

AGENDA

**DES MOINES CITY COUNCIL
REGULAR MEETING
City Council Chambers
21630 11th Avenue S, Des Moines, Washington**

May 25, 2017 – 7:00 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CORRESPONDENCE

EXECUTIVE SESSION

COMMENTS FROM THE PUBLIC

BOARD AND COMMITTEE REPORTS/COUNCILMEMBER COMMENTS

PRESIDING OFFICER'S REPORT

ADMINISTRATION REPORT

Page 1 Item 1: HIGHLINE COLLEGE SMALL BUSINESS DEVELOPMENT CENTER

Page 13 Item 2: APRIL 2017 FINANCIAL REPORT

Item 3: OUTGOING ARTS COMMISSION MEMBER ACKNOWLEDGEMENT

Item 4: FIREWORKS SAFETY PLAN

Page 23 Item 5: 1ST QUARTER CITY MANAGER REPORT

Item 6: MARINA PARKING RATES

Item 7: AD HOC AVIATION ADVISORY COMMITTEE UPDATE

CONSENT CALENDAR

Page 75 Item 1: APPROVAL OF VOUCHERS

Motion is to approve for payment vouchers and payroll transfer through May 17, 2017 included in the attached list and further described as follows:
Total A/P Checks/Vouchers #150433-150589 \$ 752,835.56
Electronic Wire Transfers #864-871\$ 380,453.96
Payroll Checks #18932-18935 \$ 8,767.64
Payroll Direct Deposit #200001-200164 \$ 304,884.99
Total Certified Wire Transfers, A/P and Payroll Vouchers: \$ 1,446,942.15

- Page 77 Item 2: NATIONAL PARKS AND RECREATION MONTH PROCLAMATION
Motion is to approve the Proclamation recognizing July as Parks and Recreation Month in Des Moines.
- Page 81 Item 3: RESOLUTION 17-061 FOR FIELD HOUSE PARK PLAY AREA RENOVATION PROJECT
Motion is to approve Draft Resolution No. 17-061 to seek funding from the King County administered Community Development Block Grant program for the Des Moines Field House Park Play Area Renovation Project.
- Page 87 Item 4: RESOLUTION 17-060 FOR KIDDIE PARK PLAY AREA RENOVATION PROJECT
Motion is to approve Draft Resolution No. 17-060 to seek funding from the King County administered Community Development Block Grant program for the Kiddie Park Play Area Renovation Project.
- Page 93 Item 5: APPOINTMENT OF CLAIMS FOR DAMAGES ACCEPTANCE AGENTS
Motion is to approve Draft Resolution No. 17-063 updating the appointed Acceptance Agents for Claims for Damages filed against the City pursuant to chapter 4.96 RCW and superseding Resolution No. 1349.
- Page 99 Item 6: INTERAGENCY AGREEMENT WITH HIGHLINE COLLEGE FOR THE SMALL BUSINESS DEVELOPMENT CENTER
Motion is to approve the Interagency Agreement with Highline College for support of the Small Business Development Center, and authorize the City Manager to sign the agreement substantially in the form as submitted.

PUBLIC HEARING

- Page 107 Item 1: TELECOMMUNICATIONS FRANCHISE AGREEMENT WITH MCI-METRO D/B/A VERIZON
Staff Presentation: City Attorney Tim George

OLD BUSINESS

- Page 165 Item 1: WASSON PROPERTY – Continued Discussion

NEXT MEETING DATE

June 1, 2017 City Council Study Session

ADJOURNMENT

The Small Business Development Center For Southwest King County At Highline College

Operations Report Fourth Quarter 2016

Compiled By: Rich Shockley and Jennifer Dye, Advisors
Report Date: January 16, 2017

This quarter the SBDC served 87 unique business clients. Clients reported to us that they assembled \$50,000 in new capital through both debt and equity infusion.

Clients Served, Fourth Quarter 2016

Funder	Active Clients
Soundside Alliance	
Burien	12
Des Moines	5
Normandy Park	2
SeaTac	3
Tukwila	5
Port of Seattle (Training Program)	1
Sound Side Alliance Subtotal	28
Federal Way	28
Highline College	2
The Washington SBDC	<u>29</u>
Grand Total Clients This Quarter	87

The Port of Seattle is a founding member of Soundside Alliance and through Soundside Alliance, is also a founding funder of the SBDC.

Clients are people who have met with an SBDC advisor, or received research services from our center directly related to the clients' businesses. There is a gradual turnover of clients from quarter to quarter.

Client Demographics, Fourth Quarter 2016

The demographic of our clients reflects the diverse geographic area we serve. Clients served through our center continue to be among the most diverse of all SBDCs in the state. The following details reference ethnicity, gender and veteran status.

African-American	10	8%
Asian	5	7%
Hispanic	4	5%
Native American	0	0%
Pacific Islander	1	1%
Women Owned Business	16	21%
Veteran / Reserve	2	3%
Growth and Development	10	13%

* *Growth and Development* is a client who is working with the SBDC on a plan that could result in significant growth for the business either in revenue growth or jobs growth.

Total Hours of Service to Clients, Fourth Quarter 2016

This quarter, the SBDC provided 386 hours of service to 87 distinct clients in a combination of one-to-one service, prep time and group sessions.

Summary of Economic Impacts Created by SBDC Clients Fourth Quarter 2016

Q4 2016 Impact		New Jobs (FT/PT)	Saved Jobs	Business Starts	Loans Closed	New Equity	Other Impacts**
	Soundside Alliance						
	Burien						
	Des Moines						
	Normandy Pk				\$50,000		
	SeaTac						
	Tukwila						
Federal Way							
WSBDC							
Total Q4					\$50,000		

** Other Impacts =landlord-provided tenant improvements

Soundside Alliance Economic Impacts, Current Year

Soundside Alliance					Equity	New
Impacts	New Jobs	Saved Jobs	Business Starts	Loans Closed	Investments Made	Other Impacts
1Q16	2 FT		1	\$5,600	\$795,000	
2Q16	1 FT / 1 PT	1	1			
3Q16	7 FT / 27 PT	16	1	\$20,000		
4Q16				\$50,000		
YTD	10 FT/28 PT	17	3	\$75,600	\$795,000	

Federal Way Economic Impacts, Current Year

Federal Way				New	New	New
Impacts	New Jobs	Saved Jobs	Business Starts	Loans Closed	Equity Closed	Other Impacts
1Q16	1 FT	12 PT	1		\$65,000	
2Q16	2 FT / 3 PT		2	\$300,000	\$35,000	
3Q16	2 FT / 1 PT					
4Q16						
YTD	5 FT / 4 PT	12 PT	3	\$300,000	\$100,000	

Client Achievements, Fourth Quarter 2016

A **Burien** business was able to grow his annual revenue from \$26k to over \$100k in 2016. The SBDC worked with him to expand his personal chef services through a comprehensive marketing plan. The advisor is now assisting him to outline his operations/staffing requirements for 2017, with the intent to add an additional full-time personal chef and a part-time marketing/admin.

We are working with a **Des Moines** client on how to expand her customer base. She opened a bookkeeping/accounting business and we helped her to design and launch her website, Google My Business site, and Yelp listing. She has grown to four long-term clients in 10 weeks.

A **Normandy Park** business worked with the SBDC to prepare cash flow projections and a business plan in order to secure an additional \$50k in working capital. We evaluated their pricing strategy, and added in other revenue streams such as delivery and take-out. They have increased their Facebook followers to 367 and have partnered with another SBDC client to offer their proprietary sauce in a Burien retail store.

A **SeaTac** light manufacturing company is looking to expand through leveraging their vendor relationships and expanding into new markets. The SBDC engaged our Trade Specialists seeking to leverage international client relationships. At this time we are finding this challenging but continue to seek mutually beneficial relationships between SBDC domestic and export/import clients. Additional work is being done in the financial area of the company. We are working to with the client to develop better systems and controls for their financials so that they can be used as a decision making and management tool.

An established **Tukwila** business in the Health Care Services segment has worked with the SBDC to address HR concerns and HR planning. Staff turnover and concerns of litigation prompted the client to seek assistance. The SBDC has been working with the client to develop performance evaluations for staff and supervisors. Through this process the client began to review annual merit and cost of living adjustments along with variable pay bonuses. Financial increases have been reviewed from how they will work to retain and reward staff but also how it will impact the company and profits.

A second generation **Federal Way** client is looking to secure an SBA loan for \$178k in leasehold improvements and \$88k in debt restructure. The private driver and vehicle services business is trying to find new revenue streams in a highly regulated environment. The SBDC is assisting her with loan package prep and a marketing plan.

Community Relationships, Fourth Quarter 2016

The following activities or events were attended by the SBDC:

Both Advisors

- SBDC Seattle Regional monthly meetings
- SBDC Fall Professional Development Conference
- SBAC / SBA site audit of Highline College Center
- Washington SBDC Accreditation Review (every 5 years)
- Federal Way CDBG site monitoring for Highline College SBDC and StartZone programs
- Sound Side Alliance Annual Economic Development Forecast Breakfast
- Business Networking Event at Highline College, StartZone and SBDC clients

Jennifer

- Attended the Federal Way Chamber Luncheon October 6th
- Joined StartZone to film a three-minute spot with Univision for Hispanic community outreach 10/07
- Attended the Seattle Southside Chamber Mixer 10/24
- Attended the Federal Way Chamber Luncheon November 2
- Attended Federal Way Business After Hours on November 16th
- Attended Federal Way Chamber Coffee and Connections December 2nd
- Attended Federal Way Chamber Luncheon 12/7
- Attended Southside Chamber Luncheon 12/9

Rich

- Attended Federal Way Chamber Luncheon (Nov and Dec)
- Attended Federal Way Chamber After hours (Dec)
- SBDC / Highline representative to Food Innovation Network, facilities working group
- SBDC / Highline representative to Soundside Alliance for Economic Development
- SBDC Certification Committee member – currently certifying one SBDC advisor

Advisor Skills Training, Fourth Quarter 2016

- Rich attended Best Practices Outreach & Engagement for SME's on Cyber Security
- Jennifer and Rich attended the WSBDC Fall Conference at Skamania Lodge October 26-28
- Jennifer completed Project Management Basics course on Lynda.com (16 hours)

Referral Relationship Building, Fourth Quarter 2016

Highline SBDC

- Networking meeting area Bankers; Sea Coast Commercial Bank, Heritage Bank, Umpqua Bank, Business Impact NW, Home Street Bank

Jennifer

- Met with Lee Anderson of Credit Repair on 11/15
- Met with Steve Lussier of Home Street Bank on 11/21
- Spoke with Professor Hyoryung with UWB re: Google SEO for our clients – project collaboration 12/5
- Jennifer spoke at the IAWWCP meeting re: small business and start-ups 12/1

Rich

- Met with Port of Seattle Director of Small Business Development
- Met with City of Burien Economic Development Specialist
- Met with City of SeaTac Economic Development Manager
- Sits as a member of FIN – SeaTac and Tukwila Food Innovation Network
- Board member for South Sound Jobs

Annual Summary of results for Highline College SBDC service area 2016

All information has been reported by the client through survey or directly to the advisor

Year-end summary as reported by the businesses served

- Total dollar impacts (loan and investment) \$2,880,600
- Twelve (9) businesses started
- Eighty (80) FT and PT jobs created, thirty (30) jobs retained
- Businesses served reported an increase in sales of \$1,360,000 year over year
- Advisors spent an average of 6.4 hours with each client served

Year-end Summary by Funder and Category

	Jobs Created	Jobs Retained	Business Starts	New Loans	New Equity
Soundside Alliance	10 FT/ 28 PT	17	3	\$75,600	\$795,000
Federal Way	5 FT / 4 PT	12	3	\$300,000	\$100,000
Washington SBDC	9 FT / 24 PT	1	3	\$965,000	\$645,000
Total	24 FT / 56 PT	30	9	\$1,340,600	\$1,540,000

Breakdown of the type of businesses served and the area of counseling

Business Type

Arts and Entertainment	0.7%
Accommodation/Food Svc.	7.1%
Arts and Entertainment	2.1%
Choose not to respond	3.5%
Construction Concern	10.6%
Educational	4.3%
Financing	1.4%
Health Care	5.7%
Manufacturer or Producer	6.4%
Professional/Technical	9.2%
Real Estate	0.7%
Retail Dealer	12.8%
Service Establishment	19.9%
Technology Services	4.3%
Transportation/Warehousing	6.4%
Wholesale Dealer	2.1%
(Undefined)	1.4%

Area of Counseling

Business Accounting/Budget	3.6%
Cash Flow Management	2.0%
Business Plan	9.9%
Buy/Sell Business	25.5%
Customer Relations	0.2%
eCommerce	0.1%
Start-up Assistance	13.8%
Human Resources	3.3%
Government Contracting	1.3%
Financing/Capital	12.5%
Exporting	1.5%
Importing	0.1%
Unreported	26%

The Small Business Development Center For Southwest King County At Highline College

Operations Report First Quarter 2017

Compiled By: Rich Shockley and Jennifer Dye, Advisors
Report Date: April 14th 2017

This quarter the SBDC served 122 unique business clients. Clients reported to us that they assembled \$222,100 in new capital through both debt and equity infusion.

Clients Served, First Quarter 2017

Funder	Active Clients
Soundside Alliance	
Burien	11
Des Moines	14
Normandy Park	3
SeaTac	5
Tukwila	5
Port of Seattle	<u>5</u>
Sound Side Alliance Subtotal	43
Federal Way	32
Highline College	1
The Washington SBDC	<u>46</u>
Grand Total Clients This Quarter	122

The Port of Seattle is a founding member of Soundside Alliance and through Soundside Alliance is also a founding funder of the SBDC.

Clients are people who have met with an SBDC advisor, or received research services from our center directly related to the clients' businesses. There is a gradual turnover of clients from quarter to quarter.

Client Demographics, First Quarter 2017

The demographic of our clients reflects the diverse geographic area we serve. Clients served through our center continue to be among the most diverse of all SBDCs in the state. The following details reference ethnicity, gender and veteran status.

African-American	9	7%
Asian	6	4%
Hispanic	4	3%
Native American	1	0%
Pacific Islander	1	0%
Women Owned Business	19	15%
Veteran / Reserve	6	4%
Growth and Development	12	9%

* *Growth and Development* is a client who is working with the SBDC on a plan that could result in significant growth for the business either in revenue growth or jobs growth.

Total Hours of Service to Clients, First Quarter 2017

This quarter, the SBDC provided 334 hours of service to 122 distinct clients in a combination of one-to-one service, prep time and group sessions.

Summary of Economic Impacts Created by SBDC Clients First Quarter 2017

Q1 2017 Impact		New Jobs (FT/PT)	Saved Jobs	Business Starts	Loans Closed	New Equity	Other Impacts**
	Soundside Alliance						
	Burien					\$1,500	
	Des Moines						
	Normandy Pk						
	SeaTac						
	Tukwila						
Federal Way		10		1		\$2,600	
WSBDC		3		2		\$218,000	
Total Q1		13		3		\$222,100	

** Other Impacts =landlord-provided tenant improvements

Soundside Alliance Economic Impacts, Current Year

Soundside Alliance					Equity	New
Impacts	New Jobs	Saved Jobs	Business Starts	Loans Closed	Investments Made	Other Impacts
1Q17					\$1,500	
2Q17						
3Q17						
4Q17						
YTD					\$1,500	

Federal Way Economic Impacts, Current Year

Federal Way				New	New	New
Impacts	New Jobs	Saved Jobs	Business Starts	Loans Closed	Equity Closed	Other Impacts
1Q17	10		1		\$2,600	
2Q17						
3Q17						
4Q17						
YTD	10		1		\$2,600	

Client Achievements, First Quarter 2017

A **Burien** business partnership was referred to the SBDC by a past SBDC client. This business owner was seeking assistance to secure funding for a challenging property under very tight time constraints. Given the nature of the property, traditional funding had been denied and the owner was considering expensive alternative funding. With the assistance of the SBDC the owner was able to find a local lender and secure a SBA guaranteed loan to allow the owner to close on the property within the given time constraints and with favorable lending rates.

A **Des Moines** client is working with the SBDC to grow their business while assisting other small business owners. This technology company has an emphasis of harnessing technology to help small business owners leverage existing and new technologies to solve their everyday business tasks such as bidding, invoicing, sales and quality control. Given that small business is often cash constrained, additional attention is given to efficient and yet affordable solutions.

A **SeaTac** client requested assistance with growing her customer base. She had purchased the business 18 months prior and was concerned because one of her major customers was relocating and she didn't want to be adversely affected. We reviewed her current marketing strategies, and assisted her in claiming her business on Google My Business and increased her exposure through positive internet reviews on Google, Facebook and Yelp. We also recommended that she do some networking with her neighbors and create an Intro letter/flyer. We shared the Guide to Facebook Business Pages to enable her to post more effectively at little or no cost. We also provided her with information on how to prepare a business loan application and key questions to ask the banker when researching options.

An established manufacturing business in **Tukwila** is seeking assistance in exporting. Having limited experience exporting the client has worked through a US broker who sells to customers internationally. After discussing the export status with the client the SBDC discovered they have a few critical areas where the SBDC can help. The company may at times ship items that are restricted under the International Traffic Arms Regulations (ITAR). If the company is not in compliance there can be severe consequences such as fines and imprisonment. Key areas of work will begin with; export compliance, defining HS code (product codes under which a product is listed for shipping, and the development of an export plan.

A **Federal Way** medical practice has worked with the SBDC to build systems and processes with the goal of adding efficiency and profit. The practice is stable and growing with defined systems including marketing, financial, operational and revenue growth. The owners have now decided to transition the practice. Together the owners with the SBDC are working on a succession planning strategy and timetable. Once transitioned the practice will continue in Federal Way and will retain five full time jobs plus the new owner(s).

Community Relationships, First Quarter 2017

The following activities or events were attended by the SBDC:

Both Advisors

- SBDC Seattle Regional monthly meetings
- Meeting with City Manager of Des Moines
- Presented to Burien Economic Development Partnership
- Seattle Southside Chamber – Highline sponsorship of January luncheon
- 45th Annual Economic Forecast Conference - Seattle
- Port of Seattle Vendor Conference
- Business judges for Washington DECA competition
- Met with Economic Development Manager, City of SeaTac – Business Survey
- Federal Way Chamber Luncheon
- SBDC Regional Manager – input on network planning and assessment tools
- Attended the Washington Trade Conference
- Began holding regular office hours once a week at the Federal Way Chamber

Jennifer

- Attended Ribbon-Cutting ceremony for a small business in Burien
- Attended the Seattle Southside Chamber Awards Luncheon
- Attended the Destination Des Moines Business After Hours event
- Presented to Discover Burien – “How to Market to Actually Make Money”
- Attended Seattle Southside Chamber Mixer
- Attended Federal Way Chamber luncheon
- Guest Lectured for Highline College Business program on “Reinventing Yourself”
- Presented to Discover Burien – “Website Optimization”
- Attended the Destination Des Moines Mixer
- Attended Keirutsu Forum’s Angel Expo
- Attended Venture’s Innovation Pitch Contest
- Manned a table for the SBDC at Facebook’s Boost Your Business Event

Rich

- Met with Federal Way Economic Development Manager
- Attended Seattle Southside Chamber luncheon
- Attended Discover Burien monthly meeting
- Presented to Federal Way Finance, Economic Development and Regional Affairs Committee
- Presented to a Federal Way ADTA business group
- Attended City of Des Moines Planning Department
- Attended Federal Way Chamber Tourism - review plan and marketing strategy
- SBDC / Highline representative to Food Innovation Network, facilities working group
- SBDC / Highline representative to Soundside Alliance for Economic Development
- SBDC Certification Committee member

Advisor Skills Training, First Quarter 2017

- Jennifer attended “Coaching Skills for Leaders” presented by Fran Fisher at the Seattle Southside Lunch and Learn series
- Jennifer participated in the Census Business Builder Webinar presented by the US Census Bureau
- Jennifer participated in the Buying a Small Business 101 presented by BizBuySell and Ed Pendarvis
- Jennifer attended the SEO Unplugged Webinar presented by SCORE
- Jennifer attended the Emergency Succession Planning with David Lightfoot presented by the SBDC Regional Director
- Jennifer participated in “Using Neuroscience to Optimize the Customer Acquisition Process” presented by Hubspot Marketing
- Jennifer participated in SEO for Small Businesses, What Google Wants” presented by SCORE

- Rich attended webinar on Optimization of the Customer Acquisition Process
- Rich attended 12 hour class presented by IYSB Local – Marketing, Social Media
- Rich attended webinar- International trade, Cuba in Transition
- Rich attended webinar- Protecting Sensitive Business & Customer Information-Cyber Security
- Rich attended 3 day National Association of Small Business International Trade Educators

Referral Relationship Building, First Quarter 2017

Highline SBDC

- Networking meeting area Bankers; Umpqua Bank - Small Business Resources partner, Columbia Bank, Heritage Bank, Seacoast Commerce Bank
- Met with Des Moines City Manager Michael Matthias

Jennifer

- Attended the Tukwila BNI meeting and presented for the SBDC
- Collaborated with the MBA Students of Professor Hyoryung with UWB re: Google SEO for our clients

Rich

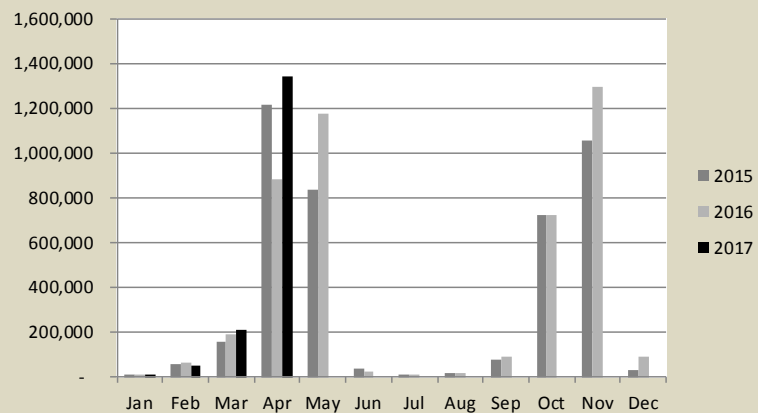
- Met with Federal Way Economic Development Manager
- Soundside Alliance monthly meeting
- Sits as a member of FIN – SeaTac and Tukwila Food Innovation Network
- Board member for South Sound Jobs

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APRIL 2017 CITY COUNCIL MONTHLY FINANCIAL REPORT

2017 YTD Compared to 2016 YTD:**463,426 40.3%**

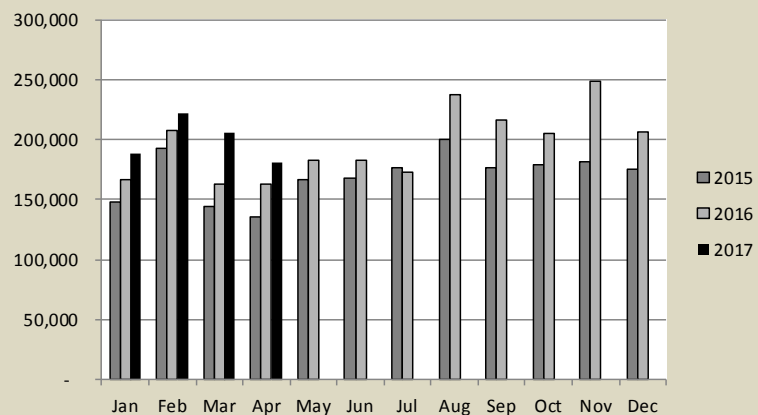
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>PY YTD</u>
Jan	10,191	9,718	7,766	0.2%
Feb	52,372	62,078	55,462	1.6%
Mar	207,664	192,691	159,802	5.8%
Apr	1,341,941	884,255	1,214,531	25.2%
May		1,172,679	834,623	50.8%
June		24,323	34,134	51.4%
Jul		8,130	12,380	51.5%
Aug		19,914	15,762	52.0%
Sep		87,561	76,908	53.9%
Oct		721,023	723,002	69.7%
Nov		1,292,382	1,054,756	98.0%
Dec		92,696	29,206	100.0%
Totals	1,612,168	4,567,450	4,218,332	

2017 YTD Compared to Annual Budget: 4,572,060 35.3%**PROPERTY TAXES****2017 YTD Compared to 2016 YTD:****98,181 14.0%**

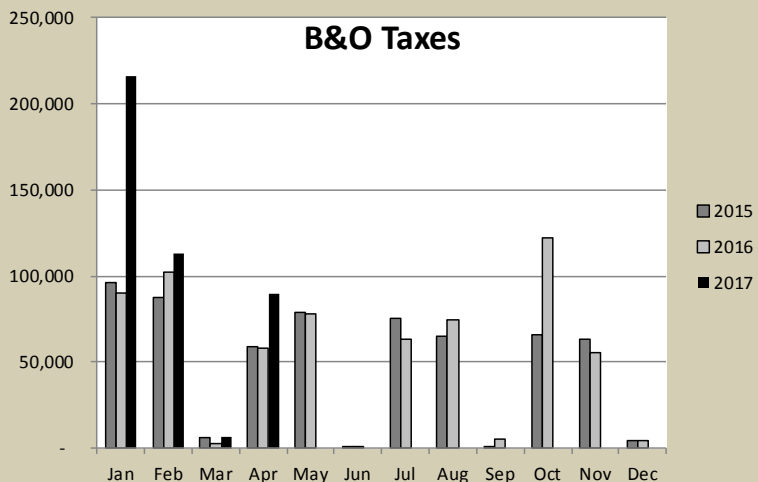
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>PY YTD</u>
Jan	188,813	166,482	148,542	7.1%
Feb	222,214	207,580	192,640	15.9%
Mar	206,184	162,512	144,525	22.8%
Apr	180,327	162,783	135,180	29.7%
May		183,308	166,575	37.5%
Jun		182,542	167,671	45.3%
Jul		172,341	176,608	52.6%
Aug		236,926	200,510	62.7%
Sep		216,225	176,594	71.9%
Oct		205,441	178,690	80.7%
Nov		248,392	181,241	91.2%
Dec		206,295	174,869	100.0%
Totals	797,538	2,350,827	2,043,645	

2017 YTD Compared to Annual Budget: 2,244,019 35.5%

2350827.94

SALES TAXES**2017 YTD Compared to 2016 YTD:****171,505 67.7%**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>PY YTD</u>
Jan	216,324	89,942	95,787	13.7%
Feb	112,795	101,825	87,424	29.2%
Mar	6,291	3,106	6,095	29.6%
Apr	89,260	58,292	58,723	38.5%
May		78,035	78,674	50.3%
Jun		1,262	745	50.5%
Jul		63,661	75,441	60.2%
Aug		74,863	64,797	71.6%
Sep		5,211	1,192	72.4%
Oct		122,095	66,238	91.0%
Nov		55,292	63,614	99.4%
Dec		4,217	4,699	100.0%
Totals	424,670	657,801	603,429	

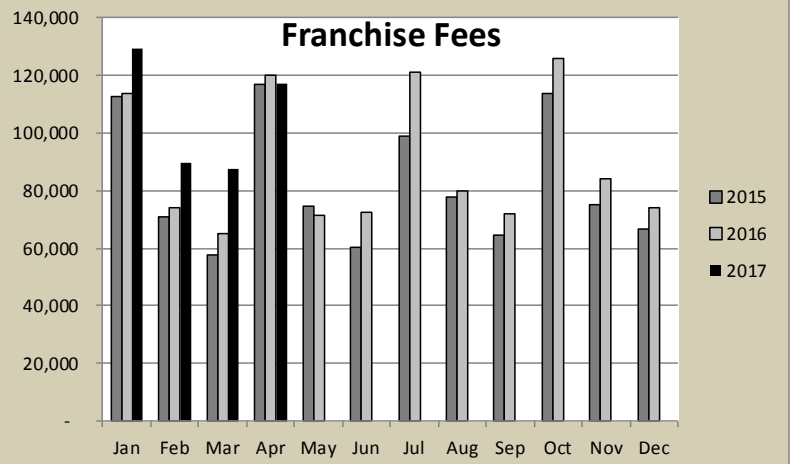
2017 YTD Compared to Annual Budget: 660,000 64.3%**B&O Taxes**

- All revenues sources shown above go to the General Fund.
- The Tax revenue shown in the above graphs EXCLUDE ONE-TIME REVENUES for all years.

2017 YTD Compared to 2016 YTD:

	2017	2016	2015	PY YTD
Jan	129,401	113,463	112,750	10.6%
Feb	89,405	73,834	71,075	17.4%
Mar	87,325	65,347	57,924	23.5%
Apr	116,973	120,207	116,879	34.7%
May		71,583	74,423	41.4%
Jun		72,626	60,470	48.1%
Jul		121,248	99,070	59.4%
Aug		79,804	77,663	66.8%
Sep		72,099	64,435	73.5%
Oct		126,141	113,761	85.3%
Nov		84,251	74,997	93.1%
Dec		73,899	66,607	100.0%
Totals	423,104	1,074,502	990,053	

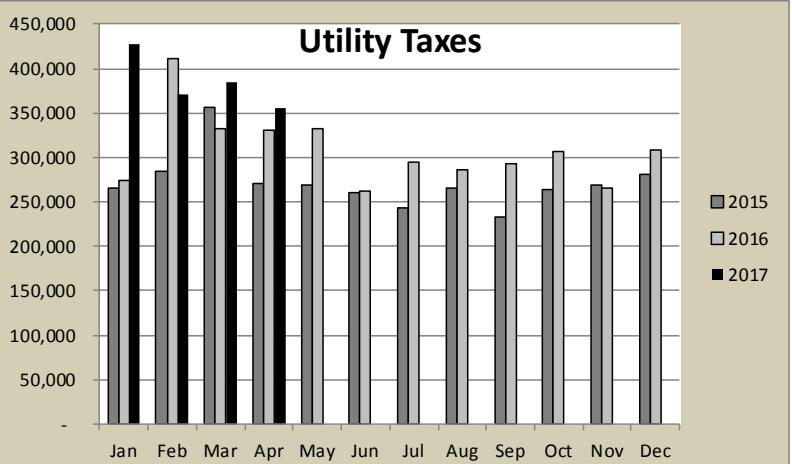
2017 YTD Compared to Annual Budget: 1,008,000 42.0%



2017 YTD Compared to 2016 YTD:

	2017	2016	2015	PY YTD
Jan	427,689	273,337	264,911	7.4%
Feb	370,568	410,967	284,340	18.5%
Mar	384,437	332,039	357,130	27.5%
Apr	356,065	329,815	270,479	36.4%
May		333,168	269,809	45.4%
Jun		262,684	260,950	52.6%
Jul		293,988	243,353	60.5%
Aug		286,311	265,630	68.3%
Sep		292,324	233,833	76.2%
Oct		306,464	263,509	84.5%
Nov		266,326	269,275	91.7%
Dec		308,003	281,830	100.0%
Totals	1,538,759	3,695,425	3,265,049	

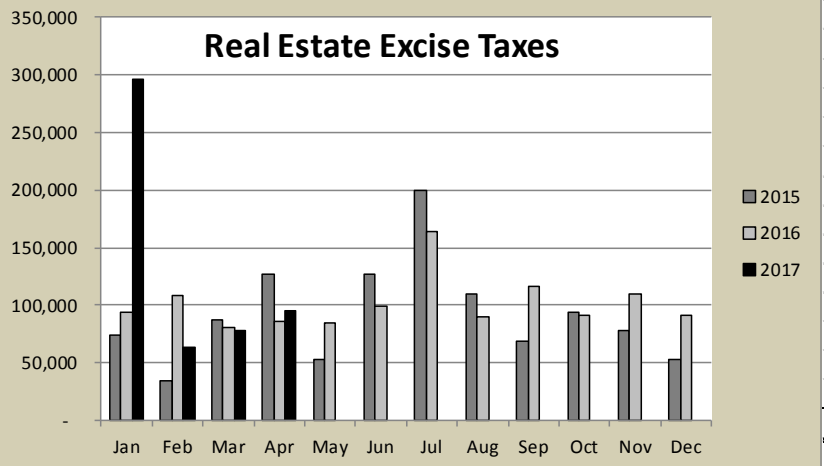
2017 YTD Compared to Annual Budget: 3,653,155 42.1%



2017 YTD Compared to Annual Budget:

	2017	2016	2015	PY YTD
Jan	296,469	93,909	74,382	7.7%
Feb	64,190	109,153	33,884	16.7%
Mar	78,233	80,623	88,020	23.3%
Apr	95,642	86,005	127,450	30.4%
May		84,072	53,190	37.3%
Jun		99,166	127,038	45.5%
Jul		163,905	199,170	59.0%
Aug		90,084	110,322	66.4%
Sep		116,119	68,647	75.9%
Oct		91,603	93,478	83.4%
Nov		109,682	78,694	92.5%
Dec		91,594	53,220	100.0%
Totals	534,534	1,215,915	1,107,495	

2017 YTD Compared to Annual Budget: 800,000 66.8%



- Real Estate Excise Taxes go to the Construction Fund and not the General Fund. All other revenues sources shown above go to the General Fund.
- The Tax revenue shown in the above graphs EXCLUDE ONE-TIME REVENUES for all years.

This is Original 2017 Budget + addl revenues/expenses for INTRA fund GFAdmin & Tech Services

GENERAL FUND 001

2017 BUDGET				2017 Year to Date ACTUAL				
ANNUAL 12 MONTHS				APRIL				
	REVENUES	EXPENDITURES	NET	REVENUES	%*	EXPENDITURES	%*	NET
BEGINNING FUND BALANCE			2,933,039					2,933,039
<u>Unrestricted Revenues</u>								
Unrestricted Taxes	11,308,764		11,308,764	4,418,795	39%			
One Time Sales/B&O Taxes			-	242,195				
Unrestricted Franchise Fees	1,008,000		1,008,000	422,743	42%			
State/City Assistance	90,000		90,000	24,188	27%			
Miscellaneous	39,900		39,900	8,652	22%			
Transfer In	100,000		100,000					
Total Unrestricted Revenues	12,546,664		12,546,664	5,116,572	41%			5,116,572
<u>Policy & Support Services</u>								
Support Services Chargebacks	2,448,816		2,448,816	793,975	32%			793,975 32%
City Council		91,997	(91,997)			21,627	24%	(21,627) 24%
City Manager		1,098,544	(1,098,544)	5,176		381,915	35%	(376,739) 34%
Financial Services	55,956	1,001,170	(945,214)	31	0%	287,649	29%	(287,618) 30%
Technology Services	835,118	794,995	40,123	278,072	33%	305,231	38%	(27,159)
Legal (Civil)		306,721	(306,721)			97,089	32%	(97,089) 32%
Bldg & Facility Maint		319,280	(319,280)			120,655	38%	(120,655) 38%
Total Policy & Support Services	3,339,890	3,612,707	(272,817)	1,077,254	32%	1,214,166	34%	(16,257) 6%
<u>Public Safety Services</u>								
Restricted - Public Safety	2,504,022		2,504,022	1,266,087	51%			1,266,087 51%
One Time Red Light Running			-	-				-
Court	125,162	1,149,954	(1,024,792)	32,852	26%	391,754	34%	(358,902) 35%
Probation	94,000	172,116	(78,116)	20,761	22%	53,374	31%	(32,612) 42%
Fire/Jail/Public Defenders	6,615	756,312	(749,697)	2,048	31%	213,594	28%	(211,547) 28%
Legal (Prosecution, DV, etc.)	25,100	350,908	(325,808)	10,000	40%	112,983	32%	(102,983) 32%
Police	220,550	10,252,915	(10,032,365)	55,192	25%	3,317,190	32%	(3,261,999) 33%
Total Public Safety Services	2,975,449	12,682,205	(9,706,756)	1,386,940	47%	4,088,896	32%	(2,701,956) 28%
<u>Community Services</u>								
Planning & Bldg (NonFee Based)		440,512	(440,512)			133,061	30%	(133,061) 30%
Engineering (NonFee Based)		245,096	(245,096)			81,776	33%	(81,776) 33%
Subtotal	-	685,608	(685,608)	-		214,837	31%	(214,837) 31%
Park Maintenance	41,635	789,331	(747,696)	9,807	24%	243,778	31%	(233,971) 31%
Parks & Community Relations	5,000	209,239	(204,239)	3,325	67%	62,971	30%	(59,646) 29%
Arts Program	17,000	58,987	(41,987)	12,015	71%	6,498	11%	5,518 -13%
Senior & Human Services	125,480	463,644	(338,164)	37,548	30%	173,835	37%	(136,287) 40%
Recreation Programs	1,082,189	1,129,801	(47,612)	293,106	27%	359,855	32%	(66,750) 140%
Beach Park Rentals	297,348	566,953	(269,605)	57,428	19%	164,757	29%	(107,328) 40%
Subtotal	1,568,652	3,217,955	(1,649,303)	413,230	26%	1,011,694	31%	(598,464) 36%
Total Community Services	1,568,652	3,903,563	(2,334,911)	413,230	26%	1,226,531	31%	(1,028,139) 44%
<u>Transfers Out</u>								
Capital & Debt		64,440	(64,440)			3,812	6%	(3,812)
One Time Sales/ B&O Tax			-			242,195		(242,195)
Total Transfers	-	64,440	(64,440)	-		246,007		(246,007)
TOTAL GENERAL FUND	20,430,655	20,262,915	167,740	7,993,996	39%	6,775,600	33%	1,124,214 670%
ENDING FUND BALANCE			3,100,779					4,057,253
<i>*April is month 4 of 12 = 33%</i>								
2 month expenditures target min Ending Fund Balance			3,377,828	3				

SPECIAL REVENUE FUND 105 (DEVELOPMENT - FEE BASED)

2017 BUDGET			2017 Year to Date ACTUAL				
ANNUAL 12 MONTHS			APRIL				
REVENUES	EXPENDITURES	NET	REVENUES**	%*	EXPENDITURES	%*	NET
BEGINNING FUND BALANCE		<u>1,507,686</u>					<u>1,507,686</u>
<i>Community Services (PBPW Fee Based)</i>							
Planning (Fee Based)	474,000	312,642	161,358		99,956	21%	(24,181)
Recycle Grant	47,000	50,340	(3,340)		20,097		1,076
Building & Permits (Fee Based)	926,975	836,592	90,383		124,137	40%	216,750
Minor Home Repair Grant	25,000	25,084	(84)		246,881	30%	(5,611)
Engineering (Fee Based)	331,585	880,212	(548,627)		3,072	35%	(90,029)
TOTAL PBPW Fee Based	<u>1,804,560</u>	<u>2,104,870</u>	<u>(300,310)</u>		<u>792,708</u>	<u>44%</u>	<u>98,005</u>
ENDING FUND BALANCE		<u>1,207,376</u>			<u>694,703</u>	<u>33%</u>	<u>1,605,691</u>

*April is month 4 of 12 = 33%

**ACTUAL Revenues include "One-Time Development Revenues" when received. No "One-Time" in Revenue Budgets.

SPECIAL REVENUE FUNDS MONTHLY REPORT

APRIL

	2017 Budget Annual	2017 Actual Year to Date	%	2016 Actual Annual	2016 Actual Year to Date	%
STREETS						
Begin Fund Balance	463,665	563,269		273,872	273,872	
Revenues	1,636,400	490,141	30%	1,650,427	460,645	28%
Expenditures	1,730,520	447,533	26%	1,361,030	399,768	29%
Net Activity	(94,120)	42,608		289,397	60,877	
Ending Fund Balance	369,545	605,877		563,269	334,749	
ARTERIAL PAVEMENT						
Begin Fund Balance	156,015	212,146		-	-	
Revenues	1,025,147	372,358	36%	212,146	37,868	
Expenditures	130,185	33,341	26%	-	-	
Net Activity	894,962	339,017		212,146	37,868	
Ending Fund Balance	1,050,977	551,163		212,146	37,868	
DEVELOPMENT SERVICES						
Begin Fund Balance	1,507,685	1,507,685				
Revenues	3,470,401	2,300,393	66%			#DIV/0!
Expenditures	2,187,078	694,703	32%			#DIV/0!
Net Activity	1,283,323	1,605,690		-	-	
Ending Fund Balance	2,791,008	3,113,375		-	-	
POLICE DRUG SEIZURE						
Begin Fund Balance	4,851	10,376		10,342	10,342	
Revenues	500	15	3%	34	11	32%
Expenditures	3,500	-	0%	-	-	#DIV/0!
Net Activity	(3,000)	15		34	11	
Ending Fund Balance	1,851	10,391		10,376	10,353	
HOTEL/MOTEL TAX						
Begin Fund Balance	19,239	17,375		9,593	9,593	
Revenues	114,000	24,037	21%	103,113	8,253	8%
Expenditures	114,000	17,845	16%	95,331	7,745	8%
Net Activity	-	6,192		7,782	508	
Ending Fund Balance	19,239	23,567		17,375	10,101	
REDONDO ZONE						
Begin Fund Balance	10,858	18,754		22,064	22,064	
Revenues	109,645	9,073	8%	70,733	8,752	12%
Expenditures	113,855	25,818	23%	74,043	22,366	30%
Net Activity	(4,210)	(16,745)		(3,310)	(13,614)	
Ending Fund Balance	6,648	2,009		18,754	8,450	

April is 4 months of 12

33%

SPECIAL REVENUE FUNDS MONTHLY REPORT (CONTINUED)

APRIL

	2017 Budget Annual	2017 Actual Year to Date	%	2016 Actual Annual	2016 Actual Year to Date	%
WATERFRONT ZONE						
Begin Fund Balance	-	-		-	-	
Revenues	300,000	-	0%	-	-	#DIV/0!
Expenditures	158,790	13,225	8%	-	-	#DIV/0!
Net Activity	141,210	(13,225)		-	-	
Ending Fund Balance	141,210	(13,225)		-	-	

AUTOMATION FEES

Begin Fund Balance	68,871	96,179		22,985	22,985	
Revenues	100,000	50,241	50%	172,920	49,945	29%
Expenditures	101,032	32,557	32%	99,726	40,486	
Net Activity	(1,032)	17,684		73,194	9,459	
Ending Fund Balance	67,839	113,863		96,179	32,444	

ABATEMENT

Begin Fund Balance	1,850	19,121		1,350	1,350	
Revenues	500	-	0%	25,000	-	0%
Expenditures	16,200	15,889	98%	7,229	744	
Net Activity	(15,700)	(15,889)		17,771	(744)	
Ending Fund Balance	(13,850)	3,232		19,121	606	

(ASE) AUTOMATED SPEED ENFORCEMENT

Begin Fund Balance	82,801	152,986		64,389	64,389	
Revenues	350,000	140,415	40%	383,763	141,666	37%
Expenditures	364,586	52,503	14%	295,166	61,338	21%
Net Activity	(14,586)	87,912		88,597	80,328	
Ending Fund Balance	68,215	240,898		152,986	144,717	

(TBD) TRANSPORTATION BENEFIT DISTRICT

Begin Fund Balance	265,588	263,028		84,349	84,349	
Revenues	880,000	296,936	34%	882,268	191,408	22%
Expenditures	995,522	415,321	42%	703,589	179,182	25%
Net Activity	(115,522)	(118,385)		178,679	12,226	
Ending Fund Balance	150,066	144,643		263,028	96,575	

April is 4 months of 12

33%

DEBT SERVICE FUNDS MONTHLY REPORT
APRIL

	2017 Budget <u>Annual</u>	2017 Actual <u>Year to Date</u>	%	2016 Actual <u>Annual</u>	2016 Actual <u>Year to Date</u>	%
REET 1 ELIGIBLE DEBT SERVICE						
Begin Fund Balance	12,692	12,692		14,900	14,900	
Revenues	140,639	46,880	33%	140,410	46,804	33%
Expenditures	143,145	2,190	2%	142,114	1,327	1%
Net Activity	(2,506)	44,690		(1,704)	45,477	
Ending Fund Balance	10,186	57,382		13,196	60,377	
REET 2 ELIGIBLE DEBT SERVICE						
Begin Fund Balance	21,245	21,245		21,245	21,245	
Revenues	265,261	86,372	33%	264,864	88,288	33%
Expenditures	263,373	3,477	1%	264,855	3,980	2%
Net Activity	1,888	82,895		9	84,308	
Ending Fund Balance	23,133	104,140		21,254	105,553	
April is 4 months of 12		33%				

Expenditure activity reflects monthly charge for General Fund Administrative Services. In prior years Debt Service funds were not assessed their related costs for General Fund Admin Services. Semi-annual interest payments are made in June and December each year. The principal payment is made once a year in December.

MARINA FUND 401 OPERATIONS MONTHLY REPORT

(Budget Basis/Working Capital Basis)

APRIL

	2017 Budget Annual	2017 Actual Year to Date	%	2016 Actual Annual	2016 Actual Year to Date	%
REVENUES						
Intergov't Grants				8,046	-	0%
Charges Goods & Services	105,037	54,035	51%	109,177	44,488	41%
Fuel Sales	1,103,986	98,122	9%	829,454	114,192	14%
Fines & Foreitures	12,220	5,545	45%	17,039	5,675	33%
Moorage, Parking & Misc	2,876,716	928,185	32%	2,779,969	889,836	32%
Interfund Maint Services	70,000	50,001	71%	41,474	13,723	
TOTAL	4,167,959	1,135,888	27%	3,785,159	1,067,914	28%
Fuel gallons sold	399,349	44,114		383,989	64,131	

EXPENDITURES						
Salaries	671,098	181,876	27%	563,873	182,261	32%
Benefits	245,273	72,652	30%	215,453	76,025	35%
Supplies	159,073	50,531	32%	135,919	58,659	43%
Fuel Purchases	862,710	102,022	12%	723,543	98,215	14%
Services	854,331	225,640	26%	896,016	285,137	32%
Capital Transfers	716,001	17,966	3%	211,815	1,846	1%
Debt Transfers	820,515	273,508	33%	819,828	273,276	33%
TOTAL	4,329,001	924,195	21%	3,566,447	975,419	27%

REVENUES MORE THAN OR (LESS THAN) EXPENDITURES	(161,042)	211,693	218,712	92,495
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Ending Cash & Investments	1,493,025	1,220,924
Min Reserves - 20%	722,600	
Avail to Xfer to Dock Replace	72,390	

April is 4 month of 12 33.3%

Fuel Profits (using COGS)	14,663	19,661
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SWM FUND 450 OPERATIONS MONTHLY REPORT

(Budget Basis/Working Capital Basis)

APRIL

	2017 Budget <u>Annual</u>	2017 Actual <u>Year to Date</u>	%	2016 Actual <u>Annual</u>	2016 Actual <u>Year to Date</u>	%
REVENUES						
Intergov't Grants	-			15,025	-	
Charges Goods & Services	3,532,391	1,352,255	38%	3,450,877	1,137,636	33%
Interest & Miscellaneous	5,000	5,994	120%	19,842	3,465	17%
TOTAL	<u>3,537,391</u>	<u>1,358,249</u>	38%	<u>3,485,744</u>	<u>1,141,101</u>	33%

EXPENDITURES						
Salaries	914,844	262,742	29%	801,673	268,017	33%
Benefits	419,390	113,299	27%	359,245	120,213	33%
Supplies	68,900	33,702	49%	78,609	23,442	30%
Services	1,448,299	433,179	30%	1,461,078	468,135	32%
Capital Transfers	236,120	20,914		15,000	-	0%
TOTAL	<u>3,087,553</u>	<u>863,836</u>	28%	<u>2,715,605</u>	<u>879,807</u>	32%

REVENUES MORE THAN OR (LESS THAN) EXPENDITURES	<u>449,838</u>	<u>494,413</u>		<u>770,139</u>	<u>261,294</u>	
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Ending Cash & Investments	2,817,497	<u>1,827,312</u>
Min Reserves - 20% Revenues	<u>707,478</u>	
Waiting for CIP Xfer to Fund 451	<u>2,110,019</u>	

April is 4 months of 12 33.3%

Charges for Goods & Services come through the King County property tax billing system so April/May and October/November are peak revenue months for this fund. This also means a higher fund balance is needed for cash flow purposes.

