

**AMENDED AGENDA**

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

**May 28, 2020 – 5:00 p.m.**

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

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

- (1) In writing, either by email to the City Clerk at [bwilkins@desmoineswa.gov](mailto:bwilkins@desmoineswa.gov) or by mail; Attn: City Clerk, 21630 11<sup>th</sup> Avenue S., Des Moines WA 98198 no later than 4:00 on Thursday, May 28, 2020. Only your name and the subject of your public comment will be read into the record at the Council meeting. The full written correspondence will be scanned and attached to the Council packet and uploaded to the website as part of the permanent record.**
- (2) By participation via Zoom. If you wish to provide oral public comment please email the City Clerk no later than 4:00 p.m. on Thursday, May 28, 2020 to receive your Zoom log-in and personal identification number. Please note that Zoom attendees do not interact with one another; they join in listen-only mode until it is their turn to address the Council.**
  - Email Address: [bwilkins@desmoineswa.gov](mailto:bwilkins@desmoineswa.gov)**
  - Please Put in Subject Line: Public Comment for May 28, 2020 City Council Meeting**

**City Council meetings can also be viewed live on Comcast Channel 21 or live streamed on the City's website at [www.desmoineswa.gov](http://www.desmoineswa.gov).**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**CORRESPONDENCE**

**COMMENTS FROM THE PUBLIC VIA ZOOM/WRITTEN PUBLIC COMMENT**

**ADMINISTRATION REPORT**

Item 1: COVID-19 Update

**BOARD & COMMITTEE REPORTS/COUNCILMEMBER COMMENTS – (4 minutes per Councilmember) - 30 minutes**

**PRESIDING OFFICER'S REPORT**

**CONSENT CALENDAR**

Page 3      Item 1:

**APPROVAL OF VOUCHERS**

**Motion** is to approve for payment vouchers and payroll transfers through May 21, 2020 in the attached list and further described as follows:

|                           |                |                |
|---------------------------|----------------|----------------|
| Total A/P Checks/Vouchers | #160686-160797 | \$1,480,660.08 |
| Electronic Wire Transfers | # 1446-1460    | \$ 824,146.28  |
| Payroll Checks            | # 19380-19381  | \$ 1,705.09    |
| Payroll Direct Deposit    | #190001-190151 | \$ 352,599.54  |
| Payroll Checks            | #190072-190072 | \$ (659.91)    |
| Payroll Direct Deposit    | #210001-210145 | \$ 355,357.84  |

Total Checks and Wires for A/P and Payroll:      \$3,013,808.92

Page 5      Item 2:

**PUGET SOUND GATEWAY PROJECT SR 167 AND SR 509 COMPLETION PROJECTS - LOCAL FUNDING AND PHASING INTERLOCAL AGREEMENT**

**Motion** is to approve the Puget Sound Gateway Program Interlocal Agreement between the Washington State Department of Transportation and the City of Des Moines, and authorize the City Manager to sign substantially in the form as submitted.

**NEW BUSINESS**

Page 37      Item 1:

DRAFT **RESOLUTION ORDINANCE** NO. 20-031 –  
WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX  
PORTAL AGENCY INTERLOCAL AGREEMENT (FILE LOCAL)  
Staff Presentation:      Finance Director Beth Anne Wroe

**EXECUTIVE SESSION**

**NEXT MEETING DATE**

June **11**, 2020 City Council Regular Meeting

**ADJOURNMENT**

**CITY OF DES MOINES**  
**Voucher Certification Approval**

**May 28, 2020**

**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 28, 2020** the Des Moines City Council, by unanimous vote, does approve for payment those vouchers through May 21, 2020 and payroll transfers through May 20, 2020 included in the attached list and further described as follows:

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



Beth Anne Wroe, Finance Director

|                                                     | # From |   | # To   | Amounts             |
|-----------------------------------------------------|--------|---|--------|---------------------|
| <b>Claims Vouchers:</b>                             |        |   |        |                     |
| Total A/P Checks/Vouchers                           | 160686 | - | 160797 | 1,480,660.08        |
| Voided Checks                                       |        | - |        | 0.00                |
| Electronic Wire Transfers                           | 1446   | - | 1460   | 824,146.28          |
| <b>Total claims paid</b>                            |        |   |        | <b>2,304,806.36</b> |
| <b>Payroll Vouchers</b>                             |        |   |        |                     |
| Payroll Checks                                      | 19380  | - | 19381  | 1,705.09            |
| Direct Deposit                                      | 190001 | - | 190151 | 352,599.54          |
| Payroll Checks                                      | 190072 | - | 190072 | (659.91)            |
| Direct Deposit                                      | 210001 | - | 210145 | 355,357.84          |
| <b>Total Paychecks/Direct Deposits paid</b>         |        |   |        | <b>709,002.56</b>   |
| <b>Total checks and wires for A/P &amp; Payroll</b> |        |   |        | <b>3,013,808.92</b> |

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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: Puget Sound Gateway Project  
SR 167 and SR 509 Completion Projects – Local  
Funding and Phasing Interlocal Agreement

**ATTACHMENTS:**

1. Interlocal Agreement GCB 3046 between  
WSDOT and City of Des Moines.
2. 2020-2025 Capital Improvement  
Worksheet – Puget Sound Gateway –  
SR509 Extension

FOR AGENDA OF: May 28, 2020

DEPT. OF ORIGIN: Public Works

DATE SUBMITTED: March 3, 2020

**CLEARANCES:**

- [ ] Community Development N/A  
 [ ] Marina N/A  
 [ ] Parks, Recreation & Senior Services N/A  
 [X] Public Works PBC

CHIEF OPERATIONS OFFICER: PSB

- [X] Legal VB  
 [X] Finance SW  
 [ ] Courts N/A  
 [ ] Police N/A

APPROVED BY CITY MANAGER  
FOR SUBMITTAL: [Signature]

**Purpose and Recommendation**

The purpose of this agenda item is for the City Council to approve the Puget Sound Gateway Program SR 167 and SR 509 Completion Projects Interlocal Agreement (Attachment 1). The following motion will appear on the consent calendar:

**Suggested Motion**

**Motion:** “I move to approve the Puget Sound Gateway Program Interlocal Agreement between the Washington State Department of Transportation and the City of Des Moines, and authorize the City Manager to sign substantially in the form as submitted.”

## **Background**

The Washington State Legislature passed a transportation package in 2015 which included the Puget Sound Gateway Project. The Puget Sound Gateway Project extends SR 167 in Pierce County and SR 509 in King County. When the legislature passed this package, local contributors were required to help fund the construction of these projects. The agencies required to participate in making local contributions were not specifically identified.

A total of \$130 million in local contributions is required for the Puget Sound Gateway Project. This has been broken down further by \$60 million for the SR 509 Project and \$70 million for the SR 167 Project. The Port of Tacoma and the Port of Seattle have committed \$60 million, \$30 million to each project. The remaining \$70 million will come from other local agencies and a variety of other funding sources like state and federal grant programs. If the remaining local contributions are not identified, some elements of the Puget Sound Gateway Project would likely be eliminated. Two such project elements that would impact the City of Des Moines are the Veterans Drive Extension and the SeaTac Access.

A process involving approximately 20 different agencies has been consistently meeting with WSDOT to discuss how to address the local funding issue. This process included regular meetings with the executive committee members from both the SR 167 and SR 509 projects, and meetings of the local funding sub-committee members.

In order to reduce the burden of funding contributions on the local jurisdictions, the local funding sub-committee members worked together with WSDOT and the funding and phasing subcommittee's independent analysis team of Steve Gorcester (an independent grant strategist), Rita Brogan (an independent facilitator), and Andrew Bjorn (an economic consultant from BERK) to develop a grant funding strategy concept that will: 1) develop a funding partnership, 2) leverage partner match with grants, 3) provide benefit assessments to partners, 4) scale match contributions with relative net benefits, and 5) pursue grants and apply grants towards the local share required by the Legislature.

## **Local Benefit Assessments**

The overarching consensus is that partner agencies that benefit most from the Puget Sound Gateway Project should contribute more than agencies that have little to no benefit. WSDOT initiated a local benefit assessment process using a team of consultants, which looked at an assessment of local net benefits for all local agencies in the study area. The assessment used nine categories to measure net benefits. Each category was weighted on a scale of one to four, with four being the highest net benefit in that category.

Each City was then placed in a proposed participation level categorized into one of three tiers, based on the relative benefit. Those tiers include:

- Tier 1 receiving significant direct benefits,
- Tier 2 receiving moderate benefits due to improved accessibility, and
- Tier 3 receiving a nominal level of benefits.

Tier 1 cities are expected to contribute \$2 million and Tier 2 cities are expected to contribute \$1 million. While Tier 3 cities are not expected to provide substantial financial contributions, they are expected to provide project support in several other ways, such as co-sponsoring and supporting grant applications. The City of Des Moines was identified as a Tier 2 City.

### **Grant Funding Partnerships and Phasing**

The Puget Sound Gateway Project continues to be a benefit to all partners. The grant-focused strategy will leverage local match funds with grants to provide the necessary funding.

Grants applications will occur over the life of the project (expected to be more than 10 years). Grant applications for the initial stage of the project are currently underway.

### **Discussion**

While Tier 2 cities, like the City of Des Moines, are expected to contribute \$1 million to the project, the number was negotiable based on relative benefits. On March 22, 2018 the City Council approved a Funding commitment letter which provided a commitment of \$500,000 to the Puget Sound Gateway Project. On June 14, 2018 the City Council approved a Local Funding and Phasing Memorandum of Understanding MOU (included with Attachment 1). This MOU, committed the City to a financial payment sometime in the 2022-2025 timeframe and would be invoiced as a single payment following the SR 509 Stage 2 Construction Contract receives Notice to Proceed.

### **Financial Impact**

A number of potential offsetting revenue sources have been identified that would cover most if not all of the \$500,000 project contribution. Construction of the SR 509 project would generate approximately \$270,000 in sales tax revenue for the City of Des Moines. WSDOT will also be surplussing a large amount of Historic SR 509 right-of-way that runs through the middle of Des Moines. This property has been sitting dormant and unused for decades. While a lot of the property is wetlands, buffer, and critical area, some of this property is available for development. The Port of Seattle and WSDOT are currently in negotiations on some of this property (north of South 216<sup>th</sup> Street), which is currently zoned Business Park. When developed, the City would see various revenues including leasehold excise taxes, utility taxes, construction sales taxes, REET, and other permit fees. Other surplussed property could be developed residential, providing new on-going property tax revenue. The identified revenue source of use of One-Time Sales tax is shown in the City's project Capital Improvement Plan worksheet (Attachment 2).

### **Alternatives**

The City Council may propose to make modifications to the Interlocal Agreement.

### **Recommendation**

Staff recommends Council pass the suggested motion.

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**GCB 3046  
INTERLOCAL AGREEMENT BETWEEN  
WSDOT / City of Des Moines**

This INTERLOCAL AGREEMENT (Agreement) is entered into between the Washington State Department of Transportation (WSDOT) and the City of Des Moines (City), individually referred to as the "Party" and collectively referred to as the "Parties."

**RECITALS**

- A.** The Parties desire to enter into an agreement with one another in order to jointly establish a mutual and cooperative system to carry out their respective obligations of this Agreement for the construction of the Puget Sound Gateway Program (PROGRAM).
- B.** In 2015 the Washington State Legislature funded the construction of the PROGRAM through the Connecting Washington revenue package.
- C.** The Legislature directed that \$130 million of the \$1.875 billion PROGRAM funding is to come through local funding sources.
- D.** The City has entered into a Local Funding and Phasing Memorandum of Understanding (MOU) with WSDOT (Attachment A), commencing on July 1, 2018, acknowledging that the City is one of eighteen (18) Local Agency Partners committed to provide matching funds/contributions commensurate with the local benefits from the State Route (SR) 509 Completion Project (PROJECT) portion of the PROGRAM.

**NOW THEREFORE**, pursuant to Chapter 39.34 RCW, and in consideration of the terms, conditions, covenants, and performances contained herein, and the attached Attachments A, B, C, and D are incorporated and made a part hereof, the Parties agree as follows:

IT IS MUTUALLY AGREED AS FOLLOWS:

**1. General**

- 1.1 This Agreement quantifies the City's local contribution commitment to be applied towards the SR 509 portion of the PROGRAM and defines the roles and responsibilities between the Parties for delivery of the PROJECT.
- 1.2 Stage 1 of the PROJECT is divided into Stage 1a and Stage 1b. Stage 1a consists of the SR 99/SR 509 bridge and other work (Attachment C) now under construction in partnership with Sound Transit. Stage 1b consists of reconstructing the SR 516 interchange, constructing a northbound auxiliary lane, constructing a southbound auxiliary lane from the S. 200th Street Interchange ramp to a new southbound Collector Distributor (CD) road along Interstate (I)-5, and constructing the southbound braided ramps. The PROJECT will also construct the SR 509 mainline from I-5 to the 28th/24th Avenue S. interchange, including the ramps to 28th/24th Avenue S. Stage 1b as well as the reconstruction of the 216th Street bridge, construction of one (1) toll point, and the restoration of the connection of S. 208th Street to SR 99.

Stage 2 of the PROJECT completes the SR 509 mainline from 28<sup>th</sup>/24<sup>th</sup> Avenue S. to S. 188<sup>th</sup> Street with the addition of south ramps at the S. 188<sup>th</sup> Street Interchange.

- 1.3 The City, in support of the Puget Sound Gateway Program, including the PROJECT in King County, is willing to contribute matching funds towards the required local contribution for the PROGRAM.
- 1.4 WSDOT and the City agreed on Terms of Understanding set forth in Attachment C, attached. The Terms of Understanding, and WSDOT's responses, address questions posed about the PROGRAM by the Des Moines City Council Transportation Committee as communicated to WSDOT on July 18, 2019 via email.
- 1.5 WSDOT and the City agreed on the terms set for in Attachment D, attached. This attachment is the Design and Construction of the SR 509 Completion Project: SR 516 Interchange Reconstruction Memorandum of Understanding between the cities of Des Moines, SeaTac, Kent, and King County Metro (the LOCAL AGENCIES), and the Washington State Department of Transportation (WSDOT/STATE)
- 1.6 The funding provided by the City of Des Moines will be used to support the SR 509 portion of the PROGRAM, including potentially being used as match to future grant applications.
- 1.7 This Agreement is effective upon the last date of execution of both Parties and will terminate when Stage 1b is constructed and is completed, unless mutually extended by the Parties.
- 1.8 WSDOT shall provide the City with a written notice of commencement of the PROJECT'S construction at least thirty (30) days prior to the commencement date.

## **2. WSDOT Responsibilities**

- 2.1. WSDOT shall design and construct the PROJECT to be consistent with the Proposed Design Alternative for Stage 1b, subject to any deviations made in accordance with Section 2.2 below.
- 2.2. WSDOT shall coordinate and seek concurrence from Local Agency Partners, including the City, on any significant deviations from the Proposed Design Alternative contemplated during implementation of the PROJECT.

## **3. Payment**

- 3.1 The City agrees to contribute local agency matching funds to the PROJECT component of the PROGRAM in the amount of Five Hundred Thousand Dollars (\$500,000) to WSDOT for the construction costs associated with the PROJECT.
- 3.2 WSDOT will invoice the City for a single payment of Five Hundred Thousand Dollars (\$500,000) after the SR 509 Stage 2 Construction Contract receives Notice to Proceed.

The City will pay WSDOT within thirty (30) days of receipt of the invoice from WSDOT.

- 3.3 The City shall not be obligated to contribute local agency matching funds in excess of Five Hundred Thousand Dollars (\$500,000) for the PROJECT. If WSDOT requests additional funds from the City in the future, a written amendment to this Agreement authorizing a contribution increase must be mutually agreed upon.

#### **4. Contract Administration**

- 4.1 The Parties do not by this Agreement create any separate legal or administrative entity. The Secretary of Transportation or his designee and the City of Des Moines designee as noted in Section 8 of this Agreement shall be responsible for working with each other to administer the terms of this Agreement. The Parties do not intend to jointly own any real or personal property as part of this undertaking. The Parties will cooperatively work together to further the intent and purpose of this Agreement.

#### **5. Dispute Resolution**

- 5.1 In the event that a dispute arises under this Agreement, it shall be resolved as follows: The Parties shall each appoint a member to a disputes board; these two members shall select a third board member not affiliated with either Party. The three-member board shall conduct a dispute resolution hearing that shall be informal and unrecorded. An attempt at such dispute resolution in compliance with the aforesaid process shall be a prerequisite to elevating this dispute to the Gateway Executive Committee and Secretary of Transportation as described in Attachment A, Section 7.2. The Parties shall equally share in the cost of the third disputes board member; however, each Party shall be responsible for their own costs and fees.

#### **6. Indemnification**

- 6.1 To the extent permitted by law, WSDOT and the City shall protect, defend, indemnify, and save harmless each other, their respective officers, officials, employees, and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgment, and/or awards of damages, arising out of, or in any way resulting from, Indemnifying Party's negligent acts or omissions. Neither WSDOT nor the City will be required to indemnify, defend, or save harmless each other if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of the other party. Where such claims, suits, or actions result from concurrent negligence of WSDOT and the City, the indemnity provisions provided herein shall be valid and enforceable only to the extent of WSDOT's or the City's own negligence. WSDOT and the City agree that their respective obligations under this subsection extend to any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, WSDOT and the City, by mutual negotiation, hereby waive, with respect to the other party only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that WSDOT or the City incurs any judgment, award, and/or cost arising therefrom, including attorneys' fees, to enforce the provisions of this section, all such fees, expenses, and costs shall be recoverable by the prevailing party. This indemnification shall survive the termination of this Agreement.

## 7. Venue

- 7.1 In the event that either Party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, the Parties hereto agree that any such action or proceedings shall be brought in King County Superior Court. Further, the Parties agree that each will be solely responsible for payment of their own attorneys' fees, witness fees, and costs.

## 8. Contacts and Notices

- 8.1 Contact between the Parties, including but not limited to invoicing, agreement administration, and notices will be directed to the below identified contacts as follows or his/her designee or such other addresses as either Party may, from time to time, designate in writing:

**City Project Manager shall be:**

Dan Brewer  
21630 11<sup>th</sup> Avenue South, St. D  
Des Moines, WA 98109  
(206) 870-6581  
Email:  
[dbrewer@desmoineswa.gov](mailto:dbrewer@desmoineswa.gov)

**WSDOT Project Manager shall be:**

Susan Everett, PE  
999 3<sup>RD</sup> Ave Ste 2200  
Seattle, WA 98104  
(360) 805-2978  
Email: [EverettS@wsdot.wa.gov](mailto:EverettS@wsdot.wa.gov)

## 9. Amendment

- 9.1 This Agreement may be amended or modified only by the mutual agreement of the Parties. Such amendments or modifications shall not be binding unless they are in writing and signed by persons authorized to bind each of the Parties.

## 10. Severability

- 10.1 Should any clause, phrase, sentence or paragraph of this Agreement or its application be declared invalid or void by a court of competent jurisdiction, the remaining provisions of this Agreement or its applications of those provisions not so declared shall remain in full force and effect.

## 11. No Third-Party Beneficiaries

- 11.1 This Agreement is executed for the sole and exclusive benefit of the signatory Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any right, remedy or other entitlement upon any person other than the Parties hereto, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third-party, nor shall any provision herein give any third-party any right of action against any party hereto.

## 12. Audits/Records:

- 12.1 All records for the PROJECT in support of all costs incurred shall be maintained by WSDOT for a period of six (6) years after acceptance as defined in WSDOT's Construction Manual M 41-01.32, Chapter 10. The City shall have full access to and right to examine said records, during normal business hours and as often as it deems

necessary. Should the City require copies of any records, it agrees to pay the costs thereof. The Parties agree that the work performed herein is subject to audit by either or both Parties and/or their designated representatives, and/or the federal/state government.

### **13. City of Des Moines Signature Authority**

13.1 The City Manager is authorized to execute this agreement.

### **14. Recording**

14.1 The City will maintain a copy of this Agreement.

### **15. Working Days**

15.1 Working days for this Agreement are defined as Monday through Friday, excluding Washington State furlough days or state holidays pursuant to RCW 1.16.050.

In Witness Whereof, the Parties hereto have executed this Agreement as of the date last written below.

City of Des Moines

Washington State  
Department of Transportation

By \_\_\_\_\_

By \_\_\_\_\_

Printed \_\_\_\_\_

Printed \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

#### **Attachments:**

Attachment A: Final Gateway MOU

Attachment B: City of Des Moines Commitment Letter

Attachment C: Terms of Understanding Letter

Attachment D: SR 516 Interchange Reconstruction MOU



**Washington State  
Department of Transportation**

Transportation Building  
310 Maple Park Avenue S.E.  
P.O. Box 47300  
Olympia, WA 98504-7300  
360-705-7000  
TTY: 1-800-833-6388  
www.wsdot.wa.gov

June 28, 2018

The Honorable Steve Hobbs  
Chair  
Senate Transportation Committee  
P.O. Box 40444  
Olympia, WA 98504-0444

The Honorable Judy Clibborn  
Chair  
House Transportation Committee  
P.O. Box 40600  
Olympia, WA 98504-0600

The Honorable Curtis King  
Ranking Member  
Senate Transportation Committee  
P.O. Box 40414  
Olympia, WA 98504-0414

The Honorable Mark Harmsworth  
Ranking Member  
House Transportation Committee  
P.O. Box 40600  
Olympia, WA 98504-0600

In the 2017 Legislative session, Engrossed Senate Bill 5096 Section 306(20)(b) directed WSDOT to develop a Memorandum of Understanding (MOU) to fund the \$130 million from local agency partners for the Puget Sound Gateway Program included in the 2015 Connecting Washington transportation revenue package. Engrossed Senate Bill 5096 stated that:

*The secretary of transportation must develop a memorandum of understanding with local project stakeholders that identifies a schedule for stakeholders to provide local matching funds for the Puget Sound Gateway project. Criteria for eligibility of local match includes matching funds and equivalent in-kind contributions including, but not limited to, land donations. The memorandum of understanding must be finalized by July 1, 2018. The department must submit a copy of the memorandum of understanding to the transportation committees of the legislature and report regularly on the status.*

In October 2017, WSDOT began a stakeholder process to help establish the local contributions necessary to achieve the \$130 million in local funding. The resulting Funding and Phasing Subcommittee, made up of 18 affected jurisdictions, has met five times. From this group, a grant-focused strategy emerged as the most feasible way to fund the \$130 million. A key element of the grant-focused strategy was to identify smaller project elements within the Gateway Program that provide clear and measurable benefits to local jurisdictions, called "Local Nexus Projects." The Funding and Phasing Subcommittee met regularly to establish a process for determining benefits derived from the Local Nexus Projects, align on contributions, and develop the MOU.

GCB 3046  
Attachment A - Final Gateway  
MOU

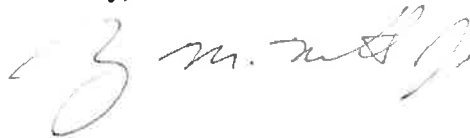
Puget Sound Gateway Program Memorandum of Understanding  
June 28, 2018  
Page 2

All 18 jurisdictions have endorsed and signed the attached Local Funding MOU.

Additionally, WSDOT and our local agency partners have already submitted four grant applications this spring for the Local Nexus Projects. We submitted three applications with the Puget Sound Regional Council (PSRC) and one with the Freight Mobility Strategic Investment Board (FMSIB). We received the FMSIB grant and two PSRC grants, totaling \$13 million, which combined with local match funding, brings the local contribution amount to over \$26 million for this initial grant cycle.

If you have any questions or would like to meet for an update on the Puget Sound Gateway Program, please feel free to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. Millar", is written over a light blue horizontal line.

Roger Millar, PE, FASCE, FAICP  
Secretary of Transportation

## Puget Sound Gateway Program SR 167 and SR 509 Completion Projects

### Local Funding and Phasing Memorandum of Understanding

#### 1. Participating Parties

In addition to the Washington State Department of Transportation (WSDOT), the following Local Agency Partners constitute those parties currently participating in this Memorandum of Understanding pertaining to the local contribution requirement for the Puget Sound Gateway Program (Gateway Program):

- |                   |                       |                    |
|-------------------|-----------------------|--------------------|
| • Port of Seattle | • City of Burien      | • City of Milton   |
| • Port of Tacoma  | • City of Des Moines  | • City of Pacific  |
| • King County     | • City of Edgewood    | • City of Puyallup |
| • Pierce County   | • City of Federal Way | • City of SeaTac   |
| • City of Algona  | • City of Fife        | • City of Sumner   |
| • City of Auburn  | • City of Kent        | • City of Tacoma   |

#### 2. Background and Purpose of MOU

In July 2015, the Washington State Legislature and Governor Inslee acted to fund the Gateway Program through the Connecting Washington revenue package. The Gateway Program is comprised of two projects: the State Route 167 Completion Project and the State Route 509 Completion Project. These projects provide essential connections to the ports of Tacoma and Seattle and will help ensure that people and goods move more reliably through the Puget Sound region.

