

AGENDA

DES MOINES CITY COUNCIL REGULAR MEETING City Council Chambers VIA ZOOM

Thursday, March 10, 2022 - 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 completing a [council comment form](#) 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 complete the [council comment form](#) 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 meeting can also be viewed live on Comcast Channel 21/321 or on the City's [YouTube](#) channel.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CORRESPONDENCE

COMMENTS FROM THE PUBLIC VIA ZOOM/WRITTEN PUBLIC COMMENT

[Public Comment](#)

CITY MANAGER REPORT

- Item 1. CONSTRUCTION UPDATE
[Public Works and Planning, Building & Community Development Project Construction Updates](#)
- Item 2. DES MOINES MARINA ENTERPRISE
[The Des Moines Marina Enterprise](#)

CONSENT CALENDAR

- Item 1. APPROVAL OF VOUCHERS
Motion is to approve for payment vouchers through February 25, 2022 and payroll transfers through March 4, 2022 in the attached list and further described as follows:
- | | | |
|--|----------------|----------------|
| ACH/EFT Vendor Payments | #579-663 | \$1,302,059.03 |
| Electronic Wire Transfer | #1901-1901 | \$ 148,188.84 |
| Electronic Wire Transfer | #1903-1916 | \$1,438,033.74 |
| Electronic Wire Transfer | #1920-1920 | \$ 91,503.33 |
| Accounts Payable Checks | #163635-163724 | \$ 972,013.63 |
| Payroll Checks (2/20/22) | #19464-19465 | \$ 3,816.22 |
| Direct Deposit | #485-637 | \$ 393,273.38 |
| Payroll Checks (3/4/22) | #19466-19468 | \$ 3,227.04 |
| Direct Deposit | #640-798 | \$ 406,391.24 |
| Total Checks for wires for A/P and Payroll | | \$4,758,506.45 |
- [Vouchers](#)

NEW BUSINESS

SOUND VIEW PARK BUDGET AMENDMENTS
Staff Presentation: Public Works Director Andrew Merges
[Sound View Park Contingency Increase](#)
[Sound View Park](#)

INTRODUCTION OF ITEMS FOR FUTURE CONSIDERATION – 10 Minutes

BOARD & COMMITTEE REPORTS/ COUNCILMEMBER COMMENTS

(4 minutes per Councilmember) - 30 minutes

PRESIDING OFFICER'S REPORT

STEVEN J UNDERWOOD MEMORIAL SCHOLARSHIP

EXECUTIVE SESSION

NEXT MEETING DATE

March 24, 2022 City Council Regular Meeting

ADJOURNMENT

Bonnie Wilkins

From: JOAN B <JOANB222@msn.com>
Sent: Thursday, March 3, 2022 6:06 PM
To: _CityCouncil
Subject: Very Disappointed

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

Mayor, Deputy Mayor and Council,

I had really hoped you would make the correct decision tonight. All you have done is perpetuate the white good old boy club. You disrespected the whole community.

I guess it doesn't matter to you that Vic was less than honest regarding his reason for leaving his former position.

Joan Baily

From: notification@cityclerk.com
To: [City Council](#)
Subject: Contact Information 2022-03-03 04:07 PM(PST) Submission Notification
Date: Thursday, March 3, 2022 4:07:32 PM

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

Contact Information 2022-03-03 04:07 PM(PST) was submitted by Guest on 3/3/2022 7:07:30 PM (GMT-08:00) US/Pacific

Name		Value
First Name		Bob
Last Name		Birgenheier
Address1		
City		Des Moines
State		Washington
Zip		98198
Phone		2538867236
Email		bbirgenheier@hotmail.com
Subject		Support Tad & Vic
Comment		
Do you wish to be contacted by the City Clerk's Office with instructions on how to participate in the City Council Zoom meeting?		Yes
wantCopy		True
Email address		bbirgenheier@hotmail.com

To view this form submission online, please follow the link below:

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Bonnie Wilkins

From: Pam Harper <pamelamharper@yahoo.com>
Sent: Wednesday, March 9, 2022 7:58 PM
To: _CityCouncil
Subject: Animal Control - Des Moines, WA

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Hi,

I have been living in the Des Moines area for over 60 years and this is my first email (letter) to the City Council. I was recently informed that Des Moines no longer has an Animal Control Officer. Unfortunately I had to contact Scott Eatchel (DMAC) two years ago, the day before Thanksgiving. I went in my back yard at found two pit bulls acting aggressive and a feral cat that I had been feeding for 16 years (I trapped her and got her fixed so we would not have kittens running around) beheaded and skinned. I had named her Fluffy. It was a devastating sight. A couple of hours later I saw the same dogs, going after another dog on a leash and knocked the owner over, attacked two other dogs that needed to be treated for puncture wounds, and went after another cat, which the owner was able to shut the door just before they chomped down on the cats head.

Later I saw two Police Officers had caught the dogs and were taking them to CARES. Which I understand CARES does not have the capability to respond to calls or transport animals. I also saw that an Animal Control Officer was at the home where the pit bulls lived and was following up. Sadly the house that the dogs lived was completely fenced and he could not get in but there was another dead cat (or rather pieces of a dead cat) right outside the fence where the dogs had dug a hole to get out. Talking with Officer Eatchel he told me that the dogs were at CARES, the owner (although I was told he was in prison, and the house is a drug house and the dogs used for security, which most people in the neighborhood already believed) had fines to pay, had to get the dogs fixed, licensed, had to fix the fence, and would have random follow-up visits.

If we did not have an AC Officer, I am not sure what I would have done. I was afraid of the dogs, CARES could not pick them up, I was not about to try to transport them to CARES. I was also told just today that someone had trapped a feral cat and tried to take it to CARES but they were full and they need to take care of Burien first and Des Moines is secondary. CARES has been given information to pass on about FAF (Friends of the Animals Foundation) and F.C.A.T (Feral Cat Assistance and Trapping). I Called FCAT when Fluffy first showed up. I got her fixed, fed her everyday, and she earned her keep by getting rid of mice, rats, and moles that showed up when they built a new road and cut down a lot of trees a couple of doors down. She never left my yard. When I posted on the neighborhood app that we no longer had AC, many people were not aware and one posted that she heard (I had also heard this in the past) that any kittens that are found are put to sleep. I tend to believe this because someone stopped at my home and said that she had a feral cat and kittens in her yard. She was given a trap from Officer Magnuson and was able to trap the mother and one kitten. She could not find the other kitten and she said Officer Magnuson was going to put them down. I borrowed a trap and was able to catch two other kittens (which would have starved without their mother) and transported the kittens to FCAT.

Sorry this letter is so long, but one other item I want to voice my opinion on. I understand that you are doing a re-write of the "Animal" section of the DMMC, I am not sure if this is true or not but I was told that it is illegal to feed a feral cat. I am hoping this can be changed otherwise I would have been in violation when I was feeding Fluffy, and she was an amazing cat that had a horrific demise.

I am not sure what the answer is but I do know that we need a fully commissioned and sworn officer for Animal Control this is not a luxury it is a necessity. Possibly FAF or FCAT has helped other cities and has some ideas?

Kindly,
Pam Harper

From: notification@cityclive.com
To: [CityCouncil](#)
Subject: Contact Information 2022-03-03 07:43 PM(PST) Submission Notification
Date: Thursday, March 3, 2022 7:43:47 PM

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Contact Information 2022-03-03 07:43 PM(PST) was submitted by Guest on 3/3/2022 10:43:44 PM (GMT-08:00) US/Pacific

Name		Value
First Name		Nancy
Last Name		Kennedy
Address1		27039 10th Ave S
City		Des Moines
State		WA
Zip		98198
Phone		2533475124
Email		tkp2@comcast.net
Subject		I support the appointment of Yoshiko Grace Matsui to the open council seat.
Comment		Yoshiko Grace Matsui is the best qualified candidate up for an appointment to Des Moines City Council. I think it is time to speak truth and appoint a fresh voice with all the credibility to be the best public servant. No excuse not to appoint Yoshiko. It's the next right thing.
Do you wish to be contacted by the City Clerk's Office with instructions on how to participate in the City Council Zoom meeting?		No
wantCopy		True
Email address		

To view this form submission online, please follow the link below:

[review_url](#)

Bonnie Wilkins

From: Yoshiko Matsui <spark.matsui@gmail.com>
Sent: Thursday, March 3, 2022 7:04 PM
To: _CityCouncil
Subject: Thank you for your consideration

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Hello,

I wanted to make sure to thank Tad Doviak, Vic Pennington, and Priscilla Vargas for applying to the open City Council seat. I meant to thank them in my remarks and inadvertently omitted my thanks.