INTERNAL SERVICE FUNDS MONTHLY REPORT

(Budget Basis/Working Capital Basis)

APRIL

	2017 Budget Annual	2017 Actual Year to Date	%	2016 Actual Annual	2016 Actual Year to Date	%
EQUIPMENT RENTAL OPS						
Begin Fund Balance	354,851	365,809		253,062	253,062	
Revenues	516,486	167,025	32%	560,010	199,173	36%
Expenditures	497,739	158,282	32%	447,263	143,443	32%
Net Activity	18,747	8,743		112,747	55,730	
Ending Fund Balance	373,598	374,552		365,809	308,792	
EQUIPMENT RENTAL REPLACE						
Begin Fund Balance	1,676,754	3,243,493		2,459,857	2,459,857	
Revenues	922,690	307,013	33%	995,471	290,697	29%
Expenditures	915,810	218,286	24%	211,835	386,084	182%
Net Activity	6,880	88,727		783,636	(95,387)	
Ending Fund Balance	1,683,634	3,332,220		3,243,493	2,364,470	
FACILITY MAJOR REPAIRS						
Begin Fund Balance	37,731	90,776		92,511	92,511	
Revenues	495,144	36,518	7%	85,476	25,399	30%
Expenditures	384,124	-	0%	87,211	640	1%
Net Activity	111,020	36,518		(1,735)	24,759	
Ending Fund Balance	148,751	127,294		90,776	117,270	
COMPUTER REPLACEMENT						
Begin Fund Balance	598,481	832,303		515,075	515,075	
Revenues	429,555	143,973	34%	496,330	144,263	29%
Expenditures	475,630	198,252	42%	179,102	104,879	59%
Net Activity	(46,075)	(54,279)		317,228	39,384	
Ending Fund Balance	552,406	778,024		832,303	554,459	
SELF INSURANCE						
Begin Fund Balance	287,372	301,938		138,795	138,795	
Revenues	854,710	294,903	35%	824,678	275,994	33%
Expenditures	699,580	614,627	88%	661,535	574,205	87%
Net Activity	155,130	(319,724)		163,143	(298,211)	
Ending Fund Balance	442,502	(17,786)		301,938	(159,416)	
UNEMPLOY INSURANCE						
Begin Fund Balance	353,446	369,859		338,159	338,159	
Revenues	60,545	20,498	34%	58,584	18,680	32%
Expenditures	75,000	149	0%	26,884	7,269	27%
Net Activity	(14,455)	20,349		31,700	11,411	
Ending Fund Balance	338,991	390,208		369,859	349,570	

City Manager's Office

To: City Council

From: City Manager

Re: 1st Quarter Report

The information below represents a compilation of results of each Department for 1st Quarter, 2017.

CITY MANAGER'S OFFICE

- City Manager's Office was involved in a number of ongoing projects and responsibilities.
- Assuring the smooth implementation of the traffic photo enforcement program.
- Working with consultants on aspects of potential future Marina redevelopment.
- Engaging with our legislators to implement the City's legislative program during legislative session in Olympia.
- Engaging in efforts to address noise and health impacts from Sea-Tac airport.
- Continuing reorganization of City administration to increase efficiencies and functionality.
- Carefully monitoring expenditures and revenue to maintain sustainable budget.
- Working with development partners on issues related to the ongoing development of the Des Moines Creek Business Park.
- Partnering with King County Metro to take necessary steps to implement new Community Connections Pilot project.
- Focusing on Emergency Management regional coordination and protocols.
- Public Safety focusing on PD department needs and developing Pac Ridge Strategic Plan.
- Continuing regional coordination of area wide issues with other City Managers in King County.

LEGAL DEPARTMENT

Civil Matters:

- **To date this year, the Legal Department has opened 46 files for civil matters; primarily advisory work to assist the City's operating departments.**
- Reviewed the City Council Rules of Procedure and prepared a draft resolution for Council consideration, which was enacted March 9, 2017. The City Council Rules of Procedure were amended accordingly.

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- Initiated a partnership with the University of Washington Law, Society and Justice Department, to institute a legal internship program. Hosted a volunteer intern who received college credit for her work in Des Moines. The first intern under this program, Dzenita Omerovic, started with the City January 5, 2017. She assisted the Prosecutor with obtaining restitution information, taking witness statements, as well as a number of other tasks in the Legal Department.
- Worked with CSO Kory Batterman to prepare for removal/abatement of an individual's campsite located within city right-of-way. Notice prepared to notify the individual of the City's intention to take into custody any personal property left in the right-of-way 72 hours following posting of the notice in accordance with DMMC 12.05.150(5). This seizure requires that the City retain any property that is not a hazard to health or safety for 60 days and provide a procedure for the individual to claim his property upon payment of the City's expenses. Permission obtained from a property owner and WSDOT to access the right-of-way as necessary. CSO Batterman and Transportation & Engineering Services Manager Andrew Merges developed a plan to clear the right-of-way and to store the seized property upon expiration of the notice warning period.
- Demolished the Golka house at 2828 S. 224th St. on January 20th. Filed the necessary legal documents with Superior Court. Subsequently, received Superior Court approval of a lien in excess of \$20,000. This lien will allow the City to recover all costs associated with the demolition of the unsafe structure when the property is sold. The Legal Department is looking into methods to expedite the sale.
- Reviewed state law and other cities' policies regarding surplus property and prepared a draft ordinance to address this issue for the Finance and Economic Development Committee. The draft ordinance was then presented to the City Council and approved.
- Attended a meeting with Verizon Wireless and Mobilities, Inc. to discuss the two companies' desires to install small cell wireless communication facilities on existing power poles in City right of way. These installations would be subject to a franchise agreement that would require the approval of the City Council.
- Drafted and finalized contract amendments to close out contract with legislative advocate (Anthony Hemstad) and drafted and executed a new contract for a replacement advocate (Conner Edwards). Filed an L3 report for year 2016 with the PDC.
- Reviewed 54 applications for Domestic Violence Advocate position and selected 6 highly qualified candidates for interviews conducted on February 13th and 14th. Nicole Nordholm was selected and began employment on March 6, 2017. Nicole has a Bachelor's and a Master's degree. She has extensive advocacy experience and was most recently employed on a limited contract with Bothell Municipal Court.
- Finalized an Amendment to the Interlocal Agreement with the City of Normandy Park to increase the cost of prosecution services provided by the City of Des Moines from \$25,000 to \$35,000 annually, and to include Domestic Violence Advocate services into the Agreement. City Council approved the ILA on March 9, 2017.
- Drafted an Interlocal Agreement to allow South King County Fire and Rescue to purchase fuel from the City at the City's Service Center. The draft was provided to South King and comments were received back. The final draft was approved by the City Council on April 13, 2017.

- The matter of *Im v. DOE and Des Moines* was dismissed before the Shoreline Hearings Board. This was an appeal of a Hearing Examiner Decision related to a conditional use permit and variance application for construction in the City's shoreline. The matter was scheduled for trial in April; that trial is now cancelled. The City staff decision as modified by the Department of Ecology is now final.
- Initiated a business license emphasis for multi-family rental properties in Pacific Ridge. Out of 86 multi-family properties it was determined 15 did not have business licenses. Letters were sent to property owners and citations were issued if licenses were not obtained.
- Sent 120 enforcement letters to businesses that did not renew 2017 business licenses. Within one week of letters being sent, 22 licenses had been renewed and 8 files closed as the businesses are no longer in operation. Roughly \$4,000 in license fees and penalties were collected in the first week. Enforcement efforts continue into the second quarter.
- Received two formal Notice of Protests from the prime contractor on the Redondo Boardwalk Reconstruction Project. Several disputes remain regarding liquidated damages and change orders and the Council will be updated periodically as the process unfolds. The City has rejected the protests as invalid.
- Negotiated, prepared and finalized draft of lease agreement for a waterfront café at the Marina. This lease was approved by Council on March 23rd.
- Presented an update to the City Council on March 23rd regarding nuisance properties in the City and enforcement actions staff has taken to address these properties.
- Continued negotiations with Verizon Access Transmission Services on a Telecommunications Franchise. Met with Ad Hoc Franchise Committee and provided latest drafts. Negotiations continue with the goal of bringing a franchise ordinance in late May or early June.
- Finalized negotiations and executed a written agreement with Anthony's Restaurant and the parking lot ownership group for installation and implementation of paid parking in the Marina.
- Drafted and presented ordinance to update and extend City gambling tax.
- Updated contracts for the Parks Department for the 2017 operation of the Farmer's Market and Food Truck concessions at the Marina.

- The following Ordinances and Resolutions were prepared in final form and signed in the First Quarter 2017 following approval by the City Council:

Ordinance No. 1670	Gambling Tax Extension
Ordinance No. 1671	Low Impact Development Amendments
Ordinance No. 1672	PR-C North Permitted Uses
Ordinance No. 1673	BP Zone Screening Requirements
Ordinance No. 1674	Authorizing City Manager to Set Marina Parking Rates and Regulations
Ordinance No. 1675	Park Use Regulations
Ordinance No. 1676	Park Designations, Access Routes, & ROWs
Resolution No. 1351	S. 216th Seg. 3 Project Certification for TIB Award
Resolution No. 1352	Surplus Vehicles
Resolution No. 1353	Highline College Master Plan Approval
Resolution No. 1354	Judge Reclassification
Resolution No. 1355	Regular Non-Represented Employees Agreement
Resolution No. 1356	Council Rule Amendments
Resolution No. 1357	Panattoni PUD, Setting Public Hearing

Des Moines Prosecuting Attorney Quarterly Recap.

- The Prosecuting Attorney filed 703 infractions and citations in the First Quarter 2017 for Des Moines and appeared at 837 criminal hearings. Also filed were 864 Midway and Woodmont Photo Enforcement infractions, 12,627 red-light camera infractions, and 15 abatement infractions. The Prosecutor represented the City at 31 hearings involving infractions that were being opposed by private counsel, and 17 animal control hearings. Staff also responded to 27 infraction discovery requests.

Normandy Park Prosecuting Attorney Quarterly Recap.

- The Prosecuting Attorney filed 55 infractions and citations in the First Quarter 2017 for Normandy Park and appeared at 199 criminal hearings and 4 hearings involving infractions that were being opposed by private counsel.
- Legal Department contracts signed in the First Quarter: None for Legal.
- Bids, RFPs, and RFQs issued by Legal in the First Quarter: None for Legal.

CITY CLERK'S OFFICE

Request for Public Records-2017

Month	Total # of Requests	Total Active Requests*	BY DEPARTMENT			
			ADMIN	PBPW	PD	Court
January	158	2	13	15	123	7
February	149	0	20	13	105	11
March	129	1	7	15	91	16
April	0					
May	0					
June	0					
July	0					
August	0					
September	0					
October	0					
November	0					
December	0					
TOTAL	436	3	40	43	319	34

Request for Public Records-2016

Month	Total # of Requests	Total Active Requests*	BY DEPARTMENT			
			ADMIN	PBPW	PD	Court
January	146	0	23	6	112	5
February	156	0	5	13	131	7
March	158	0	7	16	118	17
April	125	0	8	10	95	12
May	141	0	9	6	119	7
June	139	0	3	8	122	6
July	138	3	8	15	106	9
August	153	0	19	11	117	6
September	145	0	11	14	113	7
October	155	0	15	18	116	6
November	141	0	11	11	116	3
December	131	1	22	9	89	11
TOTAL	1728	4	141	137	1354	96

FINANCE DEPARTMENT

Major Tasks Completed During the Quarter

- Finished 2016 year-end accounting activities.
- Prepared 2016 CAFR (Comprehensive Annual Financial Report) and 2016 State Auditor's Office Schedules.
- Recoded 2017 budget and accounting systems (EDEN, ADP, CLASS, PERMIT TRAX, MARINA FSM) to meet council's new 2017 reporting criteria.
- Start annual State financial audit.
- Designed new format for 2017 City Council monthly financial reports
- Conducted research, analysis, and discrepancy resolution with PRSS CLASS system.
- Created new calculations and coding for Recreation direct overhead charge and accounting and entered charge rates for all departments.
- Distributed annual IRS required W-2's and 1095 C payroll forms to employees.
- Prepared and filed IRS 1099 forms.
- Updated 2017 medical, dental, and vision rates into payroll system.
- Resolved PRSS software selection (DASH).
- Worked with Info Tech Services to automate journal entry and various other imports to create new processing efficiencies.
- Researched and helped implement Interlocal Fuel agreement.

MAJOR REVENUE TRENDS (CASH BASIS)

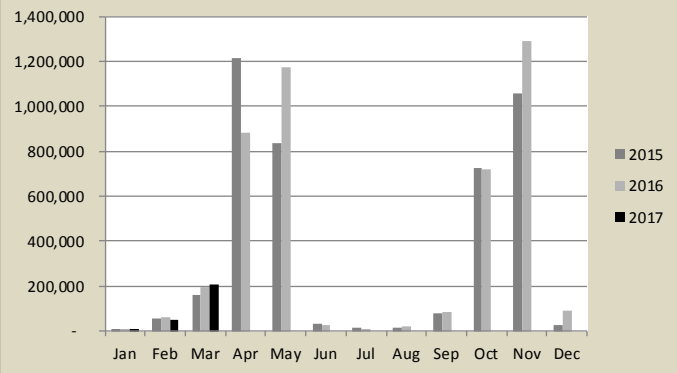
2017 YTD Compared to 2016 YTD:

5,740 2.2%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>PY YTD</u>
Jan	10,191	9,718	7,766	0.2%
Feb	52,372	62,078	55,462	1.6%
Mar	207,664	192,691	159,802	5.8%
Apr		884,255	1,214,531	25.2%
May		1,172,679	834,623	50.8%
June		24,323	34,134	51.4%
Jul		8,130	12,380	51.5%
Aug		19,914	15,762	52.0%
Sep		87,561	76,908	53.9%
Oct		721,023	723,002	69.7%
Nov		1,292,382	1,054,756	98.0%
Dec		92,696	29,206	100.0%
Totals	270,227	4,567,450	4,218,332	

2017 YTD Compared to Annual Budget: 4,572,060 5.9%

PROPERTY TAXES



2017 YTD Compared to 2016 YTD:

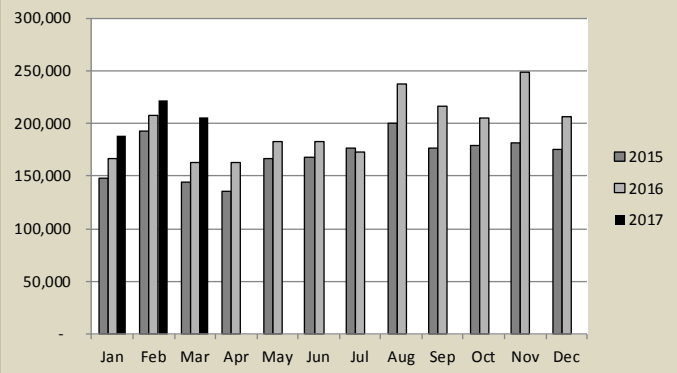
80,637 15.0%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>PY YTD</u>
Jan	188,813	166,482	148,542	7.1%
Feb	222,214	207,580	192,640	15.9%
Mar	206,184	162,512	144,525	22.8%
Apr		162,783	135,180	29.7%
May		183,308	166,575	37.5%
Jun		182,542	167,671	45.3%
Jul		172,341	176,608	52.6%
Aug		236,926	200,510	62.7%
Sep		216,225	176,594	71.9%
Oct		205,441	178,690	80.7%
Nov		248,392	181,241	91.2%
Dec		206,295	174,869	100.0%
Totals	617,211	2,350,827	2,043,645	

2017 YTD Compared to Annual Budget: 2,244,019 27.5%

2350827.94

SALES TAXES



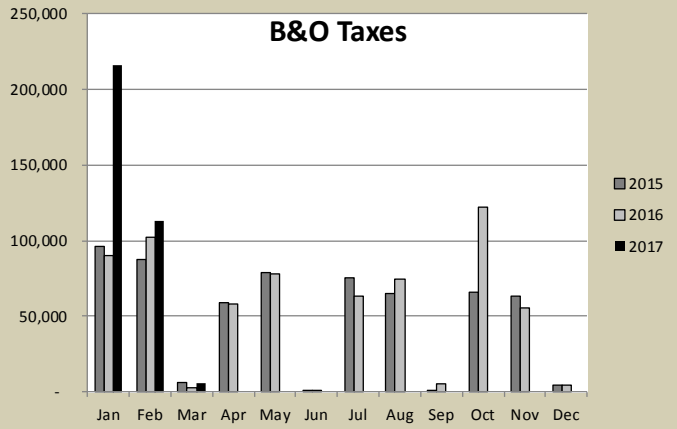
2017 YTD Compared to 2016 YTD:

139,726 71.7%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>PY YTD</u>
Jan	216,324	89,942	95,787	13.7%
Feb	112,795	101,825	87,424	29.2%
Mar	5,480	3,106	6,095	29.6%
Apr		58,292	58,723	38.5%
May		78,035	78,674	50.3%
Jun		1,262	745	50.5%
Jul		63,661	75,441	60.2%
Aug		74,863	64,797	71.6%
Sep		5,211	1,192	72.4%
Oct		122,095	66,238	91.0%
Nov		55,292	63,614	99.4%
Dec		4,217	4,699	100.0%
Totals	334,599	657,801	603,429	

2017 YTD Compared to Annual Budget: 660,000 50.7%

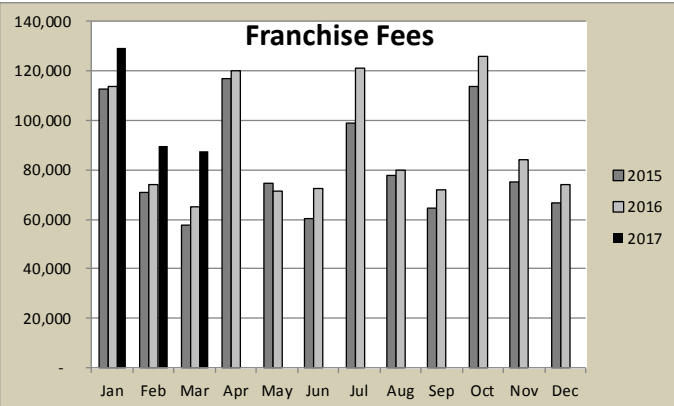
B&O Taxes



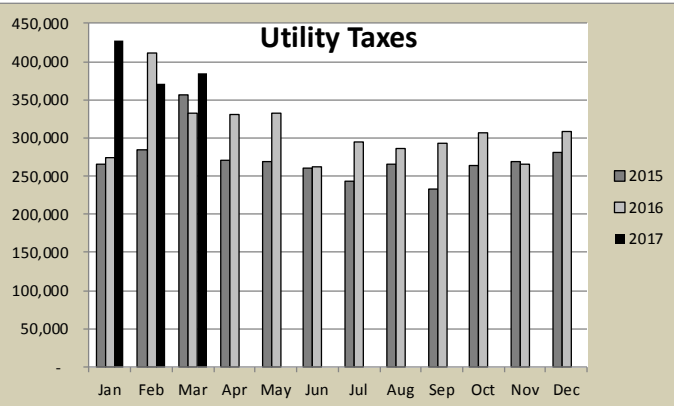
MAJOR REVENUE TRENDS

(Cash Basis -Continued)

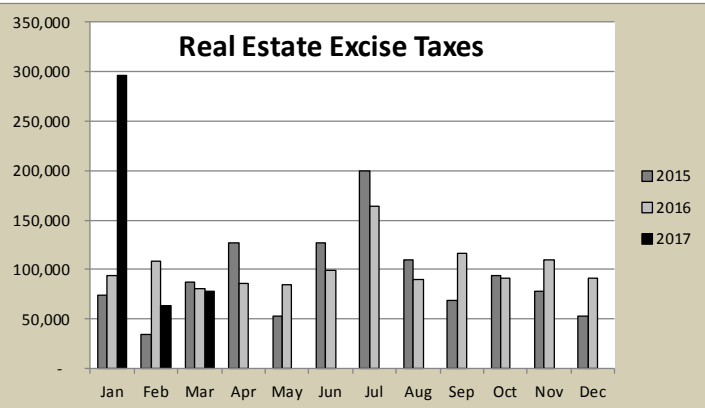
2017 YTD Compared to 2016 YTD:			53,487	21.2%
	2017	2016	2015	PY YTD
Jan	129,401	113,463	112,750	10.6%
Feb	89,405	73,834	71,075	17.4%
Mar	87,325	65,347	57,924	23.5%
Apr		120,207	116,879	34.7%
May		71,583	74,423	41.4%
Jun		72,626	60,470	48.1%
Jul		121,248	99,070	59.4%
Aug		79,804	77,663	66.8%
Sep		72,099	64,435	73.5%
Oct		126,141	113,761	85.3%
Nov		84,251	74,997	93.1%
Dec		73,899	66,607	100.0%
Totals	306,131	1,074,502	990,053	
2017 YTD Compared to Annual Budget:			1,008,000	30.4%



2017 YTD Compared to 2016 YTD:			166,351	16.4%
	2017	2016	2015	PY YTD
Jan	427,689	273,337	264,911	7.4%
Feb	370,568	410,967	284,340	18.5%
Mar	384,437	332,039	357,130	27.5%
Apr		329,815	270,479	36.4%
May		333,168	269,809	45.4%
Jun		262,684	260,950	52.6%
Jul		293,988	243,353	60.5%
Aug		286,311	265,630	68.3%
Sep		292,324	233,833	76.2%
Oct		306,464	263,509	84.5%
Nov		266,326	269,275	91.7%
Dec		308,003	281,830	100.0%
Totals	1,182,694	3,695,425	3,265,049	
2017 YTD Compared to Annual Budget:			3,653,155	32.4%



2017 YTD Compared to Annual Budget:		155,207	54.7%	
	2017	2016	2015	PY YTD
Jan	296,469	93,909	74,382	7.7%
Feb	64,190	109,153	33,884	16.7%
Mar	78,233	80,623	88,020	23.3%
Apr		86,005	127,450	30.4%
May		84,072	53,190	37.3%
Jun		99,166	127,038	45.5%
Jul		163,905	199,170	59.0%
Aug		90,084	110,322	66.4%
Sep		116,119	68,647	75.9%
Oct		91,603	93,478	83.4%
Nov		109,682	78,694	92.5%
Dec		91,594	53,220	100.0%
Totals	438,892	1,215,915	1,107,495	
2017 YTD Compared to Annual Budget:		800,000	54.9%	



GENERAL FUND 001

2017 BUDGET				2017 Year to Date ACTUAL				
ANNUAL 12 MONTHS				MARCH				
	REVENUES	EXPENDITURES	NET	REVENUES	%*	EXPENDITURES	%*	NET
BEGINNING FUND BALANCE			2,933,039					2,933,039
<u>Unrestricted Revenues</u>								
Unrestricted Taxes	11,308,764		11,308,764	2,267,151	20%			
One Time Sales/B&O Taxes			-	199,419				
Unrestricted Franchise Fees	1,008,000		1,008,000	305,770	30%			
State/City Assistance	90,000		90,000	24,188	27%			
Miscellaneous	39,900		39,900	5,992	15%			
Transfer In	100,000		100,000					
Total Unrestricted Revenues	12,546,664		12,546,664	2,802,520	22%			2,802,520
<u>Policy & Support Services</u>								
Support Services Chargebacks	2,448,816		2,448,816	595,481	24%			595,481 24%
City Council		91,997	(91,997)			15,940	17%	(15,940) 17%
City Manager		1,098,544	(1,098,544)			307,349	28%	(307,349) 28%
Financial Services	55,956	1,001,170	(945,214)	2	0%	219,038	22%	(219,036) 23%
Technology Services	794,995	794,995	-	208,556	26%	256,675	32%	(48,119)
Legal (Civil)		306,721	(306,721)			75,173	25%	(75,173) 25%
Bldg & Facility Maint		319,280	(319,280)			88,955	28%	(88,955) 28%
Total Policy & Support Services	3,299,767	3,612,707	(312,940)	804,039	24%	963,130	27%	(70,136) 22%
<u>Public Safety Services</u>								
Restricted - Public Safety	2,504,022		2,504,022	906,008	36%			906,008 36%
One Time Red Light Running			-	-				-
Court	125,162	1,149,954	(1,024,792)	21,289	17%	291,730	25%	(270,441) 26%
Probation	94,000	172,116	(78,116)	36,085	38%	39,583	23%	(3,498) 4%
Fire/Jail/Public Defenders	6,615	756,312	(749,697)	1,766	27%	157,985	21%	(156,219) 21%
Legal (Prosecution, DV, etc.)	25,100	350,908	(325,808)	4,166	17%	81,453	23%	(77,287) 24%
Police	220,550	10,252,915	(10,032,365)	39,975	18%	2,296,253	22%	(2,256,278) 22%
Total Public Safety Services	2,975,449	12,682,205	(9,706,756)	1,009,289	34%	2,867,004	23%	(1,857,715) 19%
<u>Community Services</u>								
Planning & Bldg (NonFee Based)		440,512	(440,512)			102,525	23%	(102,525) 23%
Engineering (NonFee Based)		245,096	(245,096)			61,169	25%	(61,169) 25%
Subtotal	-	685,608	(685,608)	-		163,694	24%	(163,694) 24%
Park Maintenance	41,635	789,331	(747,696)	2,784	7%	178,695	23%	(175,911) 24%
Parks & Community Relations	5,000	209,239	(204,239)	2,325	47%	45,681	22%	(43,356) 21%
Arts Program	17,000	58,987	(41,987)	4,515	27%	4,621	8%	(106) 0%
Senior & Human Services	125,480	463,644	(338,164)	33,022	26%	133,612	29%	(100,590) 30%
Recreation Programs	1,082,189	1,129,801	(47,612)	226,284	21%	266,230	24%	(39,946) 84%
Beach Park Rentals	297,348	566,953	(269,605)	42,833	14%	125,280	22%	(82,447) 31%
Subtotal	1,568,652	3,217,955	(1,649,303)	311,763	20%	754,119	23%	(442,356) 27%
Total Community Services	1,568,652	3,903,563	(2,334,911)	311,763	20%	917,813	24%	(769,744) 33%
<u>Transfers Out</u>								
Capital & Debt		64,440	(64,440)				0%	-
One Time Sales/ B&O Tax			-			199,419		(199,419)
Total Transfers	-	64,440	(64,440)	-		199,419		(199,419)
TOTAL GENERAL FUND	20,390,532	20,262,915	127,617	4,927,611	24%	4,947,366	24%	(94,494) -74%
ENDING FUND BALANCE			3,060,656					2,838,545
<i>*March is month 3 of 12 = 25%</i>								
<i>2 month expenditures target min Ending Fund Balance</i>				<i>3,377,828</i>				

SPECIAL REVENUE FUND 105 (DEVELOPMENT - FEE BASED)

2017 BUDGET			2017 Year to Date ACTUAL				
ANNUAL 12 MONTHS			MARCH				
REVENUES	EXPENDITURES	NET	REVENUES**	%*	EXPENDITURES	%*	NET
BEGINNING FUND BALANCE		1,507,686	1,507,686				
<i>Community Services (PBPW Fee Based)</i>							
Planning (Fee Based)	474,000	312,642	161,358		390,777	82%	293,047
Recycle Grant	47,000	50,340	(3,340)		-		18,886
Building & Permits (Fee Based)	926,975	836,592	90,383		114,657	12%	182,150
Minor Home Repair Grant	25,000	25,084	(84)		-		3,073
Engineering (Fee Based)	331,585	880,212	(548,627)			0%	220,535
TOTAL PBPW Fee Based	1,804,560	2,104,870	(300,310)		505,434	28%	522,374
ENDING FUND BALANCE		1,207,376	1,490,746				

*March is month 3 of 12 = 25%

**ACTUAL Revenues include "One-Time Development Revenues" when received. No "One-Time" in Revenue Budgets.

POLICE DEPARTMENT

CRIME STATISTICS

Quarterly Totals

Offense	2016 1st Quarter Totals	2017 1st Quarter Totals	2017 1st Quarter Percent Change
Homicide	2	0	-100%
Sex Offenses	13	9	-31%
Robbery	7	14	+100%
Assaults*	55	56	+2%
Burglary	40	35	-13%
Larceny*	158	145	-8%
MV Accidents	90	76	-16%
MV Thefts	83	65	-22%
Arson	1	2	+100%
Moving Violations	818	753	-8%
School Zone Photo Enforcement	866	886	+2%
Red Light Photo Enforcement	**	13,026	**
Officers Assaulted	0	0	0%
Adult Arrest	49	63	+29%
Juvenile Arrest	4	5	+25%
Calls For Service	4,126	5,305	+28%

*Assault and Larceny category include all reported felony and misdemeanor crimes.

**Program started in 11/2016.

PARKS, RECREATION AND SENIOR SERVICES

Administration:

- Des Moines Beach Park Picnic Shelter and Restroom Project construction is underway. Weather and unforeseen building conditions added to project delays, however, the project is on schedule for completion in May.
- Parkside Park Renovation Project was out to bid in March.
- Staff managed five volunteer organizations for Earth Day activities in April.
- CDBG Pre-applications were submitted for new play equipment at Kiddie Park and Field House Park. It is unlikely that both projects will be funded in 2017, however, the projects will be in the queue for future year's funding.
- Staff received \$30,000 grant award from 4Culture for Des Moines Beach Park Sun Home Lodge Foundation Design.
- Staff researched Recreation Management Software options and selected DASH Platform for implementation later this year.
- Staff proposed Citywide Playground Project to design needed repairs and replacements for 7 play areas and the new development of one play area in Des Moines. Funding to come from Real Estate Excise Tax (REET), grants, Legacy Foundation and the community.
- Staff produced the 2017 Rec N Roll spring magazine that mailed March 10. The magazine includes the March - July community events calendar.
- Staff collaborated with Highline College's Urban Agriculture Department and other partners such as King Conservation District (KCD) and International Refugee Commission to submit a pre-application to KCD for a grant to implement an outdoor classroom project at Sonju Park.
- 2017 Extra Hire Pay Schedule Hourly Rates were increased to reflect the State's Minimum Wage that went into effect on January 1, 2017. Thirty-six employees received wage increases ranging from \$.25 to \$1.50 per hour.

Community Engagement:

Volunteer/Committee Hours	January	February	March	YTD Totals
DM Arts Commission	22	9.5	34.5	66
Sr. Services Advisory Committee	6.25	-	11	17.25
Human Services Advisory Comm.	-	7.25	-	7.25
DM Lodging Tax Advisory Comm.	-	-	-	-
KC Landmarks Commission	-	-	-	-
Daisy Sonju Garden	4.5	6.0	10.25	20.75
Youth Sports Coaches	780	585	180	1,545
Senior Services	372	454	503	1,329
Parks Administration	-	30.25	36.5	66.75
Total Volunteer/Committee Hrs.*	1,184.75	1,092	775.25	3,052

*Rounded to the nearest whole number

Recreation and Sports:

- Youth Basketball Season, December through March- 621 children grades K-8 took part in a 12 week program with 10 games, learning new skills, having fun, and making lifelong friends.
- Club KHAOS participation is up in spite of 3 snow days at some sites.

Recreation & Sports	1st QTR Totals
2016 Revenue	\$206,069
2017 Revenue	\$221,791
% Change	8%
2016 Expenditures	\$182,920
2017 Expenditures	\$266,229*
% Change	45%

*2017 Expenditures include increased General Fund administrative charges.

Events and Facilities:

- Regular Part time Events and Facilities Specialist Kirsta Dunlap resigned and was replaced by Sonja Thomas in January.
- Staff participated in the Seattle Wedding Show at the Washington State Convention Center in January. The result is four contracts and two are pending.
- Staff participated in the Tacoma Wedding Expo in March. Three contracts have been written and ten are pending.

Events & Facilities	January	February	March	YTD Totals
2016 Revenue	\$1,482	\$3,460	\$18,949	\$23,891
2017 Revenue	\$11,983	\$5,772	\$27,500	\$45,255
% Change	709%	67%	45%	89%
2016 Expenditures	\$34,349	\$27,244	\$31,779	\$93,372
2017 Expenditures				
% Change				
2016 Bookings	4	3	10	17
2017 Bookings	6	5	15	26
% Change	50%	67%	50%	53%
2016 Attendance	240	300	1980	2520
2017 Attendance	720	470	2580	3770
% Change	200%	57%	30%	50%

Activity Center/Senior Services:

- City Council approved the annual ILA with the City of Normandy Park for 2017 senior programs and services.
- FREE Pancake Breakfast co-hosted with Adriana Senior Apartments on Friday, February 9th, 7:30-9am at the Activity Center.
- ORCA was invited to Activity Center on Tuesday, February 22 from 10am-12:30pm for residents to pay for their ORCA reduced senior fare card. Twenty-five residents either purchased a senior reduced fare card or re-loaded their ORCA cards.
- Senior Services Manager presented Nutrition program presentation to City Council on Thursday, March 23.

Seniors/Activity Center	January	February	March	YTD Totals
Meals Served	757	738	920	2,415
Fee Program Attendance	308	515	704	1,527
Drop In Attendance	622	662	879	2,163
Consultation Services	220	132	282	634

Seniors/Activity Center	1st QTR Totals
2016 Revenues	38,520
2017 Revenues	33,023
% Change	<6%>
2016 Expenditures	25,354
2017 Expenditures	20,636
% Change	<19%>

City Council Committee Reports:

Des Moines Arts Commission

Met on second Tuesdays of the month between 5:30pm and 7:00 p.m. at eh Beach Park Founders Lodge- January 10, February 14 and March 14.

Meeting discussion:

- Staff submitted 4Culture grant request for 2017 Local Arts Support
- Commission selected 2017 Beach Park Summer Concert performances
- Collette Deardorff was reappointed for a second 3 year term to the Commission
- Staff and Arts Commission worked with Destination Des Moines (DDM) with its first annual Art and Wine Walk at six Marina District businesses on Thursday, February 23.

Senior Services Advisory Committee

Met on Thursday, January 19th

Meeting discussion:

- Committee reports on 2017 goals

Met on Thursday, March 16, 2017

Meeting discussion:

- Staff report on City of Normandy Park 2017 funding for Senior Services
- Committee goals update report
- Discussion with city council liaison Jeremy Nutting regarding their traffic concerns for 216th ST. and the drive up mail box at the Des Moines Post Office

Human Services Advisory Committee

Met on Thursday, February 23, 2017

- Staff orientation of new committee member Kristy Dunn

Meeting discussion:

- Tour of the new SeaMar Health Clinic Campus in Des Moines
- Introduction of new committee member Kristy Dunn
- Review of 4th quarter agency reports
- Agency Liaison Reports and Select 2017 agencies to mentor

Des Moines Lodging Tax Advisory Committee (DMLTC)

Committee did not meet during the 1st quarter

- Staff submitted Seattle Southside Grant request for “ToTheBeachWa” website, brochure development, printing and distribution. Grant awarded.
- Staff submitted Seattle Southside Grant request for Community Wayfinding. Staff has not received response.
- Destination Des Moines submitted Seattle Southside Grant Request for Community Festivals. Grant Awarded.

Des Moines Landmarks Commission

Committee did not meet during the 1st quarter

MARINA

Marina Occupancy Report

	Jan.	Feb.	Mar.	^{1st} Qtr. Avg. 2017	^{1st} Qtr. Avg. 2016
Open Slips	89%	89%	89%	89.0%	89.3%
Covered Slips	77%	77%	77%	77.0%	77.3%
Dry Sheds	96%	96%	96%	96.0%	96.0%
Total Occupancy	92%	92%	92%	92.0%	93.0%

Capital Projects

- **Pay Parking In the Marina & Beach Park**

Poor weather conditions and the lack of response from concrete contractors delayed the project in the first quarter. By the end of the quarter the Marina maintenance staff had started the trenching and conduit work and began preparing to do the concrete work if a contractor could not be found.

The Marina staff hosted three public meetings in the first quarter. The meetings were on the 3rd Wednesday of each month and were held at the Activity Center. At the meetings the Harbormaster discussed the reasons why the City is implementing pay parking in the Marina and Beach Park and how the system will work. City staff also attended some of the meetings to discuss parking impacts in the adjacent neighborhoods.

Marina Revenues

Marina Service Revenue

	Jan.	Feb.	Mar.	1st Qtr. Total 2017	1st Qtr. Total 2016	Percent Change
Fuel Sales (gals.)	\$11,203	\$8,251	\$10,125	\$29,580	\$39,653	-26.0%
Guest Moorage	\$1,318	\$2,048	\$3525	\$6891	\$6,080	+14.0%
Redondo Parking	\$1,198	\$1,146	\$			
Moorage	\$175,903	\$172,986	\$210,642	\$559,532	\$529,497	+6.0%
Dry Sheds	\$13,874	\$14,074	\$14,048	\$41,998	\$41,327	+2.0%
Lease Revenue	\$12,720	\$12,720	\$12,833	\$38,273	\$41,881	-1.0%

- Marina service revenues for the first quarter of 2017 were about the same as the first quarter last year, with the exception of fuel sales which were down significantly. Fuel prices were about the same compared to last year but the weather was much worse with very few good boating days during the quarter.

- **Seattle Boat Show**

In January the Marina staff participated in the annual Seattle Boat Show. This year the

staff completely re-designed the booth & displays and were pleased with the results. Some club visits were booked and reservations for seasonal moorage were taken. In general the reports from the show were good, and most industry analysts are predicting continued growth for recreational boating in the Puget Sound.

PLANNING, BUILDING AND PUBLIC WORKS

Highlights

- Work on the South 216th Street – Segment 1A Project (24th Ave S to Pacific Highway South) is substantially complete.
- Development related activity within the City continues at an all-time high level, most notably work at the Des Moines Creek Business Park shown in the photo below.



Capital Improvement Projects

Lower Massey Creek Channel Modification Project

The 200-foot long sheet pile wall along the south bank of the creek is now complete and the channel widened. All stream logs and boulders are installed and stream gravel placed. Installation of the 400-foot earth berms is also complete along the north side of the channel. The contractor is still working on a few minor punchlist items for the pump station. Once the punchlist items are done the project will be accepted.



Transportation Gateway Projects:**S 216th Street Segment 1-A (24th Avenue S to SR-99)**

Work is substantially complete. Minor punch list items need to be worked on. The inclement weather has been inhibiting the ability to perform this work. We are hoping to have the project closed out by July 2017.



S 216th Street Segment 3: 11th Avenue S. to 20th Avenue S

Per Council direction with funding from the Washington State TIB, staff initiated preliminary design on the project engaging KPG, Inc. as the project designer. The project will complete the missing link of improvements between SR99 and Marine View Drive.



Involved will be the creation of a three lane roadway section with bicycle lanes, curb, sidewalk, undergrounding of utilities, drainage improvements, etc. Adjoining land owners have been notified and a survey, base map and draft layout have been completed. A technical committee of agencies and utilities met in mid-April to begin discussion of preliminary design and how to best underground overhead utilities as well as mitigate potential construction conflicts. It is anticipated that Preliminary Design will be completed this summer including development of a right-of-way plan. Final design and right-of-way acquisition is scheduled to begin in October, 2018. Construction is scheduled for early 2019.

Marine View Drive and S 240th Intersection

A flashing all-way stop is being installed to address safety concerns. Staff are working with a consultant team to evaluate and refine plans to develop a roundabout at this location.

24th Avenue South (S 224th St to S 227th Pl)

The 24th Avenue Sidewalk project is currently in the preliminary engineering phase. Staff is working with a consultant for design work while in discussions with effected utilities along the corridor. It is expected that design work will be completed in 2017 with construction during the summer of 2018. The project will provide sidewalks on the east side of 24th Avenue between S 224th Street and S 226th Street, enhanced overhead pedestrian crossing signage, street lighting and storm water upgrades between S 224th Street and S 227th Street.

South 268th Street Sidewalk Project

The South 268th Street Sidewalk Improvements project is expected to wrap up by summer of 2017.

Following the utility upgrades of last summer by Century Link, Puget Sound Energy, Midway Sewer District and Highline Water District, the City was able to construct new sidewalks, storm drainage facilities, radar feedback signs, and other pedestrian enhancements along this route connecting 16th Avenue S with Pacific Highway.

Additional work in the spring of 2017 will include storm water facilities within 16th Place and 17th Place to tie into the new drainage system

along S 268th Street, the final asphalt overlay of the entire project and the City will explore options with IntoLight for efficient illuminations along the corridor. The City Council accepted a Safe Routes to School grant from the Federal Highway Safety Improvement Program to help finance these improvements and make this project a reality.



24th Avenue South (S 216th St to S 208th St)

City staff continues to coordinate with SeaTac staff regarding final grading and construction of the S 208th intersection as part of their portion of the Connection 28th/24th Avenue S project. Inclement weather has been preventing the intersection paving work.

Redondo Boardwalk

The City and Contractor, Stellar J., is continuing project punch-list work items to achieve Physical Completion and project close-out. It is anticipated that the remaining work will be completed in spring 2017.

Pavement Management Program

South 223rd Street – Pavement Rehabilitation Project

The City and Consultant, KPG, are beginning design engineering and geotechnical investigation for the South 223rd Street Roadway Rehabilitation Project. Roadway drill coring and pavement deflection testing will help guide the design to achieve a resilient pavement section to last many years into the future. Design, permitting, and utility coordination will be complete in 2017 with anticipated construction in 2018.



Des Moines Street Standards

The City will be updating its street standards during 2017. The existing street standards were approved in 1996 and are in need of a substantial update. Staff will be working with a consultant to make needed changes to a number of items within the street standards including: policy updates, code updates, standards related to Low Impact Development, and standard details. Staff will bring forward the updated street standards to the City Council near the end of 2017.

Picnic Shelter/Restroom Rehabilitation

Argosy Construction began work in October 2016 on this project. The contractor has 180 calendar days (6 months) to complete the project. Work is progressing slowly, and should be complete by the end of April 2017.



Parkside Park Renovation

The design scope of work by consultant (The LA Studio LLC) is being modified slightly to reduce construction costs. We advertised for bids again in March 2017. Work should begin in May when weather permits, and be completed by the end of November 2017. Working with Ecology on contaminated soils remediation.

Field House Tennis Court

This project was placed on hold in 2016, and is scheduled to be completed during the summer of 2017.

Engineering Standby Generator

Elcon Associates, Inc. was awarded the design contract in February 2017. We are currently at the 90% design level. We anticipate going out for bids sometime in May, and the project should be complete by November 2017.

Special Projects

Sound Transit FWLE Project

Staff continued to work with Sound Transit on the 30% design submittal. Staff attended a coordination meeting with Sound Transit and Highline College to discuss improvements to South 236th Lane. Staff also attended a meeting with the City of Kent to discuss design alternatives for Pacific Highway South, and the timing of those improvements with pending development – i.e. Highline Place. Staff is currently working with Sound Transit staff on the development of a draft term sheet that will outline project achievements to date, and layout our work program for 2017 as we move towards the creation of a development agreement with Sound Transit.

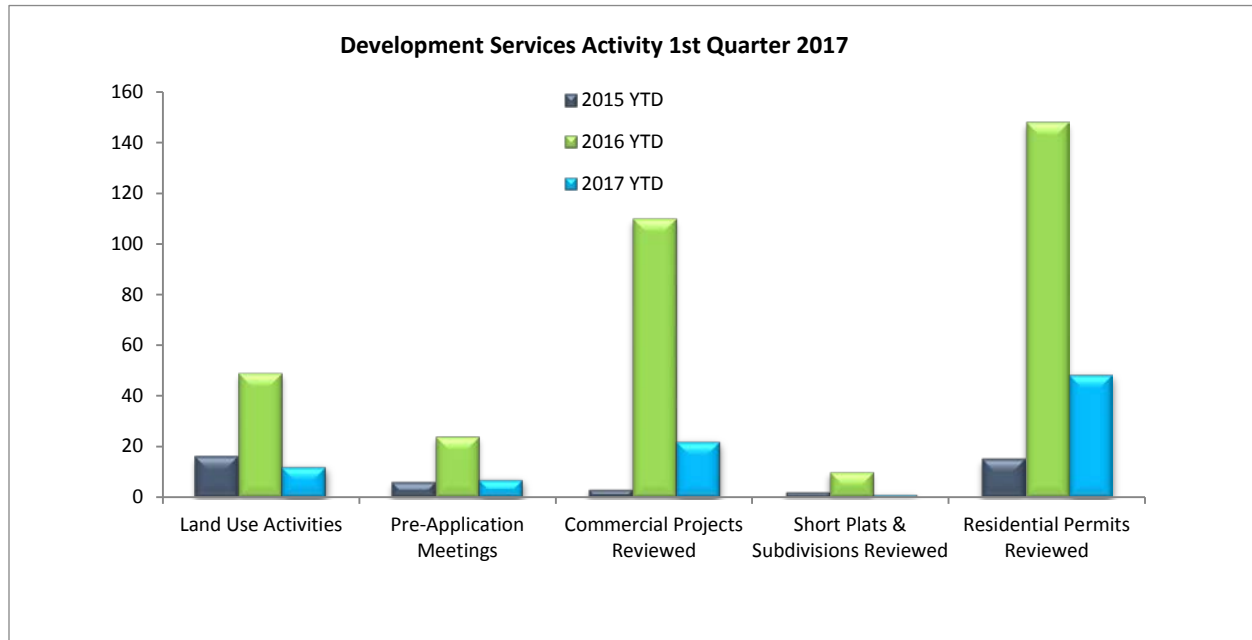
SR 509 – Puget Sound Gateway Project

Staff attended several steering committee meetings on the project, and discussed WSDOT's travel demand modeling, assumptions and details. In addition, there was discussion of the performance targets and metrics, and how WSDOT would be approaching and evaluating various design options. Staff will attend the executive committee meeting in October, where both the SR-509 and SR-167 projects are discussed in relation to the overall project budget.

Community Development

Planning, Building, and Development Services Division

As shown in the chart below, commercial and residential project reviews are at exceptional levels. In the first Quarter of 2017, the Planning Division completed 78 project reviews of which 22 were commercial and 49 were residential. In addition, the Department held seven (7) pre-application meetings and received twelve (12) new submittals. Of the \$324,839 in revenue received by the PBPW Department, the Planning Division's portion was 15.4% (\$50,086). For more details on specific land use projects, see **Attachment 1** at the end of this report.