WSDOT is the lead project sponsor and is responsible for the planning, design and construction of the Gateway Program, as well as for its overall financial management. The program has been guided from its beginning by a Joint SR 167/SR 509 Executive Committee (Executive Committee), comprised of elected and appointed representatives of local jurisdictions served by the Gateway Program (Algona, Auburn, Burien, Des Moines, Edgewood, Federal Way, Fife, Kent, Milton, Pacific, Puyallup, SeaTac, Sumner, Tacoma, King County, Pierce County, Port of Seattle, and Port of Tacoma) as well as Federal Highway Administration, Washington State Transportation Commission, Washington State Department of Transportation, Puget Sound Regional Council, Sound Transit, Pierce Transit, and the Freight Mobility Strategic Investment Board.

Funding for the Gateway Program has been approved to come from the state gas tax, tolls, local contributions, and potential federal and state grants. Total funding for the Gateway Program, from the 2015 Connecting Washington transportation funding package, is \$1.875 billion, which includes local contributions of \$130 million. The program has been funded over a 16-year

timeline. Based on the legislative funding plan, major construction for a first stage would occur from 2019 through 2025, and a second stage from 2026 through 2030. Local contributions will be needed to construct both stage one and stage two projects.

In the 2017 Legislative session new language was enacted (Engrossed Senate Bill 5096 § 306(20)(b)) requiring development of a Memorandum of Understanding (MOU) between the Local Agency Partners and WSDOT. The legislature directed that:

*The secretary of transportation must develop a memorandum of understanding with local project stakeholders that identifies a schedule for stakeholders to provide local matching funds for the Puget Sound Gateway project. Criteria for eligibility of local match includes matching funds and equivalent in-kind contributions including, but not limited to, land donations. The memorandum of understanding must be finalized by July 1, 2018. The department must submit a copy of the memorandum of understanding to the transportation committees of the legislature and report regularly on the status.*

To this end, the Executive Committee of the Gateway Program convened a Funding and Phasing Subcommittee (Subcommittee) to develop a MOU that summarizes their planned future commitments and planned timing of those commitments to contribute to the SR 167 and SR 509 projects.

The Subcommittee goals include:

- Support efforts to build the Gateway projects on or ahead of schedule
- Create successful local partnerships
- Obtain sufficient local funding to build the Puget Sound Gateway projects
- Time grant-funding projects to support the project delivery schedule

The construct of local funding participation, when authorized by the legislative bodies of the relevant agencies through a series of forthcoming interlocal agreements, is based on the following projections:

|                                        | <b>SR 167</b>       | <b>SR 509</b>       | <b>TOTAL</b>         |
|----------------------------------------|---------------------|---------------------|----------------------|
| <b>Port contributions</b>              | \$30 million        | \$30 million        | <b>\$60 million</b>  |
| <b>Federal INFRA grant</b>             | \$10 million        | \$10 million        | <b>\$20 million</b>  |
| <b>Local agency partner match</b>      | \$10 million        | \$10 million        | <b>\$20 million</b>  |
| <b>Other Grants (PSRC, FMSIB, TIB)</b> | \$20 million        | \$10 million        | <b>\$30 million</b>  |
| <b>Total</b>                           | <b>\$70 million</b> | <b>\$60 million</b> | <b>\$130 million</b> |

### 3. Local Funding Strategy

A key element of the local funding strategy is to identify projects within the Gateway Program that provide clear and measurable benefits to local jurisdictions. In the Gateway Program, these are called "Local Nexus Projects," are designed to:

- Create a positive business case for Local Agency Partners by focusing on the parts of the program that are most relevant and important to local jurisdictions
- Leverage the potential to access significant grant funding to support local funding assumptions

In support of the local funding strategy, Local Agency Partners shall:

- Participate, co-fund match, and submit grant applications with support from Subcommittee staff, as identified in Section 6 of this MOU
- Combine local monetary and in-kind contributions and project funds to ensure fully-funded applications, as identified in Section 6 of this MOU
- Support the grant effort and avoid competition with the local projects in the year of application

The following Local Nexus Projects have been identified within the north (SR 509) and south (SR 167) segments of the Gateway Program:

| <b>Gateway North (SR 509)</b>                                                | <b>Gateway South (SR 167)</b>               |
|------------------------------------------------------------------------------|---------------------------------------------|
| 188 <sup>th</sup> South Ramps                                                | Meridian West Ramps                         |
| SeaTac Access, with Ramps to 28 <sup>th</sup> /24 <sup>th</sup> Avenue South | 54 <sup>th</sup> Avenue East Ramps          |
| Veterans Drive Extension                                                     | Interurban Trail                            |
| Lake to Sound Trail                                                          | Valley Avenue West Ramps                    |
|                                                                              | Port of Tacoma Access/SR 509 Spur           |
|                                                                              | 70 <sup>th</sup> Avenue E Bridge Relocation |

If Local Nexus, INFRA, and any other pending grant projects become fully funded, these projects will contribute substantially toward the Legislative requirement for local match. Funding commitments will be achieved via an interlocal agreement from each signing party up to the amounts presented in this MOU. Local Agency Partner signatories to this MOU understand that once the local contribution requirements set forth in ESB 5096 (\$130 million) is achieved, that Local Agency Partners will not be required to commit to additional funds beyond what is outlined in this MOU. If additional grant funding or additional funds from other sources are obtained that fulfill the \$130 million local contribution requirement, the Secretary of Transportation and the Executive Committee will review and determine to either reduce local agency partner match payments, or recommend expanding scope of the Gateway Program, and amend each signing party's interlocal agreement accordingly.

#### **4. Local Participation Policy**

The Joint Executive Committee has agreed to a funding and phasing policy that structures local agency partner match requirements to be commensurate with the benefits accrued from the project at a local level. This policy states that:

*All local agency partners accrue some benefit from the Puget Sound Gateway Program. Partners receiving fewer benefits, however, are not expected to contribute as much as partners who receive more benefits. Direct benefits are those that are most quantifiable, but there are other components of value that include indirect, strategic and policy/social benefits. Both direct and indirect benefits will be assessed as part of the consideration of local contributions, because they are more easily quantifiable than strategic and policy/social benefits.*

All Local Agency Partner signatories of this MOU expect to seek approval of interlocal agreements to contribute a match to be applied to Local Nexus Projects at a level that reflects their respective anticipated level of benefit, as identified in Section 6 of this MOU.

## 5. Benefit Assessment Methodology

The proposed financial participation by each partner is based on a general, qualitative assessment of the net benefits expected to be received by full completion of the Gateway Program. The assessment includes the following metrics, based on available project data and transportation modeling outputs:

- **Direct transportation linkages.** The location of direct access points for new limited access highways or other transportation infrastructure that benefits the community.
- **Effects on local sales taxes.** The impacts of the projects to sales tax receipts, both in terms of one-time construction sales taxes for the project, and ongoing sales taxes from impacts to commercial uses.
- **Travel time savings.** Overall travel time savings for local car and truck traffic associated with the projects.
- **Traffic diversion from local streets.** The diversion of, or increase in, traffic on local arterials due to the project, with associated positive impacts to traffic safety and local road maintenance.
- **Effects on local employment.** The potential effects of improved accessibility are reviewed, particularly in the context of access to new or potential employment uses.
- **Effects on developable residential lands.** The potential impacts of changes in traffic flow and accessibility on residential land development, with a focus on areas within the jurisdiction that are available for redevelopment.
- **Effects on developable employment lands.** The potential impacts of changes in traffic flow and accessibility on the development or redevelopment of commercial and industrial lands.
- **Achievement of local policy goals.** The alignment of the WSDOT Gateway Program with local plans and policies.
- **Environmental and social benefits.** Environmental and social benefits specifically linked to these projects, including upgrades to pedestrian and cycling infrastructure, and wetlands and riparian restoration.

The approach and findings of the benefits assessments have been provided to the Local Agency Partners.

## 6. Local Jurisdiction Anticipated Contributions to the Program

Based on results from the benefit assessment described in Section 5, contributions for each of the Local Agency Partners were determined by project stage in the tables below. Following execution of this MOU, interlocal agreements will be drafted for subsequent approval. Anticipated contributions only become binding commitments when embedded in interlocal agreements, and the conditions therein are approved by the proposed funding entity. Interlocal agreements between WSDOT and the respective Local Agency Partner must be in place for a project prior to issuance of the Request for Proposals (RFP) for any proposed construction contract. The interlocal agreements will become binding commitments, within the statutory authority of the Local Agency Partner, and will define the schedule of local match payments expected over the duration of each construction project stage.

WSDOT will exercise due diligence to develop and construct each project on schedule within the Gateway Program to the best of its abilities. Local Agency Partners will participate in project development reviews and project meetings in support of the Gateway Program.

If grant pursuits identified in the Stage 1 and Stage 2 tables below are not achieved sufficient to meet the \$130 million local contribution, additional grants will be pursued from the funding programs listed or from other funding programs that may become available over the life of the Gateway Program. If Local Nexus Projects go to construction without planned grants, the Local Agency Partner match funds will still be provided by agreement with WSDOT. If it is determined that a Local Nexus Project cannot be fully funded, WSDOT will review options with the Executive Committee. If an official decision is determined by the Executive Committee and the Secretary of Transportation that the Local Nexus Project is not to be included in a construction project, the Local Agency Partner match may be withdrawn.

### Stage 1 Grant Pursuits for Local Nexus Projects

| Project                                    | Estimated Construction Cost | Funding Program                | Grant Target Amount | Target Due Mo/Year | Anticipated Construction Expenditure | Local Agency Partner Match            | Partner Nexus                      |
|--------------------------------------------|-----------------------------|--------------------------------|---------------------|--------------------|--------------------------------------|---------------------------------------|------------------------------------|
| 70 <sup>th</sup> Avenue E/Interurban Trail | \$32,245,600                | FMSIB                          | \$5,000,000         | Mar 2018           | 2019-2021                            | \$800,000<br>\$500,000<br>\$3,000,000 | Fife<br>Tacoma<br>Port of Tacoma   |
|                                            |                             | TIB                            | \$5,000,000         | Aug 2018           | 2019-2021                            |                                       |                                    |
|                                            |                             | State Capital & Transportation | \$1,400,000         | Mar 2018           | 2019-2021                            |                                       | Fife                               |
| Veterans Drive/ SR516 Interchange          | \$33,800,000                | PSRC                           | \$4,500,000         | Apr 2018           | 2021-2025                            | \$1,000,000                           | Kent                               |
|                                            |                             | TIB                            | \$5,000,000         | Aug 2020           | 2021-2025                            | \$1,000,000                           | Kent                               |
| SeaTac Access                              | \$176,883,500               | PSRC                           | \$4,500,000         | Apr 2018           | 2021-2025                            | \$2,000,000<br>\$500,000              | SeaTac (ROW in lieu)<br>Des Moines |

|                                |               |                 |                     |          |           |                                         |                                         |
|--------------------------------|---------------|-----------------|---------------------|----------|-----------|-----------------------------------------|-----------------------------------------|
| Port of Tacoma Access/509 Spur | \$323,042,000 | PSRC            | \$4,500,000         | Apr 2018 | 2021-2025 | \$1,500,000<br>\$3,000,000<br>\$800,000 | Tacoma Port of Tacoma Fife              |
|                                |               | FMSIB           | \$5,000,000         | Mar 2020 | 2021-2025 |                                         |                                         |
| All Gateway Program            |               | INFRA           | \$20,000,000*       | Nov 2017 | 2019-2021 |                                         |                                         |
| SR 167 Stage 1                 |               | Port of Tacoma  |                     | Jan 2021 | 2021-2025 | \$9,000,000                             | Port of Tacoma                          |
| SR 509 Stage 1                 |               | Port of Seattle |                     | Jan 2021 | 2021-2025 | \$15,000,000                            | Port of Seattle (expected in 2023-2025) |
| <b>Total Stage 1</b>           |               |                 | <b>\$54,900,000</b> |          |           | <b>\$38,100,000</b>                     | <b>\$93,000,000</b>                     |

### Stage 2 Future Grant Pursuits for Local Nexus Projects

| Project                                           | Estimated Construction Cost | Funding Program | Grant Target Amount | Target Due Mo/Year | Anticipated Construction Expenditure | Local Agency Partner Match | Partner Nexus                 |
|---------------------------------------------------|-----------------------------|-----------------|---------------------|--------------------|--------------------------------------|----------------------------|-------------------------------|
| Meridian Avenue Interchange                       |                             | TBD             | \$3,000,000         | 2022               | 2026-2030                            | \$2,000,000                | Puyallup                      |
| Valley Avenue Interchange                         |                             | TBD             | \$3,000,000         | 2022               | 2026-2030                            | \$2,000,000                | Pierce County                 |
| 188 <sup>th</sup> Street Interchange improvements |                             | TBD             | TBD                 | 2023               | 2026-2030                            | TBD                        | SeaTac                        |
| SR 167 Stage 2                                    |                             | TBD             | \$4,000,000         | 2022               | 2026-2030                            | \$500,000<br>\$500,000     | Edgewood (ROW in lieu) Sumner |
|                                                   |                             | Port of Tacoma  |                     | Jan 2026           | 2026-2030                            | \$15,000,000               | Port of Tacoma                |
| SR 509 Stage 2                                    |                             | TBD             | \$4,000,000         | 2024               | 2026-2030                            |                            |                               |
|                                                   |                             | Port of Seattle |                     | Jan 2026           | 2026-2030                            | \$15,000,000               | Port of Seattle               |
| <b>Total Stage 2</b>                              |                             |                 | <b>\$14,000,000</b> |                    |                                      | <b>\$35,000,000</b>        | <b>\$49,000,000</b>           |
| <b>Total Stages 1 &amp; 2</b>                     |                             |                 | <b>\$68,900,000</b> |                    |                                      | <b>\$73,100,000</b>        | <b>\$142,000,000</b>          |

\* – If no INFRA, apply for FHWA BUILD grant for Port of Tacoma Access (SR 509 Spur)

TBD – grant funding program pursuit to be determined in future

## 7. Terms and Termination

### 7.1. Amendments

This MOU shall be periodically reviewed and evaluated regarding the need for modifications or amendments by mutual determination of WSDOT and Local Agency Partners. Amendments to the MOU shall be required if program funding assumptions need to be adjusted that affect the ability to construct the identified Local Nexus Projects or the ability to achieve the \$130 million local contribution. Such amendments shall only be binding if they are in writing and signed by authorized personnel from all of the Local Agency Partners. Except as set forth in an amendment, the MOU will be unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict

between an amendment and the MOU or any earlier amendment, the terms of the most recent amendment will prevail.

If there is a conflict between subsequent interlocal agreements and the MOU or any earlier amendments, the terms of the interlocal agreements will prevail.

Changes that do not affect the ability to construct the identified Local Nexus Project or achieve the \$130 million local contribution shall be addressed through the interlocal agreement between WSDOT and the relevant Local Agency Partner.

## **7.2. Dispute Resolution**

Should any signatory to this MOU object at any time to any actions proposed or the manner in which the terms of this MOU are implemented, the Executive Committee shall hear the dispute first and if the disputant(s) is/are not satisfied with the Committee's proposed decision, the Committee will send to the Secretary of Transportation its proposed solution and all documentation relevant to the dispute. The Secretary of Transportation shall provide the Executive Committee with his/her advice on how to resolve the dispute within thirty (30) calendar days of receiving adequate documentation. Prior to reaching a final decision on the dispute, the Executive Committee shall prepare a written response that considers any timely advice or comments regarding the dispute from the Secretary of Transportation, signatories and other interested parties, and provide them with a copy of this written response. WSDOT will then proceed according to this final decision.

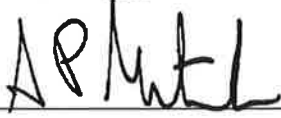
## **7.3 Conditions for Termination of Participation**

Subject to legislative appropriation and all applicable laws, each signatory shall ensure that the Gateway Program is carried out in accordance with the terms of the MOU and subsequent interlocal agreements. A signatory may terminate its participation in this MOU if its terms cannot be met and by providing written notice to the Secretary of Transportation and the Executive Committee a minimum of 180 calendar days before a project issues an RFP that relies on that local agency partner funding. Prior to providing written notice terminating participation, however, the signatories shall consult with WSDOT to determine whether an amendment to the MOU might be feasible. If a signatory terminates its participation, WSDOT will then consult with the Executive Committee to determine if project scope elements need to be removed if contributions are not realized in accordance with this understanding.

## **8. Period of Agreement.**

This MOU will commence on July 1, 2018 and will dissolve when the \$130 million of local contribution have been secured, or when the Local Nexus Projects have been constructed and are complete.

## 9. Signatories



Stephen P. Metruck  
Executive Director  
Port of Seattle

6/21/18

Date



John Wolfe  
Chief Executive Officer  
Port of Tacoma

5/30/18

Date



Dow Constantine  
County Executive  
King County

6/22/18

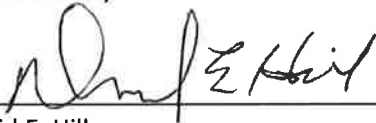
Date



Bruce Dammeier  
County Executive  
Pierce County

5/30/18

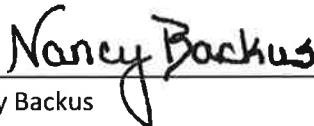
Date



David E. Hill  
Mayor  
City of Algona

6/25/18

Date



Nancy Backus  
Mayor  
City of Auburn

6/11/18

Date



Brian Wilson  
City Manager  
City of Burien

6/17/18

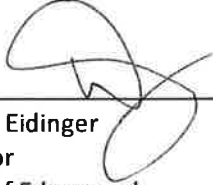
Date



Michael Matthias  
City Manager  
City of Des Moines

6/26/18

Date



Daryl Eidinger  
Mayor  
City of Edgewood

6/13/18

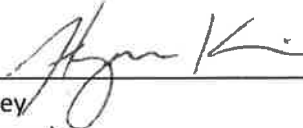
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Jim Ferrell  
Mayor  
City of Federal Way

6/20/18

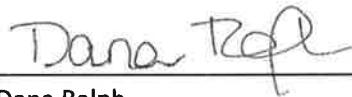
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Pat Hulcey  
Councilmember  
City of Fife

6/20/18

Date



Dana Ralph  
Mayor  
City of Kent

6/26/18

Date



Shanna Styron-Sherrell  
Mayor  
City of Milton

6/21/18

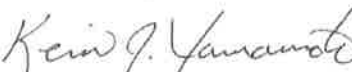
Date



Leanne Guier  
Mayor  
City of Pacific

6/21/18

Date



Kevin Yamamoto  
City Manager  
City of Puyallup

6/12/18

Date

Appas Form:  
*Mary M. Pugh* *Barroto, Seatac*

Joseph Scordio  
 City Manager  
 City of SeaTac

6/28/18

Date

*William L. Pugh*

William L. Pugh  
 Mayor  
 City of Sumner

6/8/18

Date

*Elizabeth A. Pauli*

Elizabeth A. Pauli  
 City Manager *Approved as to form*  
 City of Tacoma

6/27/18

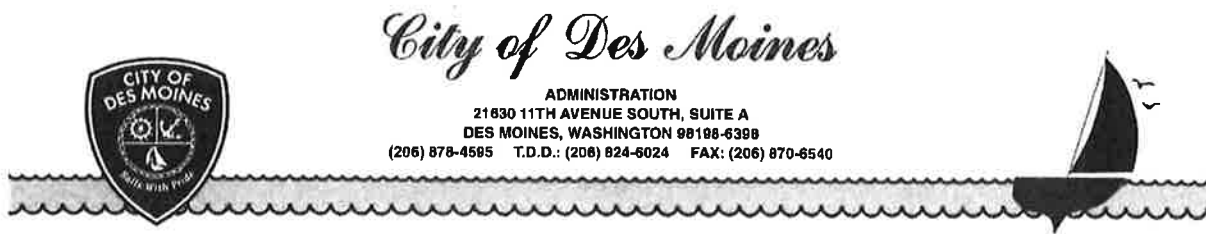
Date

*Roger Millar*

Roger Millar  
 Secretary of Transportation  
 Washington State Department of Transportation

6/27/18

Date



March 29, 2018

Craig Stone  
Program Administrator – Puget Sound Gateway Program  
Washington State Department of Transportation  
310 Maple Park SE  
Olympia, WA 98504

RE: SR 509 – Local Funding Commitment

Dear Mr. Stone:

The City of Des Moines supports the Puget Sound Gateway Program including the SR 509 Extension project in King County. We know that the City of Kent is applying for Surface Transportation Program grant funds through the PSRC for their Veterans Drive Extension project, and that WSDOT will also be applying for Surface Transportation Program grant funds through the PSRC for the SeaTac Access Project.

The Des Moines City Council voted at their March 22, 2018 meeting to commit a total of \$500,000 of matching funds for grant applications related to the SR 509 Extension Project. The City is willing to work with the project team(s) to determine where it would be most advantageous to use these matching funds, in order to provide the most leverage to the overall grant process. Des Moines wants to see both projects selected for grant funding, and the City is willing to partner on one or both of these projects, or other projects related to the SR 509 Project.

The financial commitment provided by Des Moines will go towards meeting the local contribution mandated by the Washington State Legislature when the Connecting Washington Transportation package was passed, and is intended to fully meet our match contribution, relative to the net benefits of the SR 509 project. I intend for the City's financial participation to be generally addressed in the Memorandum of Understanding (MOU) currently under review by the SR 509 Executive Committee, with more specific details to be covered by interlocal agreements to be developed at a later date.

Please let me know if you have any questions or need any other information.

Sincerely,



Michael Matthias  
City Manager

cc: Dan Brewer, Chief Operations Officer  
Brandon Carver, Public Works Director  
Andrew Merges, Transportation Manager

*The Waterland City*



**Washington State  
Department of Transportation**

Puget Sound Gateway SR 509/SR167  
SR 509: 999 3rd Ave, Ste. 2200  
Seattle, WA 98104  
SR167: 5720 Capital Blvd SE  
Tumwater, WA 98501  
206-464-1220  
TTY: 1-800-833-6388  
www.wsdot.wa.gov

December 15, 2019

Daniel J. Brewer, P.E., P.T.O.E.  
Chief Operations Officer  
City of Des Moines  
21630 11th Avenue South, Suite D  
Des Moines, WA 98198

RE: Puget Sound Gateway Terms of Understanding

Dear Mr. Brewer:

I am responding to your July 18, 2019 email message listing questions posed by your Council Transportation Committee regarding the Puget Sound Gateway Program (SR-509 completion). WSDOT and the City subsequently met on August 7, 2019 and discussed following up with Terms of Understanding. The City and WSDOT are currently finalizing The Puget Sound Gateway Local Funding Agreement GCB 3046 to implement the multi-agency Memorandum of Understanding adopted July 1, 2018. I hope to advance the successful adoption of the Local Funding Agreement while also addressing questions and concerns of your Council Transportation Committee through the following Terms of Understanding.

The Puget Sound Gateway Program (PROGRAM) consists of multiple project stages to complete the SR 167 Corridor in Pierce County and the SR 509 Corridor in King County. These Terms of Understanding pertain only to the SR 509 Completion in King County. The SR 509 portion of the PROGRAM consists of three construction stages:

- Stage 1a, the SR 99/SR 509 bridge now under construction in partnership with Sound Transit,
- Stage 1b, the limited access freeway and ramps connecting I 5 to the 28<sup>th</sup>/24<sup>th</sup> Avenue South corridor and auxiliary lanes on I 5 along with modifications to the SR 516 Interchange, and
- Stage 2, the limited access freeway and interchanges from 28<sup>th</sup>/24<sup>th</sup> Avenue South to South 188<sup>th</sup> Street.

Responses to City Council Transportation Committee Questions:

1. Disposition of existing SR 509 / SR 516.

When the SR 509 freeway connection to I-5 is complete in late-2028, sections of the existing SR 509 roadway within the cities of Burien, Normandy Park, Des Moines, and Federal Way either need to be turned back to the local jurisdictions or re-designated as part of the State of Washington highway system. The decision-making process for the turnback

or re-designation will be conducted in consultation and partnership with the affected cities to ensure transparency and consideration of their related questions and concerns. This decision-making process will take into account existing state codes (RCW 47.24.010), policies and precedents, as they apply to SR 509. The determination of the future jurisdiction of existing SR 509 will occur during the initiation of the SR 509 Stage 2 construction contract, which is expected to begin in early 2024 and will complete the new freeway connection to I-5 by late-2028. WSDOT will coordinate with the affected cities before construction to ensure full consideration of all issues affecting final decision-making.