Best wishes,
Yoshiko Grace Matsui

From: notification@citycouncil.com
To: [City Council](#)
Subject: Contact Information 2022-03-03 05:11 PM (PST) Submission Notification
Thursday, March 3, 2022 5:11:34 PM

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

Contact Information 2022-03-03 05:11 PM (PST) was submitted by Guest on 3/3/2022 8:11:31 PM (GMT-08:00) US/Pacific

Name	
First Name	Sandra
Last Name	Mock
Address1	1205 S 228th St
City	Des Moines
State	WA
Zip	98198
Phone	2068181042
Email	saundram@mc.com
Subject	The Council seat appt

I'm sure I don't have to tell you that our little town has made national news, but not for the right reasons. Des Moines was tied to white supremacy, sedition, bigotry & open misogyny in an L.A times article highlighting Ethan Nordens participation in the January 6th Seditious capitol riots via the proud boys. His ties with Wally's and Des Moines noted. Mrs. Nordens, one of Wally's owners well known disparaging twitter remarks on the LGTB community have also been well published. The town was first informed about Wally's entertaining proud boy recruiting meetings back in 2017 and council did nothing, at least took you 2 full years to make a statement about hate. Things finally came to a head and Mike Nordens eventually was forced to disassociate from his son in public (making statements that were later proven untrue) but still employed Ethan in the back of house and Ethan's wife as the manager at Wally's, so still contributing to his son and his activities. My point

Comment

is this; the world is watching us right now. I don't want to make white supremacy comfortable here but if you appoint another white guy to the council when you have a perfectly qualified woman, whos perspective we have never had on council, well, i think you are missing an opportunity to say that other perspectives are important here, that we are NOT racist or bigoted and that we WANT to be inclusive and by seating Yoshiko, a person of color, who happens to be a lesbian(a voice and perspective that we have never had before) to this council you are saying just that! thank you!

Do you wish to be contacted by the City Clerk's Office with instructions on how to participate in the City Council Zoom meeting?	Yes
wantCopy	True
Email address	saundram@me.com

To view this form submission online, please follow the link below:
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Bonnie Wilkins

From: Colleen Wojciechowski <colleenwojo@comcast.net>
Sent: Friday, March 4, 2022 8:17 PM
To: _CityCouncil
Subject: Catalytic Converter Theft

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Good Evening,

I have lived in Des Moines since 1980. Not only do I live in this beloved community, I also work in Des Moines (at Wesley). My husband and I intend to stay and grow old in Des Moines.

My heart sank on Friday, 3/4 at 5:00 pm when I started my car to come home from work and it sounded like a huge roar. Some dumbass stole the catalytic converter out of my car, right in broad daylight. My car is a 2002 Sequoia which may seem old, but have kept it in excellent condition.

I am grateful it was me and not one of my elderly residents or another teammate. I wish to commend Officer S. Lamarsh who came and took the report. I shared video that one of my coworker took earlier in the day of a suspicious person "just in case" cause something didn't seem right she said.

I don't have any answers. I just hope we can do something about this problem.

Colleen Wojciechowski

Sent from my iPad

Public Works and Planning, Building & Community Development Project Construction Updates



March 10th, 2022
CITY OF DES MOINES

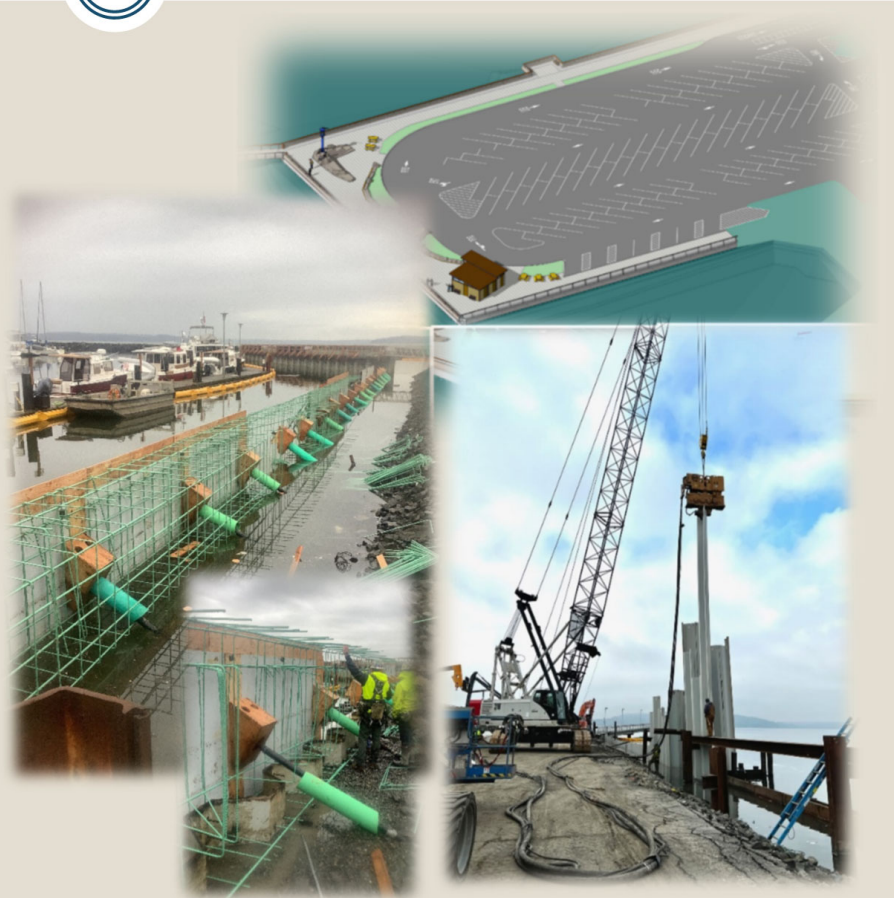
**ADMINISTRATIVE
BRIEFING**

Andrew Merges, PE, EMPA, Public Works Director
Denise E. Lathrop, AICP, Planning & Development Services Manager

North Marina Bulkhead & Restroom Replacement



- **Description**
 - Replace existing bulkhead & restroom
- **Work Completed**
 - Pile driving
 - Tieback anchors
 - Revetment installation
- **Work Underway**
 - Breakwater & bulkhead conc. cap installation
- **Schedule for Completion**
 - September 2022
- **Highlights**
 - In-water Federal permit work complete



Sound View Park



- **Description**
 - Park renovation & building demolition
- **Work Completed**
 - Retaining walls
 - Conc. deck stairs
 - Conc. ADA ramp
- **Work Underway**
 - Deck framing
 - Walkway subgrade & concrete
 - Implementation of Tribal art
- **Schedule for Completion**
 - April/May 2022



Downtown Alleyway Utility Undergrounding



- **Description**
 - Franchise utility undergrounding and alleyway paving S 226th to S 223rd
- **Work Completed**
 - All power and communication relocated underground
 - Paving completed
- **Work Underway**
 - Lumen pole removal (3 left)
- **Schedule for Completion**
 - Closeout Spring 2022



8th Ave S Water Main Replacement

- Description

- ILA with WD#54
- Paving 8th Ave S from S 227th St to S 223rd St

- Work Completed

- Water main replacement
- Paving completed

- Schedule for Completion

- Done!



Lower Woodmont Water Main Replacement

- **Description**

- ILA with Lakehaven
- Paving 8th Ave S, S 270th Pl, 7th Pl S, & S 272nd St

- **Work Completed**

- 3,000 LF AC water main replaced
- New guardrail on 8th Ave S

- **Work underway**

- Asphalt paving prep
- Asphalt restoration

- **Schedule for Completion**

- March/April 2022

- **Highlights**

- 8th Ave S shoulder for pedestrians



19-1 North Hill AC Water Main Replacement

- **Description**
 - ILA with Highline
 - Paving various N. Hill roadways
- **Work Completed**
 - AC Water main replacement
 - 2/3 Asphalt roadway paving
- **Work underway**
 - 1/3 Asphalt roadway paving
- **Schedule for Completion**
 - April/May 2022
- **Highlights**
 - Opportunity to include storm water improvements



Redondo Fishing Pier and Restroom Replacement



- **Description**
 - Fishing pier replacement
 - Restroom replacement/relocate
- **Work Completed**
 - 60% Fishing pier design
 - 90% Restroom design
 - Federal environmental permit applications submitted (Army Corps Lead Agency) – NMFS Delay Expected
- **Schedule for Completion**
 - Pending Corps permit decision
 - Construction fall/winter '23
- **Highlights**
 - WA appropriation \$900,000 CN Pier



Des Moines Theater



- **Description**

- Theater, retail, multi-use & 18 residential units

- **Highlights**

- Historic value retained with a blend of modern elements
- 7 Studio, 6 one-bedroom & 5 two bedroom apartments
- Theater space will be used as a live music-performance hall-movie venue
- Communal space provides an opportunity to activate alleyway