Planning Projects

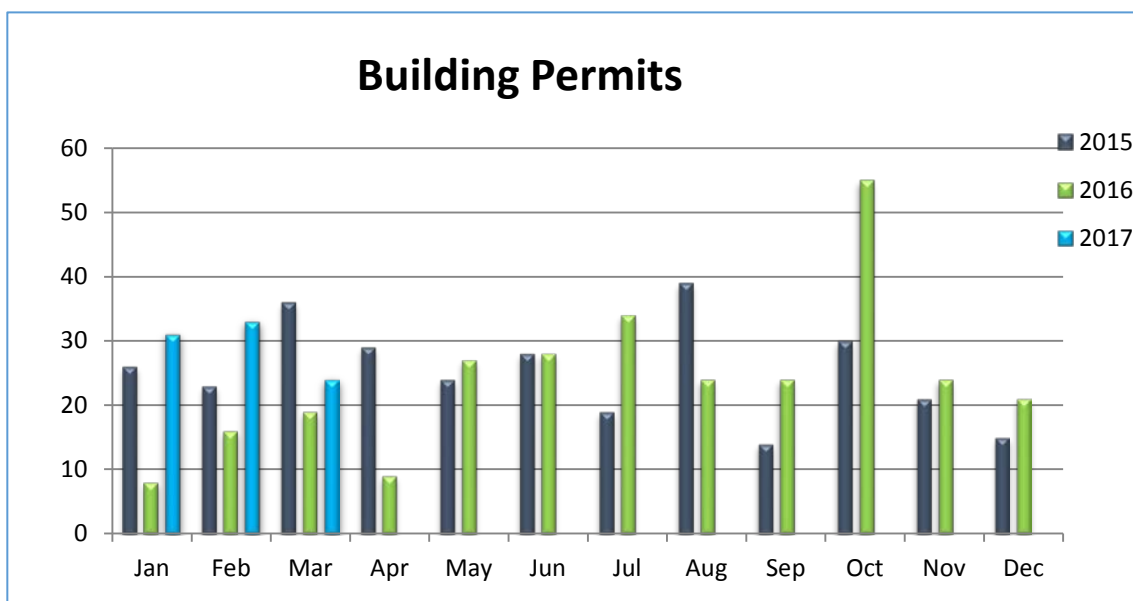
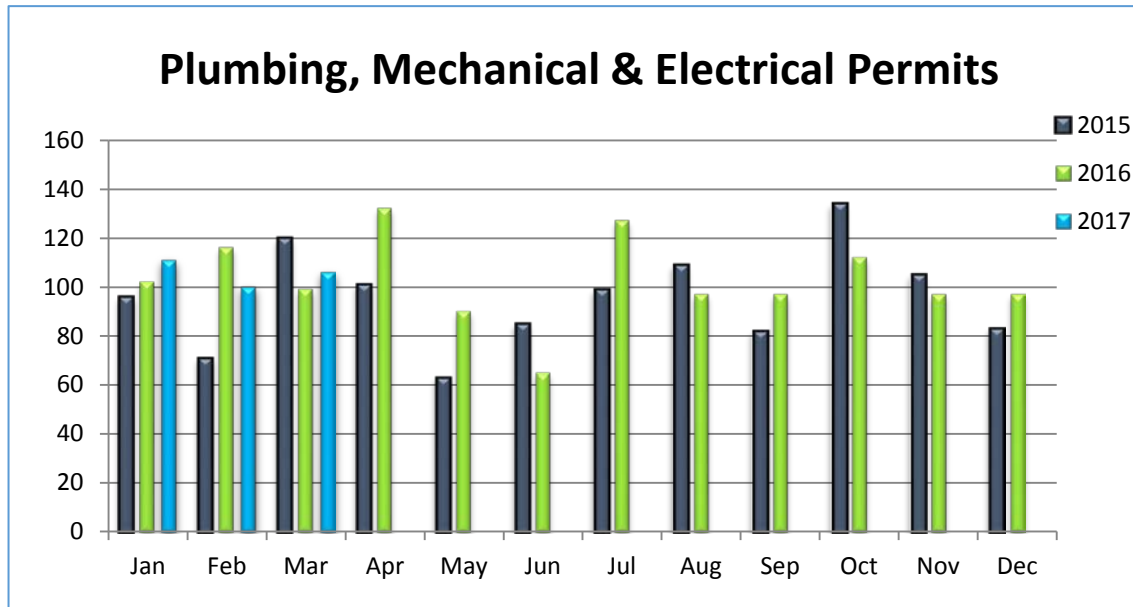
PR-C Zoning Amendments, LUA2016-0045: Council directed staff to draft text code amendments to the permitted uses in the Pacific Ridge-Commercial (“PR-C”) Zone north of South 216th Street and associated land use and development regulations, and amending chapters 18.52 and 18.135 DMMC, to facilitate development of the Furney property. A public hearing and SEPA DNS notice were provided on 12/6/16. The SEPA comment and appeal periods have lapsed and no comments were received and no appeals were filed. Notice of the proposed amendment and request for expedited review was provided to Washington Department of Commerce on December 19, 2016 and expedited review was granted on January 3, 2017. A City Council public hearing was held 1/19/17 where Council enacted Ordinance No. 1672.

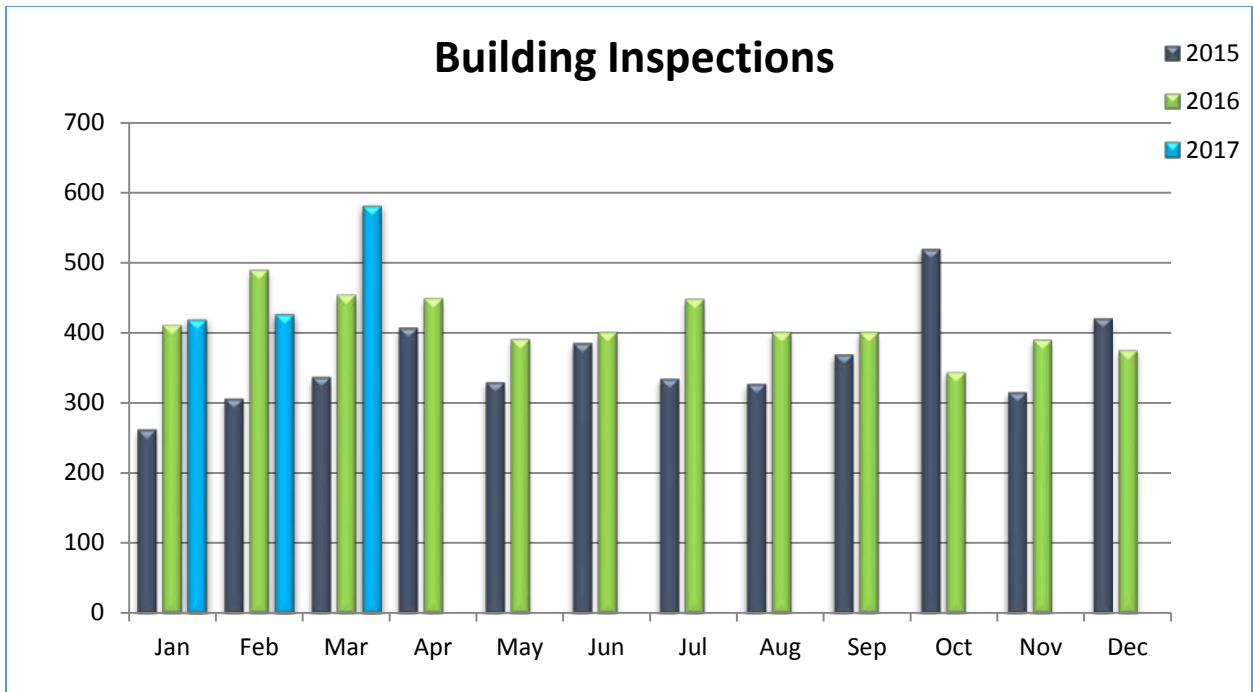
B-P Screening Requirements, LUA2016-0046: Staff drafted text code amendments related to screening requirements for roof top mechanical equipment on industrial buildings in the B-P Business Park Zone. A public hearing and SEPA DNS notice were provided on 12/19/16. The SEPA comment period ended on 1/3/17 and no comments were received. The appeal period ends on 1/13/17. Notice of the proposed amendment and request for expedited review was provided to Washington Department of Commerce on December 19, 2016 and expedited review was granted on January 3, 2017. A City Council public hearing was held on 1/19/17 where Council enacted Ordinance No. 1673.

LID Standards, LUA2016-0043: SEPA DNS issued 11/14/18, comment period ended 11/18/16 and appeal period ended 12/8/16. No comments or appeals were received. A City Council public hearing was held on 1/6/17 where Council enacted Ordinance No. 1671.

Building Division

As shown in the following charts, building related activity is trending as expected.





- In the first Quarter of 2017, the Building Division issued 405 permits: 42 Building permits and 363 Electrical, Mechanical and Plumbing permits. The PBPW Department received \$324,839 in revenue and processed \$520,816 in total City receipts. Building Division's portion of PBPW revenues for this period was 76.4% (\$248,110), the Planning Division's portion was 15.4% (\$50,086), and the Engineering Division's portion was 8.2% (\$26,642). The total permit valuation for this period was \$31,830,935.
- During the first Quarter of 2017 Permit Staff issued 143 online permits out of a total of 405 BLD permits (Building, Electrical, Mechanical, and Plumbing). The online permits are limited to over-the-counter (OTC) residential permits that do not require plan review. There were 336 total non-plan review permits (OTC and online) issued in the first Quarter. That means online permits represented 35% of all permits and 43% of all non-plan review permits.

Our permitting software, PermitTrax, allowed us to begin receiving and issuing online permits in September 2013. Online permits take about the same amount of time to process as Over-the-Counter permits that are presented in person. But permitting staff can organize their work more effectively by choosing when they will process the permits without applicants waiting at the counter for them. The larger advantage is for the applicants—property owners and contractors—who are able to make their applications in their own time, avoiding expensive trips to our office (more time, more gas expense, more fossil fuels) and receiving their permits more quickly. The customers who use the online opportunity, and the staff that help them, enjoy it.

- Total Public Records Requests were reported in a chart earlier in this report. Some of those records requests are processed by the Building Division, in assistance to the City Clerk. During the 1st quarter of 2017, Building Division staff received 33 new public records requests in addition to 12 cases open from earlier and spent 155 hours to provide service. 31 cases were closed during the quarter and 14 are still active.

Building Construction Highlights

Adriana Mixed Use Project, 22525 7th Ave S:

The fifth and last story of the Adriana's structural wood framing is underway. As the roofing material is placed, electrical, plumbing, and mechanical work continues on lower floors.



Des Moines Creek Business Park: Phase 3 (2361 & 2141 S 211th Street): The central portion of the Business Park consists of two warehouse buildings. Partners Crackers will occupy the entire 3-A building and Amerisource will occupy a large portion of Building 3-B. The remainder of the building 3-B has been rented out to two additional tenants. A business called “XPO” has come in for permitting for the southeast area of the building. This company provides distribution services for Boeing parts and will employ approximately 30 persons. The southwest area will be occupied by Bonsai Sushi, a company that produces rice and seafood rolls. Plans have not yet been submitted for the tenant improvement permit.

Amerisource is working to complete the tenant improvements with the goal of being under full operation by the end of June. XPO is operating under a Temporary Certificate of Occupancy. Partners Crackers is also under a Temporary Certificate of Occupancy while they complete certain exterior elements and while they get their interior cooking line up installed.

Des Moines Creek Business Park: Phase 2 (2200 S 216th Street): The project is moving along at quite a fast pace now. The steel super structure is complete, placement of the concrete on the decks is almost complete, and the exterior concrete panels are being placed (see the second picture). On the first level, all trades are underway with the interior work (see pictures below).

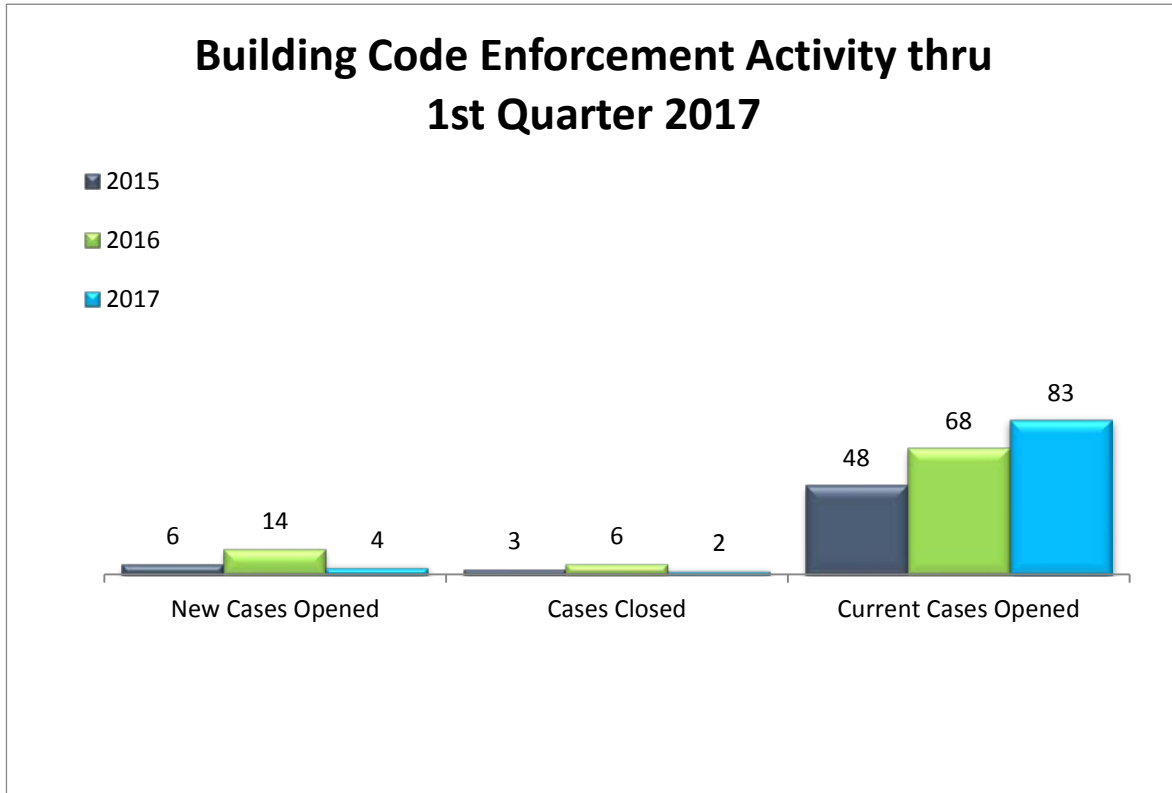


Wesley Homes Project: The Wesley Gardens property, located to the west of City Hall at 815 S 216th, is under construction as the first phase of this 5-year facility replacement project begins in earnest. Nine cottages are currently under construction in various phases. The first phase will locate the nine buildings at the southeast and southwest corners of the property.

Highline Place, 23609 Pacific Highway South: This project has been on hold since October. The land use and grading permit are waiting for pickup. The main structure permit is also ready to issue once fees and bonds are paid and posted.

Building Code Enforcement

The graph below represents the Building Division's Code Enforcement activity. Activity continues to be brisk at various locations in the City.



Engineering Services Division

Traffic Engineering and Operations

Street Lighting

PSE has completed Phase I and Phase II of the “Pacific Ridge Streetlight Improvements” project which included:

- Phase I (Completed on 1/13/17): Install new luminaires on 8 existing utility poles around the neighborhood & increase wattage for existing luminaires at 4 key intersections:
 - + 30th Ave S & S 224th St
 - + 30th Ave S & S 220th St
 - + 29th Ave S & S 220th St
 - + 28th Ave S & S 220th St
- Phase II (Completed 4/3/17): Convert the remaining HPS luminaires along 29th Ave S & 30th Ave S to their equivalent LED.

Traffic Calming

Staff will be developing a City-wide plan that will identify approximately 25 roadway locations for inclusion in speed studies. Locations will focus primarily on neighborhood collector roadways that currently have limited traffic calming features present. Results from this speed study will help Staff identify any traffic calming measures for future implementation.

Marine View Drive and South 240th Street

Staff is responding to concerns about traffic safety at this intersection, and is investigating the possibility of interim traffic controls, until the round-about can be designed and constructed. It is anticipated that interim measures will be operational mid-summer 2017.

Red Light Running Automated Enforcement

The Automated Red Light Running Enforcement program was approved by the City Council on April 7, 2016. In the action, the City Council directed staff to enter into a contract with ATS (vendor) to install six locations for enforcement. The primary purpose is to increase vehicle stopping compliance at intersections in an effort to improve safety. While visible flashes from the cameras occur frequently, a commissioned Des Moines Police Officer reviews video for potential infraction before a citation is issued. Those six locations are:

- Southbound and Eastbound at SR-99 (Pac Hwy)/South 216th Street
- Southbound and Westbound at SR-99 (Pac Hwy)/SR-516 (KDM)
- Northbound and Southbound at SR-509 (MVD)/7th Place South/South 216th Street

These six locations were chosen from a group of twenty-one potential locations in partnership with ATS. It was anticipated that these six chosen locations would generate approximately 12,500 violations per year or about 1,042 per month. This 1,042 per month figure assumed an initial tickets/month at the start of the program of around 2,084 per month and slowly tapering to

the 1,042 amount after 18 months as drivers in the area modified their behavior. This 10 month trend line was provided to the City as the historical trends seen by ATS in other installations throughout the nation. The graph shows the actual monthly citations issued at each intersection and the total number of actual citations will be tracked over time against the anticipated trend line to evaluate the traffic behavior curve specifically for Des Moines.

So where does the money raised by the fines go? The City created the Red Light Camera Program under ordinance which mandates that 100% of all revenues be spent for public safety purposes, DMMC 10.40.070.

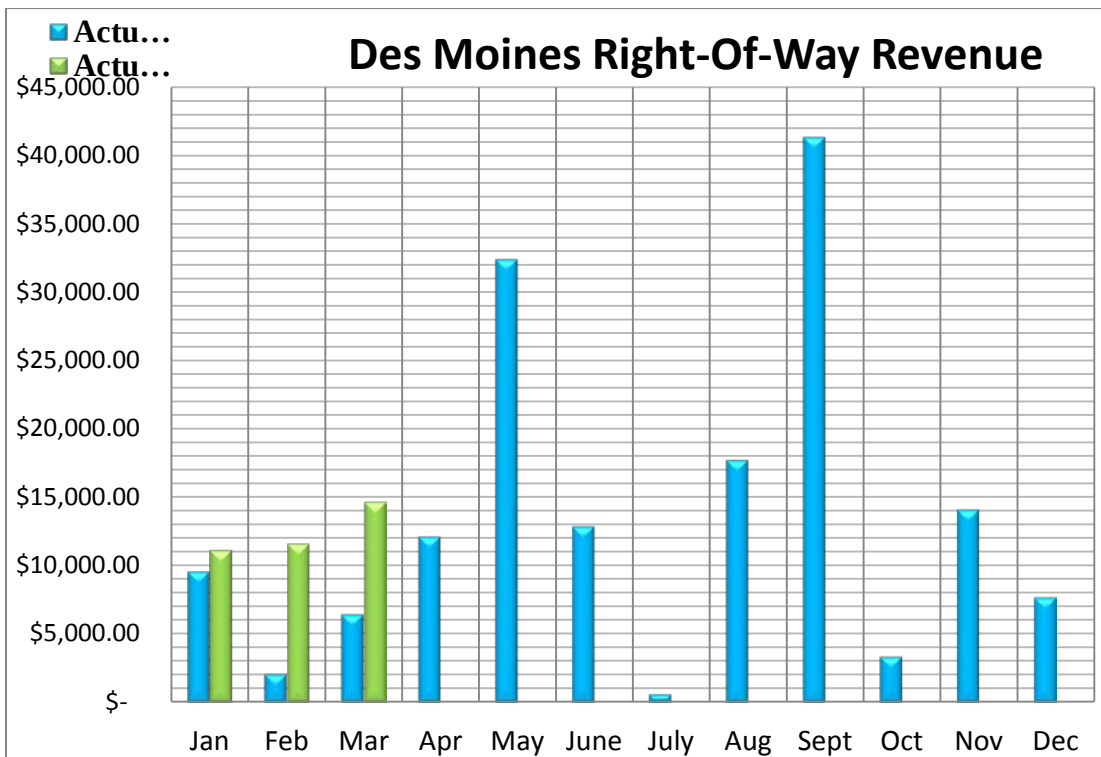
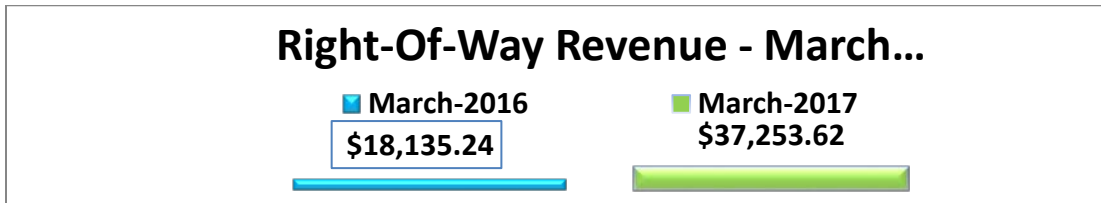
For further information, please see the Traffic Camera Program on the City's website.

School Safety

The revenues and trends for the Automated Speed Enforcement Systems on 24th Avenue S in front of Midway Elementary School and Pacific Middle School, in addition to Woodmont Elementary School located on 16th Avenue S have normalized and we will discontinue reporting on them. Staff will continue to closely monitor the infraction trends in both of these locations.

Civil Engineering Services

- **Right-of-Way Use Permits and Inspections:** Fifty-three (53) Right-of-Way permits were processed in 1st Quarter with \$37,253.62 in fees.



Right-of-Way Coordination Activities:

Portable Basketball Hoops:

Residents have been placing portable basketball hoops and other types of recreational equipment in and next to roadways that have been a topic of concern regarding safety in the right-of-way. The City will be placing flyers on this equipment giving residents an opportunity to remove the equipment and place it on their own property. If the equipment has not been removed in the allotted time, the City Maintenance Division will collect, store and then dispose of the material after 14 days.

Citizen Correspondence and Interaction:

Staff received the following requests from citizens in the 1st Quarter of 2017:

2017	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Signs/Traffic Operations	15			
Vegetation/Tree Concerns	2			
Pot Holes/Roadway Surface/Clean up	23			
Traffic Calming	2			
Transportation Benefit District	10			
Misc. (garbage, animals, catch basins, sidewalks, etc.)	14			
Redondo Boardwalk	2			

Multi-Year On-Call Consultant – Task Order Tracking:

Following is a summary of the On-Call Engineering Services task order assignments for 2016 through 2017:

Consultant	Task Number	Description	Amount
AMEC	1	Deepdene Plat Landslide	\$3,300
BergerABAM			
Exeltech	1	South Twin Bridge Joint Repair	\$10,489.50
HWA Geo.			
KPFF			
KPG	1	S 251 st Street Storm Outfall	\$95,700.84
	2	PB&PW Presentation Assistance	\$4,800.00
	3	Barnes Creek Trail – SEPA and Staking	\$9,677.44
	4	S 216 th Street – Segment 3	\$539,976.35
Parametrix	1	LID Integration into City Code and Design	\$90,005.35
	2	Vegetation Monitoring	\$9,995.89
	3	Woodmont SRTS Walkway Improvements	\$133,668.42
	4	Midway Covenant Church Frontage	\$11,516.95
	5	ADA Transition Plan	\$19,984.94
	6	Woodmont (16 th and 17 th) Storm Connections	\$3,284.39
Tetra Tech	1	Lower Masey Creek Improvements	\$183,048.00
	2	Barnes Creek Culvert Replacement	\$340,729.00

Surface Water Management (SWM) Division

NPDES Permit Activity

The new Western Washington Phase II Municipal Storm Water Permit became effective on 8/1/13. The 2013 permit contains significant changes including increases in monitoring, inspection, and maintenance requirements; and the addition of low impact development requirements. Summer of 2018 will bring reissued NPDES permits.

The Department of Ecology has announced that NPDES permit audits will begin this year for phase II permittees. They will be rolling out audits by region and in groups, the first jurisdiction to receive audits this year was the City of New Castle. The City of Des Moines will be working to prepare for these audits and provide the appropriate staff training.

Public Education, Outreach, Involvement, and Participation

The City has continued its partnership with Environmental Coalition of South Seattle (ECOSS) to help educate, train, and deliver free spill kits to thirteen Des Moines businesses in 2016. “ECOSS” is a nonprofit organization that encourages urban redevelopment and a healthy environment by providing education, resources and technical assistance to diverse businesses and communities in the Puget Sound region (www.ecoss.org). The City has met with ECOSS to discuss outreach plans for 2017.

The City has joined multiple other jurisdictions in the pursuit of advertising BMP related coupons and public education through a phone app called Chinook Book. The City has purchased one hundred (100) 12-month subscription cards that will give Des Moines resident’s access to the app. The intent of the program is to deliver information and incentives that will change targeted behaviors, a requirement that is set forth in the NPDES permit. This program ends in July 2017.



Illicit Discharge Detection and Elimination (IDDE)



Residents are directed to call 206.870.6869 to report discharges or spills. Residents may also call the Police non-emergency number at 206.878.3301 during times that City Hall is closed. During the months of October through December there were six spill responses to report, with a total of forty-seven for the year.

Poverty Bay Shellfish Downgrade

In association with the NPDES permit's IDDE program the City is in the process of partnering with King County to help the overall reduction and elimination of fecal coliform levels in Poverty Bay. Poverty Bay is currently under "conditional" restriction for shell fish harvesting and is being threatening to the point of increasing the restriction to "prohibited." As required by state law, King County must create a shellfish protection program within 180 days (March 14, 2017) of the downgrade and implement the program within 60 days after it is established.

An article was published in the Winter City currents introducing the public to the concerns with Poverty Bay.

Low Impact Development (LID) Code Integration Project

Recent NPDES stormwater requirements issued by the Department of Ecology require that by December 31, 2016 municipalities integrate stormwater LID principals and best management practices into local codes and ordinances. Due to unexpected additional documents needing revision the deadline of December 31st was not met. A notice of non-compliance was sent to the Department of Ecology. The LID ordinance was adopted January 5th and is effective 30 days thereafter. Staff is now working on updating the 1996 Street Standards to include LID as well as preparing information materials for future development.

Municipal Operations and Maintenance

All required public inspections in 2016 have been completed.

Maintenance Yard(s) Storm Water Pollution Prevention Plan (SWPPP)

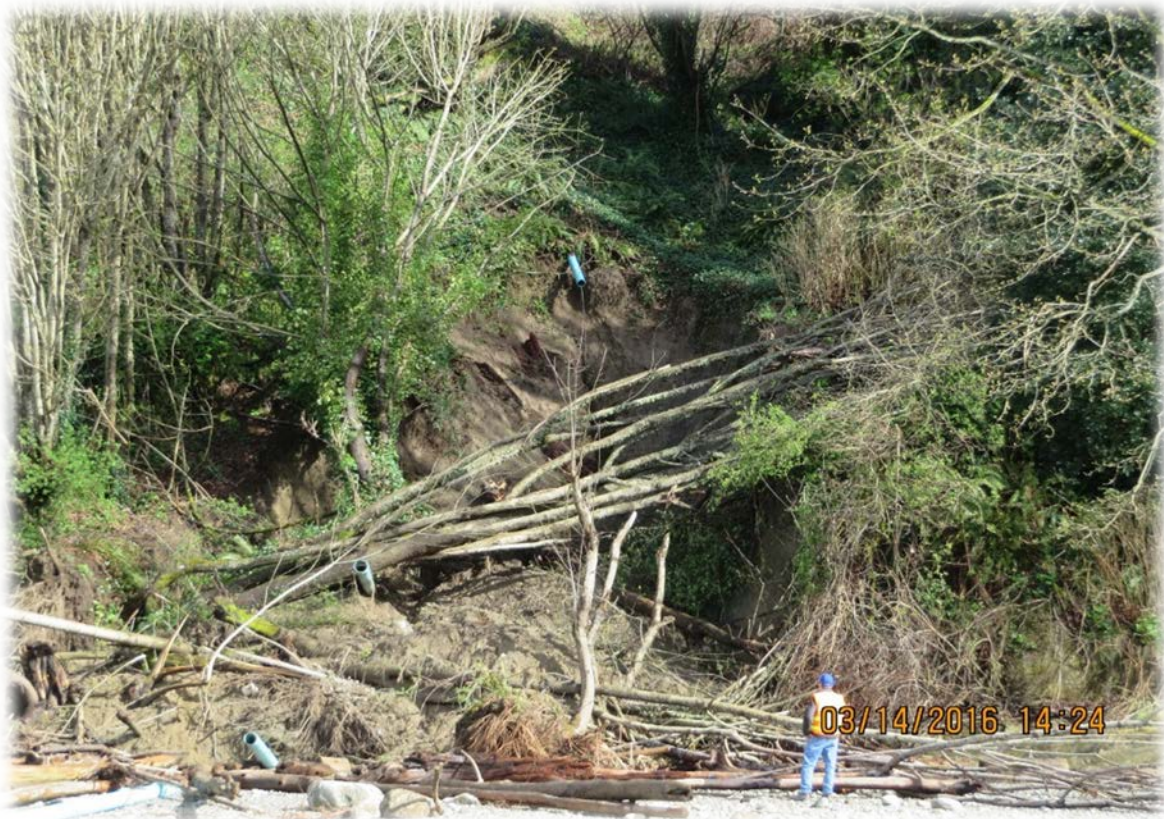
The City's mechanic shop and Service Center yard have both been inspected to measure their compliance with the SWPPP plan's required BMPs. Both sites have BMPs that are out of compliance. Currently the short term compliance items are being corrected and the long term compliance items are being implemented into a plan.

Pipe Program Tracking

Beginning last year, staff began tracking participation in the Pipe Program. This program was established nearly 20 years ago and has been a very successful and popular way to fill and pipe many of the City's road side ditches. Because the pipe work benefits both the City and property owners, each pipe project involves a contract between the City and property owner whereby the property owner pays for the material costs and the City provides the labor and equipment to perform the project. On average each year, nearly a dozen projects are done installing more than 1,000 feet of storm pipe. However, due to the need to meet NPDES permit maintenance requirements the Pipe Program work has been temporarily put on hold. In the meantime, staff will continue to take requests for the program and provide cost estimates to interested property owners. As of December, seven (7) requests are awaiting installation.

Deepdene Plat Landslide

Following heavy rains early this year a landslide developed at the 260th storm outfall to Puget Sound. City crews made a repair to the outfall and engineering staff will be monitoring the repair work throughout the winter. Staff has also met with the adjacent property owners to determine if there is any interest in partnering in a pipe repair/slope stabilization project.



Public Works & Parks Maintenance Division

Public Works & Parks General Information

Winter has hit us harder this year than in recent years with cold weather issues. Maintenance staff is busy filling potholes and making repairs on roadways as needed. The SWM Division, has been extremely busy with weather related incidents and monitoring/clearing catch basins of leaves and debris so they are able to handle the heavy rains. In response to Department of Ecology concerns, the entire maintenance staff has been re-organizing the Service Yard to bring it into compliance with NPDES requirements.

Streets Division

During the first quarter, signs were the focus in the Street Department with 1,000 updates being made to the traffic sign GIS database; and swapping out “Ice Over Road” signs to “Do Your Part To Control litter.” The annual spring 2017 sign inspection was completed which led to installing 56 new signs; repairing 76 signs; and replacing 50 faded signs. In addition, set up VMS sign for the monthly Marina paid parking meetings.

The Street Division also removed yellow/red curbing at 7th Avenue S and S 223rd Street and installed parking stalls. Replaced delineators on S 272nd and 12th Streets; and also along S 222nd and 5th, and Kent-Des Moines Road and 5th Avenue. Tree removal and vegetation cleanup at various locations; guard rail repairs; installed new raised pavement markers at 14th Place S & 16th Avenue S along with removing the ecology blocks from Landmarque. City-wide pothole repair has been non-stop and installed asphalt transitions for abrupt pavement edges along S 268th Street. A log was installed at Midway Park to limit vehicle access and ecology blocks were placed at S 221st Street and 30th Avenue Place to help stop illegal dumping.



Surface Water Management (SWM) Division

The focus this year in SWM Maintenance has been to complete the catch basin inspections and repairs per the guidelines in the City's NPDES permit. With the wet weather we have two large pipe projects on hold and will resume as the weather permits. The crews have been focused on small projects along with basin inspection and flushing. 1547 utility locates were completed in the first quarter. Casey Zaputil was recently hired to fill one of the vacant SWM positions. He came from the Highline School District and started on March 27th.



Parks Division

1st Quarter Projects

Numerous projects going on in the Parks division which included cleaning up vegetation for safety concerns at the Police Department. Installed new exercise equipment at Wooton Park along with rebuilding two of the viewing platforms at Beach Park. Also at Beach Park, the stairs were removed and deck closed off at cabin F to help eliminate the spread of graffiti. The Seawall has been repaired and creek cleanup have also been completed. Worked with the Streets Division to do a major clean-up of a large homeless camp located on the hill above the Cliff Apartments on 7th Avenue and S 218th Streets. Turf has been repaired and new sod installed at the Fieldhouse |baseball fields. Underwood Park has had repair and maintenance issues which include bed work, the repainting of the foul poles and installation of yellow safety caps on the outfield fences.



Facilities Division

Facilities work in the 1st quarter included general building maintenance and repairs, management and coordination of vendors to include fire and security system inspections and locks replacements. Facilities Maintenance consists 1 person that is tasked with keeping all City facilities up and running. He performs routine maintenance that includes HVAC, plumbing, electrical and lock repair; monitors, coordinates and inspects contracted services for pest control, security alarms, sprinkler systems and HVAC maintenance. He is also instrumental in repairing any damage from wire thefts at our parks along with coordination of vendors to include fire and security system inspections.

1st Quarter Projects

Replacement of the boiler in the Auditorium.



Fleet Maintenance Division

There are only 1.5 staff in Fleet Maintenance that tend to all the City's vehicles and equipment. They perform routine maintenance on vehicles; prepare all old vehicles for surplus and order all new vehicles and equipment; install any aftermarket products on vehicles and equipment; and provide CDL training to new employees.



1st Quarter Projects

The first quarter of 2017 has been a busy one for Fleet. They took delivery of the new loader and the new Streets Division service truck body which was then sent out to have the bed installed. Replaced the head gasket on dump truck 236 along with doing 66 various vehicle maintenance repairs. Completed all Department of Ecology requirements, along with CDL training for Trevor

and Geoff. Trevor will be taking his CDL test the first part of April. Seasonal service work on all Parks mowers and power tools has been completed and in readiness for the spring/summer season. Completed service work and tire replacement on the travel lift at the Marina and continuing inventory work with finance.

2016 VEHICLE SURPLUS TRACKING (Council Resolution No. 16-015)				
NUMBER	DESCRIPTION	APPROXIMATE VALUE	SURPLUS DATE	SURPLUS VALUE
511	Tan 2005 Ford Taurus, License 38322, VIN#1FAHP53285A266009	\$1,000	12/13/2016	\$2,233.51
523	Blue 2008 Ford Crown Vic, License 47415D, VIN#2FAHP71V88X145999	\$1,500	12/13/2016	\$1,693.51
522	Blue 2011 Ford Crown Vic, License 52821D, VIN#1FABP7BV0BX182735	\$1,500	12/13/2016	\$2,683.51
530	Gray 2011 Ford Crown Vic, License 52137D, VIN#2FABP7BVXBX116581	\$2,000	12/13/2016	\$2,233.51
538	Blue 2011 Ford Crown Victoria, License 52135D, VIN#2FABP7BV8BX116580	\$2,000		
529	Blue 2007 Chevrolet Tahoe, License 541351D, VIN#1GNFK03087R354149	\$4,000	12/13/2016	\$7,622.55
516	Blue Dodge Caravan, License 45124D, VIN#1D8GP24E57BG195962	\$1,500	12/13/2016	\$4,472.55
P-200	Green 2563A John Deere Mower, VIN#TC2653D100590	\$2,500	June 4th	\$2,500.00
		TOTAL SURPLUS RECEIVED:		

Attachment 1

Land Use Activity Summary

Commercial Scale Projects Pending Review/Approval

- Des Moines Creek Business Park/FAA, S 216th St/24th Ave S, LUA2015-0059: Building permit revisions to landscaping submitted 1/11/17. Civil revisions approved 3/28/17. Waiting on landscape modification request justification and fees to accompany revised landscaping plans submitted.
- Seascape, 22607 Marine View Dr. S, LUA2015-0053: Application submitted for SEPA and design review on 9/21/15. A notice of complete application was issued on 10/8/15. The proposed project is an 115,697 SF mixed use building that includes 6,644 SF of commercial space, 49 residential units and 106 parking spaces. Plans routed for SEPA review on 10/9/15. SEPA DNS notice was issued on 11/30/15. SEPA public comment period ended on 12/15/15 and five comment letters were received. A comment response letter was sent to those that commented on 12/17/15. The 10-day appeal period lapsed on 12/28/15 and no appeals were filed. Design review comments sent 1/8/16. Staff has had discussions with the architect regarding potential options for meeting the commercial space requirements. Resubmittal expected in early April.
- 800 Townhomes, 800 281st St, 5/2/14, LUA2014-0015: Staff is coordinating with the applicant to continue with the short subdivision application for townhouse development. Applicant has indicated that they may submit a plat revision to address easements and building design.
- Be Be Nails, 22602 Marine View Drive S, 8/3/15, LUA2015-0043: Design Review application submitted on 8/3/15. Comments sent to applicant 8/20/15. Revisions submitted on 10/7/15. Pending Planning review. Planning provided comments for a consolidated review letter on 11/19/15. Resubmittal received on 5/13/16. Coordinated review letter sent to applicant by Building on 6/29/16. Resubmittal routed 11/30/16. Planning comments sent to applicant 12/8/16. Sent review letter on landscape modification and justification. Applicant submitted landscape modification request on 1/27/17. Comments sent on 2/17/17 with revisions submitted on 3/11/17. Notice of landscape modification sent on 3/24/17 with comments due 4/11/17. Building permit issuance pending land use approval.
- DM Mixed Use, 7th Avenue S/227th S, LUA2015-0044: Design Review application submitted on 8/3/15. NOCA issued on 8/17/15. Design review comments sent on 9/23/15. Applicant's new architect submitted design review revisions on 12/7/16 for a 16,869 square foot (SF) mixed use building in the Marina District Neighborhood that will include ten (10) apartments and 2,063 SF of retail space and residential parking within the building. Review comments sent on 1/13/17. Applicant revisions submitted on 3/1/17 and staff comments sent 3/31/17.
- Highline College Building 26, LUA2016-0040: Application received on 9/21/16 for renovation of Building 26 at Highline College for Health and Life Science programs. The project consists of approximately 32,000 sf of renovation and 15,000 sf of addition. Design review approval issued 2/2/17. Building and Grading Permits submitted 3/28/17. Project tracking to transfer to Building Division.

- WaterView Crossing (DEVCO), Pacific Highway S and S 220th Street, LUA2015-0013: Design Review Approval issued on 3/25/16. Civil plans submitted 6/29/16. Expect to send out review letter this week. Grading permit and civil plan review comments sent 9/30/16. Comments on landscaping plans sent 10/26/16. Met with applicant on 12/1/17 to discuss minor design revisions to buildings to address functionality and changes in interior spaces. Design revisions submitted on 12/14/16. Review comments sent on 1/20/17. Revisions to design review submitted 2/22/17 and routed for review with review comments sent on 3/28/17. Civil plans resubmitted on 2/27/17; however, changes were not clouded and no revision letter provided. Applicant resubmitted on 4/5/17 and plans were routed for review.
- Des Moines Theater, LUA2015-0054: Due to the increase in construction costs, applicant is revising project to reduce commercial space and reconfigure existing residential space to add more dwelling units. Challenge meeting parking and financing requirements. Proposed changes will require revisions to parking modification determination and possibly design review determination if the exterior of the building changes. Met with Applicant on 1/9/17 to discuss potential to increase the number of units within the existing project footprint. Submittal pending.
- Kent Self Storage Lot Line Adjustment & Building Permit (RPLL-2164197): Parcels 2122049029 & 2122049183. City of Kent is lead agency. Portion of project is within the City of Des Moines (parcel 2122049029). A lot line adjustment to the jurisdictional boundary is proposed. Two storm detention vaults are proposed for under the proposed parking lot on the portion of property within the City of Des Moines. Comments for both the LLA and civil plans were sent in mid-December. Additional comments sent on 3/10/17.
- South King Fire Station 66 Improvements, 27010 15th Avenue South, LUA2017-0011: Application submitted on March 23, 2017. Design Review Determination issued on 3/27/17.
- DMCBP Phase IV, S 216th Street/24th Ave S (Furney/Ono+), LUA2017-0006: Panattoni Development Company, Inc. submitted a Planned Unit Development Application for a light industrial warehouse development proposal on an approximately 22.8 acre site in the Pacific Ridge Commercial Zone. The project includes the construction of two tilt-up concrete warehouse buildings approximately 40' tall. Building A is approximately 266,013 sf and Building B is approximately 225,918 sf. A public hearing on the PUD was held on 4/13/17. PUD with conditions were approved unanimously. Rough Grading Permit for contaminated soil remediation submitted 4/6/17.

Subdivisions Pending Review/Approval

- Warren 4 Lot Short Plat, 900 S 242nd St, 5/7/15: Request for public comments issued on 5/27/15, comments due 6/11/15. No comments received. Staff comments provided to the applicant on 6/18/15. Applicant resubmitted on 5/7/15. Comments due to Planning 10/21/15. Review comments sent to applicant 10/2/15. Preliminary plat approval issued 1/14/16. Civil plans issued on 4/22/16. Utility installation underway.
- Shoopman 4 lot Short Plat, 2414 S 222nd St, 5/26/15: Notice of incomplete application sent on 6/2/15. Additional materials submitted, notice of complete application sent on 6/10/15. SEPA DNS issued on 7/7/15. Preliminary plat approved on 11/17/15. Civil plan review submitted 2/1/16. Notice of Incomplete Application sent 2/4/16. Revisions/clarifications and

fees received. Comments sent to applicant on 3/31/16. Civil plans issued 6/9/16. Pre-Construction Meeting held 1/4/17.

- The Pinnacles 22 lot Modified Subdivision, S 232nd and 14th Ave S, 6/10/15, LUA2015-0030: SEPA DNS issued on 7/7/15 and public comment period closed on 7/21/15. Response to public comments sent 7/22/15. Public hearing notice issued on 8/4/15. City Council public hearing held on 8/20/15. Civil plans submitted on 10/23/15. Review comments sent on 12/7/15. Resubmittal received 12/24/15. Civil plans issued. A pre-construction meeting was held on 6/22/16. Issued demo permits on SFR. Grading underway. Building received bond for vault. Applicant expects to submit for final plat in May/June.
- Breckenridge 7 lot Short Plat, 25316 22nd Ave S, 7/16/15, LUA2015-0039: Seven lot short plat with a cul-de-sac. Application submitted on 7/16/15. Additional materials submitted on 8/25/15. NOCA issued on 8/27/15. Public comment period to begin 9/3/15. Review comments sent 10/21/15. Additional information and lot line adjustment application received 12/22/15. Lot line adjustment to incorporate additional area for cul-de-sac recorded 7/14/16. Preliminary plat approval issued 7/22/16. Applicant to submit civil/grading plans by 3/10/17 per approved schedule. Applicant requested to push civil submittal out to June (or later). Staff has requested clarifications on the project timeline.
- Casey Short Plat, 10th Avenue S/S226th Street, LUA2016-0038: Application submitted on 9/9/16. Application put on hold on 11/15/16 due to street improvement requirements. Staff provided comments on 2/25/17.
- Wang Short Plat, 23206 Marine View Dr. S, LUA2016-0048: Application for 4 lot short plat submitted on 12/09/2016. NOCA provided on 12/27/16. Noticing instructions sent on 1/10/17.

Land Division Requests with Approvals, Pending Construction

- Pacific Heights PUD, 77 lot PUD, 15xx S 279th Place, 6/1/11, LUA2012-0001: On 1/7/13, civil plans were conditionally approved by City staff. Grading and ROW permit issuance are pending Army Corps of Engineer approval to fill certain wetland areas. Staff informed that the applicant submitted permit to ACOE early 2014. Applicant submitted letter requesting a minor deviation to the PUD on 2/25/15. Applicant submitted minor deviation request on 7/16/15. Minor deviation determination issued 8/26/15. Received inquiries from potential buyers about next steps, park in-lieu fees, school impact fees and traffic impact fees. On 8/2/16 the City was notified that JMI Holdings, LLC is the owner of the project. The new owner is working through questions related to wetland mitigation, building height requirements and fence encroachments. Civil plan revisions submitted 8/12/16. Civil plan approval 10/18/16. Waiting for applicant to post bonds. Engineering working with Lakehaven on water and sewer permitting.
- Highline View Estates, 21 lot PUD, 21xx S 240th St, 9/01/06, LUA07-004: Applicant requested an extension for final plat submittal to July 2016. The item was approved by City Council on 7/24/14. Corps wetland approval 5/11/15. Civil revisions received 8/31/15 and approved on 9/30/15. Preconstruction meeting held 10/14/15. Clearing of significant vegetation and rough grading of site is underway. Revisions to stormwater and transportation plans approved 12/10/15. A final plat application was received on 6/21/16. Staff will be working with the applicant to develop a punch list of items to be completed

prior to presenting to Council. Scheduled wall and pond inspections. Final Plat scheduled for 4/27/17 Council meeting.

Lot Line Adjustment

- Conrad LLA, LUA2016-0031: Application submitted on 7/26/16 and deemed complete 8/3/16. Waiting on plan revisions. Sent second set of review comments on critical area review sent 1/19/17.
- Coherent/Longson LLA, 8XX S 280th St, 4/21/14, LUA2014-0013: Applicant revised critical area and SEPA documents to evaluate future single family residence in addition to relocating an existing driveway easement. Applicant submitted grading permit and revised environmental review materials for relocating driveway on 10/23/14, LLA on hold. SEPA DNS comment period ended 12/30/14. One comment received. Appeal period ended on 1/9/15. Comments sent to applicant on 1/20/15 and 2/11/15, and 1/15/16. Staff working with applicant and adjacent property to address questions. Pre-application meeting held on 10/12/16.
- Blueberry Lane LLA, LUA2017-0005: Application submitted on 2/22/17. Planning comments sent on 3/24/17.