## 2. Sales tax revenue.

Section 1-07.2 of the SR 509 Stage 1b Design-Build (D-B) contract will include requirements for the State's contractor to follow state sales tax payment rules, and to include all applicable taxes in their fixed price bid. The Washington State Department of Revenue then distributes those tax proceeds to the cities where SR 509 work is being performed. WSDOT's preliminary estimate indicates approximately Two Hundred Sixty Seven Thousand Dollars (\$267,000) in sales tax proceeds will be distributed to the City of Des Moines. The actual amount of sales tax will be based on the design-build contractor's final design and could be slightly higher or lower depending on the details of their specific plan within city limits.

## 3. Completion of Full Phase 1 Scope.

WSDOT plans to construct the entire corridor according to the scope as agreed to by the Puget Sound Gateway Executive Committee in May 2018 and funded by the State Legislature. The approved description of SR 509 work reflects the State's commitment to build a 4-lane limited access freeway between South 188<sup>th</sup> Street and a new I-5/SR 509 interchange, with an intermediate access point at 28<sup>th</sup>/24<sup>th</sup> Avenue South. WSDOT intends to pursue all potential federal, state and local funding sources to ensure full funding for this scope. This approach includes tolling of the new freeway segment, which was authorized in the 2019 State Legislative Transportation budget.

## 4. Timing of Payments.

WSDOT has flexibility on the timing the \$500,000 contribution by the City of Des Moines. We understand the City Council wants the payment linked to project milestones and we propose to use the issuance of the Notice to Proceed on SR 509 Completion, Stage 2 at the project milestone. This milestone provides additional reliability of completion of the entire corridor. We wish to reserve flexibility concerning the specific use of those funds on any portion of SR 509 Completion then under construction so the funds can be used as match to grants for any part of the corridor if necessary.

## 5. Noise Mitigation.

WSDOT is sensitive to the concerns of the Des Moines City Council regarding cumulative noise impacts from highway, rail and airport sources in the community. WSDOT is both committed and required to mitigate for highway noise tied to our improvement projects, within applicable state and federal noise policies. WSDOT and Sound Transit signed a Letter of Understanding on October 28, 2019 to guide our cooperation on noise mitigation for the Sound Transit Federal Way Link Extension (FWLE) project and SR 509 Stage 1b project, which overlap and are proceeding in parallel. WSDOT is committed to ensuring that the mitigation required within our construction contract has taken into account the final proposed mitigation design within the FWLE project, so that full complementary rail and highway noise mitigation is provided along the I-5 corridor area of project overlap.

With respect to all SR 509 noise mitigation efforts, WSDOT commits to sharing noise analysis methodology and all draft analysis findings with the City of Des Moines and other appropriate local jurisdictions, if requested, as well as with the Port of Seattle and Sound Transit in the context of assessing more global affects to ensure that WSDOT's proposed highway noise mitigation is effective and provides discernable benefit. WSDOT will request comments on the noise analysis from the City of Des Moines and other appropriate local jurisdictions and will endeavor to revolve all comments to the satisfaction of all parties.

## 6. Permitting.

WSDOT is committed to obtain all necessary permits for the SR 509 Completion Project. The Stage 1b construction contract has a very limited scope of work inside City of Des Moines right-of-way, including striping and curbing on SR 516, and grading, paving, and striping on 216<sup>th</sup> Street. For the work in the City of Des Moines right of way, WSDOT will obtain Type B or Type C Right of Way Use Permits. (Note – The City of Des Moines grading permit is used on construction covered by a Master Development or Building permit).

WSDOT's Design-BUILDER will also obtain Noise Variances for the night work that affects the City of Des Moines.

Based on 2003 Environmental Impact Statement and Record of Decision for the Puget Sound Gateway Program, and Washington State Law, an Essential Public Facility permit for the SR 509 and I-5 work within Des Moines city limits is not required.

WSDOT will file property purchase deeds with King County. WSDOT will provide King County access to the final SR 509 and I-5 right of way plans. Necessary revisions to the

approved Right-Of-Way plans, title, etc., due to the FWLE/SR 509 Land Exchange process will start in 2020.

## 7. Construction Impacts.

WSDOT is committed to being an inclusive partner ahead of and during every phase of SR 509 and I-5 construction. This includes sharing relevant draft contractual language ahead of the design-build contract procurement process with City of Des Moines staff who have agreed to our confidentiality requirements. This also includes sharing (again, under confidentiality requirements) Alternative Technical Concepts (ATC's) that design-builders may propose to alter the WSDOT base contractual design concept and requirements for elements within or adjacent to the City of Des Moines.

Finally, once a construction contract is awarded and the design-builder mobilizes for the final design effort leading into construction, WSDOT commits to inviting City of Des Moines staff to participate in all relevant task force meetings, as well as providing WSDOT construction staff contacts in the case of questions or issues requiring coordination.

It is WSDOT's goal to be transparent and invite City of Des Moines staff to participate in all relevant aspects of delivering the SR 509 project, in order to minimize negative impacts while maximizing positive opportunities.

Sincerely,

<NamePlaceholder (Upper/Lower Case)>

<TitlePlaceholder (Upper/Lower Case)>

<XX:xx>

Enclosure <enclosurePlaceholder>

cc: <ListPlaceholder>

**Washington State Department of Transportation  
(WSDOT) and the Cities of Des Moines, SeaTac,  
Kent, and King County Metro**

**MEMORANDUM OF UNDERSTANDING (MOU)**

**For**

**DESIGN and CONSTRUCTION of the SR 509  
Completion Project: SR 516 Interchange  
Reconstruction**

This MOU documents agreement between the cities of Des Moines, SeaTac, Kent, and King County Metro (the LOCAL AGENCIES), and the Washington State Department of Transportation (WSDOT/STATE), hereafter known as the "Parties" or individually as the "Party", on the SR 516 Interchange Reconstruction Project (the PROJECT) in Kent and Des Moines, Washington.

WSDOT will construct the PROJECT improvements as described in this MOU and shown in Exhibit A.

**1. Background**

The Parties have had ongoing discussions that resulted in design decisions by WSDOT/STATE for elements within the PROJECT. Those decisions and elements are incorporated into this MOU and are identified in Exhibit A, attached hereto and by this reference made part of this MOU. It is anticipated by the Parties that these decisions and elements will be incorporated into designs, contracts and/or other related agreements, supplements, and/or amendments, for this PROJECT.

**2. Basis of Understanding**

The LOCAL AGENCIES and WSDOT/STATE agree the Project shall include the following elements:

- Modify and construct new ramp connections to SR 516 in order to accommodate proposed Veterans Dr.
- Widen SR 516 between the ramp terminals.
- Construct 10' sidewalk on the south side of SR 516 between Military Rd. and FWLE improvements near 30<sup>th</sup> Ave. S. City of Kent responsible for the cost of sidewalk above 5' in width.
- Construct 10' Multi-Use Path with shoulders on the north side of SR 516 between Military Rd. and 30<sup>th</sup> Ave. S.
- Extend sidewalk and new bus passenger facility east of Military Rd. along SR 516 EB.
- Re-establish pedestrian connection between the Kent Des Moines Park and Ride and the new multi-use path on the north side of SR 516.
- Install infrastructure for reverse queue jumps in bus pullouts along SR 516
- Construct six new 130' bus stops with concrete pads for shelters. The bus stops detailed below are identified in Exhibit A.
  - 1) EB SR 516 farside of Military Rd. – 327.5' long (60' ingress, 130' zone, 27.5' zone extension, 110' egress)

- 2) SB Military Rd. farside of SR 516 – In-Lane Stop – No Pullout – 130' zone
- 3) 4I-5 NB On-Ramp - In-Lane Stop – No Pullout – 130' zone
- 4) WB SR 516 farside NB I-5 On-Ramp – 230' long (60' ingress, 130' zone, 40' egress)
- 5) EB SR 516 farside SB I-5 On-Ramp - 230' long (60' ingress, 130' zone, 40' egress)
- 6) I-5 SB On-Ramp - 190' long (60' ingress, 130' zone)

The work associated elements will include new pavement as well as pavement overlay within the limits of the improvements.

The City of Kent will be invited to attend Task Force Meetings regarding Maintenance of Traffic, signals, and roadway.

WSDOT/STATE and the appropriate cities will negotiate maintenance agreements in a separate document.

Activation of reverse queue jumps subject to King County Metro operations traffic analysis after the PROJECT opens.

### 3. Endorsement

IN WITNESS WHEREOF, the undersigned Parties have executed this MOU as of the last date written.

CITY OF KENT

By: \_\_\_\_\_

Date \_\_\_\_\_

KING COUNTY METRO

By: \_\_\_\_\_

Date \_\_\_\_\_

CITY OF SEATAC

By: \_\_\_\_\_

Date \_\_\_\_\_

WASHINGTON STATE  
DEPARTMENT OF TRANSPORTATION

By: Craig Stone  
Puget Sound Gateway Program Administrator

Date \_\_\_\_\_

FUTURE KDM STATION

30TH AVE S

NOT TO SCALE

BUS STOP - 6

BUS STOP - 5

I-5

C  
C

B  
B

BUS STOP - 4

BUS STOP - 3

VETERANS DR

MILITARY RD S

BUS STOP - 2

BUS STOP - 1

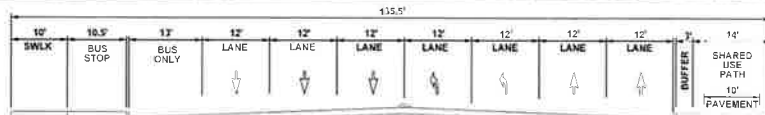


Attachment D

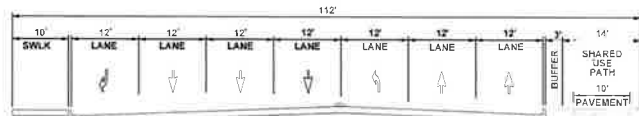
Informational use only  
Not intended for Contract Plans

LEGEND

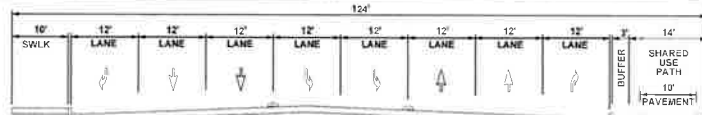
- ROW
- FWLE
- PATHWAY



SECTION C-C



SECTION B-B



SECTION A-A

Washington State  
Department of Transportation

SR 516 Interchange  
Reconstruction Project

EXHIBIT A

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**CITY OF DES MOINES  
2020-2025 CAPITAL IMPROVEMENT PLAN  
(Amount in Thousands)**

**Puget Sound Gateway - SR509 Extension**

Project # **319,628**

**CIP Category:** Transportation

**Managing Department:** Plan, Build & PW Admin

*Summary Project Description:*

The financial commitment provided by Des Moines will go towards meeting the local contribution mandated by the Washington State Legislature when the Connecting Washington Transportation package was passed, and is intended to fully meet our match contribution, relative to the net benefits of the SR 509 project.

**Justification/Benefits:** The City of Des Moines supports the Puget Sound Gateway Program including the SR 509 Extension project in King County. This new freeway will provide an added corridor in our area, as well as provide congestion relief on the City's arterial roadways.

| PROJECT SCOPE             |                |                  |              |
|---------------------------|----------------|------------------|--------------|
| Expenditures              | Current Budget | Requested Change | Total Budget |
| Design                    | -              | -                | -            |
| Land & Right of Way       | -              | -                | -            |
| Construction              | 500            | -                | 500          |
| Contingency               | -              | -                | -            |
| <b>Total Expenditures</b> | <b>500</b>     | <b>-</b>         | <b>500</b>   |

| ANNUAL ALLOCATION           |                        |                   |                   |                   |                   |                   |                   |
|-----------------------------|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Project to Date<br>12/31/18 | Scheduled Year<br>2019 | Plan Year<br>2020 | Plan Year<br>2021 | Plan Year<br>2022 | Plan Year<br>2023 | Plan Year<br>2024 | Plan Year<br>2025 |
| -                           | -                      | -                 | -                 | -                 | -                 | -                 | -                 |
| -                           | -                      | -                 | -                 | -                 | -                 | -                 | -                 |
| -                           | -                      | -                 | -                 | 500               | -                 | -                 | -                 |
| -                           | -                      | -                 | -                 | -                 | -                 | -                 | -                 |
| -                           | -                      | -                 | -                 | 500               | -                 | -                 | -                 |

| Funding Sources      | Current Budget | Requested Change | Total Budget |
|----------------------|----------------|------------------|--------------|
| One Time Tax         | 500            | -                | 500          |
| <b>Total Funding</b> | <b>500</b>     | <b>-</b>         | <b>500</b>   |

| Project to Date<br>12/31/18 | Scheduled Year<br>2019 | Plan Year<br>2020 | Plan Year<br>2021 | Plan Year<br>2022 | Plan Year<br>2023 | Plan Year<br>2024 | Plan Year<br>2025 |
|-----------------------------|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| -                           | 425                    | 25                | 25                | 25                | -                 | -                 | -                 |
| -                           | 425                    | 25                | 25                | 25                | -                 | -                 | -                 |

| OPERATING IMPACT  |              |          |          |
|-------------------|--------------|----------|----------|
| Operating Impact  | 6 Year Total |          |          |
| Revenue           | -            | -        | -        |
| Expenses          | -            | -        | -        |
| <b>Net Impact</b> | <b>-</b>     | <b>-</b> | <b>-</b> |

| ANNUAL OPERATING IMPACT |      |      |      |      |      |      |      |
|-------------------------|------|------|------|------|------|------|------|
| 12/31/18                | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| -                       | -    | -    | -    | -    | -    | -    | -    |
| -                       | -    | -    | -    | -    | -    | -    | -    |
| -                       | -    | -    | -    | -    | -    | -    | -    |

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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: Draft Ordinance No. 20-031 –  
Washington Multi-City Business License and Tax  
Portal Agency Interlocal Agreement (File Local)

FOR AGENDA OF: May 28, 2020

DEPT. OF ORIGIN: Finance

DATE SUBMITTED: May 20, 2020

**CLEARANCES:**

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

CHIEF OPERATIONS OFFICER: \_\_\_\_\_

☒ Legal /s/ Matt Hutchins

☒ Finance Colleen W. Doe

☐ Courts \_\_\_\_\_

☐ Police \_\_\_\_\_

APPROVED BY CITY MANAGER

FOR SUBMITTAL: Michael Doe

**ATTACHMENTS:**

1. Draft Resolution No. 20-031
2. Exhibit A - Washington Multi-City  
Business License and Tax Portal Agency  
Interlocal Agreement
3. Exhibit B – Third Addendum to Page 31 of  
the Washington Multi-City Business  
License and Tax Portal Agency Interlocal  
Agreement dated March 1, 2014
4. File Local Resolution No. FL2020-04 –  
Briefing Paper – Des Moines Admission.

*This Agenda Item has been identified as "Routine and Necessary" pursuant to the Governor's Proclamation 20-28 issued on March 24, 2020. Items of this type are historically placed on the Council Consent Calendar as they are considered "routine" under City Council Rule of Procedure 20(k)(1). Action on approval and signing of the Interlocal Agreement is necessary due to the statutory timeline imposed by the Legislature, if the City has not implemented the agreement to issue business licenses through FileLocal by July 1, 2020, the opportunity will be foreclosed.*

**Purpose and Recommendation**

The purpose of this agenda item is for the City Council to approve Draft Resolution No. 20-031 that approves an Interlocal Agreement with the Washington Multi-City Business License and Tax Portal Agency and to authorize the City Manager to sign Interlocal Agreement By and Between the Cities of Bellevue, Everett, Seattle and Tacoma dated as of March 1, 2014.

**Suggested Motion**

**First Motion:** "I move to enact Draft Resolution No. 20-031 approving the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement and directing the City Manager to sign the Third Addendum to Page 31 of the agreement substantially as attached in Exhibit "B"."

## **Background**

In an attempt to streamline the licensing process for businesses that operate in more than one city, the Legislature has required that all cities that issue business licenses partner with either the Washington State's Business Licensing System (BLS) by 2022, or with FileLocal by July 1, 2020. These two options are "one-stop" licensing portals that serve multiple jurisdictions. Any City which has not opted into FileLocal by July 1, 2020 will be required to partner with BLS. Cities partnered with FileLocal, however, will have the opportunity to change to BLS if appropriate.

Washington State Business Licensing System (BLS) – BLS is part of the state Department of Revenue. A business is able to apply for, or renew, multiple city or regulatory licenses in a single session and would only pay one BLS user fee, regardless of how many city licenses. Users pay a \$19 non-refundable processing fee for new applications and \$11 for renewals (the "BLS user fee") in addition to the City's business licensing fees. Currently, BLS is only for business licensing and favors local jurisdictions with a business licensing structure, but without a local business & occupation (B&O) tax.

FileLocal was founded through an Interlocal Agreement ("ILA") signed in March 2014 by the cities of Bellevue, Everett, Seattle and Tacoma. The founding cities ("Principals") created a web application gateway ("Portal") to collectively administer business licensing and tax collection that allows businesses in the Principal cities use a "one-stop" system for licensing and tax payments. Since the creation of FileLocal the cities of Lake Forest Park and Renton have joined as principal cities and the cities of Bremerton and Shoreline have joined as subscriber cities. Users pay a \$4 non-refundable processing fee per city, along with either a \$1 ACH debit service fee or 3% credit card fee for each tax form or license/renewal. There is no fee if no payment is required for a filing.

Because FileLocal has the ability to handle both business licensing and B&O tax filings Finance staff has determined that FileLocal is the best option.

## **Discussion**

The Finance Department desires to deliver a customer-focused solution that presents opportunities for improved efficiencies in City processes. The following attributes and functionality have been identified as being important to the City's ability to deliver a solution that provides a good customer experience and meets the City's needs:

- Web-based system with easy navigation;
- Availability of licensing and tax filing;
- Multiple electronic payment options;
- Consistency with other jurisdictions;
- Non-exclusive use allowing the City to maintain traditional hard-copy processes;
- Short turnaround and processing times for customer processes; and
- Low cost and fees for users and the City.

| <b>Attribute/Functionality Comparison</b>  |            |                  |
|--------------------------------------------|------------|------------------|
| <b>Description</b>                         | <b>BLS</b> | <b>FileLocal</b> |
| Web-based system with easy navigation      | Yes        | Yes              |
| Tax Filing                                 | No         | Yes              |
| Electronic Payment Types                   | ACH/CC     | ACH/CC           |
| Consistency with Other Local Jurisdictions | Yes        | Yes              |
| Non-Exclusive Licensing                    | No         | Yes              |
| Additional Processing Time                 | 3-5 days   | 1-2 days         |
| User Fees *                                | \$19/\$11  | \$4              |
| Fees Paid by City **                       | None       | Yes              |

\*Both systems also charge a percentage fee for credit card payments

\*\*Amount of charge is approximately \$15,600 to \$16,150

Currently, business license applications are handled by the Community Development department and processed through the PermitTrax system. The Community Development department performs necessary review of local zoning and code compliance for businesses located within the City of Des Moines, as well as approving all out-of-city business licenses. B&O tax filings are received and processed in the Finance Department and recorded in the Microflex tax software. In order for the Finance Department to send out B&O tax returns to new businesses, it is necessary to review business license data from PermitTrax and manually add to the Microflex tax software.

In participating as a voting member of FileLocal, moving forward with FileLocal provides the opportunity to deliver a solution that provides a good customer experience and meets the City's needs. Once the FileLocal platform is active for the City of Des Moines, efficiencies will be gained by having an online payment processing system for business licenses and B&O tax filings.. The City will eliminate the need to print and mail four quarterly B&O and annual tax billings per year, for the businesses using FileLocal. We will encourage businesses to use the portal but they will still have the option to apply and file with the city.

### **Alternatives**

The City Council may:

1. Approve Draft Resolution No. 20-031 authorizing the City Manager to enter into the Interlocal Agreement to join FileLocal as a principal member for the purpose of providing an online business licensing system.
2. Decline to approve the Draft Resolution. If the City does not exercise the option to partner with FileLocal by July 1, 2020, this option will expire and the only option will be to partner with BLS.

### **Financial Impact**

Principals pay an annual fee for use of the system. The fee for the City of Des Moines is estimated at \$15,600 for 2020. Additionally, there is a one-time set up cost of approximately \$14,000. The City currently has a contract for processing B&O tax filings and spends approximately \$20,000 per year. Once we transition to FileLocal this work will be done by current Finance Department staff. Funds for FileLocal are part of the Finance Department budget and no additional budget increase for this program is needed at this time.

### **Recommendation**

Staff recommends the City Council enact Draft Resolution No. 20-031.

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**CITY ATTORNEY'S FIRST DRAFT, 5/20/2020****DRAFT RESOLUTION NO. 20-031**

**A RESOLUTION OF THE CITY OF DES MOINES, WASHINGTON,** approving an Interlocal Agreement ("ILA") with the Cities of Bellevue, Everett, Lake Forest Park, Renton, Seattle, and Tacoma to join the Washington Multi-City Business License and Tax Portal Agency, d/b/a FileLocal, as a principal city and directing the City Manager to sign the third addendum to the ILA.

**WHEREAS,** the Legislature has given code cities the authority under RCW 35A.82.020 to license, regulate, and make inspection in regard to all places and kinds of business, production, commerce, entertainment, exhibition, and upon all occupations, trades and professions and any other lawful activity, and to impose excises for regulation or revenue of the same, and

**WHEREAS,** this authority granted by the Legislature is subject to limitations imposed from time to time by the Legislature, and

**WHEREAS,** the Des Moines City Council has provided for general business licenses and imposition of fees for obtaining such license, codified at chapter 5.04 DMMC, and

**WHEREAS,** in 2017 the Legislature enacted Engrossed House Bill 2005 which requires Washington cities to partner with the Washington State Department of Revenue ("Department of Revenue") to utilize the Washington State Business Licensing System ("BLS") before January 1, 2022 to issue business licenses; and

**WHEREAS,** BLS is a computerized portal operated by the Department of Revenue for businesses to apply for and renew business licenses in one place regardless of how many licenses were applied for or renewed, and would be used solely to issue business licenses; and

**WHEREAS,** a City who partners with the Multi-City Business and Tax License Portal Agency, d/b/a FileLocal ("FileLocal"), is exempt from the requirement to use BLS to administer business licenses, if the City partners with FileLocal by July 1, 2020; and

**WHEREAS,** FileLocal is an Interlocal agency built and operated by the cities of Seattle, Bellevue, Everett, and Tacoma for the purpose of providing a "one-stop shop" computerized portal for businesses to not only apply for and renew business licenses, but also for businesses to pay Business and Occupation

Ordinance No. \_\_\_\_  
Page 2 of 3

taxes, regardless of which cities or how many cities within which a business generates their revenues; and

**WHEREAS**, FileLocal allows for the addition of new "principal cities", which members have voting rights, or "subscriber cities", which members do not have voting rights; and

**WHEREAS**, the principal cities help with the management of FileLocal and also sit on the executive board as voting members; and

**WHEREAS**, the City of Lake Forest Park joined FileLocal in 2017 as a principal city; and

**WHEREAS**, the City of Renton joined FileLocal in 2018 as a principal city; and

**WHEREAS**, the ability for businesses to pay City Business and Occupation taxes through FileLocal, as well as lower user fees for businesses makes FileLocal a more favorable option for serving businesses that operate within the City than BLS; and

**WHEREAS**, the City of Des Moines desires to join FileLocal as a principal city in order to participate in the decision making for the agency and to allow businesses which operate in Des Moines to use the FileLocal portal; and

**WHEREAS**, the executive board of Washington Multi-City Business License and Tax Portal Agency adopted Resolution FL2020-04 by supermajority vote on April 17, 2020 pursuant to section 8 of the ILA, approving the admission of the City of Des Moines as a principal city, subject to the approval of the Des Moines City Council; and

**WHEREAS**, the City Council of the City of Des Moines wishes to join FileLocal as a principal city for business licensing and collection of Business and Occupation tax; now therefore,

Ordinance No. \_\_\_\_  
 Page 3 of 3

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

**Sec. 1.** The City Council hereby approves the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement with the cities of Bellevue, Everett, Lake Forest Park, Seattle, and Tacoma to, attached hereto as Exhibit "A".

**Sec. 2.** The City Manager is authorized and directed to sign the third addendum to page 31 of the Interlocal Agreement, substantially in the form attached as Exhibit "B".

**PASSED BY** the City Council of the City of Des Moines, Washington this \_\_\_\_ day of \_\_\_\_\_, 2020 and signed in authentication thereof this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
 M A Y O R

APPROVED AS TO FORM:

\_\_\_\_\_  
 City Attorney

ATTEST:

\_\_\_\_\_  
 City Clerk

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RESOLUTION NO. 20-031

**EXHIBIT A**

**WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX**

**PORTAL AGENCY INTERLOCAL AGREEMENT**

**WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY  
INTERLOCAL AGREEMENT**

**BY AND BETWEEN THE CITIES OF**

**BELLEVUE**

**EVERETT**

**SEATTLE**

**and**

**TACOMA**

**DATED AS OF MARCH 1, 2014**

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## **WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY INTERLOCAL AGREEMENT**

THIS AGREEMENT, incorporating all exhibits hereto, is entered into by and between the Cities of Bellevue, Everett, Seattle and Tacoma (collectively, the “Principals”) pursuant to the Interlocal Cooperation Act Ch. 39.34 RCW and has been authorized by the legislative body of each Principal.

