



AGENDA

SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, August 17, 2015
7:00 p.m.

Council Chamber · Shoreline City Hall
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:00
2. FLAG SALUTE/ROLL CALL		
3. REPORT OF THE CITY MANAGER		
4. COUNCIL REPORTS		
5. PUBLIC COMMENT		
<i>Members of the public may address the City Council on agenda items or any other topic for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 10 people are signed up to speak, each speaker will be allocated 2 minutes. Please be advised that each speaker's testimony is being recorded. When representing the official position of a State registered non-profit organization or agency or a City-recognized organization, a speaker will be given 5 minutes and it will be recorded as the official position of that organization. Each organization shall have only one, five-minute presentation. Speakers are asked to sign up prior to the start of the Public Comment period. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. If time remains, the Presiding Officer will call individuals wishing to speak to topics not listed on the agenda generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
6. APPROVAL OF THE AGENDA		7:20
7. CONSENT CALENDAR		7:20
(a) Minutes of Business Meeting of July 13, 2015	<u>7a1-1</u>	
Minutes of Special Meeting of July 13, 2015	<u>7a2-1</u>	
Minutes of Special Meeting of July 27, 2015	<u>7a3-1</u>	
(b) Authorize the City Manager to Execute a Contract Amendment with Perteet, Inc. for Design Services for the Meridian Avenue N Overlay and 15 th Avenue NE Overlay Projects	<u>7b-1</u>	
(c) Adoption of Ord. No. 721 – Surface Water Revenue Bond Authorization	<u>7c-1</u>	
8. ACTION ITEMS		
(a) Adoption of Ord. No. 722 - Development Code Amendment to Address Parcels with Split Zoning	<u>8a-1</u>	7:20
9. STUDY ITEMS		
(a) Discussion of the Capital Improvement Plan (CIP)	<u>9a-1</u>	7:50
(b) Discussion and Update on the 145 th Corridor	<u>9b-1</u>	8:50
10. ADJOURNMENT		9:35

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, July 13, 2015
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts (Councilmember Roberts arrived at 7:50 p.m.)

ABSENT: None

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Mayor Winstead, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Winstead led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

3. REPORT OF CITY MANAGER

Debby Tarry, City Manager, provided reports and updates on various City meetings, projects and events.

4. COUNCIL REPORTS

There were no Council Reports.

5. PUBLIC COMMENT

Kevin Osborn, on behalf of the Ronald Commons Project, thanked Council for their continued support to social services and ensuring that all residents have an opportunity to thrive. He urged Council to support proposed Ordinance 719 exempting Hopelink from impact fees, and thanked the City Manager for bringing this item forward to the Council.

Jarred Swalwell, Shoreline resident and co-owner of Ridgecrest Public House, shared that while searching locations for a “third place” in Shoreline, he learned about transportation impact fees. He stated had he located his business one door over, he would have been required to pay \$35,000 in impact fees which calculates to 70% of his build out budget. He acknowledged staff’s proposal for a one year deferral and said it would not make a difference in the ability to pay such a large fee. He stated he is opposed to any impact fees and urged Council to consider a Business & Occupancy Tax as an alternative.

Megan Kogut, Shoreline resident and co-owner of Ridgecrest Public House, explained that she is representing residents who want places to go at night. She commented that small businesses should not be defined as less than 2,000 square feet and urged Council to consider the negative impact that the impact fee will have on small businesses. She read an excerpt regarding the vision for Aurora Square and said this is what they are trying to accomplish in the Ridgecrest business area. She encouraged Council to think about all the places where growth and redevelopment are taking place that will be assessed impact fees.

Steve Goldstein, Shoreline resident, recalled attending a previous Council meeting where he expressed confusion over tree removal on Meridian Avenue. He said he is no longer confused but not because of information he received from the City. He talked about conversations he had with his neighborhoods and the perception that the City does not care about residents' issues. He concluded stating constituents should not leave a meeting confused and he recommended ways to improve communications.

Samantha Francis, Shoreline property owner, explained that her property is bisected by two zones making it impossible to market and sell the property. She is requesting that the City return the property to its previous zoning of MB without going through the rezone process and incurring costs.

Tom Jamieson, Shoreline resident, commented on five events regarding property acquisition that he believes should be linked together. He noted the Gunderson property acquisition is central to all the events and Council should review everything in a holistic manner because it appears fragmented.

Ms. Tarry commented that staff is happy to meet with residents to resolve issues, and explained Mr. Goldstein cancelled his appointment with her. She added that the Assistant City Manager is following up with Ms. Francis.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Deputy Mayor Eggen, seconded by Councilmember Salomon and unanimously carried, 6-0, the following Consent Calendar items were approved:

- (a) Minutes of Business Meeting of May 4, 2015, Minutes of Business Meeting of May 11, 2015 and Minutes of Business Meeting of May 18, 2015**
- (b) Approval of expenses and payroll as of June 26, 2015 in the amount of \$3,279,318.05**

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
5/24/15-6/6/15	6/12/2015	61292-61498	13852-13870	60324-60329	\$439,774.30
					<u>\$439,774.30</u>

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
6/26/2015	1095	\$4,578.34
		<u>\$4,578.34</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
6/11/2015	60210	60228	\$78,604.22
6/11/2015	60229	60236	\$3,553.34
6/11/2015	60237	60251	\$11,683.93
6/11/2015	60252	60258	\$65,297.84
6/11/2015	60018	60018	(\$12,380.83)
6/11/2015	60259	60259	\$12,380.83
6/15/2015	60260	60260	\$7,322.61
6/16/2015	60261	60262	\$42,489.75
6/18/2015	60263	60263	\$800.00
6/18/2015	60264	60285	\$124,176.72
6/18/2015	60286	60322	\$111,710.85
6/18/2015	57907	57907	(\$106.38)
6/18/2015	60323	60323	\$106.38
6/25/2015	60330	60354	\$1,928,577.28
6/25/2015	60355	60381	\$258,458.20
6/25/2015	60382	60389	\$780.36
6/25/2015	60390	60393	\$201,510.31
			<u>\$2,834,965.41</u>

(c) **Approval of the Interlocal Agreement with King County for Automated Finger Print Identification System**

(d) **Authorize the City Manager to Terminate the Existing Kruckeberg Botanic Garden Service Agreement and Execute a New Service Agreement Between the Kruckeberg Botanic Garden Foundation and the City of Shoreline**

8. **ACTION ITEMS**

(a) **Authorization for Real Estate Acquisition - Molver and Ohora Properties**

Dan Eernisse, Economic Development Manager, identified the Molver and Ohora properties on a map and explained the City was approached by owners to purchase the properties. He said the properties are located next to City property and provides immediate value as staging for the Aurora project. He said the cost of acquiring the Molver property is \$225,000 and the cost for Ohora is \$75,000.

Deputy Mayor Eggen moved to authorize the City Manager to execute two purchase agreements to acquire the Molver property for the amount of \$225,000 and the Ohora property for the amount of \$75,000. The motion was seconded by Councilmember Salomon.

Deputy Mayor Eggen stated the properties are a great deal and asked for clarification about the use of the property in the future. Mr. Eernisse responded that there is greater utility in property when the area is larger and combining the Molver and Ohora properties with the adjacent City owned property will be very useful.

Councilmember Hall asked about ownership of both properties and if their purchase would be conducted in one or two transactions. He questioned why the City is purchasing the Ohora property for 25% over the \$60,000 appraisal. Mr. Eernisse stated they would be two separate purchases and explained the rationale for the \$75,000 purchase price.

Councilmember Hall moved to amend the main motion to reduce the purchase price of Ohora to 100% of the appraisal value at \$60,000. The motion was seconded by Councilmember Salmon.

Councilmember Hall commented on previous discussions regarding property acquisition, talked about the appraisal process, and stated that he is unwilling to pay 25% extra of tax payers' dollars.

Councilmember McGlashan asked if the City can purchase the Molver property and not the Ohora property. Mr. Eernisse responded yes.

Councilmember Salomon asked why the property is needed for staging for the Aurora Project. Mr. Eernisse explained that the property will be useful for other purposes including construction staging for the North Maintenance Facility, the Police Station, and the future assumption of Ronald Wastewater.

Ms. Tarry offered that the Ohora property can be brought back to Council for further discussion.

Deputy Mayor Eggen stated that he can support the amendment and that the Ohora property will be more valuable added to the larger parcel than as a land locked property.

Councilmember McConnell asked for guidance on whether Mr. Eernisse thought the property owner would be willing to sell the property for \$60,000. Mr. Eernisse responded that staff can negotiate a purchase price of \$60,000 and recommend that Council move forward with the purchase of the Molver property.

The motion to amend the main motion passed, unanimously, 6-0.

Councilmember Hall moved to have the City Manager move forward with both purchases, however if the reduce asking price delays Ohora, she is authorized to move forward with the purchase of the Molver property as the first step. The motion passed unanimously, 6-0.

The main motion, as amended, passed, unanimously.

9. STUDY ITEMS

- (a) Continued Discussion of Ord. No. 705 - Aurora Square CRA Planned Action FEIS and Ord. No. 712 Amending SMC 20.50 Subchapter 8 - Signs

Mr. Eernisse recapped Council's last discussion on the Aurora Square CRA Planned Action FEIS, and said that Growth Alternative 3 with an additional 1,000 units and 500,000 square feet of commercial is preferred. He recalled identifying prioritized mitigation; a need for Westminster Way North design study; on-site stormwater mitigations; and development of a partnership with Shoreline Community College for regional stormwater solutions. He added that there were no changes to the Sound Ordinance.

Mr. Eernisse explained that signage is needed to unite the CRA and support Vision 2029's dining and community elements. He presented unifying signs as monument, way-finding, and pylon, and provided examples of each sign. He stated staff is proposing the installation of three new signs and pointed out proposed locations. He reminded Council that all tenants will not be listed on the sign and explained that electronic messaging is a way for the smaller businesses to advertise. He said that the Shoreline Municipal Code regulations allow a 20 second hold time and prohibit flashing messages. He asked for Council's feedback on the electronic messaging hold time.

Councilmembers discussed signage and electronic messaging hold times. A majority of Councilmembers expressed comfort with a 5-10 second hold time, and supported providing this instrument as a means for smaller business to advertise. They discussed having the Planning Commission study changing the 20 second hold time and include a public process to solicit community input. They suggested that businesses be provided an opportunity to participate in the process.

Councilmember Hall cited a study regarding drivers looking at electronic messaging signs, and stated it is not safe for a driver to use one-third of their time looking away from the road. He recalled a police accident report that identified driver distraction as the leading cause of crashes, and shared that 29% of distractions were caused by things outside the vehicle. He questioned why the City would install something designed to distract drivers. He commented that the Planning Commission did not recommend changing the Code, and there was no public process regarding the hold time. He is comfortable with a 20 second hold time.

Councilmember Salomon stated that he will not support electronic signage at this stage of the process, and suggested that the process not be rushed. He recommended integrating signage in

the site design plan, and talked about making the property unique and drawing in a variety of businesses.

Mr. Eernisse explained why signage is being discussed and that the sign code amendment was identified in the CRA renewal project. He stated the goal of signage is to draw together the entire area as a cohesive unit. He shared that the City has hired a consultant for design rebranding and added that signage is not an urgent matter.

Mr. Eernisse asked for Council's feedback on monochrome or full color electronic signs and for guidance on sign code implementation and deadlines. He said he expects having the sign implementation worked out in two years, and estimates signage will cost \$400,000. He shared that the property is classified as blighted and signage is needed to rehab the property.

Councilmembers asked if signs are being replaced or if new ones are going in. They discussed the cost to businesses to put together a sign and finding a way to encourage the property owners to engage in the discussion. A majority of Councilmembers stated preference for the monochrome text and supported a two year timeline. Councilmember Roberts added that he prefers signs without logos, and that he would only like to only see them located across the street from the mixed use business zone, and having two pylon signs on Aurora.

Councilmembers asked why the City has not been enforcing current sign code regulations. Ms. Tarry responded that it has been a lower code enforcement priority and that staff is currently preparing a Code Enforcement Update for Council discussion at a future business meeting.

Councilmember Hall requested an amendment to change the minimum hold time to 20 seconds, and requested that this item not be placed on the Consent Calendar. Councilmember Roberts requested an amendment requiring pylon signs on Aurora and located across from mixed use zones.

Mr. Eernisse summarized that staff will bring back an ordinance with a 10 second hold time, with an amendment for a 20 second hold time; a monochrome electronic messaging; full color pylon with individual businesses' names; a two year implementation with a 1 year extension; and one exception for Value Pet Clinic signage until the CRA is fully redeveloped.

Councilmember McGlashan commented that this is a rebranding effort for the entire Aurora Square and it should not exclude the pet clinic.

Deputy Mayor Eggen expressed concern that there is nothing included in the CRA regarding benefits for the Northwest School for the Deaf and that education is being grouped with commercial. He added that the sign cost is minor and commented on the huge Local Improvement District (LID) cost. He asked if the School could be exempted from the LID requirements. Councilmember Hall asked if the School has direct access to Westminster. Mr. Eernisse responded yes there is direct access and that the School is a CRA member. He stated that he will research whether the School can be exempted from LID requirements and report back to Council.

Councilmember Salomon said he spoke to the School Boardmembers and stated that they have repeatedly requested to be removed from the CRA. Councilmember Roberts reminded Council that the School can petition the fees and pointed out the benefits derived from being a member. Mr. Eernisse added that the vision for Aurora Square was never retail only and explained the benefits of participating in the CRA. Councilmember McGlashan commented that the School is part of the package and if they want to be separated they should go through the legal process to separate themselves. Councilmember Hall concurred.

Councilmembers, with the exception of Councilmember Salomon, confirmed that staff should move forward with Growth Alternative 3 for the CRA Final FEIS.

At 9:06 p.m., Mayor Winstead called for a recess, and reconvened the meeting at 9:13 p.m.

(b) Discussion of Ordinance No.'s 716, 717, 718, 719, 720 - Amendments to SMC 12.40 and 3.01 - Impact Fees for Transportation

Julie Ainsworth-Taylor, Assistant City Attorney, provided background and a status update on the implementation of the Transportation Impact Fee Program. She presented the five following proposed Ordinances amending the Impact Fee Program:

- 716: Change of Use/Vacancy - Addresses provisions in existing ordinance
- 717: Small Business Deferral - Proposes new program
- 718: Single Family Deferral - a State Mandate
- 719: Community-Based Human Service Agencies Waiver - provides an exemption to these agencies
- 720: Assisted Living Rate - add a rate to the rate table for assisted living facilities

She explained that proposed Ordinances 716, 719, and 720 will have a retroactive provision, and presented pending applications that would qualify for the retroactive provision.

Councilmembers offered support for Ordinance 720 and agreed that it be retroactively applied.

Ms. Ainsworth-Taylor explained the exemption for human services agencies, eligibility requirements, and stated that the exempted fees must be paid by public funds. She stated that the City has received one application from Hopelink that falls under this category.

Councilmembers asked how change of ownership would affect impact fees. Ms. Ainsworth-Taylor explained if the development activity changes that the owner would be subject to impact fees.

Councilmembers offered support for Ordinance 719, while acknowledging human service providers also generate traffic and that it will have an impact on the budget.

Ms. Ainsworth-Taylor presented Ordinance 718 and stated it resulted from a State Legislature mandate. She asked Council's direction on identifying an effective implementation date.

Councilmembers offered support for Ordinance 718 and an effective date of 5 days after the publication of the Ordinance.

Ms. Ainsworth-Taylor presented Ordinance 716 eliminating vacancy language and addressing credits and refunds. Councilmembers offered support for Ordinance 716.

Ms. Ainsworth-Taylor presented Ordinance 717 that would establish a small business deferral program. She explained that it changes the deferral period to 18 months to match single family, defines small business based on square footage, and reviewed payment options and penalties for non-payment. She asked for Council's direction on defining a small business and if the Ordinance should have a retroactive implementation provision.

Councilmember Salomon requested that staff explore exemptions for small businesses and a definition of a small business, other than by square footage. He questioned the fairness of a business paying impact fees if they go out of business. Deputy Mayor Eggen applauded the courage of small business owners, expressed concern over funding exemptions, and stated his preference for a longer term deferral and payment plan for fees. He suggested defining a small business by capital input of \$100,000 to \$150,000 and likes the option of revoking a business license for failure to pay impact fees.

Councilmember Hall commented that he does not support exemptions because it would require tax payer subsidies. He addressed equity issues and added that growth should pay for growth.

Mayor Winstead stated she supports an exemption because economic development is needed in Shoreline. She stated an exemption does not have to be forever and suggested exempting non franchised businesses and businesses in certain areas of the City. She requested information on Business & Occupancy Tax.

Councilmember Roberts moved to extend the meeting to 10:15 p.m. The motion was seconded by Deputy Mayor Eggen and passed unanimously.

Councilmember Roberts asked for the cost of the initial payment for a surety bond, and questioned the benefit of a deferral program if 60% of the fee is required. He expressed concern about the definition of small business and supported providing impact fee exemptions in preferred economic development areas.

Councilmember Hall suggested moving forward with Ordinances 716, 718, 719 and 720, and postponing 717 for further discussion. He stated that he would like more input from the business community and the Chamber of Commerce. Mayor Winstead, and Councilmembers McConnell and McGlashan concurred.

Councilmember McGlashan asked about exemption criteria. Ms. Ainsworth-Taylor explained that to be eligible for an exemption a broad public purpose must be demonstrated.

Councilmember Salomon commented that providing an exemption to Aurora Square could result in potentially having chain stores and not creative businesses. He supports identifying selected

areas in the City for exemptions, and suggested not paralleling small businesses with the single family deferral program.

Mayor Winstead directed staff to move forward with Ordinances 716, 718, 719 and 720, applying the retroactive provisions, and recommended that staff research an interim solution for small businesses. Councilmember Roberts requested more information on State Senate Bill 5923, an act relating to promoting economic recovery in the construction industry, and Councilmember McGlashan requested more information on identifying specific economic development areas for exemption.

10. ADJOURNMENT

At 10:14 p.m., Mayor Winstead declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

DRAFT

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, July 13, 2015

Conference Room 303 - Shoreline City Hall
17500 Midvale Avenue North

5:45 p.m.

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Eric Friedli, Park, Recreation and Cultural Services Director; and Bonita Roznos, Deputy City Clerk

GUESTS: Parks, Recreation and Cultural Services/Tree Boardmembers: Jesse Sycuro, Chair, Betsy Robertson, Vice Chair, and Boardmembers Cindy Dittbrenner, John Hoey, Bill Franklin, Katie Schielke, and Christine Southwick

At 5:44 p.m., the meeting was called to order by Mayor Winstead, who presided.

Mayor Winstead expressed appreciation for the PRCS/Tree Boardmembers and thanked them for the work they perform on behalf of the City of Shoreline. Ms. Tarry shared the Board's interest in understanding how to effectively work with the City Council.

Boardmembers expressed a desire to understand the council-board communication process, have a clear voice on issues, and ensure that they are being heard. They voiced concern over PRCS/Tree related decisions that have been made without Board input. They commented on upcoming issues related to the Parks, Recreation and Open Space Plan, rezones, and park impact fees, providing an opportunity to improve communication and relationships. They extended an invitation to Councilmembers to attend their board meetings. They requested talking points for the Light Rail Station, asked how parks will be affected in the Station Subareas, and suggested scheduling a meeting with the Planning Commission. They discussed Arts' funding reductions and asked about the possibility of pursuing other funding sources. They shared that the Board's goal is to be more active, and they commented on the importance of keeping an open dialog with Councilmembers.

Ms. Tarry explained the communication process and stated that board communication initially goes to Eric Friedli, PRCS Director, who provides the information to the City Manager, and the City Manager presents the information to Council.

Councilmembers stated they would be happy to talk with Boardmembers about PRCS/Tree issues. They extended an invitation to Chair Sycuro to come to a Council Dinner Meeting to present specific PRCS/Tree related issues to the Council. They discussed relying on Boardmembers to evaluate the detail of issues and then presenting a recommendation to the Council. They explained that the staff's role is to identify items needing the Board's review and recommended using Mr. Friedli as a resource. They suggested providing Boardmembers with access to the Agenda Planner and proposed that the Board use the meeting minutes and recordings to get a clearer idea of why a vote went a certain way.

Councilmembers confirmed that there is no interest in reducing parks anywhere in Shoreline, including the light rail station areas, and commented on utilizing impact fees as a tool to help in increasing the number of parks. They explained that there is not a current revenue stream to pay for a new pool and shared that the next parks bond could be to design and construct a new pool and recreation center. They encouraged them to present budget requests to Mr. Friedli who will then present them to Ms. Tarry.

Ms. Tarry informed Boardmembers that the Council receives weekly updates and that relevant information from the Board is included in those updates. She offered that staff could meet with the Board about specific topics and answer questions. She stated that she will ensure that future discussion regarding PRCS/Tree Board issues, agreements, and contracts include PRCS/Tree Boardmembers.

At 6:44 p.m. the meeting was adjourned.

Bonita Roznos, Deputy City Clerk

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, July 27, 2015
5:15 p.m.

City Hall Lobby - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts (Councilmember Roberts joined the tour at 5:45 p.m.)

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Peter Hahn, Interim Public Works Director; Tricia Juhnke, City Engineer; Bob Earl, Engineering Manager; Eric Friedli, Parks, Recreation, and Cultural Services Director; Maureen Colaizzi, Parks Planner; Sara Lane, Administrative Services Director; Jessica Simulcik Smith, City Clerk

GUESTS: None

At 5:18 p.m., the meeting was called to order by Mayor Winstead. All Councilmembers and staff loaded onto a bus and toured completed and future capital projects and road maintenance projects in the City. These projects included:

- 2014 Pavement Repairs Project (Dayton/Carlyle Hall/175th Overlays)
Mr. Hahn pointed out recent overlay projects as the bus drove past them. He noted overlay's life span is around 15 years.
- 12th Avenue NW (Syre School) Construction -- 2014 Curb Ramp/Sidewalk Replacement Program
Ms. Juhnke, City Engineer, noted that the City received a lot of neighborhood complaints regarding the condition of the sidewalk on 12th Avenue. Due to the sidewalk's proximity to a school, it was eligible for repair and replacement.
- Einstein Safe Route to Schools
Mr. Hahn shared that several large trees were recently removed from the right-of-way on N 195th Street in order to put in a sidewalk, and the City worked closely with the affected home owners. This project will connect the sidewalk's missing links and create Americans with Disabilities Act (ADA) connections all the way into the school. Ms. Juhnke noted the City is closely monitoring the contractor to make sure the project is completed by the beginning of the school year.
- Hillwood Park
Mr. Friedli announced the Hillwood Park parking lot was repaved last month as part of the parks repair and replacement program. He pointed out a newly installed neighborhood kiosk made possible by a Department of Ecology grant and noted the neighborhood

group is responsible for monitoring it. Mr. Friedli and Ms. Colaizzi pointed out a restoration project in the park where 500 plants were installed by a neighborhood activist.

At 5:40 p.m. the tour bus stopped at Hillwood Park, Councilmember Roberts joined the meeting, and everyone had dinner in the park. At 6:00 p.m., everyone loaded back into the bus and the tour resumed.

- Aurora Avenue N/N 200th Street
Mr. Hahn provided Council with a construction update. He pointed to the middle of the road where the contractor was excavating the road and explained the process. It was asked when traffic would be routed to the other side of the road.
- 2016 Construction -- Meridian Overlay - N 190th to N 205th Street
Mr. Hahn noted the City received grant funding to overlay Meridian from 190th to 205th. All the curb ramps will be upgraded to meet ADA requirements. The sidewalk will not be part of this project.
- 195th Street Separated Trail
Mr. Earl, Engineering Manager, noted the narrowed street, porous sidewalk, and amenity strip.
- McAleer Creek Bank Restoration – (aka Goheen Revetment Repair)
Councilmembers asked who funded this project. Ms. Juhnke responded that the project was determined to be the City’s responsibility and it was funded by the Surface Water Utility.
- Northcrest Park
Ms. Colaizzi explained the City worked with the Police Department to do a crime prevention through environmental design (CPTED) review of the park. The park’s line of sight was improved by removing blackberries and trimming trees. She noted the play equipment was also upgraded and that the chain link fence will eventually be replaced with bollards to make the park more inviting. Councilmembers asked if herbicide is used to keep the blackberries from coming back. Mr. Friedli responded that the City selectively uses herbicide.
- 2016 Construction -- 15th Avenue NE Overlay - NE 148th to NE 155th Street
This project will overlay and restripe approximately 1.25 lane miles of 15th Avenue NE.
- Twin Ponds Park
Mr. Friedli pointed to the community garden at Twin Ponds. There are 40 plots with a wait list of 15 people. He said the soccer field turf and lights will be replaced and there is a grant proposal for a vegetation management plan.
- Curb Ramp, Gutter & Sidewalk Program (N 155th Street Sidewalk Repair)
The City did not receive grant funding for this project.

The bus arrived back at City Hall at 6:45 p.m. and the meeting adjourned.

Jessica Simulcik Smith, City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the City Manager to Execute a Contract Amendment with Perteet, Inc. for Design Services for the Meridian Avenue N. Overlay and 15 th Avenue NE Overlay Projects
DEPARTMENT:	Public Works
PRESENTED BY:	Bob Earl, P.E., Engineering Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

In 2014 the City Council authorized the City Manager to execute Local Agency Agreements with WSDOT for grant reimbursements up to \$984,300 for design and construction of the Meridian Avenue N Overlay Project and the 15th Avenue NE Overlay Project (Projects). Design of the Projects by City staff was to begin in the second quarter of 2015 and be completed by the end of 2015, with overlay construction to be completed in summer 2016. However, unexpected staff turnover during the first half of 2015 has delayed starting the design work.

Consequently, to maintain the completion schedules mandated by the grant agreements, staff is requesting that Council authorize the City Manager to execute an amendment to the City's existing professional services contract with Perteet, Inc. (Consultant) for design of the Projects in the amount of \$218,453.

