



SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, September 14, 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		
<p><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></p>		
6. APPROVAL OF THE AGENDA		7:20
7. CONSENT CALENDAR		7:20
(a) Minutes of Business Meeting of August 3, 2015	<u>7a1-1</u>	
Minutes of Business Meeting of August 10, 2015	<u>7a2-1</u>	
Minutes of Special Meeting of August 24, 2015	<u>7a3-1</u>	
(b) Approval of expenses and payroll as of August 21, 2015 in the amount of \$1,261,459.24	<u>7b-1</u>	
8. ACTION ITEMS		
(a) Adoption of Res. No. 376 for Notification of the City of Shoreline's Intent to Conduct a Public Hearing for the Purpose of the Potential Assumption of the Shoreline Transportation Benefit District	<u>8a-1</u>	7:20
9. STUDY ITEMS		
(a) Discussion of the 2015 Second Quarter Financial Report	<u>9a-1</u>	7:50
(b) Discussion and Update of Environmental Strategies	<u>9b-1</u>	8:20
10. ADJOURNMENT		9:30

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, August 3, 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

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

John Norris, Acting City Manager, provided reports and updates on various City meetings, projects and events.

4. COUNCIL REPORTS

Councilmember McConnell provided a status update on the Ronald Wastewater Assumption Committee of Elected Officials (CEO). Councilmember Roberts added that the CEO discussed final policy issues at the previous meeting and said they presented a document containing agreements and commitments to the Ronald Wastewater Board for their review and approval. He stated a Final Transition Plan will be provided to Council by the end of the year and said Council's direction is needed regarding establishing a Utility Advisory Board/Commission.

5. PUBLIC COMMENT

Alvin Rutledge, Edmond resident, commented on the Celebrate Shoreline event scheduled for August 14, and on media coverage for the Washington 32nd Legislative District event. He also said the City of Shoreline has good City Council candidates.

Donna Eggen, Jazz Walk Committee Representative, encouraged everyone to attend the North City Jazz Walk on August 11, 2015.

Ginny Scantlebury, Shoreline resident, said conducting a town hall meeting is a great idea and that she looks forward to hearing the results of tonight's dinner meeting discussion. She referenced an article written by Danny Westnead, Seattle Times, regarding up-zoning in the City of Seattle, and said she hopes Shoreline Councilmembers are learning from that situation. She spoke on Agenda Item 8.a, commenting that waiving fees for developers shift costs to single family homeowners. She said the income threshold AMI is high enough and that developers should not be allowed multiple fee waivers.

Janet Way, Shoreline Preservation Society, stated that she agrees with the article referenced by Ms. Scantlebury. She stated that the City of Shoreline has a problem with public participation and noted the Washington Cities Insurance Authority cited that public participation outreach efforts for the Comprehensive Plan Update were not adequate. She commented on the lack of public outreach to citizens regarding the 185th Street Station Subarea planning. She expressed concern with the Impact Fee Ordinances on tonight's agenda and said she doubts many members of the public know about it. She said that when you give developers repeated breaks, homeowners and tax payers have to pick up the tab. She concluded her remarks by stating that Shoreline needs to do a better job of doing outreach and public participation.

Elaine Phelps, Shoreline resident, said she agrees with Ms. Way. She commented on environmentalism and Councilmembers who voted for the 185th Light Rail Station Subarea. She noted that people living in Shoreline are currently surrounded by an environment they desire and Forterra does not have an environmental position that equates to the wants of Shoreline residents.

John Norris, Acting City Manager, explained the City's public participation process and shared that Councilmembers studied and discussed Agenda Items 7.b-7.e, regarding Impact Fees, on July 13, 2015. He added that Councilmembers will be discussing the Sound Transit Light Rail Project tonight and recalled that Light Rail is a Sound Transit Project and therefore the public participation process will be dictated by them.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Councilmember Roberts, seconded by Councilmember Hall and unanimously carried, the following Consent Calendar items were approved:

- (a) Minutes of Business Meeting of June 8, 2015**
- (b) Adoption of Ord. No. 716 - Amendments to SMC 12.40 Transportation Impact Fees to address change of use in occupied and vacant structures**
- (c) Adoption of Ord. No. 718 - Amendments to SMC 12.40 Transportation Impact Fees to include deferral program for single family residential and Amending SMC 3.01 Fee Schedule to include administrative fee**

(d) Adoption of Ord. No. 719 - Amendments to SMC 12.40 Transportation Impact Fees to include exemption for community-based human services agencies

(e) Adoption of Ord. No. 720 - Amendments to SMC 3.01.015 Transportation Impact Fees to include "Assisted Living" in Impact Fee Rate Table

8. STUDY ITEMS

(a) Discussion of Affordable Housing Permit Fee Waiver/Reduction

Rob Beem, Community Services Manager, explained a fee waiver program would respond to affordable housing interest and support City Council policy. He presented the goals for an Affordable Housing Permit Fee Waiver, income limits, current incentives, and described the City's current affordable housing tools. He reviewed cost modeling, provided an example of a fee waiver exemption, and advised that affordable housing projects occur approximately every five years. He said fee waivers provide an opportunity for the City to contribute to affordable housing. He explained that although both the City's General Fund and Capital Fund would be used for projects, that costs would not be a burden to the City. He recommended an affordable housing program with the following criteria: a 60% AMI threshold; available to both non-profit and for-profit developers; used in conjunction with other affordable housing incentives; used for new construction and remodels/renovations; applied only to units that meet the affordability requirements; and is available citywide.

Councilmembers expressed their desire to encourage affordable housing in Shoreline and commented on the importance of meeting the needs of our society. They offered general support for staff's recommendation and requested the matter be studied by the Planning Commission. They mentioned current affordable housing incentives available to developers, stated they have not seemed to generate any interest, and questioned the need for another program. They asked what drives the five year affordable housing development period. Mr. Beem responded that it takes about five years to assemble funding sources and shared that King County tries to distribute funds evenly among the County. He said the 185th Subarea Station and the Comprehensive Plan identifies a permit fee waiver as a tool the City would like to implement, and that it will help get affordable housing to 60% AMI.

Councilmembers discussed a 60% AMI threshold in Shoreline, not applying exemptions to anything over 60%, and the need to address how much the City wants to subsidize affordable housing. They commented on the challenge to provide housing for people with less than 40% AMI, expressed concern over subsidizing for-profit developers, and stated that a fee waiver/reduction should only apply to affordable housing units. They suggested a five year sunset date and monitoring report. Mr. Beem responded that it would be unlikely a developer would want to encumber a property for 50 years for 1% of their construction cost.

Councilmembers asked what the AMI limit is for Veterans Housing, Ronald Commons, and the King County Housing Authority. They requested having a discussion on levels of affordability, and taking a comprehensive look at all of Shoreline's affordable housing strategies and tools.

They recommended that the Planning Commission study other cities' affordable housing strategies, research exemption status for projects like Vision House, and explore implementing a baseline number of units committed to affordable housing to be eligible for the exemption. Mr. Beem responded when Veterans Housing was initially built the AMI was under 50%, and that the Housing Authority's is mostly at 60% and below.

(b) Sound Transit Light Rail Project and Planning Update

Nytasha Sowers, Transportation Planning Manager; Rachael Markle, Planning & Community Development Director; and Scott MacColl, Intergovernmental Program Manager, provided the staff report. Ms. Sowers reviewed Sound Transit's Lynnwood Link Schedule, stated the project is on schedule for completion in 2023, and reviewed where they are in the process. She explained FEIS modifications include an elevated track alignment on I-5 South at 145th Street, building infrastructures for future elevated stations at 130th Street and 220th Street, and station access improvements within ¼ mile of the Stations. She presented the 145th Street Station Design, stated it anticipates 6,000 weekday boardings, a 500 stall parking garage, and will consider recommendations from the 145th Corridor Study. She presented Shoreline's primary issues of concern and reviewed the design process at 30%, 60%, 90% and 100% design.

Ms. Markle explained Sound Transit's public design process. She said Sound Transit inquired about Shoreline's local public design process and shared that the City does not have a design review process for a project of this magnitude. She proposed forming a Community Advisory Board (CAB), explained the purpose and duties of a CAB, identified member representation, timelines, and Council's role in the community process. She described Shoreline's Lynnwood Link Light Rail Extension Design Review Team, City Council Briefings, and the Design Review Board.

Councilmembers asked when the Planning Commission will work on code changes and address pending items in the Development Agreement. Ms. Markle responded that the Planning Commission anticipates having code changes completed by the end of the year, and that identifying criteria, like energy efficiency, in the Development Agreement will happen at a future date.

Councilmembers asked what the role of a CAB is, requested information on how they have worked well in other cities, and expressed concern that they might be exclusionary and also be advising Council on design without receiving input from the public. Council wants to ensure that the public is engaged at each design phase and suggested that there be other ways to receive their input. They recommended conducting public outreach and open houses, and suggested conducting an open house in the fall of 2015 to be able to get input to Sound Transit before they start their 30% design. It was requested that one more Council check-in be added before 2016.

Councilmembers requested that standards regarding access to the Station be included in the Development Agreement; that guidance on environmental sustainability features is provided to Sound Transit early on in the process; and that the City ask for environmental benefits and interactive educational experiences. Councilmembers suggested that the most effective way to send comments to Sound Transit is for Council to draft a letter that incorporates the public input gathered.

Ms. Markle responded that a CAB would receive presentations on station design and offer opinions about the design. She explained that staff will work with Sound Transit to find out what good public input is.

Mr. MacColl reviewed highlights of the Sound Transit 3 (ST3) ballot measure planned for the November 2016 Election and reviewed Shoreline's ST3 requests. He pointed out that Shoreline, along with neighboring jurisdictions/agencies, wrote comment letters asking for high capacity transit on 145th/SR 523 from I-5 to SR 522, and a parking garage.

Councilmembers asked who the City needs to work with to get the second Light Rail Line coming north out of Seattle to go through the north end of Shoreline before connecting east to the rest of system. They suggested requesting this potential line be included in the design packet so that future lines can have the potential to go north. Mr. MacColl responded that the City would need to work with Seattle to make that happen.

Ms. Markle confirmed that Council would prefer to move forward with Open House venues, and Ms. Sowers added that Staff will move forward with drafting a Sound Transit Staff Agreement. Mr. Norris confirmed that he will also get input from the City Manager regarding next steps.

9. ADJOURNMENT

At 9:08 p.m., Mayor Winstead declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, August 10, 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

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.

(a) Proclamation of Celebrate Shoreline

Mayor Winstead, accompanied by City Councilmembers, read a proclamation declaring August 6, through 16, 2015 as a time to Celebrate Shoreline.

3. REPORT OF CITY MANAGER

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

4. COUNCIL REPORTS

Mayor Winstead reported that she, along with Deputy Mayor Eggen and Councilmember Roberts, attended a Sound Cities Association networking breakfast. She said that Senator Patty Murray was the special guest speaker and shared that she enjoyed networking with elected officials from other cities.

Deputy Mayor Eggen reported that he and Senator Patty Murray attended the Operation WelcomeOneHome Rally in Seattle to support ending veterans' homelessness by December 31, 2015.

Councilmember McConnell said that she and Deputy Mayor Eggen are Co-chairs for the SeaShore Transportation Forum. She reported attended a meeting regarding tolling on Interstate

405. She explained that the goal of HOV lanes is to move traffic at 45 mph and said tolling will improve traffic flow. She reported attending a combined regional planning committee meeting and announced they are hosting a Transportation Planning Symposium on October 9, 2015.

5. PUBLIC COMMENT

Lynn Cheeney, Director of North City Jazz Walk, announced the Jazz Walk scheduled for Tuesday, August 11, 2015 and thanked the Council and City Staff for making the event possible.

Tom Jamieson, Shoreline resident, commented that he has opposed the Aurora Square Community Renewal since 2012 and said it is a violation of personal property rights. He spoke in opposition of Ordinance 705 Planned Action and said it is not consistent with the Comprehensive Plan and the Transportation Master Plan. He added that the adoption of the Ordinance violates the Growth Management Act. He said Westminster Way is still a truck route and the Growth Management Acts directs that the Comprehensive Plan and the Transportation Master Plan be amended prior to any city action.

Janet Way, Shoreline Preservation Society, expressed concern about the transportation element of the CRA Planned Action and the proposal for a regional stormwater detention facility at the Shoreline Community College parking lot. She said a detention facility has not been fully studied and she does not understand how it can be adopted in the Planned Action Ordinance. She said she assumes it will preclude public comments at the time stormwater proposals are presented. She said there are a lot of stormwater issues that need to be remedied, and commented on Boeing Creek being a salmon habitat, and the sediment problems at Hidden Lake. She stated the proposal has not been formed enough and urged Council to reject the Plan.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Councilmember Hall, seconded by Councilmember McGlashan and unanimously carried, the following Consent Calendar items were approved:

- (a) Minutes of Business Meeting of June 15, 2015 and Minutes of Business Meeting of June 22, 2015**
- (b) Approval of expenses and payroll as of July 24, 2015 in the amount of \$2,061,569.04**

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
6/21/15-7/4/15	7/10/2015	61713-61945	13917-13953	60573-60578	\$491,005.69

\$491,005.69

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
7/15/2015	60507	60534	\$191,117.29
7/15/2015	60535	60544	\$12,939.35
7/15/2015	60545	60565	\$35,206.61
7/15/2015	60566	60572	\$2,089.93
7/21/2015	60579	60579	\$9,329.00
7/21/2015	60580	60581	\$50,191.22
7/22/2015	60582	60597	\$45,499.15
7/22/2015	60598	60609	\$54,426.15
7/22/2015	60610	60635	\$1,147,248.86
7/22/2015	60636	60644	\$22,515.79
			<u><u>\$1,570,563.35</u></u>

8. ACTIONS ITEMS

(a) Adoption of Ord. No. 705 - Aurora Square CRA Planned Action FEIS

Dan Eernisse, Economic Development Manager, recalled that the Community Renewal Area designation came with a requirement to adopt a Renewal Plan which identified several City led projects. One of the projects listed is to develop a Planned Action for the area. He pointed out that the proposal for an offsite regional stormwater facility is not being approved as part of the Planned Action, but explained the Planned Action does provide an incentive to study and consider one in the future. He then reviewed the Planned Action FEIS Process.

Councilmember McGlashan moved approval of Ordinance 705 the Aurora Square Community Renewal Area Planned Action. The motion was seconded by Deputy Mayor Eggen.

Councilmember McGlashan said he is looking forward to the next steps in the process to get new development for that area.

Councilmember Roberts commented that the area is the right scale for this type of Planned Action. He asked if the traffic analysis studied cut through traffic on local streets; if the Planned Action prohibits other ways of managing stormwater; and if the Comprehensive Plan needs to be amended before Council action is taken. Mr. Eernisse answered that the traffic analysis did not study cut through traffic, but stated the study determined traffic would increase and thereby increase cut through traffic. He said stormwater goals are stated in the Plan, explained there are various options to meet stormwater goals, and reiterated that the Plan does not mandate a regional stormwater facility.

Margaret King, City Attorney, stated that the Comprehensive Plan amendment regarding the un-designation of Westminster Way from a truck route is already on the Docket. She explained that

the Planned Action is not a land use action and is therefore not subject to the Growth Management Act.

Councilmember Salomon said he is glad the City is looking at a regional stormwater facility and wants to ensure it is a best practice for stream rehabilitation and stormwater infiltration. He stated the City needs to jump on this opportunity to restore a stream and that he is excited to explore this possibility. He recalled originally supporting Planned Action Alternative 2 because it is a smaller Planned Action and due to the surrounding Community's concerns over parking and overflow. He said he hopes parking will be addressed in Alternative 3, and said he supports moving forward with the Plan Action to improve the area.

Deputy Mayor Eggen asked if an off-site regional stormwater facility would be consistent with Low Impact Development requirements.

At 7:38 p.m., Mayor Winstead called for a recess, and at 7:43 p.m. she reconvened the meeting.

Steve Szafran, Senior Planner, replied that the City relies on the 2005 Department of Ecology Stormwater Manual, described the process, and stated retention vaults are the last options for development. Mr. Eernisse clarified that the regional detention facility focuses on water detention and not quality, and that water quality is intended to be managed on site. Deputy Mayor Eggen asked for confirmation that the permitting for stormwater detention is an administrative action that does not come back to Council. Mr. Szafran responded affirmatively.

Councilmember Roberts moved to amend Ordinance 705 Section 3 Table (C)(2)(a) striking column two in its entirety and the note below the table, and Section 3 Table (C)(3)(a) striking columns two, three, and four, plus the note below the table. The motion was seconded by Councilmember McConnell, and passed unanimously.

Deputy Mayor Eggen expressed concern about the Northwest School for the Deaf and stormwater requirements, and its ability to afford improvements that the CRA decides to perform. Mr. Eernisse said he does not believe the Planned Action would require the School to pay for improvements, but being a member of the Covenants, Conditions and Restrictions (CC&Rs) would.

Deputy Mayor Eggen moved to amend Ordinance No. 705, Section 2 Planned Action Area Designation, as shown on Exhibit C to the Ordinance, to exclude the two parcels of land owned by the Northwest School for Deaf and Hard-of-Hearing Children, tax parcels 0306500020 and 0306500025, from the designation. The motion was seconded by Councilmember Salomon.

Councilmember Salomon listed a number of factors that support excluding the School from the CRA. Councilmember McConnell asked if the School would be included in the signage and questioned what the benefits are of them remaining apart of the CRA. She stated she is sympathetic to the School but they are tied to their CC&R's, and therefore, she will not be supporting the amendment. Mr. Eernisse responded they are excluded from the area required to do signage; however, the area that is designated to require signage controls the private

agreements (CC&Rs), which the School is tied to. He said the benefits are an increase in property values by making development easier.

Councilmember Hall pointed out that the School's only vehicular access is from the extension of 153rd Street behind Super China Buffet, and said that if the School does not continue to participate in the CC&Rs they can stand to lose. He noted that they have 125 surface parking spaces with no detention and water quality treatment systems, and shared they would gain from any future development that includes structured parking and stormwater treatment. He recalled Council voted to include the School in the CRA, and expressed that this amendment would be a symbolic vote that sets false expectations because they still remain in the CRA and are legally bound by the CC&Rs. He stated he will not be supporting the amendment.

Councilmember Roberts asked if a new property owner would be subject to the CC&Rs. Mr. Eernisse responded yes and explained that CC&Rs are attached to the land. He advised not to base land use decisions on how the property is currently being used but to look at the future purpose and vision for the entire area.

Mayor Winstead stated she has not heard from the School, and shared that Boards and visions change, and that she does not want to limit their opportunity for future development. She said the City's action has no implication on what happens to the School and stated she will not be supporting the amendment.

Deputy Mayor Eggen agreed that the motion does not remove the School from the CRA, and that a separate action is needed to remove them, which is not impossible to do. He said Council needs to be stewards of the City and be cognizant about the desires of individual property owners and the impact of Council actions. He shared it would be a challenge for a non-profit business to come up with money for improvements, and that other businesses stand to make a lot of money when they develop their properties but not the School.

Councilmember McGlashan asked if the Washington State Department of Transportation property is bound to the CC&Rs. Mr. Eernisse responded no.

The motion failed 2-5, with Deputy Mayor Eggen and Councilmember Salomon voting yes.

The vote on the main motion, as amended, passed unanimously.

(b) Adoption of Ord. No. 712 - Sign Code Amendment

Mr. Eernisse stated that Ordinance 712 implements goals within the CRA by amending the City's sign code to create cohesiveness, allow area-wide advertising, and improve entrance and signage on frontage streets. He recapped the proposed regulations for the CRA pylons signs, electronic messaging center, monuments signs, and Wayfinding signposts. He then reviewed signage mandates and recent enhancements to the Master CRA sign package.

Deputy Mayor Eggen moved adoption of Ordinance No. 712 Aurora Square Community Renewal Area Sign Code Amendment. The motion was seconded by Councilmember McGlashan.

Deputy Mayor Eggen commented that the renewal area needs visibility to be successful.

Councilmember McGlashan asked if the pylon sign can have one electronic message, questioned whether the word "shall" is appropriate for the electronic messaging hold time requirement, and asked about enforcement. Councilmember Hall and Mr. Szafran confirmed that a sign can have only one electronic message.

Councilmember Roberts asked about the mandatory installation required for certain signs, spoke about monochromatic electronic messages, and asked Councilmembers how they felt about allowing businesses to display their logo in full color. Mr. Eernisse responded that the mandatory installation is a way for businesses to assist with the City's investment in improving the area.

Councilmember Salomon asked if monochromatic electronic messaging signs are intended to be less obnoxious. He said he does not support electronic messaging and the Ordinance as it is written. He said he likes the Stone Review Design and would like for the discussion to go back to the Planning Commission. Mr. Eernisse responded the monochromatic electronic messaging adds an element of class.

Councilmember McConnell said monochromatic signage is classier, that she does not like electronic signs that move, and that she prefers to have input from business owners and the Planning Commission. Mr. Eernisse replied that message hold time requirements eliminate animation.

Councilmember Hall said final design standards should be approved by the Planning Commission, and shared that he does not like electronic digital and moving signs. He said he sees increasing the hold time as a viable compromise.

Councilmember Hall moved to amend Section 20.50.620.E.7.f of Exhibit A to Ordinance No. 712 by changing the EMC message hold time from ten (10) seconds with dissolve transitions to twenty (20) seconds with dissolve transitions. The motion was seconded by Councilmember Salomon.

Councilmember Salomon moved to amend the amendment to remove the allowance of electronic signs from Ordinance 712. Mayor Winstead ruled the motion was not in order. Councilmember Salomon withdrew the motion.

Deputy Mayor Eggen said he felt 10 seconds was a compromise for a long hold time and that he will not be supporting the amendment.

The motion failed 2-5, with Councilmembers Hall and Salomon voting yes.

Councilmember McGlashan moved to remove from Section E.7.f, "10% of each hour shall advertise civic, community, educational events". The motion died from lack of second.

Deputy Mayor Eggen said he does not support multicolor electronic signage. Councilmember McGlashan commented that he has not seen businesses put their logo in electronic sign messages, and that he believes they should be monochromatic.

Mayor Winstead said there is a purpose for electronic signs and thinks monochromatic signs are sufficient. She said she supports sign approval going through the Planning Commission with a public process, and questioned if the matter would return to Council. Mr. Eernisse stated they welcome Council's feedback in defining the process.

Councilmember Salomon moved to amend Ordinance No. 712 to delete any reference to electronic signage in the CRA. The motion was seconded by Councilmember Hall.

Councilmember Salomon said he believes electronic signs are obnoxious and a toned down sign structure will help businesses more. Councilmember Hall concurred. Councilmember McGlashan stated he supports electronic signs and asked staff about the process if the amendment passes. Ms. Tarry responded that Council can direct staff to strike any references to electronic signs in Ordinance No. 712. Mr. Eernisse advised that typically businesses prefer electronic signs and added that staff is recommending electronic signs.

Deputy Mayor Eggen recalled that smaller businesses would only be able to advertise through electronic signage and stated he supports staff's recommendation. Mayor Winstead concurred, and stated there are restrictions in place to help managed the presentation. Councilmember McGlashan stated electronic signs are useful and he will not be supporting the amendment. Councilmember Roberts said he believes the business owners would like to see electronic signs and he also will not be supporting this amendment.

The motion failed 2-5, with Councilmembers Hall and Salomon voting yes.

Councilmember Roberts moved to amend Section 20.50.620.E.8 of Exhibit A to Ordinance No. 712 by adding a provision in regards to CRA Pylon Signs that limits their location to area on the CRA Lifestyle Frontages that are directly across from properties with Mixed Business (MB) zoning. The motion was seconded by Councilmember Salomon.

Councilmember Roberts explained the amendment would avoid placing electronic signs outside of someone's residence. Councilmember McGlashan stated the signs will not be facing residences and that the entrance to the site has yet to be determined. He said he will not be supporting the amendment.

The motion passed 6-1, with Councilmember McGlashan voting no.

Councilmember Roberts moved to amend Section 20.50.620.E.8 of Exhibit A to Ordinance No. 712 by changing the maximum number of allowed pylon signs from three (3) to four (4) pylon signs with one (1) sign allowed on the N 160th Street CRA Lifestyle Frontage, one (1) sign allowed on the Westminster Way N CRA Lifestyle Frontage, and two (2) signs allowed on the Aurora Avenue N CRA Lifestyle Frontage. The motion was seconded by Deputy Mayor Eggen.

Councilmember Roberts explained this amendment will allow property owners to have an additional sign on Aurora Avenue and addresses the Pet Clinic sign. Councilmember McGlashan said pylon signs should denote an entrance and believes an additional sign would make it too bright. He said he will not be supporting the motion.

The motion failed 3-4, with Mayor Winstead, Deputy Mayor Eggen, and Councilmember Roberts voting yes.

The vote on main motion, as amended, passed 5-2 with Councilmembers McGlashan and Hall voting no.

9. ADJOURNMENT

At 9:13 p.m., Mayor Winstead declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, August 24, 2015
5:45 p.m.

Conference Room 303 - Shoreline City Hall
17500 Midvale Avenue North

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; Rob Beem, Community Services Manager; and Bonita Roznos, Deputy City Clerk

GUESTS: Beratta Gomillion, Executive Director, Center for Human Services; Kevin Osborne, Hopelink Shoreline Center Manager; Judy Faast, Hopelink Director of Education and Employment; and Bob Lohmeyer, Director, Shoreline/LFP Senior Center

At 5:50 p.m., the meeting was called to order by Mayor Winstead.

Mayor Winstead thanked the City's quality of life partners for providing needed services to Shoreline residents.

Bob Lohmeyer, Director, Shoreline/LFP Senior Center, presented the Center's demographics, services, budget, and trends. He said the Center serves 3,300 to 3,370 seniors annually; 50% are Shoreline residents; 77% are female; 60-74 is the average age range; and they are in the low to very low income range. He reviewed services that are available at the Center and pointed out that class offerings have changed from socialization and recreation to health and wellness. He shared that revenue is received from contributions, dues, and fees; special events; sales and goods; and local government and senior services. He also stated the Center contributes 63% to the budget and the City of Shoreline contributes 37%. He said the budget has been stable for the last three years and, in some cases, yielded a surplus. He explained that United Way is reducing support to the Center, and as a result, he is anticipating a \$25,000 budget shortfall.

Councilmembers asked why United Way is reducing funding. Mr. Lohmeyer explained that the majority of support United Way receives comes from the technology industry and that they are directing priorities elsewhere.

Beratta Gomillion, Executive Director, Center for Human Services, shared that they provide behavioral health and family support services to low to very low income clients. She said 60% of their clients are age 21 and younger and 69% are non-Caucasian. She provided a description of their Intake Therapy Program, Substance Abuse Program, Early Learning Services, Youth Services, and the Wrap-Around Program. She shared that academic and intervention strategies

used at Ballinger Homes are resulting in a high rate of high school graduates. She said high staff turnover, loss of funding, inadvertent consequences of the Affordable Care Act, and the \$100,000-200,000 budget deficit are challenges the Center is facing. She communicated her goal to integrate behavioral health with education and employment programming to equip clients with tools they need to get a job.

Councilmembers asked how the Center remains open given the large deficit. Ms. Gomillion responded that they are currently using reserve funding.

Kevin Osborne, Hopelink Shoreline Center Manager, introduced Judy Faast, Hopelink Director of Education and Employment. He shared that current services provided by Hopelink include family development, housing, emergency food, emergency financial assistance and adult education. He noted that 90% of their clients are from Shoreline. He said their service of providing emergency food bags has seen the largest increase in service this year.

Councilmembers asked what accounted for the large increase in emergency food bags. Mr. Osborne explained that they are receiving clients from Tent City and that more homeless people are coming to Shoreline. He said food bank numbers have increased and he shared that there is a need to provide lunch for children. He said emergency financial assistance is down 23% and explained that it is due to the increase in the cost of utilities. He said that housing support is down 50% and explained paying for storage units and prescriptions have increased. He said the biggest challenge for Human Services is providing affordable housing to low income residents. He shared Hopelink's goal of bringing one stop shopping to Shoreline Hopelink so that all needed services can be provided to clients in one place.

Ms. Faast talked about the employment program and providing one to one job coaching to clients. She explained the change of focus in the Adult Education Program from basic language skills to English for work skills. She said the GED preparation course was discontinued due to stringent new requirements, and that she anticipates an expansion in the Case Management Program and financial coaching.

Councilmembers asked about affordable housing development preferences, utility bill reductions, and how the City Council can help secure funding for Human Services. Mr. Osborn responded that advocating for Human Services with other agencies would be helpful, and said although they serve Lake Forest Park residents, they do not received funding from the City of Lake Forest Park. Ms. Gomillion said advocating for Human Services with other city agencies and King and Snohomish Counties would be helpful, and continued support of places like Mary's place that provides showers and beds for the homeless. The quality of life partners agreed that there is an immediate need for any type of affordable housing in the area.

Councilmembers suggested meeting again to continue the discussion.

At 6:51 p.m. the meeting was adjourned.

Bonita Roznos, Deputy City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Expenses and Payroll as of August 21, 2015
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara S. Lane, Administrative Services Director

EXECUTIVE / COUNCIL SUMMARY

It is necessary for the Council to formally approve expenses at the City Council meetings. The following claims/expenses have been reviewed pursuant to Chapter 42.24 RCW (Revised Code of Washington) "Payment of claims for expenses, material, purchases-advancements."

RECOMMENDATION

Motion: I move to approve Payroll and Claims in the amount of \$1,261,459.24 specified in the following detail:

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
7/19/15-8/1/15	8/7/2015	62193-62447	13985-14008	60867-60872	\$511,964.38
					<u>\$511,964.38</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
8/11/2015	60805	60805	\$160.75
8/12/2015	60806	60814	\$9,476.24
8/12/2015	60815	60822	\$59,358.82
8/12/2015	60823	60843	\$49,741.91
8/13/2015	60844	60865	\$363,862.94
8/13/2015	60530	60530	(\$15,000.00)
8/13/2015	60866	60866	\$15,000.00
8/18/2015	60873	60873	\$69,619.38
8/18/2015	60874	60874	\$1,270.79
8/19/2015	60875	60895	\$2,587.10
8/19/2015	60896	60905	\$58,519.92
8/20/2015	60906	60947	\$88,747.82
8/20/2015	60948	60968	\$46,149.19
			<u>\$749,494.86</u>

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Resolution No. 376 – Indication of the City’s Intent to Conduct a Hearing Concerning the Assumption of the Shoreline Transportation Benefit District
DEPARTMENT:	City Manager’s Office
PRESENTED BY:	Alex Herzog, Management Analyst
ACTION:	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The 2015 Washington State Legislature amended existing laws and added new provisions to statutes regarding Transportation Benefit Districts (TBDs). Changes included amendments to statutes establishing and authorizing governance of a TBD. This allows cities and districts with coextensive boundaries to eliminate the separate entity status given to a TBD and for the city to assume the rights, powers, functions, and obligations of the TBD.

Councilmembers have expressed an interest in the City assuming the Shoreline TBD and thereby eliminating it as a separate entity to promote efficiency in government operation and administration and to eliminate potential public confusion about distinguishing the two entities. In order to assume the TBD, the City must adopt a resolution indicating the City’s intent to conduct a Public Hearing on the potential assumption. Adoption of Resolution No. 376 provides for this statutory requirement.

RESOURCE/FINANCIAL IMPACT:

Proposed Resolution No. 376 indicating the City’s intent to conduct a hearing concerning the assumption of the rights, powers, functions and obligations of the TBD has no resource/financial impact. The potential future ordinance authorizing the City’s assumption of the TBD also has no resource or financial impact.