### **RECITALS**

WHEREAS, each of the Principals is a city, a general purpose municipal corporation authorized by state law to issue local business licenses and collect a variety of local taxes; and

WHEREAS, the Principals seek to make it easier and more efficient for businesses to apply for local business licenses and file local taxes, while retaining local control over local licensing and tax collection functions and policies; and

WHEREAS, the Principals seek to accomplish these goals by jointly facilitating the creation of an internet web application gateway (the “Portal”) where tax collection and business licensing functions can be collectively administered, and where businesses operating in multiple cities can use a “one-stop” system for tax payment or business license application filing; and

WHEREAS, the Principals have engaged in extensive outreach with other cities, state legislators, taxpayers and the business community to understand the interests of these stakeholders in relation to development of the Portal; and

WHEREAS, the creation of an intergovernmental entity, in the form of a governmental nonprofit corporation whose members are Principals to oversee the operation of the Portal will enable each Principal to participate in management of the Portal, provide economies of scale to participating cities, and ensure continued control by each Principal of its tax and licensing policy and local tax collections; and

WHEREAS, the collection of local taxes is an exclusively governmental activity of each of the cities party to this Agreement; and

WHEREAS, the creation of an intergovernmental entity as described in this Agreement will enable the Principals to carry out this exclusively governmental activity as a joint instrumentality; and

WHEREAS, it is anticipated that additional cities will elect to use the Portal over time, and that some may wish to do so as subscribers of the Portal's services rather than as principals; and

WHEREAS, The City of Seattle has provided start-up funding for the development of the Portal and has conducted a competitive procurement process in which staff from each of the Principals participated with Seattle staff in selecting a preferred vendor to provide portal development, hosting and maintenance services; and

WHEREAS, The City of Seattle has entered into a contract with the preferred vendor, and the vendor has begun work to develop the Portal with continued input from staff from each of the Principals;

NOW THEREFORE, in consideration of the promises and agreements contained in this Agreement and subject to the terms and conditions set forth, it is mutually understood and agreed by the Parties as follows:

#### **SECTION 1. CREATION OF WASHINGTON MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY.**

The Washington Multi-City Business License and Tax Portal Agency, ("PORTAL AGENCY") is hereby created as authorized by the Interlocal Cooperation Act (Ch. 39.34 RCW), and shall be a municipal instrumentality of the Principals, jointly organized by the Principals as a nonprofit corporation under Chapter 24.06 RCW as expressly authorized by RCW 39.34.030(3)(b). The Principals each assign to PORTAL AGENCY the responsibility for overseeing the development, operation and maintenance of an internet web application gateway to administer city business licensing and tax collection functions as exclusively governmental activities, all as described herein.

#### **SECTION 2. TERM OF AGREEMENT.**

This Agreement shall have an initial term of approximately five years, ending on December 31, 2019, (the "Initial Term"), and shall thereafter be perpetual, subject to the termination provisions in Section 19 of this Agreement. During the Initial Term no Principal may withdraw from the Agreement, provided that a Principal may convert or be converted to Subscriber status as provided in Sections 8.a, 13.d and 13.k, and may upon action of the Executive Board be terminated from participation in the Agreement as provided in Section 13.k.

### SECTION 3. DEFINITIONS.

a. Agreement. The “Agreement” is this interlocal agreement, as it may hereafter be amended or modified, together with all exhibits and appendices hereto, as they may hereafter be amended or modified.

b. Articles of Incorporation. The “Articles of Incorporation” or “Articles” are terms defining aspects of the PORTAL AGENCY corporate formation under 39.34.030(3)(b) and consistent with RCW 24.06.025, as they may hereafter be amended by the Executive Board.

c. Board Member. A “Board Member” or “Executive Board Member” is the individual representing a Principal on the Executive Board, whether the Chief Financial Officer of such Principal or his/her designated alternate.

d. Business and Occupation Taxes. “Business and Occupation Taxes” are Gross Receipt Taxes imposed by a Participating City as an exclusively governmental activity authorized by state law and as defined in RCW 35.102.030.

e. Business Licenses. “Business Licenses” are licenses required to be obtained by businesses in order to operate within a Participating City, consistent with state law.

f. Bylaws. “Bylaws” as adopted and amended from time to time by the Executive Board shall govern the operations of the PORTAL AGENCY Executive Board, Operations Committee, and the officers thereof.

g. Capital Cost Recovery Charge. The “Capital Cost Recovery Charge” is an annual fee charged to all Participating Cities other than the City of Seattle, for the purposes of reimbursing Seattle for a portion of the funding it provided to pay for start-up of the PORTAL AGENCY, as further described in Section 13.j.

h. Capped Costs. “Capped Costs” means all items in the PORTAL AGENCY budget *excluding*:

- i. Labor Costs unrelated to increases in full or partial staff positions;
- ii. Costs payable pursuant to the Portal Services Contract with the Vendor;
- iii. State Auditor’s Office Audit costs;
- iv. Accounting services;
- v. Insurance;
- vi. Bank fees;
- vii. Any unanticipated expenses outside the normal course of business, for example, costs of litigation or damages, uninsured losses, tax or other liabilities resulting from a change in law, and events of force majeure (e.g. fire, explosion, accident, volcanic eruption, flood, epidemic, civil disturbance).

i. CPI-U Limit. “CPI-U Limit” means the percentage increase (or decrease) equal to the percentage increase (or decrease) year to year in the Consumer Price Index – Urban for the Seattle/ Tacoma/Bremerton metropolitan area, April –April, calculated by the Federal Bureau of Labor Statistics, or its successor index.

j. Executive Board. The “Executive Board” is the body described in Section 7 and shall be the governing body of the PORTAL AGENCY.

k. Gross Receipts Taxes. “Gross Receipts Taxes” are taxes imposed by Participating Cities which are based on the gross receipts of certain businesses, specifically to include Business and Occupation Taxes as defined by RCW 35.102.030 as well as other taxes imposed by Participating Cities on utilities or businesses that are collected on basis of such gross receipts in accordance with applicable law. For purposes of this Agreement, Gross Receipts Taxes also includes square footage taxes imposed by a Participating City for the act or privilege of doing business in that city and calculated based on the amount of space occupied and used for those business activities within that city.

l. Initial Term. The “Initial Term” is the period from the effective date of this Agreement through December 31, 2019.

m. Labor Costs. “Labor Costs” include salary, benefits and other compensation provided to Portal Agency employees (if any) and/or loaned staff.

n. Licensees. “Licensees” are businesses or individuals that apply for a Business License from a Participating City or Cities using the Portal.

o. Manager. The “Manager” is the chief operating officer for PORTAL AGENCY appointed by and serving at the pleasure of the Executive Board.

p. New Participant Capped Cost Increment. The “New Participant Capped Cost Increment” is an amount calculated each budget period to identify the maximum amount by which Capped Costs may increase in the Executive Board approved draft or final budget for such period without unanimous approval of the Executive Board Members representing all Original Principals, as further described in Section 13.b.iv.1 and Exhibit D.

q. New Participant Labor Cost Increment. The “New Participant Labor Cost Increment” is an amount calculated each budget period to identify the maximum amount by which Labor Costs may increase to provide for additional full or partial staff positions in the Executive Board approved draft or final budget for such period without requiring unanimous approval of the Executive Board Members representing all Original Principals, as further described in Section 13.b.iv.2 and Exhibit D.

r. Operations Committee. The “Operations Committee” or “Tax and Finance Operations Committee” is the committee described in Section 9.

s. Original Principals. The Original Principals are those four cities initially signing this Agreement: the cities of Bellevue, Everett, Seattle and Tacoma.

t. Participating Cities. All Principals, and all Subscribers, as they may be so constituted from time to time, are collectively referred to as the “Participating Cities” or “Participants,” and individually referred to as a “Participating City” or “Participant.”

u. Population. “Population” is the residential population of a City, according to the most recent annual report issued by the State Office of Financial Management each year determining the population of each city for purposes of taxation and allocation of certain state shared revenues in the following calendar year.

v. Portal. The “Portal” is an internet web application gateway owned, operated and maintained by the Vendor under contract with the PORTAL AGENCY that affords Taxpayers and businesses a single access point through which they may apply for business licenses from, and pay taxes and fees to, Participating Cities, and receive information related to these functions.

w. PORTAL AGENCY. “PORTAL AGENCY” means the Washington Multi-City Business License and Tax Portal Agency.

x. Portal Operations Policy. The “Portal Operations Policy” is a separate document adopted by Supermajority Vote of the Executive Board, as it may be amended from time to time, which describes how data will be shared between the Participating Cities and the PORTAL AGENCY, and sets forth operating procedures and rules for the Portal.

y. Portal Services Contract. The “Portal Services Contract” is that certain contract dated as of September 6, 2013 between The City of Seattle and eGov Systems, a Louisiana corporation, to develop software for, and host the Portal operations. The Portal Services Contract is to be assigned to the PORTAL AGENCY by The City of Seattle pursuant to Section 12 of this Agreement.

z. Principal. A “Principal” is a general purpose municipal corporation formed as a city under the laws of the state of Washington which imposes a Business and Occupations Tax and which has accepted the terms of and is a party to this Agreement and has paid its share of initial costs as may be required by the Executive Board as a condition to becoming a Principal. Principals shall receive services offered by the PORTAL AGENCY according to such terms and conditions as may be established by the Executive Board.

aa. Representative. The term “Representative” refers to the individual representing a Principal or a Subscriber on the Operations Committee, or his/her designated alternate.

bb. Simple Majority Vote. A “Simple Majority Vote” of the Executive Board means a majority (more than 50%) of the votes of the Board Members present constituting a quorum, with each Board Member that is present and voting having one vote.

cc. Subscriber. A “Subscriber” is a general purpose municipal corporation, formed as a city under the laws of Washington which has agreed to pay the PORTAL AGENCY for services according to such terms and conditions as may be established by the Executive Board and evidenced by separate contract between the PORTAL AGENCY and such entity. A Principal may convert or be converted to Subscriber status as provided in Sections 8, 13.d and 13.k and a Subscriber may convert to a Principal as described in Section 8.

dd. Supermajority Vote. A “Supermajority Vote” means Executive Board approval of an item accomplished by securing affirmative votes of not less than sixty-six percent (66%) of all voting Board Members of the Executive Board in number, and not less than sixty-six percent (66%) in number of the Original Principals.

ee. Taxpayers. “Taxpayers” are businesses subject to local city taxes imposed by a Principal or Subscriber, payment of which is or can be administered by the Portal.

ff. Transaction. A “Transaction” is a payment or filing for a Business License, or a payment or filing of an online tax form (where multiple taxes filed on the same online tax form are counted as a single Transaction), made on the Portal by a business to a Participating City; *provided, however*, that where historical actual Transactions counts are to be used (rather than payments and transactions made *on the Portal*), then Transactions includes the total actual Business License filings and Gross Receipts Tax filings (where multiple taxes filed on the same tax form are counted as a single Transaction) for the Participating City over the applicable period. The Executive Board may refine this definition from time to time by amending the Portal Operations Policy in order to accommodate expansion of services offered by the Portal or to address other issues.

gg. User Fees. “User Fees” are fees and charges imposed on businesses, Licensees or Taxpayers per Executive Board approval as part of PORTAL AGENCY’s budget approval process.

hh. Vendor. The Vendor is eGov Systems, a Louisiana corporation, which through the Portal Services Contract is providing services to develop, establish, host, own and maintain the Portal, associated online data storage and services. The Vendor has ownership of the Portal. The term Vendor shall also include any successor in interest to eGov Systems or any successor firm(s) or agency(s) with which the PORTAL AGENCY may contract to provide Portal development, hosting, maintenance, and associated online data storage and services.

#### **SECTION 4. GUIDING PRINCIPLES AND GOALS.**

a. Guiding Principles of PORTAL AGENCY. The Principals intend that the PORTAL AGENCY actions be guided by the following guiding principles:

- i. Local Control – The PORTAL AGENCY will seek to respect and preserve each Participating Cities’ authority to set local tax policies.
- ii. Integrity – The PORTAL AGENCY will be honest, truthful and straightforward.
- iii. Accountability – The PORTAL AGENCY will be responsible for its actions and decisions, a good steward of public funds and transparent in its operations.
- iv. Flexibility / Adaptability – The PORTAL AGENCY will strive to nimbly respond to a changing business, technology and policy environment.
- v. Security – The PORTAL AGENCY will at all times seek to safeguard Taxpayer, Licensee and Participating City data.
- vi. Accessibility – The PORTAL AGENCY will seek to be accessible and responsive to Taxpayers, Licensees and Participating Cities.
- vii. Affordability – The PORTAL AGENCY will seek to be affordable to both Participating Cities and businesses and taxpayers using the Portal. Also, fees

and charges will be structured so that the addition of new Cities using the Portal does not impose additional costs on prior Participating Cities.

b. Goals of the PORTAL AGENCY. The Principals acknowledge and support the following goals which they seek to accomplish by this Agreement and creation of the PORTAL AGENCY:

- i. Taxpayers and Licensees utilizing the Portal will have a seamless, transparent, user-friendly and efficient experience.
- ii. It will be easy and timely for Taxpayers and Licensees to access knowledgeable staff at each Participating City to respond to tax or licensing questions.
- iii. The Portal will have error-free data collection, transmittal and tax payment allocation as between Participating Cities.
- iv. There will be local control and oversight of tax collections and tax policy.
- v. Participating Cities will be accountable for the accuracy and timeliness of information they provide to the PORTAL AGENCY and for their customer service response.
- vi. Decision-making will be jointly exercised by the Principals through the Executive Board.
- vii. The PORTAL AGENCY will seek to balance the interests of information technology, treasury, finance and tax staff within Participating Cities in the development of the Portal's capabilities and operating rules.
- viii. The PORTAL AGENCY will comply with all legal requirements, including but not limited to public record-keeping, public meetings, public records, security, and audit requirements.
- ix. The PORTAL AGENCY will be able to accommodate additional city partners as Principals or Subscribers over time, and be able to process additional types of local taxes and licenses over time.
- x. The PORTAL AGENCY will support the ability to maximize use of the Portal by Taxpayers and Licensees so that Participating Cities do not need to replicate the Portal's services.
- xi. The PORTAL AGENCY will maximize compatibility with Participating City's systems of record for data storage and processing.
- xii. The PORTAL AGENCY will coordinate with the state Department of Revenue.
- xiii. The PORTAL AGENCY will be a cost effective solution for Participating Cities.

## SECTION 5. PORTAL AGENCY SERVICES.

a. Generally. The PORTAL AGENCY has the responsibility and authority for overseeing the Vendor's contractual responsibilities to develop, own, operate, maintain and manage the Portal and for managing the operations of the PORTAL AGENCY. It is expressly contemplated that this scope of services includes:

- i. The implementation, operation and maintenance of replacement or upgrades of the Portal as necessary or appropriate.
- ii. The development and adoption of rules for access, use and maintenance of the Portal by City Participants, Taxpayers and Licensees.
- iii. Expansion of the scope of services offered through the Portal if approved per Subsection 5.c below.
- iv. Other responsibilities reasonably necessary for the development, operation and maintenance of the Portal.
- v. Other related or ancillary services.

b. Limitation on Authority. The PORTAL AGENCY shall have no authority to set tax rates or tax classifications for Participating Cities, to set local tax policy, tax rules, deductions or exemptions; or take enforcement action on behalf of any Participating City. The PORTAL AGENCY is created by the Principals to manage the Participating Cities' joint participation in the facilitation of an exclusively governmental activity, specifically, the collection of certain local taxes.

c. Expansion of Scope of Services. The Portal will be initially established with the capability to handle payment of Gross Receipts Taxes and filing of applications for Business Licenses. PORTAL AGENCY may provide additional capability to pay additional types of city taxes or application for additional types of city licenses through the Portal only upon approval of a Supermajority Vote of the Executive Board; *provided, however*, that the cost of service expansions will be allocated only to those Participating Cities electing to participate in such services.

d. Requirement of Participating Cities to Utilize Services of Portal.

- i. Gross Receipts Tax Collection Services: Participating Cities shall be required to offer their Taxpayers the option of paying Gross Receipts Taxes through the Portal, if and to the extent such taxes are imposed by a Participating City.
- ii. Other Services: Except as required by Subsection 5.d.i above, no Participating City shall be required to utilize any other service of the Portal without the prior written approval of such City.
- iii. Provision of Alternate Collection Options by Participating Cities. Nothing in this Agreement shall be interpreted to preclude a Participating City from

offering its Taxpayers or businesses additional means (other than through the Portal) for acquiring Business Licenses or paying any local taxes, including but not limited to payment of Gross Receipts Taxes.

- iv. Operating Policies and Rules for Use of Portal. In order to protect sensitive Taxpayer data, and assure the relationship between the Portal and Participating Cities remains fully functional and secure, the Executive Board shall adopt a Portal Operations Policy. It is understood and agreed that the access and use of the Portal by any Principal or Subscriber is conditioned on that party consenting in writing to comply with the Portal Operations Policy. Such consent shall be signified by signature of the chief executive officer of each Participating City, or his/her designee, and shall not require further legislative action of the Participating City. The Portal Operations Policy will be regularly reviewed and updated by the Executive Board as necessary or appropriate.

e. Additional Activities of the PORTAL AGENCY. At the discretion of the Executive Board, the PORTAL AGENCY may, in addition to the services described in Section 5.a above:

- i. Participate in forums for Participating Cities to discuss tax policy issues (including but not limited to the Association of Washington Cities Tax Policy Advisory Group or its successor in interest);
- ii. Provide education to Taxpayers and Businesses regarding the Portal and the PORTAL AGENCY, and work to increase transparency about Participating City tax policies and activities;
- iii. Provide a forum for businesses and others to provide feedback and suggestions on the use and functionality of the Portal and the taxes and licenses administered through the Portal; and
- iv. Provide a forum for discussion, coordination and execution of coordinated enforcement activities, provided that the PORTAL AGENCY itself is not authorized to take any tax collection or license fee enforcement actions on behalf of a Participating City. The PORTAL AGENCY shall not use or authorize the use of the Portal or such forum for the purpose of assisting a campaign for election of any person to any office or for the promotion of or opposition to any ballot proposition.
- v. The PORTAL AGENCY shall coordinate with the Washington State Department of Revenue with regard to the Portal's operations and functionality to minimize the need for Taxpayers and Licensees to enter data on the Portal and any separate state tax payment and licensing systems.

## **SECTION 6. PORTAL AGENCY POWERS.**

Through its Executive Board, the PORTAL AGENCY shall have all powers allowed by law for interlocal agencies created under RCW 39.34.030 and Chapter 24.06 RCW, as authorized, amended, or removed by the Executive Board, as provided for in this Agreement and including but not limited to the following:

- a. Recommend action to the legislative bodies of the Participating Cities;
- b. Review and approve budget expenditures for the PORTAL AGENCY;
- c. Establish policies for expenditures of budget items for the PORTAL AGENCY;
- d. Review and adopt a personnel policy for the PORTAL AGENCY (if applicable);
- e. Review and approve operating, Portal use, and financial policies for the PORTAL AGENCY;
- f. Establish a fund or special fund or funds as authorized by RCW 39.34.030 for the operation of the PORTAL AGENCY;
- g. Conduct regular and special meetings as may be designated by the Executive Board consistent with the state Open Public Meetings Act (Ch. 42.30 RCW) as now or hereafter amended;
- h. Maintain and manage records in accordance with the state Public Records Act (Ch. 42.56 RCW) as now or hereafter amended, and other applicable state and federal laws and regulations;
- i. Determine what services shall be offered and under what terms they shall be offered, consistent with Section 5.
- j. Retain and terminate a Manager;
- k. Create committees to review and make recommendations and carry out such functions and responsibilities as the Board may expressly provide;
- l. Approve strategic plans;
- m. Approve the addition of new Principals and new Subscribers and the terms of their participating in PORTAL AGENCY and receipt of PORTAL AGENCY services;
- n. Enter into agreements with third parties for goods and services necessary to fully implement the purposes of this Agreement;
- o. Establish fees and charges for services provided to Participating Cities or other parties, including but not limited to Taxpayers and Licensees using the services of the Portal;
- p. Direct and supervise the activities of any committee established and/or any advisory boards, and the Manager;
- q. Accept grants of funds from any federal, state, local or private agencies and receive and distribute such funds;
- r. Receive all funds allocated to PORTAL AGENCY by Participating Cities;

- s. Purchase, take, receive, lease, take by gift, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, in the name of PORTAL AGENCY;
- t. Sell, convey, lease, exchange, transfer, and otherwise dispose of all of its property and assets;
- u. Sue and be sued, complain and defend, in all courts of competent jurisdiction in PORTAL AGENCY's name;
- v. Make and alter bylaws for the administration and regulation of its affairs; and
- w. Any and all other lawful acts necessary to further PORTAL AGENCY's goals and purposes.
- x. Notwithstanding the foregoing, the PORTAL AGENCY shall not have the authority to issue debt in its own name.

The Portal Agency, as a joint instrumentality of its municipal corporation members under Chapter 39.34 RCW, shall have no powers or authority that are not held by Washington cities.

## **SECTION 7. EXECUTIVE BOARD: COMPOSITION AND OPERATION.**

- a. Composition. The Executive Board shall be composed of one (1) Board Member from each Principal, plus at least one (1) non-voting Board Member representing PORTAL AGENCY Subscribers. Such representatives are referred to as a Board Member or Board Members of the Executive Board.
- b. Powers. The Executive Board shall have final decision making authority upon all policy issues and shall exercise the powers described in Section 6. The Executive Board may delegate responsibility for execution of Executive Board policies and directives and for day-to-day operational decision-making to the Manager, including the hiring and supervision of additional staff positions authorized by the Executive Board, subject to the terms of Section 11.
- c. Limitation on Total Number of Voting Board Members on Executive Board; Allocation of Executive Board Positions Among Multiple Principals. Notwithstanding the terms of Subsection 7.a, at no time shall the number of Executive Board Members exceed fifteen (15) voting members, and for so long as it remains a Principal, no Original Principal shall be required to share representation of its Board seat with another Principal. If the addition of a new Principal would cause the number of Executive Board voting Board Members to exceed fifteen (15), then the Principals with the smallest Population shall share a single Board Member position in order to reduce the number of Executive Board voting Board Members to fifteen (15); *provided that*, if over five (5) Principals would be represented by a single Board Member, then an additional

Board seat shall be converted for shared representation, to be shared by the Principals with the smallest Population. In the event that the number of Principals sharing representation is not evenly divisible by the number of shared seats, then the Principals with the larger Population shall be given the benefit of the allocation (e.g., if 7 Principals are to share 2 seats, then the 3 Principals with the largest Population (within the group sharing representation) shall share one (1) seat, and the four (4) Principals with the smallest populations shall share the second seat). If the number of Principals exceeds 59, then the same process as described above shall be repeated, that is, moving to a maximum of six (6) Principals sharing a seat, and so on (seven (7) Principals sharing a seat, etc.) as necessary to accommodate additional Principals.

d. Method of Determining Selection of Subscriber Representative(s) or Shared Voting Board Member(s). Subscribers shall initially share one (1) non-voting seat on the Executive Board. The Executive Board may by Supermajority Vote increase the number of non-voting seats for Subscribers, and may define how such additional seats are allocated among Subscribers. Unless otherwise described in the Bylaws, Subscribers sharing representation of the non-voting Board Member shall determine the means by which to select their Executive Board representative and shall inform the Board of their choice at the time of the biennial Executive Board Officer elections (or at such other times as may be required in the event of a vacancy). Similarly, those Principals sharing representation on a single Executive Board seat shall determine the means by which to select the position, and shall make the determination at the same time as the biennial Executive Board Officer elections (or at such other times as may be required in the event of a vacancy).