RESOURCE/FINANCIAL IMPACT:

The 2015-2020 Capital Improvement Program (CIP) includes these Projects as part of the Annual Road Surface Maintenance Program (Annual RSM). The City Council authorized \$1,806,546 in the 2015 CIP budget for the Annual RSM and, as of this date, Annual RSM expenditures and encumbrances total \$1,517,573, leaving an available budget of \$289,203. The requested authorization of \$218,453 is less than the available budget.

RECOMMENDATION

Staff recommends that Council move to authorize the City Manager to execute an amendment to the City's contract with Perteet, Inc. in the amount of \$218,453 for design services for the Meridian Avenue N Overlay and 15th Avenue NE Overlay projects.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

In 2013, staff identified Meridian Avenue N, from N 190th Street to N 205th Street, and 15th Avenue NE, from N 148th Street to N 155th Street, as candidates for overlay preservation and Americans with Disabilities Act (ADA) compliance improvements. In 2014, the City Council authorized the City Manager to execute agreements with WSDOT for Federal Surface Transportation Program (STP) grants for up to \$674,560 for the Meridian Avenue N Overlay, and up to \$309,740 for the 15th Avenue NE Overlay.

The STP grant agreements specify a completion schedule for both Projects' design and construction that must be met to retain the grant funding. The Project schedules and budgets were based upon City staff designing the Projects, and upon starting the design work in the second quarter of 2015.

Unexpected staff turnover in March and April, 2015 has delayed the start of the Projects' design and, although new engineering staff members have been recruited, they will be unable to complete design work for the Projects in time for 2016 construction. Given the STP grant agreements time schedule and staff's inability to complete the design work in-house to meet this schedule, staff is now recommending that the City's on-call contract with Perteet, Inc. be amended to include the design of the Projects.

DISCUSSION

The Consultant will complete design for both Projects, which will include contract plans, specifications and cost estimates, by December 31, 2015. An advertisement for bids will be published in January, 2016. It is anticipated that the construction project will be completed in summer, 2016, following bid advertising at the beginning of next year. This amendment to the Consultant's existing contract will include \$162,760 for the Meridian Avenue N Overlay project and \$55,693 for the 15th Avenue NE Overlay project.

The construction scope of work for both Projects will include constructing an asphalt concrete overlay on the existing pavement, reconstructing sidewalk ramps to comply with ADA standards, renewing pavement striping and other markings, and replacing sections of concrete sidewalk that have been damaged by tree roots.

RESOURCE/FINANCIAL IMPACT

The City Council authorized \$1,806,546 in the 2015 CIP budget for the Annual Road Surface Maintenance Program. As of this date, Annual RSM expenditures and encumbrances total \$1,517,573, leaving an available budget of \$289,203. The Projects are part of the Annual RSM, and the requested authorization is less than the available budget.

Below is a breakdown of the Road Surface Maintenance Program cost expenditures and revenues (Roads Capital Fund) used for the program:

EXPENDITURE

Staff Cost	\$ 50,000
BST Construction	\$ 674,252
2014/2015 Asphalt Grind/Patch/ Overlay Project	\$ 620,358
Pavement Management/Asset Inventory	\$ 72,963
2016 Overlay (Design)	\$ 100,000
Subtotal	\$1,517,573
15 th Avenue NE Overlay (Design)	\$ 55,693
Meridian Avenue N Overlay (Design)	\$ 162,760
Subtotal	\$ 218,453
Total Program Cost	\$1,736,026

REVENUE

Roads Capital Fund	\$1,806,546
Total Program Revenue	\$1,806,546
Program Balance (Revenue - Expenditures)	\$ 70,520

RECOMMENDATION

Staff recommends that Council move to authorize the City Manager to execute an amendment to the City’s contract with Perteet, Inc. in the amount of \$218,453 for design services for the Meridian Avenue N Overlay and 15th Avenue NE Overlay projects.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 721 - Surface Water Utility Revenue Bonds
DEPARTMENT:	Administrative Services Department
PRESENTED BY:	Sara Lane, Administrative Services Director
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City Council approved the use of \$2,000,000 in debt financing in 2015 and 2017 as part of the Surface Water (SWM) Utility Fund 2015-2020 Capital Improvement Program (CIP) for the Stormwater Pipe Replacement Program. Council is required to authorize the issuance of debt via ordinance. Council discussed the Draft Ordinance on July 27, 2015 and provided direction to bring this ordinance back for adoption. Proposed Ordinance No. 721 is attached to this report as Attachment A.

RESOURCE/FINANCIAL IMPACT:

The adopted CIP Budget for 2015-2020 for the Surface Water Utility Fund is \$13,620,887 of which the Stormwater Pipe Replacement Program is \$4,810,000. The adopted budget included the issuance of \$2,000,000 in debt in 2015 and an additional \$2,000,000 in 2017 to cover the costs of this project. Annual debt service payments for this issuance are estimated at \$182,391 and included in the adopted CIP. The debt service payments are fully supported by revenue of the SWM Utility. The bonds will be issued for a term not to exceed 15 years.

RECOMMENDATION

Staff recommends that Council move to adopt Ordinance No. 721.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

The City Council approved the use of \$2,000,000 in debt financing in 2015 and 2017 as part of the SWM Fund 2015-2020 CIP for the Stormwater Pipe Replacement Program. This funding is provided from an allocation of the surface water fees or grants. The City's debt policy provides for the use of Revenue Bonds for projects that are self-sustaining. The Stormwater Pipe Replacement project, as part of the SWM adopted CIP, meets these criteria.

DISCUSSION

Proposed Ordinance No. 721 (Attachment A) authorizes issuance of revenue supported bonds ("the Bonds") in a principal amount not to exceed \$2,000,000 plus bank fees and closing costs. The Bonds will have a maximum 15-year maturity. The Bonds will be issued at an interest rate not to exceed 5.0% for a term of no more than 15 years. The City will need to maintain a Bond reserve of approximately \$177,590. The administrative costs to issue the \$2,000,000 debt are estimated at \$30,390.

The City will fund both the reserve and administrative issuance costs from the SWM Fund reserves, making \$2,000,000 available for the project work. Staff's financial analysis (Attachment B) reveals that the SWM Fund is well positioned to support both the 2015 and 2017 planned debt issuance.

Timing of Sale

Because the timing for the completion of projects supported by this debt issuance has been delayed due to contractor availability, staff will monitor the bond market and project timing to determine the most advantageous time for debt issuance. As a result there are several small changes to the draft bond ordinance that Council reviewed on July 27, 2015 to allow for the potential issuance of debt in 2016 instead of 2015. These changes are redlined in Attachment C.

Method of Sale

Proposed Ordinance No. 721 authorizes the issuance of debt using the negotiated private placement method. This method is a lower cost option than the alternative public sale method, and is more attractive to investors for this size bond issue. The negotiated private placement involves issuing a competitive RFP and evaluating proposals to maintain competition and ensure the lowest cost for the City. A public sale requires use of bond rating agencies and ongoing disclosure that raise the costs associated with issuing and managing the debt. The public sale is typically used for much larger bond issues.

Method of Debt Authorization

As is noted above, Council is required to authorize the issuance of debt via ordinance. Proposed Ordinance No. 721 utilizes the Delegating Method to authorize the debt issue. This method sets the parameters for the debt structure including limits on the rates and terms and delegates authority to execute the debt to the City Manager following a competitive process. This approach is most attractive to potential investors and results in lower borrowing costs for the City due to minimizing the delay in confirming their proposal.

The alternative approach, called the Post Issuance Adoption Method, would have authorized the debt issuance after the competitive process, causing greater rate risk to proposers due to a longer delay before confirmation of their proposal and thus, higher costs for the City. It would also typically require a special meeting and/or waiver of need for the third Council reading. This method entails an ordinance being presented to Council after bonds have been sold and final terms and rates have been determined.

Future Ability to Combine Utilities for the Purpose of Debt Issuance

Proposed Ordinance No. 721 includes language that provides future City Councils with the option of combining Utilities for the purpose of debt issuance. The language is included to preserve flexibility for future Councils. Should a future Council decide that it is in the best interest of the City to take advantage of this option (to achieve lower borrowing costs for the Utilities) they would need to take specific legislative action at that time.

Additionally, it is important to note that the combining of Utilities for the purpose of debt issuance does not remove the City's responsibility for separate accounting for the expenses of each utility for the purposes of ratemaking. RCW 43.09.220 requires separate accounting for public service industries which show the true and entire cost of the ownership and operation of that industry. RCW 43.09.210 specifically notes that no public service industry shall benefit in any financial manner by an appropriation or fund made for the support of another. Therefore, should a future council choose to combine the utilities for debt issuance purpose, any support from one Utility to another would need to come in the form of an interfund loan that would be repaid with interest over a period not to exceed three (3) years as provided by the State Auditor's office.

COUNCIL GOAL(S) ADDRESSED

The Stormwater Pipe Replacement Project funded through this bond issue directly supports Council Goal #2 – Improve Shoreline's utility, transportation, and environmental infrastructure.

RESOURCE/FINANCIAL IMPACT

The adopted CIP Budget for 2015-2020 for the Surface Water Utility Fund is \$13,620,887 of which the Stormwater Pipe Replacement Program is \$4,810,000. The adopted budget included the issuance of \$2,000,000 in debt in 2015 and an additional \$2,000,000 in 2017 to cover the costs of this project. Annual debt service payments for this issuance are estimated at \$182,391 and included in the adopted CIP. The debt service payments are fully supported by revenue of the SWM Utility. The bonds will be issued for a term not to exceed 15 years.

RECOMMENDATION

Staff recommends that Council move to adopt Ordinance No. 721.

ATTACHMENTS

- Attachment A – Ordinance No. 721 - Surface Water Utility Revenue Bond
- Attachment B – Debt Service Costs, Sources and Uses and SWM Operating Summary/Debt Coverage Calculation
- Attachment C – Redline Surface Water Utility Revenue Bond Ordinance

ORDINANCE NO. 721

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, RELATING TO THE CITY'S SURFACE WATER UTILITY AND ANY OTHER UTILITY SYSTEM WITH WHICH IT MAY HEREAFTER BE COMBINED; SPECIFYING, ADOPTING AND ORDERING THE CARRYING OUT OF A PLAN OF ADDITIONS (AS DEFINED); PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF UTILITY REVENUE BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$2,000,000 PLUS BANK FEES AND CLOSING COSTS TO PROVIDE FUNDS NECESSARY TO PAY ALL OR A PORTION OF THE COSTS OF CARRYING OUT THE PLAN OF ADDITIONS; FIXING OR SETTING PARAMETERS WITH RESPECT TO CERTAIN TERMS AND COVENANTS OF THE BONDS; APPOINTING THE CITY'S DESIGNATED REPRESENTATIVE TO APPROVE THE SALE TERMS OF THE SALE OF THE BONDS; AND PROVIDING FOR OTHER RELATED MATTERS.

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington; and

WHEREAS, on April 10, 2006, the City adopted Ordinance 419 establishing a surface water utility; and

WHEREAS, the City now finds that it is advisable for it to acquire, construct, and install improvements to the surface water utility so as to add, better, and/or extend the City's existing storm and surface water utility; and

WHEREAS, the City has determined that it is in need of funds to finance such additions, betterments, and extensions and does not have available sufficient funds to pay the costs; and

WHEREAS, as authorized by chapters 35.67 and 35.41 RCW, the City has determined that funds for defraying costs can be provided from the proceeds of the issuance and sale of utility revenue bonds; and

WHEREAS, on July 27, 2015, the City Council discussed the proposed issuance and sale of bonds; and

WHEREAS, the City has determined it is in the best interests of the City to issue and sell the bonds as set forth in this Ordinance;

THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Surface Water Utility Revenue Bonds. The terms and conditions for the issuance and sale of the Surface Water Utility Revenue Bonds are set forth in Attachment A, which is incorporated by reference in its entirety.

Section 2. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication and is not subject to referendum.

PASSED BY THE CITY COUNCIL ON AUGUST 17, 2015

Mayor Shari Winstead

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: , 2015
Effective Date: , 2015

CITY OF SHORELINE, WASHINGTON

ORDINANCE NO. 721

EXHIBIT A

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Attachment A Description of the Bonds

Attachment B Parity Conditions For Issuance of Future Parity Bonds

Attachment C Description of Plan of Additions

**The table of contents and section headings of this Exhibit are for convenience of reference only, and shall not be used to resolve any question of interpretation of this Exhibit.*

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Findings and Determinations. The City Council of the City of Shoreline, Washington (the “City”) makes the findings and determinations set forth below. Capitalized terms have the meanings given in Section 2.

(a) *The Surface Water Utility; Plan of Additions.* Pursuant to Ordinance 419, passed April 10, 2006, the City established the surface water utility. The City Council finds that it is advisable for the City to acquire, construct and install the improvements to the Surface Water Utility comprising the Plan of Additions, as further described in Section 3 of this Ordinance. The various improvements comprising the Project represent additions, betterments, and/or extensions of the City’s existing storm and surface water utility, under chapter 35.67 RCW. In accordance with RCW 35.67.030, the City declares the estimated cost of the Plan of Additions to be at least \$2,000,000. The City is in need of funds with which to finance the Plan of Additions, and the City does not have available sufficient funds to pay the costs. It is advisable for the City to provide funds for defraying costs of the Project from the proceeds of the issuance and sale of the Bonds pursuant to chapters 35.67 and 35.41 RCW, as authorized in this Ordinance. The life of the improvements comprising the Plan of Additions is declared to be at least 15 years.

(b) *Previously Issued Bonds and Loans.* The City has no outstanding utility revenue bonds secured by a pledge of net revenues prior or equal to the pledge securing the Bonds authorized by this ordinance. The City has two outstanding Loans, which are secured by a pledge of net revenues that is junior to the pledge securing the Bonds.

(c) *Sufficiency of Gross Revenue.* The City Council finds and determines that the Gross Revenue and benefits to be derived from the operation and maintenance of the Utility System at the rates to be charged for services from the Utility System will be more than sufficient to meet all Operating and Maintenance Expense and to permit the setting aside into the Bond Fund out of the Gross Revenue of amounts sufficient to pay the principal of and interest on the Bonds when due. The City Council declares that in fixing the amounts to be paid into the Bond Fund under this ordinance it has exercised due regard for Operating and Maintenance Expense and has not obligated the City to set aside and pay into the Bond Fund a greater amount of Gross Revenue of the Utility System than in its judgment will be available over and above such Operating and Maintenance Expense.

(d) *Issuance and Sale of Bonds.* Based on the foregoing, the City Council finds that it is in the best interest of the City to issue and sell the Bonds pursuant to the terms set forth in a Bond Purchase Contract as approved by the City’s Designated Representative consistent with this ordinance.

Section 2. Definitions. As used in this ordinance, the following words shall have the following meanings:

(a) “*Adjusted Net Revenue*” means Net Revenue, plus withdrawals from the Rate Stabilization Account and less deposits into the Rate Stabilization Account.

(b) “*Annual Debt Service*” means, for any calendar year, all amounts required to be paid in that year in respect of principal of and interest on those Parity Bonds with respect to which the calculation is being performed, less all interest on those bonds payable from the proceeds of Parity Bonds in that year, less all principal of those bonds scheduled to be redeemed

or defeased as of the date of such calculation, and less all Tax Credit Subsidy Payments scheduled to be received in that year. For purposes of calculating future Annual Debt Service, interest on Variable Interest Rate Bonds shall be assumed to be a fixed rate equal to (i) for then-outstanding Variable Interest Rate Bonds, the highest variable rate borne during the preceding 12 months, and (ii) for Future Parity Bonds proposed to be issued as Variable Interest Rate Bonds, the highest rate during the preceding 12 months as determined by reference to the index or formula to be used to determine the interest rate on the Future Parity Bonds (or a comparable index).

(c) “*Authorized Denominations*” means, unless otherwise specified in the Bond Purchase Contract, \$5,000 or any integral multiple thereof within a maturity of a Series.

(d) “*Average Annual Debt Service*” means, as of its date of calculation, the sum of the Annual Debt Service for the current calendar year and the calendar years remaining to the last scheduled maturity of the applicable series of bonds, divided by the number of those years.

(e) “*Beneficial Owner*” means, with respect to a Bond, the owner of any beneficial interest in that Bond.

(f) “*Bond Counsel*” means the firm of Foster Pepper PLLC, its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(g) “*Bond Fund*” means the City’s Utility System Revenue Bond Fund created by this ordinance for the payment of the principal of and interest on all Parity Bonds.

(h) “*Bond Insurance Policy*” means a municipal bond insurance policy issued by a Bond Insurer insuring the payment when due of the principal of and interest on any Parity Bonds as provided in such policy.

(i) “*Bond Insurer*” or “*Insurer*” means a bond insurance company providing a Bond Insurance Policy or Reserve Surety for any outstanding Parity Bonds.

(j) “*Bond Purchase Contract*” means an offer to purchase one or more Series of the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the City, if consistent with this ordinance.

(k) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

(l) “*Bond Registrar*” means either the Finance Officer or the Fiscal Agent, as appointed by the Designated Representative.

(m) “*Bonds*” means the bonds authorized to be issued by this ordinance.

(n) “*City*” means the City of Shoreline, Washington, a municipal corporation duly organized and existing under the laws of the State.

(o) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

(p) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(q) “*Construction Fund*” means the fund or account designated by the Finance Officer for the payment of the costs of the Plan of Additions.

(r) “*Coverage Requirement*” means for any calendar year, an amount of Adjusted Net Revenue at least equal to 1.25 times the Annual Debt Service in that year on all then-outstanding Parity Bonds. For purposes of calculating the Coverage Requirement, ULID Assessments due in that year and not delinquent shall be subtracted from Annual Debt Service.

(s) “*Designated Representative*” means the officer of the City appointed in Section 5 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(t) “*Finance Officer*” means the Administrative Services Director of the City or any other City official who succeeds to the duties now delegated to that office, or the designee of such officer.

(u) “*Financial Advisor*” means the firm of Public Financial Management, Inc., or any other Financial Advisor then appointed and acting as financial advisor to the City.

(v) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(w) “*Future Parity Bond Authorizing Ordinance*” means an ordinance of the City authorizing the issuance and sale and establishing the terms of Future Parity Bonds.

(x) “*Future Parity Bonds*” means all revenue obligations and other obligations of the City for borrowed money (including, without limitation, financing leases) issued or incurred after the date of the issuance of the Bonds, the payment of the principal of and interest on which constitutes a charge or lien on the Net Revenue and ULID Assessments equal in rank with the charge and lien upon such revenue and assessments required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on the Bonds and other then-outstanding Parity Bonds.

(y) “*Government Obligations*” means those obligations described under the definition of government obligations in RCW 39.53.010(4), as it now reads or hereafter may be amended, and which are otherwise lawful investments for the City.

(z) “*Gross Revenue*” means all of the earnings and revenues received from the maintenance and operation of the Utility System, including all connection and capital improvement charges, plus earnings from the investment of money on deposit in the various accounts of the Utility System, unless expressly excluded. Gross Revenue excludes: (1) principal proceeds of Parity Bonds or any other borrowings; (2) local improvement district assessments and ULID Assessments; (3) earnings or proceeds from any investments in a refunding or defeasance trust account or in a special account for the purpose of paying a rebate to the United States Government under the Code; (4) other grants, gifts, revenue and investment income which are restricted or may not legally be pledged for revenue bond debt service; (5) payments received in respect of any Bond Insurance Policy or Reserve Surety, or insurance or condemnation proceeds used for the replacement of capital projects or equipment; (6) proceeds from the sale of Utility System property; (7) amounts collected in respect of City-imposed utility taxes; (8) Tax Credit Subsidy Payments, if any; and (9) revenue from any Separate System.

(aa) “*Independent Utility Consultant*” means a professional consultant experienced with municipal utilities similar to the Utility System and experienced in such areas as are relevant to the purpose for which he or she is being retained. Such a consultant shall be deemed independent so long as he or she is not an employee or officer of the City.

(bb) “*Issue Date*” means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser thereof in exchange for the purchase price of that Bond.

(cc) “*Loans*” means any State of Washington Public Works Trust Fund loans, State Drinking Water Revolving Fund loans, or similar loans entered into by the City to fund improvements to the Utility System, the payment of which is a claim on the Net Revenue that is junior to the lien and charge of the Parity Bonds.

(dd) “*Maximum Annual Debt Service*” means, as of the date of calculation, the maximum amount of Annual Debt Service for the then-current calendar year or any future calendar year.

(ee) “*Net Revenue*” means the Gross Revenue, less Operating and Maintenance Expense.

(ff) “*Operating and Maintenance Expense*” means all reasonable expenses incurred in causing the Utility System to be operated and maintained in good repair, working order and condition and properly treated as maintenance and operation expenses under generally accepted accounting principles applicable to similar municipal utilities including, without limitation, deposits, premiums, assessments or other payments for insurance, if any, on the Utility System; amounts paid in respect of Utility System employee pensions and post-employment benefits (if any); amounts paid in respect of State-imposed utility taxes; payments made to any other municipal corporation or private entity for utility commodities or services (e.g., transmission, treatment and disposal of wastewater), including payments under Contract Resource Obligations; and overhead and administration expenses allocated to the Utility System. Operating and Maintenance Expense excludes capital expenditures; amounts paid in respect of City-imposed utility taxes; and non-cash accounting items (e.g., depreciation, amounts treated as expenses under accounting guidelines with respect to unfunded contributions to pension or other post-employment benefit plans, non-exchange financial guarantees, environmental liabilities, and similar items).

(gg) “*Outstanding*” when used with reference to any bonds or other obligations means, as of any particular date, the aggregate of all such bonds or other obligations properly authenticated and delivered, except for: (1) those that have been redeemed at maturity or on a redemption date or have otherwise been cancelled or delivered to or held by the Fiscal Agent for cancellation; (2) those legally defeased in accordance with the provisions of this ordinance (or a Parity Bond Authorizing Ordinance) authorizing a defeasance of bonds or other obligations; (3) those in lieu of or in exchange or substitution for which other bonds or obligations shall have been authenticated and delivered pursuant to their authorizing ordinances, unless such other bonds or obligations are held by a bona fide holder in due course; and (4) those that have matured or been called for redemption, but which have not been presented for payment, assuming no nonpayment.

(hh) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(ii) “*Parity Bond Authorizing Ordinance(s)*” means, as applicable to each series of Parity Bonds, this ordinance and any Future Parity Bond Authorizing Ordinance.

(jj) “*Parity Bonds*” means the Bonds and any Future Parity Bonds.

(kk) “*Parity Conditions*” means the conditions precedent to the issuance of Future Parity Bonds, set forth in Attachment B to this Exhibit, which is incorporated by this reference.

(ll) “*Permitted Investments*” means investments that are legal investments for the City at the time of such investment.

(mm) “*Plan of Additions*” means the system or plan of additions and improvements to and betterments and extensions of the Utility System specified, adopted and ordered to be carried out by Section 3 of this ordinance.

(nn) “*Principal and Interest Account*” means the account of that name created in the Bond Fund for the payment of the principal of and interest on the Parity Bonds.

(oo) “*Purchaser*” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement.

(pp) “*Rate Stabilization Account*” means the account of that name created for the purposes described in Section 16.

(qq) “*Record Date*” means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.

(rr) “*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register.

(ss) “*Reserve Account*” means the account of that name created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the Parity Bonds.

(tt) “*Reserve Surety*” means, in lieu of cash and investments, any bond insurance, collateral, security, letter of credit, guaranty, surety bond or similar credit enhancement device providing for or securing the payment of all or part of the principal of and interest on Parity Bonds, issued by an institution which has been assigned a credit rating at the time that such Reserve Security is provided, in the two highest rating categories without regard to gradations within those categories (i.e., AAA or AA).

(uu) “*Reserve Requirement*” means, as of any date of calculation, the lesser of Maximum Annual Debt Service on the then-Outstanding Parity Bonds secured by the Reserve Account, or 125% of Average Annual Debt Service on the then-Outstanding Parity Bonds secured by the Reserve Account, but at no time shall the Reserve Requirement exceed 10% of the original proceeds of the Parity Bonds secured by the Reserve Account. The Reserve Requirement may be met by a deposit of cash, Reserve Surety, or any combination of the foregoing, and the amount payable under any Reserve Surety shall be credited against the amount otherwise required to be deposited into the Reserve Account.

(vv) “*Sale Terms*” means the terms and conditions for the sale of a Series of the Bonds including the amount, date or dates, denominations, interest rate or rates (or mechanism for

determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants.

(ww) “*Separate System*” means any utility service or facilities that may be hereafter created, acquired or constructed by the City and financed as a separate system as provided in Section 17 of this ordinance.

(xx) “*Series of the Bonds*” or “*Series*” means a series of the Bonds issued pursuant to this ordinance.

(yy) “*State*” means the State of Washington.

(zz) “*Surface Water Utility*” means the surface water utility created pursuant to chapter 13.10.110 of the Shoreline Municipal Code.

(aaa) “*System of Registration*” means the system of registration for the City’s bonds and other obligations set forth in Ordinance No. 453 of the City.

(bbb) “*Tax Credit Subsidy Bond*” means any bond that is designated by the City as a “build America bond” or other type of tax credit bond, pursuant to the Code, and which is further designated as a “qualified bond” under Section 6431 of the Code (or under similar provisions of the Code providing for “direct-pay” tax credit bonds), and with respect to which the City expects to receive a Tax Credit Subsidy Payment.

(ccc) “*Tax Credit Subsidy Payment*” means the amounts which the City expects to receive as a tax credit payable by the United States Treasury to the City under Section 6431 of the Code (or under similar provisions of the Code providing for “direct-pay” tax credit bonds), in respect of any bonds issued as Tax Credit Subsidy Bonds.

(ddd) “*Tax-Exempt Bonds*” means any Series issued on a tax-exempt basis.

(eee) “*Term Bond*” means those Bonds that are designated as term bonds and are subject to mandatory redemption prior to maturity in the years and amounts set forth in the Bond Purchase Contract.

(fff) “*ULID*” means any utility local improvement district now existing or hereafter created for the acquisition or construction of additions, extensions or betterments of any portion of the Utility System, which additions, extensions or betterments are financed through the issuance of Parity Bonds. As used in this ordinance, the term ULID does not include any utility local improvement district created with respect to a Separate System or for the financing of additions, extensions or betterments by methods other than the issuance of Parity Bonds.