RECOMMENDATION

Staff recommends that Council adopt Resolution No. 376 indicating the City’s intent to conduct a public hearing concerning the assumption of the rights, powers, functions and obligations of the Shoreline TBD; and setting a time and place at which the City will consider the proposed assumption; and stating that all persons interested may appear and be heard.

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

BACKGROUND

Consistent with RCW 36.73, the Shoreline City Council created a Transportation Benefit District (TBD) in June 2009 with approval of Ordinance No. 550. With this ordinance, the Shoreline TBD was formed and a new chapter to the Shoreline Municipal Code, entitled "Transportation Benefit District" was adopted (SMC 3.60). The ordinance specifies that the boundaries for the TBD be coextensive with the City limits. As it currently exists, the Shoreline TBD is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district.

Funds used to operate a TBD must make transportation improvements that are consistent with existing regional, state, and local transportation plans and necessitated by existing and reasonably foreseeable congestion levels as provided in Chapter 36.73 RCW. The Shoreline City Council further determined that it is in the public interest to provide for transportation improvements that specifically focus on reducing the risk of transportation facility failure and improving safety, decreasing travel time, increasing daily and peak period trip capacity, improving modal connectivity, and preserving and maintaining optimal performance of transportation infrastructure (SMC 3.60.020).

Earlier this year, the Washington State Legislature, in passing a 16-year, \$16 billion transportation package, also amended existing laws and added new provisions to statutes regarding TBDs. Changes included amendments to statutes establishing and authorizing governance of a TBD. This allows cities and districts with coextensive boundaries to eliminate the separate entity status given to a TBD and for the city to assume the rights, powers, functions, and obligations of the TBD.

DISCUSSION

Subsequent to the amendments made to state law, Councilmembers expressed an interest in the City assuming the Shoreline TBD. Potential assumption of the Shoreline TBD by the City would have no impact on the various mechanisms by which funds may be raised, or the purposes for which funds may be expended. If the City assumes the rights, powers, functions and obligations of the TBD, establishing additional mechanisms for raising funds for transportation improvements would require future action by the City Council.

In order to assume the Shoreline TBD, there are several steps the City must take. These include:

- Adopting a resolution indicating the City's intent to conduct a hearing concerning the assumption of the rights, powers, functions and obligations of the Shoreline TBD. Proposed Resolution No. 376 (Attachment A) provides this intent.
- Conducting a public hearing concerning the assumption of the rights, powers, functions and obligations of the TBD. The public hearing is currently scheduled for October 5, 2015.

- Discussion of an ordinance authorizing the City's assumption of the rights, powers, functions and obligations of the Shoreline TBD. This discussion is also scheduled for October 5, and would follow the public hearing as part of the same agenda item.
- Adoption of an ordinance authorizing the City's assumption of the rights, powers, functions and obligations of the Shoreline TBD. Adoption of this potential ordinance is currently scheduled for October 19, 2015.

FINANCIAL IMPACT

Proposed Resolution No. 376 indicating the City's intent to conduct a hearing concerning the assumption of the rights, powers, functions and obligations of the TBD has no resource/financial impact. The potential future ordinance authorizing the City's assumption of the TBD also has no resource or financial impact.

RECOMMENDATION

Staff recommends that Council adopt Resolution No. 376 indicating the City's intent to conduct a public hearing concerning the assumption of the rights, powers, functions and obligations of the Shoreline TBD; and setting a time and place at which the City will consider the proposed assumption; and stating that all persons interested may appear and be heard.

ATTACHMENTS

Attachment A – Resolution No. 376

RESOLUTION NO. 376

A RESOLUTION OF THE CITY COUNCIL OF SHORELINE, WASHINGTON INDICATING THE CITY'S INTENT TO CONDUCT A PUBLIC HEARING CONCERNING THE ASSUMPTION OF THE RIGHTS, POWERS, FUNCTIONS, AND OBLIGATIONS OF THE SHORELINE TRANSPORTATION BENEFIT DISTRICT.

WHEREAS, in June 2009, the City Council adopted Ordinance No. 550 creating the Shoreline Transportation Benefit District ("TBD") with boundaries coterminous with the boundaries of the City, all in accordance with chapter 36.73 RCW, and

WHEREAS, on July 1, 2015, the Washington State Legislature enacted Second Engrossed Substitute Senate Bill 5987 (SESSB 5987) which, at Section 301 authorizes the City to assume the rights, powers, functions, and obligations of the TBD; and

WHEREAS, prior to assuming the rights, powers, functions, and obligations of the TBD, the City must indicate its intent to conduct a hearing concerning the assumption by adoption of an ordinance or resolution; and

WHEREAS, the ordinance or resolution must set the time and place for the hearing and state that all persons interested in the assumption may appear and be heard;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON AS FOLLOWS:

Section 1 Intent to Conduct Public Hearing. The City Council hereby declares its intent to conduct a public hearing to consider the proposed assumption of the rights, powers, functions, and obligations of the existing Shoreline Transportation Benefit District.

Section 2 Date, Time, and Place of Public Hearing. The public hearing on the proposed assumption shall be held on Monday, October 5, 2015 at 7:20 pm in Council Chambers at the Shoreline City Hall, 17500 Midvale Avenue, Shoreline, WA 98133.

Section 3 Public Testimony. All persons interested in the proposed assumption may appear at the hearing and will have the opportunity to be heard.

ADOPTED BY THE CITY COUNCIL ON SEPTEMBER 14, 2015.

Mayor Shari Winstead

ATTEST:

Jessica Simulcik Smith, City Clerk

Council Meeting Date: September 14, 2015

Agenda Item: 9(a)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	2015 Second Quarter Financial Report		
DEPARTMENT:	Administrative Services		
PRESENTED BY:	Sara Lane, Administrative Services Director		
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 2015 second quarter financial report is attached to this staff report as Attachment A. This report summarizes the financial activities during the first half of 2015 for all City funds with detailed information provided on the General Fund, Street Fund, Surface Water Utility Fund, General Capital Fund and Roads Capital Fund. This report is provided to keep the Council informed of the financial issues and the financial position of the City.

RESOURCE/FINANCIAL IMPACT:

The table on page 2 of the 2015 Second Quarter Financial Report provides a summary of the financial results for all City funds for January through June of 2015.

RECOMMENDATION

No action is required by the Council. This item is provided for informational purposes.

ATTACHMENTS

Attachment A – 2015 Second Quarter Financial Report

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



2015 Second Quarter FINANCIAL REPORT

September 2015

PERFORMANCE AT A GLANCE

GENERAL FUND REVENUES	COMPARED TO 2015 PROJECTIONS	REFERENCE
Property Tax Revenue	◀NEUTRAL▶	Page 4
Sales Tax Revenue	▲ POSITIVE ▲	Pages 5-6
Utility Tax Revenue	▲ POSITIVE ▲	Page 10
Development Revenue	▲ POSITIVE ▲	Page 11
Park and Recreation Revenue	▲ POSITIVE ▲	Page 12
Investment Income	▲ POSITIVE ▲	Page 13
EXPENDITURES		
General Fund Expenditures	▲ POSITIVE ▲	Page 14
NON-GENERAL FUND REVENUES		
Surface Water Fees	◀NEUTRAL▶	Page 16
Fuel Tax	◀NEUTRAL▶	Page 19
Real Estate Excise Tax	▲ POSITIVE ▲	Page 19

Key to revenue trend indicators:

- ▲ POSITIVE ▲ = Positive variance of >+2% compared to projections.
- ◀ NEUTRAL ▶ = Variance of -1% to +2% compared to projections.
- WARNING ● = Negative variance of -1% to -4% compared to projections.
- ▼ NEGATIVE ▼ = Negative variance of >-4% compared to projections.

CITY FINANCIAL OVERVIEW

EXECUTIVE SUMMARY

General fund receipts totaling \$15,898,994 are at 44.6% of the annual budget (excluding budgeted fund balance), just slightly lower (as a percentage of budget excluding budgeted fund balance) than a year-ago. General fund expenditures are at 28.1% of budget, significantly lower than a year ago mostly due to timing of payments for the police services contract with King County and lower operating transfers out to the roads capital fund that occurred in the first half of 2014. Because timing for revenue collections are cyclical and staff was aware of the late timing of the police services contract invoice, the current levels align with budget projections for the second quarter.

Street fund receipts, including transfers in, totaling \$691,115 are at 50.0% of the annual budget (excluding budgeted fund balance). This is significantly lower than last year due to a reduction in transfers from the general fund. Street fund expenditures (including transfers out) totaling \$672,100 are at 42.8% of budget. Revenues are in line with budget projections and expenditures are 4.90% lower than projected mainly due to salary savings.

Surface water utility (SWM) fund receipts totaling \$1,463,682 are at 25.5% of the annual budget (excluding budgeted fund balance). This is lower than a year ago largely because this year's budget includes \$2 million of note proceeds that were not anticipated to be received in the first half of the year. SWM fund expenditures totaling \$1,979,881 are at 32.0% of budget and are anticipated to continue to trail budget due to project timing delays.

Real estate excise tax receipts through June in the amount of \$1,366,206 are 72.4% of the annual budget. This is significantly higher than last year and exceeds the anticipated collections through the second quarter. The over collections are fueled by a strong real estate sales market in both quarters.

Fuel tax receipts, in the amount of \$529,358 are at 48.3% of budget, similar to the year-ago level.

Revenues by Fund	2015 Current Budget	2015 Second Quarter Actual	2015 % of Current Budget	2014 Current Budget	2014 Second Quarter Actual	2014 % of Current Budget	2015 v. 2014 \$ Change	2015 v. 2014 % Change
General Fund	\$38,152,434	\$15,898,994	41.7%	\$36,843,013	\$15,609,623	42.4%	\$289,371	1.9%
Street Fund	\$1,569,007	\$691,115	44.0%	\$1,999,037	\$983,290	49.2%	-\$292,175	-29.7%
Code Abatement Fund	\$100,000	\$5,611	5.6%	\$100,000	\$727	0.7%	\$4,884	671.8%
State Drug Enforcement Fund	\$13,800	\$2,117	15.3%	\$13,800	\$36,206	262.4%	-\$34,089	-94.2%
Public Arts Fund	\$54,408	\$154	0.3%	\$55,051	\$1,115	2.0%	-\$961	-86.2%
Federal Drug Enforcement Fund	\$65,750	\$7,010	10.7%	\$20,750	\$49,773	239.9%	-\$42,763	-85.9%
Property Tax Equalization Fund	\$0	\$814	0.0%	\$0	\$552	0.0%	\$262	47.5%
Federal Crime Forfeitures Fund	\$534,358	\$234,576	43.9%	\$316,310	\$832	0.3%	\$233,744	28,094.2%
Revenue Stabilization Fund	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%
Transportation Impact Fee	\$0	\$182,481	0.0%	\$0	\$0	0.0%	\$182,481	0.0%
Unltd Tax GO Bond Fund	\$1,712,175	\$899,823	52.6%	\$1,710,000	\$895,049	52.3%	\$4,774	0.5%
Limited Tax GO Bond 2009 Fund	\$1,663,217	\$1,149,681	69.1%	\$1,662,567	\$967,765	58.2%	\$181,916	18.8%
Limited Tax GO Bond 2013 Fund	\$260,823	\$169,135	64.8%	\$260,823	\$103,979	0.0%	\$65,156	0.0%
General Capital Fund	\$3,492,919	\$806,662	23.1%	\$4,878,471	\$524,096	10.7%	\$282,566	53.9%
City Facility-Major Maint. Fund	\$348,525	\$110,137	31.6%	\$115,392	\$35,086	30.4%	\$75,051	213.9%
Roads Capital Fund	\$23,749,289	\$5,230,546	22.0%	\$23,642,942	\$5,512,582	23.3%	-\$282,036	-5.1%
Surface Water Utility Fund	\$6,446,918	\$1,463,682	22.7%	\$5,602,951	\$1,802,992	32.2%	-\$339,310	-18.8%
Vehicle Operations/ Maint. Fund	\$278,950	\$220,216	78.9%	\$245,273	\$230,338	93.9%	-\$10,122	-4.4%
Equipment Replacement Fund	\$1,071,528	\$332,631	31.0%	\$482,666	\$269,321	55.8%	\$63,310	23.5%
Unemployment Fund	\$17,500	\$52	0.3%	\$17,500	\$8,778	50.2%	-\$8,726	-99.4%
Totals	\$79,531,601	\$27,405,437	34.5%	\$77,966,546	\$27,032,104	34.7%	\$373,333	1.4%
Transportation Benefit District	\$796,300	\$333,225	41.8%	\$788,613	\$330,601	41.9%	\$2,624	0.8%

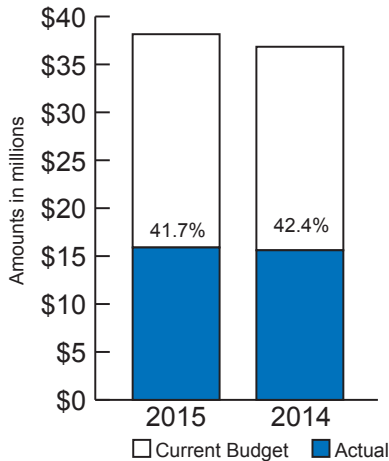
Expenditures by Fund	2015 Current Budget	2015 Second Quarter Actual	2015 % of Current Budget	2014 Current Budget	2014 Second Quarter Actual	2014 % of Current Budget	2015 v. 2014 \$ Change	2015 v. 2014 % Change
General Fund	\$38,152,434	\$10,726,814	28.1%	\$36,843,011	\$15,393,366	41.8%	-\$4,666,552	-30.3%
Street Fund	\$1,569,007	\$672,100	42.8%	\$1,999,037	\$698,400	34.9%	-\$26,300	-3.8%
Code Abatement Fund	\$100,000	\$5,500	5.5%	\$100,000	\$-	0.0%	\$5,500	0%
State Drug Enforcement Fund	\$13,800	\$9,976	72.3%	\$13,800	\$12,381	89.7%	-\$2,405	-19.4%
Public Arts Fund	\$54,408	\$12,951	23.8%	\$55,051	\$4,913	8.9%	\$8,038	163.6%
Federal Drug Enforcement Fund	\$65,750	\$3,393	5.2%	\$20,750	\$0	0.0%	\$3,393	0.0%
Property Tax Equalization Fund	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%
Federal Crime Forfeitures Fund	\$534,358	\$0	0.0%	\$316,310	\$7,519	2.4%	-\$7,519	-100.0%
Revenue Stabilization Fund	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%
Transportation Impact Fee	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%
Unltd Tax GO Bond Fund	\$1,712,175	\$204,642	12.0%	\$1,709,050	\$228,327	13.4%	-\$23,685	-10.4%
Limited Tax GO Bond 2009 Fund	\$1,663,217	\$583,316	35.1%	\$1,662,567	\$591,013	35.5%	\$7,697	-1.3%
Limited Tax GO Bond 2013 Fund	\$260,823	\$65,189	25.0%	\$260,823	\$103,979	39.9%	-\$38,790	0.0%
General Capital Fund	\$3,492,919	\$1,281,726	36.7%	\$4,878,471	\$835,021	17.1%	\$446,705	53.5%
City Facility-Major Maint. Fund	\$348,525	\$99,757	28.6%	\$90,000	\$6,023	6.7%	\$93,734	1556.3%
Roads Capital Fund	\$23,749,289	\$7,572,126	31.9%	\$23,603,999	\$6,302,435	26.7%	\$1,269,691	20.1%
Surface Water Utility Fund	\$6,180,934	\$1,979,881	32.0%	\$5,602,951	\$1,824,059	32.6%	\$155,822	8.5%
Vehicle Operations/ Maint. Fund	\$278,950	\$84,697	30.4%	\$245,273	\$62,573	25.5%	\$22,124	35.4%
Equipment Replacement Fund	\$954,714	\$27,324	2.9%	\$269,253	\$0	0.0%	\$27,324	0.0%
Unemployment Fund	\$17,500	\$946	5.4%	\$17,500	\$0	0.0%	\$946	0.0%
Totals	\$79,148,803	\$23,330,338	29.5%	\$77,687,846	\$26,070,009	33.6%	-\$2,739,671	-10.5%
Transportation Benefit District	\$796,300	\$332,500	41.8%	\$788,613	\$634,340	80.4%	-\$301,840	-47.6%

GENERAL FUND REVENUE DETAIL

Revenue Source	2015 Current Budget	2015 Second Quarter Actual Revenue	2015 % of Current Budget Received	2014 Current Budget	2014 Second Quarter Actual Revenue	2014 % of Current Budget Received	2015 v. 2014 \$ Change	2015 v. 2014 % Change
Budgeted Fund Balance	\$2,503,743	\$0	0.0%	\$2,536,444	\$0	0.0%	\$0	0.0%
Property Tax	\$10,570,659	\$5,650,719	53.5%	\$10,245,815	\$5,420,438	52.9%	\$230,281	4.2%
Sales Tax	\$7,320,000	\$3,140,737	42.9%	\$6,739,000	\$2,996,802	44.5%	\$143,935	4.8%
Local Criminal Justice	\$1,276,154	\$654,745	51.3%	\$1,224,532	\$607,670	49.6%	\$47,075	7.7%
Utility Tax and Franchise Fee Revenue								
<i>Natural Gas</i>	\$889,590	\$442,997	49.8%	\$889,590	\$504,160	56.7%	-\$61,163	-12.1%
<i>Garbage</i>	\$538,648	\$135,102	25.1%	\$528,086	\$132,399	25.1%	\$2,703	2.0%
<i>Cable TV</i>	\$1,760,845	\$626,842	35.6%	\$1,658,749	\$507,973	30.6%	\$118,869	23.4%
<i>Telecommunications</i>	\$1,503,000	\$466,430	31.0%	\$1,569,095	\$509,814	32.5%	-\$43,384	-8.5%
<i>Storm Drainage</i>	\$214,571	\$91,457	42.6%	\$207,697	\$112,903	54.4%	-\$21,446	-19.0%
<i>Water</i>	\$754,197	\$222,966	29.6%	\$754,197	\$209,825	27.8%	\$13,141	6.3%
<i>Sewer</i>	\$834,002	\$416,000	49.9%	\$809,711	\$404,000	49.9%	\$12,000	3.0%
Utility Tax and Franchise Fee Revenue Subtotal	\$6,494,853	\$2,401,794	37.0%	\$6,417,125	\$2,381,074	37.1%	\$20,720	0.9%
SCL Contract Payment	\$1,993,063	\$709,251	35.6%	\$1,912,728	\$770,128	40.3%	-\$60,877	-7.9%
Gambling Tax Revenue	\$1,586,625	\$389,927	24.6%	\$1,569,125	\$554,535	35.3%	-\$164,608	-29.7%
Development Revenue	\$1,319,750	\$783,353	59.4%	\$1,211,750	\$832,845	68.7%	-\$49,492	-5.9%
Park and Recreation Revenue	\$1,603,216	\$810,537	50.6%	\$1,537,541	\$731,549	47.6%	\$78,988	10.8%
Intergovernmental Revenue	\$894,991	\$398,399	44.5%	\$865,015	\$390,531	45.1%	\$7,868	2.0%
Grant Revenue	\$319,101	\$78,939	24.7%	\$308,306	\$30,535	9.9%	\$48,404	158.5%
Fines and Licenses	\$644,000	\$114,939	17.8%	\$835,053	\$135,830	16.3%	-\$20,891	-15.4%
Miscellaneous Revenue	\$574,665	\$242,917	42.3%	\$431,479	\$259,081	60.0%	-\$16,164	-6.2%
Interest Income	\$70,600	\$32,229	45.7%	\$30,000	\$14,055	46.9%	\$18,174	129.3%
Operating Transfers In	\$981,014	\$490,508	50.0%	\$979,100	\$484,550	49.5%	\$5,958	1.2%
Total General Fund Revenue	\$38,152,434	\$15,898,994	41.7%	\$36,843,013	\$15,609,623	42.4%	\$289,371	1.9%

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUE

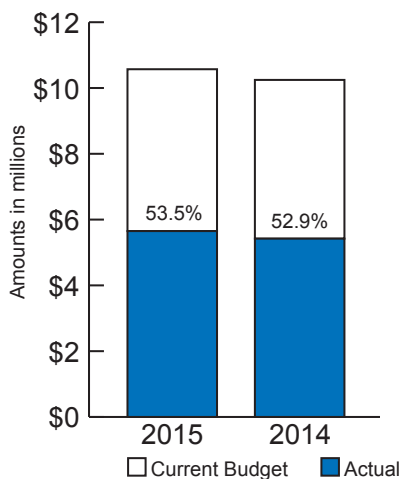


2015 Current Budget	\$38,152,434
2015 Second Quarter Actual Revenue	\$15,898,994
2015 % of Current Budget Received	41.7%
2014 Current Budget	\$36,843,013
2014 Second Quarter Actual Revenue	\$15,609,623
2014 % of Current Budget Received	42.4%
2015 v. 2014 Second Quarter \$ Change	\$289,371
2015 v. 2014 Second Quarter % Change	1.9%

Total general fund revenue received through the second quarter of 2015 totals \$15,898,994 and reflects 44.6% of the annual budget (excluding budgeted fund balance). The following highlights the most important details of this report:

- Property tax receipts are meeting our budget projections at 4.2% higher than those for 2014.
- Utility tax and franchise fee revenues have experienced around 2% growth in line with budget projections.
- Overall gambling tax receipts declined as anticipated in the budget. Pull-tab activity increased year-over-year while cardroom activity declined. The cessation of card room activity at the Drift on Inn in 2014 contributed to the decrease.
- Development revenue is at 59.4% of budget for 2015. The year-over-year decrease of \$49,492 in development revenue is attributable to higher level of activity in 2014 for fire system permits, plumbing permits, and land use/SEPA reviews.
- The year-over-year change for intergovernmental revenue receipts is largely due to unanticipated receipts from the distribution of liquor excise taxes.

PROPERTY TAX

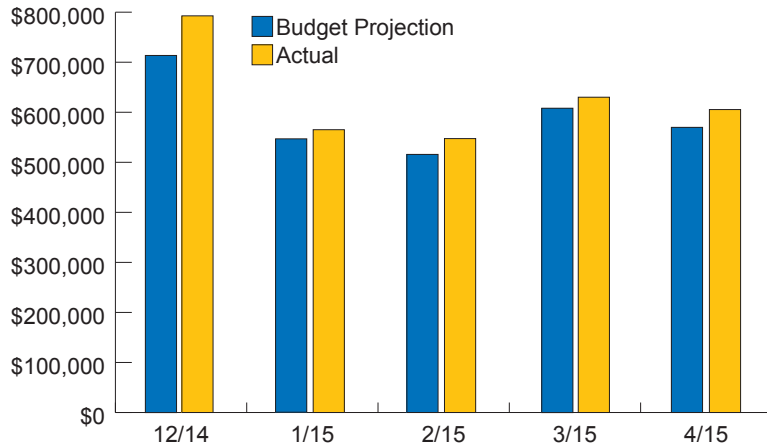


2015 Current Budget	\$10,570,659
2015 Second Quarter Actual Revenue	\$5,650,719
2015 % of Current Budget Received	53.5%
2014 Current Budget	\$10,245,815
2014 Second Quarter Actual Revenue	\$5,420,438
2014 % of Current Budget Received	52.9%
2015 v. 2014 Second Quarter \$ Change	\$230,281
2015 v. 2014 Second Quarter % Change	4.2%

In addition to the budget variance noted above, property tax receipts are greater than the year-to-date projection by \$97,903, or 1.8%. During the first two quarters of 2015 the City has received \$168,724 in delinquent taxes from previous years that were not factored into the budget projection.

GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX



2015 Current Budget \$7,320,000

Sales tax revenue: December 2014 - April 2015

Sales Activity	Projected	Actual
December 2014	\$713,638	\$792,683
January 2015	\$546,336	\$565,161
February 2015	\$515,769	\$547,403
March 2015	\$608,209	\$630,073
April 2015	\$569,822	\$605,418
Year to date	\$2,953,773	\$3,140,737
\$ Variance		\$186,964
% Variance		6.3%

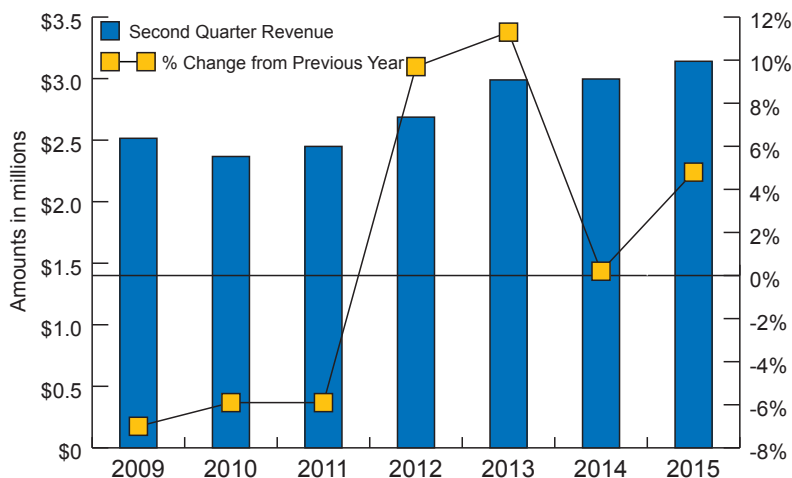
Sales tax receipts through June reflect activity from December 2014 through April 2015 and total \$3,140,737 and are above the budget projection by \$186,964, or 6.3%, revised year-to-date projection by \$93,205, or 3.1%, and above 2014 collections by \$143,935, or 4.8%. Staff's projection does not factor in the impact of one-time activity in the construction sector, which totaled \$74,674.

Receipts from the retail trade sector total \$1,984,114 and are higher than the budget projection by 4.8% and the year-ago level by 8.0%. There continues to be significant growth in receipts from new car dealers (in the motor vehicle and parts dealer category) since 2011. There is a significantly higher level of activity in the building material and garden category and higher level of activity in almost all of the other categories compared to the prior two years.

Receipts from the construction sector total \$417,634 and are higher than the budget projection by 17.7% but lower than the year-ago level by 2.0%. Of the amount collected through June, one-time activity accounted for \$74,674, or 17.9%, in 2015, \$73,968, or 17.3%, in 2014, \$239,724, or 43.8%, in 2013 and \$279,579, or 61.7%, in 2012. It appears that one-time projects that have been tracked through this report for the last few years have come to a close. Removing one-time activity from the calculation reveals a year-over-year increase of 13.6%.

The tables on the following page help illustrate the performance of various sectors. The first table presents a condensed view of the four primary categories of construction, retail trade, hotels and restaurants, and all others. The second table presents a breakdown of the retail trade category and highlights specific industry economic performance in comparison to previous years.

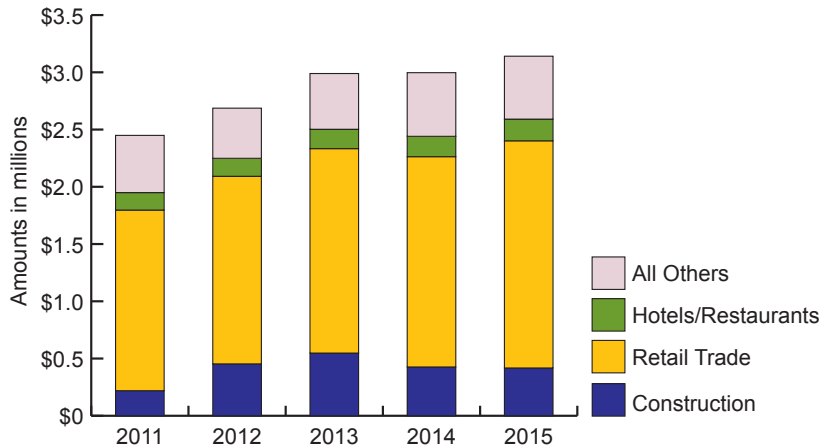
Second Quarter Sales Tax Revenue Comparison



Year	Second Quarter Revenue	% Change from Previous Year
2009	\$2,514,978	-7.0%
2010	\$2,367,206	-5.9%
2011	\$2,449,079	-5.9%
2012	\$2,686,899	9.7%
2013	\$2,989,414	11.3%
2014	\$2,996,802	0.2%
2015	\$3,140,737	4.8%

GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX BY CATEGORY - Second Quarter 2015

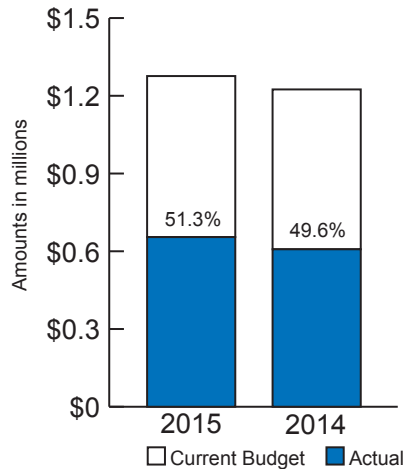


RETAIL SECTOR	2011	2012	2013	2014	2015
Construction	\$219,122	\$453,298	\$547,618	\$426,346	\$417,634
Retail Trade	\$1,577,560	\$1,638,357	\$1,785,747	\$1,836,766	\$1,984,114
Hotel and Restaurant	\$152,741	\$157,154	\$169,076	\$177,728	\$189,333
All Others	\$499,656	\$438,090	\$486,973	\$555,962	\$549,656
Total	\$2,449,079	\$2,686,899	\$2,989,414	\$2,996,802	\$3,140,737
\$ Change from previous year	\$81,873	\$237,820	\$302,515	\$7,388	\$143,935
% Change from previous year	3.5%	9.7%	11.3%	0.2%	4.8%

SALES TAX BY CATEGORY									
Retail Trade	2011 Dec-April	2012 Dec-April	2012 v. 2011 \$ Change	2013 Dec-April	2013 v. 2012 \$ Change	2014 Dec-April	2014 v. 2013 \$ Change	2015 Dec-April	2015 v. 2014 \$ Change
Motor Vehicle/Parts Dealer	\$383,068	\$412,438	\$29,370	\$459,052	\$46,614	\$500,090	\$41,038	\$544,247	\$44,157
Furniture, Home Furnishings	\$25,366	\$21,743	-\$3,623	\$22,525	\$782	\$26,705	\$4,180	\$22,164	-\$4,541
Electronics and Appliances	\$29,136	\$41,521	\$12,385	\$37,660	-\$3,861	\$37,247	-\$413	\$44,337	\$7,090
Building Materials, Garden	\$198,431	\$204,228	\$5,797	\$249,927	\$45,699	\$247,899	-\$2,028	\$318,992	\$71,093
Food and Beverage Stores	\$105,677	\$105,847	\$170	\$105,461	-\$386	\$104,808	-\$653	\$110,241	\$5,433
Health/Personal Care Store	\$53,691	\$63,890	\$10,199	\$67,751	\$3,861	\$70,264	\$2,513	\$83,629	\$13,365
Gasoline Stations	\$28,490	\$29,406	\$916	\$29,686	\$280	\$29,486	-\$200	\$30,729	\$1,243
Clothing and Accessories	\$15,358	\$19,090	\$3,732	\$20,486	\$1,396	\$20,810	\$324	\$24,800	\$3,990
Sporting Goods, Hobby, Books	\$35,510	\$35,445	-\$65	\$33,821	-\$1,624	\$36,146	\$2,325	\$37,418	\$1,272
General Merchandise Stores	\$546,464	\$543,082	-\$3,382	\$583,267	\$40,185	\$574,845	-\$8,422	\$587,343	\$12,498
Miscellaneous Store Retailers	\$109,607	\$107,380	-\$2,227	\$110,388	\$3,008	\$112,102	\$1,714	\$98,635	-\$13,467
Nonstore Retailers	\$46,762	\$54,287	\$7,525	\$65,723	\$11,436	\$76,364	\$10,641	\$81,579	\$5,215
Total Revenue	\$1,577,560	\$1,638,357	\$60,797	\$1,785,747	\$147,390	\$1,836,766	\$51,019	\$1,984,114	\$147,348

GENERAL FUND REVENUE ANALYSIS (continued):

LOCAL CRIMINAL JUSTICE SALES TAX

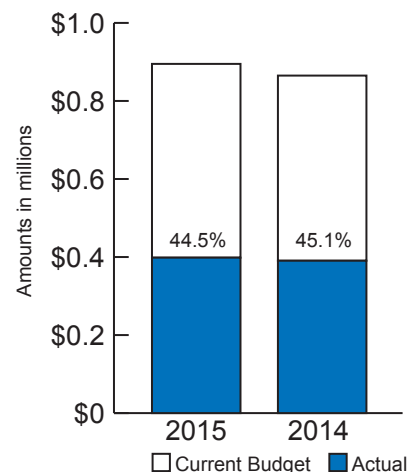


2015 Current Budget	\$1,276,154
2015 Second Quarter Actual Revenue	\$654,745
2015 % of Current Budget Received	51.3%
2014 Current Budget	\$1,224,532
2014 Second Quarter Actual Revenue	\$607,670
2014 % of Current Budget Received	49.6%
2015 v. 2014 Second Quarter \$ Change	\$47,075
2015 v. 2014 Second Quarter % Change	7.7%

Local criminal justice sales tax receipts through June, in the amount of \$654,745, are \$47,075, or 7.7%, more than the year-ago level. Thus far this year 51.3% of the amount budgeted has been received as compared to 49.6% received during the same period last year. In addition to the prior year variance, receipts are \$28,659, or 4.6%, more than the year-to-date projection.