- i. Unless otherwise described in the Bylaws, in the event that Subscribers or Principals are unable to agree on a shared representative or Board Member on a timely basis, the remaining Executive Board Members may make the selection for them by a vote of the Executive Board.
- ii. Individuals representing multiple Subscribers or Principals are expected to confer with the Cities they represent.

e. Qualifications to Serve on Executive Board. To serve on the Executive Board, as either a voting or non-voting Board Member, a person must be the appointing city's Chief Financial Officer (e.g., finance director or city treasurer, or equivalent), or their deputy or equivalent. An individual representing multiple cities on a single Executive Board seat, or serving as the non-voting Subscriber representative shall similarly hold such a position within one of the Subscriber cities sharing such representation.

f. No Compensation for Serving on Executive Board. All Executive Board Members and their alternates shall serve without compensation from the PORTAL AGENCY. However, the PORTAL AGENCY may pay for or reimburse Executive Board Members and alternates for out-of-pocket costs related to service on the Executive Board.

g. Term of Office; Vacancies. Executive Board Members shall serve on the Executive Board for so long as they hold a position that qualifies them for the seat, unless the city they represent elects to appoint another individual. Executive Board Members representing multiple Cities (either as a Principal or Subscriber) shall serve until the next Board Officer elections. Any vacancies shall be promptly filled by the appointing Principal, group of Principals, Subscribers, or the Executive Board (per Section 7.d.i), as appropriate.

h. Alternates. Each Executive Board Member shall have a single alternate designated in writing. Alternates must meet the same qualification as the designated Board Member or have similar financial expertise and be in a management position within their city.

i. Quorum. A simple majority of the Board Members (or their alternates) in number (excluding any Board Member which per Section 17 has given notice of withdrawal or which has been terminated by vote of the Executive Board) shall constitute a quorum of the Executive Board for purposes of taking action.

j. Voting. The Executive Board shall strive to operate by consensus. All Executive Board decision on items not listed in Section 7.k shall require a Simple Majority Vote for approval. A Board Member may not split his or her vote on an issue. No voting by proxies or mail-in ballots will be allowed. Voting by a designated Alternate is not considered a vote by proxy. A Board Member representing a Principal that has given notice of withdrawal or which has been terminated by vote of the Executive Board shall be authorized to cast votes at the Executive Board only on budget items to be implemented prior to the withdrawal or termination date.

k. Items Requiring a Supermajority Vote for Approval:

- i. Approval or amendment of the budget or draft budget. (Per Section 13.b.iv, approval of the draft and final budget or amendments thereto also requires unanimous approval of the Original Principals in certain instances).
- ii. Approval or amendment of user fees and charges.
- iii. Approval of the Portal Operations Policy or amendments thereto.
- iv. Adoption or amendment of the Bylaws or amendment of the Articles of Incorporation.
- v. A decision to acquire assets, equipment, real or personal property, or bind the PORTAL AGENCY to pay total or cumulative any contract amounts over \$50,000, *provided that*, this threshold amount will be indexed on the fifth anniversary of the formation of the PORTAL AGENCY and every five (5) years thereafter by the CPI-U Seattle-Tacoma-Bremerton.
- vi. Admission of a new Principal.

- vii. Admission of a new Subscriber.
- viii. The decision to create an additional non-voting seat for Subscribers on the Executive Board.
- ix. Addition of any staff positions, or partial staff positions, to support PORTAL AGENCY operations. (Per Section 13.b.iv, approval of funding for increases in the number of staff positions also requires unanimous approval of the Original Principals in certain instances).
- x. Appointing or removing the Manager.
- xi. Merger, consolidation, sale of all or substantially all assets of the PORTAL AGENCY (See Section 16).
- xii. Amendment of the Agreement (except for those amendments requiring approval of all legislative bodies of the Principals per Section 18).
- xiii. Termination or dissolution of the PORTAL AGENCY (See Section 19).
- xiv. Any other action actions requiring a sixty six-percent (66%) Supermajority vote under Chapter 24.06 RCW.

l. Officers. The Executive Board shall have four officers, a Chair, Vice-Chair, Secretary and Treasurer. It will be the function of the Chair to preside at the meetings of the Executive Board. The Vice-Chair shall assume this role in absence of the Chair. At the first meeting of the Executive Board following the effective date of this Agreement, the officers shall be elected, and shall serve in this capacity through April 1, 2016, whereupon a new Chair and Vice-Chair shall be elected by the Executive Board. Biennially thereafter, the Executive Board shall elect a new Chair and Vice-Chair for two (2) year terms commencing each April 1. In the event of a vacancy in the Chair position, the Vice-Chair shall assume the Chair for the balance of the term of the departed Chair. In the event of a vacancy in the Vice-Chair position, the Executive Board shall elect a new Vice-Chair to serve the balance of the term of the departed Vice-Chair. An officer elected to fill the unexpired term of his or her predecessor shall not be precluded from serving one or more full annual terms of office following the end of such unexpired term. Any officer appointed by the Executive Board may be removed by vote of the Executive Board, with or without cause, in which event the Executive Board shall promptly elect a new officer who shall serve until the next regular officers' board term begins. The Executive Board may appoint persons other than Board Members of the Executive Board to serve as Secretary and Treasurer of the PORTAL AGENCY. The duties of all officers shall be further described in the PORTAL AGENCY Bylaws.

m. Staffing. The Manager shall assign agency staff to support the Executive Board as he or she deems appropriate.

n. Meetings. The Executive Board shall meet as often as it deems necessary and not less than once a year, at a time and place designated by the Chair of the Executive Board or by a majority of its Board Members. Not less than fourteen (14) days advance notice of regular

meetings shall be given. Special meetings may be called by the Chair or any two (2) Board Members upon giving all other Board Members not less than ten (10) days prior notice. In an emergency, the Executive Board may dispense with written notice requirements for special meetings, but must, in good faith, implement best efforts to provide fair and reasonable notice to all Executive Board Members. Board Members (or alternates) may participate in meetings by telephone conference or equivalent means of voice communication. At all times the Executive Board shall comply with Ch. 42.30 RCW (Open Public Meetings Act).

o. Articles of Incorporation and Bylaws. Unless otherwise provided in the Articles and Bylaws or by vote of the Executive Board, upon the request of any Board Member of the Executive Board, Robert's Revised Rules of Order shall govern any proceeding of the Executive Board.

p. Consultation with Operations Committee. It is the intent of this Agreement to seek the active participation and advice of Participating Cities in the determination of PORTAL AGENCY policies and management. To the extent practicable, all items to come before the Executive Board shall have been previously subject to the review, comment and recommendation of the Operations Committee and the Executive Board shall consider input from the Operations Committee in its deliberations.

q. Consultation with Businesses, Taxpayers and Participating Cities. Not less than once each year the Executive Board shall seek input from Taxpayers and Participating Cities for the purpose of securing feedback and information on the efficiency and effectiveness of the Portal and PORTAL AGENCY programs.

## **SECTION 8. CONVERSION OF STATUS OF PARTICIPATING CITIES; ADDITION OF NEW PRINCIPALS OR SUBSCRIBERS.**

a. Loss of Principal Status. As described in Sections 13.d and 13.k hereof, a Principal shall be converted to Subscriber for failure to approve its share of the budget or for nonpayment or delinquency in payment of charges and fees. On the date of such conversion, said former Principal shall:

- i. lose its representation on the Executive Board;
- ii. lose its right to receive a share of the PORTAL AGENCY assets upon dissolution of the PORTAL AGENCY;
- iii. become subject to payment of charges and fees in accordance with the then applicable payment formula for Subscribers; and
- iv. be bound by the terms of the then current Subscriber service contract.

The conversion of a Principal to Subscriber shall not discharge or relieve any Principal of its obligations to the PORTAL AGENCY or any other Participating City.

b. Election to Convert to Subscriber. A Principal may elect to convert to Subscriber status effective the first day of the next budget period by giving notice of its intent to the Governing Board not less than eight (8) months in advance of such effective date; *provided that*, a Principal may not exercise such election to take effect within the Initial Term. Such conversion shall be effective as proposed without further action of the Executive Board, barring any basis for terminating the Principal and action thereon by the Executive Board.

c. New Principals. A city or town otherwise meeting the qualifications of a Principal in Section 3.z hereof may be admitted to the PORTAL AGENCY as a Principal upon Supermajority Vote of the Executive Board as required under Section 7.k and its approval and execution of a document confirm. Similarly, a Subscriber may apply to the Executive Board to be converted to Principal status. As a condition of becoming a Principal, whether by conversion or new admission, the Executive Board may require payment or other contributions or actions by the new Principal as the Executive Board may deem appropriate consistent with the Bylaws and Portal Operations Policy, and may set such start date for service as it deems appropriate, it being the intention that the addition of new Principals shall not cause then-existing Principals to incur additional costs.

d. New Subscribers. The determination of whether to accept Subscribers shall be made by the Executive Board in a manner similar, and subject to such terms and conditions, as that for accepting new Principals, it being the intention that the addition of new Subscribers shall not cause then-existing Principals or Subscribers to incur additional costs.

## **SECTION 9. TAX AND FINANCE OPERATIONS COMMITTEE.**

a. Role and Responsibilities. A Tax and Finance Operations Committee (“Operations Committee”) shall be established to provide advice and recommendations to the Executive Board. The Executive Board may determine to direct the Operations Committee to perform specific responsibilities within Board-defined parameters. The Operations Committee shall endeavor to promote interagency collaboration, cooperation and information sharing between PORTAL AGENCY Principals and Subscribers. The Operations Committee shall:

- i. Assist in the review and development of Portal Operations Policy and amendments thereto, Portal development options, proposed new service options, and such other matters as the Executive Board may direct;
- ii. Make reports and recommendations to the Executive Board from time to time on matters the Operations Committee deems appropriate;
- iii. Assist in the review and development of proposed PORTAL AGENCY budgets;

- iv. Provide written recommendations with respect to the proposed budget to the Executive Board at the time the proposed budget is submitted to the Executive Board;
- v. Provide advice, information and recommendations to the PORTAL AGENCY Manager and staff;
- vi. Assist in communications to City Councils, legislators, business community on PORTAL AGENCY issues;
- vii. Reach out to technology staff within their respective Cities for input and ideas, and to keep them apprised of PORTAL AGENCY issues;
- viii. Brief their respective Executive Board Members in advance of Executive Board meetings.

b. Membership. Membership of the Operations Committee shall include one (1) Representative from each Principal, appointed by that Principal, plus at least one (1) representative, appointed by the Executive Board, to represent Subscribers. Each Principal shall also appoint in writing a designated alternate to serve on the Operations Committee in case of absence of the primary Representative.

c. Qualification to serve on Operations Committee. Representatives and their alternates shall be staff from the Principal they represent, with expertise in city tax policy and administration and/or city financial policy and administration. Persons serving on the Operations Committee are referred to as Representatives (or alternates) and shall serve without compensation from the PORTAL AGENCY.

d. Officers, Voting, Meeting Rules. The Operations Committee shall select a Chair and Vice-Chair from among the membership of the Operations Committee. Each Representative on the Committee shall have one vote. The meeting rules for the Operations Committee shall be further defined in the PORTAL AGENCY Bylaws.

e. Staffing. The Operations Committee shall be staffed by the Manager and such additional agency staffing as the Manager may deem appropriate.

## **SECTION 10. PORTAL AGENCY STAFFING.**

a. The PORTAL AGENCY shall be staffed in such manner as the Executive Board determines, including but not limited to the use of loaned employees from Principals, consultants or other service providers, purchase of services from Principals or others, or hiring staff, or any combination of the foregoing.

b. As described in Section 13.b.iv.2 and Exhibit D, any increase in Labor Costs in excess of the New Participant Labor Cost Increment requires approval of a Supermajority Vote of the Executive Board as well as the approval of all Board Members representing all Original Principals.

## **SECTION 11. PORTAL AGENCY MANAGER.**

a. Portal Agency Manager Appointment, Responsibilities and Authority. The Executive Board shall be responsible for the appointment and termination of a Manager of the PORTAL AGENCY, and shall request input from the Operations Committee, or any other standing committees created by the Executive Board, regarding any proposed appointment. The Manager shall:

- i. Be responsible to the Executive Board and shall advise it from time to time on a proposed budget and other appropriate matters in order to fully implement the purposes of this Agreement;
- ii. Administer the PORTAL AGENCY in its day-to-day operations consistent with the policies adopted by the Executive Board;
- iii. Appoint persons to fill other staff positions, subject to confirmation by the Executive Board as the Board may require;
- iv. Submit quarterly budget and operation performance reports to the Executive Board in a form acceptable to the Executive Board;
- v. Undertake outreach to Taxpayers, Licensees and businesses, as well as to Participating Cities on the effectiveness of the PORTAL AGENCY operations and programs.
- vi. Manage and oversee performance of the Vendor and other vendors or contractors providing services to the PORTAL AGENCY.
- vii. Consult in advance with the Operations Committee on issues to come before the Executive Board, including but not limited to working with the Operations Committee in the development of the PORTAL AGENCY's budget and policies.

b. Qualifications, Retention and Termination. The Manager shall have experience in technical, financial and administrative fields and his or her appointment shall be on the basis of merit only. The Manager is an "at will" position and may be terminated from his or her position as Manager upon the Supermajority Vote of the Executive Board, without cause.

c. Legal Counsel, Accountants and Auditors. Only the Executive Board shall be authorized to hire or retain legal counsel and independent accountants and auditors. Other consultants may be designated in such manner as the Executive Board may determine subject to Sections 6 and 7.

d. Contracts and Support Services. Subject to the terms of the Bylaws, the Executive Board or the Manager with advice of the Operations Committee shall as necessary contract with appropriate local governments or other third parties for the use of space for its operations, and for staff and auxiliary services including, but not limited to, records, payroll, accounting, purchasing and data processing. Notwithstanding the foregoing, only the Executive Board may approve changes to the Portal Vendor(s) or Portal Vendor Services Contract.

## **SECTION 12. ASSIGNMENT OF PORTAL SERVICES CONTRACT FROM SEATTLE TO PORTAL AGENCY.**

Promptly following the execution of this Agreement and the filing of such forms with the Washington Secretary of State as are necessary to incorporate the PORTAL AGENCY as a nonprofit corporation, The City of Seattle agrees to assign the Portal Services Contract to the PORTAL AGENCY, together with all rights and responsibilities appurtenant thereto and the PORTAL AGENCY shall agree to accept such assignment, rights and responsibilities, it being the intent of the parties to this Agreement that the PORTAL AGENCY shall assume all responsibility for overseeing and funding the work of the Vendor pursuant to such Portal Services Contract as soon as practicable following formation of the PORTAL AGENCY.

## **SECTION 13. BUDGET; COST ALLOCATION; CAPITAL COST RECOVERY CHARGES; PAYMENT OF CHARGES; DELINQUENCIES; RESERVE FUNDS.**

a. Budget Fiscal Year. The budget fiscal year shall be either the calendar year, or two calendar years as the Executive Board may determine. The “budget period” corresponds to the fiscal year or years so determined by the Board.

b. Budget Approval. The Manager shall develop the proposed operating budget in consultation with the Operations Committee. The Manager and Executive Board shall use their best efforts to meet the budget schedule set forth below, but failure to meet a specified budget deadline shall not constitute a breach of this Agreement.

- i. The Manager shall present a proposed budget to the Executive Board by no later than **May 1** prior to the commencement of the budget period, together with the Operation Committee’s recommendations with respect to the proposed budget.
- ii. By no later than **June 15**, the Executive Board shall (1) review and revise the draft budget as it deems appropriate; (2) approve the draft budget (including proposed charges to Participating Cities and any user fees to

Taxpayers and Licensees) by Supermajority Vote; and (3) forward same to Principals. The approved draft budget, and all proposed fees and charges shall be forwarded to Subscribers no later than **July 1**.

- iii. The final budget shall be adopted by vote of the Executive Board effective no later than **December 31** prior to commencement of the budget period, after receiving information as to:
  1. which Subscribers will be continuing to contract with the PORTAL AGENCY; and
  2. which Principals have or will approve their shares of the PORTAL AGENCY budget, based on action or information from such Principals received by the PORTAL AGENCY no later than **December 1**.
- iv. Vote Required to Approve Budget. Per Section 7.k.i, a Supermajority Vote of the Executive Board is required to approve the draft and final budget, *provided* that unanimous approval of the Executive Board Members representing all Original Principals shall also be required to approve any budget or budget amendment that includes:
  1. An increase in Capped Costs greater than the maximum amount allowed per calculation of the New Participant Capped Cost Increment, as further described in Exhibit D.
  2. An increase in Labor Costs to increase the number of full or partial staff positions greater than the maximum amount allowed per calculation of the New Participant Labor Cost Increment, as further described in Exhibit D.
- v. 2014 Budget. Notwithstanding the foregoing, the PORTAL AGENCY budget for the year 2014 will be formally adopted by action of the Executive Board promptly following incorporation of the PORTAL AGENCY and need not be submitted for approval by the Original Principals. The proposed 2014 budget is set forth at Exhibit A. By approving this Agreement each Original Principal also approves their contribution to the 2014 budget in an amount not to exceed that shown in Exhibit A, promptly following the date the PORTAL AGENCY is incorporated.

c. Payment of Charges. The Board shall determine the timing of payments by Participating Cities, which shall be set forth in the Portal Operations Policy.

d. Failure of a Principal to Approve Budget Share. Failure of a Principal to approve its share of the budget before the commencement of the budget period shall result in the Principal being converted to Subscriber status effective as of the first day of the budget period for which the budget was not approved.

e. Notification of Final Adopted Budget. Promptly following final adoption of the budget by the Executive Board, the Manager shall provide notice to all Principals and Subscribers as to the terms of the final adopted budget, including their share of PORTAL AGENCY costs, charges and fees, and the payment schedule.

f. Budget Modifications. Modifications to the budget shall be approved by a Supermajority Vote of the Executive Board (and also unanimous consent of the Original Principals if required by Section 13.b.iv above) as necessary from time to time to account for changes in expenditures and revenues.

g. Cost Allocation and Cost Recovery Principles. The PORTAL AGENCY budget shall be generally allocated between all Participating Cities based on the number of Transactions processed for each City on the Portal. In years 2014 through 2018, the number of Transactions for the Original Principals shall be based on 2012 historical actual pre-Portal use Transaction Counts (set forth in Exhibit A) and the City Transaction Count for any other Participating City shall be based on the most recent historical data for that City prior to it joining the Portal. From and after 2019, the number of Transactions allocated to Original Principals shall be based on the most recent actual annual number of Transactions processed on the Portal for each such City (thus for 2019, the 2017 actual Transaction count will be used); for other Participating Cities, the allocation will be determined considering the actual number of Transactions (if the City had joined before 2019), historical tax and license information, and the experience of Original Principals as to how quickly businesses have adopted use of the Portal since its launch. The details of the cost allocation calculation shall be set forth in the Portal Operations Policy. Nothing in this Agreement shall be construed to prohibit the Executive Board from including factors in addition to the number of City Transactions in the cost allocation formulas as between Participating Cities, so long as the primary basis for allocation remains the City Transaction count.

h. User Fees. The PORTAL AGENCY shall impose such reasonable user fees as the Executive Board may determine on Taxpayers and Licensees utilizing the Portal to file tax returns or file business license applications in order to recoup costs of PORTAL AGENCY

operations, the Portal operation and maintenance, reserves and any other PORTAL AGENCY costs.

i. Estimated Six Year Operating Costs. Exhibit B sets forth a general estimate of the annual costs to establish and operate the PORTAL AGENCY between 2014 and 2020, assuming the Original Principals are the only Participating Cities, and includes estimated payment of Vendor's charges pursuant to the Portal Services Contract and other estimated operating costs. This Exhibit is an estimate and is not binding on any of the parties to this Agreement, nor is it binding on the PORTAL AGENCY.

j. Capital Cost Recovery Charge. In order to reimburse the City of Seattle for approximately one third of the costs Seattle paid to fund start-up of the Portal Agency, each Participating City other than the City of Seattle will be charged an annual Capital Cost Recovery Charge, in an amount described in Exhibit C. Such Charges shall be imposed each year from and after 2015 until such time as the total Capital Cost Recovery Charges paid reaches \$1,400,000. The Capital Cost Recovery Charges will be paid by Participating Cities to the Portal Agency and the Portal Agency shall thereafter remit the total annual amount to Seattle. The Capital Cost Recovery Charge is not considered part of the Portal Agency budget for purposes of calculating Capped Costs or CPI-U limitations on the growth of such costs.

k. Payment and Delinquencies. Principals shall promptly pay fees and charges allocable to them. Interest on fees and charges allocable to any Principal not paid when due shall begin accruing interest immediately at the Federal Reserve Prime Rate as of the date the payment was originally due, plus 3% per year. The PORTAL AGENCY shall, within seven (7) days of the due date, send notice to any delinquent Principal and provide a 60-day cure period from the original due date of the payment. If such fees and interest penalties are not paid in full within 60 days of the original due date, then the Principal delinquent in payment of fees shall upon such 60<sup>th</sup> day be deemed immediately converted to the status of a Subscriber and subject to penalty as described in Section 8. In the event a Principal converted to Subscriber status by non-payment of fees shall not have paid in full all fees and interest owing by six (6) months after the original due date, then the Executive Board may terminate provision of the PORTAL AGENCY'S services to that former Principal. After one (1) year, the nonpaying former Principal shall be deemed to have withdrawn from this Agreement, but the termination of services shall not absolve the former Principal of its obligation to pay all fees and charges past due, together with interest.

l. Terms of Subscriber Contracts. Subscriber contracts shall include terms consistent with these delinquency provisions, that is, interest shall accrue on delinquent payments at the same rate as provided herein, and service may be terminated if fees and interest are not paid in full within six months.

m. Reserve Funds. The Executive Board may establish and fund reserve funds to support operations or capital investments for the PORTAL AGENCY, at levels the Executive Board determines to be appropriate; *provided* that general reserve funds may only be used to support general PORTAL AGENCY operations, maintenance and capital costs and may not be used in support of developing projects or services that will not be utilized by all Principals; and *provided further*, that no Principal shall be required to contribute to special reserves established exclusively in support of projects or services that the Principal has certified it does not intend to utilize or make available to its Taxpayers and Licensees.

n. Use of Funds. Consistent with any use imposed on particular funds by statute, ordinance, contract, this Interlocal Agreement or any bylaws adopted by PORTAL AGENCY, the PORTAL AGENCY may use any available funds for any purpose authorized by this Agreement in connection with an authorized project.

#### **SECTION 14. RETAINED AUTHORITY AND RESPONSIBILITY OF PARTICIPATING AGENCIES.**

Each Participating City shall retain the responsibility and authority for its operational departments and for such equipment and services as are required at its place of operation to connect to PORTAL AGENCY operations, including but not limited to each Participating City's computer and data systems managing processes that provide services the Portal delivers (the City's system of record). Each Participating City shall also retain the responsibility and authority for managing and maintaining the security and privacy of all data that the Participating City links to the Portal. Inter-connecting equipment and services will not be included in PORTAL AGENCY'S budget and operational program, except as the Executive Board may determine.

#### **SECTION 15. OWNERSHIP OF PROPERTY.**

a. Ownership of Property. Excepting the Portal which is owned by the Vendor, all property both real and personal, as well as intellectual property rights or licenses purchased or otherwise acquired pursuant to or in connection with this Agreement shall be owned or held in the name of the PORTAL AGENCY; provided, however, that the Executive Board may convey ownership of specific property, property or use rights.

b. Loaned Property. If any Participating City provides equipment or furnishings for PORTAL AGENCY'S use, title to the same shall rest with the respective local entity unless that equipment or furnishing is acquired by the PORTAL AGENCY.

c. Data. Each Participating City shall retain ownership of its own data and property that may be used in connection with Portal or PORTAL AGENCY operations.

## **SECTION 16. MERGER OR CONSOLIDATION, OR SALE OF ALL OR SUBSTANTIALLY ALL ASSETS.**

Approval of the merger or consolidation of PORTAL AGENCY with another entity, or the sale of all or substantially all assets of PORTAL AGENCY, shall require a Supermajority Vote.

## **SECTION 17. WITHDRAWAL BY, OR TERMINATION OF, A PRINCIPAL.**

a. Notice and Timing. Any Principal may withdraw its membership and terminate its participation in this Agreement by providing written notice to the Executive Board on or before December 31 in any year, and the Executive Board shall promptly inform all other Principals of such notice. That withdrawal shall become effective on the last day of the next calendar year. Notwithstanding the foregoing, no Principal may terminate its participation in this Agreement effective prior to the end of the Initial Term.

b. Obligations of departing Principal. A Principal who withdraws, is terminated, changes or is changed to Subscriber status (“departing Principal”) shall hold the remaining Principals and Subscribers harmless against any resultant increased capital and/or operating costs allocated to them for the following two (2) budget years (plus the remainder of the current budget year, if applicable), with respect to any Executive Board approved project (excluding the initial launch of the Portal) in which the departing Principal is participating or has agreed to participate prior to notice of withdrawal or notice of change to Subscriber status, but such obligation shall exclude the cost of any Capital Cost Recovery Charges. Such obligation shall be reduced to the extent new Principals or Subscribers are allocated these costs that would otherwise have been chargeable to the departing Principal. After recouping such costs, the Executive Board may authorize reimbursement to the remaining Principals and Subscribers based on a depreciated value of the withdrawing or converting Principal’s contribution.

c. Rights of departing Principal. Departing Principals shall have rights to copies of all data held by the PORTAL AGENCY relating to that Principal’s Taxpayers and Licensee and other data relating specifically to the Principal.

d. The termination and/or withdrawal of a Principal shall not discharge or relieve any Principal of its obligations to the PORTAL AGENCY or other Participating Cities.