Seven 227 Mixed Use

716 S 227th Street

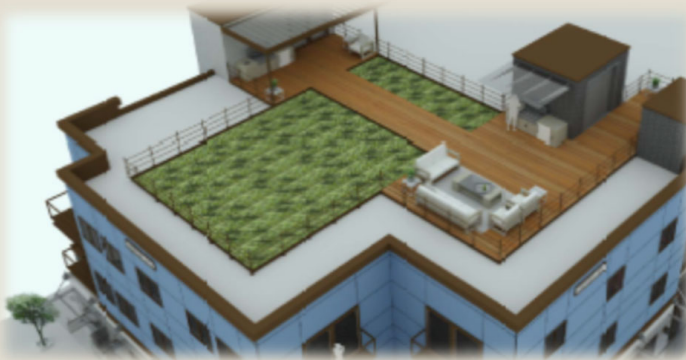


- Description

- 10 Apartments & 2,063 SF Commercial/Retail

- Highlights

- Entry Plaza at Corner
- 2,048 SF Rooftop Deck & Amenity Space
- Pedestrian & Frontage Improvements
- Parking Under Building



Pointe by Vintage

22837 Pacific Highway South



- Description

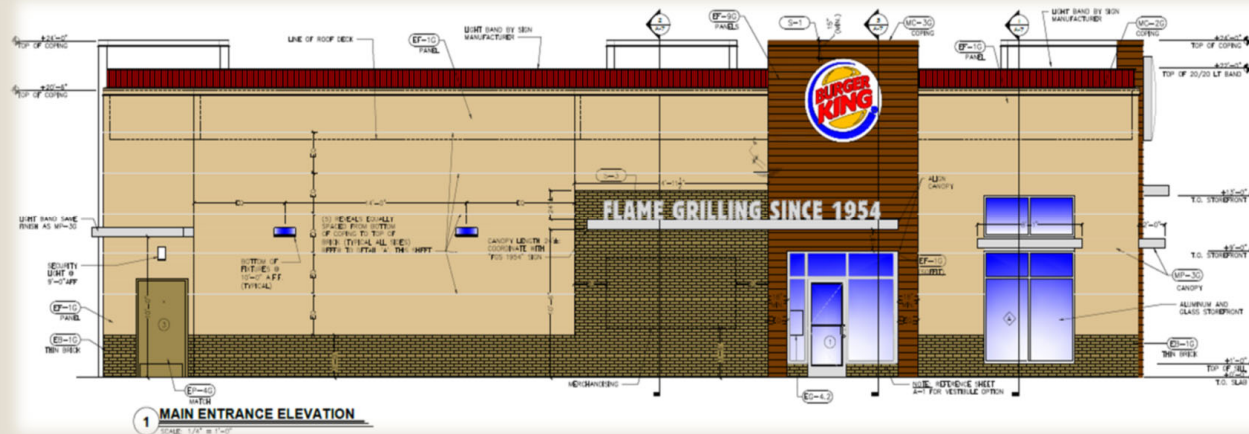
- 5 Story Mixed-use, 161 Living Units, Commercial, and Amenity Space

- Highlights

- Modern Design w/Commercial Frontage
- 4 Studios, 56 One-Bedroom & 101 Two-Bedroom (60% Area Median Income)
- 7,740 SF Commercial, 178 Parking Stalls (Two Levels), 8,050 SF Recreation Space



- [illegible]



Additional Strategic Priorities



- Future Council, Committee, and Goal Setting
 - Marina Dock Replacement, Ferry Service, Marina Redevelopment



The Des Moines Marina Enterprise

City Council Presentation

March 10, 2022

DAN BREWER, COO

SCOTT WILKINS, HARBORMASTER

KATY BEVEGNI, ASSISTANT HARBORMASTER



Purpose:

- Clarify the status of the Marina Enterprise.
 - Explain management strategy and requirements of the Marina.
 - Address a number of misconceptions about the Marina and the use of Marina funds.
 - Present Facts and Data.
- 

Misconceptions about the Marina

- The City took money from the Marina at the expense of replacing docks. Now, replacement is more expensive and those that pay for moorage and fuel will be stuck with costs.
- If the City had not “robbed” the Marina, the Marina would have had enough resources to cover the cost of the bulkhead replacement.
- The City has taken money from the Marina for years.
- The services the City provided the Marina were inflated in order to take money from the Marina fund to support the City.
- Leasehold excise tax payments from the Marina should be credited against the Marina’s Indirect Cost Allocation.
- Des Moines residents should get a discounted moorage rate.

The Des Moines Marina Enterprise

- The City operates the Marina as an Enterprise
 - Managed like a business
- The City accounts for Marina financial transactions in a separate and transparent fund
 - The Marina (Enterprise) Fund
- The City has 10 full time employees dedicated specifically to the Marina Enterprise
 - Harbor Master, Assistant Harbor Master, Office Staff, and Operations and Maintenance Staff
 - These are Direct Operating Expenses of the Marina
- The Marina relies upon other City staff to provide various “administrative functions” **of the Marina**
 - Finance, Legal, Human Resources, Information Technology, City Administration
 - These are Indirect Operating Expenses of the Marina: “Indirect Cost Allocation”

Indirect Cost Allocation

What is it?

The City's Support Service Departments:

- Finance
- Human Resources
- Information Technology
- Legal
- City Administration:
 - City Managers Office and City Clerk's Office
- City Council
- The Support Service Functions of these "Administrative" Departments are paid for by the City's Operating Departments.
- Greater efficiency with shared resources.

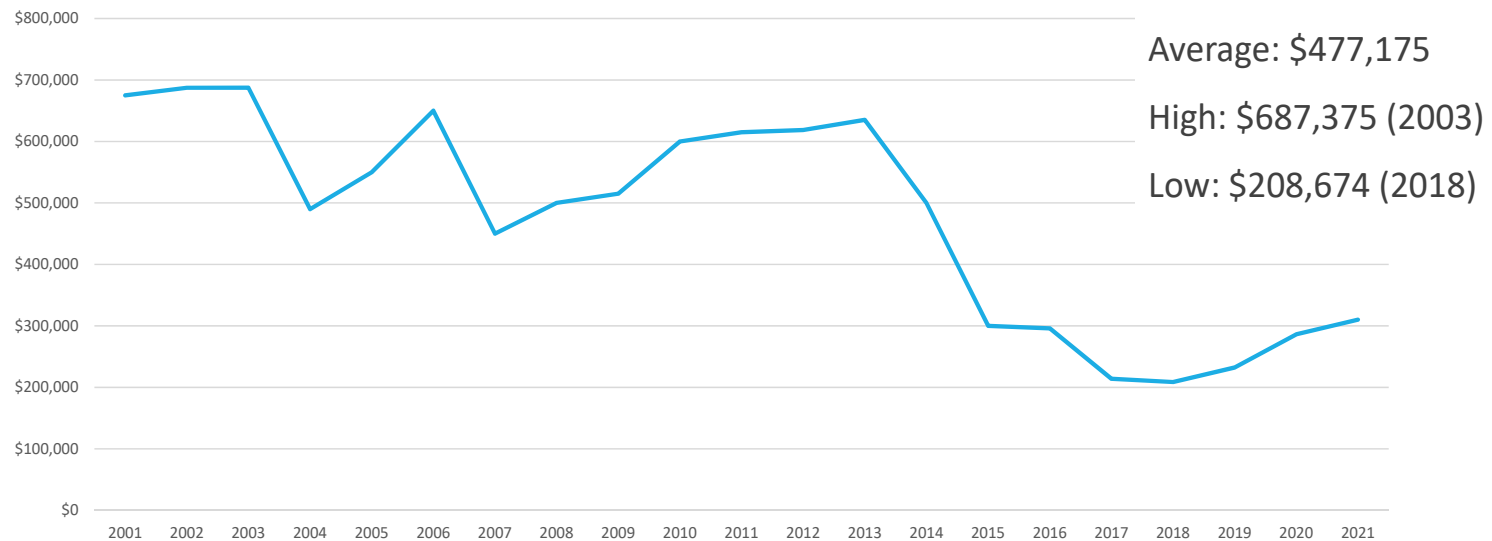
The City's Operating Departments:

- Police
- Court
- Community Development
- Parks, Recreation and Senior Services
- Public Works
- Capital Improvement Program
- Surface Water Management
- Marina