The result for local criminal justice sales tax receipts is not commensurate with the result for sales tax receipts because the distribution of local criminal justice sales tax is based on the city's population and the amount of sales tax collected throughout all of King County.

INTERGOVERNMENTAL REVENUE

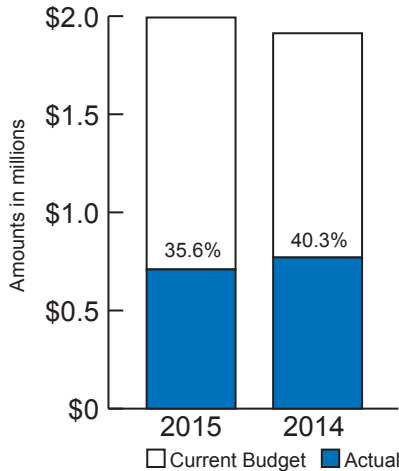


2015 Current Budget	\$894,991
2015 Second Quarter Actual Revenue	\$398,399
2015 % of Current Budget Received	44.5%
2014 Current Budget	\$865,015
2014 Second Quarter Actual Revenue	\$390,531
2014 % of Current Budget Received	45.1%
2015 v. 2014 Second Quarter \$ Change	\$7,868
2015 v. 2014 Second Quarter % Change	2.0%

Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, liquor excise tax, and liquor board profits. Receipts through June, in the amount of \$398,399, are \$7,868, or 2.0%, more than the year-ago level. In addition to the prior year variance, receipts are \$10,188, or 2.6%, more than the year-to-date projection. Both differences are largely due to unanticipated receipts from the distribution of liquor excise taxes.

GENERAL FUND REVENUE ANALYSIS (continued):

SEATTLE CITY LIGHT CONTRACT PAYMENT

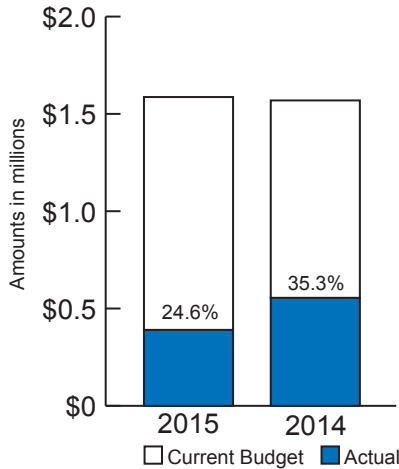


2015 Current Budget	\$1,993,063
2015 Second Quarter Actual Revenue	\$709,251
2015 % of Current Budget Received	35.6%
2014 Current Budget	\$1,912,728
2014 Second Quarter Actual Revenue	\$770,128
2014 % of Current Budget Received	40.3%
2015 v. 2014 Second Quarter \$ Change	-\$60,877
2015 v. 2014 Second Quarter % Change	-7.9%

Receipts through June, in the amount of \$709,251, are \$60,877, or 7.9%, less than the year-ago level. In addition to the year-over-year change, receipts are \$131,017, or 15.6%, less than the year-to-date projection. Staff will be revising the year-end estimate through the 2016 budget process.

GENERAL FUND REVENUE ANALYSIS (continued):

GAMBLING TAX REVENUE



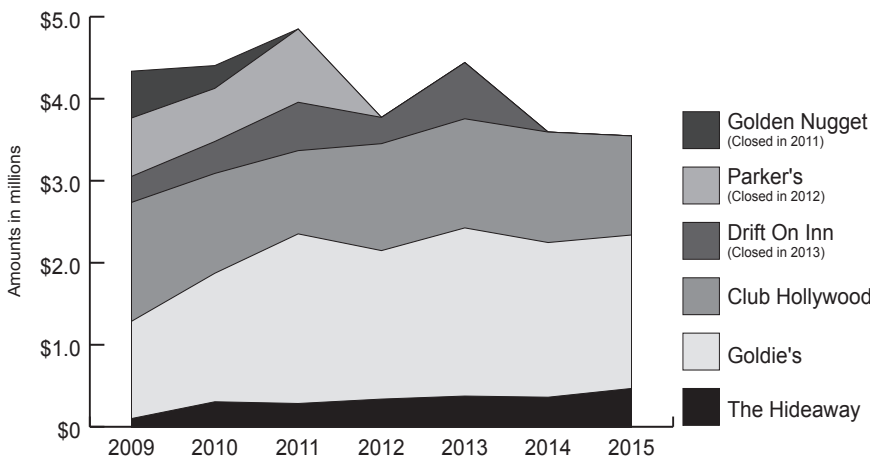
2015 Current Budget	\$1,586,625
2015 Second Quarter Actual Revenue	\$389,927
2015 % of Current Budget Received	24.6%
2014 Current Budget	\$1,569,125
2014 Second Quarter Actual Revenue	\$554,535
2014 % of Current Budget Received	35.3%
2015 v. 2014 Second Quarter \$ Change	-\$164,608
2015 v. 2014 Second Quarter % Change	-29.7%

Gambling tax receipts presented in this report largely reflect only those taxes calculated on first quarter gambling activity, since second quarter gambling tax returns are not due to the City until July 30. Card rooms pay ten percent of gross yearly receipts over \$10,000.

Receipts attributable to taxes on gambling activity reported through the second quarter, in the amount of \$387,563 are slightly lower (-0.2%) than the year-ago level and 4.0% lower than the year-to-date projection. Total receipts, inclusive of taxes on gambling activity and payments on promissory notes, in the amount of \$389,927, are lower than 2014 collections because the promissory note with Goldie's Shoreline Casino required monthly payments of gambling taxes rather than quarterly payments which resulted in an extra month's worth of activity being reported in the first half of 2014.

Pull-tab activity increased year-over-year while cardroom activity declined. All activity ceased at Drift on Inn early in the third quarter of 2013, which contributed to the additional loss of revenue; however, pull-tab activity fully returned in the second quarter of 2014 and card room activity returned for only one tournament in the third quarter of 2014. The chart below exhibits the last seven years of gross receipts reported by card rooms in Shoreline.

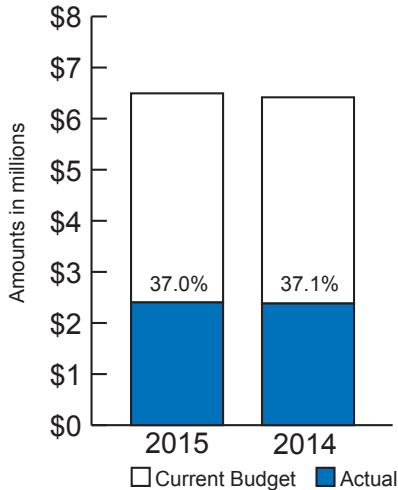
CARD ROOM RECEIPTS 2009-2015



Year	Amount (Millions)	% Change from Previous Year
2009	\$4,335,807	-8.5%
2010	\$4,404,379	1.6%
2011	\$4,850,692	10.1%
2012	\$3,772,590	-22.2%
2013	\$4,440,992	17.7%
2014	\$3,593,688	-19.1%
2015	\$3,546,624	-1.3%

GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY TAX AND FRANCHISE FEE



2015 Current Budget	\$6,494,853
2015 Second Quarter Actual Revenue	\$2,401,794
2015 % of Current Budget Received	37.0%
2014 Current Budget	\$6,417,125
2014 Second Quarter Actual Revenue	\$2,381,074
2014 % of Current Budget Received	37.1%
2015 v. 2014 Second Quarter \$ Change	\$20,720
2015 v. 2014 Second Quarter % Change	0.9%

Overall utility tax and franchise fee receipts, in the amount of \$2,401,794, are \$20,720, or 0.9%, more than the year-ago level. In addition to the year-over-year change, receipts are \$42,669, or 1.8%, higher than the year-to-date projection.

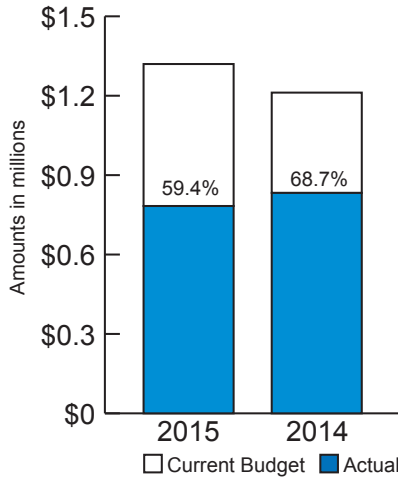
Natural gas tax receipts are 12.1% lower than those collected during the same period in 2014. Lower monthly payments point to reduced demand for natural gas, perhaps due to a mild winter and spring. Garbage tax receipts are 2.0% higher than those collected during the same period in 2014. Cable television tax receipts are 23.4% higher than those collected during the same period in 2014 because Comcast's May 2014 utility tax payment was not received until July. Had that payment been received on time receipts through the second quarter of 2015 would be 7.8% higher than the year-ago level. Telecommunications tax receipts decreased from 2014 collections by 8.5% but are higher than the year-to-date projection by 3.8%. We have seen a steady decrease in this category of the past few years. Water franchise fee receipts are 6.3% higher than those collected during the same period in 2014. Staff may revise the year-end estimates for some of these revenue sources through the 2016 budget process.

It is important to note that activity through the second quarter of 2015 and 2014 presented in this report does not reflect second quarter payments for the garbage utility tax and water and cable franchise fees. Second quarter payments for these items are typically received in late July.

Revenue Source	2015 Current Budget	2015 Second Quarter Actual Revenue	2015 % of Current Budget Received	2014 Current Budget	2014 Second Quarter Actual Revenue	2014 % of Current Budget Received	2015 v. 2014 \$ Change	2015 v. 2014 % Change
Natural gas	\$889,590	\$442,997	49.8%	\$889,590	\$504,160	56.7%	-\$61,163	-12.1%
Garbage	\$538,648	\$135,102	25.1%	\$528,086	\$132,399	25.1%	\$2,703	2.0%
Cable TV	\$1,760,845	\$626,842	35.6%	\$1,658,749	\$507,973	30.6%	\$118,869	23.4%
Telecommunications	\$1,503,000	\$466,430	31.0%	\$1,569,095	\$509,814	32.5%	-\$43,384	-8.5%
Storm Drainage	\$214,571	\$91,457	42.6%	\$207,697	\$112,903	54.4%	-\$21,446	-19.0%
Water	\$754,197	\$222,966	29.6%	\$754,197	\$209,825	27.8%	\$13,141	6.3%
Sewer	\$834,002	\$416,000	49.9%	\$809,711	\$404,000	49.9%	\$12,000	3.0%
Utility Tax and Franchise Fee Revenue Subtotal	\$6,494,853	\$2,401,794	37.0%	\$6,417,125	\$2,381,074	37.1%	\$20,720	0.9%

GENERAL FUND REVENUE ANALYSIS (continued):

DEVELOPMENT REVENUE



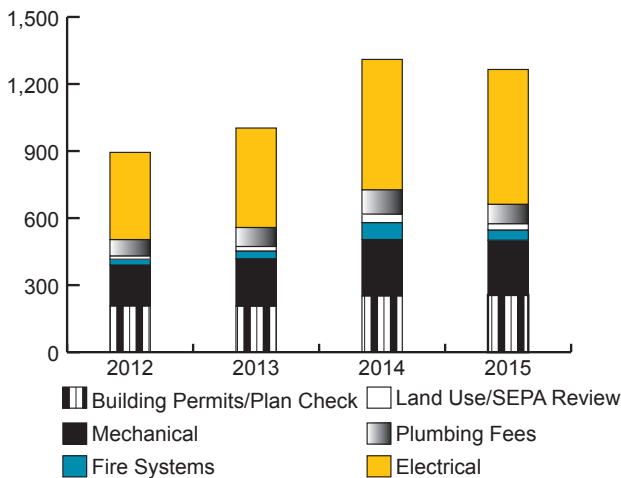
2015 Current Budget	\$1,319,750
2015 Second Quarter Actual Revenue	\$783,353
2015 % of Current Budget Received	59.4%
2014 Current Budget	\$1,211,750
2014 Second Quarter Actual Revenue	\$832,845
2014 % of Current Budget Received	68.7%
2015 v. 2014 Second Quarter \$ Change	-\$49,492
2015 v. 2014 Second Quarter % Change	-5.9%

Development revenue receipts, in the amount of \$783,353, exhibit a year-over-year decrease of \$49,492 or 5.9% but are \$65,543, or 9.1%, more than the year-to-date projection. Local development activity in 2015, in terms of the number of building permits pulled for new construction and remodels as well as their valuation in 2015 are higher than the year-ago level.

Valuation of 155 building permits for new construction and remodels issued through June totals \$37.0 million and is comprised 29.4% of residential and 70.6% commercial/multi-family valuation. The majority of the commercial/multi-family valuation is for the Centerpointe Apartments, which includes 163 units valued at \$21.7 million.

Thus far in 2015, 23 more permits have been issued for new single-family residences with a value that is \$0.5 million less, as compared to the year-ago level. There have been 13 fewer permits issued for commercial/multi-family construction (new and remodels), with a value that is \$17.2 million more, than the year-ago level.

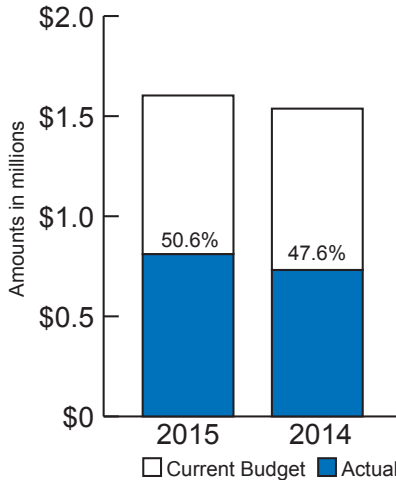
PERMITS BY TYPE January through June 2012–2015



PERMIT TYPE	2012	2013	2014	2015
Building Permits/Plan Check	207	206	252	256
Mechanical	183	212	252	245
Fire Systems	26	35	76	46
Land Use/SEPA Review	15	20	38	28
Plumbing	73	85	109	87
Electrical	390	445	583	603
Total	894	1,003	1,310	1,265

GENERAL FUND REVENUE ANALYSIS (continued):

PARK AND RECREATION REVENUE

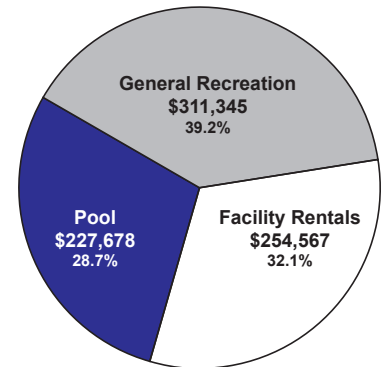


2015 Current Budget	\$1,603,216
2015 Second Quarter Actual Revenue	\$810,537
2015 % of Current Budget Received	50.6%
2014 Current Budget	\$1,537,541
2014 Second Quarter Actual Revenue	\$731,549
2014 % of Current Budget Received	47.6%
2015 v. 2014 Second Quarter \$ Change	\$78,988
2015 v. 2014 Second Quarter % Change	10.8%

Park and recreation revenue receipts, in the amount of \$810,537, are \$78,988, or 10.8%, higher than the year-ago level and \$109,505, or 15.6%, higher than the year-to-date projection. Compared to the first half of 2014, the first half of 2015 witnessed an increase in revenues from the pool by 9.4%, mostly due to increased registrations, and facility rentals by 13.2%, mostly due to increased rentals of athletic fields. General recreation receipts showed an increase of 9.1% over the same period in 2014, mostly due to increased participation in class offerings for specialized recreation classes and youth arts, as well as increased participation in the summer playground.

Recreation Revenue by Program Area: January - September 2008 - 2015*

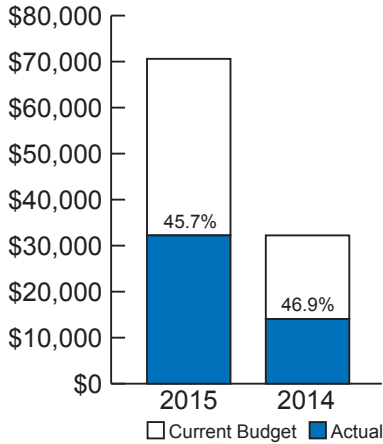
Year	General Recreation*	General Recreation % of Total	Pool	Pool % of Total	Facility Rentals	Facility Rentals % of Total	Total Revenue
2008	\$235,679	38.2%	\$222,352	36.0%	\$159,599	25.8%	\$617,630
2009	\$218,921	34.1%	\$212,571	33.1%	\$211,292	32.9%	\$642,784
2010	\$269,102	39.4%	\$203,074	29.7%	\$211,343	30.9%	\$683,519
2011	\$268,804	37.2%	\$214,604	29.7%	\$238,778	33.1%	\$722,186
2012	\$255,050	38.7%	\$178,782	27.1%	\$224,922	34.1%	\$658,754
2013	\$251,268	37.3%	\$179,073	26.6%	\$243,169	36.1%	\$673,510
2014	\$285,469	39.7%	\$208,075	29.0%	\$224,773	31.3%	\$718,317
2015	\$311,345	39.2%	\$227,678	28.7%	\$254,567	32.1%	\$793,590



* Excludes non-program revenue such as cell tower rental fees and special event sponsorships.

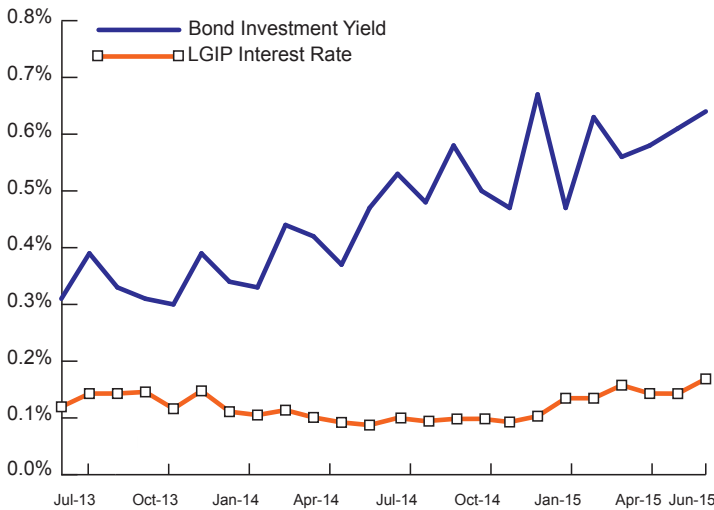
GENERAL FUND REVENUE ANALYSIS (continued):

INVESTMENT INCOME



2015 Current Budget	\$70,600
2015 Second Quarter Actual Revenue	\$32,229
2015 % of Current Budget Received	45.7%
2014 Current Budget	\$30,000
2014 Second Quarter Actual Revenue	\$14,055
2014 % of Current Budget Received	46.9%
2015 v. 2014 Second Quarter \$ Change	\$18,174
2015 v. 2014 Second Quarter % Change	129.3%

Investment earnings through June totaled \$32,229 and are higher than the year-ago level by \$18,174, or 129.3%.

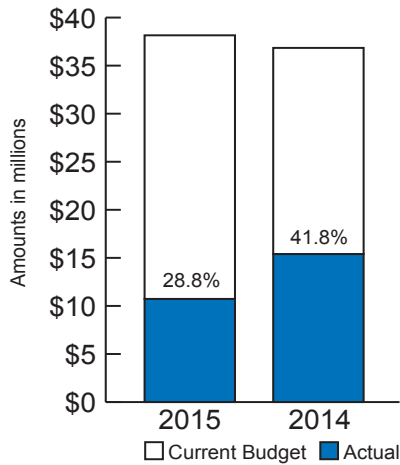


Month	LGIP* Interest Rate	Bond Investment Yield
7/31/13	0.1196%	0.3100%
8/31/13	0.1429%	0.3900%
9/30/13	0.1430%	0.3300%
10/31/13	0.1458%	0.3100%
11/30/13	0.1162%	0.3000%
12/31/13	0.1477%	0.3900%
1/31/14	0.1110%	0.3400%
2/29/14	0.1051%	0.3300%
3/31/14	0.1137%	0.4400%
4/30/14	0.1009%	0.4200%
5/31/14	0.0921%	0.3700%
6/30/14	0.0874%	0.4700%
7/31/14	0.0999%	0.5300%
8/31/14	0.0943%	0.4800%
9/30/14	0.0982%	0.5800%
10/31/14	0.0984%	0.5000%
11/30/14	0.0928%	0.4700%
12/31/14	0.1031%	0.6700%
1/31/15	0.1347%	0.4700%
2/28/15	0.1347%	0.6300%
3/31/15	0.1577%	0.5600%
4/31/15	0.1430%	0.5800%
5/28/15	0.1428%	0.6100%
6/31/15	0.1688%	0.6400%
24 Mo. Avg.	0.1206%	0.4633%

*Local Government Investment Pool

EXPENDITURE ANALYSIS

GENERAL FUND EXPENDITURES



2015 Current Budget	\$38,152,434
2015 Second Quarter Actual Expenditures	\$10,726,814
2015 % of Current Budget Expended	28.8%
2014 Current Budget	\$36,843,011
2014 Second Quarter Actual Expenditures	\$15,393,366
2014 % of Current Budget Expended	41.8%
2015 v. 2014 Second Quarter \$ Change	-\$4,666,552
2015 v. 2014 Second Quarter % Change	-30.3%

General fund departmental expenditures through the second quarter of 2015, in the amount of \$9,947,567, are \$3,649,506, or 26.8%, lower than the year-ago level. This is largely due to the timing of billing from King County Sheriff's Office for the police contract. Invoices for the months of January through May totaling nearly \$4.3 million were not received and paid until July. Had these payments been made in June, like last year, we would have been at 39.8% of current budget or 4.8% over last year. General fund transfers out, of \$779,247 are \$1,017,046, or 56.6%, lower than the year-ago level. There were two significant one-time transfers that occurred during 2014 totaling \$800,000: \$300,000 for a grant matching pool and \$500,000 to support the annual roads surface maintenance program.

In addition to the year-over-year change, general fund departmental expenditures are \$334,105, or 3.2%, less than the year-to-date projection. This is mostly from salary and benefit savings due to position vacancies. Expenditures including transfers out are 3.0% below the year-to-date projection.

Department	2015 Current Budget	2015 Second Quarter Actual Expenditures	2015 % of Current Budget Expended	2014 Current Budget	2014 Second Quarter Actual Expenditures	2014 % of Current Budget Expended	2015 v. 2014 \$ Change	2015 v. 2014 % Change
City Council	\$228,226	\$111,557	48.9%	\$221,089	\$119,231	53.9%	-\$7,674	-6.4%
City Manager's Office ¹	\$2,263,794	\$954,711	42.2%	\$2,158,535	\$854,837	39.6%	\$99,873	11.7%
City Attorney	\$611,384	\$261,461	42.8%	\$593,787	\$249,009	41.9%	\$12,452	5.0%
Community Services ²	\$1,596,656	\$586,484	36.7%	\$1,564,288	\$617,721	39.5%	-\$31,236	-5.1%
Administrative Services ³	\$4,132,944	\$1,786,333	43.2%	\$4,128,892	\$1,692,787	41.0%	\$93,547	5.5%
Citywide	\$1,933,297	\$684,818	35.4%	\$1,832,230	\$693,817	37.9%	-\$8,999	-1.3%
Human Resources	\$516,738	\$226,114	43.8%	\$442,810	\$220,579	49.8%	\$5,535	2.5%
Police	\$10,918,878	\$36,614	0.3%	\$10,703,332	\$4,311,021	40.3%	-\$4,274,407	-99.2%
Criminal Justice	\$2,581,291	\$837,789	32.5%	\$2,340,706	\$746,887	31.9%	\$90,901	12.2%
Parks, Recreation & Cultural Services	\$5,363,220	\$2,176,412	40.6%	\$5,020,693	\$2,099,920	41.8%	\$76,492	3.6%
Planning & Community Development	\$2,765,194	\$1,196,300	43.3%	\$2,705,095	\$1,127,358	41.7%	\$68,942	6.1%
Public Works	\$2,930,680	\$1,088,973	37.2%	\$2,442,806	\$863,906	35.4%	\$225,067	26.1%
Departmental Expenditures	\$35,842,302	\$9,947,567	27.8%	\$34,154,262	\$13,597,073	39.8%	-\$3,649,506	-26.8%
Operating Transfers Out	\$2,310,132	\$779,247	33.7%	\$2,688,749	\$1,796,293	66.8%	-\$1,017,046	-56.6%
Total Expenditures	\$38,152,434	\$10,726,814	28.1%	\$36,843,011	\$15,393,366	41.8%	-\$4,666,552	-30.3%

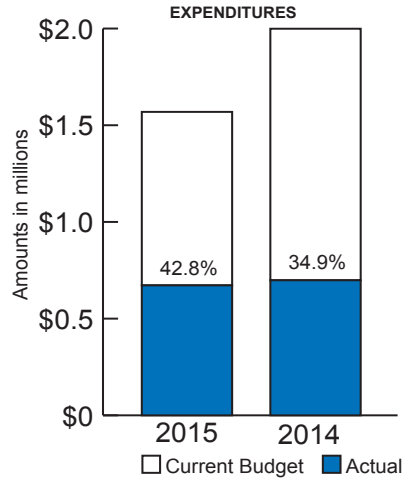
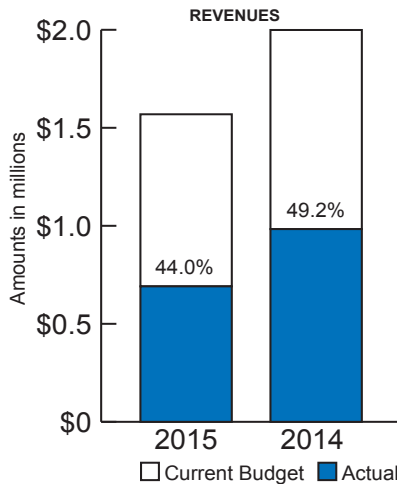
¹ City Manager's Office includes City Manager's Office, City Clerk, Communications, Intergovernmental Relations, Economic Development and Property Management.

² Community Services includes Emergency Management Planning, Neighborhoods, Human Services and the Customer Response Team.

³ Administrative Services includes Finance, Purchasing, Information Systems, and Fleet & Facilities.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

STREET FUND



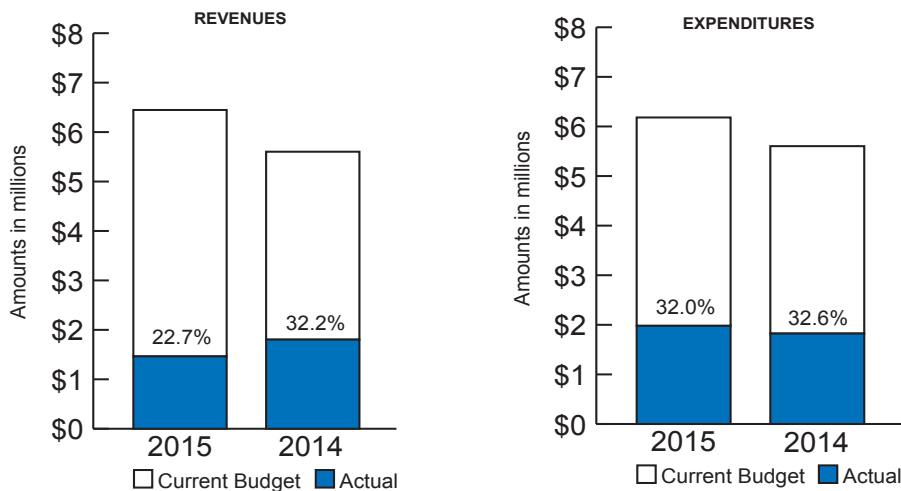
	Revenue	Expenditures
2015 Current Budget	\$1,569,007	\$1,569,007
2015 Second Quarter Actual	\$691,115	\$672,100
2015 % of Current Budget	44.0%	42.8%
2014 Current Budget	\$1,999,037	\$1,999,037
2014 Second Quarter Actual	\$983,290	\$698,400
2014 % of Current Budget	49.2%	34.9%
2015 v. 2014 Second Quarter \$ Change	-\$292,175	-\$26,300
2015 v. 2014 Second Quarter % Change	-29.7%	-3.8%

Receipts, including transfers in, through June totaled \$691,115 and are \$292,175, or 29.7%, lower than the year-ago level. This is mainly attributed to the decrease of general fund support to the street fund (through a transfer from general fund) as the expenditures for streetlights are now in traffic services in the general fund. Motor vehicle fuel tax revenue receipts for the second quarter of 2015 are \$529,358, 0.8%, more than the year-ago level.

Expenditures, including transfers out, through June totaled \$672,100 and are \$26,300, or 3.8%, less than the year-ago level. The decrease in expenditures is due to salary savings from a vacant position.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS (cont.):

SURFACE WATER UTILITY FUND



	Revenue	Expenditures
2015 Current Budget	\$6,446,918	\$6,180,934
2015 Second Quarter Actual	\$1,463,682	\$1,979,881
2015 % of Current Budget	22.7%	32.0%
2014 Current Budget	\$5,602,951	\$5,602,951
2014 Second Quarter Actual	\$1,802,992	\$1,824,059
2014 % of Current Budget	32.2%	32.6%
2015 v. 2014 Second Quarter \$ Change	-\$339,310	\$155,822
2015 v. 2014 Second Quarter % Change	-18.8%	8.5%

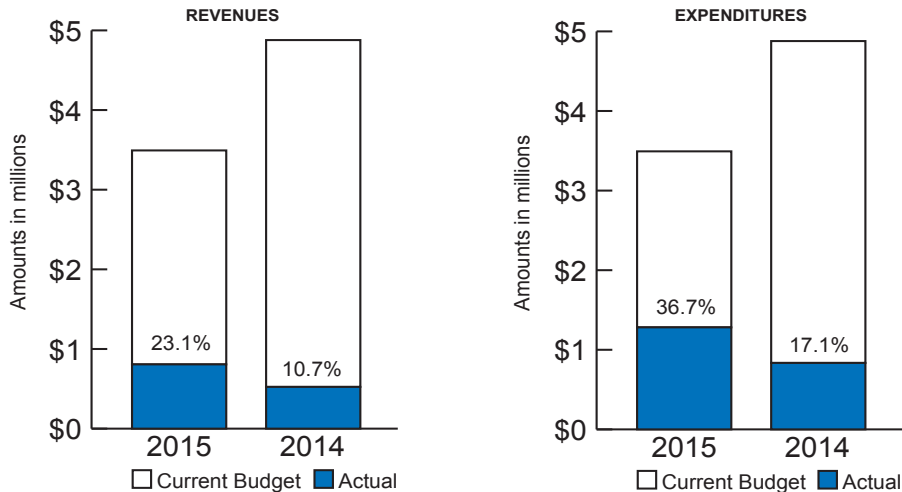
The surface water utility fund (SWM) includes on-going operational programs and capital projects with both being reflected in the total expenditures and revenues for the fund.

