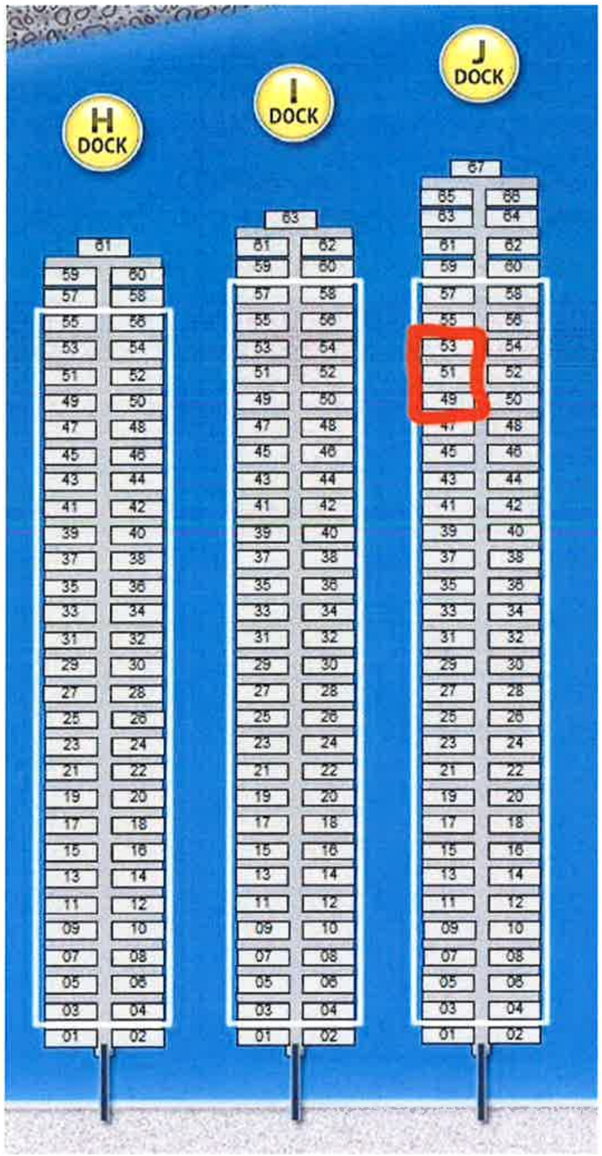
Attachment #2



Consent Calendar Item #5

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Lease with Mike Rice dba, Puget Sound Sailing Institute LLC

ATTACHMENTS:

1. Lease agreement.
2. Exhibit "A" Slip Location Map

FOR AGENDA OF: March 4th 2021

DEPT. OF ORIGIN: Marina

DATE SUBMITTED: March 4th 2021

CLEARANCES:
[ ] Community Development ____
[X] Marina KB
[ ] Parks, Recreation & Senior Services ____
[ ] Public Works ____

CHIEF OPERATIONS OFFICER:

[X] Legal /s/ TG
[X] Finance
[ ] Courts ____
[ ] Police ____

APPROVED BY CITY MANAGER FOR SUBMITTAL:

Purpose and Recommendation

The purpose of this agenda item is to request Councils approval for a lease agreement between Puget Sound Sailing Institute and the Des Moines Marina to lease space in slips H-58, and J-02, of the Marina for the purpose of mooring sailboats for member use and training.

Suggested Motion

Motion 1: "I move to approve the lease agreement with Puget Sound Sailing Institute LLC for moorage and authorize the City Manager to sign the agreement substantially in the form as attached."

Background:

Puget Sound Sailing Institute have been tenants of the Marina since 2017. Michael Rice started Puget Sound Sailing in 1985 and has been awarded ASA Instructor of the Year a record breaking 9 times.. Puget Sound Sailing Institute is an ASA accredited sailing school, offering classes from basic Sailing all the way up to Offshore Passage-making. Puget Sound Sailing Institute also offers a Sailing Club, so students can continue their enjoyment of sailing.

The current lease with Puget Sound Sailing Institute has expired, and they wish to renew the agreement with new locations for their vessels within the Marina. They have always been in good standing as lessees.