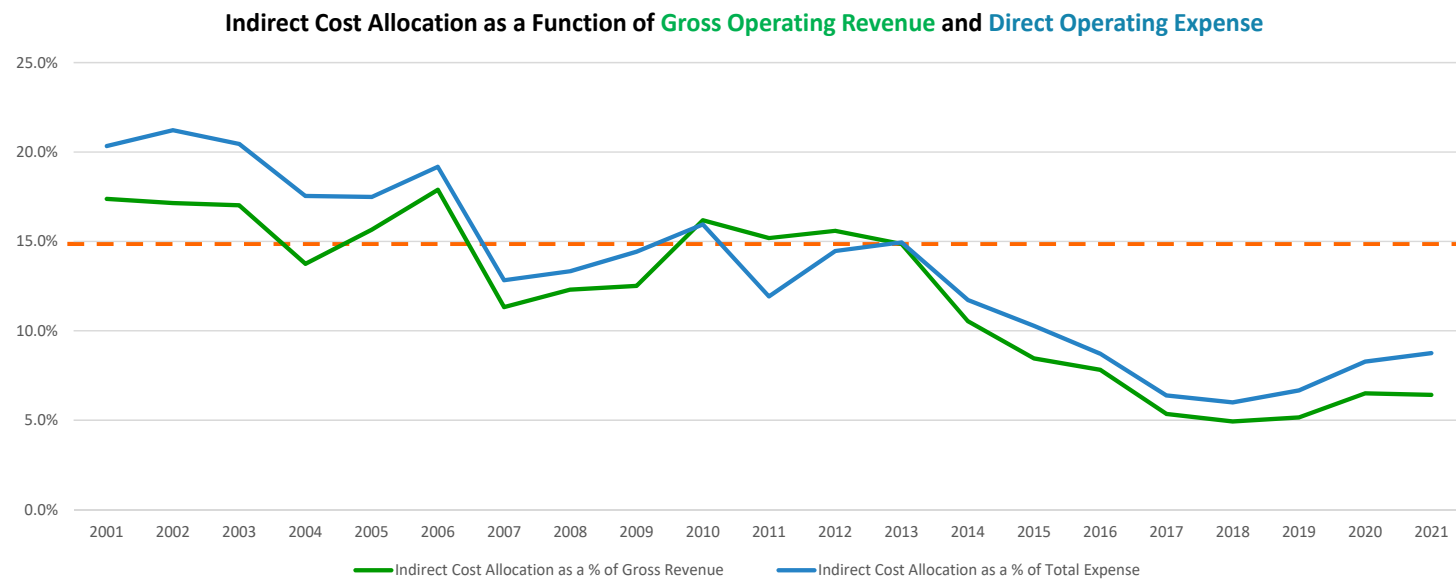
Indirect Cost Allocation Calculation

- Support Service Functions of the City's Support Service Departments are proportionally allocated to the City's Operating Departments based on a number of factors, including but not limited to:
 - Size of the Operating Department
 - Budget and actuals
 - Number of Employees
 - Assets (Computers, Vehicles, Buildings, Docks, Etc.)
 - Risk (Insurance)
 - Number of Transactions and Contracts

The Marina's Indirect Cost Allocation History

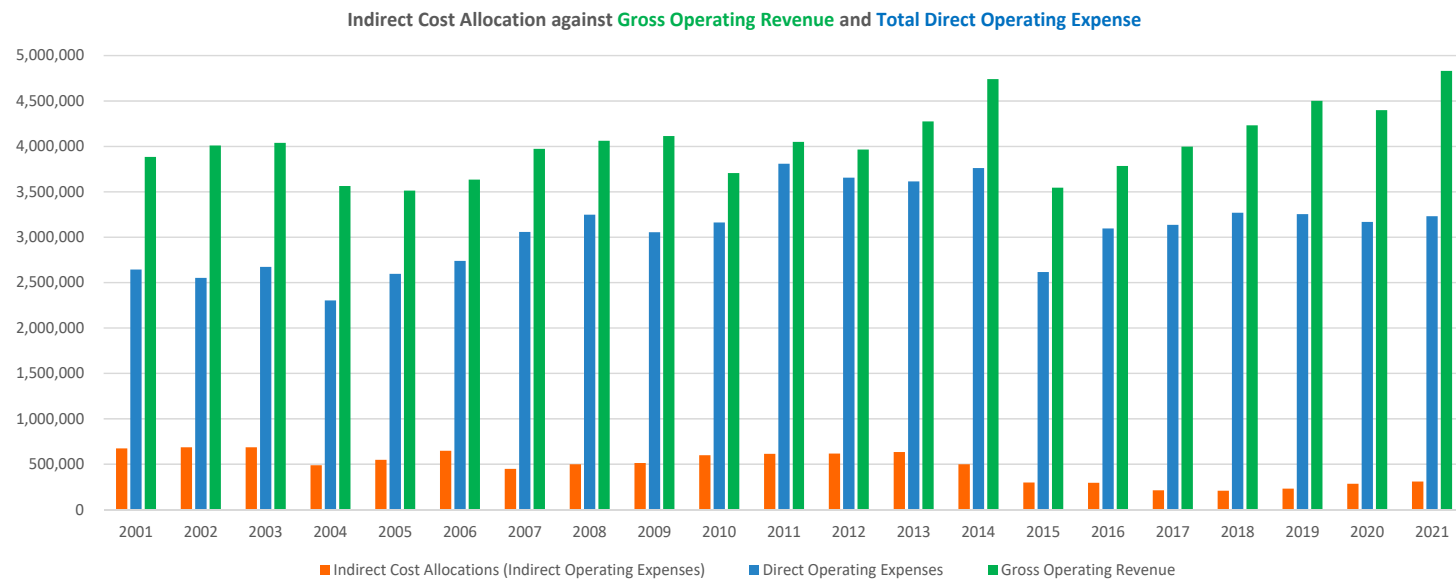


The Marina's Indirect Cost Allocation History



(Excludes Capital Improvements and Debt Service)

The Marina's Indirect Cost Allocation History



(Excludes Capital Improvements and Debt Service)

The Marina's Indirect Cost Allocation

Shouldn't there be a credit for Leasehold Tax Excise payments?

What is Leasehold Excise Tax?

- It is a tax paid by persons or businesses who use or lease publicly-owned property.
 - Real estate and property owned by a government entity is not subject to property tax.
 - When private parties use government property, they are provided the same government services as all other taxpayers.
 - For example: Public Safety
 - The leasehold excise tax compensates governments for these services.
 - The State's leasehold excise tax rate is 12.84%.
 - Marina tenants pay leasehold excise tax for the use of Marina facilities
- 

The Marina's Indirect Cost Allocation

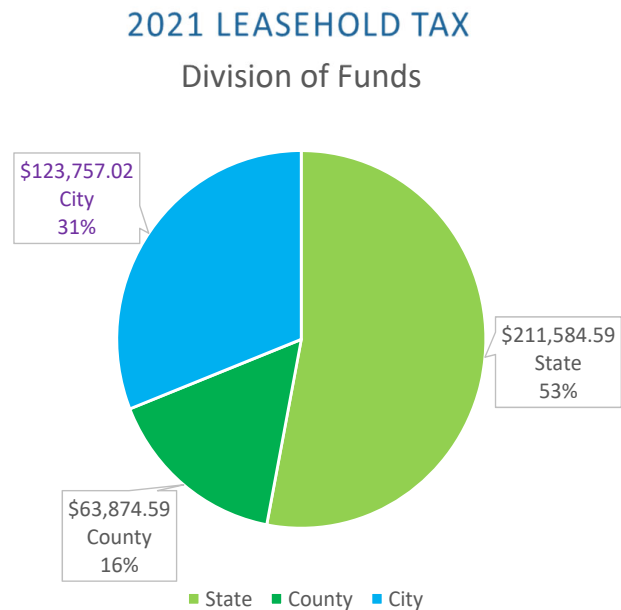
Shouldn't there be a credit for Leasehold Tax Excise payments?

What was the 2021 Marina Leasehold Excise Tax?

- \$399,034.20

How is Leasehold Excise Tax Distributed?

- Leasehold Excise Tax is paid to the State
- The State allocates leasehold excise tax as follows:
 - ~ 53% goes to the State's general fund
 - ~ 16% goes to King County
 - ~ 31% comes back to the City
- In 2021 the City received \$123,757.02 in Leasehold Excise Tax from the use of the Marina.



The Marina's Indirect Cost Allocation

Shouldn't there be a credit for Leasehold Tax Excise payments?

Back to the question

- Shouldn't there be a credit for Leasehold Tax Excise payments against the Marina's Indirect Cost Allocation?
 - The 2021 Indirect Cost Allocation was: \$310,000
 - The 2021 leasehold tax revenue was: \$123,757.02
 - Shouldn't the Indirect Cost Allocation be reduced by \$123,757.02?

The Marina's Indirect Cost Allocation

Shouldn't there be a credit for Leasehold Tax Excise payments?

Back to the question

- Shouldn't there be a credit for Leasehold Tax Excise payments?
 - The 2021 Indirect Cost Allocation was: \$310,000
 - The 2021 leasehold tax revenue was \$123,757.02
 - Shouldn't the Indirect Cost Allocation be reduced by \$123,757.02?
- **Answer: No**
- Reminder: When private parties use government property, they are provided with the same government services as all other taxpayers.
- The Leasehold tax revenue that the City receives from the State is used for general fund activities that support the Marina, for example:
 - Public Safety (~50% of the City's General Fund budget)
 - Marina tenants benefit from the City's Public Safety Services
 - Public safety is an "Operating Department": These costs are not included in the indirect cost allocation.