Residential Pending Review/Approval

- Gill, BLD2014-1379: New SFR received on 12/22/14. Critical area review complete. Prior to issuance of a building permit, a legal description of the NGPE and King County recording fees shall be submitted. Plans resubmitted on 1/11/16 for related permit BLD2015-0908 (retaining walls and shoring). Still awaiting response to Building comments from 9/17/15 letter. Legal description still pending to complete Planning review. Planning approval 2/17/16 and permit ready for pick-up. Building permits issued and pre-construction meeting held on 3/8/17. PSE applied to run power to site.
- Miller, BLD2016-0380: New SFR received on 4/7/16. A second set of review comments were sent to the applicant on 5/27/16. Third comment letter sent on 6/2/16. Planning met with applicant. Applicant submitted a new design.
- Blueberry Lane reviews: Applicant continues to have difficulties meeting required setbacks on Lot 8. Latest revisions came in incomplete and incorrect. Met with applicant 12/7/16 to discuss strategies for assuring more streamlined review including applicant QA/QC on submittals. Met with developer on 1/13/17 to go over site plan and building elevation requirements. Four SFR approved in the first quarter. Many required revisions.
- Highline View Estates: Four SFR approved in the first quarter. Many required revisions.
- Peters Residence, BLD2016-0641: New SFR received on 6/7/16. Resubmittal received on 12/30/16 with wetland and stream report. Applicant notified on 1/10/17 that critical area review is required for the wetland buffer reduction. Planning approved. Building reviewing.
- Spridgeon/Louderback, BLD2016-0820 & LUA2016-0049: New SFR received on 7/11/2016. Whole home remodel and deck addition within the shoreline jurisdiction. Staff has determined that it is a Shoreline Exemption. Planning has approved. Building is reviewing.

- Cady Garage, BLD2017-0164: Garage proposed within stream and ravine buffer.

Shoreline and Critical Area Projects Pending Review/Approval

- Im, 6/25/10, 27419 8th Avenue S, LUA2012-0023: On 11/2/16 the Washington State Department of Ecology issued a decision to disapproved the Shoreline Variance and to partially approve with conditions the Shoreline CUP. Applicant filed an appeal to the Shorelines Hearing Board on 11/23/16. Staff and consultant met with applicant on 1/11/17 to discuss outstanding questions and next steps. On 3/1/17, the Applicant withdrew appeal of Ecology's 11/2/16 Shoreline Decision.
- Mikhailov Remodel/Restoration, 8/3/15; LUA2015-0042: Application submitted 8/3/15. NOCA issued on 9/2/15. SEPA issued on 9/28/15 and appeal period ended on 10/22/15. Review comments sent to applicant on 10/29/15. On 1/19/16, staff sent an e-mail inquiry to the Applicant regarding the resubmittal status. Revision received 1/4/17 and approved 1/27/17. Building final issued and landscaping bonded 2/24/17. Inspection required upon installation of landscaping.
- Stober SFR, 11/4/15; LUA2015-0057: Application submitted 11/4/15 for SEPA review, Shoreline Variance review, and Flood Hazard Area review for the demolition of an existing single family residence and construction of a new SFR. NOIA issued on 11/4/15. Staff provided follow-up response to applicant questions on shoreline variance requirements on 12/15/15. Applicant resubmitted and NOCA provided on 12/28/16. Comments sent on 2/13/17.
- Seymour Residence Soldier Pile Wall, LUA2016-0011: Application submitted on 3/25/16 for a Shoreline Substantial Development Permit and SEPA review. Staff is reviewing with our shoreline consultant. An application for a Shoreline Exemption, SEPA, and a Title 16 Des Moines Municipal Code (DMMC) Variance has been submitted. SEPA DNS issued on 8/9/16. Shoreline Exemption issued 9/13/16. A public hearing before the Hearing Examiner was held on 9/23/16. Hearing Examiner issued a decision to approve a Title 16 variance on 10/4/16. Preconstruction meeting held 10/19/16 and construction began 10/24/16. Inspections completed on 1/10/17.
- Stamets Driveway, LUA2016-0017: Grading permit application received 2/10/17 and approved 2/17/17. Issuance pending posting of bond.
- Hawkins Sewer Connection, LUA2016-0009: Critical Areas Permit application submitted on 5/25/16 for a proposal to connect existing dwellings to the public sewer system. Application was deemed complete effective 6/22/16. Comments sent on 7/29/16.
- Doxon Swimming Pool, LUA2016-0037: Applications for a Shoreline Substantial Development Permit and Grading Permit associated with the construction of a 16'x32' swimming pool submitted on 9/6/16. NOCI sent on 10/3/16. On 12/21/16, City Staff met with the applicant and Ecology's Shoreline Administrator to discuss shoreline permitting and it was determined that a Shoreline Variance would not be required. NOCA was provided on 11/28/16. Noticing for the Shoreline Substantial Development permit issued on 1/23/17 and comment period ended 2/22/17. Pool approval on hold until pool cabana is approved by building.

- Yasuda Mooring Buoy, LUA2016-0036: Application received on 10/27/16 for a shoreline exemption to install a mooring buoy. Notice of incomplete application sent 9/21/16. Additional information submitted 10/31/16. Notice of complete application sent on 11/1/16. Waiting on applicant to arrange noticing. Shoreline Exemption Determination issued on 3/14/17.
- Peters Residence, BLD2016-0641: New SFR received on 6/7/16. Resubmittal received on 12/30/16 with wetland and stream report. Applicant notified on 1/10/17 that critical area review is required for the wetland buffer reduction. Application for critical area review pending.
- PSE Bonding Box Repair, LUA2017-0001: Application for a Shoreline exemption under review.
- Campany Addition, LUA2017-0002: Application for a Shoreline Exemption application received 1/23/17. Comments sent 3/7/17.
- Doxon Cabana Addition, LUA2017-0007: On 3/28/17 issued a Shoreline Exemption for an after-the-fact permit related to a pool cabana addition to a single-family residence.

Legal Lot of Record

- One legal lot of record research conducted during first quarter 2017.

Pre-Application Meetings:

- PA2017-0010 Marina Shipping Container Cafe - DM Harborside LLC: Staff working with Harbor Master and Ken Rogers regarding the permitting and review requirements to site a Commercial Container Restaurant on the Marina Floor. A pre-application meeting was scheduled for 4/12/17.
- PA2017-0009 Interim School at Olympic Site: Held a Pre-Application meeting with Highline School District was held 3/29/17 for the interim use of the Olympic School site to house Highline High School (June 2018-June 2021). We reviewed this project (SEPA DNS and Design Review) back in 2014 which included interim middle school at that time. They have an aggressive timeline and have requested expedited review.
- PA2017-0008 VM Homes Short Plat (PIN 2013801225): The applicant is proposing a short plat that would result in 2 single-family residential lots.
- PA2017-0007 Redondo Mixed Use at 28200 9th Ave S: Proposed 10,860 SF four story mixed use building. The project will include three levels of apartments over ground floor commercial and 4,470 SF parking garage located below grade. Surface parking will also be provided.
- PA2017-0006 Cao New SFR (PIN 2011400540): The property is zoned RS-8400 and environmentally critical areas are present.
- PA2017-0005 Quality Auto Electric, 2802 South Kent Des Moines Road: The applicant is proposing expand the existing building to increase capacity of the auto repair business. The proposed project is zoned H-C, Highway Commercial.

- PA2017-0004 Hughes Condos or Townhomes (PIN 1722049091): The applicant desires to redevelop the site with up to ten (10) new condos/townhomes. The property is zoned Residential Multifamily 1,800 (RM 1,800) and is located within the Marina District Neighborhood.
- PA2017-0003 SeaTac Parking (PIN 2156400269): Applicant proposes to improve the site to establish a commercial pay parking lot. The property is zoned PR-C (Pacific Ridge Commercial).
- PA2017-0001 Port of Call, 22529 6th Avenue South: The applicant is proposing to add 4 units within the existing building. The property is zoned RM-900A, Multifamily Residential.

City Services, Project Management and Coordination

- S 251st Street Storm Outfall, LUA2017-0004: On 3/6/17, issued a combined SEPA Categorical Exemption and Environmentally Critical Areas Development Exception for the construction of outfall infrastructure along the south side of South 251st Street to repair damage from a landslide that occurred in November 2015. Issued the grading permit on 3/26/17.
- Marina and Beach Park Pay Parking, LUA2016-0015: Application submitted on 5/4/16. Applicant notified staff of project changes on 5/19/16. Supplemental documents submitted on 7/25/16. Working on Shoreline Substantial Development permit and SEPA reviews and noticing. Review comments due 10/27/16. Notice of shoreline SSD and SEPA DNS issued 11/10/16, SEPA comment period ended 11/28/16 and appeal period ended 12/8/16. No SEPA appeals were filed. The Shoreline comment period ended 12/17/16. Three comment letters were received. A Shoreline Substantial Development Permit Decision was issued on 1/5/17 and transmitted to Ecology. Grading permit routed for review 2/24/17 and issued on 3/10/15.
- Wasson House Reuse/Redevelopment Feasibility Study: Contracted with consultant Theresa Dusek to complete a shoreline/environmental review in that will feed into a feasibility study for the reuse/redevelopment of the Wasson house/property. A draft study was provided to the City on 12/3/16 and Staff met on 12/14/16 to discuss initial findings and provide comments to Consultant. Staff also had a discussion with Ecology Shoreline Administrator on 12/21/16 to discuss options for limited amendments the Shoreline Master Program and permitting. Consultant submitted updated report 2/2/17. Council study session to discuss on 3/2/17. Working with consultant to develop scope and budget for completing a Limited Amendment to the Shoreline Master Program.
- Parkside Park Renovation, LUA2016-0030: Grading Permit application for renovation and soil remediation at existing park submitted 12/15/16. Under Surface Water and Planning review.

Miscellaneous Development Review Activities

- Sound Transit Coordination: Staff continues to meet bi-weekly with Sound Transit Team regarding the Federal Way Link Extension RFP Preparation and topics related to property management, real estate/right-of-way acquisition, design build and areas of responsibility.
- Sonju Park Bees, LUA2016-0046: Application for keeping bees submitted on 12/6/2016.

Pending required code changes to allow keeping of animals in parks.

Planning Projects

- LID Standards, LUA2016-0043: SEPA DNS issued 11/14/18, comment period ended 11/18/16 and appeal period ended 12/8/16. No comments or appeals were received. A City Council public hearing was held on 1/6/17 where Council enacted Ordinance No. 1671. Reporting on this items will cease.
- PR-C Zoning Amendments, LUA2016-0045: Staff drafted text code amendments to the permitted uses in the Pacific Ridge-Commercial (“PR-C”) Zone north of South 216th Street and associated land use and development regulations, and amending chapters 18.52 and 18.135 DMMC, to facilitate development of the Furney property. A public hearing and SEPA DNS notice were provided on 12/6/16. The SEPA comment period ended on 12/20/16 and no comments were received. The appeal period ends on 12/30/16. Notice of the proposed amendment and request for expedited review was provided to Washington Department of Commerce on December 19, 2016 and expedited review was granted on January 3, 2017. A City Council public hearing was held and Council enacted Ordinance on 1/19/17. Reporting on this items will cease.
- B-P Screening Requirements, LUA2016-0046: Staff drafted text code amendments related to screening requirements for roof top mechanical equipment on industrial buildings in the B-P Business Park Zone. A public hearing and SEPA DNS notice were provided on 12/19/16. The SEPA comment period ended on 1/3/17 and no comments were received. The appeal period ended on 1/13/17. Notice of the proposed amendment and request for expedited review was provided to Washington Department of Commerce on December 19, 2016 and expedited review was granted on January 3, 2017. City Council is scheduled and enacted Ordinance No. 1673 on 1/19/17. Reporting on this item will cease.

Business Licenses & Minor Home Repair

Business License Recap:

There were a total of 658 new and renewed business licenses processed in the 1st quarter of 2017, including 550 renewals and 108 new licenses, totaling \$62,929.50. Of the 658 business licenses processed, 92 were applied for online.

Minor Homes Repair Recap:

There were six families helped in the 1st quarter of 2017. We were able to help a family with an emergency furnace repair and duct cleaning which got their heat back on during the cold month of February. We are currently using the 2016 CDBG Minor Home Repair grant for which each City in the Interlocal has \$31,625 project dollars to use toward the repair and maintenance of City residents’ homes. There are five people on the waiting list for which we will have projects scheduled to start soon.

CITY OF DES MOINES
Voucher Certification Approval

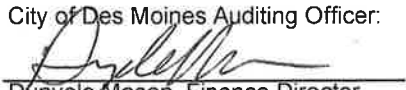
25-May-17

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 May 25, 2017 the Des Moines City Council, by unanimous vote, does approve for payment those vouchers and payroll transfers through May 17, 2017 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:


Danyele Mason, Finance Director

	# From	# To	Amounts
Claims Vouchers:			
Total A/P Checks/Vouchers	150433 ^W -	150589	752,835.56
Electronic Wire Transfers	864 ^W -	871	380,453.96
Total claims paid			1,133,289.52
Payroll Vouchers			
Payroll Checks	18932 ^W -	18935	8,767.64
Direct Deposit	200001 ^W -	200164	304,884.99
Payroll Checks		-	
Direct Deposit		-	
Total Paychecks/Direct Deposits paid			313,652.63
Total checks and wires for A/P & Payroll			1,446,942.15

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A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: National Parks and Recreation Month
Proclamation

FOR AGENDA OF: May 25, 2017

DEPT. OF ORIGIN: Parks, Recreation & Senior
Services

ATTACHMENTS:
1. Proclamation

DATE SUBMITTED: May 18, 2017

CLEARANCES:

☐ Community Development _____

☐ Marina _____

☒ Parks, Recreation & Senior Services 

☒ Public Works 

CHIEF OPERATIONS OFFICER: _____

☐ Legal _____

☐ Finance _____

☐ Courts _____

☐ Police _____

APPROVED BY CITY MANAGER
FOR SUBMITTAL: 

Purpose and Recommendation

The purpose of this agenda item is to recognize July as Parks and Recreation Month.

Suggested Motion

Motion 1: “I move to approve the Proclamation recognizing July as Parks and Recreation Month in Des Moines.”

Background

Since 1985, America has celebrated July as the nation’s official Parks and Recreation Month. The Nation’s House of Representatives has declared July as Parks and Recreation Month to recognize the great societal value of parks and recreation facilities and their importance in local communities across the United States; recognize and honor the vital contributions of employees and volunteers in park and recreation facilities; and support the designation of a “National Parks and Recreation Month.”

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City of Des Moines



CITY COUNCIL
21630 11th AVENUE S, SUITE A
DES MOINES, WASHINGTON 98198-6398
(206) 878-4595 T.D.D: (206) 824-6024 FAX: (206) 870-6540



Proclamation

WHEREAS parks and recreation programs are an integral part of communities throughout this country, including the City of Des Moines; and

WHEREAS our parks and recreation are vitally important to establishing and maintaining the quality of life in our communities, ensuring the health of all citizens, and contributing to the economic and environmental well-being of a community and region; and

WHEREAS parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally or physically disabled, and also improve the mental and emotional health of all citizens; and

WHEREAS parks and recreation programs increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS parks and recreation areas are fundamental to the environmental well-being of our community; and

WHEREAS parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and

WHEREAS our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS the U.S. House of Representatives has designated July as Parks and Recreation Month; and

WHEREAS the City of Des Moines recognizes the benefits derived from parks and recreation resources; and

NOW THEREFORE, THE DES MOINES CITY COUNCIL HEREBY PROCLAIMS

JULY AS PARKS AND RECREATION MONTH

And encourages all our citizens to join in this special observance.

SIGNED this 25th day of May, 2017.

Matt Pina, Mayor

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A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT:

Resolution No. 17-061 for Field House Park Play Area Renovation Project

ATTACHMENTS:

1. Resolution No. 17-061
2. Proposed 2018-2023 MCI CIP Project Worksheet: Field House Park Play Area

FOR AGENDA OF: May 25, 2017

DEPT. OF ORIGIN: Parks, Recreation and Senior Services

DATE SUBMITTED: May 11, 2017

CLEARANCES:

☐ Community Development N/A

☐ Marina N/A

☒ Parks, Recreation & Senior Services 

☒ Public Works RBC

CHIEF OPERATIONS OFFICER: DSB

☒ Legal JB

☒ Finance DM

☐ Courts N/A

☐ Police N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL: 

Purpose and Recommendation

The purpose of this agenda item is for City Council to approve Resolution No. 17-061 (Attachment 1) to seek funding from the King County administered CDBG Grant for Des Moines Field House Park Renovations. The following motion will appear on the consent calendar:

Suggested Motion

Motion 1: “I move to approve Resolution No. 17-061 to seek funding from the King County administered Community Development Block Grant program for the Des Moines Field House Park Play Area Renovation Project.”

Background

At the March 23, 2017 meeting City Council directed staff to proceed with the design of eight playground projects including Field House Park and to include the playground projects in the 2018-2023 Capital Improvement Program.

In April, 2017 staff submitted the pre-application for the King County CDBG grant program for the Field House Park Renovation Project that includes the replacement of the twenty year old play structure and installation of associated ADA and safety improvements at the Park. Staff has been notified that the project qualifies for CDBG Capital funding based on neighborhood census information. King County CDBG requires that the City Council formally approve the submittal of the grant application that is due on May 31, 2017.

Discussion

This item will allow staff to proceed with the project application process for grant funding from King County CDBG. Staff has submitted the proposed Field House Park Play Area Project for the 2018-2023 MCI/Capital Improvement Plan (Attachment 2). If the grant is not awarded, the project would be delayed until funds are available.

Alternatives

The City Council could elect not to approve the CDBG grant and therefore not move forward with the project. This would result in forfeiting grant funding for the Field House Park Renovation Project to replace the play structures and make other needed ADA and play area safety improvements.

Financial Impact:

Funding sources for this project will be realized through City funds for design of the play area project and a King County CDBG Program Grant request of up to \$150,000 for play area construction. A breakdown of project funding consists of the following:

Field House Park Renovation- Play Area

\$178,924	King County CDBG Grant (Proposed in 2018-2023 CIP for Play Area Improvements)
\$15,000	City of Des Moines (Approved in 2017 CIP for Play Area Design)
\$193,924	TOTAL PROJECT FUNDING

Recommendation/Conclusion:

Staff recommends that Council approve the suggested motion.

Concurrence:

The Public Works, Finance, Parks, Recreation and Senior Services, and Legal Departments concur.

Res. No. 17-061

**CITY ATTORNEY'S FIRST DRAFT, 5/11/17
RESOLUTION NO. 17-061**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, authorizing the City Manager to submit a grant application for a Community Development Block Grant (CDBG) to the King County Department of Community and Human Services, for the funding of Des Moines Field House Park Play Area Renovation Project.

WHEREAS, The City of Des Moines has approved Capital Improvement projects for Des Moines Field House Park Play Area, and

WHEREAS, under the provisions of CDBG, federal funding assistance is requested to finance the improvements for Des Moines Field House Park Play Area, and

WHEREAS, The City of Des Moines considers it in the best public interest to make improvements to Des Moines Field House Park Play Area; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. The City of Des Moines City Manager is authorized to make formal application to the King County Department of Community and Human Services for CDBG funding assistance.

Sec. 2. Any fund assistance received from Community Development Block Grant Funds (CDBG) will be used for the Des Moines Field House Park Play Area Renovation Project.

Sec. 3. This resolution shall become part of a formal application to the King County Department of Community and Human Services.

Sec. 4. The City Manager is authorized to sign and submit a grant application to the King County Department of

Resolution No. 17-061
Page 2 of 2

Community and Human Services for the Des Moines Field House Park
Play Area Renovation Project.

ADOPTED BY the City Council of the City of Des Moines,
Washington this _____ day of _____ 2017 and signed in
authentication thereof this _____ day of _____, 2017.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

CITY OF DES MOINES
2018 -2023 CAPITAL IMPROVEMENT PLAN
 (Amount in Thousands)

Field House Play Equipment	310
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CIP Category: Park Facility Projects

Managing Department: Parks, Reor & Sr Services

Summary Project Description:	
Replace a portion of the aging play structure. Park renovation will include ADA compliance. There is a companion project for the repair to the skate park and ballfield drainage.	

Justification/Benefits: Replace a portion of the aging play structure for safety reasons. Field House Park was transferred to the city by King County in 1993. The portion of the play equipment currently on site was purchased by the Des Moines Rotary Club and installed at the Beach Park in 1996. Later it was removed and stored until repainted and reinstalled in 2008. Some of the equipment doesn't meet current Play Equipment safety and ADA standards and must be replaced.

PROJECT SCOPE	
Expenditures	Total Budget
Design	15
Land & Right of Way	-
Construction	164
Contingency	15
Total Expenditures	194

ANNUAL ALLOCATION									
Project to Date 12/31/16	Scheduled Year	Plan Year	Plan Year	Plan Year	Plan Year	Plan Year	Plan Year	Plan Year	Plan Year
-	15								
-									
-			164						
-			15						
-	15	179	-	-	-	-	-	-	-

Funding Sources	
	Total Budget
REET 2	15
State of Washington Grants (Unconfirmed)	179
Total Funding	194

Project to Date 12/31/16	Scheduled Year	Plan Year	Plan Year	Plan Year	Plan Year	Plan Year	Plan Year	Plan Year	Plan Year
-	15								
-			179						
-	15	179	-	-	-	-	-	-	-

OPERATING IMPACT	
Operating Impact	6 Year Total
Revenue	-
Expenses	-
Net Impact	-

ANNUAL OPERATING IMPACT					
	2017	2018	2019	2020	2021
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

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A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT:

Resolution No. 17-060 for Kiddie Park Play Area
Renovation Project

ATTACHMENTS:

1. Resolution No. 17-060
2. Proposed 2018-2023 MCI CIP Project
Worksheet: Kiddie Park Play Area

FOR AGENDA OF: May 25, 2017

DEPT. OF ORIGIN: Parks, Recreation and Senior
Services

DATE SUBMITTED: May 11, 2017

CLEARANCES:

- ☐ Community Development N/A
- ☐ Marina N/A
- ☒ Parks, Recreation & Senior Services 
- ☒ Public Works PRC

CHIEF OPERATIONS OFFICER: DJB

- ☒ Legal T6
- ☒ Finance Dm
- ☐ Courts N/A
- ☐ Police N/A

APPROVED BY CITY MANAGER
FOR SUBMITTAL: 

Purpose and Recommendation

The purpose of this agenda item is for City Council to approve Resolution No. 17-060 (Attachment 1) to seek funding from the King County administered CDBG Grant for the Kiddie Park Renovation Project. The following motion will appear on the consent calendar:

Suggested Motion

Motion 1: “I move to approve Resolution No. 17-060 to seek funding from the King County administered Community Development Block Grant program for the Kiddie Park Play Area Renovation Project.”

Background

At the March 23, 2017 meeting, City Council directed staff to proceed with the design of eight playground projects including Kiddie Park and to include the playground projects in the 2018-2023 Capital Improvement Program.

In April, 2017 staff submitted the pre-application for the King County CDBG grant program for the Kiddie Park Renovation Project that includes the replacement of the thirty year old play structure at Kiddie Park and to install associated ADA, safety and security improvements. Staff has been notified that the project qualifies for CDBG Capital funding based on neighborhood census information. King County CDBG requires that the City Council formally approve the submittal of the grant application that is due on May 31, 2017.

Discussion

This item will allow staff to proceed with the project application process for grant funding from King County CDBG. Staff has submitted the proposed Kiddie Park Renovation Project for the 2018-2023 MCI/Capital Improvement Plan (Attachment 2). If the grant is not awarded, the project would be delayed until funds are available.

Alternatives

The City Council could elect not to approve the grant and therefore not move forward with the project. This would result in forfeiting grant funding for the Kiddie Park project to replace the play structures and make other needed ADA and play area safety improvements.

Financial Impact:

Funding sources for this project will be realized through City funds for design of the play area project and the King County CDBG Program Grant request of up to \$180,000 for the Kiddie Park Renovation Project. A breakdown of project funding consists of the following:

Kiddie Park Renovation- Play Equipment

\$200,577	King County CDBG Grant (Proposed in 2018-2023 CIP for Play Area Improvements)
\$27,000	City of Des Moines (Approved in 2017 CIP for Play Area Design)
\$227,577	TOTAL PROJECT FUNDING

Recommendation/Conclusion:

Staff recommends that Council approve the suggested motion.

Concurrence:

The Public Works, Finance, Parks, Recreation and Senior Services, and Legal Departments concur.

Res. No. 17-060

**CITY ATTORNEY'S FIRST DRAFT, 5/11/17
RESOLUTION NO. 17-060**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, authorizing the City Manager to submit a grant application for a Community Development Block Grant (CDBG) to the King County Department of Community and Human Services, for the funding of the Kiddie Park Play Area Renovation Project.

WHEREAS, The City of Des Moines has approved Capital Improvement projects for Kiddie Park Play Area, and

WHEREAS, under the provisions of CDBG, federal funding assistance is requested to finance the improvements for Kiddie Park Play Area, and

WHEREAS, The City of Des Moines considers it in the best public interest to make improvements to Kiddie Park Play Area; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. The City of Des Moines City Manager is authorized to make formal application to the King County Department of Community and Human Services for CDBG funding assistance.

Sec. 2. Any fund assistance received from Community Development Block Grant Funds (CDBG) will be used for the Kiddie Park Play Area Renovation Project.

Sec. 3. This resolution shall become part of a formal application to the King County Department of Community and Human Services.

Sec. 4. The City Manager is authorized to sign and submit a grant application to the King County Department of Community and Human Services for the Kiddie Park Play Area Renovation Project.

Res. No. 17-060

Page 2 of 2

ADOPTED BY the City Council of the City of Des Moines,
Washington this _____ day of _____ 2017 and signed in
authentication thereof this _____ day of _____, 2017.

M A Y O R

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

CITY OF DES MOINES
2018 -2023 CAPITAL IMPROVEMENT PLAN
(Amount in Thousands)

Kiddie Park Play Equipment

310

CIP Category: Park Facility Projects

Managing Department: Parks, Recr. & Sr. Services

Summary Project Description:

Replace play equipment to meet safety and ADA standards. Existing equipment in Kiddie Park will be removed and new equipment will be installed in a new location that meets ADA criteria. (City Park and Kiddie Park are both city-owned, adjacent properties.) There is a companion renovation project to take place in City Park.

Justification/Benefits: Kiddie Park was built in 1987. The play equipment is 30 years old and the location is not ADA accessible. It does not meet current safety and ADA requirements. This is a priority in the 2010 and 2016 Parks, Recreation and Senior Services Master Plans.

PROJECT SCOPE	
Expenditures	Total Budget
Design	27
Land & Right of Way	-
Construction	185
Contingency	16
Total Expenditures	228

ANNUAL ALLOCATION							
Project to Date 12/31/16	Scheduled Year 2017	Plan Year 2018	Plan Year 2019	Plan Year 2020	Plan Year 2021	Plan Year 2022	Plan Year 2023
	27		-				
			-				
		185					
		16	-				
-	27	201	-	-	-	-	-

Funding Sources	Total Budget
REET 2	27
KC CDBG Grant (Unconfirmed)	201
Total Funding	228

Project to Date 12/31/16	Scheduled Year 2017	Plan Year 2018	Plan Year 2019	Plan Year 2020	Plan Year 2021	Plan Year 2022	Plan Year 2023
	27						
		201					
-	27	201	-	-	-	-	-

OPERATING IMPACT	
Operating Impact	6 Year Total
Revenue	-
Expenses	-
Net Impact	-

ANNUAL OPERATING IMPACT							
	2017	2018	2019	2020	2021	2022	2023
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

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A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Appointment of Claims for Damages
Acceptance Agents

ATTACHMENTS:

1. Draft Resolution No. 17-063

FOR AGENDA OF: May 25, 2017

DEPT. OF ORIGIN: Legal

DATE SUBMITTED: May 8, 2017

CLEARANCES:

- ☐ Community Development
- ☐ Marina
- ☐ Parks, Recreation & Senior Services
- ☐ Public Works

CHIEF OPERATIONS OFFICER: _____

- ☒ Legal TG
- ☐ Finance
- ☐ Courts
- ☐ Police

APPROVED BY CITY MANAGER
FOR SUBMITTAL [Signature]

Purpose

Draft Resolution No. 17-063 updates the appointed Acceptance Agents to receive Claims for Damages filed with the City.

Suggested Motion

Motion: "I move to adopt Draft Resolution No. 17-063 updating the appointed Acceptance Agents for Claims for Damages filed against the City pursuant to chapter 4.96 RCW and superseding Resolution No. 1349."

Background

RCW 4.96.020 sets forth the procedures for accepting Claims for Damages arising out of the tortious conduct of local government entities and their agents. RCW 4.96.020(2) requires governing bodies of local governmental entities to identify an Acceptance Agent and the address where the Agent may be reached during normal business hours.

Discussion

Resolution No. 1349 appointed our City Clerk, Paralegal, and former Police Department Senior Secretary as Acceptance Agents for Claims for Damages. Since the Police Department Senior Secretary position is vacant, the City needs to make a new appointment. Draft Resolution No. 17-063 appoints the current City Clerk as the Acceptance Agent for the City, along with two alternates to act as Interim Acceptance Agents when the Acceptance Agent is not available; and directs the City Clerk to record a certified copy of this Resolution with the King County Recorder's Office.

Alternatives

None. This is a requirement of chapter 4.96 RCW.

Financial Impact

None, except for the King County Recorder's fee.

Recommendation

Administration and the Legal Department recommend approval of this Resolution.

CITY ATTORNEY'S FIRST DRAFT 05/08/2017**DRAFT RESOLUTION NO. 17-063**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, relating to Claims for Damages, appointing Acceptance Agents for Claim for Damages filed against the City pursuant to chapter 4.96 RCW, and superseding Resolution No. 1349.

WHEREAS, chapter 4.96 RCW sets forth the procedures for presenting Claims for Damages arising out of the tortious conduct of local governmental entities, including cities, or the tortious conduct of their past or present officers, employees or volunteers while performing or in good faith purporting to perform their official duties, and

WHEREAS, RCW 4.96.020 requires local governmental entities to appoint an agent to receive any Claims for Damages made under chapter 4.96 RCW, and

WHEREAS, Des Moines Resolution No. 1349, passed by the City Council on December 1, 2016, appointing Acceptance Agents for Claims for Damages, requires updating; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. In accordance with RCW 4.96.020, the City Council hereby appoints:

Bonnie Wilkins, CMC, City Clerk
21630 11th Ave So., Suite A
Des Moines, WA 98198

and in the absence of the City Clerk, the following as alternates:

Renee Cameron
Deputy City Clerk
21630 11th Ave So., Suite A
Des Moines, WA 98198

Vicki Sheckler
Paralegal
21630 11th Ave So., Suite C
Des Moines, WA 98198

to act as the Agents to receive any Claim For Damages made under chapter 4.96 RCW.

Sec. 2. In accordance with RCW 4.96.020, the City Council hereby adopts the following procedures for presenting Claims for Damages made under chapter 4.96 RCW:

Resolution No. _____
 Page 2 of 3

(1) **Recording Information with Auditor.** The identity of the Agent(s) and the address where the Agent(s) may be reached during normal business hours of the City shall be recorded by the City with the auditor of King County (the "Auditor").

(2) **Procedure for Presenting Claims.** All Claims for Damages made under chapter 4.07 RCW shall be presented personally to the Agent(s) at the address and within the business hours recorded with the Auditor, from 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding holidays, and shall be presented within the applicable period of limitations in which such an action must commenced.

(3) **Content of Claim.** All Claims for Damages arising out of tortious conduct shall locate and describe the conduct and circumstances which brought about the injury or damage, describe the injury or damage, state the time and place the injury or damage occurred, state the names of all persons involved, if known, and shall contain the amount of damage claimed, together with a statement of the actual residence of the claimant at the time of presenting and filing the claim for a period of six (6) months immediately prior to the time the claim arose.

(4) **Notice Period.** No action shall be commenced against the City for damages arising out of tortious conduct until sixty (60) days have elapsed after the Claim has first been presented and filed in accordance with chapter 4.96 RCW and this Resolution.

Sec. 3. Resolution No. 1349 is superseded by this Resolution.

ADOPTED BY the City Council of the City of Des Moines, Washington this _____ day of _____, 2017 and signed in authentication thereof this _____ day of _____, 2017.

 M A Y O R

APPROVED AS TO FORM:

 City Attorney

Resolution No. _____
Page 3 of 3

ATTEST:

City Clerk

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A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Interagency Agreement with Highline College for the Small Business Development Center

FOR AGENDA OF: May 25, 2017

DEPT. OF ORIGIN: Administration

DATE SUBMITTED: May 11, 2017

ATTACHMENTS:

1. Interagency Agreement

CLEARANCES:

- ☐ Community Development _____
- ☐ Marina _____
- ☐ Parks, Recreation & Senior Services _____
- ☐ Public Works _____

CHIEF OPERATIONS OFFICER: _____

- ☒ Legal *JB*
- ☒ Finance *DM*
- ☐ Courts _____
- ☐ Police _____

APPROVED BY CITY MANAGER
FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation:

The purpose of this agenda item is to request City Council approval of an Interagency Agreement between Highline College and the City of Des Moines for continuing support of the College's Small Business Development Center (SBDC). The City contributed \$10,000 each year since the SBDC started in 2004, except in 2010 when the contribution was \$8,000.

Suggested Motion

MOTION: "I move to approve the Interagency Agreement with Highline College for support of the Small Business Development Center, and authorize the City Manager to sign the agreement substantially in the form as submitted.

Background:

The City of Des Moines was a founding partner of the Southwest King County Economic Development Initiative (SKCEDI) dedicated to collaboration related to the economic development of Southwest King County and to working together to solve the economic development issues common to its members. The Small Business Development Center is one example of this cooperation and it has been kept solvent and effective since its inception in large part due to each partners' commitment to funding. That funding commitment is an investment in the community and in area-wide economic development.

Alternatives:

The Council may decide not to enter into the agreement, or may approve the agreement for 2017.

Financial Impact:

The 2017 contribution of \$10,000 is provided for in the 2017 budget.

Recommendation/Conclusion:

Staff recommends approval of the Interagency Agreement.

Concurrence:

The Legal and Finance Departments recommend approval of this Interagency Agreement.



www.highline.edu/admin/budget

Phone
206 592-3249

MS 99-281
PO Box 98000
Des Moines, WA 98198-9800

Budget Department

Located at
2400 So. 240th, PO Box 98000 MS99-281
Des Moines, Wash 98198.

INVOICE

April 20, 2017

Soundside Alliance
Small Business Development Center
At Highline College

City of Des Moines **2017** contribution for support of Business Development Counseling
Services at Soundside Alliance's SBDC at Highline College.....\$10,000.00

Please make check out to: Highline College
 Soundside Alliance SBDC Fund

Send check to: Highline College
 Attn: Kimberly Bills
 PO Box 98000 MS 99-281
 Des Moines, WA 98198-9800

Thank you,

A handwritten signature in blue ink that reads "Kimberly Bills".

Kimberly Bills
Grants and Contracts Specialist

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INTERAGENCY AGREEMENT**Between****STATE OF WASHINGTON****HIGHLINE COLLEGE****and****CITY OF DES MOINES**

THIS AGREEMENT is made and entered into by and between **HIGHLINE COLLEGE, PO BOX 98000 MS 99-101, DES MOINES, WA 98198**, hereinafter referred to as "**HIGHLINE COLLEGE**," and the **CITY OF DES MOINES, 21630 11TH AVE S, DES MOINES, WA 98198** hereinafter referred to as the "**CITY OF DES MOINES**".

IT IS THE PURPOSE OF THIS AGREEMENT to provide partnership and support for the community through the efforts of the Small Business Development Center and to provide complimentary business development services and resources to small to medium sized businesses.

THEREFORE, IT IS MUTUALLY AGREED THAT:

STATEMENT OF WORK

To provide partnership and support for the community through the efforts of the Small Business Development Center (SBDC) and to provide complimentary business development services and resources to small to medium sized businesses.

PERIOD OF PERFORMANCE

Subject to its other provisions, the period of performance of this Agreement shall commence on **January 1, 2017**, and be completed on **December 31, 2017**, and will be renewed automatically on an annual basis unless terminated as specified in the termination clause of this agreement by either party.

PAYMENT

Compensation for the work provided in accordance with this agreement has been established under the terms of RCW 39.34.130. The parties have estimated that the cost of accomplishing the work herein will not exceed **\$10,000.00 annually**. Payment for satisfactory performance of the work shall not exceed this amount unless the parties mutually agree to a higher amount prior to the commencement of any work which will cause the maximum payment to be exceeded.

BILLING PROCEDURE

Highline College shall submit invoices **automatically on an annual basis**. Payment to the **Highline College** for approved and completed work will be made by warrant or account transfer by the **City of Des Moines** within 30 days of receipt of the invoice. Upon expiration of the contract, any claim for payment not already made shall be submitted within 30 days after the expiration date or the end of the fiscal year, whichever is earlier.

RECORDS MAINTENANCE

The parties to this contract shall each maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of

the services described herein. These records shall be subject to inspection, review or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

Records and other documents, in any medium, furnished by one party to this agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

RIGHTS IN DATA

Unless otherwise provided, data which originates from this Agreement shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be owned by **Highline College**. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

AGREEMENT ALTERATIONS AND AMENDMENTS

This agreement may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

TERMINATION

Either party may terminate this Agreement upon 30 days' prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

TERMINATION FOR CAUSE

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15 working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, contract terms and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

GOVERNANCE

This contract is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this agreement shall be construed to conform to those laws.

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

- a. applicable state and federal statutes and rules;
- b. statement of work; and
- c. any other provisions of the agreement, including materials incorporated by reference.

ASSIGNMENT

The work to be provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

INDEMNIFICATION

Each party to this agreement will be responsible for the negligent acts or omissions of its own employees, officers, or agents in the performance of this Agreement. Neither party will be considered the agent of the other and neither party assumes any responsibility to the other party for the consequences of any act or omission of any person, firm, or corporation not a party to this Agreement.

WAIVER

A failure by either party to exercise its rights under this agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.

ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

CONTRACT MANAGEMENT

The program manager for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

Highline College:

Communications contact person shall be the Economic Development Program Director, Rich Shockley, Highline College, PO Box 98000 MS 99-101, Des Moines, WA 98198.

Billing contact person shall be Kimberly Bills, Highline College, PO Box 98000 MS 99-281, Des Moines, WA 98198.

City of Des Moines:

Communications and billing contact person shall be Michael Matthias, City Manager, 21630 11th Ave S, Suite A, Des Moines, WA 98198

IN WITNESS WHEREOF, the parties have executed this Agreement.

State of Washington
Highline College

City of Des Moines

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

Des Moines City Attorney

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Telecommunications Franchise
Agreement with MCI-metro d/b/a Verizon

ATTACHMENTS:

1. Draft Ordinance No. 17-057
2. Exhibit 1-A showing preliminary alignment
for Fiber Optic installation

FOR AGENDA OF: May 25, 2017

DEPT. OF ORIGIN: Legal

DATE SUBMITTED: May 17, 2017

CLEARANCES:

- ☐ Community Development _____
- ☐ Marina _____
- ☐ Parks, Recreation & Senior Services _____
- ☒ Public Works *PRC*

CHIEF OPERATIONS OFFICER: *DSB*

- ☒ Legal *LG*
- ☒ Finance *DM*
- ☐ Courts _____
- ☐ Police _____

APPROVED BY CITY MANAGER
FOR SUBMITTAL: *[Signature]*

Purpose and Recommendation

The purpose of this agenda item is to hold a public hearing for the City Council to consider approval of a telecommunications Franchise Agreement with MCI-metro Access Transmission Services Corp. d/b/a Verizon Access Transmission for the installation of fiber optic facilities in City right-of-way. Under state law, telecommunication Franchise Agreements require two readings by the City Council.

Suggested Motion

Motion 1: "I move to pass Draft Ordinance No. 17-057 to a second reading on the next available City Council agenda."

Background

A franchise agreement authorizes an entity to make use of the city streets for the purpose of carrying on the business in which it is generally engaged, that is, of furnishing service to members of the public. The grant of a franchise is a special privilege that allows particular individuals to profit from the use of the

city streets in a manner not generally available to the public as a common right. The legislature has granted authority to cities to grant a nonexclusive franchise. RCW 35A.47.040. Once granted, a franchise is a contract which is binding on both the grantor and the grantee.

The City was contacted in November of 2016 by MCI-metro d/b/a Verizon Access Transmission Services regarding a telecommunications franchise to deploy 31,000 feet of fiber optic facilities in City right-of-way to two existing cell tower sites in Des Moines (Exhibit 2). The cellular sites are at 22613 7th Ave. S. and 22419 Pacific Highway South and are currently served by copper cable. Upgrading to fiber optics would significantly improve the sites capabilities. The routes shown in Exhibit 2 are preliminary only and will be finalized once permits are applied for and they are reviewed and approved by City staff.

The City entered into a franchise agreement for a similar purpose with a company called Zayo in April of 2013. Since that agreement has been in place, City staff has reported that the agreement is effective and adequately addresses the City's interests. As a result, the Zayo franchise agreement was used as a template for negotiations with MCI-metro (Verizon).

A draft franchise was first introduced to the Ad Hoc Franchise Committee on February 2nd, 2017 and was again reviewed by the Committee on March 23rd, 2017. Amendments proposed by the Committee have been incorporated in the draft presented to the full Council.

Discussion

The key terms of the franchise agreements are detailed below. The terms of the agreements are largely identical to the previously approved Zayo franchise but key differences will be noted below.

1. **Franchise Term:** The term of the Franchise is for 10 years. The Ad Hoc Franchise Committee requested that language be added that allows for re-evaluation of the Franchise Agreement after 5 years if either party identifies a specific issue that needs to be addressed. This language was added in Section 3(3) and requires the parties to discuss such issues in good faith at the half-way mark of the 10 year term.
2. **Relocation:** MCI-metro (Verizon) is solely responsible for relocation costs unless state law requires otherwise. RCW 35.99.060 applies specifically to telecommunications franchises and requires cities to share in some relocation costs for specific instances where a city requires relocation for a private party's benefit or if a city requires relocation twice within a 5 year period.
3. **Right of Way Management, Planning, and Operations:** The Franchise reflects current City practice. MCI-metro (Verizon) is required to follow City permitting processes prior to installation of facilities or any work in the right-of-way.
4. **Indemnification and Insurance:** The Agreement provides that MCI-metro will indemnify the City for actions of the company or their agents. MCI-metro is required to maintain \$5,000,000 in automobile and general liability insurance coverage. This coverage exceeds any reasonably expected liability that could occur from this Agreement.
5. **Franchise Fee:** MCI-metro will pay the City a one-time franchise fee of \$5,000. This flat fee is consistent with RCW 35.21.860 which requires that a franchise fee be limited to the actual administrative expenses incurred by the City in the negotiation of the franchise. This amount will reimburse the City for the staff costs of the negotiations over the last several months.

6. **Taxes:** Under DMMC 3.68.060(3) the City imposes a 6% tax on telephone businesses. To the extent that revenue is received from the installation of these facilities, the City will receive 6%. Based on input from the Ad Hoc Franchise Committee, additional language was included that requires MCI-metro to provide the City with an annual report on the number of feet of right-of-way Grantee occupies in the City and the services Grantee is providing in the City. This will allow the City to assess the amount of taxes received.
7. **Abandonment:** The Franchise requires that MCI-metro remove any facilities that have been abandoned in the right of way at their own expense. The City has the option to allow them to be abandoned in place or removed.
8. **Vacation** – The proposed language is an accurate reflection of current practice and does not restrict the City’s authority to vacate a right of way. The Agreement requires the City to notify MCI-metro of a vacation so that they can obtain an easement if one is needed.
9. **Collaboration on City projects** – This Agreement expressly calls out RCW 35.99.070 which requires a service provider that is operating in public right-of-way to provide the City with additional duct or conduit for the City’s purposes. The City would receive this benefit at cost under the Franchise Agreement.
10. **Additional Terms** – The majority of the remainder of the Agreement is boilerplate legal language. All language and terms have been thoroughly reviewed and negotiated and the City’s interests are protected throughout these Agreements.

Alternatives

1. Pass the Draft Ordinance to a second reading as written.
2. Pass the Draft Ordinance to a second reading with proposed amendments to be negotiated with MCI-metro.
3. Do not pass the Draft Ordinance to a second reading and direct staff to continue negotiations.

Financial Impact

The City will receive an initial \$5,000 to cover the City’s costs of the negotiation of this Franchise Agreement. Additionally, the City will receive all permitting costs for work to be conducting and any additional staffing time that is spent administering this Agreement can be billed to MCI-metro.

Finally, the City will receive 6% utility tax on the telephone business conducted by MCI-metro (Verizon). Because the plan under this Franchise is to upgrade existing sites from copper to fiber optics, the tax may not immediately be seen. However, increasing capabilities for customers of MCI-metro in the City may increase usage which would result over time in increased taxes.

Recommendation

The Legal Department, Planning, Building, and Public Works, and Finance Department recommend passing the Draft Ordinance to a second reading.

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CITY ATTORNEY'S FIRST DRAFT 04/27/2017**DRAFT ORDINANCE NO. 17-057**

AN ORDINANCE OF THE CITY OF DES MOINES granting a non-exclusive Franchise to construct, install, operate, maintain, repair, or remove telecommunications facilities within the public ways of the City of Des Moines ("City") to MCImetro Access Transmission Services Corp. d/b/a Verizon Access Transmission Services ("Grantee"). Grantee's telecommunications facilities shall not include antennas and support structures specifically for attaching antennas that are used for personal wireless communications services. The City and Grantee are sometimes hereinafter collectively referred to individually as a "party" and collectively as the "parties."

WHEREAS, MCImetro Access Transmission Services Corp. d/b/a Verizon Access Transmission Services, a corporation organized and existing under the laws of the State of Delaware is a competitive telecommunications company providing telecommunication services, including voice, internet and data services, which desires to occupy the City of Des Moines rights-of-ways to install, construct, operate, and maintain its telecommunications facilities and network for the purpose of providing services to its customers at locations within the City, and

WHEREAS, the Grantee, MCImetro Access Transmission Services Corp. d/b/a Verizon Access Transmission Services, has represented to the City that it provides a telephone business as defined by RCW 82.16.010 or acts as a service provider as such term is defined in RCW Section 35.99.010, and

WHEREAS, Grantee has applied to the City for a non-exclusive telecommunications service franchise to enter, occupy, and use public ways to construct, install, operate, maintain, and repair telecommunications facilities to offer and provide telecommunications service for hire, sale, or resale in the City, and

WHEREAS, the City is authorized by applicable law to grant one or more nonexclusive franchises within the boundaries of the City, and

WHEREAS, the 1934 Communications Act, as amended relating to telecommunications providers recognizes and provides local

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government authority to manage the public rights-of-way and to require fair and reasonable compensation on a competitively neutral and nondiscriminatory basis, and

WHEREAS, a franchise does not include, and is not a substitute for any other permit, agreement, or other authorization required by the City, including without limitation, permits required in connection with construction activities in public ways which must be administratively approved by the City after review of specific plans, and

WHEREAS, Grantee shall be responsible for its actual costs in using, occupying and repairing public ways, and

WHEREAS, the City and Grantee desire to effectuate good coordination of the use of the rights-of-way, and

WHEREAS, the City Council finds that the franchise terms and conditions contained in this Ordinance are in the public interest; now therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:

Sec. 1. Definitions.