Receipts through June, in the amount of \$1,463,682, are \$339,310, or 18.8 %, lower than the year-ago level. SWM ongoing revenues include storm drainage fees and investment interest earnings. Storm drainage fees totaled \$1,437,347 and are \$349,983, or 19.6%, below the year-ago level. While the year-to-date revenues are behind 2014, 2015 seems to be following historic trends; that is, 2014's revenues receipts were distributed off trend, which led to 2015 year-to-date coming in lower than a year ago. Assuming no further timing differences, it is expected that the difference will decrease by the end of the third quarter.

Expenditures, including transfers out, through June totaled \$1,979,881 and are \$155,822, or 8.5%, more than the year-ago level. Capital projects are \$44,244, or 10.7%, more than the year-ago level and the operating programs are \$79,683, or 7.1%, higher than the year-ago levels. Expenditures differences between the current year and previous year are impacted by the timing of construction schedules.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS (cont.):

GENERAL CAPITAL FUND



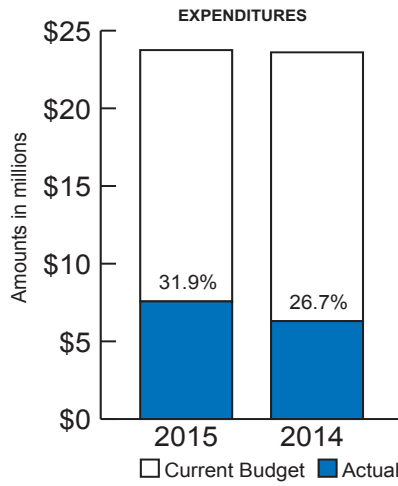
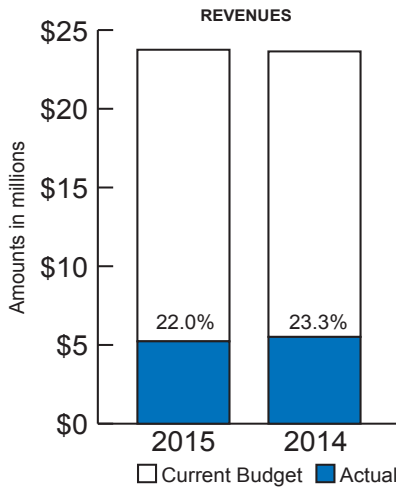
	<i>Revenue</i>	<i>Expenditures</i>
2015 Current Budget	\$3,492,919	\$3,492,919
2015 Second Quarter Actual	\$806,662	\$1,281,726
2015 % of Current Budget	23.1%	36.7%
2014 Current Budget	\$4,878,471	\$4,878,471
2014 Second Quarter Actual	\$524,096	\$835,021
2014 % of Current Budget	10.7%	17.1%
2015 v. 2014 Second Quarter \$ Change	\$282,566	\$446,705
2015 v. 2014 Second Quarter % Change	53.9%	53.5%

Receipts through June, in the amount of \$806,662, are \$282,566, or 53.9%, higher than the year-ago level. This increase is mainly attributed to an increase in real estate excise tax. Investment earnings totaled \$1,500. Receipts from the King County Trail Levy totaling \$52,993 are above 2014 second quarter numbers by \$12,598, or 31.2%.

Expenditures through June, including transfers out, totaled \$1,281,726 and are \$446,705, or 53.5%, more than the same period in 2014. Expenditures are impacted by the timing of construction schedules. The increase this year is mostly attributable to the Saltwater Park Bridge Repair project.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS (cont.):

ROADS CAPITAL FUND



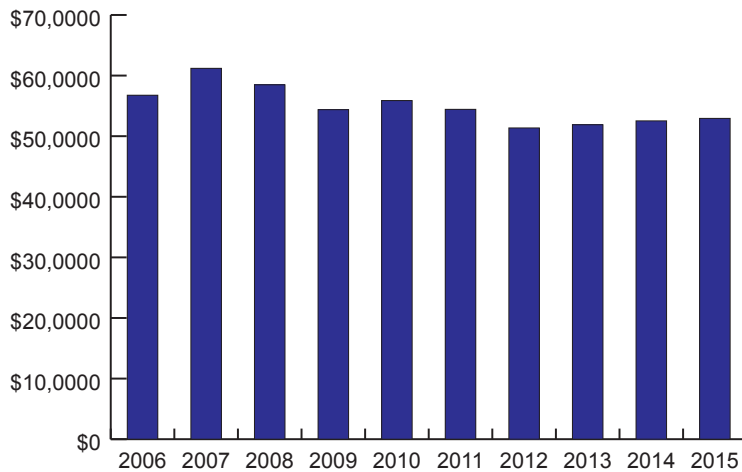
	<i>Revenue</i>	<i>Expenditures</i>
2015 Current Budget	\$23,749,289	\$23,749,289
2015 Second Quarter Actual	\$5,230,546	\$7,572,126
2015 % of Current Budget	22.0%	31.9%
2014 Current Budget	\$23,642,942	\$23,603,999
2014 Second Quarter Actual	\$5,512,582	\$6,302,435
2014 % of Current Budget	23.3%	26.7%
2015 v. 2014 Second Quarter \$ Change	-\$282,036	\$1,269,691
2015 v. 2014 Second Quarter % Change	-5.1%	20.1%

Receipts through June, in the amount of \$5,230,546, are \$282,036, or 5.1%, lower than the year-ago level. The decrease is due to the fact that part of the annual charge to Transportation Benefit District for annual road surface maintenance program was lower in 2015 than 2014. This charge is dependent upon the level of activity.

Expenditures through June, in the amount of \$7,572,126, are \$1,269,691, or 20.1%, higher than the year-ago level. Expenditures are impacted by the timing of construction schedules. This year the increase is primarily due to the Aurora corridor improvements project and the annual road surface maintenance program.

NON-GENERAL FUND REVENUE ANALYSIS:

STREET FUND - FUEL TAX

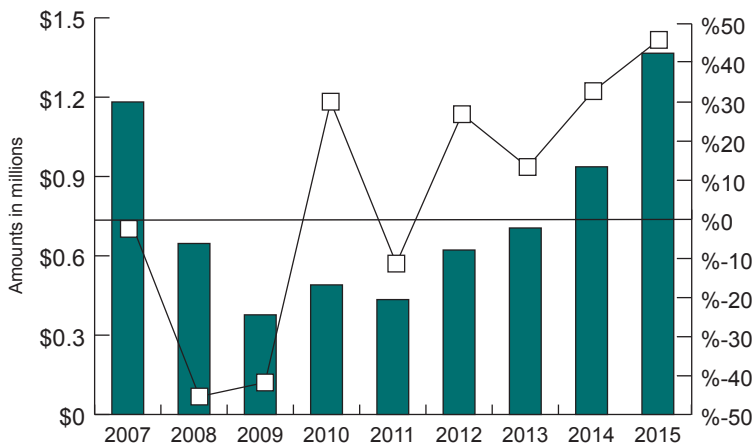


Fuel Tax: Historical Second Quarter 2006-2015

2006	\$567,577
2007	\$611,951
2008	\$584,780
2009	\$543,744
2010	\$558,745
2011	\$544,273
2012	\$513,598
2013	\$518,862
2014	\$525,271
2015	\$529,358

The motor vehicle fuel excise tax, commonly referred to as gas tax, is levied by the state on a per gallon basis, distributed monthly on a per capita basis to the City of Shoreline, and placed in the street fund. Fuel tax revenue receipts through June totaled \$529,358 and are \$4,087, or 0.8%, higher than the year-ago level.

REAL ESTATE EXCISE TAX (REET)



REET: Second Quarter Collected 2007-2015

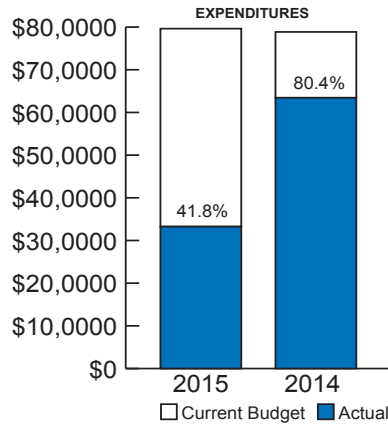
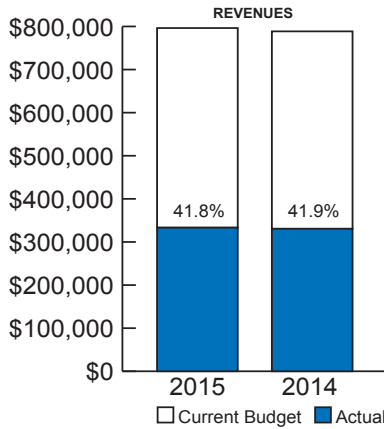
	Revenue	\$ Change from Previous Year	% Change from Previous Year
2007	\$1,181,604	-\$29,878	-2.5%
2008	\$646,678	-\$534,926	-45.3%
2009	\$376,842	-\$269,836	-41.7%
2010	\$490,104	\$113,262	30.1%
2011	\$434,516	-\$55,588	-11.3%
2012	\$621,962	\$131,858	26.9%
2013	\$705,296	\$83,331	13.4%
2014	\$936,710	\$231,414	32.8%
2015	\$1,366,206	\$429,496	45.9%

Real estate excise tax (REET) revenue receipts through June totaled \$1,366,206 and are \$429,496, or 45.9%, more than receipts for the same period in 2014. There were 125 more real estate transactions through the second quarter of 2015 than in the same period of 2014, with a transaction value of \$95.5 million more than 2014.

The difference in the value of real estate transactions is attributable to: (i) there being more transactions in 2015 (535 total) than in 2014 (410 total), and (ii) there being 19 high-value (\$1 million or more) transactions through the second quarter of 2015, six more than in the same period of 2014.

OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS (cont.):

TRANSPORTATION BENEFIT DISTRICT



	<i>Revenue</i>	<i>Expenditures</i>
2015 Current Budget	\$796,300	\$796,300
2015 Second Quarter Actual	\$333,225	\$332,500
2015 % of Current Budget	41.8%	41.8%
2014 Current Budget	\$788,613	\$788,613
2014 Second Quarter Actual	\$330,601	\$634,340
2014 % of Current Budget	41.9%	80.4%
2015 v. 2014 Second Quarter \$ Change	\$2,624	-\$301,840
2015 v. 2014 Second Quarter % Change	0.8%	-47.6%

Through the first six months of 2015, Transportation Benefit District (TBD) vehicle license fees totaled \$332,839, which is \$2,416, or 0.7%, more than collections over the same period in 2014. Including investment interest, total second quarter revenues equal \$333,225.

Expenditures, mostly consisting of charges for services by the annual road surface maintenance program, totaled \$332,500, which is \$301,840, or 47.6% less than the same period in 2014. The charges to TBD were based on actual expenditures in the annual road surface maintenance program and funds available in TBD for transfer.

INVESTMENT REPORT - Second Quarter June 30, 2015

The City's investment policy adheres to strict standards prescribed by federal law, state statutes, local ordinances, and allows the City to develop an investment model to maximize its investment returns within the primary objectives of safety and liquidity.

Our yield objectives are very important and, pursuant to policy, the basis used by the City to determine whether the market yields are being achieved is through the use of a comparable benchmark. Our benchmark has been identified as the current yield to maturity of the Washington State Local Government Investment Pool, which had been the City's primary mode of investment prior to adopting our Investment Policy. As of June 30, 2015, the City's investment portfolio, excluding the State Investment Pool, had a current weighted average rate of return of 1.0892%. This is 92 basis points better than the State Investment Pool's current rate of return of 0.1688%. Total investment interest earnings through June were \$43,823 which is about 37% of total budgeted 2015 investment earnings of \$118,013.

Over the past few years, we have seen interest rates decline significantly. The average yield on two year government agency bonds was 5.34% in January 2007. By the end of 2008 this rate was down to 1.1%. Rates continued to decline reaching a low of 0.39% at the end of December 2013.

We are now starting to see some recovery in interest rates as the rate at the end of June 2014 was 0.47% and at the end of June 2015 was 0.64%. The City continued to implement a ladder philosophy in its investment portfolio over the last year. This resulted in the City being able to hold some securities at a higher interest rate during the declining interest rate environment. For example an instrument purchased in June 2015 is yielding 1.187% and will not mature until June 2018. This rate of return is projected to be above the average projected rate of return from the State Pool over the same period. A ladder portfolio approach helps assure that the City will, in the long run, receive a market average rate of return.

As of June 2015, the City's investment portfolio had a fair market value of nearly \$34.23 million. Approximately 23% of the investment portfolio was held in U.S. government instrumentality securities, and 77% was held in the Washington State Investment Pool. The City's investment portfolio valued at cost as of June 30, 2015, was slightly over \$34.19 million. The difference between the cost and the market value of the portfolio represents either the loss or the gain of the portfolio if the City were to liquidate investments as of the day that the market value is stated. This would only be done if the City needed to generate cash. The City holds all of its investments until the scheduled maturity date, and therefore when the investments mature the principal market value should equal the cost of the investment. The City also holds sufficient investments within the State Pool to allow for immediate cash liquidation if needed. Investments within the State Pool can be liquidated on any given day with no penalty.

One of the major investment instruments used in the United States and throughout the rest of the world is "mortgage-backed securities". Mortgage-backed securities are mortgages that have been sold by banks to investment banks or federally sponsored agencies such as Federal National Mortgage Association (FNMA – Fannie Mae), Federal Home Loan Mortgage Corporation (FHLMC – Freddie Mac), or Federal Home Loan Banks (FHLCB), who then rebundle the mortgages and sell them to individual investors or investors in the stock market. Mortgage-backed securities can be a fairly safe investment, if there is little risk that the mortgage borrower will default on the loan, or they can be risky investments if there is a higher risk that the borrower will default, such as the case in sub-prime mortgages. The City has purchased and currently has mortgage backed securities in its investment portfolio. This instrument has been purchased from Federal Home Loan Banks.

INVESTMENT REPORT (continued):

LGIP Cash and Investment Balances June 30, 2015

Instrument Type

	CUSPID #	Broker	Settlement Date	Maturity Date	Par Value	Investment Cost	Yield To Maturity	Unrecognized Gain/(Loss)	Market Value 6/30/12
FHLB 0.375	3133834R9	ProEquities	06/26/13	06/24/16	1,000,000	986,541	0.8310%	13,198	999,739
FHLB 0.75	3130A16D5	Financial Northwestern	03/26/14	03/24/17	1,000,000	994,000	0.9537%	7,543	1,001,543
FHLMC 1.0	3137EADH9	Financial Northwestern	06/14/14	06/29/17	1,000,000	1,000,000	1.0000%	5,719	1,005,719
FHLMC 1.22	3133EDV74	Financial Northwestern	09/26/14	09/18/17	1,000,000	999,500	1.2371%	2,111	1,001,611
FFCB 1.20	3133EEFP0	Wells Fargo	12/19/14	12/18/17	1,000,000	999,500	1.2170%	1,423	1,000,923
FHLB 1.15	3130A3NK6	Financial Northwestern	12/29/14	12/29/17	1,000,000	999,750	1.1585%	2,897	1,002,647
FHLMC 1.125	3134G6PV9	ProEquities	03/30/15	03/30/18	1,000,000	1,000,000	1.1250%	-623	999,377
FHLB 1.17	3130A5RE1	Financial Northwestern	06/29/15	06/29/18	1,000,000	999,500	1.1870%	1,529	1,001,029
FHLMC 1.22	3133EDV74	Financial Northwestern	09/26/14	09/18/17	1,000,000	999,500	1.2371%	-702	998,798
Sub Total Investments					\$8,000,000	\$7,978,791		\$33,797	\$8,012,588
State Investment Pool						26,215,212	0.1688%		26,215,212
Total LGIP + Investments						\$34,194,003		\$33,797	\$34,227,800

Current Average Maturity Excluding the State Investment Pool (days)	806
Current Weighted Average Yield to Maturity Excluding the State Pool	1.0892%
Current Yield to Maturity State Investment Pool	0.1688%
Basis Points in Excess (Below) Benchmark	92

Portfolio Diversification

Instrument Type	Percentage	Amount at Market Value	Amount at Cost	Broker	Percentage	Amount at Cost
FHLB	11.7%	4,004,958	3,979,791	Wells Fargo	2.9%	999,500
FFCB	2.9%	1,000,923	999,500	ProEquities	5.8%	1,986,541
FHLMC	8.8%	3,006,707	2,999,500	Financial Northwestern	14.6%	4,992,750
State Investment Pool	76.6%	26,215,212	26,215,212	State Investment Pool	76.6%	26,215,212
Total LGIP + Investments	100%	\$34,227,800	\$34,194,003	Total Investments	100%	\$34,194,003

Investments by Fund

Fund	Investments at Cost as of 6/30/2015	LGIP State Investment Pool as of 6/30/2015	Total LGIP + Investments at Cost by Fund as of 6/30/2015	Unrecognized Gain/(Loss) as of 6/30/2015	Total Market Value of Investments by Fund as of 6/30/2015	Investment Earnings Budget 2015	Investment Earnings Actual 2015	Over/(Under) Budget
001 General	\$2,073,250	\$12,310,640	\$14,383,890	\$20,734	\$14,404,624	\$69,000	\$28,581	-\$40,419
101 Street	250,000	758,382	1,008,382	3,345	1,011,726	2,500	1,017	-1,483
107 Code Abatement	0	155,008	155,008	0	155,008	550	111	-439
108 Asset Seizure	0	184,703	184,703	0	184,703	0	131	131
109 Public Arts	0	209,029	209,029	0	209,029	0	154	154
112 Fed Drug Enforcement	0	278,212	278,212	0	278,212	50	195	145
114 Transportation Benefit Dist.	0	416,599	416,599	0	416,599	60	385	325
115 Property Tax Equalization	0	1,156,750	1,156,750	0	1,156,750	0	814	814
116 Fed Crim Forfeit	0	1,933,891	1,933,891	0	1,933,891	845	1,305	460
117 Transportation Impact Mitigation	0	75,118	75,118	0	75,118	0	2	2
190 Revenue Stabilization	4,339,000	787,298	5,126,298	0	5,126,298	0	0	0
301 General Capital	0	2,035,950	2,035,950	0	2,035,950	11,809	1,501	-10,308
312 City Fac-Mjr Maint	0	180,988	180,988	0	180,988	1,417	137	-1,280
330 Roads Capital	0	1,524,804	1,524,804	0	1,524,804	14,431	2,095	-12,336
401 Surface Water Utility Fund	0	2,520,278	2,520,278	0	2,520,278	9,101	1,734	-7,367
501 Vehicle Oper/Maint	0	290,547	290,547	0	290,547	250	161	-89
503 Equip Dep Replace	1,316,541	1,323,018	2,639,559	9,718	2,649,277	8,000	5,447	-2,553
505 Unemployment	0	73,997	73,997	0	73,997	0	52	52
Total Investments	\$7,978,791	\$26,215,212	\$34,194,003	\$33,797	\$34,227,800	\$118,013	\$43,823	-\$74,190

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion and Update of Environmental Strategies
DEPARTMENTS:	Planning & Community Development and Public Works
PRESENTED BY:	Miranda Redinger, Senior Planner Rika Cecil, Environmental Programs Coordinator Thomas Puttnam, PE, AICP, LEED AP, President, Puttnam Infrastructure Elizabeth Willmott, Climate Solutions' New Energy Cities Program
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:

On September 30, 2013, Council adopted the Shoreline Climate Action Plan, thereby committing to reduce community greenhouse gas (GHG) emissions 80% by 2050 (80x50), with an interim target of 50% reduction by 2030 (50x30). In 2014, the City reaffirmed that commitment by signing the King County-Cities Climate Collaboration (K4C) Joint County-City Climate Commitments (Attachment A), joining with the County and other cities in similar targets.

Since the selection of these specific targets was based on scientific consensus of what it would take to prevent the most devastating impacts of climate change, an analysis of what was feasible still needed to be completed. Through its partnership with the K4C, the City of Shoreline had the opportunity to work with Climate Solutions' New Energy Cities Program to perform a Carbon Wedge Analysis & Strategies (Attachment B) to examine what it would take for the City to achieve these "ambitious but achievable" targets. Council was introduced to the analysis and strategies at their October 14, 2014 meeting. No further action was taken.

This staff report and the attached memo re-introduce that analysis (including revisions from the original 2014 version), and provide a discussion of strategies currently underway, additional actions the City may take to meet reduction targets, and next steps to implement priority recommendations. These near-term priorities could be included in the 2016-2019 work programs, provided Council direction and allocation of resources.

Initially commissioned as part of the 145th Street Station Subarea Plan, Attachment C is a white paper exploring the concept of District Energy, including Combined Heat and Power. This includes a description of technologies and consideration of various opportunities within Shoreline, specifically in the light rail station subareas, the Community Renewal Area at Aurora Square, and Town Center. The author of the white

paper, Thomas Puttnam, will present findings as part of the presentation during the meeting.

RESOURCE/FINANCIAL IMPACT:

No resource impacts are anticipated as a result of this discussion. Some strategies recommended in this staff report may have future budget and/or resource implications, including for the 2016-2019 budgets and work plans.

RECOMMENDATION

No Action is required as part of this discussion. However, staff requests feedback on the strategies identified for near-term implementation, and direction on how Council would like to participate in prioritizing other potential strategies listed in Attachment B.

Staff recommends that resources be devoted to fulfilling commitments made through the Climate Action Plan and K4C Joint Commitment Letter, as opposed to updating the Environmental Sustainability Strategy. Specifically, staff recommends that the City pursue the following initiatives, beginning in 2016:

- Adoption of Living Building Challenge Ordinance and other incentives for “net zero” development (meaning the total amount of energy and/or water used by the building on an annual basis is roughly equal to the amount of renewable energy generated or water captured/reused on the site);
- Examining feasibility of District Energy or Combined Heat and Power in areas that are likely to undergo redevelopment, including the light rail station subareas, Aurora Square, and Town Center; and
- Conducting a Solarize campaign, including streamlining permitting for solar panels, exploring adoption of Solar-Ready regulations, and building on partnerships with local educational, professional, and non-profit organizations dedicated to increasing solar power generation in Shoreline.

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

BACKGROUND

Shoreline City Council and staff initiatives since 2007, listed below, have laid the groundwork for this level of analysis and action, and positioned the City to be a regional and national leader on how local governments can work to reduce the potential severity of climate change.

- Formation of interdepartmental Green Team (2007);
- Adoption of the [Environmental Sustainability Strategy](#) (2008);
- Analysis of [City and Community Carbon Footprints](#) (2009 and 2012);
- Launching of the [forevergreen](#) indicator tracking website (2012);
- Adoption of the [Climate Action Plan](#) (2013);
- Development of Carbon Wedge Analysis and Strategies (2014);
- Many progressive policies in Comprehensive Plan, Master Plans, Subarea Plans, and Management Plans;
- Completion of significant capital projects with a variety of climate and other benefits, such as the construction of a LEED Gold certified City Hall (2010) and the Aurora Avenue Corridor project (anticipated completion in 2016); and
- Adoption of K4C Climate Commitments (2014)

To build on these actions, at the City Council's 2015 retreat, Council determined to continue the focus of its goals for 2015-2017 towards achievement of Vision 2029 and being a sustainable city in all respects. This includes:

- **Sustainable neighborhoods** – ensuring they are safe and attractive;
- **Sustainable environment** – enhancing our built environment so that it protects our natural resources; and
- **Sustainable services** – supporting quality services, facilities and infrastructure.

Goal 2 directs the City to “Improve Shoreline’s utility, transportation, and environmental infrastructure”, and point number 7 states, “Review and update the sustainability recommendations in the City's adopted Environmental Sustainability Strategy”.

In order to discuss potential implementation of this goal, it is necessary to provide more detailed background on the history of aforementioned initiatives, and how the City’s level of sophistication in dealing with these complex topics has evolved.

Environmental Sustainability Strategy (ESS)- Based on the 2007 Council Goal to create “an environmentally sustainable community”, \$79,000 was allocated in that year’s budget to develop the ESS. It set the foundation for Shoreline’s sustainability initiatives for years to come, including defining a Mission Statement, Guiding Principles, Focus Areas, Strategic Direction, Public Involvement Strategies, Objectives, Targets, Indicators, and Recommendations. The Focus Areas were defined as City Operations, Practices, and Outreach; Energy Conservation and Carbon Reduction; Sustainable Development and Green Infrastructure; Resource Conservation and Waste Reduction; and Ecosystem Management and Stewardship. An [appendix](#) contained a list of 50 recommendations for implementation. By 2012, the Green Team and other staff had completed or initiated 85% of these. The remainder were determined to be infeasible at the time.

While much of the document was general in nature, and thus still relevant, many elements were tied specifically to objectives and potential indicators that have since evolved through development of more recent strategies.

Staff believes that spending resources to revise this foundational document would be less effective with regard to addressing Council's commitment to greenhouse gas reductions than dedicating such resources to implementing more recent and relevant strategies. Additional rationale for this recommendation is provided in this section; explanation of programs that staff believes would be the most impactful next steps is included in the Discussion section.

Forevergreen Indicator Tracking Website- One of the recommendations in the ESS was to “create baselines for all Sustainability Strategy focus areas and implement indicator tracking system to track progress over time.” In 2011, through a \$45,000 grant from the federal American Reinvestment and Recovery Act, staff contracted with O'Brien & Company and SiteCrafting to develop the *forevergreen* website. The website was intended to function as the first public-facing way to quantify benefits of and communicate about City initiatives to date, track and grade progress over time, and inspire households to take action. It is comprised of five Focus Areas, ten Performance Measures, twenty-seven Indicators, and various initiatives and metrics. The Focus Areas evolved from those included in the ESS to be more reader-friendly: Climate Protection, Natural Habitat, Resource Conservation, Built Environment, and City Initiatives.

In choosing the Performance Measures and Indicators, staff was careful to select those that were already tracked so as not to create additional work. The original intent was to update the indicators annually, with numerous positions responsible for inputting data. However, without an identified on-going project manager and given other project commitments of Green Team staff, the site has not been revised according to that timeframe. In order to establish more realistic expectations, the Green Team revised the group's long-term work plan to include a periodic (5 year) update of the Carbon Footprint Analysis that provides data points for metrics tracked. The following year staff would update the *forevergreen* site to examine progress, and the following year the City would communicate about successes and determine additional resource needs to meet proposed targets. Since the last Carbon Footprint Analysis was conducted in 2012, the next one would be scheduled for 2017, resources allowing.

Initial targets were general in nature because staff did not want to set them prematurely and miss the mark, and thought it better to analyze a few cycles of data to determine trends. If resources were available, it has been an aspiration to identify specific targets, as well as update the site with information from the Climate Action Plan and current projects and programs. In order to use the site to its full potential, it would be ideal to also add indicators related to economic development and social equity. Other indicator tracking systems, such as the [5 Milestones Toolkit](#) include such metrics, but Shoreline has not had the staff capacity to consider expanded options thusfar.

Climate Action Plan (CAP) and Carbon Wedge Analysis (Analysis)- The CAP was the first document that focused explicitly on programs and policies that dealt with climate

change and greenhouse gas emissions. However, it retained the format of identifying issues and strategies based on the original Focus Areas outlined in the ESS, although again the titles evolved to be even more straightforward: Energy and Water; Materials and Waste; Transportation, Land Use, and Mobility; and Urban Parks, Trees, and Open Spaces. The category of City Initiatives was dropped to avoid redundancy with the other areas of focus.

Development of the CAP was funded by \$54,700 from King County's Waste Reduction and Recycling Grant, the State's Coordinated Prevention Grant, and Recology CleanScapes funds. It was authored by Cascadia Group. The complete list of recommendations adopted as part of the CAP is included as Attachment D.

The Carbon Wedge Analysis studied and quantified what it would take to meet the greenhouse gas emission reduction targets adopted by Council through the CAP and reaffirmed through the K4C Joint Commitments. It was performed by Climate Solutions' New Energy Cities Program, which subsidized some of the cost of the work, as did King County. The City dedicated around \$12,000 to the Analysis. More detailed background regarding development of the Analysis is included in Attachment B.

The Analysis categorized climate actions that the City could take in the following categories: Carbon Pricing; Transportation; Building Sector and Renewable Energy; Upstream Consumption and Solid Waste Management; and Biocarbon Storage and Natural Infrastructure.

Potential actions were based on national best practices and screening criteria that included climate benefit, resource availability, and alignment with existing City and regional policies. They were further classified into green, yellow, and red recommendations using the following rating system:

- Green- The strategy is already underway, or staff perceives limited barriers to starting the strategy now.
- Yellow- Staff cannot start the strategy now, due to specific obstacles that must be overcome or conditions that must be in place to start, such as new resources, tools, partnerships, or outside opportunities.
- Red- Staff identified too many obstacles to start the strategy in the next six years, or identified conditions that must be in place that are not likely to arise in the near-term or medium-term.

The Analysis included recommended priorities, including eight that entailed City Council advocacy, eight that involved partnership activities, and twenty that required full implementation through Council direction or allocation of resources. The conclusion indicated that *"if the City of Shoreline were to achieve all of the targets in the attached memo, through a mix of advocacy, partnerships, and local action, and if Washington State were to adopt carbon pricing, it is likely that the Shoreline community would meet the overall 50x30 goal."*

If the City of Shoreline were to implement the near-term strategies (classified as "green" and "yellow"), it would make significant progress toward achieving the 50x30 goal. However, implementation of the green strategies alone (i.e., those already

underway or ready for implementation in the next year) will not be sufficient. Moreover, the City does not have staff capacity to implement all green strategies in the near term, and will have to prioritize the most important strategies and/or allocate additional resources.”

Staff and the NEC team recommended that the City continue to explore funding to implement the green strategies, as well as identifying the resources necessary to implement the yellow strategies, such as partnerships, tools, new resources, or outside opportunities. Delay in fully implementing these strategies may delay the current 50x30 goal. However, it is encouraging that of the list of 137 recommended strategies, Shoreline is already implementing or poised to take action on 32 of them.

Council discussed the Analysis on October 14, 2014 and expressed interest in receiving additional information about many of the recommendations, posed questions, and offered suggestions about public involvement and other considerations. However, due to more immediate priorities, such as light rail station subarea planning and the solid waste collection contract RFP, neither staff nor Council have been able to follow-up on proposals or engage in long-term prioritization exercises. In the foreseeable future, it is unlikely that such an exercise would take precedence over other work plan items. As such, staff has reviewed existing strategies and commitments, and recommends that three programs be considered as priorities for 2016-2019 work plans and budgets.