The Marina's Overall Financial Condition

Annual Budgets

Marina Operations

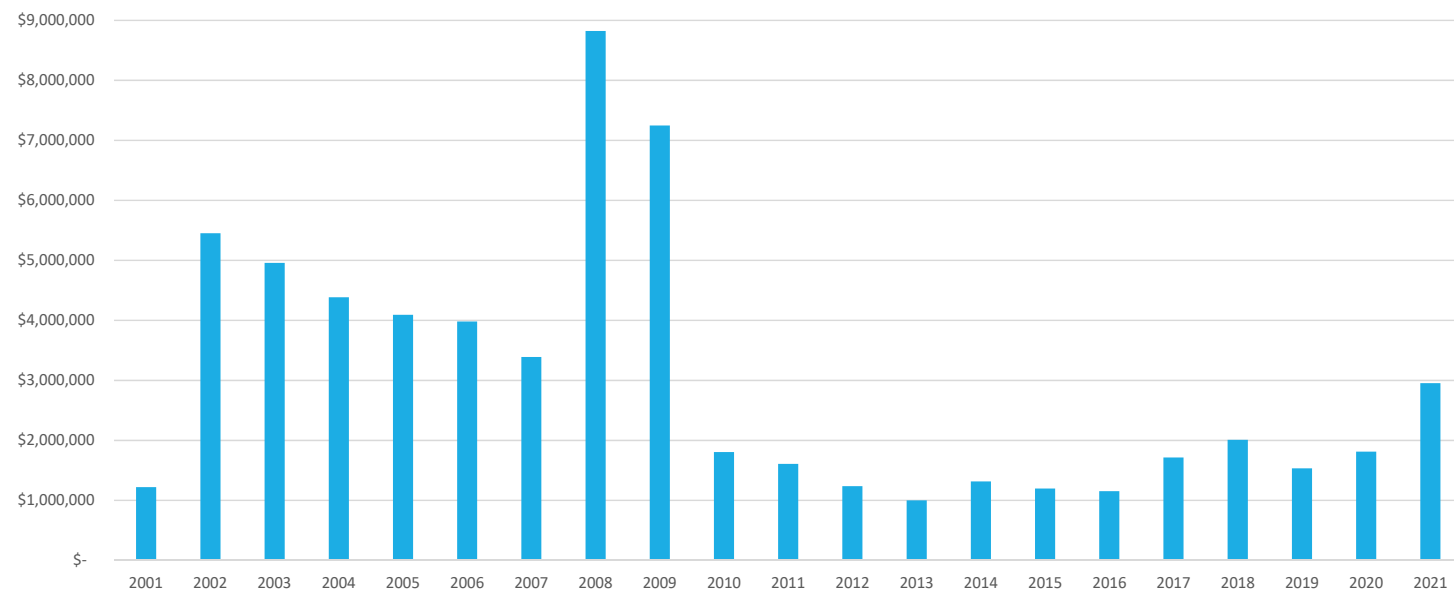
- Expenditures (Direct and Indirect)
- Revenues

Marina Capital Improvements and Debt Service

- Use of Net Operating Revenues
 - Interest Income
 - Bond Proceeds
 - Grants
- 

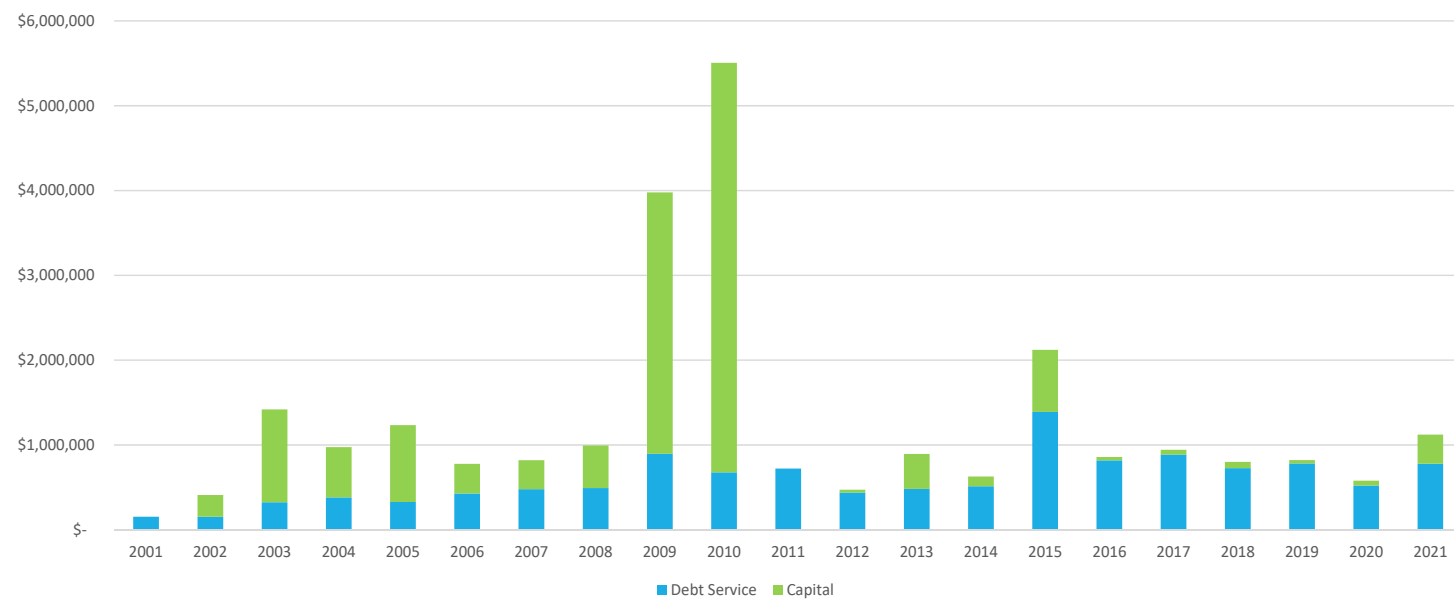
History of Marina Fund Balance

Marina Funds (Restricted and Unrestricted)