(1) **Use of words and phrases.** For the purposes of this Franchise, the following terms, phrases, words, and their derivations will have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Words not defined will have the meaning ascribed to those words in the Des Moines City Code (DMMC), or in the Federal Communications Act of 1934 as amended, unless inconsistent herewith. The headings contained in this Franchise are to facilitate reference only, do not form a part of this Franchise, and shall not in any way affect the construction or interpretation hereof. The words "shall," "will," and "must" are mandatory, and the word "may" is permissive or directory.

(2) "Abandonment" means the disconnection by the Grantee of specific Facilities from the telecommunications system.

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(3) "Affiliate" means any Person who owns or controls, is owned by or controlled by, or is under common ownership or control with Grantee.

(4) "Cable Act" means the Cable Communications Policy Act of 1984 as amended and as may be amended from time to time during the term of this Franchise (47 U.S.C. § 521 et seq., as amended).

(5) "Cable service" means the one-way transmission to subscribers of video programming or other programming service and subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

(6) "City Council" means the governing body of the City.

(7) "Communications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

(8) "Communications applications fees and charges" includes fees and charges connected to right-of-way management, construction permit, permit design fee, building permit, encroachment permit, inspections and pavement restoration.

(9) "Communications service" means the offering of communications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

(10) "Communications system" or "system" means only those facilities necessary for Grantee to provide Communications services.

(11) "Conduit" means optical cable housing, jackets, or casing, and pipes, tubes, or tiles used for receiving and protecting wires, lines, cables, and communication and signal lines.

(12) "Costs" means costs, expenses, and other financial obligations of any kind whatsoever.

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(13) "Dark fiber" means properly functioning optical cable which is not used or available for use by Grantee or the general public, but may be made available for use under lease to third parties.

(14) "Effective date" means five days following the publication of this Franchise or a summary thereof occurs in an official newspaper of the City as provided by law.

(15) "Emergency" means a condition of imminent danger to the health, safety, and welfare of property or persons located within the City including, without limitation, damage to persons or property from natural consequences, such as storms, earthquakes, riots or wars.

(16) "Facilities" means, collectively, any and all telecommunications transmission systems and appurtenances owned by Grantee, now and in the future, in the Franchise Area, including, but not limited to, wire, radio, optical cable, electromagnetic or other similar types of equipment and related appurtenances in any way comprising part of the System.

(17) "FCC or Federal Communications Commission" means the agency as presently constituted by the United States Congress or any successor agency with jurisdiction over telecommunications service matters.

(18) "Fiber optic" means a transmission medium of optical fiber cable, along with all associated optronics and equipment, capable of carrying telecommunication service by means of electric light-wave impulses.

(19) "Franchise area" means the area within the jurisdictional boundaries of the City, including any annexed areas, to be served by Grantee as specified in this Franchise.

(20) "Gross Revenues" means all gross revenues received by Grantee or its affiliates from the provision of intrastate telephone business activities in the City of Des Moines, as described in Utility Tax below.

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(21) "Incremental costs" means the actual and necessary costs incurred which exceed costs which would have otherwise been incurred.

(22) "Optical cable" means wires, lines, cables and communication and signal lines used to convey communications by fiber optics.

(23) "Open Video System" means a facility consisting of a set of transmission paths and associated signal generation, reception and control equipment that is designed to provide Cable Service which includes video programming and which is provided to multiple subscribers within a community, provided that the Federal Communications Commission has certified that such system complies with 47 CFR 76.1500 et seq.

(24) "Person" means any individual, firm, partnership, association, joint stock company, trust, corporation, company, governmental entity.

(25) "Public ways or rights-of-way" includes the surface, the air space above the surface, and the area below the surface of any public street, highway, parkway, circle, lane, alley, sidewalk, boulevard, drive, bridge, tunnel, easement or similar property in which the City holds any property interest or exercises any rights of management or control and which, consistent with the purposes for which it was acquired or dedicated, may be used for the installation, repair, and maintenance of a Telecommunication System. No reference in this Franchise to a public right-of-way shall be deemed to be a representation or guarantee by the City that its interests or other rights in such property are sufficient to permit its use for the installation, repair, and maintenance of a Telecommunication System, and the Grantee shall be deemed to gain only those rights which the City has the undisputed right and power to give. For this Franchise, public ways and rights-of-way are limited to the areas above the ordinary high water mark of Puget Sound.

(26) "Route map" means a geographic representation of the Grantee's Telecommunication System as it exists within the public right-of-way and within private easements in the Franchise area.

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(27) "Subscriber" means any Person who or which purchases, leases, rents, obtains or subscribes to Telecommunications Service provided by Grantee by means of or in connection with the Grantee's Telecommunications System.

(28) "Telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

(29) "Telecommunications applications fees and charges" includes fees and charges connected to right-of-way management, construction permit, permit design fee, building permit, encroachment permit, inspections and pavement restoration.

(30) "Telecommunications service" means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used. Telecommunications service shall also include offering Internet access, private line service, front- and back-haul transport and/or leasing dark fiber directly to the public or third parties.

(31) "Telecommunications system" or "system" means only those facilities necessary for Grantee to provide Telecommunications service.

(32) "Underground facilities" means facilities located under the surface of the ground, other than underground foundations or supports for overhead facilities.

(33) "Utility poles" means poles, and crossarms, devices, and attachments directly affixed to such poles which are used for the transmission and distribution of electrical energy, signals, or other methods of communication.

(34) "Wireless Communications Facilities" means the site, wireless communications support structures, antennas, accessory equipment structures, and appurtenances used to transmit, receive, distribute, provide or offer personal wireless communications services. Wireless communications facilities include, but are not limited to antennas, poles, towers, cables, wires, conduits,

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ducts, pedestals, vaults, buildings, and electronic switching equipment.

Sec. 2. Franchise - Grant of authority.

(1) **Use of public rights-of-way.** There is hereby granted to Grantee the right and privilege, to have, acquire, construct, reconstruct, upgrade, repair, maintain, use, and operate in the City a Telecommunications System, and to have, acquire, construct, reconstruct, repair, maintain, use, and operate in, over, under, and along the present and future Public rights-of-way of the City all necessary or Facilities, including without limitation, desirable wires, cables, electronic conductors, underground conduits, vaults, and other structures and appurtenances necessary for the construction, maintenance, and operation of Grantee's Telecommunications system in the Franchise Area. Grantee or Affiliates shall not install or construct facilities within the City's Public Rights-of-Way which are not authorized by this Franchise or lawfully allowed by applicable local, state, or federal law.

(2) **Additional services/compensation.** By granting this Franchise, the City does not waive and specifically retains any right to regulate and receive compensation as allowed by law for services offered over the Telecommunication system which are not Telecommunication services. Upon request, Grantee shall inform City of any non-Telecommunication and/or Telecommunication services offered over the Telecommunication system of which Grantee or its Affiliates are aware. By accepting this Franchise, Grantee does not waive any right it has under law to challenge the City's requirement for authorization to provide non-Telecommunication Services.

(3) **Responsibility for costs.** Except as expressly provided otherwise, any act that Grantee is required to perform under this Franchise shall be performed at Grantee's cost. If Grantee fails to perform work that it is required to perform within the time provided for performance or a cure period, the City may perform the work and bill the Grantee for documented costs. The Grantee shall pay the amounts billed within thirty (30) days. The parties agree that any amounts paid pursuant to this Section are not Franchise fees and fall within one or more of the exceptions to the definition of Franchise fee under federal law.

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Nothing in this section is intended to affect in any way (by expansion or contraction) Grantee's rights under applicable law governing the ability to impose any costs, including but not limited to the rates charged.

(4) **Publication costs.** Any and all costs of publication related to this Franchise which may be required by law or action of City Council shall be borne by Grantee. Any payments made by the City under this provision are to be reimbursed to the City within thirty (30) days of Grantee's receipt of the invoice.

(5) **Franchise non-exclusive.** The rights, privileges of any franchise granted pursuant to chapter 20.04 of the Des Moines Municipal Code (DMMC) shall be nonexclusive. This Franchise shall not be construed as any limitation upon the right of the City, through its proper officers, to grant to other persons or corporations, including itself, rights, privileges or authority the same as, similar to or different from the rights, privileges or authority herein set forth, in the same or other streets and public ways by Franchise, permit or otherwise. The City shall not authorize or permit any Person providing Communication services to enter into the Public rights-of-way in any part of the City on terms or conditions that, when viewed collectively, are generally more favorable or less burdensome to such Person than those applied to the Grantee pursuant to this Franchise.

(6) Nothing in this Franchise excuses Grantee of its obligation to identify its facilities and proposed facilities and their location or proposed location in the public ways and to obtain use and/or development authorization and permits from the City before entering, occupying, or using public ways to construct, install, operate, maintain, repair, or remove such facilities.

(7) Nothing in this Franchise excuses Grantee of its obligation to comply with applicable codes, rules, regulations, and standards subject to verification by the City of such compliance.

(8) Nothing in this Franchise shall be construed to limit taxing authority or other lawful authority to impose charges or fees, or to excuse Grantee of any obligation to pay lawfully imposed charges or fees. Notwithstanding any other provision of

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this Franchise, nothing in this Franchise is intended to alter, amend, modify or expand the taxes and fees that may lawfully be assessed on Franchisee's business activities under this Franchise under applicable law.

(9) Nothing in this Franchise grants authority to Grantee to impair or damage any City property, public way, other ways or other property, whether publicly or privately owned.

(10) Nothing in this Franchise shall be construed to create a duty upon the City to be responsible for construction of facilities or to modify public ways to accommodate Grantee's facilities.

(11) Nothing in this Franchise shall be construed to create, expand, or extend any liability of the City to any third party user of Grantee's facilities or to otherwise recognize or create third party beneficiaries to this Franchise.

(12) Nothing in this Franchise shall be construed to permit Grantee to unlawfully enter or construct improvements upon the property or premises of another.

(13) Nothing in this Franchise grants authority to Grantee to enter, occupy or use City property, nor to install or construct facilities within the City's Public rights-of-way which are not authorized by this Franchise or lawfully allowed by applicable local, state, or federal law.

(14) Nothing in this Franchise grants authority to Grantee to provide or offer cable service as cable service is defined in 47 U.S.C. § 522(6), Open Video System services. This Franchise does not relieve Grantee of any obligation it may have to obtain from the City separate authorization to provide Cable or Open Video System services, or relieve Grantee of its obligation to comply with any such authorizations that may be lawfully required.

(15) Grantee may use its facilities authorized by this Franchise to provide telecommunications service only as expressly provided in this Franchise.

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Sec. 3. Term evaluation, and renewal.

(1) This Franchise shall run for a period of ten (10) years unless extended or terminated sooner as hereinafter provided. This Franchise shall commence after the effective date of this Franchise and in accordance with the written acceptance requirements herein.

(2) Should the Parties fail to formally renew this Franchise prior to the expiration of the ten (10) year renewal period, the Franchise shall automatically continue on a month to month period until renewed or either party gives written notice at least one hundred and eighty (180) days in advance of intent not to renew the Franchise.

(3) On the fifth (5th) anniversary of this Franchise, if either party identifies one or more specific issues that the party believes may require a reevaluation of one or more of the material terms of this Franchise, the Parties agree to discuss such issues diligently and in good faith. Notwithstanding the foregoing, either party may at any time during the term of this Franchise, request a clarification of a term, or seek an amendment to, this Franchise.

Sec. 4. Compliance with City, state, and federal laws.

(1) **Compliance with applicable laws.** Grantee shall at all times comply with all laws, rules, and regulations of the City, state and federal governments and any administrative agencies thereof which are applicable to all businesses in the City and/or all users of the Public rights-of-way. The express provisions of this Franchise constitute a valid and enforceable contract between the parties.

(2) **Other ordinances.** This Franchise and all rights and privileges granted hereunder are subject to, and the Grantee must exercise all rights in accordance with, applicable law, as amended over the Franchise term. However, this Franchise is a contract, subject only to the City's exercise of its police powers and applicable law, and in case of any conflict between the express terms of this Franchise and any ordinance enacted by the City, this Franchise shall govern, except where such ordinance would result in a competitor to Grantee having more favorable franchise

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terms than Grantee in which case City will notify Grantee and offer Grantee the opportunity to amend this Franchise consistent with such terms. This Franchise does not confer rights or immunities upon the Grantee other than as expressly provided herein. The Grantee reserves the right to challenge provisions of any ordinance that conflicts with its contractual rights, and does not waive its right to challenge the lawfulness of a particular enactment, including on the grounds that a particular action is an unconstitutional impairment of contractual rights.

(3) **Police power of the City.** Construction, maintenance, and operation of Grantee's Telecommunication system and all property of Grantee subject to the provisions of this Franchise shall be subject to all lawful police powers, rules, and regulations of the City. The Grantee shall be subject to the police power of the City to adopt and enforce general ordinances necessary to protect the safety and welfare of the general public in relation to the rights granted in the Franchise area. The City reserves the right to use, occupy and enjoy any Public rights-of-way or other public places for any purpose, including without limitation, the construction of any water, sewer or storm drainage system, installation of traffic signal systems, intelligent transportation systems, street lights, trees, landscaping, bicycle paths and lanes, equestrian trails, sidewalks, other pedestrian amenities, other City services, or uses not limited to the enumerated items as listed herein, and other public street improvement projects. The City shall have the power at any time to order and require Grantee to remove or abate any pole, line, tower, wire, cable, guy, conduit, electric conductor, or any other structure or facility that is dangerous to life or property. In the event Grantee, after written notice, and the unencumbered ability to comply, fails or refuses to act within fifteen (15) days of such written notice, City shall have the power to remove or abate the same at the expense of Grantee, all without compensation or liability for damages to Grantee except in instances when the damage is caused by negligence or willful misconduct of the City or its agents. Any conflict between the terms or conditions of this Franchise and any other present or future exercise of the City's police powers will be resolved in favor of the exercise of the City's police power.

(4) **Notification in the event of preemptive law.** Grantee shall use its best efforts to notify the City of any change in

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law that materially affects Grantee's rights or obligations under this Franchise.

(5) **Amending franchise to conform to subsequent law.** The City reserves the right at any time to amend this Franchise to conform to any hereafter enacted, amended, or adopted federal or state statute or regulation relating to the public health, safety, and welfare, or relating to roadway regulation, or a City Ordinance enacted pursuant to such federal or state statute or regulation upon providing Grantee with thirty (30) days written notice of its action setting forth the full text of the amendment and identifying the statute, regulation, or ordinance requiring the amendment. Said amendment shall become automatically effective upon expiration of the notice period unless, before expiration of that period, the Grantee makes a written call for negotiations over the terms of the amendment. If the parties do not reach agreement as to the terms of the amendment within thirty (30) days of the call for negotiations, the City may enact the proposed amendment, by incorporating the Grantee's concerns to the maximum extent the City deems possible.

Sec. 5. Conditions of public rights-of-way occupancy.

(1) **Use permits and/or development authorization.** Grantee shall obtain use, right-of-way construction, and/or development authorization and required permits from the City and all other appropriate regulatory authorities prior to constructing or installing facilities or performing other work in the franchise area. Grantee shall provide the following information for all facilities that it proposes to construct or install:

(a) Engineering plans, specifications and a network map of the proposed facilities and their relation to existing facilities, in a format and media requested by the City in sufficient detail to identify:

(i) The location and route of the proposed facilities;

(ii) When requested by the City, the location of all overhead and underground public utility, communication, cable, water, sewer, drainage and other facilities in the public way along the proposed route;

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(iii) When requested by the City, the location(s), if any, for interconnection with the communication facilities of others;

(iv) The specific trees, structures, improvements, facilities and obstructions, if any, that Grantee proposes to temporarily or permanently alter, remove or relocate.

(b) If Grantee is proposing to install overhead facilities, the Grantee shall provide evidence that the proposed overhead installation is in compliance with all applicable provisions of the Des Moines Municipal Code. The Grantee shall also provide evidence of Grantee's authorization to use each utility pole along the proposed route together with any conditions of use imposed by the pole owner(s) for each pole, and written acknowledgement by the Grantee that if the overhead facilities are subsequently relocated underground, the Grantee shall relocate underground at no cost to the City, except as otherwise provided in RCW Section 35.99.060.

(c) If Grantee is proposing to install underground facilities in existing ducts or conduits within the public ways, information in sufficient detail to identify:

(i) Evidence of ownership or authorization to use such ducts or conduits;

(ii) Conditions of use imposed by the owner(s) of the ducts or conduits;

(iii) If known to Grantee or reasonably ascertainable to Grantee, the total capacity of such ducts or conduits; and

(iv) If known to Grantee or reasonably ascertainable to Grantee, the amount of the total capacity within such ducts or conduits which will be occupied by Grantee's facilities.

(d) If Grantee is proposing to install underground facilities in new ducts or conduits within the public ways:

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(i) The location proposed for new ducts or conduits;

(ii) The total capacity of such ducts or conduits; and

(iii) The initial listing of co-located facilities located within Grantee constructed or installed ducts or conduits.

(e) A preliminary construction schedule and completion date together with a traffic control plan in compliance with the Manual on Uniform Traffic Control Devices (MUTCD) for any construction.

(f) Information to establish that the applicant has obtained all other governmental approvals and permits to construct and operate the facilities.

(g) Such other documentation and information regarding the facilities requested by the City.

(h) The requirements of this section do not apply to installation of optical cable necessary to connect a customer of Grantee to a previously approved facility; provided that neither excavation nor trenching in the public right-of-way is required; that the optical cable does not cross a distance of more than eighty (80) feet from its point of connection to the approved facility and the point where it exits the public right-of-way; that the optical cable connection meets or exceeds all applicable technical standards required by law; that the optical cable connection is durable and installed in accordance with good engineering, construction, and installation practices and does not interfere with the public use of the public ways, or adversely affect public health, safety or welfare; that the optical cable connection is constructed and installed to conform to all applicable federal, state, local, and industry codes, rules, regulations, and standards; and that the optical cable connection does not damage or impair the City's public way or property.

(i) The requirements of this section do not apply to repair or maintenance of a previously approved overhead facility; provided that the location and size of the previously

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approved facility is not materially changed; that no additional new facilities are constructed or installed; that the repair or maintenance activities are conducted in accordance with good engineering, repair, and maintenance practices and do not interfere with the public use of the public ways, or adversely affect public health, safety, or welfare; that maintenance or repair activities conform to all federal, state, local, and industry codes, rules, regulations, and standards; and that the repair or maintenance activities comply with the City Code.

(2) **Construction and installation requirements.**

(a) Grantee's System shall be constructed and maintained in such manner as not to interfere with in-place sewers, water pipes or any other property of City, or with any other pipes, wires, conduits, pedestals, structures or other facilities that may have been placed in rights-of-way by, or under, City's authority.

(b) All facilities shall be constructed and installed in such manner and at such points so as not to inconvenience City or public use of the public ways or to adversely affect the public health, safety or welfare and in conformity with plans approved by the City, except in instances in which deviation may be allowed by the City.

(c) Interference with use of streets. When installing, locating, constructing or maintaining Facilities, the Grantee shall not interfere with the use of any street to any greater extent than is necessary, and shall leave the surface and subsurface of any such street in as good condition as it was prior to performance by the Grantee of such work, to the satisfaction of the City.

(d) The Grantee shall apply for, obtain, and comply with the terms of all permits required under Des Moines Municipal Code sections regulating construction and maintenance within the right-of-way for any work done upon Grantee Facilities. Grantee shall comply with all applicable City, State, and Federal codes, rules, regulations, and orders in undertaking such work, which shall be done in a thorough and proficient manner. Grantee shall have the sole responsibility for obtaining, at its own cost and expense, all permits, licenses, or other forms of approval or

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authorization necessary to construct, operate, maintain or repair or expand the System, and to construct, maintain and repair any part thereof.

(e) The Telecommunications system constructed, maintained and operated by virtue of this Franchise, shall be so constructed, maintained and operated in accordance with all applicable engineering codes adopted or approved by the City, State of Washington, federal government and/or engineering profession and in accordance with any applicable Statutes of the State of Washington, rules and regulations of the applicable Washington regulatory authority, Ordinances of the City or of any other governmental regulatory commission, board or agency having jurisdiction over Grantee.

(f) The construction plans and Grantee's operations shall conform to all federal, state, local, and industry codes, rules, regulations, standards and laws. Grantee must cease work immediately if the City determines that Grantee is not in compliance with such codes, rules, regulations, or standards, and may not begin or resume work until the City determines that Grantee is in compliance. The City shall not be liable for any costs arising out of delays occurring as a result of such work stoppage.

(g) Neither approval of plans by the City nor any action or inaction by the City shall relieve Grantee of any duty, obligation, or responsibility for the competent design, construction, and installation of its facilities. Grantee is solely responsible for the supervision, condition, and quality of the work done, whether it is performed by itself or by its contractors, agents, or assigns.

(h) Except as to emergency repairs, Grantee shall, prior to excavating within any street, alley or other public place, and installing any conduit, overhead cable or equipment therein, file with the City Manager or designee plans and specifications thereof showing the work to be done, the location and nature of the installation to be made, repaired or maintained, and a schedule showing the times of beginning and completion and shall secure a permit from the City before proceeding with any such work. The Grantee shall conform to all applicable requirements of the City Code, as it currently exists or as it may be amended.

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(i) All construction and/or maintenance work as provided herein shall be performed in conformity with the plans and specifications filed with the City and with the permit or permits issued, except in instances in which deviation may be allowed thereafter in writing pursuant to an application by the Grantee.

(j) Excavation work requiring a permit from the City shall only commence upon the issuance of applicable permits by the City, which permits shall not be unreasonably withheld or delayed. However, in the event of an emergency requiring immediate action by Grantee for the protection of the Facilities, City property or other persons or property, Grantee may proceed without first obtaining the normally required permits. In such event Grantee must (1) take all necessary and prudent steps to protect, support, and keep safe from harm the Facilities, or any part thereof; City property; or other persons or property, and to protect the public welfare, health and safety; and (2) as soon as possible thereafter, must obtain the required permits and comply with any mitigation requirements or other conditions in the after-the-fact permit.

(k) In the event of an emergency, the Grantee may commence such repair and emergency response work as required under the circumstances, provided that the Grantee shall notify the City Manager or designee in writing as promptly as possible, before such repair or emergency work commences, or as soon thereafter as possible, if advance notice is not practical. The City may act, at any time, without prior written notice in the case of emergency, but shall notify the Grantee in writing as promptly as possible under the circumstances.

(l) Unless such condition or regulation is in conflict with a federal or state requirement, the City may condition the granting of any permit or other approval that is required under this Franchise, in any manner reasonably necessary for the safe use and management of the public right-of-way or the City's property including, by way of example and not limitation, maintaining proper distance from other utilities, protecting the continuity of pedestrian and vehicular traffic and rights-of-way improvements, private facilities and public safety.

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(m) New facilities shall be constructed in accordance with the following terms and conditions:

(i) Facilities shall be installed within the Grantee's existing underground duct or conduit whenever excess capacity exists.

(ii) Overhead facilities shall be installed on pole attachments to existing utility poles only, and then only if space is available.

(iii) Whenever all existing telephone and electric utilities are located underground within public ways, the Grantee must also locate its facilities underground.

(iv) Whenever all new or existing telephone and electric utilities are located or relocated underground within public ways, the Grantee that currently occupies the same public ways shall concurrently relocate its Facilities underground at its own expense, except as otherwise provided in RCW Section 35.99.060.

(n) Display of right-of-way permit. The Grantee shall maintain a copy of the construction permit and approved plans at the construction site, which shall be displayed and made available for inspection by the City Manager or designee at all times when construction work is occurring.

(o) Construction schedule. The Grantee shall submit a written construction schedule to the City Manager or designee prior to commencing any work in or about the public ways in accordance with City regulations.

(p) Locator service compliance. The Grantee, before commencing any construction in the public ways, shall call for location in accordance with RCW 19.122.

(q) Placement. All facilities, and structures shall be located and placed in accordance with a valid permit so as to cause minimum interference with the rights and reasonable convenience of adjacent property owners. All facilities shall be maintained in a safe condition, and in good order and repair. Suitable barricades, flags, lights, flares, or other devices shall be used during construction activities at such times and places as

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are reasonably required for the safety of the public. Any poles or other fixtures placed in any street by the Grantee shall be placed in such manner as not to interfere with the usual travel on such public way. Exact placement within the right-of-way shall be coordinated with the City and other utilities in order to provide for maintenance and future expansion, as well as, for the safety of the public. The City reserves the reasonable right as to final placement.

(r) Completion of construction. The Grantee shall promptly complete all construction activities so as to minimize disruption of the public ways and other public and private property. All construction work authorized by a permit within public ways, including restoration, must be completed within 90 calendar days of the date of issuance or at such other interval as the City may specify in writing upon issuance of the permit.

(s) Non-complying work. Upon order of the City Manager or designee, all work which does not comply with the provisions of this Franchise shall be brought into compliance with this Franchise.

(t) The City reserves the right to install, and permit to be installed, sewer, electric, phone, gas, water and other pipelines, cables, conduits and related appurtenances and to do, or permit to be done, any underground or overhead work in, across, along, over or under a public way or other public place occupied by Grantee. The City also reserves the right to construct new streets and public utilities and to alter the design of existing streets and public utilities. In performing such work, the City shall not be liable to Grantee for any damage, except in the event of the contributory negligence or willful misconduct of the City or its contractors, but nothing herein shall relieve any other person or entity from the responsibility for damages to Grantee's Facilities. The City will use its best efforts to provide Grantee with reasonable advance notice of plans by other persons to open the public ways.

(3) Coordination of construction and installation activities.

(a) Grantee shall coordinate its construction and installation activities and other work with the City and all other

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users of the public ways, including utilities located within the franchise area.

(b) All construction or installation locations, activities and schedules shall be coordinated, as ordered by the City, to minimize public inconvenience, disruption or damages.

(c) At least forty-eight (48) hours prior to entering a public way to perform construction and installation activities or other work, Grantee shall give notice, at its cost, to owners and occupiers of property adjacent to such public ways indicating the nature and location of the work to be performed. Such notice shall be physically posted by door hanger. Grantee shall make a good faith effort to comply with the property owner or occupier's preferences, if any, on location or placement of underground facilities, consistent with sound engineering practices.

(d) The City shall give reasonable advance notice to Grantee of plans to open public ways for construction or installation of facilities; provided, however, the City shall not be liable for damages for failure to provide such notice, except in the event of the contributory negligence or willful misconduct of the City or its contractors. When such notice has been given, Grantee shall provide information requested by the City regarding Grantee's future plans for use of the public way to be opened. When notice has been given, Grantee may only construct or install facilities during such period that the City has opened the public way for construction or installation.

(4) **Relocation.** Grantee shall relocate its facilities as ordered by the City Manager or designee at no expense or liability to the City, except as otherwise provided in RCW Section 35.99.060, when there is construction, alteration, repair or improvement of a public way. Grantee shall complete the relocation by the date specified by the City. Grantee agrees to protect and save harmless the City from any customer or third-party claims for service interruption or other losses in connection with any such change or relocation. Grantee shall relocate its facilities at its own expense except where the Grantee had paid for the relocation costs of the same facilities at the request of the City within the past five (5) years, the Grantee's share of the cost of

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relocation will be paid by the City if it requested the subsequent relocation or as otherwise provided in RCW Section 35.99.060.

(5) Temporary removal, adjustment or alteration of facilities.

(a) Grantee shall temporarily remove, adjust or alter the position of its facilities at its cost, except as otherwise provided in RCW Section 35.99.060, at the request of the City for public projects, events, or other public operations or purposes.

(b) Grantee shall locate the precise horizontal and vertical location of its underground facilities by excavating upon request of the City. If the City's request is in support of a City project, the Grantee shall complete this service within 14 days at no cost to the City, except as otherwise provided in RCW Section 35.99.060,. If the City's request is in support of a third party's project, the Grantee shall be entitled to recover its cost from the project sponsor as set forth in RCW Section 35.99.060.

(c) If any person requests permission from the City to use a public way for the moving or removal of any building or other object, the City shall, prior to granting such permission, require such person or entity to make any necessary arrangements with Grantee for the temporary removal, adjustment or alteration of Grantee's facilities to accommodate the moving or removal of said building or other object. In such event, Grantee shall, at the cost of the person desiring to move or remove such building or other object, remove, adjust or alter the position of its facilities which may obstruct the moving or removal of such building or other object, provided that:

(i) The moving or removal of such building or other object which necessitates the temporary removal, adjustment or alteration of facilities shall be done at a reasonable time and in a reasonable manner so as to not unreasonably interfere with Grantee's business, consistent with the maintenance of proper service to Grantee's customers;

(ii) Where more than one route is available for the moving or removal of such building or other object, such

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building or other object shall be moved or removed along the route which causes the least interference with the operations of Grantee, in the sole discretion of the City;

(iii) The person obtaining such permission from the City to move or remove such building or other object may be required to indemnify and save Grantee harmless from any and all claims and demands made against it on account of injury or damage to the person or property of another arising out of or in conjunction with the moving or removal of such building or other object, to the extent such injury or damage is caused by the negligence or willful misconduct of the person moving or removing such building or other object or the negligence or willful misconduct of the agents or employees of the person moving or removing such building or other object; and

(iv) Completion of notification requirements by a person who has obtained permission from the City to use a public way for the moving or removal of any building or other object shall be deemed to be notification by the City.

(d) The City may require Grantee to temporarily remove, adjust or alter the position of Grantee's facilities as the City may reasonably determine to be necessary at no cost to the City, except as otherwise provided in RCW Section 35.99.060, for work deemed needed by the City in the Rights-of-Way. The City shall not be liable to Grantee or any other party for any direct (except as a result of the negligence or willful misconduct of the City or its contractors), indirect, consequential, punitive, special or other damages suffered as a direct or indirect result of the City's actions.

(e) The temporary removal, adjustment or alteration of the position of Grantee's facilities shall not be considered relocation for any purpose whatsoever, except as otherwise provided in RCW Section 35.99.060.

(6) **Tree trimming.** The Grantee shall have the authority to trim trees or other natural growth on public property or which overhang streets, alleys, sidewalks and public ways of the City so as to prevent the branches of such trees from coming in contact with the Grantee's wires, cables or other equipment that may be damaged due to continued contact. Grantee takes full

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responsibility for removing debris when the work is complete. All trimming is to be done at the sole expense and responsibility of Grantee.

Trimming of trees and shrubbery within or overhanging the public ways to prevent contact with Grantee's Facilities shall be done in such a manner to cause the minimum amount of damage to trees and shrubs. If in the City's determination, trees are excessively damaged as a result of the work undertaken by or on behalf of Grantee, Grantee shall pay the City, within 30 days of submission of a statement by the City, the reasonable cost of any treatment required to preserve a tree or shrub or the cost for removal and replacement of the tree or shrub with landscaping of equal value or the value of the tree or shrub prior to the damage or removal, as determined by the City Manager or designee.

Any trimming or removal of trees or shrubs shall be done in full compliance with the City's Ordinances and all other laws or regulations of the City.

(7) Underground installation.

(a) The parties agree that this Franchise does not limit the City's authority under federal law, state law, or local ordinance, to require the undergrounding of utilities, provided such requirement is applied on a non-discriminatory basis as required under applicable state or federal law.

(b) Whenever the City requires the undergrounding of aerial utilities in the Franchise Area, the Grantee shall underground the Grantee Facilities in the manner specified by the City Manager or designee at no expense or liability to the City, except as otherwise provided in RCW Section 35.99.060,. Where other utilities are present and involved in the undergrounding project, Grantee shall only be required to pay its fair share of common costs borne by all utilities, in addition to the costs specifically attributable to the undergrounding of Grantee Facilities. Common costs shall include necessary costs for common trench excavation, backfill, and restoration, and utility vaults. Fair share shall be determined in comparison to the total number and size of all other utility facilities being undergrounded.

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(c) Grantee will maintain membership in good standing with the Utility Coordinating Council One Call Center, or other similar or successor organization designated to coordinate underground equipment locations and installations. Grantee shall abide by chapter 19.122 RCW (Washington State's "Underground Utilities" statutes) and will further comply with and adhere to local procedures, customs and practices relating to the one call locator service program.

(8) **Ducts and conduits.**

(a) If the Grantee is constructing underground conduit for its own use, the City may require the Grantee to construct excess conduit capacity in the public ways, provided that the City enters into a contract with the Grantee consistent with RCW 80.36.150. The contract rates to be charged should recover the incremental costs of the Grantee, (calculated as the difference between what the Grantee would have paid for the construction of its conduit and the additional cost only of construction of the excess conduit). If the City makes the additional conduit available to any other entity for the purposes of providing telecommunications service or cable service for hire, sale, or resale to the general public, the rates to be charged, as set forth in the contract with the Grantee shall recover at least the fully allocated costs of the Grantee. The Grantee shall state both contract rates in the contract. The City shall inform the Grantee of the use, and any change in use, of the requested conduit and related access structures, if any, to determine the applicable rate to be paid by the City.

(b) The City shall not require that the additional conduit space be connected to the access structure and vaults of the Grantee.

(c) Except as expressly provided in this section, Grantee shall not charge the City for any costs, of any kind whatsoever, for facilities provided by Grantee in accordance with this section.

(d) The provisions of this section shall conform to the requirements of RCW 35.99.070.

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(9) **Location of Grantee facilities.**

(a) From time to time, the City, or its representatives, may request identification of the specific location of Grantee System facilities. The Grantee agrees to respond to such request within forty-eight (48) hours of the receipt of the request, excluding delays due to weather or other conditions. In the event that Grantee cannot locate such information within forty-eight (48) hours, Grantee shall notify the City. If Grantee fails to notify the City of its facilities locations within forty eight (48) hours, and damage is caused to Grantee's facilities as a direct result, the Grantee shall hold the City harmless from all liability, damage, cost or expense resulting from the City's actions in this regard unless such damage was caused by the negligence or willful misconduct of the City or its agents.

(b) Report of underground facilities. From time to time the City may require to design or construct right-of-way improvements in a specific area, the City or its designee may require the Grantee to submit a report of existing underground system facilities for a specific area of the City that will be impacted as a result of a planned right-of-way improvement. Within thirty (30) days after receipt by the Grantee of a request from the City or its designee, the Grantee shall submit a report of underground system facilities that shall comply with the following provisions:

(i) Certification by an engineer licensed in the State of Washington employed by the Grantee that the report accurately depicts the location of all system facilities, including drop service lines to individual subscribers, if any. The accuracy of this report shall be noted based upon the capability of the locating equipment used.

(ii) The accurate depth of the underground facility, as may be available based upon the capability of the locating device used. The accuracy of this information shall be noted.

(iii) Submittals shall be provided in hardcopy, and if available, electronically as an AutoCAD or ArcView file.

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(iv) The City and Grantee recognize the importance of making best efforts to communicate during the planning and construction phases of right-of-way improvement projects. To that end, the City and Grantee agree to work cooperatively and to be reasonable and timely in requesting and providing necessary information. In the event the City reasonably determines that more precise information is needed for a specific aspect of a right-of-way project, the Grantee agrees to take the necessary steps to provide such precise information within thirty (30) days of receipt of request. If it is necessary for the Grantee to pot-hole or excavate and restore portions of the right-of-way to respond to the City's information request, the Grantee agrees to take such steps at its expense, , except as otherwise provided in RCW Section 35.99.060, and the City agrees to waive all permitting and inspection fees therefore.

(c) Within sixty (60) days of the effective date of this Franchise, Grantee shall provide the City with a current route map of the Telecommunication System located within the City. Upon City request, but no more often than once each year during the term of this Franchise, the Grantee shall provide the City with an updated route map showing the changes that have occurred in the Telecommunication System.

(d) Grantee agrees to obtain facilities location information from other users of the Public rights-of-way prior to Grantee's construction, reconstruction, maintenance, operations and repair of the Grantee's System facilities.

(10) **Removal and abandonment of facilities.** In the event that the use of any part of the Grantee's system is discontinued for any reason for a continuous period of twelve (12) months, or in the event such system equipment or facilities have been installed in any public ways or rights-of-way without complying with the requirements of this Franchise or other City ordinances, or the Franchise has been terminated or has expired, upon receiving ten (10) business days prior written demand from the City, the Grantee shall promptly remove, at its expense, such affected equipment or Facilities, other than any which the City may permit to be abandoned in place, from the public ways of rights-of-way. Said removal shall be completed within one-hundred eighty (180) days from receipt of the City's written demand. In the event of

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such removal, the Grantee shall promptly restore the public ways or rights-of-way from which such property has been removed to a condition satisfactory to the City. Any affected equipment or facilities of the Grantee remaining in place one-hundred eighty-one (181) days after the termination or expiration of the Franchise, and upon written notice from the City, shall be considered permanently abandoned. The City may extend such time not to exceed an additional ninety (90) days with prior written request from the Grantee, and such request shall not be unreasonably withheld. Any equipment or facilities of the Grantee that the City allows to be abandoned in place shall be abandoned in such manner as the City shall prescribe. Upon permanent abandonment of the equipment or facilities of the Grantee in place, the equipment or Facilities shall become that of the City, and the Grantee shall submit to the City Clerk an instrument in writing, to be approved by the City Attorney, transferring to the City the ownership of such equipment or facilities. None of the foregoing affects or limits the Grantee's rights to compensation for an involuntary abandonment of its equipment or facilities under state or federal law.

(11) Safety and maintenance requirements.

(a) All work authorized and required under this Franchise will be performed in a safe, thorough, and workmanlike manner.

(b) Grantee, in accordance with applicable federal, state, and local safety requirements shall, at all times, employ ordinary care and shall use commonly accepted methods and devices for preventing failures and accidents which are likely to cause damage, injury, or nuisance to occur. All facilities, wherever situated or located, shall at all times be kept in a good, safe, and suitable condition. If a violation of a safety code or other applicable regulation is found to exist by the City, the City may, after discussions with Grantee, establish a reasonable time for Grantee to make necessary repairs. If the repairs are not made within the established time frame, the City may make the repairs itself at the cost of the Grantee or have them made at the cost of Grantee.

(c) If Grantee fails to commence, pursue or complete any work required by law, this Franchise or any applicable

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permit to be done in any public way within the time prescribed and to the satisfaction of the City, the City may at its discretion cause the work to be done. Grantee shall pay to the City the reasonable costs of the work in an itemized report provided by the City to Grantee within 30 days after receipt of such report.

(d) Grantee, and any person acting on its behalf, shall provide a traffic control plan that conforms to the latest edition of the Manual of Uniform Traffic Control Devices (MUTCD). Said plan shall use suitable barricades, flags, flagmen, lights, flares, and other measures as required for the safety of all members of the general public during the performance of work, of any kind whatsoever, in public ways to prevent injury or damage to any person, vehicle, or property. Grantee shall implement and comply with its approved traffic control plan during execution of its work. The traffic control plan shall be developed and kept on site in Grantee's possession for all work impacting vehicular and pedestrian traffic. Traffic control plans may be modified as necessary by the Grantee to achieve effective and safe traffic control. All road closures requested by Grantee require a detour plan submitted at least 48 hours in advance and prior City approval unless there is an emergency.

(e) Grantee shall maintain its facilities in proper working order. Grantee shall restore its facilities to proper working order upon receipt of notice from the City that facilities are not in proper working order. The City may, after discussions with Grantee, establish a reasonable time for Grantee to restore its facilities to proper working order. If the facilities are not restored to proper working order within the established time frame, the City may restore the facilities to proper working order or have them restored at the cost of Grantee.

(f) The City shall have the right to inspect all construction and installation work performed by Grantee pursuant to this Franchise to the extent necessary to ensure compliance by Grantee. On an ongoing basis, Grantee shall certify to the City that Grantee's work is being performed and completed in a satisfactory manner.

(g) On notice from the City that any work is being performed contrary to the provisions herein, or in an unsafe or dangerous manner or in violation of the terms of any applicable

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permit, laws, regulations, ordinances or standards, the City may issue a stop work order and Grantee shall stop the work immediately. The City shall issue a stop work order in writing, unless given verbally in the case of an emergency, and provide the order to the individual doing work or post it on the work site. A copy of the order shall be sent to Grantee, and the order must indicate the nature of the alleged violation or unsafe condition and the conditions under which Grantee may resume work.

(12) **Removal of unauthorized facilities.** Within thirty (30) days following written notice from the City, Grantee shall, at its expense, remove unauthorized facilities and restore public rights-of-way and other property to as good a condition as existed prior to construction or installation of its facilities. Any plan for removal of said facilities must be approved by the City prior to such work. Facilities are unauthorized and subject to removal in the following circumstances:

(a) Upon expiration, termination, or cancellation of this Franchise;

(b) Upon abandonment of the facilities. Facilities shall be deemed abandoned if they are unused by Grantee as described in Section 5(10);

(c) If the facilities were constructed or installed prior to the effective date of this Franchise; unless such facilities were constructed or installed upon the condition of subsequent approval of this Franchise with the consent of the City;

(d) If the facilities were constructed, installed, operated, maintained, or repaired without the prior issuance of required use and/or development authorization and permits;

(e) If the facilities were constructed or installed or are operated, maintained or repaired in violation of the terms or conditions of this Franchise; or

(f) If the facilities are unauthorized for any reason whatsoever.

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(13) Restoration of public ways and other property.

(a) Whenever necessary, after construction or maintaining any of Grantee's Facilities within the Rights-of-Way, the Grantee shall, without delay, and at Grantee's sole expense, except as otherwise provided in RCW Section 35.99.060, remove all debris and restore the surface and subsurface disturbed by Grantee as nearly as possible to as good or better condition as it was in before the work began. Grantee shall replace any property corner monuments, survey reference or equipment that were disturbed or destroyed during Grantee's work in the rights-of-way. Such restoration shall be done in a manner consistent with applicable codes and laws and to the City's satisfaction and specifications where applicable. Grantee agrees to pay all costs and expenditures required on the rights-of-way as a result of settling, subsidence, or any other need for repairs or maintenance resulting from excavations made by Grantee for necessary trench patch maintenance, for a period of ten years from the date such maintenance was performed, normal wear and tear excepted. Favorable weather conditions permitting, Grantee agrees to repair rights-of-way as a result of settling, subsidence, or other needed repairs or maintenance resulting from excavations made by the Grantee upon forty-eight (48) hours' notice excluding weekends and holidays. If Grantee fails to undertake such repairs as herein provided, the City may perform the repairs at Grantee's expense.

(b) Landscape restoration. All trees, landscaping and grounds removed, damaged or disturbed as a result of the construction, installation, maintenance, operation, repair or replacement of the Grantee's facilities, shall be replaced or restored, at the Grantee's expense to the condition existing prior to performance of the work, except as otherwise provided in RCW Section 35.99.06.

(14) Poles, structures, and property owned by others. If and when the Grantee is authorized to install communication facilities aerially in accordance with chapter 12.48 of the Des Moines Municipal Code (DMMC), Grantee must obtain written approval from the owners of utility poles, structures and property not owned by Grantee prior to attaching to or otherwise using such poles, structures or property, and provide proof of such approval to the City. The City makes no representation and assumes no responsibility for the availability of utility poles, structures,

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and property owned by third parties for the installation of Grantee's facilities. The City shall not be liable for the unavailability of utility poles, structures, and property owned by the City or third parties for any reason whatsoever. The installation of facilities by Grantee on or in the poles, structures, or property owned by others shall be subject to and limited by the owner's authority to enter, occupy, and use public ways. In the event that the authority of the owner of poles, structures, or property to enter, occupy, and use the public ways either expires, terminates, or is cancelled, the authority of Grantee to construct, install, operate, maintain, and repair Grantee's facilities at such locations may be immediately cancelled at the sole option of the City. The City shall not be liable for the costs for removal of facilities arising from expiration, termination, or cancellation of any pole owner's authority to enter, occupy, or use public ways for any reason whatsoever.

Sec. 6. Indemnification and liability and assumption of risk.

(1) Indemnification / Hold Harmless. The Grantee shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with activities or operations performed by the Grantee or on the Grantee's behalf under this Franchise agreement, except for injuries and damages caused by the contributory negligence or willful misconduct of the City.

(2) The City shall give the Grantee written notice of any claim or of the commencement of any action, suit or other proceeding covered by this section. If a claim or action arises, the City or any other indemnified party shall then tender the defense of the claim to Grantee, which defense shall be at Grantee's expense. However, the failure of the City to provide such notice in writing to Grantee shall not relieve Grantee of its duties and obligations under this Section, provided that Grantee is given sufficient advance notice to perform its duties under this Section. It is further specifically and expressly understood that the indemnification provided herein constitutes the Grantee's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for

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the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

(3) Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. The provisions of this section shall survive the expiration or termination of this Agreement.

(4) **Damages and penalties.** By acceptance of this Franchise, Grantee specifically agrees that it will pay, all damages or penalties which the City, its officers, agents, employees, or contractors may legally be required to pay as a result of damages arising out of copyright infringements and all other damages arising out of Grantee's or Grantee's agents' installation, maintenance, or operation of the telecommunications System, except as specifically referenced elsewhere in this Franchise, whether or not any act or omission complained of is authorized, allowed, or prohibited by this Franchise, subject to Section 635A of the Cable Act and applicable law.

(5) **Expenses.** If any action or proceeding is brought against the City or any of its officers, agents, or employees for claims for damages or penalties described in this Section, the Grantee, upon written notice from the City, shall assume the investigation of defense and fully control any resolution or compromise thereof, including the employment of counsel and the payment of all expenses including the reasonable value of any services rendered by any officers, agents, employees or contractors of the City which are not unreasonably duplicative of services provided by Grantee and its representatives. The City shall fully cooperate with the Grantee.

(6) **Separate counsel.** The City shall have the right to employ separate counsel in any action or proceeding and to participate in the investigation and defense thereof, and the Grantee shall pay the reasonable fees and expenses of such separate counsel if representation of both the Grantee and the City by the

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same attorney would be inconsistent with accepted canons of professional ethics and if separate counsel is employed with the approval and consent of the Grantee, which shall not be unreasonably withheld.

(7) **Assumption of risk.** Grantee assumes the risk of damage to its facilities located in the City's public ways from activities conducted by third parties or the City, its elected officials, officers, employees, agents, or representatives, except in the event of the negligence or willful misconduct of any one or more of the above persons. Grantee releases and waives any and all claims against the City, its elected officials, officers, employees, agents, and representatives for damage to or destruction of the Grantee's facilities except to the extent any such damage or destruction is caused by or arises from the negligence or willful misconduct of the City. Grantee bears sole responsibility to insure its property. Grantee shall ensure that its insurance contracts waive subrogation claims against the City, its elected officials, officers, employees, agents, and representatives, and Grantee shall indemnify, defend and hold harmless the City, its elected officials, officers, employees, agents, and representatives against any and all subrogation claims if it fails to do so.

Sec. 7. Insurance.

(1) Grantee shall procure and maintain for the duration of the Franchise, insurance against claims for injuries to Persons or damage to property which may arise from or in connection with this Franchise by the Grantee, their agents, representatives, employees or subcontractors.