King County-Cities Climate Collaboration (K4C)- Joint Letter of Commitment- The K4C is a partnership between the County and cities to coordinate and enhance local government climate and sustainability efforts. In the first half of 2014, more than a dozen cities and the County worked to chart opportunities for joint actions to reduce greenhouse gas emissions and accelerate progress towards a clean and sustainable future.

This effort was based on the premise that “across King County and its cities, we are already experiencing the impacts of climate change: warming temperatures, acidifying marine waters, rising seas, decreasing mountain snowpack, and less water in streams during summer. These changes have the potential for significant impacts to public and private property, resource based economies like agriculture and forestry, and to residents’ health and quality of life. The decisions we make locally and regionally, such as where our communities will grow and how they will be served by transportation, will set the stage for success or failure in reducing carbon pollution, making sound long-term investments, and ensuring our communities are livable and resilient to climate change impacts.”

The K4C developed Principles for Collaboration and Joint County-City Climate Commitments focused on practical, near-term, collaborative opportunities between cities and King County. Mayor Winstead signed this letter on behalf of Shoreline, thereby pledging to “support the shared vision that these principles and actions represent...(and) commit to actively pursue those strategies and catalytic actions where our jurisdictions can make the most impact given our size, location, and development patterns.”

The Climate Commitments were organized into Shared Goals, Climate Policy, Transportation and Land Use, Energy Supply, Green Building and Energy Efficiency, Consumption and Materials Management, Forests and Farming, Government Operations, and Collaboration. Each category included a Pathway, Policy Commitment, and Catalytic Projects or Programs. The pathway provided direction for achieving the goal, while policy commitments and catalytic projects or programs offered specific examples of how local jurisdictions could fulfill commitments.

Evolution of the Strategies- Many aspects of each of the strategies described above are consistent, including their organization by actions that the City had taken, actions that the City could take, and actions that individual households could take. Each had their own public outreach process, intended to raise awareness, provoke thoughtful discussion, and empower bold and impactful decision-making at all levels. Although the names of the Focus Areas changed over time, the main topics covered under each remained relatively similar.

The City's communication strategy about all of these issues also evolved. For example, on the *forevergreen* website, under "Actions you can take", an initial recommendation for how to reduce household energy use was to "wear a sweater and lower the temperature on your thermostat." However, by the time of development of the CAP, the recommendations had evolved to more impactful household actions like installing solar panels, getting a home energy audit, and buying an electric vehicle or using transit.

This process has been a natural progression as staff and the public became more well-versed in the issues, and as climate projections became more dire. The City began with a mission to become more environmentally sustainable and is now at the stage of implementing climate action. The Discussion section of this report will provide linkages between recommendations from each of the adopted strategies and the projects that staff believes to be the best candidates for near-term implementation: *adopting the Living Building Challenge Ordinance, examining feasibility of District Energy, and conducting a Solarize Campaign.*

Based on the understanding of limited resources, staff recommends pursuing implementation of these programs in lieu of updating the Environmental Sustainability Strategy. Staff believes that sufficient policy justification exists to pursue implementation of these programs, and that the intent of the Council goal to update the ESS can be fulfilled through this, and possibly future, discussion(s). Ultimately if Council would rather staff invest in a process to update the Environmental Sustainability Strategy, then staff will move in this direction, instead of pursuing implementation of the recommended programs.

DISCUSSION

CURRENT PROJECTS THAT IMPLEMENT THE CLIMATE ACTION PLAN

As mentioned previously, many of the recommendations identified in the Carbon Wedge Analysis are currently underway. One example of what the City has already done can be found in policies and regulations adopted as part of the 185th Street Station Subarea Plan on March 16, 2015. Specifically, the Analysis identified a number of ways that the City could reduce greenhouse gas emissions through Land Use Planning and Zoning

Reform. The following strategies identified in the Analysis were some of those advanced through adoption of ordinances associated with the subarea plan:

- Adopt and implement a Transit Communities Policy to align planning and zoning for transit-supportive development within walking distance of high-capacity transit.
- Reduce cost and uncertainty of project review in Transit Communities.
- Utilize zoning and permitting methods to concentrate new growth in proximity of services and transit.
- Increase the diversity of housing types in multi-family zones.
- Increase flexibility in Neighborhood Commercial Zones.
- Use zoning to increase affordable housing and affordable commercial space.

Another example of strategies identified in the Analysis that are currently underway deal with negotiating the next solid waste contract:

- Require solid waste collection (alternative in the proposals), and embed collection of food scraps and yard debris in future solid waste contracts.
- Outreach/incentives to increase recycling and composting.
- Compressed Natural Gas Trucks.
- Commercial Recycling Ordinance.
- Every-other-week garbage.

These considerations have been included in the proposed 2017-2024 solid waste contract Request for Proposal. Staff recommends that Council award the contract to a provider who can successfully address these criteria.

Many recommendations in the CAP and Analysis are similarly underway or included in upcoming work programs. In addition to fulfilling recommendations in the CAP and Analysis, they also advance strategies identified in the Comprehensive Plan, K4C Climate Commitments, and other guiding documents.

However, in addition to such strategies, staff recommends that Council consider adding three projects or programs to the 2016-2019 work plans and budgets.

POTENTIAL 2016-2019 PRIORITIES

For each of the potential near-term priorities identified below, discussion will include justification provided in guiding documents, and implications of project implementation for staff and budget resources.

Living Building Challenge Ordinance (LBCO)- Seattle adopted an LBCO in order to facilitate development of the Bullitt Center, the world's greenest office building. The International Living Futures Institute (ILFI) also offers a Petal Recognition program that emphasizes sustainability with regard to the following design considerations: site, water, energy, health, materials, equity, and beauty. The City could work with King County and the ILFI to adapt and adopt these programs. This work has been designated as a K4C priority for near-term implementation.

Justification from existing plans:

K4C Climate Commitments-

- Green Building and Energy Efficiency
 - Pathway: Reduce energy use in all existing buildings 25% below 2012 levels by 2030; achieve net-zero GHG emissions in new buildings by 2030.
 - Catalytic Policy Commitment: Join the Regional Code Collaboration (RCC) and work to adopt code pathways that build on Washington State Energy Code, leading the way to “net-zero carbon” buildings through innovation in local codes, ordinances, and related partnerships.

Climate Action Plan and Carbon Wedge Analysis-

- CAP- Energy and Water
 - 1G: Promote high-performance building and energy efficiency in private construction and remodeling through education and code development.
- Analysis- Building Sector and Renewable Energy Strategies
 - Remove code barriers to Zero Net Energy (ZNE) buildings/Living Buildings and adopt Living Building Challenge Ordinance.
 - Research what it would take to construct a ZNE/Living Building City facility or demonstration project.
 - Density bonuses, enabling developers to build more housing units, taller buildings, or floor space than typically allowed, as an incentive for ZNE or Living Building construction.
 - Property tax exemption for ZNE-ready developments.
 - Technical assistance for ZNE development

185th Street Station Subarea Plan Policies-

- Promote more environmentally-friendly building practices. Options for doing so may include:
 - Adoption of International Green Construction Code
 - Encouraging the development of highly energy efficient buildings that produce or capture all energy and/or water used on-site (Net Zero).
 - Partner with the International Living Future Institute to adopt Living Building Challenge Ordinance and/or Petal Recognition Program. Petal Recognition could include achievement of at least three of the seven petals (site, water, energy, health, materials, equity, and beauty), including at least one of the following petals: energy, water, or materials and all of the following: □
 - Reduce total energy usage by 25 percent over comparable building type and/or Shoreline Energy Code □
 - Reduce total building water usage by 75 percent, not including harvested rainwater, as compared to baselines estimated by the appropriate utility or other baseline approved by the Planning and Community Development Director □
 - Capture and use at least 50 percent of storm water on site.

Implementation: If the Council were to designate this as a 2016-2019 priority, it could be included in regulations to be adopted through the 145th Street Station Subarea Plan

or citywide. Representatives from the ILFI and King County have agreed to present information on the LBCO and Petal Recognition Program to the Council and Planning Commission, and assist staff to adapt and adopt pertinent ordinances and regulations. This would entail allocating staff and Planning Commission resources to develop appropriate codifying language and conduct public outreach. Staff believes this could be accomplished within the allotted timeframe and budget for the 145th Street Station Subarea Plan if Council were interested in developing pilot regulations. If this were to be adopted citywide, it could be a separate work plan item.

District Energy (DE)- This concept refers to the central provision of heating and/or cooling services within a defined service area. Electricity is sometimes also produced as part of a combined heat and power (CHP) system. Attachment C provides details of components, benefits, and models of DE systems, and opportunities that exist in Shoreline for their development. It also provides recommendations for how to implement a system in areas that are likely to redevelop. One reason that it could be beneficial to consider district energy in such areas is that market forces will encourage new buildings to use natural gas for heating, which could then lock owners into this infrastructure for the life of the building. While natural gas is a less carbon-intensive energy source than some of the alternatives, the process produces significant emissions of methane, which is nearly twenty times more potent as a greenhouse gas than carbon dioxide.

Justification from existing plans:

K4C Climate Commitments-

- Energy Supply
 - Pathway: Increase countywide renewable electricity use 20% beyond 2012 levels by 2030; phase out coal-fired electricity sources by 2025; limit construction of new natural gas based electricity power plants; support development of increasing amounts of renewable energy sources.
 - Catalytic Policy Commitment: In partnership with utilities, develop a package of county and city commitments that support increasingly renewable energy sources, in areas such as community solar, green power community challenges, streamlined local renewable energy installation permitting, district energy, and renewable energy incentives.

Climate Action Plan and Carbon Wedge Analysis-

- CAP- Energy and Water
 - 2E: Investigate the feasibility of development of district energy system(s) within the city.
- Analysis- Building Sector and Renewable Energy Strategies
 - Reduce use of natural gas for heating 40% by 2030 relative to 2012
 - Renewable energy demonstration projects
 - Building envelope & heating technology incentives
 - District energy systems and/or combined heat and power
 - Right-of-way for renewable energy
 - Community-wide distributed renewable energy plan

185th Street Station Subarea Plan Policies-

- Consider incentive program for new buildings to incorporate Combined Heat and Power systems and other innovative energy saving solutions.

Implementation: Attachment C outlines a multi-year approach to studying the feasibility of and potentially developing District Energy systems. It outlines five phases of a project: 1-Advocacy, Vision, and Policy Development; 2-Feasibility (Screening, Pre-Feasibility, and Feasibility); 3- Detailed Investment Analysis; 4- Development; and 5- Operations, Maintenance, and Expansion. It also outlines a seven step process for evaluation of feasibility, including anticipated costs and timeframes:

- 1) DE Feasibility Evaluation- Consultant Cost=\$50,000; Staff Cost TBD; Timeframe=6 months
- 2) Preliminary Go/No Go Decision- Consultant Cost=\$0; Staff Cost TBD; Timeframe=2 months
- 3) Third Party DE Provider Selection- Consultant Cost=\$0; Staff Cost TBD; Timeframe=2-3 months
- 4) DE Evaluation Refinement and Initial Agreements- Consultant Cost=\$0; Staff Cost TBD; Timeframe=6 months
- 5) Final Go/No Go Decision- Consultant Cost=\$0; Staff Cost TBD; Timeframe=2 months
- 6) DE Development- Consultant and Staff Cost TBD; Timeframe=18 months
- 7) DE Operations- Cost TBD; Timeframe=Ongoing

If Council is interested in beginning this process, staff recommends allocating \$50,000 in the 2016 budget for the feasibility evaluation. It would require staff resources to administer the contract process and take recommendations through governing bodies to reach a preliminary Go/No Go decision. Staff believes that this could be accomplished with existing personnel if it were deemed a priority, but it may have to wait until completion of current priority projects such as the 145th Street Station Subarea Plan.

Solarize Program- This program could involve a spectrum of initiatives, including removing code barriers and streamlining the process to permit photovoltaic (PV) systems, requiring that new construction be “solar-ready”, and/or facilitating a campaign to promote PV installation, either on community buildings or private residences. Other King County jurisdictions have successfully streamlined permitting and conducted campaigns, including Bellevue, Mercer Island, Kirkland, and Snoqualmie. Such initiatives have been designated a near-term implementation priority for K4C, and partner cities have agreed to assist. Northwest Sustainable Energy for Economic Development (NW SEED) is another regional resource. Local partnership opportunities for these initiatives are great considering that Shoreline is home to the Shoreline Community College, which offers a solar design program, NW Mechanical, which installs PV systems, and Solar Shoreline, which hosts SolarFest and promotes local proliferation of solar systems. Such a program could be time-sensitive because federal tax credits are currently set to expire at the end of 2016.

Justification from existing plans:

K4C Climate Commitments-

- Energy Supply

- Pathway: Increase countywide renewable electricity use 20% beyond 2012 levels by 2030; phase out coal-fired electricity sources by 2025; limit construction of new natural gas based electricity power plants; support development of increasing amounts of renewable energy sources.
- Catalytic Policy Commitment: In partnership with utilities, develop a package of county and city commitments that support increasingly renewable energy sources, in areas such as community solar, green power community challenges, streamlined local renewable energy installation permitting, district energy, and renewable energy incentives.

Climate Action Plan and Carbon Wedge Analysis-

- CAP- Energy and Water
 - 2B: Streamline permitting for solar photovoltaic installations.
 - 2C: Through Environmental Services outreach and technical assistance, promote installation of renewable energy systems, and continue to support programs such as the Shoreline Solar Project.
 - 2D: Explore the feasibility of launching a “Solarize Shoreline” bulk-purchasing program of solar PV systems in coordination with NW SEED.
- Analysis- Renewable Energy Strategies
 - Standardization of solar installation process.
 - Solar-ready roofs policy.
 - Solarize campaign to install solar on rooftops of homes and businesses.

185th Street Station Subarea Plan Policies-

- Pursue Solarization program, community solar, or other innovative ways to partner with local businesses and organizations to promote installation of photovoltaic systems.

Implementation: Since this program could entail a number of different initiatives, it would first be important for Council to determine the scope of work. Should the City simply remove barriers and streamline permitting or sponsor a community-solar or individual homeowner campaign? Staff believes the former could be accomplished in the near-term with existing resources; however, a campaign would require financial and staff resources, including a project manager.

For Mercer Island’s Solarize program, their Sustainability Manager conducted the campaign, including hosting community meetings and creating outreach material. Specifically, the campaign entailed 1 Solarize University training, 6 volunteer committee meetings, 5 public workshops, 500+ public contacts, 150 free site assessments, 250 hours of total staff time over 12 months, and 100 hours of total volunteer time over 5 months. It resulted in 47 new installations (generating 331 kilowatts of electricity); this is equivalent to a 245,000 reduction in pounds per year of carbon dioxide produced. The average size of the systems installed produced around 7 kilowatts, with an average cost of \$31,000.

The timeline is included below:

Jan 2014: Explore Concept

Feb: Research/Planning

Mar: Contract NW SEED
Apr: Grantwriting
Apr: Campaign Plan
May: Issue & Score RFP
May: Select Installer
June: Start Workshops
Nov: End Campaign
Early 2015: Finish Installs

The City of Snoqualmie is also currently conducting a Solarize campaign in partnership with NW SEED. NW SEED offers a variety of support options, with a la cart pricing, including Campaign Manager Training/Kickoff (included in mini-grant if funding is available); grassroots outreach and solar education (\$7,000); installer selection support (\$4,500); designated webpage and participant tracking (\$6,000); and reporting, metrics and evaluation (\$3,000). If given direction to proceed, staff would determine which of these services would be most beneficial within an allotted budget.

TOPICS FOR COUNCIL DISCUSSION

Staff requests direction with regard to the following questions:

- *Would Council prefer that funding proposed in the 2016 budget be allocated to updating the Environmental Sustainability Strategy or implementation of 2016-2019 priorities identified herein?*
- *Are there specific questions or direction with regard to implementation of the Living Building Challenge Ordinance, District Energy, or Solarize Program?*
- *Should other programs be elevated to higher priority instead of those identified by staff?*
- *Should public education, outreach, and participation efforts be focused on specific programs and initiatives or more broadly on sustainability and climate issues in general?*

RESOURCE/FINANCIAL IMPACT

No resource impacts are anticipated as a result of this discussion. Some strategies recommended in this staff report may have future budget and/or resource implications, including for the 2016-2019 budgets and work plans.

RECOMMENDATION

No Action is required as part of this discussion. However, staff requests feedback on the strategies identified for near-term implementation, and direction on how Council would like to participate in prioritizing other potential strategies listed in Attachment B.

Staff recommends that resources be devoted to fulfilling commitments made through the Climate Action Plan and K4C Joint Commitment Letter, as opposed to updating the Environmental Sustainability Strategy. Specifically, staff recommends that the City pursue the following initiatives, beginning in 2016:

- Adoption of Living Building Challenge Ordinance and other incentives for “net zero” development (meaning the total amount of energy and/or water used by the building on an annual basis is roughly equal to the amount of renewable energy generated or water captured/reused on the site);

- Examining feasibility of District Energy or Combined Heat and Power in areas that are likely to undergo redevelopment, including the light rail station subareas, Aurora Square, and Town Center; and
- Conducting a Solarize campaign, including streamlining permitting for solar panels, exploring adoption of Solar-Ready regulations, and building on partnerships with local educational, professional, and non-profit organizations dedicated to increasing solar power generation in Shoreline.

ATTACHMENTS

Attachment A: King County-Cities Climate Collaboration (K4C) Joint County-City Climate Commitments

Attachment B: Carbon Wedge Analysis and Strategies Memo

Attachment C: District Energy White Paper

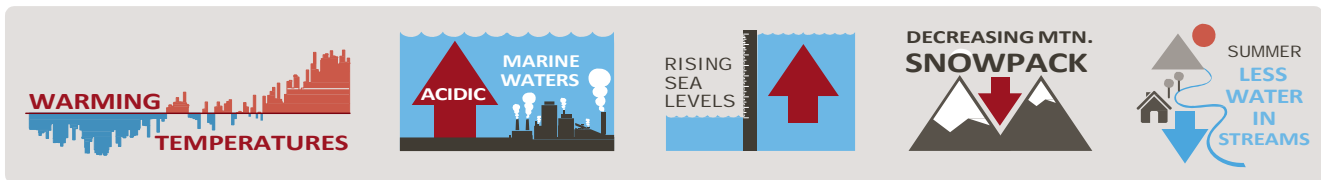
Attachment D: Climate Action Plan Objectives and Recommendations



Joint Letter of Commitment: Climate Change Actions in King County

Climate change is a paramount challenge of this generation and has far-reaching and fundamental consequences for our economy, environment, public health, and safety.

Across King County and its cities, we are already experiencing the impacts of climate change: warming temperatures, acidifying marine waters, rising seas, decreasing mountain snowpack, and less water in streams during the summer.



These changes have the potential for significant impacts to public and private property, resource based economies like agriculture and forestry, and to residents' health and quality of life.

The decisions we make locally and regionally, such as where our communities will grow and how they will be served by transportation, will set the stage for success or failure in reducing carbon pollution, making sound long-term investments, and ensuring our communities are livable and resilient to climate change impacts.

Current science indicates that to avoid the worst impacts of global warming we need to reduce global greenhouse gas emissions sharply. The King County Growth Management Planning Council – a formal body of elected officials from across King County - voted unanimously on July 23, 2014 to adopt a shared target to reduce countywide sources of greenhouse gas (GHG) emissions, compared to a 2007 baseline, by 25% by 2020, 50% by 2030, and 80% by 2050.

Based on our shared assessment of emissions in King County, and review of potential strategies to reduce emissions, we believe that these targets are ambitious but achievable.

Building on the work of the King County-Cities Climate Collaboration (K4C) - a partnership between the County and cities to coordinate and enhance local government climate and sustainability efforts – more than a dozen cities and the County came together in the first half of 2014 to chart opportunities for joint actions to reduce GHG emissions and accelerate progress towards a clean and sustainable future.

The attached ***Principles for Collaboration*** and ***Joint County-City Climate Commitments*** are focused on practical, near-term, collaborative opportunities between cities and King County. These shared commitments build on the significant work that many of our cities and County are already taking. By signing this letter, we pledge our support for the shared vision that these principles and actions represent. Our cities commit to actively pursue those strategies and catalytic actions where our jurisdictions can make the most impact given our size, location, and development patterns.

Through focused, coordinated action, we will maximize the impact of our individual and shared efforts.





Elected Officials of King County and King County Cities

Dow Constantine
King County Executive

Larry Phillips
King County Council Chair

Bruce Bassett
Mayor, City of Mercer Island

Matthew Larson
Mayor, City of Snoqualmie

Shari E. Winstead
Mayor, City of Shoreline

Jim Haggerton
Mayor, City of Tukwila

Edward B. Murray
Mayor, City of Seattle

Denis Law
Mayor, City of Renton

Amy Walen
Mayor, City of Kirkland

John Marchione
Mayor, City of Redmond

Fred Butler
Mayor, City of Issaquah

Claudia Balducci,
Mayor, City of Bellevue

Principles for Collaboration

- 1 Climate change is the paramount challenge of our generation, and has fundamental and far-reaching consequences for our economy, environment, and public health and safety.
- 2 Strong action to reduce GHG emissions is needed, and the time is now.
- 3 Local governments can reduce greenhouse gas (GHG) emissions through many decisions related to transportation and land use, energy and green building, forests and farms, and consumption and materials management.
- 4 Many cities in King County have set individual climate goals and are taking steps to reduce local GHG emissions, and we need to build on this leadership.
- 5 Local solutions need to be implemented in ways that build a cleaner, stronger and more resilient regional economy.
- 6 Progress will require deeper engagement with communities of color and low income, immigrant, and youth populations. These communities can be more vulnerable to the impacts of climate change—from increasing flood risks to rising costs of fossil fuels – and historically less likely to be included in community-scale solutions or as leaders. We are committed to work in ways that are fair, equitable, empowering, and inclusive and that also ensure that low income residents do not bear unfair costs of solutions.
- 7 Federal and state policies and laws can help us achieve our goals, but countywide and local policy, programs and partnerships are needed to fill the existing gap to achieve local GHG targets.
- 8 Progress will require deep partnerships between the County, cities, utilities, businesses, nonprofit organizations, and other public sector agencies.
- 9 King County and nine cities have formed the King County-Cities Climate Collaboration (K4C), and we will work to build on this initial pledge, both in increased action and increased participation from additional cities.
- 10 We can accomplish more with a shared vision and coordinated action; collaboration will increase the efficiency of our efforts and magnify the impact of our strategies beyond what each of us could achieve on our own.
- 11 Our cities support the shared vision that the Joint County-City Climate Commitments represent, but it is not the intention that each city will pursue every catalytic action. Cities and King County will actively pursue strategies where they have the most impact and influence.
- 12 We will reconvene at least annually to share progress. We also dedicate a staff point person from our cities and from the County to help coordinate implementation of the following Joint County-City Climate Commitments, and to serve as a point person to the K4C.

Joint County-City Climate Commitments ●○○○



I. Shared Goals

Pathway: Adopt science-based countywide GHG reduction targets that help ensure the region is doing its part to confront climate change.

Catalytic Policy Commitment: Collaborate through the Growth Management Planning Council, Sound Cities Association, and other partners to adopt countywide GHG emissions reduction targets, including mid-term milestones needed to support long-term reduction goals.

Catalytic Project or Program: Build on King County's commitment to measure and report on countywide GHG emissions by sharing this data between cities and partners, establishing a public facing dashboard for tracking progress, and using the information to inform regional climate action.



II. Climate Policy

Pathway: Support strong federal, regional, state, countywide and local climate policy.

Catalytic Policy Commitment: Advocate for comprehensive federal, regional and state science-based limits and a market-based price on carbon pollution and other greenhouse gas (GHG) emissions. A portion of revenue from these policies should support local GHG reduction efforts that align with these Joint County-City Climate Commitments, such as funding for transit service, energy efficiency projects, and forest protection and restoration initiatives.



III. Transportation and Land Use

Pathway: For passenger vehicles and light trucks, reduce vehicle miles traveled by 20% below 2012 levels by 2030 and GHG emissions intensity of fuels by 15% below 2012 levels by 2030.

Catalytic Policy Commitment: Partner to secure state authority for funding to sustain and grow transit service in King County.

Catalytic Policy Commitment: Reduce climate pollution, build our renewable energy economy, and lessen our dependence on imported fossil fuels, by supporting the adoption of a statewide low carbon fuel standard that gradually lowers pollution from transportation fuels.

Catalytic Policy Commitment: Focus new development in vibrant centers that locate jobs, affordable housing, and services close to transit, bike and pedestrian options so more people have faster, convenient and low GHG emissions ways to travel.

Catalytic Project or Program: As practical, for King County and cities developing transit oriented communities around high capacity light rail and transit projects, adopt the Puget Sound Regional Council's Growing Transit Communities Compact. For smaller cities, participate in programs promoting proven alternative technology solutions such as vehicle electrification, as well as joint carpool and vanpool promotional campaigns.

Joint County-City Climate Commitments ○●○○



IV. Energy Supply

Pathway: Increase countywide renewable electricity use 20% beyond 2012 levels by 2030; phase out coal-fired electricity sources by 2025; limit construction of new natural gas based electricity power plants; support development of increasing amounts of renewable energy sources.

Catalytic Policy Commitment: Build on existing state renewable energy commitments including the Washington State Renewable Portfolio Standard (RPS) to partner with local utilities, state regulators and other stakeholders on a countywide commitment to renewable energy resources, including meeting energy demand through energy efficiency improvements and phasing out fossil fuels.

Catalytic Project or Program: In partnership with utilities, develop a package of county and city commitments that support increasingly renewable energy sources, in areas such as community solar, green power community challenges, streamlined local renewable energy installation permitting, district energy, and renewable energy incentives.



V. Green Building and Energy Efficiency

Pathway: Reduce energy use in all existing buildings 25% below 2012 levels by 2030; achieve net-zero GHG emissions in new buildings by 2030.

Catalytic Policy Commitment: Join the Regional Code Collaboration and work to adopt code pathways that build on the Washington State Energy Code, leading the way to “net-zero carbon” buildings through innovation in local codes, ordinances, and related partnerships.

Catalytic Project or Program: Develop a multi-city partnership to help build a regional energy efficiency retrofit economy, including tactics such as: collaborating with energy efficiency and green building businesses, partnering with utilities, expanding on existing retrofit programs, adopting local building energy benchmarking and disclosure ordinances, and encouraging voluntary reporting and collaborative initiatives such as the 2030 District framework.

Joint County-City Climate Commitments ○○○●○



VI. Consumption and Materials Management:

Pathway: By 2020, achieve a 70% recycling rate countywide; by 2030, achieve zero waste of resources that have economic value for reuse, resale and recycling.

Catalytic Policy Commitment: Partner through the Metropolitan Solid Waste Management Advisory Committee on policy, projects and programs focused on (1) waste prevention and reuse, (2) product stewardship, recycling, and composting, and (3) beneficial use.

Catalytic Project or Program: Develop a regional strategy through the Comprehensive Solid Waste Management Plan process to reach 70% recycling through a combination of education, incentives and regulatory tools aimed at single-family, multi-family residents, businesses, and construction projects in King County.



VII. Forests and Farming

Pathway: Reduce sprawl and associated transportation related GHG emissions and sequester biological carbon by focusing growth in urban centers and protecting and restoring forests and farms.

Catalytic Policy Commitment: Partner on Transfer of Development Rights (TDR) initiatives to focus development within the Urban Growth Area, reduce development pressure on rural lands, and protect our most valuable and important resource lands.

Catalytic Project or Program: Protect and restore the health of urban and community trees and forests, for example through public-private-community efforts such as Forterra's Green Cities Partnerships.

Catalytic Project or Program: Partner on collaborative efforts to expand forest and farm stewardship and protection, for example through King Conservation District's farm management planning, landowner incentive, and grant programs.

Catalytic Project or Program: Expand our local food economy, for example by supporting urban and community farming, buying locally produced food, and participating in the Farm City Roundtable forum.

Joint County-City Climate Commitments ○○○●

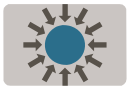


VIII. Government Operations

Pathway: Reduce GHG emissions from government operations in support of countywide goals.

Policy Commitment: Develop and adopt near and long-term government operational GHG reduction targets that support countywide goals, and implement actions that reduce each local government's GHG footprint.

Catalytic Project or Program: In support of the Section V. Green Building and Energy Efficiency pathway targets to reduce energy use in existing buildings 25% below 2012 levels by 2030 and achieve net-zero GHG emissions in new buildings by 2030: execute energy efficiency projects and initiatives at existing facilities, measure existing building performance through EPA's Energy Star or equivalent program, implement high-efficiency street and traffic light replacement projects, and construct new buildings to LEED or Living Building Challenge standards and infrastructure to equivalent sustainability standards.



IX. Collaboration

Policy Commitment: Participate in or join the King County-Cities Climate Collaboration (K4C) – focused on efforts to coordinate and enhance city and County climate and sustainability efforts – to share case studies, subject matter experts, resources, tools, and to collaborate on grant and funding opportunities.

Catalytic Project or Program: Engage and lead government-business collaborative action through efforts such as the Eastside Sustainable Business Alliance.

MEMO

DATE: August 2015
TO: Shoreline City Council
FROM: Rika Cecil, Environmental Programs Coordinator
Miranda Redinger, Senior Planner
Elizabeth Willmott, Climate Solutions' New Energy Cities Program
RE: Carbon Wedge Analysis: Strategies to Implement the Climate Action Plan

Overview

This memo provides an update regarding the City of Shoreline's process of screening and prioritizing community greenhouse gas (GHG) reduction strategies to achieve the City's goal of 50% GHG reduction below its 2007 level by 2030 (50x30). Based on this process, City of Shoreline staff recommends that the Shoreline City Council take the following actions:

1. Schedule a Council workshop to select strategies from this screening process;
2. Direct staff time and allocate resources to implement the highest-priority strategies; and
3. Advocate at the regional and state levels for the highest-priority policies and programs related to community carbon reduction, including but not limited to the King County-Cities Climate Collaboration (K4C) Joint City-County Climate Commitments.

The proposals included in this memo are at a conceptual stage, and their full implementation will depend on Council direction and resource allocation.

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I. BACKGROUND

To date the Shoreline Green Team and Climate Solutions' New Energy Cities team have:

- Developed an Energy Map showing Shoreline's energy use and GHG emissions in the year 2012, and Carbon Wedge graphics that depict what it would take for the Shoreline community to achieve the 50x30 goal.
- Proposed sector-based targets that contribute to achieving the 50x30 goal.
- Assembled potential strategies and best practices from:
 - The City of Shoreline's Climate Action Plan;
 - *The Road to 80x2050* report on best practices in city climate action planning;
 - The City of Seattle's Climate Action Plan, and *Getting to Zero: A Pathway to a Carbon-Neutral Seattle*;
 - King County's Climate Action Plan and consumption-based GHG inventory; and
 - New Energy Cities' original research.
- Adapted quantitative findings from:
 - The City of Seattle's Climate Action Plan Transportation Technical Advisory Group, staffed by Nelson\Nygaard;
 - Stockholm Environment Institute analysis for the City of Seattle and King County;
 - New Energy Cities' ongoing partnership with the City of Issaquah, WA.
- Analyzed and reviewed the strategies based on:
 - Estimated climate benefit;
 - Resources needed to execute the strategies;
 - Whether the strategies are already underway; and
 - Alignment with existing Shoreline plans, the Joint City-County Climate Commitments under consideration by the King County-Cities Climate Collaboration (K4C), and state policy.
- Facilitated an open house/poster session from July 22, 2014 through August 1, 2014 for a broad group of Shoreline staff to provide input on potential strategies regarding:
 - Political complexity;
 - Financial complexity;
 - Timing;
 - New suggestions; and
 - Implementation readiness.
- Developed this memo to the Shoreline City Council, which represents staff feedback and recommendations regarding potential carbon reduction strategies for the City of Shoreline to consider pursuing.