Discussion:

This lease agreement would continue a successful relationship with a good and valuable tenant of the Marina. In addition to providing direct revenue to the Marina through fees due under this agreement, the tenant's business also draws individuals who have a love of maritime activities on Puget Sound to the Marina and the marina district who may not have had other reason to experience Des Moines. Graduates of PSSI who own or purchase boats in the future are potential tenants or customers of the Marina.

Alternatives:

The City may decline approval of the agreement. This alternative would result in lost revenue for the Marina.

Financial Impact:

Monthly rent of $513.89 plus leasehold tax, is the combination of two slips within a commercial lease agreement.

Recommendation

Staff recommends that the City Council approve the lease with Puget Sound Sailing institute LLC.

Attachment #1

LEASE FOR MARINA FACILITIES

This Lease is entered into between the CITY OF DES MOINES, a municipal corporation (hereinafter "Lessor") and, PUGET SOUND SAILING INSTITUTE, LLC, a Washington limited liability corporation (hereinafter "Lessee").

(1) Terms and Premises. Lessor grants to Lessee for a term of two years, commencing on the fifteenth day of February 1, 2021 and ending on the 31st of January, 2023 the exclusive right to use and occupy certain real and personal property located at the Des Moines Marina. Such property shall be hereinafter referred to as "premises". The premises are generally described as mooring slip H-58 (a 28 foot open slip) and J-02 (a 24 foot open slip). Owing to the difficulty of writing a legal description for the premises, the premises are schematically described on the diagram attached hereto as Exhibit "A" and by this reference incorporated herein.

(2) Conditions of use. The following conditions shall apply to the use of the leased area.

(a) The lessee intends to operate as a sailing club with established members.

(b) The lessee will provide sailing lessons to the general public and will also have the right to conduct Skippered charters.

(c) Casual use of the dock by invitees of the Lessee, or any other use that may compete with the guest moorage business of the Lessor, is not allowed.

(3) Additional Facilities. Lessor and Lessee reserve the right to negotiate for expansion, and/or relocation of the premises. Lessee may also be placed on the waiting list for additional slips. The decision to allow the Lessee to Lease additional slips shall be at the sole discretion of the City of Des Moines.

Lessee may sub-lease other slips in the Marina, subject to Marina Rule 3.0. Lessee will be charged the regular and customary rate for such sub-leases. Marina facilities other than Leased or sub-leased facilities will be available to the Lessee at the regular posted rates therefore.

(4) Rent. Monthly rent shall be $513.89 (five hundred thirteen dollars and 89 cents), plus State Lease-hold Tax, payable in advance on or before the first day of each month of this Lease. During the term of this lease and any options exercised by the Lessee the monthly rent will be increased each subsequent year in January by the same percentage increase applied to all other slips of the same size and type.

(5) Option The Lessee shall have the option to extend the Lease for two (2) additional one (1) year terms. Such option must be exercised in writing by the lessee not later than 60 days before the expiration date of the original term or the subsequent term.

(6) Inspection of Moorage. During business hours, the City Manager, or his designated agent, shall have the right to inspect the dock structure. The right of inspection reserved to the City hereunder shall impose no obligation of the City to make inspections to ascertain the conditions of the premises and shall impose no liability upon the City for failure to make such inspections.

(7) Utilities. In addition to the above rent, Lessee shall be required to pay, within ten (10) days after billed, all utilities furnished to the premises, except surface water management charges and water, which are included in the monthly rent. Power rates billed to the Lessee shall billed at the rates posted in the Marina office.

(8) Sales and Real Property Taxes. If required by law, Lessee shall be required to pay any sales tax on the rent or any property taxes or Leasehold tax, if levied.

(9) Restrictions on use of Leased Premises.

(a) The sale of gas, diesel fuels and propane gas is prohibited except when used by Lessee to test work performed and the excess conveyed to customer.

(b) The leased area may be structurally modified by Lessee only after prior written consent of Lessor. All additions and modifications permanently attached to structures shall be at the expense of Lessee and shall become the property of Lessor at the termination of this Lease and any extension thereof. Any non-attached additions, lighting fixtures, furniture and trade fixtures ever added by Lessee, which are removable without injury to the premises, shall be and remain the property of Lessee. Only such modifications that would normally be approved under the current Rules and Regulations of the Des Moines Marina will be allowed.