## **SECTION 18. AMENDMENT OF AGREEMENT.**

This Agreement may be amended upon approval of a Supermajority Vote of the Executive Board except that any amendment affecting the following shall require consent of the legislative authorities of all Principals:

- a. Expansion of the scope of services provided by the PORTAL AGENCY beyond the scope of expansion authorized in Section 5.c.
- b. The terms and conditions of membership on the Executive Board.
- c. Voting rights of Executive Board Members.
- d. Powers of the Executive Board.
- e. Principal contribution responsibilities.
- f. Hold harmless and indemnification requirements.
- g. Provisions regarding duration, termination or withdrawal.
- h. The conditions of this Section.

This section shall not be construed to require legislative authority consent for the addition of a new Principal or agreement to serve an additional Subscriber, or to expand or contract the services purchased by any Principal or Subscriber or offered by the PORTAL AGENCY.

## **SECTION 19. TERMINATION OF AGREEMENT; DISSOLUTION OF AGENCY.**

a. Generally. This Agreement may be terminated upon the approval of a Supermajority Vote of the Executive Board. The termination shall be by direction of the Executive Board to wind up business by a date specified by the Executive Board, which date shall be at least one (1) year following the date of the vote to terminate. Upon the final termination date, this Agreement shall be fully terminated.

b. Distribution of Property on Termination of Agreement. Upon termination of this Agreement, all property acquired during the life of the Agreement remaining in ownership of PORTAL AGENCY shall be disposed of in the following manner:

- i. Real or Personal Property. All real or personal property purchased pursuant to this Agreement and all unexpended funds or reserve funds, net of all outstanding PORTAL AGENCY liabilities, shall be distributed to those Principals still participating in the PORTAL AGENCY on the day prior to the termination date and shall be apportioned between Principals based on the ratio that the average of each Principals' contributions to the operating budget over the preceding five (5) years bears to the total of all then remaining Principals' user fees paid during such five-year period. The Executive Board shall have the discretion to allocate the real or personal

property and funds as it deems appropriate, and the apportionment, determined consistent with the preceding sentence, need not be exact.

- ii. Intellectual Property Rights. The Vendor will own, or have rights to, all its intellectual property per the terms of the Portal Services Contract, including the right to license the Portal operating system exclusively to the PORTAL AGENCY, its Principals and Subscribers. The Portal license rights, and all rights granted relating thereto, terminate with the termination of the Portal Services Contract. Notwithstanding this termination, the Principals and Subscribers shall retain the right after termination of the Portal license rights to acquire any and all information and data, including but not limited to Taxpayer, Licensee and their respective City data, then currently held by the Vendor or the PORTAL AGENCY. Upon termination of the Portal Development and Services Contract or the dissolution of the PORTAL AGENCY, any and all intellectual property owned by the PORTAL AGENCY (which excludes the Portal and any other intellectual property owned by the Vendor) will be transferred in its entirety to Principal with the largest Population. If said Principal does not agree to accept the intellectual property owned by the PORTAL AGENCY, it shall then be transferred in its entirety to the Principal with the next largest population, and so on should that Principal not agree to accept the intellectual property. If no Principal agrees to accept the intellectual property, then the Executive Board will attempt to sell the intellectual property at fair market value and distribute the proceeds in proper proportion to the current Principals in accordance with Subsection 19.b.i.
- iii. Loaned Property. In the event of dissolution or termination of the PORTAL AGENCY, assigned or loaned assets shall be returned to the lending entity.
- iv. Allocation of Liabilities. In the event outstanding liabilities of the PORTAL AGENCY exceed the value of personal and real property and funds on hand, all Principals shall contribute to retirement of those liabilities in the same manner as which they would share in the distribution of properties and funds.

c. Notwithstanding the foregoing, the Agreement may not be terminated if to do so would abrogate or otherwise impair any outstanding obligations of the PORTAL AGENCY, unless provision is made for those obligations.

## **SECTION 20. DISPUTE RESOLUTION.**

a. Whenever any dispute arises between a Principal or the Principals or between the Principals and the PORTAL AGENCY (referred to collectively in this section as the “parties”)

under this Agreement which is not resolved by routine meetings or communications, the parties agree to seek resolution of such dispute by the process described in this section, which shall also be binding on Subscribers.

b. The parties shall seek in good faith to resolve any such dispute or concern by meeting, as soon as feasible. The meeting shall include the Chair of the Executive Board, the Manager, and a representative(s) of the Principal(s), if a Principal(s) is involved in the dispute, and/or a person designated by the Subscriber(s), if a Subscriber(s) is involved in the dispute.

c. If the parties do not come to an agreement on the dispute or concern, any party may request mediation through a process to be mutually agreed to in good faith between the parties within 30 days, which may include binding or nonbinding decisions or recommendations (whichever is mutually agreed to). The mediator(s) shall be mutually agreed upon and shall be skilled in the legal and business aspects of the subject matter of this Agreement. The parties shall share equally the costs of mediation and assume their own costs.

## **SECTION 21. INSURANCE.**

The Executive Board, Manager, and Operations Board shall take such steps as are reasonably practicable to minimize the liability of the Participating Cities, including but not limited to the utilization of sound business practice. The Executive Board shall determine which, if any, insurance policies may be reasonably practicably acquired to cover the operations of the Portal Agency and the activities of the Parties pursuant to this Agreement (which may include Directors and Officers, Commercial General Liability, Auto, Workers' Compensation, Stop Gap/Employer's Liability, errors and omissions, crime/ fidelity insurance, CyberRisk), and shall direct the acquisition of same. [

## **SECTION 22. INDEMNIFICATION AND HOLD HARMLESS.**

Each Principal shall indemnify and hold other Principals, their officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of that Principal's negligent acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries or damages are caused by another Principal.

a. Each Principal shall indemnify and hold the PORTAL AGENCY and its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of that Principal's negligent acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries and damages are caused by the PORTAL AGENCY.

b. As provided in its Articles of Incorporation, the PORTAL AGENCY shall indemnify and hold each Principal its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of the PORTAL AGENCY'S acts or omissions in connection with the performance of its obligations under this Agreement, except to the extent the injuries and damages are caused by any Principal.

c. Subscribers shall be required to agree to indemnify and hold harmless each Principal and the Portal Agency, their officers, officials, employees and volunteers from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of Subscribers negligent acts or omissions in connection with its use of the Portal. To such degree as the Executive Board determines to be reasonable, appropriate, and consistent with applicable law and to be in the best interests of the Portal Agency, the Portal Agency may also indemnify and hold harmless Subscribers.

d. 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 a party hereto and the PORTAL AGENCY, its officers, officials, employees, and volunteers, the party's liability hereunder shall be only to the extent of the party's negligence. It is further specifically and expressly understood that the indemnification provided in this Section constitutes the party's waiver of immunity under Industrial Insurance Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

e. Each party shall give the other parties proper notice as provided in Section 24, of any claim or suit coming within the purview of these indemnities. Termination of this Agreement, a Principal's withdrawal from the PORTAL AGENCY, or a Principal's conversion to Subscriber status (collectively for purposes of this subparagraph "Termination"), shall not affect the continuing obligations of each of the parties as indemnitors hereunder with respect to those indemnities and which shall have occurred prior to such Termination.

## **SECTION 23. INTERGOVERNMENTAL COOPERATION.**

The PORTAL AGENCY shall cooperate with local, state and federal governmental agencies in order to maximize the utilization of any grant funds for equipment and operations and to enhance the effectiveness of the PORTAL AGENCY's operations and minimize costs of service delivery.

## **SECTION 24. NOTICE.**

Notices required to be given to the PORTAL AGENCY under the terms of this Agreement shall be directed to the following unless all Principals are otherwise notified in writing:

Chair, PORTAL AGENCY Executive Board  
c/o his/her Principal agency's address

Notices to Principals or Subscribers, Board Members or Representatives required hereunder may be given by mail, overnight delivery, facsimile or email (with confirmation of transmission), telegram, or personal delivery. Each Principal shall provide the Chair of the PORTAL AGENCY Executive Board written notice of the address for providing notice to said Principal. Any Principal wishing to change its mail or email address shall promptly notify the Chair of the Executive Board. Notice or other written communication shall be deemed to be delivered at the time when the same is postmarked in the mail or overnight delivery services, sent by facsimile or email (with confirmation of transmission), sent by telegram, or received by personal delivery.

## **SECTION 25. VENUE.**

The venue for any action related to this Agreement shall be in the Superior Court in and for King County, Washington at Seattle, or if applicable, in Federal District Court, Western District of Washington.

## **SECTION 26. FILING.**

As provided by RCW 39.34.040, this Agreement shall be filed prior to its entry in force with the King County Department of Executive Services Division of Records and Licensing Services, or its successor, Records and Elections, or, alternatively, listed by subject on a Principal's web site or other electronically retrievable public source.

## **SECTION 27. NO THIRD PARTY BENEFICIARIES.**

There are no third-party beneficiaries to this Agreement. No person or entity other than a party to this Agreement shall have any rights hereunder or any authority to enforce its provisions, and any such rights or enforcement must be consistent with and subject to the terms of this Agreement.

## **SECTION 28. SEVERABILITY.**

The invalidity or any clause, sentence, paragraph, subdivision, section or portion of this agreement shall not affect the validity of the remainder of the Agreement.

## **SECTION 29. RATIFICATION.**

All prior acts taken by the Principals and the PORTAL AGENCY consistent with this Agreement are hereby ratified and confirmed.

## **SECTION 30. EXECUTION, COUNTERPARTS AND EFFECTIVE DATE.**

This Agreement and any amendments thereto, shall be executed on behalf of each Principal by its duly authorized representative and pursuant to an appropriate motion, resolution or ordinance. This Agreement may be executed in any number of counterparts, each of which shall be an original, but those counterparts will constitute one and the same instrument. This Agreement shall be deemed adopted and effective as of March 1, 2014, subject to prior approval by the legislative bodies of all four Original Principals, execution by each Original Principal, and prior filing of same as required by Section 26.

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IN WITNESS WHEREOF, this Agreement has been executed by each party on the dates set forth below.

**City of Bellevue**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**The City of Seattle**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**City of Everett**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**City of Tacoma**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**List of Exhibits**

- A. Proposed 2014 PORTAL AGENCY BUDGET SUMMARY (including number of Transactions used for cost allocation as between Original Principals)
- B. 2015-2020 Estimated PORTAL AGENCY Operating Budget Summary
- C. Capital Cost Recovery Charges
- D. Calculation of New Participant Capped Cost Increment and New Participant Labor Cost Increment

## Exhibit A

**Proposed 2014 PORTAL AGENCY OPERATING BUDGET SUMMARY**  
**(including number of Transactions used for cost allocation as between Original Principals)**  
 (June to December 2014)

|                                                           |                    |
|-----------------------------------------------------------|--------------------|
| Labor Total <sup>1</sup>                                  | 152,649            |
| Contracts Total <sup>2</sup>                              | 27,000             |
| Overhead Total <sup>3</sup>                               | 12,500             |
| Vendor Costs <sup>4</sup>                                 | 180,208            |
| Operating Reserves                                        | 55,854             |
| <b>Total Budgeted Costs</b>                               | <b>428,210</b>     |
| <br><b>Total Budgeted Revenues</b>                        | <br><b>428,210</b> |
| Estimated User fee Revenues <sup>5</sup>                  | 72,566             |
| Estimated Revenue from City Cost Allocations <sup>6</sup> | 355,644            |
| <i>City of Seattle Cost Allocation<sup>7</sup></i>        | <i>245,394</i>     |
| <i>City of Bellevue Cost Allocation</i>                   | <i>35,654</i>      |
| <i>City of Tacoma Cost Allocation</i>                     | <i>56,903</i>      |
| <i>City of Everett Cost Allocation</i>                    | <i>17,782</i>      |

This budget estimates a six month budget beginning after the Multi-City Business License and Tax Portal is up and running in mid-2014, the first six months are covered by the Portal

<sup>1</sup> This budget includes 2.5 FTE: the Portal Manager, a half-time administrative assistant and a full-time IT Project Manager/Business Analyst. The personnel for these positions will be provided by the City of Seattle and the costs in this budget include the fully-funded (salary, benefits, etc.) labor costs for all 2.5 positions. A separate loaned staffing agreement will be entered into between the Portal Agency and the City of Seattle in 2014 for these staff.

<sup>2</sup> Includes contracts for outside services such as Accounting, Insurance, Bank and the State Auditor.

<sup>3</sup> Funding for miscellaneous overhead items such as legal fees, office and operating supplies, printing and licenses/memberships.

<sup>4</sup> Includes costs estimated payable to-Gov Systems under the Portal Services Contract in 2014, from and after the Portal goes "live." For the first five years of Portal operation,.e-Gov Systems will charge the Portal Agency \$1.25 every time a business or taxpayer makes an online Portal filing, whether or not tax is owing.

<sup>5</sup> Assumes the Executive Board approves a proposed user fee of \$4 per online session per City (the proposed fee would be payable only when tax is owed; multiple tax and/or license filings on the same session would incur only one fee). This user fee is based on an estimated Portal use adoption rate by business and taxpayers of 15%. This adoption rate is expected to grow considerably each year.

<sup>6</sup> Cost Allocations are based on the 2012 Transaction count for each Original Principal, shown in the table at the End of this Exhibit A.

<sup>7</sup> Excludes Seattle's contributions to start-up costs in 2014. Also excludes labor and operating costs for which Seattle will be reimbursed from the Total Budget shown above, per the loaned staffing agreement.

Implementation Project costs funded by Seattle. This budget estimates also assumes only four cities participate in 2014.

Transaction Counts Calculations used for Cost Allocation as between Original Principals

| Transaction Counts | Based on 2012 actual business license filings, business and occupations and gross receipts tax filings for each Original Principal |                 |               |                |              |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------|----------------|--------------|
|                    | <b>Seattle</b>                                                                                                                     | <b>Bellevue</b> | <b>Tacoma</b> | <b>Everett</b> | <b>Total</b> |
| Transactions       | 212,457                                                                                                                            | 30,927          | 50,000        | 14,392         | 307,776      |
| % Allocation       | 69%                                                                                                                                | 10%             | 16%           | 5%             | 100%         |

Exhibit B:  
**Multi-City Business License and Tax Portal Agency  
 2015-2020 Estimated Operating Budget Summary**

This budget is an estimated six year budget and assumes only four cities participating.

|                                                             | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           |
|-------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Labor Total<sup>8</sup></b>                              | <b>314,740</b> | <b>324,182</b> | <b>333,908</b> | <b>343,925</b> | <b>354,243</b> | <b>364,870</b> |
| <b>Contracts Total<sup>9</sup></b>                          | <b>55,188</b>  | <b>56,402</b>  | <b>57,643</b>  | <b>58,911</b>  | <b>60,207</b>  | <b>61,532</b>  |
| <b>Overhead Total<sup>10</sup></b>                          | <b>15,330</b>  | <b>15,667</b>  | <b>16,012</b>  | <b>16,364</b>  | <b>16,724</b>  | <b>17,092</b>  |
| <b>Vendor Total<sup>11</sup></b>                            | <b>344,888</b> | <b>383,360</b> | <b>421,832</b> | <b>460,304</b> | <b>479,540</b> | <b>498,776</b> |
| <b>Operating Reserve - 15%</b>                              | <b>53,668</b>  | <b>7,420</b>   | <b>7,467</b>   | <b>7,516</b>   | <b>4,681</b>   | <b>4,733</b>   |
| <b>Total Estimated Budget</b>                               | <b>783,814</b> | <b>787,031</b> | <b>836,862</b> | <b>887,021</b> | <b>915,396</b> | <b>947,003</b> |
| <b>Estimated User Fee Revenue<sup>12</sup></b>              | <b>193,510</b> | <b>241,888</b> | <b>290,266</b> | <b>338,643</b> | <b>362,832</b> | <b>387,021</b> |
| <b>Estimated City Cost Allocation Revenues<sup>13</sup></b> | <b>602,057</b> | <b>555,622</b> | <b>557,306</b> | <b>559,322</b> | <b>563,749</b> | <b>571,414</b> |
| <b>City of Seattle<sup>14</sup></b>                         | <b>415,419</b> | <b>383,379</b> | <b>384,541</b> | <b>385,932</b> | <b>388,987</b> | <b>394,276</b> |
| <b>City of Bellevue</b>                                     | <b>60,206</b>  | <b>55,562</b>  | <b>55,731</b>  | <b>55,932</b>  | <b>56,375</b>  | <b>57,141</b>  |
| <b>City of Tacoma</b>                                       | <b>96,329</b>  | <b>88,900</b>  | <b>89,169</b>  | <b>89,492</b>  | <b>90,200</b>  | <b>91,426</b>  |
| <b>City of Everett</b>                                      | <b>30,103</b>  | <b>27,781</b>  | <b>27,865</b>  | <b>27,966</b>  | <b>28,187</b>  | <b>28,571</b>  |

<sup>8</sup> This budget includes 2.5 FTE: the Portal Manager, a half-time administrative assistant and a full-time IT Project Manager/Business Analyst. The personnel for these positions will be provided by the City of Seattle and the costs in this budget include the fully-funded (salary, benefits, etc.) labor costs for all 2.5 positions. A separate loaned staffing agreement will be entered into between the Portal Agency and the City of Seattle in 2014 for these staff.

<sup>9</sup> Includes contracts for outside services such as Accounting, Insurance, Bank and the State Auditor.

<sup>10</sup> Funding for miscellaneous overhead items such as legal fees, office and operating supplies, printing and licenses/memberships.

<sup>11</sup> Includes costs estimated payable to-Gov Systems under the Portal Services Contract in 2014, from and after the Portal goes "live." e-Gov Systems will charge the Portal Agency \$1.25 every time a business or taxpayer makes an online Portal filing, whether or not tax is owing. This per-filing cost is fixed for the first five years of Portal operation.

<sup>12</sup> Assumes the Executive Board approves a proposed user fee of \$4 per online session per City (the proposed fee would be payable only when tax is owed; multiple tax and/or license filings on the same session would incur only one fee). This user fee is based on an estimated Portal use adoption rate by business and taxpayers of 15%. This adoption rate is expected to grow considerably each year.

<sup>13</sup> Cost Allocations are based on the 2012 Transaction count for each Original Principal, shown in Table 2.

<sup>14</sup> Excludes Seattle's contributions to start-up costs in 2014. Also excludes labor and operating costs for which Seattle will be reimbursed from the Total Budget shown above, per the loaned staffing agreement.

### Transaction Counts Calculations used for Cost Allocation as between Original Principals

| Transaction Counts | Based on 2012 actual business license filings, business and occupations and gross receipts tax filings for each Original Principal |          |        |         |         |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------|----------|--------|---------|---------|
|                    | Seattle                                                                                                                            | Bellevue | Tacoma | Everett | Total   |
| Transactions       | 212,457                                                                                                                            | 30,927   | 50,000 | 14,392  | 307,776 |
| % Allocation       | 69%                                                                                                                                | 10%      | 16%    | 5%      | 100%    |

### Estimated Adoption Rates

| e-Gov Systems Recommended Adoption Rate | This is the recommended rate of adoption from e-Gov systems based on previous implementations. |      |      |      |      |      |
|-----------------------------------------|------------------------------------------------------------------------------------------------|------|------|------|------|------|
|                                         | 2015                                                                                           | 2016 | 2017 | 2018 | 2019 | 2020 |
| Adoption Rate                           | 40%                                                                                            | 50%  | 60%  | 70%  | 75%  | 80%  |

### CPI-U Rates Forecast

|                           | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|
| CPI-U Forecast (Bellevue) | 2.20% | 2.20% | 2.20% | 2.30% | 2.30% | 2.30% | 2.30% |

## Exhibit C

### Capital Cost Recovery Charges

Beginning in 2015, every Participating City other than the City of Seattle will pay a yearly Capital Cost Recovery Charge to the Portal Agency which in turn will remit the annual total of such Charges paid to the City of Seattle. The Charges will remain in place until the total amount of \$1,400,000 has been remitted to Seattle.

The Executive Board shall determine the timing for payment of the Capital Cost Recovery Charges.

Each Participating City's Capital Cost Recovery Charge will be determined based on the number of Transactions allocated to such City in the budget year in which the Charge will be collected, and in accordance with the following table:

| <b>Category:</b>                                           | <b>Smallest City</b> | <b>Smaller City</b> | <b>Small City</b> | <b>Medium City</b> | <b>Large City</b> |
|------------------------------------------------------------|----------------------|---------------------|-------------------|--------------------|-------------------|
| Transaction Count allocated to the City in the budget year | < 1000               | 1001 - 4000         | 4,001 to 14,400   | 14,401 to 31,000   | >31,001           |
| <b>Capital Cost Recovery Charge payable annually</b>       | <b>\$500</b>         | <b>\$1000</b>       | <b>\$2000</b>     | <b>\$4000</b>      | <b>\$6000</b>     |

## Exhibit D

### Calculation of New Participant Capped Cost Increment and New Participant Labor Cost Increment

#### New Participant Capped Cost Increment.

The New Participant Capped Cost Increment is an amount calculated in the development of each budget (or budget amendment) to identify the maximum amount by which Capped Costs may increase in the budget period *without requiring unanimous consent of the Executive Board Members representing all four Original Principals*. The Increment is determined by identifying the “CPI-U Limit for Capped Costs per Transaction” for the applicable budget period, assuming the Portal Agency has the same number of Participating Cities as the prior budget period and the Capped Costs from the previous period are inflated by the CPI-U Limit. The Capped Cost per Transaction is then multiplied by the number of Transactions attributable to new Participating Cities joining the Portal Agency in the budget period, and the resulting total is the maximum amount by which the Capped Costs in the new budget period may be increased over and above the Status Quo Capped Cost *without requiring unanimous consent*.

| <b>Illustration:</b><br><b>Calculation of New Member Capped Cost Increment for Year X</b><br><i>Assuming: 1 year budget period; addition of 2 member cities proposed in Year X</i>                                                                                                                                                                           |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Part 1: Calculating CPI-U Limit for Capped Costs Per Transaction</b>                                                                                                                                                                                                                                                                                      |                |
| <b>CPI-U Limit for Capped Cost for Year X,</b><br><ul style="list-style-type: none"> <li>Inflate Capped Costs for the previous year by the CPI-U Limit.</li> </ul>                                                                                                                                                                                           | \$16,000       |
| <b>Estimated Transaction Count for Year X from currently Participating Cities</b><br><ul style="list-style-type: none"> <li>Includes all Cities participating as Principals or Subscribers in the previous year.</li> <li>Transaction count is that used for purposes of estimating the cost allocations of these Participating Cities in Year X.</li> </ul> | 125,000        |
| Capped Cost Per Transaction ( $\$16,000 \div 125,000$ )                                                                                                                                                                                                                                                                                                      | <b>\$0.128</b> |
| <b>Part 2: Calculating New Member Capped Cost Increment</b>                                                                                                                                                                                                                                                                                                  |                |
| <b>New Member Transaction Count</b><br><ul style="list-style-type: none"> <li>Total Transactions assigned to the 2 new Participating Cities for purposes of budget allocation in Year X</li> </ul>                                                                                                                                                           | 10,000         |
| <b>New Member Capped Cost Increment for Year X</b> ( $\$0.13 \times 10,000$ )                                                                                                                                                                                                                                                                                | <b>\$1,280</b> |
| <i>Capped Costs in Year X may be increased by Supermajority Vote to a level of \$17,280. Capped Costs in excess of that amount would require Supermajority Vote and unanimous approval by Board Members representing the Original Principals.</i>                                                                                                            |                |

### New Member Participant Labor Cost Increment.

The New Participant Labor Cost Increment is an amount calculated in the development of each budget (or budget amendment) to identify the maximum amount by which Labor Costs may increase in the budget period *without requiring unanimous consent of the Executive Board Members representing all four Original Principals*. The Increment is determined by identifying the “Status Quo Labor Cost per Transaction” for the applicable budget period, assuming the Portal Agency has the same number of Participating Cities and staff as the prior budget period. The Labor Cost per Transaction is then multiplied by the number of Transactions attributable to new Participating Cities joining the Portal Agency in the budget period, and the resulting total is the maximum amount by which the Labor Costs in the new budget period may be increased over and above the Status Quo Labor Cost *without requiring unanimous consent*.

| <b>Illustration:</b><br><b>Calculation of New Participant Labor Cost Increment for Year X</b><br><i>Assuming: 1 year budget period; addition of 2 member cities proposed in Year X</i>                                                                                                                                                                                       |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>Part 1: Labor Cost Per Transaction</b>                                                                                                                                                                                                                                                                                                                                    |                 |
| <b>Status Quo Labor Costs for Year X</b> <ul style="list-style-type: none"> <li>Assuming same number of staff (including employees, if any, and loaned staff) as were engaged by the Portal Agency in the previous year, and adding any estimated increases in costs of salary, benefits, etc. for those same personnel over and above the previous year’s costs.</li> </ul> | \$350,000       |
| <b>Estimated Transaction Count for Year X from Currently Participating Cities</b> <ul style="list-style-type: none"> <li>Includes all Cities participating as Principals or Subscribers in the previous year.</li> <li>Transaction count is that used for purposes of estimating the cost allocations of these Participating Cities in Year X.</li> </ul>                    | 125,000         |
| Labor Cost Per Transaction ( $\$350,000 \div 125,000$ )                                                                                                                                                                                                                                                                                                                      | <b>\$2.80</b>   |
| <b>Part 2: New Participant Labor Cost Increment</b>                                                                                                                                                                                                                                                                                                                          |                 |
| <b>New Participant Transaction Count</b> <ul style="list-style-type: none"> <li>Total Transactions assigned to the 2 new Participating Cities for purposes of budget allocation in Year X</li> </ul>                                                                                                                                                                         | 10,000          |
| <b>New Participant Labor Cost Increment for Year X</b> ( $\$2.80 \times 10,000$ )                                                                                                                                                                                                                                                                                            | <b>\$28,000</b> |
| <i>Labor Costs in Year X may be increased by Supermajority Vote to a level of \$378,000. Labor Costs in excess of that amount would require Supermajority Vote <b>and</b> unanimous approval by Board Members representing the Original Principals.</i>                                                                                                                      |                 |

IN WITNESS WHEREOF, this Agreement has been executed by each party on the dates set forth below.