II. STRATEGIES

The potential strategies are organized in the areas of transportation, buildings, energy supply, consumption, solid waste management, biocarbon/natural infrastructure, and measurement, with associated goals and targets. New Energy Cities calculated the targets based on what it would take to achieve the 50x30 goal, with input from City of Shoreline staff, as well as from the King County-Cities Climate Collaboration (K4C).

Current analysis indicates that if the City of Shoreline were to achieve all of the targets outlined in this memo, through a mix of advocacy, partnerships, and local action, and if Washington State were to adopt carbon pricing, it is likely that the Shoreline community would meet the overall 50x30 goal. A table comparing the targets in the K4C Joint City-County Climate Commitments and the proposed City of Shoreline targets is included in the Appendix.

Screening Criteria

In tables at the beginning of each suite of strategies, we provide additional information about the strategies according to the following screening criteria:

- Climate benefit;
- Additional resources needed to implement a strategy beyond what the City is already committed to funding and staffing for existing work; and
- Alignment with existing City or regional priorities, including K4C proposed commitments.

A checkmark indicates that a strategy is already underway.

Colors

Implementation readiness of individual strategies is expressed in the following colors:

Green

0-1 year, already underway or ready to start in 2015. The strategy is already underway, or staff perceives limited barriers to starting the strategy now.

Yellow

2-6 years, 2016-2020. Staff cannot start the strategy now, due to specific obstacles that must be overcome or conditions that must be in place to start, such as new resources, tools, partnerships, or outside opportunities.

Red

7 or more years, 2021-2030. Staff identified too many obstacles to start the strategy in the next six years, or identified conditions that must be in place that are not likely to arise in the near-term or medium-term.

TBD

Staff is still exploring the feasibility and potential timeframe of the strategy.

A. CARBON PRICING

1. CARBON PRICING GOAL: Support strong federal, regional, state, countywide, and local climate policy, including a science-based limit on carbon, and a carbon pricing approach that charges emitters for GHG pollution

a. Carbon Pricing Strategy

Climate benefit	In British Columbia, use of petroleum fuels dropped by 15% in the first four years of the province’s carbon pricing policy; in the Regional Greenhouse Gas Initiative (RGGI) member states, the share of coal in the regional electricity generation mix has declined significantly under that carbon pricing approach (Sustainable Prosperity report on BC carbon tax, 6/2012; Energy Information Administration’s Today in Energy newsletter, 2/13/2014).
Resources needed	Council time for advocacy.
Alignment	Washington State Executive Order on Climate Change.

Green

- Advocate for comprehensive federal, regional, and state science-based limits on carbon, and a carbon pricing approach that charges emitters for GHG pollution
 - *Carbon pricing creates a powerful business case for GHG reductions across sectors, which does not currently exist. A portion of revenue from carbon pricing should support local GHG reduction efforts, such as public transit, vehicle electrification, energy efficiency, and renewable energy. The K4C Joint City-County Climate Commitments include support for carbon pricing, and the Shoreline City Council can adopt those commitments, and can also advocate with K4C for carbon pricing.*

B. TRANSPORTATION

1. VEHICLE MILES TRAVELED (VMT) TARGET: Reduce VMT 35% by 2030 relative to 2012

a. Congestion and Parking Pricing—Suite of Strategies

Climate benefit	Nelson\Nygaard estimated that a similar suite of congestion and parking pricing strategies, if applied in Seattle, could result in 28% combined VMT reduction relative to 2030 projections.
Resources needed	No additional cost or staff time unless noted below.
Alignment	TBD.

i. Congestion Pricing

Green

- Research examples of pricing policies to reduce VMT in other cities, and determine best practices, factors for success, and local applicability
 - *In analysis for the City of Seattle’s Climate Action Plan, Nelson\Nygaard found that “congestion pricing is the most essential strategy [for VMT and GHG reduction] over the long term, as it offers the benefit of substantial direct VMT and GHG reduction, while representing the single largest potential source of local or regional funding for the other actions and strategies [that a city can undertake to reduce transportation-related GHG emissions].” Because pricing policies are challenging to implement, staff can explore the roles that cities like Shoreline can play in a regional pricing conversation, as well as policies that can be implemented locally. Such research will become increasingly important as Shoreline’s population and commercial base grows in the future. If proven to be applicable, educating the public and stakeholders about pricing benefits will be crucial.*

Yellow

- Pilot pay-as-you-drive (PAYD) insurance
 - *King County has initiated a pilot of PAYD insurance, and the State legislature has considered related legislation in the past. The City may not be a lead on implementing this model, but can stay open to opportunities to partner and enhance this work in the future.*

- Advocate for regional congestion pricing authority, with flexibility to dedicate revenues to multimodal projects and services, including Transportation Demand Management (TDM)
- Advocate for and implement other user fees, such as a VMT-fee, carbon tax, or other pollution taxes/fees

ii. Parking Pricing and Management

- *All parking pricing strategies outlined in this section may be appropriate at some point following initiation of light rail service. Monitoring will be necessary as stations and station subareas develop.*

Yellow

- On-street parking pricing where demand is high
- Reform off-street parking requirements in Transit Communities, while enacting and adjusting policies to minimize spillover impacts in adjacent areas
- Advocate for authority to develop and levy a non-residential parking space tax
- Develop a Parking Benefit District (PBD) in an area with high demand for on-street parking; dedicating revenues to access improvements within the District
- Improve parking customer information

Red

- Require parking cashout, such as providing free ORCA cards instead of free parking, for establishments with 100 or more employees
- Require or incentivize unbundled parking, which means renting or selling residential and commercial parking spaces separately from rent or purchase price of a building unit, rather than automatically including them with building space, and therefore likely reducing the total amount of parking required for a building
 - *Due to community concerns about residents parking on the street rather than in designated spaces when there is a separate charge, the Council included regulations to require bundled parking in the 185th Street Station Subarea Plan.*

b. Land Use Planning and Zoning Reform—Suite of Strategies

Climate benefit	Based on Nelson\Nygaard’s analysis for the City of Seattle, this suite of strategies could result in 13% reduction in VMT relative to 2030 projections.
Resources needed	No additional cost or staff time unless noted below.
Alignment	Comprehensive Plan (CP), Climate Action Plan (CAP), and Transportation Master Plan (TMP).

i. Land Use Policy and Planning

Green

- ✓ Adopt and implement a Transit Communities Policy to align planning and zoning for transit-supportive development within walking distance of high-capacity transit
 - *Many such policies exist in the CP and TMP; additional policies and implementation, such as regulations, were adopted through the 185th Street Station Subarea Plan (185SSSP).*
- ✓ Reduce cost and uncertainty of project review in Transit Communities
 - *Light Rail Station Subarea Plans (LRSSP) include Planned Action Ordinances that exempt development analyzed under the City's Environmental Impact Statement (EIS), which is based on the State Environmental Policy Act (SEPA) requirements.*
- ✓ Advocate with other cities to amend State Growth Management Act (GMA) to encourage carbon reduction and resilience
 - *A committee of the Washington chapter of the American Planning Association is considering potential amendments.*
- ✓ Advocate at state level for city tools, such as funding and regulatory authority, to support Transit Communities
 - *Councilmembers and staff will continue to do this.*

TBD

- Create a Transit Communities Development Authority to facilitate/implement transit oriented development (TOD)
 - *Staff needs to research what this could entail, including what type of work plan adjustment it would require.*

ii. Zoning Reform

Green

- ✓ Utilize zoning and permitting methods to concentrate new growth in proximity of services and transit
 - *New zoning designations were developed for the 185SSSP that concentrate new growth in proximity to transit, including allowing for a mix of uses and removing density limits.*
- ✓ Increase the diversity of housing types in multi-family zones (including family-sized housing)
 - *Regulations adopted through the 185SSSP allow a variety of housing styles to facilitate greater choice.*
- ✓ Increase flexibility in Neighborhood Commercial Zones

- *Mixed-Use Residential (MUR) zones, adopted as part of the 185SSSP, increase flexibility with regard to uses.*
- ✓ Use zoning to increase affordable housing and affordable commercial space
 - *Regulations adopted through the 185SSSP codified a variety of incentives and mandates to increase housing affordability. This effort was recognized through an award from the King County Housing Development Consortium. Although often considered a strategy for social equity, increasing stock of affordable housing and business space (including live/work lofts) also allows employees to live closer to work, thereby reducing commuting VMT.*

Yellow

- Increase the diversity of housing types in single-family zones
 - *Adoption of the 185SSSP rezoned existing single-family designations near the future light rail station to multi-family, including allowing a greater variety of housing styles.*

c. Transportation Demand Management—Suite of Strategies

Climate benefit	Based on Nelson\Nygaard’s analysis for the City of Seattle, this suite of strategies could result in 14% reduction in VMT compared to 2030 projections.
Resources needed	No additional cost or staff time unless noted below.
Alignment	CAP, TMP, forevergreen, and K4C.

i. Marketing, Education, and Incentives

Green

- ✓ Transit-Oriented Development Community Engagement
 - *LRSSP process has included extensive public engagement.*
- ✓ Expand and implement “Safe Routes” education programs and capital projects
 - *The City has a “Safe Routes to School” program; LRSSPs and Sound Transit’s Lynnwood LINK Final EIS include additional project recommendations to prioritize non-motorized connection to transit.*
- ✓ Community Walks/Bikes Program
 - *The City Parks, Recreation and Cultural Services (PRCS) Department offers Shoreline Walks program.*
- Develop brand to recognize businesses and communities that promote the economic benefits of pedestrian and bicycle improvements
 - *forevergreen logo could be used for this purpose.*

- Partner with King County and nonprofits to encourage shared transport: vanpools, rideshare, carshare, fleetshare
 - *At present, carshare programs may be more limited in their viability than vanpools, as they rely on significant residential and commercial densities to be successful. The City hopes that new zoning and future light rail stations will provide appropriate market signals to attract companies like Car2Go and Zipcar to Shoreline. Similarly, success of bikeshare programs depends on factors such as short or medium distance between destinations and the presence of separated bike lanes.*
- Expand environmental mini-grants, City communications, and other tools to encourage community efforts to shift to alternative modes of transportation
 - *City has mini-grant programs in place, such as climate education that empowers students to take action, which could be expanded to promote climate actions. Communications Plan could recommend additional efforts.*

Yellow

- Voluntary GHG reduction programs
 - *This could happen at the neighborhood level with such partners as Neighborhood Associations, school campuses, and the private sector. One example is the International Living Futures Institute's (ILFI) Living Communities program.*
- Expand the Commute Trip Reduction (CTR) program and support services to include medium-sized companies
 - *The State of Washington supports CTR programs by allocating a designated amount of funding per employer. CTR support for additional companies outside of this formula would be an additional cost that would require funding from the State.*
- Provide grants and incentives to convert parking and other areas to community uses, such as bike parking and plaza space, and facilitate business access by low-carbon transportation modes
 - *Development of the 2015 Green Team Communications Plan could include examination of related opportunities.*
- Expand customized travel options tools and outreach programs
 - *Staff anticipates that Sound Transit and Metro Transit will continue to enhance existing tools and outreach, and that the City will have new opportunities to partner in this area.*

ii. Planning and Infrastructure Management**Green**

- ✓ Plan for multimodal mobility corridors
 - *Aurora Corridor Project, Town Center, commercial and mixed-use zoning regulations, and LRSSPs include policies, strategies, and codes for corridors.*
- Adopt a transportation decision hierarchy prioritizing (1) walking, cycling and transit, followed by (2) freight and goods movement, (3) high occupancy vehicles, and (4) single occupancy vehicles
 - *TMP includes these elements, but does not organize them by priority.*

Yellow

- Adopt a budget prioritization tool using Triple Bottom Line (TBL) assessment, which includes social and environmental factors, as well as traditional financial performance
 - *This could be achieved through an expansion of the Environmentally Preferable Purchasing Guidelines (EPPG) and would need to be incorporated into staff work plans. The City of Eugene, OR uses a TBL framework to prompt decision-makers to think about and explore the environmental, equity, and economic costs and benefits of public policy and programmatic choices.*
- Consider installation of "smart" water meters
 - *If City assumes water utility, installation of smart meters reduces operational VMT and staff time checking meters manually. The City of Renton estimated that smart water meters could save as much as \$800,000 a year.*

d. Pedestrian, Bicycle, and Transit Facilities and Services—Suite of Strategies

Climate benefit	Based on Nelson\Nygaard’s analysis for the City of Seattle, this suite of strategies could result in 7% reduction in VMT compared to 2030 projections.
Resources needed	The City must aggressively pursue grant funding for capital projects, land use strategies, and non-motorized transportation.
Alignment	CAP and TMP.

i. Pedestrian Facilities and Services

Green

- ✓ Safe Route to Transit (SR2T)
 - *The City has a Safe Routes to School program. LRSSPs and Sound Transit’s Lynnwood LINK Final EIS will include additional recommendations, and could be implemented through LRSSP, TMP, and Capital Improvements Plan (CIP).*
- ✓ Enhance sidewalks, crossings, and public spaces in commercial zones
 - *Commercial regulations require improvements.*
- ✓ Pedestrian and Bicycle Master Plan

- *TMP contains these elements.*

Yellow

- Reallocate excess portions of public right-of-way in selected areas to public/pedestrian spaces
 - *Staff has identified limited maintenance resources as a concern regarding implementation of this strategy.*

ii. Bicycle Facilities and Services

Green

- ✓ Develop cycle tracks and greenways within the City with connections to and through densely populated neighborhoods
 - *TMP and LRSSP will include specific recommendations. Cost could be covered by developers and grant funding.*
- ✓ Implement intersection priority and safety improvements
 - *Reflected in TMP and Neighborhood Traffic Action Plans (NTAP).*
- ✓ Bike Parking
 - *Through the King County Regional Code Collaboration (RCC), the City adopted standards for short- and long- term bicycle parking. Additional regulations could be considered.*

Yellow

- Electric Bike Sharing
 - *Bike and program administrative cost could be covered by business sponsors/partners. Staff will monitor success of Seattle program.*

iii. Transit Facilities and Services

Green

- Advocate to increase transit service 100% by 2030 and 200% by 2050 (or set other time-specific targets for transit increase)
 - *As the City is not a transit provider, it can only act in an advocacy role or provide funding to transit providers for service.*
- Implement capital improvements in priority bus corridors (related to Transit Communities planning)
 - *LRSSPs and 145th Street Corridor Study will make specific recommendations.*

Yellow

- Support development of real-time transit info/trip planner app



Attachment B



- *Staff anticipates that Sound Transit and Metro Transit will continue to enhance existing tools and outreach, and that the City will have new opportunities to partner in this area.*

**2. CLEAN TRANSPORTATION FUELS AND VEHICLE TECHNOLOGY TARGET:
Reduce carbon intensity of private vehicles 25% by 2030 relative to 2012,
by promoting clean transportation fuels and vehicle technologies**

a. Private/Community Transportation Fuels and Vehicle Technology—Suite of Strategies

Climate benefit	This suite of strategies could result in 25% reduction in transportation sector GHG emissions. Note that a significant increase in private/community adoption of low- or zero-emissions vehicles will be necessary to achieve the target and related carbon reduction.
Resources needed	No additional cost or staff time unless noted below.
Alignment	CAP and K4C.

Green

- ✓ Advocate for 10% state Clean Fuels Standard
 - *Every member of Shoreline’s City Council signed a letter expressing support for a statewide clean fuels standard. City staff will continue to monitor opportunities for City Council to support this proposal.*

Yellow

- Advocate for Seattle City Light to embrace a leadership role in EV adoption
 - *Shoreline could urge Seattle City Light to play a more aggressive role in driving EV adoption in Shoreline and the region.*
- Adopt EV-ready building code changes
 - *Through the RCC, the City adopted standards requiring commercial or mixed-use construction to include conduit for future charging stations. Additional regulations could be considered, but it may be appropriate to wait until market demand is higher.*
- “Plug-in-Ready” partnership to enable private adoption of electric vehicles (EVs)
 - *Elements of this initiative, such as providing or partnering with businesses to ensure EV-ready infrastructure in the City limits, will be necessary as EV demand increases. Shoreline could explore partnerships with K4C, Seattle City Light, and Shoreline Community College to promote EV adoption and EV-ready buildings.*
- Support development and adoption of next generation biofuels
 - *The City currently works with Central Market to collect waste cooking oil for biofuel production.*

b. Government Fleets and Transportation—Suite of Strategies

Climate benefit	Dependent on project.
Resources needed	Investment in green fleets and environmentally-friendly purchasing.
Alignment	CAP and K4C.

Green

- ✓ Continue investing in more efficient fleet vehicles
 - *Introduction of three high-efficiency hybrid vehicles saved the City an estimated 900 gallons of fuel and \$3,400 in fuel costs in 2012. Shoreline could assume a leadership role by developing an EV replacement plan for the 48 vehicles of its current passenger fleet. K4C is investigating bulk (multi-jurisdictional) purchasing agreements to bring down costs. Per the Washington State Alternative Fuel Use Requirement for Public Fleets, effective June 1, 2018, all local government agencies must, to the extent practicable, use 100% biofuels or electricity to operate all publicly owned vehicles. K4C is partnering with Western Washington Clean Cities on ways to comply with this rule.*
- Continue to encourage a decrease in SOV commuting by City employees
 - *The City could consider reinstating its prior incentive program. 80% of City employees still drive to work alone, making up 20% of the City's municipal GHG emissions.*

Yellow

- Consider participation in the Clean Cities consortium to reduce the use of petroleum and support clean air
 - *The Clean Cities consortium provides valuable guidance on how to incorporate clean vehicles in government fleets.*

C. BUILDING SECTOR AND RENEWABLE ENERGY

1. NEW BUILDINGS TARGET: Achieve zero net greenhouse gas emissions in 100% of new buildings community-wide by 2030

a. New Building Construction—Suite of Strategies

Climate benefit	100% of potential new emissions avoided.
Resources needed	Funding for Zero Net Energy (ZNE or Net Zero) or Living Building demonstration project. Staff time to adapt and adopt Living Building Challenge Ordinance.
Alignment	RCW 19.27A.160, K4C.

Green

- In partnership with the Regional Code Collaboration (RCC), advocate for the State of Washington to outline and adopt a code pathway for new buildings in 2031 to be 70% more energy efficient than new buildings were in 2006, and to create a stretch energy code program for cities
 - *State law currently mandates that the state energy code be progressively strengthened to meet this 70% improvement goal, which would put the goal of zero net GHG emissions in new buildings in reach. However, such code changes are not currently being implemented. In partnership with the RCC, Shoreline can support state action to implement this law.*
 - *Advocates are also proposing a stretch energy code, as Massachusetts has successfully implemented, which is a more energy efficient alternative to the standard energy provisions of a code that a municipality may adopt. The Massachusetts model includes utility incentives, which is reportedly an important contributor to the success of the stretch code program.*
 - *Staff will monitor opportunities for City Council advocacy.*
- Remove code barriers to ZNE buildings/Living Buildings and adopt Living Building Challenge Ordinance.
 - *King County and the International Living Futures Institute (ILFI) have already identified code barriers, but additional staff time may be needed to revise regulations. This is a 2016 priority for the K4C/RCC.*

Yellow

- Research what it would take to construct a ZNE/Living Building City facility or demonstration project

- *According to the New Buildings Institute assessment of ZNE buildings: "Costs for getting to zero are difficult to distinguish from overall project costs, however, the team conducted an analysis to identify incremental cost premiums for energy and water conservation, as well as for photovoltaic and water reuse systems that would bring the project to net zero. The cost premium for energy efficiency was approximately 1-12% depending on the building type. This rose to 5-19% for net zero energy."*
- Restructuring of development review fees as incentive
 - *Staff will monitor the City of Seattle's progress in exploring this concept, including potential revenue reduction.*
- Density bonus, enabling developers to build more housing units, taller buildings, or floor space than typically allowed, as an incentive for ZNE or Living Building construction
 - *This could be explored as a mandatory component of a development agreement in MUR-70' in light rail station subareas.*
- Property tax exemption for ZNE-ready developments
 - *This requires advocacy at the state level for authority to implement. Staff will monitor progress by the City of Seattle in exploring this concept, including potential revenue reduction.*
- Technical assistance for ZNE development
 - *This strategy requires staff training and capacity.*

2. EXISTING BUILDING RETROFIT AND RENEWABLE ENERGY TARGET: Reduce use of natural gas for heating 40% by 2030 relative to 2012

<p>Climate benefit</p>	<p>New Energy Cities estimated the following community-wide natural gas reduction benefits associated with different types of strategies:</p> <ul style="list-style-type: none"> ▪ Retrofit policy requiring all cost-effective upgrades—10-12% if targeted to homes with natural gas. ▪ Regional retrofit program—5-10% at current program participation rates and results. ▪ Energy assessment and disclosure policies—No estimates developed because these policies are part of a facilitating strategy, and are not direct reduction drivers. ▪ Community Resource Conservation Manager—4-5%, if incentives are in place. ▪ Retrofit policy targeted to worst-performing buildings—3-4%, depending on how the program is designed. ▪ Utility and/or City incentives—2-3%. ▪ Voluntary energy challenge—2-3%. ▪ Demonstration project—Less than 1%. ▪ Solarize or other distributed renewable energy campaign—No estimates developed at this time; estimates will be necessary to inform strategy for full achievement of natural gas reduction goal <p>New Energy Cities did not calculate the combined effects that these policies would have if implemented together, meaning that the numbers here cannot be summed for a single total reduction value.</p>
<p>Resources needed</p>	<p>See notes below strategies for details.</p>
<p>Alignment</p>	<p>CAP and K4C.</p>

a. Existing Building Retrofits—Suite of Strategies

Green

- Advocate for dedicated state funding of local/regional energy efficiency programs
 - *Climate Solutions’ New Energy Cities program is currently researching what it would take to fund and implement a regional retrofit program at the scale necessary to achieve K4C and Shoreline building energy use reduction goals. Preliminarily, we know that the states, such as CA, MA, and NY, which have succeeded in fostering these programs are those that dedicate carbon pricing revenue to work toward these goals. Staff will monitor opportunities for City Council advocacy toward these goals.*

- Support use of existing utility incentives for energy efficiency and conservation in buildings, and advocate for utilities to adopt outcome-based incentives, which are based on actual energy savings of an energy upgrade rather than projected savings of individual actions
 - *As part of the K4C work program on utility outreach, Shoreline could advocate for PSE to expand its existing outcome-based incentive program, and for Seattle City Light to adopt a similar approach.*

Yellow

- Retrofit policy requiring all cost-effective upgrades at time of renovation or sale of building
 - *This policy would need to be preceded by the development of a much more robust regional retrofit economy, with widely available services that make it easy for residents and businesses to retrofit their buildings.*
- Regional retrofit program
 - *Cost would depend on the structure of the program, which cities could fund jointly and implement through an interlocal agreement, or which could be funded from state carbon pricing revenue. Climate Solutions' New Energy Cities program is currently researching what it would take to fund and implement a regional retrofit program at the scale necessary to achieve K4C building energy use reduction goals.*
- Audit/disclosure policy
 - *The City of Seattle has 2.5 FTEs for education, troubleshooting, and enforcement of its benchmarking and disclosure policy. This strategy may be better suited for implementation at County level and/or via regional collaboration. It could also go hand in hand with a regional retrofit program.*
- Create a permanent Community Resource Conservation Manager position on City staff to support residential and commercial energy efficiency and renewable energy projects
 - *The cost would depend on the structure of the role and program. If the position were dedicated only to Shoreline, it could be staffed by 1 full-time employee (FTE). Alternatively, a regional network of such individuals could be jointly funded by the K4C cities and implemented through an interlocal agreement*
- Retrofit policy requiring upgrades of worst-performing buildings, based on results of annual/regular energy use assessment process
 - *This policy would need to be preceded by: 1) an audit/disclosure policy that helps to identify the worst-performing buildings, and 2) the development of a much more robust regional retrofit economy, with widely available services that make it easy for residents and businesses to retrofit their buildings.*

- Incentives and education for large multifamily and commercial building owners to continuously monitor and optimize the performance of their buildings
 - *This strategy would require coordination with multi-family and commercial building owners to help design an incentive program, and staff analysis and capacity to implement.*
- Property tax exemption for existing rental housing owners who undertake significant energy retrofits
 - *This requires advocacy at the state level for authority to implement. Staff will monitor progress by the City of Seattle as it explores this concept, including potential revenue reduction.*
- Voluntary energy challenge to encourage energy use reduction in businesses, schools, and/or homes
 - *City could partner with King County to build on Green Schools program and Best Workplaces for Waste Prevention and Recycling recognition program. However, staff capacity for this program is limited; would need to determine the level of support the City can provide and integrate it into work plans.*
- Zero Net Energy (ZNE)/Living Building retrofit demonstration project
 - *Significant staff time and funding would be needed to implement this project, per the City of Issaquah's ZHome townhome demonstration. Shoreline would also need to partner with a progressive developer/owner.*

b. Renewable Energy—Suite of Strategies

Green

- Renewable energy demonstration projects
 - *Cost depends on site and technology. Parks and schools are visible, education-oriented sites that could host these projects.*
- Standardization of solar installation process
 - *Staff is following progress of cities working with Northwest Solar Communities to standardize permitting process.*
- Building envelope & heating technology incentives
 - *The City of Seattle uses \$200,000 in general funds for activities not covered by existing utility incentives, such as offering homeowners the opportunity to transition off of heating oil.*
 - *Shoreline could offer expedited permit review or reduced fees for eligible projects.*
- Solar-ready roofs policy
 - *Staff is following progress of cities working with Northwest Solar Communities and the RCC on model language.*

Yellow

- District energy systems and/or combined heat and power
 - *Sewer utility planning could capture heat and convert it to energy, which would take additional direction and resources to investigate and implement.*
 - *Council could further direct staff to investigate the feasibility of district energy or combined heat and power as part of the planning process for assumption of water and wastewater utilities, or through Development Code regulations on the scale of individual projects.*
 - *As one illustration of what is possible, the City of Portland, OR is partnering with Lucid Energy to generate hydroelectric power from municipal water pipes.*
- Support of utility-provided program that offers green power purchase options to City facilities, residents, and businesses
 - *No additional cost to City for community adoption of green power; residential customers may purchase green power in increments of 25%, 50% or 100% of their electricity use for \$3, \$6 or \$12 per month, and business customers may participate at any level and earn Silver, Gold or Platinum Partner recognition based on their annual electricity (kilowatt-hour) use.*
- Solarize campaign to install solar on rooftops of homes and businesses
 - *Northwest SEED, the nonprofit administrator of the Solarize campaign, offers support to cities interested in starting a Solarize program. Sample support packages range from \$3,500 to \$7,500, with varying degrees of online support and on-call program coaching. Shoreline can also request a customized bid for Northwest SEED to serve as the overall campaign manager. In general, a Solarize partnership could present an opportunity to work with Shoreline Community College, and could also be cross-marketed with an EV campaign for high-income residents and businesses.*
- Right-of-way for renewable energy
 - *The City could waive lease payments for right-of-way site permits. This strategy requires more investigation by staff on a site-by-site basis.*
- Community-wide distributed renewable energy plan
 - *As a follow-up to the district energy study anticipated in 2015, a distributed energy plan would include a community-wide target to adopt a defined percentage of distributed renewable energy to help reduce direct natural gas consumption, and related technical analysis regarding how to achieve such a target.*

c. Government Buildings, Facilities, and Operations—Suite of Strategies**Green**

- Work with utility providers to develop a package of strategies for sustainability and carbon reduction
 - *Strategies could include:*
 - *Rate structures or incentives for customers to conserve water.*
 - *Installation of smart water meters to reduce vehicle miles required for utility staff to read meters. The City of Renton estimated that installation of smart water meters could save them as much as \$800,000 a year.*
 - *Sewer heat and/or micro-hydropower capture, as described in the Renewable Energy section.*
- ✓ Work with Seattle City Light to continue converting streetlights to LEDs
 - *The Shoreline Climate Action Plan noted that this would reduce the City's current estimated streetlight electricity use by more than half. This strategy is already underway and almost fully implemented.*
- Consider creating a permanent position related to sustainability and climate action, such as a Community Resource Conservation Manager to support residential and commercial energy efficiency and renewable energy projects
 - *See details in Existing Building Retrofits section.*
- Incorporate energy efficiency into upgrades of City facilities to meet ENERGY STAR building performance standards for similar building types, and incorporate energy efficiency best practices into new City buildings
 - *Staff recommends tracking facility energy use through ENERGY STAR building software to identify the best efficiency upgrade opportunities.*
- Incorporate energy efficiency best practices into new City buildings and consider seeking green building certifications such as LEED or ENERGY STAR for new construction projects, potentially including the new police station to be built near City Hall.
 - *K4C is working on a related commitment to build "green" facilities in its cities. Staff will track this conversation and may wish to advocate that Shoreline be home to one of the proposed projects.*
- Expand the City's Environmentally Preferable Purchasing Guidelines (EPPG) to include additional products that increase energy efficiency
 - *More staff capacity would be needed to expand and fully implement the EPPG.*
- Increase City green power purchase through Seattle City Light's Green Up program
 - *Based on the City Hall's LEED Gold award and amount of kilowatt-hours (kWh) used annually, Shoreline pays \$8,730 each year for Green Up. The City's investment in 2012 prevented the release of 409,061 lbs. of GHG emissions, and supported the production of 291,240 kWh of renewable*

energy. These benefits could increase if the City obtains the Platinum level for \$12,350, requiring Council approval during the budget process.