(10) Conduct of Business. Lessee shall be required to follow all City Ordinances, Federal, State and County laws and the Rules and Regulations of the Des Moines Marina. The Lessor shall have the right to restrict certain types of operations during the hours of 10 P.M. to 6 A.M. if they create a nuisance or have a detrimental effect upon adjacent residents and Marina tenants.

(11) Duties of Lessor. Lessor will at all times during the tenancy:

(a) Comply with all City ordinances, state, and federal regulations and any special provisions in this Lease related to environmental protection.

(b) Maintain the premises to substantially comply with all applicable codes, statutes, ordinances, or regulations pertaining to the Leased premises;

(c) Except where the conditions attributable to normal wear and tear, make repairs and arrangements necessary to put the premises in as good condition as it was at the commencement of the tenancy;

(d) Maintain all electrical, plumbing, heating, and other facilities in reasonably good working order;

(e) No duty shall devolve upon the Lessor to repair a defective condition where the defective condition complained of was caused by the conduct of Lessee.

(12) Duties of Lessee. Lessee accepts the premises in its present condition, and will at all times during the tenancy:

(a) Will possess and maintain all required U.S. Coast Guard licenses and certificates.

(b) Comply with all city, state, and federal regulations related to environmental protection, and any special provisions described in this Lease.

(c) Keep the Leased premises as clean and sanitary as the conditions of the premises permit;

(d) Properly dispose all solid waste, liquids, and hazardous waste in a clean and lawful manner at reasonable and regular intervals;

(e) Properly use and operate all electrical, gas, heating, plumbing and other fixtures.

(f) Not permit a nuisance or common law waste.

(g) Not allow junk or debris to accumulate on the demised premises;

(h) At the expiration of the Lease term, or any extension thereof, surrender the premises in as good condition as they were at the beginning of the term, reasonable wear and tear excepted.

(13) Indemnification. Lessee shall defend, indemnify, and hold harmless the Lessor, its officers, officials, employees and volunteers from and against any and all claims, suits, actions, or liabilities for injury or death of any person, or for loss or damage to property, which arises out of Lessee's use of Premises, or from the conduct of Lessee's business, or from any activity, work or thing done, permitted, or suffered by Lessee in or about the Premises, except only such injury or damage as shall have been occasioned by the sole negligence of the Lessor. It is further specifically and expressly understood that the indemnification provided herein constitutes the Lessee's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated and agreed to by the Lessee and Lessor. The provisions of this section shall survive the expiration or termination of this Lease.

(14) Insurance.

A. Insurance Term. The Lessee shall procure and maintain for the duration of the Lease, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the Lessee's operation and use of the leased Premises.

B. No Limitation. The Lessee's maintenance of insurance as required by the

Lease shall not be construed to limit the liability of the Lessee to the coverage provided by such insurance, or otherwise limit the Lessor's recourse to any remedy available at law or in equity.

C. Minimum Scope of Insurance. The Lessee shall obtain insurance of the types and coverage described below:

1. Commercial General Liability insurance shall be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover premises and contractual liability. The Lessor shall be named as additional an insured on Lessee's Commercial General Liability insurance policy using ISO Additional Insured-Managers or Lessors of Premises Form CG 20 11 or a substitute endorsement providing at least as broad coverage.

2. Property insurance shall be written on an all risk basis.

D. Minimum Amounts of Insurance. The Lessee shall maintain the following insurance limits:

1. Commercial General Liability insurance shall be written with limits no less than $2,000,000 each occurrence, $2,000,000 general aggregate.

2. Property insurance shall be written covering the full value of Lessee's property and improvements with no coinsurance provisions.

E. Other Insurance Provisions. The Lessee's Commercial General Liability insurance policy or policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the Lessor. Any insurance, self-insurance, or self-insured pool coverage maintained by the Lessor shall be excess of the Lessee's insurance and shall not contribute with it.

F. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

G. Verification of Coverage. The Lessee shall furnish the Lessor with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Lessee.

H. Waiver of Subrogation. Lessee and Lessor hereby release and discharge each other from all claims, losses and liabilities arising from or caused by any hazard covered by property insurance on or in connection with the Premises or said building. This release shall apply only to the extent that such claim, loss or liability is covered by insurance.

I. Notice of Cancellation. The Lessee shall provide the Lessor with written notice of any policy cancellation within two business days of their receipt of such notice.

J. Failure to Maintain Insurance. Failure on the part of the Lessee to maintain the insurance as required shall constitute a material breach of lease, upon which the Lessor may, after giving five business days notice to the Lessee to correct the breach, terminate the Lease or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the Lessor on demand.

K. Lessor Full Availability of Lessee Limits. If the Lessee maintains higher insurance limits than the minimums shown above, the Lessor shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Lessee, irrespective of whether such limits maintained by the Lessee are greater than those required by this Lease or whether any certificate of insurance furnished to the Lessor evidences limits of liability lower than those maintained by the Lessee.

(15) Sign. Lessee shall be permitted to paint or install such signs as are permitted by the Des Moines Municipal Code.

(16) Assignment. Lessee shall not assign this Lease or the rights granted hereunder or sublet the premises or any part thereof without first obtaining written consent of the City. Such consent shall not be unreasonably withheld. Lessor and Lessee recognize that the primary purpose of this Lease is to operate a sailing club and provide sailing lessons to the general public and, accordingly, the primary standards for approving assignment or sublease shall be as follows: the qualifications, business ability, financial capability, technical competence, personal reputation and integrity of the proposed assignee(s) and the continuity of the business operation as a sailing club.

(17) Mediation/Arbitration Clause. If a dispute arises from or relates to this Agreement or the breach thereof and if the dispute cannot be resolved through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by a mediator under applicable rules of the American Arbitration Association. The mediator may be selected by agreement of the parties or through the American Arbitration Association. Following mediation, or upon the mutual written agreement of the parties to forgo the mediation process, any unresolved controversy or claim arising from or relating to this Agreement or breach thereof shall be settled through arbitration which shall be conducted under the American Arbitration Association's Arbitration Rules. The arbitrator may be selected by agreement of the parties or through the American Arbitration Association. All fees and expenses for mediation or arbitration shall be borne by the parties equally. However, each party shall bear the expense of its own counsel, experts, witnesses, and preparation and presentation of evidence.

(18) Default.

(a) Event of Default. Each of the following shall be deemed an Event of

Default:

(i) Failure to make full and timely payment of rent;

(ii) Failure by Lessee to perform or observe any covenant or condition of this Lease which is to be performed or observed by Lessee;

(iii) Abandonment of the premises;

(iv) The filing of execution or occurrence of:

(A) An adjudication of Lessee as a bankrupt or insolvent in the bankruptcy or equity sense, or;

(B) An assignment for the benefit of creditors, whether by trust or otherwise, or;

(C) The taking by any person of the rights hereunder upon execution or attachment or other process of law or equity.

(b) Cure of Default. Lessee may cure a default, except for failure to make full and timely payment of rent, and this Lease shall remain in effect, provided that Lessee cure such default or enters into good faith efforts with Lessor to cure such default, within fifteen (15) days of receiving written notice of default by Lessor. Lessee shall notify Lessor in writing of his intent to cure default and the amount of time required to cure the default. Subsequent failure of Lessee to cure the default under this subsection within a reasonable time shall be grounds for termination of the Lease.

(c) Termination of Lease. If Lessee fails to cure any default within the period of time described in the preceding subsection "b" herein, the Lessor may at its option, in addition to any other remedy or right given hereunder or by law,

(i) Except for failure to make full and timely payment of rent, give notice to Lessee that this Lease shall terminate upon the date specified in the notice, which date shall be not earlier than thirty (30) days after the giving of such notice, or

(ii) Immediately or at any time after occurrence of such Event of Default, and without notice or demand, enter upon the premises or any part thereof in the name of the whole, and upon the date specified in such notice or in any other notice pursuant to law, or upon such entry this Lease and the term thereof shall terminate.