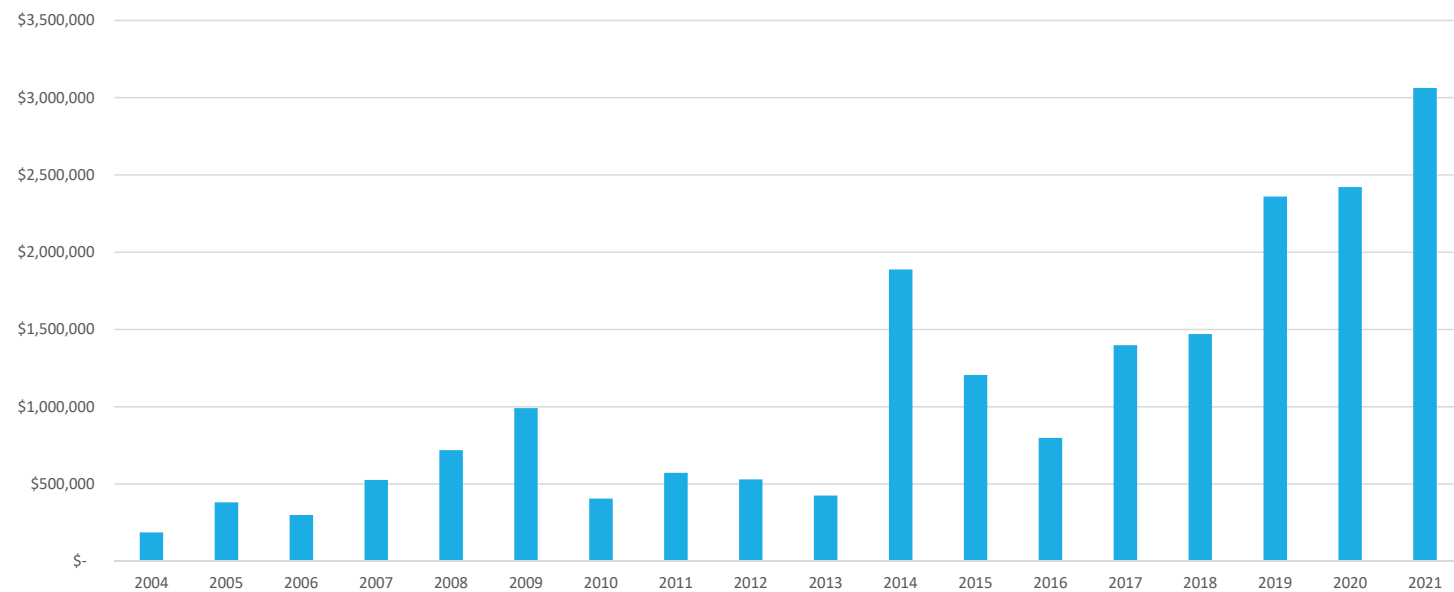
History of Marina Fund Balance

Use of Marina Funds



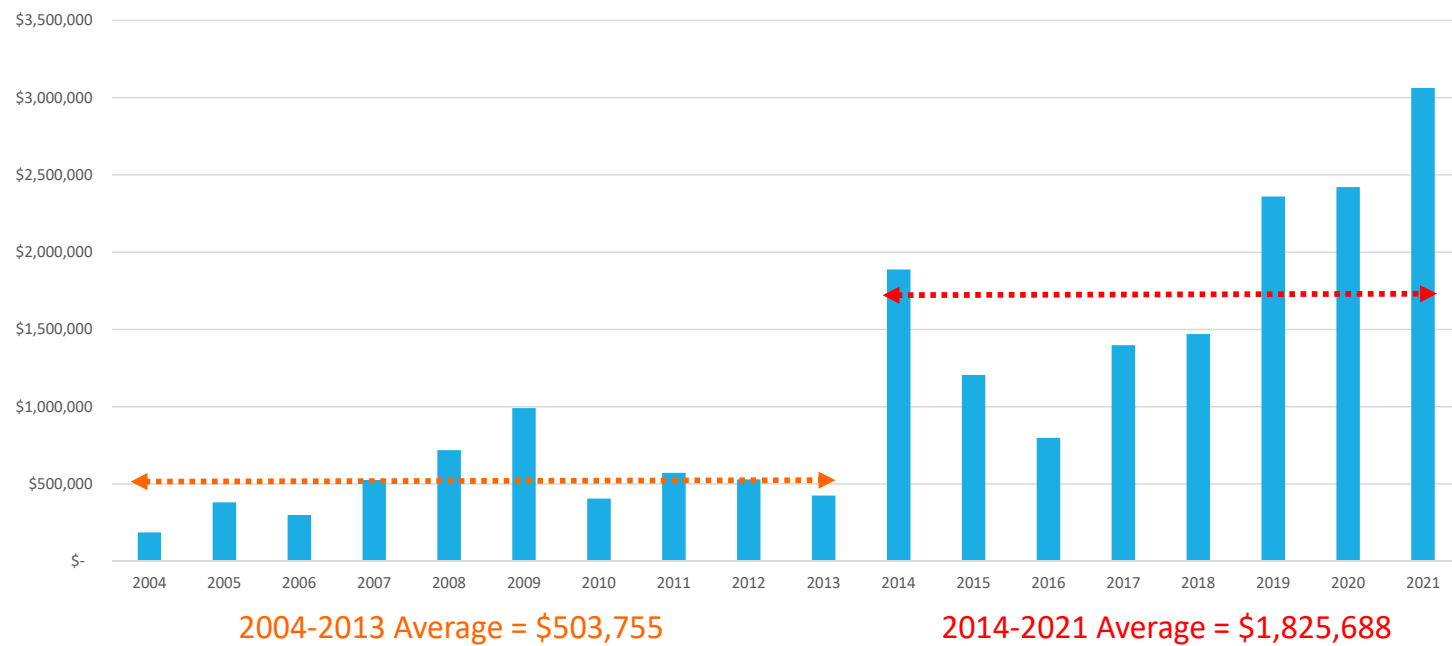
History of Marina Fund Balance

Unrestricted Fund Balance



History of Marina Fund Balance

Unrestricted Fund Balance



The Marina Enterprise

Audit History

- The Marina Enterprise is audited by the State of Washington Auditor every year.
 - There has never been an audit finding that the Indirect Cost Allocations have been inappropriate.
 - There has never been an audit finding that the City inappropriately allocated funds from the Marina.
 - The facts: it never happened.
- 

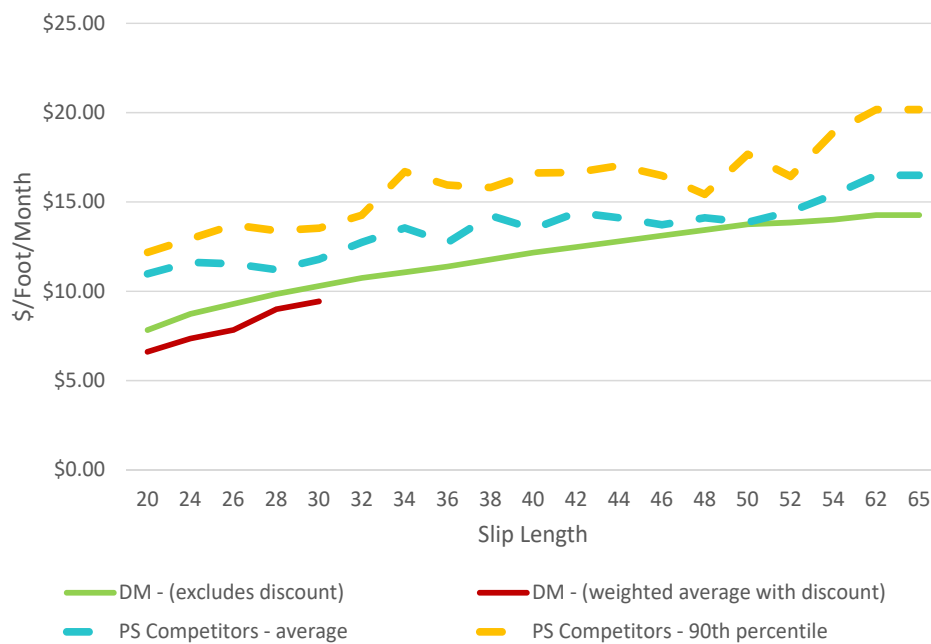
Des Moines Marina Moorage Rates

More to the Financial Story

- There are always two components in evaluating financial health:
 - Expenditures
 - Revenues
- In almost all cases revenues are predicated upon macroeconomic trends.
- Generally expenditures tend to be stable through economic fluctuations.
 - Subject to inflation, cost of living increases, and other economic factors

The Marina's Moorage Rates

More to the Financial Story



- City Council Presentation 2/10/22
- Moorage Rate Comparison (BST)
- Des Moines Marina moorage rates for open and covered slips are approx. 12% less than the average rates of Puget Sound competitors.
- Monthly rates for open moorage are approx. 26% less than the 90th percentile rates of Puget Sound competitors (23% less for covered moorage).

The Marina's Moorage Rates (open)

More to the Financial Story

Table 8 – Puget Sound Monthly Marina Rate Assessment – Open Slips

Location	Des Moines	Puget Sound Competitors		Comparison (DM +/-):	
	Monthly Rates	Average	Upper 90%	Average	Upper 90%
20	\$7.83	\$9.84	\$12.15	-20%	-36%
24	\$8.73	\$10.25	\$12.94	-15%	-32%
26	\$9.29	\$11.78	\$14.13	-21%	-34%
28	\$9.84	\$10.43	\$13.40	-6%	-27%
30	\$10.29	\$11.48	\$13.88	-10%	-26%
32	\$10.74	\$12.30	\$14.26	-13%	-25%
34	\$11.06	\$13.54	\$16.69	-18%	-34%
36	\$11.39	\$12.81	\$16.29	-11%	-30%
38	\$11.77	\$14.56	\$16.15	-19%	-27%
40	\$12.16	\$13.15	\$16.66	-8%	-27%
42	\$12.48	\$14.31	\$16.47	-13%	-24%
44	\$12.80	\$14.26	\$17.37	-10%	-26%
46	\$13.11	\$13.72	\$16.48	-4%	-20%
48	\$13.43	\$14.51	\$15.65	-7%	-14%
50	\$13.74	\$13.39	\$17.37	3%	-21%
52	\$13.85	\$14.87	\$16.67	-7%	-17%
54	\$14.00	\$16.23	\$18.79	-14%	-25%
62	\$14.26	\$16.87	\$20.12	-15%	-29%
65	\$14.26	\$16.69	\$19.53	-15%	-27%

Note: rates were inferred based on neighboring rates if they were not available for a particular slip length
Source: BST Associates, marinas, 2021 rates

- Moorage Rate Comparison (BST)
 - By slip size
 - Average
 - 90th percentile
- BST assumed an average of 12% below market average across all sizes.

The Marina's Moorage Rates (covered) More to the Financial Story

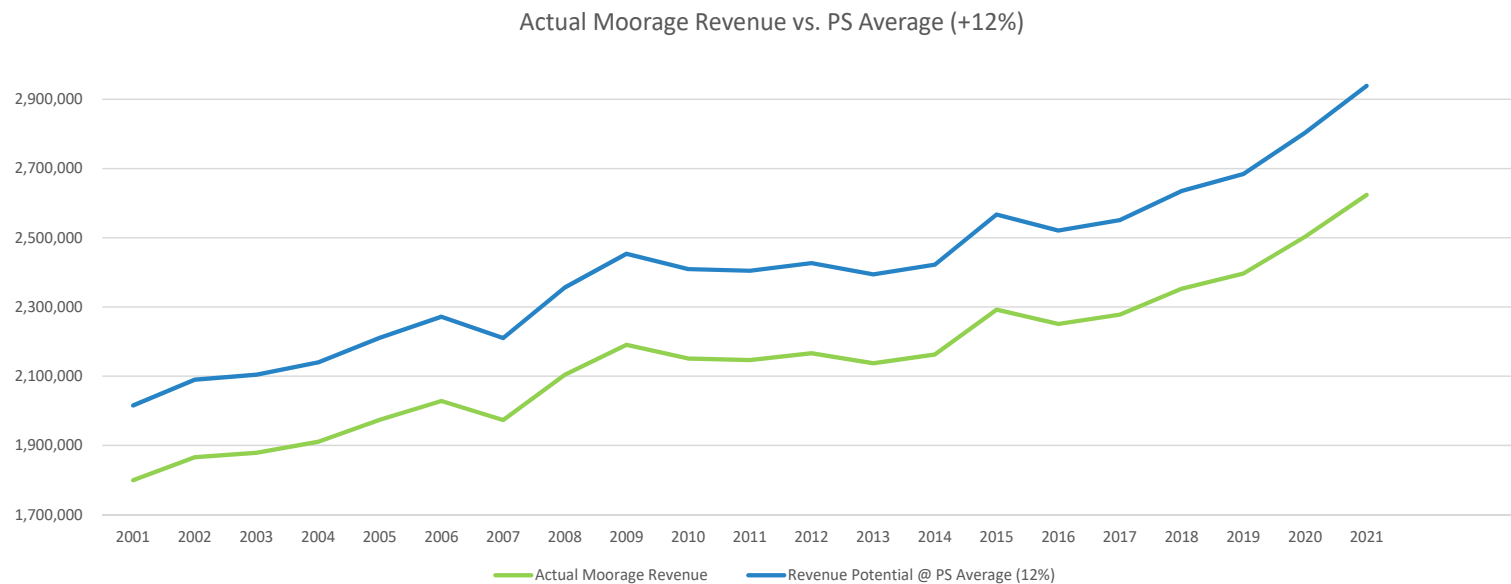
Table 9 – Puget Sound Monthly Marina Rate Assessment – Covered Slips