(a) **Amounts of Insurance.** In accordance with applicable law, the Grantee shall maintain throughout the term of this Franchise the following insurance limits:

(i) Automobile Liability. Commercial automobile liability insurance policy in the amount of than Five Million Dollars (\$5,000,000) combined single limit each accident for bodily injury and property damage covering all owned, hired, and non-owned vehicles).

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(ii) Commercial General Liability. A commercial general liability insurance policy issued by a company duly authorized to do business in the State of Washington insuring the Grantee with respect to the installation, maintenance, and operation of Grantee's Telecommunication System in the amount of Five Million Dollars (\$5,000,000) per occurrence for bodily injury and property damage and Five Million Dollars (\$5,000,000) general aggregate. The City shall be included as an additional insured as their interest may appear under this Agreement under Grantee's Commercial General Liability insurance policy.

(iii) Excess General Liability. Excess or Umbrella Liability coverage at limits of One Million Dollars (\$1,000,000) per occurrence and annual aggregate providing coverage above the primary Commercial General, Commercial automobile liability and employer's liability insurance.

(iv) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington. This requirement may be satisfied instead through the Grantee's primary Commercial General and Automobile Liability coverage, or any combination thereof.

(b) Other Insurance Provisions. The insurance policies are to contain the following provisions for Automobile Liability and Commercial General Liability insurance:

(i) The Grantee's insurance coverage shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Grantee's insurance and shall not contribute with it.

(ii) Upon receipt of notice from it insurer(s) Grantee shall endeavor to provide Grantor with thirty (30) days prior written notice of cancellation

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

(d) Verification of Coverage. Upon acceptance of the Franchise, Grantee shall furnish the City with original

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certificates and blanket additional insured endorsement, evidencing the insurance requirements of the Grantee.

(e) Subcontractors. Grantee shall require any contractor or subcontractor to obtain and maintain substantially the same insurance with substantially the same limits as required of Grantee.

(2) Endorsements. Grantee agrees that with respect to the insurance requirements contained above, all insurance certificates will contain the following required provisions:

(a) Include the City and its officers, employees, and elected representatives as an additional insured as their interest may appear under this Agreement.

(c) Shall be on an occurrence basis and shall be primary coverage of all losses resulting from Grantee's operations covered by the policies.

(3) **Insurance term.** The insurance required above shall be kept in full force and effect by Grantee during this Franchise and thereafter until after the removal of all poles, wires, cables, underground conduits, manholes, and other conductors and fixtures incident to the maintenance and operation of Grantee's Telecommunication System, should such removal be required by City Council or undertaken by Grantee.

(4) **Issuing companies.** Companies issuing the insurance policies shall have no recourse against the City for payment of any premiums or assessments which all are set at the sole risk of the Grantee.

(5) **No limit on liability.** Grantee's maintenance of insurance as required by this Franchise shall not be construed to limit the liability of Grantee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy to which the City is otherwise entitled at law or in equity.

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Sec. 8. Performance bond and security fund.

(1) **Amount.** The Grantee shall provide the City with a financial guarantee in the amount of One Hundred Thousand Dollars (\$100,000) running for, or renewable for, the duration of the construction of Grantee's facilities in the City, in a form and substance acceptable to the City. This Franchise performance bond shall be separate and distinct from any other bond or deposit required.

(2) **Damages.** In the event Grantee shall fail to substantially comply with any one or more of the provisions of this Franchise, then there shall be recovered jointly and severally from the principal and any surety of such financial guarantee any damages suffered by City as a result thereof, including but not limited to staff time, material and equipment costs, compensation or indemnification of third parties, and the cost of removal or abandonment of facilities hereinabove described.

(a) Before any draws are made on the Franchise performance bond, the City Manager or designee shall give written notice to the Grantee:

(i) Describing the act, default or failure to be remedied, or the damages, cost or expenses which the City has incurred by reason of the Grantee's act or default;

(ii) Providing a reasonable opportunity for the Grantee to first remedy the existing or ongoing default or failure, if applicable;

(iii) Providing a reasonable opportunity for the Grantee to pay any moneys due the City before the City draws on the Franchise performance bond, if applicable;

(iv) That the Grantee will be given an opportunity to review the act, default or failure described in the notice with the City Manager or designee.

(b) The Grantee shall replace the Franchise performance bond within fourteen (14) days after written notice

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from the City Manager or designee that there is a deficiency in the amount of the Franchise performance bond.

(3) **Security fund.** In addition to the performance bond, Grantee shall establish and maintain a security fund in the amount of twenty-five thousand dollars (\$25,000), at its cost, with the City by depositing such monies, letters of credit, or other instruments in such form and amount acceptable to the City within 30 calendar days of the effective date of this Franchise. No sums may be withdrawn from the fund by Grantee without consent of the City. The security fund shall be maintained at the sole expense of Grantee so long as any of the Grantee's facilities occupy a public way.

(a) The fund shall serve as security for the performance of this Franchise, including any claims, costs, damages, judgments, awards, attorneys' fees or liability, of any kind whatsoever, the City pays or incurs, including civil penalties, because of any failure attributable to Grantee to comply with the provisions of this Franchise or the codes, ordinances, rules, regulations, standards, or permits of the City.

(b) Before any sums are withdrawn from the security fund, the City shall give written notice to Grantee:

(i) Describing the act, default or failure to be remedied, or the claims, costs, damages, judgments, awards, attorneys' fees or liability which the City has incurred or may pay by reason of Grantee's act or default;

(ii) Providing a reasonable opportunity for Grantee to first remedy the existing or ongoing default or failure, if applicable;

(iii) Providing a reasonable opportunity for Grantee to pay any monies due the City before the City withdraws the amount thereof from the security fund, if applicable; and

(iv) Grantee will be given an opportunity to review the act, default or failure described in the notice with the City or his or her designee.

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(c) Grantee shall replenish the security fund within fourteen (14) days after written notice from the City that there is a deficiency in the amount of the fund.

(d) Insufficiency of the security fund shall not release or relieve Grantee of any obligation or financial responsibility.

Sec. 9. Taxes, charges, and fees.

(1) **Franchise fee.** RCW 35.21.860 currently prohibits a municipal franchise fee for permission to use the right of way for telephone business purposes. Based on the representations of Grantee, it is the City's understanding that Grantee will use the right of way for telephone business purposes as defined by RCW 82.16.010 or as a service provider as such term is defined in RCW Section 35.99.010 for the provision of telecommunications services. If this prohibition is removed or does not apply to future services, Grantee understands the City may assess a reasonable franchise fee in accordance with the City Code, so long as local, State or federal law does not otherwise prohibit such fee.

(2) **Utility tax.** The parties further understand that RCW 35.21.870 currently limits the rate of City tax upon telephone business activities to six percent (6%) of Gross Receipts, unless a higher rate is approved by vote of the people. The parties agree, however, that nothing in this Franchise shall limit or expand the City's power of taxation, as now or may hereafter exist. Grantee understands that some of its business activities in the City of Des Moines as identified herein may be taxable activities subject to the six percent (6%) gross receipts tax rate, as imposed under the City's telephone business tax, adopted in Des Moines Municipal Code Chapter 3.68, subject to such activities being deemed taxable under applicable state and federal laws. This provision does not limit the City's power to amend Des Moines Municipal Code Chapter 3.68 as may be permitted by law, including increases to the tax rate. Notwithstanding any other provision of this Franchise, nothing in this Franchise is intended to alter, amend, modify or expand the taxes and fees that may lawfully be assessed on Franchisee's business activities under this Franchise under applicable law.

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(3) **Permit and administrative fees.** Grantee shall also pay and be responsible for all charges and fees (authorized under applicable law) imposed to recover actual administrative expenses incurred by the City that are directly related to receiving and approving this Franchise, any use and/or development authorizations which may be required, or any permit which may be required, to inspecting plans and construction, or to the preparation of a detailed statement. Regular application and processing charges and fees imposed by the City shall be deemed to be attributable to actual administrative expenses incurred by the City but shall not excuse Grantee from paying and being responsible for other actual administrative expenses incurred by the City.

(a) Grantee shall pay a franchise processing fee of \$5,000 within 30 calendar days of the effective date of this Franchise.

(b) Grantee shall pay fees according to applicable sections of the City Code.

(4) Grantee shall pay and be responsible for taxes permitted by law.

(5) In addition to penalties and other remedies for which Grantee may be subjected, the City reserves the right to impose site-specific charges (authorized under applicable law) for placement of structures used to provide telecommunications services. Unless otherwise agreed by the parties, such charges shall be an amount equal to at least fifty percent (50%) of the costs of construction or installation of such structures.

Sec. 10. Access to facilities and universal service.

(1) Grantee shall provide access to its facilities by hire, sale, or resale on a nondiscriminatory basis. Grantee shall make its telecommunications services available to any customer within its franchise area who shall request such service whenever feasible, without discrimination as to the terms, conditions, rates or charges for the Grantee's services; provided, however, that nothing in this section shall prohibit Grantee from making any reasonable classifications among differently situated customers.

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(2) Grantee shall provide Internet access to users of City property, at locations requested by the City, if it is practicable, upon Grantee's then-current market rates for such service and pursuant to a separate services agreement. Grantee and the City may enter into a separate agreement or agreements regarding the allocation of costs to construct, install, operate, maintain, repair, and remove facilities needed to provide such access; provided, however, that nothing herein shall require the City to accept construction or installation of facilities on City property.

Sec. 11. Acquisition of facilities. Upon Grantee's acquisition of any facilities in the public way, or upon any addition or annexation to the City of any area in which Grantee has facilities, such facilities shall immediately be subject to the terms of this Franchise without further action of the City or Grantee.

Sec. 12. Vacation of public ways. The City reserves the right to vacate any public way which is subject to rights, privileges, and authority granted by this Franchise. If Grantee has facilities in such public way, the City shall reserve an easement for Grantee, if requested by Grantee.

Sec. 13. Duty to provide information. Grantee's obligations under this section are in addition to those provided elsewhere in this Franchise. Within fifteen (15) days of a written request from the City, Grantee shall furnish the City with all requested information sufficient to demonstrate:

(1) That Grantee has complied with all requirements of this Franchise;

(2) That taxes, fees, charges, or other costs owed or payable by Grantee have been properly collected and paid; and

(3) The names of the users of Grantee's facilities and the services and products those users are providing to the public.

Sec. 14. Records.

(1) Grantee will manage all of its operations in accordance with a policy of keeping its documents and records open

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and accessible to the City. The City will have access to, and the right to inspect, any documents and records of Grantee and its affiliates that are reasonably necessary for the enforcement of this Franchise or to verify Grantee's compliance with terms or conditions of this Franchise. Grantee will not deny the City access to any of Grantee's records on the basis that Grantee's documents or records are under the control of any affiliate or a third party.

(2) All documents and records maintained by Grantee shall be made available for inspection by the City at reasonable times and intervals; provided, however, that nothing in this section shall be construed to require Grantee to violate state or federal law regarding subscriber privacy, nor shall this section be construed to require Grantee to disclose proprietary or confidential information without adequate safeguards for its confidential or proprietary nature.

(3) One copy of documents and records requested by the City will be furnished to the City at the cost of Grantee. If the requested documents and records are too voluminous or for security reasons cannot be copied or removed, then Grantee may request, in writing within ten (10) days of the City's request, that the City inspect them at Grantee's local office. If any documents or records of Grantee are not kept in a local office and/or are not made available in copies to the City, and if the City determines that an examination of such documents or records is necessary or appropriate for the enforcement of this Franchise, or to verify Grantee's compliance with terms or conditions of this Franchise, then all reasonable travel and related costs incurred in making such examination shall be paid by Grantee.

(4) At the request of the city, Grantee shall provide the City with an annual report on the number of feet of right-of-way Grantee occupies in the City and the services Grantee is providing in the City. Grantee may request all or a portion of such information be protected from disclosure under the Washington Public Records Act (RCW 42.56).

Sec. 15. Assignment or transfer. Grantee's rights, privileges, and authority under this Franchise, and ownership or working control of facilities constructed or installed pursuant to this Franchise, may not, directly or indirectly, be transferred, assigned or disposed of by sale, lease, merger, consolidation or

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other act of Grantee, by operation of law or otherwise, except as provided herein, or without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. Any transfer, assignment or disposal of Grantee's rights, privileges, and authority under this Franchise, or ownership or working control of facilities constructed or installed pursuant to this Franchise, may be subject to reasonable conditions as may be prescribed by the City.

(1) No rights, privileges, or authority under this Franchise shall be assigned, transferred, or disposed of in any manner within twelve (12) months after the effective date of this Franchise.

(2) Absent extraordinary and unforeseeable circumstances, no facility shall be assigned, transferred, or disposed of before construction of the facility has been completed and restoration has been performed to the satisfaction of the City.

(3) Grantee and the proposed assignee or transferee shall provide and certify the following information to the City not less than one hundred and fifty (150) days prior to the proposed date of assignment, transfer, or disposal:

(a) Complete information setting forth the nature, terms and conditions of the proposed assignment, transfer, or disposal;

(b) Any other information reasonably required by the City; and

(c) A transfer application fee in an amount to be determined by the City to recover actual administrative costs directly related to receiving and approving the proposed assignment, transfer, or disposal.

(3) No assignment, transfer, or disposal may be made or shall be approved unless the assignee or transferee has the legal, technical, financial, and other requisite qualifications to operate, maintain, repair, and remove facilities constructed or installed pursuant to this Franchise and to comply with the terms and conditions of this Franchise.

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(4) Any transfer, assignment, or disposal of rights, privileges, and authority under this Franchise or ownership or working control of facilities constructed or installed pursuant to this Franchise, without prior written approval of the City pursuant to this section, shall be void and is cause for termination of this Franchise.

(5) Any transactions which singularly or collectively result in a change of fifty percent (50%) or more of the ownership or working control (regardless of the percentage) of the Grantee or affiliated entities having fifty percent (50%) or more of the ownership or actual working control (regardless of the percentage) of Grantee, or of control of the telecommunications capacity or bandwidth of Grantee, shall be considered an assignment or transfer requiring City approval. Transactions between affiliated entities are exempt from City approval; provided that, Grantee shall promptly notify the City prior to any proposed change in, or transfer of, or acquisition by any other party of control of Grantee. Every change, transfer, or acquisition of control of Grantee shall cause a review of the proposed transfer. City approval shall not be required for mortgaging purposes or if said transfer is from Grantee to another person controlled by Grantee.

(6) All terms and conditions of this Franchise shall be binding upon all permitted successors and assigns of Grantee and all persons who obtain ownership or working control of any facility constructed or installed pursuant to this Franchise.

Sec. 16. Violations, noncompliance, and other grounds for termination or cancellation.

(1) This Franchise, and any right, privilege or authority of Grantee to enter, occupy or use public ways may be terminated or cancelled by the City for the following reasons:

(a) Violation of or noncompliance with any term or condition of this Franchise by Grantee;

(b) Violation of or noncompliance with the material terms of any use and/or development authorization or required permit by Grantee;

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(c) Construction, installation, operation, maintenance, or repair of facilities on, in, under, over, across, or within any public way without Grantee first obtaining use and/or development authorization and required permits from the City and all other appropriate regulatory authorities;

(d) Unauthorized construction, installation, operation, maintenance, or repair of facilities on City property;

(e) Misrepresentation or lack of candor by or on behalf of Grantee in any application or written or oral statement upon which the City relies in making the decision to grant, review or amend any right, privilege or authority to Grantee;

(f) Abandonment of facilities;

(g) Failure of Grantee to pay taxes, fees, charges or costs when and as due, unless subject to a proper and timely legal protest; or

(h) Insolvency or bankruptcy of Grantee.

(2) In the event that the City believes that grounds exist for termination or cancellation of this Franchise or any right, privilege or authority of Grantee to enter, occupy or use public ways, Grantee shall be given written notice and a reasonable period of time not exceeding thirty (30) days to furnish evidence:

(a) That corrective action has been, or is being actively and expeditiously pursued, to remedy the violation, noncompliance, or other grounds for termination or cancellation;

(b) That rebuts the alleged violation, noncompliance, or other grounds for termination or cancellation; or

(c) That it would be in the public interest to impose some penalty or sanction less than termination or cancellation.

(3) In the event that Grantee fails to provide evidence reasonably satisfactory to the City as provided in subsection (2) of this section, the City shall refer the apparent violation,

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noncompliance, or other grounds for termination or cancellation to the City Council. The City Council shall provide the Grantee with notice and a reasonable opportunity to be heard concerning the matter.

(4) If the City Council determines that the violation, noncompliance, or other grounds above for termination or cancellation exist, then, Grantee shall, at the election of the City Council, forfeit all rights, privileges and authority conferred under this Franchise or any use and/or development authorization or permit granted by the City, and this Franchise and any such use and/or development authorization or permit may be terminated or cancelled by the City Council. The City Council may elect, in lieu of the foregoing and without any prejudice to any of its other legal rights and remedies, to pursue other remedies, including obtaining an order compelling Grantee into compliance or to take corrective action, or to recover damages and costs incurred by the City by reason of Grantee's actions or omissions. The City Council shall utilize the following factors in analyzing the nature, circumstances, extent, and gravity of the actions or omissions of Grantee:

- (a) Whether the misconduct was egregious;
- (b) Whether substantial harm resulted;
- (c) Whether the violation was intentional;
- (d) Whether there is a history of prior violations of the same or other requirements;
- (e) Whether there is a history of overall compliance; and
- (f) Whether the violation was voluntarily disclosed, admitted or cured.

(5) The City Council's choice of remedy shall not excuse Grantee from compliance with any term or condition of this Franchise or the material terms of any use and/or development authorization or required permit. Grantee shall have a continuing duty to remedy any violation, noncompliance, or other grounds for termination or cancellation. Further, nothing herein shall be

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construed as limiting any remedies that the City may have, at law or in equity, or the Grantee may have at law or in equity, for enforcement of this Franchise and any use and/or development authorization or permit granted to Grantee.

Sec. 17. Notices.

(1) Any regular notice or information required or permitted to be given to the parties under this Franchise may be sent to the following addresses unless otherwise specified:

CITY:

City Manager
 City of Des Moines
 21630 11th Ave. S., Ave A
 Des Moines, WA 98198

GRANTEE:

MCIMETRO ACCESS TRANSMISSION SERVICES CORP. D/B/A VERIZON ACCESS
 TRANSMISSION SERVICES
 Attn: Franchise Manager
 600 Hidden Ridge
 Mailcode: HQE02G295
 Irving, TX 75038NAME

with a copy (except for invoices) to:

Verizon Business Services
 1320 N. Courthouse Road, Suite 900
 Arlington, VA, USA 22201
 Attn: Vice President and Deputy General Counsel, Network and
 Technology

(2) Grantee shall additionally provide a phone number and designated responsible officials to respond to emergencies. After being notified of an emergency, Grantee shall cooperate with the City and make its best efforts to immediately respond to minimize damage, protect the welfare, health and safety of the public and repair facilities to restore them to proper working order. Annually, on request of the City, Grantee will meet with City emergency response personnel to coordinate emergency management

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operations and, at least once a year, at the request of the City, actively participate in emergency preparations.

Sec. 18. Non-waiver. The failure of either party to exercise any rights or remedies under this Franchise or to insist upon compliance with any terms or conditions of this Franchise shall not be a waiver of any such rights, remedies, terms or conditions of this Franchise by the party and shall not prevent the party from demanding compliance with such terms or conditions at any future time or pursuing its rights or remedies.

Sec. 19. Eminent domain. This Franchise is subject to the power of eminent domain and the right of the City Council to repeal, amend or modify the Franchise in the interest of the public. In any proceeding under eminent domain, the Franchise itself shall have no value.

Sec. 20. Limitation of liability. Except as otherwise set forth in this Franchise, administration of this Franchise may not be construed to create the basis for any liability on the part of the City, its elected officials, officers, employees, agents, and representatives for any injury or damage; or by reason of any schedule or specification review, inspection, notice and order, permission, or other approval or consent by the City; for any action or inaction thereof authorized or done in connection with the implementation or enforcement of this Franchise by the City; or for the accuracy of plans submitted to the City.

Sec. 21. Damage to facilities. Except as otherwise set forth herein, unless directly and proximately caused by the active sole negligence of the City, the City shall not be liable for any damage to or loss of any facilities as a result of or in connection with any public works, public improvements, construction, excavation, grading, filling, or work of any kind on, in, under, over, across, or within a public way done by or on behalf of the City.

Sec. 22. Competitive neutrality. In order to maintain a level playing field among all similarly situated grantees of the City, upon the grant or renewal of another franchise in the rights-of-way where material terms or conditions of this Franchise conflict with a change in the City Code, or the provisions of this Franchise provide a material competitive advantage over another

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similarly situated provider (such that it negatively impacts the City's ability to effectively manage the rights-of-way), then the City may elect to renegotiate with the Grantee in good faith to modify the terms and provisions of this Franchise to obtain material terms and conditions that, as a whole, are competitively neutral among similarly situated grantees.

Sec. 23. Resolution of disputes and governing law.

(1) **Alternative dispute resolution.** If a dispute arises from or relates to this Contract 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 JAMS Alternative Dispute Resolution service rules or policies before resorting to arbitration. The mediator may be selected by agreement of the parties or through JAMS. Following mediation, or upon written contract of the parties to waive mediation, any unresolved controversy or claim arising from or relating to this Franchise or breach thereof shall be settled through arbitration which shall be conducted under JAMS rules or policies. The arbitrator may be selected by agreement of the parties or through JAMS. 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.

(2) **Applicable law and jurisdiction.** This Franchise shall be governed by the laws of the State of Washington. Although the agreed to and designated primary dispute resolution method as set forth above, in the event any claim, dispute or action arising from or relating to this Franchise cannot be submitted to arbitration, then it shall be commenced exclusively in the King County Superior Court or the United States District Court, Western District of Washington as appropriate. In any claim or lawsuit for damages arising from the parties' performance of this Franchise, each party shall pay its own legal costs and attorneys' fees incurred in defending or bringing such claim or lawsuit, in addition to any other recovery or award provided by law; provided, however, nothing in this paragraph shall be construed to limit the City's right to indemnification under Section XVII of this Contract.

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Sec. 24. Severability. If any section, sentence, clause or phrase of this Franchise or its application to any person or entity should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality will not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Franchise or its application to any other person or entity.

Sec. 25. Miscellaneous.

(1) **Equal employment and nondiscrimination.** Throughout the term of this Franchise, Grantee will fully comply with all applicable equal employment and nondiscrimination provisions and requirements of federal, state, and local laws, and in particular, FCC rules and regulations relating thereto.

(2) **Local employment efforts.** Grantee will use reasonable efforts to utilize qualified local contractors, including minority business enterprises and woman business enterprises, whenever the Grantee employs contractors to perform work under this Franchise.

(3) **Descriptive headings.** The headings and titles of the sections and subsections of this Franchise are for reference purposes only and do not affect the meaning or interpretation of the text herein.

(4) **Force majeure.** Grantee shall not be required to perform any covenant or obligation in this Franchise, or be liable in damages to the City, so long as the performance or non-performance of the covenant or obligation is delayed, caused or prevented by an act of God or force majeure. An "act of God" or "force majeure" is defined for purposes of this Franchise as strikes, lockouts, sit-downs, material or labor restrictions by any governmental authority, unusual transportation delays, riots, floods, washouts, explosions, earthquakes, fire, storms, weather (including inclement weather which prevents construction), acts of the public enemy, wars, terrorism, insurrections, and/or any other cause not reasonably within the control of Grantee.

(5) **No joint venture.** Nothing herein will be deemed to create a joint venture or principal-agent relationship between the

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parties, and neither party is authorized to, nor shall either party act toward third persons or the public in any manner that would indicate any such relationship with the other.

(6) **Actions of the City or Grantee.** In performing their respective obligations under this Franchise, the City and Grantee will act in a reasonable, expeditious, and timely manner. Whenever this Franchise sets forth a time for any act to be performed by Grantee, such time shall be deemed to be of the essence, and any failure of Grantee to perform within the allotted time may be considered a material breach of this Franchise, and sufficient grounds for the City to invoke any relevant remedy.

(7) **Counterparts.** This Franchise may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Franchise shall be deemed to possess the full force and effect of the original.

(8) **Entire agreement.** This Franchise represents the entire understanding and agreement between the parties with respect to the subject matter and supersedes all prior oral and written negotiations between the parties.

(9) **Modification.** The parties may alter, amend or modify the terms and conditions of this Franchise upon written agreement of both parties to such alteration, amendment or modification.

(10) **Rights granted.** This Franchise does not convey any right, title or interest in public ways, but shall be deemed only as authorization to enter, occupy, or use public ways for the limited purposes and terms stated in this Franchise. Further, this Franchise shall not be construed as any warranty of title.

(10) **Contractors and subcontractors.** Grantee's contractors and subcontractors must be licensed and bonded in accordance with the City's ordinances, rules, and regulations. Work by contractors and subcontractors is subject to the same restrictions, limitations and conditions as if the work were performed by Grantee.

Sec. 26. Publication. The City Clerk is authorized and directed to publish a summary hereof.

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Sec. 27. Effective date. This Ordinance shall be in full force and effect five days from and after its passage, approval and publication as required by law, but if, and only if, the Grantee has endorsed this Ordinance and accepted the terms and conditions thereof.

PASSED BY the City Council of the City of Des Moines this ____th day of _____, 2017 and signed in authentication thereof this ____th day of _____, 2017.

 M A Y O R

APPROVED AS TO FORM:

 City Attorney

ATTEST:

 City Clerk

Published: _____

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ACCEPTANCE:

By accepting the Franchise, the Grantee: (1) acknowledges and accepts the City's legal right to issue and enforce the Franchise; (2) agrees that it will not oppose the City's intervening, to the extent that the City is legally entitled to do so, in any legal or regulatory proceeding affecting the Telecommunication System; (3) accepts and agrees to comply with each and every provision of this Franchise; and (4) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

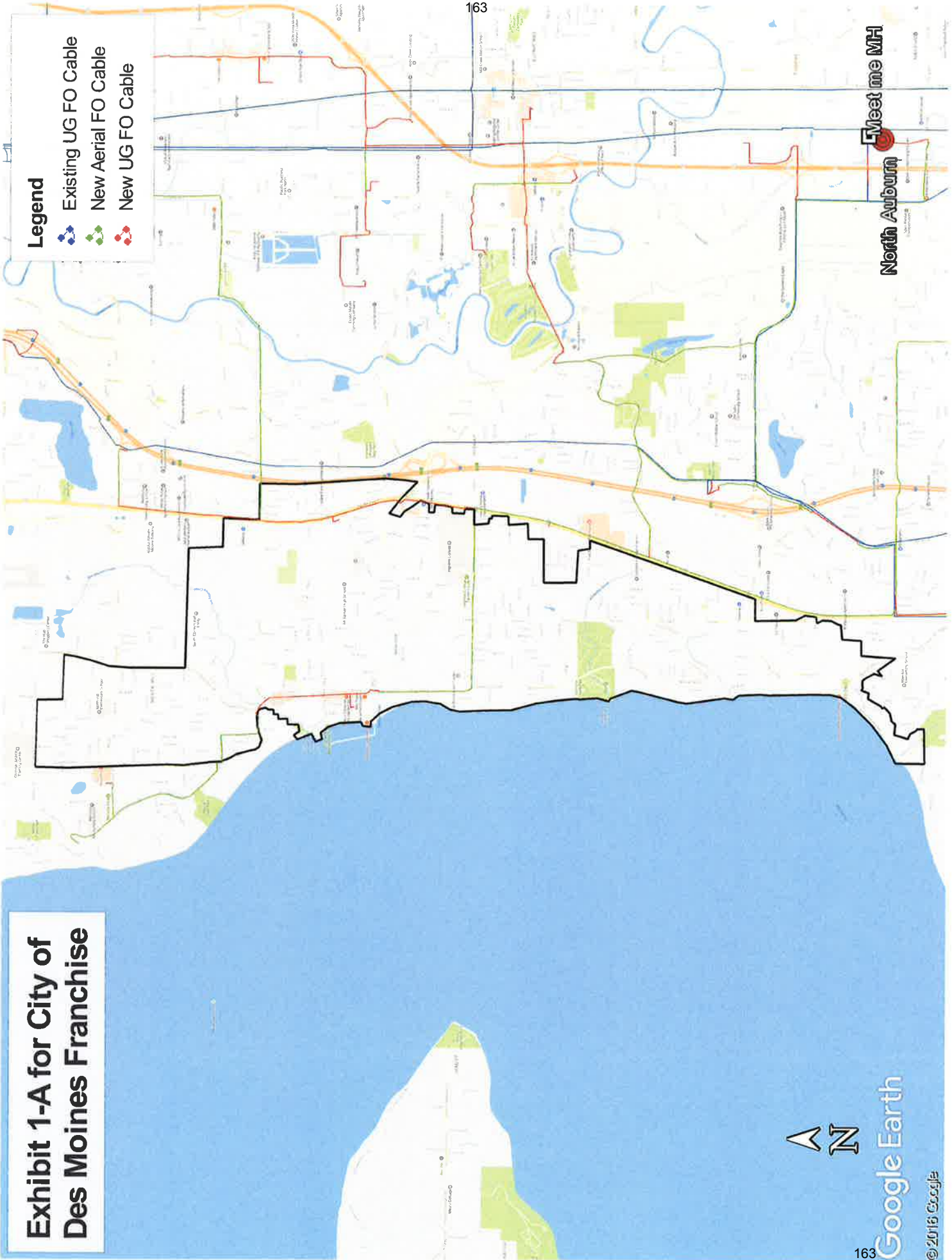
**MCImetro Access Transmission Services Corp. d/b/a Verizon Access
Transmission Services**

By: _____

Printed Name: _____

Date: _____

Title: _____



**Exhibit 1-A for City of
Des Moines Franchise**

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A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Wasson Property – Continued
Discussion

ATTACHMENTS:

1. March 2, 2017 Council Packet
2. March 2, 2017 Council Presentation
3. Scope of Fee for SMP Limited Amendment

FOR AGENDA OF: May 25, 2017

DEPT. OF ORIGIN: Community Development

DATE SUBMITTED: April 6, 2017

CLEARANCES:

☒ Community Development DEL

☒ Marina _____

☒ Parks, Recreation & Senior Services MB

☐ Public Works _____

CHIEF OPERATIONS OFFICER: DJB

☒ Legal 6

☒ Finance DM

☐ Courts _____

☐ Police _____

APPROVED BY CITY MANAGER
FOR SUBMITTAL: [Signature]

Purpose and Recommendation

The purpose of this agenda item is to confirm Council direction provided at the March 2, 2017 meeting, and to facilitate continued discussion on the disposition, potential reuse, and redevelopment options for the City-owned property located at 22047 Cliff Avenue South (also referred to as the “Wasson Property”).

Suggested Motions:

(Motions 1a, 2a, and 3a are recommended by staff).

Permitting

Motion 1a: “I move to direct administration to pursue a limited amendment to the Shoreline Master Program to include Water Dependant and Water Enjoyment commercial use to the Shoreline Conservancy Zone, and to bring forward a budget amendment in the amount of \$20,000.00 to reflect this 2017 work program item.”

Or,

Motion 1b: “I move to direct administration to pursue an amendment to the Shoreline Master Program that would change the Shoreline designation of the Wasson Property from Urban Conservancy to High Intensity, and to bring forward a budget amendment in the amount of \$50,000.00 to reflect this work program item 2017, and to include this as a budget item in the 2018 budget.”

And,

Immediate Disposition of the non-conforming Structure

Motion 2a: “I move to direct administration to leave the existing house in place until a permanent use is identified and permitted for this property.”

Or,

Motion 2b: “I move to direct administration to demolish the existing non-conforming structure and grade the site as necessary to facilitate interim use as a public plaza with grass, and to bring forward a 2017 budget amendment in the amount of \$50,000.00 to cover the associated costs.”

And,

Interim Use

Motion 3a: “I move to direct administration to consider repurposing portions of the existing house for temporary use as recreational support uses (water-dependent recreation or water-enjoyment recreation), and to bring back proposals and cost estimates at an upcoming council meeting for the Council’s consideration.”

Or,

Motion 3b: “I move to direct administration to pursue temporary use of the existing nonconforming structure as a residence in 2017 and to bring forward a budget amendment in the amount of \$50,000.00 to cover necessary safety and building upgrades.”

Background

On March 2, 2017, staff provided a discussion of the Wasson property at the Council Study Session. A copy of that Council packet is provided as Attachment 1, and the presentation provided at the meeting is provided as Attachment 2, for background.

Discussion

The City is evaluating the feasibility of different uses for the upland portion of the subject property. The upland portion of the site that does not contain Cliff Avenue South is roughly 80 feet by 50 feet (4,000 square feet). Potential uses that have been suggested can generally be categorized as follows:

1. Maintain the current use (residential).
2. Convert the existing use and house to a commercial use, such as a restaurant or retail sales (such as a general store).
3. Remove of the existing house to facilitate a public plaza and/or promenade along the existing bulkhead which would enhance the connection between the Marina located south of the site and the portion of Beach Park north of the site.
4. Add some commercial use associated with the public plaza, either within the existing house, or within a new structure located in the same general vicinity (Beach Park Promenade).

The Wasson Property is currently in an area designated as Urban Conservancy (upland of the ordinary high water mark) and Aquatic (below the ordinary high water mark) by the Des Moines Shoreline Master Program (SMP). This is the same designation as relevant areas of the Beach Park. While the SMP is administered by the City, any revisions to the SMP must be approved by the Washington State Department of Ecology. In addition, any applications for proposed uses of land regulated by the SMP, while processed through the City, must be reviewed and approved by the Washington State Department of Ecology. Under the current SMP, the City is not allowed to use the Wasson Property for any form of commercial use; not even on a temporary basis. There are no variance or administrative remedy processes available to the City under the current SMP.

At the March 2, 2017 Council meeting, staff derived the following from the discussion with the Council:

- 1) Continued use of the Wasson Property as a residential use (renting to one individual family as a home) is not in the best interest of the City.

Note: If this is not the will of the Council, please direct staff otherwise. At this point staff does not intend to pursue leasing this property as a residence, even on a temporary basis. The non-conforming residential use of the property will expire in June 2017 unless occupied as a residence.

- 2) That the Council decided not to pursue a change to the SMP designation from Urban Conservancy to High Intensity, given the cost and probable “unapproved” outcome by the Washington State Department of Ecology.

Note: Department of Ecology staff stated that such an amendment would likely not be accepted or approved by the Washington Department of Ecology since the site does not meet the definition for High Intensity and due to past analysis for the SMP.

- 3) That Council would like staff to pursue the possibility of a limited amendment to the SMP that would modify the uses of lands designated as Urban Conservancy, to include water dependant and water enjoyment commercial uses.

Note: Staff would work diligently with the Department of Ecology to be as liberal as possible on the definitions of water dependant and water enjoyment commercial uses, so that the City can have the maximum flexibility of commercial uses to the extent possible under Urban Conservancy designation.

- 4) Until such time that a new use is proposed for the general area, the existing house is not to be removed. At that time, the Council can decide whether to remove the existing house, or repurpose the existing house to fit the proposed commercial use.

Our consultant has provided a scope and fee for pursuing the limited amendment to the SMP with the Department of Ecology. This is provided as Attachment 3.

The property also has a Comprehensive Plan designation of PARK, and is zoned Residential Suburban Estates (R-SE). The parcel is shown and described as a part of Des Moines Beach Park which is a Special Use Park in the Des Moines Comprehensive Plan. In addition the limited amendment work on the SMP, the City will need to make other revisions to the Comprehensive Plan, the Zoning Code, and the Parks Master Plan, in order to facilitate water dependant and water enjoyment commercial uses.

While staff is working on these modifications to the regulations, the Council could seek temporary use of the existing nonconforming structure by repurposing portions of it for recreational support uses. As long as the structure is not enlarged, it could be used for water-dependent recreation or water-enjoyment recreation (non-commercial) uses. Examples include use of the residence for public restrooms, storage of park programmatic equipment (canoes, kayaks, etc.), and park classes and programs. A shoreline permit would not be required.

Alternatives

Moving forward, there are a couple of critical decisions that the City Council needs to make regarding the existing house:

- 1) If the Council intends to rent the house for residential purposes, on a short term basis or permanent, the City Council will need to ensure the house is rented by June 2017 in order for the existing non-conforming use to remain valid. Significant and costly renovations and upgrading of the existing building would be required.
- 2) If the Council intends to repurpose the house for recreational uses on a permanent basis, the City Council will need repurpose it for some recreational uses by June 2017. Using the existing house as a permanent structure for recreational uses would require significant and costly renovations and upgrading. However, the existing structure could be used for recreational uses on a temporary basis while other alternatives are being evaluated and permitted.
- 3) If the Council intends to remove the existing home, a lot of possibilities are available related to shoreline access, open space, public spaces, and potential revenue generators. Council could pursue the possibility of a limited amendment to allow water-related and water-enjoyment

commercial uses in the Urban Conservancy designation (Des Moines Beach Park and Salt Water State Park), and to eventually remove the existing structure.

Financial Impact

Pursuing the limited amendment to the SMP (Motion 1 a) is estimated to cost \$20,000.00 (including staff and consultant time), and will take the remainder of the year to complete. This work is not included in the adopted 2017 budget and a budget amendment will be needed to complete this work. This would utilize tax revenues and reduce the General Fund's ending Fund Balance by \$20,000.

Pursuing an amendment to the SMP that would change the designation from urban Conservancy to High Intensity will be very expensive and time consuming. It is estimated that the cost in 2017 would be at least \$50,000.00, and work would continue throughout all of 2018. Total costs for this options are unknown at this time.

If the Council would like staff to pursue temporary use of the existing nonconforming structure by repurposing portions of it for recreational support uses (water-dependent recreation or water-enjoyment recreation), staff can develop costs estimates for such uses and bring those back to the Council for further consideration as necessary. This work is not included in the adopted 2017 budget and a budget amendment will be needed to complete this capital work.

If the Council would like staff to pursue temporary use of the existing nonconforming structure as a residence (Motion 3 b), a budget amendment will be needed for necessary capital improvements to the existing home to make it safe and marketable to rent. Enhancements would include replacement of the deck, updating the interior including new carpeting, paint, plumbing fixtures, and appliances. This work will cost at least \$50,000. This would utilize tax revenues and reduce the General Fund's ending Fund Balance by \$50,000.

Recommendation

Staff recommends that the Council approve motions 1a, 2a, and 3a.

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Attachment #1
Discussion Item #5

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: Wasson Property

FOR AGENDA OF: March 2, 2017

DEPT. OF ORIGIN: Community Development

ATTACHMENTS:

DATE SUBMITTED: February 21, 2017

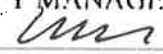
1. Aerial View - 22047 Cliff Avenue South
(parcel 2009003245)
2. Wasson Property Feasibility Review

CLEARANCES:

- ☒ Community Development ✓
☒ Marina ✓
☒ Parks, Recreation & Senior Services ✓
☐ Public Works

CHIEF OPERATIONS OFFICER: ✓

- ☐ Legal
☒ Finance ✓
☐ Courts
☐ Police

APPROVED BY CITY MANAGER
FOR SUBMITTAL: 

Purpose and Recommendation

The purpose of this agenda item is for Staff to present information and the City Council to discuss the disposition, potential reuse, and redevelopment options for the City-owned property located at 22047 Cliff Avenue South (parcel 2009003245) in Des Moines, WA (also referred to as the "Wasson property").

No motion is provided, however staff will be seeking direction from the Council on next steps related to the future use of this property.

Background

Attachment 1 depicts the subject parcel (referred to as the Wasson property). The 0.31-acre parcel is developed with a single-family residence located along the shoreline of Puget Sound. Up until June 2016, the property had been rented as a single family residence. Since that time, City Council members have toured the building with staff and discussed potential options for reuse and redevelopment of the building and/or property.

The property is in an area designated as Urban Conservancy upland of the ordinary high water mark and Aquatic below the ordinary high water mark by the Des Moines Shoreline Master Program (SMP). The property has a Comprehensive Plan designation of PARK and is zoned Residential Suburban Estates (R-SE). The parcel is shown and described as a part of Des Moines Beach Park which is a Special Use Park in the Des Moines Comprehensive Plan.

The 2016 Parks, Recreation and Senior Services Master Plan capital program for Des Moines Beach Park includes: park land acquisition, facility renovation and repair; new facility development and interlocal projects development. Recent update of the 2016 Parks, Recreation and Senior Services Master Plan included significant community outreach that included a survey to identify the recreation needs of the city's residents, businesses, employees, and visitors. Citizens placed the highest importance on waterfront resources such as the Des Moines Beach Park, Marina and Fishing Pier, and Des Moines Creek Trail.

Discussion

The City is evaluating the feasibility of different uses for the upland portion of the subject property. The upland portion of the site that does not contain Cliff Avenue South is roughly 80 feet by 50 feet (4,000 square feet). Potential uses that have been suggested include:

1. The current use (residential).
2. Conversion of the existing structure to a commercial use, such as a restaurant.
3. A public plaza and/or promenade along the existing bulkhead which would enhance the connection between the marina located south of the site and the portion of Beach Park north of the site.
4. Adding some commercial use associated with the public plaza.

The City hired environmental consultant Theresa Dusek, who is a recognized expert in environmental and shoreline permitting and has extensive experience working with the Department of Ecology, to research and evaluate the permitting requirements as it relates to the SMP for these various options. The report is provided as Attachment 2. The following is a summary of the conclusions of the report:

1. Leave the existing nonconforming structure and use it for residential purposes. It is important to note that if the residence remains vacant for 12-months, the nonconforming rights to use the house as a residence will expire and any subsequent use will need to be conforming to the current regulations. The non-conforming use will expire in June 2017, unless occupied as a residence.
2. Leave the existing nonconforming structure but repurpose it for recreational uses. As long as the structure is not enlarged, it could be used for water-dependent recreation or water-enjoyment recreation (non-commercial uses). Examples include use of the residence for public restrooms, storage of park programmatic equipment (canoes, kayaks, etc.), and park classes and programs. A shoreline permit would not be required.
3. The SMP specifically prohibits commercial uses such as restaurants in the Urban Conservancy designation associated with the site and the use is not eligible for a variance or conditional use permit.

4. Ecology staff stated that a limited amendment to change the environmental designation of the Wasson property from Urban Conservancy to High Intensity (to match the designation of the adjacent Marina) would likely not be accepted or approved by the Washington Department of Ecology since the site does not meet the definition for High Intensity and due to past analysis for the SMP.
5. Removal of the residence and construction of a public plaza and/or promenade would require a Shoreline Substantial Development Permit, Shoreline Conditional Use Permit for fills associated with the modification, and a Shoreline Variance for alteration to the 115-foot marine buffer. The SMP specifically prohibits commercial uses in the Urban Conservancy designation associated with the site and commercial uses are not eligible for a variance or conditional use permit. However, construction of the public plaza with the ability to have temporary booths or food trucks use the plaza during events may be possible.
6. A limited amendment to allow water-related and water-enjoyment commercial uses in the Urban Conservancy designation (Des Moines Beach Park and Salt Water State Park) may be possible per Washington State Department of Ecology staff. Full review of the SMP and Comprehensive Plan will be required to make sure there are not conflicts with this proposal. If this change were to occur a Shoreline Substantial Development Permit, Shoreline Conditional Use Permit for fills associated with the modification, and Shoreline Variance for alteration of the 115-foot marine buffer would be required.

Alternatives

Moving forward, there are a couple of critical decisions that the City Council needs to make regarding the existing house:

- 1) If the Council intends to rent the house for residential purposes, on a short term basis or permanent, the City Council will need to ensure the house is rented by June 2017 in order for the existing non-conforming use to remain valid. Significant and costly renovations and upgrading of the existing building would be required.
- 2) If the Council intends to repurpose the house for recreational uses on a permanent basis, the City Council will need repurpose it for some recreational uses by June 2017. Using the existing house as a permanent structure for recreational uses would require significant and costly renovations and upgrading. However, the existing structure could be used for recreational uses on a temporary basis while other alternatives are being evaluated and permitted.
- 3) If the Council intends to remove the existing home, a lot of possibilities are available related to shoreline access, open space, public spaces, and potential revenue generators. Council could pursue the possibility of a limited amendment to allow water-related and water-enjoyment commercial uses in the Urban Conservancy designation (Des Moines Beach Park and Salt Water State Park), and to eventually remove the existing structure.

At the Council meeting staff will present further details related to these alternative, and seek Council direction is regarding future actions or options to be considered moving forward.

Financial Impact

There are both negative and positive financial implications depending on the chosen path forward. While not fully analyzed, the following can be assumed:

1. Maintaining the existing structure as a single family residence or for recreational purposes would require extensive and costly renovations and upgrades (easily over \$50,000) plus cost for insurance and ongoing maintenance. It would likely take several years or more to recoup the initial investment through property rentals and/or reuse of the facility for recreational purposes.
2. Removing the residence and redevelopment of the site for recreational and/or commercial uses would also require initial cost for demolition of the property, permitting and capital improvements associated with redevelopment of the site. Demolition of the structure is expected to cost around \$40,000 while permitting could range from around \$3,000 to upwards of \$15,000, not including the necessary staff time and consultant support.
3. Future revenues associated with ongoing use of the redeveloped site and adjacent area would likely be in the form of pay parking revenues, and lease revenues from any commercial space that might be developed in accordance with the limited amendment to allow water-related and water-enjoyment commercial uses in the Urban Conservancy designation (Des Moines Beach Park and Salt Water State Park).

Recommendation

Staff recommends that the Council pursue the possibility of a limited amendment to allow water-related and water-enjoyment commercial uses in the Urban Conservancy designation (Des Moines Beach Park and Salt Water State Park), and to eventually remove the existing structure. While pursuing this, staff recommends that the existing non-conforming structure be used for recreational uses (including options like storage of park programmatic equipment (canoes, kayaks, etc.), and perhaps park classes and programs).

Aerial View of Wasson Property – 22047 Cliff Avenue S. (Parcel ID 20090003245)



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THERESA R. DUSEK*Assessment, Management and Regulatory Permitting*

128 Rainbow Lane
 Packwood, WA, 98361
 (253) 861-3355

February 3, 2017

Attn: Denise Lathrop, Community Development Director
 City of Des Moines
 21630 11th Avenue South, Suite D
 Des Moines, Washington 98198-6398

RE: Wasson Property Regulatory Feasibility Review

Dear Denise,

We understand that the City of Des Moines (City) owns the property located at 22047 Cliff Avenue South (parcel 2009003245) located in Des Moines, Washington (Sec 8, T22N, R4E, W. M.). Figure 1 depicts the subject parcel (also referred to as the Wasson property). The 0.31-acre parcel is developed with a single-family residence located along the shoreline of Puget Sound. The property is in an area designated as Urban Conservancy upland of the ordinary high water mark and Aquatic below the ordinary high water mark by the Des Moines Shoreline Master Program (DMSMP). The upland area currently has an underlying zone of Residential Suburban Estates (R-SE). The parcel is shown and described as a part of Des Moines Beach Park which is a Special Use Park in the Des Moines Comprehensive Plan. The City is evaluating the feasibility of different uses for the upland portion of the site. The upland portion of the site that does not contain Cliff Avenue South is roughly 80 feet by 50 feet (4,000 sf). Potential uses suggested by the City include: (1) the current use, (2) potential commercial use as a restaurant, (3) public plaza and/or promenade along the existing bulkhead which would enhance the connection between the marina located south of the site and the portion of Beach Park north of the site, and (4) some commercial use associated with the public plaza. Since the DMSMP currently does not allow commercial uses we also provide information regarding the potential to complete a limited amendment to the DMSMP to allow water-related and water-enjoyment commercial uses in areas designated as Urban Conservancy which includes Des Moines Beach Park and Salt Water State Park.