(ggg) “*ULID Assessments*” means the assessments levied in any ULID, including installment payments of any assessment as well as the interest and penalties (if any) thereon, less any prepaid assessments permitted by law to be paid into a construction fund or account.

(hhh) “*Variable Interest Rate*” means a variable interest rate or rates to be borne by a series of Parity Bonds or any one or more maturities within a series of Parity Bonds. With respect to Future Parity Bonds, the method of computing such a variable interest rate (or parameters with respect thereto) shall be specified in the ordinance authorizing such Future Parity Bonds, which ordinance also shall specify either (i) the particular period or periods of time or manner of determining such period or periods of time for which each value of such variable

interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

(iii) “*Variable Interest Rate Bonds*” means, for any period of time, Parity Bonds which bear a Variable Interest Rate during that period. From and after such time as the interest rate or rates on a series of Parity Bonds is fixed for the remaining life of such series, then such series shall no longer be deemed to be Variable Interest Rate Bonds.

(jjj) “*Utility System*” means the Surface Water Utility of the City as it now exists, together with all additions thereto and betterments and extensions thereof at any time made. The Utility System shall also include any properly acquired or constructed water, sewer or other utility system that is hereafter combined with the Utility System by ordinance.

(kkk) “*Utility System Fund*” means the Surface Water Utility Enterprise Fund, which has previously been established by the City, together with any other enterprise fund created with respect to a utility system that is hereafter combined into the Utility System.

Section 3. Adoption of Plan of Additions. The City specifies, adopts and orders the carrying out of the projects described in Attachment C as a system or plan of additions to and betterments and extensions of the Utility System. The Plan of Additions shall be carried out in accordance with the plans and specifications therefor prepared by the City’s engineers and consulting engineers. The City Council may modify the details of the Plan of Additions where, in its judgment, it appears advisable if such modifications do not substantially alter the purposes of that system or plan. The cost of the Plan of Additions, including the cost of issuance and sale of the Bonds, shall be paid from the proceeds of the Bonds and from other money available to the Utility System.

Section 4. Purpose and Authorization of the Bonds. The City is authorized to borrow money on the credit of the City and issue utility revenue bonds evidencing indebtedness in the amount of not to exceed \$2,000,000 plus bank fees and closing costs to provide the funds necessary to carry out a portion of the Plan of Additions. The Bonds shall be allocated to paying the costs of the respective projects included within the Plan of Additions in such order of time as the City determines is advisable and practicable.

Section 5. Description of the Bonds; Appointment of Designated Representative. The City Manager is appointed as the Designated Representative of the City and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the City, and to approve the Sale Terms of each Series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Attachment A, which is attached to this ordinance and incorporated by this reference.

Section 6. Bond Registrar; Registration and Transfer of Bonds.

(a) *Registration of Bonds.* Each Bond shall be issued only in registered form as to both principal and interest and the ownership of each Bond shall be recorded on the Bond Register. The Bonds will be initially registered in the name of the Purchaser and will not be registered through a securities depository.

(b) *Bond Registrar; Duties.* The Designated Representative shall appoint either the Finance Officer or the Fiscal Agent as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be

open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Fiscal Agent may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) *Bond Register; Transfer of Bonds.* The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond may be assigned or transferred only in whole and only if endorsed in the manner provided thereon and surrendered to the Bond Registrar, subject to the Purchaser's representations in a certificate to be provided on the Issue Date. Any such transfer shall be without cost to the owner or transferee and shall be noted in the Bond Register. A Bond may only be assigned by the Purchaser to another qualified investor satisfying the requirements set forth in the certificate to be signed by the Purchaser on the Issue Date and as set forth on that Bond. Upon the final payment of principal of and interest on each Bond, the Registered Owner shall surrender that Bond to the City for destruction or cancellation in accordance with law.

Section 7. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures and Seal.* Each Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. Each Bond shall be signed by the Mayor and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate of Authentication. This Bond is one of the fully registered City of Shoreline, Washington, Utility Revenue Bonds, YYYY (Year of Issuance)." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 8. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Interest on each Bond and mandatory redemption installments (if applicable) are payable by electronic transfer on the interest payment date, or by check or draft mailed on the interest payment date to the Registered Owner at the

address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. The final installment of principal of each Bond is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 9. Redemption Provisions and Open Market Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to redemption at the option of the City on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Contract, consistent with the parameters set forth in Attachment A.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Contract, consistent with the parameters set forth in Attachment A, and except for optional redemptions as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Contract. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the City, the City shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Bond Registrar shall select the Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption.* Notice of redemption of each Bond shall be given as set forth in the Bond Purchase Contract.

(e) *Rescission of Optional Redemption Notice.* In the case of an optional redemption, the notice of redemption may state that the City retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of optional redemption has been rescinded shall remain outstanding.

(e) *Effect of Redemption.* Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is

rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

(f) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

Section 10. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity date or date fixed for redemption, the City shall be obligated to pay, from the sources pledged herein, interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose, subject only to the rights of the Owners of any other Parity Bonds then outstanding.

Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for inclusion in a refunding or defeasance shall be conducted, in the manner prescribed in this ordinance for the redemption of Bonds.

Section 12. Security for the Bonds; Bond Fund.

(a) *Pledge of Net Revenue and ULID Assessments.* The Net Revenue and ULID Assessments are pledged irrevocably to the payment of the amounts required to be paid into the Bond Fund for the payment of the Bonds and all Future Parity Bonds. This pledge shall constitute a lien and charge upon the Net Revenue and ULID Assessments prior and superior to any other charges whatsoever.

(b) *Bond Fund; Deposits to Bond Fund.* The Bond Fund has been established within the Utility System Fund as a special fund of the City and divided into two accounts: the Principal and Interest Account and the Reserve Account.

So long as any of the Parity Bonds are outstanding, the City obligates and binds itself to set aside and pay into the Bond Fund all ULID Assessments and, out of the Net Revenue, certain fixed amounts, without regard to any fixed proportion, namely:

- (1) Into the Principal and Interest Account, before each interest payment date of the Parity Bonds, an amount that will be sufficient, together with other money on deposit therein, to pay the interest on the Parity Bonds on the next succeeding interest payment date; and
- (2) Into the Principal and Interest Account, before each principal payment date of the Parity Bonds (including any mandatory redemption date), an amount that will be sufficient, together with other money on deposit therein, to pay the principal of the Parity Bonds on the next succeeding Principal Payment Date, including mandatory redemption amounts due on that date with respect to any Term Bonds; and
- (3) Into the Reserve Account, an amount sufficient so that the amount on deposit in the Reserve Account satisfies the Reserve Requirement for the Parity Bonds in the time and manner required by this ordinance.

When the total amount on deposit in the Bond Fund equals the total outstanding amount of principal and interest for all Parity Bonds to the last maturity thereof, no further payment need be made into the Bond Fund. The Finance Officer may create sinking fund accounts or other accounts in the Bond Fund for the payment or securing the payment of Parity Bonds as long as the maintenance of such accounts does not conflict with the rights of the owners of Parity Bonds.

(c) *The Reserve Account; Reserve Requirement.* The City covenants and agrees that it will at all times maintain in the Reserve Account an amount (including the value of all Reserve Surety deposited therein) equal to the Reserve Requirement, except for withdrawals as authorized in this subsection, until there is a sufficient amount in the Principal and Interest Account and Reserve Account to pay the principal of and interest on all outstanding Parity Bonds, at which time the money in the Reserve Account may be used to pay any such principal and interest so long as the money remaining on deposit in the Reserve Account is not less than the Reserve Requirement calculated based on the remaining outstanding Parity Bonds. The Reserve Requirement shall be deemed satisfied by any combination of Parity Bond proceeds, Reserve Surety or other legally available money equal to the Reserve Requirement, or by the deposit of available funds of the City in approximately equal annual installments so that the Reserve Requirement is funded no later than three years after the issuance of any Future Parity Bonds.

If there is a deficiency in the Principal and Interest Account in the Bond Fund to make the next upcoming payment of either principal or interest, that deficiency shall be made up from the Reserve Account by the withdrawal of amounts necessary for that purpose. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up from the next available payments of Net Revenue and ULID Assessments after making necessary provision for the required payments into the Principal and Interest Account.

(d) *Investment of Money Deposited in Bond Fund.* All money in the Bond Fund may be kept in cash; deposited with an institution (as permitted by law) in an amount in each institution not greater than the amount insured by any department or agency of the United States

Government; or invested in Permitted Investments or other legal investments permitted to the City maturing not later than the date when needed (for investments in the Principal and Interest Account) or the last maturity of any outstanding Parity Bonds (for investments in the Reserve Account). Income from investments in the Principal and Interest Account shall be deposited in that account. Income from investments in the Reserve Account shall be deposited in that account until the amount therein is equal to the Reserve Requirement, and thereafter shall be deposited in the Principal and Interest Account or used for other Utility System purposes.

(e) *Action to Compel Payments.* If the City fails to set aside and pay into the Bond Fund the amounts set forth above, the owner of any of the outstanding Parity Bonds may bring action against the City and compel the setting aside and payment.

Section 13. Deposit of Bond Proceeds. The proceeds of the Bonds shall be deposited in the Construction Fund and be used to pay the costs of carrying out the Plan of Additions and bank fees and closing costs. Until needed to pay such costs, the City may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Construction Fund and used for the purposes of that fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Construction Fund and used for those tax or rebate purposes.

Section 14. Flow of Funds. So long as any Parity Bonds are outstanding, the City covenants that all ULID Assessments (if any) shall be paid into the Bond Fund, and the Gross Revenue shall be deposited into the Utility System Fund to be used for the following purposes only in the following order of priority:

- (1) To pay Operating and Maintenance Expenses.
- (2) To make when due the required payments into the Principal and Interest Account in respect of interest on the Parity Bonds.
- (3) To make when due the required payments into the Principal and Interest Account in respect of principal of (and premium on, if any) the Parity Bonds, whether at maturity or pursuant to redemption prior to maturity.
- (4) To make when due all payments required to be made into the Reserve Account.
- (5) To make when due all payments required to be made under any reimbursement agreement with a Bond Insurer in any priority not inconsistent with this ordinance, which the City may hereafter establish by ordinance.
- (6) To make when due the required payments to be made into any revenue bond, note warrant or other revenue obligation redemption fund, debt service account or reserve account created to pay and secure the payment of any revenue obligations of the Utility System having a charge upon the Net Revenue junior to the charge thereon for the payment of the Parity Bonds.
- (7) Without priority, to retire by redemption or to purchase in the open market any outstanding Parity Bonds or junior lien obligations, to make necessary betterments and replacements of or repairs, additions or extensions to the Utility System, to make deposits into the Rate Stabilization Account, or for any other lawful purpose.

Section 15. Additional Covenants. So long as any Parity Bonds are outstanding, the City covenants and agrees with the owner of each Bond at any time outstanding as follows:

(a) *Maintenance and Operation.* The City will at all times maintain, preserve and keep the properties of the Utility System in good repair, working order and condition, will make all necessary and proper additions, betterments, renewals and repairs thereto, and improvements, replacements and extensions thereof, and will at all times operate or cause to be operated the properties of the Utility System and the business in connection therewith in an efficient manner and at a reasonable cost.

(b) *Establishment and Collection of Rates and Charges.* The City will establish, maintain and collect rates and charges for all services and facilities provided by the Utility System which will be fair and nondiscriminatory. The City will adjust those rates and charges from time to time so that: (i) the Gross Revenue will at all times be sufficient to (A) pay all Maintenance and Operation Expenses on a current basis, (B) pay when due all amounts that the City is obligated to pay into the Bond Fund and the accounts therein, (C) pay all taxes (or payments in lieu thereof), assessments or other governmental charges lawfully imposed on the Utility System and any and all other amounts which the City may now or hereafter become obligated to pay from the Gross Revenue by law or contract; and (ii) the Adjusted Net Revenue in each fiscal year will be at least equal to the Coverage Requirement.

(c) *Sale or Disposition of Utility Property.* The City will not sell, lease, mortgage or in any manner encumber or dispose of all the property of the Utility System unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of and interest on all Parity Bonds then outstanding. Further, the City will not sell, lease, mortgage, or in any manner encumber or dispose of (each, a “disposition”) any part of the property of the Utility System that is used, useful and material to the operation thereof (the “affected portion”) unless provision is made for replacement thereof or for payment into the Bond Fund of an amount which shall bear the same ratio to the amount of Parity Bonds then outstanding (less the amount of cash and investments in the Bond Fund and the accounts therein) as (i) the Net Revenue from affected portion of the Utility System for the twelve months preceding such disposition bears to (ii) the Net Revenue from the entire Utility System for the same period. Any money paid into the Bond Fund as a result of such a disposition shall be used to retire that proportion of then-outstanding Parity Bonds at the earliest possible date.

(d) *Books and Records.* The City will maintain complete books and records relating to the operation of the Utility System and its financial affairs, and will cause such books and records to be audited annually, and cause to be prepared an annual financial and operating statement, which shall be provided to any owner of Parity Bonds upon request.

(e) *No Free Service.* Except to aid the poor or infirm, to provide for resource conservation or to provide for the proper handling of hazardous materials, the City will not furnish or supply or permit the furnishing or supplying of any service or facility in connection with the operation of the Utility System free of charge to any person, firm or corporation, public or private, other than the City.

(f) *Collection of Delinquent Accounts.* On at least an annual basis, the City will determine all accounts that are delinquent and will take all necessary action to enforce payment of such accounts against those property owners whose accounts are delinquent.

(g) *Insurance.* The City will at all times carry fire and such other forms of insurance on such of the buildings, equipment, facilities and properties of the Utility System as are ordinarily carried on such buildings, equipment, facilities, and properties by utilities engaged in the operation of similar utility systems to the full insurable value thereof, and also will carry adequate public liability insurance at all times. The City may self insure or participate in a joint intergovernmental insurance pool or similar plan, and the cost of that insurance or self insurance shall be considered a part of Operating and Maintenance Expenses.

(h) *ULID Assessments.* The City will promptly collect all ULID Assessments and deposit such collections into the Bond Fund to pay or secure the principal of and interest on any Parity Bonds without those ULID Assessments being particularly allocated to any particular series of Parity Bonds.

Section 16. Rate Stabilization Account. The City may at any time establish a Rate Stabilization Account. Deposits and withdrawals shall be made in accordance with this section at any time up to and including the date 90 days after the end of the fiscal year for which the deposit or withdrawal will be included as Adjusted Net Revenue for that fiscal year, as follows:

(a) *Deposits to the Rate Stabilization Account.* The City may at any time, as determined by the Finance Officer and as consistent with the covenants contained in this ordinance, deposit into the Rate Stabilization Account amounts of Gross Revenue and any other money received by the Utility System and available to be used therefor, excluding principal proceeds of Parity Bonds or other borrowing. However, no deposit of Gross Revenue may be made into the Rate Stabilization Account to the extent that such deposit would prevent the City from meeting the Coverage Requirement in the relevant fiscal year.

(b) *Withdrawals from the Rate Stabilization Account.* The City may withdraw money from the Rate Stabilization Account at any time upon authorization of the City Council (which may be by motion, resolution or ordinance) for inclusion in the Adjusted Net Revenue for any fiscal year of the Utility System, except that the total amount withdrawn from the Rate Stabilization Account in any fiscal year may not exceed the Annual Debt Service in that year. Earnings from investments in the Rate Stabilization Account shall be deposited in that account and shall not be included as Adjusted Net Revenue unless and until withdrawn from that account.

Section 17. Separate Systems. The City may create, acquire, construct, finance, own and operate one or more separate systems for water supply, sewer service, water, sewage or stormwater transmission, treatment or other commodity or utility service. The revenue of that Separate System, and any utility local improvement district assessments payable solely with respect to improvements to a Separate System, shall not be included in the Gross Revenue and may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire or expand the Separate System. Neither the Gross Revenue of the Utility System nor the Net Revenue of the Utility System may be pledged to the payment of any obligations of a Separate System except that the Net Revenue may be pledged on a basis subordinate to the lien of the Parity Bonds.

Section 18. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell each Series of the Bonds by negotiated sale or private placement consistent with this ordinance, based on the assessment of the Designated Representative of market

conditions, in consultation with appropriate City officials and staff, Bond Counsel, the Financial Advisor and other advisors. The Designated Representative shall select one or more Purchasers with which to negotiate such sale. In accepting the Sale Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City. The Designated Representative is authorized to execute the Bond Purchase Contract on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(b) *Preparation, Execution and Delivery of the Bonds.* The Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Contract, together with the approving legal opinion of Bond Counsel regarding the Bonds. The costs of issuing and selling the Bonds shall be paid from any money of the City legally available therefor.

Section 19. Parity Conditions. The City reserves the right to issue Future Parity Bonds which will constitute a charge and lien upon the Net Revenue and ULID Assessments on a parity with the Bonds if the Parity Conditions are met and complied with at the time of the issuance of those Future Parity Bonds. Nothing contained in the Parity Conditions shall prevent the City from issuing revenue obligations having a lien on the Net Revenue that is junior to the lien thereon that secures the Parity Bonds, or from pledging to pay into a bond redemption fund or account for such junior lien obligations assessments (including interest and penalties thereon) in any utility local improvement district that are levied to pay part or all of the cost of improvements being constructed out of the proceeds of the sale of such junior lien obligations. Neither shall anything contained in this ordinance prevent the City from issuing revenue obligations to refund maturing Parity Bonds for the payment of which money is not otherwise available.

Section 20. Tax Matters.

(a) *Preservation of Tax Exemption for Interest on Tax-Exempt Bonds.* The City covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds issued as Tax-Exempt Bonds (or other funds of the City treated as proceeds of the Tax-Exempt Bonds) that will cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Bonds.

(b) *Post-Issuance Compliance.* The Finance Officer is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal tax purposes.

(c) *Designation of Bonds as "Qualified Tax-Exempt Obligations."* A Series of the Tax-Exempt Bonds may be designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

- (1) the Series of Tax-Exempt Bonds does not constitute “private activity bonds” within the meaning of Section 141 of the Code;
- (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Tax-Exempt Bonds are issued will not exceed \$10,000,000; and
- (3) the amount of tax-exempt obligations, including the Series of Tax-Exempt Bonds, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Series of Tax-Exempt Bonds are issued does not exceed \$10,000,000.

Section 21. Amendatory Ordinances.

(a) This ordinance shall not be modified or amended in any respect subsequent to the initial issuance of the Bonds, except as provided in and in accordance with and subject to the provisions of this section.

(b) The City, from time to time, and at any time, without the consent of or notice to the Owners of the Bonds, may pass amendatory ordinances as follows:

- (1) To cure any formal defect, omission, inconsistency or ambiguity in this ordinance in a manner not adverse to the owner of any Parity Bonds;
- (2) To impose upon the Bond Registrar (with its consent) for the benefit of the registered owners of the Parity Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this ordinance as theretofore in effect;
- (3) To add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary or inconsistent with this ordinance as theretofore in effect;
- (4) To confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by this ordinance of any other money, securities or funds;
- (5) To authorize different denominations of the Bonds and to make correlative amendments and modifications to this ordinance regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;
- (6) To modify, alter, amend or supplement this ordinance in any other respect which is not materially adverse to the registered owners of the Parity Bonds and which does not involve a change described in subsection (c) of this section; and

- (7) Because of change in federal law or rulings, to maintain the exclusion from gross income of the interest on Tax-Exempt Bonds from federal income taxation.
- (c) Except for any amendatory ordinance passed into pursuant to subsection (b) of this section, subject to the terms and provisions contained in this subsection (c) and not otherwise:
 - (1) Registered owners of not less than 50% in aggregate principal amount of the Parity Bonds then outstanding shall have the right from time to time to consent to the passage of any amendatory ordinance deemed necessary or desirable by the City for the purpose of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this ordinance. However, consent by the registered owners of all the Bonds then outstanding is required for any amendatory ordinance authorizing: (i) a change in the times, amounts or currency of payment of the principal of or interest on any outstanding Bond, or a reduction in the principal amount of redemption price of any outstanding Bond or a change in the redemption price of any outstanding Bond or a change in the method of determining the rate of interest thereon; (ii) a preference of priority of any Bond or Bonds or any other bond or bonds; or (iii) a reduction in the aggregate principal amount of Bonds.
 - (2) Any amendatory ordinance passed for any of the purposes of this subsection (c), shall not become effective except in accordance with this subsection (c)(2). Upon passage of any such amendatory ordinance, the City shall cause notice of the proposed ordinance to be given by first class United States mail to all registered owners of the then outstanding Parity Bonds. Such notice shall briefly describe the proposed ordinance and shall state that a copy is available from the Finance Officer for inspection. The amendatory ordinance shall become effective in substantially the form described in the notice only if within two years after mailing of such notice, the City has received (i) the required consents, in writing, of the registered owners of the Parity Bonds (or of the Bonds, as applicable) and (ii) an opinion of Bond Counsel stating that such amendatory ordinance is permitted by this ordinance; that upon the effective date thereof, it will be valid and binding upon the City in accordance with its terms; and its passage will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.
 - (3) If registered owners of not less than the percentage of Parity Bonds (or Bonds, as applicable) required by this subsection (c) have consented, no owner of the Parity Bonds shall have any right to object to the passage of the ordinance (or to any of the terms and provisions contained therein or the operation thereof), or in any manner to question the propriety of the passage thereof, or to enjoin or restrain the City from passing, or from taking any action pursuant to, the same.
- (d) Upon the effective date of any amendatory ordinance passed pursuant to the provisions of this Section 21, this ordinance shall be amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City, the Bond Registrar and all Registered Owners of Bonds then outstanding, shall thereafter be determined, exercised and enforced under this ordinance subject in all respects to such amendments.

Section 22. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of each Series of the Bonds to the Purchaser and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 23. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 24. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law and is not subject to referendum.

**ATTACHMENT A
DESCRIPTION OF THE BONDS**

- (i) **Principal Amount.** The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of \$2,000,000 plus bank fees and closing costs, and may be issued as either taxable or tax-exempt obligations.
- (ii) **Date or Dates.** Each Bond shall be dated the Issue Date, which date may not be later than one year after the effective date of this ordinance.
- (iii) **Denominations, Name, etc.** The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (iv) **Interest Rate(s).** Unless otherwise specified in the Bond Purchase Contract, each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. No rate of interest for any Bond may exceed 5.00%, and the true interest cost to the City for each Series of the Bonds may not exceed 5.00%.
- (v) **Payment Dates.** Interest shall be payable not less frequently than semiannually on dates acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments on dates acceptable to the Designated Representative.
- (vi) **Final Maturity.** Each Series of the Bonds shall mature no later than December 1, 2031.
- (vii) **Redemption Rights.** The Designated Representative may approve in the Bond Purchase Contract provisions for the optional and mandatory redemption of Bonds, subject to the following:
 - (1) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Contract; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption

prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.

- (2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Contract.

(viii) **Price.**

The purchase price for each Series of the Bonds may not be less than 98% or more than 120% of the stated principal amount of that Series.

(ix) **Other Terms & Conditions.**

The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he or she may determine are in the best interests of the City, consistent with this ordinance.

ATTACHMENT B

PARITY CONDITIONS FOR ISSUANCE OF FUTURE PARITY BONDS

The City may issue Future Parity Bonds on a parity with the Bonds if and only if the following conditions are met and complied with at the time of issuance of those proposed Future Parity Bonds:

(a) At the time of issuance of such Future Parity Bonds, there may not be any deficiency in the Principal and Interest Account or the Reserve Account of the Bond Fund.

(b) The Future Parity Bond Authorizing Ordinance must require that all ULID Assessments levied in connection with those Future Parity Bonds will be paid directly into the Bond Fund.

(c) The Future Parity Bond Authorizing Ordinance shall provide for the payment of the principal thereof and interest thereon out of the Bond Fund.

(d) The Future Parity Bond Authorizing Ordinance must provide for the deposit into the Reserve Account of amounts necessary to comply with the Reserve Requirement and Section 12 of this ordinance.

(e) At the time of the issuance of such Future Parity Bonds, the City shall have on file, either:

(1) A certificate from an Independent Utility Consultant showing that, in his or her professional opinion, the annual Net Revenue available for debt service on the Parity Bonds then outstanding and the Future Parity Bonds proposed to be issued shall, for each year, be at least equal to the Coverage Requirement. In making such certification, the Net Revenue for any 12 consecutive calendar months out of the immediately preceding 24 consecutive months shall be used, and the following adjustments may be made to the historical net operating revenue:

- (i) Any rate change that has taken place or been approved, may be reflected;
- (ii) Revenue may be added from customers actually added to the Utility System subsequent to the 12-month base period;
- (iii) Revenue may be added from customers to be served by the improvements being constructed out of the proceeds of the Future Parity Bonds to be issued; and
- (iv) A full year's revenue may be included from any customer being served, but who has not been receiving service for the full period of operation used as a basis for the certificate; and
- (v) Actual or reasonably anticipated changes to the Operating and Maintenance Expenses subsequent to such 12-month period shall be added or deducted, as is applicable.

(2) A certificate of the Finance Officer showing that, in his or her professional opinion, the annual Net Revenue available for debt service on the Parity Bonds then outstanding and the Future Parity Bonds proposed to be issued shall, for each year, be at least equal to the Coverage Requirement. In making such certification, the

Attachment A - Exhibit A

Finance Officer shall assume that (A) the proposed Future Parity Bonds will remain outstanding to their scheduled maturities, and (B) any Parity Bonds to be refunded by those Future Parity Bonds are not outstanding. The Finance Officer shall not make any of the adjustments referred to above.

However, if the Future Parity Bonds are being issued for the sole purpose of refunding then-outstanding Parity Bonds (including paying costs of issuance and providing for the Reserve Requirement), no coverage certification is required if, as result of the issuance of those Future Parity Bonds, (a) the Annual Debt Service on the Future Parity Bonds to be issued is not increased by more than \$5,000 over the Annual Debt Service for that year of the bonds being refunded, and (b) the various annual maturities of the refunding Future Parity Bonds will not extend more than one year longer than the Parity Bonds being refunded. Furthermore, no certificate shall be required in connection with the issuance of Future Parity Bonds if the amount of such bonds proposed to be issued does not exceed the ULID Assessments levied in support of such Future Parity Bond issue by more than \$5,000 plus any amount of the proceeds of such Future Parity Bonds deposited in the Reserve Account as capitalized reserve.