- Assess potential replacement of fixtures and equipment in high-use operations in all City facilities with high-efficiency options
 - *As a cautionary note, staff has concerns about vandalism in these facilities.*

Yellow

- Make efficiency upgrades to Shoreline Pool facility to reduce energy use and lower operating costs as funding allows
 - *City would likely need to renew the Parks bond to make these improvements. Staff has also suggested using solar power for pool heating.*

Red

- Once state regulatory issues have been resolved, investigate the opportunities for rainwater harvesting and greywater reuse at existing and new City facilities and open spaces
 - *The City's ability to implement this strategy will depend on the outcome of State regulations regarding greywater use, but the City could advocate for progressive legislation to enable this use.*

D. UPSTREAM CONSUMPTION AND SOLID WASTE MANAGEMENT

1. UPSTREAM CONSUMPTION TARGETS:

- Reduce community food waste by 3%
- Reduce size of homes by 30% across 25% of residential sector
- Double the useful life of household furnishings and clothing for 25% of community consumption

Climate benefit	<p>In 2012, King County published an expanded GHG emissions inventory, called a consumption-based GHG inventory, which examined GHG emissions associated with household and business purchasing. This view of emissions is significantly larger in scope than the typical community GHG inventory, and is also outside the scope of the Carbon Wedge analysis. Based on this work by Stockholm Environment Institute, New Energy Cities made the following carbon reduction estimates of potential targets that the City of Shoreline could adopt (all relative to an expanded view of the community footprint):</p> <ul style="list-style-type: none"> ▪ Food waste reduction target—0.6% carbon reduction ▪ Home size reduction target—0.4% carbon reduction ▪ Furnishing and clothing target—0.5% carbon reduction. <p>These figures are approximate, and measurement of progress toward these goals would be challenging.</p>
Resources needed	No additional resources needed if the primary action is to incorporate related messaging into 2015 Green Team Communications Strategy.
Alignment	CAP and K4C.

a. Reducing Food Waste and Food Miles Traveled—Suite of Strategies

Green

- Food Too Good to Waste Campaign
 - *The City could partner with King County under an existing US Environmental Protection Agency pilot campaign.*
- Join the King County Farm City Roundtable
 - *The City could help educate the public about urban agriculture and encourage farmer-grocery-restaurant relationships, in partnership with Diggin’ Shoreline, Seattle Tilth, King County, and others.*

b. Low-Carbon Construction—Suite of Strategies**Green**

- Modify Development Code regulations to encourage smaller homes/structures
 - *The Planning Commission could discuss this as part of the 145th Street Station Subarea Plan (145SSSP) or as part of a future batch of amendments.*
- ✓ Adopt construction and demolition waste amendments in Shoreline Municipal Code
 - *The City instituted a Demolition Waste Diversion Plan in 2015.*
- Incentives to reduce construction waste, including encouraging “EcoMod” or green modular homes that are both green and prefabricated
 - *This could include designating pre-approved building plans for expedited permitting when City staff has reviewed them. Planning Department staff could researching this strategy further.*

Yellow

- Technical assistance and incentives to encourage small or clustered housing
 - *This may require staff training and additional capacity. Council may wish to revisit regulations for cottage housing.*

c. Extending the Useful Life of Products—Suite of Strategies**Green**

- Use mini-grant program and 2015 Communications Strategy to promote sharing, lending libraries, repair education, and outreach on consumption choices
 - *The City could partner on this strategy with Neighborhood Associations, King County Green Schools Program, Senior Services, and Aging Your Way, including promotion and creation of lending libraries, and inter-generational bartering of skills and services.*
- Advocacy on product stewardship and support/promotion of reuse markets
 - *Staff is exploring how to incorporate this into the 2015 Green Team Communications Plan.*
- Outreach to Chamber of Commerce on sustainable purchasing and green businesses
 - *Staff is exploring how to build on related past experience with the Chamber of Commerce. The City could also partner with King County and other cities on a regional green business program.*

2. SOLID WASTE MANAGEMENT TARGET: Achieve a 55% recycling rate citywide by 2020, and zero waste of resources that have economic value for reuse, resale, and recycling by 2030

Climate benefit	Decrease in GHG emissions due to lower energy requirements, compared to manufacturing from virgin inputs; other avoided GHG emissions; increase in carbon forest sequestration; increase in soil carbon storage.
Resources needed	No additional resources needed if accomplished through future solid waste contracts.
Alignment	CAP, K4C, and King County Solid Waste Comprehensive Plan.

a. Recycling and Composting—Suite of Strategies

Green

- ✓ Require solid waste collection, and embed collection of food scraps and yard debris in future solid waste contracts
 - *Only commingled recycling is embedded in current contract. A solid waste collection requirement and embedded collection of yard debris and food scraps are being considered in the 2017-2024 RFP solid waste contract.*
- ✓ Waste audit program
 - *This program is in the City’s current contract and is included in 2017-2024 proposed RFP contract.*
- ✓ Material ban—residential and business garbage
 - *Under the current contract, household hazardous waste is banned. The City could enhance its existing efforts by working with regional partners to site a more visible location or to enhance signage that helps residents find the stationary facility.*
- ✓ Outreach/incentives to increase recycling and composting
 - *This is already underway through the current contract. Embedding residential yard debris and food scraps recycling in the 2017-2024 contract would greatly enhance waste diversion from the landfill and improve resource conservation. King County is discussing this option as a regional agreement, in order to maintain the landfill for a longer period of time.*
- Compressed Natural Gas Trucks
 - *Require 2016 Compressed Natural Gas Trucks for solid waste collection in 2017-2024 contract to keep rates low when oil prices increase, and to assist the City in meeting its climate targets.*
- Recycle More—It's Easy to Do program
 - *This strategy requires partnering with King County to leverage its existing program.*

- Outreach/incentives to use recyclable food supplies
 - *Staff is researching related efforts in the City of Seattle.*
- Advocacy for increased recycling and composting at transfer stations
 - *King County takes the initiative to propose new items and is receptive to Shoreline's suggestions of materials to accept for recycling at the Shoreline Transfer Station..*
- Commercial recycling ordinance
 - *An unlimited volume of multifamily complex recycling and commercial recycling is allowed in the 2017-2024 proposed RFP contract.*
- Every-other-week garbage
 - *This is being considered in the 2017-2024 RFP solid waste contract.*

b. Waste Recovery—Suite of Strategies

Green

- Expand current partnerships with local businesses to collect waste cooking oil for biofuel production, and develop/expand markets for waste-to-resource products
 - *The City currently works with Central Market to collect waste cooking oil for biofuel production. The City could explore a partnership with Shoreline Community College to expand the scope of this existing work. As an illustration of what is possible, the City of Keene, NH used a federal grant to develop a public-private partnership that would use landfill gas to power a greenhouse aquaponics project, and in turn generate algae for animal feed and possibly biofuel production.*

c. Government Consumption and Solid Waste—Suite of Strategies

Green

- ✓ Increase percentage of recycled content in paper to 100% for color copies when possible
 - *This was recently completed.*
- Continue to expand recycling and organics collection services at City facilities and open spaces, and establish space with large containers to collect and recycle yard debris from Public Works and Parks operations at Hamlin Yard and North Maintenance Facility
 - *This would likely require additional Parks staff capacity to implement.*

TBD

- Select new electronics that meet Electronic Product Environmental Assessment Tool (EPEAT) standards and consider becoming an EPEAT purchasing partner when possible

- *This could be included as part of an updated Environmentally Preferred Purchasing Guideline/Policy.*
- Investigate the use of recycled asphalt shingles (RAS) or other recycled products in asphalt used for City paving projects
 - *Staff is exploring the feasibility of this strategy.*

E. BIOCARBON STORAGE AND NATURAL INFRASTRUCTURE

1. BIOCARBON AND NATURAL INFRASTRUCTURE GOALS: Sequester carbon and protect existing carbon stores through:

- **Increased natural infrastructure (trees, other vegetation, soil, and wetlands);**
- **Reduce impervious areas by agreed-upon number of acres or lane-miles; and**
- **No net loss of urban tree canopy.**

Climate benefit	Trees, wetlands, and natural infrastructure sequester carbon and protect existing carbon stores and make communities more resilient by helping to mitigate the urban heat island effect and reducing stormwater runoff. These climate benefits are not quantified in the Carbon Wedge analysis, which focuses on GHG emissions sources rather than carbon sequestration.
Resources needed	See notes below strategies for details.
Alignment	CAP and K4C.

a. Land Use and Planning—Suite of Strategies

Green

- Living Communities Partnership
 - *Cost depends on scope of partnership to be developed in conjunction with International Living Futures Institute*

Yellow

- Set a target to expand natural infrastructure through stormwater management
 - *By adopting the State Department of Ecology Stormwater Manual, the City currently evaluates projects for the degree to which they enhance natural infrastructure. The NPDES Permit is currently under review and through that process, or the proposed update of the Surface Water Master Plan, additional opportunities could be identified.*
- Consider policy requiring ecosystem benefits calculation in land use and infrastructure decisions
 - *The City would not need to take a leadership role in determining the formula for these calculations, but if such a system were available, the City could utilize it.*
- Ensure that stormwater and development codes require best management practices for soil, encourage natural infrastructure, and remove code barriers to natural infrastructure projects
 - *The City may not be able to initiate this strategy in the near-term, but could include it in the next update for the Surface Water Master Plan or a future packet of Development Code amendments. Removing code barriers could be more immediate, but would still require staff time to research and implement.*
- Acquisition, restoration, and management of undeveloped natural areas
 - *The ability of the City to execute this strategy would depend on specific opportunities for acquiring or restoring land, as well as a supportive funding mechanism. The City may wish to consider candidate sites in light rail station subareas as an initial priority if resources and opportunities become available. This could be further explored through the update to the Parks, Recreation, and Open Space Master Plan.*

b. Natural Infrastructure—Suite of Strategies

Green

- ✓ Natural infrastructure demonstration projects
 - *The City has a Green Streets Demonstration Project on 17th Avenue and many examples at City Hall and along the Aurora Corridor. Additional projects should be encouraged. Cost depends on project.*
- ✓ Incentives and mandates to encourage natural infrastructure
 - *The City has adopted the Department of Ecology Stormwater Manual, which requires use of Low-Impact Development (LID) techniques. The City's "Soak It Up" program also partially reimburses homeowners who install rain gardens or other natural infrastructure.*
- Track green building and natural infrastructure data in new permit tracking software

- *This opportunity should be considered as new software is evaluated.*

TBD

- Explore local applicability of Seattle’s Green Factor score-based code requirement, which increases the amount and improves the quality of landscaping in development
 - *Staff needs to research, track results, and assess applicability of Seattle model.*
- De-paving initiative (existing development)
 - *Staff needs to research what program opportunities exist in Shoreline and the Seattle area to adapt this Portland-originated model.*

c. Soil Biocarbon Storage—Suite of Strategies**Yellow**

- Encourage builders to comply with Washington State Building Soil guidelines for new construction, and provide education to improve and protect soil health on existing landscapes
 - *Leading scientists are still working to understand the role of soil biocarbon storage in mitigating climate change. Climate Solutions’ Northwest Biocarbon Initiative is researching the best available science and working to make it accessible to cities and other stakeholders. Additionally, a University of Washington study found that adding 15-30% compost to soils resulted in a 50% reduction in stormwater runoff because of enhanced soil structure and improved moisture-holding capacity.*

TBD

- Amend City Green Building policy to require compost as soil amendment for landscaping, and promote bulk purchasing of organic fertilizer
 - *The City of Eugene, OR has adopted a policy requiring compost as a soil amendment City-wide.*
- Partner on City projects with companies that promote soil health
 - *This could be included in an update to the EPPG.*

d. Urban and Regional Forests—Suite of Strategies**Green**

- Work with King County and other partners on initiatives, such as a transfer of development rights, that recognize the regional value of density in Shoreline

- *Shoreline is working with Forterra on a study regarding the regional ecosystem benefits of density. Council provided direction to proceed at their July 20, 2015 meeting.*

TBD

- Set tree canopy goals that consider carbon sequestration, resiliency to climate change impacts, and equitable distribution of tree-related benefits across the city
 - *Staff is exploring how to align these strategies with the Urban Forest Strategic Plan.*
- Seek funds to hire an urban forester and tree maintenance staff to oversee urban forest stewardship and coordinate community volunteers
 - *Staff is exploring how to align these strategies with the Urban Forest Strategic Plan.*
- Protect and expand healthy, climate-resilient urban tree canopy
 - *In general, large trees store more carbon, and a healthy tree canopy can help mitigate the urban heat island effect. Staff is exploring how to align these strategies with the Urban Forest Strategic Plan.*

e. Blue Carbon (Coastal and Riparian Wetlands)—Suite of Strategies**Green**

- ✓ Policy to protect coastal wetlands
 - *Shoreline Master Program (SMP) includes guidelines and regulations for coastal wetlands.*
- ✓ Education on ocean acidification
 - *This is not technically a blue carbon/biocarbon strategy but represents an important coastal issue on which Shoreline has taken a stand by hosting a Sustainability Forum in 2012 with Jay Manning, a member of the Governor's Blue Ribbon Panel on Ocean Acidification. Additional opportunities for public education and action can be pursued.*
- Riparian planting and restoration
 - *Staff is exploring how to align these strategies with the Urban Forest Strategic Plan.*

F. MEASUREMENT AND VERIFICATION**1. MEASUREMENT AND VERIFICATION GOAL: Participate actively in King County-led activities to establish a system for measuring and verifying progress toward shared carbon reduction and energy goals**

a. Measurement and Verification Strategy

Yellow

- ✓ Continue to implement the forevergreen initiative, and explore opportunities to partner with King County on related measurement projects to inform regional climate action
 - *In 2009 and 2012 the City performed carbon footprint analyses that informed the forevergreen site, and will need recurring staff resources to meet the commitment of updating this work every five years. The continuation of carbon footprint tracking and the forevergreen initiative will be valuable as King County and the K4C explore a public-facing dashboard as a regional collaboration. Staff will track how these efforts relate and how to leverage Shoreline's leadership on forevergreen most efficiently.*

III. RECOMMENDED PRIORITIES

These recommended actions represent a distillation of the strategies that are: most likely to result in significant carbon reduction; opportunistic regarding existing or expected partnerships, such as the K4C Joint City-County Climate Commitments; and supported by City staff. They are organized according to the following categories:

- Top Recommendations for City Council Advocacy
- Top Partnership Activities
- Top Local Activities that Require Full Implementation through Council Direction or Allocation of Resources

Top Recommendations for City Council Advocacy (8)

- Carbon Pricing
 - Advocate for statewide carbon pricing
- Fossil Fuel Export
 - Participate in the Safe Energy Leadership Alliance
- Transportation
 - Continue to advocate for statewide Clean Fuels Standard
 - Advocate to increase transit service 100% by 2030 and 200% by 2050 (or set other time-specific targets for transit increase)
 - Advocate for Seattle City Light to embrace a leadership role in EV adoption
- New Buildings
 - In partnership with the Regional Code Collaboration, advocate for the State of Washington to outline and adopt a code pathway for new buildings in 2031 to be 70% more energy efficient than new buildings were in 2006, and to create a stretch energy code program for cities
- Existing Buildings and Renewable Energy

- Advocate for state funding for local/regional energy efficiency programs
- Participate in K4C outreach to utilities on energy efficiency and renewable energy

Top Partnership Activities (8)

- Transportation
 - “Plug-in-Ready” partnership to enable private adoption of EVs
 - Partner with King County and nonprofits to encourage shared transportation in vanpools, rideshare, carshare, and fleetshare
- Buildings and Renewable Energy
 - Partner with Seattle City Light and Community Power Works on an energy efficiency retrofit program, with emphasis on building envelope and heating technology measures to reduce natural gas consumption
 - Partner with Northwest SEED, NW Mechanical, Shoreline Community College, and Solar Shoreline on a Solarize campaign to install solar on rooftops of homes and businesses, with emphasis on measures to reduce natural gas consumption
 - Partner with Northwest Solar Communities on standardization of solar installation process
- Consumption and Solid Waste Management
 - Continue to partner with King County at regional Metropolitan Solid Waste Management Advisory Committee (MSWMAC) meetings
 - Partner with King County on Food Too Good to Waste campaign
 - Partner with King County, Diggin’ Shoreline, Seattle Tilth, and others on Farm City Roundtable

Top Local Activities that Require Full Implementation through Council Direction or Allocation of Resources (20)

- Council Priority
 - When setting 2016-2017 Council Goals, incorporate climate and emission reduction targets
- Transportation—*A number of these strategies are being addressed through Light Rail Station Subarea Planning.*
 - Research examples of pricing policies to reduce VMT in other cities, and determine best practices, factors for success, and local applicability
 - Aggressively target grant funding for capital projects, land use, and non-motorized transportation
 - Adopt and implement a Transit Communities Policy to align planning and zoning for transit supportive development within walking distance of high capacity transit
 - Reduce cost and uncertainty of project review in Transit Communities

- Utilize zoning and permitting methods to concentrate new growth in proximity of services and transit
- Implement Transit-Oriented Development Community Engagement
- Implement Transit, Pedestrian, and Bicycle components of the Transportation Master Plan, including developing cycle tracks and greenways within the city with connections to and through densely populated neighborhoods
- Adopt a transportation budget prioritization tool using Triple Bottom Line (TBL) assessment, which includes social and environmental factors as well as traditional financial performance
- Buildings and Renewable Energy
 - Building on the 2015 completion of a district energy study, Council-directed plan for community-wide distributed renewable energy
 - Consider creating a permanent position related to sustainability and climate action, such as a Community Resource Conservation Manager to support residential and commercial energy efficiency and renewable energy projects
 - Develop a package of strategies for sustainability and carbon reduction in the City's existing and new utilities
 - Work with Seattle City Light to continue converting streetlights to LEDs
- Consumption
 - Use mini-grant program and 2015 Communications Strategy to promote sharing, lending libraries, repair education, and outreach on household consumption choices
- Solid Waste Management
 - Require solid waste collection, and embed collection of food scraps and yard debris in future solid waste contracts
 - Adopt King County's recycling goal, and approve a new solid waste contract that: 1) encourages conscious consumption, and 2) offers services that maximize waste recycling and reuse throughout the community
 - Expand current partnerships with local businesses to collect waste cooking oil for biofuel production, and develop/expand markets for waste-to-resource products
- Biocarbon Storage/Natural Infrastructure
 - Work with King County and other partners on initiatives, such as a transfer of development rights, that recognize the regional value of density in Shoreline
 - Protect and expand a healthy, climate-resilient urban tree canopy to store more carbon and mitigate the urban heat island effect
 - Encourage builders to use soil best management practices in new construction, and provide education to improve and protect soil health on existing landscapes

IV. CONCLUSION

New Energy Cities' analysis indicates that the strategies outlined in this memo, based on best practices known today, are likely to result in significant carbon reduction in the areas of transportation, buildings, and energy supply. Supplementary actions in the areas of biocarbon storage, consumption, and solid waste will also have important climate and non-climate benefits.

Current analysis indicates that if the City of Shoreline were to achieve all of the targets in this memo, through a mix of advocacy, partnerships, and local action, and if Washington State were to adopt carbon pricing, it is likely that the Shoreline community would meet the overall 50x30 goal.

If the City of Shoreline were to implement the green and yellow strategies, it would make significant progress toward achieving the 50x30 goal. However, implementation of the green strategies alone (i.e., those already underway or ready for implementation in the next year) will not be sufficient. Moreover, the City does not have staff capacity to implement all green strategies in the near term, and will have to prioritize the most important strategies and/or allocate additional resources.

We recommend that the City place a high priority on fully funding and implementing the green strategies, as well as identifying the resources necessary to implement the yellow strategies, which have specific obstacles or conditions that must be in place to start, such as new resources, tools, partnerships, or outside opportunities. Although the City may opt for a later implementation timeframe, such as two to six years out, for yellow strategies, we recommend that the City begin to lay the foundation now for their successful implementation.

For both green and yellow strategies, the first foundational steps could include:

- City Council adoption of community-wide carbon reduction as a new Council priority at the 2016 Council retreat;
- City Council engagement on prioritization and implementation of these strategies;
- City Council advocacy at the regional and state levels for the most leveraged policies related to community carbon reduction, including but not limited to the K4C Joint City-County Climate Commitments;
- Participation in regional partnerships that will drive community carbon reductions in areas that are outside of the City's traditional authority;
- Identification of existing and/or new staffing resources to execute the most leveraged strategies for community carbon reduction; and
- Allocation of budgetary resources for new program elements.

As a natural part of implementation, the City will also need to:

- Evaluate the effectiveness of strategies over time, including examination of improvements in technology, positive market changes, and unexpected program efficiencies.
- Adapt to both positive and negative developments over the course of implementation, and adjust its strategies accordingly in order to meet its sector targets and the overall goal.

The City can use its ongoing carbon footprint analyses and forevergreen website to track and report progress of these initiatives over time.

Shoreline and New Energy Cities staff looks forward to additional guidance from Council on next steps, which could include a Council workshop for more detailed discussion of options and implementation strategies.

V. APPENDIX—COMPARISON OF K4C JOINT CITY-COUNTY CLIMATE COMMITMENTS & PROPOSED SHORELINE CARBON REDUCTION TARGETS

Category	K4C Commitments	Proposed Shoreline Carbon Reduction Targets
Shared Goals and Climate Policy	<ul style="list-style-type: none"> Adopt science-based countywide GHG reduction targets that help ensure the region is doing its part to confront climate change Support strong federal, regional, state, countywide, and local climate policy 	<ul style="list-style-type: none"> Shoreline adopted science-based, measurable targets in its 2012 Climate Action Plan Support strong federal, regional, state, countywide, and local climate policy, including a science-based limit on carbon, and a carbon pricing approach that charges emitters for GHG pollution
Transportation	<ul style="list-style-type: none"> 15% reduction in vehicle carbon fuel intensity due to proposed 10% statewide clean fuels standard (CFS) and 5% additional reduction 20% reduction in vehicle miles traveled 	<ul style="list-style-type: none"> 25% reduction in carbon intensity of private vehicles by 2030, by promoting clean transportation fuels and vehicle technologies (including 10% statewide CFS) 35% reduction in vehicle miles traveled by 2030
New Buildings	<ul style="list-style-type: none"> Achieve net zero GHG emissions in new buildings by 2030 	<ul style="list-style-type: none"> Achieve net zero GHG emissions in 100% of new buildings community-wide by 2030
Existing Building Retrofit and Renewable Energy Supply	<ul style="list-style-type: none"> 25% reduction in existing building electricity use, and 25% reduction in direct natural gas use for heating in existing buildings 90% renewable electricity use (20% more than 2012 level), phase out coal-fired electricity by 2025, and limit natural gas-based electricity generation to current level 	<ul style="list-style-type: none"> 40% reduction in natural gas use for heating by 2030 Seattle City Light already has 90% renewable electricity, and since 2000, has had a mandate to meet all new electrical demand with cost-effective conservation and renewable energy resources, and to achieve zero net GHG emissions



Attachment B



August 27, 2015

RE: **City of Shoreline**
District Energy Overview and Development Opportunities
(DRAFT)

The logo for Puttman Infrastructure, featuring the company name in white, uppercase letters on a blue rectangular background.

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The objective of this memo is to provide the City of Shoreline a general understanding of district energy and its potential value, identify potential locations for district energy in the city, provide an overview of district energy development phases and development models, and provide specific recommendations for initiate district energy development in the city to support future development.

Section 1 – District Energy Introduction

Overview

Much infrastructure development of the past century focused on large, centralized, single purpose systems. These systems were highly effective for promoting economic development, public health, and environmental quality in rapidly growing urban areas: these systems will continue to play an important role in cities. However, aging infrastructure, the densification and expansion of cities, new fiscal constraints, new technologies, and changing societal values are calling for an expanded toolkit to optimize infrastructure and meet sustainability objectives. Not as a replacement of centralized systems, but as an alternative or complementary strategy to address new challenges and seize new opportunities.

Sustainability demands creative and flexible solutions that are sensitive to local context and that produce real improvements in service quality and resource efficiency. In recent years, the focus has been on building-scale alternatives to centralized infrastructure – high efficiency to net-zero green building – but buildings are not always the most appropriate or cost-effective scale to promote sustainability. District energy systems—neighborhood-scale utilities that deliver heating, cooling, and/or hot water—are emerging as a

key strategy for cities that are pursuing aggressive environmental goals, including massive long-term reductions in building-related greenhouse gas emissions.

Buildings are part of a community, and resource sharing is a common practice in communities, from sharing public spaces to water to electricity grids. Cities and building owners will be compelled to look to district-level solutions to meet their clean energy needs, and to meet their needs around other resource and infrastructure issues such as sustainable storm water management and waste water recycling. The aggregation of energy demand and the customer service model established for district energy can serve as the foundation for these other “eco-district” services and infrastructure projects.

About District Energy

District energy is a very old concept used as far back as the Romans. District energy helped the initial development of the electric power industry by enhancing the economics of new power plants by generating additional revenue from waste heat recovery. Today, more than 50% of all building stock in countries of Northern Europe is connected to district systems. In Stockholm, Sweden, for instance, the entire city of more than 800,000 people is served by two systems. As they incrementally expanded to serve more people, these systems added new sources of energy. With such systems, technologies tend to evolve on a regular basis, approximately every 15 to 20 years.

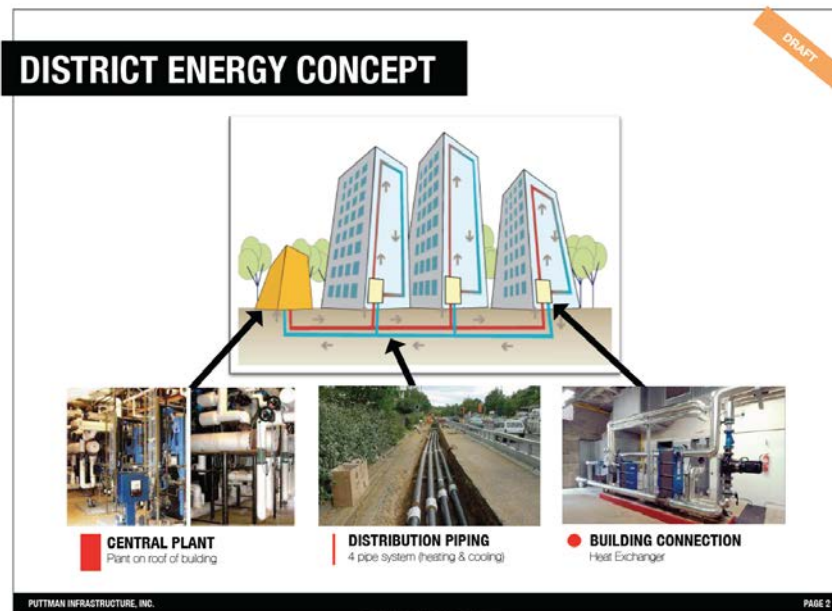
Based on 2005 information from the International District Energy Association (IDEA), the U.S. and Canada had about 650 district systems in operation, though a number of systems have begun operations since then. Of this number, more than 75 percent serve either university or hospital campuses, while the remainder serve portions of downtown urban areas. These district energy systems provide energy to about 10 percent of non-residential spaces in the U.S.

Attachment C

District energy refers to the central provision of heating and/or cooling services within a defined service area. Electricity is sometimes also produced as part of a combined heat and power (CHP) system (also referred to as cogeneration).

As shown in the exhibit below, there are three main components to a district energy system.

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Central Energy Plant (CEP)– One or more energy-producing plants provide all of the heating and/or cooling energy required by customers within the defined service area. A single, central plant offers significant economies of scale compared to individual systems within every building, and simplifies system design and operation. However, several plants may be better in certain circumstances, notably where development is slow and/or dispersed, or where different energy sources are being integrated in different locations.

Distribution Piping System (DPS) – Hot and cold water are distributed to individual customers via underground pipes (one supply and one return pipe each for heating and for

Attachment C

cooling). While older district heating systems distributed energy in the form of steam, newer systems almost all use hot water distribution. Systems often grow out of central distribution line, with smaller loops that link buildings together.

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Energy Transfer Station (ETS) – Individual buildings are served via energy transfer stations (ETS) consisting of heat exchangers and meters, eliminating the need for on-site boilers in the case of district heating and chillers, or cooling towers in the case of district cooling. Within buildings, thermal energy must be provided to individual spaces by hydronic HVAC systems, which could include fan coils, hydronic baseboards or in-floor radiant systems.

In order to deliver district energy services, some form of utility service provider (e.g., a local government or a privately-owned utility), assumes responsibility for capital investments (i.e., construction), and secures (i.e., generates or captures) and delivers energy that meets the end users' needs, and ultimately charges building owners for use of the system. A utility is simply an entity that plans, invests in and operates the infrastructure required to deliver services and recover costs, both capital and ongoing operating costs, whether through user rates or other funding mechanisms.

Benefits of District Energy

District energy systems have the potential to generate numerous benefits to the City of Shoreline as well as the owners and tenants of the buildings connected to the system. Making sure that energy consumers and building owners understand the ways that district energy directly benefits them is critical. Of course many of these benefits overlap with those of communities—what is good for owners is good for communities, and vice versa. Nevertheless, in order to engage the participation of owners and tenants, cities need to analyze and articulate how district energy benefits the community as well as building owners and tenants through key

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metrics like energy efficiency, cost savings, and risk management over the long term.

Community benefits include:

Increased Energy Efficiency and Reduced GHG Emissions

District energy systems can produce significant energy savings – up to 20 to 30% - compared to stand alone building systems due to load diversification, equipment “right-sizing” and operational efficiency. Enhanced efficiency reduces energy-related GHG emissions while also providing opportunity for greater emissions reductions by shifting to cleaner energy sources over time.

Improved Resiliency and Risk Mitigation

District energy systems increase community resiliency by providing distributed energy solutions that reduce risk in terms of future energy and environmental policy, carbon costs, fuel availability and cost variability, and the future effects of climate change.

Partnership and Investment Opportunity

As a commercially viability investment, district energy provides cities the opportunity to partner with the private sector to begin non-tax based investments into the city to realize both policy and development objectives.

Building benefits include:

Reduced Energy Costs and Cost Stability

The bottom line for any building owner is cost. Long-term net cost savings are a key selling point of district energy systems. District energy delivers lower cost energy through improved efficiency, load diversification, and economies of scale. Also due to the long-term aggregate nature of demand, a district energy system operator can negotiate

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long-term fuel contracts, which facilitates greater energy price stability for consumers.

Increased Cost Effectiveness

District energy enables incentives and financing that would not otherwise be available. District energy systems can attract sources of financing, such as municipal bonds or community energy grants, which are not available to individual owners. The cost efficiencies gained with district energy utility can in some cases create enough of a revenue premium for cities to offer incentives to owners of existing buildings for installing systems compatible with district energy and connecting to the system. This in turn can enable owners to take into consideration the full spectrum of options for replacement of heating and cooling equipment without having to bear a first cost premium.

Enhanced Energy Efficiency and Greener Energy

Buyers and renters are becoming more and more aware of the energy performance of existing buildings, which makes energy efficiency a source of either opportunity or risk for owners, depending on how well their buildings compete. Cities are now adopting new policy initiatives around energy performance ratings and disclosure to accelerate the degree to which market forces will distinguish efficient buildings from those that use too much energy. Some cities, like Seattle and Vancouver, B.C., are already moving beyond disclosure policies toward regulations that will require buildings to meet aggressive post-retrofit energy targets in return for flexibility to innovate in how they achieve such targets, including use of on-site renewable generation equipment and/or low-carbon district energy sources. District energy offers an essential opportunity to owners in this emerging policy environment.

Reduced Building Operations & Maintenance Responsibility and Cost

With district energy, building owners receive reliable and predictable energy service from professional system operators. This means fewer worries for building management staff, in terms of fuel price uncertainty and system maintenance, upgrade and repair, compared to on-site systems.



Future Technology Benefits

District energy allows cities and building owners to “fuel switch” over time to take advantage of new clean energy technology options and access capital financing for these fuel/technology upgrades.

Determining the Potential Value Proposition of District Energy

The value propositions, costs and risks of district energy must be weighed in project-specific business cases that consider the unique features and local context of every project. The ultimate business case for district energy will depend upon a number of criteria including:

- The ultimate scale of the expected system
- The density and mix of loads (higher density and greater use mix will typically results in greater ratio of benefits to costs)
- The actual rate and staging of development
- The security of loads (requirements or incentives for customers to connect and consume)
- The options for on-site energy systems (many building sites may be limited in terms of their ability to access alternative energy sources such as solar orientation or available scape and suitable ground conditions for geoexchange systems)
- The availability and cost of alternative energy sources (eg, large nearby waste heat sources, local underutilized biomass resources)

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- Potential synergies with other infrastructure (eg, as sources of waste energy and/or in the installation and maintenance of equipment).
- Other opportunities for future growth or the addition of other services (sometimes referred to as “growth options” in the finance literature).