Current Use and Shoreline Master Program

The site is currently developed with a 2,740 sf single family residence which contains a concrete bulkhead along the 50-foot shoreline frontage and a concrete boat launch (Figures 2 and 3). The residence was legally constructed in 1967.



Figure 2: Current use of the site with a residence, concrete boat launch and bulkhead.



Figure 3: view of west side of residence.

The Shoreline Master Program Urban Conservancy designation associated with the site allows for the following uses to be permitted as shown in Table 1 below: (a) parking (accessory), (b) water-dependent¹ recreational, (c) water-enjoyment² recreational, (d) transportation and (e) utilities (primary). All other uses are prohibited and not eligible for a shoreline variance or shoreline conditional use permit. Clearing and grading may be permitted but placement of fill would require a shoreline conditional use permit. Residential structures are not allowed in the Urban Conservancy designation. This means that the existing residential use and structure on the site are nonconforming with regard to the DMSMP regulations.

In accordance with DMSMP 6.3.2, uses and developments that were legally established and are nonconforming with regard to the use regulations of the master program may continue as legal nonconforming uses. In accordance with WAC 173-27-080(9) and DMSMP 6.3.2, if a nonconforming use is discontinued for twelve consecutive months or for twelve months during any two-year period, the nonconforming use rights shall expire and any subsequent use shall be conforming. We understand that the residence has been vacant since June 2016. On June 2017, if the residence is still vacant the nonconforming rights will expire and any subsequent use will need to be conforming to the current regulations. Future use of the land or structures must conform to the DMSMP policies and regulations.

In accordance with DMSMP 6.23.2 (6)

"A structure which is being or has been used for a nonconforming use may be used for a different nonconforming use only upon the approval of a Conditional Use Permit. A Conditional Use Permit may be approved only upon a finding that:

- a. No reasonable alternative conforming use is practical; and*
- b. The proposed use will be at least as consistent with the policies and provisions of the SMP and as compatible with the uses in the area as the preexisting use.*
- c. In addition, such conditions may be attached to the permit as are deemed necessary to assure compliance with the above findings, the requirements of the master program and the SMA and to assure that the use will not become a nuisance or a hazard."*

Per the DMSMP other uses in the Urban Conservancy Designation are prohibited and not eligible for a shoreline variance or shoreline conditional use permit. Therefore, this portion of the code would not apply on this site since non-conforming uses are currently not eligible for shoreline conditional use permits.

If the non-conforming residential structure is not enlarged, it could be modified to have a conforming use such as a recreational water-dependent or recreational water-enjoyment use which is allowed by the DMSMP. Examples include use of the residence for public restrooms, storage of park programmatic equipment (canoes, kayaks, etc.), and park classes and programs. This would not require a shoreline permit.

¹ "Water-dependent use" means a use that requires direct access to the water to accomplish its primary function. In other words, a use or portion of a use, which cannot exist in a location that is not adjacent to the water and which is dependent on the water by reason of the intrinsic nature of its operations.

² "Water-enjoyment use" means a use that does not require access to the water, but is enhanced by a waterfront location. This includes uses that facilitate public access to the shoreline as a primary characteristic of the use; or uses that provide for recreational use or aesthetic enjoyment of the shoreline for a substantial number of people. The use must be open to the general public and the shoreline-oriented space within the project must be devoted to the specific aspects of the use that fosters shoreline enjoyment.

Table 6-1 Shoreline Master Program Permitted Use Table				
SHORELINE USE	High-Intensity	Urban Conservancy	Shoreline Residential	Aquatic
Agriculture	X	X	X	X
Commercial Aquaculture	X	X	X	X
Boating facilities				
Public marinas and launch ramps	P	X	X	P*
Private marinas and launch ramps	C	X	X	P*
Commercial:				
Water-dependent	P	X	X	C*
Water-related, water-enjoyment	P	X	X	X
Non-water-oriented	C	X	X	X
Parking (accessory)	P	P	P	X
Parking (primary, including paid)	X	X	X	X
Recreation:				
Water-dependent	P	P	P	P
Water-enjoyment	P	P	P	P
Non-water-oriented	C	X	P	X
Single-family residential	X	X	P	X
Multifamily residential	X	X	P	X
Outdoor Advertising and Signs	P	X	X	X
Solid Waste Disposal	X	X	X	X
Transportation	P	P	P	C
Utilities (primary)	P	P	P	C
P = May be permitted C = May be permitted as a conditional use only X = Prohibited; the use is not eligible for a variance or conditional use permit				

Table 1: Permitted Use Table from the Des Moines Shoreline Master Program

Restaurant Commercial Use

The DMSMP specifically prohibits commercial uses such as restaurants in the Urban Conservancy designation associated with the site and the use is currently not eligible for a variance or conditional use permit.

Public Plaza and/or Promenade Along Existing Bulkhead

Removing the existing residence from the site and providing a recreational public plaza with or without a promenade along the existing bulkhead would be an allowable use in accordance with DMSMP. The promenade would provide a public link between the park and marina to the south. Per a Park Recreation and Senior Master Plan for Des Moines Beach Park the public plaza may contain a water feature, seating, play area, and waterfront access for pedestrians and non-motorized boats. In accordance with DMSMP 6.1.1(2) a minimum marine buffer of 115 feet from the marine ordinary high water mark shall be maintained in areas designated as Urban Conservancy.

Shoreline modifications to construct a public plaza and/or promenade would require the following.

- Shoreline Substantial Development Permit.
- Shoreline Conditional Use Permit for fills associated with the modification. Fills are allowed in areas designated as Urban Conservancy in accordance with DMSMP 6.2.6.
- Shoreline Variance since development would occur in the 115-foot marine buffer.

In accordance with DMSMP 6.3.7 recreational development is permitted in all shoreline environments, except aquatic, when the following standards are met:

1. Parking areas shall be located inland away from the immediate water's edge and recreational beaches. Access shall be provided by walkways or other non-motorized methods.
2. Recreational developments shall not create significant adverse effects on residential uses of private property, the environmental quality or natural resources of the shoreline area.
3. Valuable shoreline resources and fragile or unique areas such as estuaries and accretion beaches shall be used only for non-intensive and nonstructural recreation activities.
4. All permanent recreational structures and facilities shall be located outside the one hundred- year (100-year) flood plain, although the City may grant exceptions for non-intensive accessory uses (e.g., picnic tables, play areas, etc.).
5. Accessory use facilities such as restrooms, recreation halls and gymnasiums, commercial services, access roads and parking areas shall be located inland from shoreline areas unless it can be shown that such facilities are shoreline dependent. These areas shall be linked to the shoreline by walkways.
6. In approving shoreline recreational developments, the City shall ensure that the development will maintain, enhance or restore desirable shoreline features, including unique and fragile areas, scenic views and aesthetic values. To this end, the City of Des Moines may adjust and/or prescribe project dimensions, location of project components on the site, intensity of use, screening, parking requirements and setbacks as deemed appropriate to achieve the intent of this program.
7. Proposals for recreational development shall include a landscape plan in which native, self-sustaining vegetation is preferred.
8. The removal of on-site native vegetation shall be limited to the minimum necessary for the development of picnic areas, selected view or other permitted structures or facilities.

Some Commercial Use associated with the Public Plaza

The DMSMP specifically prohibits commercial uses in the Urban Conservancy designation associated with the site and the use is not eligible for a variance or conditional use permit. However, construction of the public plaza with the ability to have temporary booths or food trucks use the plaza during events may be possible.

Shoreline Master Program Limited Amendment to Change the Environmental Designation from Urban Conservancy to High Intensity

The current Des Moines Shoreline Master Program defined High-Intensity environments as “*shoreline areas that currently support high-intensity uses related to commerce, transportation or navigation; or are suitable and planned for high-intensity water- oriented uses.*” The Wasson property did not meet this definition and was analyzed and placed in the Urban Conservancy designation. In the previous Shoreline Master Program, it was analyzed and designated as Conservancy.

Based on Table 6-1 of the current Des Moines Shoreline Master Program Permitted Use Table modifying the Wasson property to a High-Intensity designation would gain the ability of the property to be used for public marinas and launch ramps, commercial water dependent and water-related, water enjoyment uses, and with a conditional use permit private marinas and launch ramps and commercial non-water oriented uses, and non-water oriented recreation.

The City of Des Moines Shoreline Master Program was comprehensively updated with an effective date of November 1, 2010. The Des Moines Shoreline Master Program is required by RCW 90.58.080 to be update again on or before June 30, 2019. Local governments, such as Des Moines, may periodically amend their shoreline programs with a limited amendment when there is a change in law, zoning, or other local conditions (WAC 173-26-090).

All proposals for changes in environment designation shall provide written justification for such based on existing development patterns, the biophysical capabilities and limitations of the shoreline being considered, and the goals and aspirations of the local citizenry as reflected in the locally adopted comprehensive land use plan. Given that this was completed with the 2010 Des Moines Shoreline Master Program update and that there have been no specific changes in law, zoning or other local conditions since the comprehensive update it is unlikely that a limited amendment to change the environmental designation of the Wasson property to High Intensity would be accepted or approved by the Washington Department of Ecology.

If the City of Des Moines choses to submit a limited amendment to modify the Shoreline designation of the Wasson property from Urban Conservancy to the High-Intensity designation the process and timelines are described in WAC 173-26. Note the process and timelines are under review and anticipated to be modified in June of 2017 (<http://www.ccy.wa.gov/programs/sca/rules/1506docs.html>).

Overall, in accordance with WAC 173-26 the local agency must implement a public participation plan that shall provide for early and continuous public and agency participation through broad dissemination of informative materials, proposals and alternatives, opportunity for written comments, public meetings after effective notice, provision for open discussion, and consideration of and response to public comments. The degree of public and agency involvement sought by local government should be gauged according to the level of complexity, anticipated controversy, and range of issues covered in the draft proposal. A master program limited amendment proposed by local government shall be submitted to the department for its review and formal action after implementing the public participation plan. The submittal shall be in the form of a signed ordinance or resolution and must meet the requirements of WAC 173-26-110. Based upon limited amendments to shoreline codes approved by Ecology in the last 3 years this process could take at least one year to complete if accepted by Ecology.

According to Misty Blair at is unlikely that a limited amendment to change the environmental designation of the Wasson property would be accepted or approved by the Washington Department of Ecology since it does not meet the High-Intensity definition and analysis.

Shoreline Master Program Limited Amendment to Allow Recreational Commercial Use

A limited amendment to allow water-related and water-enjoyment commercial uses in the Urban Conservancy designation, which includes Des Moines Beach Park and Salt Water State Park, may be possible per Misty Blair at the Washington State Department of Ecology. Water-related and water enjoyment commercial uses may include food and beverage facilities at public beaches, and rentals of equipment for kayaking, paddle boarding, wind surfing, biking, skin diving, snorkeling, fishing, etcetera. Full review of the SMP and Comprehensive Plan will be required to make sure there are not conflicts with this proposal.

The City of Des Moines Shoreline Master Program was comprehensively updated with an effective date of November 1, 2010. The Des Moines Shoreline Master Program is required by RCW 90.58.080 to be update again on or before June 30, 2019. Local governments, such as Des Moines, may periodically amend their shoreline programs with a limited amendment when there is a change in law, zoning, or other local conditions (WAC 173-26-090).

All proposals for changes in environment designation shall provide written justification for such based on existing development patterns, the biophysical capabilities and limitations of the shoreline being considered, and the goals and aspirations of the local citizenry as reflected in the locally adopted comprehensive land use plan. Given that this was completed with the 2010 Des Moines Shoreline Master Program update and that there have been no specific changes in law, zoning or other local conditions since the comprehensive update it is unlikely that a limited amendment to change the environmental designation of the Wasson property to High Intensity, to allow commercial use, would be accepted or approved by the Washington Department of Ecology.

If the City of Des Moines choses to submit a limited amendment to allow water oriented commercial uses in the Urban Conservancy designation the process and timelines are described in WAC 173-26. Note the process and timelines are under review and anticipated to be modified in June of 2017 (<http://www.ecy.wa.gov/programs/sea/rules/1506docs.html>).

Overall, in accordance with WAC 173-26 the local agency must implement a public participation plan that shall provide for early and continuous public and agency participation through broad dissemination of informative materials, proposals and alternatives, opportunity for written comments, public meetings after effective notice, provision for open discussion, and consideration of and response to public comments. The degree of public and agency involvement sought by local government should be gauged per the level of complexity, anticipated controversy, and range of issues covered in the draft proposal. A master program limited amendment proposed by local government shall be submitted to the department for its review and formal action after implementing the public participation plan. The submittal shall be in the form of a signed ordinance or resolution and must meet the requirements of WAC 173-26-110. Based upon limited amendments to shoreline codes approved by Ecology in the last 3 years this process could take at least one year to complete if accepted by Ecology.

In summary, the Wasson could feasibly have the following uses.

1. Leave the existing nonconforming structure and use it for recreational purposes. If the structure is not enlarged, it could be used for water-dependent recreation or water-enjoyment recreation. A shoreline permit would not be required.
2. If the residence remains vacant for 12-months, the nonconforming rights to use the house as a residence will expire and any subsequent use will need to be conforming to the current regulations.
3. If the non-conforming residential structure is not enlarged, it could be modified to have a conforming use such as a recreational water-dependent or water-enjoyment use. Examples include use of the

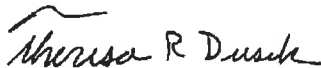
residence for public restrooms, storage of park programmatic equipment (canoes, kayaks, etc.), and park classes and programs. This would not require a shoreline permit.

4. The DMSMP specifically prohibits commercial uses such as restaurants in the Urban Conservancy designation associated with the site and the use is not eligible for a variance or conditional use permit.
5. Removal of the residence and construction of a public plaza and/or promenade would require a Shoreline Substantial Development Permit, Shoreline Conditional Use Permit for fills associated with the modification, and a Shoreline Variance for alteration to the 115-foot marine buffer. The DMSMP specifically prohibits commercial uses in the Urban Conservancy designation associated with the site and the use is not eligible for a variance or conditional use permit. However, construction of the public plaza with the ability to have temporary booths or food trucks use the plaza during events may be possible.
6. Misty Blair at Ecology stated that a limited amendment to change the environmental designation of the Wasson property from Urban Conservancy to High Intensity would likely not be accepted or approved by the Washington Department of Ecology since the site does not meet the definition for High Intensity and due to past analysis for the DMSMP.
7. A limited amendment to allow water-related and water-enjoyment commercial uses in the Urban Conservancy designation (Des Moines Beach Park and Salt Water State Park) may be possible per Misty Blair at the Washington State Department of Ecology. Full review of the SMP and Comprehensive Plan will be required to make sure there are not conflicts with this proposal. If this change were to occur a Shoreline Substantial Development Permit, Shoreline Conditional Use Permit for fills associated with the modification, and Shoreline Variance for alteration of the 115-foot marine buffer would be required.

If you have further questions my cell number is 1-253-861-3355.

Sincerely,

THERESA R. DUSEK



Theresa R. Dusek
Natural Resource Ecologist

WASSON PROPERTY REUSE/REDEVELOPMENT

Michael Matthias, City Manager

Dan Brewer, Chief Operations Officer

Denise Lathrop, Community Development Mgr.

INTRODUCTION

- ☐ Need for Integration
- ☐ Connecting Multiple Nodes and Functions
- ☐ Finding the Sweet Spot:
 - Cost
 - Regulatory Considerations (Land Use, Shoreline Master Program & Building)
 - Value of Public Space (Relative to Everything: Marina, Beach Park & Surrounds)
- ☐ Catalyst to Generate Revenue
- ☐ Provide Council an opportunity to discuss options for the disposition, potential reuse and development options for the Wasson property.



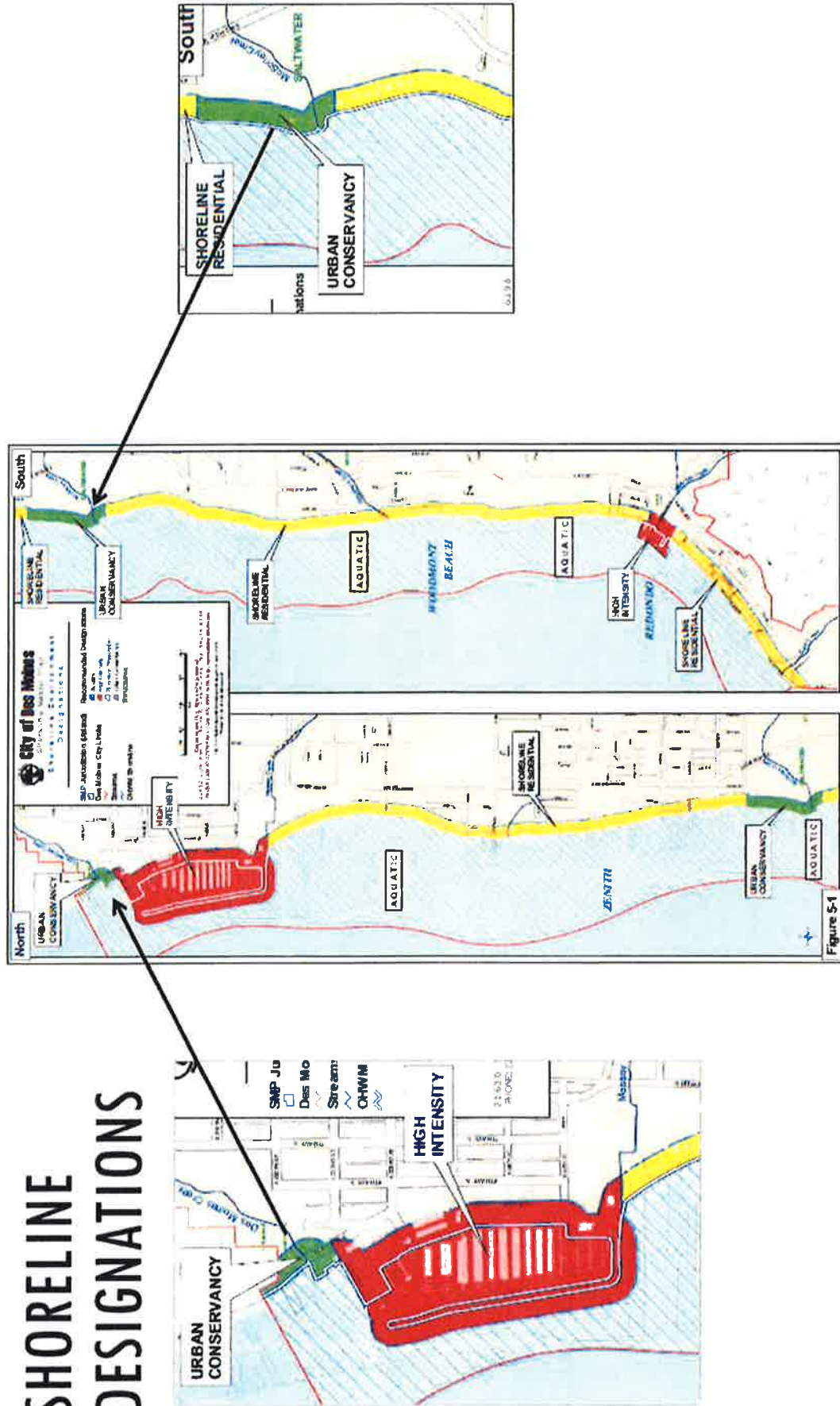
BACKGROUND



- 22047 Cliff Avenue South
 - 0.31-acre and developed with a SFR
 - upland portion approx. 80 ft x 50 ft/4,000 (excluding Cliff Ave S)
- Residential Suburban Estates (R-SE) Zone
- Des Moines Shoreline Master Program (SMP)
 - Aquatic below the ordinary high water mark (OHWM)
 - Urban Conservancy upland of OHWM
- The parcel is shown and described as a part of Des Moines Beach Park which is a Special Use Park in the Des Moines Comprehensive Plan.



SHORELINE DESIGNATIONS



SHORELINE PERMITTED USES

P = May be permitted
C = May be permitted as a conditional use only
X = Prohibited, the use is not eligible for a variance or conditional use permit

Table 6-1 Shoreline Master Program
Permitted Use Table

SHORELINE USE	High-Intensity			Shoreline Residential	Aquatic
	High-Intensity	Urban Conservation	Urban Conservation		
Agriculture	X	X	X	X	X
Commercial Aquaculture	X	X	X	X	X
Boating facilities					
Public marinas and launch ramps	P	X	X	X	P*
Private marinas and launch ramps	C	X	X	X	P*
Commercial:					
Water-dependent	P	X	X	X	C*
Water-related, water-enjoyment	P	X	X	X	X
Non-water-oriented	C	X	X	X	X
Parking (accessory)	P	P	P	P	X
Parking (primary, including paid)	X	X	X	X	X
Recreation:					
Water-dependent	P	P	P	P	P
Water-enjoyment	P	P	P	P	P
Non-water-oriented	C	X	X	P	X
Single-family residential	X	X	X	P	X
Multifamily residential	X	X	X	P	X
Outdoor Advertising and Signs	P	X	X	X	X
Solid Waste Disposal	X	X	X	X	X
Transportation	P	P	P	P	C
Utilities (primary)	P	P	P	P	C

ADOPTED VISION & POLICY FRAMEWORK

- ❑ Past Council actions have defined future use of the property through policies and development regulations:
 - Comprehensive Plan
 - Parks, Recreation & Senior Services Master Plan
 - Shoreline Master Program
 - Zoning/Development Regulations
- ❑ Key policies focus on identifying and increase opportunities for public access to the public shoreline of Puget Sound and the number and variety of recreational and cultural opportunities provided at waterfront parks and the Marina.

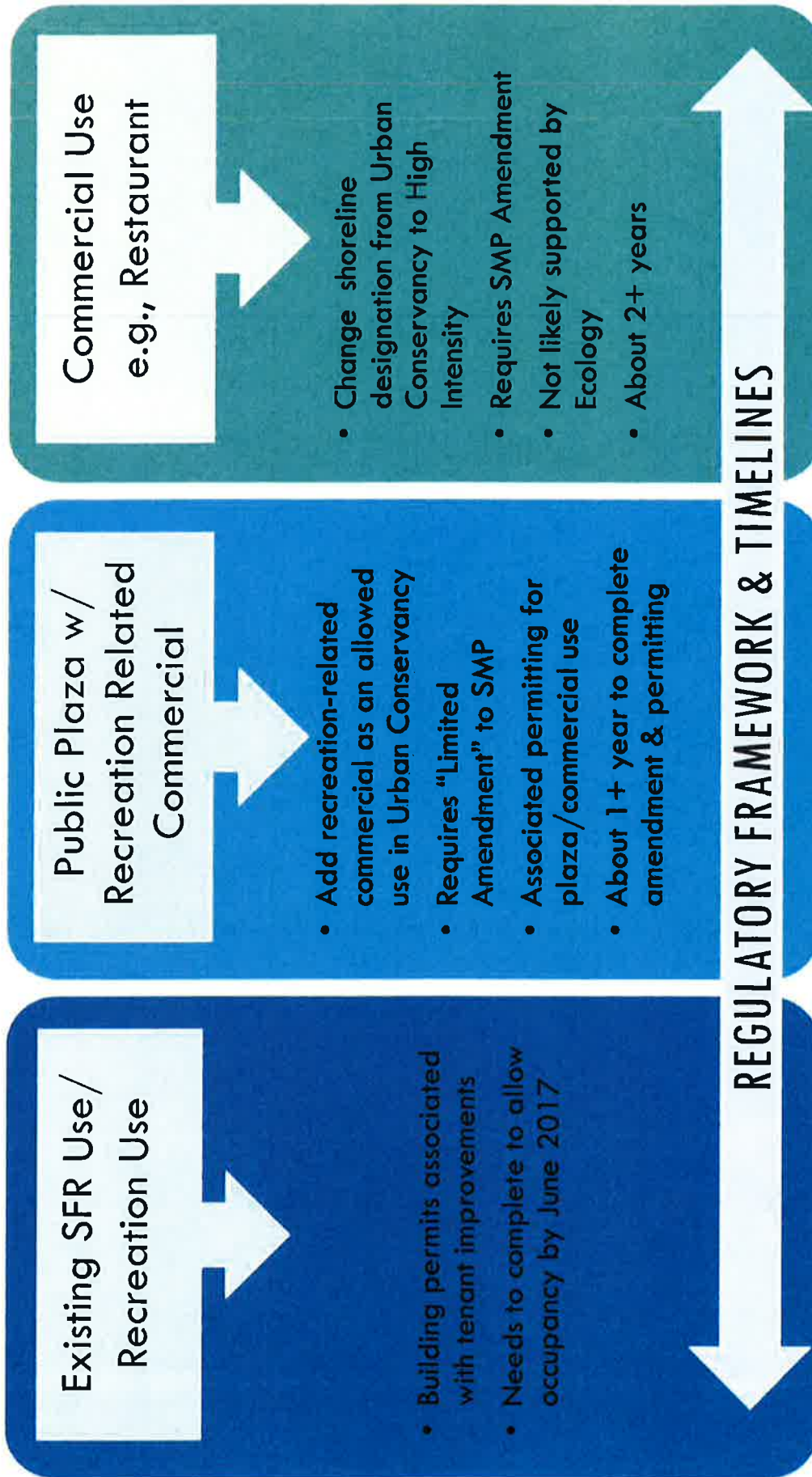


AMENDMENTS AND CHANGES

- ☐ Preferred Land Use and Zoning
- ☐ Parks Master Plan
- ☐ Comprehensive Plan
- ☒ All Adopted under Council Authority
- ☒ Can be amended with Appropriate Public Comment and Process
- ☐ Shoreline Master Program – not so much
 - Must be approved by Department of Ecology

DISPOSITION/REUSE/REDEVELOPMENT OPTIONS

1. The current use.
2. Potential commercial use as a restaurant.
3. Public plaza and/or promenade along the existing bulkhead which would enhance the connection between the marina located south of the site and the portion of Beach Park north of the site.
4. Some commercial use associated with the public plaza.



FINDING THE SWEET SPOT... COST/BENEFIT

- ☐ **Maintaining existing structure:**
 - \$50K building & site improvements to meet building code
 - Ongoing maintenance costs + insurance
 - Potential loss of opportunity costs
 - Revenues from monthly rent
 - 8-10 year return on investment (ROI)
- ☐ **Plaza with Recreation-related Commercial**
 - \$25K Staff/Consultant costs for SMP Amendment & Permitting
 - \$25K to demo house
 - \$?? Design/construction costs associated with Plaza
 - Indirect revenues from pay parking/rentals by more people using plaza area/Marina/Beach Park and associated shoreline
- ☐ **Commercial Use**
 - \$100K + in staff/consultant costs associated with SMP Amendment
 - Higher Risk given that Ecology will not likely support
 - Direct revenues from commercial lease but longer ROI



SPATIAL PERSPECTIVE



SPATIAL PERSPECTIVE

Wasson ~4,700 SF developable area overlaid on
Marina plaza/open space area







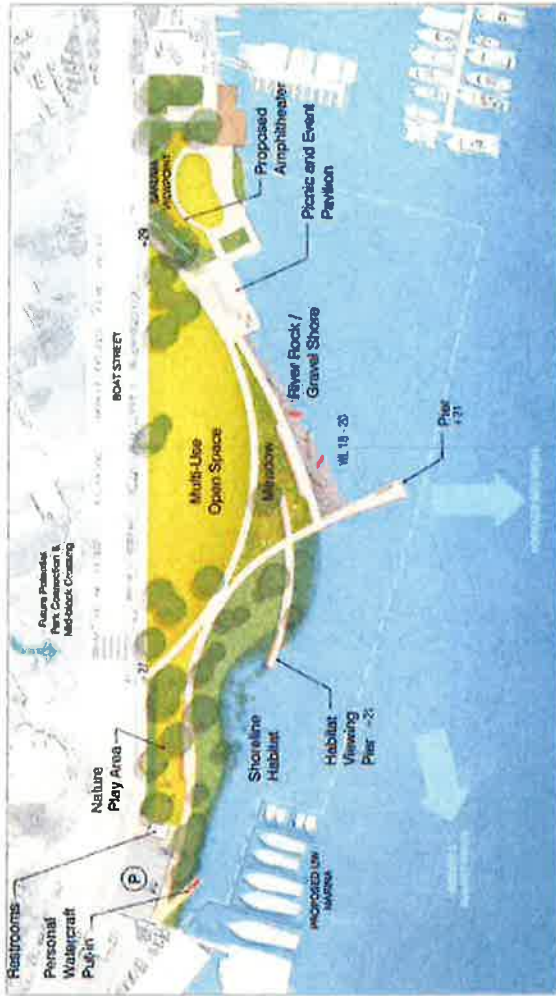








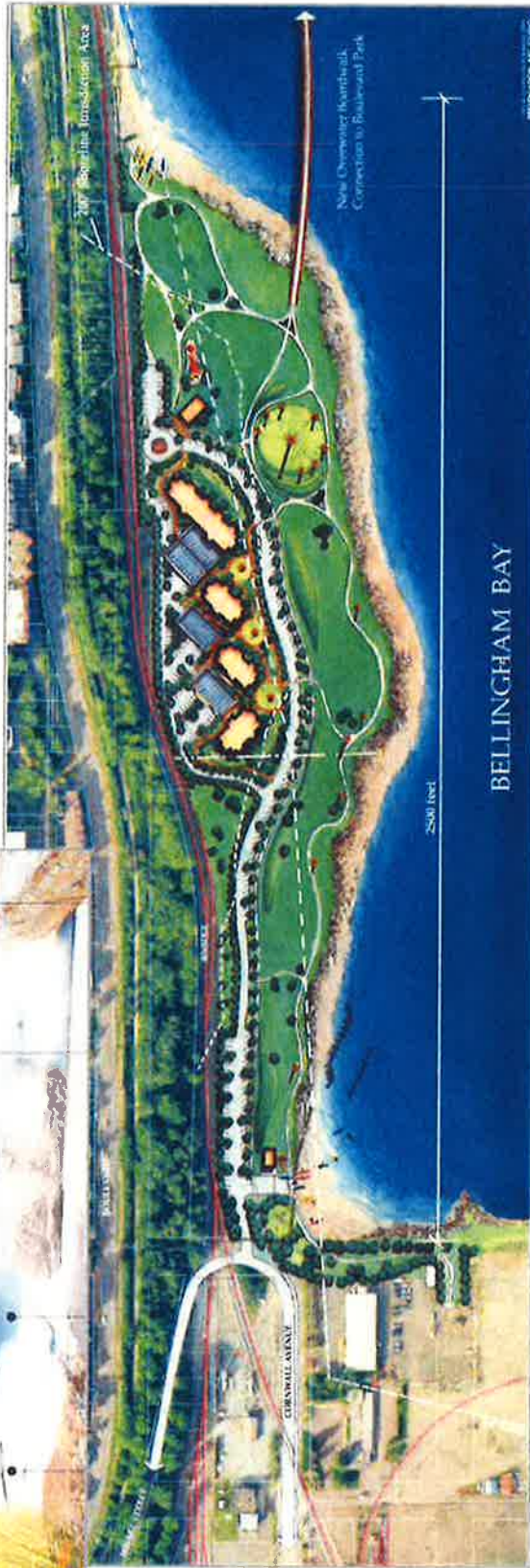
IMAGINING THE POSSIBILITIES...

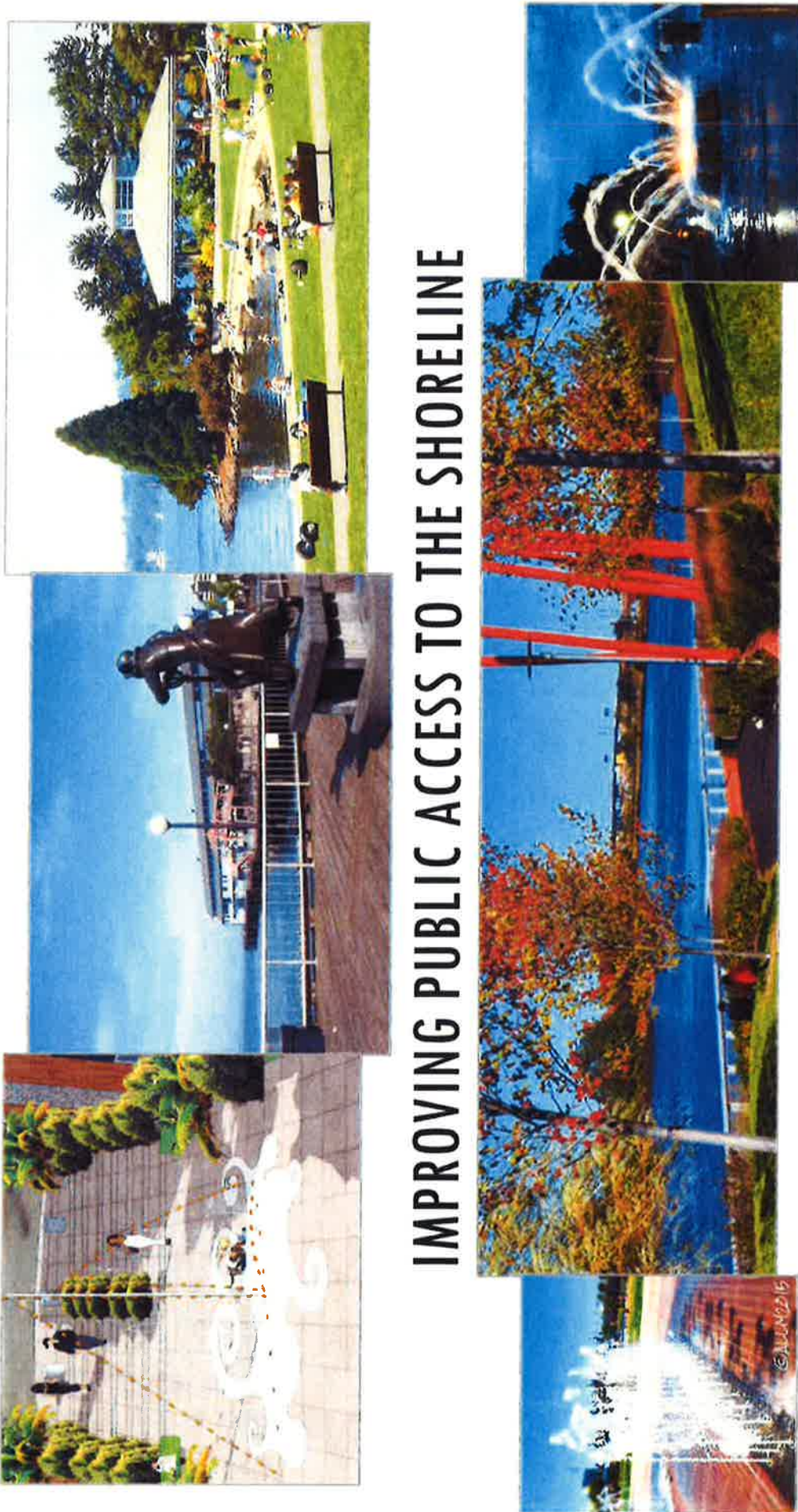


STOREFRONT STUDIO PERSPECTIVES



CREATING PEOPLE PLACES AND SPACES





IMPROVING PUBLIC ACCESS TO THE SHORELINE

NEXT STEPS

- ❑ Council Direction:
 - Property Disposition
 - Options to Carry Forward
- ❑ Refine options and report back via future Administrative Reports/Study Sessions

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Authorization For Services

To: Ms. Denise Lathrop
 City of Des Moines
 21630 11th Avenue South, Suite D
 Des Moines, WA 98198-6398
 1-206-870-6563
DLathrop@desmoineswa.gov

Date: March 30, 2017
Project Number: H-2015-13
Project Name: Shoreline Limited Amendment

From: Theresa R. Dusek
 128 Rainbow Lane
 Packwood, WA. 98361
 1-253-861-3355
theresadusekconsulting@hotmail.com

RE: Shoreline Limited Amendment

Thank you for the opportunity to submit this scope and fee for the above referenced project. This project will be a task under the Community Development On-call Services Contract. The City is proposing to complete a limited amendment to allow water-related and water-enjoyment commercial uses in the Shoreline Urban Conservancy designation, which includes Des Moines Beach Park and Salt Water State Park. Water-related and water enjoyment commercial uses may include food and beverage facilities at public beaches, and rentals of equipment for kayaking, paddle boarding, wind surfing, biking, skin diving, snorkeling, fishing, etcetera.

Full review of the SMP and Comprehensive Plan will be required to make sure there are not conflicts with this proposed change to the Des Moines Shoreline Master Program. Local governments, such as Des Moines, may periodically amend their shoreline programs with a limited amendment when there is a change in law, zoning, or other local conditions (WAC 173-26-090). All proposals for changes in environment designation shall provide written justification for such based on existing development patterns, the biophysical capabilities and limitations of the shoreline being considered, and the goals and aspirations of the local citizenry as reflected in the locally adopted comprehensive land use plan. The process and timelines are described in WAC 173-26. Note the process and timelines are under review and anticipated to be modified in June of 2017 (<http://www.ecy.wa.gov/programs/sea/rules/1506docs.html>). Overall, in accordance with WAC 173-26 the local agency must implement a public participation plan that shall provide for early and continuous public and agency participation through broad dissemination of informative materials, proposals and alternatives, opportunity for written comments, public meetings after effective notice, provision for open discussion, and consideration of and response to public comments. The degree of public and agency involvement sought by local government should be gauged per the level of complexity, anticipated controversy, and range of issues covered in the draft proposal. A master program limited amendment proposed by local government shall be submitted to Ecology for its review and formal action after implementing the public participation plan. The submittal shall be in the form of a signed ordinance or resolution and must meet the requirements of WAC 173-26-110.

Scope and Fee
 Limited Amendment to the SMP
 March 30, 2017

Our scope of services and fee are listed below:

Task 1: SMP Limited Amendment Preparation

We propose to assist you with the shoreline limited amendment through full review of the SMP and Comprehensive Plan to make sure there are not conflicts with this proposed change to the Des Moines Shoreline Master Program. We propose, with your assistance, to complete a packet for presentation by you to the City Council and preparation of the packet to be provided to Ecology. **The fee will be on a time and expense basis, not to exceed \$8,000. We have estimated 80 hours for this task.**

Task 2: Project Coordination

This task includes answering any questions, attending up to two meetings which will include City Council meetings and a public hearing, and responding to comments from Ecology, if any. We anticipate time during the preparation process to coordinate with Ecology to streamline the project and process. **The fee will be on a time and expense basis, not to exceed \$2,500. We have estimated 25 hours for this task.**

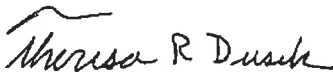
We agree to retain all nonpublic information obtained from you, as the client, as confidential. We agree not to release or discuss any of such information unless we obtain the prior written consent from you, as the client, or are otherwise forced, compelled, or required to disclose this information by operation of law or applicable government authority.

If you have any questions or would like to discuss this scope and fee in further detail, please feel free to contact me. We appreciate the opportunity to provide our services to you and look forward to working with you on this project.

If you have further questions my cell number is 1-253-861-3355.

Sincerely,

THERESA R. DUSEK



Theresa R. Dusek
Natural Resource Ecologist

May 25, 2017[illegible]



PUBLIC HEARING Speaker Sign-Up Sheet

Draft Ordinance No. 17-057 Telecommunications Franchise Agreement with MC-Metro d/b/a Verizon

May 25, 2017

[illegible]



FIGHT THE FLIGHT

Hearing it? Breathing it.

Report it! 206-787-5393

Quiet Skies Puget Sound – Backstory

OUR MISSION

PROTECTING OUR QUALITY OF LIFE
IN RESPONSE TO TWO THREATS:

1. Aircraft noise - new flight paths and procedures
2. Harm to human health and the environment from aircraft emissions



Quiet Skies Puget Sound – Backstory

SIX MONTHS OLD - FAST AND FURIOUS

- QSPS is 29th of 35 Quiet Skies chapters
- Fastest growing chapter in U.S.
- 800+ Facebook members; robust social media includes website, twitter
- Called to testify for HB 1171 (Rep. Tina Orwall emission study and Senate companion)
- Organized public comment to Port of Seattle Commissioners
- Produced “mega meeting” of coalitions
- Supported Burien Coalition efforts



Quiet Skies Puget Sound – Backstory

SIX MONTHS OLD - FAST AND FURIOUS, CONT.

- Organized comment to WSDOT for WASP
- Provided presentation “Fight the Flight” overview to Des Moines City Manager in January 2017
- Created the “FIGHT THE FLIGHT” campaign, branding, collateral for community awareness
- Conducted outreach campaign to promote awareness of airport issues in Des Moines
- Provided Aviation Advisory Committee structural comments May 2017



Quiet Skies Puget Sound – Backstory

SIX MONTHS OLD - FAST AND FURIOUS, CONT.

- Produced “FIGHT THE FLIGHT” Forum April 2017
 - Experts on NextGen, science, health issues
 - 152 attendees, 2000+ viewers on Facebook Live
 - Puget Sound Access broadcast to 6 SKC cities
 - Rep. Tina Orwall, Councilman Dave Upthegrove, Des Moines City Manager participation
 - Positive media on Fox Q13, hyper-local media outlets
- New support requests, national and local
- Requested by FWCC to present full forum
- Requested to present at Burien Coalition forum



FIGHT THE FLIGHT 101

Fight the Flight 101: touch on two topics

- How bad is it really?
- How bad will it get?
- There can be only one (issue):
quality of life
- We are not alone



FIGHT THE FLIGHT 101 – HOW BAD IS IT?

ARE WE ALL CRAZY? CAN WE BELIEVE OUR EYES AND EARS?

Are we really experiencing:

- More planes
- Lower planes
- Louder planes
- Planes in different flight paths
- Planes later at night
- Planes earlier in morning?



FIGHT THE FLIGHT 101 – HOW BAD IS IT?

More planes?
Yes.

- **260 more planes coming over your house every day.**
- **Every day.**

Aircraft Operations

- **2016: 412,170 operations – 8% increase**
- **2015: 381,408 operations – 12% increase**
- **2014: 340,478 operations – 7% increase**
- **2013: 317,186 operations**

The difference between 2013 and 2016 was 94,984 operations.

That's 260 more aircraft going over homes per day.

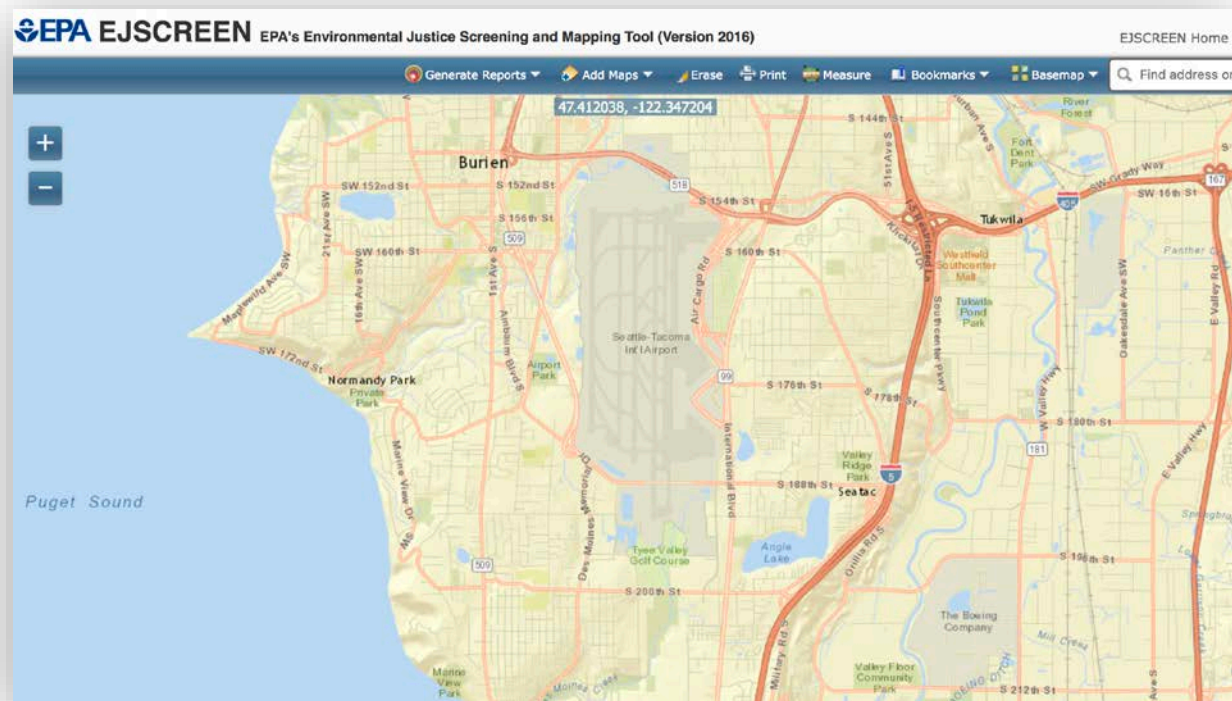
The increase in operations is predominantly what is causing additional noise complaints

FIGHT THE FLIGHT 101 – HOW BAD IS IT?