ATTACHMENT C

DESCRIPTION OF PLAN OF ADDITIONS

The planned additions and betterments to the Surface Water Utility consist of those set forth in the City's 2015-2020 Adopted Capital Improvement Plan, as it may be amended from time to time by the City Council (the "CIP").

A summary of the improvements expected to be financed, in whole or in part, with proceeds of the Bonds is as follows:

- Stormwater pipe and culvert repair and replacement
- NE 25th flood reduction project
- Hidden Lake Dam removal
- Infrastructure improvements
- Surface water planning
- Any other capital project of the Surface Water Utility described in the then-current CIP, as determined by the Finance Officer

City of Shoreline, Washington
Stormwater Utility

Operating Summary

	Fiscal Years Ending 12/31			
	2014	2013	2012	2011
Revenues				
Charges for Services	\$3,525,986	\$3,329,556	\$3,211,007	\$3,134,589
Total Operating Revenues	\$3,525,986	\$3,329,556	\$3,211,007	\$3,329,556
Expenses:				
General Operations	2,628,538	1,980,617	2,299,176	1,878,996
Depreciation	430,445	411,138	404,598	371,629
Total Operating Expenses	\$3,058,983	\$2,391,755	\$2,703,774	\$2,250,625
Operating Income	\$467,003	\$937,801	\$507,233	\$1,078,931
Non-Operating Revenue (Expenses):				
Interest Income	2,945	16,678	33,970	18,228
Interest Expense	(11,485)	(13,875)	(15,508)	(17,140)
Miscellaneous	(12,243)			
Intergovernmental	195,500	113,430	114,464	105,605
Total Non-Operating Revenue (Expenses)	\$174,717	\$116,233	\$132,926	\$106,693
Income Before Transfers	\$641,720	\$1,054,034	\$640,159	\$1,185,624
Adjustments:				
Depreciation	430,445	411,138	404,598	371,629
Interest Expense	11,485	13,875	15,508	17,140
Net Income Available to Debt Service:	\$1,083,650	\$1,479,047	\$1,060,265	\$1,574,393
Proposed Series 2015 Debt	\$177,520	\$177,520	\$177,520	\$177,520
Projected Debt Service Coverage	610%	833%	597%	887%
Surplus Available to Subordinate Debt:	\$906,130	\$1,301,527	\$882,745	\$1,396,873
PWTF Loan - 3rd Avenue	118,782	119,353	119,924	120,495
PWTF Loan - Ronald Bog	220,752	221,813	222,875	223,936
Surplus After All Debt	\$566,596	\$960,361	\$539,946	\$1,052,442

**City of Shoreline, Washington
Stormwater Utility**

Projected Debt Service & Costs

Year Ending	Principal	Interest	Total
12/31/2015		\$17,400	\$17,400
12/31/2016	\$105,000	72,000	\$177,000
12/31/2017	105,000	68,220	\$173,220
12/31/2018	110,000	64,440	\$174,440
12/31/2019	115,000	60,480	\$175,480
12/31/2020	120,000	56,340	\$176,340
12/31/2021	125,000	52,020	\$177,020
12/31/2022	130,000	47,520	\$177,520
12/31/2023	130,000	42,840	\$172,840
12/31/2024	135,000	38,160	\$173,160
12/31/2025	140,000	33,300	\$173,300
12/31/2026	145,000	28,260	\$173,260
12/31/2027	150,000	23,040	\$173,040
12/31/2028	155,000	17,640	\$172,640
12/31/2029	165,000	12,060	\$177,060
12/31/2030	170,000	6,120	\$176,120
Totals	\$2,000,000	\$639,840	\$2,639,840

Sources & Uses

Sources:

Par Amount	\$2,000,000
City Contribution	207,910

Total Sources \$2,207,910

Uses:

Project Fund	\$2,000,000
Reserve Fund	177,520
Bond Counsel	15,390
Financial Advisor	15,000

Total Uses \$2,207,910

Assumptions:

Term:	15
Rate:	3.60%
Closing:	9/4/2015
First Interest:	12/1/2015
First Principal:	12/1/2016

~~DRAFT DATED 7/20/15~~

CITY OF SHORELINE, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Shoreline, Washington, relating to the City's surface water utility and any other utility system with which it may hereafter be combined; specifying, adopting and ordering the carrying out of a Plan of Additions (as defined); providing for the issuance of one or more series of utility revenue bonds in an aggregate amount not to exceed \$2,000,000 plus bank fees and closing costs to provide funds necessary to pay all or a portion of the costs of carrying out the Plan of Additions; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the Sale Terms of the sale of the bonds; and providing for other related matters.

Passed August 17, 2015

This document prepared by:

*Foster Pepper PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-4400*

sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: “Certificate of Authentication. This Bond is one of the fully registered City of Shoreline, Washington, Utility Revenue Bonds, ~~2015-YYYY~~ [\(Year of Issuance\)](#).” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

~~Section 8~~Section 8. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Interest on each Bond and mandatory redemption installments (if applicable) are payable by electronic transfer on the interest payment date, or by check or draft mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. The final installment of principal of each Bond is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 9. Redemption Provisions and Open Market Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to redemption at the option of the City on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Contract, consistent with the parameters set forth in Exhibit A.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Contract, consistent with the parameters set forth in Exhibit A, and except for optional redemptions as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Contract. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the City, the City shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Bond Registrar shall select the Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at

DESCRIPTION OF THE BONDS

- (i) **Principal Amount.** The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of \$2,000,000 plus bank fees and closing costs, and may be issued as either taxable or tax-exempt obligations.
- (ii) **Date or Dates.** Each Bond shall be dated the Issue Date, which date may not be later than one year after the effective date of this ordinance.
- (iii) **Denominations, Name, etc.** The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (iv) **Interest Rate(s).** Unless otherwise specified in the Bond Purchase Contract, each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. No rate of interest for any Bond may exceed 5.00%, and the true interest cost to the City for each Series of the Bonds may not exceed 5.00%.
- (v) **Payment Dates.** Interest shall be payable not less frequently than semiannually on dates acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments on dates acceptable to the Designated Representative.
- (vi) **Final Maturity.** Each Series of the Bonds shall mature no later than December 1, ~~2030~~2031.
- (vii) **Redemption Rights.** The Designated Representative may approve in the Bond Purchase Contract provisions for the optional and mandatory redemption of Bonds, subject to the following:
- (1) **Optional Redemption.** Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Contract; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such

DESCRIPTION OF PLAN OF ADDITIONS

The planned additions and betterments to the Surface Water Utility consist of those set forth in the City’s 2015-2020 Adopted Capital Improvement Plan, as it may be amended from time to time by the City Council (the “CIP”).

A summary of the improvements expected to be financed, in whole or in part, with proceeds of the Bonds is as follows:

- Stormwater pipe and culvert repair and replacement
- NE 25th flood reduction project
- Hidden Lake Dam removal
- ~~Infrastructure~~[Infrastructure](#) improvements
- Surface water planning
- Any other capital project of the Surface Water Utility described in the then-current CIP, as determined by the Finance Officer

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 722 - Development Code Amendment for Split Zones
DEPARTMENT:	Planning & Community Development
PRESENTED BY:	Steven Szafran, AICP, Senior Planner Rachael Markle, AICP, Director
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

Amendments to the Development Code are processed as legislative decisions. Legislative decisions are non-project decisions made by the City Council under its authority to establish policies and regulations. The Planning Commission is the review authority for Development Code amendments and is responsible for holding an open record Public Hearing on proposed Development Code amendments and making a recommendation to the City Council on each amendment.

The Planning Commission held the required Public Hearing for the proposed Development Code amendment on August 6, 2015 and unanimously recommended that the City Council adopt the proposed amendment as detailed in this report. The purpose of tonight's discussion is for:

- Council to review the proposed Development Code amendment, which is proposed in Ordinance No. 722 (Attachment A);
- Staff to present the Planning Commission's recommendation and respond to questions regarding the proposed amendment;
- Council to gather additional public comment; and
- Council to vote on proposed Ordinance No. 722.

RESOURCE/FINANCIAL IMPACT:

Proposed Ordinance No. 722 does not have a direct financial impact on the City.

RECOMMENDATION

Staff recommends Council adopt proposed Ordinance No. 722.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

The City's Development Code is codified in Title 20 of the Shoreline Municipal Code (SMC). Amendments to the Development Code are used to bring the City's development regulations into conformity with the City's Comprehensive Plan, State of Washington rules and regulations, or to respond to changing conditions or needs of the City. Pursuant to SMC 20.30.070, amendments to the Development Code are processed as legislative decisions. Legislative decisions are non-project decisions made by the City Council under its authority to establish policies and regulations. The Planning Commission is the review authority for these types of decisions and is responsible for holding an open record Public Hearing on proposed Development Code amendments and making a recommendation to the City Council on each amendment.

On July 13, 2015, the City became aware of a situation regarding split zoning on a parcel of property along Aurora Avenue N. Half of this property was rezoned as the southern border of Town Center bisected the property. When the Town Center Sub-Area Plan was adopted, the boundary line of the Sub-Area was taken literally in the zoning map without regard to splitting the zoning on a single parcel, which the City typically tries to avoid. Therefore, this parcel ended up being zoned approximately 50% Town Center 2 (south side of N 170th Street going north) and 50% Mixed Business (the original zone of the entire parcel with the section south of N 170th Street remaining under the Mixed Business zone). All property owners were notified during the Sub-Area plan process of the zoning changes for Town Center, although this property owner states that her family had no knowledge of the change.

DISCUSSION

The Development Code does not specifically address the allowed land uses on parcels with more than one zoning designation. Staff has interpreted this to mean that land uses are confined to the zoning designation even if there is more than one designation on a parcel. This has been particularly problematic for commercial properties that want to improve, redevelop, or lease buildings for commercial uses and do not have the parcel size to accommodate their plans.

Of the 48 parcels that have split zoning in the City, only three have a mix of commercial zones and do not include residential zoning, including the parcel that the City was made aware of on July 13. One of these three parcels abuts a residential zone, and the remaining two properties do not conflict with residential uses on the parcel or abut residentially-zoned parcels. The parcel at 18528 Midvale Avenue N is Sky Nursery's greenhouse and north parking lot (Attachment B). The other parcel at 16748 Aurora Avenue N is the parcel that the City was recently made aware of (Attachment C). This is a property that burned down in 2009 and is currently undeveloped.

Both parcels have Town Center 2 (TC2) and Mixed Business (MB) zones. Most land uses permitted in these zones are the same. However, MB allows other land uses that TC2 does not, such as construction services, tent cities, temporary lodging for RVs, collective gardens, construction services, automotive sales and leasing, warehousing, adult use facilities, interim recycling, public agency office and yards, and regional uses such as bus bases, and work release facilities. The degree of land use change is

minimal considering these additional land uses could be located on the MB portion of the same property without the amendment. As long as these commercial properties meet all other regulations such as dimensional, transition area and commercial design standards there should be no external impacts from the refinement that this amendment intends.

The remaining 45 split zoned properties, which all include residential land uses, may be more challenging to resolve involving potential impacts and compatibility. The City may want to address these parcels in the future due to the number of different scenarios and situations. In general, staff has and will continue to recommend that any future zoning changes avoid creating split zoned property by aligning the zone designation boundaries with property lines.

How Other Municipality's Address Split Zoning

Staff researched cities in the region and found the following two examples of Development Code language that applies to parcels with split zoning designations:

City of Stanwood Municipal Code, Subsection 17.15.030 (5)

"Where a zoning district boundary line shown on the zoning map divides a lot of record, the *property owner shall have the option of choosing either of the two districts to apply to the entire lot area*, or may subdivide the lot to retain both districts as mapped; provided, that all of the standards and requirements of the relevant performance standards can be met." The last part of this standard would include, but not be limited to, minimum lot size in the case of a subsequent short or "long" subdivision.

City of Othello Chapter 17.13, Districts, Boundaries, Section 17.13.060

"If a district boundary line cuts a property having a single ownership as of record January 1, 1980, all such *property may take the least restricted classification provided the property is developed as one unit.*"

Public Notice

Public notice of the proposal, public hearing, and SEPA determination were published July 21, 2015. Public comments were due August 6. The two property owners affected by the proposal were sent a courtesy notice July 2, 2015 of the public hearing. The State Department of Commerce is expediting their review of the proposal.

The City published and sent the affected property owners Notice of the Public Hearing July 21, 2015 (Attachment D).

The City did not receive any comments by mail nor did anyone testify at the public hearing.

Current Code Language

As background, SMC 20.40 is the zoning and use provisions of the City. SMC 20.40.060 explains how zoning affects parcels:

20.40.060 Zoning map and zone boundaries.

A. The location and boundaries of zones defined by this chapter shall be shown and delineated on the official zoning map(s) of the City, which shall be

maintained as such and which are is hereby incorporated by reference as a part of this Code.

- B. Changes in the boundaries of the zones shall be made by ordinance adopting or amending a zoning map.*
- C. Where uncertainty exists as to the boundaries of any zone, the following rules shall apply:*
 - 1. Where boundaries are indicated as paralleling the approximate centerline of the street right-of-way, the zone shall extend to each adjacent boundary of the right-of-way. Non-road-related uses by adjacent property owners, if allowed in the right-of-way, shall meet the same zoning requirements regulating the property owners' lots;*
 - 2. Where boundaries are indicated as approximately following lot lines, the actual lot lines shall be considered the boundaries;*
 - 3. Where boundaries are indicated as following lines of ordinary high water, or government meander line, the lines shall be considered to be the actual boundaries. If these lines should change the boundaries shall be considered to move with them; and*
 - 4. If none of the rules of interpretation described in subsections (C)(1) through (3) apply, then the zoning boundary shall be determined by map scaling.*

However, this section does not specifically state how a parcel is treated if more than one zoning designation is present on a single piece of property. A zone boundary is addressed when it applies to dimensional standards such as density, building height, setbacks, and lot coverage. SMC 20.50.020(D) goes on to say:

SMC 20.50.020(D)

- D. When a lot is divided by a zone boundary, the following rules shall apply:*
 - 1. When a lot contains both residential and nonresidential zoning, the zone boundary between the zones shall be considered a lot line for determining permitted building height and required setbacks on the site.*
 - 2. When a lot contains residential zones of varying density, the following shall apply:*
 - a. Any residential density transfer within the lot shall be allowed from the portion with the lesser residential density to that of the greater residential density.*
 - b. Residential density transfer from the higher density zone to the lower density zone may be allowed only when:*
 - o The transfer enhances the efficient use of needed infrastructure;*
 - o The transfer contributes to preservation of critical areas, or other natural features; and*
 - o The transfer does not result in significant adverse impacts to adjoining lower- density properties.*

As stated above in D.1 and D.2, the City allows a transfer of residential density between two zoning designations on a single parcel as long as the building dimensions comply with the requirement of each zone.

Proposed Ordinance No. 722 will allow a property owner to develop a parcel based on the land uses allowed in the more intensive commercial zone and apply that use anywhere on the entire parcel. The dimensional standards will still apply separately for each zone.

Proposed Code Amendment

The proposed code amendment to address commercially-zoned parcels with split zones is as follows:

20.40.110 Use tables.

I. Where a zoning designation line divides a parcel which was in single ownership at the time of passage of the ordinance codified in this chapter and it contains more than one commercial zoning designation with no internal or abutting residential zoning designations, then the combination of the commercial zones allowed land uses shall be permitted throughout the entire parcel. All other development standards apply to each zone separately. See SMC 20.50.020.D for more exceptions to lots with split zoning.

The Planning Commission held the required Public Hearing for the proposed Development Code amendment on August 6, 2015 and unanimously recommended that the City Council adopt the proposed amendment.

RESOURCE/FINANCIAL IMPACT

Proposed Ordinance No. 722 does not have a direct financial impact on the City.

RECOMMENDATION

Staff recommends Council adopt proposed Ordinance No. 722.

ATTACHMENTS

- Attachment A – Proposed Ordinance No. 722
- Attachment B – Zoning Map of Split-Zoned Commercial Parcel – 18528 Aurora Ave. N
- Attachment C – Zoning Map of Split-Zoned Commercial Parcel – 16748 Aurora Ave. N
- Attachment D – Planning Commission Public Hearing Notice

ORDINANCE NO. 722

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING SECTION 20.40.110 OF THE SHORELINE MUNICIPAL CODE TITLE 20, THE UNIFIED DEVELOPMENT CODE IN ORDER TO ADDRESS SPLIT ZONED PARCELS IN NON-RESIDENTIAL ZONES.

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington, and planning pursuant to the Growth Management Act, Title 36.70C RCW; and

WHEREAS, in 2000 the City adopted Shoreline Municipal Code Title 20, the Unified Development Code; and

WHEREAS, Title 20 has been amended on several occasions since its original adoption; and

WHEREAS, pursuant to RCW 36.70A.370, the City has utilized the process established by the Washington State Attorney General so as to assure the protection of private property rights; and

WHEREAS, pursuant to RCW 36.70A.106, the City has provided the Washington State Department of Commerce with a 60-day notice of its intent to adopt the amendment(s) to its Unified Development Code; and

WHEREAS, the environmental impacts of the amendments to the Unified Development Code resulted in the issuance of a Determination of Non-Significance (DNS) on July 21, 2015; and

WHEREAS, on August 6, 2015, the City of Shoreline Planning Commission held a public hearing on the proposed Development Code amendments so as to receive public testimony; and

WHEREAS, at the conclusion of public hearing, the City of Shoreline Planning Commission voted seven to zero to recommend approval of the proposed amendment; and

WHEREAS, on August 17, 2015, the City Council discussed the proposed Development Code amendments; and

WHEREAS, the City Council has considered the entire public record, public comments, written and oral, and the Planning Commission's recommendation; and

WHEREAS, the City provided public notice of the amendment and the public hearing as provided in SMC 20.30.070; and

WHEREAS, the City Council has determined that the amendments are consistent with and implement the Shoreline Comprehensive Plan and serves the purpose of the Unified Development Code as set forth in SMC 20.10.020;

THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment. Title 20 of the Shoreline Municipal Code, Unified Development Code, is amended to include a new section as follows:

20.40.110 Use tables.

I. Where a zoning designation line divides a parcel which was in single ownership on August 17, 2015, and it contains more than one non-residential zoning designation with no internal or abutting residential zoning designations, then any combination of the non-residential zones' allowed land uses shall be permitted throughout the entire parcel. All other development standards apply to each zone separately. See SMC 20.50.020.D for more exceptions to lots with split zoning.

Section 2. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON AUGUST 17, 2015

Mayor Shari Winstead

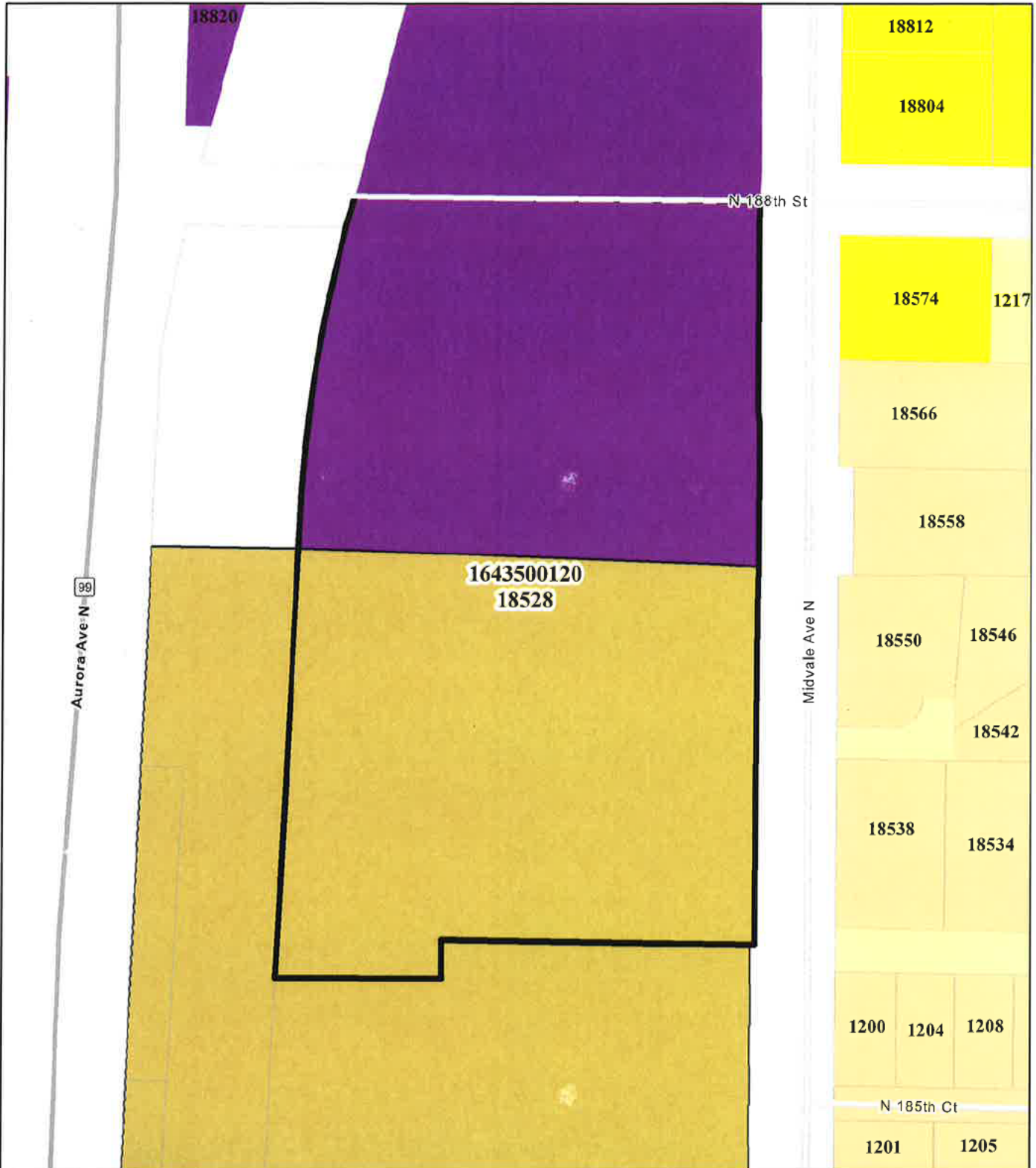
ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: , 2015
Effective Date: , 2015

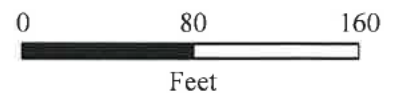


City of Shoreline
Geographic Information System

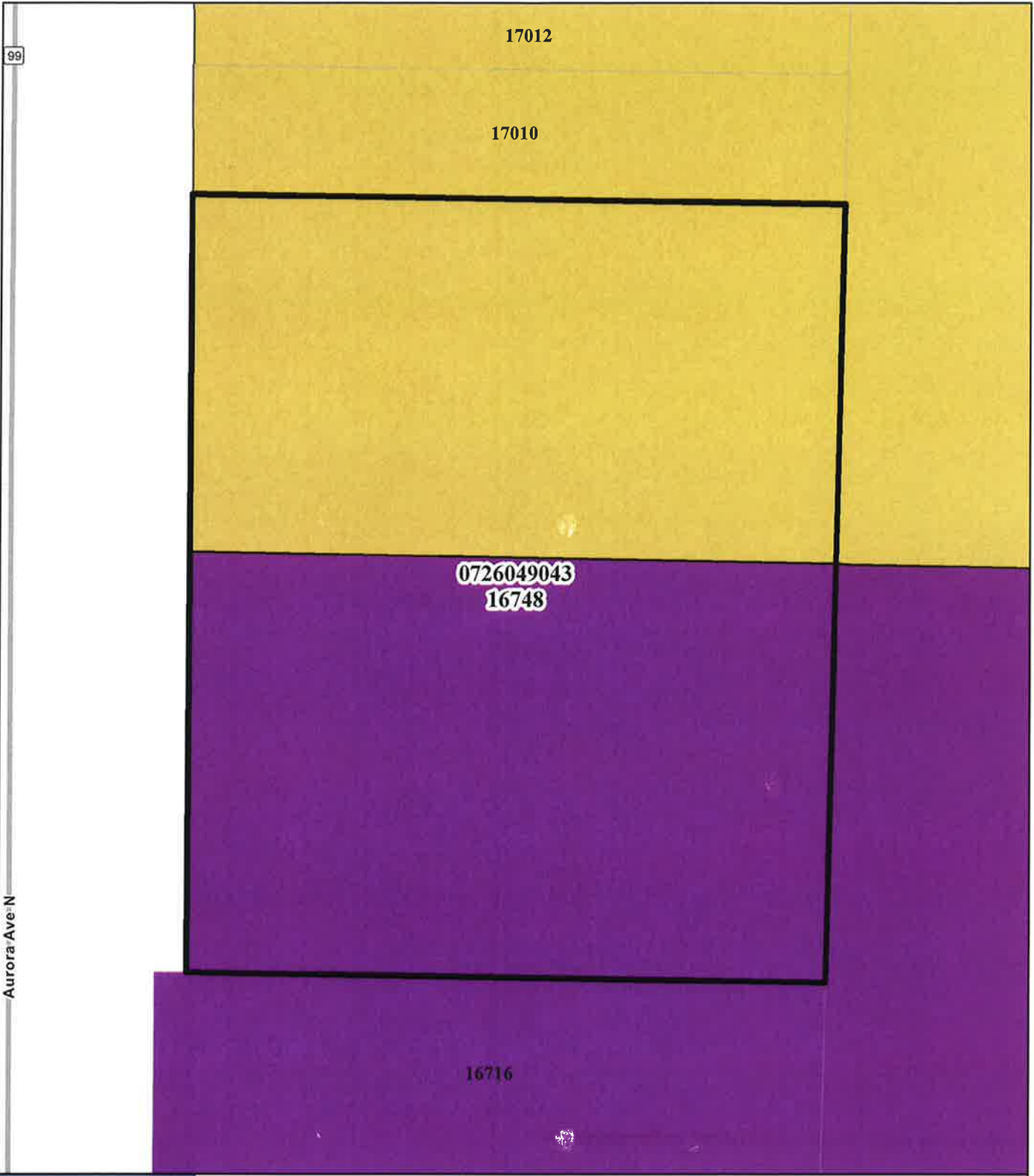
Multi-Zoned Parcels in
Echo Lake
Parcel #1643500120
18528 AURORA AVE N

Zoning

- TC-1 to TC-4; Town Center
- MB; Mixed Business





Date: 7/20/2015
Created by: JRitzman

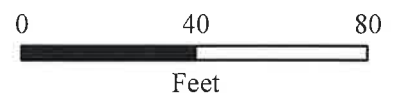


City of Shoreline
Geographic Information System

Multi-Zoned Parcels in
Meridian Park
Parcel #0726049043
16748 Aurora Ave N

Zoning

-  TC-1 to TC-4; Town Center
-  MB; Mixed Business



Date: 7/20/2015
Created by: JRitzman



Planning & Community Development

17500 Midvale Avenue North
Shoreline, WA 98133-4905
(206) 801-2500 ♦ Fax (206) 801-2788

The City of Shoreline Notice of Public Hearing of the Planning Commission

Description of Proposal: The City of Shoreline is proposing changes to the Shoreline Development Code that apply citywide. The non-project action to amend the code includes a change to 20.40.110-Use Tables.