**City of Bellevue**

*Bern King*  
 City Manager  
1-31-14  
 Date  
 Approved as to Form:

*James J. Pucke*  
 City Attorney  
 Date

**The City of Seattle**

\_\_\_\_\_  
 Mayor  
 \_\_\_\_\_  
 Date  
 Approved as to Form:

\_\_\_\_\_  
 City Attorney  
 \_\_\_\_\_  
 Date

**City of Everett**

\_\_\_\_\_  
 Mayor  
 \_\_\_\_\_  
 Date  
 Approved as to Form:

\_\_\_\_\_  
 City Attorney  
 \_\_\_\_\_  
 Date

**City of Tacoma**

\_\_\_\_\_  
 City Manager  
 \_\_\_\_\_  
 Date  
 Approved as to Form:

\_\_\_\_\_  
 City Attorney  
 \_\_\_\_\_  
 Date

IN WITNESS WHEREOF, this Agreement has been executed by each party on the dates set forth below.

**City of Bellevue**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**The City of Seattle**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**City of Everett**

*Ray Stephenson*  
\_\_\_\_\_  
Mayor

*1-27-2014*  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved as to Form:

*James A. Shee*  
\_\_\_\_\_  
City Attorney

*1/27/14*  
\_\_\_\_\_  
Date

**City of Tacoma**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

*attest: Sharon Fuller*  
*City Clerk*

IN WITNESS WHEREOF, this Agreement has been executed by each party on the dates set forth below.

**City of Bellevue**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

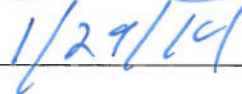
\_\_\_\_\_  
Approved as to Form:

\_\_\_\_\_  
City Attorney

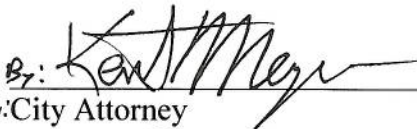
\_\_\_\_\_  
Date

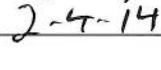
**The City of Seattle**

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved as to Form:

  
\_\_\_\_\_  
For: City Attorney

  
\_\_\_\_\_  
Date

**City of Everett**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**City of Tacoma**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

IN WITNESS WHEREOF, this Agreement has been executed by each party on the dates set forth below.

**City of Bellevue**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**The City of Seattle**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**City of Everett**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date  
Approved as to Form:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

**City of Tacoma**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

Approved as to Form:

*Debra Casp. Deputy*  
\_\_\_\_\_  
City Attorney

*12-13-13*  
\_\_\_\_\_  
Date

*12-18-2013*  
\_\_\_\_\_  
Andy Cherullo Date  
Director of Finance

Attest:

*Doris Sorum 12-23-2013*  
\_\_\_\_\_  
Doris Sorum Date  
City Clerk

RESOLUTION NO. 20-031

## **EXHIBIT B**

**THIRD ADDENDUM TO PAGE 31 OF THE WASHINGTON  
MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY  
INTERLOCAL AGREEMENT DATED MARCH 1, 2014**

THIRD ADDENDUM TO PAGE 31 OF THE WASHINGTON  
MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY  
INTERLOCAL AGREEMENT DATED MARCH 1, 2014

Pursuant to FileLocal Resolution FL2020-04 and Section 8 of the above, this Agreement has been executed by the City of Des Moines to become a Principal city on the date set forth below:

**City of Des Moines**

---

Mayor

---

Date

## File Local Resolution FL2020-04 Briefing Paper – Des Moines Admission

Date: 04-17-20

**Issue:** Shall the Washington Multi-City Business License and Tax Portal Agency (“Agency”) Executive Board approve the addition of a new city – City of Des Moines – as a Principal?

**Options:** The Portal Agency Executive Board needs to vote on whether to pass Resolution 2020-04 approving the addition of the City of Des Moines as a principal.

**Operating Committee Recommendation:** The Portal Agency Executive Board should pass Resolution 2020-04 approving the addition of the City of Des Moines as a principal.

**Rationale:** The Agency was founded through an Interlocal Agreement (“ILA”) signed in March 2014 by the cities of Bellevue, Everett, Seattle, and Tacoma. The founding cities (“Principals”) created a web application gateway (“Portal”) to collectively administer business licensing and tax collection that allows businesses in the Principal cities use a “one-stop” system for licensing and tax payments. The ILA anticipates the addition of new cities either as Principals or Subscribers, with the costs of operating the Portal thereby being spread among a greater number of participants. New cities may join as Principals by becoming signatories to the ILA after approval by a super-majority vote of the Executive Board. Cities joining as Principals obtain a voting seat on the Executive Board. Alternatively, new cities may join as “Subscribers” by entering into a separate agreement with the Agency, upon approval by super-majority vote of the Executive Board. In general, Subscriber cities do not have voting rights on the Executive Board, and they may have somewhat different financial obligations to the Agency, depending on the terms of the negotiated Subscriber agreement approved by the Board.

This Resolution approves the admittance of the City of Des Moines as a Principal city, conditioned upon Des Moines’s legislative body also approving the ILA.

**RESOLUTION NO. FL2020-04****A Resolution of the Washington Multi-City  
Business License and Tax Portal Agency  
Executive Board approving the addition of the  
City of Des Moines as a Principal City.**

**Whereas**, the Washington Multi-City Business License and Tax Portal Agency (“Agency”) was originally established under the Interlocal Agreement By and Between the Cities of Bellevue, Everett, Seattle, and Tacoma, dated March 1, 2014 (“Interlocal Agreement”); and

**Whereas**, Section 8.c. and 8.d. of the Interlocal Agreement (“ILA”) authorize the Executive Board to approve, by super-majority vote, the admission of new cities as either Principals or Subscribers; and

**Whereas**, the City of Des Moines has indicated its interest and desire to become a Principal of the Agency, and its willingness to execute the ILA, upon approval of its legislative body, and to fulfill any and all financial terms and conditions included therein as the Executive Board may deem appropriate and consistent with the Agency’s Bylaws and Portal Operations Policy;

**Now Therefore, BE IT RESOLVED by the Executive Board of the Washington Multi-City Business License and Tax Portal Agency:**

**SECTION 1.** The Executive Board hereby approves admission of the City of Des Moines as a Principal of the Agency, pursuant to Section 8 of the ILA.

1        SECTION 2. The addition of the City of Des Moines as a Principal is conditioned  
2 upon its execution of the ILA, provided such execution is authorized by the City Council  
3 of City of Des Moines and completed by no later than December 31, 2020.

4  
5        SECTION 3. The addition of the City of Des Moines as a Participating City is  
6 further conditioned upon its written consent to comply with the Agency's Portal Operations  
7 Policy.

8  
9        **ADOPTED by super-marority vote, this \_\_\_\_\_ day of \_\_\_\_\_ 2020.**

10  
11 ATTEST:

**Washington Multi-City Business  
License and Tax Portal Agency  
Executive Board  
Seattle, Washington**

12  
13  
14  
15  
16  
17  
18  
19 \_\_\_\_\_  
20 **Board Secretary**

\_\_\_\_\_  
**Board Chair**

THIRD ADDENDUM TO PAGE 31 OF THE WASHINGTON  
MULTI-CITY BUSINESS LICENSE AND TAX PORTAL AGENCY  
INTERLOCAL AGREEMENT DATED MARCH 1, 2014

Pursuant to FileLocal Resolution FL2020-04 and Section 8 of the above, this Agreement has been executed by the City of Des Moines to become a Principal city on the date set forth below:

**City of Des Moines**

---

Mayor

---

Date

# Key New City Onboarding Activities

- Agency/System Overview – 9.15.19
- Standard Implementation Fit Review – 3.12.20
- Fit Review 2.11.20 Preliminary
- Yearly Fee Schedule – 2.11.20 Preliminary
- Agency/System Overview – 2.11.20
- FileLocal Executive Board - 4.17.20



# Onboarding Option/Schedule/Fees

- Onboarding Option – Standardized City Template
  1. General Business Licensing, GBL Renewals, Taxes
  2. B&O Form Customization
  3. No Web Services – web services to be upgraded once SOR is complete.
- Implementation Fees

|                                           |                 |
|-------------------------------------------|-----------------|
| eGov – B&O Cust, STD Setup, Web Service   | \$ 3,000        |
| Agency STD. City Template Recovery Charge | \$ 2,000        |
| Kubra Setup                               | <u>\$ 8,662</u> |
| Total Cost                                | \$13,662        |

# Yearly Agency Fee's

- **Key Assumptions**

- Starting Budget is the December 2019 Final (2020-2024) Budget
- City of Des Moines will onboard Q2'20
- 2020 Full Year Des Moines Transactions 6,900. Assumes 500 transactions in FY2020 growing by 20% in subsequent years.

- **Financial Statement Changes**

- **Revenue**

- **User Fees** - \$4.00 fees from businesses
- **Reimbursable Costs** – new city's portion of the Agency's cost
- **Capital Cost Recovery** – payment to Agency for initial development

- **Expense**

- **Technology** – per transaction fee to Avenu
- **Operating Reserve** – 15% of total expenses
- **Capital Cost Recovery** – payment to Seattle
- **Incremental Costs** – see below

# Yearly Agency Fee's

Washington Cities Business License and Tax Portal Agency  
Summary of Budget  
FY2020-FY2024 Amendment v.s. Dec 2019 Final

|                                                    |      |  | Actual (A), Projection (P), Budget (B) |          |          |          |          |          |          |
|----------------------------------------------------|------|--|----------------------------------------|----------|----------|----------|----------|----------|----------|
|                                                    |      |  | 2018 (A)                               | 2019 (B) | 2020 (B) | 2021 (B) | 2022 (B) | 2023 (B) | 2024 (B) |
| <b>Revenue:</b>                                    |      |  |                                        |          |          |          |          |          |          |
| Fund Carryover                                     | T4   |  | -                                      | -        | -        | -        | -        | -        | -        |
| User Fees                                          | T1   |  | -                                      | -        | 3,000    | 7,200    | 8,640    | 10,368   | 12,442   |
| Reimbursable Costs                                 | T3   |  | -                                      | -        | 9,043    | 16,500   | 14,677   | 14,281   | 13,740   |
| Capital Cost Recovery Charges                      | T2   |  | -                                      | -        | 1,000    | 2,000    | 2,000    | 2,000    | 2,000    |
| <b>Total Revenue B/(W)</b>                         |      |  | -                                      | -        | 13,043   | 25,700   | 25,317   | 26,649   | 28,181   |
| <b>Expenditures</b>                                |      |  |                                        |          |          |          |          |          |          |
| <i>Regular Expenditures:</i>                       |      |  |                                        |          |          |          |          |          |          |
| Labor                                              | T4.1 |  | -                                      | -        | -        | -        | -        | -        | -        |
| Contracts                                          | T4.2 |  | -                                      | -        | -        | -        | -        | -        | -        |
| Overhead                                           | T4.3 |  | -                                      | -        | -        | -        | -        | -        | -        |
| Technology Costs                                   | T4.4 |  | -                                      | -        | 1,600    | 3,840    | 4,608    | 5,530    | 6,636    |
| Operating Reserve                                  | T4.5 |  | -                                      | -        | 1,571    | 1,725    | 175      | 197      | 225      |
| Capital Cost Recovery Payments                     | T4.6 |  | -                                      | -        | 1,000    | 2,000    | 2,000    | 2,000    | 2,000    |
| <b>Total Regular Expenditures</b>                  |      |  | -                                      | -        | 4,171    | 7,565    | 6,783    | 7,726    | 8,861    |
| <i>Incremental Expenses from The New Partners:</i> |      |  |                                        |          |          |          |          |          |          |
| Incremental Labor                                  | T4.1 |  | -                                      | -        | 3,226    | 6,594    | 6,739    | 6,881    | 7,025    |
| Incremental Overhead                               | T4.3 |  | -                                      | -        | 422      | 862      | 881      | 900      | 919      |
| Incremental Technology Cost                        | T4.4 |  | -                                      | -        | 5,224    | 10,678   | 10,913   | 11,142   | 11,376   |
| <b>Total Incremental Expenditures</b>              |      |  | -                                      | -        | 8,872    | 18,135   | 18,534   | 18,923   | 19,320   |
| <b>Total Expenditures B/(W)</b>                    |      |  | -                                      | -        | 13,043   | 25,700   | 25,317   | 26,649   | 28,181   |
| <b>Excess (Deficit)</b>                            |      |  | -                                      | -        | -        | -        | -        | -        | -        |

# Yearly Agency Fee's

Washington Cities Business License and Tax Portal Agency  
Summary of Budget  
FY2020-FY2024  
Amended 4/9/2020 Including Des Moines and Snoqualmie

|                                                    |      |  | Actual (A), Projection (P), Budget (B) |           |           |           |           |           |           |
|----------------------------------------------------|------|--|----------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                    |      |  | 2018 (A)                               | 2019 (B)  | 2020 (B)  | 2021 (B)  | 2022 (B)  | 2023 (B)  | 2024 (B)  |
| <b>Revenue:</b>                                    |      |  |                                        |           |           |           |           |           |           |
| Fund Carryover                                     | T4   |  | -                                      | 50,000    | 36,292    | -         | -         | -         | -         |
| User Fees                                          | T1   |  | 212,329                                | 328,001   | 398,010   | 496,025   | 619,269   | 648,269   | 581,113   |
| Reimbursable Costs                                 | T3   |  | 832,818                                | 793,217   | 818,386   | 846,299   | 818,479   | 826,456   | 841,418   |
| Capital Cost Recovery Charges                      | T2   |  | 21,000                                 | 18,000    | 21,000    | 22,000    | 22,000    | 22,000    | 22,000    |
| <b>Total Revenue B/(W)</b>                         |      |  | 1,066,147                              | 1,189,218 | 1,273,688 | 1,364,323 | 1,459,748 | 1,496,725 | 1,544,531 |
| <b>Expenditures</b>                                |      |  |                                        |           |           |           |           |           |           |
| <i>Regular Expenditures:</i>                       |      |  |                                        |           |           |           |           |           |           |
| Labor                                              | T4.1 |  | 334,603                                | 351,489   | 377,037   | 390,610   | 404,672   | 419,241   | 434,333   |
| Contracts                                          | T4.2 |  | 42,098                                 | 59,788    | 61,044    | 62,387    | 63,759    | 65,098    | 66,465    |
| Overhead                                           | T4.3 |  | 26,809                                 | 46,787    | 47,770    | 48,820    | 49,895    | 50,942    | 52,012    |
| Technology Costs                                   | T4.4 |  | 566,857                                | 621,035   | 678,603   | 741,137   | 817,352   | 843,047   | 871,008   |
| Operating Reserve                                  | T4.5 |  | -                                      | 27,094    | 12,972    | 13,384    | 14,192    | 6,674     | 7,106     |
| Capital Cost Recovery Payments                     | T4.6 |  | 21,000                                 | 18,000    | 21,000    | 22,000    | 22,000    | 22,000    | 22,000    |
| <b>Total Regular Expenditures</b>                  |      |  | 991,367                                | 1,124,193 | 1,198,425 | 1,278,337 | 1,371,870 | 1,407,003 | 1,452,924 |
| <i>Incremental Expenses from The New Partners:</i> |      |  |                                        |           |           |           |           |           |           |
| Incremental Labor                                  | T4.1 |  | -                                      | 46,768    | 50,976    | 55,395    | 56,614    | 57,802    | 59,016    |
| Incremental Overhead                               | T4.3 |  | -                                      | 7,609     | 8,191     | 8,802     | 8,996     | 9,184     | 9,377     |
| Incremental Technology Cost                        | T4.4 |  | -                                      | 10,648    | 16,096    | 21,789    | 22,268    | 22,736    | 23,214    |
| <b>Total Incremental Expenditures</b>              |      |  | -                                      | 65,025    | 75,263    | 85,986    | 87,878    | 89,723    | 91,607    |
| <b>Total Expenditures B/(W)</b>                    |      |  | 991,367                                | 1,189,218 | 1,273,688 | 1,364,323 | 1,459,748 | 1,496,725 | 1,544,531 |
| <b>Excess (Deficit)</b>                            |      |  | 74,780                                 | -         | -         | -         | -         | -         | -         |
|                                                    |      |  |                                        |           |           |           |           |           |           |

# Yearly Agency Fee's

Washington Cities Business License and Tax Portal Agency  
Summary of Budget  
FY2020-FY2024 December 2019 Final  
11/26/2019

| 11/26/2019                                         |      |  | Actual (A), Projection (P), Budget (B) |           |           |           |           |           |           |
|----------------------------------------------------|------|--|----------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                    |      |  | 2018 (A)                               | 2019 (B)  | 2020 (B)  | 2021 (B)  | 2022 (B)  | 2023 (B)  | 2024 (B)  |
| <b>Revenue:</b>                                    |      |  |                                        |           |           |           |           |           |           |
| Fund Carryover                                     | T4   |  | -                                      | 50,000    | 36,292    | -         | -         | -         | -         |
| User Fees                                          | T1   |  | 212,329                                | 328,001   | 395,010   | 488,825   | 610,629   | 637,901   | 668,672   |
| Reimbursable Costs                                 | T3   |  | 832,818                                | 793,217   | 809,343   | 829,799   | 803,802   | 812,175   | 827,678   |
| Capital Cost Recovery Charges                      | T2   |  | 21,000                                 | 18,000    | 20,000    | 20,000    | 20,000    | 20,000    | 20,000    |
| <b>Total Revenue B/(W)</b>                         |      |  | 1,066,147                              | 1,189,218 | 1,260,645 | 1,338,623 | 1,434,431 | 1,470,076 | 1,516,350 |
| <b>Expenditures</b>                                |      |  |                                        |           |           |           |           |           |           |
| <i>Regular Expenditures:</i>                       |      |  |                                        |           |           |           |           |           |           |
| Labor                                              | T4.1 |  | 334,603                                | 351,489   | 377,037   | 390,610   | 404,672   | 419,241   | 434,333   |
| Contracts                                          | T4.2 |  | 42,098                                 | 59,788    | 61,044    | 62,387    | 63,759    | 65,098    | 66,465    |
| Overhead                                           | T4.3 |  | 26,809                                 | 46,787    | 47,770    | 48,820    | 49,895    | 50,942    | 52,012    |
| Technology Costs                                   | T4.4 |  | 566,857                                | 621,035   | 677,003   | 737,297   | 812,744   | 837,518   | 864,372   |
| Operating Reserve                                  | T4.5 |  | -                                      | 27,094    | 11,402    | 11,658    | 14,017    | 6,478     | 6,881     |
| Capital Cost Recovery Payments                     | T4.6 |  | 21,000                                 | 18,000    | 20,000    | 20,000    | 20,000    | 20,000    | 20,000    |
| <b>Total Regular Expenditures</b>                  |      |  | 991,367                                | 1,124,193 | 1,194,254 | 1,270,772 | 1,365,087 | 1,399,276 | 1,444,063 |
| <i>Incremental Expenses from The New Partners:</i> |      |  |                                        |           |           |           |           |           |           |
| Incremental Labor                                  | T4.1 |  | -                                      | 46,768    | 47,750    | 48,801    | 49,874    | 50,922    | 51,991    |
| Incremental Overhead                               | T4.3 |  | -                                      | 7,609     | 7,769     | 7,940     | 8,114     | 8,285     | 8,459     |
| Incremental Technology Cost                        | T4.4 |  | -                                      | 10,648    | 10,872    | 11,111    | 11,355    | 11,594    | 11,837    |
| <b>Total Incremental Expenditures</b>              |      |  | -                                      | 65,025    | 66,391    | 67,851    | 69,344    | 70,800    | 72,287    |
| <b>Total Expenditures B/(W)</b>                    |      |  | 991,367                                | 1,189,218 | 1,260,645 | 1,338,623 | 1,434,431 | 1,470,076 | 1,516,350 |
| <b>Excess (Deficit)</b>                            |      |  | 74,780                                 | -         | -         | -         | -         | -         | -         |

# Yearly Agency Fee's

Washington Cities Business License and Tax Portal Agency  
Summary of Budget  
FY2020-FY2024 Amendment v.s. Dec 2019 Final

|                          | 2012 Actual | Reimbursable Costs |          |             |             |             |             |             |
|--------------------------|-------------|--------------------|----------|-------------|-------------|-------------|-------------|-------------|
|                          |             | 2018 (A)           | 2019 (B) | 2020 (B)    | 2021 (B)    | 2022 (B)    | 2023 (B)    | 2024 (B)    |
| <b>T3. Reimbursement</b> |             | \$ -               | \$ -     | \$ 9,043    | \$ 16,500   | \$ 14,677   | \$ 14,281   | \$ 13,740   |
| Bellevue                 | 0%          | \$ -               | \$ -     | \$ (2,134)  | \$ (1,571)  | \$ (1,633)  | \$ (1,697)  | \$ (1,799)  |
| Bremerton                | 0%          | \$ -               | \$ -     | \$ (1,010)  | \$ (719)    | \$ (754)    | \$ (786)    | \$ (837)    |
| Everett                  | 0%          | \$ -               | \$ -     | \$ (936)    | \$ (673)    | \$ (704)    | \$ (733)    | \$ (779)    |
| Lake Forest Park         | 0%          | \$ -               | \$ -     | \$ (192)    | \$ (127)    | \$ (136)    | \$ (143)    | \$ (153)    |
| Renton                   | 0%          | \$ -               | \$ -     | \$ (985)    | \$ (703)    | \$ (736)    | \$ (767)    | \$ (817)    |
| Seattle                  | -2%         | \$ -               | \$ -     | \$ (13,921) | \$ (10,037) | \$ (10,488) | \$ (10,919) | \$ (11,604) |
| Shoreline                | 0%          | \$ -               | \$ -     | \$ (386)    | \$ (279)    | \$ (292)    | \$ (304)    | \$ (322)    |
| Tacoma                   | -1%         | \$ -               | \$ -     | \$ (3,267)  | \$ (2,353)  | \$ (2,459)  | \$ (2,560)  | \$ (2,722)  |
| Des Moines               | 2%          | N/A                | N/A      | \$ 15,577   | \$ 16,108   | \$ 15,578   | \$ 15,730   | \$ 16,015   |
| Snoqualmie               | 2%          | N/A                | N/A      | \$ 16,299   | \$ 16,855   | \$ 16,301   | \$ 16,460   | \$ 16,758   |
| Total                    | 0%          | \$ -               | \$ -     | \$ 9,043    | \$ 16,500   | \$ 14,677   | \$ 14,281   | \$ 13,740   |