EPA “EJSCREEN”

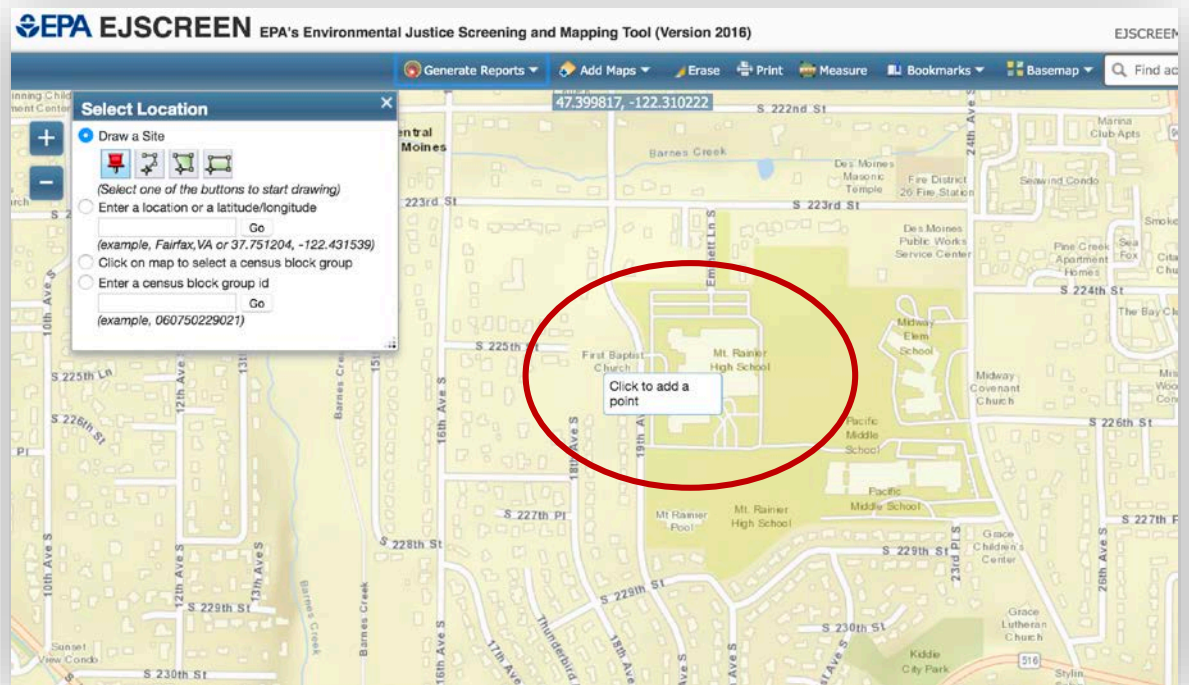
Environmental
Justice Screening
and Mapping Tool

“Combines
environmental and
demographic indicators
in maps and reports”
including National Air
Toxics Assessment
(NATA) data.



FIGHT THE FLIGHT 101 – HOW BAD IS IT?

Let's look at
Mt. Rainier
High School

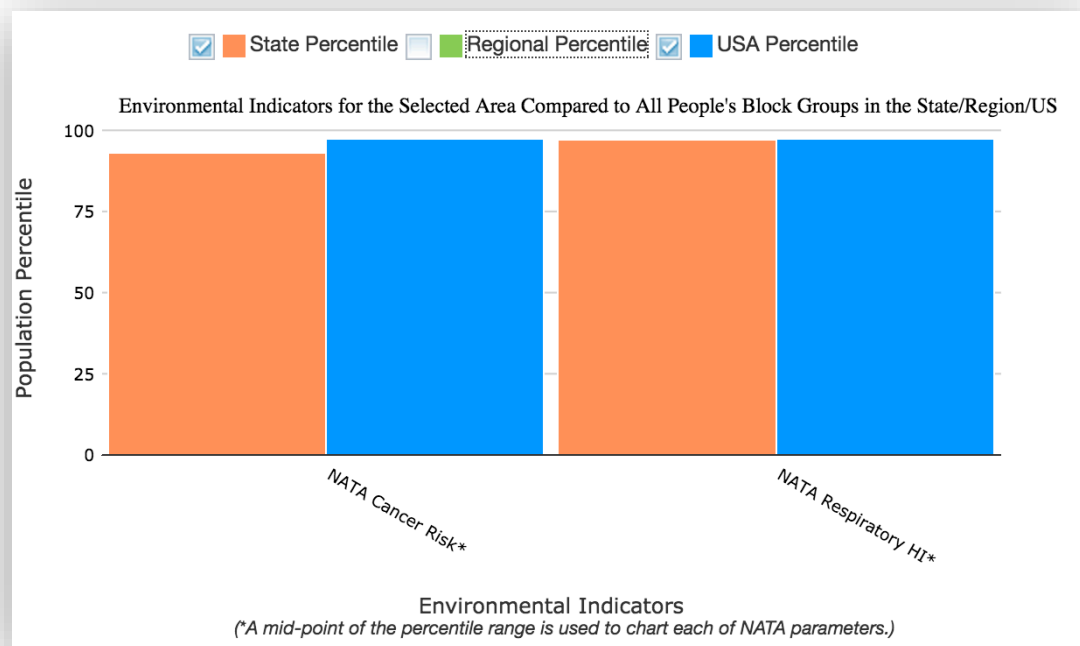


FIGHT THE FLIGHT 101 – HOW BAD IS IT?

EJSCREEN

MT. RAINIER HIGH SCHOOL

- 95-100% HIGHEST PERCENTILE IN NATION: RISK OF CANCER
- 95-100% HIGHEST PERCENTILE IN NATION: RISK OF RESPIRATORY HAZARD



FIGHT THE FLIGHT 101 – HOW BAD WILL IT GET?

THE PORT OF SEATTLE'S “CENTURY AGENDA”

- Five year plan beginning *now*.



FIGHT THE FLIGHT 101 – HOW BAD WILL IT GET?



LONG RANGE PLAN



CENTURY AGENDA

POSITION THE PUGET SOUND REGION AS A
PREMIER INTERNATIONAL LOGISTICS HUB



STRATEGY 1

OBJECTIVE 3

TRIPLE AIR CARGO VOLUME TO 750,000 METRIC TONS

KEY METRICS

Air Cargo Volume (Metric Tons)

Space Utilization

PRIORITY ACTION 1: INCREASE AIRLINE CARGO CAPACITY

Airlines, operating both freighter and passenger aircraft services, perform the actual work of shipping air cargo into and out of the region using Seattle-Tacoma International Airport. The extent of routes, the number and frequency of services, and the size and capacity of specific aircraft used, define the overall capacity for moving air cargo through the airport. The purpose of this action is to bring in additional airline carriers and add routes, and to support the capacity growth of existing airlines at Seattle-Tacoma International Airport. Air cargo is carried aboard by both freighter and passenger aircraft at Seattle-Tacoma International Airport, with freighters handling 54% of total cargo and the remaining 46% termed "belly cargo" as it travels in the bellies of passenger flights, along with passenger baggage. Two thirds of all international freight is carried as belly cargo, emphasizing the significant synergy between international passenger service and air cargo. While the air cargo team at Seattle-Tacoma International Airport actively markets airport services to airline freighter operators, passenger airline routing decisions are made on the basis of passenger demand and reflect the strategies of the air service development team. The Air Cargo team is working closely with the Air Service Development team to market the full suite of Seattle-Tacoma International Airport's capabilities for both passenger and cargo particularly to interested international airlines (see page 9).

FIGHT THE FLIGHT 101 – HOW BAD WILL IT GET?

LONG RANGE PLAN



CENTURY AGENDA

ADVANCE THIS REGION AS A LEADING
TOURISM DESTINATION AND BUSINESS GATEWAY



STRATEGY 2

OBJECTIVE 7

DOUBLE THE NUMBER OF INTERNATIONAL FLIGHTS AND DESTINATIONS

KEY METRICS

Number of year-round, medium- and long-haul international air services (over 2,000 miles)

Number of seats on year-round, medium- and long-haul services (over 2,000 miles)

Number of year-round, medium- and long-haul international destinations (over 2,000 miles)

FIGHT THE FLIGHT 101 – HOW BAD WILL IT GET?



LONG RANGE PLAN



CENTURY AGENDA

ADVANCE THIS REGION AS A LEADING
TOURISM DESTINATION AND BUSINESS GATEWAY



STRATEGY 2

OBJECTIVE 8

MEET THE REGION'S AIR TRANSPORTATION NEEDS AT SEA-TAC AIRPORT
FOR THE NEXT 25 YEARS AND ENCOURAGE THE COST-EFFECTIVE EXPANSION
OF DOMESTIC AND INTERNATIONAL PASSENGER AND CARGO SERVICE

KEY METRICS

Million annual passengers that can be accommodated (Primary)

Passenger airline cost per enplaned passenger (CPE)

Specific airline rates (e.g., landing fee, Federal Inspection Station (FIS) rate, etc.)

PRIORITY ACTION 1: COMPLETE AND IMPLEMENT THE SUSTAINABLE AIRPORT MASTER PLAN (SAMP)

SAMP will identify the facility requirements to accommodate the 20 year forecasted growth at Seattle-Tacoma International Airport (through 2034).

Completing SAMP includes conducting the environmental review, assessing financial feasibility and obtaining Federal Aviation Administration (FAA) approval.

Efforts will then take place involving additional planning and programming to develop projects for incorporation into the Port of Seattle Aviation division capital plan.

FIGHT THE FLIGHT 101 – HOW BAD WILL IT GET?

THE PORT OF SEATTLE “CENTURY AGENDA”

- Nothing about noise.
- Nothing about human health.
- No strategy, objective, metric, or priority action for “partnering with surrounding communities.”
- Nothing about sustaining the human species.



Quiet Skies Puget Sound

OUR MISSION

**PROTECTING OUR QUALITY OF LIFE
IN RESPONSE TO TWO THREATS:**

1. Aircraft noise - new flight paths and procedures
2. Harm to human health and the environment from aircraft emissions

Thank you for the opportunity to share!



Quiet Skies Puget Sound - Fight the Flight 101



Contact:

- **On the web:**
www.quietskiespugetsound.org
- **Facebook:**
www.facebook.com/groups/QuietSkiesPugetSound/
- **Twitter:**
twitter.com/QSPugetSound

Marina Parking Rates

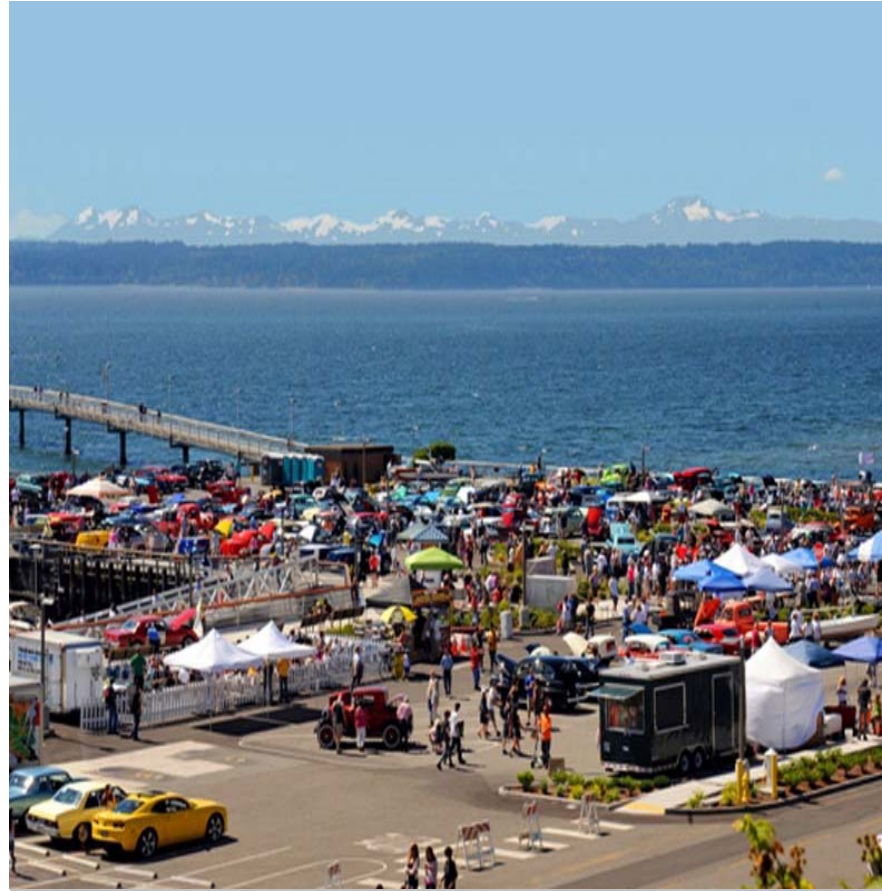
Michael Matthias, City Manager
May 25, 2017



Integrity of
Marina
Infrastructure

Emergency
Management

Law Enforcement





- City Manager given authority by City Council to set Marina Parking Lot Rates.
- Input sought from City Council, Des Moines residents, Marina users, surrounding jurisdictions and government agencies.
- Anticipated implementation date - June 12, 2017.
 - Note: Farmer's market opens June 3rd and there will be a second Saturday, (June 10th) before the paid parking program goes "live."
- Initial rates can be changed if necessary.



Current status

Equipment installation is almost complete.

Traffic revisions including a four way stop at 223rd and 6th Ave.

Community meetings monthly since last summer.

City has received lots of input, some of it has been implemented.

Information has been included in City Currents and on the City website.

Hourly Parking Rates

- 1 hour = \$1.00
- 2 hours = \$2.00
- 3 hours = \$3.00
- 4 hours = \$4.00
- All Day = \$5.00

Annual Parking Rates

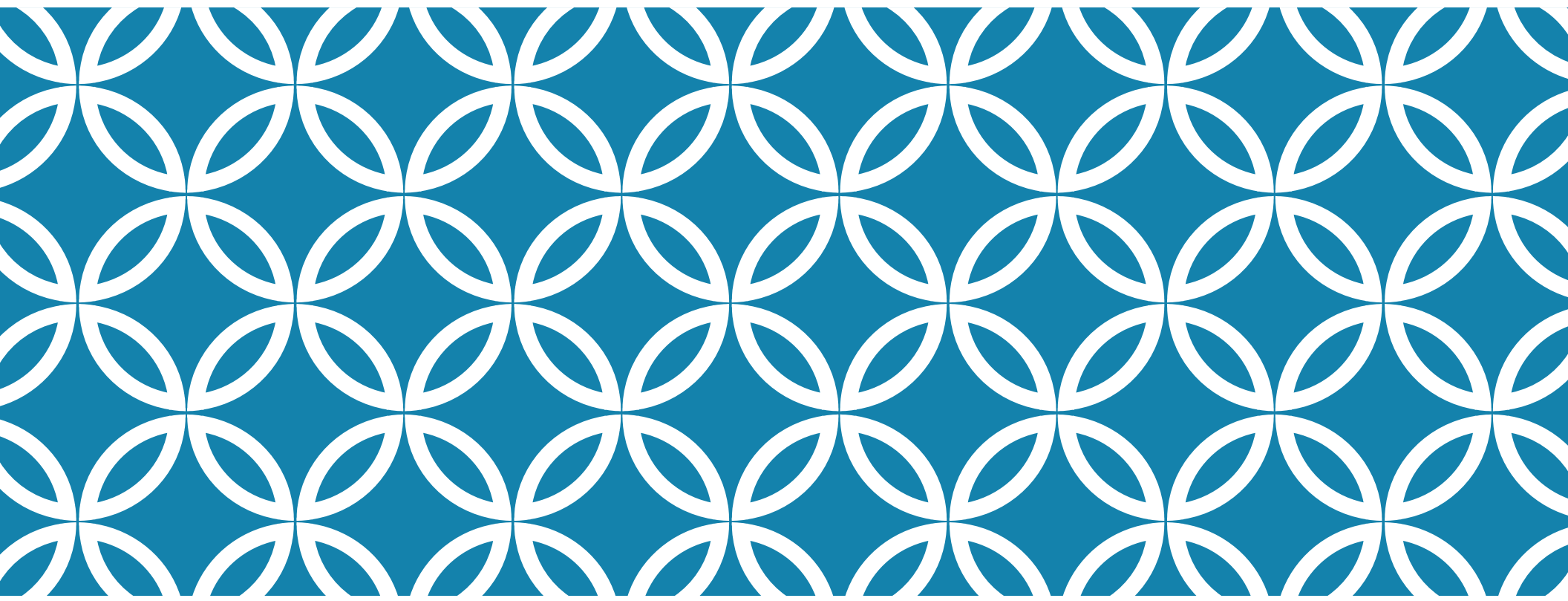
- 2017 (1/2 year)
 - Des Moines Resident = \$15.00
 - Frequent User = \$45.00
- 2018
 - Des Moines Resident = \$30.00
 - Frequent User = \$90.00

Additional Considerations

- Disabled Parking provided free of charge on Marina floor (outside of gates +/- 12 spaces).
- Farmer's Market patrons (Saturday and Wednesday Markets) given 2 hour complimentary coupons with purchase.
- Anthony's patrons given free parking with validation.
- Working with special event organizers to provide reduced parking rates or rental rates.

Final Consideration

- All rates and procedures will be thoroughly reviewed during implementation and operation and can be changed if problems/issues arise.



WASSON PROPERTY CONTINUED DISCUSSION

Michael Matthias, City Manager
Dan Brewer, Chief Operations Officer
Denise Lathrop, Community Development Mgr.

BACKGROUND



- ❑ Council Study Session March 2, 2017
- ❑ Wasson Property 22047 Cliff Avenue South
 - ~1/3 acre with Single Family Home
 - Upland ~ 4,700 S.F.
- ❑ Zoning: Residential Suburban Estates (R-SE)
- ❑ Des Moines Shoreline Master Program (SMP)
 - Aquatic below the ordinary high water mark (OHWM)
 - Urban Conservancy upland of OHWM
- ❑ The parcel is shown and described as a part of Des Moines Beach Park which is a Special Use Park in the Des Moines Comprehensive Plan.



PURPOSE AND DIRECTION

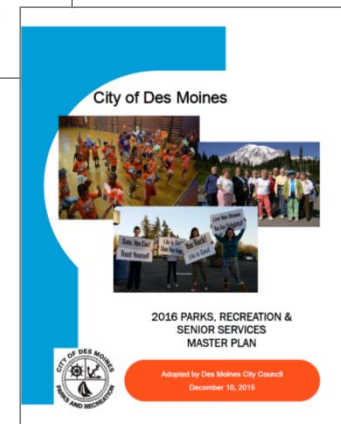
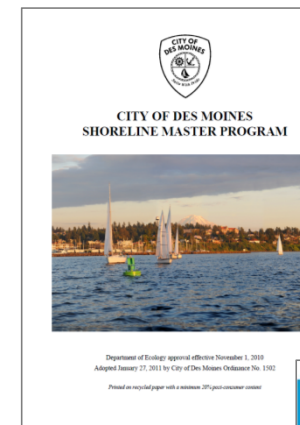
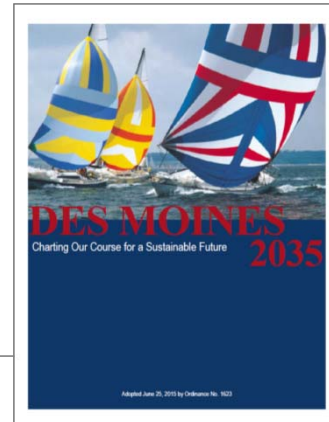
Confirm Direction from March Discussion

Series of 3 Motions: Options A or B

- 1: Permitting
- 2: Disposition of existing structure
- 3: Interim use

REMINDER..... ADOPTED VISION & POLICY FRAMEWORK

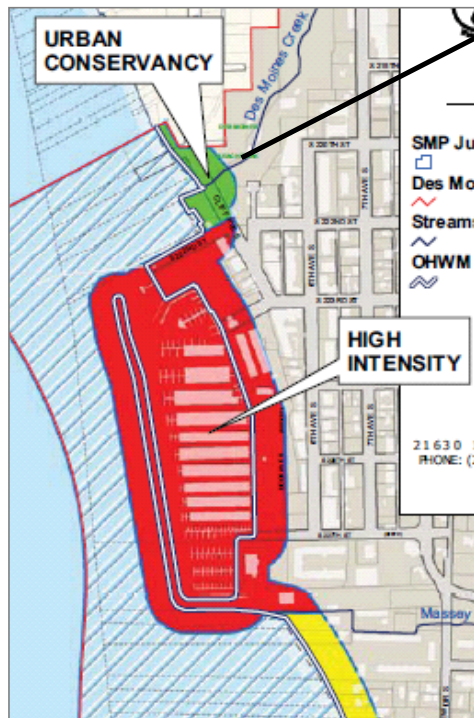
- ❑ Past Council actions have defined future use of the property through policies and development regulations:
 - Comprehensive Plan
 - Parks, Recreation & Senior Services Master Plan
 - Shoreline Master Program
 - Zoning/Development Regulations



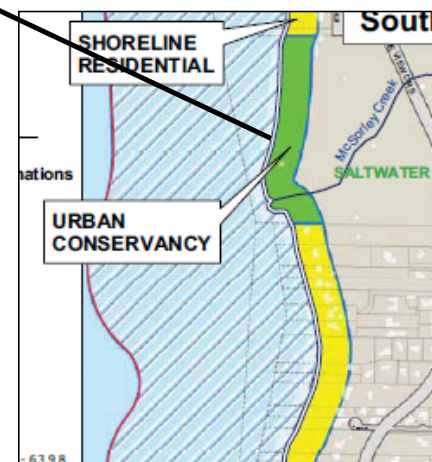
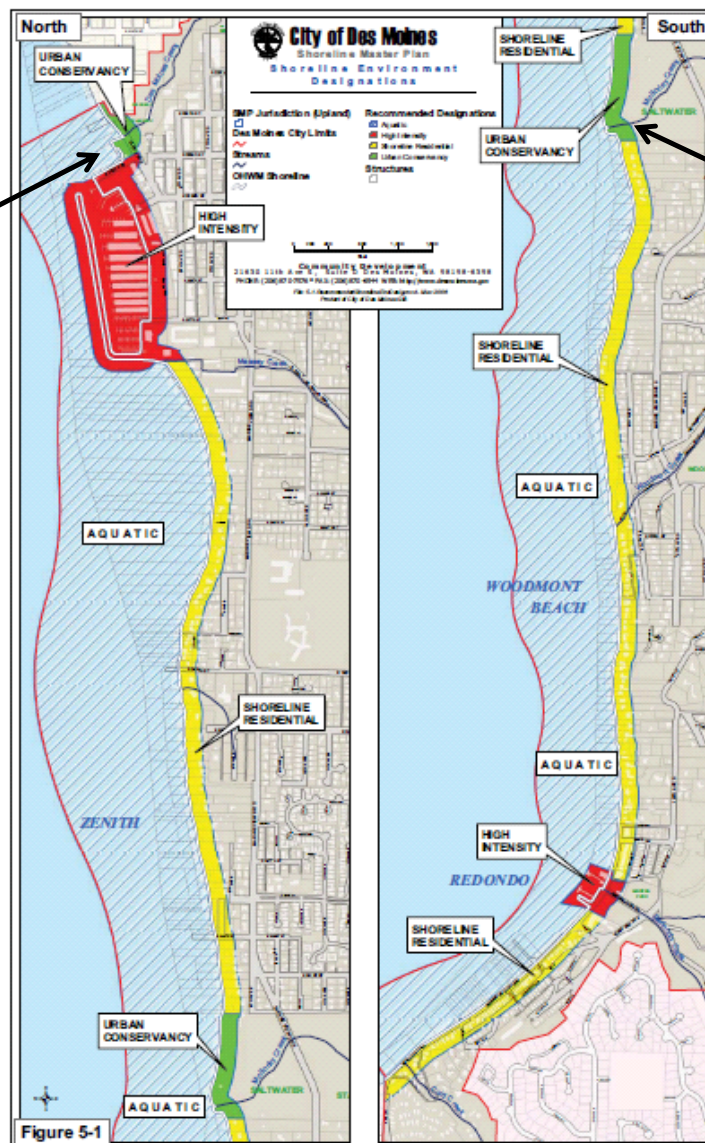
AMENDMENTS AND CHANGES?

- ❑ Preferred Land Use and Zoning
- ❑ Parks Master Plan
- ❑ Comprehensive Plan
 - ✓ All Adopted under Council Authority
 - ✓ Can be amended with Appropriate Public Comment and Process
- ❑ Shoreline Master Program – not so much
 - Must be approved by Department of Ecology

REMINDER....



SHORELINE
DESIGNATIONS



P = May be permitted
 C = May be permitted as a conditional use only
 X = Prohibited; the use is not eligible for a variance or conditional use permit

SHORELINE PERMITTED USES (CURRENT)

Commercial Uses are prohibited.

Table 6-1 Shoreline Master Program
Permitted Use Table

SHORELINE USE	High-Intensity	Urban Conservancy	Shoreline Residential	Aquatic
Agriculture	X	X	X	X
Commercial Aquaculture	X	X	X	X
Boating facilities				
Public marinas and launch ramps	P	X	X	P*
Private marinas and launch ramps	C	X	X	P*
Commercial:				
Water-dependent	P	X	X	C*
Water-related, water-enjoyment	P	X	X	X
Non-water-oriented	C	X	X	X
Parking (accessory)	P	P	P	X
Parking (primary, including paid)	X	X	X	X
Recreation:				
Water-dependent	P	P	P	P
Water-enjoyment	P	P	P	P
Non-water-oriented	C	X	P	X
Single-family residential	X	X	P	X
Multifamily residential	X	X	P	X
Outdoor Advertising and Signs	P	X	X	X
Solid Waste Disposal	X	X	X	X
Transportation	P	P	P	C
Utilities (primary)	P	P	P	C

P = May be permitted
 C = May be permitted as a conditional use only
 X = Prohibited; the use is not eligible for a variance or conditional use permit

SHORELINE PERMITTED USES (OPTIONS)

- **Limited Amendment (Motion 1A).**
 - Would most likely be “permitted with limitations”.

**Table 6-1 Shoreline Master Program
Permitted Use Table**

SHORELINE USE	High-Intensity	Urban Conservancy	Shoreline Residential	Aquatic
Agriculture	X	X	X	X
Commercial Aquaculture	X	X	X	X
Boating facilities				
Public marinas and launch ramps	P	X	X	P*
Private marinas and launch ramps	C	X	X	P*
Commercial:				
Water-dependent	P	X	X	C*
Water-related, water-enjoyment	P	X	X	X
Non-water-oriented	C	X	X	X
Parking (accessory)	P	P	P	X
Parking (primary, including paid)	X	X	X	X
Recreation:				
Water-dependent	P	P	P	P
Water-enjoyment	P	P	P	P
Non-water-oriented	C	X	P	X
Single-family residential	X	X	P	X
Multifamily residential	X	X	P	X
Outdoor Advertising and Signs	P	X	X	X
Solid Waste Disposal	X	X	X	X
Transportation	P	P	P	C
Utilities (primary)	P	P	P	C

P = May be permitted
 C = May be permitted as a conditional use only
 X = Prohibited; the use is not eligible for a variance or conditional use permit

SHORELINE PERMITTED USES (OPTIONS)

- ❑ Limited Amendment (Motion 1A).
 - Recommended.
 - Would most likely be “permitted with limitations”.

Or...

- ❑ Amendment to High Intensity (Motion 1B).
 - Not Recommended.
 - Would most likely be rejected by DOE.

**Table 6-1 Shoreline Master Program
Permitted Use Table**

SHORELINE USE	High-Intensity	Urban Conservancy	Shoreline Residential	Aquatic
Agriculture	X	X	X	X
Commercial Aquaculture	X	X	X	X
Boating facilities				
Public marinas and launch ramps	P	X	X	P*
Private marinas and launch ramps	C	X	X	P*
Commercial				
Water-dependent	P	X	X	C*
Water-related, water-enjoyment	P	X	X	X
Non-water-oriented	C	X	X	X
Parking (accessory)	P	P	P	X
Parking (primary, including paid)	X	X	X	X
Recreation:				
Water-dependent	P	P	P	P
Water-enjoyment	P	P	P	P
Non-water-oriented	C	X	P	X
Single-family residential	X	X	P	X
Multifamily residential	X	X	P	X
Outdoor Advertising and Signs	P	X	X	X
Solid Waste Disposal	X	X	X	X
Transportation	P	P	P	C
Utilities (primary)	P	P	P	C

Wasson Property & Adjacent Parkland



P = May be permitted
 C = May be permitted as a conditional use only
 X = Prohibited; the use is not eligible for a variance or conditional use permit

SHORELINE PERMITTED USES (OPTIONS)

- ❑ Limited Amendment (Motion 1A).
 - Would most likely be “permitted with limitations”.

Or...

- ❑ Amendment to High Intensity (Motion 1B).
 - Not Recommended.
 - Would most likely be rejected by DOE.

Or...

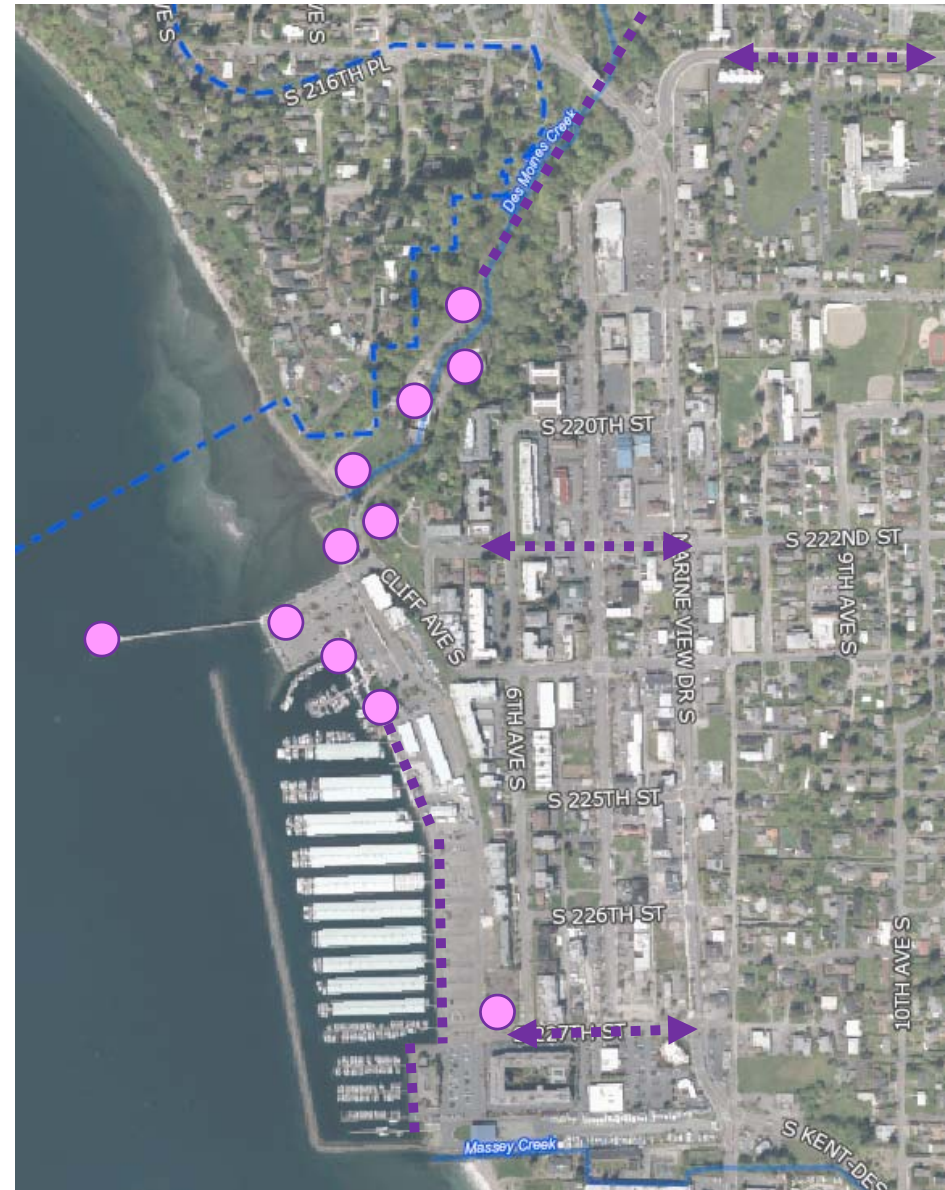
- ❑ Leave it as is.

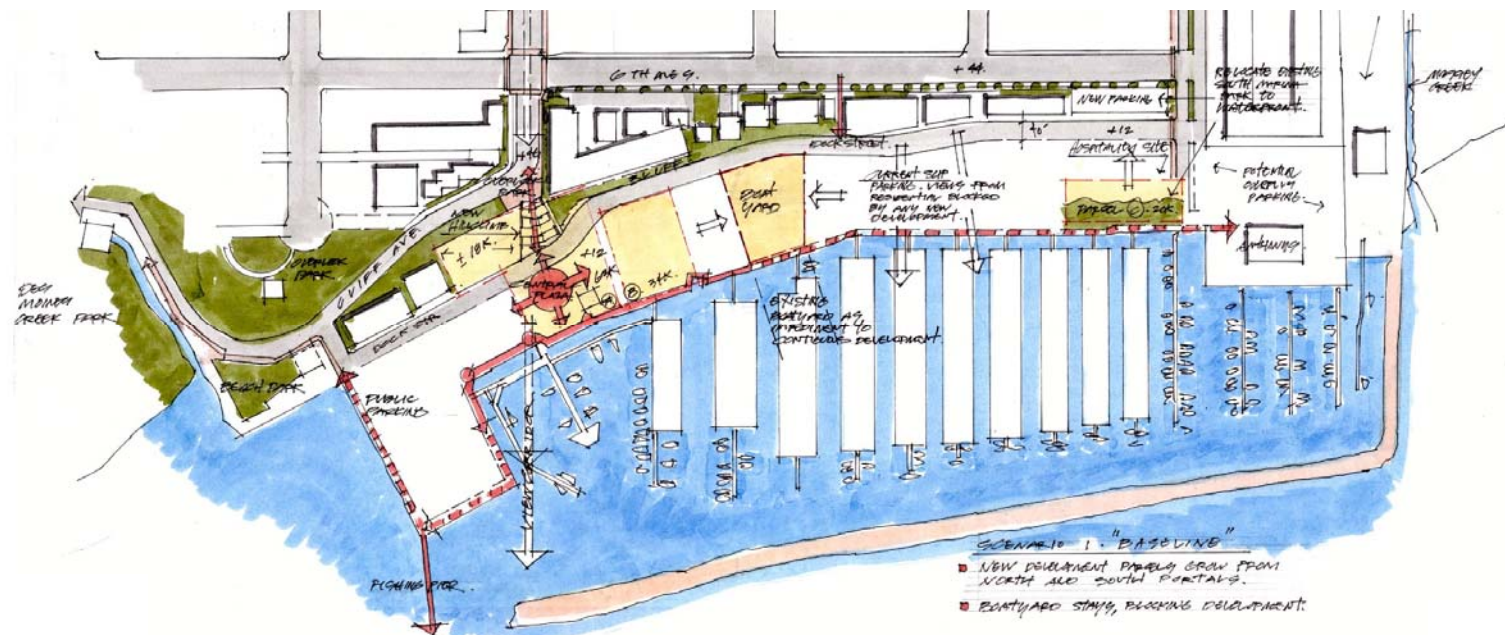
Table 6-1 Shoreline Master Program
Permitted Use Table

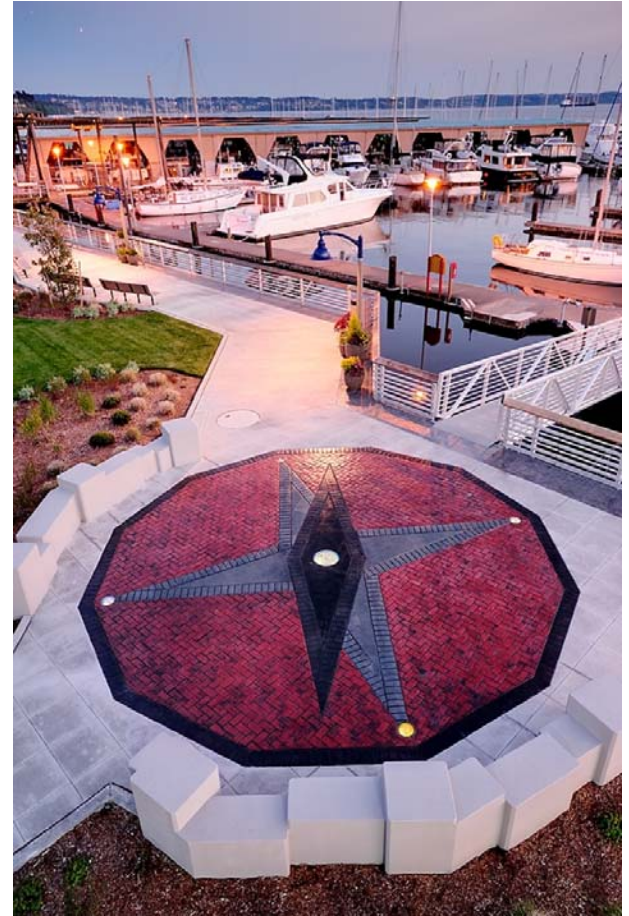
SHORELINE USE	High-Intensity	Urban Conservancy	Shoreline Residential	Aquatic
Agriculture	X	X	X	X
Commercial Aquaculture	X	X	X	X
Boating facilities				
Public marinas and launch ramps	P	X	X	P*
Private marinas and launch ramps	C	X	X	P*
Commercial:				
Water-dependent	P	X	X	C*
Water-related, water-enjoyment	P	X	X	X
Non-water-oriented	C	X	X	X
Parking (accessory)	P	P	P	X
Parking (primary, including paid)	X	X	X	X
Recreation:				
Water-dependent	P	P	P	P
Water-enjoyment	P	P	P	P
Non-water-oriented	C	X	P	X
Single-family residential	X	X	P	X
Multifamily residential	X	X	P	X
Outdoor Advertising and Signs	P	X	X	X
Solid Waste Disposal	X	X	X	X
Transportation	P	P	P	C
Utilities (primary)	P	P	P	C

THE IMPORTANCE OF PUBLIC SPACE AND AMENITIES

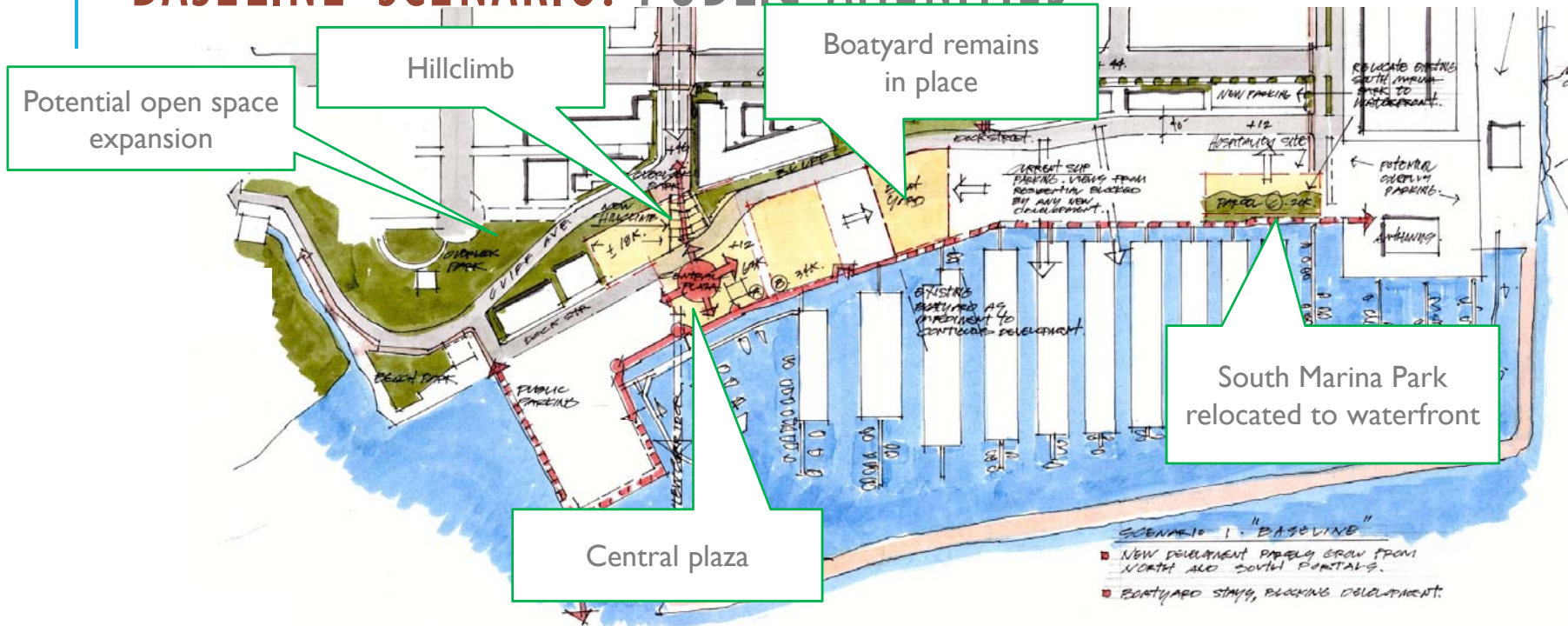
- ❑ Need for Integration
- ❑ Connecting Multiple Nodes and Functions
- ❑ Finding the Sweet Spot:
 - Cost
 - Regulatory Considerations (Land Use, Shoreline Master Program & Building)
 - Value of Public Space
(Relative to Everything:
Marina, Beach Park & Surrounds)
- ❑ Catalyst to Generate Revenue
- ❑ Provide Council an opportunity to discuss options for the disposition, potential reuse and development options for the Wasson property.







BASELINE SCENARIO: PUBLIC AMENITIES







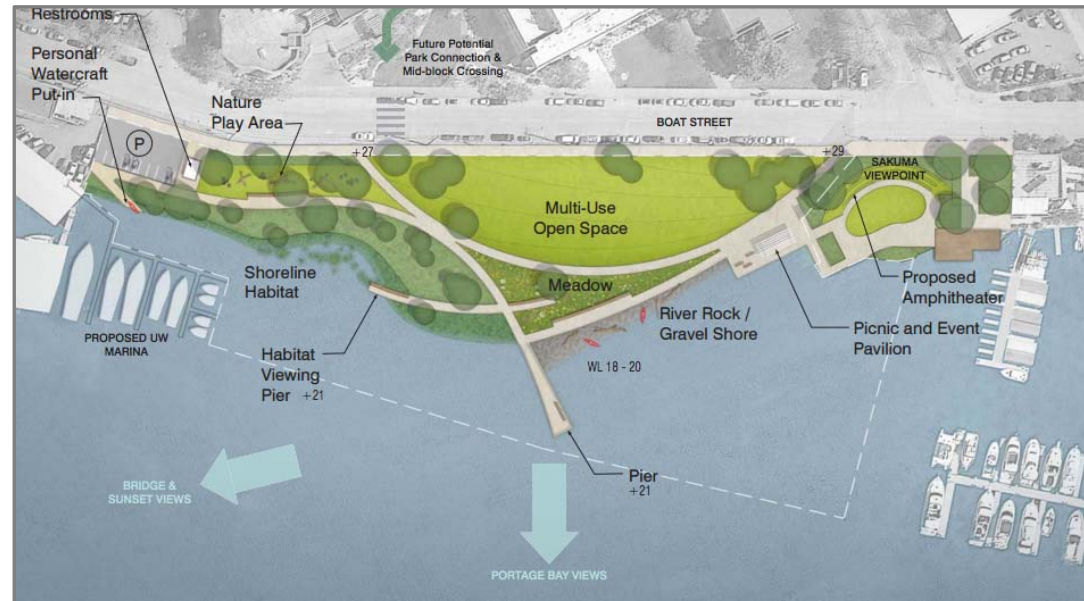




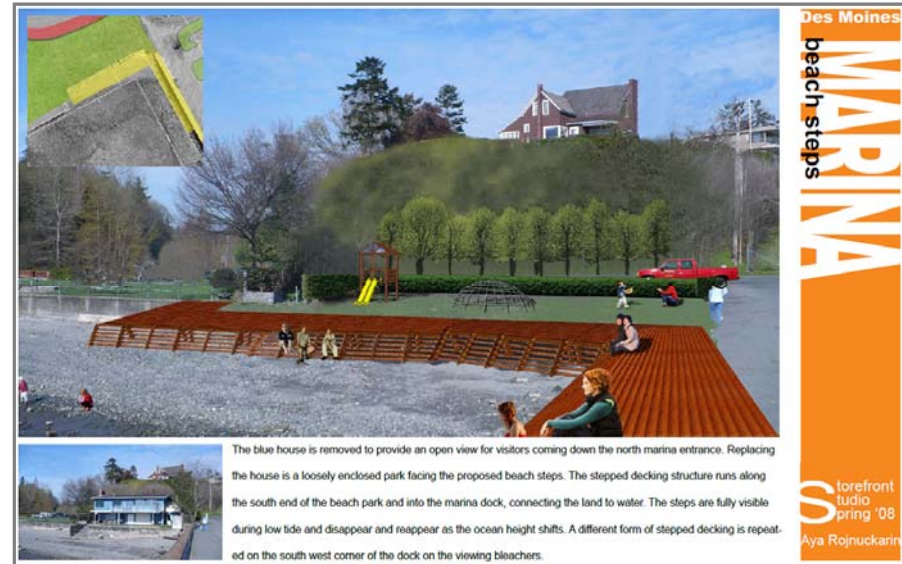




IMAGINING THE POSSIBILITIES...



STOREFRONT STUDIO PERSPECTIVES





CREATING PEOPLE PLACES AND SPACES

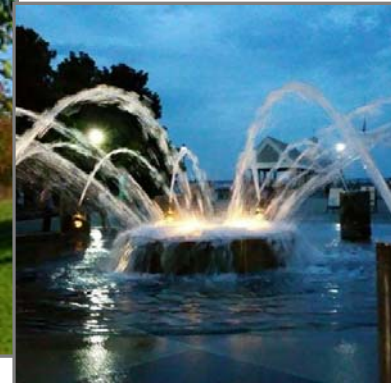


BELLINGHAM BAY

PLAN & CONCEPT BY NICK MAYER CORP.
PRESENTATION ART STUDIO



IMPROVING PUBLIC ACCESS TO THE SHORELINE



MARINA DEVELOPMENT EXAMPLES





MOTION 1 - PERMITTING



- ❑ **Motion 1a:** “I move to direct administration to pursue a limited amendment to the Shoreline Master Program to include Water Dependent and Water Enjoyment commercial use to the Shoreline Conservancy Zone, and to bring forward a budget amendment in the amount of \$20,000.00 to reflect this 2017 work program item.”

Or,

- ❑ **Motion 1b:** “I move to direct administration to pursue an amendment to the Shoreline Master Program that would change the Shoreline designation of the Wasson Property from Urban Conservancy to High Intensity, and to bring forward a budget amendment in the amount of \$50,000.00 to reflect this work program item 2017, and to include this as a budget item in the 2018 budget.”

MOTION 2 — DISPOSITION OF NON-CONFORMING STRUCTURE

- **Motion 2a:** “I move to direct administration to leave the existing house in place until a permanent use is identified and permitted for this property.”

Or,

- **Motion 2b:** “I move to direct administration to demolish the existing non-conforming structure and grade the site as necessary to facilitate interim use as a public plaza with grass, and to bring forward a 2017 budget amendment in the amount of \$50,000.00 to cover the associated costs.”

MOTION 3 — INTERIM USE

- **Motion 3a:** “I move to direct administration to consider repurposing portions of the existing house for temporary use as recreational support uses (water-dependent recreation or water-enjoyment recreation), and to bring back proposals and cost estimates at an upcoming council meeting for the Council’s consideration.”

Or,

- ~~□ **Motion 3b:** “I move to direct administration to pursue temporary use of the existing nonconforming structure as a residence in 2017 and to bring forward a budget amendment in the amount of \$50,000.00 to cover necessary safety and building upgrades.”~~