Location	Des Moines	Puget Sound Competitors		DM comparison with:	
	Monthly Rates	Average	Upper 90%	Average	Upper 90%
20	\$9.74	\$10.63	\$12.90	-8%	-25%
24	\$11.16	\$12.68	\$14.48	-12%	-23%
26	\$11.87	\$13.16	\$15.09	-10%	-21%
28	\$12.57	\$14.74	\$16.06	-15%	-22%
30	\$13.65	\$13.86	\$15.34	-1%	-11%
32	\$13.90	\$15.77	\$18.61	-12%	-25%
34	\$14.87	\$17.26	\$18.62	-14%	-20%
36	\$15.84	\$17.50	\$19.91	-9%	-20%
38	\$16.01	\$20.01	\$22.32	-20%	-28%
40	\$16.17	\$17.80	\$23.17	-9%	-30%
42	\$16.82	\$19.89	\$24.34	-15%	-31%
44	\$17.47	\$21.99	\$25.51	-21%	-32%
46	\$18.13	\$21.70	\$25.18	-16%	-28%
48	\$18.78	\$21.42	\$24.84	-12%	-24%
50	\$19.43	\$19.29	\$23.82	1%	-18%
52	\$20.08	\$21.35	\$24.97	-6%	-20%
54	\$20.74	\$23.41	\$26.13	-11%	-21%
62	\$23.34	\$29.58	\$29.58	-21%	-21%
65	\$24.32	\$31.64	\$30.74	-23%	-21%

Note: rates were inferred based on neighboring rates if they were not available for a particular slip length
Source: BST Associates, marinas, 2021 rates

- Moorage Rate Comparison (BST)
 - By slip size
 - Average
 - 90th percentile
- BST assumed an average of 12% below market average across all sizes. The differential varies significantly by slip length, ranging from +1% to – 23%.

Actual Marina Revenue VS. Lost Potential



Des Moines Marina Moorage Rates

More to the Financial Story

- Moorage rates in 2021 were 12% below the market average (BST).
- The 2021 moorage rates are closer to the market average than any time in the last 20 years.
- Total moorage revenue (2001-2021): \$45,187,410.
- The potential revenue at Average Market Rates (2001-2021): \$50,609,900.
- **Lost revenue = \$5,422,489.**
- The City has subsidized Marina moorage rates for decades.

Des Moines Marina Moorage Rates

Addressing the Issue

- Current City Policy is to set Marina moorage at average market rates.
 - Gradually increasing moorage rates to close the gap
- As new docks come on line, moorage rates will be set at or above the 90th percentile.
- While at the same time targeting an overall occupancy rate in the mid 90th percentile.

The Marina's Fuel Sales

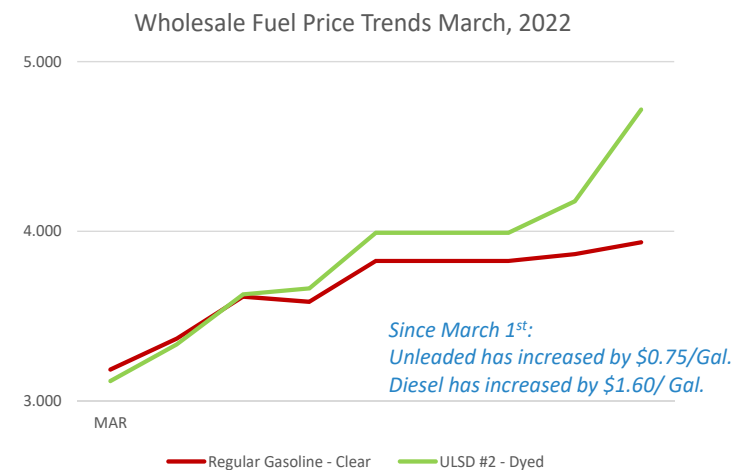
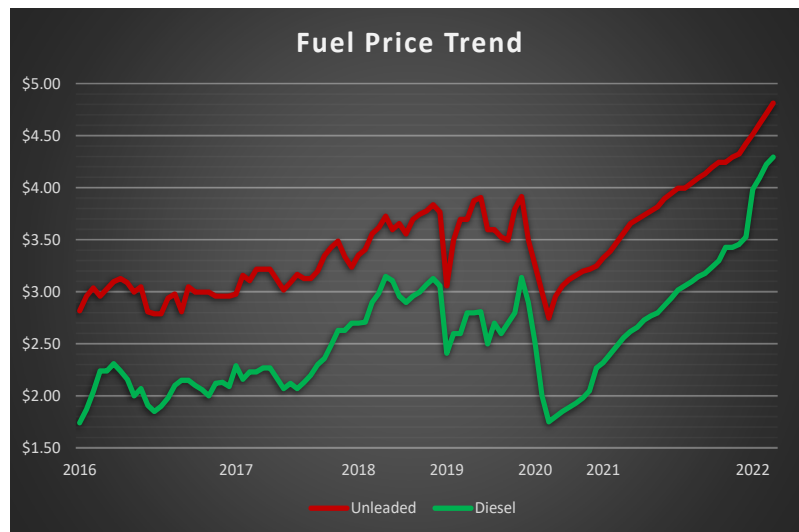
This is what the Des Moines Marina is known for on the Puget Sound

- Prior City policy was to sell fuel below the market to attract boaters to the City.
 - Was thought of as a Economic Development tool for the Marina District
- On average our fuel prices have remained below the market.
 - Quote: "Des Moines has the lowest fuel prices on lower Puget Sound."
- Over the last 20 years, the Marina sold millions of gallons of fuel.
- In 2020 & 2021 combined we sold just under 1,000,000 gallons of fuel.
- What is the magnitude of the revenue loss?
 - Example: $\$.25/1,000,000 \text{ gal} = \$250,000$
 - Lost Revenue (2001-2021) = ~\$2.5 Million
- The City has subsidized Marina fuel sales for decades.
 - At the same time realizing increased O&M Costs

The Marina's Fuel Sales

Addressing the Issue

- Current City policy is to sell fuel at market rates
 - Gradually increasing fuel prices to close the gap



<u>March 8, 2022</u> Fuel Prices	Des Moines	Foss Harbor	Tacoma Fuel Dock	Elliott Bay	Narrows Marina	AVERAGE
Unleaded	\$4.819	\$4.73	\$4.35	\$5.05	\$5.91	\$5.05
Diesel	\$4.299	\$4.38	\$4.75	\$5.00	\$5.39	\$4.68

Marina vs. Waterfront Zone(s)

Assets and Liabilities



Marina Assets and Liabilities

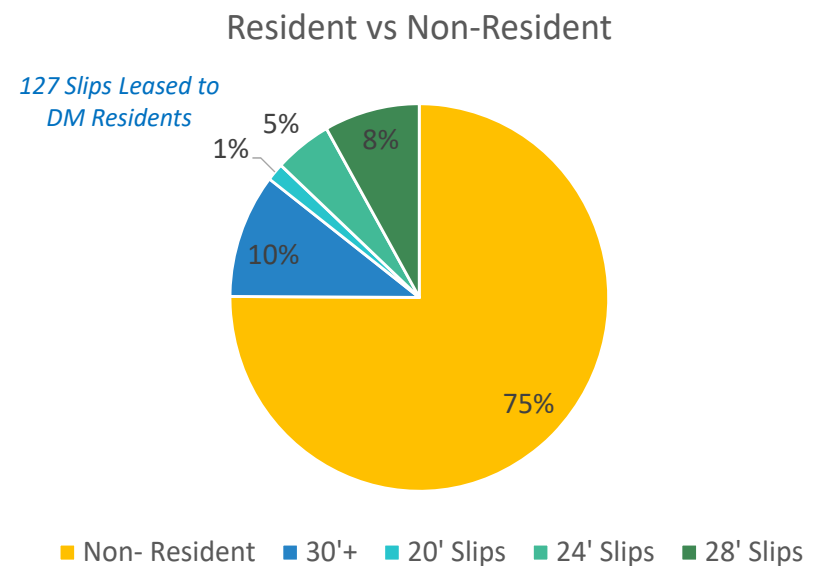
Functions of the Marina

- Waterfront Zone & Redondo Zone are no longer the financial responsibility of the Marina.
 - North Bulkhead Project (\$12 million): A City Project
 - Parking System: Not 1 cent was paid by the Marina
- What about Marina Staff working in the Waterfront and Redondo Zones?
 - Marina staff charge their time spent in those zones
 - This represents a direct cost allocation to the Waterfront and Redondo Zones (City)

Marina Moorage Rates

Discount for Des Moines Residents?