The proposed amendment will clarify what uses are allowed on a single parcel when that parcel contains multiple commercial zoning designations. This affects only parcels located at 18528 Midvale Ave N and 16748 Aurora Ave N.

This may be your only opportunity to submit written comments. Written comments must be received at the address listed below before 5:00 p.m. August 6, 2015. Please mail, fax (206) 801-2788 or deliver comments to the City of Shoreline, Attn: Steven Szafran 17500 Midvale Avenue N, Shoreline, WA 98133 or email to sszafran@shorelinewa.gov.

Interested persons are encouraged to provide oral and/or written comments regarding the above project at an open record public hearing. The hearing is scheduled for Thursday, August 6, 2015 at 7:00 p.m. in the Council Chamber at City Hall, 17500 Midvale Avenue N, Shoreline, WA.

Copies of the proposal and applicable codes are available for review at the City Hall, 17500 Midvale Avenue N.

Questions or More Information: Please contact Steven Szafran, AICP, Senior Planner at (206) 801-2512.

Any person requiring a disability accommodation should contact the City Clerk at (206) 801-2230 in advance for more information. For TTY telephone service call (206) 546-0457. Each request will be considered individually according to the type of request, the availability of resources, and the financial ability of the City to provide the requested services or equipment.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of the 2016-2021 Capital Improvement Plan		
DEPARTMENT:	Public Works		
PRESENTED BY:	Tricia Juhnke, City Engineer		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

The City is required to adopt a six-year Capital Improvement Plan (CIP) to identify and approve projects based on projected revenues and expenditures. The adopted CIP sets the direction for staff in the development and implementation of capital projects throughout the City. The 2016-2021 CIP will be submitted to Council for review and approval in October along with the 2016 Operating Budget.

At tonight's meeting, Council will be provided with the opportunity to review the draft 2016-2021 CIP and provide input before finalizing it as part of the budget process.

RESOURCE/FINANCIAL IMPACT:

The six-year Capital Improvement Plan must be balanced based on reasonable assumptions of revenues and expenditures. Direction and confirmation provided by Council tonight will be utilized to finalize the 2016-2021 CIP. In addition to financial constraints, the availability of staff resources will be incorporated into the timing or scheduling of various projects.

While staff has updated the schedules and estimates on these projects, there are several new projects that are in very preliminary phases and estimates are being confirmed. The fluid nature of these projects may result in some additional changes prior to submitting the final 2016-2021 CIP for Council approval.

RECOMMENDATION

No formal action is required; however, City staff is looking for feedback and confirmation on the priorities contained in the draft 2016-2021 Capital Improvement Plan.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

The City is required to adopt a six-year Capital Improvement Plan (CIP). This plan is broken into four funds – General, Facilities Major Maintenance, Surface Water and Roads. The 2016 CIP is scheduled to be adopted in November with the annual operating budget.

The CIP establishes the priorities for capital investments throughout the City. These priorities are typically identified through master plans approved by Council that address the long-term needs and vision for the City. The most current master plans were all adopted in 2011 and can be found at the following links:

- [Parks, Recreation and Open Space Master Plan](#)
- [Transportation Master Plan](#)
- [Surface Water Master Plan](#)

The Council also adopts a six-year Transportation Improvement Plan (TIP), as required by law, that defines projects and priorities for transportation related projects. State law requires the TIP to be adopted by July of each year. The 2016-2021 TIP, adopted by Council on May 4, 2015, serves as a guide for establishing priorities for the CIP and can be found at the following link: [Transportation Improvement Plan](#).

The Surface Water Utility is unique from the other capital funds in that it is funded almost entirely by surface water utility fees, and must address operating needs and capital needs with this funding. As operating needs increase, there is less available revenue for capital needs and vice-versa. The Council has the discretion to adjust the rates of the utility as necessary to ensure adequate revenue to meet the operational and capital needs of the utility. In addition to the master plan, Surface Water has also developed the Thornton Creek Watershed Plan and the Boeing Creek and Storm Creek Basin Plans (<http://www.shorelinewa.gov/index.aspx?page=806>). The McAleer Creek Basin Plan and Ballinger Creek Drainage Study (Lyon Creek Basin Plans) are also close to being finalized. All of these plans identify needs and priorities within the applicable basins of the City.

On April 20th, staff presented the 2014 Year End Financial Report to Council, which included an update on currently approved capital projects contained in the 2015-2020 CIP. The staff report for the April 20 Council meeting can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2015/staffreport042015-9a.pdf>.

As well, on June 8th, staff presented issues and needs for each of the four capital funds. Council provided direction on all four funds which have been included in the development of the draft 2016-2021 draft CIP. The staff report for the June 8 Council meeting can be found at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2015/staffreport060815-8b.pdf>.

The Council will review and approve the CIP in conjunction with the 2016 Operating Budget this fall. The following is the list of dates for the 2016 Budget process with Council:

Discussion of Preliminary 2016 Budget and CIP	September 21, 2015
Discussion of 2016 Proposed Budget and 2016-2021 CIP	October 12,19, 26, 2015
Public Hearing and Discussion on Proposed 2016 Budget and 2016-2021 CIP	November 2, 2015
Public Hearing and Council Discussion on 2016 Property Tax and Revenue Sources	November 9, 2015
Final Discussion of the Proposed 2016 Budget and 2016-2021 CIP	November 16, 2015
Adoption of 2016 Budget, 2016 CIP and Property Tax Levy	November 23, 2015

DISCUSSION

Draft fund summaries are included for all four capital funds and are attached to this staff report (Attachments A-D). These fund summaries, have been updated to include updated costs for existing projects and updated revenue forecasts. These fund summaries have also been updated to include priorities and direction received from Council at the June 8 Council meeting.

GENERAL CAPITAL FUND

Attachment A is the draft fund summary for the 2016-2021 General Capital Fund. The following key issues have been revised or addressed in the draft CIP:

- **Police Station at City Hall** – Council reviewed this project on June 1, 2015 ([June 1 Police Station staff report](#)). This discussion included detailed information on the project schedule and budget, including a \$2-2.5 million gap between the currently available funding and the updated cost estimate. The draft 2016-2021 CIP has updated the treasury seizure funds, both those received and reasonable estimates for future revenue. It also includes a \$1million general fund contribution, as discussed in June.

There is additional work that needs to be done at City Hall that will be done as part of this project. This includes any remodeling or reconfiguring needed for the relocation of Ronald Wastewater staff to City Hall and replacement of the lobby lighting. With the extent of impacts of the Police Station re-location and the timing of the wastewater district assumption, it is appropriate to combine these efforts. The additional costs have been included in the project as part of the draft CIP. The funding gap is identified as future financing. Staff anticipates bonds will be needed to fully finance this project.

- **North Maintenance Facility** – The current CIP identifies starting design work in 2016. Staff will provide a more detailed update on the North Maintenance Facility later in the year. Additional revenue will be needed to construct the

facility but the CIP is not being updated at this time. Proceeding with the design will inform future funding needs.

- **Pool and Recreation Facility Master Planning** – On June 22nd Council reviewed and discussed the long term plans for the pool. Based on this, the draft CIP has moved the master planning effort forward to 2016.
- **Field Turf and Lighting Replacement** – The two turf and lighting projects have been consolidated into one project. The Twin Ponds project will proceed first, with design starting in 2016 and construction in summer 2017. Current funding will not cover turf and lighting replacement at both locations. The additional funding needs will be evaluated as the Pool and Recreation Master Plan proceeds and any potential impacts to Shoreline A/B fields are identified. This draft assumes some grant funding for Twin Ponds.
- **Parks Exterior Security Lighting** – This new project has been added to the CIP to address safety concerns at several City facilities such as Spartan Recreation Center, the Pool and the Richmond Highlands Community Center.
- **Restrooms and Playground Equipment in Parks** – Assessment of these facilities will be included in the updated Parks, Recreation and Open Space Update scheduled for 2016.

FACILITIES MAJOR MAINTENANCE FUND

Attachment B is the draft fund summary for the 2016-2021 CIP for Facilities Major Maintenance. Funding is entirely through a general fund contribution of \$124,000 per year and supports major maintenance capital improvements at City facilities, such as the current Police Station, Swimming Pool and Spartan Gym. The following issues have been addressed in the draft fund summary:

- **Shoreline Pool Long-Term Maintenance** – Based on the Council discussion on June 22nd, staff has included significant repairs and maintenance to the Pool in response to the needs analysis prepared in 2014. The fund cannot support this level of repairs so an additional \$600,000 in general fund contribution has been added to the fund for this project. The project is currently estimated at \$763,000 but is shown in the fund summary as \$750,000 in order to keep the fund in balance. This project cost reduction is essentially a reduction in the contingency included in the estimate.
- **City Hall Parking Garage Long Term Maintenance** – The upper level of the parking garage will be re-sealed in the next few weeks. The scope and cost for this work exceeds the estimate included in the 2015-2020 CIP. To ensure adequate funding for this project, painting at Richmond Highlands has been delayed to a future year.
- **City Hall Long-Term Maintenance** – This facility was added in the 2015-2020 CIP. Staff has identified/developed a replacement schedule for several items which are reflected in the CIP. However, there are some items that need to

occur around the same time as the improvements needed to move the Police Department to City Hall. As a result some maintenance items will be incorporated into the Police Station project. This results in an increase in police station estimates and will result in additional funding needs as identified previously.

- **Estimates for Improvements** – As the size and complexity of the projects in this fund increase, so will the cost estimates to allow for design, project management and construction inspection. These additional costs have been incorporated into the pool and parking garage work.

In general, there is little revenue to support the needs of the City's facilities. In reality on-going funding either needs to come from the City's General Fund or in some cases a portion of real estate excise tax may be used for major maintenance. If in the future, the current General Fund allocation for major roads maintenance is off-set with additional vehicle license fee dollars, then staff could evaluate the impact of having some of those General Fund dollars reallocated for major repair/maintenance of City facilities.

SURFACE WATER UTILITY FUND

Attachment C is the draft fund summary for the 2016-2021 Surface Water Utility Capital Fund. This fund summary is unique in that it also includes operational expenditures. These expenditures have been updated to reflect to operating budget currently under development except any supplemental requests have not been included until they are further reviewed as part of the budget cycle. However, they have been taken into account in projecting and managing the capital expenditures.

The revenues are based on discontinuing the Utility's commercial facility rebate program in 2016 as was discussed with Council in 2014. The necessary changes to the fee schedule will be included with the 2016 Operating Budget for adoption in November. The increased revenue is estimated at \$200-\$250k per year. The following projects and issues have been incorporated into the draft CIP:

- **Stormwater Pipe Replacement Program** – The timing of the bonding has been adjusted to 2016 based on the needs of the program. Also, this program is being adjusted to reflect a more efficient two-year cycle of design then construction. After a short transition, construction will be in odd years and design efforts predominately in even years.
- **Surface Water Master Plan** – An update to the Surface Water Master Plan has been added to the CIP for 2016. This update will review and prioritize projects across all the basins, and review the rate structure and level of service of the Utility.
- **25th Avenue NE Flood Reduction Program** – This is a new project based on a high priority need identified in the Ballinger Creek Drainage Study. This flood prone area includes the roadway, the North Maintenance Facility and a nearby apartment complex. This project is estimated at \$4.3 million but will be refined as

the scope and the solution are further defined. The schedule has been established in conjunction with the Maintenance Facility project.

- **Boeing Creek Regional Stormwater Facility Feasibility Study** – This project has been added to analyze the opportunities and benefits to building a regional facility potentially in the lower parking lot of the Shoreline Community College. This facility could be used by private developers looking to re-develop in the nearby Aurora Square. Funding for this study is currently coming from the Utility. A key component of the study would be a funding mechanism for such a facility.
- **10th Avenue NE** – This project is contained in the current 2015-2020 CIP but the schedule has been adjusted farther out to accommodate other priorities and funding limits.
- **Thornton Creek Condition Assessment** – This is a new project added to collect condition information on pipes within the Thornton Creek Basin. Unlike other basins, the basin plan for the Thornton Creek basin did not include a condition assessment of the pipes. This information is critical to prioritize and maintain the existing infrastructure.
- **Surface Water Small Projects and Greenworks** – These two programs have been consolidated into one annual program to more accurately reflect and prioritize the work needed and the solutions utilized for small surface water projects. Funding to this program has also been reduced based on available funding and higher priority projects.

ROADS CAPITAL FUND

Attachment D includes the fund summary for the draft 2016-2021 Roads Capital Fund. Funding is through a variety of revenue streams that are detailed in the fund summaries. The following projects and issues have been addressed in the draft fund summary:

- **Annual Road Surface Maintenance Program** – This program remains unchanged in the draft CIP. However, staff is still evaluating the results and estimates associated with the pavement condition ratings recently completed. Staff anticipates shifting this program to alternate between Bituminous Surface Treatment (BST) and asphalt overlay. This will allow staff to more efficiently manage the two distinct methods within this program. The shift in funding will be included in the final CIP submitted in October.
- **Curb Ramp, Gutter and Sidewalk Maintenance Program** – As identified in June, current funding for maintaining and/or replacing existing sidewalk or curb ramps is fairly limited. This draft CIP increases the funding for this program by approximately \$50,000 starting in 2017. This allows staff to use 2016 to better assess and prioritize the needs based on recent inventories and condition assessments.

- **Corridor and Design Studies** – A corridor study for N 185th Street has been added to the draft CIP. Funding for this study is coming from a general fund contribution of \$600,000. In June, staff also identified a priority for a corridor study for 15th Avenue NE. It has not been funded in this CIP because of other priorities.
- **Transportation Master Plan (TMP)** – An update to the TMP has been added to the CIP with completion anticipated in 2017. This update will include an update to the traffic model, review of growth projects/needs and a general update to the policies and priorities in the existing TMP. It is not anticipated to be as extensive of an update as the current TMP.
- **N 175th Street (Stone Avenue N to Interstate-5)** – This project has been added to the draft CIP in anticipation of being funded primarily with grants. Transportation Impact Fees will be utilized as City match to fund this project.
- **N 145th Street Corridor (Aurora Avenue N to Interstate-5)** – Design of these improvements are scheduled to begin upon completion of the Corridor Study, which is anticipated in early 2016. A large portion of funding for this section of the corridor is coming through a Puget Sound Regional Council funding allocation.
- **N 145th/SR 523 Corridor** – As previously mentioned, the corridor study will be complete in early 2016. The Corridor Study should determine the preferred alternative for the corridor design. Costs for the next steps of the project will include right-of-way acquisition, design and construction. Funding for this project will be reliant on federal and state allocations. The City of Shoreline received \$25 million in funding through the recent State transportation package for 145th Street that is not shown in this draft CIP because it currently is scheduled for after 2021. Although that is the case, staff anticipates that the City will request that the funding be moved up to an earlier time period to move this project forward to align with the construction of the light rail station. Since staff is still developing a phasing and funding plan as part of the corridor study, this project has not been revised in this draft CIP.
- **Richmond Beach Road Re-channelization** – As a result of staff's review of traffic models prepared as part of the traffic corridor study and the City's traffic volume and safety data, a new project is being added to consider re-channelization of Richmond Beach Road from 24th Avenue NW to as far as Dayton Avenue NE. A three lane re-channelization has been once concept evaluated during the transportation corridor study to make this corridor safer and more efficient for all modes of transportation. Community involvement and outreach will be done as part of this project, which will help inform the final scope and/or project limits.
- **Westminster Way and N 155th Street Improvements** – This new project will proceed with the design of the above intersection and roadways. This area was identified as a priority in the Community Renewal Area discussions with Council.

This project will define the intersection and roadway configurations so that the adjacent new development (Potala Apartments) can construct the required frontage improvements in alignment with the City's desired alignment.

This project is being partially funded with \$300,000 in general fund contribution and the remainder funded by Roads Capital Fund. Based on feedback received from Council in June, the Roads Vacation fund is not being utilized for this project. There is approximately \$170,000 in this fund that can be used for acquisition of open space or transportation projects.

This project only includes design at this time. As part of design development staff will look for opportunities for grant funding for the construction of the project. Construction funding could be through a combination of grants, developer agreements or City funding (Roads Capital or grant match).

- **Grant Match** – In the 2014-2019 CIP the City Council started to set aside funding to be used for grant match. The table below shows the funding set aside along with the projects utilizing the grant match fund. The draft 2016-2021 includes an additional \$100,000 in 2016 and \$400,000 in 2017.

Project/Revenue	Grant Agency/Program	2015	2016	2017	Balance	grant amount
starting balance (2014-2020 CIP)					300,000	
GF contribution (2015-2021 CIP)		500,000	200,000		1,000,000	
Bike Implementation Plan	PSRC- STP/Non motorized Countywide	(86,768)			913,232	555,957
Echo Lake Safe Routes to School	WSDOT- Safe Routes to School		(11,000)		902,232	520,000
HSIP- Speed Radar Signs	WSDOT- City Safety		(943)		901,289	119,513
HSIP - Meridian and 155th Intersection	WSDOT- City Safety		(6,544)		894,745	352,385
N/NE145th St (Aurora to I-5)	PSRC- STP Countywide		(660,954)		233,791	4,150,00
GF Contrib. (prop. 2016-2021 CIP)			100,000	400,000	733,791	

Other pending grants					
175th Design	PSRC- Contingency List			(553,500)	(319,709)

Assuming the City does receive funding for the N 175th Street project, there will be approximately \$320,000 available for matching grants. Significant projects that the funding could be used for include N 145th Street, N 175th Street,

Westminster and 155th, Safe Routes to School projects, and a variety of other projects identified in the Transportation Improvement Plan (TIP).

For 2015, staff has reviewed the alternatives for the Transportation Improvement Board (TIB) grant and met with key TIB staff to identify projects that would be competitive in the grant process. Based on this meeting staff decided not to apply for a TIB grant in 2015 but is optimistic about future opportunities for this annual program.

- **Sidewalks** – Sidewalks continue to be a high priority for Council and the community. However, there is no dedicated funding source for constructing new sidewalks. The 2016-2021 TIP identified \$7.3 million dollars in sidewalk improvements. Sidewalks and non-motorized improvements that have been constructed over the last several years have relied heavily on grant funding, especially the Safe Routes to School grant.

In June, Council asked for an idea of what projects could be completed based on an increase of Transportation Benefit District revenue through an increase of \$20 and \$10 per vehicle licensing fee (VLF). A \$20 VLF increase would generate approximately \$6.6 million in bond revenue based on a 10 year payback. The following table utilized the projects as prioritized/scheduled in the adopted 2016-2021 TIP of what could be accomplished for \$10 and \$20 VLF increases.

	Street	from	To	sides	TIP schedule	blocks	Estimate	Cumulative	
1	Ashworth Ave N	N 195th	N 200th	one	2016	5	890,000	890,000	
2	N 195th	Interurban	Ashworth	one	2016	3	257,000	1,147,000	
3	20th Ave NW	Park	NW 195th	one	2017	5	700,000	1,847,000	
4	1st Ave NE	NE 192nd	NE 195th	both	2018	6	955,000	2,802,000	
5	19th Ave NE	Ballinger Way/NE 195th	NE 205th	one	2019	5	330,000	3,132,000	\$10 TBD
6	Linden Ave N	N175th	N 185th	one	2019	10	776,000	3,908,000	
7	5th Ave NE	N 175th	N 185th	both	2020	20	1,500,000	5,408,000	
8	N 192nd	Stone	Ashworth	one	2020	3	130,000	5,538,000	
9	3rd NW	NW 189th	NW 195th	one	2021	6	380,000	5,918,000	\$20 TBD
10	NW/N 195th	3rd NW	Aurora	one	2021	7	1,400,000	7,318,000	

Should Council want to pursue this additional funding source in the future, staff assumes the projects would need to be reviewed and potentially reprioritized.

NON-FUND SPECIFIC ISSUES

The following are a few issues that are not specific to one fund and/or have implications for several of the funds:

- **Aurora Square Community Renewal Area (CRA)** – Based on the June discussion with Council, two priority projects for the CRA have been included in the draft CIP:

- Boeing Creek Regional Stormwater Facility Feasibility Study
- Westminster Way and N 155th Street Design
- **General Fund Contribution** – In June, staff proposed utilizing \$3 million in general fund contributions to support a variety of priority projects that would be difficult to fund within the various funds. This draft CIP has utilized these funds on the following projects:
 - Police Station at City Hall - \$1,000,000
 - Grant Match – Additional \$100,000 in 2016 and \$400,000 in 2017
 - Design of Westminster and 155th - \$300,000
 - Pool Long Term Maintenance - \$600,000
 - 185th Street Corridor Study - \$600,000

It is worth noting that even with these significant general fund contributions, several of these projects still have funding gaps and/or require other capital funds to complete them. This includes the Police Station at City Hall, Westminster and 155th, and Pool Long Term Maintenance.

- **Resources** – The CIP has gradually increased over the last several years, while personnel supporting these projects have remained relatively constant after reductions during the recession. This draft CIP contains several new and large projects such as N 175th Street Design, N 145th Street Design, the N 185th Street Corridor Study, and Westminster and 155th Design. As such, increases in staffing are anticipated in order to deliver this draft CIP. The additional staffing is included in the estimates and schedules for the projects. Based on Council priorities and the preliminary phase of the projects (beginning design), these additional resources will be needed for the foreseeable future.

These staffing increases are being reviewed as part of the overall operating budget that will be submitted to Council this fall. Without additional resources, schedules on some projects will need to be revised and/or costs increased to utilize additional consultants.

COUNCIL GOALS ADDRESSED

The Capital Improvement Plan impacts or addresses several Council Goals, including:

- *Council Goal 1: Strengthen Shoreline’s Economic Base.* Implementing a Community Renewal Area is an action step within this goal.
- *Council Goal 2: Improve Shoreline’s utility, transportation and environmental infrastructure.* Construction of the final segment of Aurora, identifying funding strategies to implement the TMP (especially for non-motorized improvements), and acquisition of the North Maintenance Facility are all identified action steps.
- *Council Goal 3: Prepare for two Shoreline light rail stations.* Implementing the subarea plans is an identified action step within this goal.
- *Council Goal 5: Promote and enhance the City’s safe community and neighborhood programs and initiatives.* The Traffic Safety Improvement Program supports the continued efforts of the Traffic Action Plans and the Neighborhood Traffic Safety Program to address neighborhood traffic safety concerns.

RESOURCE/FINANCIAL IMPACT

The six-year Capital Improvement Plan must be balanced based on reasonable assumptions of revenues and expenditures. Direction and confirmation provided by Council tonight will be utilized to finalize the 2016-2021 CIP. In addition to financial constraints, the availability of staff resources will be incorporated into the timing or scheduling of various projects.

While staff has updated the schedules and estimates on these projects, there are several new projects that are in very preliminary phases and estimates are being confirmed. The fluid nature of these projects may result in some additional changes prior to submitting the final 2016-2021 CIP for Council approval.

RECOMMENDATION

No formal action is required; however, City staff is looking for direction and/or confirmation from the Council for use in finalizing the 2016-2021 Capital Improvement Plan.