# Yearly Agency Fee's

Washington Cities Business License and Tax Portal Agency  
Reimbursement  
FY2020-FY2024  
Amended 4/9/2020 Including Des Moines and Snoqualmie

|                          |                  | Reimbursement | Reimbursable Costs |                   |                   |                   |                   |                   |                   |
|--------------------------|------------------|---------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                          |                  | 2012 Actual   | 2018 (A)           | 2019 (B)          | 2020 (B)          | 2021 (B)          | 2022 (B)          | 2023 (B)          | 2024 (B)          |
| <b>T3. Reimbursement</b> |                  |               | \$ 832,818         | \$ 793,217        | \$ 818,386        | \$ 846,299        | \$ 818,479        | \$ 826,456        | \$ 841,418        |
|                          | Bellevue         | 9%            | \$ 79,125          | \$ 70,517         | \$ 69,817         | \$ 72,198         | \$ 69,825         | \$ 70,505         | \$ 71,782         |
|                          | Bremerton        | 4%            | \$ 11,854          | \$ 36,091         | \$ 35,815         | \$ 37,036         | \$ 35,819         | \$ 36,168         | \$ 36,823         |
|                          | Everett          | 4%            | \$ 36,821          | \$ 32,760         | \$ 32,490         | \$ 33,598         | \$ 32,493         | \$ 32,810         | \$ 33,404         |
|                          | Lake Forest Park | 1%            | \$ 8,955           | \$ 7,932          | \$ 7,901          | \$ 8,171          | \$ 7,902          | \$ 7,979          | \$ 8,124          |
|                          | Renton           | 4%            | \$ 19,117          | \$ 35,060         | \$ 34,788         | \$ 35,974         | \$ 34,792         | \$ 35,131         | \$ 35,767         |
|                          | Seattle          | 59%           | \$ 543,559         | \$ 483,703        | \$ 479,616        | \$ 495,974        | \$ 479,670        | \$ 484,346        | \$ 493,114        |
|                          | Shoreline        | 2%            | \$ 5,465           | \$ 13,326         | \$ 13,211         | \$ 13,661         | \$ 13,212         | \$ 13,341         | \$ 13,583         |
|                          | Tacoma           | 14%           | \$ 127,922         | \$ 113,827        | \$ 112,874        | \$ 116,723        | \$ 112,886        | \$ 113,987        | \$ 116,050        |
|                          | Des Moines       | 2%            | N/A                | N/A               | \$ 15,577         | \$ 16,108         | \$ 15,578         | \$ 15,730         | \$ 16,015         |
|                          | Snoqualmie       | 2%            | N/A                | N/A               | \$ 16,299         | \$ 16,855         | \$ 16,301         | \$ 16,460         | \$ 16,758         |
|                          | <b>Total</b>     | <b>100%</b>   | <b>\$ 832,818</b>  | <b>\$ 793,217</b> | <b>\$ 818,386</b> | <b>\$ 846,299</b> | <b>\$ 818,479</b> | <b>\$ 826,456</b> | <b>\$ 841,418</b> |

Washington Cities Business License and Tax Portal Agency  
Reimbursement  
FY2020-FY2024 December 2019 Final

|                          |                  | Reimbursement % | Reimbursable Costs |                   |                   |                   |                   |                   |                   |
|--------------------------|------------------|-----------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                          |                  | 2012 Actual     | 2018 (A)           | 2019 (B)          | 2020 (B)          | 2021 (B)          | 2022 (B)          | 2023 (B)          | 2024 (B)          |
| <b>T3. Reimbursement</b> |                  |                 | \$ 832,818         | \$ 793,217        | \$ 809,343        | \$ 829,799        | \$ 803,802        | \$ 812,175        | \$ 827,678        |
|                          | Bellevue         | 9%              | \$ 79,125          | \$ 70,517         | \$ 71,951         | \$ 73,769         | \$ 71,458         | \$ 72,202         | \$ 73,581         |
|                          | Bremerton        | 5%              | \$ 11,854          | \$ 36,091         | \$ 36,825         | \$ 37,756         | \$ 36,573         | \$ 36,954         | \$ 37,659         |
|                          | Everett          | 4%              | \$ 36,821          | \$ 32,760         | \$ 33,426         | \$ 34,271         | \$ 33,197         | \$ 33,543         | \$ 34,183         |
|                          | Lake Forest Park | 1%              | \$ 8,955           | \$ 7,932          | \$ 8,093          | \$ 8,298          | \$ 8,038          | \$ 8,122          | \$ 8,277          |
|                          | Renton           | 4%              | \$ 19,117          | \$ 35,060         | \$ 35,773         | \$ 36,677         | \$ 35,528         | \$ 35,898         | \$ 36,583         |
|                          | Seattle          | 61%             | \$ 543,559         | \$ 483,703        | \$ 493,538        | \$ 506,011        | \$ 490,158        | \$ 495,264        | \$ 504,718        |
|                          | Shoreline        | 2%              | \$ 5,465           | \$ 13,326         | \$ 13,597         | \$ 13,941         | \$ 13,504         | \$ 13,645         | \$ 13,905         |
|                          | Tacoma           | 14%             | \$ 127,922         | \$ 113,827        | \$ 116,141        | \$ 119,076        | \$ 115,346        | \$ 116,547        | \$ 118,772        |
|                          | <b>Total</b>     | <b>100%</b>     | <b>\$ 832,818</b>  | <b>\$ 793,217</b> | <b>\$ 809,343</b> | <b>\$ 829,799</b> | <b>\$ 803,802</b> | <b>\$ 812,175</b> | <b>\$ 827,678</b> |

# Onboarding City Type

1. Interlocal Agreement – City Legislative Authorization
2. Assist with the Management of the Agency
3. Voting Member of the Executive Board

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## Bonnie Wilkins

---

**From:** Matt Pina  
**Sent:** Sunday, May 24, 2020 8:37 AM  
**To:** Michael Matthias  
**Cc:** Bonnie Wilkins  
**Subject:** Fwd: Congratulations and Thank You

Correspondence.

----- Forwarded message -----

From: chuck Doan <cedoan@comcast.net>  
Date: May 23, 2020 1:40 PM  
Subject: Congratulations and Thank You  
To: Matt Pina <mpina@desmoineswa.gov>  
Cc:

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

Dear Mayor and City Council,

This may be a redundant message to a previous e-mail I thought I sent but am not certain it succeeded; so here is try #2.

We are continually impressed with the appearance and exuded friendliness exhibited by the civil works of Des Moines.

The humble street signs with their nautical themed cartoons identifying each street are not only attractive but readable too.

You have enhanced the safety of walking your streets with the highly visible lighted crosswalk markers, wow! They really work.

The sculptures located at various locales around the city, though especially noticeable upon entering, are vibrant and attractive

a warm welcoming aspect that is unique to Des Moines – very clever and inviting. Keep up the good work you're doing well.

Charles Doan

cedoan@comcast.net

PS: We live in Normandy Park but regularly shop and dine in Des Moines and so take singular pride In your civic works, thank you.

## Bonnie Wilkins

---

**From:** Matt Pina  
**Sent:** Monday, May 25, 2020 5:28 PM  
**To:** Michael Matthias  
**Cc:** Bonnie Wilkins  
**Subject:** Fwd: Marina Parking

FYI - Correspondence

----- Forwarded message -----

From: JOAN B <JOANB222@msn.com>  
Date: May 25, 2020 5:08 PM  
Subject: Marina Parking  
To: \_CityCouncil <CityCouncil@desmoineswa.gov>, Michael Matthias  
<MMatthias@desmoineswa.gov>, Bonnie Wilkins <BWilkins@desmoineswa.gov>  
Cc:

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

Hello,

I am writing again about the closed marina parking. I don't feel it should have ever been closed without first trying other measures.

- Altering the time the marina parking is available (close earlier)
- Allow those who have purchased passes to continue to park
- Close the parking/beach park on busy holiday weekends as Seattle has done with some of their parks

Of all the times I went to the marina after the state of emergency there was NEVER a problem with too many people. The parking lot was never more than ¼ full.

As a citizen of Des Moines who pays taxes I am imploring you to reopen the marina parking. While I live about ½ mile away and the walk there isn't a problem the walk home is, it's all up hill.

I'd like this to be entered into the record for the Thursday City Council Meeting.

Joan Baily

## Bonnie Wilkins

---

**From:** Ryen Jacobson <ryendjacobson1@gmail.com>  
**Sent:** Monday, May 25, 2020 12:08 PM  
**To:** Bonnie Wilkins  
**Subject:** Public comment for May 28th, 2020 city council meeting

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

To whom it may concern,

I am writing to express my frustration in the handling of the Officer Boehmer and K9 Daric situation. My understanding is yes Office Boehmer and his partner made a mistake, outside of this office Boehmer has had a clean record. Now Officer Boehmer and his canine Daric are being punished more than his partner. It is sad in 2020 that we still live in a world full of naive people who has grown adults still cannot treat people with the same respect and equality regardless of backgrounds. Now to hear you the city council sit on your hands and let this one sided investigation of slander play itself out is quite frankly, really sad and shameful. Officer Boehmer should never have to pay 10k to get his dog back, leaving that up to the chief is not a fair trial. As a citizen who treats everyone with the same amount of respect regardless of race, gender, and personal life decisions I am asking you to take a stand and do what is right. IT IS YOUR JOB as an elected official, return K9 Daric to officer Boehmer.

Thank you for your time,

Ryen

## Bonnie Wilkins

---

**From:** crista.jacobson <crista.jacobson@gmail.com>  
**Sent:** Monday, May 25, 2020 12:55 PM  
**To:** Bonnie Wilkins  
**Subject:** Public Comment for May 28, 2020 City Council Meeting

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

May 25th, 2020

Attn: City Clerk  
21630 11th Avenue S.  
Des Moines, WA 98198

Dear Council Members,

I am writing to inform you about a situation regarding Officer Boehmer and his K-9 Daric. In December of last year, Officer Boehmer made a traffic stop with another Officer on the squad, during this stop he made an error and opened the trunk of the car he pulled over, which violated agency policy. In May of this year, six months after the traffic stop, Chief Ken Thomas imposed disciplinary action that is unheard of and took Officer Boehmer's K-9 partner, Daric from him. Keep in mind the dog was not involved in the incident, the Officer was never put on admin leave and Officer Boehmer has been a cop for 16 years without one single instance of discipline.

The meaning behind such discipline? Discrimination and a clear personal attack at Officer Boehmer's lifestyle. Officer Boehmer and his Partner, who was recently demoted by the Chief for reason unheard of, who have a combined experience of 40 years in the field, who have received rewards and accolades are suddenly both being punished at the subject of Chief Ken Thomas homophobic and discriminatory beliefs. This is the same Chief being left in charge to make a decision about Daric, when his decisions have clearly been personal and intentionally cruel because of how they chose to live their life. Officer Boehmer has offered \$10,000 to buy back Daric, the exact same amount the city spent to purchase the Dog. There is so much cruelty in this story, it's truly unimaginable to treat other human's this way, especially when humanity needs love given the state of our world.

Please take this time to review this story, all Office Boehmer wants is his dog back, who has also been emotionally affected by this. The City gets the money and office Boehmer and Daric get to be reunited! This is a simple request and we ask you vote in favor to reunite the pair.

Thank you so much for your help!

Crista Jacobson

## Bonnie Wilkins

---

**From:** caryn addante <carynaddante@gmail.com>  
**Sent:** Tuesday, May 26, 2020 2:43 PM  
**To:** Bonnie Wilkins  
**Cc:** carynaddante@gmail.com  
**Subject:** Public Comment for May 28, 2020 city council meeting. Reunite K9 Daric and Officer Boehmer

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

>> Thank you for taking the time to read my comments for this week's council meeting

>> As we all know, the situation with Officer Boehmer and K9 Daric is incredibly emotional and the city council must weigh all the facts.

>> I implore you to hold officer Boehmer and all officers to a unique standard because of the position they hold and the high expectations placed upon them. What I mean by this is any discipline MUST take into account the nature of their work and the emotional trauma and scars that are forever a part of who they are. No law enforcement officer is left untouched and all are in some way damaged emotionally because of the horrific things they see and the reality of experiencing the worst of humanity. Any discipline MUST take that reality into consideration.

>> I urge you to also take into consideration that dogs provide emotional healing and support unlike any other therapy available. Study after study shows the emotional support dogs provide to those with repeated exposure to trauma. In many cases the bond between a handler and his dog is a life saving relationship. That's why so many Law Enforcement officers obtain PTSD service dogs and many others who would never consider discussing their mental health challenges have relationships with their personal dogs that provide critical life saving emotional support. I personally know many officers without an official PTSD diagnosis who rely on their dog for support.

>> I hope you are aware of the science-based proof that the connection between a dog and K9 partner can be life saving. And in this case, the bond between Officer Boehmer and K9 Daric is strong and special. Removing a K9 partner is more than "discipline" it's an act that runs much deeper.

>> I don't mean to sound overly dramatic, but please consider the number of suicides committed by officers and please recognize the devastating impact that taking K9 Daric from Officer Boehmer could have. Don't make this be the straw that breaks the camel's back. One thing is certain, the bond between these partners runs deep. The pain and suffering Officer Boehmer's is experiencing is known by those who know and love him. They are genuinely devastated knowing what this could do to him.

>> Have you ever had a dog taken away from you? Or witnessed a friend lose a beloved pet? Then you understand the heartbreak and devastation. But for officers, who suffer from the emotional trauma from their jobs, taking away their K9 partner could be taking away the life saving emotional support they need. This is particularly true for Officer Boehmer.

>> That type of heartbreak is not "discipline" or punishment. It's nothing short of inhumane and cruel. Taking Daric away from him will inflict emotional damage beyond what "discipline" is intended to do.

>> We are all asking that you allow Officer Boehmer to purchase K9 Daric. There will be no financial loss to the city. But you could be saving a life and the dignity of an officer so committed to his profession.

>> Officer Boehmer may be deserving of discipline. But separating him from his partner is not the right discipline.  
>> Please, I beg you with all my heart to recognize the cruelty of separating these partners from each other. The punishment would not just be inflicted on Officer Boehmer, you are punishing K9 Daric too.

> Everyone gets what they want under this scenario...the police force disciplines officer Boehmer by not allowing him to be a K9 handler and Officer Boehmer and K9 Daric get to remain partners which is so needed by both of them. The city loses no money because K9 Daric costs would be covered through the purchase price

>

> Thank you for your consideration.

>

> Respectfully,

> Caryn Addante

>> Sent from my iPhone

## Bonnie Wilkins

---

**From:** Natasha Orbeck <natashaorbeck@gmail.com>  
**Sent:** Tuesday, May 26, 2020 6:18 PM  
**To:** Bonnie Wilkins  
**Subject:** Officer Boehmer and Deric

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

Hello,

I wanted to take a moment to express my concern over the treatment of Officer Boehmer and K9 Deric.

The punishment does not fit the mistake.

As an Army Veteran with PTSD who relies heavily on my service dog, I can tell you the bond between a dog and their handler is life saving. Separating the two is life altering and devastating and potentially life ending.

I do not know what I would do without my dog.

I have children but until I had my dog, I struggled. Our dog is part of our family and has changed my mental state and capacity to continue to move forward through some of life's most difficult times.

Please do not take this dog away from his handler for a mere policy infraction. It is not fair and damaging to both the officer and the K9.

I do hope you will take a strong look at how this has been handled and make corrective actions.

Give Deric back. Allow Officer Boehmer to keep the dog. Whether he keeps the dog for working purposes or Deric is retired, at least he would be home with his handler where an unbreakable bond has been formed.

I would stop at nothing to keep my own dog and I can tell you there's an Army behind Officer Boehmer to make right was is wrong.

Hold the Chief accountable and reunite Officer Boehmer and Deric.

Sincerely,

Natasha Orbeck

## Bonnie Wilkins

---

**From:** bjeantee <bjeantee@comcast.net>  
**Sent:** Thursday, May 28, 2020 9:48 AM  
**To:** Bonnie Wilkins  
**Subject:** Public Comment for May 28, 2020 City Council Meeting

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

Please find it in your heart to return K9 Daric to his one and only handler Officer Boehmer. Daric needs to be with the only man who loved and cared for him from day one, its cruel punishment to tear them away from each other, Daric must be so sad and confused. Please allow Officer Boehmer to purchase his K9 partner back.

Thank you

Bonnie Taylor

Thank you for the opportunity to voice my concerns regarding the situation involving Officer Michael Boehmer and his K-9 Partner, Daric. This situation hits close to home for many Des Moines residents as Officer Boehmer has been a prominent part of our community throughout his time with DMPD. It is not lost on me the value that Daric brings to DMPD, however, Daric is not a piece of equipment, he's not a commodity, he's a living, breathing animal, with a heart and a soul. Anyone who has ever seen Daric and Officer Boehmer together instantly understands their bond and connection and dedication to each other. It is not uncommon for police dogs and their handlers to become family and that is what Daric and Officer Boehmer are.

I have been a faithful volunteer in our community for many years now, through sports, PTA, farmers market, my church and until recently with the Des Moines Police Foundation. I am very aware of the effects good police officers can have on a community, the kind of officers that get to know citizens, invest and participate in communities, that allow people to see behind the curtain and see the human side of policing. The kind of police officer that Michael Boehmer is and the kind of officer we should be seeing more of in the news.

I've read Chief's statement, I've read the King County investigation findings and recommendations. I'm here tonight because despite those things, I feel this situation has been completely mishandled, from top to bottom, and I'm asking for accountability. It seems our City leadership as just decided to align with Chief and not give any thought to Officer Boehmer or Daric's wellbeing. If that is not the case, I'm asking for transparency between the City and the Community on this issue, which we have not received.

I'm very concerned about the wellbeing of Officer Boehmer since being stripped of his K-9 duties and losing Daric three weeks ago today. I do not appreciate that every time I ask whether his wellbeing is being addressed, someone points me to Chief's statement or the KCSO findings or ignores me altogether. No one has explained why Daric could not remain with Officer Boehmer while a new officer was immediately hired and just handed Daric, like you would a gun or a uniform.

There was no transition period, no opportunity for resolution, no discussion, nothing. Instead, Officer Boehmer has been drug through the mud, publicly humiliated and silenced, unable to speak to the situation or defend himself at all. Why can he not share his side of the story without the threat of further discipline?

This situation will not just go away if you ignore it, it can't be brushed under the rug, you can't devalue it because you don't feel it's important enough or worth your time. Officer Boehmer and Daric deserve more than that. They put their lives on the line for us every day, to remove this dog who serves our community so well, from the only family he's ever known is nothing less than tragic, no matter how talented and valuable he is to the police department. That is not a message I want to be a part of sending as a community and I'm here tonight to ask that you look at the human side of this issue and reverse the decision to remove Daric from Officer Boehmer. Daric deserves a home. Officer Boehmer is Daric's home.

# COVID – 19 UPDATE

- Status quo remains in force

# COVID – 19 UPDATE

| <b>WASHINGTON'S PHASED APPROACH</b><br><b>Reopening Business and Modifying Physical Distancing Measures</b> |                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                               |
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|                                                                                                             | <div>1</div> <b>Phase 1</b>                                                                                                                                                                                                                                                                     | <div>2</div> <b>Phase 2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <div>3</div> <b>Phase 3</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           | <div>4</div> <b>Phase 4</b>                                                                                                                                                                                                                   |
| <b>High-Risk Populations*</b>                                                                               | Continue to Stay Home, Stay Healthy                                                                                                                                                                                                                                                             | Continue to Stay Home, Stay Healthy                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Continue to Stay Home, Stay Healthy                                                                                                                                                                                                                                                                                                                                                                                                                                   | Resume public interactions, with physical distancing                                                                                                                                                                                          |
| <b>Recreation</b>                                                                                           | Some outdoor recreation (hunting, fishing, golf, boating, hiking)                                                                                                                                                                                                                               | All outdoor recreation involving fewer than 5 people outside your household (camping, beaches, etc.)                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>- Outdoor group rec. sports activities (5-50 people)</li> <li>- Recreational facilities at &lt;50% capacity (public pools, etc.)</li> </ul>                                                                                                                                                                                                                                                                                    | Resume all recreational activity                                                                                                                                                                                                              |
| <b>Gatherings (social, spiritual)</b>                                                                       | <ul style="list-style-type: none"> <li>- None</li> <li>- Drive in spiritual service with one household per vehicle</li> </ul>                                                                                                                                                                   | Gather with no more than 5 people outside your household per week                                                                                                                                                                                                                                                                                                                                                                                                                                        | Allow gatherings with no more than 50 people                                                                                                                                                                                                                                                                                                                                                                                                                          | Allow gatherings with >50 people                                                                                                                                                                                                              |
| <b>Travel</b>                                                                                               | Only essential travel                                                                                                                                                                                                                                                                           | Limited non-essential travel within proximity of your home                                                                                                                                                                                                                                                                                                                                                                                                                                               | Resume non-essential travel                                                                                                                                                                                                                                                                                                                                                                                                                                           | Continue non-essential travel                                                                                                                                                                                                                 |
| <b>Business/ Employers</b>                                                                                  | <ul style="list-style-type: none"> <li>- Essential businesses open</li> <li>- Existing construction that meet agreed upon criteria</li> <li>- Landscaping</li> <li>- Automobile sales</li> <li>- Retail (curb-side pick-up orders only)</li> <li>- Car washes</li> <li>- Pet walkers</li> </ul> | <ul style="list-style-type: none"> <li>- Remaining manufacturing</li> <li>- New construction</li> <li>- In-home/domestic services (nannies, housecleaning, etc.)</li> <li>- Retail (in-store purchases allowed with restrictions)</li> <li>- Real estate</li> <li>- Professional services/office-based businesses (telework remains strongly encouraged)</li> <li>- Hair and nail salons/Barbers</li> <li>- Housecleaning</li> <li>- Restaurants &lt;50% capacity table size no larger than 5</li> </ul> | <ul style="list-style-type: none"> <li>- Restaurants &lt;75% capacity/ table size no larger than 10</li> <li>- Bars at &lt;25% capacity</li> <li>- Indoor gyms at &lt;50% capacity</li> <li>- Movie theaters at &lt;50% capacity</li> <li>- Government (telework remains strongly encouraged)</li> <li>- Libraries</li> <li>- Museums</li> <li>- All other business activities not yet listed except for nightclubs and events with greater than 50 people</li> </ul> | <ul style="list-style-type: none"> <li>- Nightclubs</li> <li>- Concert venues</li> <li>- Large sporting events</li> <li>- Resume unrestricted staffing of worksites, but continue to practice physical distancing and good hygiene</li> </ul> |

\*High-risk populations are currently defined by CDC as persons 65 years of age and older; people of all ages with underlying medical conditions (particularly not well controlled) including people with chronic lung disease or moderate to severe asthma; people who have serious heart conditions; people who are immunocompromised; people with severe obesity; people with diabetes; people with chronic kidney disease undergoing dialysis; and people with liver disease; people who live in a nursing home or long-term care facility.

# COVID – 19 UPDATE

- *Joint Emergency Operations Center*
- *Finance – documentation for Federal resources through the State*
  - 2<sup>nd</sup> quarter will help reveal trend of revenue
- *Ongoing challenge for our first responders*

# COVID – 19 UPDATE

- *City Organization*

- City offices remain closed except for essential functions and essential employees
- In anticipation of a phased reopening of City facilities
  - *Staggered shifts*
  - *Screening*
    - Temperature checks
    - Masks worn in common areas which may include personal work areas
    - Maintain social distance
    - Physical meetings of no more than 5

# COVID – 19 UPDATE

- Organizational strategy
  - *Municipal Court moving to Livestreaming platform*
    - Virtual engagement of participants
  - *Parks and Recreation*
    - Reduction in summer programs
      - *Cancelled Camp KHAOS, summer recreation programs*
      - *Investigating possibility of virtual programming*
    - Fall rec programs and school related programs uncertain

# COVID – 19 UPDATE

## ■ Community Development

- *Revised procedures for each construction phase allowances*
- *Enhanced safety protocols for inspection staff*
- *Virtual inspections, pre-application, pre-construction and review meetings*
- *New electronic plan review system/electronic submittal – implemented in record time!*
- *No-touch pick up, payment and delivery options available for permit acceptance and issuance*
- *All building and planning services now available remotely*
- *Personnel resource allocated toward economic recovery*

# COVID – 19 UPDATE

- Events and Facilities

- *Cancelled events through the summer*
  - Summer concerts
  - Fourth of July
  - Waterland weekend
  - Private events cancelled/rescheduled – City providing full refunds of deposits and/or rental fees
- *Working with Farmer's Market to open consistent with public health directives*

# COVID – 19 UPDATE

- Senior Activity Center
  - 90 to 100 hot take-out lunches per day - Monday-Thursday
  - 400 frozen Meals on Wheels per month
  - Emergency Assistance to Seniors and Vets (EATS) Program
    - Extremely successful and popular, new attendees
    - 500 meals this month
    - Anthony's, Via Marina, Origins Vietnamese Bistro, Wally's
    - Coming: Tuscany at Des Moines Creek (includes pie!), Arturo's
- Staying in touch: cards, calls, social worker availability

# COVID – 19 Update

- Aligning personnel with organizational function
  - *Freeze vacancies*
  - *Early retirement options*
  - *“Stand-by” program with the Washington State Employment Security Department (ESD)*
    - Temporary status in which staff receive a weekly benefit amount paid by ESD rather than the City
    - Federal Cares Act provides an additional \$600/week on top of the maximum ESD payout of \$790/week
      - *Little to none financial impact to selected staff*
      - *City maintains health coverage for staff during this period*
        - Staff are not actively working for the City while on this status
          - *Regular duty resumes on August 3, 2020*

# COVID – 19 Update

- Aligning personnel with organizational function
  - “Stand-by” program impacts:
    - Parks, Recreation and Senior Services
    - Marina specifically Events and Facilities
    - Municipal Court
    - Police Department \*(police-support personnel)
  - Positions were selected based on analysis of work impacts due to COVID-19 closures and suspension of program activities
  - Anticipated savings to be more than \$70,000