- Approximately 20-25% of Marina tenants live in Des Moines.
- No property tax from the City supports Marina Operations.
- Providing a discount for Des Moines residents would mean that either:
 - Non-resident boaters would have to pay more (*potentially illegal*), or
 - The City would have to subsidize the amount of the discount from the general fund.



Conclusion

- We hope this presentation addresses any misconceptions about the Marina Enterprise and answers the questions that have been raised.
 - The City will continue to carefully monitor and account for all Marina expenditures as we have always done.
 - The City will continue to strive to be more competitive within the Marine markets.
 - The City is moving forward with Capital infrastructure investments for the future sustainability of the Des Moines Marina Enterprise.
- 

March 10, 2022

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 10, 2022** the Des Moines City Council, by unanimous vote, does approve for payment those vouchers through February 25, 2022 and payroll transfers through March 4, 2022 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:



For Beth Anne Wroe

Beth Anne Wroe, Finance Director

		# From	# To	Amounts
Claims Vouchers:				
ACH/EFT Vendor Payments		579	663	1,302,059.03
Electronic Wire Transfer		1901	1901	148,188.84
Electronic Wire Transfer		1903	1916	1,438,033.74
Electronic Wire Transfer		1920	1920	91,503.33
Accounts Payable Checks		163635	163724	972,013.63
Total claims paid				3,951,798.57
Payroll Vouchers				
Payroll Checks	2/20/2022	19464	19465	3,816.22
Direct Deposit		485	637	393,273.38
Payroll Checks	3/4/2022	19466	19468	3,227.04
Direct Deposit		640	798	406,391.24
Total Paychecks/Direct Deposits paid				806,707.88
Total checks and wires for A/P & Payroll				4,758,506.45

AGENDA ITEM

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT:
Sound View Park Budget Amendment and
Construction Contingency Increase

ATTACHMENTS:

FOR AGENDA OF: March 10, 2022

DEPT. OF ORIGIN: Public Works

DATE SUBMITTED: March 3, 2022

CLEARANCES:

☒ Community Development Susan M. Cey

☐ Marina _____

☒ Parks, Recreation & Senior Services Willard

☒ Public Works Andrew Jones

CHIEF OPERATIONS OFFICER: _____

☒ Legal /s/ TG

☐ Finance Beckie Wynn

☐ Courts _____

☐ Police _____

APPROVED BY CITY MANAGER

FOR SUBMITTAL: Michael Wynn

Purpose and Recommendation

The purpose of this agenda item is for the City Council to increase project construction contingency for the Sound View Park project. The following motions will appear on the consent calendar:

Suggested Motions

Motion 1: "I move to direct administration to bring forward a budget amendment for the Sound View Park Project in the amount of \$95,000 in the next available budget amendment ordinance."

Motion 2: "I move to authorize \$275,000 in project expenditures for the Sound View Park Project in order to address necessary project change orders and required cultural resource mitigation contract costs."

Background

Between 2017 and 2020, the City identified the property (402 S. 222nd St.) for acquisition in order to preserve the property, provide additional park and open spaces in the City in accordance with the Comprehensive Plan, and to ensure that the site was not redeveloped in a manner that would further limit public access and views of Puget Sound. The property was subsequently purchased with grant funding. As required by the terms of the grant funding, and consideration of this significant space, staff have been closely coordinating with the State of Washington Recreation and Conservation Office (RCO), and the Department of Architectural and Historic Preservation (DAHP) related to project design. As a requirement of reimbursement from the RCO grant, a DAHP approved Cultural Resources Management Plan (CRMP) has been developed and approved. This CRMP will guide long-term management of Sound View Park. The design was completed in July and the management plan completed at the end of August 2020.

On August 16 and August 23, 2021, the Des Moines Sound View Park Project was advertised for bids in both the Seattle Daily Journal of Commerce and The Seattle Times. A total of three (3) bids for the project were received. Prospect Construction, Inc. was the lowest responsive bidder at \$993,788.36. The Engineer's Estimate range was between \$1M - \$1.3M. On October 7, 2021 the City Council approved a construction contract with Prospect Construction, Inc. with a construction contingency amount of \$149,000. Notice to Proceed was given to the contractor on December 30, 2021.

Discussion

Motion #1 (Project CIP budget Amendment)

Due to unforeseen construction changes and cultural resources mitigation, additional construction expenditures will be required in the amount of \$95,000.00. City staff will be working with RCO on utilizing a remaining grant balance of approximately \$90,000 to cover the majority of these additional Cultural Resource Mitigation expenditures. If the grant contract amendment is not approved by RCO, City staff anticipates using either REET2 or King County Park Levy funds to cover this expenditure.

Motion #2 (Construction Contingency Increase)

During the course of construction, additional material quantities associated with filling the existing basement up to proper grade, as well as overall site grading have been required. Additionally, several change orders have been issued to address: 1) on-site drainage issues not addressed in the original design, 2) provide electrical power to the park, and 3) to modify the irrigation system consistent with the design intent and CRMP requirements. In addition, staff has been strategically working with the current contractor to address conflicts in the original design with upcoming cultural resource mitigation requirements. These improvements are designed to "tell the story" of the area and are being coordinated concurrently with the project construction team. These proposed physical elements include an art base for a welcome figure carved by a tribal artist, inclusion of native plants associated with the heritage of the area, signage in English and Lushootseed (a tribal language made up of several dialects specific to the Puget Sound region), as well as various hardscape elements. These are exciting, unique additions to the design of the park and will result in a more meaningful user experience.

Alternatives

None. These changes are required in order for the project to meet Cultural Resource mitigation requirements and differing site conditions.

Financial Impact

The majority of the funds for these additional expenditures (\$180,000.00) have already been anticipated and are included in the approved CIP budget. If a grant amendment is approved by RCO, approximately

\$90,000 of the additional \$95,000.00 would be reimbursed from the granting agency, leaving approximately \$5,000 to be covered by REET2 or King County Park Levy funds. If a grant amendment is not approved by RCO, then the \$95,000.00 would be covered by REET2 or King County Park Levy funds.

Recommendation

Staff recommends approval of the motions.

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Sound View Park



March 10th, 2022
CITY OF DES MOINES

PROJECT BRIEFING

Andrew Merges, P.E., Executive MPA
Public Works Director

SOUND VIEW PARK



BACKGROUND

- Between 2017 and 2020 the City identified and purchased the Sound View Park property (402 S. 22nd St)
 - ✦ Strategic Grant Partnership – WA Recreation and Conservation Office
 - ✦ Add public open space in accordance with the Comprehensive Plan
 - ✦ Ensure site development would not limit public access and views

- Public solicitation for construction bids
 - ✦ August 16th, 2021
 - ✦ Contractor selection and award October 7th, 2021



SOUND VIEW PARK



PROJECT STATUS

- **Current Progress**

- Building demolition complete
- Retaining walls complete
- Conc. Seat wall poured
- Conc. Deck stairs poured
- Conc. Planter wall poured
- Conc. ADA ramp poured
- Deck framing
- Prepping conc. walkways

- **Target Completion**

- April/May 2022



SOUND VIEW PARK



DISCUSSION

- Construction Challenges & Opportunities
 - Unforeseen Construction Site Changes
 - ✦ Site grading
 - ✦ Electrical Servicing
 - ✦ Irrigation
 - ✦ Drainage
 - Cultural Resource Needs/Mitigation
 - ✦ Compliance with RCO grant obligations
 - ✦ Implementation of Tribal Art throughout park (Sculpture, Story Rocks, Interpretative Signs etc)
 - ✦ Tribal sculpture artist will be retained by City



SOUND VIEW PARK



CONSTRUCTION BUDGET

- **Motion 1: Appropriation**
 - \$95,000 in addition to current approved CIP Budget to complete the project & cultural resource mitigation
- **Motion 2: Spending Authority**
 - \$180,000 in existing CIP Budget
 - ✦ Planned on, but not currently utilized
 - \$95,000 new appropriation

TOTAL Spending Authority \$275,000
- **Strategic Grant Partnership (RCO)**
 - Potential for \$90,000 reimbursement
 - Resulting in \$5,000 use of new appropriation vs \$95,000



SOUND VIEW PARK