ATTACHMENTS

- Attachment A - General Capital Fund Summary
- Attachment B - Facilities Major Maintenance Fund Summary
- Attachment C - Surface Water Utility Capital Fund Summary
- Attachment D - Roads Capital Fund Summary

**City of Shoreline 2016 - 2021 Capital Improvement Plan
Program Summary
General Capital Fund**

	PRIOR-YRS	2015CB	2015E	2016E	2017E	2018E	2019E	2020E	2021E	6-YEAR TOTAL	TOTAL PROJECT
PROJECT EXPENDITURES											
<u>PARKS PROJECTS</u>											
BALLINGER NEIGHBORHOOD PARKS	-	-	-	-	-	150,000	-	-	-	150,000	150,000
KING COUNTY, TRAILS AND OPEN SPACE REPLACEMENT LEVY	-	110,000	33,900	30,000	110,000	110,000	110,000	-	-	360,000	393,900
PARK AT TOWN CENTER	121,430	-	-	-	-	-	200,000	-	-	200,000	321,430
PARKS EXTERIOR SECURITY LIGHTING	-	-	-	-	25,000	-	-	-	-	25,000	25,000
PARKS REPAIR AND REPLACEMENT	1,847,024	239,787	239,787	216,415	227,236	238,597	250,528	263,054	263,054	1,458,884	3,545,695
PARKS, RECREATION AND OPEN SPACE UPDATE	-	-	-	80,000	-	-	-	-	-	80,000	80,000
REGIONAL TRAIL SIGNAGE	69,728	80,000	8,877	80,000	-	-	-	-	-	80,000	158,605
TURF & LIGHTING REPAIR AND REPLACEMENT	-	-	45,000	127,500	1,700,000	170,000	-	-	-	1,997,500	2,042,500
<u>FACILITIES PROJECTS</u>											
NORTH MAINTENANCE FACILITY	3,015,737	6,351	6,351	567,912	-	-	-	-	-	567,912	3,590,000
POLICE STATION AT CITY HALL	48,587	1,823,948	1,823,405	4,734,961	20,000	-	-	-	-	4,754,961	6,626,953
POOL & RECREATION FACILITY MASTER PLANNING	-	-	-	115,000	-	-	-	-	-	115,000	115,000
<u>PROJECTS TO BE COMPLETED IN CURRENT YEAR (2015)</u>											
ECHO LAKE PARK IMPROVEMENTS	470,362	5,635	5,635	-	-	-	-	-	-	-	475,997
SALTWATER PARK PEDESTRIAN BRIDGE MAJOR REPAIR	84,361	271,225	453,312	-	-	-	-	-	-	-	537,673
SHORELINE VETERAN'S RECOGNITION	-	75,000	75,000	-	-	-	-	-	-	-	75,000
TRAIL CORRIDORS	2,431,997	82,903	98,532	-	-	-	-	-	-	-	2,530,529
<u>NON-PROJECT SPECIFIC</u>											
GENERAL CAPITAL ENGINEERING	576,130	65,000	65,000	125,000	100,000	-	-	-	-	225,000	866,130
COST ALLOCATION CHARGES	-	23,724	23,724	25,000	-	-	-	-	-	25,000	48,724
CITY HALL DEBT SERVICE PAYMENT	-	664,346	664,346	664,546	663,946	662,546	677,546	663,250	663,250	3,995,084	4,659,430
TOTAL EXPENDITURES	8,665,355	3,447,919	3,542,869	6,766,334	2,846,182	1,331,143	1,238,074	926,304	926,304	14,034,341	26,242,565
REVENUES											
REAL ESTATE EXCISE TAX	-	922,504	1,204,174	1,038,146	1,056,334	1,088,772	1,161,160	1,235,930	1,303,238	6,883,580	
SOCCER FIELD RENTAL CONTRIBUTION	-	170,000	170,000	170,000	170,000	170,000	170,000	170,000	170,000	1,020,000	
INVESTMENT INTEREST	-	11,809	11,809	38,854	45,537	18,727	19,224	29,503	42,733	194,580	
SALE OF CURRENT POLICE STATION	-	-	-	1,065,000	-	-	-	-	-	1,065,000	
FUTURE FUNDING	-	-	-	1,266,317	-	-	-	-	-	1,266,317	
FUTURE GRANTS	-	-	-	-	-	75,000	200,000	-	-	275,000	
GENERAL FUND CONTRIBUTION	-	50,000	50,000	1,050,000	50,000	50,000	50,000	50,000	50,000	1,300,000	
KC TRAIL LEVY FUNDING RENEWAL	-	110,000	108,700	110,000	110,000	110,000	110,000	-	-	440,000	
PRIVATE DONATIONS	-	75,000	75,000	-	-	-	-	-	-	-	
TREASURY SEIZURE FUND	-	-	1,823,405	176,101	-	-	-	-	-	176,101	
TREASURY SEIZURE FUND - POTENTIAL	-	-	-	980,000	-	-	-	-	-	980,000	
TOTAL REVENUES		1,339,313	3,443,088	5,894,418	1,681,871	1,512,499	1,710,384	1,485,433	1,565,971	13,850,578	
BEGINNING FUND BALANCE		224,207	2,690,075	2,590,294	1,718,378	554,067	565,424	867,734	1,256,863	2,590,294	
TOTAL REVENUES			3,443,088	5,894,418	1,681,871	1,512,499	1,710,384	1,485,433	1,565,971	13,850,578	
RESTRICTED AMOUNT FOR TURF REPLACEMENT						170,000	170,000	170,000	170,000	680,000	
TOTAL EXPENDITURES			3,542,869	6,766,334	2,846,182	1,331,143	1,238,074	926,304	926,304	14,034,341	
ENDING FUND BALANCE	2,690,075		2,590,294	1,718,378	554,067	565,424	867,734	1,256,863	1,726,531	1,726,531	
IMPACT ON OPERATING BUDGET			-	-	10,100	10,303	10,510	10,510	10,723		

**City of Shoreline 2016 - 2021 Capital Improvement Plan
Program Summary
City Facility Major Maintenance Fund**

	PRIOR-YRS	2015CB	2015E	2016E	2017E	2018E	2019E	2020E	2021E	6-YEAR TOTAL	TOTAL PROJECT
PROJECT EXPENDITURES											
<i>GENERAL FACILITIES</i>											
POLICE STATION LONG-TERM MAINTENANCE	132,523	15,000	15,000	-	-	-	-	-	-	-	147,523
CITY HALL LONG-TERM MAINTENANCE	-	40,000	-	-	42,000	20,000	84,000	80,000	80,000	306,000	306,000
CITY HALL PARKING GARAGE LONG-TERM MAINTENANCE	-	100,000	145,000	-	-	-	10,000	-	-	10,000	155,000
<i>PARKS FACILITIES</i>											
PARKS RESTROOMS LONG-TERM MAINTENANCE	-	-	-	-	-	-	-	-	30,000	30,000	30,000
SHORELINE POOL LONG-TERM MAINTENANCE	261,220	158,525	208,525	750,000	20,000	20,000	20,000	20,000	20,000	850,000	1,319,745
RICHMOND HIGHLANDS COMMUNITY CENTER LONG-TERM MAINTENANCE	246,675	35,000	-	2,000	15,000	80,000	-	2,000	-	99,000	345,675
SPARTAN RECREATION CENTER	12,110	-	-	6,500	19,000	9,000	-	4,500	-	39,000	51,110
TOTAL EXPENDITURES	652,527	348,525	368,525	758,500	96,000	129,000	114,000	106,500	130,000	1,334,000	2,355,052
REVENUES											
GENERAL FUND OPERATING TRANSFER		124,032	124,032	124,032	124,032	124,032	124,032	124,032	124,032	744,192	
GENERAL FUND CONTRIBUTION				600,000						600,000	
SHORELINE SCHOOL DISTRICT			50,000							-	
INVESTMENT INTEREST		1,417	1,417	539	53	1,017	889	1,260	1,899	5,659	
TOTAL REVENUES		125,449	175,449	724,571	124,085	125,049	124,921	125,292	125,931	1,349,851	
BEGINNING FUND BALANCE			229,020	35,944	2,015	30,101	26,150	37,071	55,863	35,944	
TOTAL REVENUES			175,449	724,571	124,085	125,049	124,921	125,292	125,931	1,349,851	
TOTAL EXPENDITURES			368,525	758,500	96,000	129,000	114,000	106,500	130,000	1,334,000	
ENDING FUND BALANCE	229,020		35,944	2,015	30,101	26,150	37,071	55,863	51,795	51,795	
IMPACT ON OPERATING BUDGET			-	-	-	-	-	-	-		

**City of Shoreline 2016 - 2021 Capital Improvement Plan
Program Summary
Surface Water Utility Fund**

	PRIOR-YRS	2015CB	2015E	2016E	2017E	2018E	2019E	2020E	2021E	6-YEAR TOTAL	TOTAL PROJECT
<i>PROPOSED UTILITY RATE INCREASE</i>			3.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%		
<i>SWM RATE RESIDENTIAL SF HOME ANNUAL FEE</i>			146	152	159	167	176	185	194		
PROJECT EXPENDITURES											
<i>CAPACITY</i>											
10TH AVE NE DRAINAGE IMPROVEMENTS	-	-	-	250,000	-	-	600,000	30,000	30,000	910,000	910,000
25TH AVE. NE FLOOD REDUCTION IMPROVEMENTS	-	-	-	880,000	2,470,000	1,000,000	-	-	-	4,350,000	4,350,000
BOEING CREEK REGIONAL STORMWATER FACILITY STUDY	-	-	-	200,000	-	-	-	-	-	200,000	200,000
NE 148TH INFILTRATION FACILITIES	63,293	200,000	20,000	367,500	-	-	-	-	-	367,500	450,793
<i>REPAIR AND REPLACEMENT</i>											
GOHEEN REVETMENT REPAIR	156,388	210,967	281,278	17,000	11,500	6,000	6,000	6,000	-	46,500	484,166
HIDDEN LAKE DAM REMOVAL	3	90,000	150,722	800,000	-	-	600,000	1,800,000	-	3,200,000	3,350,725
STORMWATER PIPE REPLACEMENT PROGRAM	292,984	1,016,415	566,415	580,000	600,000	200,000	700,000	200,000	2,000,000	4,280,000	5,139,399
SURFACE WATER SMALL PROJECTS	2,307,232	150,000	150,000	80,000	-	80,000	-	-	-	160,000	2,617,232
<i>OTHER</i>											
PUGET SOUND DRAINAGES BASIN PLAN	-	445,000	345,000	100,000	-	-	-	-	-	100,000	445,000
SURFACE WATER MASTER PLAN	-	-	-	500,000	-	-	-	-	-	500,000	500,000
THORNTON CREEK BASIN CONDITION ASSESSMENT	-	-	-	100,000	100,000	100,000	-	-	-	300,000	300,000
<i>PROJECTS TO BE COMPLETED IN CURRENT YEAR (2015)</i>											
BALLINGER CREEK DRAINAGE STUDY (LYONS CREEK BASIN)	138,102	40,311	40,311	-	-	-	-	-	-	-	178,413
MCALDER CREEK BASIN PLAN	321,125	45,000	45,000	-	-	-	-	-	-	-	366,125
NORTH FORK THORNTON CREEK LID STORMWATER RETROFIT	795,236	5,892	32,700	-	-	-	-	-	-	-	827,936
SURFACE WATER GREEN WORKS PROJECTS	468,790	203,692	203,692	-	-	-	-	-	-	-	672,482
<i>NON-PROJECT SPECIFIC</i>											
SURFACE WATER CAPITAL ENGINEERING	1,994,519	217,000	200,000	210,000	220,000	230,000	240,000	255,000	265,000	1,420,000	3,614,519
COST ALLOCATION CHARGES	812,119	217,083	217,083	125,000	125,000	125,000	125,000	125,000	125,000	750,000	1,779,202
TOTAL CAPITAL EXPENDITURES	4,529,890	2,841,360	2,252,201	4,209,500	3,526,500	1,741,000	2,271,000	2,416,000	2,420,000	16,584,000	26,185,991
REVENUES											
INVESTMENT INTEREST		9101	9,101	20,172	31,808	40,614	51,061	55,391	62,290	261,337	
DEPARTMENT OF ECOLOGY BIENNIAL STORMWATER CAPACITY GRANT		-	-	-	-	-	-	-	-	-	
DEPARTMENT OF ECOLOGY STORMWATER RETROFIT GRANT		4,419	23,605	-	-	-	-	-	-	-	
DOE STORMWATER PRE-CONSTRUCTION GRANT		-	-	250,000	-	-	-	-	-	250,000	
KING COUNTY FLOOD ZONE DISTRICT OPPORTUNITY		105,805	105,805	105,805	105,805	105,805	105,805	105,805	105,805	634,830	
WA STATE STORMWATER FINANCIAL ASSISTANCE PROGRAM		-	-	290,625	-	-	-	-	-	290,625	
FUTURE FUNDING - BONDS				2,000,000	2,000,000					4,000,000	
TOTAL CAPITAL REVENUES		119,325	138,511	2,666,602	2,137,613	146,419	156,866	161,196	168,095	5,436,792	
BEGINNING FUND BALANCE			2,783,455	1,344,830	1,200,307	1,201,590	1,501,795	1,629,142	1,832,073	1,344,830	
TOTAL CAPITAL REVENUES			138,511	2,666,602	2,137,613	146,419	156,866	161,196	168,095	5,436,792	
TOTAL CAPITAL EXPENDITURES			2,252,201	4,209,500	3,526,500	1,741,000	2,271,000	2,416,000	2,420,000	16,584,000	
SURFACE WATER FEES			3,576,183	4,004,586	4,204,815	4,751,301	4,988,866	5,238,309	5,500,224	28,688,101	
OPERATING GRANTS		50,000	50,000	-	-	-	-	-	-	-	
PUBLIC WORKS DEBT SERVICE PAYMENT		344,431	344,431	344,431	337,534	335,902	334,269	332,637	332,637	2,017,410	
AMOUNT RESTRICTED - LOAN MAINTENANCE FACILITY DEBT SERVICE		141,736	141,736	141,736	141,736	141,736				425,208	
STORMWATER PIPE REPL DEBT SERVICE PAYMENT		182,391		182,391	364,783	364,783	364,783	364,783	364,783	2,006,306	
TOTAL DEBT SERVICE		668,558	486,167	668,558	844,053	842,421	699,052	697,420	697,420	4,448,924	
TOTAL OPERATING EXPENDITURES			2,752,716	2,464,951	1,937,653	1,970,593	2,014,093	2,048,333	2,083,154	2,118,568	12,172,395
ENDING FUND BALANCE	2,783,455		1,344,830	1,200,307	1,201,590	1,501,795	1,629,142	1,832,073	2,264,404	2,264,404	
MINIMUM REQUIRED RESERVE (20% OPER REV)			725,237	800,917	840,963	950,260	997,773	1,047,662	1,100,045		
VARIANCE ABOVE MINIMUM REQUIRED RESERVE			619,593	399,390	360,627	551,535	631,369	784,411	1,164,360		
IMPACT ON OPERATING BUDGET			-	-	-	10,000	-	-	-		

City of Shoreline 2016 - 2021 Capital Improvement Plan

Program Summary

Roads Capital Fund

	PRIOR-YRS	2015CB	2015E	2016E	2017E	2018E	2019E	2020E	2021E	6-YEAR TOTAL	TOTAL PROJECT
PROJECT EXPENDITURES											
<u>REPAIR AND REPLACEMENT</u>											
<u>Pedestrian / Non-Motorized Projects</u>											
BIKE SYSTEM IMPLEMENTATION	-	10,000	10,000	632,725	-	-	-	-	-	632,725	642,725
TRAFFIC SAFETY IMPROVEMENTS	1,479,298	132,500	132,500	155,125	157,881	160,775	163,814	167,005	167,005	971,605	2,583,403
<u>System Preservation Projects</u>											
ANNUAL ROAD SURFACE MAINTENANCE PROGRAM	11,466,852	1,806,546	1,812,687	2,214,984	1,000,000	1,100,000	1,200,000	1,200,000	1,200,000	7,914,984	21,194,523
CURB RAMP, GUTTER AND SIDEWALK MAINTENANCE PROGRAM	2,090,994	259,506	259,506	152,517	200,000	200,000	200,000	200,000	200,000	1,152,517	3,503,017
TRAFFIC SIGNAL REHABILITATION PROGRAM	1,360,322	105,000	105,000	110,250	115,763	121,551	127,628	134,010	134,010	743,212	2,208,534
<u>CAPACITY CONSTRUCTION</u>											
<u>Pedestrian / Non-Motorized Projects</u>											
25TH AVE. NE SIDEWALKS	-	-	-	60,000	510,000	25,000	-	-	-	595,000	595,000
ECHO LAKE SAFE ROUTES TO SCHOOL	-	34,500	34,500	483,000	12,500	-	-	-	-	495,500	530,000
EINSTEIN SAFE ROUTE TO SCHOOL	112,667	575,798	583,390	4,566	-	-	-	-	-	4,566	700,623
INTERURBAN TRAIL/BURKE-GILMAN CONNECTORS	78,792	465,707	79,708	386,000	-	-	-	-	-	386,000	544,500
<u>Safety / Operations Projects</u>											
145TH CORRIDOR - 99TH TO I5	-	-	-	2,447,977	2,447,977	-	-	-	-	4,895,954	4,895,954
185TH CORRIDOR STUDY	-	-	-	600,000	-	-	-	-	-	600,000	600,000
AURORA AVENUE NORTH 192ND - 205TH	24,916,405	18,266,303	17,750,547	1,537,152	26,324	-	-	-	-	1,563,476	44,230,428
MERIDIAN AVE N & N 155TH ST SIGNAL IMPROV	-	-	-	58,929	300,000	-	-	-	-	358,929	358,929
N 175TH ST - STONE AVE N TO I5	-	-	-	2,665,000	1,435,000	-	-	-	-	4,100,000	4,100,000
RADAR SPEED SIGNS	-	-	-	120,456	-	-	-	-	-	120,456	120,456
RICHMOND BEACH RE-CHANNELIZATION	-	-	-	200,000	-	-	-	-	-	200,000	200,000
WESTMINSTER AND 155TH IMPROVEMENTS	-	-	-	450,000	-	-	-	-	-	450,000	450,000
<u>PROJECTS TO BE COMPLETED IN CURRENT YEAR (2015)</u>											
10TH AVENUE NW BRIDGE	81,876	466,210	470,184	-	-	-	-	-	-	-	552,060
AURORA AVENUE NORTH-145TH TO 192ND SAFETY IMPROVEMENTS	364,609	72,509	72,509	-	-	-	-	-	-	-	437,118
NE 195TH SEPARATED TRAIL	142,803	548,831	513,743	-	-	-	-	-	-	-	656,546
145TH CORRIDOR STUDY	12,444	583,555	583,556	-	-	-	-	-	-	-	596,000
<u>NON-PROJECT SPECIFIC</u>											
ROADS CAPITAL ENGINEERING	1,724,292	266,959	235,000	245,000	250,000	260,000	265,000	270,000	280,000	1,570,000	3,529,292
TRANSPORTATION MASTER PLAN UPDATE	-	-	-	100,000	200,000	-	-	-	-	300,000	300,000
COST ALLOCATION CHARGES	-	56,365	56,365	50,000	50,000	50,000	50,000	50,000	50,000	300,000	356,365
TOTAL EXPENDITURES	43,831,354	23,650,289	22,699,195	12,673,681	6,705,445	1,917,326	2,006,442	2,021,015	2,031,015	27,354,924	93,885,473
REVENUES											
REAL ESTATE EXCISE TAX	-	922,504	1,204,174	1,038,146	1,056,334	1,088,772	1,161,160	1,235,930	1,303,238	6,883,580	
GENERAL FUND SUPPORT	-	779,366	779,366	579,366	679,366	679,366	279,366	279,366	279,366	2,376,196	
INVESTMENT INTEREST	-	14,431	2,291	37,563	35,216	1,180	9,075	16,662	26,554	126,250	
GENERAL FUND CONTRIBUTION	-	500,000	500,000	900,000	-	-	-	-	-	900,000	
CMAQ	-	4,132,836	4,132,836	374,147	2,191	-	-	-	-	376,338	
DEPARTMENT OF ECOLOGY STORMWATER RETROFIT GRANT	-	534,170	534,170	-	-	-	-	-	-	-	
FEDERAL - STP	-	629,670	654,670	5,929,332	3,358,775	-	-	-	-	9,288,107	
FTA - RAPID RIDE	-	2,328,604	2,328,604	-	-	-	-	-	-	-	
FUTURE FUNDING	-	-	-	-	-	-	-	-	-	-	
HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)	-	2,225,371	2,225,371	178,442	293,456	-	-	-	-	471,898	
KING COUNTY METRO	-	-	-	172,860	-	-	-	-	-	172,860	
REGIONAL MOBILITY	-	374,355	374,355	-	-	-	-	-	-	-	
SAFE ROUTES TO SCHOOL	-	363,409	365,571	474,000	12,500	-	-	-	-	486,500	
TRANSPORTATION IMPROVEMENT BOARD	-	4,576,730	4,576,730	36,908	2,074	-	-	-	-	38,982	
TRANSPORTATION BENEFIT DISTRICT	-	793,800	799,941	1,031,824	780,000	780,000	780,000	780,000	780,000	4,931,824	
UTILITY REIMBURSEMENTS	-	2,712,463	2,712,463	-	-	-	-	-	-	-	
TRANSPORTATION IMPACT FEES	-	-	-	359,775	193,725	-	-	-	-	553,500	
WSDOT - PEDESTRIAN & BICYCLE SAFETY PROGRAM	-	563,000	75,406	386,000	-	-	-	-	-	386,000	
TOTAL REVENUES		21,450,709	21,265,948	11,498,363	6,413,637	2,149,318	2,229,601	2,311,958	2,389,158	26,992,035	
BEGINNING FUND BALANCE											
TOTAL REVENUES			3,937,477	2,504,230	1,328,912	34,906	266,897	490,056	780,999		
TOTAL EXPENDITURES			22,699,195	12,673,681	6,705,445	1,917,326	2,006,442	2,021,015	2,031,015		
RESTRICTED AMOUNT FOR GRANT MATCHING			-	-	-	1,002,199	-	-	-	1,002,199	
ENDING FUND BALANCE	3,937,477		2,504,230	1,328,912	34,906	266,897	490,056	780,999	1,139,142		
IMPACT ON OPERATING BUDGET					9a-15	75,270	119,351	119,474	119,519		

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion and Update on the 145 th Street Corridor Study		
DEPARTMENT:	Public Works Department		
PRESENTED BY:	Kurt Seemann, Senior Transportation Planner Nytasha Sowers, Transportation Planning Manager		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

The purpose of this agenda item is to provide Council with an update on the progress of the 145th Street Corridor Study (a project schedule is attached to this staff report as Attachment A). It is appropriate to provide an update now because the project team has refined the information previously shared with Council into four draft concepts (Attachment B). These include a “no action” concept (Study Concept 1) and three study concepts (Study Concepts 2-4). Staff will review the three study concepts, go over potential property impacts, and outline next steps in the process.

RESOURCE/FINANCIAL IMPACT:

This study has a total budget of \$596,000, with revenues of \$246,000 from the U.S. Department of Transportation’s Surface Transportation Program (STP) and the balance from the City of Shoreline Roads Capital Fund. There is no immediate financial impact associated with the continued design work on 145th.

RECOMMENDATION

No formal action is required at this time. Staff would like Council’s confirmation that the work accomplished to date is consistent with Council goals and objectives for this study.

Approved By: City Manager **DT** City Attorney **MK**

INTRODUCTION

The 145th Street corridor runs 3.2 miles from 3rd Avenue NW on the west to SR-522 (Lake City Way/Bothell Way) on the east side of the city and is the border between the City of Shoreline and the City of Seattle. 145th Street experiences significant traffic and safety issues and lacks a sidewalk system that complies with the Americans with Disabilities Act (ADA). Traffic volumes are anticipated to increase with regional growth and the future light rail station at 145th and I-5. Upgrades are needed to accommodate future development of the corridor as well as to improve safety for bicycles and pedestrians and to provide adequate speed and reliability for transit.

BACKGROUND

The 145th Street Corridor Study began in early 2015 by defining project goals and evaluation criteria and analyzing existing conditions. Currently, City staff and CH2M, the City's consultant team, have developed study concepts that are meant to "bookend" the range of concepts that would improve how the corridor addresses pedestrian, bicycle, transit and vehicular mobility, while considering impacts to right-of-way and potential project costs.

Staff has engaged in ongoing robust community outreach, including holding an open house and conducting ongoing monthly meetings with a Citizens Advisory Task Force (CATF) as well as ongoing local agency coordination with the Inter-jurisdictional Technical Team (ITT).

DISCUSSION

Design Elements

The three current study concepts represent a range of design options that could be applied to the corridor. Each study concept is composed to two components, a roadway component (curb to curb) and a non-motorized component that includes sidewalks, bicycle facilities, and multi-use paths. These non-motorized elements could be "mixed and matched" between roadway concepts to arrive at a preferred design alternative for the corridor. All proposed study concepts show a typical mid-block section with the roadway and overall widths shown. The alternatives would typically be wider at the intersections to accommodate left, right, and U-turns.

For the purposes of this study, the corridor has been divided into three segments:

- 1) 3rd Avenue NW to Greenwood Avenue N,
- 2) Greenwood Avenue N to Aurora Avenue N, and
- 3) Aurora Avenue N to SR-522.

The most westerly segment from 3rd Avenue NW to Greenwood Avenue N is the shortest segment. The proposed study concepts are similar, and include two travel lanes and improvements to the non-motorized elements (for pedestrians and bikes). Generally, the study concepts proposed for this segment could be constructed within the existing right-of-way with minimal impacts to adjacent properties.

The existing corridor segment from Greenwood Avenue N to Aurora Avenue N is typically four lanes, 44 feet from curb to curb. The concepts proposed for study for this

portion of the corridor range from adding sidewalks to the construction of a five lane section.

The segment from Aurora Avenue N to SR-522 includes three distinct segments (Aurora to I-5, the I-5 interchange (on-ramps/off-ramps and interstate bridge), and I-5 to SR-522). These three segments within this larger segment have similar components and have been combined for simplification in this presentation. The interchange design requires that Shoreline work closely with the Washington State Department of Transportation (WSDOT) to identify constraints and opportunities. The three concepts for this section of the corridor range from a four lane section with sidewalks to a six lane concept that includes dedicated bus lanes.

Bicycle Facilities

Bicycle facilities are proposed and shown in each of the non-motorized components of the concepts. As previously discussed, the non-motorized concepts could be “mixed and matched” with any of the proposed roadway sections. In addition, the City has been looking at using parallel bike corridors that could provide bike connectivity for 145th Street without actually using the 145th Corridor (Attachment C). This concept has generally received support as long as the route was direct. This approach could make use of existing local streets and could provide a safe route for bicycles while reducing right-of-way.

Potential Property Impacts

For much of the corridor, the existing right-of way is 60 feet. Study Concept 2 generally keeps the roadway within the existing 60’ corridor and provides sidewalks along the roadway. Intersections would typically be widened to accommodate turn lanes and therefore would require additional right of way. Other properties could potentially be impacted when differences in grades require retaining wall or driveways to be reconstructed.

As the study concepts (Study Concepts 3 and 4) add more lanes and more substantial non-motorized facilities, the potential property impacts are greater. Because of the number of buildings close to the existing right-of-way, any widening could affect a significant number of properties.