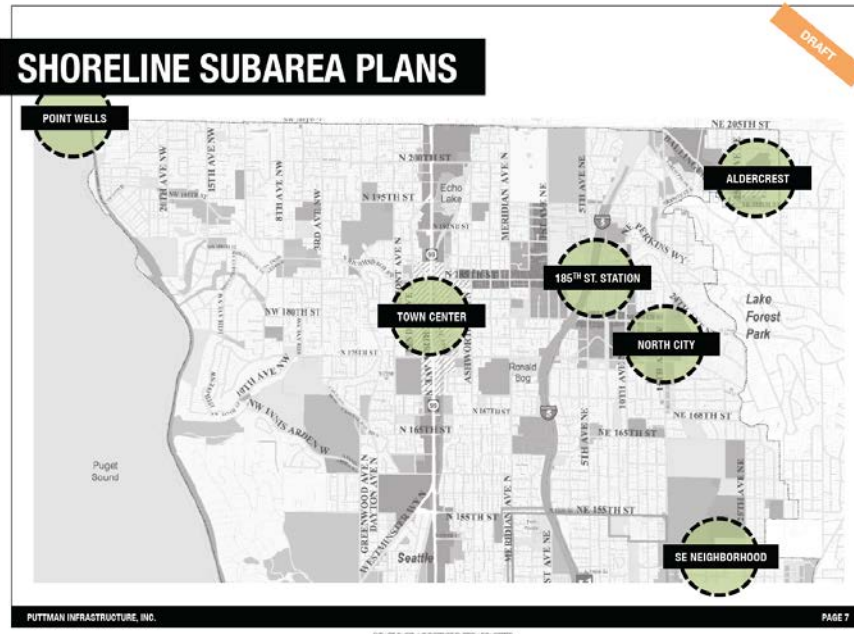
Section 2 – District Energy Opportunities in Shoreline

Subarea Plan Nodes

Development of district energy in the City of Shoreline should be closely aligned with City planning activities. As development scale, phasing, mix of uses, and load certainty are significant drivers associated with successful district energy development, subarea planning nodes lend themselves to initial areas of consideration within the city.

The City of Shoreline Comprehensive Plan identifies six subarea planning areas - areas that the City will focus significant investment of public resources to both direct and support future development within the city of the next 20 years. In addition to these, the City is currently developing a Subarea Plan for land use surrounding the future 145th Street Station.

Adopted Shoreline subareas are shown in the following exhibit:



From the perspective of district energy, Shorelines subarea planning nodes lend themselves to the following district energy opportunity types:

Type 1 - Catalyst Node

Catalyst nodes are planned for intensively focused development such as transit orientated development associated with future transportation infrastructure (ie, light rail). Catalyst nodes may also be associated with existing city centers or new master planned development. The intensity of development and diversity of development of a catalyst node create ripe opportunity for district energy infrastructure.

Catalyst nodes in Shoreline include:

- Town Center
- 185th and 145th Street Station Subareas
- Community Redevelopment Area at Aurora Square
- North City
- Point Wells

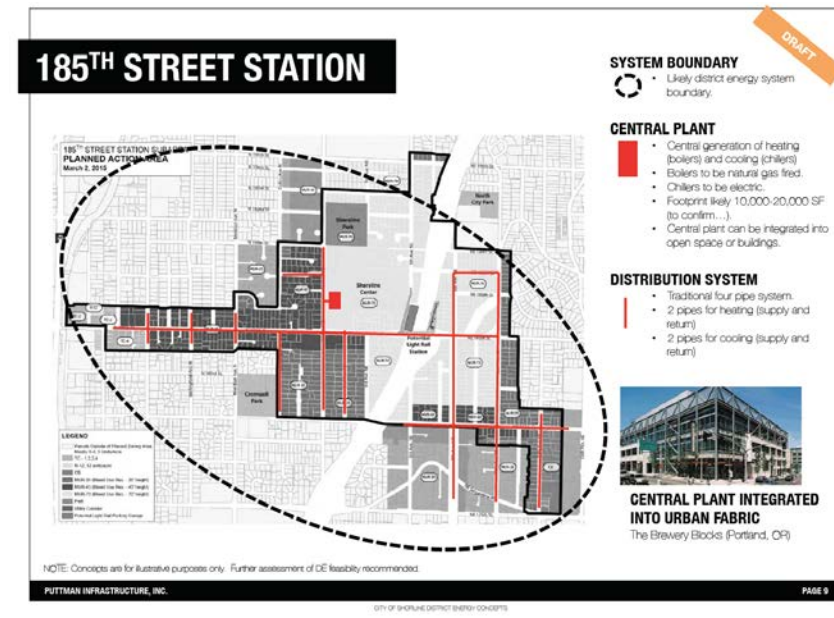
Type 2 - Traditional Infill

Less intense in focus than a catalyst node and with less major infrastructure investments such as light rail, traditional infill still has the potential to support district energy, but will require more supportive City policy, regulations, and investment.

Traditional infill nodes in Shoreline include:

- SE Neighborhoods
- Aldercrest

Shoreline should focus attention on catalyst nodes initially as it considers developing district energy in the city. An example of a potential district energy concept to serve the 185th St. Station sub-area planning node is provided below:



Section 3 – District Energy Implementation

Phases of District Energy Development

As illustrated in Page 10 – Phases of District Energy Development, district energy development may be divided into the following main phases:



Phase 1 – Advocacy, Vision and Policy Development

This work actually precedes the development cycle, nevertheless, it is vital. Many people — even energy experts who work for utilities — consider district energy an “old, out-dated” technology whose time has come and gone. If this approach is to once again receive serious consideration, these sorts of misconceptions need to be addressed and debunked.

Phase 2 – Feasibility (Screening, Pre-Feasibility and Feasibility)

This is the pre-feasibility screening and feasibility work required to confirm the basic technical and financial viability of a particular district energy project. As Table 1 makes clear, there are a number of important steps in this phase and it requires both financial and technical/engineering expertise.

Phase 3 – Detailed Investment Analysis

This is an extension of full feasibility, but includes making decisions about ownership and financing details, as well as securing customer commitments.

Phase 4 – Development

This is the design, permitting, construction and commissioning work.

Phase 5 – Operations, Maintenance and Expansion

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This involves operating, maintaining and expanding the system after it is commissioned, and changing fuel sources if necessary and prudent.

District Energy Players - Roles and Responsibilities

As shown on Page 11, there are eight key players in the process of district energy development. The following pages describe key player roles and responsibilities:

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District Energy Advocate

This is the general advocate and source of information about district energy. Usually a government or nonprofit organization educates the general public about the benefits of district energy, articulating and promulgating the vision to build support. This entity also engages public agencies and industry representatives to encourage supportive public policy. The main U.S. advocate is the International District Energy Association.

Facilitator/Convener

This role is essentially the City-designated district energy "champion." This is an extremely important role, because the economic benefits of a municipal-scale, multi-stakeholder district energy system are often too dispersed to motivate any one self-interested party to drive the process. Because district energy benefits accrue to the public as well as the private sector, individual private actors tend not to take on this time-consuming and expensive facilitation role. As a result, without a strong facilitator driving the process, even an economically viable project can easily fall by the wayside.

Pre-Feasibility and Feasibility Consultant

The pre-feasibility consultant looks at a specific location with regard to current and projected energy and population density, as well as prevailing and projected energy costs,

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and tries to determine whether or not there is a realistic opportunity for district energy in that area.

A feasibility consultant builds on the pre-feasibility study and prepares a comprehensive study that looks at site-specific energy intensity data, possible right of way alignments, specific sites for energy plants, neighborhood traffic patterns, and various potential technologies to determine whether or not a district energy project makes sense in a specific location. It also analyzes the business and technical case, including a pro forma, sensitivity analysis, thermal plant location options, and an analysis of the environmental benefits of various technology options and fuel sources. This work is typically funded either by a public sector entity that wants to maximize public benefits from a project, or by a project developer who hopes to develop the project and has a reasonable expectation of doing so.

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Project Owner

This entity owns the district energy system physical assets. Owners are typically either public, private or a hybrid blend. There are also a few district energy cooperatives. Private Franchisee/Owners are often linked to and/or backed by large financial institutions such as investment banks or pension funds. Sometimes systems have multiple owners (e.g. joint ventures and public-private partnerships) and ownership lines are often split between the energy center and the distribution network.

Project Developer

The project developer delivers the physical assets, such as the energy center and/or the distribution system to the owner/financier. In some cases, project developers have a limited period of engagement with the project, as they focus on winning the development contract, and then designing and building the physical assets. Developers tend to be

very bottom-line focused and deadline driven, because they generally succeed by limiting their risks and costs, and by completing high quality projects on time and on budget. In some instances a developer will also choose to be the long-term owner and operator (see below), but this is not always the case.

Project Operator

The district energy operator is responsible for the ongoing technical operation and maintenance of the district energy system. As already noted, this entity is sometimes also the Developer and the Owner. For example, Veolia Energy North America purchased, rather than developed, most of their American district energy systems, and in some cases they operate district energy facilities that are owned by others.

Regulators

Regulators establish and monitor standards of construction, operational performance, safety and pricing/consumer protection. They also ensure compliance with standards and other applicable laws.

District Energy Ownership and Operating Models

There are four ownership and operating models utilized to develop and operate district energy systems.

The Municipal Model (Public)

Public district energy companies are typically owned and governed by the local municipality. The City either establishes a full-fledged district energy department to manage the system, or it creates a separate, wholly owned and operated subsidiary to shield the municipal general fund from direct and unlimited financial liability. Although the City or a subsidiary usually owns the district energy company under this model, the technical design, construction — and

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possibly even the operation — is often contracted out to private firms.

For example, a private developer backed by private investment funds might use a traditional project finance structure to build the system. This might involve a Special Purpose Vehicle (SPV) to finance and develop the system that, once completed and fully operational, could be transferred to City full ownership and control. The City would thereby shed the construction risk and purchase the completed system with low-cost bonds secured either through contracted energy purchase agreements or by the full faith and credit of the City. In either case, the City would repay the relatively low-cost bonds over time.

In other municipal examples the system build-out occurs over many years, so there is not a simple design-build phase followed by a bond financing phase. The municipal utility in such cases will require an ongoing source of new design-build capital. This may take the form of a revolving capital pool that is continually replenished by an expanding base of ratepayers.

Strengths of the Municipal Model:

- City procurement guidelines, along with long-term ownership, ensure control and close alignment with City goals, including social and environmental policies.
- Development risk can be transferred to a third party via a Special Purpose Vehicle, as described above.
- City controls zoning and building permits, so can create incentives, lower the cost of capital, and prioritize sustainability, efficiency, and carbon performance.
- City ownership enables provision of lower-cost long-term financing compared to private sector borrowing.

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- Operating profits would flow back to the City and support the delivery of other services. While this is a positive outcome, there is also the potential for losses.
- System expansion or modification can be encouraged, coordinated and controlled by the City.
- City may have access to grants not available to private sector owners.
- City may recover some costs from taxes rather than customer rates if there are broader public benefits from the project and costs exceed private benefits (sustainable rates) or to minimize revenue risks from voluntary-only participation.

Weaknesses of the Municipal Model:

- Long-term financing costs are reliant on the financial strength (i.e. the credit rating) of the City, and project debt will remain on the City balance sheet.
- The City carries the long-term debt, and arguably might discourage energy efficiency investments that could reduce its income from energy sales.
- Without a clear commitment to finance expansion and renewal, the system may not reach its full (sustainable) potential and stagnate.

The Private Model

A number of private companies develop, own and/or operate district energy systems. Most of these firms are relatively unknown; however, in Europe and Canada, several very large investor-owned utilities have entered this market, either directly or by buying a stake in a specialist company and providing solid financial backing, but there are still relatively few U.S.-based utilities in this space.

Private companies can arrange external debt financing, but building owners and/or the project developer sometimes may need to make an equity contribution to the project.

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More common is a connection fee that is required upon connecting to the system. Building owners are sometimes required to make long-term commitments to purchasing energy for no less than the projected or actual “business as usual” price of energy from more traditional sources. This way the district energy developer can model incoming future cash flows with a reasonable degree of certainty. Sometimes interested public entities also must supply gap financing, especially for distribution systems in areas with relatively few initial customers. This gap financing may be justified on the basis of broader public benefits.

Strengths of the Private Model:

- The private company and its backers typically carry most, if not all, of the financial risk.
- The private company brings substantial expertise to the project with extensive project finance skills, project management experience and technological knowledge, all of which enables them to carry the technical performance risk.
- The developer will continue to own and/or operate the system over the long term, so a City will not have to handle maintenance or operations.
- A private utility will typically continue to capitalize the business for expansion and renewal.

Weaknesses of the Private Model:

- Relatively high rates of return are required to compensate for developer risk, so energy charges may be higher.
- Unless there is a very strong business case, privately-financed projects often need at least some public support, whether in the form of policies that reduce development risks and barriers or incentives and financing support in recognition of broader public benefits.

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- Public sector stakeholders have more trouble exerting control and are less able to direct future development of privately-owned projects, particularly those with a lower rate of return.
- The details of a City franchise agreement are extremely important, because customers will be tied to a private company with near-monopoly control, and depending on the type of system that is developed, it could be exempt from Public Utility Commission (PUC) oversight.

The Hybrid Model (ie, Public Private Partnership)

Various hybrid structures, some of which are known as public-private partnerships, may be established in order to share financing, development, ownership and operating risks and functions. The hybrid model — which is actually a “family” comprised of dozens of possible configurations — also shares decision-making power/control between the public and private sectors while still allowing the district energy developer to access capital at the lower interest rates available to the public sector. Hybrid approaches offer tremendous flexibility and the opportunity for innovation in creating a unique ownership/ operating structure.

Several discrete elements of a project can be “hybridized” :

- Financial Ownership. For example, a typical joint venture combines all of the assets into a single entity and splits ownership of that entity between the owners.
- Hard Assets. This is not really a joint venture, as actual assets are not shared. An example might be a system where a one entity (typically, but not always, a municipality) owns and maintains the thermal distribution system, while a private company owns and operates the energy center.

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- Operations, Maintenance and Upgrades. Operations and maintenance can be outsourced via a simple operating agreement. Alternately, a more comprehensive and longer-term concession agreement might also include outsourced responsibility for funding system upgrades and expansions.

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One possible hybrid arrangement is for public entities to handle the financing, construction, operation and maintenance of a thermal distribution (piping) system, while the central plant is handled by one or several different private entities. The municipality would manage the energy distribution system since its installation because ongoing maintenance and extension requires tearing up the streets, an activity that municipalities already know how to manage. This work can be closely coordinated with other public utility repairs within the public right-of-way. The thermal distribution and/or other components of a system could also initially be financed, owned and operated by a municipality but later sold off once the system is established and its financial viability is clearly demonstrated.

Strengths of the Hybrid Model:

- City still controls zoning and building permits, so can create incentives to connect — and thereby influence — the cost of capital.
- Can readily be influenced by the City procurement process and regulations to pursue efficiency, carbon performance, the use of locally-sourced renewable fuels and rapid expansion into new or redeveloping neighborhoods.
- Greater flexibility in terms of financing sources and risk allocation than either wholly-public or wholly-private approaches.
- Sometimes provides access to low-cost, public-sector borrowing rates.

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- May reduce political risk for elected officials supporting district energy projects.

Weaknesses of the Hybrid Model:

- The public sector (i.e. the taxpayer) often still assumes some financial risk.
- Liabilities are sometimes, but not always, reflected in public sector accounts.
- Process requires compliance with (potentially cumbersome) public sector procurement procedures.

The Cooperative Model

Cooperatives (co-ops) are also sometimes known as stakeholder-owned Special Purpose Vehicles, because ownership is shared among the co-op customers. Key stakeholders are typically customers receiving the energy, like commercial buildings and/or residents within a defined location and local public agencies.

Strengths of the Cooperative Model:

- Because the owners are also customers, this structure is likely to offer maximum accountability and transparency.
- Co-op structures can enable projects in areas with limited access to capital by securing relatively small amounts of capital from many different owners/customers.
- By owning the network that serves them, co-op members reduce the risk of monopoly abuse.
- Offering outside entities an ownership stake can help fund expansion and attract more members.

Weaknesses of the Cooperative Model:

- Decision-making can be cumbersome for cooperatives, since ownership is divided across many stakeholders that may have disparate interests.
- A co-op may lack the expertise that a private firm can offer through a private or hybrid model.

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- It may be difficult to utilize the co-op model in newly developed areas without an established base load. This model may work best for purchasing existing district energy infrastructure, rather than building new facilities.

Challenges to Implementing District Energy

There are normally many potential challenges to overcome as well. Some key challenges include:

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Building Developer/Owner Buy-In

The most critical challenge to district energy development is building developer/owner buy-in (ie, will they choose to connect?). Detailed financial analysis will provide these future customers with the necessary information to make informed decisions. Moreover, having the City backing the system will provide additional certainty of energy service and cost now and into the future.

Staging of Capital Investments

Some district energy capital investments are “lumpy” and must be staged carefully to minimize carrying costs prior to securing energy service revenues and to minimize stranded investment risk. One strategy to reduce these risks includes interim reliance on temporary or permanent natural gas boilers, which can then be used for peaking and back-up once loads reach sufficient levels to support investment in alternative technologies for baseload supply.

Energy Revenue Risks

Customer capture and retention is critical to ensuring economies of scale while minimizing the risk of stranded capital. Often communities and stakeholders play a critical role in mitigating these risks through vision and policy support.

Project Financing

District energy offers stable, utility-style returns. However, there is a need to finance pre-implementation feasibility studies and design work for new systems. New systems will also typically need a “levelized rate” structure whereby expenses may exceed revenues in early years. Additional capital will be required to finance operating deficits in early years, which would be repaid through surpluses in later years of the investment cycle. Multiple sources of financing may be required to reflect the mix of public and private benefits. For example, customers may pay a small premium over conventional heating and cooling systems to reflect intangibles such as higher reliability, better service, reduced risks, and better environmental performance. But the willingness of private customers to pay for societal and long-term benefits such as deep carbon reductions and technological flexibility may be limited. Other sources of capital will be required to maximize these societal benefits.

Planning and Coordination

Considerable coordination among land use and infrastructure planning is required to minimize implementation costs, secure energy production sites, and secure certain alternative energy sources such as waste heat. Building codes and enforcement can be used to promote voluntary connection and ensure system performance. Careful coordination with building developers and designers is required to ensure optimal system compatibility.

Supply and Price of Alternative Technologies and Fuels

Supply chains for some alternative technologies and fuels are not yet well developed, and there may be both supply and price risks compared to well-established conventional fuels. These can be managed in part through competitive procurement processes, performance contracting, and the staging and diversification of technologies. Governments

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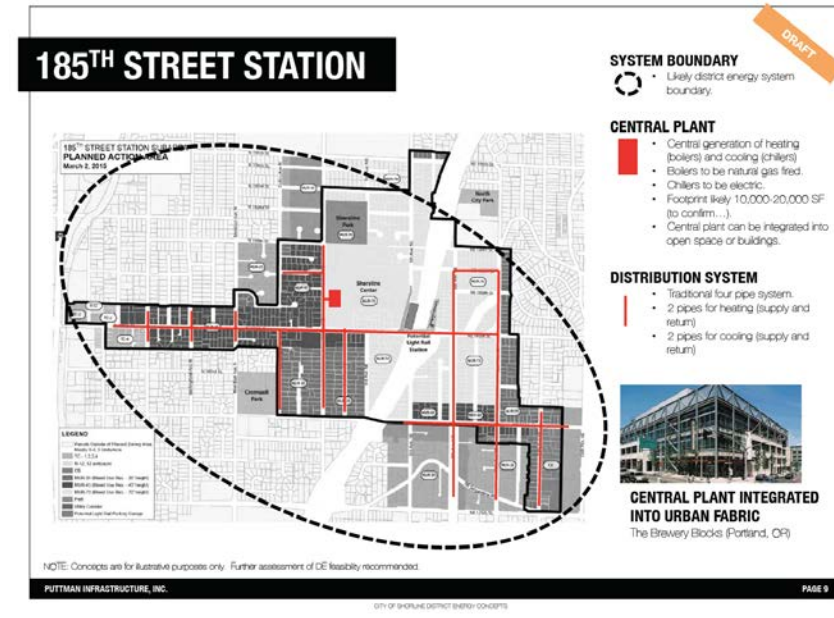
may also have a role to play in facilitating market development for technology and fuel suppliers, as well as access to resources such as waste streams and heat recovery opportunities.

Electricity Market Interface

The primary focus of district energy is on the provision of thermal energy service (heating and/or cooling). Combined heat and power can reduce district energy costs and enhance the efficiency and security of the local electricity system. However, investors will often require long-term and stable power prices to finance the additional costs of CHP. Alternatively, electric utilities or independent power producers may need to build, own and operate the plants including the management of electricity supply contracts, and then sell waste heat to a district energy provider.

Section 4 – District Energy Development Recommendations for Shoreline

Recent district energy development efforts in Portland, Oregon and Seattle, Washington initially began as private development models where the City engaged with a third party district energy provider through a competitive, public procurement process. However, based on the results of these initial efforts, it became evident that the third party district energy providers needed some type of partnership with cities – either financially or policy wise – to ensure commercial viability for the district energy system. As a result of these recent efforts, it is recommended that the City of Shoreline pursue a public private partnership (P3) development model to implement district energy within the new 185th Street Station Subarea.



A P3 development model for implementing district energy in the 185th Street Station Subarea would require the City of Shoreline to engage with an experienced third party district energy provider (DE Provider). The terms of the P3 would likely include the following:

185th Street Station DE P3 Development Model (Example)

Ownership: City/DE Provider

Funding:

Central Plant: DE Provider

Distribution Network: City

Design/Build/Operate:

Design/Build: DE Provider

Permit: DE Provider

Policy Support: City

Operations: DE Provider

Customer

Relationships: DE Provider

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The City and DE Provider would jointly own the district energy system. Each partner would be responsible for financing specific components of the system consistent with financial return needs and risk profiles. This would likely result in the City financing the distribution piping network – to be constructed with public street improvements – and the DE Provider financing the central plant – based on the timing of heating and cooling energy growth within the district. The DE Provider, utilizing their expertise and experience, would design/build/permit the system as well as operate and manage customer relationships. The City would support system development through the creation of support policies such as mandatory connection requirements for each building developed in the district to connect to the district energy system. Revenue generated from the district energy systems would be shared by the City and DE Provider based on the capital and risk invested into the system.

Other Partner/Stakeholder Engagement

In addition to the P3 development model recommended above, it will also be important to engage with key stakeholders early in the district energy system development process to ensure support. These stakeholders include:

Property Developers/Owners

Early in the process, property developers and owners should be engaged in order to promote system acceptance.

PSE (electricity and natural gas)

Puget Sound Energy should be engaged early to help shape system development, including potential incentives and other forms of support.

Regulators (Washington UTC)

The Washington Utility and Transportation Commission (UTC) should be engaged early as well to understand permitting requirements including specific requirements of the UTC related to developing district energy systems under a P3 development model.

Local NGOs

Local non-profits should be engaged to foster support for the district energy system as a means to accelerate sustainability nationally and in the Puget Sound region and Shoreline.

Recommended Next Steps

Development will drive district energy implementation in Shoreline. For the City to “get ahead” of development to ensure district energy implementation, the following steps should be considered to ensure district energy is ready to meet the energy demands of future development when it comes:

1. District Energy Feasibility Evaluation

(Consultant Cost = \$50,000, Staff Cost TBD, Timeframe = 6 months)

A detailed district energy feasibility evaluation should be conducted to refine the value proposition for district energy in the 185th St. Station Subarea:

- Energy, cost and carbon savings.
- DE system options (including technologies and distribution networks)
- Detailed cost estimate
- Cost of energy service comparison (business as usual vs. DE with various options)
- DE utility development model refinement including roles and responsibilities for public and private partners.
- Identification of key “enabling strategies” to ensure DE system development (i.e., mandatory connection policies).

2. Preliminary Go/No Go Decision (Consultant Cost = \$0, Staff Cost TBD, Timeframe = 2 months)

Attachment C

Based on the findings of the feasibility evaluation, City Council makes a go/no go decision to engage with a third party district energy provider and makes a potential preliminary commitment of capital for distribution network piping.

3. Third Party District Energy Provider Selection (Consultant Cost = \$0, Staff Cost TBD, Timeframe = 2-3 months)

City to develop and issue an RFQ to select a third party DE provider. Based on experience with other cities, this effort will probably take about 2-3 months to develop the RFQ including internal review and approval, issue the RFQ, review responses and make a selection (with or without interviews).

4. District Energy Evaluation Refinement and Initial Agreements (Consultant Cost = \$0, Staff Cost TBD, Timeframe = 6 months)

Once the DE Provider is selected, an initial MOU will be established between the City and DE Provider to outline requirements for further evaluation including go/no go decision criteria. Refinement efforts will focus on commercial viability (i.e., cost of service acceptable to building owners, investment requirements acceptable to City and DE Provider).

5. Final Go/No Go Decision (Consultant Cost = \$0, Staff Cost TBD, Timeframe = 2 months)

Based on the go/no go criteria identified in Step 4, City and DE Provider to make go/no go decision.

6. District Energy Development (Consultant Cost = TBD, Staff Cost TBD, Timeframe = 18 months)

DE Provider to design, permit and build district energy system.

Attachment C

7. District Energy Operations (Cost = TBD, Time = Ongoing)

DE provider to operate district energy system.

Overall, development of district energy based on the preliminary implementation schedule identified above should take around three (3) years. From a planning perspective, the recommended steps above should begin at least 3-years ahead of major development within the light rail station subareas or Aurora Square. Ideally, timing construction of systems would correlate to other road or utility capital projects.

Appendix D: Shoreline Climate Action Objectives and Recommendations (Rec.)

Greenhouse Gas Emissions Reduction Goals

- Reduce communitywide greenhouse gas emissions by at least 25% below 2007 levels by 2020, 50% by 2030, and 80% by 2050.
- Achieve zero net greenhouse gas emissions from government operations by 2030.

Energy And Water

OBJECTIVE
1.

Reduce energy consumption

- Rec. 1-A: Work with Seattle City Light to continue converting streetlights to LEDs.
- Rec. 1-B: Make efficiency upgrades to Shoreline Pool facility to reduce energy use and lower operating costs as funding allows.
- Rec. 1-C: Incorporate energy efficiency into upgrades of City facilities to meet ENERGY STAR building performance standards for similar building types. *(Modified from Environmental Sustainability Strategy (ESS) Rec-12)*
- Rec. 1-D: Incorporate energy efficiency best practices into new City buildings and consider seeking green building certifications such as LEED or ENERGY STAR for new construction projects. *(Modified from ESS Rec-10)*
- Rec. 1-E: Expand the City's Environmentally Preferable Purchasing Guidelines to include additional products that increase energy efficiency. *(Modified from ESS Rec-13)*
- Rec. 1-F: Promote the use of Seattle City Light and Puget Sound Energy (PSE) incentives for energy conservation. *(Modified from ESS Rec-17)*
- Rec. 1-G: Promote high-performance building and energy efficiency in private construction and remodeling through education and code development. *(Modified from ESS Rec-22)*

OBJECTIVE
2.

Increase renewable energy production and use

- Rec. 2-A: Increase City green power purchases through Seattle City Light's Green Up program. *(Modified from ESS Rec-14)*
- Rec. 2-B: Streamline permitting for solar photovoltaic (PV) installations.
- Rec. 2-C: Through Environmental Services outreach and technical assistance, promote installation of renewable energy systems, and continue to support programs such as the Shoreline Solar Project.

Appendix D: Shoreline Climate Action Objectives and Recommendations (Rec.)

Rec. 2-D: Explore the feasibility of launching a “Solarize Shoreline” bulk-purchasing program of solar PV systems in coordination with NW SEED.

Rec. 2-E: Investigate the feasibility of development of district energy system(s) within the city.

OBJECTIVE
3.

Reduce water consumption

Rec. 3-A: Assess potential replacement of fixtures and equipment in high-use operations in all City facilities with high-efficiency options. *(Modified from ESS Rec-41)*

Rec. 3-B: Investigate the opportunities for rainwater harvesting and greywater reuse at existing and new City facilities and open spaces. *(Modified from ESS Rec-43)*

Rec. 3-C: Through the new water utility, consider rate structures or incentives for customers to encourage water conservation.

Rec. 3-D: Promote water conservation through outreach and communications to Shoreline residents and businesses.

Materials And Waste

OBJECTIVE
4.

Increase recycling and reuse to reduce solid waste sent to the landfill

Rec. 4-A: Continue to expand recycling and organics collection services at City facilities and open spaces. *(ESS Rec-37)*

Rec. 4-B: Establish space with large containers to collect and recycle yard debris from Public Works and Parks operations at Hamlin Yard and Brugger’s Bog.

Rec. 4-C: Implement construction and demolition (C&D) waste reduction outreach and incentives through the permitting process. *(ESS Rec-40)*

Rec. 4-D: Promote and encourage food scraps and yard debris recycling by residents and businesses through current education programs and the development of a new rate structure in the solid waste contract.

Rec. 4-E: Consider shifting to every-other-week garbage collection and weekly organics collection.

Rec. 4-F: Consider establishing a recycling store that offers reusable items and products made from recycled materials.

Rec. 4-G: Intensify collaboration and outreach with second-hand stores and King County to promote textile collection and recycling.

Appendix D: Shoreline Climate Action Objectives and Recommendations (Rec.)

Rec. 4-H: Support and promote efforts to extend the useful life of products through repair and reuse.

Rec. 4-I: Encourage the use of recyclable products for take-out food containers and utensils in food-service businesses.

OBJECTIVE 5.

Reduce GHG emissions embodied in materials and food consumed

Rec. 5-A: Increase percentage of recycled content in paper to 100% for color copies when possible.

Rec. 5-B: Select new electronics that meet Electronic Product Environmental Assessment Tool (EPEAT) standards and consider becoming an EPEAT purchasing partner when possible.

Rec. 5-C: Investigate the use of recycled asphalt shingles (RAS) or other recycled products in asphalt used for City paving projects.

Rec. 5-D: Consider seeking grant funds to launch a “Food: Too Good to Waste” campaign (supported by EPA) to encourage food waste reduction by residents.

Rec. 5-E: Promote the use of the City’s mini-grant programs to support “collaborative consumption” community projects like tool libraries and repair cafes.

Transportation, Land Use, And Mobility

OBJECTIVE 6.

Reduce fossil fuel consumption by vehicles

Rec. 6-A: Continue investing in more efficient fleet vehicles.

Rec. 6-B: Support community installation of electric charging stations.

Rec. 6-C: As part of the new water utility, consider installation of “smart” water meters to reduce the vehicle miles required for utility staff to read meters.

Rec. 6-D: Consider participation in the Evergreen Fleets program to reduce the use of petroleum and support clean air.

OBJECTIVE 7.

Reduce use of single occupancy vehicles

Rec. 7-A: Expand the Commute Trip Reduction program and support services to include medium size employers. *(ESS Rec-35)*

Rec. 7-B: Continue to encourage a decrease in Single Occupancy Vehicle commuting by City employees.

Rec. 7-C: Consider establishing a car sharing program, such as Zipcar, at City Hall for use by City employees and Shoreline residents.

Appendix D: Shoreline Climate Action Objectives and Recommendations (Rec.)

OBJECTIVE
8.

Increase convenience and safety of alternative transportation

Rec. 8-A: Use environmental mini-grants, City communications, and other tools to encourage community efforts to shift to alternative modes of transportation.

OBJECTIVE
9.

Concentrate new growth in proximity of services and transit

Rec. 9-A: Utilize zoning and permitting methods to concentrate new growth in proximity of services and transit. *(ESS Obj-8)*

Urban Trees, Parks, And Open Spaces

OBJECTIVE
10.

Prevent tree canopy loss and improve tree health

Rec. 10-A: Maintain the health of trees planted in public parks, open spaces, and street right-of-ways.

Rec. 10-B: Seek funds to hire an Urban Forester and tree maintenance staff to oversee public forest stewardship and coordinate community volunteers.

Rec. 10-C: Continue collaboration with our community partners to prioritize tree preservation and replacement citywide.

Rec. 10-D: Provide education to residents on importance of tree preservation, planting, and care, and the removal of invasive species.

OBJECTIVE
11.

Maintain and improve parks and open spaces

Rec. 11-A: Identify opportunities for habitat improvements to reduce the urban heat island effect and support carbon sequestration in City open spaces.

Rec. 11-B: Continue to provide environmental mini-grants that support community efforts to establish or enhance natural habitat on private land.