(d) Repossession. Upon termination of this Lease as herein above provided, the Lessor may enter forthwith without further demand or notice and resume possession either by summary proceedings, or by action at law or in equity or by force or other-wise, as the Lessor may determine, without being liable in trespass. In no event shall such reentry or resumption of possession or reletting as hereinafter provided be deemed to be a waiver of the rights and remedies of the Lessor hereunder.

(e) Reletting. Upon termination of this Lease in any manner above provided, the Lessor shall use reasonable efforts to relet the premises. The Lessor shall be deemed to have used reasonable efforts if it Leases the whole or any part of the premises, separately or with other premises, for any period equal to or less than, or extending beyond, the remainder of the original term, for any sum or to any tenant or for any use it deems reasonably satisfactory or appropriate. Refusal to let to any person or for any use the Lessor deems objectionable, or for a use not expressly permitted under paragraph 2 of this Lease shall also be deemed a reasonable effort to relet.

(f) Damages. Upon termination of this Lease in any manner above provided, the Lessee shall pay the Lessor forthwith without demand or notice the sum of the following:

(i) All rent accrued to the date of such termination and a proportionate part of the rent otherwise payable for the month in which such termination occurs;

(ii) The cost of making all repairs, alterations and improvements required to be made by the Lessee hereunder, and of performing all covenants of the Lessee relating to the condition of the dock structure during the term, such cost to be deemed prima facie to be that cost estimated by a reputable architect or contractors selected by the Lessor or the amounts reasonable expended or incurred thereinafter by the Lessor; and

(iii) Such other damages as are proper under applicable provisions of statutory and common law.

(19) Cancellation by Lessee. Lessee shall have the right to cancel this Lease upon ninety (90) days written notice. During such ninety-(90) day period the parties shall enter into a cancellation agreement defining the rights and duties of the parties upon cancellation of this Lease. There shall be two (2) mandatory provisions contained in the cancellation agreement: (1) following the ninety (90) day notice period, Lessee shall have no further obligation to pay rent, (2) on the effective date of the ninety (90) day notice, Lessee shall vacate the premises and Lessor shall have the right to re-enter and re-let. As to any other term of the cancellation agreement, should the parties be unable to agree on any provision, it shall be submitted to arbitration as provided in paragraph 16 herein.

(20) Written Notice. All notices, requests, demands, and other communications required or permitted under the Lease must be in writing. As of the effective date, Lessee maintains its right to receive notice affecting the Lease. Notice will be deemed to have been duly given immediately upon being mailed with postage prepaid to respective addresses, as follows:

Lessee:	Mailing Address	5632 Marine View Drive Tacoma, WA 98422
	Physical Address	(same as above)
Lessor:		City of Des Moines

Attention City Manager
21630 11th Ave. So., Suite A,
Des Moines, WA 98198

Upon change of address, each party shall provide the updated address to all parties within ten (10) days after the effective date of the change of address. Failure to provide the updated address constitutes waiver of the right to notice under this section.

(21) This Lease shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

(22) Entire Lease. The written provisions and terms of this Lease, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Lease. All of the attached documents are hereby made a part of this Lease. However, should any language in any of the Attachments to this Lease conflict with any language contained in this Lease, the terms of this Lease shall prevail.

(23) Ratification/Confirmation. Any acts consistent with the authority and prior to the effective date of this Lease are hereby ratified and confirmed.

(24) Counterparts. This Lease may be executed in any number of counterparts, each of which shall constitute an original, and all of which will together constitute this one Lease.

IN WITNESS WHEREOF, Lessor and Lessee have affixed their signatures on the dates below written signifying agreement to the terms and conditions of the foregoing Lease for Marina Facilities.

LESSEE: Puget Sound Sailing Institute, LLC

By: ______________________________
Mike Rice, Governor

Date:_____________________________

LESSOR: City of Des Moines

By:______________________________
Michael Matthias, Its City Manager

At the direction of the City Council by motion regularly passed in its open public meeting on ____________, 2021.

Date:_____________________________

APPROVED AS TO FORM:

____
Timothy A. George
City Attorney

Attachment #2