Next Steps

Staff and the consultant team are currently evaluating each concept against the project objectives and criteria. Generally, each study option will be evaluated to see how well it benefits pedestrians, bicycles, transit, and vehicles. In addition, we will look at how consistent each concept is with existing plans, as well as evaluate the environmental benefits and potential impacts of each plan. Staff and the consultant team will look at potential tradeoffs, including potential property impacts, and overall project costs.

Finally, staff and the consultant team will develop a preferred alternative based on how well it addresses all the benefits while talking into consideration potential project tradeoffs. Once the preferred concept is selected, work could begin design and environmental work on the Aurora to I-5 portion of the corridor, as there is funding for the final design of this section.

STAKEHOLDER OUTREACH

Stakeholder outreach includes an open house held in May and two additional open houses planned before the end of the year. Staff continues to have ongoing coordination with local agencies.

The first open house for the 145th Street Corridor Study was held on Wednesday, May 20, 2015. Attendees viewed materials that described the study process, discussed project goals, and shared thoughts about existing conditions along the corridor. The open house was very well attended, with approximately 150 people participating. A wide variety of citizens attended, from people who lived along the corridor to others from the community, including residents from both the City of Shoreline and the City of Seattle. Many views were shared, including strong support for improved pedestrian facilities, transit, and safe bicycle facilities either on the corridor or adjacent to it. Safety was mentioned as a prime concern. Also, residents were looking for improvements to vehicular mobility, including adding turn lanes at intersections and improving the I-5 interchange.

As well, the CATF continues to provide valuable input into the process. This eleven-member group consists of residents representing adjacent Shoreline neighborhoods (Briarcrest, Parkwood, Ridgecrest, and Westminster Triangle), Seattle neighborhoods (Broadview, Haller Lake, Olympic, and Pinehurst), a local business representative, a representative from the Lakeside School, and a representative from the North King County Mobility Coalition.

The ITT also continues to meet. This group consists of representatives from WSDOT, Sound Transit, the Puget Sound Regional Council (PSRC), King Country Metro, and the Cities of Seattle, Bothell, Kenmore, and Lake Forest Park.

To date staff has held five CATF meetings and five ITT meetings. Staff will continue to meet with these groups throughout the corridor study process. Additionally, staff has met with the Cascade Bicycle Club and Feet First.

COUNCIL GOALS ADDRESSED

The 145th Street Corridor Study directly supports two of the 2013-2015 City Council goals:

- Goal 2: Improve Shoreline's utility, transportation, and environmental infrastructure. 145th is currently inadequate for both motorized and non-motorized use.
- Goal 3: Prepare for two Shoreline light rail stations. 145th Street will serve as the primary east-west connection to the future 145th Street Sound Transit Light Rail Station.

RESOURCE/FINANCIAL IMPACT

This study has a total budget of \$596,000, with revenues of \$246,000 from the U.S. Department of Transportation's Surface Transportation Program (STP) and the balance

from the City of Shoreline Roads Capital Fund. There is no immediate financial impact associated with the continued design work on 145th.

RECOMMENDATION

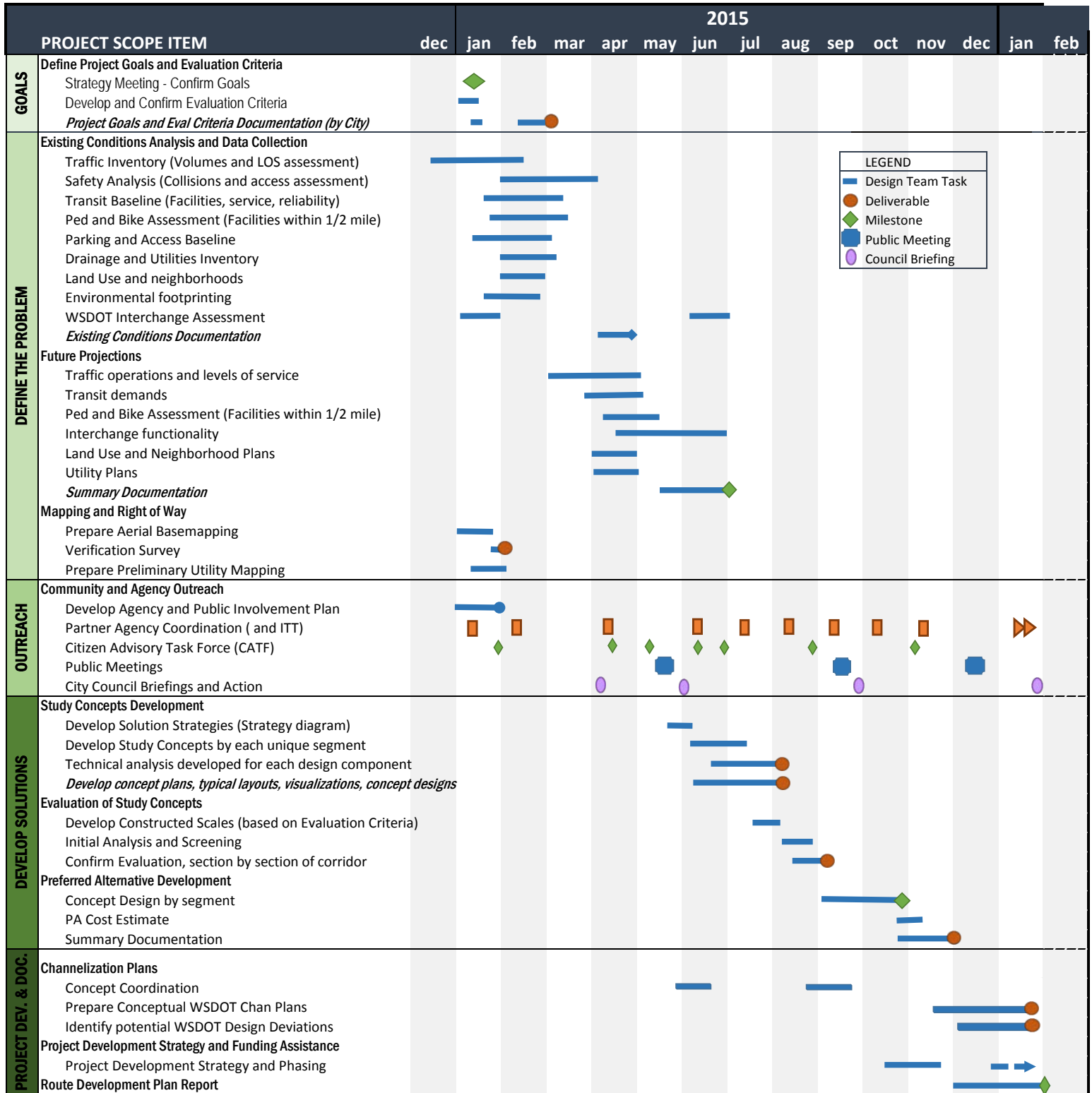
No formal action is required at this time. Staff would like Council confirmation that the work accomplished to date is consistent with Council goals and objectives for this study.

ATTACHMENTS

Attachment A – 145th Street Corridor Study Project Schedule

Attachment B – Corridor Study Concepts

Attachment C – Off-Corridor Bike Network Study Concept



NOTE: PSRC Funding for design and environmental work for portion between Aurora and I5 must be obligated by June 2016.

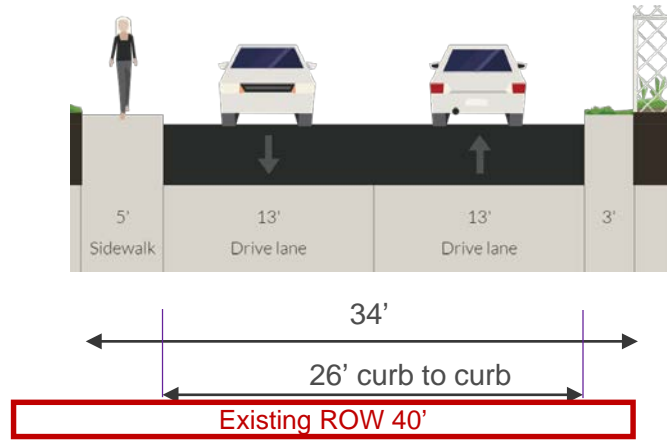
Study Concepts

August 6, 2015

Study Concept 1 – No Action/Existing Conditions

3rd Ave W to Greenwood

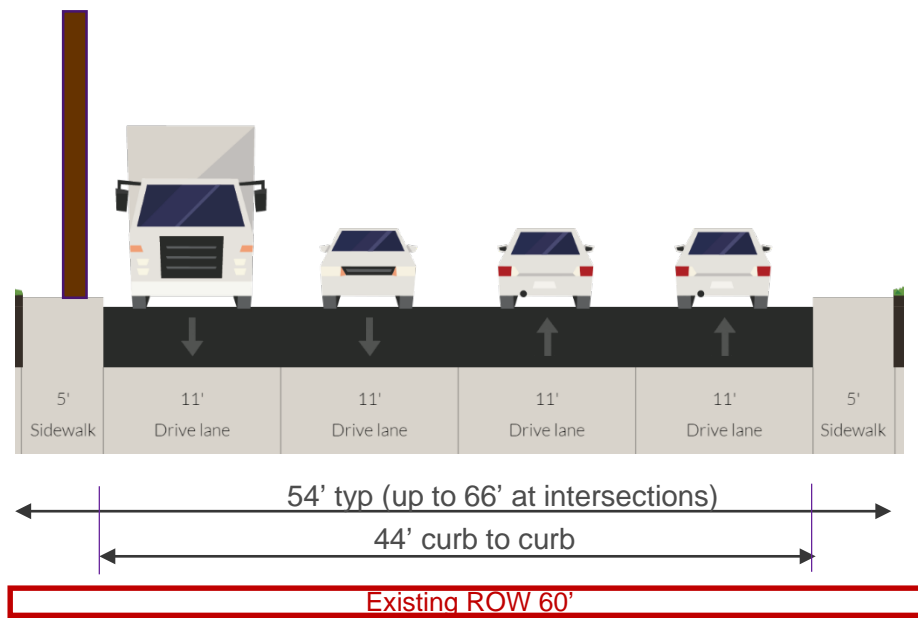
Length = 0.25 miles



- 2 traffic lanes
- 5' sidewalk south side

Greenwood to SR522

Length = 2.95 miles



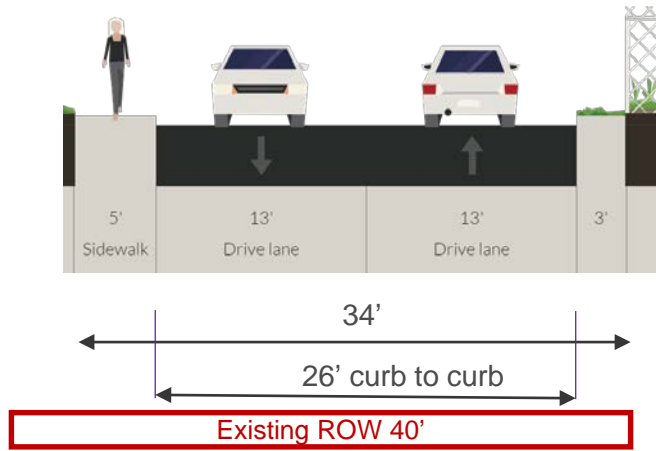
- 4 traffic lanes
- No bus lanes
- Non-accessible sidewalks
- No bike facilities
- Utility poles exist on both sides of roadway



Study Concept 2

3rd Ave W to Greenwood

Length = 0.25 miles

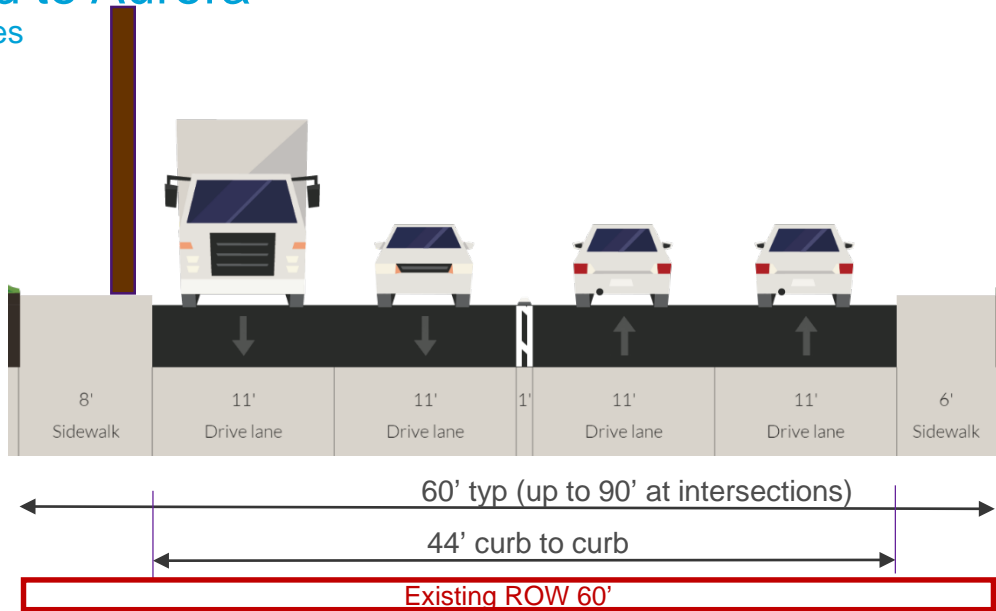


- 2 traffic lanes
- 5' sidewalk south side
- No improvements except at traffic signal

ROW Impacts (ft ²)	1,770
Full Acquisitions	0 (0%)
Parcel Impacts	1 (6%)
Total Number of Parcels	16

Greenwood to Aurora

Length = 0.50 miles

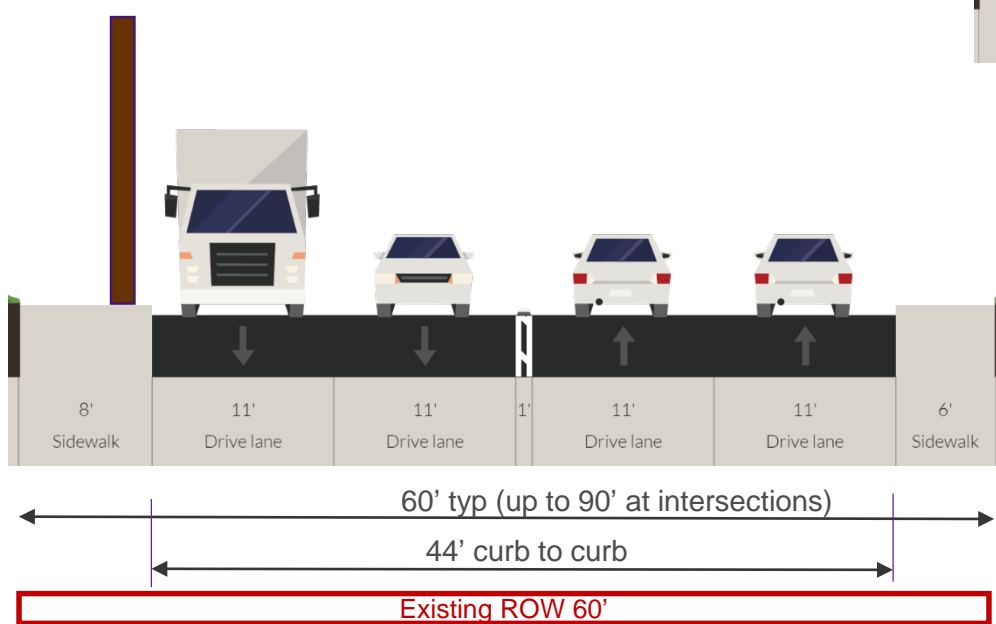


- 4 traffic lanes, limited left turns, U-turns
- No bus lanes
- Minimal ADA accessible sidewalks
- Off-corridor bike facilities, "greenway"
- Utility poles on both sides of roadway. Sidewalk will vary based on presence of utility pole.

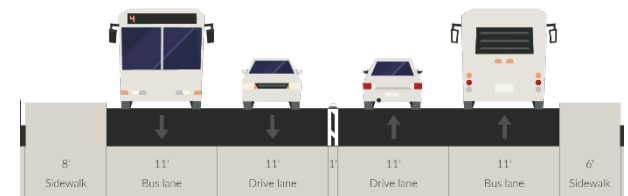
ROW Impacts (ft ²)	29,000
Full Acquisitions	3 (9%)
Parcel Impacts	25 (71%)
Total Number of Parcels	35

Aurora to SR522

Length = 2.45 miles



- 4 traffic lanes, limited left turns, U-turns
- No bus lanes
- Minimal ADA accessible sidewalks
- Off-corridor bike facilities, "greenway"
- Utility poles on both sides of roadway. Sidewalk will vary based on presence of utility pole.



Concept 2A – with BAT lanes

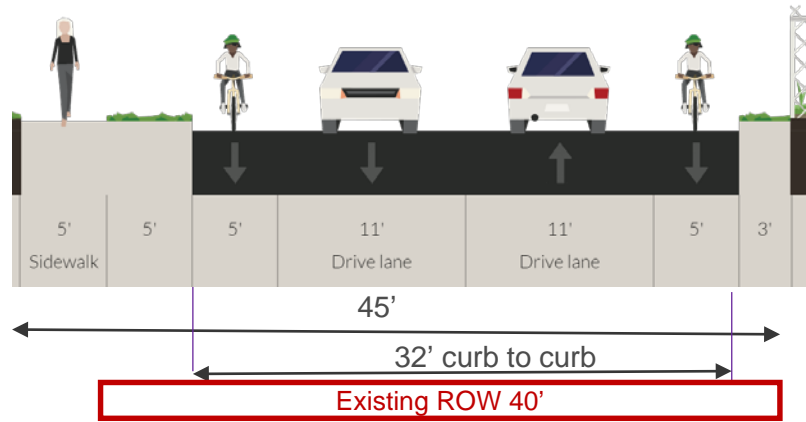
	Aurora Ave to I-5
ROW Impacts (ft ²)	38,400
Full Acquisitions	23 (24%)
Parcel Impacts	63 (66%)
Total Number of Parcels	96

	I-5 to Lake City Way
ROW Impacts (ft ²)	65,300
Full Acquisitions	17 (14%)
Parcel Impacts	82 (69%)
Total Number of Parcels	120

Study Concept 3

3rd Ave W to Greenwood

Length = 0.25 miles

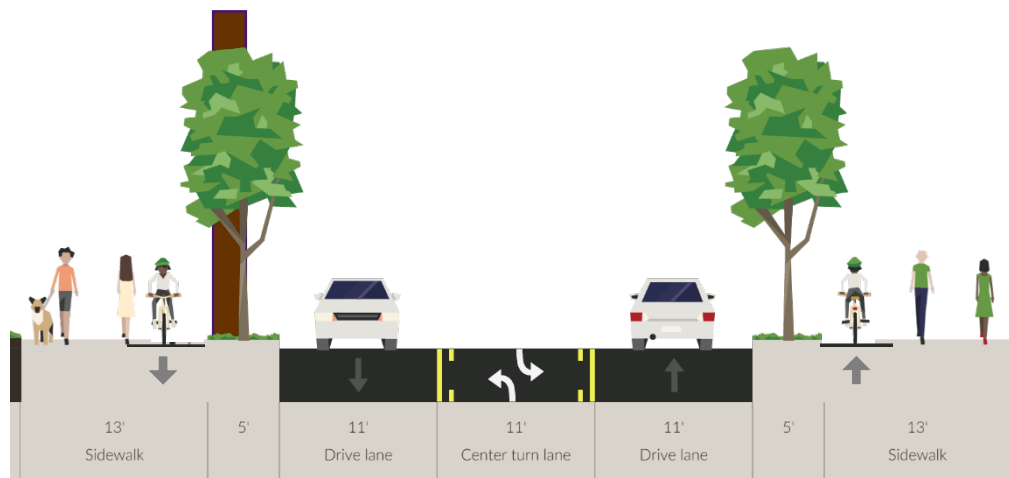


- 2 traffic lanes with bike lanes
- 5' sidewalk south

ROW Impacts (ft ²)	8,450
Full Acquisitions	0 (0%)
Parcel Impacts	15 (94%)
Total Number of Parcels	16

Greenwood to Aurora

Length = 0.50 miles

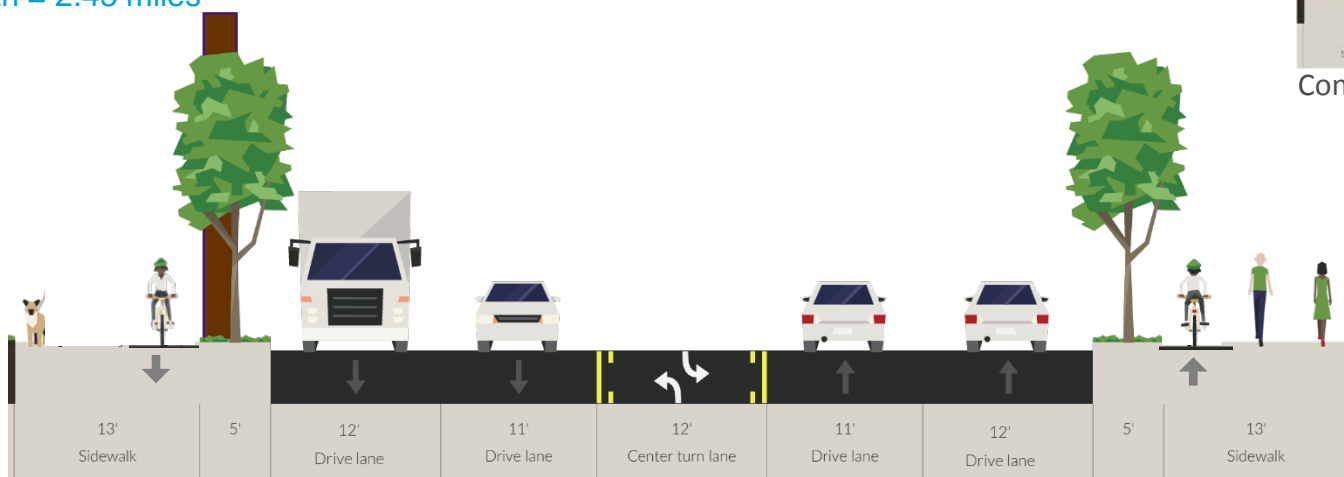


- 2 traffic lanes with two-way left turn lane
- No bus lanes
- 5' amenity zones/planter
- 13' sidewalks includes 5' striped directional bike lane each side
- Utility poles in amenity zones

ROW Impacts (ft ²)	31,350
Full Acquisitions	6 (17%)
Parcel Impacts	34 (97%)
Total Number of Parcels	35

Aurora to SR522

Length = 2.45 miles



- 4 traffic lanes with two-way left turn lane
- No bus lanes
- 5' amenity zones/planter
- 13' sidewalks includes 5' striped directional bike lane each side
- Utility poles in amenity zone



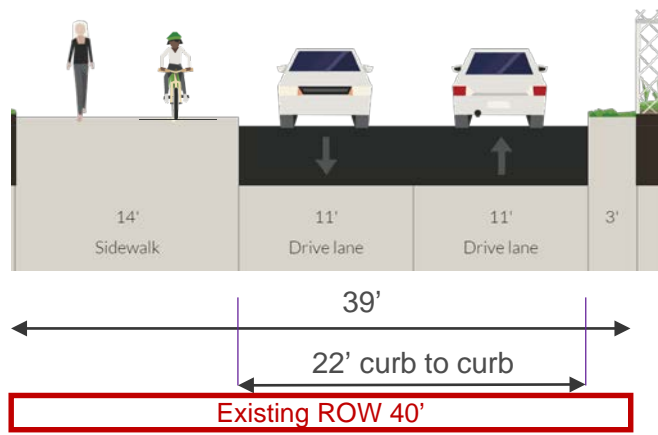
	Aurora Ave to I-5
ROW Impacts (ft ²)	124,200
Full Acquisitions	40 (42%)
Parcel Impacts	96 (100%)
Total Number of Parcels	96
	I-5 to Lake City Way
ROW Impacts (ft ²)	221,500
Full Acquisitions	55 (46%)
Parcel Impacts	120 (100%)
Total Number of Parcels	120



Study Concept 4

3rd Ave W to Greenwood

Length = 0.25 miles

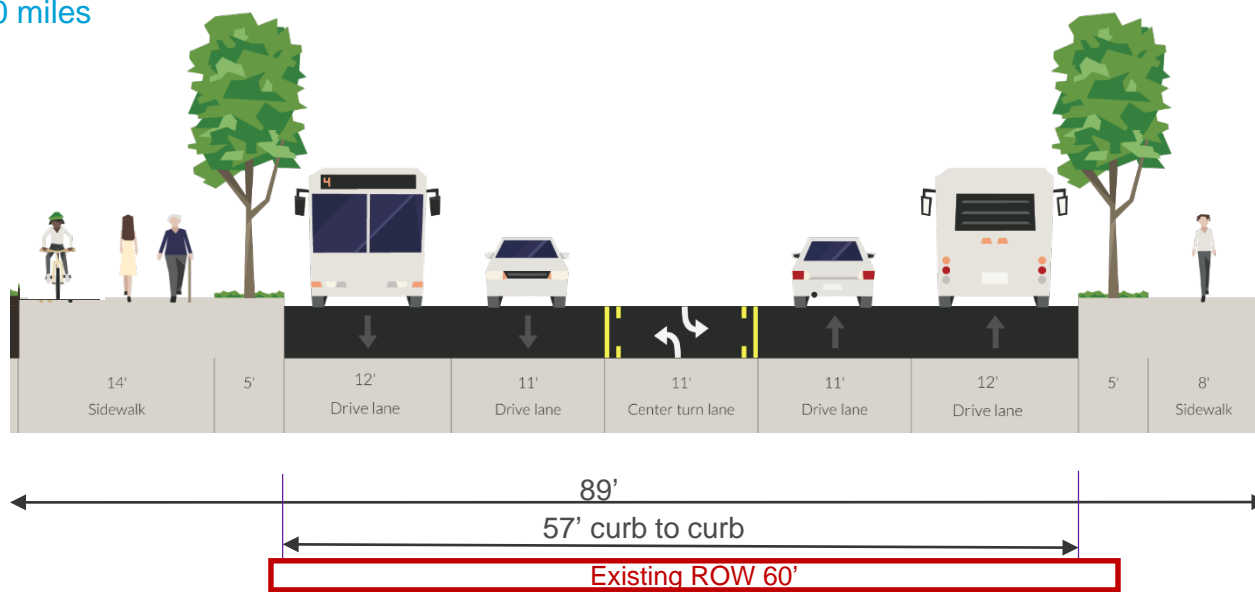


- 2 traffic lanes
- Shared path on south side

ROW Impacts (ft ²)	4,720
Full Acquisitions	0 (0%)
Parcel Impacts	8 (50%)
Total Number of Parcels	16

Greenwood to Aurora

Length = 0.50 miles

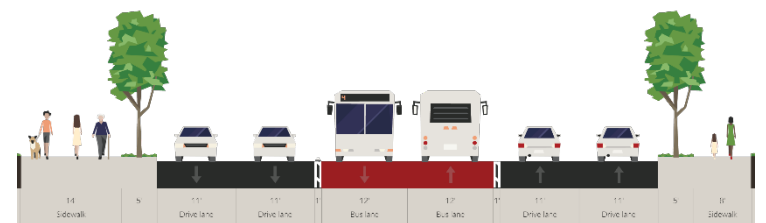


- 4 traffic lanes with two-way left turn lane
- No bus lanes
- Sidewalk and amenity zone
- Shared path on north side
- Utility undergrounding

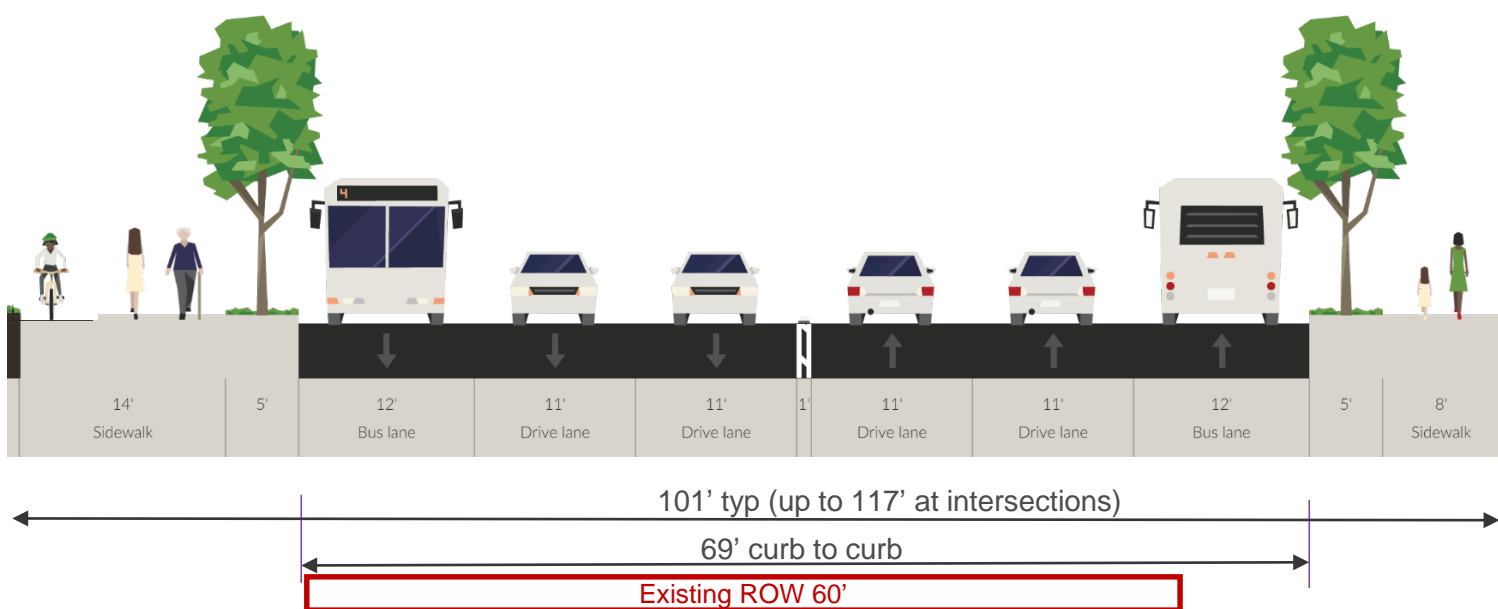
ROW Impacts (ft ²)	55,700
Full Acquisitions	17 (17%)
Parcel Impacts	34 (49%)
Total Number of Parcels	35

Aurora to SR522

Length = 2.45 miles



Concept 4A -Center Two-lane Bus way



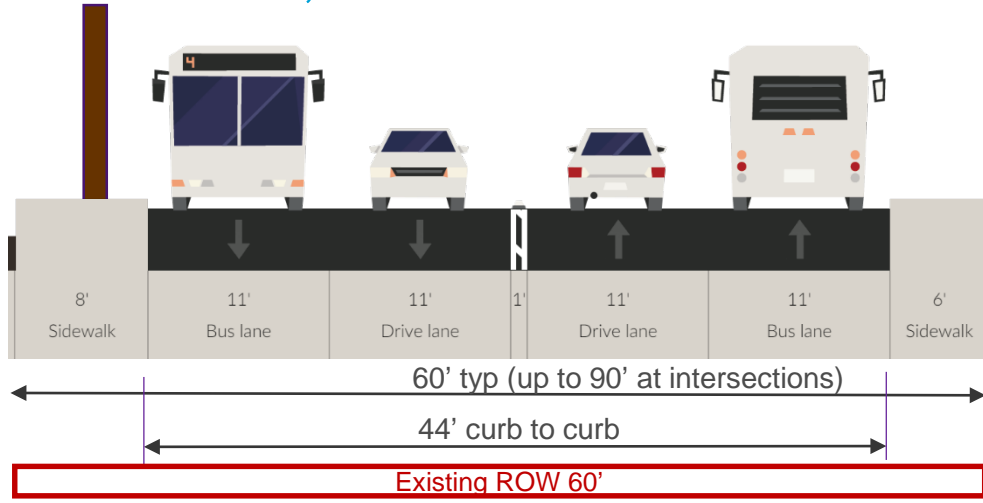
- 4 traffic lanes, limited left turns, U-turns
- Bus lanes / right turn lanes
- 8' sidewalks with 5' amenity zones/planter on one side
- Shared path on one side
- Utility undergrounding

	Aurora Ave to I-5
ROW Impacts (ft ²)	145,000
Full Acquisitions	65 (68%)
Parcel Impacts	96 (100%)
Total Number of Parcels	96

	I-5 to Lake City Way
ROW Impacts (ft ²)	256,200
Full Acquisitions	70 (58%)
Parcel Impacts	120 (100%)
Total Number of Parcels	120

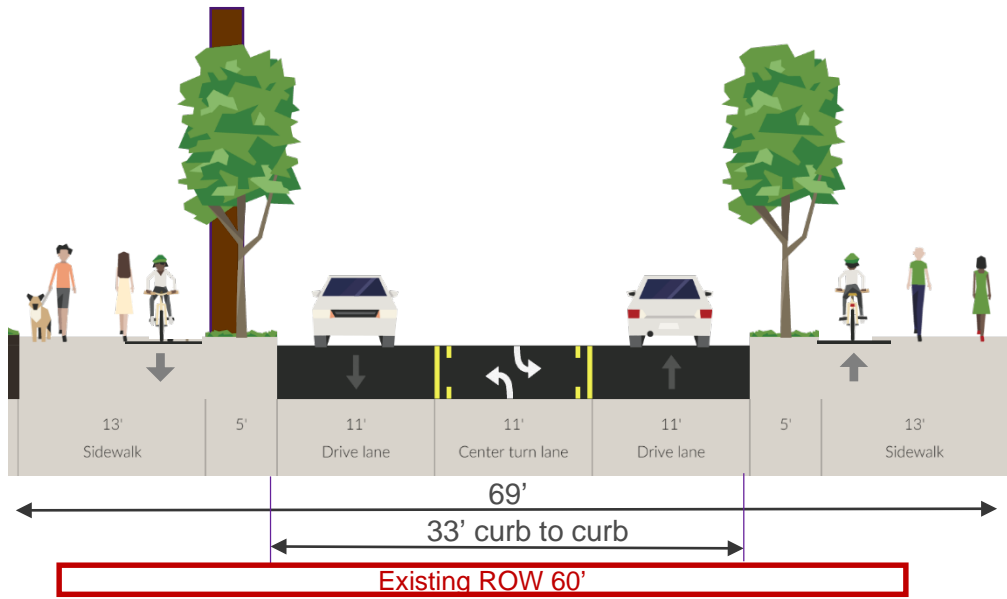
Additional Study Concepts

Concept 2A – BAT Lanes, Aurora to SR522



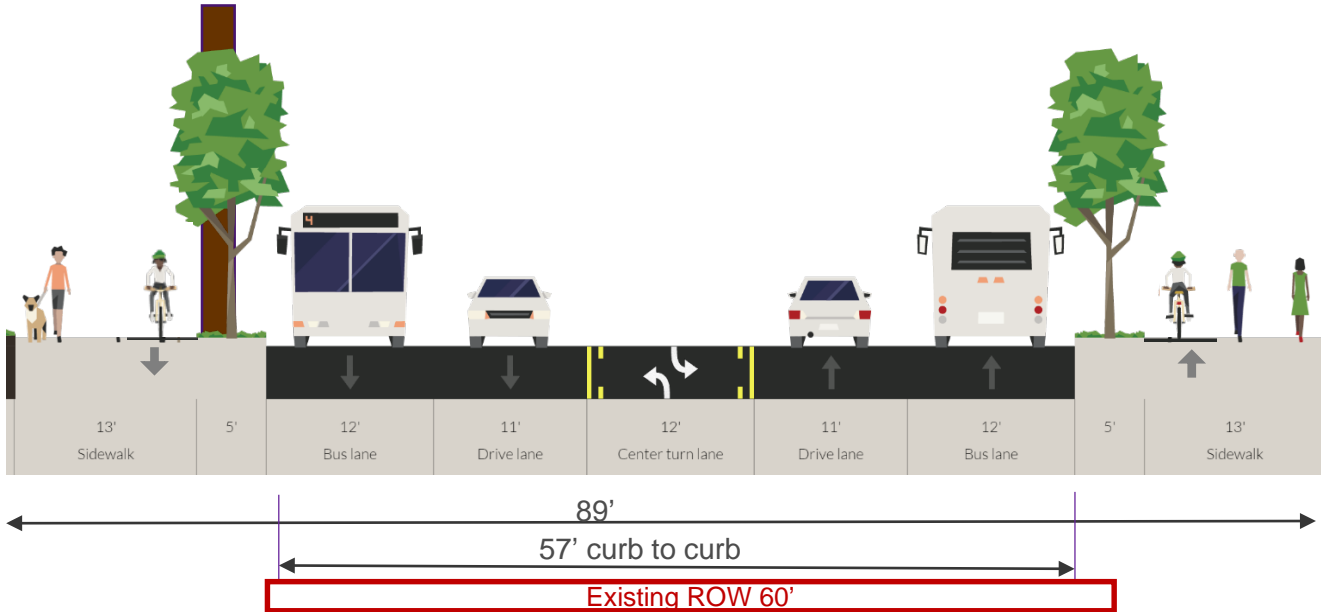
- 2 traffic lanes, limited left turns, U-turns
- BAT Lanes

Concept 3A – Three Lanes “Road Diet”, Aurora to SR522



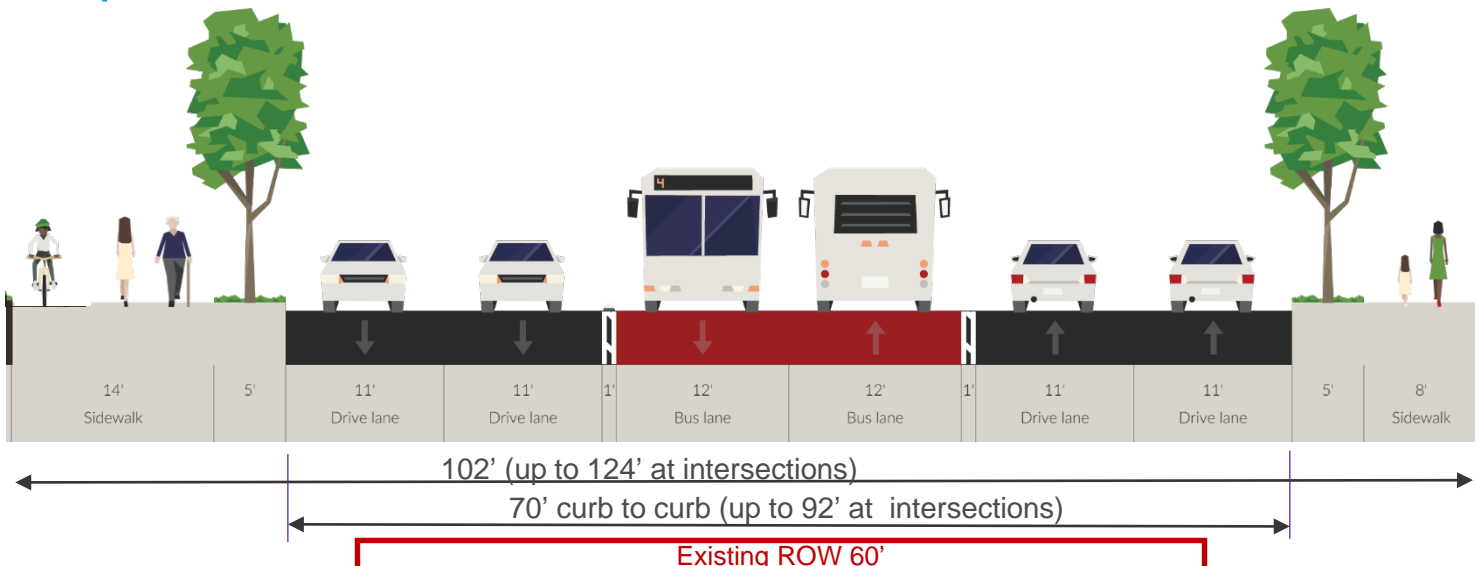
- 2 traffic lanes with two-way left turn lane
- No bus lanes

Concept 3B – with BAT Lanes, Aurora to SR522



- 2 traffic lanes with two-way left turn lane
- Bat lanes

Concept 4A – Center Bus Lanes, Aurora to SR522



- 4 traffic lanes
- Center two-lane bus way

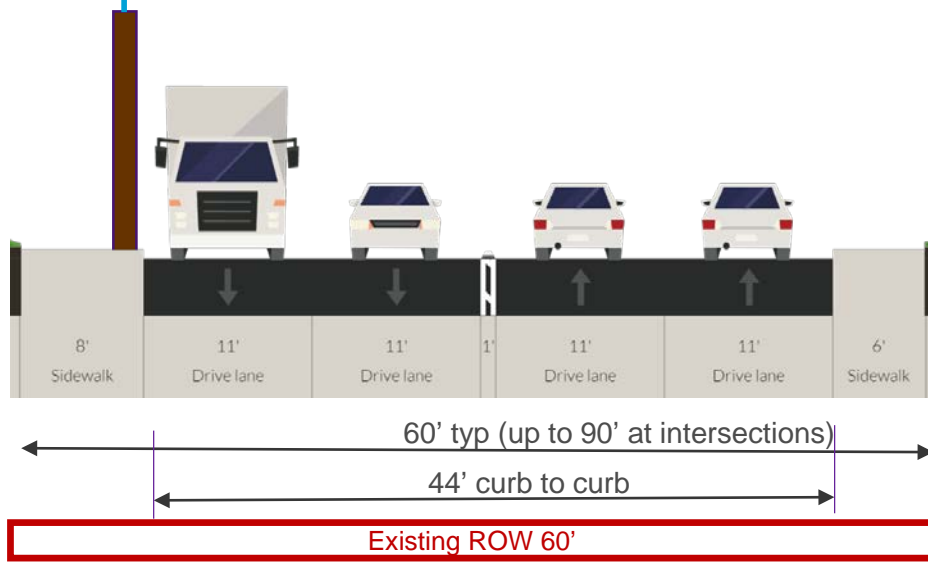


Typical Sections – Mid-block

Aurora to SR522

Length = 2.45 miles

Study Concept 2



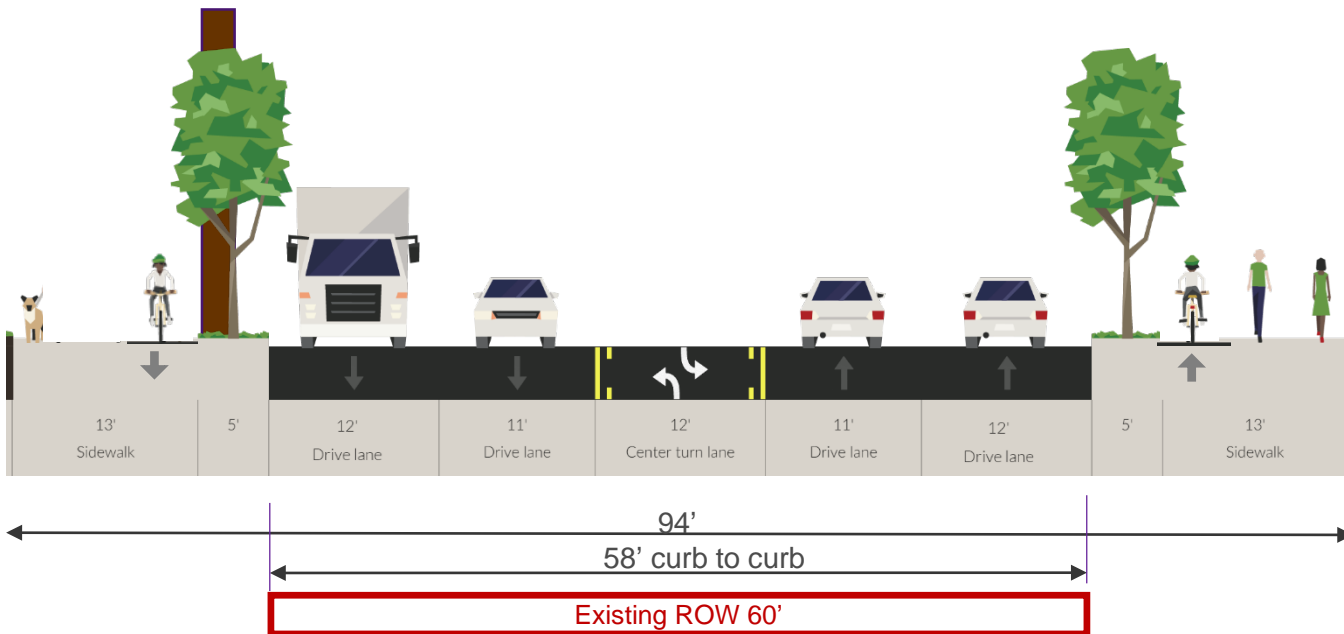
- 4 traffic lanes, limited left turns, U-turns
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Study Concept 3



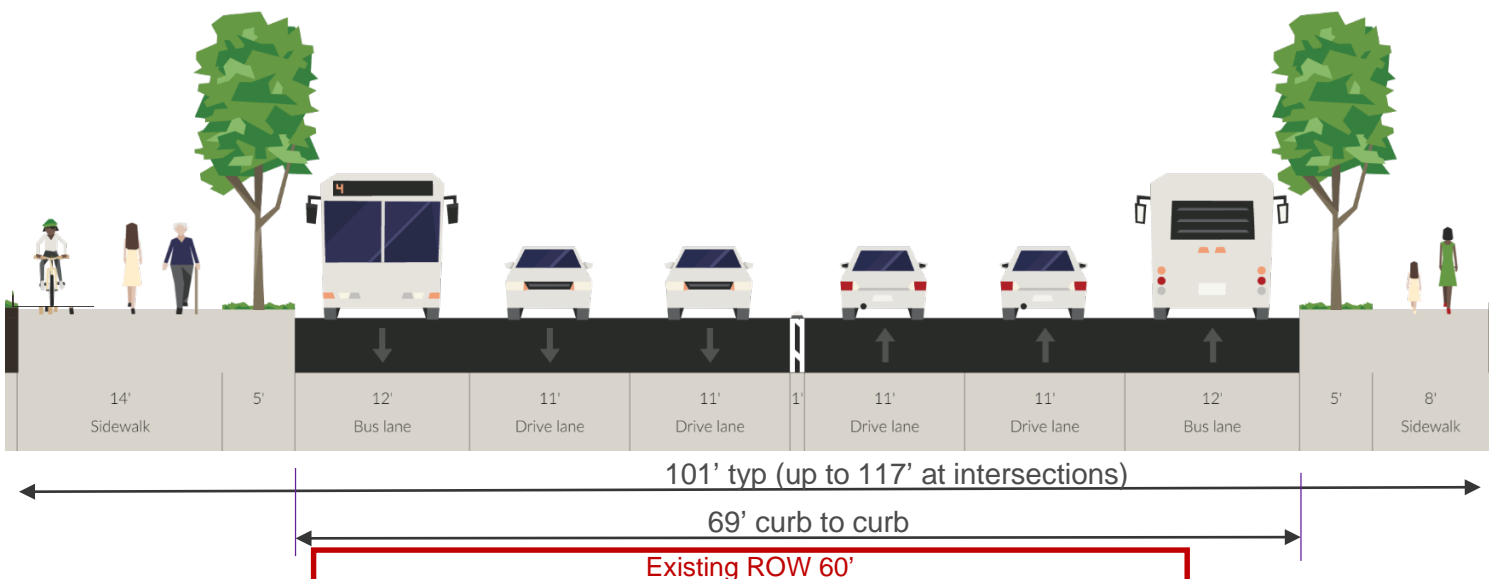
- 4 traffic lanes with two-way left turn lane
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- 5' amenity zones/planter
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Study Concept 4



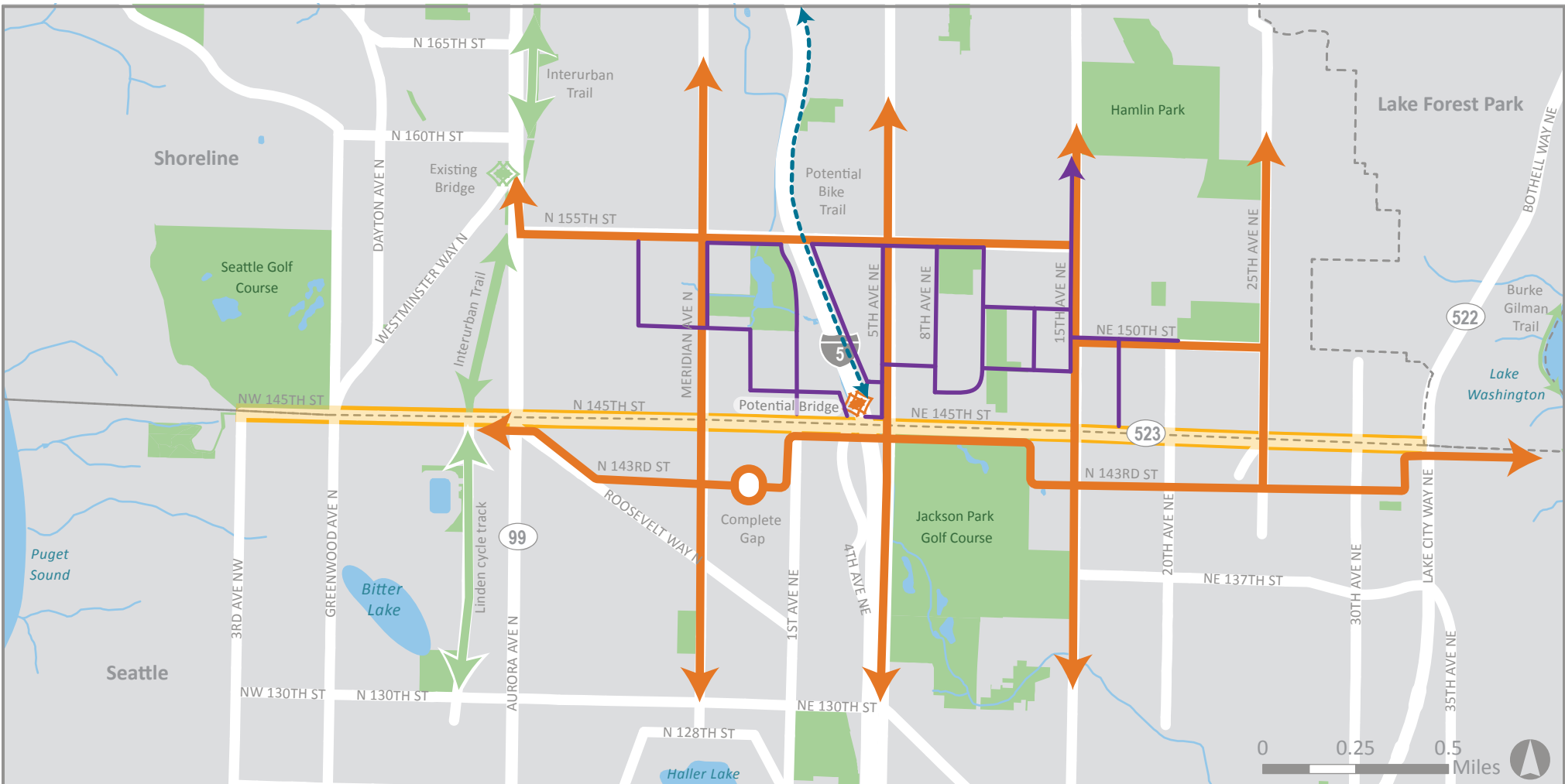
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- Study Corridor
- Park/Trail
- Proposed Bike Network
- N 145th St Station Subarea Potential Green Network Concept
- Waterbody
- City Boundary
- Sound Transit Lynnwood Link Potential Bike Trail

OFF CORRIDOR BIKE NETWORK STUDY CONCEPT 2